



James Jackson
President

Ref: 2047OC

15 April 2020

Department of Agriculture, Water and Environment
18 Marcus Clarke St
Canberra City ACT 2601

Via email: fodder.review@agriculture.gov.au

Dear Department

RE: Water for Fodder Program – Round 1 Review

NSW Farmers' Association (NSW Farmers) welcomes the opportunity to provide comment to the review of round one of the Water for Fodder Program.

NSW Farmers is Australia's largest state farming organisation, representing the majority of commercial farm businesses in New South Wales, ranging from broad acre, meat, dairy, wool and grain producers, to more specialised producers in the horticulture, egg, pork, oyster and goat industries.

NSW Farmers is supportive of the Water for Fodder Program, however this Program in the Southern Basin should not negate the need for a more substantial review, of more permanent solutions to address the lack of water availability.

The Federal Government initiative which has provided water to agricultural producers in the Murray system to support critical fodder production at a time when there is no or little water availability is welcome, although the Program was very limited. This Program has provided some short-term assistance to successful applicants although the scale of applications far exceeded the Programs capacity and as such, the majority of struggling dairy, livestock and other fodder producers missed out. The scale of water policy changes in the Murray Darling Basin mean that many other agricultural industries are similarly struggling due to lack of available general security water and high water prices.

Although the Program was well-meaning our members feel that the planning and implementation of the Program was rushed and the majority of producers with an urgent reliance on fodder production for on-farm use (e.g. livestock) missed out. It also is unclear as to why South Australian applicants were successful when surface water allocations were available. Many successful applicants are also fearful to disclose the outcome of their application to other community members.

Due to the anticipated oversupply of applications, a ballot system to determine the successful applications is a fair method. However, due to the extreme economic stress many applicants face, suspicion and resentment at the government and successful applicants has resulted. Additionally, some successful applicants within private irrigation districts were unable to access the water they were granted because of

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the lack of water available for conveyance. Due to zero general security allocations these private irrigation districts were required to purchase water for conveyance or use a large portion of the successful applicants water parcel for delivery.

NSW Farmers' members also provided feedback that application and trade approval forms were complex and many sought advice from their accountants to complete the forms. However, members appreciated the excellent communication with the Department to correct errors on trade approval forms once an applicant was deemed successful.

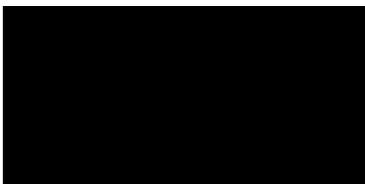
NSW Farmers agrees the eligibility criteria that applications should be made by the holder of the Allocation account and that water brokers should not be involved in the application process, as this may contribute to unfair advantages. We also agree that the water provided through the Program must be used within the water year in which it was allocated and no carryover of this water is permitted. This ensures that applicants have an immediate need for the water provided through the Program and the water will be used in the short term as an input to fodder production. This also ensures that this water cannot be carried over to bolster a potential future water allocation.

While the Water for Fodder Program has provided a small water parcel to successful fodder producers, many other agricultural industries within the Southern Murray Darling Basin are facing continuing no or low general security water allocations and high water prices. This has significantly impacted many industries such as rice, dairy, grains, horticulture, poultry and livestock. Irrigated agriculture has allowed our country to produce enough food to feed 75 million people, however this production capacity has been affected by low water allocations and drought over the last few years. Many irrigation industries are currently planning for the next production season and deciding whether there is enough water available to allow them to produce a successful crop. Therefore, everything must be done to provide a general security allocation to these producers so that they can continue their farming enterprises and to produce critical agricultural produce.

NSW Farmers' Association encourages the Federal Government to consider alternative options to maximise water availability. The Association is aware of a number of potential solutions and we encourage further dialogue on options.

NSW Farmers appreciates the opportunity to provide comment to the review of round one of the Water for Fodder Program. Our team will be happy to provide further information about the issues raised in this letter if this would be helpful.

Yours sincerely



James Jackson
PRESIDENT