



Australian Government
 Department of the Environment,
 Water, Heritage and the Arts

ON-FARM IRRIGATION EFFICIENCY PROGRAM QUESTIONS AND ANSWERS

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About the On-Farm Irrigation Efficiency Program

1. What is the On-farm Irrigation Efficiency Program?

The On-Farm Irrigation Efficiency Program (the program) will fund projects that generate water savings by improving the efficiency and productivity of on-farm water use and management.

A proportion of water savings generated from improved on-farm water use and management will be returned to the Australian Government and managed by the Commonwealth Environmental Water Holder (CEWH).

2. Is the program available to all irrigators across Australia?

No. Funding is available within the Lachlan River catchment and the southern connected system of the Murray-Darling Basin only.

The southern connected system includes the following river catchments: the New South Wales Murray, Victorian Murray, South Australian Murray, Murrumbidgee, Kiewa, Ovens, Goulburn, Campaspe, Loddon, Avoca, and the Lower-Darling (south of Menindee Lakes) river catchments.

Irrigators in other areas of the Murray-Darling Basin in northern NSW and Queensland can access other on-farm initiatives through State Priority Projects.

3. When will the program commence and conclude?

Program funding will be awarded in three rounds over four years, commencing in 2009/2010.

Round 1 was launched on 6 October 2009 and closes on 17 November 2009. Round 2 and 3 will open in 2010 and 2011 respectively.

4. How much Commonwealth funding is available?

The Australian Government has allocated \$300 million to the program from the \$5.8 billion Sustainable Rural Water Use and Infrastructure (SRWUI) component of *Water for the Future*. More information on SRWUI can be found at <http://www.environment.gov.au/water/policy-programs/srwui/index.html>.

5. Is the program competitive?

Yes. There is an upper limit of \$300 million allocated to the program and all applications will be competing for funding. All applications will be assessed and evaluated against the criteria listed in the guidelines being: economic; social; environmental; technical; value for money; and governance.

6. Who is eligible to submit an application form?

Only eligible program delivery partners should submit an application form for funding under the program. Eligible program delivery partners are organisations who:

- have direct and demonstrable links to irrigators;
- have the authority under organisational governance arrangements to be the lead proponent and take responsibility for the overall project;
- are a legal entity capable of entering into a Funding Agreement with the Australian Government (note: unincorporated associations are not eligible);
- are able to enter into contractual arrangements with others (e.g. project participants and irrigators) to implement the project;
- are financially viable;
- are registered with the Australian Taxation Office for Goods and Services Tax purposes with a valid Australian Business Number (ABN); and
- can ensure permanent water entitlements offered to the Australian Government are unencumbered and are available to be transferred within the specified timeframe after a Funding Agreement is signed.

7. State governments and local government bodies are not eligible to be a delivery partner. Does this mean that all state agencies cannot apply?

No. State government departments and local government bodies such as local councils cannot apply. State agencies, such as Catchment Management Authorities, that operate independent financial accounts are eligible to apply provided they meet the other criteria such as having close links with irrigators. This may include statutory authorities or water delivery bodies that can manage and administer funds independently of a state or local government.

8. Can individual irrigators submit an application form?

No. Individual irrigators cannot apply directly for program funding.

Individual irrigators can access program funding by submitting a sub-project to an eligible delivery partner.

9. Why are individual irrigators excluded from applying directly for funding?

The delivery partner model was considered to be an efficient way to manage program funding delivery given the number of individual irrigators that could potentially apply for funding over the life of the program.

Eligible delivery partners must have close relationships with irrigators and are therefore best placed to develop overall projects on a regional basis that will achieve the program objectives.

10. Can direct pumpers participate in the program?

Yes. Direct pumpers are eligible for funding under the program. Individual irrigators who are direct pumpers should submit their sub-project to an eligible delivery partner.

11. What types of activities are eligible for funding?

Activities eligible for funding must be *infrastructure-based* and may include the following:

- installing new or upgrading existing irrigation infrastructure or technology including automated water management systems and sensing equipment intended to improve decision making about irrigation and which will improve irrigation efficiency;
- improving irrigated area layout or design for the purpose of improving on farm irrigation efficiency (e.g. laser grading, decommissioning old irrigation infrastructure as part of enhancing the overall efficiency of the system);
- ancillary equipment necessary for new or upgraded irrigation systems to function (e.g. computer equipment); and
- capital costs of new/upgraded irrigation equipment as well as the cost of installation.

Funding will be directed to irrigation applied to primary production. This includes irrigated crops, pasture for stock (e.g. dairy) and commercial horticulture.

12. What types of activities are not eligible for funding?

Activities not eligible for project funding include but may not be limited to:

- research and development projects;
- upgrading existing or installing new irrigation systems for urban or industrial land uses;
- projects generating improved irrigation efficiency and savings from application of different management approaches such as crop rotation or use of new plant types requiring less water;
- projects converting irrigated land to dry land agriculture;
- on-going labour and maintenance costs associated with operating new or existing infrastructure or closing down infrastructure
- projects that have been completed or have already commenced (i.e. Program funding will not be provided to cover expenditure already incurred or committed by an applicant or other project participant);
- projects seeking to establish irrigation on farms not previously irrigated or new irrigation districts; and
- planning activities and costs associated with irrigators developing on-farm water efficiency plans.

13. How much of the water savings must be transferred to the Australian Government?

At least 50 per cent of the water savings with a minimum of 10ML generated by each irrigator sub-project must be transferred to the Australian Government.

14. Will the Australian Government apply any conditions to the entitlements being transferred?

Yes. As with other irrigation efficiency programs, water entitlements transferred to the Australian Government as part of this program must be treated as being outside any State trading limits.

Water savings transferred to the Australian Government must be available in the form of unencumbered permanent water entitlements.

The unencumbered permanent water entitlements must be transferred to the Australian Government **before** individual irrigators can receive project funding from the delivery partner.

15. What types of water entitlements does the Australian Government want?

The volume, type and location of water entitlements offered will be assessed on their capacity to contribute towards Government's environmental priorities for water-related programs in the Murray-Darling Basin, in particular:

- protection and restoration of wetlands and other environmental assets of the Murray-Darling Basin;
- protection of biodiversity dependent on the Murray-Darling Basin water resources;
- promotion of the conservation of declared Ramsar wetlands in the Murray-Darling Basin; and
- protection and promotion of river health in the Murray-Darling Basin.

Regulated water entitlements will be considered more highly than unregulated entitlements because they can be actively managed by the CEWH to deliver water to the environment. Regulated water entitlements provide flexibility on a year to year basis because they can be delivered or traded to where water is needed.

Visit the Departments website at **www.environment.gov.au** for more specific information on the Australian Government's environmental priorities for water-related programs in the Murray-Darling Basin.

16. Can I offer groundwater entitlements for transfer?

Yes subject to certain conditions being met.

Groundwater entitlements will only be considered if they are from managed aquifers and have allocated water entitlements. Any groundwater entitlements being offered must be capable of being used to support the Australian

Government's environmental priorities for water-related programs in the Murray-Darling Basin.

17. Does each property where works are carried out need to have a meter installed?

No. Only sub-projects that require new meter/s as part of their infrastructure upgrade are required to replace or install them and can include these costs in their project funding. Sub-projects that do not require new meter/s as part of the infrastructure upgrade will not be required to replace or install any meters and cannot include these costs as part of their project.

18. What type of meter/s must be installed?

If the infrastructure upgrade requires new meter/s and the cost of the meter/s is funded as part of the project, then the meter/s installed must be modern meter/s suitable for the purpose and infrastructure with a minimum in field accuracy of +/- 5%. This metering data must be made freely available to the Bureau of Meteorology.

Application and Assessment Process

Applications will be assessed in a two stage process as set out below.

In the first stage eligible delivery partners should complete the application form available on the Department's web site at <http://www.environment.gov.au/water/programs/index.html>.

Information provided in this application form will be used to evaluate delivery partner projects against the eligibility and merit criteria listed in the program guidelines. Successful delivery partners will notified in writing and given 'in principle' approval for their projects from the Minister for Climate Change and Water.

Successful delivery partners will then be required to submit a detailed project plan including information on individual sub-projects, project management, and governance arrangements. This detailed project plan will be used to assess projects against the same eligibility and merit criteria used in the first stage assessment (but more comprehensively), as listed in the program guidelines.

19. Do I have to answer all the questions in the application form?

Yes. All questions must be answered to qualify as a completed application form.

Delivery partner projects that do not answer all questions in the application form may be disqualified from consideration for funding.

20. What is meant by the 'overall project'?

The 'overall project' refers to the set of individual irrigator sub-projects submitted by an eligible delivery partner along with the delivery partner's project management activities.

Questions in the application form relating to the 'overall project' are seeking information at the level of the delivery partner implementation and management.

For example, the application form requires delivery partners to estimate the water savings for an overall delivery partner project. Delivery partners might base this estimate on their knowledge about the general irrigation activities in the region, the types of irrigation infrastructure improvements that are most likely to be applied to those irrigation activities, the likely savings generated by those types of irrigation infrastructure improvements (ie flood irrigation → centre pivot generates savings on average of X%/ha which translates into X ML in relevant sub-projects).

21. What is meant by an ‘individual irrigator sub-project’?

An ‘individual irrigator sub-project’ refers to the actual improvements to irrigation infrastructure that will be implemented on an individual irrigation farm.

22. How much detail is required in answering the questions in the application form?

The first stage application form does not require delivery partners to identify individual irrigator sub-projects but rather outline how they will identify and evaluate potential irrigator sub-projects if they are successful.

However, delivery partners must provide sufficient information to enable the assessment of delivery partner projects in the first stage. The application form therefore asks delivery partners to anticipate the type of irrigation infrastructure improvements they expect in their sub-projects and estimate the water savings these sub-projects are likely to generate. Delivery partners should use their knowledge about the irrigation communities in the area/s in which they are applying to inform their application.

The application form provides word limits for answers as a guide for how much detail is expected.

23. Do I need to develop detailed projects for each individual irrigator sub-project on the application form?

No. Detailed sub-project information will not be required until the second stage of the application process.

Only delivery partners who are successful following the first stage assessment will be required to develop and submit detailed project plans, including information about individual irrigator sub-projects.

24. What is the time frame for project completion?

Overall delivery partner projects, including all irrigator sub-projects, must be completed within 36 months of a funding agreement being signed with the Australian Government.

25. How much funding can I apply for?

There is no maximum or minimum funding limit for overall delivery partner projects or individual irrigator sub-projects.

26. What is a ‘recognised on-farm water efficiency plan’?

A recognised on-farm water efficiency plan is a document that provides a whole of farm irrigation plan for water use efficiency and management and should include technically sound and justifiable method(s) used to determine water use efficiency at the farm scale.

Many existing plans such as a Cotton Best Management Practise Plan or a farm plan paid for under the drought assistance planning grants should be adequate for this purpose. The plan must be up-to-date and applicable to the current farm structure and layout.

Delivery partners will be required to ensure that the on-farm planning process used for each on-farm water efficiency plan is technically sound and that the methods used for determining water use efficiency are justifiable.

Having an on-farm water efficiency plan will increase the likelihood the infrastructure work proposed is suitable to the farm layout, systems and water supply to achieve the water savings.

Irrigation Modernisation Planning Assistance

Irrigation Modernisation Planning Assistance is funded from the \$5.8 billion Sustainable Rural Water Use and Infrastructure program which is targeted towards funding key rural water projects to improve the efficiency and productivity of water use and management.

Irrigation Modernisation Planning Assistance is available to help irrigation water providers to:

- develop modernisation plans for their districts;
- upgrade irrigation infrastructure; and
- assess options to adapt to a future with less water.

The scope and detail of an irrigation modernisation plan varies with the particular characteristics of the district to which it applies. Delivery partners interested in accessing this program should contact the Department for further information.

A sample modernisation plan for is also available to view at <http://www.environment.gov.au/water/policy-programs/srwui/irrigation-modernisation/sample-plan.html>.

27. Who will assess my application?

An assessment panel will be established by the Department to review and assess applications against the eligibility and merit criteria. Membership of the assessment panel will include people with relevant experience and skill.

28. How will the Australian Government determine value for money under this program?

The 'value for money' assessment for applications will consider several factors including:

- The overall cost per megalitre of water savings relative to the regional market price for permanent water purchases. Analysis of this value-for-money component will take into account:

- the total volume of water savings generated relative to the total project funding required to produce those savings;
- the volume and security type of water entitlements being offered to the Australian Government for its investment in the project; and
- in the second stage the assessment will take into account improvements in on-farm water use efficiency and management arising from individual irrigator sub-projects as well as the water savings returned to the Australian Government;
- the volume and type of water entitlements being offered;
- the value of the water entitlements to the Australian Government's water-related environmental priorities for the Murray-Darling Basin; and
- any cash and in-kind co-contributions.

29. Do delivery partner proposals have to be integrated with regional water management plans?

Delivery partner projects that are linked to, cognisant of or integrated with broader district, or water management scale irrigation efficiency plans will be more highly regarded as this should lead to a greater likelihood of beneficial outcomes for irrigators and governments.

30. Will the Australian Government specify the types of irrigation equipment or investments for individual irrigator sub-projects?

No. However activities proposed for funding projects must meet the eligible activity criteria in the program guidelines.

Delivery partners, in partnership with individual irrigators, are responsible for identifying and determining the best equipment and/or investment suited to the individual irrigator needs and farm site.

Delivery partners must be able to validate that a competent or qualified irrigation professional has reviewed the technical aspects of individual irrigator sub-projects included in the detailed project plan for second stage assessment. This will provide a level of assurance to the evaluation panel that the irrigator sub-projects will achieve the expected water savings and will result in improved water use efficiency for the irrigator.

31. What is meant by a 'competent irrigation professional' in reference to reviewing the technical aspects of each sub-project?

A competent irrigation professional is an individual who has considerable practical experience and knowledge of agronomy, irrigation site assessment, irrigation design, and irrigation installation. The degree of experience and knowledge would be considered equivalent to a formal qualification.

32. What is meant by a ‘certified or qualified’ irrigation professional in reference to reviewing the technical aspects of each sub-project?

A certified or qualified irrigation professional is an individual with formal qualifications in agronomy, irrigation design, and/or irrigation installation.

Formal qualifications are those from a recognised TAFE course, university, Irrigation Australia Limited, or other registered training provider.

33. Is it mandatory to use a competent or certified irrigation professional to review the technical aspects of each sub-project?

Yes, but only for the second stage assessment.

The guidelines state that it is a mandatory requirement for the technical aspects of individual irrigator sub-projects to be reviewed by a competent irrigation professional. As details on individual irrigation sub-projects are not submitted until the second stage of the application process, this requirement does not apply to applications submitted in the first stage.

It is not mandatory to use a certified or qualified irrigation professional however applications from delivery partners who have engaged a certified or qualified irrigation professional will be more highly regarded.

34. When calculating net water savings, how do I take climate change projections into account?

Research such as the CSIRO Sustainable Yields research can assist delivery partners to understand and taking account of the impacts of climate change in the Murray-Darling Basin when submitting their applications. The CSIRO Sustainable Yields research can be found at (<http://www.csiro.au/partnerships/SYP.html>).

35. Why do I have to specify the rate I used to calculate the value of the in-kind contributions?

In-kind contributions can be in many different forms, including services or equipment use and valuation of these contributions in monetary terms may not be consistent between different applications.

The specific rates used by applicants to value these contributions (for example, estimates for providing an administrative service at \$X/hour or for use of equipment or a facility at \$Y/day) will help to compare the value of similar forms of in-kind contributions across different applications.

36. Can I submit an application form after the closing date for round 1?

No. The program is competitive and therefore all applications for the first funding round must be received by the due date.

Delivery partners who cannot meet the deadline for the closing date for round 1 can submit applications in the two subsequent funding rounds.

37. How should applications be submitted?

Applications must be submitted to:

By post:

On-Farm Irrigation Efficiency Program
Water Efficiency Division
Department of the Environment,
Water, Heritage and the Arts
GPO Box 787
CANBERRA CITY ACT 2601

In person (courier etc):

On-Farm Irrigation Efficiency Program
Water Efficiency Division
Department of the Environment,
Water, Heritage and the Arts
John Gorton Building
King Edward Terrace
PARKES ACT 2601

All applications will be registered upon receipt and applicants will be notified that their application has been received by the department.

38. What is the format for submitting my application?

Applications must be submitted in the following format:

- TWO unbound signed hardcopies of the completed application form that includes required attachments and any other supporting documentation; and
- ONE electronic copy of the application in Microsoft Word Format that includes required attachments and any other supporting documentation in either Microsoft Word, Microsoft Excel or Adobe PDF Format on a disc or CD ROM.

39. Can the application be postmarked by the due date rather than received by the due date?

No. Applications must be received by the Department by the due date as specified in the application.

40. Can my application be faxed or emailed?

No.

41. When will I know if I was successful or not?

Successful delivery partners will be notified in writing if they are successful or not following the stage 1 assessment process. Successful delivery partners can expect to receive in-principle approval for their projects approximately 2 months from the closing date for round 1.

Other Government Funded Programs

Through *Water for the Future*, the Australian Government is investing in a range of programs over the next 10 years to address four key priorities: taking action on climate change; using water wisely; securing water supplies; and healthy rivers and waterways.

As part of meeting these priorities, the Sustainable Rural Water Use and Infrastructure Program (SRWUIP) invests in rural water projects that support sustainable irrigation communities and save water by improving irrigation systems. Several programs under SRWUIP are directed toward on-farm and off-farm activities, including the Private Irrigation Infrastructure Operators Program in New South Wales and the State Priority Projects will fund both on-farm and off-farm projects in NSW, VIC, SA, Qld and ACT.

The On-Farm Irrigation Efficiency Program contributes towards achieving the SRWUIP objectives in the Lachlan and southern connected system of the Murray-Darling Basin.

Delivery partners cannot submit the same project to more than one Australian Government program for funding. Delivery partners who are unsure about which program best suits their project should contact the Department before submitting an application.

Who do I contact if I have more questions?

You can contact the Department on 1800 218 478 (toll free) or email waterinformation@environment.gov.au.