

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

**Question No:** 175  
**Hearing:** Supplementary Budget Estimates  
**Outcome:** Outcome 4  
**Programme:** Water  
**Topic:** ON FARM IRRIGATION EFFICIENCY PROGRAM  
**Hansard Page:** N/A  
**Question Date:** 29 October 2014  
**Question Type:** Written

**Senator Xenophon asked:**

Has the On-Farm Irrigation Efficiency Program proven less cost effective than buybacks?

**Answer:**

The On-Farm Irrigation Efficiency Program provides a method of recovering water for the environment, in a way that minimises the impact on the productive capacity of businesses and communities across the Basin. The first three rounds of the On-Farm Irrigation Efficiency Program have recovered water for the environment at a market multiple of 2.3. Water buybacks recover water for the environment at a market multiple of 1.

The On-Farm Irrigation Efficiency Program is a grant programme administered under the *Commonwealth Grants Rules and Guidelines* that promotes proper use and management of public resources through collaboration with the non-government sector to achieve government policy outcomes. The On-Farm Irrigation Efficiency Program aims to support the implementation of on-farm irrigation infrastructure projects (sub-projects) to improve the efficiency and productivity of on-farm water use and management. Water savings generated by these sub-projects will be shared between proponents and the environment with at least 50 per cent of the water savings transferred to the Australian Government. These sub-projects will allow proponents to manage their water allocations more efficiently, thereby assisting dependent irrigation communities to adapt to a future of reduced water availability.

Water buybacks are conducted as a procurement programme administered under the *Commonwealth Procurement Rules*. Water buybacks purchase water access entitlements for the environment. Under this procurement programme water buybacks follow transparent processes to achieve a value for money acquisition of water access entitlements for the Australian Government from irrigators who wish to offer their water entitlement for sale.