



# Narran Lakes Water Reimbursement Project Grant Opportunity Guidelines

<b>Closing date and time:</b>	11.00PM AEDT / 10.00PM AEST on 28 February 2020
<b>Commonwealth policy entity:</b>	Department of Agriculture, Water and the Environment
<b>Administering entity</b>	Community Grants Hub
<b>Enquiries:</b>	If you have any questions, contact Community Grants Hub Phone: 1800 020 283 (option 1) Email: <a href="mailto:support@communitygrants.gov.au">support@communitygrants.gov.au</a> Questions should be sent no later than 5.00PM AEDT / 4.00PM AEST on 26 February 2020
<b>Date guidelines released:</b>	14 February 2020
<b>Type of grant opportunity</b>	Ad-hoc targeted competitive

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# 1. About the grant

The purpose of the grant is to improve the health of habitat within the Narran Lakes Nature Reserve Ramsar Site by providing water. Achieving this outcome involves paying water allocation holders that are legally entitled to pump water from rivers that flow to the Narran Lakes to not pump. Currently, the internationally significant Narran Lakes is highly stressed after an unusually long dry spell, and habitat for waterbird breeding is declining in health and vigour.

The grant is a pilot (or 'interim measure') from which the lessons learned will support any future implementation of event-based mechanisms. Event-based mechanisms are a 'Toolkit measure' under the *Intergovernmental Agreement on Water Reform in the Murray-Darling Basin*.

This grant contributes to the achievement of the [Portfolio Budget Statement Program 1.2: Environmental Information and Research](#). The grant will contribute to the objective of the Commonwealth Environment and Energy portfolio:

- to protect and restore environmental assets in the Murray-Darling Basin through the management and use of Commonwealth environmental water.

The grant will also support the 2019-20 environmental watering priorities for the Murray-Darling Basin:

- to maintain the extent and improve the condition of lignum shrublands and support flows to the Narran Lakes;
- maintain the habitat at Narran Lakes so waterbirds can shelter and breed; and
- to replenish refuge waterholes for native fish.

This grant is being administered by the Community Grants Hub ('the Hub') on behalf of the Commonwealth Environmental Water Office (CEWO) within the Department of Agriculture, Water and the Environment

The grant is undertaken in accordance with the [Commonwealth Grants Rules and Guidelines \(CGRGs\)](#).

## 2. Grant amount and grant period

An amount of up to \$7.5 million in total is available for the Narran Lakes Water Reimbursement Project. Payment will be a function of the volume of water left in the river by selected water allocation holders by foregoing pumping, the location of the properties, and the independently determined price per megalitre in that Water Management Area. Funding will be provided at the end of the 2019-20 Financial Year, or as soon as possible thereafter when the quantity of water foregone is confirmed<sup>1</sup>.

### 2.1 Establishing a price for water foregone

The price per megalitre of water foregone in two Water Management Areas has been established through an independent price assessment by consulting economists. The price was calculated taking into account the time of the year, the crops that could be grown, the high losses if water was pumped into the storage due to the extremely dry state of the catchment, water prices in neighbouring regions, and discussions with water market advisors.

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<sup>1</sup> The quantity of water foregone will be determined in accordance with announced periods for water harvesting, including periods when event management rules are applied. Evidence to quantify the volume of water foregone is described in the Letter of Acceptance.

The price per megalitre established for this grant opportunity is \$225 / ML. Treatment of GST is described in Section 6.1.

The basis of the independent calculation of the price per megalitre of water foregone will be made available to you.

### 3. The grant

This grant has been established as an ad-hoc targeted competitive selection process.

The Department of Agriculture, Water and the Environment considers this is an appropriate process considering the nature of the grant, which is specifically aimed at improving the health of the Narran Lakes Nature Reserve Ramsar Site by providing additional water following severe drought.

#### 3.1 Eligibility criteria

To be eligible to receive a grant, a water allocation holder must be located in Water Management Area LBU-04 (excluding Belah Creek) or LBU-05 in the Lower Balonne, as they are considered to be best placed to impact the volume of water flowing into the Narran Lakes. The water allocation holders listed in the attachment have received an invitation to apply for this grant opportunity.

No further water allocation holders will be invited to apply as their extraction points are located too far from the Narran Lakes, and hence little or none of any foregone water would achieve additional environmental outcomes at the Narran Lakes.

#### 3.2 The grant process

Should you choose to participate in this grant process, you are asked to respond to the Hub at three stages in this process, by responding to letters of invitation, acceptance, and agreement respectively. The purpose of each of these letters is set out below.

- The Letter of Invitation is at the start of the grant process. It is like an expression of interest and an initial indication that you are prepared to abide by the conditions of the grant. To be eligible, you must respond positively to the Letter of Invitation. The Letter of Invitation will be sent prior to any triggering mid-sized flow event (see Section 4).
- The Letter of Acceptance is like a grant application from an eligible grant applicant (who has previously expressed their interest in participating by completing and returning the above mentioned Letter of Invitation). You will be sent a draft Letter of Acceptance with the Letter of Invitation, so that you can consider the conditions that will apply to any grant should you accept the offer. The Letter of Acceptance will be sent from the Hub to eligible grant applicants, soon after your positive response to the Letter of Invitation, and near the beginning of a triggering mid-sized flow event. If you have harvested water against your water harvesting licences before receiving advice that the grant is activated, then you will not be paid for this water, nor will you be asked to release it back to the river. The Letter of Acceptance works as an application form and will seek information required by the Hub to assess your continuing eligibility for the grant as well as information that will be required to make the payment of the grant. Eligible grant applicants respond to the Letter of Acceptance soon after the triggering mid-sized flow event has concluded, providing evidence of the grant funds that are claimed based on the amount of water foregone.
- The Letter of Agreement is the final stage. It is a legally binding Grant Agreement with the Commonwealth and includes specific grant conditions that cannot be changed. It will also confirm the amount of funds you will be paid and the proposed date for payment, which may be at the end

of the financial year or soon thereafter. The Letter of Agreement will be sent when the grant sum is agreed (based on the evidence of the volume of water foregone that eligible grant applicants provided with the Letter of Acceptance). The Letter of Agreement is a contract between the Department and eligible grant recipient that the grant sum will be paid, subject to the volume not being 'made up' in any future flow events in the 2019-20 financial year.

The grant process is summarised in the table below. The grant arrangement can be put in place prior to 28 February 2020 if you respond to the Letter of Invitation prior to that date.

<b>Date</b>	<b>Activity</b>
14 February 2020	The Hub sends the Letter of Invitation, grant guidelines (this document) and the draft Letter of Agreement to you.
Between 14 February 2020 and 26 February 2020	Questions can be directed through the Hub. Any technical questions will be provided onto the CEWO.
26 February 2020 (5 pm AEDT, 4 pm AEST)	Question period ends.
28 February 2020 (11 pm AEDT, 10 pm AEST)	Closing date and time for your response to the Letter of Invitation to be received back at the Hub. If you respond positively to the Letter of Invitation, you are an eligible grant applicant.
When (and if) a triggering mid-sized flow event occurs (as determined by the CEWO, see Section 4)	Eligible grant applicant receives a Letter of Acceptance (which is a grant application form) from the Hub at the start of a triggering mid-sized flow event.  The Hub and CEWO staff hold teleconferences with eligible grant applicants during the flow event to discuss progress and flow forecasts, and whether there is any possibility that the grant may be de-activated <sup>2</sup> .
Within a week of the triggering mid-sized flow event concluding, or the CEWO de-activating the grant	At the end of the flow event, eligible grant applicants submit the Letter of Acceptance, with evidence to support the grant sum claimed. This is like a grant application.  When the Letter of Acceptance is accepted by the CEWO and the Hub, the Hub provides a Letter of Agreement (which includes an agreement on the amount of funds to be paid) to eligible grant recipients that had foregone water for signature and return. Payment of the grant would be based on this Letter of Agreement and the supporting evidence provided with it.
30 June 2020 <sup>2</sup>	The Hub releases payment of the grant amount approved by the Commonwealth Environmental Water Holder's delegate to each eligible grant recipient.

All responses to these letters are to be sent to the Hub ([support@communitygrants.gov.au](mailto:support@communitygrants.gov.au)). Please include **2019-3757 – Narran Lakes Water Reimbursement Project** in the subject line of the email response. Please keep a copy of all submissions. The Hub may be contacted on 1800 020 283.

<sup>2</sup> Whilst it is not expected, the grant may be de-activated if the CEWO determines that the outcomes from the grant either will be met without any further augmentation of flow, or will not be met. For example, the objectives of the grant will be met if follow-up rainfall results in the volume expected to pass St George exceeding 500,000 ML. Alternatively, the objectives of the grant will not be met if volumes at St George are expected to be less than 250,000 ML and/or the losses in the rivers of the Lower Balonne are significantly higher than expected. If the grant is de-activated, eligible grant recipients will receive seven days advance notice, and payments will be made for foregone water up until the time that the grant is de-activated or soon after, when the CEWO has confirmed the volume of water foregone.

### 3.3 Late response to the Letter of Invitation

You (as the invited water allocation holder listed in Section 3.1) may request that the Hub allow you to submit a late response to the Letter of Invitation. The request should include an explanation of the circumstances that prevented the Letter of Invitation being submitted prior to the closing time in Section 3.2.

The Delegate or their appointed representative<sup>3</sup> will determine whether a late response to the Letter of Invitation will be accepted. The decision of the delegate will be final and not be subject to a review or appeals process. Once the outcome is determined, the Hub will advise the applicant if their request is accepted or declined.

## 4. Grant assessment

The grant would be activated if the water is expected by the CEWO to make a significant additional contribution to the health of the core rookery habitat (lignum) at the Narran Lakes Ramsar site. This flow event is referred to as a 'triggering mid-sized flow event'.

A triggering mid-sized flow event occurs if the CEWO expect that the volume passing St George will be between 250,000 and 500,000 megalitres. The CEWO will make this assessment based on the best available information at the time, including advice from the river operator, weather forecasts, the shape of the flow hydrograph, and relationships between flows at gauges along the system'.

If you operate under the Instantaneous Volumetric Limit water sharing rule a one-to-one conversion would be applied for this interim measure. That is, if a water allocation holder participates in the interim measure and agrees to forgo taking an agreed volume of water made available in accordance with an announced period for water harvesting, they also agree to temporarily (until the end of the 2019-20 water year) reduce their effective storage capacity (or Instantaneous Volumetric Limit) by the volume secured by the grant. This reduction has the effect of acknowledging the intent of the grant where the volume of water foregone is no longer available to the water allocation holder for the remainder of the water year. This one-to-one conversion is without prejudice: it is possible that this reduction will differ in the future based on hydrological modelling.

From 1 July 2020, the grant is over, and those who accept the grant are no longer subject to any restriction regarding the use of their storages from the grant'.

## 5. Who will approve the grant?

The Commonwealth Environmental Water Holder's delegate (the decision maker) will make the final decision to approve a grant based on advice from the Hub. The decision maker's decision is final in all matters, including: the approval of the grant; the grant amount to be awarded; and the terms and conditions of the grant.

## 6. Notification of the grant

Following a decision by the decision maker, the Hub will advise you of the outcome. The Hub will also advise you of any specific conditions attached to the grant in the Letter of Acceptance (which is the grant application).

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<sup>3</sup> This may be the Hub Delegate or nominated staff member of the CEWO at the Executive Level 2 or above.

## 6.1 Grant payments and GST

Payments will be GST Inclusive. If you are registered for the [Goods and Services Tax \(GST\)](#), where applicable, the Commonwealth will add GST to your grant payment and issue you with a [Recipient Created Tax Invoice](#).

Grants are assessable income for taxation purposes, unless exempted by a taxation law. The Community Grants Hub recommends you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office](#). The Community Grants Hub does not provide advice on your particular taxation circumstances.

## 7. Public announcement of the grant

Your grant will be listed on the [GrantConnect](#) website, no later than 21 days after the date of effect as required by Section 5.3 of the CGRGs. Your grant may also be listed on the CEWO website.

## 8. Privacy

The Hub treat your personal information according to the [Privacy Act 1988](#) and the [Australian Privacy Principles](#). This includes letting you know:

- what personal information the Hub collects
- why the Hub collect your personal information
- who the Hub gives your personal information to.

Your personal information can only be disclosed to someone else for the primary purpose for which it was collected, unless an exemption applies.

The Australian government may also use and give out information about grant applicants and grant recipients under this grant opportunity in any other Australian government business or function. This includes disclosing grant information on GrantConnect as required for reporting purposes and giving information to the Australian Taxation Office for compliance purposes.

The Hub may share the information you give us with other Commonwealth entities for purposes including government administration, research or service delivery, according to Australian laws.

As part of your application, you declare your ability to comply with the *Privacy Act 1988* and the Australian Privacy Principles and impose the same privacy obligations on officers, employees, agents and subcontractors that you engage to assist with the activity, in respect of personal information you collect, use, store, or disclose in connection with the activity. Accordingly, you must not do anything, which if done by the department would breach an Australian Privacy Principle as defined in the Act.

## 9. Grant evaluation

In the letter of acceptance, you will be asked to attach evidence of the amount of water that you have foregone against water harvesting licences, which may include: pump meter records; storage gauge meter readings, a property water balance before and after the grant was activated, dated photographs of storages; the announced flow condition (pumping window) and the maximum daily rate of take (net of any deductions, such as 10% of the maximum daily rate of take during an announced period when an event management rule applies). You will be asked to agree to share data regarding volume measurements with other agencies (including the Queensland Department of Natural Resource, Mines and Energy; Murray-Darling Basin Authority) that can verify volumes. You will also be asked to agree to provide access to your property to agency staff for the purpose of verifying volumes.