

Frequently Asked Questions

Strategic Sub-System Reconfiguration in the Murray-Darling Basin Program

To be read in conjunction with the Program Guidelines

1. Who can apply for funding under this program?

Applications for the program must be lodged by an Irrigation Infrastructure Operator in conjunction with relevant irrigation customers. Irrigation Infrastructure Operators who are located in eligible catchments can apply for the program. A list of eligible catchments is available on the program website at www.environment.gov.au/water/policy-programs/entitlement-purchasing/sub-system-reconfiguration.html.

2. I would like to sell my water access entitlements, but my Irrigation Infrastructure Operator is undecided. Can I still proceed with an application?

No. You cannot proceed with an application without agreement from your Irrigation Infrastructure Operator.

3. I am a direct diverter. Can I apply for the program?

No. This program is only available within shared irrigation delivery networks.

4. How much funding is available under the program?

A total of \$200 million is available under the program, which will run for four years.

The first call for applications has a budget of \$25 million. There is no minimum amount of funding that can be applied for under the program. The maximum amount is the total funding available in each program round. For the first call for applications, this is \$25 million.

5. Are there any activities that are mandatory under the program?

To be eligible to receive funding, a project must include the following elements:

- the decommissioning of underutilised or inefficient off-farm water delivery infrastructure;
- an unconditional offer from customers drawing water from the sections of the irrigation delivery network proposed for decommissioning to sell some or all of their water access entitlements to the Commonwealth; and
- demonstrated support from all customers that are connected to the section of the irrigation delivery network proposed for reconfiguration.

6. Will customers be paid for their water access entitlements through this program?

Yes. Water access entitlements are being purchased through this program.

7. Who pays for the decommissioning of underutilised or inefficient off-farm water delivery infrastructure?

The decommissioning of underutilised or inefficient off-farm water delivery infrastructure is eligible for funding by the Commonwealth through the program.

8. Who is responsible for the decommissioning of underutilised or inefficient off-farm water delivery infrastructure?

The Irrigation Infrastructure Operator is responsible for undertaking and managing the works associated with the project, including the decommissioning of underutilised or inefficient off-farm water delivery infrastructure. In some cases, the Irrigation Infrastructure Operator may provide Commonwealth funds to a customer for undertaking on-farm works approved for funding by the Commonwealth.

9. What is a 'disconnection completion grant'?

A disconnection completion grant is a payment available to customers who hold water delivery rights/shares and whose landholding will be permanently disconnected from the supply of irrigation water from the Irrigation Infrastructure Operator. Customers will only be eligible for a disconnection completion grant where they provide a disconnection completion undertaking and where they sign a statement agreeing to their landholding being permanently disconnected from the Irrigation Infrastructure Operator's network.

The disconnection completion grant will be paid only on water access entitlements and water delivery rights/shares held at the date the program guidelines were publicly released.

10. Do I have to declare what I spend my disconnection completion grant on?

The grant payment to the Irrigation Infrastructure Operator will be acquitted to verify the payment was made to the nominated customer. However, information on the use of the funds by the customer is not required.

11. Am I or my Irrigation Infrastructure Operator eligible to apply for infrastructure works through this program if I am receiving funding to undertake these works from another *Water for the Future* program?

No. The Australian Government will not provide funding to a component of a project that has previously received funding or is currently being funded by any *Water for the Future* program.

12. What costs associated with the water sale may a customer incur if they participate in the program?

Customers selling entitlements under the program will have to pay for the services of their own solicitor or other professional advice and services associated with the sale of water access entitlements.

13. How and when will project payments be made?

Funding Agreements with milestone and payment commitments will be negotiated with successful Irrigation Infrastructure Operators.

If a disconnection completion grant is approved, this payment will be provided by the Australian Government as a milestone payment to the Irrigation Infrastructure Operator. This grant will be distributed to the customer under the terms of the individual contract between the customer and the Irrigation Infrastructure Operator.

Customers will receive payment for their water access entitlements once water access entitlement sale contracts have been executed with Irrigation Infrastructure Operators approved for funding through the program, reflecting the milestone and payment commitments in the Funding Agreement.

What are the Taxation impacts of accepting funding?

The department is unable to advise on the taxation consequences of accepting funding under the Program. Applicants are urged to obtain independent professional advice. The taxation consequences of participating in the Program may vary according to the particular circumstances of each applicant.

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

14. Who do I contact if I have more questions?

For further information email SSR@environment.gov.au or call 1800 218 478 (toll free).