24/10/2019

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

Water Efficiency Program proposal WEP0006

Project stream: On Farm

Catchment: Zone 12 - River Murray

State or territory: SA

Total Water Savings: 3.1 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 replacement of the irrigation pump and the addition of a Variable Speed Drive.

Water Savings – 3.1 ML

Total Project Area –41 ha

Total Irrigation Area –41 ha

Crop – Grape Vines (Wine)

Location – Lyrup

Section D: Agreed efficiency measures criteria

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

Describe the project's proposed outcomes against the criteria.

This project is small scale (proposed return 3.1ML) and involves the upgrade of an existing fixed speed pump with new pump with a variable speed drive.

The wine grape growing property accesses water directly from the River Murray Prescribed Watercourse (Private Diverter) near Lyrup in the South Australian Riverland irrigation region.

The works will improve both the water use efficiency and productivity of the enterprise which will have flow on benefits to the proponent and the local region.

Additional water savings will be generated through the project which will contribute to the longer term sustainability and adaptability of the enterprise.

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

Describe the project's proposed outcomes against the criteria.

As discussed in criterion 2 the proponent for this project is a private diverter from within the River Murray Prescribed Watercourse and therefore the project is not located within an irrigation infrastructure operator network.

The proposed upgrade works will provide the business with improved flexibility and adaptive capacity which will in turn deliver flow-on benefits to the local irrigation district of Lyrup and the Riverland wine industry.

Criterion 5. Programs or projects support regional economies

Describe the project's proposed outcomes against the criteria.

As a medium scale wine grape growing enterprise the project will enable the business to best position itself to take advantage of improving outlooks within the Riverland wine grape growing region.

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.

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

Describe the project's proposed outcomes against the criteria.

The project is not located within an irrigation infrastructure operator network.

The Delivery Partner has actively engaged and consulted with key industry groups including Riverland Wine, local government and local irrigation infrastructure operators.

The project will also generate significantly more water savings than are proposed to be returned to the Australian Government. The retained water savings will provide increased water security

for the applicant and also an additional cash flow source with potential leasing of surplus water into the annual allocation market.

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

Describe the project's proposed outcomes against the criteria.

The proponent is only seeking to return water rights that have been held for a minimum of 3 years.

As addressed in criterion 6 the independently assessed water saving (28.7ML) for this proposal is significantly greater than the volume proposed to be returned (3.1ML) to the Australian Government.

The retained water savings (25.6ML) will provide the proponent with increased adaptive capacity to seasonal conditions and varying water availability and in many years the opportunity to lease additional water into the annual allocation market which provide a new source of revenue.

As the proponent is a perennial horticulturist the water savings will be achieved year in year out which will provide flow-on benefits to the water market.

Criterion 8: Any cultural impacts identified, protected or improved

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.

The property is also located near the small regional settlement of Lyrup which, despite only having a small permanent population base, is an important tourism location with the Pike River floodplain and Murray River National Park 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

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.

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

Describe the project's proposed outcomes against the criteria.

Please refer to responses to criterion 5 and 9.

If impact is negative, describe how the project proposes to mitigate or enhances outcomes

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

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

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 rorting

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

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

Describe the project's proposed outcomes against the criteria.

As has been addressed in the responses to earlier criteria 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 (25.6ML) retained by the proponent will provide a greater capacity to adapt to changes in water availability whether this be seasonally driven or longer term. 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.