



Australian Government

Department of the Environment,
Water, Heritage and the Arts

WATER for the **FUTURE**

Sustainable Rural Water Use and Infrastructure Program

Guidelines for the Private Irrigation
Infrastructure Operators Program
in New South Wales

June 2009

SUSTAINABLE RURAL WATER USE AND INFRASTRUCTURE PROGRAM

Guidelines for the Private Irrigation Infrastructure Operators Program in New South Wales

It is essential that these Guidelines are read in conjunction with the Application Form for the *Private Irrigation Infrastructure Operators Program in New South Wales*.

Applicants should ensure they are using the latest version of the Guidelines and Application Form, as these may be amended during the course of the Program.

The Minister for Climate Change and Water reserves the right to amend these Guidelines at any time.

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SUSTAINABLE RURAL WATER USE AND INFRASTRUCTURE PROGRAM

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Purpose of the Guidelines

These Guidelines are designed to assist New South Wales (NSW) *private irrigation infrastructure operators* located within the Murray-Darling Basin to submit applications for the *Private Irrigation Infrastructure Operators Program in New South Wales* (the Program).

The Program has been established for the Commonwealth to acquire water entitlements resulting from water savings generated by the implementation of eligible projects to improve the efficiency and productivity of water use and management, both off and on-farm, by *private irrigation infrastructure operators*, and which also secure a sustainable future for irrigation communities. The Commonwealth's consideration for the water entitlements will reflect the cost of implementing the project. Funding applications are expected to be supported by a modernisation plan that demonstrates the availability of water savings through the project and how the project contributes to the long term (20 year) economic and environmental viability of the irrigation district.

We strongly recommend that all potential applicants contact the Department of the Environment, Water, Heritage and the Arts (Department) to clarify any aspects of the Guidelines of which they are uncertain. However, the Department will not help, or provide funding for, an applicant to prepare an application.

These Guidelines are not intended to present all the terms and conditions that will govern the provision of funding. Successful applicants will be required to enter into a legally binding agreement with the Commonwealth of Australia (*Funding Agreement*) (see page 11 of these Guidelines for further information).

Guidelines do not create legally binding rights or obligations

Nothing in these Guidelines or Application Form is intended to create legally binding rights or obligations. The Minister for Climate Change and Water (the Minister) may vary the processes and/or timing set out in these Guidelines and is not obliged to accept any application, regardless of whether it complies with these Guidelines and the assessment process.

During its consideration of projects, the Department may negotiate with proponents and/or seek external expert advice on any aspect of the application.

The Minister reserves the right to approve funding for a project as presented in the Application Form or parts thereof. The Department will negotiate with applicants on the specific details of a project under the funding agreement.

To be eligible for assistance, applicants must be able to demonstrate that they fully comply with these Guidelines.

However, applicants should be aware that meeting all of the eligibility and merit criteria does not necessarily guarantee funding.

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Introduction

Water for the Future is a \$12.9 billion investment program over 10 years to secure the long-term water supply for all Australians. The *Sustainable Rural Water Use and Infrastructure program* will direct \$5.8 billion towards rural irrigation water projects to acquire water and improve the efficiency and productivity of water use and management. This will help secure a long term sustainable future for irrigation regions and return water to the environment. *Water for the Future* is built on four priorities:

- taking action on climate change;
- using water wisely;
- securing water supplies; and
- supporting healthy rivers.

Water for the Future provides a new impetus to the *National Water Initiative* and strengthens its role as the blueprint for continuing water reform. The key objectives of the *National Water Initiative* are to acquire water and improve the efficiency of water use and establish clear pathways to return all water sources to environmentally sustainable levels of extraction.

Program Objectives

The Program aims to acquire water entitlements resulting from water savings generated by the implementation of eligible projects to improve the efficiency and productivity of water use and management, both off and on-farm, by *private irrigation infrastructure operators*, and which also secure a sustainable future for irrigation communities. These projects will allow *private irrigation infrastructure operators* and their customers to minimise water losses and manage their water allocations more efficiently. They will also assist dependent irrigation communities to adapt to a future scenario of reduced water availability due to climate change.

The Program builds on the Commonwealth's investment in modernisation planning under the *Irrigation Modernisation Planning Assistance* program (see www.environment.gov.au/water/agriculture/index.html).

How much funding is available?

The Intergovernmental Agreement (IGA) on Murray Darling Basin Reform signed by the Council of Australian Governments on 3 July 2008 allocated \$650 million for the Private Irrigation Infrastructure Operators Program in New South Wales.

Applicants should note that providing cash contributions to the project budget may improve the value for money consideration of proposals.

Conditions attached to participation

To participate in this program, all Applicants must be willing to implement identified water reforms including those previously agreed to by the Council of Australian Governments' under the National Water Initiative (NWI) and Schedule D of the Murray-Darling Basin Agreement of 1 December 2008.

Under the Water Act 2007, the Australian Competition and Consumer Commission (ACCC) has responsibility for advising the Minister for Climate Change and Water on water market and water charge rules. The ACCC will also provide advice to the Murray-Darling Basin Authority on trading rules. Once these rules come into force, applicants must comply with them. Applicants should consult the ACCC website (www.accc.gov.au) for current information on the development of the rules.

The Department will negotiate specific relevant water reform targets with successful applicants and agreed reforms will form part of the Funding Agreement.

The Commonwealth expects that the water entitlements to be transferred to it will represent at least 50 per cent of water being saved as a result of the implementation of approved projects.

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Commonwealth environmental priorities

The Commonwealth's environmental priorities include, but are not limited to:

- 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.

Applicants should consult the Departmental website (www.environment.gov.au) for more specific information on the Commonwealth's environmental priorities.

Who is eligible for the Program?

To be eligible to apply for funding under the Program, an applicant must:

- be a private entity that owns or operates infrastructure within the Murray Darling Basin in NSW for the purpose of delivering water to other persons for the primary purpose of use in irrigation;
- have undertaken or completed a modernisation plan in accordance with the Commonwealth guidelines (see www.environment.gov.au/water/programs/off-farm/index.html), or equivalent, to the satisfaction of the Department;
- have undertaken an assessment of the irrigation district water losses, consistent with the Commonwealth 'hotspots' assessment methodology;
- be a legal entity capable of entering a *Funding Agreement* with the Commonwealth of Australia (note: unincorporated associations are not eligible); and
- be registered with the Australian Taxation Office for Goods and Services Tax purposes with a valid Australian Business Number (ABN).

The Commonwealth will continue to make funding available for modernisation planning assistance under the *Irrigation Modernisation Planning Assistance Program*. Potential applicants, who have not completed a modernisation plan or equivalent (see Project Planning Details on page 8 of these Guidelines), should contact the Department for information.

Who is not eligible to apply for the Program?

The following are not eligible to apply for the Program:

- any *irrigation infrastructure operators* who operate outside the NSW areas of the Murray Darling Basin;
- individual irrigators or informal or unincorporated groups of irrigators; and
- state agencies or local government.

What is an eligible project?

Eligible integrated water management projects generating water savings for the Commonwealth may include the following activities:

- upgrading, closure, restructuring or reconfiguration of *water delivery systems*;
- upgrading of on-farm irrigation infrastructure for direct customers of eligible irrigation infrastructure operators;
- installation or upgrading of on-farm meters;
- upgrading or installation of delivery system operation technologies and bulk meters; and
- changes to river operation or storages where there are both environmental benefits and water savings to be achieved (subject to State government approval).

Eligible *water delivery systems* activities must improve irrigation efficiency and generate water savings and may include the following:

- new/upgraded water delivery infrastructure as well as cost of installation, for example:
 - lining and/or reconstructing channels,
 - replacing channels with piping systems, and
 - repairing or replacing pipes and pumps.
- installing new or upgrading existing irrigation infrastructure or technology, such as automated water management systems and sensing equipment intended to improve decision-making about irrigation:
 - installation/ upgrading of flow control regulators, remote sensing and telemetry control systems,
 - increasing the number of management and measurement points, with intermediate automated control stations coupled with appropriate on-stream or off-stream storage facilities, and

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- installing accurate meters that meet national standards for in-field accuracy of ± 5 per cent. Further information on Commonwealth requirements in this area can be downloaded from the Department's website at www.environment.gov.au/water/agriculture/metering.html
- costs to permanently decommission sections of the *water delivery system* identified for closure, for example:
 - earthworks to fill decommissioned channels. and
 - removal of pipes or channel off-takes.

Eligible *integrated on-farm* activities must complement the proposed water delivery system upgrades and contribute to the total water saving from the project.

What projects are not eligible?

The Commonwealth will not consider projects that acquire water resulting from water savings generated by the following:

- research and development projects;
- projects that establish new irrigation areas or expansion of existing areas (beyond their existing boundaries);
- 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;
- on-going labour costs associated with operating new infrastructure or closing down infrastructure;
- ongoing operational and maintenance costs (these should be recovered from customers through water charges);
- capacity building activities;
- 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); and
- projects involving financial restructuring.

What to submit?

To apply for the Program the applicant will need to submit an Application Form, which is available at the Department's website www.environment.gov.au/water/programs.

Project specifications must include:

- project details;
- estimated water savings;
- project planning details;
- details of stakeholder and regional support;
- evidence of technical strength; and
- project management, budget and implementation details.

Project Details

- A description of the project, including objectives, outcomes, a project plan and details of sub-projects.
- Applicant details.
- Copies of annual reports for the last five full financial years, including audited financial statements.
- Details of the project location, including latitude and longitude, irrigation district and a map.
- Details of the types of all water entitlements in the water delivery system held by the applicant, identifying those relevant to the proposal.
- Details of the operator's current water charging arrangements, including the asset management approach used to determine forward-looking capital expenditure needs (i.e. renewals annuity or regulatory asset base (RAB)), tariff structure (with current customer charges) and method of calculating and applying termination fees.

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Estimated water savings

- The expected net water savings to be achieved and the process used to estimate the net water savings, supported by the results from any water loss 'hotspots' assessments undertaken in the last ten years.
- Evidence to verify the anticipated increase in the delivery system efficiency and to quantify the related water savings from activities.

For measurement of 'increases in the delivery system efficiency,' applicants are referred to the "National Performance Framework, 2007–08 Rural Water Performance Reporting, Indicators and Definitions," prepared by the National Water Commission (see www.nwc.gov.au/resources/documents/0708RuralHandbook-Sep08.pdf).
- The volume and security type of water entitlement to be transferred to the Commonwealth in return for funding, detailing the water savings from the various project elements.
- Evidence to verify that the water entitlements offered are able to be legally transferred to the Commonwealth.
- The process for transferring the water entitlements to the Commonwealth. The Department will negotiate with successful applicants on the timing, processes and other issues associated with the transfer of agreed water entitlements to the Commonwealth to ensure Commonwealth policy objectives are achieved and the needs of irrigators are taken into account.
- An analysis of the cost per megalitre of the estimated water savings against the relevant regional market price for permanent water purchases. This analysis should be provided both for:
 - the total volume of water savings in terms of the total investment in the project (from all funding sources) required to produce those savings; and
 - the volume and security type of water savings to be transferred to the Commonwealth in terms of the Commonwealth investment in the project.

Project planning details

- A modernisation plan outlining the long term viability of the irrigation system(s), that is consistent with the Commonwealth guidelines (see www.environment.gov.au/water/programs/off-farm/index.html), or equivalent, to the satisfaction of the Department.
- Details of any other major investments made in the project region in the last ten years that are related to, or may impact on, the project.
- Details of other water infrastructure projects undertaken in the last ten years.
- Details of any other relevant planning initiatives, particularly State Government plans, where they exist.
- Results from any other studies to support the project.

Stakeholder and Regional Support

- Evidence of stakeholder support for the project.
- Details of how the project will contribute to regional employment.
- Details of direct effects on the value of production (not flow-on or multiplier effects), or reduction in costs of production resulting from implementation of the project.
- Details of how the project will attract other investment in the region, and the expected quantum of additional investment.
- Copies of written support for the project from the relevant persons, if the project involves any infrastructure or assets owned or operated by another entity.

Technical Strength

- Evidence of compliance with relevant Commonwealth, state and local legislation and approval processes, including the *Environment Protection and Biodiversity Conservation Act (1999)* and/or an outline of the process to achieve these approvals.
- Evidence that the project is technically feasible and the engineering solutions are appropriate to the project objectives and needs of the irrigation system and its customers.
- A detailed cost-benefit analysis for the project, compared with a 'no change' option in accordance with the Commonwealth guidelines (www.finance.gov.au/publications/finance-circulars/2006/01.html).

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Project Management, Budget and Implementation

- Details of governance arrangements for the project to ensure it delivers on time, within budget and against all key objectives.
- Methodologies and milestones linked to a feasible project timeframe and plan.
- Details of appropriate skills and expertise in irrigation technologies, project management, monitoring and evaluation or other areas as necessary for project implementation, or capacity to access such appropriate skills and expertise as necessary for project implementation.
- Details of assessment and mitigation strategies for risks associated with the proposed project both during the construction phase and on project completion.
- Details of linkages, current and proposed, with other funding programs under *Water for the Future*, for example *'Restoring the Balance in the Murray Darling Basin'* and any other Commonwealth programs.
- Provision of a realistic, verifiable and detailed project budget (including expenditure timelines).
- Evidence of access to financial resources to meet any co-contribution as well as ongoing operational requirements, including letters of commitment detailing cash amounts and in-kind contributions from other project partners.
- Details of how the project investment, both co-contribution and Commonwealth funding, will impact on customer water charges (see page 13 of these Guidelines — Water pricing in integrated water management projects).
- Evidence that the project and the private irrigation operator are financially viable, ie that on-going irrigation system operations, upgrading, renewal and maintenance costs will be covered by internal revenue streams (see page 13 of Program Guidelines — Water pricing in integrated water management projects).

Merit criteria for applications

Funding applications will be assessed and evaluated on the basis of the information provided by the applicant in the Application Form and will be evaluated against the following criteria: economic, social, technical, environmental, and value for money.

Economic and Social criteria

Projects must be able to secure a long-term sustainable future for irrigation communities, in the context of climate change and expected reduced water availability in the future:

- projects must contribute towards regional investment and development, secure regional economies and support the local community; and
- projects must demonstrate a long-term economic and environmental benefit that can be sustained over a 20 year horizon, supported by an irrigation modernisation plan consistent with the Commonwealth's guidelines for *Irrigation Modernisation Planning Assistance* program (see www.environment.gov.au/water/agriculture/index.html).

Environmental and Technical criteria

Projects must deliver substantial and lasting returns of water to the environment to secure real improvements in river health:

- projects must demonstrate strategies to minimise adverse environmental impacts from activities;
- projects must be based on technically valid calculations of net water savings, with projections to take into account the impacts of climate change (for example, the CSIRO Sustainable Yields research found at www.csiro.au/science/Water.html);
- projects must be able to deliver water in the form of a secure and transferable water entitlement to the Commonwealth; and
- the agreed water entitlement to be transferred to the Commonwealth in return for funding must be capable of being used for purposes that reflect the Commonwealth's environmental priorities.

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Value for money criteria

Projects must deliver value for money in the context of the economic, social and environmental criteria:

- projects must have a suitable dollar per megalitre benchmark against local/regional water market prices and represent cost- and time-effective strategies for achieving water savings;
- the cost-benefit analysis for the project, compared with a no change option, will be taken into account; and
- any in-kind or cash co contributions will be taken into account.

Submitting an Application

Closing date

The closing time for funding applications is 4.00pm EST on Friday 27 November 2009. Applications must be received before the closing date. Applicants should ensure that they allow enough time for delivery. Late or incomplete Application Forms and supporting documents may not be accepted. This decision will be at the discretion of the Department. Applications can be submitted at any time up to the closing time.

Where to obtain an Application Form

Applications must be made using the official Application Form.

The Application Form may be downloaded from the Department's website at www.environment.gov.au/water/programs.

Format of Application Form to submit

Applicants are required to submit by the closing date:

- TWO UNBOUND ORIGINAL SIGNED hard copies of the application together with supporting documentation. This must be certified as correct by the applicant's organisation.
- Where possible, one ELECTRONIC COPY of the application in Microsoft Word Format and supporting documentation in Microsoft Word or Excel or Adobe PDF Format on disc/CD ROM should also be submitted.

Where to submit Application Forms

Hardcopy applications, supporting documentation and discs/CDs must be posted or sent via courier to:

Private Irrigation Infrastructure Operators Program
in New South Wales
Water Efficiency Division
Department of the Environment, Water, Heritage and the Arts
John Gorton Building
GPO Box 787
CANBERRA ACT 2601

Receipt of Applications

The Department will acknowledge applications on their receipt.

The Assessment Process

The Department will accept funding applications lodged at any time prior to 4.00pm EST on Friday 27 November 2009 and will commence assessment of applications as they are received. The timeframe to complete the assessment will vary according to the complexity of the project and the quality of the information provided in the Application Form.

Approval of funding

The Minister for Climate Change and Water reserves the right to approve funding for a project as presented in the Application Form or parts thereof. The Department may negotiate with applicants on the specific details of a project under the *Funding Agreement*.

All applicants will be contacted and advised of the outcome of their application. The Minister for Climate Change and Water will announce the successful projects under the *Private Irrigation Infrastructure Operators Program in New South Wales*. Successful applicants will also be sent a formal letter of offer.

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Further Information

For further information regarding *Private Irrigation Infrastructure Operators Program in New South Wales*, email **WaterPlanEnquiries@environment.gov.au**.

An officer from the Department will respond to your enquiry as soon as possible.

It is in the interests of applicants to contact the Department to ensure that all requirements are met.

Before preparing and submitting proposals, applicants should read the following information.

Other funding programs

Where projects are eligible for or relate to other funding programs (such as Water for Rivers, Caring for Country, The Living Murray, Sustainable Regions Program or relevant state/territory programs), the Department may discuss applicants' proposals with the manager of that program.

Taxation

The Commonwealth cannot provide tax advice to applicants wishing to participate in this Program. It is recommended that all applicants seek their own independent advice concerning the tax consequences of their participation (including advice concerning income tax, capital gains tax and goods and services tax). The tax consequences of participation in this Program may vary according to the particular circumstances of each applicant. Further information regarding the tax consequences of water rights transfers generally is publicly available on the Australian Taxation Office (ATO) website. Applicants can also contact the ATO business call centre for assistance — freecall **13 28 66**. The Commonwealth will not provide any funding under this Program to compensate an applicant for any tax liability suffered as a result of participation, except where a taxable supply is made to the Commonwealth and a tax invoice provided for GST under the Funding Agreement.

Applicants should note that the Commonwealth will not accept liabilities for past, present or future taxation arising from any investments funded under this Program.

Conflict of Interest

If there are any matters related to the business interests of persons directly involved with this project that may conflict with their role in the project, this should be brought to the Department's attention as soon as the conflict of interest is known.

Freedom of information

Applicants are reminded that any application for funding submitted under *Private Irrigation Infrastructure Operators Program in New South Wales* is subject to Commonwealth Freedom of Information legislation.

Funding Agreement

Once an application has been approved, the Department will enter into a legally binding *Funding Agreement* with each successful applicant. The *Funding Agreement* will describe the respective roles and responsibilities of each party.

The *Funding Agreement* will be substantially in the form available at **www.environment.gov.au/water/programs** and will contain the standard terms and conditions, together with schedules that will set out details of project specific matters, payment timetables, requirement for due recognition of all Commonwealth funding contributions, reporting requirements and any other relevant matters as necessary.

Final approval of funding will be dependent upon the willingness of the applicant to accept the terms and conditions of the standard *Funding Agreement* (as per eligibility criteria page 6).

Applicants are required to indicate in their Application Form any clause/sub-clause/paragraph/subparagraph of the *Funding Agreement* in respect of which they 'do not comply' or 'partially comply'. The Department will only negotiate variations to the *Funding Agreement* in exceptional circumstances.

Funds cannot be paid from *Private Irrigation Infrastructure Operators Program in New South Wales* to a successful applicant until a *Funding Agreement* has been signed with the Commonwealth. The *Funding Agreement* must be completed and signed by the applicant and returned to the Department **within 60 days from the date of the formal letter of offer**, otherwise the offer of funding may be withdrawn.

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Compliance

Applicants must agree to Commonwealth contractual obligations including governance and reporting requirements, as outlined in the *Funding Agreement* available at www.environment.gov.au/water/programs.

Successful applicants must comply with the requirements of the Commonwealth Building and Construction Occupational Health and Safety (OHS) Accreditation Scheme and the National Code of Practice for the Construction Industry (if applicable). Further information regarding the Commonwealth Building and Construction OHS Accreditation Scheme can be found at www.fsc.gov.au. Further information regarding the National Code of Practice for the Construction Industry can be found at www.workplace.gov.au/building.

Publicity and acknowledgement of Commonwealth support

All publicity for a project shall give appropriate recognition to the role of *Water for the Future*, the *Private Irrigation Infrastructure Operators Program in New South Wales* and the Commonwealth in supporting that project. This includes invitations to participate in formal project opening or launch ceremonies and publicity events.

Projects will also be required to include appropriate branding and written acknowledgement of *Water for the Future*, the *Private Irrigation Infrastructure Operators Program in New South Wales* and the Commonwealth on publicity and written materials developed for the project. The Department will work with successful applicants with respect to project communications.

Payment schedule

The Department and the applicant will develop an agreed schedule of payments as part of the *Funding Agreement*.

Payments will generally be made by progress instalments. Provision can be made for payments to be made in advance where this is shown to be necessary.

Bank Accounts

For audit and accountability purposes, successful applicants will be required to keep a separate bank account for funding.

Indemnities and warranties

Successful applicants will be required to indemnify the Commonwealth against any environmental or other third party damage caused by the project.

Applicants will be required to provide details of warranties to ensure that the infrastructure that is delivered under this Program is constructed to specification.

Applicants should note that the Commonwealth will not accept any responsibility for any legal contracts already entered into, except where explicitly agreed.

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Treatment of Information Provided to the Department

Once the assessment process is finalised, an application for funding may continue to be used by the Department for activities under current and future programs.

Privacy

Any information, including contact details and the content of a project, collected by the Department on applicants or potential applicants to the *Private Irrigation Infrastructure Operators Program in New South Wales* will be managed according to the Commonwealth *Privacy Act (1988)*.

Confidentiality

If an applicant believes any information provided in its application is confidential, the applicant will need to clearly identify such information and the reason for its confidentiality in its Application Form.

Applicants should be aware that the Department is subject to certain legislative and administrative accountability and transparency requirements of the Commonwealth, including disclosures to the Parliament and its Committees. While the Department will treat all information provided by applicants sensitively, any information contained in or relating to an application, including information identified by an applicant as confidential, may be disclosed by the Department:

- to its employees and advisers in order to evaluate or assess an application;
- to the Minister;
- within the Department or other agencies where this serves to legitimate interest of the Commonwealth;
- in response to a request by a House or Committee of the Parliament of the Commonwealth of Australia;
- where information is authorised or permitted by law to be disclosed; and
- where the information is in the public domain otherwise than by the Department's disclosure of that information.

Commercial-in-confidence considerations

Applicants should bring any "commercial-in-confidence" information provided in their Application Form to the attention of the Department.

Water pricing in integrated water management projects

Capital received from the Commonwealth as payment for the transfer of permanent water entitlements should be excluded from the regulatory capital base when determining price revenue levels for monopoly suppliers under the formula approach.

This position recognises that operators should only be able to earn a return of (depreciation) and on (interest and dividends) assets in those circumstances where the operator has financed the investment through debt or equity sources, both of whom expect a return on their investment.

How the pricing of this is dealt with by an operator will be influenced by the asset management approach utilised by the operator — the renewals annuity approach and the regulatory asset base (RAB) approach are two common approaches.

Under the renewals annuity approach, the pricing formula should include provision for replacement of the capital (i.e. a return of capital), but not for a return on capital. The provision for recovering depreciation costs from customers reflects the renewals annuity approach to prices representing an ex ante or up-front contribution from customers to expenditure yet to be incurred by the operator.

Under the RAB approach, the capital should not be included in the pricing equation in that a return on and of the capital should not be recovered from customers. When the asset needs replacing, the operator will approach the capital market to raise funds (debt and/or equity) and recover this through ongoing prices.

Under both approaches, provision needs to be made in the pricing formula in respect of the cost of operating the infrastructure built with the capital. For example the annual operating cost associated with the capital should be recovered from customers through the pricing formula.

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Glossary

Building and Construction OHS Accreditation Scheme

This scheme operates such that, subject to certain thresholds, only head contractors who are accredited under the Scheme can enter into contracts for building work that is funded directly or indirectly by the Commonwealth. Further information regarding the scheme can be found at www.fsc.gov.au.

Building and Construction Industry Improvement Act 2005

This Act requires the Commonwealth only to fund construction work, within specified monetary thresholds, that is undertaken by accredited builders. The Act can be found at www.austlii.edu.au.

Financial Feasibility

Means an organisation's capability and financial resources to deliver the proposed project.

Funding Agreement

Legal contract to be executed between the Commonwealth and any successful applicant. A draft agreement can be found at www.environment.gov.au/water/programs.

'Hotspots' assessment

A 'hotspots' assessment is a process to benchmark the distribution efficiency of an *irrigation water delivery distribution system*. It identifies and quantifies losses through evaporation, seepage, leakage and operational losses.

The Commonwealth has a standardised 'hotspots' assessment methodology, see: www.environment.gov.au/water/publications/action/irrigation-hotspots.html

In-kind contribution

Means a non-cash contribution to a project, including labour, facilities, or equipment.

Private irrigation infrastructure operator

Means an entity that owns or operates infrastructure for one or more of the following purposes:

- a) the storage of water
- b) the delivery of water
- c) the drainage of water

for the primary purpose of use in irrigation.

As per subsection 7(4) of the *Water Act 2007*.

Private Irrigation Infrastructure Operators Program in New South Wales

The *Private Irrigation Infrastructure Operators Program in New South Wales* is the grants process whereby the Commonwealth acquires permanent water entitlements resulting from water savings generated by the implementation of eligible projects to improve the efficiency and productivity of water use and management, both off and on-farm, by *private irrigation infrastructure operators*, located in the New South Wales section of the Murray-Darling Basin. The program has funding of a notional \$650 million.

Minister

The Minister for Climate Change and Water.

National Water Initiative

An intergovernmental agreement on water reform created in June 2004, available at www.coag.gov.au/meetings/250604/index.htm#nwi

Off-farm irrigation infrastructure

Includes channels, pipes, pumps, meters, off-stream storages and aquifer storage and recovery, from the source (headworks on a river, storage reservoir or well head) to irrigator off-take.

'Restoring the Balance in the Murray Darling Basin'

The Restoring the Balance in the Murray-Darling Basin program will provide \$3.1 billion dollars over ten years to purchase water entitlements from willing sellers and is a component of the \$12.9 billion Water for the Future plan to secure the long-term water supply for all Australians.

Sustainable Rural Water Use and Infrastructure program

The component of *Water for the Future* that provides \$5.8 billion in investments for improving the efficiency and productivity of water use and management.

Water Delivery System

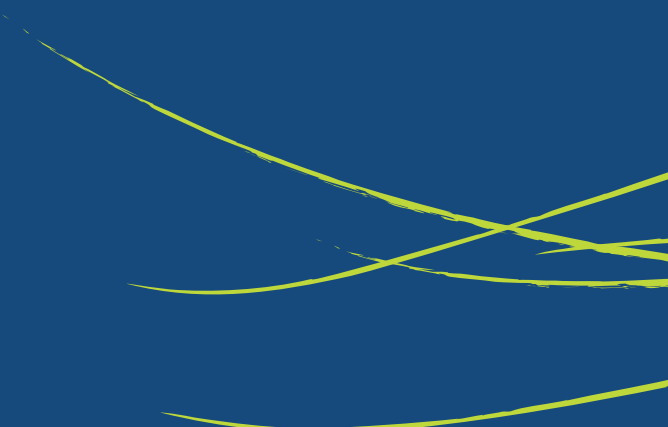
A distribution supply infrastructure network which is used to convey water either under gravity or pressurised, from a source, typically a regulated river system, through customer service points to customer properties (NWC 2007 National Performance Framework).

Water for the Future

The Commonwealth strategy to secure the long term water supply of all Australians.

Water Irrigation Area

Means the area under control of an individual private irrigation infrastructure operator (for example, an irrigation corporation, cooperative or water authority).

A decorative graphic consisting of several overlapping, curved yellow brushstrokes that sweep across the upper right portion of the page.

Private Irrigation Infrastructure Operators
Program in New South Wales
Water Efficiency Division
Department of the Environment, Water, Heritage and the Arts
GPO Box 787
CANBERRA ACT 2601

www.environment.gov.au/water/programs/index.html