

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Environment portfolio

Question No: 173
Hearing: Supplementary Budget Estimates
Outcome: Outcome 4
Programme: Water
Topic: ON-FARM IRRIGATION EFFICIENCY PROGRAMME
Hansard Page: N/A
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Question Type: Written

Senator Xenophon asked:

I refer to information accessed under Freedom of Information (FOI 070114) relating to funding grants supplied by the Australian Processing Tomato Research Council Inc. (APTRC) to industry recipients under the On-Farm Irrigation Efficiency Program.

On 19 March 2010, the Minister announced in-principle funding approval for Round One of the On-Farm Irrigation Efficiency Program. APTRC received in-principle approval for up to \$11,710,000 (GST exclusive) for sub-project type 109-01 Sub-surface drip irrigation (later reduced to \$11,507,700).

URS Australia Pty Ltd was engaged by the then Department of Sustainability, Environment, Water, Population and Communities (SEWPAC) to undertake the role of independent technical reviewer of subject sites in the Goulburn-Murray Irrigation District in northern Victoria that had been awarded funding by APTRC for new water savings infrastructure as a part of the On-Farm Irrigation Efficiency Program.

One of the funding arrangements was:

100ha of flood (furrow) irrigated tomatoes converted to a pumped sub-surface drip system, 2010

Total cost \$605,000

Information contained in the FOI showed that after 3 years of operation, the irrigator cannot confirm any water savings, nor had any water been returned to the environment, a fundamental requirement of the grant.

Another project was:

96ha of flood irrigated cereal used 384ML/year; converted to overhead (pivot) irrigation. This project was proposed to reduce water consumption to 192ML/year – a saving of 2ML/ha. Total cost \$470,504

This project was recently completed (2013) but the irrigator cannot confirm these water savings yet.

In these two examples, over a million dollars of taxpayer's money has been outlaid to provide selected APTRC irrigators with expensive infrastructure, however, no water has been saved for the environment.

How does the Department ensure that these projects are actually providing water savings?
What monitoring and auditing processes are in place?

Answer:

In regards to the OFIEP, standard requirements in contracts and Funding Agreements stipulate that the agreed volume of water is transferred from irrigators at the commencement

of the project. This ensures that the Commonwealth receives the committed water for each project.

The On-Farm Irrigation Efficiency Program has a Monitoring, Evaluation, Reporting and Improvement (MERI) framework. Under the framework the programme managers verify that grant funds are accounted for by Delivery Partners and irrigators in accordance with the obligations in the Funding Agreement. This verification confirms the agreed volume of water that must be transferred to the Commonwealth at the commencement of the project has been achieved. The efficiency upgrades funded under the On-Farm Irrigation Efficiency Program are expected to yield efficiency savings every year the infrastructure is used for irrigation. Any improvement in on farm efficiency from implementing a project is measured and realised by the irrigator. A random selection of projects is reviewed by an external consultant relating to ongoing efficiency from the technical upgrades.

The first project referred to with a project cost of \$605,000 transferred 100 megalitres (ML) of high security water access entitlements to the Commonwealth in 2011. The second project referred to with project costs of \$470,504 transferred 96ML of high security water access entitlements to the Commonwealth in 2012.

In terms of whether there has been ability for these two selected projects to demonstrate ongoing efficiency gains, the irrigators require another full irrigation season since the completion of the works to allow further assessment to be undertaken.