

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

**Question No:** 18  
**Hearing:** Additional Estimates  
**Outcome:** 4.1  
**Programme:** Water Efficiency Division  
**Topic:** PIIPSA  
**Hansard Page:** N/A  
**Question Date:** 4 March 2014  
**Question Type:** Written

**Senator Xenophon asked:**

1. When was the PIIP-SA fund established? How much of the \$110 million fund has been allocated, for each financial year, and for how many projects each financial year?
2. How many further rounds of PIIP-SA funding will occur?
3. What do you consider to be the basis of the low take up rate for the PIIP-SA fund?
4. Is the Department still committed to allocating these funds? If so, in what timeframe?
5. Has the Department received feedback over the nature of the current guidelines? Can it describe what that feedback has been? How has the Department responded to the feedback?
6. Is the Department and/or the Government still committed to spending this on irrigation programs for South Australia?
7. Is there any proposal to change the guidelines for the PIIP-SA fund to allow easier access for SA irrigators?

**Answer:**

1. The Private Irrigation Infrastructure Program for South Australia (PIIP-SA) was announced on 2 December 2009. As at 4 March 2014, \$14.4 million has been allocated in the following profile:

<b>Financial Year</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>Funding (\$m)</b>	1.9	6.2	5.2	1.1	0.01

Of the 13 PIIP-SA projects approved for funding:

- Round One projects: seven commenced in 2010-11, with five completed in the financial year 2011-12 and the remaining two due for completion in the financial year 2013-14.
  - Round Two projects: six commenced in 2011-12, with one completed in the financial year 2011-12, one in the financial year 2012-13, three are either completed or due for completion within the financial year 2013-14; and one is due for completion in the financial year 2014-15.
2. Further rounds of PIIP-SA are dependent on the South Australian Government supporting such action. The Australian Government is working with the South Australian Government to determine priorities for the use of the remaining State Priority Project funding allocation.

3. PIIP-SA was run early in the roll-out of irrigation modernisation programs across the Murray-Darling Basin. Irrigators at that time were less familiar with the way such programs work and the benefits of participating in them. This may have accounted for the low take-up. Subsequently, there has been a high level of participation by South Australian irrigators in the Commonwealth's On-Farm Irrigation Efficiency Program.
4. Unallocated funding from the South Australian State Priority Projects allocation (including from the original provision for PIIP-SA) remains available. Subject to suitable activities being identified and passing due diligence assessment, the funding is available for value for money projects, which contribute towards bridging the gap to the Sustainable Diversion Limits under the Basin Plan. Any projects will need to be finalised before 30 June 2019, when funding for infrastructure activities under the Sustainable Rural Water Use and Infrastructure Programme ceases.
5. The Department of the Environment received feedback on the draft PIIP-SA guidelines from the South Australian Government and irrigators. Feedback indicated a preference for targeted regional planning, industry assistance and adjustment rather than investment in water saving irrigation efficiency improvements. South Australia also sought the inclusion of private diverters. From the Commonwealth's perspective, the program needed to reflect the intent agreed in the overarching 2008 Intergovernmental Agreement which was to provide funding for irrigators in South Australia to upgrade infrastructure to improve water efficiency and transfer a share of the water savings for environmental use. A key component of the Commonwealth's investment in these irrigation efficiency projects is for projects to assist in bridging the gap to sustainable diversion limits. The guidelines were amended to enable the participation of private diverters.
6. The Australian Government is committed to implementation of the Basin Plan on time and in full. Funding for projects needs to contribute to this objective, noting that irrigation efficiency projects which contribute gap bridging water will benefit all Basin States.
7. As outlined above, the main issue affecting further rounds of PIIP-SA is not the structure of the program guidelines but that South Australia has not indicated any desire for further rounds of PIIP-SA to be conducted.