



16 April 2020

Dept of Agriculture, Water and the Environment



Acting Director, Purchase and Northern Infrastructure

Via email: [fodder.review@agriculture.gov.au](mailto:fodder.review@agriculture.gov.au)

### **RE: Review of Round One of the Water for Fodder Program**

Murrumbidgee Irrigation is one of the largest private irrigation companies in Australia servicing over 3,000 landholdings owned by over 2,500 customers, the majority of whom are shareholders in the Company. Our core business is water distribution. We provide irrigation water and drainage services to the Murrumbidgee Irrigation Area (MIA) which covers close to 380,000 Ha. Murrumbidgee Irrigation appreciates the opportunity to provide feedback on the Water for Fodder Program prior to Round 2 commencing. We have also provided the link to your online survey to our customers who are registered for email communications.

We would like to acknowledge the efforts of Government in supporting industry and irrigation in times of extreme hardship through the Water for Fodder Program. The urgency of the need for fodder created challenges in implementation and in providing equitable access to the program. Government should be applauded for working through these issues and delivering on its commitment to support communities under challenging circumstances.

With respect to equity, the decision to broaden the program outside of the Murray River to include the connected Basin and Irrigation Districts was welcomed in our area. Despite the challenges around implementation we support the Program model and recommend government consider further application beyond fodder production particularly as the drought continues and concerns around food security rise. Specific comments on eligibility and process are included below.

#### **Eligibility Criteria**

We respect Government's social and economic mandate to support an industry in crisis and acknowledge the particular needs of the livestock industry and the bushfire season that made fodder a key focus of government earlier this summer. However, the drought has been far reaching and water allocations in our major food growing areas have been low or zero for several consecutive years. We encourage Government to consider broadening subsequent Rounds of the program for the benefit of irrigated agriculture more generally. This year we will run out of rice in Australia. This has serious impacts for the industry, local community, economy as well as for food security. We encourage Government to consider broadening and even extending the program for round 2 to support rice as a critical industry.

#### **How and when the water can be used**

The timing of release of the water and the uncertainty around success in a ballot process precluded some irrigators from applying for the program. This is because they would have had to have a crop established in advance of confirmation of receiving the subsidised water potentially locking them in to additional costs or loss of crop. Consequently, the program largely supported those who were already growing fodder and potentially enabled them to sell existing water allocation back to the market or carry it over for future seasons.

In addition, while the water was subsidised to support fodder production there was no market control over the sale of the produce. The program seems to have assumed that the fodder would be used on farm and not on-sold.

**What role brokers and other intermediaries should play**

Brokers and other intermediaries provide services on behalf of customers that customers would otherwise complete themselves and usually charge a fee or commission for such services. In our experience, brokers and other intermediaries can simplify the information customers need to understand and manage the process for them, thereby reducing the burden and in some cases the anxiety of customers. Ultimately, this may increase processing efficiency by reducing the number of contact points for ourselves and Governments.

**The impact of the program on your organisation, and how we could reduce any negative effects**

The decision to broaden the program outside of the Murray River to include the connected Basin and Irrigation Districts was welcomed in our area. As a result, 34 of our customers were successful in purchasing water under Round One providing a significant boost to their businesses.

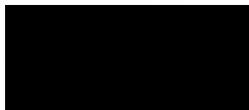
With respect to supporting the delivery of the program there were a number of challenges relating largely to the swiftness of the program's introduction and the lack of information to support our customers in the application process.

Information on the requirements for applications was slow to be released and confused between State and Federal Governments. Consequently, as customers found out their eligibility and wanted to proceed with their applications, they became anxious when there wasn't a straightforward process to follow.

The contacts named as being available to provide more information were either unable to assist because they did not have the information or were electronic only channels with no opportunity to seek additional clarity. A person-centred engagement approach would have provided better support for this new initiative being rolled out with limited timelines. Once the process was clarified, the trades were completed simply.

We look forward to future rounds and working with government in these difficult times to support the important role irrigators fill for the economy and regional Australia.

Yours faithfully

A solid black rectangular box used to redact the signature of Brett Jones.

Brett Jones  
CEO