# Guidelines for Applicants 2017–18

## Coastal and Estuary Grants Program

**Find out more about your environment at:**

# www.environment.nsw.gov.au

# Contents

# Introduction

The NSW Government provides technical and financial support to local government to assist in managing the coastal zone.

The Coastal and Estuary Grants Program's objectives are to support local government in managing the risks from coastal hazards, such as coastal erosion; restoring degraded coastal habitats; and improving the health of NSW estuaries, wetlands, and littoral rainforests.

As part of the coastal reforms a funding package of $83.6 million was announced for Coastal Management from 2016–17 to 2020–21, and the Coastal and Estuary Grants Program are part of this package.

The *Coastal Management Act 2016* (CM Act) has passed but, as of the launch of this program round, is not yet in operation. The funding round for 2017–18 will, therefore, be a transitional one, but aligns with the key principles and objectives of the coastal reforms process. The funding round will have five streams – one for planning and studies, including investigation and design, and cost-benefit analysis; and four for implementing works under each of the coastal management areas under the CM Act.

Councils will be able to apply at any time during the 2017–18 financial year for funding for planning and studies, while applications for implementing works are part of a contestable funding round. Councils which are subject to a Ministerial direction to prepare a Coastal Zone Management Plan (CZMP) for a designated coastal erosion hot spot will be able to apply for funding at any time for works that cannot wait until the next funding round.

This grants program is administered by the Office of Environment and Heritage (OEH).

Closing date: **5.00pm 30 January 2018**

# Eligibility

The following organisations are eligible to apply:

- local councils
- Lord Howe Island Board

Local councils can also work together in a group, provided that one council is the lead agency in terms of signing of the funding agreement, managing monies and reporting on the project.

Local Land Services (LLS), county councils and public land managers (such as a Crown reserve trust or a location-specific NSW Government authority) may apply in partnership with a lead council, providing the council is the principal applicant and assumes overall responsibility for administrating the grant.

# Funding streams and objectives

## Stream 1: Coastal and Estuary Planning

Funding is available for councils to:

- develop a Coastal Management Program (CMP)
- transition a Coastal Zone Management Plan (CZMP) to a CMP
- undertake investigations and designs or cost-benefit and distributional analyses for infrastructure works recommended in a certified CZMP or CMP.

**Note:** Funding is also available for transitioning current Coastal and Estuary Management Plans that have not been certified to ones that can be certified under provisions of the current *Coastal Protection Act 1979*. Transitional arrangements in the new *Coastal Management Act 2016* permit an additional six-month window to consider plans lodged for certification prior to the commencement of the new Act.

## Streams 2 to 5: Implementing works

The four implementation streams are based on the four management areas under the CM Act. As the Coastal Management State Environment Planning Policy (SEPP) (which defines the management areas) has not been finalised, councils should choose the area most relevant to the project they are seeking funding for.

Under these streams, grant funding is generally only available for works that are consistent with a certified Coastal Zone Management Plan (CZMP) or a certified Coastal Management Program (CMP).

Councils can still apply for funding if the plan is submitted for certification at the date of the round closing, but funding will not be provided until the plan is certified.

Exemptions are stated below (these exemptions will be allowed for a maximum of two funding rounds).

Funding is available for the following activities without a certified Coastal Zone Management Plan (CZMP) or Coastal Management Program (CMP):

- beach scraping to mitigate immediate coastal erosion risk
- management and stabilisation of dune systems
- formalising or reducing the number of beach access points to reduce environmental damage/impact
- estuarine riparian restoration
- littoral rainforest regeneration
- coastal wetland rehabilitation where an approved management plan for the site exists.

### Stream 2: Coastal vulnerability area

For works on land identified in the SEPP or subject to coastal hazards in a local planning instrument or study to be coastal vulnerability areas; being land subject to coastal hazards such as beach erosion, shoreline recession, foreshore erosion cliff failure and coastal inundation.

Projects should meet one or more of the management objectives given in the CM Act for these areas:

- To ensure public safety and prevent risks to human life.

- To mitigate current and future risk from coastal hazards by considering the effects of coastal processes and climate change.
- To maintain the presence of beaches, dunes and natural features of foreshores.
- To maintain public access, amenity and use of beaches and foreshores.
- To encourage land use that reduces exposure to risks from coastal hazards, including through siting, design, construction and operation decisions.
- To adopt coastal management strategies that reduce exposure to coastal hazards, such as restoring or enhancing natural defences including coastal dunes, vegetation, and wetlands. If that is not sufficient, by taking other action to reduce exposure to those coastal hazards, such as works to avoid significant degradation of or disruption to biological diversity and ecosystem integrity, geological and geomorphological coastal processes.
- To prioritise/plan actions that support the continued functionality of essential infrastructure during and immediately after a coastal hazard emergency.
- to improve the resilience of coastal development and communities by improving adaptive capacity and reducing reliance on emergency responses.

## Stream 3: Coastal wetlands and littoral rainforests area

For projects on land that is mapped and displays the hydrological and floristic characteristics of coastal wetlands or littoral rainforests, listed under the SEPP, and 100 metres buffer around these areas.

Projects should meet one or more of the management objectives given in the CM Act for these areas:

- to protect coastal wetlands and littoral rainforests in their natural state, including their biological diversity and ecosystem integrity
- to promote the rehabilitation and restoration of degraded coastal wetlands and littoral rainforests
- to improve the resilience of coastal wetlands and littoral rainforests to the impacts of climate change, including opportunities for ecosystem migration
- to support the social and cultural values of coastal wetlands and littoral rainforests.

## Stream 4: Coastal Environment area (land containing coastal features)

For works on land containing coastal features such as the coastal waters, estuaries, coastal lakes and coastal lagoons and land adjoining these water bodies including headlands and rock platforms; and specified buffers around these features.

Projects should meet one or more of the management objectives given in the CM Act for these areas:

- to protect and enhance the coastal environmental values and natural processes of coastal waters, estuaries, coastal lakes and coastal lagoons, and enhance natural character, scenic value, biological diversity and ecosystem integrity
- to reduce threats to and improve the resilience of coastal waters, estuaries, coastal lakes and coastal lagoons, including in response to climate change
- to maintain and improve water quality and estuary health
- to support the social and cultural values of coastal waters, estuaries, coastal lakes and coastal lagoons
- to maintain the presence of beaches, dunes and natural features of foreshores
- to maintain public access, amenity and use of beaches, foreshores, headlands and rock platforms.

## Stream 5: Coastal use area (land where development may be carried out)

For works on land that is mapped in the SEPP, including land adjacent to coastal waters, estuaries, coastal lakes and coastal lagoons where development is or may be carried out (at present or in the future).

Projects should meet one or more of the management objectives given in the CM Act for these areas:

- to protect and enhance the scenic, social and cultural values of the coast
- urban design, including water sensitive urban design, is supported and incorporated into development
- provide public open space.

# Coastal hotspots

Councils in identified hotspot locations may apply for projects related to the hotspot site at any time throughout the year for works that demonstrably cannot wait until the next funding round (see page 22 for a list of Coastal Hotspots).

Councils will use the version of the application that is on the website at the time of application and the projects will be assessed consistently with others assessed in that funding round.

Hotspot projects are subject to the same assessment criteria as all other applications to the program and are not assured of funding.

**Note:** there are additional provisions relating to funding of locations identified as hotspots. Please review these provisions at Addendum 1 (page 23) prior to completing council's application for hotspot areas.

# Funding priorities

## Stream 1: Coast and Estuary Planning

Applications will be funded if they are eligible, complete and meet the assessment criteria.

## Streams 2 to 5: Implementing actions

The highest priority will be given to projects that:

- Reduce risk from open coast hazards:
  - beach erosion
  - shoreline recession
  - coastal inundation
  - coastal cliff or slope instability
  - erosion and inundation of foreshores caused by tidal waters and the action of waves, including the interaction of those waters with catchment floodwaters
  - coastal lake or watercourse entrance instability
  - tidal inundation.

- Enhance environmental resilience and the natural environment of estuaries.

# What will be funded?

## Stream 1: Coast and Estuary Planning

- development of Coastal Management Programs or the transition of a Coastal Zone Management Plan (CZMP) to a CMP, consistent with the new guidelines in the Draft coastal management manual
- studies to understand erosion processes and hazards
- investigations and designs for infrastructure works recommended in a certified CZMP or CMP
- cost-benefit analyses (see guidelines in NSW Coastal Management Manual: Part C – Using cost-benefit analysis to assess coastal management options: Guidance for councils for more detail on when a cost-benefit analysis (CBA) will be required), where erosion threats exist, to determine works and distributional analysis of who pays.

## Implementing works

### Stream 2: Coastal vulnerability area

Works and activities that are demonstrated to reduce the threat from coastal hazards and may include:

- Management and stabilisation of dune systems. Please refer to the Coastal Dune Management – A Manual of Coastal Dune Management and Rehabilitation Techniques when developing the project. For any dune re-profiling projects, the environmental benefit of the activity must be demonstrated.
- Design and implementation of erosion reduction structures. If the project includes a seawall lined foreshore in an estuary, the council must demonstrate the environmental benefits and how the project aligns with the standards as set out in the Environmentally Friendly Seawall - A Guide to Improving the Environmental Value of Seawalls and Seawall-lined Foreshores in Estuaries.
- Beach nourishment and works to reduce exposure to climate change.
- Actions to reduce future risk from coastal hazards.
- Works to improve natural resilience to potential impacts from coastal hazards.
- Actions to reduce the risk to public assets.
- Actions to reduce the liability in relation to coastal natural disasters.
- Education where it will help reduce exacerbating issues in the coastal vulnerability area.

### Stream 3: Coastal wetlands and littoral rainforests area

- invasive animal and weed management
- management of trails/access ways to reduce environmental impact
- management of runoff from and discharges into littoral rainforest
- reduce exposure to coastal erosion and climate change
- management of salinity
- replanting/stabilising vegetation
- habitat restoration and conservation
- interpretative signage
- public education programs.

## Stream 4: Coastal environment area

- community education on the importance of the coastal and estuarine areas
- reduction of the number or formalising foreshore access points to reduce environmental damage
- dredging for environmental benefit
- monitoring of estuary and coastal environments

  o monitoring projects must be linked with actions to improve ecosystem health
  o monitoring must be consistent with the <u>Assessing estuary ecosystem health: Sampling, data analysis, and reporting protocols</u>

- works to protect Aboriginal heritage
- stormwater quality management where it has a significant impact on the receiving environment
- revegetation, and weed management projects
- sediment and erosion control works
- acid sulfate soils management
- habitat restoration and conservation including riparian corridor management.

## Stream 5: Coastal use area

- community education on the importance of coastal and estuarine areas
- reduce the number of beach access points
- formalise access to reduce environmental damage
- monitoring of estuary and coastal environments

  o monitoring projects must be linked with actions to improve ecosystem health
  o monitoring must be consistent with the <u>Assessing estuary ecosystem health: Sampling, data analysis, and reporting protocols</u>

- works to protect Aboriginal heritage
- stormwater management
- revegetation and weed management projects.

**Note for all the above implementation categories**: Minor amenity works associated with priority works are permitted but should only be a minor part of the overall project.

Projects or aspects of projects that are purely amenity will predominantly not be funded.

All environmental restoration projects are expected to implement best practice. Riparian revegetation projects should be consistent with the guidelines for riparian corridors on waterfront land.

# What will not be funded?

- Any works that are not listed in a certified Coastal Zone Management Plan or Estuary Management Plan (for Streams 2 to 5), aside from the following activities, which will be allowable for the next two funding rounds whether an approved CZMP or CMP exists or not:

  o beach scraping to mitigate immediate coastal erosion risk
  o management and stabilisation of dune systems
  o formalising or reducing the number of beach access points to reduce environmental damage/impact
  o estuarine riparian restoration

- o littoral rainforest regeneration
- o coastal wetland rehabilitation where an approved management plan for the site exists.

- GST: the project cost is to exclude GST.
- Retrospective projects: funding is not available for projects currently underway (that are not a stage of a previously approved project) are included in an existing contractual commitment, are already tendered for, or that have been completed.
- Administration costs: all internal costs (including on-costs) associated with core activities of the applicant are ineligible for funding. An applicant's core activities include preparing study briefs, reviewing proposals and tenders, researching and copying records, attending meetings, administering contracts and grants, accounting costs and liaising with government agencies and the public.
- Non-monetary contributions as matching funds: an applicant's matching funds must be in the form of monetary contributions, and cannot include in-kind or voluntary contributions.
- Contingencies: should not be included in the application.  Project costs should be listed as accurately as possible.
- Projects the applicant can reasonably be expected to undertake without financial assistance from this program.
- Projects that are funded or eligible for funding as part of a natural disaster relief declaration.
- The proportion of works deemed via cost-benefit analysis/distributional analysis that is for private asset protection or private benefit.
- Amenity works that have no environmental benefit or projects with no direct linkage to a reduction in risk associated with coastal processes but might be located within a Coastal Vulnerability Area such as car parking, footpaths, BBQ facilities, seating, shelters, lighting, amenity sheds, showers, toilets, activities related to Surf Life Saving Clubs.
- Vegetation reduction for amenity outcomes.
- Projects that are in the freshwater environment unless they can be shown to be a significant contributor to improved estuary health and a priority in the CZMPs.
- Sites with existing biobanking agreements or preparation of a site to be eligible for biobanking.

# What applicants will need to contribute

## Coast and Estuary Planning

Council will need to match the contribution by the state government. In-kind contributions cannot be used as matching contributions. Council cannot use other grant funds as matching contributions.

## Implementing works

The Council must have completed an Investigation and Design for all infrastructure works over $500,000 in total project cost prior to applying for funding.

For projects less than $1 million the grant will contribute a maximum of 50% of the project costs.

For infrastructure works such as large-scale sand nourishment or coastal protection works and all projects with a total project cost of $1 million or more, the council will first need to

have completed a cost-benefit analysis and distributional analysis before applying for funds to implement the works.  For large scale projects deemed to be predominantly of state benefit, at least a cost-benefit analysis must be done as part of the options assessment phase in determining the most appropriate management response.

For all works (except works that mitigate coastal hazards in listed coastal hotspots – see page 22) the proportion of state government funding available for those works will be determined having considered the results of the distributional analysis that was undertaken based on the cost-benefit analysis.

The grant will only pay the portion determined to be of state benefit as identified through a cost benefit and distributional analysis. The only exception to this is for works mitigating open coast hazards at identified Coastal Hotspot locations. For these projects, the program will pay for a portion of the total **public benefit** as identified through a cost benefit and distributional analysis rather than just **state benefit** (see page 23 for more details). State government funding is not available for works that are of private benefit.

In-kind contributions cannot be used as matching contributions. The source(s) of the applicant's share of funds should be detailed in the application and cannot include funds received under other NSW or Commonwealth grant programs.

## Partnerships

Where a group of local councils is working together in partnership (either under the lead of one of the councils or a relevant Regional Organisation of Councils), then the lead council or Regional Organisation of Councils can claim project management costs incurred by either:

- a dedicated project manager selected by a competitive process, or
- a staff member from one of the councils or a regional organisation of councils.

Any eligible project management costs (referred to above) must be directly related to the funded project and can include the administrative costs noted under 'What will not be funded?' The amount eligible for funding is to be capped at 10% of the total project cost.

If there are project partner(s), attach a letter of support from that organisation, which also outlines details of the partner's financial and other resource commitment to the project.

Contributions to your project from other funding sources (non-council contributions) must be removed from the whole project cost prior to applying the funding ratio.

# Project implementation timeframe

Office of Environment and Heritage receives an annual funding allocation for the program, with limited capacity to carry over funds to future financial years. Consequently, projects should be completed within three years of the grant offer. If the project is likely to extend beyond three years, Council is encouraged to consider staging the project. For projects that are not completed within three years of the grant offer, the council must justify why the grant should not be terminated.

While requests for variations to projects are available, it should be noted that projects which go beyond the approved time can impact available project funds for future rounds. No additional funding will be considered for projects during their implementation unless there are exceptional circumstances, and these will be considered on their merits.

It is recommended that for projects that contain a weeding, bush regeneration or revegetation element that they use the full three-year timeframe to ensure the works are in a

state that can be easily managed by council once funding ceases. Shorter duration projects will still be considered and assessed on their merits.

# Obligations of successful applicants

Successful applicants must enter into a funding agreement that stipulates all funding obligations and conditions.

The agreement will need to be signed by the general manager (or delegated authority) within 45 days of the formal grant offer.

The successful applicant will have five months from the date of offer to submit a work plan. The work plan must be based on the information provided by the successful tender for the project that outlines key milestones to be achieved and related claim for payments.

The project will be tracked and managed against the work plan, which must be kept current by the grant recipient, in consultation with Office of Environment and Heritage throughout the funded period.

Consider the conditions in the sample funding agreement before applying as changes to the agreement will only be made in exceptional circumstances.

# Assessment process and criteria

## Stream 1: For Coast and Estuary Planning

Applications will be initially checked to confirm eligibility; correct categories are selected and completeness. Ineligible or incomplete applications will not be assessed.  Where applicable, some applications may be moved to more appropriate program streams.

Applications will then be assessed against the following pass/fail criteria:

- the council has demonstrated the need for and importance of the project
- the methodology proposed to undertake the work is sound
- the project is good value for money by being at a reasonable cost (compared to similar projects).

## Streams 2 to 5: Implementing Works

Applications will initially be checked to confirm eligibility and completeness. Ineligible, incomplete or late applications will not be assessed.

Applications will then be assessed by Office of Environment and Heritage technical staff and an independent panel, which includes experts and stakeholder representation, against assessment criteria to prioritise applications on a state-wide basis. The applications will be assessed using the criteria listed below:

- the project meets one or more of the management objectives for the relevant stream
- the project aligns to the state-wide and this grant program's priorities
- the council has the capacity to deliver the project, regarding their past grants management history, available resources and the proposed timeframe, and whether the project is realistic based on completing the prerequisite consultant briefs, preconstruction work or approvals

- council commitment to maintaining any works in a condition suitable to meet its design intent for the design life
- the extent to which the project cost-effectively addresses one or more of the program stream objectives
- technical feasibility, if relevant to the type of project and implementation of best practice
- the level of state or regional significance, including the immediacy of any threats
- the environmental benefit of the project.

A prioritised list of applications will be developed. Applicants on the priority list may be contacted to confirm their financial commitment to the project or to agree with any conditions that may be imposed on a recommended project.

All applicants will be notified in writing of the outcome of their application.

It is expected that a reserve list will be created for projects to be funded when and if additional program funds are available prior to the next funding round opening for applications. The reserve list will not be published but applicants will be advised in writing of the outcome.

**Note:** An application will be awarded a reduced ranking if it is not well thought out, has unclear objectives or outcomes, will only partially achieve program objectives or does not meet this year's funding priorities.

# Contacts for assistance

For assistance with grant applications, contact the Office of Environment and Heritage offices listed below.

| Region | Telephone |
|--------|-----------|
| North East | 02 8289 6312 |
| Hunter/Central Coast | 02 4927 3107 |
| Greater Sydney | 02 8837 6097 |
| South Coast and Illawarra | 02 4224 4153 |

## General administration inquiries

For general grant administration inquiries, contact the
Grants Unit – Coast, Estuary and Flood on 02 9895 6494
or by email at coastalestuary.floodgrants@environment.nsw.gov.au

# Submission process

## Stream 1: Coast and Estuary Planning

The round is open for applications to be submitted at any time in the 2017–18 financial year. Any application that is incomplete or ineligible will not be considered.

## Streams 2 to 5: Implementing Works

Applications must be received by **5.00pm 30 January 2018**.

Any application that is late, incomplete or ineligible will not be considered.

## Lodging the application

Submit the entire application by email:
**coastalestuary.floodgrants@environment.nsw.gov.au**

Please email the application form as a Word document - **do not print as PDF**. Other attachments can be emailed as Word, Excel or PDF documents.

If the application form is not submitted in the format specified above, it **will not be accepted**.

Ensure the entire application, including all attachments, e.g. letters of support from project partners; maps; etc. is emailed.

Emailed applications must not be larger than **10MB** including all attachments.

# Other programs

The NSW Environmental Trust offers a range of other environmental grants for local government. For further information, please see the Environmental Trust website.

NSW Maritime administers the Better Boating Program, a NSW Government grants program aimed at providing recreational boating infrastructure. For further information, visit their website.

NSW Department of Primary Industries administers the Habitat Action Grants. For more information, go to Habitat Action Grants on the Department of Primary Industries site.

# Instructions for completing the application form

Separate application forms should be completed for each project.

Applications that are incomplete or do not provide the necessary level of detail to facilitate an adequate assessment of the project against others on a statewide basis will be considered ineligible for funding.

These explanatory notes correspond to the items on the application form.

## Stream - Coastal and Estuary Planning applications

### 1a & b. Applicants details

The applicant must be a local council, or be explicitly included in the section above under 'Who can apply'.

### 1c & d. Status of Coastal Zone Management Plan

The application must list the status of the existing plans for this area in terms of whether it has been certified, the date of certification or whether it is currently being considered for certification.

If funds are being sought to undertake a Coastal Management Program for the first time at this location write 'first plan'.

### 2. Project Title

Provide a title for the project in 80 characters or less. If the application is successful, this project name will be used in the grant documentation and for promotional purposes.

The title should be self-explanatory and, where possible, include the location name.

### 3a & b. Project category

Only one activity should be selected. This should represent the major activity describing the project. If unsure which activity to use, contact the Office of Environment and Heritage regional representative listed above.

For investigation and design or cost-benefit projects outline the priority of the project in the certified plan. Investigation and design of works must be recommended in a certified/approved Coastal Management Program or Coastal Zone Management Plan to be considered for funding.

### 4. Project timeframe

List the expected commencement and completion dates for the project. The proposed commencement date cannot be prior to one month after the application is submitted. The timeframe should be realistic, as this will set the funding term duration for the funding agreement if the application is successful.

Payment will not be made for activities completed or contractual commitments made prior to approval of applications and prior to approval of project work plans for successful

applications. Being realistic about the timeframe to successfully deliver the project will minimise the need for future paperwork to vary timeframes which can take time to be assessed and can stall progress on the project.

The maximum project duration is 36 months.

## 5. Project location

Describe the geographic extent of the project including, for example, town, latitude, longitude, nearby road, beach or other notable landmark. The application should include a locality diagram or map and where relevant attach photographs of the site to be worked on.

Use the relevant state electorates, not federal electorates.

Information on the local government area (LGA), state electorate, Local Land Services region and catchment are required for program reporting purposes. They will not be considered as part of the assessment process.

## 6. Budget overview

Provide a breakdown of the projected project expenditure and any partner contributions. This should be consistent with the more detailed budget outlined in the project plan at question 12.

Partner contributions must be removed from the whole project cost prior to applying the funding ratio.

Please note that the program rules have been changed so that variations to request additional funds for projects are highly unlikely to be accepted or approved. Applicants may request budget variations within the approved budget if they lead to improved project outcomes. Any additional costs will need to be met by the applicant.

**Taxation – goods and services taxes (GST):** organisations administering a grant (and are registered for GST) are not to include any GST in the application budget.

## 7. Project summary

Provide a succinct summary of the project (maximum of 150 words) for promotional and media purposes.

This should include an overview of the project including project location, the issues the project will address, expected outcomes and how these will be achieved. Please ensure this captures the main elements of the project in an informative way.

Please ensure correct spelling and grammar are used as this summary will be used for the Office of Environment and Heritage website and other promotional purposes.

## 8. Other grants at this location

Provide details of any previous grants received for similar projects at this location in the last five years.

This should include funding under any NSW or Commonwealth grant programs.

Indicate if the grant is ongoing or finalised.

## 9. Other funding sources

Provide details of any current or planned proposals for accessing funds from other funding programs for this project or components of this project.

Include information about the funding program, the project scope and budget, the indicative timing of the project and proposal, and any impacts it may have on this application.

## 10. Background of issue and need for the study

Provide a brief background of the issue and identified need for the proposed project.

## 11. What will the project achieve

Outline the outcomes and objectives, impact or benefits (including any environmental benefits or improvements to resilience and adaptation to mitigate climate change) of the project.  If the application is successful the applicant will need to report against these outcomes in your final report.

## 12. Project plan

The project plan should outline the project's expected milestones, activities, timeline, budget and grant amount sought for each milestone. Grants are to be completed within 36 months of the grant offer.

Do not allocate milestone dates in June.

Provide sufficient detail so assessors can understand the key steps in the project and how outcomes will be delivered.

Ensure the total funding amounts add back to the amount provided in question 6.

**Note:** for successful grants under all streams, submission of a project work plan based on the project plan will be required within five months of receiving a funding agreement.

## 13. Capacity to deliver and maintain the project

Applicants must demonstrate they have the capacity to deliver the project as outlined. The justification should outline the applicant's past grant management performance and their available resources. It needs to show that the proposed timeframe is realistic with regards to completing the prerequisite consultant briefs or approvals. Only applications that clearly demonstrate this will be considered for funding.

Applicants should detail how any previous challenges to the delivery of past grants have been addressed and overcome if appropriate.

## 14. Funding agreement

Applicants must enter into a performance-based funding agreement. By ticking the box, the applicant agrees to be bound by all the conditions in the funding agreement.

It is unlikely that approval will be granted to change the conditions in the funding offer once a grant is awarded.

## 15. Discussions with Office of Environment and Heritage

Office of Environment and Heritage recommends that applicants initially discuss the project with Office of Environment and Heritage regional staff regarding the overall concept,

preliminary cost estimate and eligibility for funding. Office of Environment and Heritage staff can also provide technical advice on draft applications.

Contact details are listed in the guidelines under contacts for assistance.

Do not include that council has spoken with Office of Environment and Heritage staff unless you have specifically spoken about the project that is the subject of your application.

## 16. Public exhibition or consultative process

If relevant, describe if public exhibition or a consultative process has been undertaken prior to commencing this project. This should include details of any consultation undertaken (or proposed) to assess the need, appropriateness, and support for the project.

## 17. Competitive tenders

Proposals to undertake work other than via a competitive tender process require specific approval. Applicants answering no to this question must clearly justify the benefits of the works not being tendered.

If the applicant's organisation has a business arm that undertakes works relevant to the project, it is expected that the works will still be put to tender, and that business arm applies for works in an open and transparent process.

Any applicant proposing to use their own resources without going to tender should provide a detailed justification for the work to be done in-house.

Applicants need to provide full details of the key staff to be involved and clearly demonstrate they have the expertise, skills, qualifications, and experience to undertake the work and detail why this option is more efficient from both a time and financial perspective than going to competitive tender.

Applicants must also demonstrate that the staff and other resources required will be committed to the project to ensure that work is completed within the specified time period.

The program should not be used to cost shift so that permanent council staff or teams that have been employed to undertake certain roles are subsidised by the program to do their job.

Please note if the applicant later chooses to undertake the project or elements of the project in-house a variation request will need to be submitted and assessed, which will delay the commencement of the project.

All procurement activities must be undertaken in a way that complies with the grantee organisation's procurement policies and must be legal.

# Stream 2 to 5 - Implementing Works applications

## 1a, b & c. Applicants details

The applicant must be a local council, or be explicitly included in the section above under 'Who can apply'.

If applicants have a project partner(s), attach a letter of support from that organisation, which also outlines details of the partner's financial and other resource commitment to the project.

## 1d & e. Certified Plan

The applicant must state the status of their Coastal Zone Management Plan (CZMP) or Coastal Management Program (CMP) for the project site. This includes whether it has been submitted and is currently being considered for certification, or it has been certified, and the date of its certification.  A link to the relevant certified plan should be provided identifying the priority of the project in the plan.

For exempt activities; if a non-certified estuary management plan, CZMP or other plan of management exists for the area please list the details of the plan.

## 2. Project title

Provide a title for the project in 80 characters or less. If the application is successful, this project name will be used in the grant documentation and for promotional purposes. The title should be self-explanatory and, where possible, include the location name.

## 3. Project stream

There are a number of categories to choose from (see page 2, 3 and 4 of the guidelines). If the project falls across more than one category, use the one that best describes the project's major focus. If there is any uncertainty about the best category to use, contact the Office of Environment and Heritage regional representative.

## 4a. Project activity

Only **one** activity should be selected. This should represent the major activity describing the project. If unsure which activity to use, contact the Office of Environment and Heritage regional representative. While similar, both stream and activity are required.

## 4b,c & d. Infrastructure works

The applicant must have completed an Investigation and Design for all infrastructure works costing over $500,000 total project cost prior to applying for funding.

A Cost-Benefit Analysis/Distribution Analysis is required for all projects where the total project costs will be $1 million or more.  For large scale projects deemed to be predominantly of state benefit, at least a cost-benefit analysis must be done to determine the option selected is the best and most effective for the location and the planned outcomes.

See guidelines in NSW Coastal Management Manual: Part C – Using cost-benefit analysis to assess coastal management options: Guidance for councils for more detail on when a CBA will be required.

A cost-benefit analysis will also be assessed using the following factors:

- comparison to similar projects
- evidence from an economic appraisal that demonstrates the project provides net public benefit
- it is the best option for the location and issue.

## 5. Project timeframe

List the expected commencement and completion dates for the project. The proposed commencement date cannot be prior to 1 July 2018. The timeframe should be realistic, as this will set the funding term duration for the funding agreement if the application is successful.

Payment will not be made for activities completed or contractual commitments made prior to approval of applications and prior to approval of project work plans for successful applications.

Being realistic about the timeframe required to successfully deliver the project will minimise the need for future paperwork to vary timeframes, which can take time to be assessed and can stall progress on the project.

The maximum project duration is 36 months.

It would be expected that revegetation, dune management or rehabilitation projects would extend over the full 36-month period to ensure the work is sufficiently established and maintained before the funding period ceases.

Shorter duration projects will still be considered and assessed on their merits.

## 6. Project location

Describe the geographic extent of the project including, for example, town, latitude, longitude, nearby road, beach or other notable landmark. The applicant should also attach a locality diagram or map and where relevant, attach photographs of the site to be worked on.

Use the relevant state electorates, not federal electorates.

Information on the local government area, state electorate, Local Land Services region, and catchment are required for program reporting purposes. They will not be considered as part of the assessment process.

## 7. Budget overview

Provide a breakdown of the projected project expenditure. This should be consistent with the more detailed budget outlined in the project plan at question 19.

Please ensure the funding amount requested is accurate as additional funding towards projects will only be provided in exceptional circumstances and any requests of more than a 30% increase may result in the applicant being be asked to reapply.

For all projects with a total project cost of $1 million or more, the applicant will first need to have completed a cost-benefit analysis and distributional analysis before applying for funds to implement the works.

For large scale projects deemed to be predominantly of public benefit, at least a cost-benefit analysis must be done to determine the option selected is the best and most effective for the location and planned outcomes.

The proportion of state government funding available for these works will be determined to take into consideration the results of the distributional analysis that is based on the cost-benefit analyses. The grant will pay for the portion determined to be of benefit to the state.

Different rules apply to projects at identified Coastal Hotspots.

**Taxation – goods and services taxes (GST):** organisations administering a grant (and are registered for GST) are not to include any GST in the application budget.

## 8. Project summary

Provide a succinct summary of the project (maximum of 150 words) for promotional and media purposes.

This should include an overview of the project including project location, the issues the project will address, expected outcomes and how these will be achieved. Please ensure this captures the main elements of the project in an informative way.

Please ensure correct spelling and grammar are used as this summary will be used for the Office of Environment and Heritage website and other promotional purposes.

## 9. Other grants at this location

Provide details of any previous grants received for similar projects at this location in the last five years. This should include funding for any NSW or Commonwealth grant programs. Indicate if the grant is ongoing or finalised.

## 10. Other funding sources

Provide details of any current or planned proposals for accessing funds from other funding programs for this project or components of this project.

Include information about the funding program, the project scope and budget, the indicative timing of the project and proposal, and any impacts it may have on this application.

## 11. Background of issue and need for the project

Provide a brief background of the issue and identified need for the proposed project.

## 12. Regional or state significance

Outline why the project is of state or regional significance, including if there are any immediate threats (e.g. from natural hazards) if the project relates to a high value/iconic site, or any other supporting information.

## 13. What will the project achieve

Outline the outcomes and objectives, impact or benefits (including any environmental benefits or improvements to resilience and adaptation to mitigate climate change) of the project.

If the project includes recreational amenity elements outline how they are integrated and support environmental outcomes.

The applicant will be required to report against these outcomes in the final report.

## 14. Outcome if the project is not undertaken

Outline the likely outcomes of inaction at this site.  This will help to build a picture of the need to undertake this project.

## 15. Long-term management objectives for this site

Provide a summary of the proposed long-term management options for the site and include in this section any other long-term management plans or studies that support the proposed works.

## 16. Business impacted by the project

Outline the number of businesses that will be directly impacted (both positively and negatively) by this project.

List what the impacts will be. This will help to provide an idea of the scope of the impact of the works progressing or not going ahead. If this is not relevant to your application please make a statement as to why.

## 17. Public use of the site

Outline the number of people who visit this site (both during peak times and outside of peak times) and what they use the site for. If this is not relevant to your application please make a statement as to why.

## 18. Residential dwellings impacted

Outline the number of residential dwellings and residents that will be directly impacted (both positively and negatively) by this project and what these impacts will be. If this is not relevant to your application please make a statement as to why.

## 19. Project plan

The project plan should outline the project's expected milestones, activities, timeline, budget and grant amount sought for each milestone.

Projects are to be completed within 36 months of the grant offer.

Do not allocate milestone dates in June.

Provide sufficient detail so assessors can understand the key steps in the project and how outcomes will be delivered.

It would be expected that relevant details such as number of plants, steps as to how the project will be delivered, hectares to be managed and how, detailed elements of works to be constructed and what they will be constructed of etc will be provided. This information will be used to help determine the reasonableness of costs and the project methodology.

The plan should include at least six very detailed milestones if the applicant is seeking funds for a project over $500,000.

Ensure the total funding amounts add back to the amounts provided in question 7.

**Note:** for successful applications under all streams, submission of a project work plan based on the project plan will be required within five months of receiving a funding agreement.

## 20 a, b & c. Capacity to deliver and maintain the project and in-kind support

Applicants must demonstrate that they have the capacity to deliver the project as outlined. The justification should outline the applicant's past grant management performance and their

available resources. It needs to show that the proposed timeframe is realistic about completing the prerequisite consultant briefs, preconstruction work or approvals.

Only applications that clearly demonstrate this will be considered for funding.

Applicants should detail how any previous challenges to the delivery of past grants have been addressed and overcome, if appropriate.

The applicant should also describe any in-kind contributions that will be made towards the delivery of the project that are in addition to the funds being allocated to the project in question 7.

Please detail how the project will be maintained, as this will be an important consideration during the assessment phase.

## 21. Funding agreement

Applicants must enter into a performance-based funding agreement. By ticking the box, the applicant agrees to be bound by all the conditions in the funding agreement.

It is unlikely that approval will be granted to change the conditions in the funding agreement once a grant is awarded.

## 22. Discussions with Office of Environment and Heritage

Office of Environment and Heritage recommends that applicants initially discuss the project with Office of Environment and Heritage regional staff, regarding the overall concept, preliminary cost estimate and eligibility for funding. Office of Environment and Heritage staff can also provide technical advice on draft applications. Contact details are listed in the guidelines under contacts for assistance. Do not include you have spoken with Office of Environment and Heritage staff unless the council has specifically spoken about the project that is the subject of this application.

## 23. Community support

Describe the level of support from within the community for the project. This should include details of any consultation undertaken (or proposed) to assess the need, appropriateness, and support for the project. Some examples of responses include:

- the project has been developed by a coastal or estuary management committee with community membership
- a public meeting was held, supported by an article in the local newspaper and display panels at the council building foyer during the initial planning stages of the project
- public comment has been invited on an environmental impact statement and/or development application
- a brochure detailing the background of the project and possible options are being prepared to seek comments from local residents, community groups and stakeholders
- no public comment or input is required for this project (and provide justification as to why).

## 24 & 25. Land ownership

Generally, works will only be funded if they are on public land owned by either a council or the Crown.

## 26, 27 & 28. Planning approvals

For works projects, detail the necessary approvals and licences required and whether these have been obtained.

For infrastructure works projects an initial grant may be sought to undertake feasibility studies, develop designs, and undertake cost-benefit analyses under the planning stream. This allows more detailed scoping and costing of subsequent works and apportioning of the public benefit that will result from the project.

## 29. Competitive tenders

Proposals to undertake work other than via a competitive tender process require specific approval. Applicants answering no to this question must clearly justify the benefits of the works not being tendered.

If the applicant's organisation has a business arm that undertakes works relevant to the project, it is expected that the works will still be put to tender, and that business arm applies for works in an open and transparent process.

Any applicant proposing to use their own resources without going to tender should provide a detailed justification for the work to be done in-house.

Applicants need to provide full details of the key staff to be involved and clearly demonstrate they have the expertise, skills, qualifications, and experience to undertake the work and detail why this option is more efficient from both a time and financial perspective than going to competitive tender.

Applicants must also demonstrate that the staff and other resources required will be committed to the project to ensure that work is completed within the specified time period.

The program should not be used to cost shift so that permanent council staff or teams that have been employed to undertake certain roles are subsidised by the program to do their job.

If the applicant later chooses to undertake the project or elements of the project in-house a variation request will need to be submitted and assessed which will delay the commencement of the project.

All procurement activities must be undertaken in a way that complies with the grantee organisation's procurement policies and must be legal.

# Coastal hotspot locations

The following locations have been identified as coastal erosion hotspots:

- Byron Shire Council – Belongil Beach
- Ballina Shire Council – Lennox Head
- Clarence Valley Council – Brooms Head
- Clarence Valley Council – Wooli
- Port Macquarie - Hastings Council – Lake Cathie
- Mid Coast Council – Old Bar Beach
- Mid Coast Council – Winda Woppa – Jimmy's Beach
- Central Coast Council – Noraville
- Central Coast Council – Norah Head
- Central Coast Council – The Entrance North
- Central Coast Council – Wamberal/Terrigal
- Northern Beaches Council – Bilgola
- Northern Beaches Council – Mona Vale
- Northern Beaches Council – Collaroy/Narrabeen
- Eurobodalla Shire Council – Batemans Bay

# Addendum 1 – Hotspot location specific grant provisions

For works mitigating open coast hazards at identified Coastal Hotspot locations, the following rules apply and replace those listed in the document above for the coastal vulnerability area.

## Stream 2: Coastal vulnerability area

Works and activities that are demonstrated to reduce the threat from coastal hazards and may include:

- Management and stabilisation of dune systems. Please refer to the <u>Coastal Dune Management – A Manual of Coastal Dune Management and Rehabilitation Techniques</u> when developing the project. For any dune re-profiling projects, the environmental benefit of the activity must be demonstrated.
- Design and implementation of erosion reduction structures. If the project includes a seawall lined foreshore in an estuary, the council must demonstrate the environmental benefits and how the project aligns with the standards as set out in the <u>Environmentally Friendly Seawall – A Guide to Improving the Environmental Value of Seawalls and Seawall-lined Foreshores in Estuaries</u>.
- Beach nourishment and works to reduce exposure to climate change.
- Actions to reduce future risk from coastal hazards.
- Works to improve natural resilience to potential impacts from coastal hazards.
- Actions to reduce the risk to public assets.
- actions to reduce the liability in relation to coastal natural disasters.
- Education where it will help reduce exacerbating issues in the coastal vulnerability area.

## Specific contribution rules for hotspot projects

For large scale projects over $1 million, the program will fund 50% of the public benefit (state government and local council benefit) identified in the distributional analysis that has been based on the cost-benefit analysis for works that directly reduce/mitigate open coast hazards.

Addressing open coast hazards at Hotspots is a priority of the enhanced Coastal and Estuary Management Program. It is acknowledged that through the distributional analysis that some benefits to the public may be derived from the construction of private infrastructure that may not have been fully realised through the cost-benefit analysis.

On this basis, the program is willing to fund up to 10% of the cost of infrastructure that protects private property at a Hotspot site, where funds are matched by the council in the form of an equivalent monetary contribution (council's contribution cannot include in-kind, third party or voluntary contributions).

This must be included in the total project costings as part of the 50% of public benefit that the program can fund.

For additional elements of these projects (e.g. amenity, boardwalks, car parks, walkways) the grant will pay for the portion of the works identified through the distributional analysis to be of state benefit. The grant will only contribute towards the costs necessary to reduce the hazard.

# Instructions for completing the application form

Separate application forms should be completed for each project.

Applications that are incomplete or do not provide the necessary level of detail to facilitate an adequate assessment of the project against others on a statewide basis will be considered ineligible for funding.

These explanatory notes correspond to items that are not covered above in the Stream 2 to 5 – Implementing Works applications or where the guidance information for the question is different.

## Applying outside of the advertised funding round

Applications will only be considered if received during the advertised funding round opening time.

If the works are urgent and cannot wait until the next funding round then justification as to why the works are urgent must be provided. You should speak to an Office of Environment and Heritage Regional representative and the grant program manager before submitting an application under this clause.

## Budget overview

Provide a breakdown of the projected project expenditure. This should be consistent with the more detailed budget outlined in the project plan at question 19.

Please ensure the funding amount requested is accurate as additional funding towards projects will only be provided in exceptional circumstances and any requests of more than a 30% increase may be asked to reapply.

### Funding sought for works that directly reduce/mitigate coastal hazards

50% of the public benefit identified in the distributional analysis that has been based on the Cost-Benefit Analysis for works that directly reduce/mitigate coastal hazards.

To support this figure the Distributional Analysis for this work will need to be provided with the application.

### Funding contribution towards private works that may have some broader public benefit

Addressing open coast hazards at Hotspots is a priority of the enhanced Coastal and Estuary Management Program. It is acknowledged that through the distributional analysis that some benefits to the public may be derived from the construction of private infrastructure that may not have been fully realised through the cost-benefit analysis.

On this basis, the program is willing to fund up to 10% of the cost of infrastructure that protects private property at a Hotspot site, where funds are matched by the council in the form of an equivalent monetary contribution (council's contribution cannot include in-kind, third party or voluntary contributions).

This must be included in the total project costings as part of the 50% of public benefit that the program can fund.

## Additional elements of the project that do not directly reduce/mitigate coastal hazards

For additional elements of the project (e.g. amenity, boardwalks, car parks, walkways) the grant will pay for the portion of the works identified through the distributional analysis to be of state benefit. The grant will only contribute towards the costs necessary to reduce the hazard.