

# NSW SUSTAINING THE BASIN *Irrigated farm modernisation*

## Update bulletin 21

July 2014

This bulletin provides updates on the NSW Sustaining the Basin: Irrigated Farm Modernisation (STBIFM) project. This project is funded by the Australian Government's 'Sustainable Rural Water Use and Infrastructure' Program.

The bulletin will keep interested stakeholders informed of key dates and activities for the duration of the project. It will also alert you to opportunities for training and learning more about emerging issues and technologies.

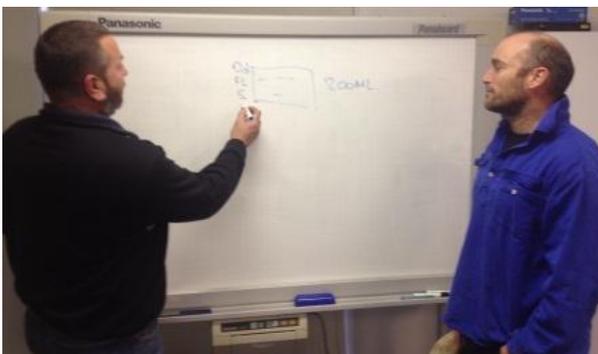
DPI encourages you to be involved and stay informed using this service. You can, of course, unsubscribe at any time.

For more detailed information on any aspects of the project please send an email to [IFM.info@dpi.nsw.gov.au](mailto:IFM.info@dpi.nsw.gov.au) or visit [www.dpi.nsw.gov.au/info/sustainingthebasin](http://www.dpi.nsw.gov.au/info/sustainingthebasin)

### Key dates to remember

- 29 August – close of IFWUEAs
- 17 October – close of Round 3

Time is running out to get an Irrigated Farm Water Use Efficiency Assessment (IFWUEA) done so don't delay.



### Spotlight on Round 3

Irrigators saw the advantages of accessing the funding while it is available to advance their business plans and improve their bottom line.

The response to the opening of Round 3 was very positive.

- 43 **new** ECRs were received
- 62 eligible irrigators participating including:
  - 14 in Border Rivers
  - 48 in Lower Namoi

### IFWUEA workshops – a success

*“The DPI staff were very knowledgeable and friendly. A very useful meeting.”*

*Consultant*

*“I have received a lot of useful information.”*

*Irrigator*



Twenty two irrigators and consultants made the most of the opportunity to discuss their IFWUEA with DPI at the recent workshops held across the project region.

Rob Hoogers, IFWUEA Coordinator said there was a lot of very valuable discussion around the changes to IFWUEAs for Round 3 and what was now required.

“It was good to be able to discuss any queries and bed down the expectations of what an IFWUEA will cover for Round 3 given the changes from previous rounds.”

“Everyone seemed quite happy with the changes.”

“Consultants responded positively, indicating they think this is a valid way to support the planning of good infrastructure projects,” Mr Hoogers said.

### **What questions were asked?**

Some of the questions irrigators asked:

#### **Do I need to submit the warranty form provided by DPI before doing an IFWUEA?**

Yes. It is a legal requirement for both irrigators and consultants working on the IFWUEA to have appropriate insurances and this warranty supports that requirement.

#### **Do 50% of losses identified in the IFWUEA need to be returned?**

No, only 50% of the savings identified in a subsequent application are required to be returned.

For example, if 1000ML of losses are identified in the IFWUEA and a subsequent application is submitted for infrastructure that recovers 100ML, a minimum of 50% (50 ML or more) must be returned for the environment.

#### **Will any type of irrigation technology (such as drip or lateral move) be viewed as more attractive in the application assessment process than another?**

No. Each project is primarily assessed on the volume of savings returned for the environment compared to the cost of the works.

#### **Can more than a 20% contribution towards an application be made by the proponent?**

Yes. Choosing to contribute more will reduce the \$/ML requested for the project and may make it more competitive on a value for money basis.

#### **What needs to be covered in the IFWUEA, all components? All properties?**

It is up to the individual to decide on what aspects of a system are included in their IFWUEA.

As applications will only be accepted that address losses identified in an IFWUEA, make sure that the IFWUEA covers all aspects which may be subject to an application for infrastructure modernisation. The water management units, fields, storages and farming units which share water for an irrigation season should all be considered.

A maximum of \$2000 will be provided per eligible participant for an IFWUEA. If additions are required at a later date to update an IFWUEA, only the unexpended balance of the \$2000 can be accessed to update an earlier IFWUEA.

#### **Is there any obligation to submit a funding application if you do an IFWUEA?**

No.

#### **What happens if you are changing system and crop types? How do you assess losses?**

Losses associated with the current system need to be identified and quantified in the IFWUEA. Ideally, this would be done using actual history of use information, but other methods are outlined in the [example IFWUEA](#).

Production history of the existing system may be compared to industry benchmarks and the difference used as an estimation of the losses. This is described in detail in the [example IFWUEA](#).

**Note:** activities that are not infrastructure based (eg. changing crop rotation, crop type or crop varieties) are not eligible for funding.

#### **Can you look at other water products (eg. high security and groundwater) in the IFWUEA?**

Yes. All available water entitlement types should be included as part of the IFWUEA assessment

of losses to capture a complete picture of losses on the farm.

### **Isn't it illegal for an irrigator to invoice DPI exclusive of GST for reimbursement of their IFWUEA expenses?**

It is not illegal. However, the irrigator must indicate on the Tax Invoice that there is no GST included in the price. Invoice DPI for 80% of the **Ex-GST** amount of the costs of preparing the IFWUEA to a maximum of \$2000.

### **Does the operational (conveyance) loss associated with the water transferred come off the environmental water recovery target for the catchment?**

The entitlement is transferred as a General Security entitlement. This has no implications for the operational losses associated with this entitlement.

### **What happens to any water associated with the entitlement upon transfer?**

Any allocated water (allocation and carryover) on the account at the time of transfer is dissolved. Unless allocated water is moved to another account (sold or transferred) the entitlement is stripped of allocated water at the time of transfer.

## **Application related questions**

### **Can I use my own tractor in my project?**

Yes. Tractors and staff should be costed in the project at reasonable contract rates.

For labour, that includes all on-costs and would ideally be shown as a per hour rate.

For tractors, it should be made clear if the cost per hour includes fuel or if fuel costs are being attributed to the project value in another way.

### **Can 100% of a General Security entitlement be returned?**

Where an irrigator holds sufficient entitlement of another type to use for irrigation purposes and where the losses identified in the IFWUEA are equal to or greater than the General Security entitlement held, 100% of this General Security entitlement may be returned where the proposed works address the identified losses.

### **Can the cost of moving power poles be included as a project cost?**

Yes, any works which are directly associated with implementing the water savings infrastructure are eligible costs. They should be reasonably costed with substantiation included in the project application.

However, power poles, fences, access roads and design costs contribute to the overall project cost and make it more expensive. This may result in the project being less competitive on a value for money basis.

### **How important is the costings part of the project application?**

Very important. Getting the cost of the project as accurate as possible is important for a number of reasons:

- The proposed application is assessed on a value for money basis. Building every contingent cost into the project proposal may reduce the competitiveness of the application.
- If cost overruns in implementing the proposed project occur, the overspend must be covered by the irrigator (applicant).
- If the final on-farm works are cheaper than proposed in the application, DPI does not return water to compensate for the shortfall, nor is any refund provided by DPI. In addition, any unspent funds held by the irrigator must be returned to DPI.

### **Should members of joint water authorities or joint WAL holdings make any special considerations?**

Irrigators with co-holders and third party interests in their entitlement require written consent from all parties to enter into a contractual arrangement with DPI and must discuss this requirement as soon as possible to avoid delays in the water transfer process.

## **Implementation questions**

### **Can you do additional works not detailed in the funding deed?**

The funds are provided to implement the project as described in the Funding Deed and are provided explicitly for this purpose.

### If there is money left over once the project is complete, can additional works be undertaken which are not detailed in the Funding Deed?

The funds are provided to implement the project as described in the funding deed and are provided explicitly for this purpose.

### So, what does it take to do an IFWUEA?

Some irrigators have asked DPI how much time is required to get the information together for the IFWUEA.

The changes to IFWUEAs for Round 3 make it an assessment of on-farm irrigation water losses and it has really simplified the process for irrigators.

We asked two of the many consultants doing work for irrigators what they ask their clients to provide to them to complete a useful IFWUEA.

[Watch](#) what they had to say, it's simple.

We even provide a [template](#) to make it easy!



*Rob Hoogers discussing IFWUEAs with irrigators and consultants at the workshop held recently at Gunnedah. Image: S. Bray*

### What should I do now?

Don't panic!

It wasn't compulsory to attend the IFWUEA workshop but it was an opportunity to get advice straight from the horse's mouth.

IFWUEAs must be submitted and verified by DPI prior to submitting an infrastructure application in Round 3.

IFWUEAs need to be completed and submitted by **Friday 29 August 2014**.

DPI will verify IFWUEAs within 2 weeks of submission and if changes are required DPI will work with irrigators to get these completed by the end of September.

If you are considering undertaking an IFWUEA:

1. Complete the Warranty Letter and return to DPI **as a priority**.
2. Engage an irrigation consultant with the appropriate industry certification. Check with [DPI](#) if you are unsure of the [certifications](#).
3. [Review](#) the information presented at the Workshops and the [example IFWUEA](#).
4. Contact your local project contact to discuss ASAP.

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