

## Questions and Answers - Water Efficiency Program Webinar 5 September 2019

1) When is the current value of water taken? At the start of the project or at the end?

The value of the water will be calculated at the time of registration of interest. It will be reviewed if the project proceeds to the limited tender process. If it goes to a limited tender and we enter into contract negotiations, we will review the value.

2) What is your approach to the valuation of conveyance water?

The department has access to professional water valuers and we seek their advice on entitlements such as conveyance water that are not generally traded. Conveyance water is treated as similar in value to high reliability water or high security water in that same catchment. We also take account of the reliability of the water.

3) What is the reason for the 1.75 multiplier?

This is the multiple set when the funding for this program was agreed by the government. It was calculated by having half of the water savings given up. Half of the water savings were valued at 2.5 times the water value to fund the infrastructure that saves the water and half the water savings at one time. That is their current market water value, which gives an average value of 1.75.

4) How long does it take for a proposal to be approved?

The assessment will be undertaken as quickly as possible by both the state and the Commonwealth. Two weeks is allowed for the initial socio-economic assessment. If there are questions or clarification is needed, it may take a little longer. The public comment phase for projects published on the Commonwealth *Have Your Say* site is two weeks. It could anywhere from four to 12 weeks. Victorian projects will take a little longer, as there is a separate process for projects in Victoria.

5) When will the tender be issued so we can apply to be a delivery partner?

The department expects to tender for delivery partners later in 2019.

6) What would happen should project go over the limit?

Projects that cost more than the allowable funding limit will probably not proceed. If it was just outside of the budget, the department will discuss with a proponent what they want to do and they may be given the opportunity to adjust costings. The department will not pay more than 1.75 multiplier.

7) Are research and development projects eligible to apply?

All projects have to save water to be eligible.

Where can I get the names of delivery partners?

Names and contact details of delivery partners are available at [agriculture.gov.au/waterefficiency](http://agriculture.gov.au/waterefficiency)

8) Are local regional councils eligible to become a delivery partner?

Yes. Local regional councils generally have good project management experience and good relationships with their communities.

9) How can large farming or private industrial companies with large water usages apply for the funding if they only have a water agreement with the Council water utility?

The water that is to be saved will have to be converted to a tradeable water entitlement. This will require a partnership or agreement with the state government and the water utility. State governments have agreed that they will support the department and work with people on these

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proposals. We invite people to talk to the department about bringing these types of proposals forward.

10) Who is deemed as a qualified/experienced professional for assessments?

Water savings included in proposals should be validated by a relevant professional. For example, someone with an agricultural science degree working in the field, people who are members of a professional organisation say for agricultural scientists or relevant hydrological or water engineers.

11) How much influence do delivery partners have over our application when under \$1million?

Delivery partners are an organisation, or local or state or territory government which helps eligible water rights holders design and deliver their projects. Delivery partners can manage projects of any size. Water rights holders with a project under \$1 million must apply through a delivery partner. Delivery partners can assist with the application process, especially in addressing the socio-economic criteria. They can also assist with managing a project.

12) What if we don't achieve our targets of water savings?

The program is designed to ensure that people do achieve the water savings. All projects have to be independently assessed to ensure the water savings are realistic and only the minimum conservative estimate can be offered.

13) When its mentioned savings of 100ML, is this in 1 go? In the lifespan of infrastructure? Yearly? I don't understand.

The figure is per project. Proponents transfer an entitlement equivalent to the saved amount of water which means that this is the average annual amount of water recovered from the project, in perpetuity.

14) Can we re-apply if project is rejected?

Yes. If a project is unsuccessful, we will tell you why to enable you to address any issues as part of a new application.

15) What if savings only partially reach the target savings?

See Question 12.

16) There is a deadline for submission, but is there a deadline for implementation after approved?

Submissions will be taken until 31 December 2023. Water needs to be transferred by 30 June 2024. Projects can be completed up to three years after that.

17) I have a project that could be around \$750,000 and \$1.3million. How do I assess the application? Via delivery partner or myself?

Delivery partners can manage projects of any size. If you wish to self-manage a project, it must be over \$1million and you must have the skills to satisfy the Commonwealth that you can manage the project. Use the [waterefficiency@agriculture.gov.au](mailto:waterefficiency@agriculture.gov.au) email if you would like to speak to someone about a proposal.

18) When will these projects start?

Projects have started.

19) Can you give a simple example of a project and how it is funded?

All projects will be on Have Your Say for public comment. When the public comment period is finished, projects will be available on the site to act as examples.

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20) Are there any program guidelines?

There are guidelines to address socio-economic criteria. Delivery partners have requirements to meet. Projects that are self-managed will have a contract with the Australian Government which sets out exactly what will be required.

21) Could Managed Aquifer Recharge (MAR) projects qualify?

Please email details on the proposal to [waterefficiency@agriculture.gov.au](mailto:waterefficiency@agriculture.gov.au) and we will respond with advice.

22) Do the entitlements offered have to be from the same water source as the project is being completed in?

Generally yes. Exceptions are where there is a history of use of an entitlement from another catchment being used on the property in question.

23) Does the participant return the full water savings or is it only 50% of the project's water savings? What is the project calculated on, what is returned or what is saved by the project?

The participant can return up to the minimum conservative estimate. How much water is returned will depend on how much the project is going to cost and whether you have additional funding to supplement the government's funding.

24) Can this program be undertaken alongside other relevant funding?

Applicants cannot "double dip" but it may be possible to receive funding for part of the works from the Water Efficiency Program and funding from another program for another part of the work.

25) How does the limited tender work?

If a proposal is registered, then the Commonwealth may invite registrants to submit the limited tender application for funding. The limited tender application would require a more detailed description of the project. This will include a timeline, the contractors that they might use and it will need to demonstrate compliance with all of the relevant legislations including the building code, work, health and safety and environmental permits. The Commonwealth will assess the details provided and then make a funding decision in accordance with the evaluation plan for the limited tender process.

26) Has there been any interest in the new program?

There have been more than 50 inquiries in relation to the program and several project proposals have been put forward. We are working with a couple of project partners and Delivery partners on responding to the additional socio-economic criteria. The projects have come from four Basin states, including several possible dairy industry projects in Victoria, irrigation efficiency projects in New South Wales, Queensland and South Australia, and stock and domestic projects in NSW.

27) Will all the states assess the additional socio-economic criteria in the same way?

There are different processes in each state for assessing the additional socio-economic criteria, but the Commonwealth and states are working cooperatively to develop a common understanding of how each should be addressed. As the assessments go through a body of responses will be developed that will be publicly available to help future participants. The department is working with delivery partners and states to help put together some early advice recognising this is new.

28) How do I meet the additional socio-economic criteria?

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The criteria are not aimed at stopping good projects going ahead. They are aimed at ensuring that the broader impact of projects are considered as part of planning for a project. Governments are not looking for new studies or complex models to be undertaken for every project – unless it is a large (many millions of dollars) project.

29) What happens if a state says no to a project?

If a State says no then the answer is no. We expect that states will give reasons why they say no though – and there is the opportunity for proponents to respond to those comments before states have a final say on whether a project goes to public comment.

30) Will my property or name be identified as part of the public comment phase?

No, at the public comment phase there is no requirement to include your name, your property name or identifiable details. However, the project description does need to have sufficient detail to enable someone to identify the catchment or irrigation district and what is proposed.

When funding is approved the proponent's details will become publicly available on the department's website, together with a brief description of the project, the water savings, funding provided and water value.

31) How can I respond to public comment on my proposal?

If there are adverse public comment that is about the projects proposal (rather than just being a general negative comment) a proponent will have the opportunity to respond. The comments, or at least a summary of the comments, will be shared with state agencies so they are able to consider their views on projects again prior to the Commonwealth entering any contract negotiations.

32) Who are the delivery partners in my region?

The Department is finalising agreements with 5 delivery partners, that will mostly operate in the southern Basin. The details of those five delivery partners will be progressively uploaded to the department's website as contracts are finalised. The department will be opening tenders for more delivery partners in coming months and would be very interested in engaging delivery partners in both the south and the north of the Basin.