29/10/2021

UPDATE - Departmental Estimate of Likely Water Recovery from Potentially Eligible Projects (subject to receiving an application from the proponent State and assessment of the projects) *

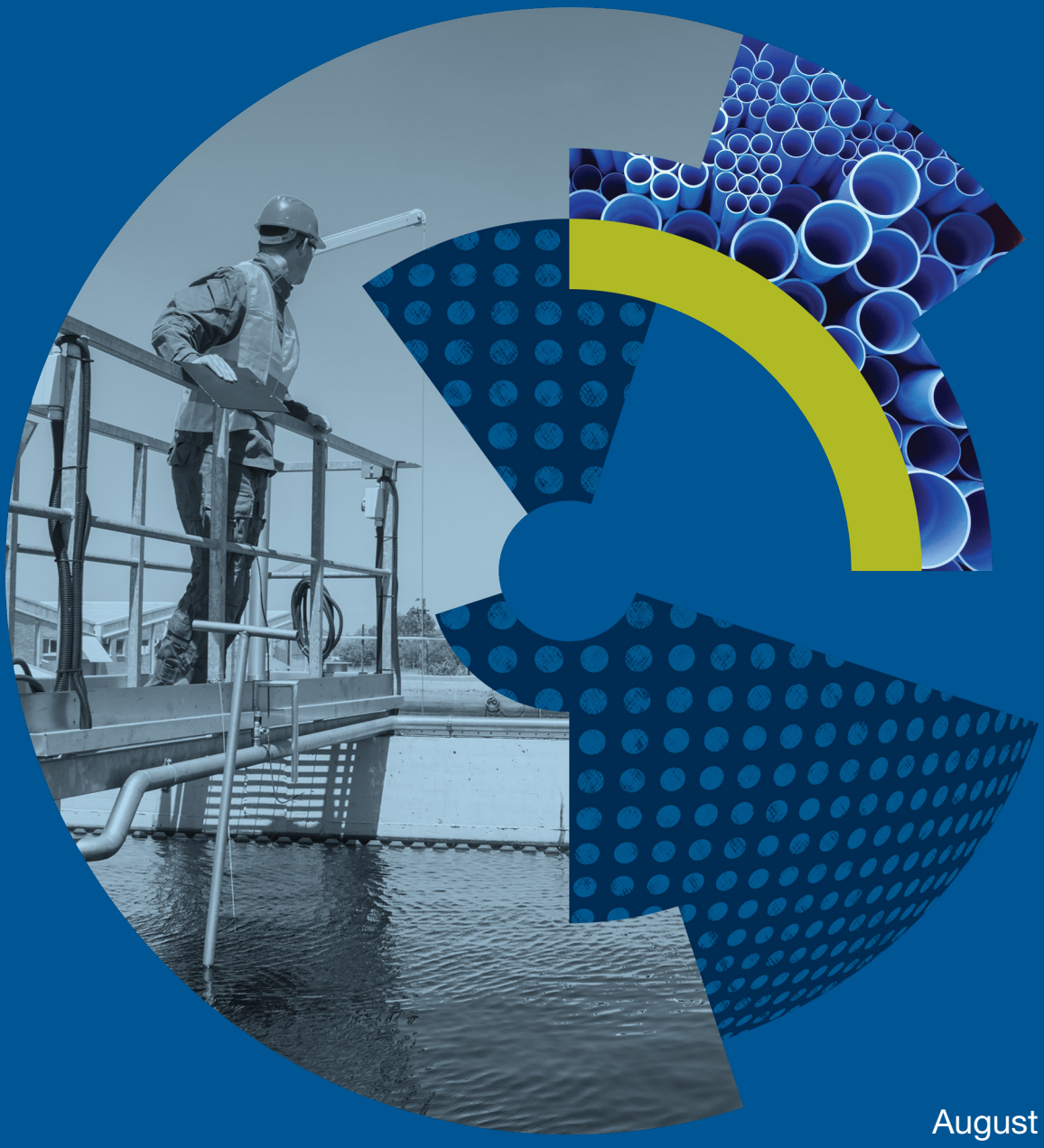
Network	Water Losses	Estimate of Likely Water Recovery	Concept Proposal in Stocktake
Goulburn Murray Water *Update: **Contracted** and work underway. Over 1GL/y of works done*		16	
Mallawa Irrigation *Update: The department is in discussions with the Queensland Government in relation to this project.*	16%	2	Syphon Upgrade S&D Proposal Network Telemetry
Moira Private Irrigation District *Update: The department is in discussions with the NSW Government.*	15%	15	Moira PID system reconnection Moira PID system modernisation
Murrumbidgee Irrigation Ltd *Update: The NSW Government has **submitted an application** (29 Oct). A consultation period was recently completed by the NSW government for public submissions in relation to this project.*	Not listed as an overall number for the network	20	MI Stage 3 Automation Project Proposal MI Capacity Increase Urban Channel Rationalisation Lake Wyangan Project MI Seepage Reduction Surge Management Project Proposal MI Solar Capacity Project Proposal Cudgel Creek S&D Project Proposal
Trangie Nevertire Co-operative Ltd *Update: The department is in discussions with the NSW Government.*	7%	1	Modernisation Completion
West Corurgan Private Irrigation District *Update: The department is in discussions with the NSW Government regarding feasibility funding to advance this project.*	5-10,000 ML/Season	15	West Corurgan PID System Modernisation West Corurgan PID System Expansion and Upgrade (feasibility)
Civil and Earth *Update: The department is in discussions with the NSW Government*		5	Basin-wide Stock and Domestic Systems
		74	**TOTAL**

*See attachments A and B for program information on the application and assessment process:

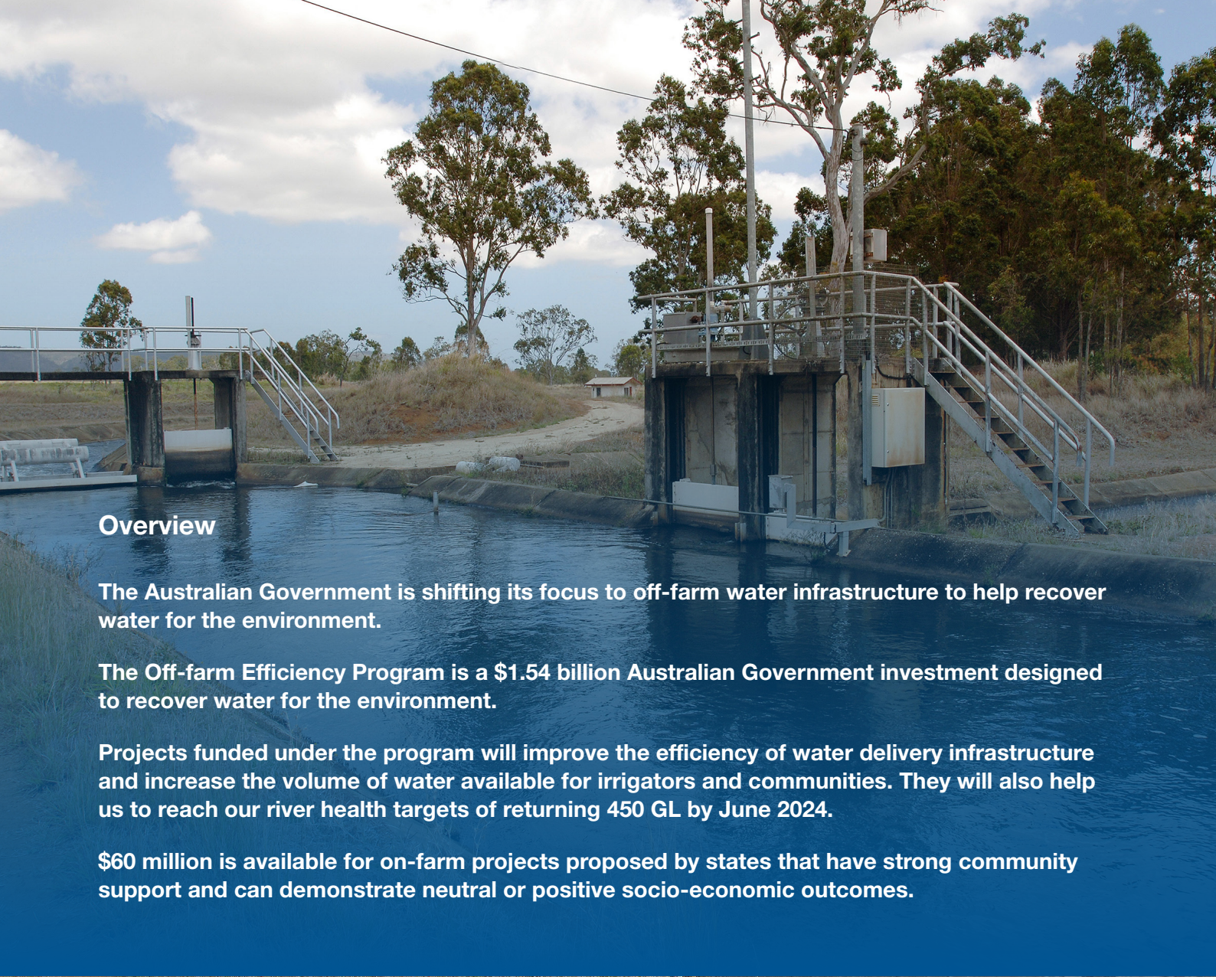
A. The Off-farm Efficiency Program – See program desciption
B. MDB Ministerial Council Socio Economic Criteria – Public consultation will be required on all project proposals

Australian Government
Department of Agriculture, Water and the Environment

The Off-farm Efficiency Program



August 2021



Overview

The Australian Government is shifting its focus to off-farm water infrastructure to help recover water for the environment.

The Off-farm Efficiency Program is a $1.54 billion Australian Government investment designed to recover water for the environment.

Projects funded under the program will improve the efficiency of water delivery infrastructure and increase the volume of water available for irrigators and communities. They will also help us to reach our river health targets of returning 450 GL by June 2024.

$60 million is available for on-farm projects proposed by states that have strong community support and can demonstrate neutral or positive socio-economic outcomes.

Purpose

This document provides an overview of the Off-farm Efficiency Program, including its objectives, who and what kinds of projects are eligible for funding, and where to find further information on the program.

Program Outcomes

The Off-farm Efficiency Program invests in water delivery infrastructure to reduce water losses in the Murray–Darling Basin providing benefits to water users and the community by sharing the water saved between consumptive users and the environment.

Investing in water delivery infrastructure will help Basin communities adapt to emerging pressures and future challenges, changes in demand for agricultural products and the transformation of industries in the global economy.

Projects funded under the program will provide long-term benefits to irrigators by improving infrastructure and benefit communities by increasing water availability and creating jobs.

The Off-farm Efficiency Program delivers on the Australian Government's commitment to put communities and jobs at the heart of the Murray–Darling Basin Plan by making $1.54 billion available for projects to modernise water delivery networks under the Murray–Darling Communities Investment Package.

Program Objectives

The objectives of the program are to:

- better prepare water delivery networks, irrigators and communities for the future;
- provide economic stimulus to support regional communities;
- achieve neutral to positive socio-economic outcomes which are supported by the community;
- reduce water losses to increase the volume of water available for the environment, irrigation networks, irrigators and communities; and
- enhance environmental outcomes in the Murray–Darling Basin by increasing the volume of Murray–Darling Basin water resources available for environmental use by up to 450 GL.

What funding is available under the Off-farm Efficiency Program?

Funding under the Off-farm Efficiency Program is available through three streams:

a. **State Led Off-farm**, with $1.33 billion available for Murray–Darling Basin state delivery of eligible off-farm proposals.

b. **Off-farm Efficiency Grants Program**, with $150 million available for the Australian Government's Business Grants Hub to deliver project proponents' eligible off-farm proposals.

c. **State Led On-farm**, with $60 million available for Murray–Darling Basin state delivery of eligible on-farm proposals.

Funding comes from the Water for the Environment Special Account established under the *Water Act 2007*.

Who is eligible for funding?

To apply for funding under the program, an applicant must be:

- a Murray–Darling Basin state for the State Led Off-farm and the State Led On-farm streams
- the owner of a water delivery network or similar organisation in the case of the Off-farm Efficiency Grants Program stream delivered through the Australian Government's Business Grants Hub.

For further information on the Off-farm Efficiency Program, please contact waterefficiency@awe.gov.au.

Project Eligibility

Eligible projects will:

- reduce the volume of water lost in the process of delivering water to irrigation networks, irrigators, urban areas, industrial water users or stock and domestic users,
- generate water savings which can be shared between users and the environment. The water for the environment will be transferred to the Commonwealth Environmental Water Holder,
- provide demonstrable public benefits, and
- have neutral or positive socio-economic impacts when assessed against the Murray-Darling Basin Ministerial Council's socio-economic criteria.

How long will the program run for and how can funding applications be made?

The program will run until 30 June 2024. Applications for funding under the Basin State Led Off-farm and the State Led On-farm streams are open now and will be considered until 30 June 2023 subject to available funding. Applications for the state-led streams can be made to the Department of Agriculture, Water and the Environment by a representative of a Basin state government.

Applications for funding for the Business Grants Hub led Off-farm Efficiency Grants Program stream, which will open later in 2021, will be to the Australian Government's Business Grants Hub. Information will be made available on GrantConnect.

How is funding made available?

The Minister for Resources and Water will determine applications under the program.

Funding arrangements will be put in place with successful applicants, by way of:

a. schedules to the relevant Federal Financial Agreement, in the case of the State Led Off-farm stream and the State Led On-farm stream, or

b. A Commonwealth Grants Agreement, in the case of the Off-farm Efficiency Grants Program stream.

Roles and Responsibilities

The Department of Agriculture, Water and the Environment administers the overall program and supports the Minister for Resources and Water as the decision maker.

Basin states (in the state-led streams) work with project partners to put forward concepts for feasibility studies or fully developed projects for funding. Basin states are also responsible for assessing the socio-economic impacts of projects and providing advice on whether a project has a neutral or positive socio-economic impact.

The Business Grants Hub administers the Off-farm Efficiency Grants Program stream.

Further Information

Further information on the Off-farm Efficiency Program can be found on the department's website at Efficiency Program.

Efficiency Measures – Agreed Criteria

1. **Projects must be made public**
    a. A regional map must indicate where investments are being made to depict how these interrelate to improving the efficiency of the district. This includes showing the broad location of the project, the amount of water to be recovered for the environment, the type of project and relevant socio-economic information.
    b. Where possible, reports or outcomes of past projects should be made available.
    c. Technical reports on completed projects must be made available to inform the development of any future projects.
    d. Following in-principle government approval, non-sensitive information about project applications must be advertised to allow relevant stakeholders to make submissions to the proposal.

2. **Projects do not negatively impact on social and environmental outcomes.**
    a. All projects are required to describe the expected socio-economic and environmental benefits of their proposed project, with delivery partners required to coordinate and communicate with local communities and community bodies on the program and describe the expected socio-economic and environmental impacts of each program on the local community, region or state.
    b. Social values may include the amenity to local communities of weirs, storages and parks that may be affected by efficiency projects.
    c. Large projects must describe the expected socio-economic outcomes of their proposal. In doing so, they must address the following:
        - the anticipated socio-economic impacts to the local community, region or state;
        - their project's strategy for increasing the socio-economic benefit to participants and their communities (e.g. local sourcing of goods, services and labour); and
        - if and how the project will contribute to regional investment and development in the geographic area.
    d. Both project and delivery partners are required to comply with all relevant laws including work health and safety laws. Each project must show an understanding of all relevant legislation or regulation (including environmental laws and regulations) that will require approval prior to works commencing.
    e. Australian Government to fund facilitators to work with communities to develop proposals that have community support and positive social and economic outcomes.

3. **The project assessment for funding must be clear, timely, simple and transparent, and not unduly increase red tape.**

4. **Projects need to demonstrate how they contribute to the current and future viability of proponent businesses and irrigation districts**
    a. Proponent consider how the project would contribute to the current and future financial viability of the irrigation district/region where it will occur, including identification of potential irrigation network improvements.
    b. Projects should avoid upgrading water supply infrastructure where the system, or parts of the system, are not going to be used in the future.
    c. Project proposals in an irrigation district should take account of relevant irrigation business' strategies or plans.

5. **Programs or projects support regional economies.**
    a. Programs or projects should identify opportunities to support local industry and regional development.
    b. Programs or projects should focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services.
    c. Programs or projects in an irrigation district don't reduce the overall productive capacity of the relevant region
    d. Programs or projects should not impact negatively on regional jobs.

6. **Programs or projects do not have negative third party impacts on the irrigation system, water market or regional communities**
    a. Where a proposed project is located within an irrigation network, the proponent must provide evidence that the relevant network operator or water corporation is involved in or aware of the project.
    b. The relevant government or proponent must consult industry bodies, irrigation network operators/, local governments or regional development organisations, on a strategic regional approach which will focus on ensuring there is a mix of water efficiency projects in a region in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services.
    c. The socio-economic assessment of programs or projects must consider impacts not just on participants, but for broader regions.

7. **Projects need to be assessed for their potential to impact on the price of water.**
    a. Proponents can only transfer water rights that they own at the time of their application. They cannot receive funding to acquire water rights. A project cannot transfer more water than the project will save, and the proposed quantity must be independently verified as being a conservative estimate of the resulting water savings. A proponent may keep any water savings beyond the amount transferred.
    b. Proponents applying for project funding would be required to provide evidence that the water entitlements have been held for a minimum of 3 years at the time of application.
    c. Project proponents must ensure there is no direct impact on the reliability of water from cumulative implementation of projects.
    d. Projects must not directly increase the price of water.

8. **Any cultural impacts identified, protected or improved**
    a. Projects are required to describe the expected cultural benefits of their proposed project, with delivery partners required to coordinate and communicate with local communities and community bodies on projects and describe the expected cultural benefits of each project on the local community, region or state.
    b. Projects must describe the expected cultural benefits of their proposal. In doing so, they must address the following:
        - the anticipated cultural benefits to the local community, region or state;
        - their project's strategy for increasing the cultural benefit to participants and their communities (e.g. local sourcing of goods, services and labour)
    c. Projects over $3 million must identify cultural heritage sites and manage any impacts in accordance with relevant Commonwealth and State laws.

9. **Program design should include close engagement with community and industry leaders.**[*]
    a. The relevant government or proponent must consult with industry bodies, IIOs, local governments or regional development organisations, or investment corporations on relevant strategic regional projects, and consider community support.
    b. This consultation should focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services.

10. **Where practical, seek to develop and implement integrated implementation of efficiency measures to maximise benefits to the irrigation network and local enterprises**

    a. Programs or projects must focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services. This would include integrated proposals.

11. **Monitoring and evaluation, including of socio-economic outcomes, should be built into programs and used to regularly review and adapt programs as required.**

    a. The Commonwealth will develop a monitoring and evaluation framework to assess the progress of projects in real time, post-approval.

12. **Projects must deliver real water savings and not result in profiteering or rorting.**
    a. Projects must not allow participants to individually profit without creating water savings.

[*] 'program' refers to an initiative that can be consulted on and discussed with community before project implementation

13. **Projects should identify improved capacity to respond to changes in business environment including drought and climate resilience**
    a. Provide information on how the project will improve resilience to climate variability.