



Australian Government

Department of Sustainability, Environment,  
Water, Population and Communities

# **WATER** for the **FUTURE**

## **NATIONAL URBAN WATER AND DESALINATION PLAN**

### **Stormwater Harvesting and Reuse Projects**

Implementation and Funding Guidelines

June 2011

# STORMWATER HARVESTING AND REUSE PROJECTS: Implementation and Funding Guidelines

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## Disclaimer

This document has been prepared to provide guidance to potential applicants for financial assistance under the call for stormwater harvesting and reuse projects as part of the National Urban Water and Desalination Plan.

The Commonwealth 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.

Potential applicants should note that information received in connection with an application may also be provided to the Australian Taxation Office, the Department of Finance and Deregulation, and third parties engaged by the Department of Sustainability, Environment, Water, Population and Communities to assist with the assessment of the applications received.

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# STORMWATER HARVESTING AND REUSE PROJECTS: Implementation and Funding Guidelines

## 1. INTRODUCTION

### 1.1 Context

During 2009-10, under the National Urban Water and Desalination Plan, the Australian Government committed \$200 million through two special calls for stormwater harvesting and reuse projects. These projects are assisting communities across Australia to diversify their water supplies and save precious drinking water. Treated stormwater is being used to help keep our parks and sporting fields green, and as an alternative to using drinking water for industrial purposes.

The Australian Government has announced a further \$100 million in funding for stormwater harvesting and reuse projects, through a third competitive grants round.

In recognition of the impact from flooding across Australia in 2010–11 this grants round will also support stormwater harvesting and reuse projects that may include a component to mitigate the impact of localised flooding.

It is anticipated that investment under this program will support coordinated, urban catchment-wide management of stormwater to assist communities across Australia mitigate the risks of extreme weather events. The Australian Government also plans to encourage stormwater management as part of integrated urban design.

Supporting the Australian Government's commitment to building a sustainable Australia, the National Urban Water and Desalination Plan is a key component of the Australian Government's *Water for the Future* initiative. This is a comprehensive national response to meet the challenge of managing our valuable water resources in both rural and urban areas. *Water for the Future* is built on four key priorities: taking action on climate change, using water wisely, securing water supplies and supporting healthy rivers.

The Australian Government is committed to working cooperatively with the states and territories to improve the security of water supplies to Australia's major cities. The Government's *Water for the Future* framework builds on the National Water Initiative by bringing rural and urban water reforms together.

### 1.2 Purpose of this document

These guidelines are intended to assist applicants prepare their project proposal and serve as an invitation for the submission of applications to the Department of Sustainability, Environment, Water, Population and Communities. Eligible proposals will be considered for assistance under the National Urban Water and Desalination Plan.

Applicants should ensure that they have the current version of the guidelines and application form, as they may be amended prior to the closing date. Current guidelines and application form are available on the department's website:  
<http://www.environment.gov.au/water/programs/index.html>.

### 1.3 Roles and responsibilities

The Parliamentary Secretary for Sustainability and Urban Water is responsible for approving financial assistance under the National Urban Water and Desalination Plan. The Department of Sustainability, Environment, Water, Population and Communities is responsible for administering this competitive grants process.

The roles and responsibilities of the Parliamentary Secretary and the department are outlined in the Grant Process Flowchart in Section 2.7.

## 2. OVERVIEW

### 2.1 Objectives

The objective of this grants round is to provide support for urban stormwater harvesting and reuse projects, in cities and towns that contribute to:

- improving the security of water supplies in Australia, without adding to greenhouse gas emissions
- reducing the demand for potable water supplies
- helping to reduce the impact of urban runoff on the ecological condition of receiving waters by protecting or improving water quality and the hydrological regime (e.g. protecting low flows and reducing the impact of high flows).

### 2.2 Types of projects

This grants round will support stormwater harvesting and reuse projects, including managed aquifer recharge and recovery<sup>1</sup>, that use urban stormwater to reduce demand on potable water supplies.

Urban stormwater is defined as 'rainwater that runs off urban impervious surfaces such as roofs, pavements, car parks and roads. Common uses of harvested urban stormwater include the irrigation of parks and gardens, ovals and golf courses. Roof water harvested from non-residential buildings is increasingly being used for the watering of gardens, toilet flushing, car washing and other municipal, commercial and some industrial purposes.

As conventionally drained urban stormwater runoff can impact on streams and rivers in Australia's cities, activities that could be incorporated into the types of projects described above include:

- reducing the volume of stormwater runoff reaching receiving waters during medium and high flow events, or attenuating (delaying) flows over a longer period of time to reduce flow intensity
- protecting and improving low and dry weather flows of good quality to receiving streams and rivers
- reducing pollutants from, and improving the quality of, stormwater flowing into receiving waters.

Projects under this round must include harvesting and reuse. However, projects that have multiple benefits which may include a component to assist in the management of localised flooding will be highly regarded.

For the purposes of this grant round, 'localised flooding' refers to flash flooding ie stormwater and rainwater run-off in urban environments caused by high-intensity, but short duration, storms. It does not include floods directly caused by:

- riverine and inland flooding. This may be from rivers, creeks or artificial catchments such as dams overflowing their banks due to prolonged rainfall over large catchment areas
- inundation caused by movement of seawater (which may be referred to as actions of the sea, sea level rise or storm surge).

### 2.3 How long can the project last?

Projects must be completed by 30 June 2016.

### 2.4 Will future funding 'rounds' be held?

At this stage no further funding rounds have been scheduled.

### 2.5 How much funding is available for each project?

Project funding is capped at 50 per cent of eligible capital costs. The minimum project cost is \$2 million (eligible for funding of \$1 million). While there is no maximum project cost, funding from the Australian Government is capped at \$20 million (GST exclusive) per project. An explanation of eligible capital costs is provided in Section 5.1.

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1. Managed aquifer recharge involves deliberately putting water into aquifers with the intention of using it again later.

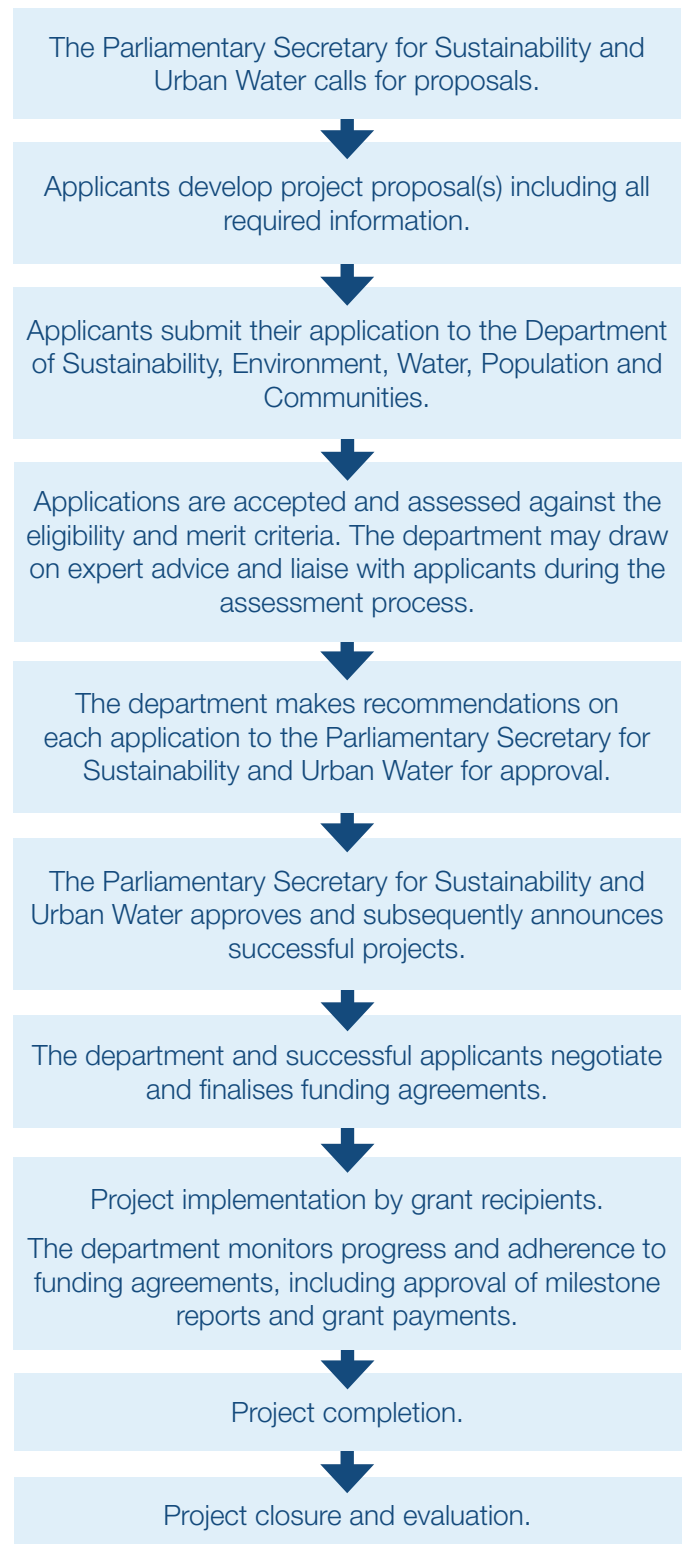
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## 2.6 Anticipated key dates

Program announced:	19 June 2011
Applications close:	7 December 2011 (5pm AEDT)
Notification of outcome:	April/May 2012
Program ends	30 June 2016

## 2.7 Grants process flowchart

The following flow chart outlines the process for applying, processing and managing a grant application and subsequent project. It is recommended that applicants contact the Department of Sustainability, Environment, Water, Population and Communities to discuss any potential proposal before finalising a submission or submitting an application. Applicants who unsuccessfully sought funding in previous rounds should seek feedback from the department prior to developing their application.



### 3. PROJECT REQUIREMENTS

#### 3.1 Compliance with the safe use of recycled water

In designing and implementing projects, applicants must comply with the *Australian Guidelines for Recycled Water*, which include modules for *Stormwater Harvesting and Reuse and Managed Aquifer Recharge*. These guidelines have been developed by the Environment Protection and Heritage Council. Information can be found at [www.ephc.gov.au/taxonomy/term/39](http://www.ephc.gov.au/taxonomy/term/39). They provide a set of operating principles and technical procedures to make sure that water reuse, for stormwater harvesting and managed aquifer recharge, is safe for people and safe for the environment.

If one of the intended end-uses is drinking water, then the *Australian Guidelines for Water Recycling: Augmentation of Drinking Water Supplies (Phase 2: Module 1)* and the *Australian Drinking Water Guidelines* must be applied.

#### 3.2 Compliance with standards, policies, guidelines and regulations concerning localised flooding

In designing and implementing projects that include management of localised flooding, applications must demonstrate that the project complies with all relevant standards, policies, guidelines and regulations relating to flood mitigation including management of flood prone land and floodplain risk management—for example the NSW Government's Flood Prone Land Policy and the Floodplain Risk Management process as outlined in the *NSW Floodplain Development Manual (2005)*.

Floodplain management plans (or similar) should refer to the *Australian Rainfall & Runoff Handbook*<sup>2</sup>, as revised.

#### 3.3 Greenhouse gas emissions

Projects implemented under the National Urban Water and Desalination Plan must source 100 per cent of their energy needs from renewable sources or fully offset the carbon impact of the project's operations.

#### 3.4 Ineligible activities

Activities that are not eligible for Australian Government funding under this call include:

- stormwater management that does not include a significant reuse (e.g. projects must be primarily for water quality purposes)
- domestic rainwater tanks
- combined effluent and stormwater reuse schemes
- harvesting stormwater from predominantly non-urban catchments (e.g. rural or forested)
- irrigation schemes using aquifers, streams or river water from largely non-urban catchments
- development requirements that are being implemented to meet legislative, regulatory or policy requirements of local, state or territory governments or the Australian Government. For example, stormwater infrastructure required to meet development conditions such as local government development controls or the Building and Sustainability Index (BASIX New South Wales)
- construction of dams or raising of dam walls (except for stormwater retention basins and wetlands)
- roadworks (including raising of roadways and construction or widening of bridges)
- placement of fill on floodplains or excavation of floodplains
- raising of buildings
- acquisition/purchase of land or properties
- other activities deemed by the department to be unsuitable for Australian Government investment upon review of an application.

These activities may form part of a broader project which includes activities funded under this round, but activities listed above cannot be funded or subsidised with Australian Government funding received under this grant round.

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2. Institution of Engineers, Australia (1987) *Australian Rainfall and Runoff: A Guide to Flood Estimation*, Vol 1, Editor-in-chief D.H. Pilgrim, Revised Edition 1987 (Reprinted edition 1998), Barton, ACT

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## 4. ASSESSMENT CRITERIA

### 4.1 Eligibility Criteria

To be eligible for approval under the National Urban Water and Desalination Plan, **applicants** must:

1. be a body incorporated in Australia<sup>3</sup> and accept the terms and conditions of the standard funding agreement (available from the website)
2. be financially viable and compliant with their taxation responsibilities.

To be eligible for approval under the National Urban Water and Desalination Plan, a **proposed project** must:

3. manage stormwater so as to reduce demand on potable water beyond existing local, state and territory government requirements
4. be technically sound and able to deliver the identified outcomes with a high degree of certainty
5. have eligible capital costs of at least \$2 million
6. be financially viable once completed with no further call on the Australian Government for on going funding, and with evidence of support for the project from the organisation/s responsible for its ongoing operation and maintenance
7. be compatible with the relevant long-term water management and/or flood mitigation plan(s) for the area
8. be able to be delivered on time and on budget by the proponent, with the project completed by 30 June 2016
9. source 100 per cent of its energy needs from renewable sources or fully offset the carbon impact of the project's operations.

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3. This includes a statutory corporation, a body corporate, or a corporation sole. Project proposals submitted by consortia will be considered only if they identify a lead proponent with whom the funding agreement can be entered into.

### 4.2 Merit Criteria

Once all eligibility criteria are met, applications will be assessed on merit using the following criteria:

1. the level of contribution to reducing demand for potable water within the targeted area
2. net economic (the cost-effectiveness of the project including the Australian Government contribution), environmental and social benefits and/or impacts. (Projects that can demonstrate multiple benefits will be highly regarded)
3. the extent of co-contribution to the cost of the proposed project
4. the level of demonstration benefits or ability to encourage improved urban water management skills in the wider community
5. the current status of the project. Projects that are ready to commence may have an advantage over projects that are in the concept and planning stages, or projects that will take longer to complete.

### 4.3 Assessment Process

The Australian Government is committed to ensuring that the process for funding projects is fair and in accordance with these guidelines, as may be varied by the government from time to time.

Applications that meet eligibility criteria will be assessed against the merit criteria outlined in these guidelines. Applicants should note that meeting the eligibility criteria and submission of an application does not guarantee funding approval.

Assessments will be conducted in a manner consistent with the *Commonwealth Grant Guidelines* and the *Australian National Audit Office's Better Practice Guide on Administration of Grants*.

Assessments of project applications may draw on independent technical or financial expertise as deemed appropriate by the department. The department reserves the right to request further or additional information from applicants.

In assessing applications, the information provided by applicants may be shared with other Commonwealth, state and/or local government agencies, organisations and individuals, including those identified in the

application, to substantiate any claims or statements made, to verify the capacity of the proponent organisation to manage Australian Government funds and to obtain general comment on the viability of the proposal. This may include:

- the department's databases and records, including information related to your organisation's application for funding
- other Australian Government agencies, such as the Australian Taxation Office and the Australian Securities and Investments Commission
- state or territory government agencies
- law enforcement agencies
- credit reference agencies
- courts or tribunals
- any other appropriate organisation or person as reasonably required as part of the assessment process.

Applicants should be aware that there is no guarantee of funding for any of their proposals, even where an organisation has been approached to submit a project proposal, or to develop or consider developing a project proposal. No payments will be made for the development of any proposals or for any other work by organisations in relation to a proposal, other than any funding that may be agreed to for the delivery of a project under a funding agreement with the department.

Funding recommendations will be submitted for the approval to the Parliamentary Secretary for Sustainability and Urban Water, whose decision is final. The Parliamentary Secretary will consider whether the proposal will make an efficient, effective and ethical use of Commonwealth resources, as required by Commonwealth legislation, and whether any specific requirements will need to be imposed as a condition of funding. Funding approval is at the discretion of the Parliamentary Secretary.

Applicants will be advised of the outcome of their application in writing. It is expected that the assessment and decision making process will take at least three months following the closing date for applications.

#### 4.4 Complaint handling

Any enquiries relating to funding decisions for this program should be directed to [stormwaterfunding@environment.gov.au](mailto:stormwaterfunding@environment.gov.au).

#### 4.5 Probity

The Australian Government is committed to ensuring that the process for providing funding for stormwater harvesting and reuse projects under the National Urban Water and Desalination Plan is transparent and in accordance with published guidelines.

*Note that these guidelines may be varied from time to time by the Australian Government as the needs of the program dictate. All amended guidelines will be published on the department's website.*

#### 4.6 Conflict of interest

A conflict of interest may exist, for example, if the applicant organisation or any of its personnel:

- has a relationship (whether professional, commercial or personal) with a party who is able to influence the application assessment process, such as a departmental employee
- has a relationship with, or interest in, an organisation or individual, which is likely to interfere with or restrict the applicant in carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation or individual from which they will receive personal gain as a result of the granting of funding under the National Urban Water and Desalination Plan.

As part of their application each applicant will be required to declare any existing conflicts of interest or that, to the best of their knowledge, there is no conflict of interest (including in relation to the examples above) that would impact on or prevent the applicant from proceeding with the project or any funding agreement its organisation may enter into with the Australian Government.

Where an applicant subsequently identifies that an actual, apparent, or potential conflict of interest exists or might arise in relation to this application for funding, the applicant must inform the department in writing immediately.

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## 5. FINANCIAL ASSISTANCE

Financial assistance for approved projects will be:

- capped at 50 per cent of eligible capital costs up to a maximum of \$20 million per project
- available from the 2011–12 financial year and can extend to 30 June 2016
- provided to successful recipients upon demonstration of achievement of agreed milestones.

Applicants will be required to declare all sources of funding available to support the project, including other sources of government funding that have been requested, approved or received.

Projects that are already seeking approvals, funding or have commenced are still eligible to apply for financial assistance. The applicants for these projects must demonstrate that the project will deliver additional benefits as a result of the additional funding request under the round.

### 5.1 Eligible capital costs

Eligible capital costs are the upfront capital costs incurred prior to operations that are necessary to bring the project to an operable status. They include the costs of construction but **not** the cost of land. Construction expenditure includes:

- preliminary expenses such as design fees, engineering fees, foundation excavation expenses and costs of building permits
- cost of the construction of structural features that are integral to the project.

The value or cost of land, including clearing and demolition is **not** an eligible capital cost. Road construction costs that are the responsibility of local or state government entities are **not** eligible costs.

### 5.2 Operational costs

Ongoing costs, including operation and maintenance of completed projects, are the responsibility of the applicant organisation and/or the owners and managers of any assets created by a project.

### 5.3 Taxation

The Australian Government cannot provide tax advice to organisations or individuals 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 taxation implications of participation in this program may vary according to the particular circumstances of each applicant.

The Australian Government will not provide any funding under this program to compensate an applicant for any tax liability incurred as a result of participation, except where a taxable supply is made to the Australian Government and a tax invoice provided for GST under the funding agreement. Applicants should note that the Australian Government will not accept liabilities for past, present or future taxation arising from any investments funded under this program.

Further information regarding tax is publicly available through the Australian Taxation Office (ATO) website or by contacting the ATO business call centre for assistance—free call 13 28 66.

## 6. LODGEMENT OF APPLICATION

### 6.1 How to apply?

The application form is available on the department's website. Applications must be lodged electronically through the department's website at <http://www.environment.gov.au/water/programs/index.html>.

### 6.2 Closing date

Applications must be received by **5pm Australian Eastern Daylight Time (AEDT) on 7 December 2011**. Applications will be accepted after the closing time at the sole discretion of the department.

### 6.3 Where to lodge your application

Information on how to lodge your application is available on the department's website: <http://www.environment.gov.au/water/programs/index.html>.

Additional information which cannot be submitted online may be submitted on a USB flash drive/CD/DVD by mail to the following address:

**National Urban Water and Desalination Plan  
Urban Water Security Branch  
Department of Sustainability, Environment, Water,  
Population and Communities  
GPO Box 787  
CANBERRA ACT 2601**

This information should be submitted in one of the following file formats: Microsoft Word; Microsoft Excel; PDF or JPEG files. Details of shipment, method and file names must be included in the related online application.

All applications must be prepared in accordance with these guidelines and using the department's application forms. Applications that do not provide sufficient information to meet the eligibility criteria will not be considered.

#### 6.4 Receipt of applications

It is the responsibility of the applicant to ensure that their application is received on time. The department will acknowledge receipt of applications by email.

Applicants are encouraged to submit electronic applications before the due date to avoid experiencing IT delays and possibly missing the closing time.

#### 6.5 Who to contact if you need help

Applicants who require assistance with the application process should telephone **1800 218 478** (toll free) or email: [stormwaterfunding@environment.gov.au](mailto:stormwaterfunding@environment.gov.au).

## 7. WHAT HAPPENS NEXT

### 7.1 Approvals and announcements

Applications approved for funding may be publicly announced by the Parliamentary Secretary for Sustainability and Urban Water. The announcement could include all projects or individual projects may be announced.

A list of approved projects awarded funding will be displayed on the department's website following the public announcement. All applicants will be notified in writing of the outcome of their application.

### 7.2 Specific conditions

There may be specific conditions attached to the funding approval required as a result of the assessment process and/or imposed by the Parliamentary Secretary. These will be identified in the offer of funding or during the development of funding agreements.

### 7.3 Funding Agreement

All successful applicants **must enter** into a standard funding agreement with the Australian Government. It is an eligibility requirement that applicants agree to accept the terms and conditions of the standard funding agreement, which is available at the department's website:

<http://www.environment.gov.au/water/programs/index.html>

The funding agreement sets out the terms and conditions under which the Australian Government will provide financial assistance. Specific project milestones will be detailed in a schedule attached to the agreement. In general, project payments will be made upon demonstrated achievement of milestones. The schedule will detail the information required to be submitted against each milestone.

No funds will be payable until the funding agreement is executed by all parties to the agreement. **An offer made to a successful applicant will remain open for 12 weeks, after which it may expire if the funding agreement has not been executed.** There is no legally binding agreement between the Australian Government and the project applicants until all parties execute the funding agreement.

Successful applicants must demonstrate that their projects have current and appropriate insurance or they have the ability to obtain appropriate insurance.

### 7.4 Project Implementation Plan and Budget

Successful applicants will be required to submit a project implementation plan and a budget covering the project period before the department will execute the funding agreement.

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## 7.5 Project reporting requirements

Financial reporting requirements will be included in the schedule attached to the funding agreement and will be included in specific milestones throughout the life of the project. For each financial year during which a project is implemented, an independently audited financial statement which accounts for all project funds, including Australian Government monies must be provided.

A final report will be required for each project including a final, independently audited financial statement. The department may choose to independently audit expenditure on any project at any time throughout the term of the project at its own expense.

## 8. OTHER INFORMATION

### 8.1 Applicable Codes of Practices

Applicants should be aware that *The National Code of Practice for the Construction Industry, in accordance with the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, revised September 2005, reissued June 2006*, may apply to projects receiving funding assistance under the program, depending on the total cost of the project. A copy of these guidelines is available at [www.workplace.gov.au/building](http://www.workplace.gov.au/building).

The *Australian Government Building and Construction OHS Accreditation Scheme* (the 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 indirectly by the Australian Government. The Scheme applies to projects that are indirectly funded by the Australian Government where:

- the value of the Australian Government contribution to the project is at least \$5 million and represents at least 50 per cent of the total construction project value, or
- the Australian Government contribution to a project is \$10 million or more, irrespective of the proportion of Australian Government funding.

Information about the scheme can be found on the Federal Safety Commissioner's website at: <http://www.fsc.gov.au/Pages/default.aspx>.

### 8.2 Confidentiality

Applications should indicate which information is considered to be commercial-in-confidence. Commercial-in-confidence information will only be released to third parties for the purposes of assessment of the application or for consultation with relevant authorities, and will be on a confidential basis.

The Australian Government reserves the right to accept or refuse a request to treat information as confidential.

Applications will not be released to others unless prior consent is given or unless required by law. Applicants should familiarise themselves with the *Freedom of Information Act 1982*. The Australian Government may draw on non-confidential material related to projects to report on the progress of projects and, more broadly, the National Urban Water and Desalination Plan.

### 8.3 Publicity

Information on successful applicants, their project and the level of financial assistance awarded to each project may be announced publicly. Successful applicants must acknowledge Australian Government assistance to the project in any related printed material, media releases and website documentation. From time to time successful applicants may be asked to participate with the Government in making information available to the public on the project's achievements and outcomes.

### 8.4 Privacy

Information relating to individuals will be protected under the *Privacy Act 1988*.

Applicants must warrant that persons listed in their application and in any attachments have given their permission to disclose their personal information to the department for the purposes of assessing the application for funding under the National Urban Water and Desalination Plan.

## 9. EXPLANATORY NOTES FOR APPLICATION PREPARATION

### 9.1 Explanatory Notes for Project Summary

#### Title of proposed project

#### Description of project, including:

- aim and objectives of the project, and how these contribute to the program objectives [refer to Section 2.1]
- activities to be undertaken, including location(s)
- status of the project proposal (for example, conceptual, feasibility stage, detailed design, approvals in place, ready to commence or commenced) and identifying the activities required before on-ground works can commence
- proposed project start and completion dates.

#### Applicant details, including:

- name and contact details of organisation/s responsible for managing the project
- contact officer for day to day communication relating to the project proposal
- details of the consortium partners (if applicable)
- who will have responsibility for implementing the project (e.g. in-house, consortium members, contractors, etc)
- what is the legally constituted entity that will be the lead proponent? (The lead proponent will be the entity with which the department will enter into an funding agreement if the proposal is approved).

#### Funding requested, including (GST inclusive and exclusive amounts should be shown):

- the total eligible capital costs of the project
- funding to be provided by the applicant and any co-contributors
- funding sought from the Australian Government for the stormwater harvesting and reuse project.

#### Budget summary, (GST exclusive amounts should be shown), including:

- total cost of the project, project elements and time period for contributions
- funding amount sought from the National Urban Water and Desalination Plan
- co-contributions (i.e. identify the funding amounts to be provided by all financial contributors).

#### Compliance with Australian and state/territory legislation, including:

- identifying any relevant legislation, including the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act)<sup>4</sup> and native title legislation<sup>5</sup> indicating what steps have been taken to ensure compliance.

#### Consultation, including:

- identifying the stakeholders in the project and explaining the consultation processes entered into with them and the outcomes
- providing an explanation of the consultation and communication activities that are proposed to take place as part of the project.

Proposals should show that adequate consultation with both internal and external stakeholders has or will be undertaken to ensure that there is good public understanding and awareness and whether there is broad community acceptance of the proposal.

#### Project summary checklist:

- Title of proposed project
- Description of project
- Applicant details
- Funding requested
- Budget summary
- Compliance with Australian and state/territory legislation
- Consultation

4. EPBC Act: The applicant is responsible for referring a proposed project to the Australian Government Environment Minister if the project is likely to have a significant impact on a matter of national environmental significance. The EPBC Act currently identifies seven matters of national environmental significance: World Heritage properties; National Heritage places; Ramsar wetlands of international significance; Listed threatened species and ecological communities<sup>5</sup>; Listed migratory species; Commonwealth marine areas, and Nuclear actions (including uranium mining).

5. Native title legislation: If the project involves significant on-ground activity, applicants will need to check with state or territory authorities to ensure that their project complies with state or territory and Australian Government native title, cultural heritage or related legislation. For native title issues applicants should refer to the National Native Title Tribunal Registry for their assistance through their website [www.nntt.gov.au](http://www.nntt.gov.au) or by contacting 08 9268 7272.

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## 9.2 Explanatory Notes for Eligibility criteria

To be eligible for approval under the National Urban Water and Desalination Plan, applicants must:

**1. be a body incorporated in Australia and accept the terms and conditions of the standard funding agreement (available from the website)**

- Provide information demonstrating the corporate status of the organisation/participating entities in Australia including copies of certificates or registration/incorporation
- Outline the project management structures: roles and responsibilities of each participating entity; and nominate a lead proponent
- Indicate acceptance of the standard funding agreement.

**2. be financially viable and compliant with their taxation responsibilities.**

- Provide a copy of the most recent annual report, and other information to demonstrate the financial standing of the proponent and, in the case of consortia, the lead organisation and other participating entities
- Provide a statement in relation to the proponent(s) being compliant with their taxation responsibilities
- The department reserves the right to request applicants and partner organisations undergo a full financial viability assessment.

To be eligible for approval under the National Urban Water and Desalination Plan, a proposed project must:

**3. manage stormwater so as to reduce demand on potable water beyond existing local, state and territory government requirements**

- Provide a description of the project, including an assessment of current potable water use and a detailed outline of the method of reducing demand
- Identify where the stormwater will be reused and, where appropriate, provide documents indicating that the stormwater will be used in place of potable water

- Demonstrate that this project goes beyond existing local or state/territory government requirements
  - If the project includes a component to reduce the risk or impacts of localised flooding, it should identify the relevant floodplain management plan or equivalent, supporting technical and risk management studies and identify when it was developed or last reviewed
  - Describe how the proposed activity achieves the objectives of that plan and implements its recommended actions
  - Describe if the flood mitigation plan accounts for changes to risk and/or uncertainty created by a variable climate under modelled climate change impacts
  - Provide a description and evidence of why changed stormwater flows will not lead to additional harmful impacts on other communities or developments (including undeveloped sites identified for future construction). This may require modelling of water flows
  - Provide a copy of relevant elements of the flood mitigation plan.
- 4. be technically sound and able to deliver the identified outcomes with a high degree of certainty**
- Include a risk assessment and risk management strategy
  - Describe the technical/engineering approach
  - Include a concept or preliminary design plan of the project showing the location its key features, such as detention basin, wetlands, water storage facilities and water treatment systems
  - Provide evidence to demonstrate that the project is technically viable, including where relevant:
    - details of technical assessments, the catchment characteristics, water balance modelling or comparable studies including an explanation of the assumptions used in the models

- information on performance, reliability, maintenance requirement, useful/replacement life, durability and flexibility of the proposed installation
- where new technical approaches are proposed, provide information on existing approaches and why these are not supported, and relevant technical studies or analyses supporting the viability of the new approach.

**5. have eligible capital costs of at least \$2 million**

- Detail the value of the project and eligible capital costs. Eligible 'capital costs' are those capital costs directly associated with the project and exclude the cost of land and associated activities such as demolition or clearing
- The proposal should include information on capital and operational costs, for example, costs:
  - of items such as pits, pumps and pipes
  - associated with tanks, ponds or wetland management
  - of pumps or wetland management
  - of maintenance.

**6. be financially viable once completed with no further call on the Australian Government for on going funding, and with evidence of support for the project from the organisation/s responsible for its ongoing operation and maintenance**

- Provide detailed budget and financial information for the project including amounts and GST. Breakdowns of the project to identify key elements and stages and their costs is recommended and may include: forecasted cash flow; annual and total expenditure of capital; cost of capital; operating and maintenance expenditure forecasts; and income generation (e.g. pricing, demand projections etc). Applicants **must** provide the assumptions underpinning any estimates made
- This financial information should be to a level of detail suitable for presentation to a bank for the purpose of obtaining a loan or a potential investor. It must include funding from all sources for the project and may include, for example, a contribution from private sector partners, a local authority, a state government or loan finance

- Provide details of all Australian Government and state or territory government derived funding assistance received, secured or applied for
- Identify those components of the project for which funding received under the plan will be used
- Provide written evidence of support for the project from the organisation/s responsible for ongoing operation and maintenance of the project.

**7. be compatible with the relevant long-term water management and/or flood mitigation plan(s) for the area**

- Applicants should demonstrate how the project fits with a preferred long-term water supply plan for the area. Where stormwater harvesting is not a key element of water supply planning, information should be provided to demonstrate that the proposal is compatible with the long-term water supply plan, and consistent with other relevant plans, such as water sharing, floodplain management or catchment plans.

**8. be able to be delivered on time and on budget by the proponent, with the project completed by 30 June 2016**

- Provide information demonstrating access to expertise and resources, track record, experience and capacity to deliver the proposed project
- Provide details of the project work plan including:
  - sequence of activities and key project milestones
  - who is responsible for achieving each component, including ongoing operation and asset management
- Describe how progress in achieving the objectives of the project will be monitored
- Describe how the longer term impacts of the project will be assessed once the project is completed and outline any post-project review processes that may be required
- Describe any approvals required, the status of the project and the projected starting and completion dates of the project.

# STORMWATER HARVESTING AND REUSE PROJECTS: Implementation and Funding Guidelines

## 9. source 100 per cent of its energy needs from renewable sources or fully offset the carbon impact of the project's operations

- Provide a description of how greenhouse gas emissions from the proposed project will be managed (e.g. use of renewable energy sources, carbon offsets or a combination of both) over the life of the project
- Indicate the annual energy consumption and greenhouse gas emissions produced or saved, from all sources (including energy used for transportation of water) as a result of the project.

### Eligibility criteria checklist:

- Be a body incorporated in Australia
- Accept the terms and conditions of the funding agreement
- Financially viable
- Use stormwater harvesting to reduce demand on potable supplies
- Technically sound and deliver outcomes with certainty
- Capital cost of at least \$2 million
- Financially viable once completed with no further call on the Australian Government for ongoing subsidies
- Compatible with the relevant long-term water management plans
- Demonstrate the capacity to deliver the project outputs and outcomes on time and within budget, with the project completed by 30 June 2016
- Source 100 per cent of energy needs from renewable sources or fully offset the carbon impact of its operations

## 9.3 Explanatory Notes for Merit Criteria

Once all eligibility criteria are met, applications will be assessed on merit using the following criteria:

### 1. the level of contribution to reducing demand for potable water within the targeted area

Provide information describing the project's contribution to reducing demand for potable water within the targeted urban area. Information should include (but not be limited to) the volume of stormwater that will be harvested and reused (expressed as megalitres per year):

- volume of stormwater reuse that will replace current potable water use
- volume of stormwater that will replace other sources of existing water use (e.g. from rivers or aquifers)
- volume of stormwater for new purposes.

To verify the estimates of the volume of stormwater for reuse, applicants must provide detailed information, as required under Eligibility Criterion 4, demonstrating that the project is technically sound and able to deliver its outcomes with a high degree of certainty. Proposals must describe the method or model used to produce all estimates of stormwater harvested and delivered.

Proposals must identify how and where the water will be used, whether potential users of the water have agreed to take the water, and future opportunities and the strategy to increase the take-up of any surplus capacity.

### 2. cost-effectiveness of the project

Estimate net economic (including the Australian Government contribution), environmental and social benefits and/or impacts.

*Economic (cost-effectiveness of the project including the Australian Government contribution)*

Projects must be an effective use of resources. Proposals must demonstrate that it represents an efficient investment in respect to the cost of the project relative to the benefit of reduced demand on potable water or localised flood mitigation, and any other benefits.

Proposals should include a cost-benefit analysis. This cost-benefit analysis differs from a financial analysis in that it must consider the costs and impacts on the whole of society in addition to the financial status of the project participants. Any assumptions made in preparing the cost-benefit analysis should be clearly documented.

Projects are expected to show that they are financially capable of long-term operation without the need for ongoing subsidies. All proposals should provide detail of the extent to which future revenue can be generated through cost recovery.

A key measure of cost-effectiveness for stormwater harvesting projects is the levelised cost of water supplied as a result of the project, expressed in dollars per megalitre. Levelised costs must be included in the application for stormwater harvesting projects including the method and data used to calculate these costs.

Assessors will recommend projects/activities that best represent value for public money in the context of the objectives and outcomes of the program. A fundamental appraisal criterion is that a grant should add value by achieving something worthwhile that would not occur without grant assistance. This could be achieved by demonstrating the proposed activity:

- would not be achievable without Australian Government funding
- augments or expands (or allows for future expansion or augmentation) planned activities to increase their effectiveness, or
- brings forward planned activities sooner than would have been possible had it not been for the Australian Government funding.

### Environmental and Social Benefits

Describe the extent of environmental and social benefits and/or environmental best practice initiatives, including:

- measures to:
  - protect and/or enhance biodiversity
  - improve urban microclimate and amenity
- the degree to which the project protects and improves the water quality of stormwater entering receiving waters, and reduces the discharge of sediments and nutrients into those receiving waters
- the degree to which the project protects and improves the hydrology or flow regime of stormwater flowing into receiving waters, including:
  - protecting low and dry-weather flows of good quality to maintain receiving stream flows
  - reducing the volume of, or attenuating, high storm flows to reduce the impact on receiving waters
  - providing an estimate of the percentage of catchment stormwater flow that will be harvested by the project and how the remaining flow portion relates to a pre-development estimate of runoff.
- for projects that reduce flows to receiving waters—describe the impacts on other water users and the environment, and any offsetting measures to reduce negative impacts
- for projects that generate water savings for environmental flows—how they intend to preserve and manage those flows over the long term
- contributions to climate change adaptation strategies provided by stormwater harvesting and reuse proposals, and water sensitive urban design resulting from the project
- for projects that provide social benefits—describe these and how they will improve community amenity.

# STORMWATER HARVESTING AND REUSE PROJECTS: Implementation and Funding Guidelines

Where there is a project component that aims to reduce the risks or impact of localised flooding:

- Outline how the project will improve stormwater management so as to mitigate the risk or impact of localised flooding such as promotion of community safety or protection of property and infrastructure. Applications that take a catchment-wide approach to management of stormwater and localised flooding will be viewed more favourably
- Outline how the project will allow for future changes to risk and/or uncertainty created by a variable climate
- Applicants must identify and describe how their project meets or exceeds all relevant standards, policies, guidelines and regulations concerning flood mitigation including management of flood prone land and floodplain risk management—for example the NSW Government's Flood Prone Land Policy and the Floodplain Risk Management process as outlined in the Floodplain Development Manual (2005).

To receive funding assistance for capital costs under the plan the proposed projects must gain all necessary approvals under environmental assessment and planning legislation and policies in the jurisdictions where they are proposed. This includes the *Environment Protection and Biodiversity Conservation Act (1999)* and native title legislation.

### 3. the extent of co-contribution to the cost of the proposed project

The extent and proportion of co-contributions by significant beneficiaries will be an important consideration in project selection. Generally speaking, a higher external contribution would advantage a proposal over otherwise equal projects. Letters of support from all organisations identified as providing contributions must be included. The information should identify the approval status of the other contributions.

### 4. the level of demonstration benefits or ability to encourage improved urban water management skills in the wider community

Outline how you will engage with the local community and relevant industry and government stakeholders to promote the benefits of stormwater harvesting and reuse. Applications that have a demonstration/engagement strategy will be viewed more favourably.

### 5. the current status of the project.

Identify the project status as: concept stage; feasibility stage; pre-planning approvals or detailed design stage; planning approvals stage; or ready to commence. If the project has already commenced, identify this clearly and outline how the funded project will exceed the original scope. Projects that are ready to commence or have already commenced may be viewed more favourably.

#### Merit criteria checklist:

- Level of contribution to reducing demand for potable water within the targeted area
- Cost effectiveness of the project (economic, environmental and social benefits).
- The extent of co-contribution to the cost of the proposed project
- The level of demonstration benefits or ability to encourage improved water management skills to the broader community
- Current status of project





**National Urban Water and Desalination Plan**  
**Urban Water Security Branch**

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