



Australian Government
**Department of Agriculture
and Water Resources**

Securing Australia's Water Supply for the Future

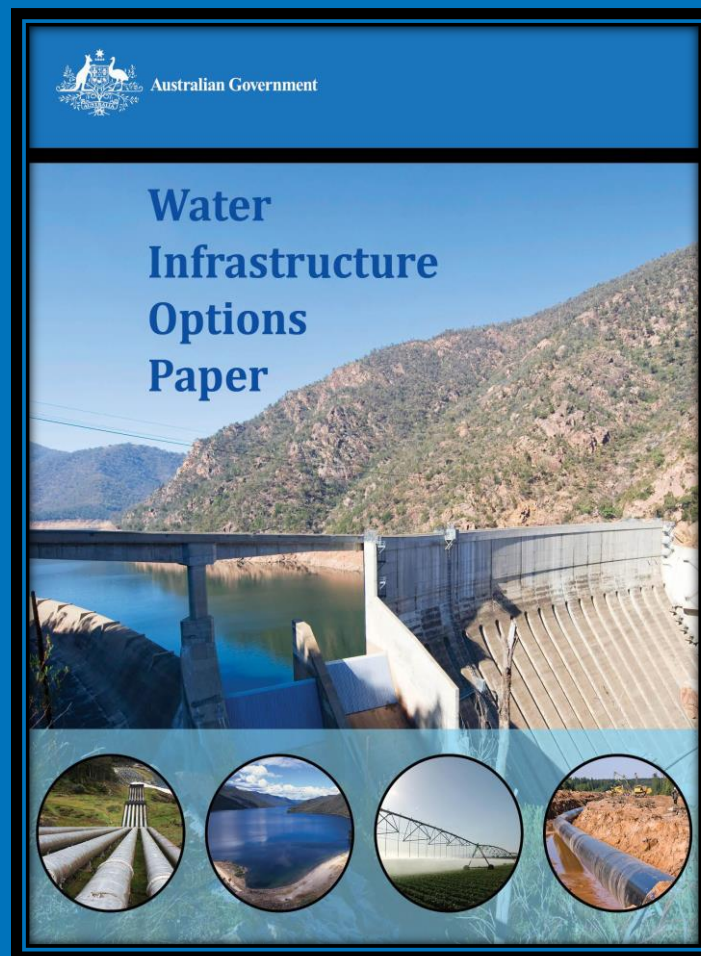


Richard McLoughlin / Water Resources Branch

15-17 May 2017

Structure of Presentation

- Strategic Approach
- The National Water Infrastructure Development Fund
- The National Water Infrastructure Loan Facility
- Northern Australia Water Resource Assessments
- The National Water Initiative
- Questions



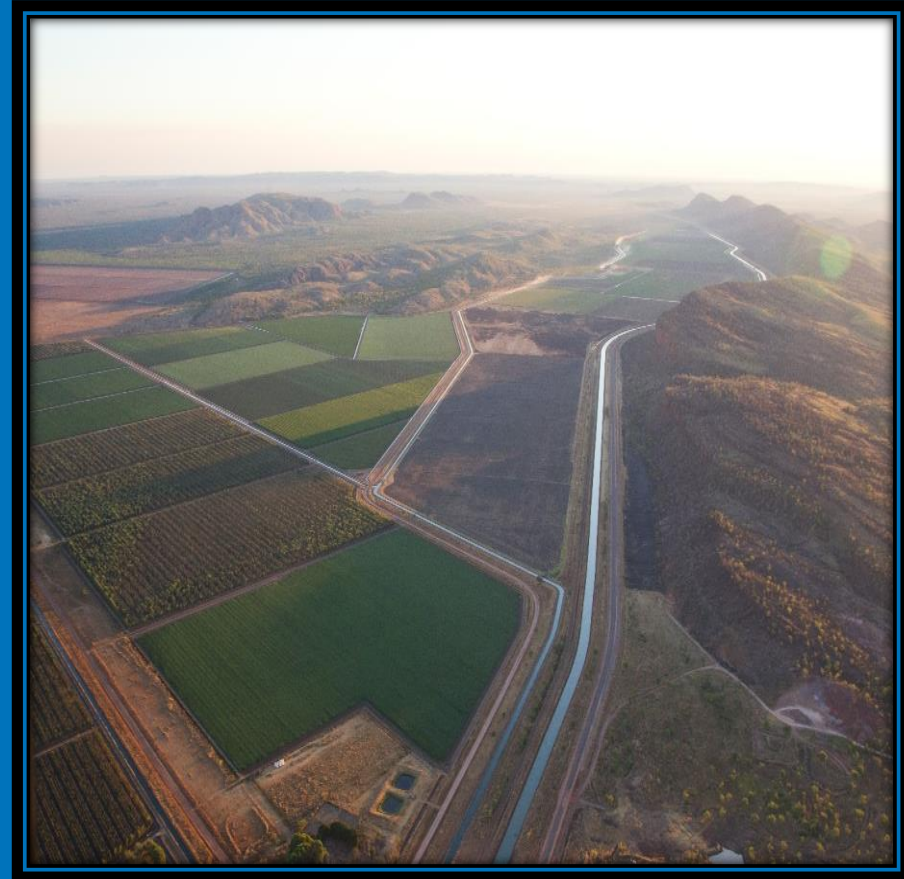
Strategic Approach to Water Infrastructure

- Build knowledge base for water resources.
- Detailed planning to identify the right infrastructure in the right place.
- Collaboration with states and territories to fast-track and co-fund the construction of water infrastructure.
- Deliver new secure and affordable water for regional economic development including new and expanded agriculture.



Staged Approach and Implementation

1. Pre-feasibility – Northern Australia Water Resource Assessments.
2. Feasibility Studies – identify economically viable water infrastructure.
3. Capital Component – expedite and co-fund construction.
4. Concessional loans to state and territory governments to co-fund major water infrastructure projects.

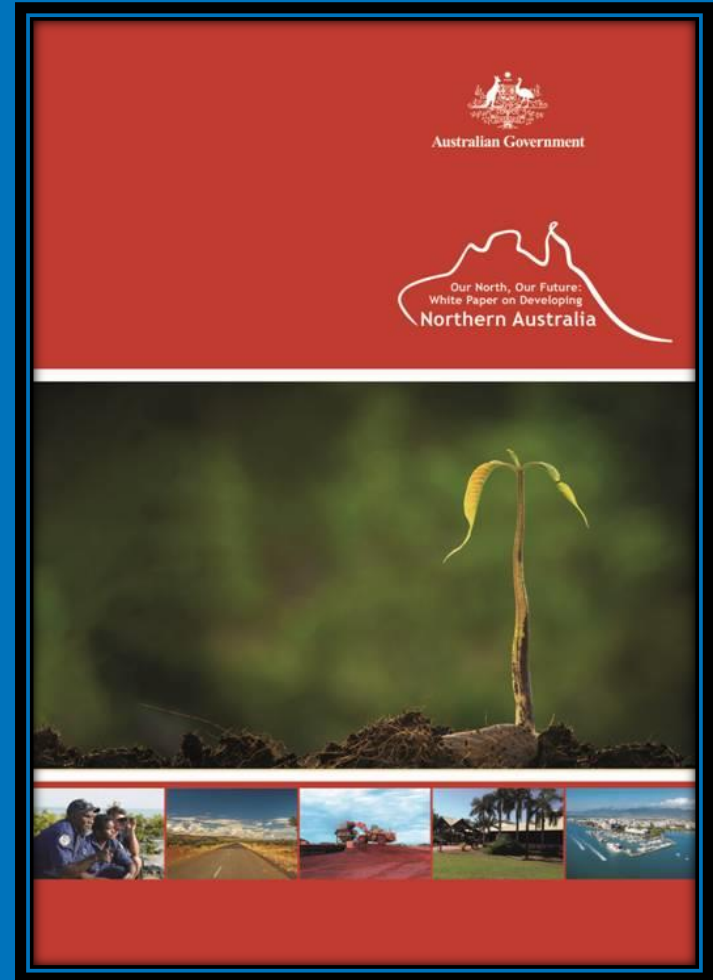


National Water Infrastructure Development Fund

Announced in the White Papers on
Agricultural Competitiveness and Developing
Northern Australia.

The Fund comprises:

1. Feasibility Studies - \$60 million
2. Capital Component - \$440 million



National Water Infrastructure Development Fund

Total Fund - \$500 million
(2015-16 to 2024-25)

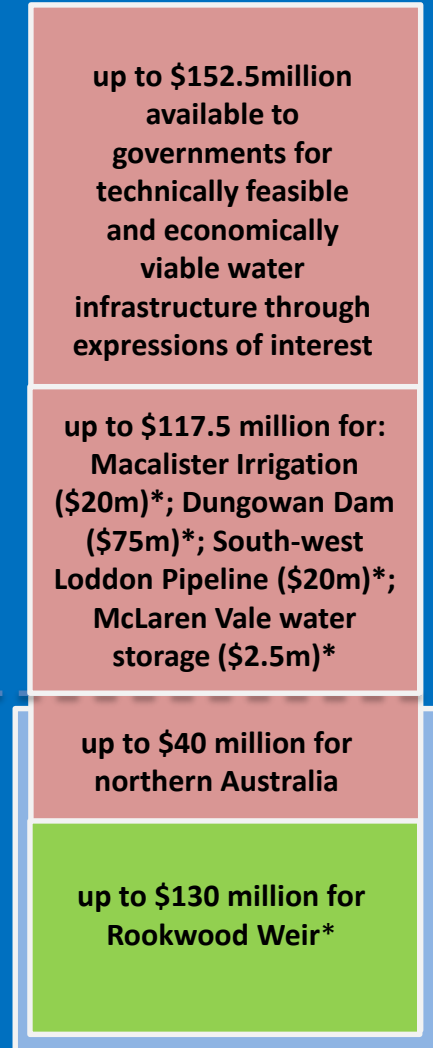


Feasibility - \$ 60 million
(2015-16 to 2018-19)



Committed

Capital - \$440 million
(2017-18 to 2024-25)



\$40.4 million spend on northern Australia

\$170 million – target spend on northern Australia

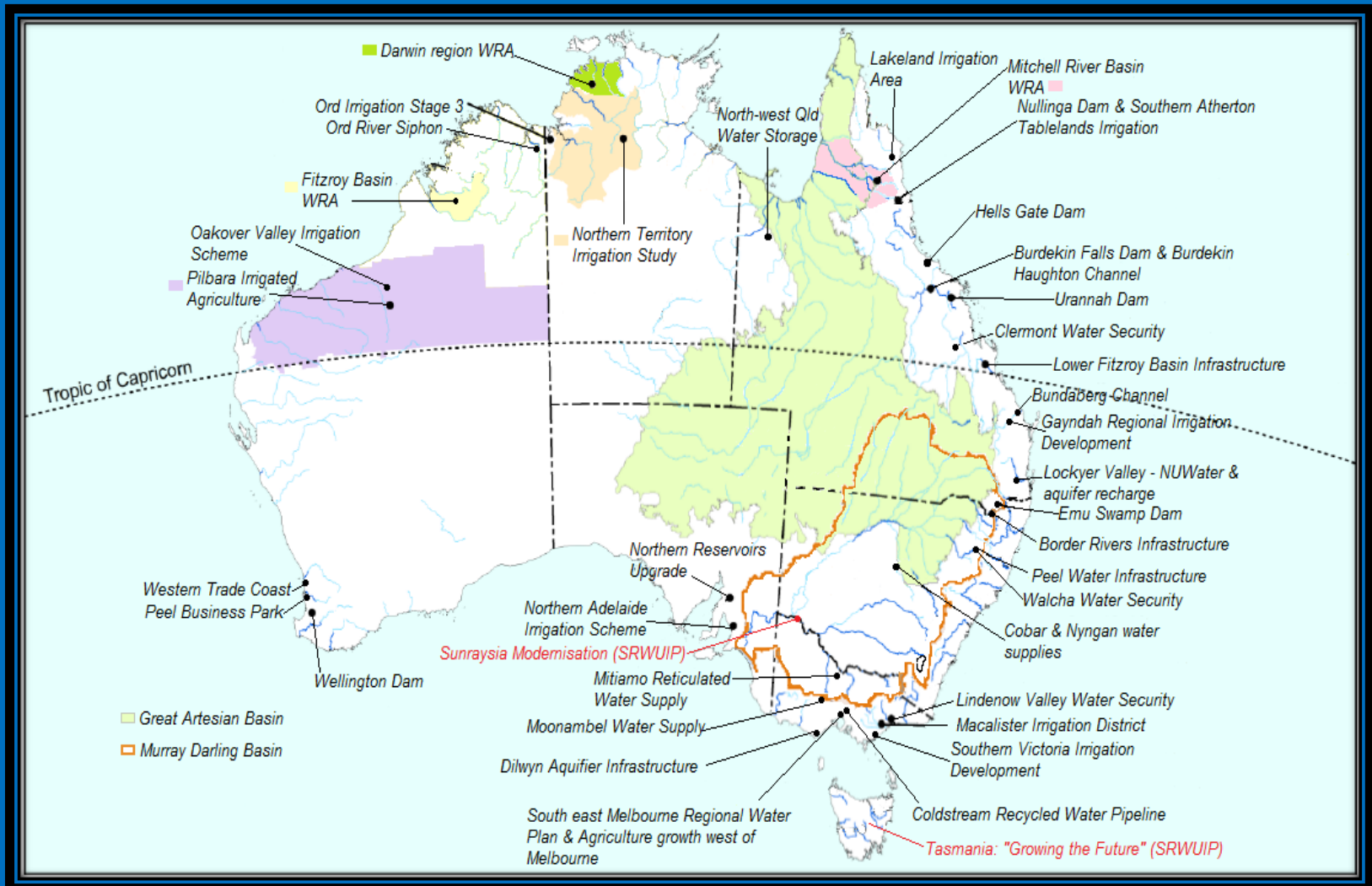
*subject to economic viability and matching contributions from states

Feasibility Study Component

- \$60 million committed for 39 feasibility studies (refer to map on following slide)
 - Identify economically viable water infrastructure that will deliver affordable water
 - Six will be completed by 30 June 2017.
 - Remaining 33 feasibility studies will be progressively completed by 30 June 2019.
- Studies will fast-track business cases for investment decisions by governments and their project partners



National Water Infrastructure Development Fund Feasibility Studies



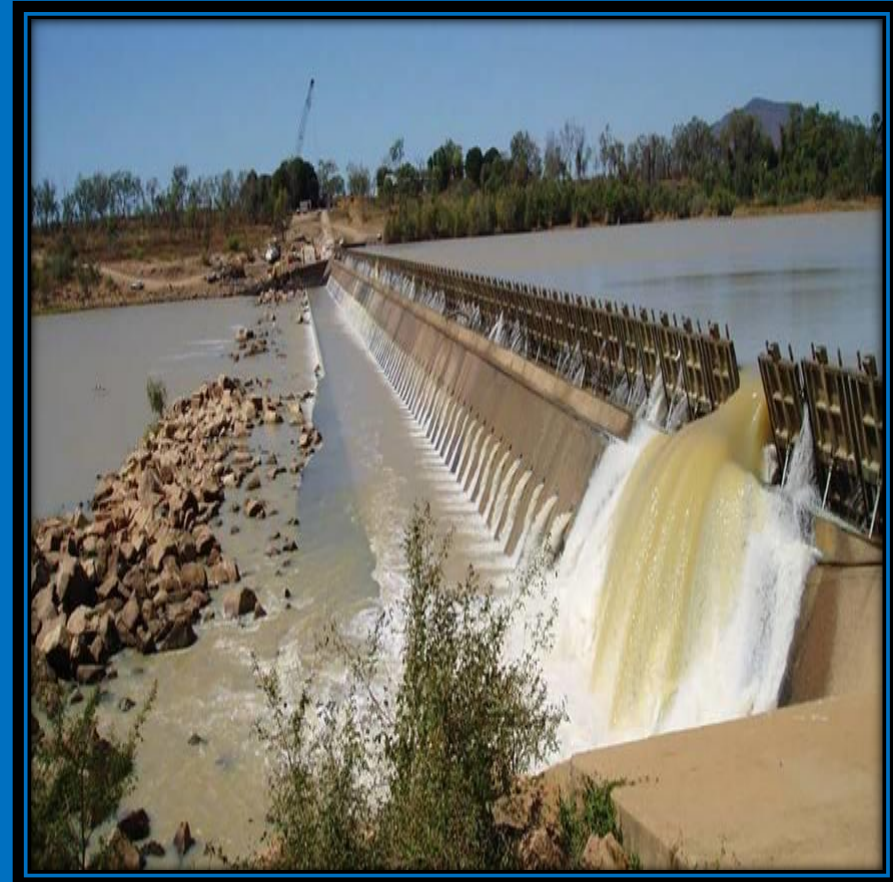
National Water Infrastructure Loan Facility

- Loan Facility is open for business
- Target is major water infrastructure projects over \$100 million
- Concessional loans at the lowest rate the Commonwealth can offer
- Ensures that construction of water infrastructure will not be delayed because finance is difficult to attract
- Will transfer to the Regional Investment Corporation



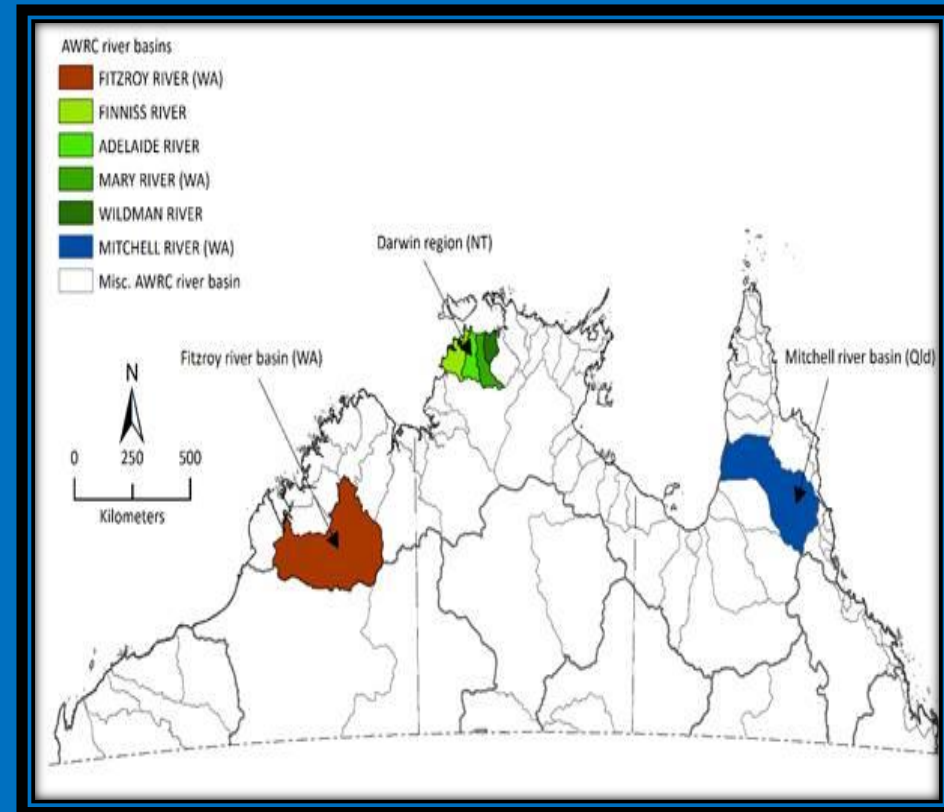
National Water Infrastructure Loan Facility Terms

- State and territory governments eligible
- Minimum loan \$50 million for projects greater than \$100 million
- Available now
 - Must be fully repaid within 15 years
 - Repayments interest-only for construction period of up to 5 years
 - Maximum of up to 10 years to repay the principal
 - Variable interest rate, reviewed every 6 months



Northern Australian Water Resource Assessments

- White Paper on Developing Northern Australia initiative
- \$15 million for Northern Australia Water Resource Assessments (NAWRA)
 - Fitzroy River (Western Australia)
 - Mitchell River (Queensland)
 - Darwin region (Northern Territory)
- Evaluation of the feasibility, economic viability and sustainability of water and agricultural development opportunities
- On target for completion by 30 June 2018

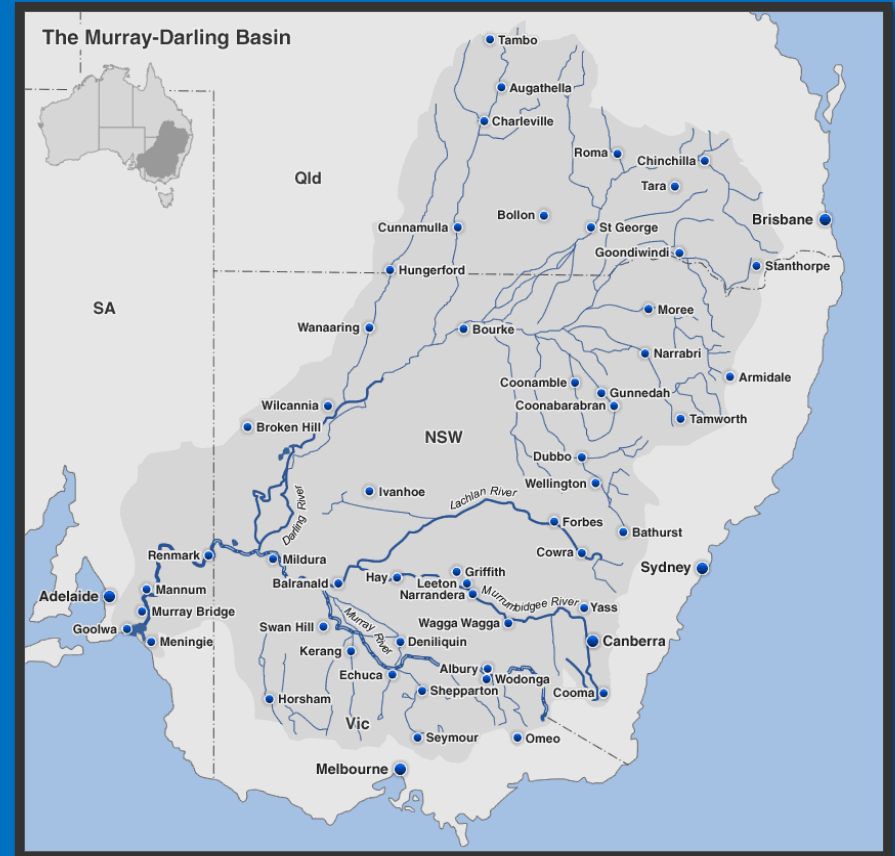


Interaction with the Murray-Darling Basin Plan

Policy and program design consistent with the Murray-Darling Basin Plan

Commonwealth co-funding contributions conditional upon the implementation of arrangements consistent with the Murray-Darling Basin Plan.

Mandatory that all water be administered and managed consistent with the National Water Initiative.



National Water Initiative

- Commonwealth investments conditional upon implementation of NWI arrangements.
- NWI principles:
 - Projects are economically viable
 - Market based mechanisms to allocate new water
 - User-pays
 - Efficient functioning of water markets
 - Economic and efficient use of water
 - Cost recovery for water planning and management;
- NWI ultimately provides greater certainty around the water rights, responsibilities and likely water costs for users



Thank you



We never know the worth of water till the well is dry
Thomas Fuller