



Water Efficiency Program webinar 1

Program overview transcript

5 September 2019

Introduction

This is the transcript of a webinar, presented by the Department of Agriculture. The 76 participants included individuals and representatives from state and local government and industry.

Transcript

[Webinar begins]

David Pembroke: Hello ladies and gentlemen, my name is David Pembroke and on behalf of the Australian government's Department of Agriculture, I'd like to welcome you to this Webinar on the Water Efficiency Program. Before we begin, I'd like to acknowledge the Ngunnawal people of the Ngunnawal nation who are the traditional custodians of the land on which we're broadcasting today. I'd like to pay my respect to their elders, both past and present. Today, our purpose is to give you an overview of the Water Efficiency Program. We'll explain how the program works for project partners and delivery partners. We'll also explain the five streams of the program and what eligible water entitlement holders can get from the program. To begin, I'd like to introduce our expert for today, Mary Colreavy, who is the Assistant Secretary for the Department of Agriculture's Water Recovery Branch. Welcome Mary.

Mary Colreavy: Thanks David, it's a pleasure to be here. Hello also to all our participants.

David Pembroke: From Mary's team, we're also joined by Tony and Krista who will receive the questions and help to answer them as we go through today's webinar. Mary, I understand you have a video from a pilot program that will give everyone an idea of the types of water savings that can be expected.

Mary Colreavy: Yes, David. We have a video to show today about one of the projects that was funded under the Commonwealth on-farm further irrigation efficiency pilot program. That's the COFFIE pilot program. We ran this pilot in South Australia from 2016 through to October 2018. The program enabled eligible irrigators in the southern Australian Murray–Darling Basin to modernise their on-farm irrigation infrastructure while returning water savings to the environment. What we learned from that pilot program was then rolled into the new Water Efficiency Program that was launched in July and that we're going to be talking more about today. Let's take a look at the video, it features a citrus grower Stuart Pettigrew.

Stuart Pettigrew: My family originally came from up through the Riverland, but I have a commercial interest to make sure the rivers are healthy because it means I can continue my production on this farm. Also, from a personal reason, I mean, I love the river, as many growers

do in this area. So we're standing on my orchard here at Golden Heights, it's about four hectares that I've planted up here, around about 10 acres of new orchard. And I really had two options for what irrigation I wanted to install rather than the old overhead system. I choose mini sprinklers, you can see one of these here, that give reasonably large coverage across the whole orchard floor.

Stuart Pettigrew: I received funding for soil development, going to a higher-intensity orchard system, closer planting, going to modern sprinkler system. Part of that was to install a fertiliser and filtration system. We've got that running off a solar panel. It's about as automated as you can get for a property of this size. What I'm trying to achieve is a lot more production per megalitre of water so that we can actually be much more efficient about the system. I think that's probably a motivator for a lot of growers through the Murray–Darling Basin.

Stuart Pettigrew: The benchmark in areas like this used to be 20 to 25 tonnes per hectare of marketable fruit. Well, we're aiming for 45 to 50 tonne of fruit per hectare. I think stewardship of the river goes hand in hand with sustainable agriculture and now we're seeing areas that were abandoned five years ago are now coming back into production, and that's got to be good for rural communities like this one. So it's all about a balance. I think these programs are good to meet that balance between environment and production. Well-targeted, well-managed programs to raise efficiency certainly should be encouraged throughout the whole Murray–Darling Basin.

David Pembroke: What a great story. This orchard was funded to install a new irrigation system on this farm, is that right, Mary?

Mary Colreavy: Yes. David, Mr. Pettigrew gave the Commonwealth 12 megalitres of water in return for this funding. He now has a new watering and filtration system with soil sensors and solar pumps and he expects to double the productivity of his orchard. It's a win-win investment. I'll tell you a bit more shortly about our new Water Efficiency Program that was launched in July.

David Pembroke: Okay, that's great. The Water Efficiency Program is just for projects in the Murray–Darling Basin. Can you tell us about how the basin will benefit from these projects?

Mary Colreavy: The Water Efficiency Program offers funding to help water users in the basin to modernise and improve their water infrastructure, or their industrial processes to achieve water savings and to help make them more drought-resilient in the future. It offers economic activity and jobs at a time when these may be really needed in rural communities. The Murray–Darling basin covers 1 million square kilometres of south-eastern Australia. It crosses New South Wales, Queensland, South Australia, Victoria, and encompasses the whole Australian Capital Territory. There are 2.6 million people living in the basin, including more than 40 Aboriginal nations and more than 3 million people depend on it for their drinking water.

Mary Colreavy: Overall, the basin produces around \$24 billion of food and fibre each year, David, including 7 billion from irrigated agriculture. It has an estimated 9,200 irrigated agriculture businesses. The tourism industry alone is with \$8 billion in the basin. There's more than 30,000 wetlands and rivers, 120 waterbird species and 46 native fish species that are dependent on the basin's ecosystem. You can see it's a really important part of Australia.

Mary Colreavy: The basin plan was put in place because of deep concerns about the sustainability of the basin for the future. Efficiency measures, that's what we're working on here,

are a part of the basin plan and of the sustainable diversion limit adjustment mechanism. The Australian government is committed to delivering water reforms that are set out in the Water Act that was made in 2007 and under the Murray–Darling Basin plan. So far, 2,100 gigalitres of water has been recovered for the environment, including 700 gigalitres of this from infrastructure projects.

Mary Colreavy: The government's aim is to assist basin communities to become more efficient and more productive in their water use whilst also restoring this iconic river system. In return for project funding, participants will agree to transfer some of their water savings to the Commonwealth. In many cases the participants will also get to use or keep a share of those water savings for their own use.

David Pembroke: Okay, great. Thanks Mary. If we could, let's look first at the efficiency measures. What are they?

Mary Colreavy: Efficiency measures are defined in the basin plan David, they're something that makes savings in the amount of water that is required for consumptive purposes. Examples would include say investment in more efficient irrigation infrastructure.

David Pembroke: Okay, that makes sense. The program helps businesses invest in water infrastructure modernisation projects that increase water efficiency and generate water savings that are then transferred to the Commonwealth. Can we now take a look at who can apply for funding under the program? I understand that there are five project streams, is that right?

Mary Colreavy: Yep, that is. The Water Efficiency Program will fund projects that will save water in these five streams, urban, industrial, off-farm, metering and on-farm projects. The Water Efficiency Program aims overall to recover 450 gigalitres of water for the environment by 2024. This might be water that was previously lost, such as say through seepage or evaporation or leaks. It's now captured and returned to the environment to help make the basin system more resilient. There is \$1.5 billion available for this funding program and registrations are now open for projects from eligible water rights holders.

David Pembroke: We're going to look at how the program works, but we've already received a couple of questions, which is great. This is a good one, how much interest has there been in this new program?

Mary Colreavy: Well David, there's been more than 30 inquiries so far in relation to the program and a few project proposals have also been received. We're working with a couple of our project partners and also with delivery partners. I'll explain them a bit more later. We're working with them in relation to the additional socio-economic criteria, this is a big new thing for the public. Projects so far that have been proposed come from four of the basin states, and they include a possible project such as from the dairy industry, from irrigation efficiency parties and also for stock and domestic projects.

David Pembroke: That's great. Can you now just please tell us how the Water Efficiency Program works?

Mary Colreavy: Sure. There are three ways you can participate in the program, either through a delivery partner or by registering yourself as a project partner or by participating in a state-led project. I'll give more information about those three options shortly. Overall the program aims to

help businesses invest in infrastructure-modernisation projects that will increase their water efficiency and generate water savings. In return for project funding, participants will agree to transfer some of those savings to the Commonwealth. It's important to know that projects must deliver real water savings in the form of valid entitlements. They also must meet strict socio-economic criteria. They must be well managed and must meet agreed milestones and provide fully audited statements to us.

Mary Colreavy: Projects of course, must also meet all the standard legal requirements such as environmental impact requirements under state and federal laws. In order to apply, you must have an Australian Business Number (ABN), and you must also be able to demonstrate that you have project management experience. That is that your governance arrangements will meet Australian standards, that you will keep sound records and you'll be able to report on and monitor the project progress.

David Pembroke: Okay. I can imagine people listening to the webinar and madly scribbling things down. If they want to get more information and perhaps to refresh their knowledge after this webinar where can they get that information?

Mary Colreavy: They'll find documents on our website, David. There's a comprehensive list of eligible projects. We also have an important document on our approach to water valuation. There's a guide to addressing efficiency measures, agreed criteria, for each jurisdiction. Wherever your project is, there's a guide that steps it out for you. There's a registration form for project proposals in New South Wales, the ACT, Queensland and South Australia. Then for people in Victoria, there's a separate online inquiry form for them and there's a web link to the Victorian site.

David Pembroke: Okay. I think at the conclusion of the Webinar today, we will have a web address up on the screen. Please, if you'd stay online for that, that important web address that we will publish at the end of the webinar. Mary, I'm also interested now perhaps if you might give me some insights into how the project funding is calculated.

Mary Colreavy: This is somewhat more complicated, project funding is calculated at 1.75 times the market value of the water, David. Our approach is we'll establish a market value for each eligible water right based on contemporary market prices. It will also help you or applicants to develop their project proposal and to calculate what they think is the likely project funding level that they will receive. It will inform our evaluation of the project proposal, particularly whether it represents value for money for us.

Mary Colreavy: Participants will get funding, as I said at 1.75 times the value of the water returned and that can be used for them to get new or upgraded infrastructure and they might also retain some water savings for themselves depending on the cost and the scale of the project. Now people might wonder how to calculate that market value. Where there's a high level of market activity, most participants would already have a pretty good idea of what the market value of the water is, but in areas of less trading we would suggest they might want to get their own commercial valuation advice. Our approach toward evaluation is published on our website as I mentioned earlier. I urge everyone that wants to participate to read this important information.

Mary Colreavy: We will be guided by contemporary market prices where they are available and we will seek independent valuation advice where we require it. We'll also make all of our program water prices publicly available as funding contracts are executed or awarded. That might help inform future applicants to guide them in the sort of price they might expect to seek. Participants might also want to talk to say state government officials about proposals involving urban water because urban water is not traded in the same way as say irrigation water. We've been assured that the state governments will work with proponents to help secure valid tradable entitlements arising from urban projects.

David Pembroke: This program is a bit different from previous programs, isn't it? What's changed for project partners?

Mary Colreavy: A project partner, David, is an eligible water rights holder or their agent and a project partner can register a project proposal valued at over \$1 million. They are people or organisations that are seeking to enter directly into a funding agreement with the Australian government to manage their own project. For project partners to register their interest, their business must be a legal entity registered for tax purposes in Australia with a valid Australian Business Number (ABN) or Australian Company Number (CAN) and registered for GST. They could be say an irrigator or a company that holds or uses eligible water rights or they might be an entity that operates or uses an urban or industrial water facility or one that owns or operates a water delivery infrastructure in the basin. That could be a water utility or an irrigation infrastructure operator, for example.

Mary Colreavy: They must be willing to participate in a public consultation process about the project and they must be able to provide evidence that the water entitlements have been held or used in this way for a minimum of three years at the time of their application. Project partners projects will also need to deliver a minimum of 100 megalitres of water savings to the Commonwealth.

David Pembroke: How does a project partner register their interest for receiving funding under the program?

Mary Colreavy: Webinar participants will be able to see a flow diagram on their screen now, David, which shows the key steps in the project registration process. The process does vary a little depending on which state the project is in. We have detailed instructions regarding the process for each basin state on our website and we'll come back to that again a little bit later. I'm going to take you through today the version of the registration process that applies in New South Wales and South Australia. It is quite a rigorous process to register your interest in the program. This is because we have to ensure that the program meets the commitment that was made by basin water ministers in 2018 at their ministerial council meeting. It also needs to comply with the Commonwealth procurement rules.

Mary Colreavy: Basin ministers agreed last December that all projects funded under this program must meet strict socio-economic criteria and that they would also go through a public consultation phase. I'll talk a bit further about the socio-economic criteria later, David.

David Pembroke: Okay, thanks Mary. What's the first stage of the registration process?

Mary Colreavy: The registration of interest requires people to fill in the form on our website. The form asks for your business details and a description of the project location, the expected cost, the duration of the activity, and a description of the proposed activity itself. Information about the volume of savings from the project and the type of water rights that you're offering to the Commonwealth is also required so that we can determine whether the project represents value for money. Remember that the maximum amount of funding that one can apply for is 1.75 times the value of the water being offered.

Mary Colreavy: Responses to the efficiency measures criteria must also be completed at this stage and this information along with details of your project's catchment location, the anticipated water savings and the value will be published on our website for public comment.

David Pembroke: Okay. If I'm a proponent and I go through that part of the process, does my name go on the website?

Mary Colreavy: No, David, no. All the other information is published, but at this stage the proponent is not identified.

David Pembroke: Okay, great. What are the socio-economic criteria that you mentioned and why are they so important?

Mary Colreavy: These additional criteria were agreed by the Murray–Darling Basin Ministerial Council in December 2018. The criteria seek information about the potential impacts of the project on important issues such as local jobs, the water market and social and cultural issues. Among other things, the criteria are designed to provide communities a greater level of assurance that projects will have neutral or positive socio-economic outcomes including protecting local jobs and agricultural production.

David Pembroke: Okay, that makes sense. What happens then to a registration of interest form once it's sent to the Commonwealth for consideration?

Mary Colreavy: David, when we receive the form, we first check that it meets the basic eligibility criteria, which includes do we know the legal entity that owns the water and is it in an eligible catchment, that the requested funding is within the market multiple of 1.75 or thereabouts and is the proponent willing to go through the public consultation phase. If the proposal meets these initial requirements, the registration form will be passed to the relevant state government for assessment against the socio-economic criteria.

David Pembroke: What happens if the state government advises that the proposal does not meet the socio-economic criteria?

Mary Colreavy: If the state has questions or concerns about the proposal, the registrant will have the opportunity to address those concerns. If the state advises that the proposal should not proceed the Commonwealth will advise the registrant and provide them with feedback to assist with any future proposals they might want to bring forward. The Commonwealth would discuss the assessment of the proposal with the state before talking to the registrant to give them that feedback.

David Pembroke: If the state provides that in-principle approval, what happens next?

Mary Colreavy: The Commonwealth will then publish the project details on our website, we have a website called *Have Your Say* and we'll invite public comment for around two weeks. If there are adverse comments, the registrant will be invited to address those comments too. Following the public comment phase, the Commonwealth will complete its assessment of the proposal and make a decision on whether the proposal has merit and will inform the registrant and the relevant state of the outcome. If the proposal has merit, it will be placed on a register of potential efficiency measures projects.

David Pembroke: If a project goes on to that register of potential projects, what happens to it?

Mary Colreavy: Then we enter a different phase and the Commonwealth may invite registrants that have projects on the register to submit a limited tender application for funding.

David Pembroke: Is that process consistent in every state, Mary?

Mary Colreavy: Thanks for asking that David, because this is a really important point. The process for registering a project in Victoria is a little different. If someone in Victoria has a project over \$1 million that they want to manage themselves, then they need to submit their proposal directly to the Victorian government. The state government will manage the socio-economic assessment and the public consultation phase for proposals in Victoria. Once the proposal has been through the public consultation phase in Victoria, if no further changes are required, Victoria will pass the proposal to the Commonwealth for registration.

David Pembroke: How does the limited tender work?

Mary Colreavy: 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, 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.

David Pembroke: Mary, you mentioned the potential to use a delivery partner to manage a project. You mentioned that earlier. What's a delivery partner?

Mary Colreavy: A delivery partner is an organisation that has been approved by the Commonwealth to help eligible water rights holders to design and deliver their projects. They are organisations, David, that provide a service. They provide project design and management services for water efficiency projects. Delivery partners can manage projects of any size and water rights holders with a project under \$1 million must apply through a delivery partner. You'll recall I mentioned early that project partners have to bring forward projects over \$1million. If their project is smaller they need to come through the delivery partner service.

Mary Colreavy: We currently have five approved delivery partners and the department expects to be tendering again later this year on AusTender for further delivery partners. We will publish the details of all approved delivery partners as they're contracted.

David Pembroke: What kind of experience does an organisation have to become a delivery partner?

Mary Colreavy: To be a delivery partner, David, you would have to have experience working and engaging with communities, and you'd need to show the ability to plan and deliver projects, to administer funding, manage risk and also to manage work health and safety requirements. Successful delivery partners would work with water users in the basin to find, develop and to gain approval to implement their projects. They'll also help them to fulfil the monitoring and reporting requirements.

David Pembroke: Do projects that are submitted for funding by a delivery partner have to address the socio-economic criteria and go through the public consultation process?

Mary Colreavy: Yes, David. All projects must address the socio-economic criteria and they all go on the *Have Your Say* website inviting public comment. A delivery partner would help the project proponent to write their project proposal and address these criteria. If the project is agreed as meeting the socio-economic criteria by the states and then the Commonwealth and meets all the funding requirements, a project work order under the delivery partner's contract with the Commonwealth would then be negotiated.

David Pembroke: A delivery partner would charge a fee for these services?

Mary Colreavy: Yes, of course. That's correct, David. The administration fee charged by delivery partners would need to be met from overall project funding. As I've said, we will pay up to 1.75 times the current market value of the water. That is the maximum amount of funding the Commonwealth will make available for any single project, we will not pay additional costs. The project budget must cover both the administration cost fee and the project cost fee but of course proponents can also make a co-contribution to the project costs if this is necessary.

David Pembroke: How do people find a delivery partner who may be operating in their particular area?

Mary Colreavy: We're adding delivery partners to our website as they sign up with us, David. As I said, we've got five ready to go.

David Pembroke: So far. Okay, great. All right, as well as agreeing the socio-economic criteria, basin ministers made some significant decisions about the states bringing forward efficiency measure projects a meeting in December 2018. What does this mean now for the program?

Mary Colreavy: There is a commitment from state and territory governments to bring forward efficiency measures project and ministers have agreed that their priority, David, is to recover the first 62 gigalitres of efficiency measures water to ensure that the full 605 gigalitres supply offset can have effect. The Commonwealth agreed at that meeting to fund a range of projects or initiatives subject to the states providing business cases that meet the overall program requirements. Already the Commonwealth has signed a project agreement with New South Wales state government for a feasibility study with funding up to \$500,000. This feasibility study aims to identify where the implementation of infrastructure efficiency projects might benefit regional urban communities as well as providing for improved environmental outcomes.

Mary Colreavy: Hopefully, these studies will demonstrate the viability of some future urban water efficiency project in regional New South Wales. Discussions are underway also on an agreement to fund the construction of the Mitiamo Pipeline in Victoria. We've also signed project

agreements with South Australia and the ACT governments for a range of urban water feasibility studies and business cases in those jurisdictions.

David Pembroke: Okay, great. We're going to look at some eligible projects, but we've had some more questions come in, which is great. One of those questions Mary is, how do I meet the additional socio-economic criteria?

Mary Colreavy: David, the criteria are aimed at ensuring that good projects go ahead and they deliver positive outcomes for communities. They're aimed at ensuring that the broader impact of a project is considered as part of the planning for the project. Governments are looking for evidence that proposals will be good for communities and that they'll stimulate jobs and growth. That's the sort of information we're looking for from proponents when they address those criteria.

David Pembroke: Sure. What happens if a state government says no to a project?

Mary Colreavy: If a state says no, then the answer is no. We would ask the proponent to go back and reconsider their options. We expect, however, that states will give reasons why they would say no. There'll be an opportunity for the proponent to respond to those comments before the states have that final say.

David Pembroke: Okay. What about urban businesses and local governments for example, how can they get involved?

Mary Colreavy: Well, we want to hear from businesses and from water utilities and local governments with proposals for urban and industrial projects in the basin. Some important additional outcomes from these sorts of projects might be improved water quality and also jobs in local communities as well as the water savings and water efficiencies. Improved water quality and reliability could be a really important outcome for an urban community especially in these drought times. Also, for many industrial projects, projects like stormwater harvesting or recycling. We already have four delivery partners willing to work with local governments or industrial water users.

Mary Colreavy: We've also, just to add another thing there, David, we've also seen quite recently some new information about how important these infrastructure projects can be for regional communities' economies. These projects provide opportunities for local suppliers, for manufacturers, and also town services like bakeries and hairdressers and retailers to get more business.

David Pembroke: These urban projects, I think they're of enormous interest. What are some of the ideas that you've seen for urban projects?

Mary Colreavy: Well, we've had some great examples of eligible urban water projects that could lead to improved efficiency and improved water quality. Also, things like greater reliability from working wetlands, water recycling, stormwater harvesting and reuse, waterproofing with water sensitive urban design. Maybe loss reduction technology from urban water utilities and sewage treatment facilities, introducing new technology or new processes, wastewater reuse. These are all just ideas and examples David, and we've got lots more examples in our list of eligible items on the web.

David Pembroke: What about some of the possible industrial projects?

Mary Colreavy: There are loads of possibilities for industry David, so basin businesses as varied as saleyards, mining ventures, aquaculture, abattoirs, say prisons, or feedlots or refineries. They could all consider applying for funding under our program. Other ideas for industrial projects, could it be say replacing potable water supply with fit-for-purpose water delivered from alternative supplies such as greywater treatment or stormwater re-use. Also, as changing practises to reduce their water use or installing more water efficient devices or technologies. These are just a few ideas, David, and I encourage your listeners to look at our eligible activities on our website and we'll also consider other ideas. Don't feel restricted to our list.

David Pembroke: Then we have the eligible off-farm, metering and on-farm projects. It really does seem that there are endless possibilities.

Mary Colreavy: Yes, there are. There are many different sorts of eligible off-farm projects. For example, we've got lots of experience in this space, upgrading of irrigation network infrastructure and the associated technology for water delivery, installing new piping for stock and domestic water supply, automated water management systems and sensing equipment, decommissioning of old water delivery systems that have been identified for closure. All good examples of eligible off-farm projects.

David Pembroke: What about metering projects?

Mary Colreavy: For metering, we would fund the installation of new water meters and the removal of the old meters. We'd also fund the connection to a patent approved water metering system that meets the Australian standard 4747. This might include also connecting to power or solar supply or installing new pipe connections as required to the meters.

David Pembroke: What about on-farm projects?

Mary Colreavy: We have a lot of experience in funding on-farm water efficiency projects, David, such as installing new or upgraded irrigation infrastructure on farms and the associated technology or infrastructure for water delivery to those farms. We will also fund automated water management systems and sensing equipment intended to improve efficiency through better decision making about the supply of water, so people don't over-water their projects. We'll fund the piping for stock and domestic water supplies on-farm and the changes to the farm production systems that might reduce water use and increased production such as things like laser levelling and recycling of water on-farm or installing a glasshouse, say, or shedding of dairy cows or changing land or environmental management. These are all possible activities that could be funded.

David Pembroke: I think there's more information that's going to be coming forward later in the year. Is that right?

Mary Colreavy: That's right, David. We're aiming to hold another webinar later this year where we are really keen to hear suggestions from the participants today about any other topics that they'd like us to cover or things that they want us to dive into more deeply.

David Pembroke: Interestingly, the questions keep pouring in Mary, so that's good. Some of the questions that we have, the question is, will all the states assess the additional socio-economic criteria in the same way?

Mary Colreavy: Yeah, David. There will be slightly different processes in each state for assessing the additional socio-economic criteria, but we are working cooperatively to develop a common understanding together with the states of how each criteria should be addressed. As we get some examples published, this will help future participants. The department is working with delivery partners and states to put together some early advice on this.

David Pembroke: The next question we have is when is the current value of water taken? Is it at the start of the project or is it at the end of the project?

Mary Colreavy: David, the value of the water will be calculated at the time of registration of interest. It really needs to be there because we need to see what the funding cap will be for the project, so we can't leave it till the end. It will be reviewed if the project proceeds to the limited tender process. At the time before we... if it goes to limited tender and we enter into contract negotiations we will review that.

David Pembroke: You'll take a second look?

Mary Colreavy: Yeah. We'll have a look at it again.

David Pembroke: All right. Another question we have is what's your approach to the valuation of conveyance water?

Mary Colreavy: That's a great question, we've actually recovered quite a lot of conveyance water through some of our earlier programs, David. The way that we value that is, we've got access to professional water valuers, that we've sought their advice on entitlements such as conveyance water that are not generally traded. Generally, conveyance water is treated as pretty similar in value to high reliability water or high security water in that same catchment. Generally, it will have a similar value, maybe not exactly the same, we take account of the reliability of the water and the reliability is available as assessed, and is in the basin plan. We double check that with say, the MDBA, the Murray-Darling Basin Authority, to make sure we're operating on the latest and best advice.

David Pembroke: Another question is around that valuation point, is the reason for the 1.75 multiplier. How did you get to that?

Mary Colreavy: When the funding for this program was agreed by the government, this was the multiple that was agreed, it was set at the time by government and it was calculated by having half of the water savings given up. This is complicated, so bear with me. 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.

David Pembroke: Right.

Mary Colreavy: For people listening who find that a bit complicated, we will publish that so they can read it and digest it.

David Pembroke: The formula is there, so they can have a look and understand.

Mary Colreavy: Yes.

David Pembroke: All right. Another question, how long does it take for proposal to be approved?

Mary Colreavy: The assessment will be undertaken as quickly as possible by both the state and the Commonwealth. Then, we're allowing around two weeks for that initial socio-economic assessment. We hope that it won't take longer, but if there are questions or clarification is needed, then it may take a little longer than that. Depending on how much further information is required that'll determine the overall length of time. The public comment phase for projects published on the Commonwealth site is they're open for just two weeks. I do understand it's a longer process in Victoria, Victorian projects will take a little longer. Overall the project could take anything from four to 12 weeks is our estimate.

David Pembroke: What happens should the project go over that limit?

Mary Colreavy: I think, let's go back and look at that question that came in, David. I think, they're talking about the funding limit. Are they?

David Pembroke: The funding limit, I think yes.

Mary Colreavy: I think that's about the funding limit. If the project costs more than the allowable funding limit, then it probably would not proceed. It would depend on how much more it is. If it's only just outside of the budget, then we would look to discuss that with the proponent and get them to adjust perhaps some of their budget costings or that what they're wanting to do. If it can't, we won't pay more than 1.75 times.

David Pembroke: So, that's okay?

Mary Colreavy: Yeah. If it's more than that, then we would be looking for a co-contribution or some other way for the proponent to source the additional funds.

David Pembroke: What you're suggesting also is that there's an opportunity to get involved in a discussion around particular issues?

Mary Colreavy: Potentially, yeah. As long as when we received the original proposal, it needs to be in the ballpark. We won't be looking at it at all if it's way outside.

David Pembroke: Okay, fair enough. Another question, what about R and D? Research and development projects, are they eligible to apply?

Mary Colreavy: Only if they're going to save water. They have to save water to be eligible.

David Pembroke: Okay, fair enough. Another question that's come in, there's only one delivery partner on the website at the moment. When is this going to be updated? In a related question is when is the next tender going to open for those partners?

Mary Colreavy: There's actually two delivery partners on the website. There's the South Australian NRM Board and CAF Consulting are the two delivery partners that are listed, there are three more that we're in the process of finalising contracts with now. I'm hoping to get those up on the website as soon as possible. I know that this has taken a while, so I'm sorry about that.

We do hope to run another tender to get more delivery partners signed up in the next couple of months.

David Pembroke: All right, that's good. Now, earlier you mentioned in your presentation about local councils, but the question has come in, are local councils eligible to be a delivery partner?

Mary Colreavy: We would welcome applications from local councils to be a delivery partner. They generally have really good project management experience and they obviously have great relationships with their communities, we think that they'd be terrific delivery partners. We'd welcome it.

David Pembroke: Okay, great. Next question, 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?

Mary Colreavy: A water entitlement, that would have to be negotiated and agreed with that water utility. They need to really reach out to the relevant other bodies, and get support for their proposal that's both the water utility and the state government. I can assure people that state governments are really keen for these sorts of projects to proceed and have agreed that they will support us and work with people on these sorts of proposals.

Mary Colreavy: We are aware that a lot of further discussions need to occur to resolve this issue because what will have to happen is that the water that is saved will have to be converted to a tradable water entitlement. They currently exist in a different form, they're not normally traded entitlements and so they need to be converted. This will require some sort of partnership or agreement with the state government and the water utility. We have started these discussions and we're ready to start talking to people more about that if they come forward with these proposals.

David Pembroke: The next question, who is deemed as a professional or experienced person for assessment?

Mary Colreavy: I guess that question might be meaning for assessing water savings? Is what I'm guessing.

David Pembroke: Yeah. Who are the people who are able to be qualified?

Mary Colreavy: Because, we do ask when people submit their proposals that their water savings are validated by a relevant professional person. I think that, that's what this person is asking. There are a number of professions that we would deem to be a professional assesses and would be valid. For example, someone with an agricultural science degree working with the experience in the field, people who are members of a professional organisation say for agricultural scientists and also maybe relevant hydrological or water engineers, people like that. People who are qualified in their field, and in the relevant field relevant to the project that's being brought forward. Other people could be approved on a case by case basis. I would encourage people with not sure-

David Pembroke: They present their credentials and the department will have a look and say, "Okay. Yes or no."

Mary Colreavy: Yeah, exactly.

David Pembroke: All right. Listen, we are coming close to the end of our time and we've probably got time for one more question. How much influence do delivery partners have over the application when it's under \$1 million?

Mary Colreavy: Well, that's an interesting question, isn't it? What I'd be saying is that the delivery partners are there to provide a service. I don't think the term of influence is one I'd normally have leapt to. If the project under is \$1 million then they have to go through a delivery partner to apply and they will assist you with your application process, especially in addressing the socio-economic criteria, et cetera. They also can assist you in managing your project, but the project itself is up to you. You need to know what you want to do. You have the right to determine your own project, the delivery partner will advise you. The choice of suppliers, for example, that you might want to turn to would up to you. Hopefully it's a partnership, they'd worked together with the delivery partner.

David Pembroke: Okay. Excellent. Thank you to you, Mary. That's a big load for you today, but that's great. Thank you also to Tony and Krista who've been working in the background and providing the answers to some of those questions that have come through. Mary, thank you again for your time and for going through this in such detail to help people with their registrations for their proposals.

Mary Colreavy: Thank you David, and thanks very much to all of our participants.

David Pembroke: Yeah, indeed. Thanks for everyone to dialling in and the department will be back with another webinar later in the year. Stay tuned and again, go back to that website. All of the information is there, ask your questions and let's see if we can get the Water Efficiency Program working better for you. Thanks very much.

[Webinar ends]