

NSW SUSTAINING THE BASIN *Irrigated farm modernisation*

# Guidelines for the NSW Sustaining the Basin: Irrigated Farm Modernisation Program

## Round 7

March 2016



Title: Guidelines for the NSW Sustaining the Basin: Irrigated Farm Modernisation Program – Round 7.

© State of New South Wales through Department of Industry, Skills and Regional Development 2016. You may copy, distribute and otherwise freely deal with this publication for any purpose, provided that you attribute the Department of Industry, Skills and Regional Development as the owner.

Published by the Department of Primary Industries, a part of the Department of Industry, Skills and Regional Development.

Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (March 2016). However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date and to check currency of the information with the appropriate officer of the Department of Primary Industries or the user's independent adviser.

The Department of Primary Industries does not take any responsibility for the merits of any application made or project undertaken pursuant to these guidelines. This document should not be construed as financial, taxation, legal or other advice. It is important that you read this document in full before deciding to submit an application. You should seek professional advice from your accountant, lawyer or other professional advisor before deciding to submit an application.

INT16/999

## Purpose of the Guidelines

These Guidelines are designed to assist eligible irrigators located within the program area to submit applications for funding under the NSW Sustaining the Basin: Irrigated Farm Modernisation program (STBIFM). These Guidelines provide information on how to apply for funding under STBIFM and are not intended to present all the terms and conditions that govern the provision of funding.

Nothing in these Guidelines creates legally binding rights or obligations. DPI may vary the process and timing set out in these Guidelines and is not obliged to accept any application, regardless of whether it complies with these Guidelines.

## Changes to the Guidelines for Round 7

### Changes for IFWUEAs

Irrigated Farm Water Use Efficiency Assessments (IFWUEAs) are now available to all irrigators within the STBIFM program area (Figure 1). Funding requests for verified IFWUEAs will be accepted during 2016 subject to available funds.

Irrigators wishing to submit a Round 7 Infrastructure Modernisation application must already have a verified IFWUEA, or have submitted an IFWUEA for verification to DPI, by **15 April 2016**.

### Changes for Infrastructure Modernisation

DPI has released indicative prices for eligible catchments and entitlement types within the program area.

Contributions to proposed projects can now be offered as eligible water entitlement, cash or in-kind to an equivalent minimum value of 20% of the proposed project cost. Water entitlement offered as the contribution will be valued according to Australian Government water entitlement market prices.

<b>Purpose of the Guidelines</b>	<b>1</b>
<b>Changes to the Guidelines for Round 7</b>	<b>1</b>
Changes for IFWUEAs	1
Changes for Infrastructure Modernisation	1
<b>1 Introduction</b>	<b>4</b>
<b>2 Participating in STBIFM</b>	<b>5</b>
<b>3 Training and development</b>	<b>5</b>
3.1 General information	5
3.2 Criteria	5
3.3 Funding	5
<b>4 Irrigated Farm Water Use Efficiency Assessments</b>	<b>6</b>
4.1 General Information	6
4.2 Criteria	6
4.3 Funding	7
4.4 How to apply	7
4.5 Submitting an IFWUEA Form	7
4.6 Verification of IFWUEAs	7
<b>5 Infrastructure Modernisation</b>	<b>7</b>
5.1 General Information	7
5.2 Criteria	9
5.3 Funding	10
5.3.1 Pricing project proposals	10
5.3.2 Applicant's contribution	11
5.4 Application planning	12
5.5 How to apply	12
5.6 Submitting an application	12
5.7 Application assessment	12
<b>6 Funding Deed and Water Transfer Deed</b>	<b>13</b>
<b>7 Metering</b>	<b>13</b>
<b>8 STBIFM outline of program processes</b>	<b>14</b>
8.1 Training and Development activities process	14
8.2 IFWUEA process	14
8.3 Infrastructure application and assessment process	14
8.4 Project implementation process	15
<b>9 Additional Information</b>	<b>15</b>
9.1 Submissions	15
9.2 Status of Guidelines	16
9.3 Cost of developing an application	16
9.4 Payment and Reporting	16
9.5 Discontinuance of application process	16
9.6 Compliance	16
9.7 Corrupt or Unethical Conduct	17
9.8 Taxation	17

9.9	Privacy	17
9.10	Confidentiality and disclosure of information	17
9.11	Complaints procedure	17
9.12	Contact information	18

# 1 Introduction

The objective of the STBIFM program is to improve the long term sustainability of regional communities by subsidising activities that enable irrigators to maintain or improve productivity and adapt to the Murray Darling Basin Plan.

STBIFM funding is provided through the Australian Government's *Sustainable Rural Water Use and Infrastructure* Program and is implemented by the NSW Department of Primary Industries – Agriculture (DPI).

The program commenced on 4 June 2012 and is currently scheduled to conclude no later than 30 June 2018. The maximum expenditure of the program is \$111 million.

**It is anticipated that available funds for infrastructure upgrades will be fully committed by December 2016.** However, availability of the program is dependent on uptake, and is guided by regular reviews. There is no guarantee of funding in any round.

The program operates in water management areas of the northern NSW Murray Darling Basin (Figure 1).

Eligible irrigators in the NSW Border Rivers, Gwydir, Namoi/Peel, Macquarie/Cudgegong and Barwon-Darling catchments may access Irrigated Farm Water Use Efficiency Assessment (IFWUEA) funding and participate in subsidised training and capacity building activities associated with the program.

Irrigators utilising an eligible water entitlement in the NSW Border Rivers, Lower Namoi and Barwon-Darling catchments may also apply for infrastructure modernisation funding.

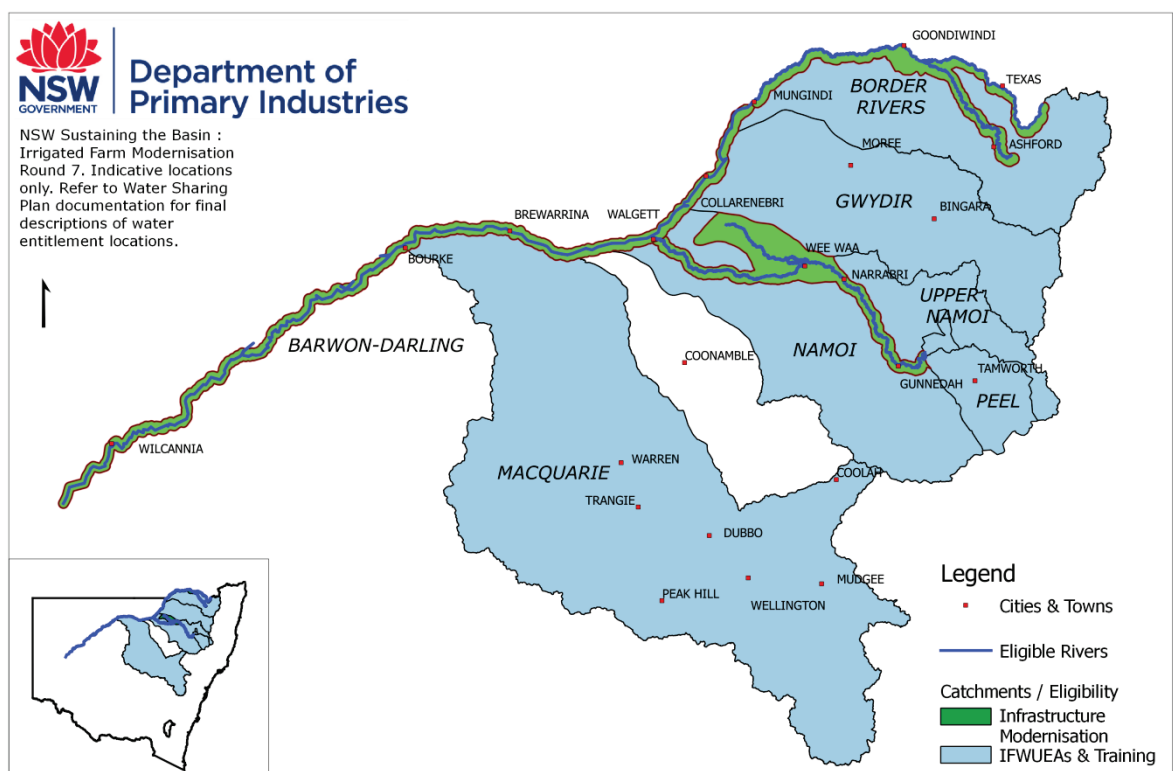


Figure 1 Generalised program area map of the STBIFM program.

The following are not eligible to participate in STBIFM:

1. private entities that own or operate infrastructure for the purpose of delivering water to other persons for the primary purpose of irrigation, and
2. Federal or State agencies or Local Government bodies.

## 2 Participating in STBIFM

To participate in STBIFM, irrigators are required to meet specific criteria for each of the available funding opportunities. There are three funding components of the STBIFM program:

1. Subsidised training and development activities,
2. Irrigation Farm Water Use Efficiency Assessments (IFWUEAs), and
3. On-farm infrastructure modernisation.

## 3 Training and development

### 3.1 General information

The STBIFM training program is delivered by DPI and its partners to build capacity in the irrigation industry and assist the development of on-farm infrastructure projects. These activities focus on practical topics to assist irrigators to effectively manage new technologies and, where applicable, assist irrigators to achieve the estimated water savings identified in their infrastructure application.

Training and development activities including field trips, formal training events and workshops covering topics including, but not limited to:

1. Soils and irrigation
2. Benchmarking and water budgeting
3. Selecting an irrigation system
4. Pressurised irrigation systems
5. Centre pivot and lateral move (national training course)
6. Surface irrigation systems
7. Drip irrigation (introduction)
8. Surface drip (advanced) & low level sprinklers
9. Storage and distribution systems
10. Scheduling irrigation
11. Irrigation pumps and
12. Water metering

Training opportunities are advertised via the Update Bulletin services and the STBIFM [website](#) (see Section 9.12). Interested irrigation industry stakeholders can subscribe to the Update Bulletin services by submitting their email address or mobile number on the [website](#) or by contacting DPI. Subscribers can unsubscribe at any time by contacting DPI.

### 3.2 Criteria

To participate in the training and development activities of the program participants must be associated with irrigation related activities in the NSW Border Rivers, Gwydir, Namoi/Peel, Macquarie/Cudgegong or Barwon/Darling water management areas.

### 3.3 Funding

Funding is managed by DPI to subsidise training events, courses, field days, farm walks and various other activities that increase the capacity of irrigators to effectively plan and implement efficient water management practices.

## 4 Irrigated Farm Water Use Efficiency Assessments

### 4.1 General Information

Preparing an IFWUEA is a valuable way of identifying where on-farm productivity improvements can be made. Whether considering infrastructure upgrades or not, preparing an IFWUEA can help irrigators to manage their irrigation enterprise for improved productivity.

IFWUEAs locate and quantify irrigation water losses across an irrigator's Irrigation Management Area. An Irrigation Management Area is a farming unit which may be irrigated from one or multiple water sources and includes the full hydraulic extent of each water source. Hydraulic connectivity across the Irrigation Management Area is not a requirement. For example an Irrigation Management Area may include multiple hydraulically disconnected irrigation units that are managed as a single area. In such cases the IFWUEA should clearly identify the losses associated with each sub-unit.

Submission and verification of an IFWUEA is a **prerequisite** of receiving funding for an on-farm infrastructure modernisation project. However, **not** all irrigators who are eligible for IFWUEA funding are eligible to apply for infrastructure modernisation funding. Furthermore, there is **no** obligation for an irrigator with a funded IFWUEA to submit an infrastructure modernisation application or to return any of the irrigation water losses identified through the IFWUEA process if they choose not to proceed with an infrastructure modernisation project.

An IFWUEA must be certified by a suitable irrigation consultant prior to it being submitted to DPI for verification. A suitable irrigation consultant must be certified and/or accredited by an irrigation related independent body which has an appeal or review process and a code of conduct. The consultant is required to sign the IFWUEA Form declaration which states:

*"I declare that the losses presented in the IFWUEA are a true and accurate estimation based on reasonable assessment methodologies and assumptions".*

Further information on IFWUEAs can be obtained from the DPI website [www.dpi.nsw.gov.au/info/sustainingthebasin](http://www.dpi.nsw.gov.au/info/sustainingthebasin).

### 4.2 Criteria

Funding for the preparation of an IFWUEA is open to irrigators with eligible water entitlements in the NSW Border Rivers, Gwydir, Namoi/Peel, Macquarie/Cudgegong and/or Barwon/Darling water management areas.

To be eligible, an IFWUEA must satisfy the following criteria:

1. Relate to irrigation that is currently operated on land where at least one of the following water access entitlements is used:

#### NSW Border Rivers Regulated River Water Source

- Regulated River (High Security)
- Regulated River (General Security B)
- Supplementary Water

#### Gwydir Regulated River Water Source

- Regulated River (General Security)

#### Upper Namoi Regulated River Water Source

- Regulated River (General Security)

#### Lower Namoi Regulated River Water Source

- Regulated River (High Security)
- Regulated River (General Security)
- Supplementary Water

#### Peel Regulated River Water Source

- Regulated River (General Security)

#### Macquarie and Cudgegong Regulated Rivers Water Source

- Regulated River (General Security)

#### Barwon Darling Unregulated River Water Source

- Unregulated River (B Class)
- Unregulated River (C Class)

2. Have been certified by a suitable irrigation consultant, and submitted along with an original IFWUEA Form to DPI

IFWUEAs that do not meet these criteria may be set aside from further assessment at the discretion of DPI.

### 4.3 Funding

If an irrigator wishes to access funding for their IFWUEA, they must submit an IFWUEA to DPI for verification.

STBIFM will fund up to 80% to a maximum of \$2,000 (excluding GST) of the cash cost of preparing an IFWUEA. This funding is **not** available for other services undertaken by consultants such as assistance with preparing project application documents.

Where a farm plan exists that has been created with the assistance of Government funding, funding for an IFWUEA will be limited to the amount necessary to update the farm plan to meet the IFWUEA criteria.

### 4.4 How to apply

IFWUEA Forms are available from the STBIFM [website](#) or by contacting DPI (see Section 9.12). The form includes a template to assist with the preparation of your IFWUEA. The IFWUEA Form should be read carefully in conjunction with the IFWUEA Information Sheet and these Guidelines.

The IFWUEA Form must be completed correctly and identify the property location and boundary, eligible water sources, the current irrigation system and an assessment of on-farm losses. An IFWUEA and IFWUEA Form can be submitted to DPI for verification at any time during 2016, subject to available funding. However, it is important to note that IFWUEAs submitted for verification as a prerequisite of a Round 7 Infrastructure Modernisation project must be returned by **15 April 2016** for Round 7.

Funding for IFWUEAs is subject to availability and may cease without notice.

### 4.5 Submitting an IFWUEA Form

IFWUEA Forms and the accompanying IFWUEA should be submitted as a hard copy together with any supporting information to DPI. These will be accepted by registered post or in person at Wagga Wagga (see Section 9.1). IFWUEA forms not submitted according to these guidelines may be rejected at the sole discretion of DPI.

### 4.6 Verification of IFWUEAs

IFWUEAs are verified by DPI against DPI's IFWUEA Reporting Standards to ensure they meet industry standards. The IFWUEA Reporting Standards are outlined in Section 6.1 of the IFWUEA Information Sheet available on the STBIFM website.

DPI may request additional information or clarification from the applicant regarding the IFWUEA before verification is granted.

The verified IFWUEA is held by DPI in accordance with its privacy obligations.

Irrigators wishing to submit a Round 7 Infrastructure Modernisation application must already have a verified IFWUEA, or have submitted an IFWUEA for verification to DPI, by **15 April 2016**.

## 5 Infrastructure Modernisation

### 5.1 General Information

Irrigation infrastructure modernisation projects are proposed infrastructure based solutions that address losses identified in an IFWUEA. Project proposals may address a single component of losses identified in



an IFWUEA or present a number of sub-projects which recover a variety of losses from an IFWUEA. The proposal must be infrastructure based and relate to at least one of the IFWUEA components: Distribution system, Storage and/or Application system, or Production losses.

Examples of infrastructure projects include:

1. water application infrastructure
2. installing overhead travelling irrigators
3. earthworks to improve irrigation field efficiency
4. drip, sprinkler or micro-sprinkler systems
5. irrigation scheduling tools
6. on-farm water delivery infrastructure
7. reconfiguration of pipe or channel systems,
8. lining and/or reconstructing channels
9. replacing channels with piping systems
10. pump stations
11. automated water management and sensing systems
12. water storage infrastructure (for evaporation or seepage mitigation)
13. reconfiguration of storages (i.e. cell division or increasing bank height) and
14. clay lining and earthworks to decrease seepage losses

This is not a comprehensive list. There may be other projects which recover irrigation water losses that may be considered as eligible projects.

Ineligible project activities include:

1. activities involving the upgrading of existing or installing new irrigation systems for urban or industrial land uses
2. activities that are not infrastructure based (e.g. changing crop rotation, crop type or crop varieties). These activities may be associated with an otherwise eligible project. However, funding will not be provided to cover the non-infrastructure based components of the project
3. activities seeking to establish irrigation on farms not previously irrigated or for new irrigation districts (green field sites)
4. activities relating to converting irrigated land to dry-land agriculture
5. activities relating to the on-going operational, maintenance and labour costs associated with operating new infrastructure or closing down infrastructure
6. activities relating to projects where the water savings have been surrendered to any other environmental water recovery funding programs
7. works activities relating to projects that have been completed or have already begun (i.e. funding will not be provided to cover expenditure already incurred by an irrigator or other project participant) and
8. projects involving financial restructuring

All projects funded by STBIFM require water metering to be in place by the conclusion of the infrastructure modernisation project. Applicants may choose to include the cost of metering in their project application. Additional information on metering requirements is provided in Section 7.

Proposed infrastructure projects that relate to the recovery of water savings that have been the subject of previous funding will not be eligible for STBIFM funding. Where applicants are receiving funds from, or have also applied to, any other State/Territory or Australian Government agency for funding for relevant activities, DPI may discuss the proposal with the manager of that program for the purpose of assessing the application for funding and identifying the proposed water savings and in-kind contributions. Applicant declarations made to DPI as part of the STBIFM program will be considered regarding any related government funding.

## 5.2 Criteria

To submit an application for Infrastructure Modernisation Funding applicants must:

1. Propose projects that relate to irrigation that is currently operated on land where at least one of the following water access entitlements is used:

### NSW Border Rivers Regulated River Water Source

- Regulated River (High Security)
- Regulated River (General Security B)
- Supplementary Water

### Lower Namoi Regulated River Water Source

- Regulated River (High Security)
- Regulated River (General Security)
- Supplementary Water

### Barwon Darling Unregulated River Water Source

- Unregulated River (B Class)
- Unregulated River (C Class)

2. Have satisfied the IFWUEA verification requirements, i.e. had their IFWUEA verified by DPI
3. Propose, and be willing and able to implement, a technically feasible on-farm works project on land upon which the water entitlement(s) nominated for transfer may be used at the time of application
4. Propose an on-farm works project that recovers irrigation losses identified in their IFWUEA and achieves the estimated water savings
5. Be willing and able to permanently transfer at least 50% (up to a maximum of 100%) of estimated water savings from an eligible water source to the NSW Government, with a minimum transfer of 10ML
6. Be a legal entity, or legal entities, with the capacity to contract. DPI may require evidence of an irrigator's legal status or capacity to contract as well as evidence of any authorised signatories. If an irrigator proposes to contract in their capacity as trustees, such evidence may include relevant trust deeds
7. Be willing and able to enter into a legally binding agreement with DPI to undertake on-farm works and permanently transfer unencumbered water access entitlements to the NSW Government
8. Be willing and able to contribute an amount of cash, in-kind, or water entitlement towards the on-farm works project equivalent to a minimum of 20% of the total cost of the on farm works project. In-kind resources should be valued at reasonable contract rates. Water entitlements offered as a contribution will be valued at the published [Commonwealth market prices](#) as at 27 May 2016
9. Be the legal owner of the land upon which on-farm works will be undertaken (or have written authority from the registered owner of the land for the on-farm works to be undertaken)
10. Be willing and able to comply with applicable requirements of the Building Code of Australia 2013, the *Fair Work (Building Industry) Act 2012* (Cth), the *Work, Health and Safety Act 2011* (NSW) the OHS Accreditation Scheme (where relevant), and any other relevant planning requirements
11. Be willing to implement metering in accordance with STBIFM program requirements (see Section 7)
12. Be willing and able to provide reasonable access to land where on-farm works have been undertaken to verify expenditure of funding and completion of the on-farm works project and
13. Be registered with the Australian Taxation Office (ATO) for Goods and Services Tax (GST) purposes with a valid Australian Business Number (ABN)

Applications that do not meet these criteria may be set aside from further assessment at the discretion of DPI.

## 5.3 Funding

STBIFM may fund up to 80% of the ex-GST cost of infrastructure modernisation works in exchange for at least 50% of the water losses recovered by a proposed project (**not** 50% of all losses identified in the IFWUEA). Proposed projects must offer at least 10ML of entitlement. Applications submitted to DPI that do not offer 50% of the water savings, and at least 10 ML, will be ineligible for funding.

GST will be added to project milestone payments.

### 5.3.1 Pricing project proposals

The infrastructure cost and water savings generated by a proposed project determine the project pricing. At least 50% (and a minimum of 10 ML) of water savings generated by the project must be offered for transfer to DPI as a permanent transfer of water and applicants must contribute at least 20% of the cost of the project. The minimum savings (50%) and contribution (20%) can then be used to determine the maximum price of the project. This price can be made more competitive by offering a greater portion of the water savings and/or by increasing the applicant's contribution to the project. An example is provided in Table 1.

Table 1 Example project costings calculations

	Maximum project cost	Adjusted project cost
<b>Example project cost</b>	\$1,000,000	\$1,000,000
<b>Applicant's contribution</b>	\$200,000 (20%)	\$300,000 (30%)
<b>Funding requested (A)</b>	\$800,000 (80%)	\$700,000 (80%)
<b>Proposed project water savings</b>	1,000 ML	1,000 ML
<b>Savings staying on-farm</b>	500 ML (50%)	300 ML (30%)
<b>Savings offered (B)</b>	500 ML (50%)	700 ML (70%)
<b>Proposed project price</b>	\$1,600/ML (A ÷ B)	\$1,000/ML (A ÷ B)

Indicative prices are provided in Table 2 to assist applicants to determine the competitiveness of their proposed project. The indicative prices are based on recommendations from the STBIFM independent Investment Panel.

Irrigators may choose to submit a price which is greater or less than the indicated price. However, applications are ranked according to price with priority given to projects representing the greatest value for money, this will be particularly significant in the event of over-subscription.

Applicants should submit a proposed project price that they consider represents value to their business and value for money to the Australian Government.

Table 2 Indicative prices for eligible STBIFM entitlements

Catchment	Entitlement type	Indicative Price (\$/ML)
NSW Border Rivers Regulated River Water Source	Regulated River (High Security)	6400
	Regulated River (General Security - B)	4400
	Supplementary Water	2100
Lower Namoi Regulated River Water Source	Regulated River (High Security)	7000
	Regulated River (General Security)	3800
	Supplementary Water	800
Barwon Darling Unregulated River Water Source	Unregulated River (B Class)	2200
	Unregulated River (C Class)	1300

### 5.3.2 Applicant's contribution

Applicants must contribute a minimum of 20% towards the cost of a proposed project. This can be contributed as cash and/or in-kind. Alternatively an applicant may offer water entitlements to an equivalent value.

#### 5.3.2.1 Cash or in-kind

For successful applications, the nominated cash and/or in-kind percentages will be established in the works agreement and maintained throughout the project. Contributions must be accounted for with direct evidence prior to the release of progress payments. In-kind rates should be valued at reasonable contract rates.

#### 5.3.2.2 Water entitlements

Applicants nominating to contribute water entitlement in lieu of a cash or in-kind contribution must nominate an eligible water entitlement for transfer to DPI in their project application.

Where total project expenditure is greater than the proposed cost, the proponent must cover the cost of this overrun. Additional water entitlement cannot be offered to DPI to fund a cost overrun. Where total project expenditure is less than the proposed cost, water entitlement will not be returned to proponents.

Water entitlement transferred to DPI as a proponent's contribution to the project should be valued using the Australian Government's water entitlement market prices ([www.environment.gov.au](http://www.environment.gov.au)). Prices for each eligible entitlement will be set as published in the most recent Australian Government market report at the close of Round 7 on 27 May 2016. Reports are updated quarterly.

The volume of water required to meet an applicant's contribution can be calculated using the following equation:

$$\text{Contribution water units (ML)} = \frac{\text{\$ value of nominated contribution percentage (min 20\%)}}{\text{Market price of the water (\$/ML)}}$$

The nominated volume must be a whole number.

This additional water does not count toward the 50% minimum share of water savings that the project must provide to DPI. Applicants must offer a minimum of 50% of water savings in addition to any water they offered as a contribution.

If the project is approved, both the share of water savings and the additional water for the applicant's contribution will be transferred to DPI at the commencement of the project.

## 5.4 Application planning

Prior to completing an application, applicants are strongly encouraged to:

1. Contact DPI to discuss and obtain clarification on any aspect of the application
2. Attend a DPI briefing session on developing applications for infrastructure funding
3. Contact people who may hold registered interests in the water access entitlements, to determine the requirements and seek consent for the water transfer
4. Seek appropriate advice from irrigation professionals, legal, business and financial advisors
5. Seek agreement from mortgagors and other entities that may have an interest in the infrastructure project
6. Seek to identify relevant planning approvals that may apply to the proposed project

## 5.5 How to apply

Infrastructure Application Forms are included in an Application Information Package sent to eligible irrigators with verified IFWUEAs once a round has been declared open. The Infrastructure Application Form should be read carefully in conjunction with these Guidelines. Applicants must answer all questions on the application form with sufficient information to allow a full assessment of the application. Incomplete application forms may, at DPI's discretion, be excluded from consideration.

DPI will accept only one application per IFWUEA and per legal entity. This application may include a number of individual activities that address different losses identified in the IFWUEA but must offer entitlement at a single \$/ML value. The application cannot address losses that have formed the basis for a previously funded project under the STBIFM program.

## 5.6 Submitting an application

Infrastructure funding applications submitted on forms other than the official Infrastructure Application Form or not submitted as detailed on the form may be rejected at the sole discretion of DPI.

Applicants should submit only one hard copy of an Infrastructure Application Form together with all supporting information.

The closing date for Round 7 applications is **27 May 2016**.

Applications will be accepted **by registered post or in person to the STBIFM submission box at Wagga Wagga** (see Section 9.1). Applications received by post after the closing date will be accepted where they have a registered post lodgement date on or before the closing date. It is the responsibility of the applicant to ensure that their application is received on time, and that they can provide evidence of the registered post lodgement date (via postmark or tracking receipt).

Late applications **will not be considered** except where DPI is satisfied that the integrity and the competitiveness of the process will not be compromised. If there is explicit and conclusive evidence that late receipt resulted from mishandling by DPI, then DPI may deem an application to be received before the closing date.

DPI will acknowledge receipt of applications by email within 10 business days of the close of the funding round.

**Please Note:** DPI will not accept Infrastructure Application forms submitted by facsimile or email.

## 5.7 Application assessment

STBIFM is based on a competitive grants model with applicants competing for the funds available for a specific funding round. The assessment of applications follows the following process:

1. An opening committee reviews applications to ensure all required documentation has been provided with the application. The opening committee may request clarification or the provision of an omitted document. However, once an application is submitted it may not be re-written in regard to its substantial content. Applicants must respond to the request for clarification or the

provision of an omitted document within 48 hours to remain eligible. DPI may, at its discretion, refer an application to a third party for a review of planning requirements as part of its due diligence.

2. An independent Technical and Costings Committee (TCC) reviews the applications to determine if each project proposal is technically feasible, the water savings are achievable and address the losses identified in the accompanying IFWUEA, the proposal is reasonably costed and in-kind contributions have been calculated, substantiated and communicated on the basis of a sound methodology or are comparable to quotes for provision of a similar service. The TCC may request clarification on technical inconsistencies and seek further substantiation for proposed costings. However, once an application is submitted it may not be re-written in regard to its substantial content. Applicants must respond to any request for clarification on technical inconsistencies and/or substantiation for proposed costings within 48 hours to remain eligible. The TCC makes recommendations to the Investment Panel regarding eligibility.
3. An independent Investment Panel ranks applications on a value-for-money (\$/ML) basis. The overall value-for-money of an application is determined with regard to the \$/ML figure as compared to other applications as well as the relative worth of particular water entitlements to the Commonwealth Government. The number of projects funded in any funding round is limited by both the total funds available to a round and by a pre-determined maximum \$/ML value. Any project with a \$/ML above the pre-determined maximum is deemed to not meet the value-for-money requirements of the program.

The value for money figure will be assessed by DPI for the total volume of water to be transferred, rather than for each entitlement type to be transferred. For example, an application that exceeds the value-for-money criteria for one entitlement type, but meets the value-for-money criteria for another type, may be successful if the average \$/ML for the project across all entitlement types meets the value-for-money criteria.

Failure to address or comply with the criteria listed in these Guidelines may result in such applications being ineligible. Applicants should be aware that assessors are not obliged to refer to or rely on knowledge or documentation other than that provided in the infrastructure modernisation funding application and the associated IFWUEA. DPI has the discretion to seek clarification from an applicant. However, further information may only be sought where it is considered that the clarification or additional information will not result in a material change to the original application.

The NSW Government will make the final decision on which infrastructure applications are funded. The assessment process does not involve the Australian Government.

The assessment process typically operates over a two month period.

Applicants will be notified in writing regarding the outcome of the assessment process. Feedback on unsuccessful applications will be offered by DPI through individual applicant debrief meetings.

## 6 Funding Deed and Water Transfer Deed

Successful applicants will be required to enter into legally binding agreements with DPI and therefore must be a legal entity with the capacity to contract.

Successful applicants will be issued with agreements between the legal entity undertaking the works (the proponent), DPI, the registered water access licence holder(s) and the registered landholder(s). These agreements will:

- allow for the transfer of unencumbered water entitlements
- detail the works to be completed by the proponent
- establish payment milestones by DPI and
- set out the terms and conditions of the project

The agreements must be signed by all relevant parties. No binding legal relationship will exist between a successful applicant and DPI unless, and until, an agreement is executed by DPI and all relevant parties.

## 7 Metering

All infrastructure modernisation projects require compliant metering to be in place by the conclusion of the infrastructure modernisation project. A compliant meter is one which satisfies the requirements of the

NSW Interim Metering Standards. More information on the requirements for metering can be found on the STBIFM website (see section 9.12).

The final project payment will be contingent on the project proponent providing to DPI a Validation Certificate for the associated meter(s) from a Certified Meter Validator/Installer.

A list of certified meter installers may be found on the Irrigation Australia Limited website:  
<http://bit.ly/CertifiedIrrigationProfessionals>

## 8 STBIFM outline of program processes

### 8.1 Training and Development activities process

Irrigators are not obligated to attend training and development activities. Only eligible irrigation industry stakeholders can be subsidised for training and development activities.

---

Step 1	Irrigation industry stakeholders may be notified of training opportunities through DPI's communications including Update Bulletins, emails, SMS services, the project <a href="#">website</a> and advertisements.
--------	---

---

### 8.2 IFWUEA process

IFWUEAs may be submitted at any time throughout 2016. To be eligible for Round 7, IFWUEAs must be submitted for verification by **15 April 2016**.

---

Step 1	Interested irrigators self-assess eligibility against the Guidelines for the STBIFM program and contact DPI (see Section 9.12) and express an interest in preparing an IFWUEA.
Step 2	Eligible irrigators engage suitable irrigation consultant(s) for the preparation and/or certification of their IFWUEA.
Step 3	Eligible irrigators submit a certified IFWUEA and IFWUEA Form to DPI via registered post or in person at Wagga Wagga, for verification.
Step 4	DPI verifies the IFWUEA within 10 business days. If deficiencies or clarifications are required DPI will contact the irrigator and provide 10 business days for any issues to be addressed.
Step 5	DPI reimburses eligible irrigators for up to 80% to a maximum of \$2,000 (excluding GST) of the cash cost of the IFWUEA once the criteria have been satisfied (Section 6.1) and the necessary documentation received by DPI.
Step 6	Eligible irrigators with a verified IFWUEA will be sent an Infrastructure Application package and have the option to submit an Infrastructure Application form to DPI once an Infrastructure Modernisation Round is announced.

---

### 8.3 Infrastructure application and assessment process

NOTE: You must have a valid IFWUEA to submit an Infrastructure Application.

---

Step 1	An Infrastructure Application form must be submitted to DPI by close of business on <b>27 May 2016</b> . Applications submitted by registered post must have the envelope post marked and/or a tracking receipt indicating a registered post lodgement date on or before 27 May 2016.
Step 2	The applications will be opened and screened against the criteria outlined in this document by an Opening Committee.
Step 3	Eligible applications are forwarded to the independent Technical and Costings Committee for review and confirmation of the technical feasibility of the proposed project, ability of the proposed works to address the water losses identified in the IFWUEA and appropriate

---

	costings.
Step 4	All technically feasible applications are forwarded to the independent Investment Panel to rank the applications against the criteria and make recommendations to the Deputy Director General DPI for approval.
Step 5	The Departmental Executive review and approve the applications for funding.
Step 6	Applicants will be advised of application assessment outcomes by post.
Step 7	Unsuccessful applicants may choose to submit a revised application in subsequent funding rounds (if subsequent rounds are offered).
Step 8	Successful applicants will be offered draft deeds for review.
Step 9	Applicants should contact DPI within one month of being issued with draft deeds with amendment requests or to request final deeds for signing.
Step 10	DPI may issue final agreements and water transfer documents to successful applicants for signing. These should be returned to DPI within one month of issue.

## 8.4 Project implementation process

This process follows the infrastructure application and assessment process:

Step 1	Upon receipt of a signed funding deed, water transfer deed and Water transfer form(s), DPI lodges documents for execution with DPI executive.
Step 2	Upon execution, DPI lodges the transfer document with the NSW DPI Water to effect water transfers.
Step 3	Proponent arranges the production of WAL certificate(s) to Land and Property Information NSW (LPI).
Step 4	DPI receives notification document(s) from DPI Water and lodges the document(s) with LPI to register the water transfer.
Step 5	On receipt of notification of registration DPI initiates the water transfer payment (Milestone Payment 1).
Step 6	Proponent may commence works and obligations in accordance with the milestones and requirements of the funding deed.
Step 7	Upon completion of the works, final payment is made. The funding deed and relationship with DPI will subsequently expire.

## 9 Additional Information

### 9.1 Submissions

Applications should be submitted on original DPI forms. Submitted documents should be marked as confidential and posted to:

NSW Sustaining the Basin: Irrigated Farm Modernisation Program  
 NSW Department of Primary Industries  
 Private Mail Bag, Wagga Wagga NSW 2650

Applications should be submitted by registered post, with a traceable lodgement date and/or postmarked on or before the due date to the above address; or delivered by hand or courier to:

Wagga Wagga Agricultural Institute  
 Pine Gully Road



## 9.2 Status of Guidelines

Until DPI and the successful applicant/s execute a formal agreement there will be no legally enforceable agreement concluded between them.

These Guidelines do not constitute a contract between DPI and the applicant/s in any respect, including for the method of evaluation or for the result of the evaluation process.

DPI is not, and will not be, liable in any way to any applicant for anything including compensation, damages or costs including but not limited to liability for any lost profit or lost opportunity as a result of these Guidelines.

DPI may vary the Guidelines from time to time and as required.

Any information given to an applicant to clarify any aspect of these Guidelines will also be made publically available if in the opinion of DPI it would be unfair not to do so.

## 9.3 Cost of developing an application

The applicant bears the cost of developing their application. Planning costs associated with the project application may be incorporated into the infrastructure application. However, including these costs may reduce the competitiveness of the application by increasing the \$/ML of the application. Planning and design costs associated with the proposed project will be accepted for dates later than 4 June 2012.

The applicant acknowledges that DPI will not be liable for any expenses or costs incurred by the applicant in the preparation and participation in the STBIFM program, including where the STBIFM program has been discontinued.

## 9.4 Payment and Reporting

The applicant will receive a payment for the transfer of water entitlement, and payments for the on-farm works under the terms of a Funding Agreement.

No payment shall be made by DPI until the agreements have been signed by all relevant parties and the water transfer has been completed to the satisfaction of DPI.

An intermediate and final report is required in order to receive payments. A template for reports may be provided by DPI. The final report will require completion and inspection of the infrastructure project, production of meter validation certificate(s), and evidence of all necessary approvals.

DPI reserves the right to inspect the works at reasonable notice, for the purpose of validation, verification and quality assurance against the reporting requirements.

## 9.5 Discontinuance of application process

DPI reserves the right to discontinue the funding application process at any point, without making a determination regarding acceptance or rejection of applications.

## 9.6 Compliance

An applicant who enters into an agreement with DPI is obliged to ensure compliance with all laws, including those relating to native vegetation and heritage and culture, and ensure that relevant planning and regulatory approvals are in place.

The applicant will be responsible to ensure the safety on the construction site and in accordance with the *Work, Health and Safety Act 2011* (NSW), the *Fair Work (Building Industry) Act 2012* (Cth) and the Building Code 2013. Further information regarding Work, Health and Safety in NSW can be found at [www.workcover.nsw.gov.au](http://www.workcover.nsw.gov.au).

For projects where the head contracts for building work are greater than \$4 million (GST inclusive) the applicant must comply with the requirements of the Australian Government Building and Construction OHS Accreditation Scheme.

Further information regarding the Building Code 2013 can be found at [www.employment.gov.au](http://www.employment.gov.au). Further information regarding the *Fair Work (Building Industry) Act 2012* (Cth) and OHS Accreditation Scheme can be found at [www.fsc.gov.au](http://www.fsc.gov.au).

## 9.7 Corrupt or Unethical Conduct

If an irrigator or any of its officers, employees, agents or sub-contractors is found, in submitting an application, to have:

1. offered any inducement or reward to any public servant or employee, agent or subcontractor of the NSW Government in connection with this STBIFM program,
2. committed corrupt conduct in the meaning of the *Independent Commission Against Corruption Act 1988* (NSW),
3. a record or alleged record of unethical behavior, or
4. engaged in anti-competitive behaviour in contravention of the *Competition and Consumer Act 2010* (Cth),

DPI may determine, at its sole discretion, not to allow the application to receive further consideration.

## 9.8 Taxation

DPI does not provide tax advice to applicants regarding their taxation obligations. It is recommended that potential applicants seek independent professional advice concerning the tax consequences of their participation (including advice concerning income tax, capital gains tax and goods and services tax) in STBIFM.

The tax consequences of participation in STBIFM may vary according to the particular circumstances of each applicant.

DPI will pay GST on Infrastructure Modernisation project payments, but all payment records should be kept on an ex-GST basis.

The most recent media release regarding the amendments to legislation to provide for tax concessions on payments received from the Sustainable Rural Water Use and Infrastructure Program can be found at: <http://bit.ly/TreasuryInformation>

Applicants are also encouraged to contact the ATO business call centre for assistance on 132 866.

## 9.9 Privacy

The information provided by an applicant in relation to an IFWUEA and Infrastructure Application is collected by the DPI for the purpose of assessing eligibility to receive funding under the NSW STBIFM and to satisfy program reporting requirements. The information may be disclosed to other State and Australian government agencies or subcontractors for those or other related purposes. The information provided by applicants is given voluntarily and will be held by DPI.

## 9.10 Confidentiality and disclosure of information

All applications and IFWUEAs become the property of DPI on submission. DPI may make copies of the applications for any purpose related to the STBIFM program.

DPI may be required to publicly disclose details of the STBIFM funding process in accordance with the *Government Information (Public Access) Act* (NSW). None of the disclosure obligations require the disclosure of:

1. the commercial-in-confidence provisions of a contract
2. any matter that could reasonably be expected to affect public safety or security or
3. information which would be exempt from disclosure if it were the subject of an application under the *Government Information (Public Access) Act 2009*

Applicants should bring any 'commercial-in-confidence' information included in their application to the attention of DPI at the time of application.

## 9.11 Complaints procedure

Should any individual or entity feel that they have been unfairly excluded from an STBIFM application process or unfairly disadvantaged as a result of STBIFM assessment process, they are invited to write to:

Director, Water and Irrigation

NSW Sustaining the Basin: Irrigated Farm Modernisation  
Tocal Agricultural Centre  
Tocal Road  
Paterson NSW 2421

Depending on the nature of the complaint, it may be referred to an independent probity advisor for review and recommendation.

### **9.12 Contact information**

Regional team members are available to discuss STBIFM. Contact details for team members are available on the STBIFM website [www.dpi.nsw.gov.au/info/sustainingthebasin](http://www.dpi.nsw.gov.au/info/sustainingthebasin).

Stakeholders are encouraged to register with the bulletin service also available on the STBIFM [website](#) to receive current program information.

For general enquiries, please email the STBIFM team at: [IFM.info@dpi.nsw.gov.au](mailto:IFM.info@dpi.nsw.gov.au) or contact the Program Leader, Dr Michael Grabham, on 02 6391 3500.

It is in the interests of applicants to discuss their involvement in STBIFM with DPI to ensure they understand all the requirements of the application process.