



24/10/2019

This project was approved prior to a change in the department's internal processes and templates.

Water Efficiency Program proposal

WEP0007

Project stream: On-farm

Catchment: Zone 12 – River Murray

State or territory: South Australia

Total Water Savings: 14.2 MLs

Introduction

This proposal has been submitted as part of the Water Efficiency Program, which delivers funding to upgrade water infrastructure in the Murray–Darling Basin.

The proposal has been prepared by a project partner or delivery partner and has received in-principle government approval. It is now available for public comment.

This document reproduces content provided in Sections C and D of the project registration form. The Department of Agriculture has removed any identifying information from the proposal, but has not corrected errors in text submitted by the proponent.

Proponents are not required to respond to Criteria 1, 2e or 3. See [Efficiency measures—agreed criteria](#) to learn more about the project criteria.

Section C: Project description

The project involves an upgrade to an inefficient surface drip irrigation system across 71.23 hectares. All works will occur on patches growing winegrapes.

Water Savings – 14.2ML

Total Project Area – 71.23ha

Total Irrigation Area – 222ha (174ha – winegrapes; 48ha - almonds)

Crop – Grape Vines (Wine) & Almonds

Location – New Residence

Section D: Agreed efficiency measures criteria

Criterion 2: Projects do not negatively impact on social and environmental outcomes

2a: Projects are required to describe the expected socio-economic and environmental benefits. Partners must coordinate and communicate with local communities and community bodies on the project(s) and describe the expected socio-economic and environmental impacts of each project on the local community, region or state Describe the project's proposed outcomes against the criteria.

This proposal is expected to deliver positive socio-economic and environmental outcomes at the farm, local, regional and state levels. The project involves replacement of under-performing surface drip irrigation on a winegrape and almond property located at New Residence in the South Australian Riverland

Across the 71.23ha of drip line replacement the proposed modernisation works have been independently assessed to deliver a water saving of up to 1.0ML/ha or 71.2ML . A large percentage of the water saving will be retained by the applicant which will deliver further adaptation, resilience and flexibility to future climate variability and water availability. This additional water saving will also reduce the applicant's annual leasing requirements which will have a positive impact on the availability of water in the consumptive pool.

2b: Social values may include the amenity to local communities of weirs, storages and parks that may be affected by efficiency projects

Describe the project's proposed outcomes against the criteria.

The works are also expected to increase productivity by approximately 30% which will add to the profitability of the enterprise.

2c: Large projects (total cost \geq \$4 million) must describe the expected socio-economic outcomes and address the following:

- **the anticipated socio-economic impacts to the local community, region or state**
- **their project's strategy for increasing the socio-economic benefit to participants and their communities (e.g. local sourcing of goods, services and labour)**
- **if and how the project will contribute to regional investment and development in the geographic area**

Describe the project's proposed outcomes against the criteria.

All works will be carried out by local contractors which will deliver further economic stimulus to the region. The proposed works will also ensure the longer term sustainability and viability of the enterprise which will contribute ongoing benefits to regional primary production support businesses and employment.

Criterion 4. Projects need to demonstrate how they contribute to the current and future viability of proponent businesses and irrigation districts

4a: Proposals must consider how projects would contribute to the current and future financial viability of the irrigation district/ region where they would occur, including identification of potential irrigation network improvements

Describe the project's proposed outcomes against the criteria.

As outlined in the response to criterion 2 the project will deliver significantly increased productivity in terms of returns per ML to the participating enterprise which will in turn facilitate enhanced business profitability.

4b: Proposals must avoid upgrading water supply infrastructure where the systems, or parts of the systems, are not going to be used in the future

Describe the project's proposed outcomes against the criteria.

The modernisation works will help to position the business to capitalise on improving financial returns for winegrape production in the South Australian Riverland. The works are expected to increase the FTEs of the business from 7.0 to 8.0 which will have flow-on benefits to the regional community.

Criterion 5. Programs or projects support regional economies

5a: Proposals must identify opportunities to support local industry and regional development

Describe the project's proposed outcomes against the criteria.

The works will occur on a property at New Residence in the South Australian Riverland which is located between Loxton and Moorook which are very reliant on a viable irrigation sector to drive and sustain their local and regional economies.

This proposal will increase water use efficiency that will benefit the regional economy through the under-pinning of existing, and supporting the creation of new jobs both directly and indirectly.

5b: Proposals must focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks

Describe the project's proposed outcomes against the criteria.

The project will also increase production which will assist local wineries and secure local and regional employment within the wine processing sector.

Criterion 6: Programs or projects do not have negative third party impacts on the irrigation system, water market or regional communities

6a: Where a project is located within an irrigation network, the proposal must provide evidence that the relevant network operator or water corporation is involved in or aware of the project.

Describe the project's proposed outcomes against the criteria.

While the property is not located within an irrigation network (private diverter) the works will ensure the future viability, sustainability and adaptability of the business.

The winegrape industry is a critical sector of the Riverland region with the farmgate income for Riverland winegrape growers \$175M in the 2019 season (Source: Riverland Wine). Ensuring the ongoing sustainability and profitability of the winegrape industry has major flow-on benefits to local towns, the Riverland region, the state and the nation.

6b: Proponents must consult with relevant stakeholders, e.g. industry bodies, irrigation network operators, regional development organisations, on regional approaches to water

efficiency projects that address industry/network/system and local/regional priorities, future needs, and risks. Regional water efficiency approaches may include research and extension services

Describe the project's proposed outcomes against the criteria.

The project will also generate year-on-year water savings which will not only assist the participating business but also the irrigation industry more broadly by reducing annual allocation leasing requirements.

Criterion 7: Projects need to be assessed for their potential to impact on the price of water

7a: Proponents must only transfer water rights that they own at the time of application.

They cannot receive funding to acquire water rights. A project cannot transfer more water than the project will save and the proposed quantity must be independently verified as being a conservative estimate of the resulting water savings. A proponent may keep any water savings beyond the amount transferred

Describe the project's proposed outcomes against the criteria.

The proponent is only seeking to transfer water rights that they currently own and that meet the 3 year ownership requirement. The property's annual water requirements are currently met through a combination of owned water access entitlement and annual allocation leasing.

The water savings nominated for the proposal are based on accepted industry benchmarks for the types of irrigation modernisation activities being undertaken. The nominated water savings have been subjected to a technical assessment by an Independent Approved Irrigation Professional.

7b: Proponents applying for project funding would be required to provide evidence that the water entitlements have been held for a minimum of 3 years at the time of application

Describe the project's proposed outcomes against the criteria.

The proposal is expected to generate water savings well in excess of the volume proposed to be transferred to the Australian Government. The additional water savings (~57ML) retained by the proponent will reduce the volume that needs to be secured annually in the lease market. This will mean the business is less exposed to price fluctuations in the allocation market and will result in additional water being available in the broader consumptive pool due to the reduced demand.

Criterion 8: Any cultural impacts identified, protected or improved

8a: Projects are required to describe the expected cultural benefits of their proposed project, with Partners required to coordinate and communicate with local communities and community bodies on projects and describe the expected cultural benefits of each project on the local community, region or state

Describe the project's proposed outcomes against the criteria.

All goods and services associated with the implementation of this proposal will be sourced from local suppliers and as such will provide economic stimulus for the local community.

The works will also facilitate social and lifestyle benefits for the proponent ensuring that they can continue to be an active member of, and contributor to their local community.

8b: Projects must describe the expected cultural benefits of their proposal. In doing so, they must address the following:

- the anticipated cultural benefits to the local community, region or state
- their project's strategy for increasing the cultural benefit to participants and their communities (e.g. local sourcing of goods, services and labour)

Describe the project's proposed outcomes against the criteria.

The property is also located near the small regional settlement of Moorook which despite only having a small permanent population base (<300) it is an important tourism location with the Moorook Game Reserve and Watchels Lagoon and Yatco Lagoon wetland complexes located nearby.

The water recovered through this proposal will assist in delivering a healthy, working River Murray and Murray–Darling Basin which will support improving the level of protection of Aboriginal and community values.

Criterion 9: Program design should include close engagement with community and industry leaders

9a: The proponent must consult with industry bodies, IIOs, local governments or regional development organisations, or investment corporations on relevant strategic regional projects, and consider community support

Describe the project's proposed outcomes against the criteria.

The Delivery Partner has consulted extensively with key stakeholder groups including industry groups such as Riverland Wine, local government and irrigation infrastructure operators.

The proposal is well aligned to a number of the key themes within Riverland Wine's Strategic Plan (2014-2019) including Competitiveness, Market Growth & Profitability & Sustainability.

9b: The consultation should focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services

Describe the project's proposed outcomes against the criteria.

The proponent is also an active committee member of both the Riverland Winegrape Growers Association (RWGA) and the Riverland Wine Industry Development Council (RWIDC). This will assist with disseminating outcomes across the Riverland wine industry which is a critical driver of the regional and South Australian economy more broadly.

Criterion 10: Where practical, seek to develop and implement integrated implementation of efficiency measures to maximise benefits to the irrigation network and local enterprises

10a: Programs or projects must focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services. This would include integrated proposals

Describe the project's proposed outcomes against the criteria.

Please refer to responses to criterion 5 and 9.

Criterion 11: Monitoring and evaluation, including of socio-economic outcomes, should be built into programs and used to regularly review and adapt programs as required

11a: The Commonwealth will develop a monitoring and evaluation framework to assess the progress of projects in real time, post-approval

Describe the project's proposed outcomes against the criteria.

This proposal will be subjected to the Monitoring, Evaluation, Reporting and Improvement (MERI) Plan adopted for the Water Efficiency Program.

Criterion 12: Projects must deliver real water savings and not result in profiteering or roting

12a: Projects must not allow participants to individually profit without creating water savings

Describe the project's proposed outcomes against the criteria.

As outlined in criterion 7 the nominated water savings for this proposal have been prepared using industry accepted benchmarks and have been reviewed and endorsed by an Independent Approved Irrigation Professional. The assessed water saving also results in significant savings being retained by the project proponent. Remote sensing techniques have also been used to validate those areas of the drip irrigation system that are under performing.

Criterion 13: Projects should identify improved capacity to respond to changes in business environment including drought and climate resilience

13a: Provide information on how the project will improve resilience to climate variability.

Describe the project's proposed outcomes against the criteria.

As covered in the responses to other criteria the proposed works are expected to generate significant productivity improvements for the enterprise and hence improved enterprise level profitability and flexibility. This will provide the enterprise with an increased ability to endure, and adapt to future climate variability.

In addition to increased profitability the proposed works will deliver significant and lasting improvements to irrigation efficiency and the water saving dividend retained by the applicant will provide a buffer against future climate variability.

The water savings (~57ML) retained by the proponent will also decrease the volume of water that needs to be secured via the annual allocation market. This will mean the business is less exposed to market price fluctuations and will also have a positive impact on the amount of water available in the consumptive pool.