

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

Question No: 99
Hearing: Budget Estimates
Outcome: Outcome 4
Programme: Water Efficiency Division
Topic: PIIP-SA DUE DILIGENCE ASSESSMENT
Hansard Page: 67
Question Date: 26 May 2014
Question Type: Spoken

Senator Xenophon asked:

Senator XENOPHON: The response to my question on notice 18 from last estimates states about PIIP-SA:

Subject to suitable activities being identified and passing due diligence assessment, the funding is available for value for money projects ...

On notice, can the department clarify what types of projects are considered 'suitable'? What does the due diligence process consist of? How is 'value for money' defined? I am happy for that to be on notice, given that I have other questions to ask.

Senator Birmingham: I am sure the department can happily do that. This has gone on for many estimates. It is important as well to make sure that the record for this estimates indicates that there were not further rounds of PIIP-SA, because the South Australian government asked for there not to be at the time. That was under the previous government. We are just trying to reach a resolution as to: if not PIIP-SA in its current form, what else? That is something where the South Australian government is looking at options and apparently developing a business case for us.

Answer:

What types of projects are considered 'suitable'?

With regard to unallocated funding from the South Australian State Priority Projects allocation, a project would be considered suitable if it meets the objectives described in the South Australian Water Management Partnership Agreement.

The South Australian Water Management Partnership Agreement may be accessed at <http://www.environment.gov.au/system/files/resources/317201ab-dd38-47ff-8672-f8df21970c8b/files/sa-bilateral-agreement.pdf>

The objectives are outlined in part 1 on page 2 of the Agreement.

What does the due diligence process consist of?

The due diligence process is described in part 5 of the South Australian Water Management Partnership Agreement and is located on pages 6 to 9 of the Agreement.

How is 'value for money' defined?

Value for money for state priority projects is defined in Schedule E of the 3 July 2008 Intergovernmental Agreement on Murray Darling Basin Reform that is located on pages 55 and 56 of the Agreement. The 3 July 2008 Intergovernmental Agreement on Murray Darling Basin Reform may be accessed at <http://www.coag.gov.au/node/277>.