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Introduction

The Stormwater Management Authority (SMA) is established as a statutory corporation pursuant to Schedule 1A of the *Local Government Act 1999*. The SMA acts as a state-wide planning and prioritisation body for stormwater management, and implements the *Agreement on stormwater management between the State of South Australia and the Local Government Association of South Australia* (the Stormwater Management Agreement).

The Stormwater Management Agreement promotes the management of stormwater in a way that delivers multiple benefits including flood protection, public amenity, healthy waterways and healthy coastal environments.

The Stormwater Management Fund (SMF) has been established through the Stormwater Management Agreement to assist, primarily, local government in meeting the costs of stormwater management planning and stormwater infrastructure.

Using this Guide

Scope and Purpose of this Guide

This guide has been prepared to:

- Assist entities determine whether projects or activities are eligible for funding support through the SMF,
- Inform entities of the process by which grant applications are assessed
- Outline the methodology for which successful grants will be administered
- State the requirements for reporting and claiming funds during the life of a grant agreement.

The SMA has the sole discretion to vary the requirements set out in this guide if the applicant demonstrates exceptional circumstances. Such circumstances could include the project being a pilot program, the catchment having special characteristics, the proposal demonstrating whole of catchment benefits or that no projects in the approved stormwater management plan have a catchment area of at least 40 hectares.

Terminology

Throughout this guide, unless a contrary intention is evident:

- **Applicant** means the incorporated body (or group of incorporated bodies) that is applying for funding from the SMF
- **Application** means an application to the SMA for funding from the SMF
- **Approved stormwater management plan** means a stormwater management plan (SMP) that has been approved by the SMA and for which notice has been published in the South Australian Government Gazette
- **Stormwater Management Authority (SMA)** means the board of the Stormwater Management Authority, its staff, or agents acting on its behalf. The Stormwater Management Fund

Who can apply for funding?

Applications are open to any legally incorporated body. Priority is given to applications from local government authorities, groups of local government authorities, and regional subsidiaries established under the *Local Government Act 1999*.

What funding can be applied for?

Applicants can apply for funding in three categories shown in Table 1 below. Category-specific eligibility requirements are outlined elsewhere in this guide.

Table 1: Eligible funding categories and activities.

Category A	Category B	Category C
SMPs and other studies relating to stormwater management	Stormwater management knowledge, capability and capacity building	Capital works relating to stormwater management
<ul style="list-style-type: none">• Preparation or revision of SMPs• Water quality, hydrologic, hydraulic and floodplain mapping studies that lead to preparation of a SMP• Other studies where the preparation of a SMP is not appropriate.	<ul style="list-style-type: none">• Community education and awareness programmes• Monitoring, research or trials• Community tools and resources• Technical tools and resources.	<ul style="list-style-type: none">• Detailed design of civil works• Construction of civil works• Land acquisition.
Open to applications year round	Open to applications year round	Generally open to applications for a defined period once per year

The costs of external service providers are eligible for funding support. Staff time and materials may be eligible for funding support, to the extent that these are not a part of the normal day-to-day operating costs of the applicant (e.g. employment of a dedicated project manager may be eligible).

How much funding can be applied for?

There is no upper or lower limit to the amount of funding that can be applied for, however, the amount available to applicants from the fund can differ from year to year depending on capacity. SMA staff can provide advice on the capacity of the fund. The SMA will consider applications for funding of *up to* 50% of the total cost of eligible projects, with the remainder to be provided by the applicant or third parties. Multiple entities can collectively apply for funding for a single project, however, a primary applicant must be nominated who will be the dedicated point of contact with the SMA.

The applicant's funding contribution must *at least match* the SMA's funding contribution. The SMA does not consider 'in-kind' contributions as matching funding.

When to apply for funding?

In general, a grant application should be sought before the potential project has commenced. Waiving of this requirement is at the discretion of the Authority Board.

Applications for funding in Category A or Category B can be submitted at any time.

Applications for funding in Category C can be submitted following a call for applications. The call generally occurs once a year and a period is specified for which applications are able to be accepted for consideration. The call is made via the SMA website and is advertised through the SMA newsletter.

How to apply for funding?

The instructions on the SMA website provide a description of the application process including how to apply for funding. The application process is also described graphically through a flow chart in the Appendix to this guide. For further assistance with the application process, contact the SMA (see *Further Information* at the end of this guide.)

What happens after I apply?

All applications submitted to the SMA undergo an assessment process. Completing the application form as accurately and concisely as possible assists the SMA to complete this assessment in a timely fashion. Incomplete and/or inaccurate information will lead to delays in assessing applications.

During the assessment process, the SMA may seek further information or clarification from the applicant.

In considering an application, the SMA can:

- Decline the application
- Defer consideration of the application
- Approve the application, with or without conditions.

The SMA will formally notify all applicants of its decision in respect of their application. If the application is deferred or declined, the SMA will advise the applicant of the reason(s) for its decision to defer or decline the application. If the application is successful, the SMA will make a written offer of funding to the applicant outlining any conditions of the offer.

Successful applicants will be expected to enter into a grant agreement with the SMA within ninety days of an offer of funding being made.

What are my reporting responsibilities?

Applicants must provide quarterly progress reports to the SMA on their approved projects. This must occur within 14-days of the end of each March, June, September and December quarter throughout the life of the grant agreement.

How are claims for funding processed?

Funds for approved applications will be paid to the applicant in accordance with an agreed schedule of payments in the grant agreement. They are usually paid in arrears though this can be negotiated.

Claims for funds will be paid once they have been assessed by the SMA as being true and correct. To enable this assessment to be made, claims should include supporting material containing sufficient details of expenditure and progress and achievement of the agreed milestone. Supporting material can include copies of invoices from service providers and contractors, reports from the applicant's general ledger and documents demonstrating delivery of milestone activities to the satisfaction of the SMA. The SMA can request further evidence of project progress, technical detail or expenditure before a claim is approved.

Grant funds will be paid at the lesser of the actual expenditure and the approved amount in accordance with the agreed funding split. Applicants cannot divert unspent funds to other projects.

Payments from the SMF are exempt from GST where the SMA receives no service or supply in return for contributions paid to an applicant towards a stormwater management project.

Detailed instructions on submitting a claim are available on the SMA website.

What happens if circumstances change while a grant agreement is in place?

It is expected that projects are ready to proceed in accordance with the timeframe provided by the applicant. During a project, timeframes can be varied or adjusted within reason. It is the grantees responsibility to communicate, in advance of milestone due dates, if there is potential for change in project deliverables or delivery dates. However, the SMA reserves the right to revoke an offer of funding where a project repeatedly and consistently does not proceed in accordance with the approved timeframe and/or the applicant fails to provide quarterly progress reports.

How are applications assessed?

Applications are assessed on merit and are considered in the context of other plans and priorities. Assessment of applications takes into consideration the following:

- Whether the proposed project is judged to be technically and financially feasible
- The anticipated social, environmental and economic impacts (costs/benefits) of the project
- The distribution of costs and benefits across different areas and groups of people, especially where a project has the potential to benefit a broad cross section of the local government sector or the community
- Whether there is any co-investment by third-parties, and the potential for the project to seek and obtain co-investment through other sources of funding
- The level of subsidy sought and the capacity of the SMF to fund the project at the given point in time
- For SMPs, the relative priority of the catchment as identified in the *Priorities for Stormwater Management Planning in South Australia 2016–2020*, as amended from time to time, and available at www.sma.sa.gov.au
- For Category C projects, whether the project is identified in an approved SMP; the priority of the project against other projects in the approved SMP; and, the priority of the project against projects in other approved SMPs.

Impact of government legislation and policies

Applicants and intending applicants should note that the SMA is bound by South Australian Government legislation and policies governing the expenditure of public funds on works and initiatives and the disclosure of expenditure including, but not limited to:

- The *Parliamentary Committees Act 1991* (to the extent that it establishes the functions and requirements for the Public Works Committee)
- *Premier and Cabinet Circular 15: Procedures for submissions to Cabinet seeking the review of public works by the public works committee*
- *Treasurer's Instruction 17: Evaluation of and approvals to proceed with public sector initiatives.*

These instruments impose obligations for various approvals to be obtained, and the SMA is not able to make any payment(s) to applicants until such approvals are obtained.

The SMA is also required to disclose grant funding amounts in its Annual Report and other publicly available documents.

Category A Applications: Stormwater Management Plans and Other Studies

Applications will be considered for the preparation or revision of SMPs, and for other studies that will culminate in the preparation of a SMP. Applicants should note that SMPs should be prepared in accordance with the *Stormwater Management Planning Guidelines* (which may be obtained from www.sma.sa.gov.au), and other relevant guidelines issued by the SMA and in effect at the time an application is approved.

Neither approval of an application to prepare a SMP or undertake a study, nor approval of the SMP or study itself, represent a commitment by the SMA to fund any or all of the works and measures identified in the SMP or study.

Applicants intending to prepare or revise an SMP are encouraged to consult with their relevant regional landscape board(s).

Floodplain Mapping

Floodplain modelling and mapping is normally an essential precursor to preparation of a SMP. Although this activity is often undertaken in concert with preparation of a SMP, stand-alone applications for floodplain modelling and mapping will be considered by the SMA on merit, especially where there is a demonstrated intention and commitment to advance to completion of a SMP subsequent to completion of floodplain mapping.

Before undertaking floodplain mapping, applicants should familiarise themselves with flood modelling guidelines available on the SMA website. It is expected that any floodplain modelling and mapping produced either as a precursor to, or in the course of producing a SMP, will be made freely available for use by state government under a Creative Commons Attribution (CC-BY) license.

Other Studies

It is recognised that in certain circumstances the preparation of an SMP is not an efficient way to investigate a particular problem (e.g. a flooding problem at the downstream end of a very large rural catchment). Similarly there may be a need to investigate a proposal contained in an SMP in more detail, or to conduct research and investigations into other stormwater management issues. In these situations, applications for funding support will be considered on their merit.

Category B Applications: Knowledge, Capability and Capacity Building

Applications will be considered for activities that build stormwater management knowledge, capability and capacity within the entity, local government sector, or broader community. Such activities include:

- Education and awareness programs
- Monitoring, research or trials
- Community tools and resources that influence behaviour with respect to stormwater management or that increase resilience to flood hazard
- Technical tools and resources that contribute to improved stormwater management or stormwater management planning.

Category C Applications: Capital Works

Applications will be considered for works projects that are in accordance with an approved SMP that has been prepared in accordance with the *Stormwater Management Planning Guidelines*. The board has discretion to fund works that are *not* in accordance with an approved stormwater management plan, but it should be satisfied that such works form part of a considered and long-term strategy. In waiving this requirement, the board may consider:

- Whether the works are identified in a publicly available council asset management plan, long-term financial plan or strategic plan

- Whether the works are endorsed by the applicants governing body (e.g. elected members of a Council).

Eligible works projects are further required to possess a contributing catchment area of at least 40 hectares. The Board has discretion to waive this requirement provided the applicant can demonstrate exceptional circumstances..

The following costs are eligible for funding support:

- | | |
|--|--|
| • Cadastral and topographic survey | • Preparation of drawings and tender documentation |
| • Civil contractors' costs and contingencies | • Project management |
| • Cost and quantity estimation | • Service location |
| • Detailed design | • Service relocation |
| • Land acquisition | • Traffic management |
| • Plant and labour | |

Ongoing operation and maintenance costs relating to stormwater drainage infrastructure, and other applicant costs that can be regarded as part of the normal day to day operating costs of the applicant, are not eligible for funding support.

Where an applicant proposes to use internal resources (e.g. plant and labour or internal design staff) in delivery of a project, SMA funding may be conditional on claims being certified by a suitably qualified Auditor.

All supported projects are to be constructed on land for which title or easement has been obtained or for which some other legally enforceable management agreement has been entered into. The purpose of this requirement is to ensure long-term access for operation and maintenance, and therefore this requirement is *not* satisfied by short-term agreements with landowners to enter land in order only to undertake the works.

Prior to commencement of construction, and at the earliest opportunity, applicants should submit the following documents to the SMA for approval:

- Detailed construction drawings (certified by the applicant's Engineer)
- A detailed construction program
- The Specification and Tender for the works.

Applicants remain responsible for ensuring that works are technically satisfactory and satisfy accepted engineering practices and standards. Applicants are also responsible for implementation, management and maintenance of approved projects.

For works projects which have a stormwater reuse, stormwater quality or environmental enhancement aspect, applicants are encouraged to consult with their relevant regional landscape board(s).

Demonstrating Project Feasibility and Impact

The goals of a works project can vary from reducing flood hazard, achieving environmental objectives (water quality, biodiversity, amenity, etc..) or stormwater use (harvesting, treatment, storage, etc..). Some projects may have multiple objectives. In order to demonstrate the feasibility of a project, it can be beneficial to indicate the level of planning that has occurred in preparation to the application. For example, has a project timeline been formulated, is there awareness of the methods required to achieve the project or has a third party already been engaged to complete the works, are there resources available to complete the works, are stakeholders aware and supportive of the works and are there any legal barriers or do other entities need to be consulted before commencement?

In terms of demonstrating impact, it may be beneficial to outline the outcomes expected after the works project has been completed. For example, what are the economic, environmental and social benefits (if any) and at what scale do they occur e.g. suburb or street scale, how will the applicant's risk profile change as a result of the works, how will the operations of the applicants be impacted and how will the applicant's future costs and revenue be affected.

Social, Economic and Environmental Impacts

Applicants should describe the social, economic and environmental impacts of the proposed capital works project in the application form.

For projects with an estimated total value of less than \$2 million, a qualitative assessment of these impacts is acceptable. For projects with a total value of \$2 million or more, calculation of a benefit cost ratio (BCR) should accompany the qualitative assessment as well as, if applicable, an estimation of the reduction in average annual damages (AAD) as a result of the project. As well as economic impact, the BCR should include social and environmental benefits and costs as far as they can be reliably estimated.

The AAD is the average cost of damage per year to a community caused by a stormwater or flooding issue over a long period of time. AAD is an indicator of the size of a stormwater or flooding issue facing a community and, by comparison between AAD pre- and post-works, an indicator of the effectiveness of the proposed works.

Design Standard

Selection of an appropriate design standard is an important and fundamental decision in the design of stormwater infrastructure that provides drainage services or flood protection. The design standard is the storm event for which the works are designed to provide adequate flow capacity, risk reduction or flood immunity. Selecting a design standard usually involves compromise between the financial cost of infrastructure and risk to the community. Applicants are requested to justify their selection of design standard in the application form.

The 1% AEP (annual exceedance probability) flood event has generally been adopted as an appropriate design standard for urbanised areas in South Australia. However, the 1% AEP design standard should not be adopted out of convenience without investigating the full range of flood events and level of risk. It is expected that the appropriate design standard will have been investigated previously (such as during the preparation of an SMP). Consideration of climate change and future development should also be incorporated into the selection of design standard. The climate and development scenario which informs the design standard should be clearly described in the application form.

Land Acquisition

Applications will be considered for land acquisitions that are in accordance with an approved SMP for the purposes of mitigating flood risk, improving stormwater quality, or constructing stormwater infrastructure.

The following land acquisition costs are eligible for support:

- Valuation fees
- Legal fees
- Compensation paid
- Registration fees
- Reasonable fees associated with site history investigation and testing for contaminants.

The following costs are generally *ineligible* for support:

- Demolition or removal of any fixtures or improvements to the land, including fencing (unless it is considered essential for delivering a stormwater project identified in an approved SMP)
- Costs associated with the ongoing management of the land
- Remediation of site contamination.

Liability

No liability attaches to the SMA or the Crown in respect of the approval of funding towards any project or approval of any works project.

Publicity

Successful applicants are requested to ensure that appropriate acknowledgement is given to the SMA as a source of funding. Applicants should ensure that:

- All publications, articles, newsletter or literary works prepared as part of the project acknowledge the SMA's financial support
- Public signs, posters, flags and banners used in relation to the project acknowledge the SMA's financial support
- The SMA's role is acknowledged at relevant forums, workshops, conferences, awards events and project openings.

SMA logos and artwork can be obtained by contacting the SMA.

Acronyms

AAD	Annualised average damages
AEP	Annual exceedance probability
BCR	Benefit cost ratio
GST	Goods and Services Tax
SMA	Stormwater Management Authority
SMF	Stormwater Management Fund
SMP	Stormwater management plan

Further Information

For more information contact:

Stormwater Management Authority
Level 5, 81-95 Waymouth Street, Adelaide
c/- GPO Box 1047, Adelaide, SA, 5001
Telephone: (08) 8124 4740
Email: sma@sa.gov.au

Appendix: Stormwater Management Fund Applications and Claims Process

Stormwater Management Fund Grants Management Process



Government of South Australia
Stormwater Management Authority

SMA Stormwater Management Authority
SMF Stormwater Management Fund

