



Statement of reasons

Commonwealth assessment of socio-economic response

Reference number: 492985

Decision: Approved

Date of decision: 4 November 2020

Project overview

The applicant is seeking Commonwealth funding to convert 12ha of a 30 ha field nursery to a vineyard planted to Shiraz on drought resistant rootstocks. An upgrade from overhead sprinklers to surface drip irrigation will be included as well as an upgrade to the soil moisture monitoring network over 140 ha. These activities are expected to achieve more than 50.50 ML in water savings which will be transferred to the Commonwealth. The project is described in more detail in the:

- state statement of reasons
- independent approved irrigation professional technical findings report
- water savings methodology.

For more information about the state assessment, see state statement of reasons.

Part 1 Commonwealth assessment of initial eligibility

The Commonwealth's initial assessment covered the eligibility of the entity, the water entitlement, the proposed activities and an initial calculation of value for money. The assessment determined that there was sufficient information to request assessment by the relevant state against the socio-economic criteria.

The upgrade involves the conversion from overhead to surface drip in the new part of the vineyard, a soil moisture monitoring system upgrade and the conversion to drought resistant rootstock. These activities are considered eligible activities and should generate the proposed water savings being offered. A conservative water saving of around 50ML is achievable based on the certification from the Independent Approved Irrigation Professional and evidence from other water recovery projects.

Part 2 Commonwealth assessment of the state decision

South Australia has advised the Department of Agriculture, Water and the Environment that the proposal has passed the socio-economic criteria test, and satisfactory responses have been provided to all relevant comments received during the Have your say process. For more information about the state assessment, see state statement of reasons.

The Commonwealth has assessed the state's decision, considered the public comments, and re-examined the project's eligibility.

Based on this information, the proposed activities are likely to have neutral to positive socio-economic impacts:

- the proposed activities are all eligible water efficiency measures that will produce water savings sufficient to cover the water entitlements to be provided to the Commonwealth Environmental Water Holder, as stated in the independent approved irrigation professional's technical report. For more information about the report, see state statement of reasons.
- local contractors will undertake part of the works which will provide flow on benefits to local businesses and communities
- there is no planned reduction in employment
- the upgrade will contribute to the long-term sustainability of the business and region
- there is no hydrological connection, or no significant change to the hydrological flows between the property and nearby water bodies used for social or cultural reasons, and therefore no social or cultural impacts
- taking into account the projects previously approved under the WEP, implementing this project would not result in cumulative impacts beyond those already considered in this assessment
- there will be no negative effect on any stream flow, or wetland that has been used for recreational activity by the local community
- there will be no impact on local community weirs, storages or parks therefore no impact community amenity
- Drought tolerant vines will be planted which will provide further adaptability to periods of reduced water availability.
- The water savings retained by applicants will
 - increase water available for consumption by reducing water losses that are currently not available to the consumptive pool
 - reduce demand on the consumptive pool once the project is completed by reducing the need for water delivery to a greater volume than the water entitlements to be provided to the Commonwealth Environmental Water Holder
 - improve the applicant's resilience to climate and water variability.

On this basis, the proposed project is likely to have positive socio-economic outcomes.

Part 3 Commonwealth response to public comments

All public comments were responded to by the relevant jurisdiction.

Part 4 Commonwealth assessment against the socio-economic requirements

This project:

- is from an eligible entity
- involves eligible activities only
- provides eligible water entitlements only
- fits within the program's value for money requirements.

The Commonwealth assessment of the socio-economic response supports the decision made by South Australia and it is recommended that the proposal now proceed. In accordance with the Commonwealth Procurement requirements.