



Australian Government
Department of Agriculture,
Water and the Environment

Water for Fodder program: review of round 1— stakeholder views



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Department of Agriculture, Water and the Environment

GPO Box 858 Canberra ACT 2601

Telephone 1800 900 090

Web awe.gov.au

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Summary

The Water for Fodder program is an Australian Government emergency drought response measure that is providing up to 100 gigalitres of water to farmers in the southern-connected Murray-Darling Basin to grow fodder. The South Australian Government has agreed to provide this water by operating the Adelaide Desalination Plant.

The water is being allocated in two rounds. Round 1 made 40 gigalitres available for use in the 2019-20 water year. Subject to this gateway review of round 1 and water availability, up to 60 gigalitres is anticipated to be available for use in the 2020-21 water year. Under round 1, 800 applicants were successful in attaining 50 megalitre parcels of water to produce fodder.

This review of round 1 is a key component of the agreement between the Australian and South Australian Governments. The Australian Government engaged Marsden Jacob Associates (MJA) to consider water availability in the Basin and risk exposure to water-dependent agricultural sectors to inform the review. The Department of Agriculture, Water and the Environment (the department) also conducted a public survey and targeted consultation to examine stakeholder views regarding the current eligibility requirements and potential improvements to program administration. The responses to the survey, submissions from targeted consultation and other feedback provided to the department is the focus of this report.

The survey received 820 unique responses. In addition, the department considered emails and phone calls received over the life of the program that provided feedback on the program to ensure a fulsome representation of views. Diverse views were reflected in the survey and are discussed in further detail throughout the report. However, the most discussed themes include agreement to the program, water allocation size in relation to crop type and the application process. 68% of respondents support the program overall, however some believe that should weather conditions improve, the program should be discontinued.

Opinions were divided on the water allocation size provided under the program with some believing it should be increased from 50 megalitres to support irrigators to allow larger yields, while others stated allocation size should be decreased to 25 megalitres to support a larger number of applicants. 44% of respondents agreed that 50 megalitre allocations are an appropriate size while 42% disagreed or strongly disagreed.

Respondents held many views on the application process. More than half (51%) said the random ballot was their preferred method of choosing successful applicants. 56% supported prioritising unsuccessful applicants from round 1 in round 2 and the majority (59%) of respondents supported limiting the number of applications to one per applicant. Several respondents also suggested simplifying and streamlining the application documents and process for round 2.

While written submissions indicated that frustration with the application process was often compounded by applicants having poor IT skills and low IT connectivity, there were 416 applicants who reported not accessing any assistance to complete their application.

Where the department required applicants to correct errors in their application or provide further information, and the applicant did not respond in a timely manner, the total processing time of their application increased significantly. Noting this, the majority of applications were

sent to South Australia for final processing between 18 January and 18 February 2020, and over 99% of trades were processed by South Australia within a 20-business day period.

All feedback received through this review and the findings by MJA on water availability, South Australia's water security and allocations, and the risk exposure of water-dependent agricultural sectors will inform the overarching review of round 1 of the program. The department thanks all respondents for providing their feedback through the survey.

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Background

Water for the Fodder program

On 7 November 2019, the Prime Minister announced as part of the Australian Government's Drought Response, Resilience and Preparedness Plan, that 100 gigalitres of water will be produced from the Adelaide Desalination Plant and an equivalent amount released upstream from the River Murray. This water is being made available to primary producers in the southern connected Murray-Darling Basin at discounted rates to grow fodder and pasture which will help farmers to maintain their breeding stock during the drought so when it breaks they can recover faster.

This water will be allocated in two rounds. There was 40 gigalitres of water available under the program in round 1 for use in this water year (2019–20) and subject to this review of round 1 and water availability in the Southern-connected Murray-Darling Basin, up to 60 gigalitres of water will be available in round 2 for use in the next water year (2020–21).

Information on the conduct and outcomes of round 1 are at [Appendix A](#) and [Appendix B](#) respectively.

Review of round 1

A key component of the agreement reached between the Australian and South Australian Governments was that a gateway review of round 1 of the program would be undertaken to inform whether round 2 was able to proceed, either as intended or in a modified form.

As outlined in the Agreement between the Australian and South Australian Governments, the review will focus on the implementation of round 1, water availability in the Basin, South Australia's water security and allocations and the risk exposure of water dependent agricultural sectors across the Basin. In order to respond to these items, the following four lines of inquiry will be investigated:

- 1) water availability
- 2) risk exposure of water dependent agricultural sectors across the Basin
- 3) the appropriateness of the current eligibility requirements
- 4) possible improvements to the administration of the program.

The Australian Government engaged a consultant, Marsden Jacob Associates (MJA), to determine matters related to water availability and the risk exposure of water dependent agricultural sectors across the Basin.

The last two lines of inquiry are explored by the Department of Agriculture, Water and the Environment, informed by a public survey (the full survey results are at [Appendix C](#)) and targeted consultations with key stakeholders listed at [Appendix D](#).

The South Australian Government has contributed to these lines of inquiry by providing feedback from their administration of the water transfer, and payment processes.

Themes in feedback received

The department has examined the emails and phone calls, survey responses and written submissions received from targeted consultations. The following is a summary of the key themes presented.

Policy context

Some stakeholders commended the Australian and South Australian Governments for developing the program, praising it for being an innovative idea to assist farmers and the livestock industry through the drought. However, others while provided their support for the program, this was only on the condition that it is used as an emergency support measure in times of drought. Should weather conditions continue to improve, some expressed the view that round 2 of the program should not continue.

The survey results show that of the 820 respondents:

- 68% support the program
- 8% do not support the program
- 24% were undecided.

A number of written submissions reiterated the view that the program does not reduce the need for an inquiry into consumptive water availability shortfalls in the Murray-Darling Basin.

Many survey comments advocated for expanding the pool of water available under the program by redirecting environmental water. This is beyond the scope of the program and the review, and is not possible under current legislative requirements.

Eligibility and conditions of participation

Program Expansion

There is some support for the program to be expanded to include crops other than fodder such as rice, grains and vegetables. There is acknowledgement in the responses that it is not only livestock farmers who have struggled because of the drought.

Following increased community discussion regarding food security towards the end of the survey period, some comments related to the preferred method of selecting successful applicants for the program, including a desire to prioritise producers of staple foods. In total, approximately 46 comments referenced food security, with around eight directly referring to rice production.

Notwithstanding support for expansion of the program, the survey results demonstrated strong support for restrictions to be in place that specify **what** the water can be used for, with 71% of respondents agreeing or strongly agreeing to this requirement.

There was disagreement in the survey to using the water on permanent plantings, with 53% of respondents disagreeing or strongly disagreeing to the proposition. 33% agreed or strongly agreed to this.

Some comments indicated concern that there were insufficient eligibility checks on participant farmers. In particular, that those who applied had not previously grown fodder crops. However, these concerns do not accord with data that shows:

- 726 or 91%, of program participants reported growing or selling a fodder crop in the previous five years
- 76% of applicants reported being involved directly in the livestock industry when not in drought, either in producing livestock fodder (for example, pasture for grazing or hay/silage), dairy or other livestock (for example, beef cattle, sheep, pigs).

Further, comments received in relation to the selection method indicated concern that greater checks were needed. This was particularly in relation to hobby farmers, but some also expressed a desire to prioritise non-corporate farmers and young farmers.

Water allocation size

Written submissions were divided as to whether the volume of the parcels of water provided under the program should increase or decrease. Some believe that increasing the size of the parcel will allow irrigators to make the most use of their water, as many have had to supplement the 50 ML parcel to grow a full crop. Others support decreasing the size of the parcel to 25 ML to support more irrigators.

Similarly, the survey results are evenly split between 44% agreeing or strongly agreeing that 50 megalitres of water is an appropriate size, versus 42% disagreeing or strongly disagreeing with this.

In response to what size parcel should be available under the program, the results were as follows (Table 1).

Table 1 Size parcel of water that should be available under the program—survey response

Parcel size (megalitres)	Number	%
100	316	39
75	40	5
50 (current)	326	40
25	41	5
Other	82	10

Note: Water for Fodder survey respondents were asked ‘What size parcel of water should be available under the program?’

Of course, if the program is expanded to other crops, the appropriateness of the water allocation size would need to be considered in terms of the volume of water that could support a reasonable crop size.

How to select conditionally accepted applications

The process used for selecting conditionally accepted applicants was to accept applicants in 24-hour periods. If oversubscription occurred within a 24-hour period, then these applications would be subject to a random ballot. Unsuccessful applicants, plus those in the following 24-hour period, were randomised on a reserve list to use if an applicant was unsuccessful.

Written submissions supported the use of a random ballot. This was confirmed in the survey results with over 50% agreeing or strongly agreeing with the proposition that a random ballot was the fairest method of distribution.

Interestingly, a significant number of comments advocated for some sort of merit assessment of applications. This merit assessment is suggested to be on the basis of water use efficiency or financial need.

Conditionally accepted applications in round 1

Many written submissions would support unsuccessful applications in round 1 being given priority in round 2. This was reflected in the survey results with 56% agreeing or strongly agreeing with such a requirement. Only 34% disagreed or strongly disagreed with this.

Unsurprisingly, whether your application was conditionally accepted had a significant impact on the response for this question, showing equal and opposing views:

- those whose applications were not conditionally accepted supported such a requirement with 74% agreeing or strongly agreeing with this
- conversely, conditionally accepted applications in round 1 opposed such a requirement with 74% disagreeing or strongly disagreeing with this.

Interestingly, one written comment in the survey suggested that conditionally accepted applications should be given priority to allow further production and efficiency gains to be leveraged off the previous watering.

Multiple applications

There is also strong support to limit the number of successful applications to one per applicant, both in written submissions and survey results. In the survey, 59% agreed or strongly agreed to limiting applicants to one application. Only 31% disagreed or strongly disagreed with this.

To put the number of duplicate applications in perspective, in round 1:

- 260 applications were ineligible due to submission of more than one application per water allocation account
- 129 applications were ineligible due to submission of more than two applications in total by the applicant as determined by the department
- 44 conditionally accepted applicants had more than one application conditionally accepted.

However, it should be noted that farming business structures can be complex with multiple entities used to separate ownership of land, water and business activities, minimise tax and manage succession planning issues. In some instances, these multiple different entities allowed individuals to submit up to nine different applications. The program guidelines determined the Applicant as the holder or owner of the water allocation account.

Additionally, this also led to confusion over who the legal owner of the allocation account was. As a result, some conditionally accepted applicants had difficulty completing the Deed Poll or other transfer documents correctly which in turn delayed the transfer of the water allocation.

Further, some applicants keen to increase their chance of being conditionally accepted used allocation accounts which could not have an allocation transferred to it, such as a stock and domestic or supplementary account. This further delayed delivery of the program.

There were community implications from being awarded multiple applications under the program. Concerns were raised that receiving two parcels of water under the program caused resentment towards the successful applicants and the department.

Finally, written submissions suggested that applicants who are successful with one of their two applications should be able to use the water on the landholding where it would be most efficient.

Substitution of allocation accounts

The department received a number of requests from conditionally accepted applicants under the program to change the water allocation account used in their application. The requests broadly fell within the following two categories:

- 1) The applicant supplied an incorrect or invalid water allocation account number, and sought to clarify or correct the error. This category includes instances ranging from errors in transposed numbers, to providing stock and domestic or environmental water reference numbers which are unable to receive trades; or
- 2) The applicant supplied a correct or valid water allocation account number, but later sought to change this due to efficiency gains or otherwise.

Where an applicant sought to clarify or correct the error the department permitted the change due to clause 4.7 which states that:

We may at our discretion clarify with you minor errors or omissions in form or content we identify with a submitted Application Form or Trade Approval Form(s) (including any errors in Allocation Account reference, email address or the Trade Approval Form(s) or evidence of authority or the non-submission of Trade Approval Form(s) or evidence of authority), but we are under no obligation to do so.

Requests of this nature were only approved where the trade was not complete. This was to ensure we could retain clear oversight of the end location of the water transfer.

Where a change was sought due to efficiency gains or otherwise, the department did not permit the change on the basis that doing so would reduce our ability to monitor and detect the sale or other disposal of this water, and be in breach of the program guidelines, specifically clause 1.4 (b):

The Applicant may submit one application per water allocation account and, where the Applicant holds more than one water allocation account, no more than two Applications in total. The Applicant must comply with these Guidelines in relation to each Application and each Allocation.

And clause 1.5 (d):

The Allocation provided under the Water for Fodder program will be used to grow Fodder on land which is linked to the Allocation Account.

Not permitting such changes has caused considerable concern for some participants, as well as complicated arrangements for participants who need to “park” their water to take advantage of changes to the carryover rules. The movement of water to other water allocation accounts is still not permitted under the program.

Water availability and allocations

The department has received strong representations about the participation of South Australian irrigators in the program in light of their 100% allocation at the end of the 2019-20 water year. These emails often reflected the raw emotion of those farmers in NSW who have had multiple years of zero allocations.

In designing the program, the Government was seeking to maximise the eligibility of farmers to participate, and not disadvantage any farmers who could make a meaningful contribution to increasing Australia’s fodder supplies.

To be eligible under the program, a primary producer must have had less than 1,000 megalitres of allocation or carryover available this water year. This limit was on a primary producer’s actual access to water rather than the percentage allocation against their entitlements. This approach was chosen to prevent those on low allocations with high amounts of water from applying, as well as ensuring that those on high allocations with access to large volumes of water were also not eligible.

The result of these decisions meant that primary producers in South Australia were eligible to participate. However, to put the total number of applications from South Australia under round 1 in perspective, only 57 applications or 1.4% were from that state. This compares to 1,574 or 37.6% from New South Wales and 2,554 or 61% from Victoria. Further, only 13 out of the 57 applications from South Australia were successful under the program.

Some written submissions suggested that the maximum available water allocation to be eligible to apply under the program could be reduced to best support those in the most need of water. Similarly, they also supported making irrigators with full allocations ineligible to apply.

The survey showed strong support for limiting eligibility based on how much water the farmer has available, with 75% agreeing with this. However, where to place that limit was less clear. The survey indicated that over 50% of respondents would support a limit at or below 500 megalitres (Table 2).

Table 2 Limit on available water for eligibility under the program—survey response

Volume limit (megalitres)	Number	%	Cumulative %
Up to 250	236	31	31
Up to 500	209	27	58
Up to 750	66	9	67
Up to 1,000 (current limit)	251	33	100

Note: Water for Fodder survey respondents were asked ‘What should the limit on available water for participants under the program be?’

In contrast, 26% of survey respondents advocated sharing the water across all applicants. However this would have resulted in applicants receiving 10.54 megalitres, which is insufficient to have productive value.

Additionally, respondents of the survey supported excluding farmers who have sold water allocations in the past 12-month period, with 59% agreeing or strongly agreeing with this.

One organisation expressed concern that due to the declining level of South Australia's River Murray storages, South Australia's high security allocations could be jeopardised by the program's reliance on the Adelaide Desalination Plant. If South Australia's high security allocations were impacted by the program, Renmark Irrigation Trust would no longer support it.

Availability of conveyance water

The program did not make conveyance water available. To make conveyance water available would have reduced the number of participants and hence fodder that could be produced. Additionally, given the high cost of water losses through transmission in some instances, it would not have been an effective use of the water in this emergency drought response program.

However, this meant that some smaller private irrigation districts were unable to participate in the program as they were unable to have the water delivered. It is noted that some written submissions stated that those who had to withdraw due to a lack of conveyance water in their irrigation district should receive priority in round 2.

Under our federal system of government, state and territory governments have responsibility for regulating and managing water resources in their jurisdictions. This includes administering water rights, carryover, water resource planning, and allocation decisions for conveyance water.

The Commonwealth has no available water to assist in the delivery of water to farmers. Whilst the Commonwealth does hold conveyance water in its portfolio of environmental water holdings, the *Water Act 2007* (Cth) prevents its use for consumptive purposes such as this.

Carryover

On 15 April 2020, the Hon Keith Pitt MP, Minister for Resources, Water and Northern Australia, announced that restrictions on the carryover of Water for Fodder allocations would be lifted for participants in round 1 of the program.

At the launch of the program, the department identified on its website that if drought conditions improve, it may waive restrictions on carryover of Water for Fodder allocations.

Feedback in written submissions was mixed as to whether carryover should be permitted in round 2. Some supported allowing carryover due to the delays in round 1 water delivery, while others thought it could allow recipients to take advantage of the system.

However, phone calls and emails received from a small number of participants, as well as comments in the media, suggest support for the change.

Interestingly, the survey results indicated strong support for a requirement that the water be used in the year it is allocated. In total, 84% of respondents agreed or strongly agreed with such a requirement. Only 12% disagreed or strongly disagreed with this.

Application process

There was strong feedback that the application process needs to be streamlined ahead of round 2. This included suggestions to provide a list of all evidence required on the department's website, and ask fewer questions about the status of the account holder in the first instance. Due to the time-sensitive nature of the program, the application process was staggered over two

stages. The program was intentionally designed this way to reduce the administrative burden on applicants to ensure their applications could be submitted as quickly as possible. Only essential information was captured during the first stage of the application, for example, address, contact number and allocation account number. Once conditionally accepted applicants were selected, they were required to submit additional verification information prior to receiving the 50 megalitre allocation.

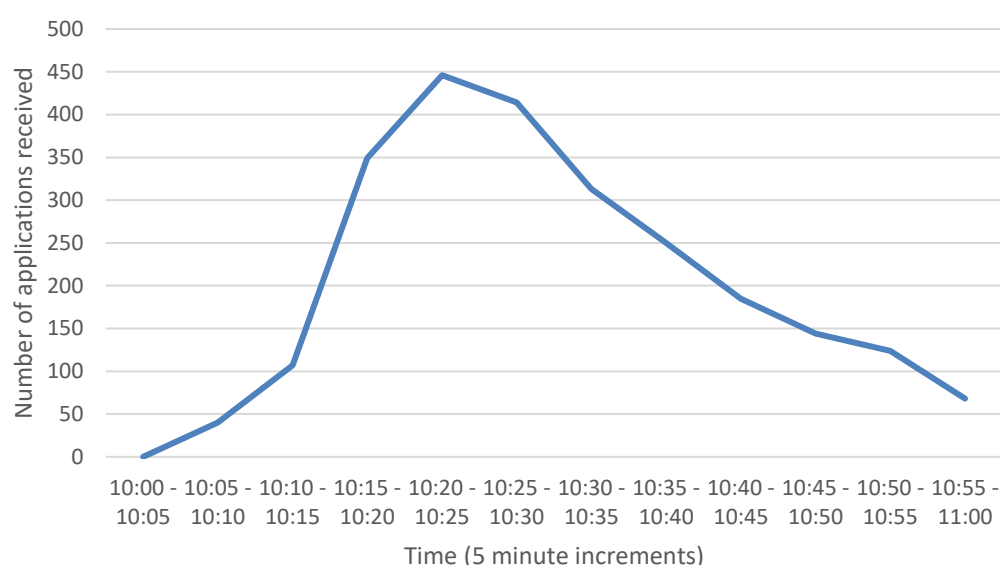
Readability of guidelines

Feedback indicated that the guidelines were not user-friendly and were overly legalistic. The guidelines were also seen to be geared unfairly to protect the department. In some instances, this led to applicants not understanding the ballot process, and in one case resulted in a formal complaint which was managed under the program’s complaint handling framework. The complaint was not upheld, but gave important lessons learned in how to communicate program administration, including the use of simplistic language wherever possible. Further, some applicants indicated that a summary of the process illustrating requirements at each stage would have helped their understanding.

Stage 1 applications

A lack of communication and apparent conflicting information from various stakeholders confused applicants. This contributed to situations such as applicants unduly rushing to submit their Stage 1 applications in the first hour of opening. Figure 1 and Figure 2 show the application volumes over time, with over 57% of applications made in the first hour.

Figure 1 Number of applications received in the first hour

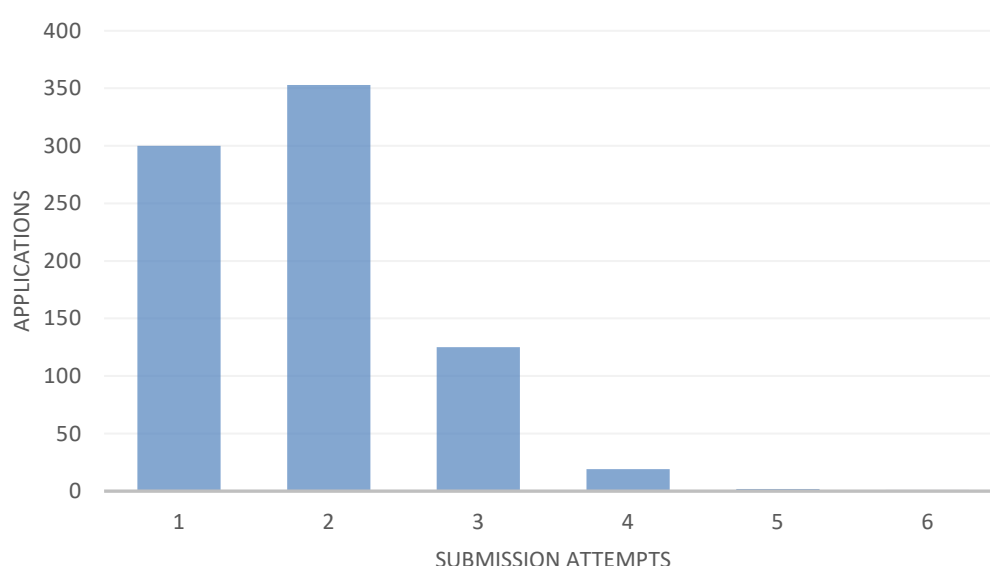


applications. This increased workload and used significant staff resources who were then unable to complete their daily tasks.

Stage 2 applications

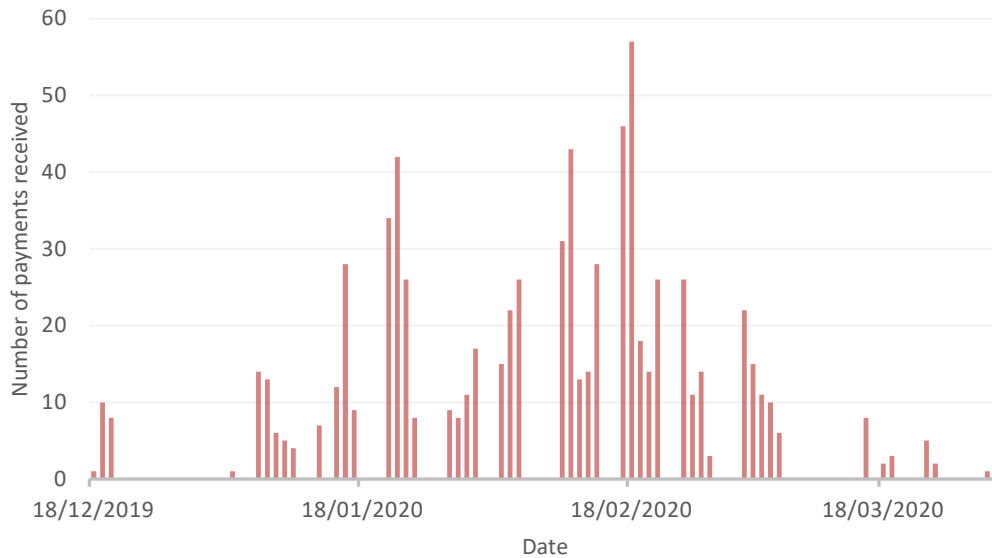
Processing the Stage 2 applications and subsequent trades happened too slowly, meaning that applicants did not receive their water in a timely manner, which in turn reduced the efficacy of using the water. However, in many cases, application processing times were out of the department's control. Where the department required applicants to correct errors in their application, or provide further information, and the applicant did not respond in a timely manner, the total processing time increased significantly. Figure 3 illustrates the number of applicants who were required to submit their Stage 2 application multiple times.

Figure 3 Number of submissions of second stage application form before forms could be accepted



The need for applicants to resubmit their Stage 2 applications multiple times increased the timeframe between the initial submission and when the department could progress the application to South Australia. Figure 4 shows a timeseries of applications that were sent to South Australia. The first applications were sent to South Australia on 18 December 2019, however, the majority, 59% of applications were sent between 18 January 2020 and 18 February 2020.

Figure 4 Applications sent to South Australia



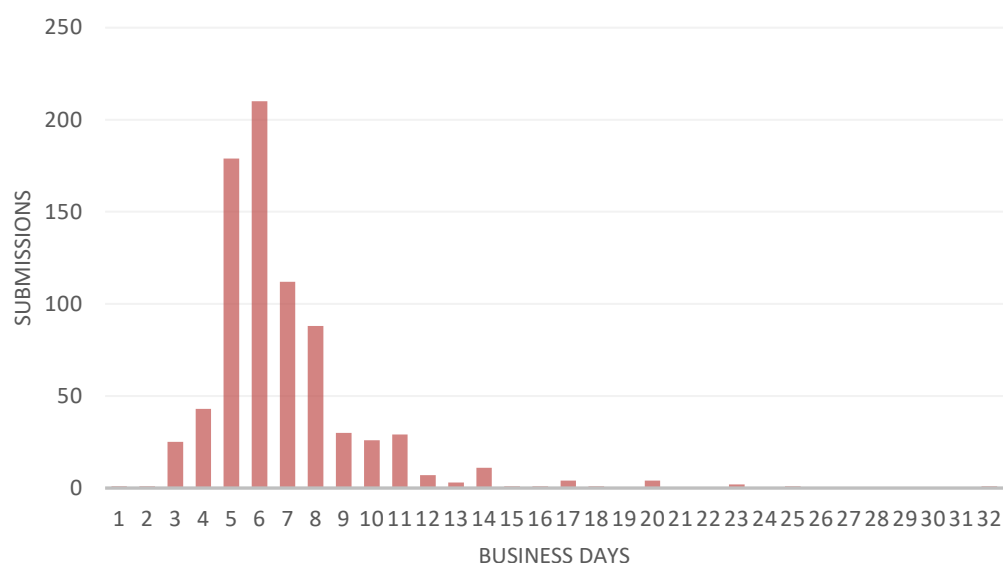
Whilst the department did not keep statistics on the reasons for multiple submissions, reasons included:

- not all pages of documents being scanned and submitted
- the wrong entity signing the deed poll (the entity holding the Allocation Account had to be the entity entering into the deed poll)
- family members witnessing signatures on the deed poll
- different details provided in the forms to those provided in the application.

Due to security restrictions, applicants were required to resubmit their entire application to fix any errors in their documents. This caused obvious frustration for many applicants, and was specifically requested to be changed in a number of submissions and phone calls.

While the department is unable to change the trade forms created by state Governments, it did make small changes to the deed poll throughout round 1 in response to feedback. Providing further guidance material on completing the deed poll for round 2 may assist applicants to ensure it is completed correctly in the first instance.

Over 99% of trades were processed by South Australia within a 20-business day period. Figure 5 illustrates the time South Australia took to process each trade.

Figure 5 SA processing times

Irrigation infrastructure operators and water authorities received many enquiries about the progress of applications which, in some cases, they were unable to answer. The department also received a large number of calls from applicants inquiring about the status of their application, which took staff away from processing the applications. Having a website or dashboard to track application and trade progress would allow applicants to check the status of their own application, using their unique tracking code, in real time. This may have reduced the workload of the department and key stakeholders and alleviated stress for farmers.

Payment options

Written submissions asked that payment options not be limited to credit and debit card.

Under the program, payments are made directly to the South Australian Government through their payment portal. To expand to other payment methods would further delay processing times and potentially increase fraud risks.

Communication and engagement

Irrigation infrastructure operators in particular expressed their disappointment with the lack of communication from the department. As a result of implementing the drought relief program in significantly compressed timeframes, the department was only able to undertake limited stakeholder consultation during the program design phase. Better communication between the department and industry stakeholders such as irrigation infrastructure operators, water authorities and farmers associations may have helped to iron out issues during program design and allowed them to better deal with program enquiries.

Feedback suggested that providing irrigation infrastructure operators with information about successful applicants in their district would have simplified administrative processes by allowing them to proactively assist applicants with their applications, and facilitating bulk transfers, for example.

Some written submissions raised concerns over departmental resourcing. Some stated that long wait times on calls and emails to the Water for Fodder team frustrated applicants. However, others were more complimentary.

Appendix A: Conduct of Round 1

On 11 December 2019, the department invited applications from primary producers in the southern connected Murray-Darling Basin to purchase water allocations of 50 megalitres at a discounted rate of \$5,000 to grow fodder and pasture.

At 10:00 am (AEDT) on 12 December 2019, the department reviewed the number of applications received and determined that the program was likely to be oversubscribed. It therefore issued a Sale Closure Notice to inform potential applicants that applications would be accepted until 10:00 am (AEDT) on 13 December 2019, in line with the program guidelines.

An assessment panel convened on 16 December 2019 to undertake an assessment of the applications received in accordance with an approved assessment plan.

The panel recommended that 800 applications be conditionally accepted, based on the information provided in the application form and the outcome of the independent ballot process.

Receipt and registration of applications

In accordance with the program guidelines, applications were received through an online form available on the department's website. The form was hosted and delivered through the 'SmartForms service' provided by the Australian Government Department of Industry, Innovation and Science. Upon submission of each application, applicants were provided a unique tracking identification number and issued an automated confirmation of receipt to their chosen email address.

The department was contacted by applicants regarding applications that had been inadvertently submitted more than once. As this breached the program guidelines the department, at the request of the applicant, withdrew a total of 46 duplicate applications from further consideration.

Initial verification

Applications underwent an initial verification process in line with clauses 5.3 and 5.4 of the assessment plan. This verification process was initially conducted using only the applications submitted on the first Sale Day to determine which of those applications were eligible and would proceed to the ballot. The verification process was then undertaken for the second Sale Day, taking account of all Applications submitted across both days.

The initial verification identified two issues relating to compliance with the program guidelines. The program guidelines set out that to be eligible to participate in the program, the applicant may submit one application per water allocation account, and where the applicant holds more than one water allocation account, no more than two applications in total.

A total of 389 applications were received across both sale days that did not meet this eligibility requirement and were deemed ineligible:

- 260 applications were ineligible due to submission of more than one application per water allocation account

- 129 applications were ineligible due to submission of more than two applications in total per applicant as determined by the department

Ballot process

Trade Promotions and Lotteries Pty Ltd was engaged to undertake the ballot on behalf of the department.

The department provided a document containing 3,590 tracking codes to the company and requested that they perform a ballot to randomly select 800 of these to be conditionally accepted. Personal information was not provided to the company.

The company undertook the ballot at 2.07pm (AEDT) on 16 December 2019 in the presence of an independent scrutineer. The draw was performed using an electronic drawing system certified as compliant under Regulations 30(fa) and 31(h) of the *Lottery and Gaming Regulations 2008* (SA).

The department then provided a list of 2,996 tracking codes, containing eligible applications submitted during the second Sale Day and those submitted during the first that were not randomly selected to be conditionally accepted, to the company and requested that they perform a randomisation of these to be held by the department as a reserve list. Where a conditionally accepted applicant could no longer participate in the program, the department issued applicants on the reserve list with a notice of conditional acceptance.

Probity

The Australian Government Solicitor was engaged to provide probity advice on the program. The program guidelines, assessment plan and probity plan were developed in consultation with the probity advisor.

The assessment panel, department staff responsible for assessment of the applications, and the Delegate all completed conflict of interest declarations in accordance with the probity plan. No conflicts of interest were disclosed.

Trade Promotions and Lotteries Pty Ltd signed a Deed of Confidentiality. Staff of the company and the independent scrutineer also completed conflict of interest declarations. No conflicts of interest were disclosed.

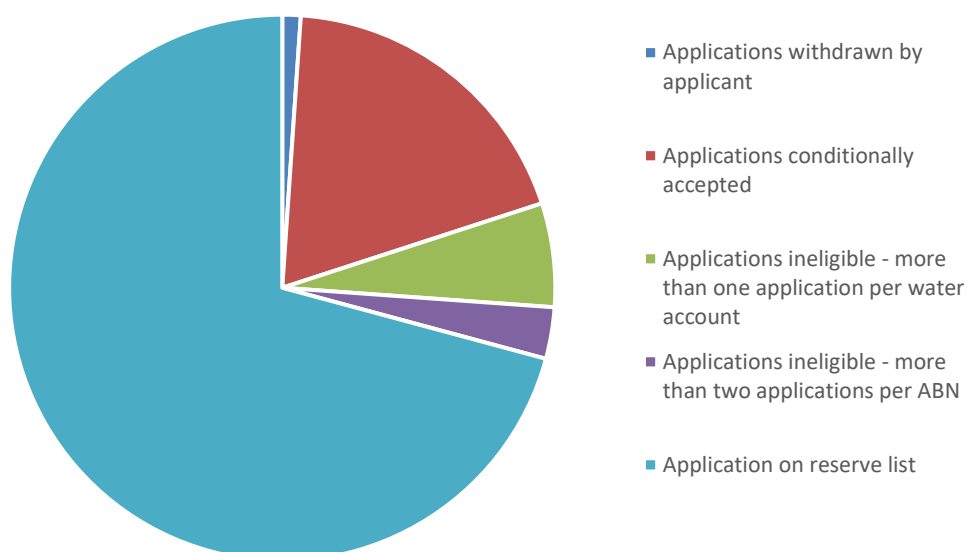
Program outcomes

The department received 4,231 applications in round 1. During initial assessment, 389 were deemed ineligible and 46 were withdrawn from the program (Table A1, Figure A1).

Table A1 Program outcomes for stage 1 applications

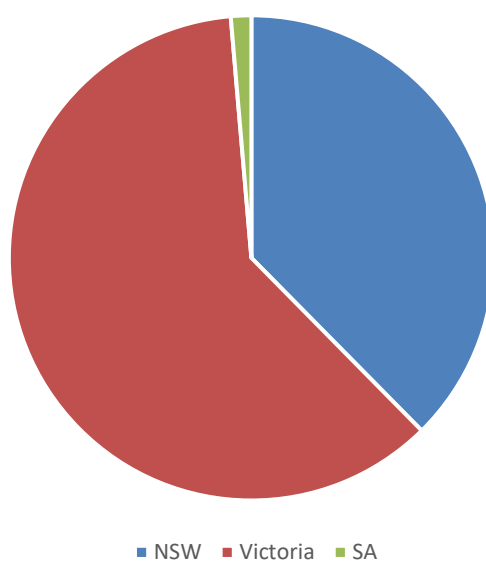
Application status	Number
Applications received	4,231
Applications withdrawn	46
Applications assessed	4,185
Applications deemed ineligible during initial assessment	389
Applications recommended for conditional acceptance	800
Applications held on the reserve list	2,996

Figure A1 Program outcomes for stage 1 applications



The department received 2,554 applications from Victorian farmers, 1,574 applications from NSW farmers and 57 applications from South Australian farmers (Figure A2).

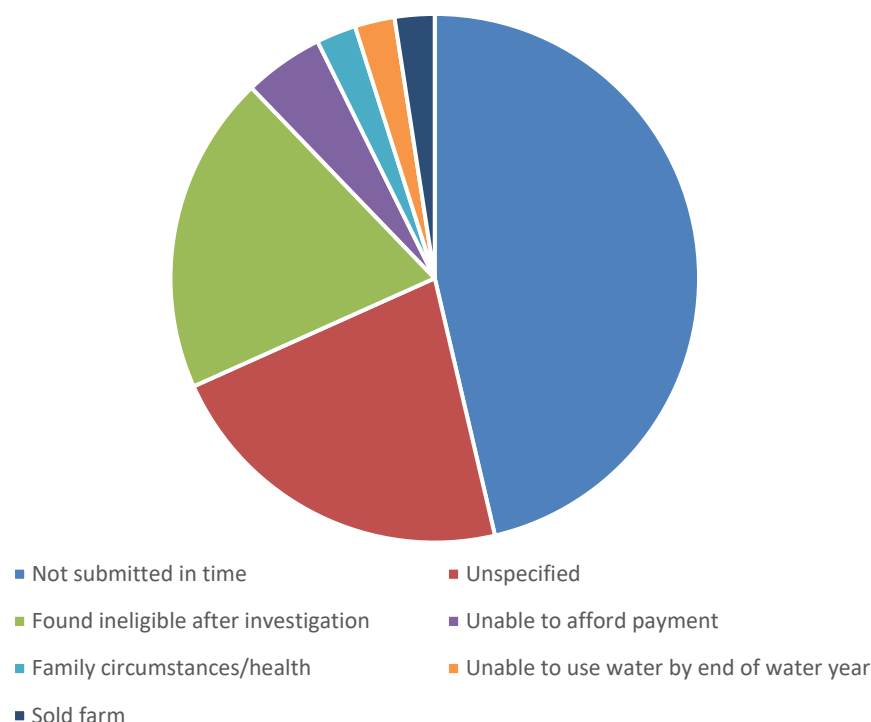
Figure A2 State of applicant for eligible applications



Appendix B: Conditionally accepted applicants

Conditionally accepted applicants could withdraw from the program. There were various reasons for the withdrawal of 41 applications, as shown in Figure B1.

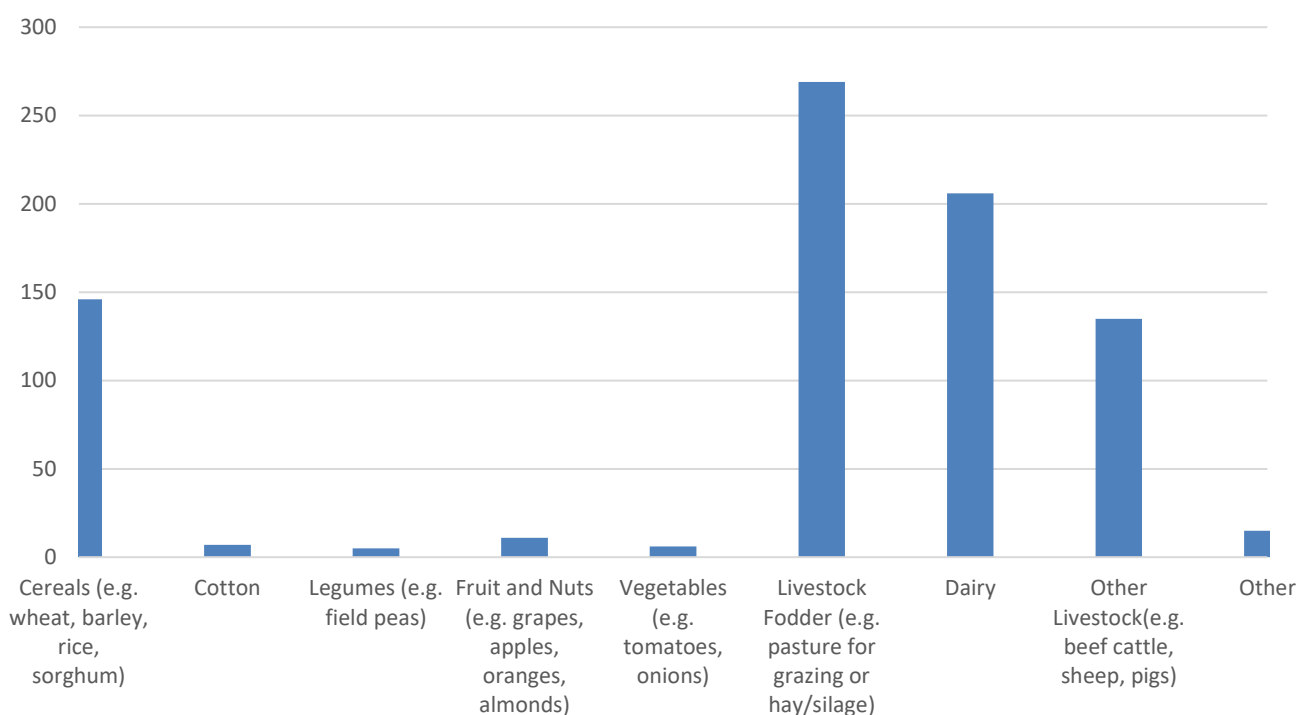
Figure B1 Reasons for withdrawing from the program after a conditional offer has been made



Conditionally accepted applicants provided statistical information to the department to assist with monitoring, evaluation, review and improvement.

In total, 76% of applicants reported being involved directly in the livestock industry when not in drought, either in producing livestock fodder (for example, pasture for grazing or hay/silage), dairy or other livestock (for example, beef cattle, sheep, pigs) (Figure B2).

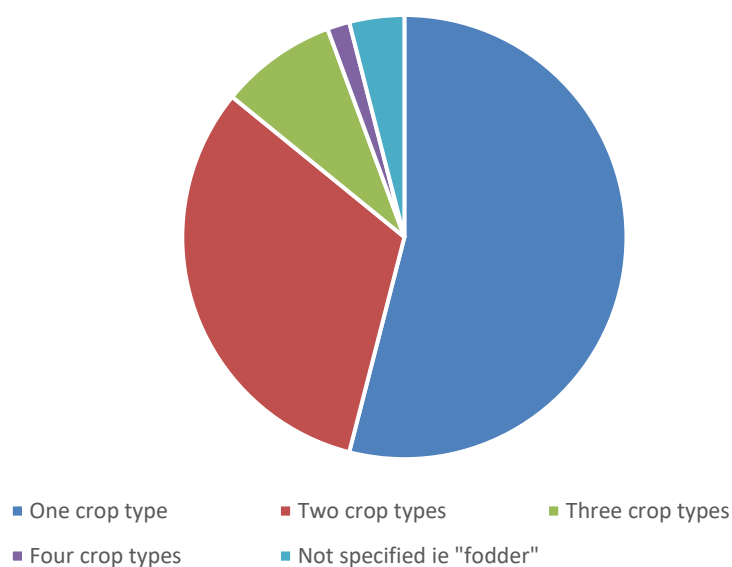
Figure B2 Primary farming activities when not in drought



Note: Water for Fodder applicants were asked 'What is your primary farming activity when not in drought?'

A free-text field was used for conditionally accepted applicants to advise the department what type of crops they would grow with the water. Figure B3 illustrates the number of crops each applicant intended to grow.

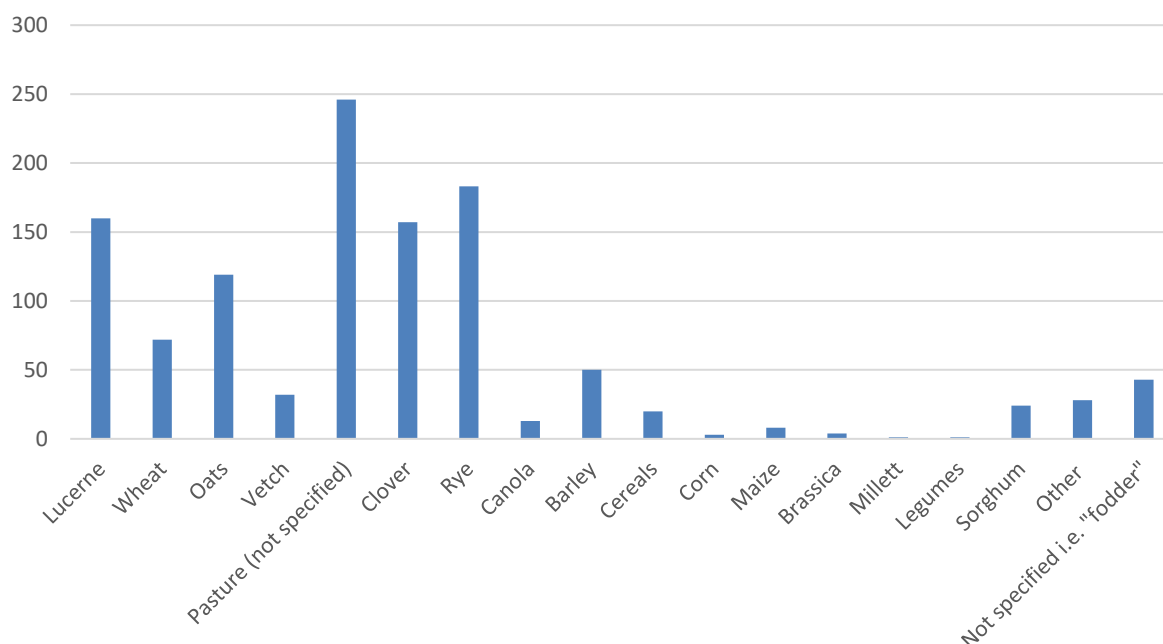
Figure B3 Number of crops intended to be produced



Note: Water for Fodder applicants were asked 'What crop do you intend to grow with the water?'

Responses indicated that pasture, clover, rye, lucerne and oats were the most common crop types (Figure B4).

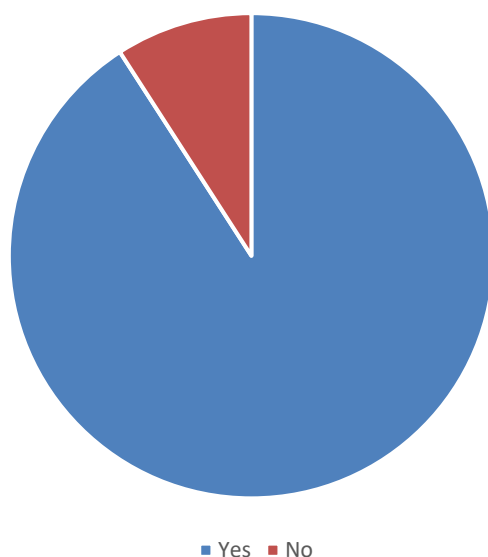
Figure B4 Crops intended to be grown by applicants



Note: Water for Fodder applicants were asked 'What crop do you intend to grow with the water?'

In total, 727 conditionally accepted applicants, or 91%, reported growing or selling a fodder crop in the previous five years (Figure B5).

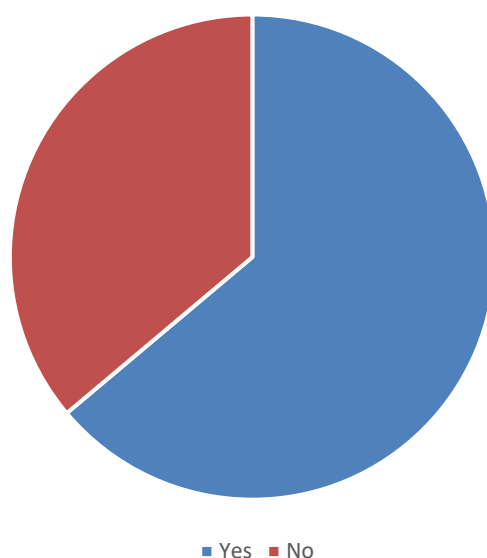
Figure B5 Previous production of fodder



Note: Water for Fodder applicants were asked 'Have you grown or sold a fodder crop in the previous five years?'

In total, 511 conditionally accepted applicants, or 64%, reported purchasing fodder in the past 12 months (Figure B6).

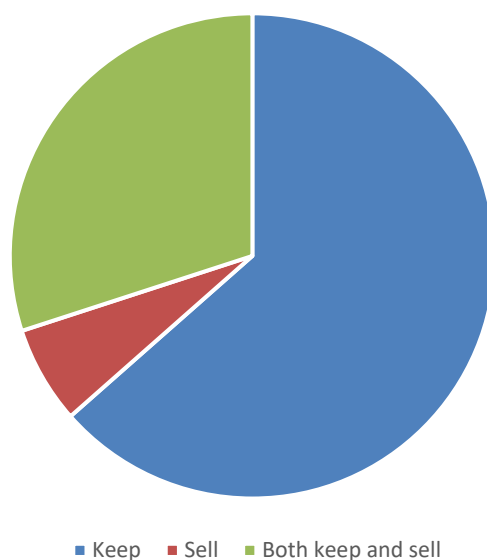
Figure B6 Previous purchase of fodder



Note: Water for Fodder applicants were asked 'Have you purchased fodder in the past 12-months?'

In total, 508 conditionally accepted applicants, or 63%, reported an intention to keep the crop for their own use. An additional 240 conditionally accepted applicants, or 30%, intend to both keep and sell some of the crop. Only 52 conditionally accepted applicants report an intention to sell the whole crop (Figure B7).

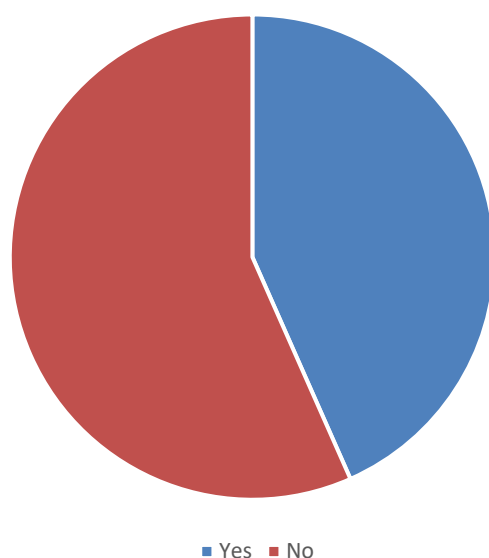
Figure B7 Intentions for the fodder crop



Note: Water for Fodder applicants were asked 'Do you intend to sell or keep your crop for your own use?'

Only 347 conditionally accepted applicants, or 43%, reported purchasing a water entitlement or water allocation in the previous 12 months (Figure B8).

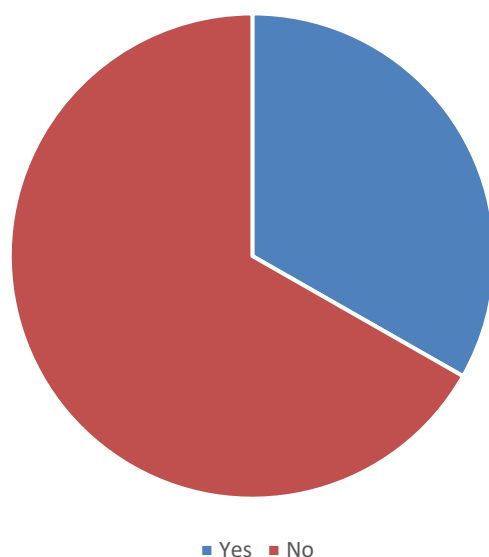
Figure B8 Previous purchase of water



Note: Water for Fodder applicants were asked 'Have you purchased a water entitlement or water allocation in the previous 12-months?'

Only 266 conditionally accepted applicants, or 33%, reported participating in a program to return water to the environment or selling water to the Commonwealth (Figure B9).

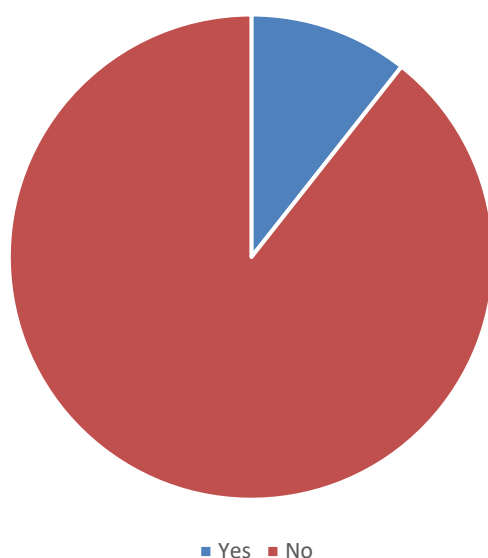
Figure B9 Participation in Commonwealth water recovery programs



Note: Water for Fodder applicants were asked 'Have you ever participated in a program to return water to the environment or sold water to the Commonwealth?'

A very small proportion of conditionally accepted applicants reported claiming Farm Household Allowance within the last 12 months—85, or 11% (Figure B10).

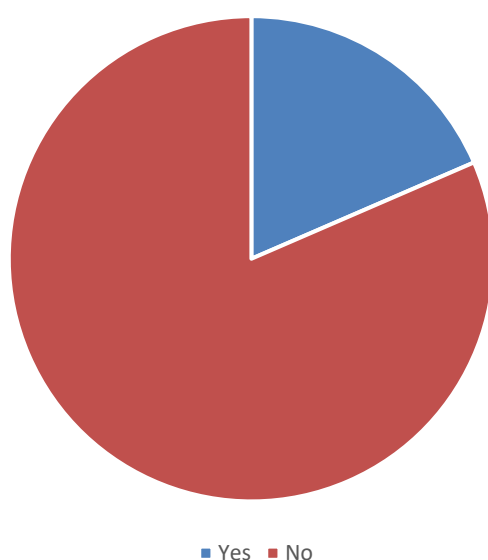
Figure B10 Previous Farm Household Allowance claims



Note: Water for Fodder applicants were asked ‘Have you claimed Farm Household Allowance within the last 12 months?’

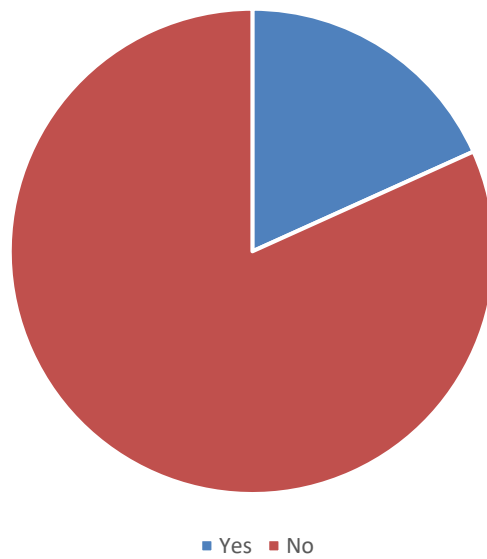
Similarly, only 148 conditionally accepted applicants, or 19%, reported seeing a rural financial counsellor within the last 12 months (Figure B11) and 18% reported that they had accessed a concessional loan, Emergency Water Infrastructure Rebate or state drought concession in the previous 12 months (Figure B12Error! Reference source not found.).

Figure B11 Previous rural financial counselling visits



Note: Water for Fodder applicants were asked ‘Have you seen a rural financial counsellor within the last 12-months?’

Figure B12 Previous access to concessional loans, Emergency Water Infrastructure Rebates and state drought concessions

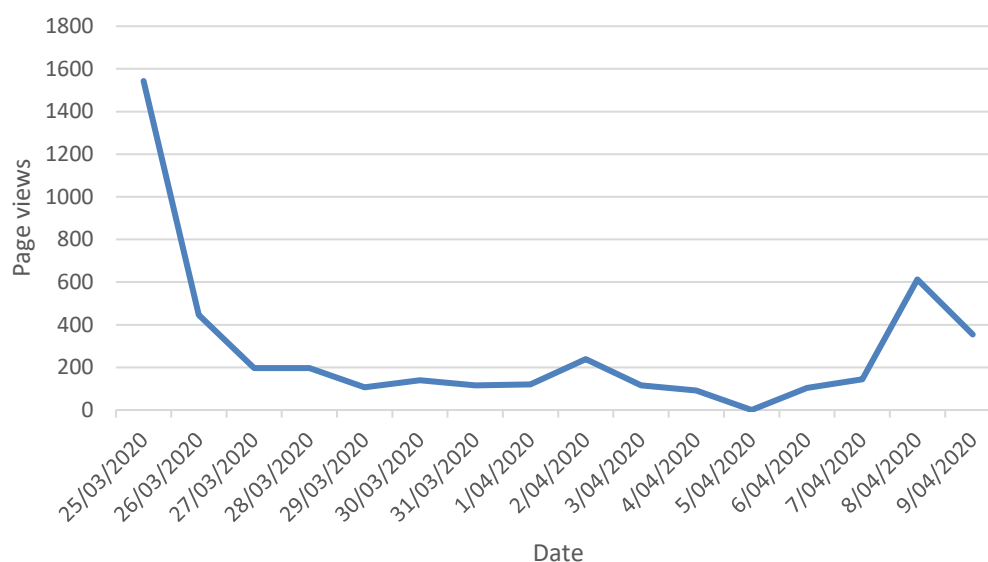


Note: Water for Fodder applicants were asked 'Have you accessed a concessional loan, Emergency Water Infrastructure Rebate or state drought concession within the last 12 months?'

Appendix C: Survey results

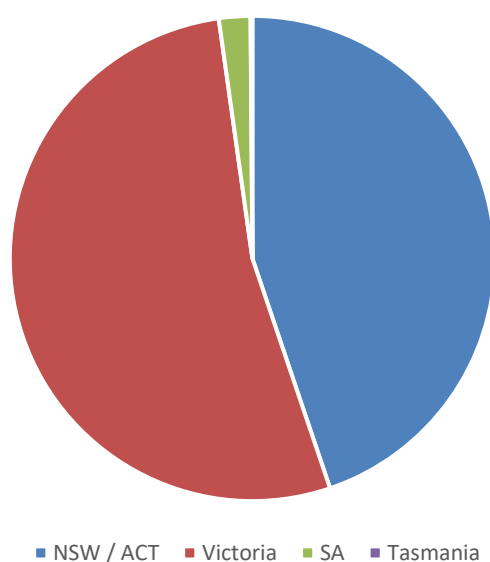
Visits to the Water for Fodder survey web page were highest on the opening day of the survey, with over 1,500 visits. The number of visits decreased from there, with a small peak on April 8, the second last day of the survey (Figure C1).

Figure C1 Visits to the Water for Fodder Have Your Say webpage over time



Over half, or 53%, of respondents resided in Victoria, while only 2% resided in South Australia. 45% of respondents resided in New South Wales or the ACT (Figure C2).

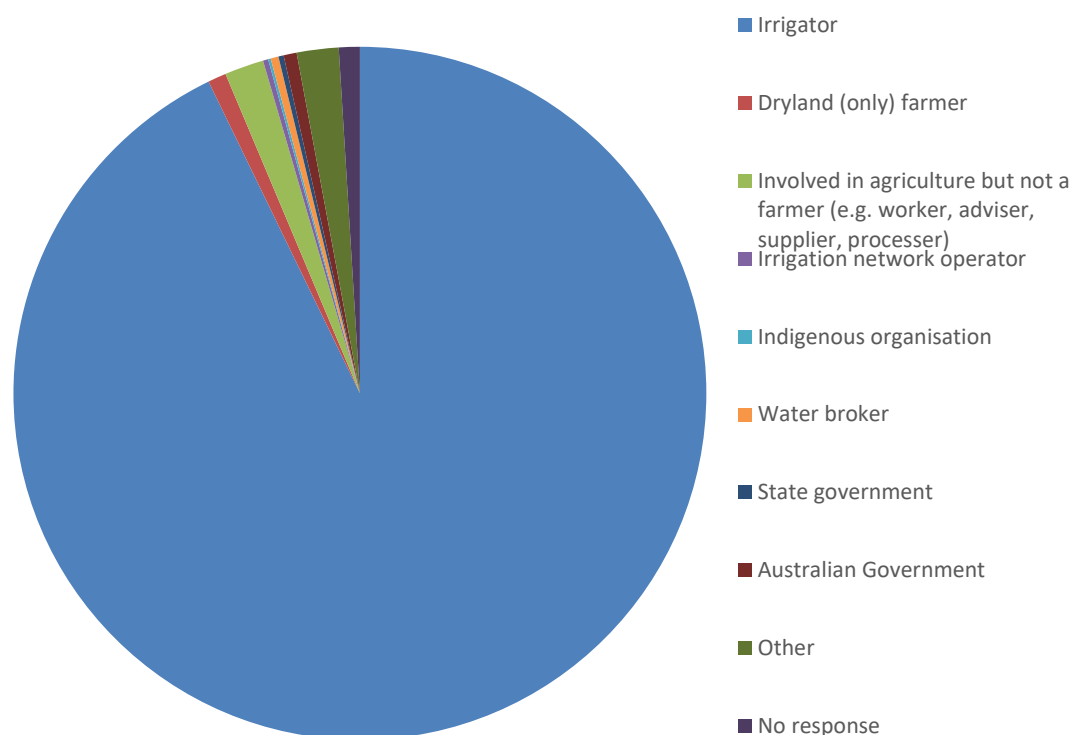
Figure C2 Location of survey respondents—survey response



Note: Water for Fodder survey respondents were asked 'What is your postcode?'

There were 761, or 93%, of respondents who reported being most associated with irrigation. Just 15 respondents, or 2%, belonged to the second most common sector—those who are involved in agriculture but are not farmers (Figure C3).

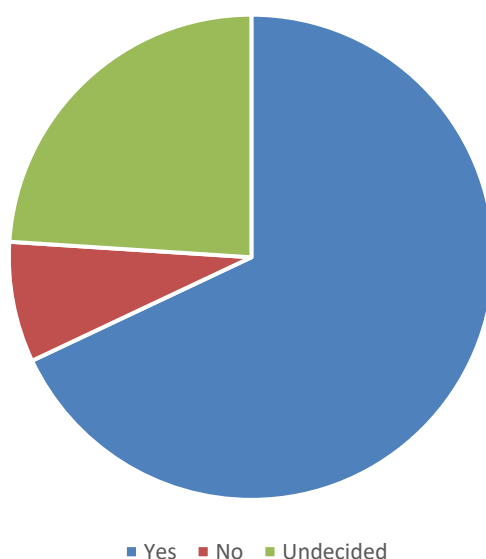
Figure C3 Sector of survey respondents—survey response



Note: Water for Fodder survey respondents were asked 'Which sector are you most associated with?'

There was widespread support for the program, with 68% of respondents in support as opposed to only 8% in opposition. 194 respondents, or 24%, were unsure whether they supported the program or not (Figure C4).

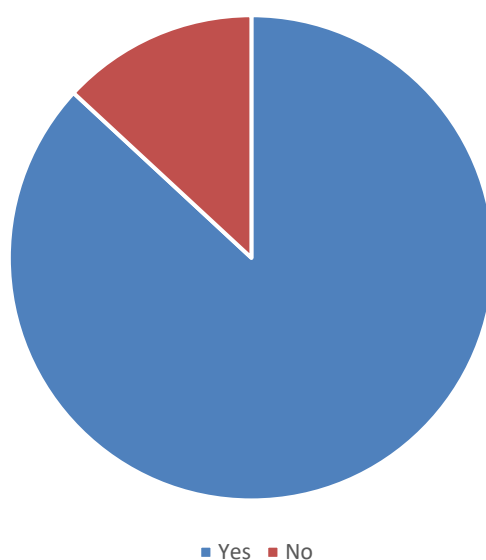
Figure C4 Support for the Water for Fodder program—survey response



Note: Water for Fodder survey respondents were asked ‘Do you support the program?’

An overwhelming majority of survey respondents – 703, or 87% – reported applying for round 1 of the program (Figure C5).

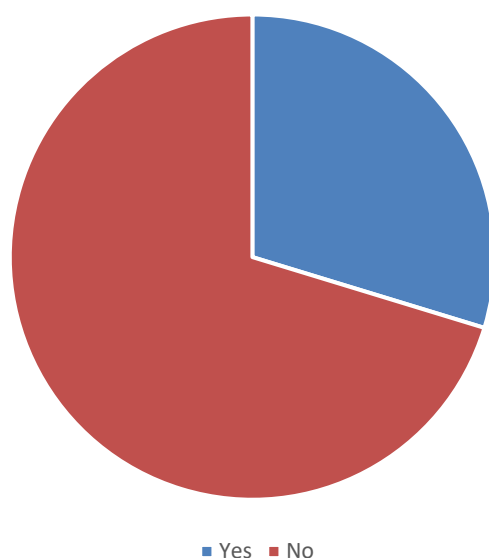
Figure C5 Participation in round 1—survey response



Note: Water for Fodder survey respondents were asked ‘Did you apply under round 1 of the program?’

70% of applications were not conditionally accepted, while 208 survey respondents were successful in their application (Figure C6).

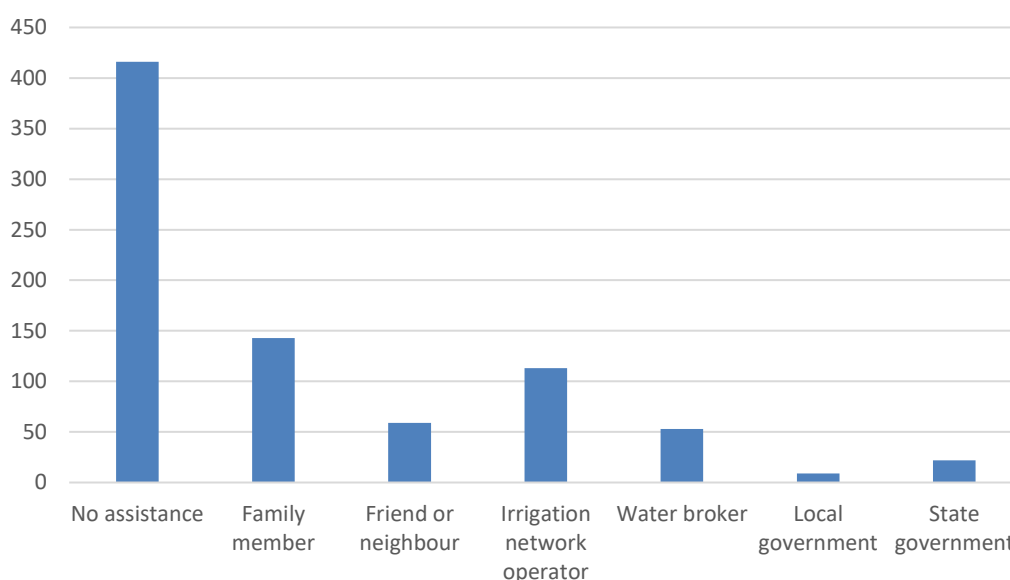
Figure C6 Conditional acceptance of round 1 application—survey response



Note: Water for Fodder survey respondents were asked ‘Was your application conditionally accepted?’

Applicants accessed assistance from a wide range of sources to complete their application – the most common being a family member, followed by an irrigation network operator. However, there were 416 applicants, who reported not accessing any assistance to complete their application (Figure C7).

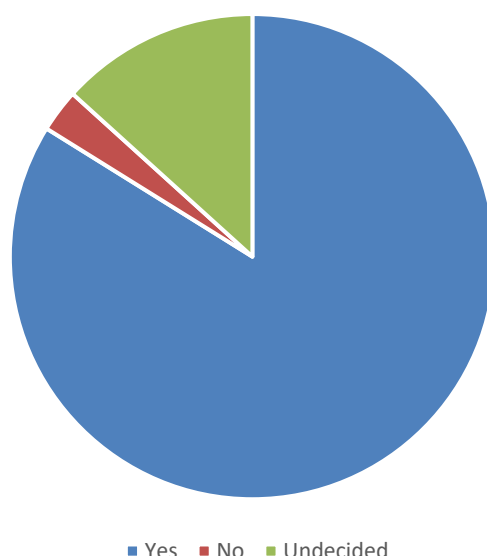
Figure C7 Assistance with round 1 applications—survey response



Note: Water for Fodder survey respondents were asked ‘What sources of assistance were used to help you complete your application?’

Almost all applicants would consider applying for the program again, with 587, or 84%, responding that they would apply again, while a further 93 or 13%, would give consideration to another application. Only 20 respondents, or 3%, would not consider applying again (Figure C8).

Figure C8 Future applications—survey response



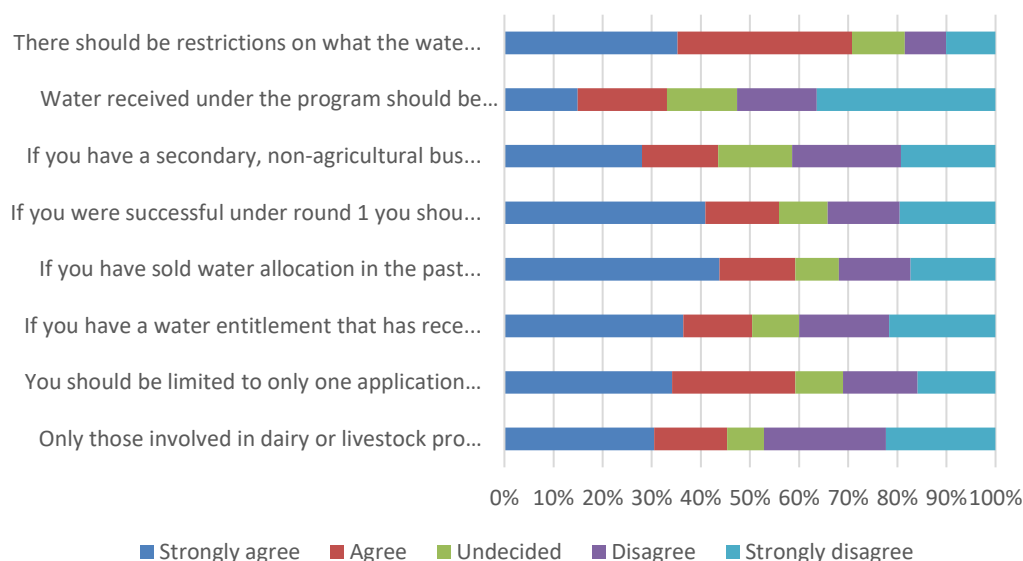
Note: Water for Fodder survey respondents were asked ‘Would you apply again?’

More than 70% of respondents expressed support for the restrictions on what water allocated under the program is used for, with the majority also agreeing that successful round 1 applicants, those who have sold a water allocation in the past year and those who have had allocations of more than 50% of their entitlement should be ineligible for round 2 (Figure C9). Almost 60% of respondents also supported limiting applications to one per person.

Respondents were divided on whether people with a second non-agricultural business should be ineligible, with 43% in agreement with this compared to 41% who were opposed, and whether the program should be limited to those in dairy or livestock production, with 45% in support of this, and 47% opposed.

There was opposition to expanding the program to allow the water to be used on permanent plantings, with 52% of respondents objecting to this possibility.

Figure C9 Appropriateness of eligibility criteria—survey response



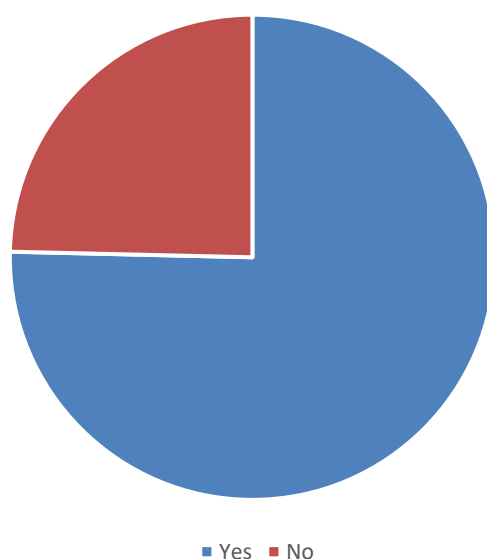
Note: Water for Fodder survey respondents were asked 'Please indicate to what extent you agree or disagree with the following statements.'

Statements in full:

- There should be restrictions on what the water is used for.
- Water received under the program should be able to be used on permanent plantings.
- If you have a secondary, non-agricultural business you should not be able to apply
- If you were successful under round 1 you should not be able to apply in round
- If you have sold water allocation in the past 12 months you should not be able to apply.
- If you have a water entitlement that has received more than a 50% allocation you should not be able to apply.
- You should be limited to only one application, regardless of how many allocation accounts you hold.
- Only those involved in dairy or livestock production should be able to apply.

Three quarters of respondents supported restricting applicants from applying if they had more than a certain amount of water available (Figure C10).

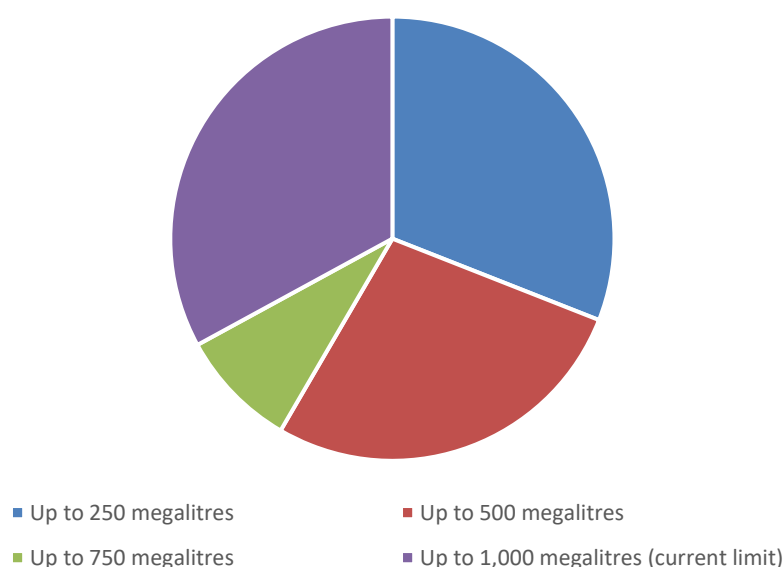
Figure C10 Limiting eligibility based on available water—survey response



Note: Water for Fodder survey respondents were asked ‘Should we limit who can apply based on how much water they have available?’

There were 62% of respondents who supported reducing the amount of water applicants can have available to them when applying for the program. A reduction to a maximum of 250 megalitres available for delivery seemed most popular. There were 33% of respondents who believed the limit of 1,000 megalitres used in round 1 is appropriate (Figure C11).

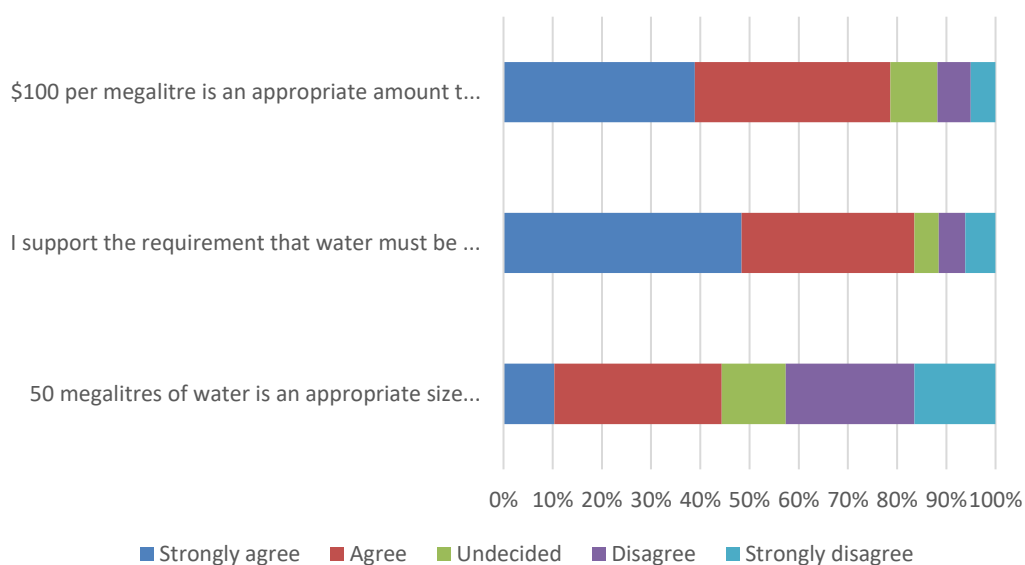
Figure C11 Available water limit—survey response



Note: Water for Fodder survey respondents were asked ‘What should the limit of available water be under the program?’

Respondents strongly supported the requirement that water must be used in the year it is allocated and that paying \$100 per megalitre of water under the program is appropriate. Just 2% more of respondents agreed that 50 megalitres of water is an appropriate allocation size to use for fodder production, than those that disagreed (Figure C12).

Figure C12 Cost and size of the water parcel—survey response



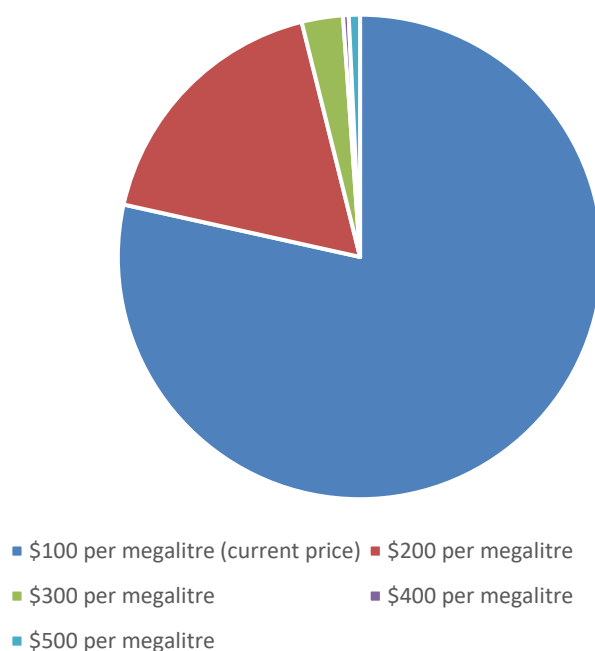
Note: Water for Fodder survey respondents were asked 'Please indicate to what extent you agree or disagree with the following statements.'

Statements in full:

- 50 megalitres of water is an appropriate size parcel of water to use for fodder production.
- I support the requirement that water must be used in the water year in which it was allocated.
- \$100 per megalitre is an appropriate amount to pay for water under the program.

There were 627, or 78% of respondents who would not support paying more than the round 1 price of \$100 per megalitre of water. 141, or 18% of respondents indicated they would pay up to \$200 per megalitre under the program (Figure C13).

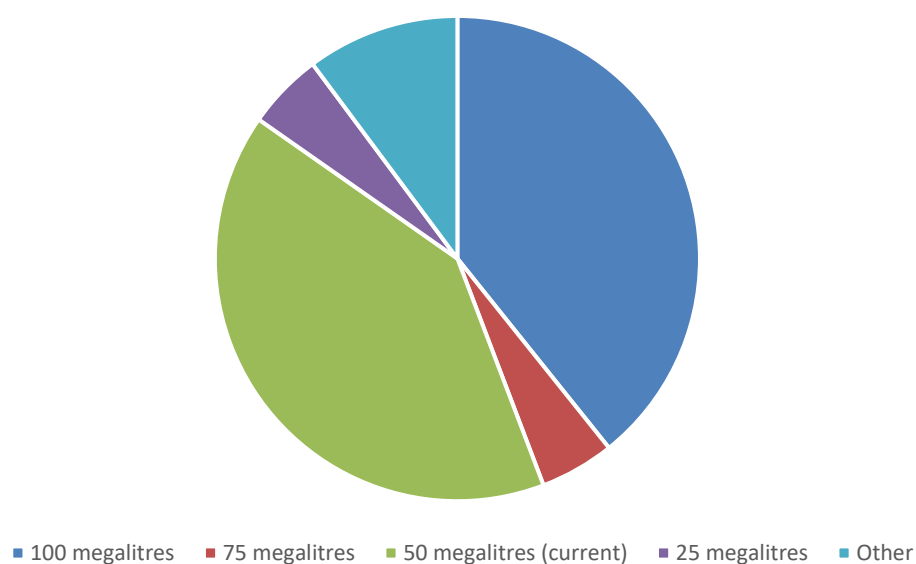
Figure C13 Cost of water under the program—survey response



Note: Water for Fodder survey respondents were asked ‘What is the highest price you would be willing to pay for water under the program?’

While 40% surveyed responded that the volume of parcels of water available under the program should remain at 50 megalitres, 44% of respondents supported increasing the size of the parcel to either 75 or 100 megalitres, compared to just 5% who supported reducing the size of the parcel to 25 megalitres (Figure C14).

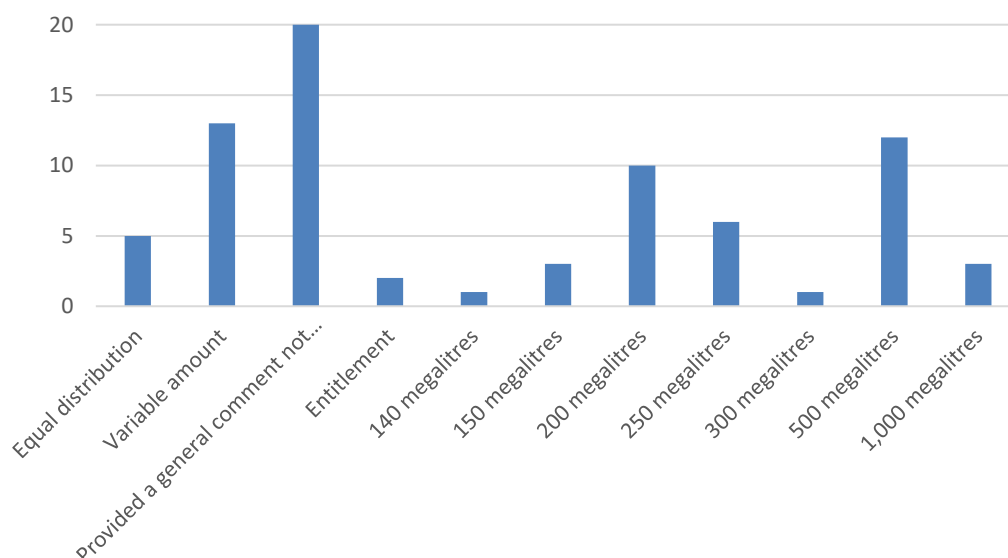
Figure C14 Size of water parcel—survey response



Note: Water for Fodder survey respondents were asked ‘What size parcel of water should be available under the program?’

The other responses to this question show that some people would support increasing the size of the water allocation to even more than 100 megalitres. 13 respondents favoured a variable allocation on a case-by-case basis, while 5 applicants indicated support for an equal distribution of the water available under the program among all applicants (Figure C15).

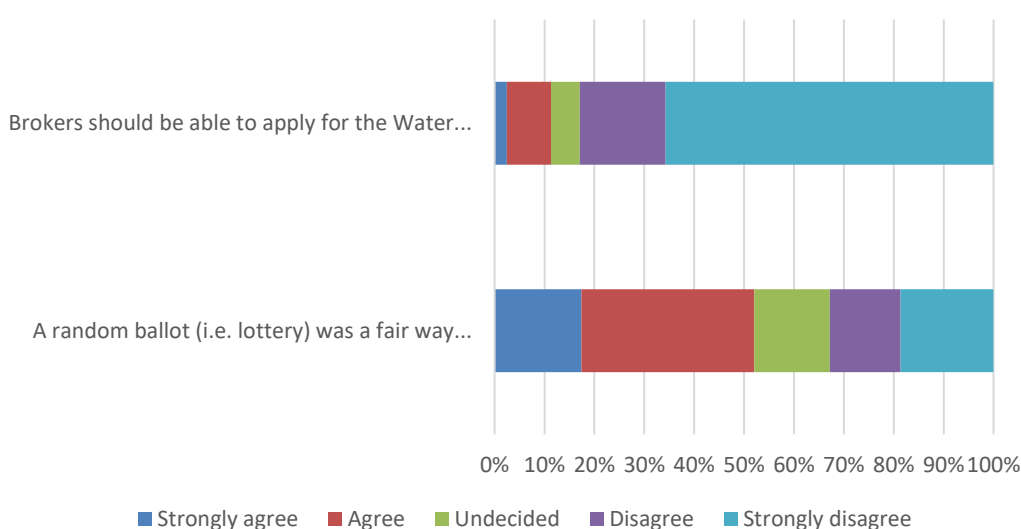
Figure C15 Alternative water parcel sizes—survey response



Note: Water for Fodder survey respondents were asked ‘What size parcel of water should be available under the program?’ This figure illustrates the free-text responses to this question.

There were 65% of applicants who strongly disagreed, and a further 17% who disagreed, that brokers should be able to apply for the program on behalf of their clients. More than half of respondents agreed that selecting successful applicants through a random ballot was fair (Figure C16).

Figure C16 Selection method and use of brokers—survey response



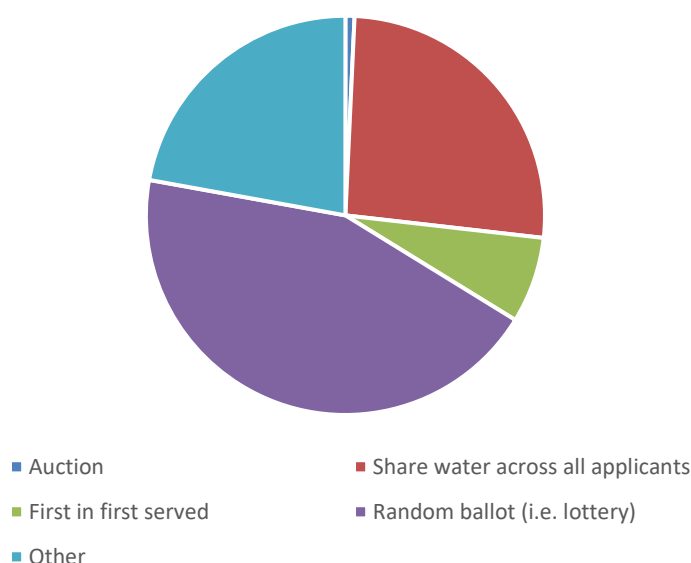
Note: Water for Fodder survey respondents were asked ‘Please indicate to what extent you agree or disagree with the following statements.’

Statements in full:

- A random ballot (i.e. lottery) was a fair way of selecting successful applicants for the Water for Fodder program.
- Brokers should be able to apply for the Water for Fodder program on behalf of their clients.

The largest proportion of respondents – 44% – also chose a random ballot as their preferred method for determining conditionally accepted applications. 213 respondents, or 26%, supported sharing the water between all applicants, while 57 respondents, or 7%, would like to see applicants selected on a first in, first served basis (Figure C17).

Figure C17 Selecting successful applicants—survey response



Note: Water for Fodder survey respondents were asked ‘What is your preferred method of selecting successful applicants for the Water for Fodder program?’

Appendix D: Organisations invited to make a written submission

Australian Dairy Farmers Limited

Australian Fodder Industry Association (AFIA)

Australian Water Brokers Association

Central Irrigation Trust

Coleambally Irrigation Co-operative

Goulburn-Murray Water

Lower Murray Water

Moira Private Irrigation District

Murray Irrigation

Murrumbidgee Irrigation

National Farmers' Federation

National Irrigators' Council

NSW Department of Planning, Industry and Environment

NSW Farmers Association

NSW Irrigators' Council

Primary Producers SA (PPSA)

Renmark Irrigation Trust

Rural Financial Counselling Service NSW - Southern Region

Rural Financial Counselling Service Victoria - North Easter Region

Rural Financial Counselling Service Victoria - North Western Region

Victorian Department of Environment, Land, Water and Planning

Victorian Farmers Federation

West Corurgan Private Irrigation District

Western Murray Irrigation

The department notes that a number of invitations to make a written submission were returned to the department marked 'return to sender'.

Appendix E: Written submissions received

Alister W Watt

Coleambally Irrigation Co-operative

Goulburn-Murray Water

Government agency (privacy declaration not received)

Individual (privacy declaration not received)

Individual (privacy declaration not received)

Individual (privacy declaration not received)

Individual (privacy declaration not received)

Individual (privacy declaration not received)

Murrumbidgee Irrigation

NSW Farmers Association

Organisation (privacy declaration not received)

Organisation (privacy declaration not received)

Organisation (requested submission be kept confidential)

Renmark Irrigation Trust

Appendix F: Location of successful applicants

Map F1 Location of successful applicants

