



Guide to addressing efficiency measures agreed criteria – New South Wales

Water Efficiency Program

Department of Agriculture

Introduction

This guide is intended to help you understand and address criteria when registering your interest in becoming a project partner under the Water Efficiency Program.

The efficiency measures criteria in this document were agreed by the Murray–Darling Basin Ministerial Council on 14 December 2018.

A summary of the project registration process and assessment can be found at Appendix A and a flowchart can be found at Appendix B.

If appropriate, you may cross-reference information provided in other parts of the registration form to reduce repetition.

Criterion 1

Projects must be made public.

Following in-principle government approval, non-sensitive information about project applications must be advertised to allow relevant stakeholders to make submissions to the proposal.

Addressing this criterion

You are not required to respond to this criterion. However, you are required to provide non-sensitive project information to enable the Australian Government to invite public comments.

Non-sensitive project information is information about the project that does not disclose commercial or personal details about companies or individuals involved or associated with the project. By identifying this information, the proponent agrees to its publication.

The information you provide in Section C and Section D of the project registration form may be used to seek public comment. Please ensure that only non-sensitive information is included in these sections, including:

- a description of the project
- program stream
- location
- estimated value of the project

- type of water entitlement
- unapproved estimated volume of water savings (nominal)
- a description of the project's socio-economic and environmental impacts by addressing the efficiency measures agreed criteria.

By completing Section E: Registrant declaration, you consent to the publication of this information.

Criterion 2

Projects do not negatively impact on social and environmental outcomes.

- a) All Projects are required to describe the expected socio-economic and environmental benefits of their proposed project, with delivery partners required to coordinate and communicate with local communities and community bodies on the program and describe the expected socio-economic and environmental impacts of each program on the local community, region or state
- b) Social values may include the amenity to local communities of weirs, storages and parks that may be affected by efficiency projects
- c) Large projects must describe the expected socio-economic outcomes of their proposal. In doing so, they must address the following:
 - the anticipated socio-economic impacts to the local community, region or state
 - their project's strategy for increasing the socio-economic benefit to participants and their communities (e.g. local sourcing of goods, services and labour)
 - if and how the project will contribute to regional investment and development in the geographic area
- d) Both project and delivery partners must comply with all relevant laws including work health and safety laws. Each project must show an understanding of all relevant legislation or regulation (including environmental laws and regulations) that will require approval prior to works commencing
- e) Australian Government to fund facilitators to work with communities to develop proposals that have community support and positive social and economic outcomes.

Addressing this criterion

The criteria call for the identification of social, economic and environmental impacts at individual (proponent), local, regional and state scales. We have developed this guide to help you prepare your proposal.

You are encouraged to include property and proposed works maps as well as evidence of communication with local communities and community bodies.

Social impacts at local scale may include impacts on amenities provided by weirs (e.g. fishing), storages, parks and recreational activities where relevant.

All project proposals, regardless of size, must satisfy this criterion. Large projects are those with a total cost greater than or equal to \$1 million. If a project has a total cost of less than \$1 million, register your proposal through a Delivery Partner, do not seek to become a Project Partner.

Please describe in the registration form any negative impacts of the project, at any scale, together with the proposed strategies for mitigating or improving outcomes.

The department is appointing community facilitators who will be able to assist you, particularly around gaining community support for projects and ensuring positive socio-economic outcomes. The program's website will include details of community facilitators in your area.

Please provide evidence of awareness and willingness to comply with relevant state and Australian Government legislation. This may include providing evidence of your plans to obtain regulatory approvals, policies and procedures to ensure compliance with relevant laws including workplace health and safety practices.

You are not required to address criterion 2e).

Criterion 3

The project assessment for funding must be clear, timely, simple and transparent, and not unduly increase red tape.

Addressing this criterion

You are not required to respond to this criterion. The Australian Government and the Basin states will assess project proposals in accordance with the [registration assessment process](#).

Criterion 4

Projects need to demonstrate how they contribute to the current and future viability of proponent businesses and irrigation districts

- a) Proponent consider how the project would contribute to the current and future financial viability of the irrigation district/region where it will occur, including identification of potential irrigation network improvements
- b) Projects should avoid upgrading water supply infrastructure where the system, or parts of the system, are not going to be used in the future
- c) Project proposals in an irrigation district should take account of relevant irrigation business strategies or plans.

Addressing this criterion

You must demonstrate how the project would contribute to the current and future viability of the local and regional community.

You should research available business plans of any affected industries. For example, for an irrigation-related project you should seek advice or support from relevant irrigation infrastructure operators in the area, while for an urban project you should seek advice or support from the local council, or water utility. Please consider impacts for as far into the future as any available business plans allow.

Consultation with the relevant industry, e.g. irrigation infrastructure operator, may avoid proposing changes or improvements to infrastructure that is subject to rationalisation or decommissioning in the medium term.

The department is appointing community facilitators who can assist you with identifying industry, irrigation network and system priorities and facilitate meetings with relevant stakeholders within communities. Please provide evidence of discussions with community facilitators with your registration form.

Criterion 5

Programs or projects support regional economies.

- a) Programs or projects should identify opportunities to support local industry and regional development
- b) Programs or projects should focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services
- c) Programs or projects in an irrigation district don't reduce the overall productive capacity of the relevant region
- d) Programs or projects should not impact negatively on regional jobs.

Addressing this criterion

To address this criterion, we recommend you undertake wide consultation with relevant stakeholders such as industry and regional development bodies.

This consultation can identify opportunities for the project at different geographical scales and for different groups of affected stakeholders. Community facilitators can assist with identifying relevant stakeholders and facilitating meetings with stakeholders within communities.

If possible, provide evidence that the project proposal is consistent with medium to long-term local industry or regional development plans in relation to water use efficiency.

If you expect a project to have negative financial or economic impacts at any scale, please describe the strategies to mitigate or improve outcomes.

Criterion 6

Programs or projects do not have negative third-party impacts on the irrigation system, water markets or regional communities.

- a) Where a proposed project is located within an irrigation network, the proponent must provide evidence that the relevant network operator or water corporation is involved in or aware of the project
- b) The relevant government or proponent must consult industry bodies, irrigation network operators/local governments or regional development organisations, on a strategic regional approach which will focus on ensuring there is a mix of water efficiency projects in a region in ways that address industry, network or system and local or regional priorities, future needs and risks and may include research and extension services
- c) The socio-economic assessment of programs or projects must consider impacts not just on participants, but for broader regions.

Addressing this criterion

To address this criterion, please demonstrate how the project would either not have negative impacts on markets and regional communities or how any negative impacts would be neutralised.

Please provide evidence of consultation with relevant stakeholders (e.g. irrigation infrastructure operator, community groups, government agencies). This evidence may include minutes of meetings, copies of letter of support, copies of email exchanges with staff from the stakeholder organisation, etc.

Community facilitators will be able to assist with identifying relevant stakeholders and facilitating meetings with stakeholders within communities.

If appropriate, use cross-references to reduce repetitive answers.

Criterion 7

Projects need to be assessed for their potential to impact on the price of water.

- a) Proponents can only transfer water rights that they own at the time of their application. They cannot receive funding to acquire water rights. A project cannot transfer more water than the project will save, and the proposed quantity must be independently verified as being a conservative estimate of the resulting water savings. A proponent may keep any water savings beyond the amount transferred
- b) Proponents applying for project funding would be required to provide evidence that the water entitlements have been held for a minimum of 3 years at the time of application
- c) Project proponents must ensure there is no direct impact on the reliability of water from cumulative implementation of projects
- d) Projects must not directly increase the price of water.

Addressing this criterion

Please attach a copy of the entitlement's certificate to demonstrate ownership and period of ownership of the entitlement proposed for transference to the Australian Government. This requirement seeks to prevent the acquisition of entitlements purely to transfer them to the Australian Government.

Please attach an independent verification of the conservative estimate of water savings. This may be an independent report or part of technical report produced by a relevant professional (e.g. irrigation service provider, hydrologist, engineer, economist), describing the methodology used to estimate water savings. The report should include the methodology used to estimate water savings.

A direct impact on water price is one that is reasonably attributable to the project. In explaining the reasons the project will not have a direct effect on the price of water, you might want to consider:

- the volume of the water savings and the entitlement type in relation to the total volume of the same water type across the catchment; and

- prevailing market conditions.

In explaining the reasons the project will not negatively affect the reliability of water to third parties, you might want to consider:

- Water availability in the catchment in the absence of the proposed project and
- Climate variability.

Criterion 8

Any cultural impacts identified, protected or improved.

- a) Projects are required to describe the expected cultural benefits of their proposed project, with delivery partners required to coordinate and communicate with local communities and community bodies on projects and describe the expected cultural benefits of each project on the local community, region or state
- b) Projects must describe the expected cultural benefits of their proposal. In doing so, they must address the following:
 - the anticipated cultural benefits to the local community, region or state
 - their project's strategy for increasing the cultural benefit to participants and their communities (e.g. local sourcing of goods, services and labour)
- c) Projects over \$3 million must identify cultural heritage sites and manage any impacts in accordance with relevant Australian Government and state laws.

Addressing this criterion

Please liaise with local community groups, including Indigenous groups, to identify and protect or enhance cultural values as part of the project. Community facilitators will be able to assist with identifying relevant stakeholders and facilitating information exchange on the cultural impacts or benefits of projects.

Cultural values are the core principles and ideals of an entire community and include customs, traditions, rituals and beliefs.

Please describe in detail the project's anticipated cultural benefits on the local community, region or state, including:

- Outlining the proposed strategy for increasing the cultural benefit to participants and their communities (by sourcing local goods, services, labour)
- Providing information on how the project takes into account the concerns of affected communities and traditional owners, and how the project maintains or improves the level of protection of Aboriginal and community values.

You may wish to draw on the Convention on Biological Diversity's Akwé: Kon Guidelines, as appropriate. The Akwé: Kon are 'voluntary guidelines for the conduct of cultural, environmental and social impact assessments regarding developments proposed to take place on, or which are likely to impact on, sacred sites and on lands and waters traditionally occupied or used by Indigenous and local communities'.

The Akwé: Kon provides guidance on how to incorporate cultural, environmental and social considerations into new or existing impact assessment procedures, including the identification of indigenous and local communities that may be affected by the proposed developments.

Criterion 9

Program design should include close engagement with community and industry leaders*.

- a) The relevant government or proponent must consult with industry bodies, IIOs, local governments or regional development organisations, or investment corporations on relevant strategic regional projects, and consider community support
- b) This consultation should focus on increasing water use efficiency in ways that address industry, network or system and local or regional priorities, future needs and risks and may include research and extension services.

*'program' refers to an initiative that can be consulted on and discussed with community before project implementation

Addressing this criterion

Please refer to guidance provided in relation to Criteria 2, 6 and 8.

Criterion 10

Where practical, seek to develop and implement integrated implementation of efficiency measures to maximise benefits to the irrigation network and local enterprises.

- a) Programs or projects must focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services. This would include integrated proposals.

Addressing this criterion

Please refer to guidance provided in relation to Criteria 2, 6 and 8.

Please discuss opportunities for integrated implementation of efficiency measures with industry bodies, irrigation infrastructure organisations, local governments or regional development organisations, as relevant. Proposals should outline opportunities identified and the outcomes of discussions.

Criterion 11

Monitoring and evaluation, including of socio-economic outcomes, should be built into programs and used to regularly review and adapt programs, as required.

- a) The Commonwealth will develop a monitoring and evaluation framework to assess the progress of projects in real time, post-approval.

Addressing this criterion

The Australian Government will implement a monitoring and evaluation framework to measure and keep track of the impacts of the Murray-Darling Basin Water Infrastructure Program at local, catchment and Basin-wide scales. The Australian Government will collect information from successful projects during their implementation phase.

Please identify the monitoring and reporting methodology that you propose to use to measure the project's outcomes.

For example, if one of the expected outcomes is increased jobs at the business scale, the project should propose to monitor job numbers, compared to the baseline (before project implementation), and report these numbers at agreed intervals. Another outcome might be productivity improvements on a per ML basis. The project should propose to monitor gross production on a per ML basis, compared to prior to the project and report these figures regularly.

Criterion 12

Projects must deliver real water savings and not result in profiteering or rorting.

- a) Projects must not allow participants to individually profit without creating water savings.

Addressing this criterion

Please address this criterion by providing evidence of both the independently verified estimate of conservative water saving and entitlement ownership. Please refer to guidance provided in relation to Criterion 7.

Criterion 13

Projects should identify improved capacity to respond to changes in business environment including drought and climate resilience.

- a) Provide information on how the project will improve resilience to climate variability.

Addressing this criterion

Please describe how the project will improve the capacity or ability of the relevant business, local community, region or state to endure and survive climate variability. Community facilitators will be able to assist with identifying the benefits of the projects in relation to climate variability through facilitated meetings with relevant stakeholders.

Appendix A: Commonwealth and State coordinated process for project partner proposals – New South Wales

- The process for proponents in the Project Partner stream to register project proposals is open at all times and accessible through the Department of Agriculture website.
- Following receipt of a project registration form, the Commonwealth will conduct an initial check against the program eligibility requirements.
- If the registration form does not meet the eligibility requirements, the Commonwealth will reject the project proposal and advise the proponent. The proponent is welcome to submit a revised project registration form at a later time.
- If the registration form passes the initial eligibility check, the Commonwealth will forward the registration form (including responses to the socio-economic criteria) to the relevant Basin state for assessment. This assessment may take up to four weeks, with a 'stop the clock' provision if the state needs more time. The Commonwealth will afford the proponent the right of reply if the state raises adverse comments.
- If the state advises the Commonwealth that it recommends not proceeding, the Commonwealth will advise the proponent and will include feedback to assist with potential future proposals.
- If the state provides 'in-principle approval', the Commonwealth will publish the project registration form in its 'Have Your Say' portal and open the proposal for public comment for a period of two weeks. At the end of this period, the proponent will have the right of reply if there are any adverse public comments.
- Following closure of the public comment period, the Commonwealth will complete its own assessment, including consideration of public comments and any further information or clarifications from the proponent.
- If the decision is not to proceed, the Commonwealth will advise the proponent and will provide feedback to assist with the development of future proposals. The Commonwealth will also advise the relevant state of the outcome.
- If the Commonwealth considers the project has merit, it will place the project proposal on a register of potential efficiency measures projects.

Appendix B: Commonwealth and State coordinated process for project partner proposals – New South Wales

