

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

Question No: 176
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:

What measures are in place to ensure that delivery partners are getting maximum value for taxpayer's money with regards to the programme?

Answer:

The selection of Delivery Partners and sub-projects is undertaken through a competitive grants assessment process conducted by the Department of the Environment in each Funding Round. The assessment process determines which Delivery Partners and sub-projects offer the best value for taxpayers' money. The assessment process draws upon expertise from internal and external technical experts in the fields of economic analysis, irrigation technology, financial viability and conveyance of water access entitlements to the Commonwealth.

The competitive grants assessment process allows for the selection of best value for money projects that meet all other eligibility criteria. There has been \$1.6 billion worth of projects submitted for \$450 million in funding.

The 2014 Water Recovery Strategy states that on-farm irrigation upgrades generally yield water savings at a market multiple of between 2.0 and 2.5. Annexure A of the 2014 Water Recovery Strategy highlights the Commonwealth On-Farm Irrigation Efficiency Program had an average market multiple of 2.3 to date. The 'market multiple' is the cost of water yield to the Australian Government compared with the prevailing market price for the same entitlement at the time of the project approval.