

# **NSW GOVERNMENT DROUGHT RELIEF MEASURES EVALUATION REPORT FINAL**

**Prepared for Department of  
Primary Industries (Agriculture)**

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**Clear Horizon**

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# Contents

<b>Report summary</b> .....	<b>1</b>
<b>Executive Summary</b> .....	<b>2</b>
<b>1 Introduction</b> .....	<b>8</b>
1.1 NSW Government Drought Relief Measures .....	8
1.2 The drought context.....	9
<b>2 About the evaluation</b> .....	<b>12</b>
2.1 Evaluation planning .....	12
2.2 Purpose and scope of evaluation .....	12
2.3 Key Evaluation Questions .....	13
2.4 Case studies.....	13
2.5 Methodology .....	14
2.6 Contribution and attribution .....	16
2.7 Limitations of the evaluation .....	16
2.8 Report structure .....	17
<b>3 Outcomes</b> .....	<b>19</b>
3.1 Immediate drought relief.....	19
3.2 Building preparedness and resilience.....	33
3.3 Contribution to longer-term outcomes and legacy of the drought measures .....	42
<b>4 Implementation and design</b> .....	<b>49</b>
4.1 Use and awareness of the measures.....	49
4.2 Effectiveness of delivery processes.....	57
4.3 Design appropriateness .....	67
<b>5 Value for money</b> .....	<b>74</b>
5.1 Farm Innovation Fund – CBA summary .....	74
5.2 Drought Transport Subsidies – CBA summary.....	79

5.3 Administration costs.....	81
<b>6 Conclusion and recommendations.....</b>	<b>83</b>
6.1 Conclusion.....	83
6.2 Recommendations.....	83
<b>7 References.....</b>	<b>86</b>
<b>Appendix 1: NSW Government Drought Relief Measures.....</b>	<b>87</b>
<b>Appendix 2: Program Logic.....</b>	<b>91</b>
<b>Appendix 3: Key Evaluation Questions.....</b>	<b>94</b>
<b>Appendix 4: Evaluation Data Sources.....</b>	<b>95</b>
<b>Appendix 5: Evaluation Data Collection Tools.....</b>	<b>100</b>

## List of figures

Figure 1: NSW area in drought (NSW DPI 2019b) .....	9
Figure 2 Primary producer reduction in gross income compared to non-drought years (n=345) (Evaluation survey).....	11
Figure 3 Main industry of DTS funds disbursed (RAA documentation).....	23
Figure 4 Number of kangaroos authorised for culling, by month, 2018–2020 (NPWS documentation) ...	31
Figure 5 Value of FIF funds disbursed each year, 2014–2020 (RAA documentation).....	38
Figure 6 Funds disbursed by industry for all RAA measures (RAA documentation) .....	54
Figure 7 Primary producer satisfaction with their ability to access the measures (n=315) (Evaluation survey).....	60
Figure 8 Primary producer experience with DroughtHub (n=315) (Evaluation survey).....	73
Figure 9 Additional years in operation in drought due to the FIF (Evaluation survey) .....	77
Figure 11 NSW Government Drought Relief Measures Program Logic (grey tiles are out of scope of the evaluation).....	93
Figure 12 LLS region of survey respondents (n=345) .....	97

## List of tables

Table 1 Summary of data sources used for the evaluation .....	15
Table 2 Fee relief disbursed and number of beneficiaries, by measure (Program documentation) .....	21
Table 3 Number and value of DTS funds, by subsidy use (RAA documentation) .....	23
Table 4 Comparison of DTS funds disbursed and agricultural production by region (RAA documentation, ABS) .....	24
Table 5 Livestock welfare measures implemented by NSW DPI (2021).....	28
Table 6 Number and value of FIF loans disbursed, by loan use (RAA documentation) .....	34
Table 7 Comparison of FIF funds disbursed and agricultural production by region (RAA documentation, ABS) .....	35
Table 8 Number and value of DAF loans disbursed, by loan use (RAA documentation) (discrepancies due to rounding) .....	36
Table 9 Comparison of DAF funds disbursed and agricultural production by region (RAA documentation, ABS) .....	36
Table 10 Funds committed to NSW Government drought relief measures, by year (Program documentation).....	50
Table 11 Financial support disbursed, by measure (Program documentation).....	50
Table 12 Funds committed, approved, and disbursed for RAA measures (RAA documentation).....	51
Table 13 Financial support by region compared to Gross Value of Agricultural Production (GVAP) by LLS region.....	53
Table 14 Primary producer awareness and engagement with each measure (n=345) (Evaluation survey) .....	56
Table 15 FIF Net Present Value summary (7% discount rate).....	75
Table 16 Sensitivity analysis - Farm Innovation Fund .....	75
Table 17 FIF summary of benefits (7% discount rate).....	77
Table 18 FIF summary of costs (7% discount rate).....	78
Table 19 DTS Net Present Value summary (7% discount rate) .....	79
Table 20 Sensitivity analysis – Drought Transport Subsidies.....	79
Table 21 DTS summary of benefits (7% discount rate).....	81
Table 22 NSW Government Drought Relief Measures.....	87

Table 23 Key Evaluation Questions .....	94
Table 24 Documents and datasets reviewed as part of the evaluation .....	95
Table 25 Summary of promotion of the primary producer survey .....	96
Table 26 Farming sector of survey respondents (n=345).....	98
Table 27 Primary producer interviews by region .....	98
Table 28 Primary producers interviewed by industry (aggregated).....	99

## Abbreviations

ABS	Australian Bureau of Statistics
BCR	benefit-cost ratio
CBA	cost-benefit analysis
DAF	Drought Assistance Fund
DPI	Department of Primary Industries
DPIE	Department of Planning, Industry and Environment
DTS	Drought Transport Subsidies
EAC	Evaluation Advisory Committee
FIF	Farm Innovation Fund
GVAP	gross value of agriculture production
KEQs	Key Evaluation Questions
LLS	Local Land Services
NPV	net present value
NPWS	National Parks and Wildlife Service
POCTA	Prevention of Cruelty to Animals
PSC	Project Steering Committee
RAA	Rural Assistance Authority
RAMHP	Rural Adversity Mental Health Program
RFCS	Rural Financial Counselling Service
RMS	Road and Maritime Services
RRP	Rural Resilience Program
RSPCA	Royal Society for the Prevention of Cruelty to Animals

# Report summary

## NSW GOVERNMENT DROUGHT RELIEF MEASURES EVALUATION July 2021

### OVERVIEW OF THE DROUGHT RELIEF MEASURES

The NSW Government delivered **12 drought relief measures** to address the compounding impacts of the drought from July 2018 to June 2021.

**12**  
DROUGHT  
RELIEF  
MEASURES

**\$453M**  
utilised

**10 Measures** aimed to provide immediate drought relief to primary producers and included transport subsidies, fee relief and non-financial assistance.

**\$223M**  
utilised

**2 Measures** aimed to build long term drought preparedness and included loans for farm infrastructure and other drought assistance.

### EVALUATION APPROACH

The evaluation assessed the effectiveness of the NSW Drought Relief measures and was informed by:



A review of agency documents and datasets



An online survey completed by **345 Primary Producers** in NSW



Interviews with **31 primary producers** and **43 state and regional staff**

### RECOMMENDATIONS

**Prioritise** measures to support primary producers' long-term preparation and resilience

- Support primary producers to become resilient when they have the capacity to prepare
- Deliver capacity-building programs
- Strengthen the technical assessment of on-farm infrastructure projects

**Plan** the government's response to 'in-drought' relief

- Put in place 'in-drought' planning process
- Utilise measures found to be effective in providing short-term relief
- Clarify eligibility criteria for each measure

**Establish** mechanisms for ongoing review, adaptation and improvement of in-drought relief.

- Develop a M&E framework for drought measures
- Undertake regular evidence-based reviews of measures during drought
- Access local knowledge

**Balance** local and state-wide delivery.

- Retain centralised processing
- Adhere to 'No lines on maps'
- Deliver coordinated and consistent communications via local support networks
- Use a range of information and communication channels
- Resource according to demand

### EVALUATION FINDINGS

#### OUTCOMES

- + The measures **provided immediate drought relief** to primary producers and supported the welfare of livestock to be maintained.
- + The measures **contributed to primary producers being able to recover** from the drought, by maintaining cash flow and supporting the retention of stock.
- + Primary producers appear to **have limited capacity during the drought to take advantage of measures to improve the long-term resilience** of their businesses.

#### BENEFICIARIES

- + The measures were **accessed in all regions** regardless of the severity of the drought impact.
- + The measures **benefitted livestock industries** more than other primary industries.
- + The measures **benefitted primary producers** directly, and through them, local business and communities were likely to benefit.

#### REGIONAL DELIVERY

- + Measures were delivered by the NSW Department of Primary Industries and other NSW government agencies and organisations.
- + Delivery was effectively coordinated at the state level but coordination and communication at the local level was often insufficient.
- + Regional staff (Local Land Services, Rural Financial Counselling Service) provided substantial unfunded support to primary producers to access measures.
- + Online delivery processes were not appropriate for all primary producers.

#### VALUE FOR MONEY

- + The investment in immediate drought relief through the **transport subsidies returned a benefit cost ratio of 0.15** (BCR 0.15)
- + The investment in drought preparedness through the **infrastructure loans was worthwhile** (BCR 1.44)
- + Administration costs were kept to a minimum or absorbed by delivery agencies.

#### ADMINISTRATION

- + Measures that did not require primary producers to apply, including fee relief, were administered efficiently.
- + Measures requiring primary producers to apply took some time to upscale administration resources and presented some challenges for primary producers to use.



## Executive Summary

In 2018, the NSW Expenditure Review Committee approved specific emergency drought-support measures, effective from July 2018, for primary producers and rural communities. The measures were designed to combat the compounding effects of a drought that had been ravaging parts of NSW since late 2016. The drought measures were extended across three years from 2018–19 to 2020–21 as the drought spread and deepened. Drought conditions were especially intense in 2019, which was the driest and warmest year on record in NSW.

The scope of this evaluation covers 12 drought-relief measures that were delivered by several NSW government agencies and organisations. Total funding for these measures was \$1218 million across the three years with \$675 million taken up by 30 December 2020.

Ten drought-relief measures were designed to **provide immediate support** to primary producers and their communities in response to the drought. These were Drought Transport Subsidies (DTS); fee relief for Local Land Services (LLS) rates, fixed water charges (WaterNSW), wild dog fence maintenance (DPIE Water), beekeeping permits (Forestry Corporation), and registration costs for agricultural vehicles (Road and Maritime Services); livestock welfare resources; local road upgrades and maintenance; changes to kangaroo management; and funding to GIVIT for the management of donated goods and services.

Two drought-relief measures were designed to **build preparedness and resilience** through the provision of loans from the Farm Innovation Fund (FIF) and the Drought Assistance Fund (DAF). These loans were to help primary producers undertake infrastructure projects, make destocking decisions, and implement improved environmental management practices.

Until 2018, the FIF was considered the NSW Government's primary policy and program response to the drought. As the drought increased in breadth and depth, the DAF was introduced. This was followed by the DTS.

The NSW Government contracted Clear Horizon Consulting to evaluate the drought-relief measures. The evaluation aimed to assess (a) how effective the drought-relief measures were in delivering the intended outcomes and (b) the impact of the measures on regional communities affected by drought. Specific analyses were completed including economic evaluations using cost-benefit analysis of two major measures — DTS and FIF — and case studies of three measures — fee relief for beekeepers, GIVIT management of donated goods, and the Northern Drought Response Pilot Program measures.

The evaluation drew on existing data and documentary sources and, through interviews and an online survey, collected evidence from the beneficiaries of the drought measures — namely, primary producers and other stakeholders including agency and frontline staff and community organisations. A mixed-methods approach was adopted during the analysis of all data sources. To reach the findings and conclusions in the report, evidence from these different sources was synthesised after the data from the different sources had been analysed separately. The key findings and recommendations are summarised below, starting with the outcomes and impact of the measures, followed by a discussion about the design and implementation of the measures and the value for money from the delivery of the measures.

**Limitations of the evaluation** include minimal evidence and analysis of some of the individual measures due to the evaluation's focus on the overall outcomes and a potential bias in a major data source — primary producers as survey and interview respondents who may have a positive bias.

## Key findings

The NSW Government Drought Relief Measures evaluated in this report have provided short-term relief to primary producers to help them recover from drought faster while contributing to a lesser degree to their longer-term drought preparedness and resilience. Delivering these outcomes was challenging during a time of intense and constantly changing drought conditions, and the effectiveness of the delivery of measures was varied.

### Outcomes and impact

#### *Immediate relief and recovery from drought*



The evaluation found that the drought-relief measures succeeded in providing **immediate drought relief**, supporting primary producers in maintaining the **welfare of their livestock** and enabling primary producers to continue to **operate their businesses** and spend money in the community.

By maintaining cash flow and stock-management practices that saw many retain their stock (especially breeding stock), these measures contributed to primary producers **recovering from the drought**. Measures that allowed primary producers to continue operating also allowed them to recover more quickly from the drought, restocking and re-establishing crops when drought conditions eased.

**Fee relief** was an equitable and efficient way to reduce living and business expenses for primary producers and other members of drought-affected communities. Primary producers had increased cash flow as a result, which went some way to compensate for the loss of income most experienced.

**DTS** provided primary producers with immediate cash flow, freeing them to make important decisions about managing their stock and their businesses overall. Primary producers appear to have benefited by retaining stock (especially breeding stock), as stock prices remained high. Stakeholders across all groups reported that the availability of transport subsidies increased the cost of fodder and led to increased transport prices. These unintended outcomes of the DTS need to be considered against the financial comfort they provided for primary producers and their communities.

The drought measures helped **improve decision-making** about stock management by clarifying the options available. The information on DPI's DroughtHub about drought conditions also supported decision-making. However, the availability and cost of fodder and access to transport subsidies may

have constrained stock-management decisions. The decisions made during this drought are likely to have applied to the specific conditions experienced at the time — they may not be as applicable to managing stock levels in future droughts.

**Livestock welfare** benefitted from the drought measures, enabling primary producers to make informed decisions regarding feeding and managing their stock and transporting them to other regions or for sale or slaughter. Specific livestock welfare measures ensured that primary producers received the appropriate support to manage or dispose of their stock, and any cases of poor stock welfare were investigated and resolved. Efforts to contact struggling primary producers and provide information may have helped them make proactive decisions to ensure positive livestock outcomes.

While there was limited evidence of the Heavy Vehicle Access Program improving **safe access to rural roads**, this may be due to the targeted nature of the measure. **Road upgrades** in over 50 council areas, mainly in western and south-western regions, supported the movement of drought-relief freight.

Changes to **kangaroo-culling licences** had a short-term impact on how primary producers managed kangaroos on their properties, with some landholders culling without a valid licence because they found the changes impractical for their situation as the drought intensified.

Despite establishing operations in NSW when drought conditions were already entrenched, GIVIT managed the large volume of donated goods and ensured the support was sourced from and met the needs of communities.

### ***Increasing long-term resilience and preparedness***

Evidence for how the measures contributed to the long-term resilience and preparedness of primary producers is limited. These measures may be more effective *before* a drought when the conditions are more conducive to primary producers making strategic long-term business decisions and when they have the financial capacity to do so.

Many primary producers had **already prepared for drought** through the uptake of FIF loans and other independent actions in previous years. This suggests that the measures designed to build **preparedness and resilience** (FIF and DAF loans) contributed to the long-term resilience and drought preparedness of those primary producers who were able to take on further debt. The downside is that some primary producers may come to expect similar support levels in the future without making use of the resources already available to them.

The evidence suggests that primary producers and support organisations consistently sought to use local businesses to provide services funded through the drought measures. These efforts are likely to have contributed to the continued **viability of local businesses** in difficult circumstances.

Practices introduced by some primary producers, such as confinement feeding and changes to water management, have helped **reduce negative environmental impacts**. However, the decision of many primary producers to retain stock on their properties throughout the drought may have contributed to the deterioration of environmental conditions on those properties.

There is evidence that the availability of the drought measures **contributed indirectly to the mental health and wellbeing** of primary producers and their communities, reducing stress and offering reassurance that the state government had confidence in the farming industry.

## ***Design and implementation***

The speed and increasing intensity of the drought in NSW resulted in the rapid and reactive design of the drought measures. As a result, a greater focus appears to have been placed on responding to immediate needs (such as cash flow and livestock welfare) without fully assessing the likely future impact of some measures and the appropriateness of other measures during the drought.

The **demand for loans** to undertake infrastructure works on properties during the drought was significantly less than the funds provided by the NSW Government, with primary producers applying for 56% of FIF funds and 69% of DAF funds available. This may have been due to the limited capacity of primary producers to take on extra debt and the extent to which they had previously undertaken preparatory works.

The existing **definition of a primary producer** when applied to the eligibility of farm businesses to access different measures (including Commonwealth measures) may have curtailed access for some primary producers and contributed to increased stress when accessing the different measures.

The drought measures were **accessible to primary producers in all regions**, regardless of the impact of the drought. However, overall, the measures focused more on livestock industries than other industries such as cropping. This result may reflect the emphasis on providing immediate drought relief and the needs of livestock industries created by drought conditions. As such, it aligns with state responsibilities under the National Drought Agreement which identified animal welfare as a state responsibility during drought.

**Online communication and administration channels** were initially favoured for implementing the drought measures. However, there is evidence that a substantial number of primary producers required other forms of communication (face-to-face and hard copy).

**Awareness of different drought measures varied.** There was greater awareness of measures where primary producers were required to take steps to access them. Where primary producers were not required to take steps to access a measure, the measure tended to contribute less to their decision-making.

Drought measures administered by the Rural Assistance Authority (RAA) required **application and reimbursement processes using online channels**. Many primary producers struggled with these systems and drew on the support of frontline staff to interact with the agency. Locally based frontline staff from the Rural Financial Counselling Service (RFCS) and the Local Land Services provided substantial support to primary producers to ensure they could access the measures they were eligible to receive.

The RAA experienced significant **challenges in administering the DTS, FIF and DAF**. Initially, they were not appropriately set up, requiring major upscaling of staffing and systems to meet the needs of primary producers. Primary producer experiences of the RAA's service varied, with positive and negative reports on the available information, application processes and timeliness of disbursements.

**Organisations such as the RFCS and the LLS made a major contribution** to supporting the implementation of the measures despite having only informal responsibilities and receiving no additional funding. These organisations prioritised the work ahead of their day-to-day roles. The extent of the support required from them does not appear to have been factored into the design and implementation of the drought measures.

Agencies implementing the drought measures coordinated their activities effectively at the state level. However, there were **difficulties coordinating activities at the local level** (particularly with local charities and organisations). Organisations able to access local knowledge and resources were not always included. The lack of coordination, including with charities operating locally, may have confused primary producers and their communities about the support available to them.



### ***Value for money***

The NSW Government Drought Relief Measures provided value for money through **economical and efficient delivery**, including equitable access of some measures to all primary producers.

Administration costs were kept to a minimum or absorbed within normal operating costs. However, in some cases, this approach was unsustainable for ongoing emergency relief funding, including the work required by the RAA to administer the DTS, FIF and DAF, and the unfunded work undertaken by the LLS and RFCS.

The FIF demonstrates good value for money particularly for drought affected areas in NSW. The FIF generated \$1.56 in benefits for regional communities for every \$1 invested, with a NPV of \$72 million. The FIF led to \$1.44 in benefit per dollar invested for the entire state, with a NPV of \$57 million. This value for money finding justifies government investment with a low cost to government for a loan program. However, there were recipients who would have been willing to source loans in the private market.

The DTS provided very low value for money, generating \$0.36 in regional benefits for every \$1 spend, and \$0.15 in benefits across the entire state. This is equivalent to a NPV of -\$163 million for regional NSW and -\$216 million for the entire state. While the DTS represents a low return on investment for the state, it was popular with and accessed by an estimated 50% of primary producers.

## **Recommendations in brief**

This evaluation makes 14 recommendations under four broad themes:

**Prioritise measures to support primary producers' long-term preparation and resilience**

1. Support primary producers to become resilient when they have the capacity to prepare.
2. Deliver capacity-building programs
3. Strengthen the technical assessment of on-farm infrastructure projects.

#### **Plan the government's response to 'in-drought' relief**

4. Put in place 'in-drought' planning processes
5. Utilise measures found to be effective in providing short-term relief
6. Clarify eligibility criteria for each measure.

#### **Establish mechanisms for ongoing review, adaptation and improvement**

7. Develop a Monitoring and Evaluation Framework for drought measures
8. Undertake regular evidence-based reviews of measures during drought.
9. Access local knowledge.

#### **Balance local and statewide delivery**

10. Retain centralised processing.
11. Adhere to 'No lines on maps'.
12. Deliver coordinated and consistent communications via local support networks.
13. Use a range of information and communications channels.
14. Resource according to demand.

# 1 Introduction

## 1.1 NSW Government Drought Relief Measures

In 2018, the NSW Expenditure Review Committee approved specific emergency drought-support measures, effective from July 2018, for primary producers and rural communities. The measures were designed to combat the compounding effects of a drought that had been ravaging parts of NSW since late 2016. Drought-relief measures totalling \$508 million were made available in 2018–19, \$513 million in 2019–20 and \$197 million for the 2020–21 year.

Several NSW government departments and organisations delivered 12 drought-relief measures, which are the focus of this evaluation (see details in [Appendix 1: NSW Government Drought Relief Measures](#)). The measures are:

- **Drought Transport Subsidies (DTS)**  
*NSW Department of Primary Industries (DPI) — \$376 million allotted (\$215 million disbursed, \$245 million NPV) across the three years 2018–19 to 2020–21 (Table 11, Table 12).*
- **Farm Innovation Fund (FIF)**, including fee relief from loan interest  
*DPI — \$161 million across 2018–19 and \$350 million in 2019–20. Total funding committed over the two years was \$1,021 million (\$146 million disbursed) (Table 6, Table 11). This is in addition to the existing FIF announced earlier.*
- **Drought Assistance Fund (DAF)**  
*DPI — Up to \$200 million over the three years 2018–19 to 2020–21 was committed (\$77 million disbursed) or until funds are exhausted (Table 8, Table 11).*
- **Livestock welfare**  
*DPI — \$4 million for 2018–19 and \$2.1 million for 2019–20.*
- **Kangaroo-related measures**  
*National Parks and Wildlife Service (NPWS) — changes to licencing in 2018–19, no funding attached.*
- **Fee relief for Local Land Services (LLS) rates**  
*Local Land Services (LLS) — \$48 million in 2018–19, \$50 million in 2019–20 and \$50 million in 2020–21.*
- **Fee relief for fixed water charges in rural and regional areas**  
*WaterNSW — \$30 million in 2018–19, \$30 million 2019–20 and \$28.5 million in 2020–21.*
- **Fee relief for wild dog fence rates**  
*NSW Department of Planning, Industry and Environment (DPIE) Crown Lands — \$1.65 million each year, 2018–19, 2019–20 and 2020–21.*
- **Fee relief from the Forestry Corporation for existing beekeeping permit annual fees**  
*\$1.3 million in 2018–19, \$0.9 million in 2019–20 and \$1 million in 2020–21.*
- **Fee relief for class one agricultural vehicle registration costs**  
*NSW Road and Maritime Services (RMS) \$7 million in 2018–19 and 2019–20.*

- Critical services in regional communities including **drought-related road upgrades and repairs** RMS, Transport for NSW — \$15 million in 2018–19 and \$1.6 million in 2019–20.
- **GIVIT agreement<sup>1</sup>** to help coordinate donated goods and services DPL-GIVIT — \$0.2 million in 2018–19 and \$0.2 million in 2019–20.

The drought relief measures also included a range of programs to support the mental health and wellbeing of people across rural and regional NSW. Programs included farmgate counsellors, additional Rural Adversity Mental Health Coordinators, funding for Aboriginal Community Controlled Organisations, community drought events in Western NSW, a youth drought summit coordinated by UNICEF Australia, the Royal Flying Doctors providing peer ambassadors in Far West NSW, and grants to 23 sporting bodies to deliver mental health projects across drought affected areas of NSW. Other programs included support to preschool children and their families, training to upskill farmers and contractors, and grants to local sports organisations. Note, these are all out of the scope of this evaluation.

## 1.2 The drought context

NSW experienced a severe and prolonged drought from 2017 through to 2020. As a whole, the drought proved to be one of the most severe and lengthy events considering available records for NSW over the last 120 years. An event of this scale and magnitude is multifaceted, with different drivers and impacts on farms and communities dominating at different times as the drought evolved. The NSW Combined Drought Indicator (Figure 1) tracks the way the event evolved and gives a 20-year historical context in different drought intensities.

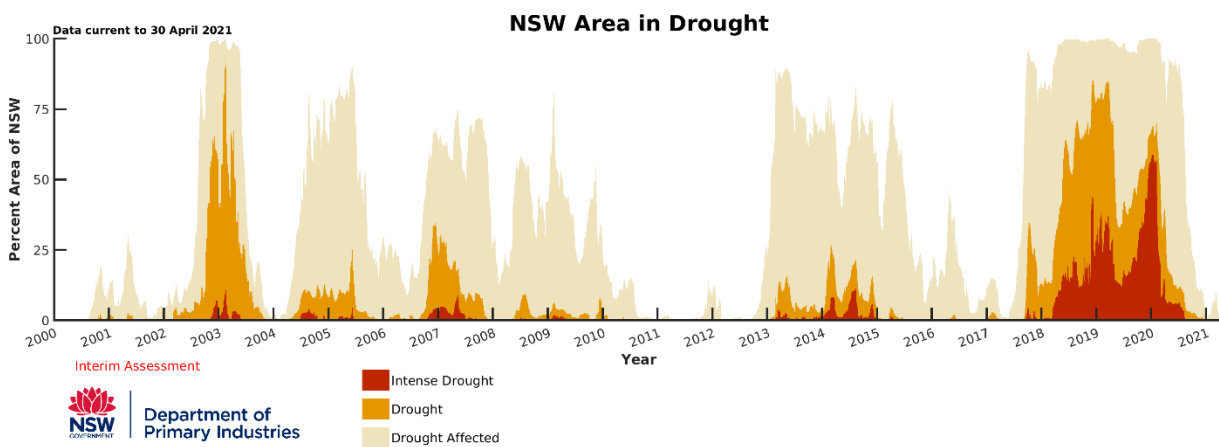


Figure 1: NSW area in drought (NSW DPI 2019b)

Initially, the drought was isolated regionally with the epicentre in the greater Hunter region. High temperatures, winds and mild rainfall deficits drove localised root-zone soil moisture deficits. These are ‘flash droughts’. As the event took hold, the key impacts of the soil moisture deficits were lower crop and pasture growth rates leading to severe widespread shortages of fodder for livestock production. This is an ‘agronomic drought’. By mid-2018, it had intensified and became widespread across the state. The geographic scale and intensity of the fodder gap were largely unprecedented, limiting management options for many producers who, in preceding droughts, had relied on fodder transported from other parts of NSW for livestock feeding. Many drew down heavily on their own fodder reserves. The 2018

<sup>1</sup> GIVIT is a national charity <https://www.givit.org.au/>



cropping season also saw significant winter crop yield penalties, driven by moisture stress, and there was insufficient stored soil moisture to sow summer crops.

The agronomic drought continued through the autumn of 2019, although there were some regions that experienced mild relief with highly variable storm rain tracking across NSW. Failed winter rainfall in 2019 changed the impact profile of the drought where severe surface water shortages took hold. Major water storage levels started to fall with reduced allocations for irrigated production announced. At this stage of the drought event, many farmers started to report poor cash flows and reduced off-farm expenditure — a key stage of a drought where the economic impact spreads beyond the farm gate into regional communities.

In late autumn 2019, a major climatic shift occurred in the Southern Ocean with a rare one-in-fifty-year warming event in the air above Antarctica. This shifted the weather pattern for southern Australia, and for NSW created widespread low humidity and few rain-bearing systems and draw down on any moisture in the landscape. The drought event re-intensified during the winter of 2019, with these conditions persisting through the 2019–20 summer. The conditions created an extended and severe bushfire season, widespread crop failure and the continuation of fodder deficits. Farm water supplies were acutely stressed across wide areas of the state.

Autumn 2020 saw a major change in the global climate system, with a La Niña state developing in the El Niño Southern Oscillation. The presence of atmospheric moisture saw solid falls of rain in autumn 2020, with a typically regionally uneven drought recovery beginning for NSW. The Central West of the state saw the best of conditions with strong and rapid recovery. The drought event's footprint lingered in the North of NSW. To date, recovery has been slower in that part of the state as well as parts of Western and Southern NSW.

### **1.2.1 Reduced income**

During the drought period, most primary producers experienced a reduction in gross annual income. As shown in Figure 2, 99% of the primary producers surveyed for this evaluation experienced a reduction in annual income based on pre-drought levels, and almost a third (32.3%) experienced an 80–100% reduction in income. This was consistent across most industries — beef, sheep, and cropping industries all experienced an average 60% decrease in income during the drought.

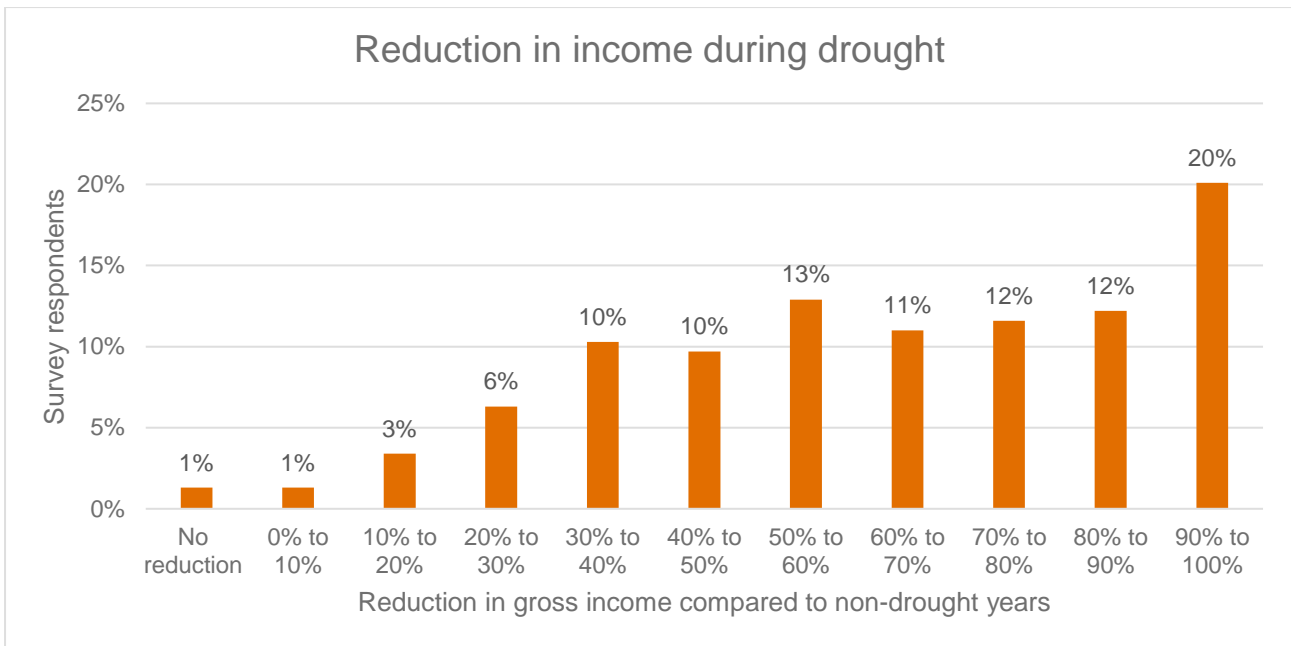


Figure 2 Primary producer reduction in gross income compared to non-drought years (n=345) (Evaluation survey)

### 1.2.2 Other factors affecting primary producers

During the drought period, other external factors affected primary producers and their communities and influenced their farm-management decisions. Chief among these were the 2019–20 bushfires, the COVID-19 pandemic, and the delivery of other support programs by the state and Commonwealth governments, charities and the private sector. Primary producers’ management decisions were also influenced by the state of the markets for their products, such as the low milk prices and relatively high stock prices.

The 2019–20 bushfires burnt 6.7% of the state (5.3 million hectares), and the COVID-19 outbreak that began in NSW in late January 2020 had widespread social and economic impacts. Of the primary producers surveyed for this evaluation, a quarter (26%) indicated the bushfires had a significant impact on their farm business, and a third (36%) indicated the COVID-19 pandemic had been significant.

## 2 About the evaluation

### 2.1 Evaluation planning

This evaluation was conducted in line with the NSW Government Drought Relief Measures Revised Evaluation Plan (v6.1, 8 December 2020). The evaluation plan was collaboratively developed with the DPI Project Steering Committee (PSC) with input and peer review from the Evaluation Advisory Committee (EAC) between July 2019 and December 2020. The University of Wollongong Human Research Ethics Committee provided the ethical approval for the data collection tools and strategies presented in the evaluation plan on 15 January 2021.

The evaluation plan aligned with the NSW Government Program Evaluation Guidelines (for a 'Scale 4' program, 2016), the NSW Government Guide to Cost-Benefit Analysis (Treasury Circular TPP 17-03, 2017), and the NSW Government Benefits Realisation Management Framework (2018).

The evaluation was initially intended to be delivered in 2019. However, data collection was postponed when the ongoing severe drought conditions resulted in the extension of the drought measures to early 2021. A provisional interim evaluation report was delivered in July 2020 after the evaluation period was extended. The interim report focused on the outputs and resources that had been used to implement the drought measures to date. However, the lack of evidence meant the report did not consider outcomes and impact. This evaluation report supersedes the interim report and includes all relevant findings from that report.

The following evaluation report was informed by an evaluation summit workshop, where the PSC and EAC were brought together to review the overall results, findings and achievements of the programs. This was held on 30 March 2021.

### 2.2 Purpose and scope of evaluation

The purpose of the evaluation of the NSW Government Drought Relief Measures was to assess their effectiveness in delivering intended outcomes (as presented in [Appendix 2: Program Logic](#)) and assess the impact of the measures on regional communities affected by drought. The evaluation also sought to contribute to the evidence base that underpins drought policy, with the broader goal of informing future drought policy measures. The evaluation is also expected to contribute to our knowledge about how best to evaluate responsive government programs.

The scope of the evaluation includes the drought-relief measures implemented from July 2018 up until the time of writing the report (May 2021) — that is, the financial years 2018–19 and 2019–20 and most of the 2020–21 financial year. The detailed economic evaluation focused on the Drought Transport Subsidies (DTS) and Farm Innovation Fund (FIF) elements of the drought measures. These were chosen because they represented the largest elements of the package in 2018–19 and 2019–20.

The following are out of the scope of this evaluation:

- The mental health measures delivered by NSW Health, which is the focus of a separate evaluation.
- The water measures administered by DPIE, which is the focus of a separate evaluation.
- NSW drought-relief programs that began prior to the 2018–19 measures.

- Additional NSW drought-relief policies announced, such as those associated with community preschool fees and environmental water flows.
- Other drought services and programs delivered by the NSW state and Commonwealth governments, charities, community groups and the private sector — for example, the Commonwealth Government’s Emergency Water Infrastructure Rebate program (EWIR), which is also available through the RAA.

The evaluation responds to the information needs of its primary audience: those who will have the potential to inform decisions about the measures based on the findings. The primary audience for this evaluation consists of the DPI’s PSC and EAC, which include the Department of Regional NSW and NSW Treasury, and NSW Cabinet and Ministers, including the Deputy Premier, Minister for Primary Industries, Coordinator General – Regions, Industry, Agriculture and Resources, and the Drought Inter-agency Executive Committee.

### 2.3 Key Evaluation Questions

The following key evaluation questions (KEQs) were developed to guide the evaluation and respond to the information needs of the primary audience.

- KEQ1. To what extent did the drought-relief measures effectively deliver the intended outcomes for the intended beneficiaries?
- KEQ2. Were there any positive or negative unintended outcomes from the drought-relief measures?
- KEQ3. To what extent are the outcomes likely to endure?
- KEQ4. To what extent was the program design appropriate to the context?
- KEQ5. To what extent were the drought relief measures delivery processes effective?
- KEQ6. To what extent do the outcomes of the drought-relief measures represent value for money?

Each of these KEQs is underpinned by a set of sub-questions used to guide data collection (detailed in [Appendix 3: Key Evaluation Questions](#)). These KEQs also serve as the key structuring device for the evaluation report.

### 2.4 Case studies

Three measures were investigated for targeted case studies: Beekeeper fee relief; the Northern Drought Response Pilot Program measures; and the unique delivery mechanism supported by the GIVIT funding. These measures were chosen by the PSC for focused case studies because they target a smaller number of stakeholders than other measures and focus on specific outcomes.

These case studies are presented in the body of the report in a box similar to the one below.

#### **CASE STUDY:**

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A deeper dive into a specific detail of the drought-relief measures.

## 2.5 Methodology

The evaluation report draws on a range of data sources including existing documents and data from agencies delivering the measures, interviews with primary producers, agency staff (both program and frontline staff), community organisations and online surveys. This section details the data sources, with more information, including demographic information from survey respondents, provided in Appendix 4: Evaluation Data Sources.

### 2.5.1 Ethics approval and preparation for data collection

Recognising the impact of difficult conditions and cumulative stress for primary producers and their communities from the drought and other adverse events for primary producers, the PSC requested that Clear Horizon obtain ethics approval for all data collection activities. The University of Wollongong's Human Research Ethics Committee approved Clear Horizon's application for ethics approval before the start of data collection (Approval No. 2019/376).

The ethics approval meets the Guidelines of the National Statement on Ethical Conduct in Human Research ((NHMRC 2018) and the Australian Privacy Act 1988. Data collection and storage requirements for the evaluation aligned with the Privacy Act and Clear Horizon Privacy Guidelines 2020.

The ethics approval covered all data collection tools used, participant information sheets and communication processes with prospective respondents, and processes to support respondents and the interview team if respondents became distressed during interviews. Staff from the Rural Resilience Program (RRP) and the Rural Adversity Mental Health Program (RAMHP) briefed the interview team about how to manage interviewees who became distressed when talking about their experiences and provided referral information to respondents who requested it.

### 2.5.2 Data collection

The evaluation began with a **desktop review** of over 40 relevant program documents and datasets. The document review was used to provide evidence against the KEQs and to contextualise other findings. The list of reviewed documents can be found in Appendix 4: [Evaluation Data Sources](#).

To supplement the existing data already collected by the delivery organisations, the evaluation undertook additional targeted data collection. An **evaluation survey** was developed to capture perspectives on the measures. The survey used a **self-selection sampling strategy** with all primary producers able to complete the survey, as they were all target beneficiaries of some drought-relief measures. The survey was provided via a public link and promoted by DPI via its social media platforms. It was also listed on key stakeholder websites and promoted via traditional media such as TV, newspaper and radio and via stakeholder communication including a link to the survey in the automated email responses to client enquires to the RAA. These were strongly publicised at the start of the survey, again seven days before closing, and once more within 48 hours of closing. Responses were received from 345 primary producers from across the state. This sample is representative of the full NSW farming population (approximately 25,000) at a 90% confidence level and a 5% margin of error.

The evaluation team also conducted semi-structured **interviews** with 74 participants from three key stakeholder groups, as detailed in Table 1. The three stakeholder groups were **key state personnel** who had been involved with the design and implementation of the relief measures; **frontline personnel** (workers and agency staff) in the regions who were responsible for supporting the delivery of the package to the regions, including counsellors from the Rural Financial Counsellor Service (RFCS), RRA staff, RRP staff, LLS staff including vets, RSPCA staff and charity representatives; and **primary**

**producers**, the target beneficiaries of the measures. Interview participants were chosen to provide coverage across all 12 measures and the agricultural industries affected, and to ensure a regional spread. Primary producer interviewees were selected based on region and industry type to get a sample approximately representative of the different regions. Details on the demographics of interviewees can be found in [Appendix 4: Evaluation Data Sources](#).

Table 1 Summary of data sources used for the evaluation

Data source	Stakeholders	Responses
Desktop Review	Not applicable	40
Survey	Primary Producers	345
Interviews	State Personnel	5
	Frontline Personnel	38
	Primary Producers	31

### 2.5.3 Data analysis

Analysis of the existing data was completed and assigned to the relevant KEQs. The existing data was predominantly quantitative. It was analysed using Microsoft Excel and presented in graphs and tables. Where possible, this data was analysed in relation to demographic and production statistics available from the ABS to provide high-level assessment of the distribution of relief measures. In some cases, the categories used by the agencies did not align with ABS data. However, a narrative is provided about the extent the data can be compared and includes high-level findings.

**Qualitative data** from interviews was analysed by collating responses from each stakeholder group, drawing out themes or issues that were most frequently raised and noting any outliers. Individual comments that were considered significant were also captured. **Quantitative data** from the survey and the documentation from the desktop review were analysed using descriptive statistics and presented in graphs.

Along with the existing documentation, the survey was the primary source of new data for the **economic assessment of value for money** of the DTS and FIF measures. The economic evaluation and calculation of costs and benefits used in the cost benefit analyses for the FIF and DTA are consistent with and follow TPP 17-03, the NSW Government Guide to Cost-Benefit analysis (Treasury 2017) as well as the NSW Government Program Evaluation Guidelines (DPC 2016).

The economic analysis compared the additional costs associated with the FIF and DTS to the potential benefits and disbenefits associated with their delivery. Present Value analysis was used to provide an estimate of value in current dollar terms, accounting for opportunity costs. For more, see the CBA Technical Report.

### 2.5.4 Data synthesis and reporting

Both the qualitative and quantitative evidence was synthesised against the KEQs using evidence tables to develop draft findings. These findings were then presented at a **participatory results workshop** with key agency staff, including the PSC and EAC, where results were discussed, and high-level findings agreed. This feedback has been integrated into this report and used to develop recommendations.

Further opportunities for feedback were available for the PSC and EAC to review the first and second versions of the draft report to ensure that relevant agency staff and stakeholder input was incorporated.

## 2.6 Contribution and attribution

As described above, the context surrounding the drought and the drought-relief measures was complex. A broad range of drought-relief activities was available to primary producers in NSW during the evaluation.

The evaluation sought to determine if the NSW Government Drought Relief Measures **contributed** to the intended outcomes (as presented in [Appendix 2: Program Logic](#)). In most cases it has not been possible to **attribute outcomes** only to the NSW Government Drought Relief Measures, with several external factors likely to have contributed to their achievement, including drought relief from the Commonwealth Government and other agencies and organisations (including charities), which were working towards the same objectives and providing other services and support. Also, there were past and pre-existing programs designed to enable primary producers to prepare for drought — for example, FIF loans have been available to NSW primary producers since 2014 to support them build drought-ready infrastructure (NSW Department of Industry 2018). As a result, it is not possible to prove direct causation for the outcomes sought by the drought measures being evaluated.

## 2.7 Limitations of the evaluation

Some limitations in the evaluation method became evident when compiling this report. They are:

- Survey and interview data focused on collecting information about the 12 drought relief measures together, rather than focusing on primary producers' experiences of each individual measure to ensure individuals were not consulted multiple times. The evidence collected suggests that primary producers' level of awareness and experience of some measures varied greatly. As a result, the evidence available was not detailed enough to make judgements about the effectiveness of some of the individual measures.
- The survey was voluntary and used an untargeted sampling method to accommodate privacy requirements and resource constraints. Primary producers from livestock industries predominated among the respondents. This sampling method may have limited the evidence available from primary producers in other industries such as cropping and horticulture.
- The sample for the survey was 345 primary producers. When considering a sample size of 25,000 NSW Primary Producers (ABS 2020), this represents a 90% confidence interval and 5% margin of error. This is adequate to give a state level perspective, but insufficient for regional level analysis.
- Due to the limited existing data available from the agencies implementing the two measures subject to cost benefit analyses (the DTS and FIF), the survey was designed to capture the minimum data required. As such, much of the cost benefit analyses were substantially reliant on survey data, with primary producers providing substantial information in the survey which may have a positive bias.
- Primary producer interviews were completed using a targeted sampling method. Although data was obtained from all industries and regions, the sample sizes for each industry and region is not representative.

- Agency staff and frontline staff interviewees were purposefully sampled. While their views provide a good indication of a range of views within the NSW government and frontline agencies, they do not represent the views of all stakeholders.
- Evidence collected focused on primary producers. While some local community members were consulted, the emphasis was on the effectiveness of the measures in supporting primary producers. As a result, the scope of the evaluation may have constrained consideration of the effectiveness of these measures to support local communities and businesses.
- Existing programs and measures that assist primary producers prepare for droughts, including capability programs and technical assessments (such as soil analysis), were beyond the scope of this evaluation. These are likely to have affected any assessment of the preparedness of primary producers for drought. Further, the value of these types of programs for primary producers has not been considered.

## 2.8 Report structure

The evaluation is structured as follows:

- **Chapter 1 Introduction** presents the NSW Government Drought Relief Measures and the relevant contextual considerations.
- **Chapter 2 About the evaluation** outlines the purpose and approach of the evaluation.
- **Chapter 3 Outcomes** presents the evaluation's findings and supporting evidence about the achievement of outcomes, including intended outcomes (KEQ1), unintended outcomes (KEQ2) and the legacy of these outcomes (KEQ3). It also presents the Beekeeper Fee Relief case study.
- **Chapter 4 Design and implementation** presents the evaluation's findings and supporting evidence about the design (KEQ5) and delivery (KEQ4) of the drought measures. It also contains the two case studies for the Northern Drought Response Pilot and GIVIT.
- **Chapter 5 Value for money** presents the evaluation's findings and supporting evidence about the economic efficiency of the drought measures (KEQ6), including economic assessments of two measures: Drought Transport Subsidies and Farm Innovation Fund.
- **Chapter 6 Conclusion and recommendations** presents the evaluation's final conclusions and recommendations based on the findings and evidence.

The following are the appendices to the report:

- [Appendix 1: NSW Government Drought Relief Measures](#)
- [Appendix 2: Program Logic](#)
- [Appendix 3: Key Evaluation Questions](#)
- [Appendix 4: Evaluation Data Sources](#)
- [Appendix 5: Evaluation Data Collection Tools](#)

The report also uses coloured boxes, as presented overpage, to highlight important elements in the report.



## FINDING SUMMARY

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The summary of findings to be found in the following chapter.

## KEY FINDING

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A key insight or finding relating to a specific area of evaluation.

## RECOMMENDATION

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A targeted recommendation that relates to a finding. These are numbered to reflect the list of recommendations in the Executive Summary and Section 6.2. They do not appear sequentially in the report, but specific recommendations follow relevant findings sections.

## What is it?

Additional contextual or background information.

## 3 Outcomes

This chapter presents the findings on the effectiveness of the drought-relief measures and examines the unintended outcomes. The chapter is structured with reference to the program logic ([Appendix 2: Program Logic](#)) as follows:

- Section 3.1: The effectiveness of measures that sought to provide **immediate drought relief** to primary producers and their communities.
- Section 3.2: The effectiveness of measures aimed to support primary producers' **preparedness and resilience**
- Section 3.3: The **progress made towards achieving longer-term outcomes** and the likely **legacy** of the drought-relief measures overall.

### 3.1 Immediate drought relief

#### FINDING SUMMARY

The evaluation found that the drought-relief measures were effective in providing immediate drought relief and supporting primary producers to safeguard their livestock. They enabled primary producers to operate their businesses and spend money in the community.

Measures designed to provide **immediate drought relief** focused on enabling primary producers to **continue to operate their businesses** and **spend money in their communities**.

The following section presents the findings against the following outcome areas:

- Section 3.1.1 Reducing the cost of doing business and living
- Section 3.1.2 Improved decision-making for destocking
- Section 3.1.3 Maintaining livestock welfare
- Section 3.1.4 Safe access to roads
- Section 3.1.5 Improved customer experience for kangaroo-culling licences
- Section 3.1.6 Managing donated goods and services

### 3.1.1 Reducing the cost of doing business and living

#### KEY FINDING

Fee relief and DTS (Drought Transport Subsidies) were the most significant measures that reduced the cost of doing business and living for primary producers. The evaluation found that fee relief was an equitable and efficient way to reduce living and business expenses for primary producers and other members of drought-affected communities by not charging these fees for the three years. Primary producers had increased cash flow as a result, which went some way to compensate for the loss of income most experienced. DTS provided primary producers with immediate cash flow and enabled them to make important decisions about managing their stock and their businesses overall.

Measures that contributed to reducing the cost of doing business and of living for primary producers included various forms of relief from **fee and rate relief** and the **DTS**. Together these measures represented over half the funds allocated to drought measures over the three years from July 2018 and 66% of the funds disbursed.

#### 3.1.1.1 Fee relief

Primary producers benefitted from a reduced cost of doing business and living, with fees and rates for a range of measures not charged over the three years. Fee relief was the most widely distributed measure, with all primary producers eligible for relief from applicable LLS fees and water charges.<sup>2</sup> Between July 2018 and December 2020, fees totalling \$220,468,063 were not collected from primary producers and other landholders, reducing the cost of doing business during the drought.

#### What is fee relief?

Fee relief meant that landholders responsible for paying certain fees were not required to do so and, in most cases, were not required to apply for fee relief. They received 'no charge' invoices to communicate that the fees would not be charged or refunds if fees had already been paid.

Fee relief for fixed water charges administered by WaterNSW was capped at \$4000 per annum for all general water security licence holders and supplementary water access licence holders in rural and regional NSW and to customers of Irrigation Corporation Districts (ICDs) for water entitlement costs.

For the 2020–21 water year, WaterNSW waived fixed water charges for domestic and stock use and high-security licence holders in those systems where regulated supplies are cut or restricted in the water year. In 2019–20, WaterNSW waived fixed water charges for domestic and stock and high-security licence holders for NSW Border Rivers, Lower Namoi, Upper Namoi, Peel, Macquarie and Lower Darling.

<sup>2</sup> LLS estimates that about 25,000 primary producers received the relief, and WaterNSW indicated over 29,000 received relief from water rates.

Fee relief was applied regardless of the status of the drought in a particular region, reflecting the move away from 'lines on maps' as set out in the National Drought Agreement (Commonwealth of Australia Department of Agriculture 2018:2).

The LLS administered fee relief to the value of \$144 million, covering a range of fees comprising general rates and rates for animal health and pests, the meat industry levy, and costs for routine stock-moving permits and stock identification. Primary producers received \$95 million (65%) of relief from fees administered by the LLS, with other community members receiving \$50 million.

Relief for more specific fees and charges included agricultural vehicle registration fees (Transport for NSW, \$0.6 million), wild dog fence fees (DPIE Housing and Property, \$3.3 million) and apiary fees (Forest NSW, \$3.1 million and NPWS, \$0.5 million).

The value of the relief provided and the number of beneficiaries for each form of fee relief are included in Table 2.

Table 2 Fee relief disbursed and number of beneficiaries, by measure (Program documentation)

Type/source	Value of fees/rates relief	Beneficiaries
<b>Local Land Services</b>		
Fee relief (primary producers)	\$94.6m	25,000 (est.)
Fee relief (other LLS ratepayers)	\$49.9m	
<b>Subtotal</b>	<b>\$144.4m</b>	
<b>Other Agencies</b>		
WaterNSW fixed water charges	\$68.5m	29,679
Agricultural vehicle registration	\$0.7m	5,516
Wild dog fence fees	\$3.3m	1,436
Forest NSW apiary fees	\$3.1m	455
NPWS apiary fees	\$0.5m	250
<b>Total</b>	<b>\$220.5m</b>	

Interview respondents from all stakeholder groups (14 primary producers, 10 frontline workers/industry stakeholders and all five program team members) considered that **fee relief provided immediate cash flow** for primary producers. This measure did not require the active involvement of primary producers to receive the benefits.

*"I was very relieved. There was more money going out than going in. We were digging into our savings pretty hard. I don't like to get anything for free, but when that came it was like we won the lotto. It may not be much, but better in my pocket than someone else's. Especially during hard times."* [Primary Producer interviewee #08]

*"The rates support [...] really did make a difference."* [Primary Producer interviewee #16]

*“No doubt in the short term we put cash back into farmers’ pockets and they didn’t have to incur costs” [State Personnel interviewee #03]*

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One program team member suggested that **fee relief was more significant for smaller farming businesses than larger ones**, because the fees (such as the \$4000 fee relief for fixed water charges) make up a larger proportion of costs for smaller farmers. This interviewee also indicated that the larger businesses had more cash reserves and less need for transport subsidies.

### **3.1.1.2 Drought Transport Subsidies**

**Drought Transport Subsidies (DTS) were the single-biggest drought-relief measure.** Provided over the three years from July 2018, 23,009 transport subsidies were paid to 12,349 beneficiaries (with some primary producers making multiple claims), totalling \$215 million in funds disbursed. These figures indicate almost **50% of primary producers** received transport subsidies — based on 27,000 primary producers in NSW in 2018–19 (ABS 2020).

#### **What did the DTS do?**

The DTS covered up to 50% of transport costs up to a maximum of \$5 per kilometre and 1500 kilometres per journey. Subsidies were initially available to subsidise the cost of transporting fodder, water to a property for stock or domestic use, stock to and from agistment, and stock to sale or slaughter. Other transport uses were added in response to changing drought conditions, including the transport of farm chemicals, seeds and fertiliser for cropping and the transporting required for restocking properties during recovery. Primary producers applied for a subsidy and were reimbursed for actual expenditure, making multiple requests for reimbursement.

**DTS substantially supported livestock industries**, as intended. Of the transport subsidies disbursed to 30 December 2020, totalling \$215 million, subsidies worth \$209 million (95%) were disbursed to businesses that involved livestock, including mixed farming (44%), beef (33%), sheep (11%) and dairy cattle (9%) (see Figure 3). Further, the transport of fodder represented almost three-quarters of subsidy use (see Table 3).

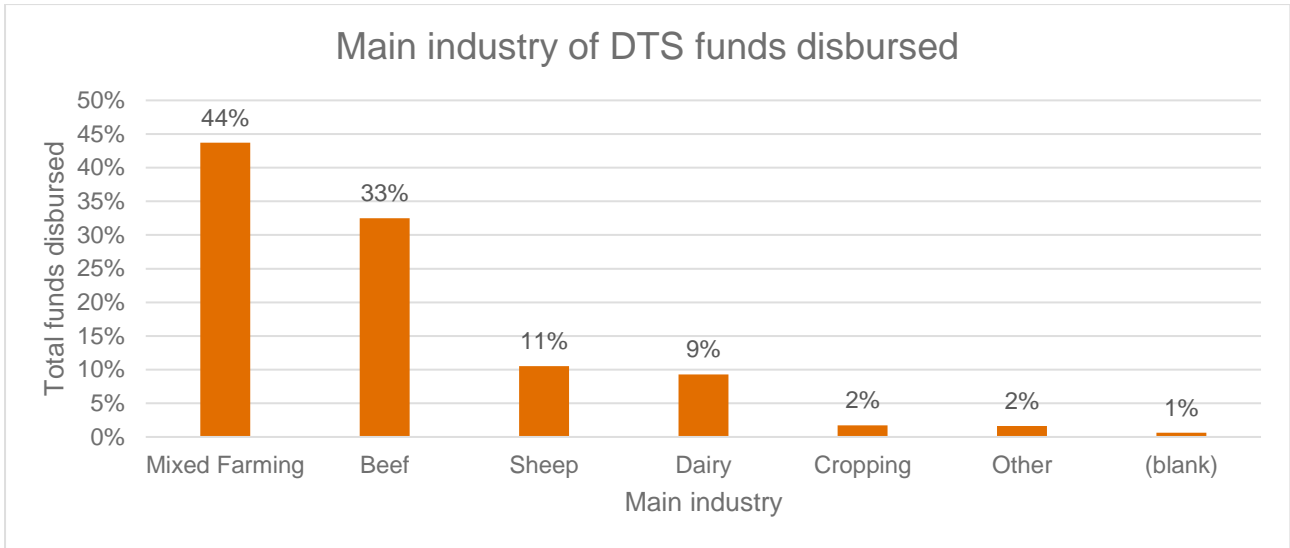


Figure 3 Main industry of DTS funds disbursed (RAA documentation)

Table 3 Number and value of DTS funds, by subsidy use (RAA documentation)

Use of subsidy	Number of subsidies	Total amount disbursed	% Total amount disbursed
Fodder transport	16,077	\$156 m	73%
Livestock transport total	6,242	\$53 m	25%
• to sale	4,470	\$34m	16%
• to slaughter	957	\$10m	5%
• to/from agistment	780	\$8m	4%
• restocking	35	\$0.2m	0.1%
Water transport	236	\$2 m	1%
Other transport	454	\$4 m	2%
<b>Grand total</b>	<b>23,009</b>	<b>\$215 m</b>	<b>100%</b>

As intended, transport subsidies mainly supported livestock industries. Of the primary producers surveyed, 96% of survey respondents who had received a subsidy indicating that their farm businesses included livestock (see Figure 3 above).

**Distribution of DTS funds favoured regions with major livestock industries.** Table 4 shows the regional distribution of DTS funds alongside the regional gross value of agriculture production (GVAP) for the 2018–19 year (ABS 2020). Regions that received the most subsidies were Central West, North West and Northern Tablelands. These regions have substantial livestock industries. The two regions that received the lowest percentage of DTS funds, Riverina and Murray, have more diverse industries and are significant irrigation regions.

Table 4 Comparison of DTS funds disbursed and agricultural production by region (RAA documentation, ABS)

Region	% Total DTS disbursed	% Total GVAP 2018/19	Variance (% disbursed less % GVAP)
Central West	22%	10%	12%
North West	15%	12%	3%
Northern Tablelands	15%	5%	10%
Riverina	9%	25%	-16%
Central Tablelands	8%	6%	2%
South East	8%	7%	1%
Hunter	5%	5%	0%
Western	5%	5%	0%
North Coast	4%	8%	-4%
Murray	4%	11%	-7%
Greater Sydney	1%	7%	-6%
Unknown	3%	NA	NA

**The DTS provided immediate cash flow for primary producers.** The 14 primary producers interviewed indicated the DTS had **provided them with immediate cash flow**. The existence of the DTS allowed them to make decisions and take advantage of cash-flow benefits. For example, primary producers indicated that the DTS enabled them to buy more fodder (Primary Producer interviewee #26).

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*“I tended to buy more product because of the DTS, so I was probably still supporting the local business. I probably spent the same money in total, but I bought more product.”*  
 [Primary Producer interviewee #07]

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This finding was supported by six frontline workers/industry stakeholders and all five program team members interviewed.

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*“[In] the short term we put cash back into farmers pockets, and they didn’t have to incur costs.”* [State Personnel interviewee #03]

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### 3.1.2 Improved decision-making for destocking

#### KEY FINDING

Primary producers benefited from the DTS because it enabled them to retain their stock (especially breeding stock) when stock prices remained high. However, there was some concern that stock retention had negative implications for livestock welfare and caused environmental damage. The

availability of the DTS appears to have exacerbated the increasing cost of fodder and led to rising transport prices. These unintended outcomes may have neutralised many of the benefits of the DTS.

The drought measures improved primary producers' decision-making about stock management by clarifying the options available. The information about drought conditions on the DroughtHub also supported their decisions. However, reliance on the availability and cost of fodder and access to transport subsidies may have constrained primary producers in their stock-management decisions. Decision-making that applied to the specific conditions of this drought may not apply to future droughts.

**The DTS enabled strategic stock management.** There is anecdotal evidence that access to the DTS may have enabled primary producers to implement stock-management strategies. The decisions made about livestock were beneficial to producers and livestock in some cases, including moving stock from properties in drought.

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*“DTS has been amazing for a lot of people. Most decided to transport earlier, which was beneficial for them, their cattle, and their land.” [Frontline Personnel interviewee #07]*

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**In some cases, the DTS may have made it harder for farmers to make long-term decisions regarding their livestock.** Program stakeholders and frontline staff anecdotally expressed their concerns that the DTS encouraged producers to make less strategic decisions to keep stock longer (three program team members, six frontline staff and three primary producers). This may not have been good for stock welfare or the environment and could have hindered recovery.

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*“DTS — governments are always hesitant on that. If you offer it then that encourages people to hang onto stock longer and puts prices (fodder and transport) up. I understand that but believe there are still some positives.” [Frontline Personnel interviewee #08]*

*“They can feed stock for longer which can be a benefit or detriment. Should they have let the stock go? It could have increased the impact on the stock and the land.” [State Personnel interviewee #03]*

*“Some of the other service offerings, such as the freight subsidies had a market distortion issue, and they didn't force producers to make strategic decisions.” [Frontline Personnel interviewee #03]*

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**The lack of strategic decisions may have propped up unfeasible business.** Frontline staff suggested that the DTS may have enabled unviable farm businesses to continue to operate.

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*“For the DTS, it may have led to some staying in the industry when they would otherwise have exited. If they make no other changes to their business, then this is a negative outcome because they will be the same people looking for that service offering again in the next drought. They need to be making those strategic and proactive decisions.” [Frontline Personnel interviewee #03]*

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**Stakeholders across all groups reported that the benefit of the DTS was lost to increases in fodder transport prices.** The transport of fodder accounted for most (73%) of the transport subsidies



paid to primary producers. Although one of the intentions of the DTS was to reduce the cost of transporting fodder, stakeholders across all groups (7/31 primary producers, 8/38 frontline staff and 2/5 state personnel) reported that the presence of the DTS contributed to a market response of increasing the price of fodder and transport.

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*“The price of hay was getting ridiculous. In one case the transport was as much as the actual hay. We did wonder if transport companies were putting their prices up. I can’t say that for certain, but you do wonder. That particular bill — he charged the exact amount of the subsidy.” [Primary Producer interviewee #14]*

*“DTS is a roort, ... DTS announced — price of hay went up. I’m not hard on the people selling the hay but know that is what will happen”. [Primary Producer interviewee #01]*

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Primary producers were able to access detailed and up-to-date information about the progress of the drought in their region **to inform their decision-making.**

### What is the DroughtHub?

DPI developed the DroughtHub [<https://droughthub.nsw.gov.au/>] as a one-stop online portal to provide primary producers with information about the drought and the assistance available. It provides links to financial assistance, including redirecting users to the RAA website and detailing the different types of fee waivers available. It is also the portal for the Combined Drought Indicator (CDI). The CDI informs primary producers about seasonal conditions.

**Drought measures contributed to the improved management of stocking levels.** Ten primary producers described how the drought-relief measures supported them to destock, a sentiment supported by three frontline staff.

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*“We mainly just buy fodder for weaning and things like that. And we find, every year in drought, we destocked a third of our cattle numbers and then, when we just had to hang onto our core things like stud cattle, that was only 30 head anyway. We still probably put more food in their mouth than what they’re worth but it’s the genetics and being able to keep producing new bulls to start breeding.” [Primary Producer interviewee #21]*

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One program team member suggested the DroughtHub **helped primary producers manage stock levels**, explaining that primary producers could access the Drought Maps to inform their decision-making.

Another program team member explained that **the announcement about the measures clarified** the support available and allowed primary producers to make informed decisions.

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*“The measures provided a framework for decisions. If there was silence before, what was clear government was going to support them. If there was an absence, people become paralysed.” [State Personnel interviewee #02]*

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**Stock prices remained high during the drought, which also influenced destocking decisions.** Nine interviewees pointed out that stock prices remained high during this drought (two program team members, three frontline workers and four primary producers). This was a significant contextual factor

because it created incentives to retain stock and maintain livestock welfare. Instead of disposing of stock on-farm to avoid transport costs, farmers could profit from selling them. This, in turn, improved the mental health of farmers. However, a further nine primary producers pointed out that these conditions were now favouring those who had not destocked early. Those who destocked early to maintain their land and core stock were at a disadvantage because **high stock prices prohibit primary producers from quickly restocking** after a drought.

### 3.1.3 Livestock welfare maintained during drought

#### KEY FINDING

Overall, the drought measures significantly contributed to livestock welfare throughout the drought, enabling primary producers to feed their stock, transport them to other regions, or transport them for sale or slaughter. Primary producers indicated that fee relief and access to the DTS provided them with the means to manage their stock throughout the drought. When those measures failed, specific livestock welfare measures ensured that primary producers received the help they needed to manage or dispose of their livestock and that cases of poor livestock welfare were investigated and resolved. There is also evidence that proactive efforts to contact struggling primary producers helped them make timely decisions for the welfare of their stock.

The NSW government spent \$2.4 million on specific measures to maintain livestock welfare and prevent issues from arising. Measures included enforcement programs such as Stock Welfare Panels, disease surveillance and testing programs, and widespread engagement to support primary producers make decisions about their livestock. This evaluation also identifies that some broader measures have helped primary producers maintain the welfare of the livestock on their properties — such as fee relief and the DTS.

**Stock Welfare Panels represented one of the most impactful livestock welfare measures**, with 31 panels established in the 2018–19 and 2019–20 drought years. Of these, 15 panels resolved through stock-owner compliance, 13 panels resolved through seizure, and three panels resolved due to improved conditions. The Stock Welfare Panel process assisted over 28,000 stock animals.

#### What is a Stock Welfare Panel?

Following an inspection of stock animals, an enforcement agency inspector may provide advice or issue written instructions to the stock owner about the care of the animals, usually in consultation with the LLS. If a stock owner or the person in charge does not comply with the written instructions, and the animal/s remain in distress, an enforcement agency may request that a Stock Welfare Panel be established by NSW DPI. This process is set out in Part 2B of the *Prevention of Cruelty to Animals Act 1979*.

Stock Welfare Panels seek to improve the welfare of stock through a structured process and represent a more responsive alternative to court action. Panels must consist of representatives from an enforcement agency, LLS, NSW DPI, and usually have a representative of the NSW Farmers Association. The LLS and NSW DPI representatives must have livestock welfare or stock

management expertise. If the LLS representative is not a veterinarian, the Stock Welfare Panel may also include a private veterinarian.

Stock Welfare Panels aim to resolve the welfare issues by providing expert advice and support to the stock owner. Based on a panel’s recommendation, NSW DPI may issue an official warning listing actions to be completed within a set timeframe to resolve the welfare issues observed. The panel monitors, assesses and reports on compliance. Usually, the advice is accepted, and the matter is resolved through stock-owner compliance. Towards the end of the drought, some panel matters were resolved when conditions improved. If the owner or person in charge does not comply and the welfare issues remain, NSW DPI may issue an order to seize and dispose of the stock by way of sale or otherwise, as a last resort. The costs of doing this are taken from the proceeds of the sale of the livestock before the owner or person in charge receives the balance of the proceeds.

Over the three years, funding totalling **\$2,396,262** was provided for **livestock welfare measures** that included additional RSPCA inspectors, Prevention of Cruelty to Animals (POCTA) transport subsidies, 5,950 subsidised LLS pathology tests and 2,830 subsidised water and food tests (see Table 5 below).

*“[Laboratory] fees [for testing] can add up, and many of the drought-affected producers just didn’t have the money.” [Frontline Personnel interviewee #18]*

*“The POCTA Transport scheme — this was an extra bonus for us because we could offer the farmer a chance to destock and avoid the transport costs. At one point the farmers were paying so much to keep stock alive.” [Frontline Personnel interviewee #19]*

*“RSPCA are the lead organisation, but they don’t have the resources and staffing to pull in. We had 10–11 people to pull in, sometimes with 1000 head of stock to deal with. A lot of these places the stock hadn’t been handled for a long time ... Those types of operations hadn’t been done at that type of scale before.” [Frontline Personnel interviewee #01]*

Table 5 Livestock welfare measures implemented by NSW DPI (2021)

Measure	Usage	Financial value
Stock Welfare Panels	31 panels	\$962,184
Drought communication materials		\$72,214
Northern Drought Response Pilot Program		\$165,317
LLS engagement program	11 LLS regions	\$230,455
Funding of additional enforcement agency inspectors	5 RSPCA NSW inspectors	\$345,799
POCTA transport scheme	6 cases	\$8,133
Disease surveillance & investigation laboratory testing	5,950 tests	\$423,526
Stock feed and water testing	2,830 tests	\$188,634

Measure	Usage	Financial value
Total		\$2,396,262

The **Northern Drought Response Pilot Program** involved cold calling primary producers to discuss drought-management strategies and support them to make informed decisions about the welfare of their stock (see section 4.3.2 for the full case study). The success of this program prompted the LLS engagement program, which was rolled out to all 11 LLS regions to provide engagement support directly to primary producers.

**Fee relief and DTS helped primary producers maintain the welfare of their livestock.** Two-thirds of the primary producers surveyed agreed that the assistance they received improved their cash flow, enabling them to spend more on fodder and water.

Stakeholder interviewees (eight frontline workers and two program team members) also agreed that the DTS and fee relief provided primary producers with immediate cash flow and enabled them to make important decisions about managing their stock and their businesses overall.

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*“[Without the measures it would have been] totally devastating to the communities, then to animal welfare ... The transport subsidy helped stock get fed and helped them get to agistment. Without them it would have been ‘shut the gate’. The ability to store on farm is also great.” [Frontline Personnel interviewee #02]*

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However, some frontline staff expressed concerns that stock may have been retained longer than was ideal, with negative implications for stock welfare and the environment.

Primary producers provided examples of the ways they drew on transport subsidies and the cash flow available from fee relief to manage their stock.

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*“... [Having the registration fee waived for our agricultural vehicle] meant that we could actually use our trucks to move our stock from paddock to paddock, especially when we had to bring them into the house and put them in the house yards and feed them hay to get them ready to transport ... so that waiving was massive for us.” [Primary Producer interviewee #16]*

*“Animal welfare is we transferred all our stock ... our stock were getting pretty bad but we transferred them down south to keep them alive and then when the drought eventually broke ... we moved those stock back and the farms down south ...” [Primary Producer interviewee #16]*

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### 3.1.4 Primary producers safely access roads

#### KEY FINDING

There is limited evidence of the Drought Relief Heavy Vehicle Access Program contributing to safe access to rural roads. This may be due to the targeted nature of the measure, with roads mainly in western and south-western regions benefitting from the upgrades.

Between October 2018 and June 2020, the Drought Relief Heavy Vehicle Access Program provided \$15 million of funding toward the cost of maintenance and minor improvement work on council roads and roadsides to improve **heavy vehicle access**, to support the movement of drought-relief freight.

Transport for NSW approved \$15 million in funding for 70 submissions from over 50 local councils across the state. Projects included road widening, pavement work, improved signage and vegetation clearing to improve safety conditions for heavy vehicles.

Most of the funding went to projects for local councils in the western and south-western regions of NSW, with 50 projects and almost \$12 million invested across those two regions contributing to the upgrading of more than 700 kilometres of roads (Transport for NSW; Roads and Maritime Services<sup>3</sup>).

This measure was only acknowledged by one program team member and one frontline worker in interviews. However, as it was implemented through local councils and was concentrated in two LLS regions, limited awareness is to be expected.

### 3.1.5 Improved customer experience for kangaroo-culling licences

#### KEY FINDING

Changes to kangaroo-culling licences had a short-term impact on how primary producers managed kangaroos on their properties, with licences issued peaking soon after the changes were made. From the evidence available, as the drought intensified, some landholders undertook culling without valid licences, with some finding the measures impractical for their situation.

#### What were the changes to kangaroo-culling licences?

The changes, administered by the National Parks and Wildlife Service (NPWS) and introduced in August 2018, were intended to help landholders manage the impact of kangaroos during the drought while maintaining animal welfare standards and ecologically sustainable kangaroo populations. The changes streamlined licence acquisition and increased the numbers of kangaroos culled. These changes required no additional funds to process the licences but incurred set-up costs.

The changes:

- set ecologically sustainable limits on the number of kangaroos culled, based on property size
- allowed previous and current licence holders to apply for licences by phone
- allowed more shooters to operate under each licence and shooters' details to be sent to the NPWS after culling operations (rather than with the application)

<sup>3</sup> Transport for NSW, 2020. *Roads lead to success for farmers*, June 23, 2020. Retrieved from <https://www.rms.nsw.gov.au/business-industry/heavy-vehicles/drought-relief/drought-relief-heavy-vehicle-access-program.html#:~:text=The%20Drought%20Relief%20Heavy%20Vehicle,the%20drought%20relief%20freight%20task.>

- removed the use of carcass tags and the 'shoot and let lie' licence condition to reduce biosecurity risks
- allowed landholders and shooters to use carcasses for non-commercial purposes.

The number of non-commercial licences issued showed a large increase during August and September 2018 when the measures were introduced and then a gradual decline, particularly in 2020.

The numbers of eastern grey, western grey, red kangaroos, and wallaroos authorised to be culled across 2018, 2019 and 2020 (Figure 4) are shown below. Overall, the number of kangaroos authorised to be culled increased at the time the licencing changes were introduced and remained relatively high through August and October 2018. Since then, there has been a gradual decline in the numbers culled.

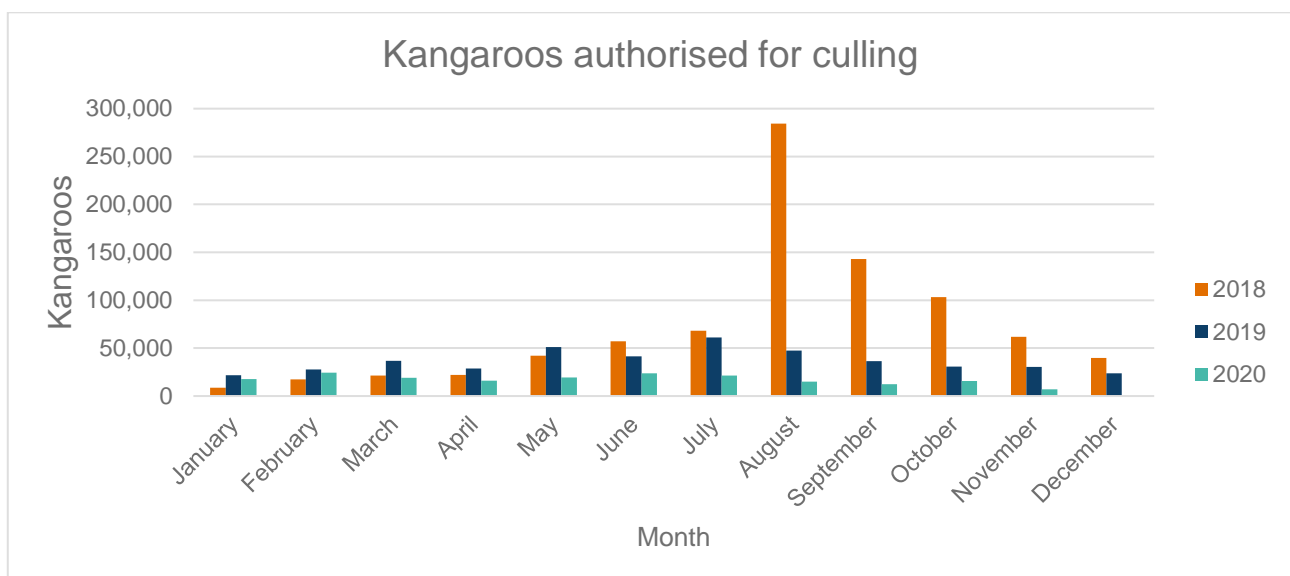


Figure 4 Number of kangaroos authorised for culling, by month, 2018–2020 (NPWS documentation)

There were mixed responses to the licensing changes, with some primary producers interviewed experiencing the changes as a practical approach to the need to cull kangaroos and others prepared to ignore licensing requirements altogether due to the numbers of kangaroos on their property.

*“I think what they opened up is fine in the early drought, but look, basically our kangaroos moved on. Our kangaroos are back to billy-o, they’re about, but they’re not huge. So that was a good move. The real shame with the shoot, tag system for farmers, the shoot and drop system, it’s just a waste of a resource, but you know, I think that’s been pretty practical.” [Primary Producer interviewee #03]*

**Many primary producers did not use kangaroo licences, despite the changes to improve customer experience and use.** Five primary producers interviewed for the evaluation said that they did not use the kangaroo-related measures. Four indicated that they didn’t use them due to the changes being impractical and the application process difficult; the fifth said it came too late when all kangaroos in the area had already died. Many interviewees were unclear or unaware of the changes to the licensing. Some stated that they continued to shoot the kangaroos but did so unlicensed because the process was too difficult to access.

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*“We had a massive [kangaroo] population (and emu population). NPWS tries to tell you how to run the office. We were watching them die every day in the paddocks, we didn’t shoot them. Desperate times: but the kangaroo numbers should never have been able to get so high. There is a kangaroo industry for kangaroo meat too.” [Primary Producer interviewee #18]*

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Agency staff were concerned that the measures did not help to control the numbers of kangaroos in some regions. This is reflected in the comments provided by frontline staff below.

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*“Totally inadequate — the control of, disposal of, the competition for the grass, the incredible damage to vehicles. Bushfires came — the lack of animal care by Parks and it was left to landholders to decide to humanely deal with them when you have no grass, carting water and end up feeding 500 kangaroos.” [Frontline Personnel interviewee #25]*

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*“Kangaroos have been a major issue and increasingly so. I’ve seen some friends have up around 3000 kangaroos in 5000 ha. It was scary — I’m building kangaroo-proof fences. There’s not enough support to get the tags — not enough support to keep the numbers down. It’s forcing farmers to do illegal things.” [Frontline Personnel interviewee #12]*

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Primary producers interviewed and surveyed for this evaluation had low awareness of and experience using these kangaroo measures, with only 36% of those surveyed aware of the licencing changes and 3% involved in applying for licences. Awareness of drought measures is discussed further in Chapter 4.

### 3.1.6 Managing donated goods and service

DPI signed an agreement with the charity GIVIT to help coordinate donated goods and services over the two years 2018–19 and 2019–20. The funding covered the costs for a GIVIT employee and supported staff in the GIVIT head office to coordinate the distribution of donated goods and services across NSW. Over the two years, 844 charity agents registered with GIVIT as part of the coordination effort and an estimated 12,000 individuals and families and 300 organisations were assisted through GIVIT’s coordination efforts. Donations totalling \$600,000 were spent in local communities. This is explored further in the GIVIT case study in section 4.2.4.

## RECOMMENDATION 5

**Utilise measures that have been found to be effective in providing short-term relief** during this drought such as fee relief, livestock welfare measures including direct engagement activities used in the Northern Drought Response Pilot program and the extended engagement program across LLS, the coordination and management of charitable donations by GIVIT, and targeted Drought Transport Subsidies to support recovery. However, any use of the DTS would need to be carefully considered based on the low value for money it provides.

## 3.2 Building preparedness and resilience

### FINDING SUMMARY

There is evidence that some primary producers were able to invest in on-farm infrastructure using FIF and DAF loans to prepare for future adverse conditions and improve the viability of their farms. Where primary producers used local businesses, it is likely that they also contributed to these businesses remaining viable during the drought, further supporting local communities as they continued to operate and spend money in the community. However, the extent to which these measures could be taken up by primary producers during the drought was probably influenced by how much preparation they had already undertaken for drought, including accessing loans (specifically, FIF loans) and their willingness and ability to take on further debt. These factors may have reduced the contribution of the measures to building preparedness and resilience.

Measures designed to assist primary producers to **prepare for droughts and build resilience** focused on providing loans to enable primary producers to improve the viability of their farm business.

The following section presents the findings against the outcome areas (in line with the program logic):

- Section 3.2.1 Accessing loans
- Section 3.2.2 Investing in farm infrastructure projects
- Section 3.2.3 Improving farmland viability (environmental impacts)

### 3.2.1 Accessing loans

#### KEY FINDING

The demand for loans to undertake infrastructure works on properties during the drought was significantly less than the funds provided by the NSW Government, with primary producers applying for 56% of FIF funds and 69% of DAF funds available.

**Primary producers could access two measures** to improve the viability of their farms: Farm Innovation Fund (FIF) and Drought Assistance Fund (DAF).

Primary producers applied for **\$230 million available for FIF loans**, which represents 56% of the additional FIF funds available. FIF funds disbursed to primary producers to date represent 63% of approved loans. A total of \$146 million across 930 approved loans were drawn down by 754 primary producers. The measure was designed to ensure primary producers had adequate funds for the planned infrastructure and these figures suggest that some chose not to draw down on them extensively.

Almost all the funds went towards farm infrastructure (64%) or drought preparedness (35%). Since 2018, the percentage of loans for farm infrastructure decreased from 79% to 64%, and loans for drought preparedness increased from 16% to 35% (NSW Department of Industry 2018:10.) Some beneficiaries took out multiple loans under the FIF. There were 930 loans to 754 beneficiaries.



## What is the Farm Innovation Fund?

FIF loans were introduced into NSW in 2014 to focus on drought preparedness, replacing the Special Conservation Scheme. Concessional loans are made available to eligible primary producers to meet the costs of carrying out permanent capital works expected to have a significant beneficial impact on the land, improve the long-term profitability of the enterprise, or address adverse seasonal conditions. The interest rate for a FIF loan is set at 50% of the NSW Treasury Bond Rate on 1 July of the financial year the application is approved, with the fixed rate applying for the term of the loan (NSW Department of Industry 2018:10).

The RAA administers the FIF. There are four categories of loans available to primary producers who derive at least 50% of their total gross income from the farming enterprise: farm infrastructure, drought preparedness, environment, and natural resources.

The NSW Government Drought Relief Measures included additional funding for FIF loans across the 2018–19 and 2019–20 years. In the 2018–19 year, \$150 million was added to the \$500 million already available. It included \$11 million to waive fees on loans for that year. In 2019–20, \$350 million was available for loans, with \$10 million set aside to waive fees on loans.

Table 6 Number and value of FIF loans disbursed, by loan use (RAA documentation)

Loan use	Loans approved	Amount disbursed	% Amount disbursed
<b>Farm Infrastructure</b> Available for fodder storage facilities, farm/shearing sheds, fencing/road works, storm/exclusion netting, and upgrading irrigation systems	604	\$93 m	64%
<b>Drought Preparedness</b> Available for stock and domestic water supply, cap and piping of bores, refurbishing/desilting ground tanks, planting perennial species, and stock-containment areas	301	\$51 m	35%
<b>Environment</b> Available for soil conservation, erosion control, weed control, solar power conversions	23	\$2 m	1%
<b>Natural Resources</b> Available for planting trees for wildlife corridors, livestock effluent control, fencing off riverbanks, and disaster-mitigation works	2	\$0.1 m	0%
<b>Grand total</b>	<b>930</b>	<b>\$146 m</b>	<b>100%</b>

As indicated above, primary producers have been able to access the FIF since 2014. Until 2018, **the FIF was considered the NSW Government’s primary policy and program response to the drought.** Survey data suggests that there is high awareness (88%) of these loans among primary producers. However, during the period the drought measures were available, the demand for FIF loans was limited.

Table 7 sets out the regions where FIF funds were used. The **Central West** region received 20% of FIF funds — double the contribution of the region to NSW agricultural production. The **Riverina** and **Murray** regions in the south used 29% and 17%, respectively. These regions have significant diversified agricultural industry profiles, with production focused on industries other than livestock (cropping, horticulture and irrigated areas) predominating.

Table 7 Comparison of FIF funds disbursed and agricultural production by region (RAA documentation, ABS)

Region	% Total FIF disbursed	% Total GVAP 2018–19	Variance (% disbursed less % GVAP)
Riverina	29%	25%	4%
Central West	20%	10%	10%
Murray	17%	11%	6%
North West	14%	12%	2%
Central Tablelands	7%	6%	1%
South East	4%	7%	-3%
Northern Tablelands	3%	5%	-2%
Western	3%	5%	-2%
North Coast	1%	8%	-7%
Greater Sydney	1%	7%	-6%
Hunter	0%	5%	-5%
#NA/Unknown	0%	NA	NA

**Primary producers applied for \$138 million for DAF loans**, which represents 69% of funds available. DAF funds reimbursed to primary producers to date are \$77 million or 56% of approved loans. As with the FIF, the measure was designed to ensure primary producers had adequate funds for the planned infrastructure and these figures suggest that some chose not to draw down on them extensively.

#### What is the Drought Assistance Fund?

The NSW Government Drought Relief Measures made \$200 million available over three years or until funds were exhausted for one-off interest-free loans of \$50,000, which was increased to \$100,000 on 1 July 2020. These loans were available to primary producers to implement systems and management practices to enhance the sustainability of their farm businesses.

Table 8 lists the six **uses of the DAF** and the extent to which each was disbursed. This shows that Fodder Storage and Water Infrastructure accounted for most (77%) of funds spent. It is unclear how these uses overlap with the FIF. Some beneficiaries took out multiple loans under the DAF. There were 3,674 loans to 2,273 beneficiaries.

Table 8 Number and value of DAF loans disbursed, by loan use (RAA documentation) (discrepancies due to rounding)

Use of DAF funds	Number of loans	Total amount disbursed	% Amount disbursed
Fodder storage	1,196	\$32 m	41%
Water infrastructure	1,317	\$28 m	36%
Profitability & resilience	761	\$8 m	10%
Fodder purchase	184	\$5 m	6%
Transport of livestock, fodder, and/or water	190	\$5 m	6%
Genetic banking materials	26	\$0.3 m	0%
<b>Grand total</b>	<b>3,674</b>	<b>\$77 m</b>	<b>100%</b>

As with the FIF loans, the survey data suggests that there is high awareness (87%) of DAF loans among primary producers. Primary producers **applied for 69% of the funding available** and **used 56% of the approved loan value** (\$138 million).

Table 9 sets out the regions where DAF loans were used. The **Central West** and **Northern Tablelands** regions received DAF loans substantially above their contribution to NSW agricultural production, with 26% of DAF loans used in the Central West (16% more), and 12% of DAF loans used in the Northern Tablelands (7% more). In contrast with the FIF, the **Riverina** received a proportionally small amount of DAF funds (10% less than its contribution to NSW Agricultural production).

Table 9 Comparison of DAF funds disbursed and agricultural production by region (RAA documentation, ABS)

Region	% Total DAF disbursed	% Total GVAP 2018–19	Variance (% disbursed less % GVAP)
Central West	26%	10%	16%
North West	17%	12%	5%
Riverina	15%	25%	-10%
Northern Tablelands	12%	5%	7%
Central Tablelands	8%	6%	2%
Murray	6%	11%	-5%
South East	5%	7%	-2%
Western	4%	5%	-1%
Hunter	3%	5%	-2%
North Coast	2%	8%	-6%
Greater Sydney	1%	7%	-6%
#NA/Unknown	0%	NA	NA

## RECOMMENDATION 1

**Support primary producers to be resilient when they have the capacity to prepare.** Preparation for drought can happen at any time but may be more difficult during a drought. It is recommended measures and programs to assist in preparation and resilience, including the FIF, continue to be available in good seasons when people have the capacity to implement them.

### 3.2.2 Investment in farm infrastructure

#### KEY FINDING

Some primary producers were able to better prepare for future droughts through infrastructure changes made to their properties. However, there is evidence that many primary producers had already prepared for drought through the uptake of FIF loans in previous years and other actions, including self-funded changes on their properties. There is also evidence that the capacity of primary producers to take on extra debt is limited.

**Primary producers indicated they had actively prepared for this drought.** As the above figures indicate, some primary producers have been actively preparing for drought, indicating that they had already largely done so prior to the measures being announced. In some cases, this was supported by the FIF, but many invested their own money in preparedness.

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*“I probably think in our case [the measures] haven’t [helped us to prepare for future drought] — because we haven’t invested in infrastructure or invested differently. It was after previous droughts that prepared us. There won’t be major changes because we’ve already made them.” [Primary Producer interviewee #10]*

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Seventeen primary producers discussed the work they had done to prepare for the drought. This work included the construction or installation of grain or silage storage and water infrastructure; exiting from particular livestock varieties that were seen as risky; and diversification of income sources or business models. Four primary producers had bought additional land or properties to ensure access to additional resources such as water or grass for livestock.

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*“We’re very much into property development. We invest a hell of a lot of our own money, as in the property money, continually on drought preparedness. ‘Drought preparedness’ would be the catchcry but for us it’s property infrastructure, so fencing, laying poly pipes. We put our whole property on a reticulated water system. We invested in bores. We spent a lot of money trying to get a new bore up, or down, and just general infrastructure and maintenance on the property to make it actually easier to work the property.” [Primary Producer interviewee #16]*

*“When the Drought Assistance Fund became available, ... we did purchase, [...] a seed mixer, bulk food mixer, so we could mix a ration for feeding sheep and cattle. And that*

*absolutely changed how we fed livestock dramatically for the better.” [Primary Producer interviewee #09]*

Two farmers also highlighted that they had prepared by creating a drought-management plan (or similar). This ensured that, before the drought, they were in the right decision-making position to take advantage of the available support measures and relieve some of the emotional and decision-making fatigue.

*“If you have a plan, it’s half the battle. We always had a plan for how we would try to handle drought. When the assistance came along it made it all achievable.” [Primary Producer interviewee #28]*

*“The loans have been really good... especially the Farm Innovation Fund — it allows you to bring things forward and when the next drought comes along you are better prepared. Makes them more resilient. As they are a loan — they make sure they spend it [on infrastructure] to prepare and gives them an opportunity to rethink [how their business is structured].” [Frontline Personnel interviewee #06]*

FIF loans have been available since 2014. Of the 345 primary producers who completed surveys for this evaluation, 49 had accessed FIF loans. These primary producers have taken out loans since the start of the scheme, as indicated in Figure 5 below. As a result, they have already done much of the infrastructure work, and the limited uptake of the FIF funds may be due to low demand.

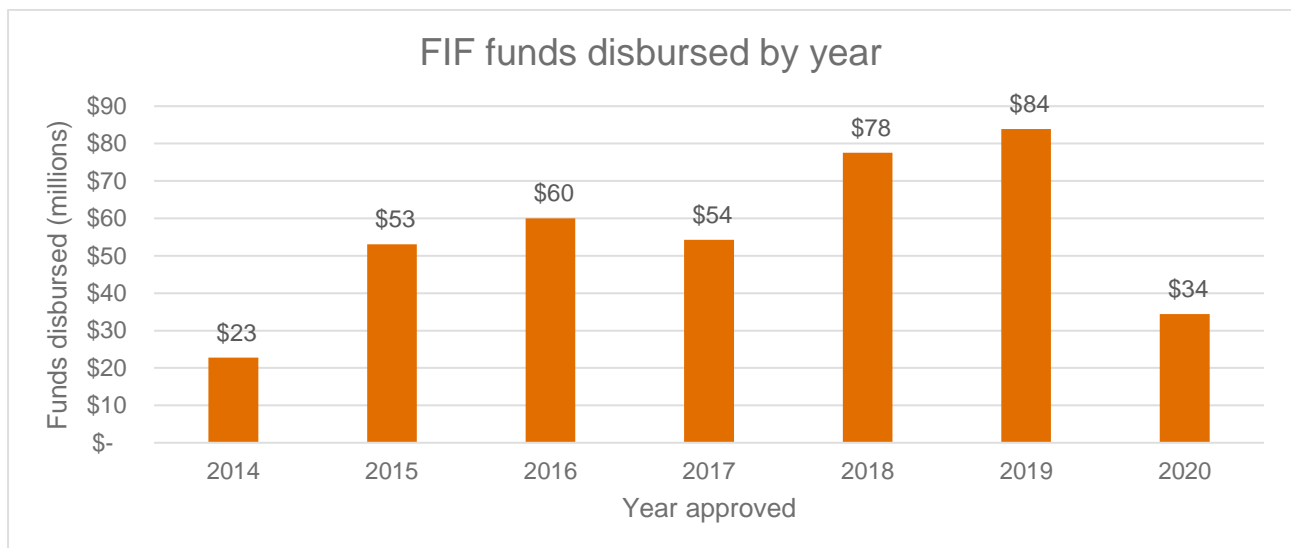


Figure 5 Value of FIF funds disbursed each year, 2014–2020 (RAA documentation)

**Investing in infrastructure to prepare for drought contributed to broader resilience outcomes for primary producers.** Apart from providing the infrastructure to prepare for drought, primary producers indicated that accessing the FIF and DAF loans contributed to other outcomes. These outcomes are likely to support resilience for them, their families and their communities, including reducing their levels of stress and improving their ability to support their families. All this will help them keep their farms and remain in their community. For survey respondents who had FIF loans approved, the most common outcomes were **reduced stress** (65%) and improved **ability to support their family** (63%). A lower level of respondents (43%) indicated the loan helped **primary producers keep their farms**.

**Primary producers have reduced capacity to take out more loans.** As indicated above, less than 30% of funds available for FIF loans have been disbursed. Comments from primary producers who decided not to take out a loan and from frontline staff indicate that the capacity of primary producers to take on more debt is reaching its limits.

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*“I had a look, but I didn’t want to add to our loans. If in the future we wanted to do something else, we want to look attractive for future opportunities.” [Primary Producer interviewee #12]*

*“We refinanced our farm business in the last 12 months, so we had just accessed finance. We were in the process of purchasing the neighbouring 500 acres. We didn’t want to take on any additional debt.” [Primary Producer interviewee #13]*

*“There is a difference between a subsidy and a loan. [Loans] are good, but they still have to be repaid. The big question is the farmers’ ability to repay debt. The RAA must lose sleep over that one.” [Frontline Personnel interviewee #02]*

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**The FIF may have contributed to increased prices for infrastructure.** One program team member indicated that the FIF might have contributed to rising prices, with suppliers starting to charge more for infrastructure. The member explained that this would have a negative long-term impact on the farmer as the FIF was a loan that they were required to repay.

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*“We did see anecdotal feedback — suppliers inflating prices even with the FIF as it’s government money. Because the farmer was paying with government assistance, the suppliers would increase their prices. But it’s a loan so the farmer still has to pay.” [State Personnel interviewee #01]*

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A lack of **technical assistance to primary producers** when designing their infrastructure projects might limit the long-term effectiveness of these projects. One frontline staff member drew attention to the limited technical assistance available to primary producers developing their infrastructure projects funded through the FIF.

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*“There is very little technical assistance with those applying for FIF. It may be used to clean out dams. That may make it a bit better at the time but in 6–7 years, they’re in no better position. Provide more technical assistance to landholders to look at the design of the changes such as the dams — so having 6–12 months water on the property. ... As long as it’s in the right category there’s no assessment that it will make a farm more resilient. ... The answer may not be infrastructure but doing soil testing to improve pasture for example.” Frontline Personnel interviewee #01.*

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### RECOMMENDATION 3

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**Strengthen the technical assessment of infrastructure projects on farm.** The FIF has been the major drought preparedness measure in recent years. However, this measure currently does not provide or require technical assessment to ensure the infrastructure funded will provide the most effective solution on-farm. It is recommended that consideration be given to modifying the requirements for the FIF to include an option for a technical assessment to be undertaken or provide a separate measure to enable such an assessment is available to primary producers when considering taking up FIF loans.

### 3.2.3 Environmental impact (farmland viability)

#### KEY FINDING

There is evidence that some primary producers were able to reduce negative environmental impacts through practices such as confinement feeding and changes to water management.

There was mixed evidence of the contribution the drought-relief measures made to **improving the viability of farmland** to manage future adverse seasonal conditions and environmental impacts. Three primary producers noted that the trend towards **containment of confinement feeding** had had a positive effect on their properties' recovery.

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*"I would have encouraged people to put stock into containment rather than continually denuding the countryside. It surprised me to see people running sheep on paddocks when they were completely bare. It would have given us more ground cover, better rain infiltration, and less dust." [Primary Producer interviewee #07]*

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*"Confinement feeding we're back in business. It will make us more resilient in future. [We have] traditional farmers next door who still have fields that are stripped. Ours are bouncing back green." [Primary Producer interviewee #28]*

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Some of the primary producers listed fencing as one of the ways they had used FIF and DAF loans to decrease the size of their paddocks and allow for better ground cover and recovery. In this way, the drought measures may have made a small contribution to managing ground cover and improving recovery.

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*"Our plan is to split up the farm. We have 25–26 paddocks. We will slowly split these paddocks. If you have 100 paddocks you traditionally need 100 dams, but now we can just use the bore and troughs. By having more paddocks, we can better manage the pastures to prevent overgrazing. You end up growing more grass because the paddocks have more recovery." [Primary Producer interviewee #12]*

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Some used the measures to survey and establish water supplies.

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*"We had desilted some dams and we had a water borer out that was looking for water underground and you could claim on that as well and pay it off after so many years." [Primary Producer interviewee #19]*

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*"The Drought Assistance Fund was used as rivers ran dry. A lot of people have had to use it to secure water. Those changes will stay." [Frontline Personnel interviewee #08]*

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### 3.3 Contribution to longer-term outcomes and legacy of the drought measures

#### FINDING SUMMARY

There is substantial evidence that the drought measures have contributed to primary producers recovering from the drought by maintaining cash flow and encouraging stock-management practices that saw many producers retain stock, especially breeding stock. There is limited evidence available about the contribution of measures to increase the long-term resilience and preparedness of primary producers. This suggests that those measures are more effective before drought when conditions enable primary producers to make strategic long-term business decisions and have the financial capacity to do so.

The intended longer-term outcomes of the drought-relief measures were that primary producers would **recover faster** from the current drought and have **improved resilience** for the next drought and that the rural **communities** also would be better prepared.

The following section presents the findings against the outcome areas (in line with program logic):

- Section 3.3.1 Recovering from drought
- Section 3.3.2 Long-term resilience and drought preparedness
- Section 3.3.3 Improving viability of local businesses
- Section 3.3.4 Improving mental health and wellbeing
- Section 0 Legacy of the drought measures

#### 3.3.1 Recovery from drought

#### KEY FINDING

For primary producers, the measures that have supported their recovery from drought are those that allowed them to continue to operate and manage their stock effectively — in particular, fee relief and DTS. These enabled them to retain and restock and re-establish crops.

Many primary producers indicated that the measures contributed to them recovering faster from drought. Twenty interviewees (six primary producers, 10 frontline staff and four program team members) indicated that the measures contributed to **primary producers recovering faster from drought** through:

- improved cash flow from the DTS and fee relief
- cropping businesses benefitting from the seed and fertiliser transported using the DTS to maximise the yield once the drought breaks
- livestock welfare support

- beekeeper support — the case study below describes how the fee relief for beekeepers provided immediate relief and stopped many from going out of business.

As a result of receiving drought relief, 59% of primary producers who responded to the survey agreed they were better prepared for the next drought and 32% agreed that assistance helped them keep their farm.

However, some did **not believe the measures would help recovery** from drought, with much of the investment in the drought measures focused on providing immediate relief (five frontline workers and two primary producers).

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*“I don’t think it would help them recover from losing crops/livestock, the other elements probably helped with that. It has just helped them get through the day-to-day, preventing another bill. However, most of our customers have very small bills anyway, so I don’t think we can say this rebate helped them recover.” [Frontline Personnel interviewee #30]*

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Ten primary producers and three frontline staff indicated that, overall, the measures had **contributed to them continuing to operate their businesses**.

- The measure that is understood to have contributed the most to the viability of farm businesses is the FIF (two program team members and five primary producers interviewed).
- One frontline worker said that the measures would not improve the viability of farm businesses.

## CASE STUDY: BEEKEEPER FEE RELIEF

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### Background

The apiary industry provides honey for consumers and pollination for agriculture. The value of honey produced is around \$100 million annually, and the value to horticulture in terms of paid and unpaid pollination contracts is greater than \$4 billion per year.

Apiarists transport their hives from one location to the next to coincide with flowering events, which provide the nectar for bees to pollinate, reproduce and provide honey. Many of these locations are on public land and account for 40% of nectar in NSW. All sites on public land are registered, and apiarists pay an annual fee to use that site during the year.

The impact of the drought on the apiary industry was similar to that of other primary producers: there was less fodder and water for their hives. However, unlike livestock owners, beekeepers cannot destock. Therefore, they were forced to travel further looking for productive sites or lower their income as the bees began producing less honey.

Beekeepers were heavily affected by the 2019–20 bushfires, which destroyed 40% of public apiary sites in NSW. The length of recovery for these sites will vary based on the severity of the fires: lightly burned areas will have immediate recovery, and severely burned sites will be unable to produce the same levels of nectar again for 10–20 years.



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*“If you run sheep or cattle and you run out of water, you can buy in fodder or destock. Beekeepers cannot reduce their numbers. We can buy in food (sugar syrup) to feed the bees, which will keep the bees alive. During the drought, in the later years, beekeeper income goes down, because the trees are stressed, and the bees produce less honey. If you are not getting food, you are doing a lot of driving to new sites. Normally, you move hives 6–8 weeks for each flowering event. Vehicle costs go up, and income goes down.” [Beekeeper]*

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### **Outcomes of beekeeper fee relief**

The beekeeper fee-relief measure waived the annual fees for public land sites. A total of \$4.7 million site fees were waived for the years 2018–21. This provided a significant benefit to the 580 beekeepers on public sites, who received an average of \$8,000 waived per beekeeper. Those beekeepers who were heavily reliant upon public land benefitted more: some beekeepers received up to \$40,000 in fee relief across the four years.

**The fee relief provided immediate cash flow to beekeepers.** Three beekeepers said they used the funds to continue shifting their hives to locations where the bees could survive.

**Fee relief contributed to a feeling of support and recognition for beekeepers.** Two frontline workers and one beekeeper explained that this recognition was due to the apiary industry having its own measure in the drought support, which led to a feeling of being supported by the government.

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*“These waivers do improve the mental health of beekeepers in a small way. They understand that the government is aware that they are hurting, and government is doing practical things to help our industry.” (Beekeeper)*

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**The fee relief stopped beekeepers from going out of business.** Two frontline workers and one beekeeper said the fee relief helped beekeepers stay in business after the dual shocks of the drought and bushfires. They acknowledged that the fee relief complemented additional bushfire support.

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*“The [drought relief] has stopped beekeepers going out of business. This includes large beekeepers. One producer is a great example — a generational business that makes the most honey (over 300 tonne pa), he said that without the drought measures and bushfire support they would be in the red and considering what to do.” (Frontline worker)*

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### 3.3.2 Long-term resilience and drought preparedness

#### KEY FINDING

Measures designed to build preparedness and resilience (FIF and DAF loans) have contributed to the long-term resilience and drought preparedness of those primary producers who were able to take on further debt. However, it is possible that some primary producers may come to expect similar levels of drought support in the future without using the resources available to them to plan and prepare.

**There were conflicting perspectives** about the contribution of the drought measures to building the long-term resilience and preparedness for the next drought. Some measures, particularly the FIF and DAF loans, were more likely to contribute to resilience and preparedness. Many indicated that these measures had contributed to primary producers having **improved resilience for the next drought** (five program team members, 18 frontline workers and six primary producers).

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*“FIF has allowed me to make infrastructure improvements to our property [e.g. water infrastructure, sheds, siloes, and roads]. These will benefit me for a long time to come.”*  
[Primary Producer interviewee #26]

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However, some stakeholders suggested that the **drought measure did not support self-reliance and/or drought preparedness**, and in some cases penalised farmers who had prepared for the drought (six primary producers, a program team member and eight frontline staff).

Concerns were also raised that primary producers will **expect a similar level of support in the future** from the government.

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*“The legacy is that some people will just expect no matter what government said for the previous 5 years, that when the drought gets tough enough, they will come up with some support — they will expect [assistance] and have a sense of entitlement to it.”* [Frontline Personnel interviewee #14]

*“The measures have created a precedence for the next drought — and I am concerned about it ... There may be a dangerous legacy from DTS — have we created a dependency mindset rather than a resilience mindset?”* [Frontline Personnel interviewee #11]

*“This is the second drought when financial support has been provided for water charges. So, in a meeting last week, customers stated that they fully expected that more support would be provided in a future drought and have incorporated this into their future planning.”* [Frontline Personnel interviewee #30]

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#### RECOMMENDATION 2

**Deliver capacity-building programs** to improve decision-making about livestock welfare and appropriate land management during drought. This aligns with the agreed role of the states as set out in the National Drought Agreement. implementation.

### 3.3.3 Viability of local businesses

#### KEY FINDING

The evidence suggests that primary producers and support organisations consistently sought to use local businesses for the services funded through the drought measures. These efforts probably contributed to the continued viability of local businesses in difficult circumstances.

Four primary producers and four frontline staff indicated that the drought measures contributed to **local businesses remaining viable**. Two frontline workers indicated that GIVIT was the major factor contributing to this outcome through its focus on understanding the needs of the community and the resources available locally. One program team member indicated the FIF and DAF loans contributed to the viability of local businesses because the funds were spent in local communities.

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*“The only challenge was getting tradespeople. All the water people were so busy. It took six months for the bore driller to come. It was 9–10 months until the water blokes came and put in the pump. That was a challenge.” [Primary Producer interviewee #12]*

*“Drought assistance has kept the town buoyant because people have a bit of money to spend — it’s a benefit.” [Primary Producer interviewee #01]*

*“Definitely — [the measures] provided stimulus in the local economy for supplies, fodder, funds were spent in the local communities.” [Frontline Personnel interviewee #23]*

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### 3.3.4 Mental health and wellbeing

#### KEY FINDING

There is evidence that the availability of the drought measures contributed indirectly to the mental health and wellbeing of primary producers and their communities, reducing stress and offering reassurance that the state government had confidence in the farming industry.

The drought measures included in this evaluation did not have any specific mental health measures. These measures, managed by the NSW Department of Health, were evaluated separately. However, it was recognised that there may be contributions to mental health and wellbeing through the implementation of the drought measures included in this evaluation.

Seven primary producers interviewed indicated that the drought measures contributed to **improved mental wellbeing of primary producers**. In addition, 65% of survey respondents agreed the assistance helped **reduce stress**. This was supported by nine frontline staff and two program team members.

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*“It gave people hope. I am fairly across what was going on. If you spoke to people in the supermarket about what they had applied for, you could help them. Some of them don’t have*

*a husband/wife team. Not everyone was accessing the support that was there.” [Primary Producer interviewee #04]*

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The measures also contributed to improving the mental wellbeing of drought-affected communities. Two primary producers and seven frontline staff stated that the measures had contributed to **improved mental wellbeing of communities**, with more than half (four) of these frontline staff attributing these changes to GIVIT.

In addition, two frontline staff said delivering the measures improved the **mental wellbeing of frontline workers**, as workers could provide support to those desperately in need of help.

*“And it gave the frontline staff something to offer farmers. It helped the mental health of frontline staff by having something to offer them too.” [Frontline Personnel interviewee #11]*

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There was a perception among four primary producers and seven frontline staff that the drought measures demonstrated **state government confidence in the farming industry** and that the primary industry sector was valued.

*“The government actually cares and is willing to support the rural agriculture sector, when it felt in the past that we were alone.” [Primary Producer interviewee #20]*

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This was an unintended outcome which was not identified in the design of the measures as detailed in the program logic (see [Appendix 2: Program Logic](#)).

### 3.3.5 Legacy of the drought measures

#### KEY FINDING

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The evidence from this evaluation points to the drought measures successfully supporting short-term relief and recovery from the current drought. However, it is not clear whether the outcomes achieved, and measures delivered have made primary producers any better prepared and more resilient for the next drought or given them the confidence that they will not require government support again.

Evidence about the likely legacy and sustainability of the outcomes achieved **with the contribution of the drought-relief measures** are included in the previous sections. These include:

- Primary producers recovering from the drought faster and remaining in the community.
- Primary producers being better prepared for drought through improved infrastructure on their properties and changed practices to support the infrastructure changes.
- Local businesses continuing to operate with income from works undertaken for primary producers.



## 4 Implementation and design

This chapter presents the findings and supporting evidence about the implementation of the drought measures and how they were designed. The chapter is structured as follows:

- Section 4.1: **Use and awareness** of the measures
- Section 4.2: Effectiveness of **delivery**
- Section 4.3: Appropriateness of **design**

### 4.1 Use and awareness of the measures

#### FINDING SUMMARY

While funding for nine of the drought measures was fully used, the three measures that required primary producers to apply (DTS, FIF and DAF) were substantially underused. The likely reasons were shortages in fodder for transport (re DTS) and the limited capacity of many primary producers to take out further loans (FIF and DAF).

The drought measures were accessible to primary producers in all regions, regardless of the impact of the drought, but awareness of the different drought measures varied. Primary producers were more likely to be aware of measures that required them to apply to receive funds — that is, the DTS, FIF and DAF. There was less awareness of measures that did not require primary producers to do anything to receive them, such as fee relief.

The following section discusses the extent to which the funds available for drought-relief measures were used, where they were used, and the levels of awareness about the measures among primary producers. It is structured as follows:

- Section 4.1.1 **Utilisation** of committed funds and approved applications
- Section 4.1.32 **Spread** across regions and industries
- Section 4.1.3 **Awareness** of the drought measures

#### 4.1.1 Utilisation of committed funds and approved applications

#### KEY FINDING

Although there has been substantial underuse of the funds available for three measures — the DTS, FIF and DAF — there is no evidence that the demand for these measures from primary producers was not met. However, there may have been limits to their capacity to use the funds provided.

The NSW Government committed funds to eleven of the twelve measures: Drought Transport Subsidies; LLS fee relief; Farm Innovation Fund; Drought Assistance Fund; livestock welfare; WaterNSW fee relief in rural and regional areas; road upgrades and repairs; beekeeper fee relief; wild dog fence fee relief;



agricultural vehicle fee relief; and the GIVIT agreement. One measure, for changes to kangaroo management, received no additional funding.

Over the three years from July 2018, \$1.2 billion was committed to the drought-relief measures in scope for this evaluation (see Table 10).

**Table 10 Funds committed to NSW Government drought relief measures, by year (Program documentation)**

Year	Funds committed
2018–19	\$508.15m
2019–20	\$513.25m
2020–21	\$197.15m
<b>Total funds committed</b>	<b>\$1,218.25</b>

Table 11 shows the financial support used for each drought measure to 31 December 2020. Five measures accounted for the majority (96%) of funds disbursed. Of these, the RAA administered three measures (DTS, FIF and DAF). The LLS and WaterNSW administered fee relief.

**Table 11 Financial support disbursed, by measure (Program documentation)**

Measure	Financial support used	% Total financial support used
Drought Transport Subsidies	\$215 m	31.8%
LLS fee relief	\$144 m	21.3%
Farm Innovation Fund	\$146 m	21.6%
Drought Assistance Fund	\$77 m	11.4%
WaterNSW fee relief	\$68 m	10.1%
Road upgrades and repairs	\$15 m	2.2%
Beekeeper fee relief	\$4.7 m	0.7%
Wild dog fence fee relief	\$3.3 m	0.5%
Livestock welfare**	\$2.4 m	0.4%
Agricultural vehicle fee relief	\$.7 m	0.1%
GIVIT**	NA	NA
Kangaroo management**	NA	NA
<b>Total</b>	<b>\$676.1 m</b>	<b>100%</b>

*\*\*These components include non-financial support.*

As shown in Table 8, while the NSW Government committed to spend \$1.2 billion, the actual spend across the drought measures to 31 December 2020 was \$675 million. The underuse was largely from three measures (the DTS, FIF and DAF loans). Analysis of the funding for these measures was completed using three definitions:

- **Funds committed:** funding announced by the NSW Government for the measures.
- **Funds approved:** funds that primary producers applied for and received approval for spending from the RAA (e.g. a \$20,000 transport subsidy).
- **Funds used:** actual expenditure that has been claimed by primary producers with funds disbursed by the RAA to 31 December 2020 (e.g. invoiced for \$5,000 in transport subsidies).

**Funds disbursed by the RAA represents an underuse of 63% of funds approved.** The NSW Government committed \$987 million to the three measures administered by the RAA. Primary producers applied to receive the funding for these measures. Once the RAA had approved a primary producer's application, the primary producer submitted invoices to receive the reimbursement (for DTS, this was 50% of transport costs).

Funds approved by the RAA for the DTS exceeded the amount committed by the NSW Government (see Table 12). Approvals were made on the basis that, if all applications for the full amount approved were to require reimbursement, the additional funds would be committed to the DTS or reallocated to the DTS from underused funds. To 31 December 2020, 26% of committed DTS funds had been disbursed, 63% of FIF loans and 56% of DAF loans.

Table 12 Funds committed, approved, and disbursed for RAA measures (RAA documentation)

Drought measure	Funds committed	Funds approved	Funds disbursed	% Approved funds disbursed
Drought Transport Subsidies	\$376m	\$814m	\$215m	26%
Additional FIF loans	\$411m	\$230m	\$146m	63%
DAF Loans	\$200m	\$138m	\$77m	56%
<b>Total</b>	<b>\$987m</b>	<b>\$1,182m</b>	<b>\$438m</b>	<b>37%</b>

The evaluation has not been able to determine why funds for these measures were not used by primary producers. However, possible reasons identified by key delivery stakeholders and primary producers include:

- **Uptake of the DTS:** There was a **lack of availability of livestock fodder** within NSW from 2018. As outlined in section 1.2, what is known as an 'agronomic drought' had intensified and become widespread across NSW by mid-2018. Primary producers, who had previously relied on transporting fodder from other regions in the state, could no longer do so. The **cost of fodder**, when it could be sourced from other states, might have made its purchase prohibitive. Primary producers still had to pay for the fodder and for 50% of the transport costs. Where possible, they might have chosen to draw down heavily on their own reserves.

- **Uptake of FIF and DAF loans:** As indicated in section 3.2.1, there was a high awareness of the availability of FIF and DAF loans, but only 36% of the funding available for the FIF and 39% of DAF funds available were used. As discussed in section 3.2.2, comments from primary producers suggest that many were **unwilling to take on further debt during the drought**. For others, there was no demand, as they had **already made infrastructure changes on their properties** by either accessing FIF loans in previous years or self-funding the costs.

## RECOMMENDATION 8

**Undertake regular evidence-based reviews of measures during drought.** To enable greater accountability and more adaptive support during droughts, it is recommended that processes are put in place to regularly review the measures during their implementation. Monitoring processes should gather evidence about the effectiveness of the measures. Where there is a significant lack of uptake of a measure, program teams should consider redesigning it or reallocating funds to measures with greater demand. Any reallocation of funding should be done in accordance with agreed criteria and a clear trigger should be established for this process.

### 4.1.2 Spread across regions and industries

#### KEY FINDING

The drought measures were accessible to primary producers in all regions, regardless of the impact of the drought. However, overall, the measures focused more on livestock industries than other industries such as cropping. These results may reflect the emphasis on providing immediate drought relief and the needs of livestock industries created by drought conditions and, as such, align with state responsibilities under the National Drought Agreement.

**Measures were designed to ensure all regions could access drought relief.** Reflecting the National Drought Agreement (Commonwealth of Australia 2018 Department of Agriculture 2018:2) a principle applied to the distribution of drought-relief measures was that there were **‘no lines on maps’**, with fee relief applied across the state and no geographic limitations on primary producers to receive other measures they had to apply for (such as the DTS, FIF and DAF).

*“There was an attempt to be equitable with ‘no lines on maps’. Anyone that met the definition of a primary producer had access to the measures. We tried to put as many programs in there with equity [as a guiding principle].” [State Personnel interviewee #04]*

When compared to the value of agricultural production for each region, certain regions received drought support substantially above their contribution to production. Data about the geographic distribution of drought relief funds exists for the six major assistance measures (FIF, DAF, DTS, fee relief from LLS and WaterNSW, and road upgrades) for each LLS region. This represents 99% of financial support disbursed. A map of LLS regions for reference is [here](#). Table 13 shows the financial support provided across the six major measures, highlighting that Central West received the most support of any region (17%), and the Central West, Riverina, and North West LLS accounted for 45% of support provided.

Comparisons between the amount of financial support provided to a region from the drought measures and the contribution of agriculture to that region are possible using the Gross Value of Agricultural Production (GVAP) (ABS 2017) as an indicator for industry size before the state was affected by drought. Table 13 compares the two values and shows the proportional difference. *Where the value of the proportional difference is above 100%, that region received a larger share of financial support than its agricultural contribution.*

- The **Northern Tablelands** received the highest proportion of financial support (receiving 9% of financial support and representing 4% of the value of NSW agriculture prior to the drought).
- **Riverina and North West** received the lowest proportion of financial support (receiving 14% and 13%, respectively, of financial support, despite contributing 21% and 20% of the value of NSW agriculture, respectively).
- The **Western region** received a level of financial support similar to its contribution to NSW agriculture, despite being the most isolated region.

Table 13 Financial support by region compared to Gross Value of Agricultural Production (GVAP) by LLS region

LLS region	Financial support received	% Total financial support received	% Total NSW GVAP	Proportional difference	% Difference
Central West	\$115 m	17%	14%	123%	+3%
Riverina	\$95 m	14%	21%	70%	-7%
North West	\$87 m	13%	20%	68%	-7%
Northern Tablelands	\$60 m	9%	4%	235%	+5%
Murray	\$57 m	9%	10%	83%	-1%
South East	\$52 m	8%	5%	159%	+3%
Central Tablelands	\$51 m	8%	5%	169%	+3%
Western	\$49 m	7%	6%	127%	+1%
Hunter	\$32 m	5%	4%	113%	+1%
North Coast	\$28 m	4%	6%	72%	-2%
Greater Sydney	\$7 m	1%	6%	20%	-5%
#NA/Unknown	\$27 m	4%	NA	NA	-
<b>Total</b>	<b>\$665 m</b>				

**The livestock industries benefitted most from the measures.** The evidence indicates that the drought measures primarily supported the livestock industry, with other industries receiving limited support. Cropping and other industries only received 13% of the funds administered by the RAA (see Figure 6).

Several interviewees pointed to the focus of specific measures on the livestock industries, particularly the DTS measures aimed at transporting stock and fodder to feed stock (three program team members, three frontline staff and five primary producers).

*“If you did not own stock, then the access to help was less ... The croppers were hit harder because they had no income.” [Primary Producer interviewee #04]*

*“A lot of it was directed at quite disposable commodities. Livestock are quite a disposable commodity but, if you have trees [in an orchard, horticultural businesses] you need water. They were forgotten about completely.” [State Personnel interviewee #12]*

Two program team members indicated that the measures shifted to support cropping in the later years of delivery. A big part of this was the DTS supporting cropping in addition to livestock by including fertiliser and seed in more recent years.

*“[I was] jealous (initially) because [the DTS] was focused on livestock. We felt a little stranded because there was no support for croppers. Once the transport subsidy came in for fertiliser, we got some gain.” [Primary Producer interviewee #07]*

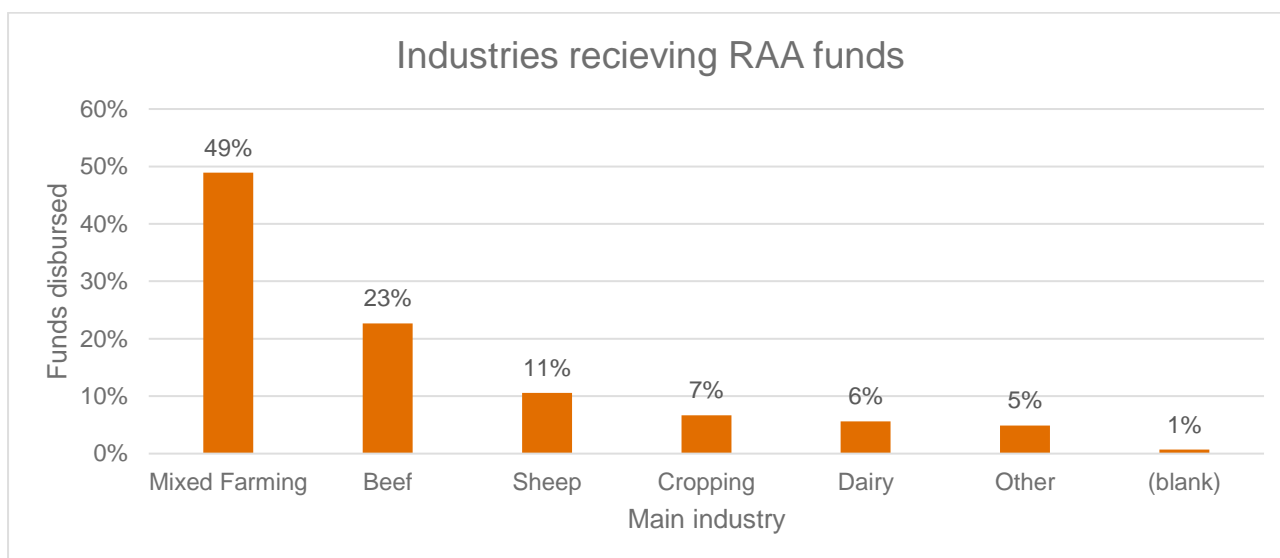


Figure 6 Funds disbursed by industry for all RAA measures (RAA documentation)

**Support for rural communities was indirect through measures aimed at primary producers.** With the support mainly directed towards primary producers, some expressed concerns about the level of **direct support for rural communities and businesses** (two program team members, eight frontline staff and nine primary producers).

*“And we’ve lost a lot of people like the mechanics and the skilled personnel have gone elsewhere ... The problem is that we’re not going to get them back any time soon ... So as a drought thing, it’s understanding the socioeconomic effects and the community effects, something like a JobKeeper program, for these businesses, I think it’s vital.” [Primary Producer interviewee #03]*

*“We’ve lost a lot of people from across the region. That’s been difficult. A lot of good people decided to pack up and go — and lot of them will never come back. And that means there*

*are flow-on impacts to business and schools. For instance, the local school has lost teachers due to reduction in children's numbers." [Primary Producer interviewee #10]*

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However, there are some examples of support for communities, including the approach of GIVIT, with the organisation paying particular attention to ensuring charitable donations would be spent in the local community.

Without the various measures and associated cash-flow benefits to farmers, the decline in population in country towns would have been greater.

## RECOMMENDATION 9

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**Access local knowledge.** Recognising that local knowledge may assist in designing, planning and reviewing measures, it is recommended that regional drought-advisory groups be established from agency and industry staff rather than rely on potentially stressed primary producers and community members. Such advisory groups could provide local knowledge as an important source of evidence about the effectiveness of the implementation of measures and the achievement of outcomes.

### 4.1.3 Effectiveness of communicating and promoting the measures

**Primary producers expressed confusion about what was available through the drought-relief measures.** Eight primary producers attributed this to inconsistent messaging, including confusion about what was in or out and who was eligible for different measures.

*"[The biggest challenge was] getting a good understanding of what was what — what each measure did, who was eligible. The RAA were good to talk to (better by phone than email)." [Primary Producer interviewee #07]*

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**Seeking information about drought measures in a crowded space.** The NSW Government Drought Relief Measures were delivered alongside support from the Commonwealth Government and charities operating in the communities. At a time when primary producers were already stressed, the range of drought support and the different sources of support created additional confusion and stress as people sought to find out what they were eligible for and how to apply. When seeking support, primary producers were often unable to distinguish between measures funded through the NSW Government Drought Relief Measures and those delivered through other programs. These confusing and stressful circumstances led primary producers to seek on-the-ground support from RFCS, LLS and RRP staff in the communities.

*"The diversity of groups trying to support affected communities were well meaning but did cause some confusion and fatigue among the participants — so many opportunities and events, it's a balancing act. No one knows the perfect balance but needs to be coordination between those groups. Need to think about from the participant view." [Frontline Personnel interviewee #03]*

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#### 4.1.4 Awareness of the drought measures

##### KEY FINDING

Awareness of different drought measures varied. There was greater awareness of measures where primary producers were required to be actively involved in accessing them. Where primary producers were not required to access a measure, the effectiveness of those measures may have been diminished as a contributing factor in their decision-making.

**Awareness of different drought measures varied.** Survey respondents were asked if they were aware of each measure, and if they had received it. Table 14 shows most survey respondents were aware of many of the measures available even if they did not receive them. Measures with the highest levels of awareness were the DTS (98%), FIF & DAF (88%), and LLS Rates fee relief (94%). A lower number of respondents (51%) were aware of the WaterNSW fee relief. Of note, only 15% of respondents indicated that they had received the WaterNSW fee, which is supported by the fact that only 51% of respondents were aware of this measure.

Table 14 Primary producer awareness and engagement with each measure (n=345) (Evaluation survey)

Measure	Aware	Received
DTS	98%	76%
LLS rates fee relief	94%	77%
FIF	88%	14%
DAF	87%	20%
RAMHP (out of scope)	81%	6%
Vehicle registration fee relief	73%	38%
WaterNSW fee relief	51%	15%
GIVIT <sup>4</sup>	42%	10%
Wild dog fence fee relief	41%	10%
Kangaroo management	36%	3%
Beekeeping permit fee relief	28%	1%
<b>Total respondents</b>	<b>345</b>	<b>345</b>

**Some primary producers were not aware of the fee relief they had received.** While 94% of survey respondents indicated they were aware of the LLS fee relief, only 77% indicated they had received it. As this measure was applied to all primary producers, it appears that many primary producers had not realised they had not been charged, despite agencies informing recipients of the relief in various ways

<sup>4</sup> As much of the GIVIT assistance was indirect and channelled through other organisations, the actual figure is likely to be much higher than 10%.

(including this information appearing on quarterly and/or annual bills and providing information on their websites and in the newsletter *The Land*.)

Only half the survey respondents (51%) were aware of the fee relief for fixed water charges administered by WaterNSW, with only 15% indicating they had received this form of fee relief. These figures appear to be particularly low when almost 27,000 businesses received this fee relief. Reflections from irrigators point to their overarching concern about the lack of access to water, which may have overshadowed the benefits they received from the fee-relief measures.

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*"[We are] used to drought, but not used to having all their water taken away. Irrigation area, high standard area, and now it's destroyed." [Primary Producer interviewee #02 — irrigator from Murray Region]*

*"90% of farmers around here would have a Murray Irrigation licence and rely on it to grow crops. We are very reliant on the system, and we pay a lot of fixed charges (\$70,000 pa). The allocation generally starts on zero, then we get an allocation every fortnight. We weren't allocated any water from 2018 onwards for two financial years." [Primary Producer interviewee #29 — Irrigator from Murray Region]*

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As the drought period was a stressful time when most primary producers lost income and may have been receiving support from multiple agencies and charities, it is possible they were unaware of the fee relief received.

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*"Fees [relief] — that depends on the individuals. it's all relative. We didn't get a lot of people comment about that. No one said, 'That saved my back'. On the flip side, when your cash flow is in trouble, it's welcome." [Frontline Personnel interviewee #01]*

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Fee relief works by the government paying a cost (the fee) that primary producers normally pay. This provides cash-flow benefits to the primary producer. However, for it to affect farmers' business decisions, primary producers need to be aware they are receiving this benefit. A greater awareness of fee relief might have improved the effectiveness of this measure by influencing the business decisions of more primary producers.

### RECOMMENDATION 13

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**Use a range of information and communications channels.** It is recommended that future drought-response designs consider the capacity and capability of intended beneficiaries of drought and other emergency measures to interact online. Future drought responses may need to provide other forms of support including face-to-face and paper-based communications.

## 4.2 Effectiveness of delivery processes

### FINDING SUMMARY

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Fee-relief measures were an effective way to deliver financial relief.



Due to the rapid increase in the volume of applications, and the administrative complexity of the DTS (which required manual assessment of individual invoices), the RAA experienced significant challenges in administering the DTS, FIF and DAF, with positive and negative reports on the available information, application processes and timeliness of disbursements.

Substantial support was provided by locally based frontline staff from the RFCS and LLS to primary producers to ensure they could access the measures they were eligible to receive.

Agencies implementing the drought measures coordinated their activities effectively at the state level. However, there were difficulties coordinating activities at the local level.

The following section discusses the effectiveness of the delivery of the drought measures. It is structured as follows:

- Section 4.2.1 Effectiveness of administering fee-relief measures
- Section 4.2.2 Effectiveness of RAA's administration of loans and subsidies
- Section 0 Effective implementation of drought measures relied on other agencies
- Section 4.2.4 Coordinating implementation of drought relief

#### 4.2.1 Effectiveness of administering fee-relief measures.

**Fee-relief measures were an effective process for delivering financial relief.** As discussed in Chapter 3, over \$220 million in NSW drought measures were allocated to various forms of fee relief. These measures had the advantage of not requiring farmers to apply for them. Administering fee relief was completed using normal operating expenses, including providing 'nil' value invoices and refunding fees already paid by primary producers before the measure was applied.

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*"The rates support] really did make a difference. The stuff that just happened that you didn't have to fight for was great, but the other stuff was just horrible. I don't want to smack the government because they did try, it's just the delivery wasn't necessarily perfect." [Primary Producer interviewee #16]*

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#### 4.2.2 Effectiveness of RAA's administration of loans and subsidies.

##### KEY FINDING

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The RAA experienced significant challenges in administering the DTS, FIF and DAF. Initially, they were not appropriately set up, requiring major upscaling of staffing and systems to meet the needs of primary producers. Primary producers' experiences of the RAA's service varied, with positive and negative reports on the available information, application processes and timeliness of disbursements.

Substantial support was provided by locally based frontline staff from the RFCS and LLS to primary producers to ensure they could access the measures they were eligible to receive.

**The RAA were not appropriately set up to administer the DTS, and FIF and DAF loans**, which represented the majority of funds distributed to primary producers during the drought. As the drought deepened, the NSW Government provided the RAA with funding to upscale its services, recruit new staff and embed new systems required to deliver these large measures while administering these measures. Two program team members highlighted that the **lack of a Customer Relation Management (CRM) system** at the time made it difficult to administer the measures. In particular, RAA staff found the administration of the DTS very labour intensive. Staffing levels increased from 20 to 120 to get through the backlog of claims for reimbursement (State Personnel interviewee #03). The RAA has now developed an end-to-end CRM which links finance and disbursement.

**Despite challenges, RAA staff were commended for their outstanding commitment** to administering drought relief. Two program team members highlighted the outstanding commitment by the RAA in handling the enormous workload required to administer the measures. One member cited that offering a night shift helped farmers access the measures because they could call in the evening once they had finished working.

**The RAA provided frontline staff with mental health training to support their work with primary producers.** One program team member explained the challenges of engaging directly with primary producers experiencing mental health problems, and another described how staff actively considered the mental health of applicants when engaging with them.

**The RAA adapted to the needs of primary producers.** Acknowledging the challenges of their online application process, the RAA added alternative forms of engagement and communications as the implementation of the measures progressed.

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*“Approaches developed as we went along, like sending out the RAA bus, the increasing social media presence. We recognise that to get access to the cohort — face-to-face is still important and effective.” [State Personnel interviewee #04]*

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**Primary producers’ experience with RAA’s provision of services varied.** As shown in Figure 7, around two-thirds (69%) of primary producers surveyed were satisfied with their interactions with services and staff. While eight primary producers indicated the website worked well, and five primary producers found the RAA staff to be helpful and informative when they sought assistance, seven primary producers interviewed indicated that the RAA had not been helpful and gave conflicting information when they sought assistance.

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*“If you rang them ... to get a little bit of help or whatever, or advice, you can nearly always get onto someone ... I found most of the time they were pretty helpful. ... and the fact that you could email it straight in and you didn’t have to post it and the money was put straight into your account. Like everything sort of worked out pretty good.” [Primary Producer interviewee #19]*

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*“When I rang up to ask about whether water carting was covered by DTS, I found the man was quite rude and he told me water carting wasn’t eligible. I thought that was different from how I read it. So, I called through on another number and spoke to someone else who said it was covered. So, I applied.” [Primary Producer interviewee #24]*

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**Primary producers’ experience with the RAA’s application processes varied.** While nine primary producer interviewees found the **application process** for the measures was straightforward (five referred to the DTS), 15 primary producers (and seven frontline staff) indicated the initial application forms for the DTS and loans were burdensome.

*“Yes, I applied for the DTS online, and I didn’t need any assistance. I’d download the forms first and then when I [was finished] I sent them through the online system.” [Primary Producer interviewee #24]*

**Primary producers’ experience with the RAA’s timeliness when disbursing funds varied.** As shown in Figure 7, around one-third (35%) of surveyed primary producers were satisfied with the timeliness of the assistance delivered and 45% of respondents were dissatisfied. In addition, while three primary producers said that money from the measures was disbursed in a timely manner, seven primary producers stated that it took a long time for the RAA funds to be disbursed, with disbursements sometimes taking many months, especially as the drought continued.

*“The RAA did not pay in a timely way. That was difficult for cash flow.” [Primary Producer interviewee #22]*

*“Sometimes the processes through the RAA can take at least 4–6 months. I’ve had a loan take 12 months; the best is 6–7 months. FIF and DAF loans take 3–6 months.” [Frontline Personnel interviewee #06]*

*“[The RAA] was good when it started. The payment came through rapidly. Then in the last 12 months, it was taking 3 months plus to process. The process time got slower.” [Primary Producer interviewee #24]*

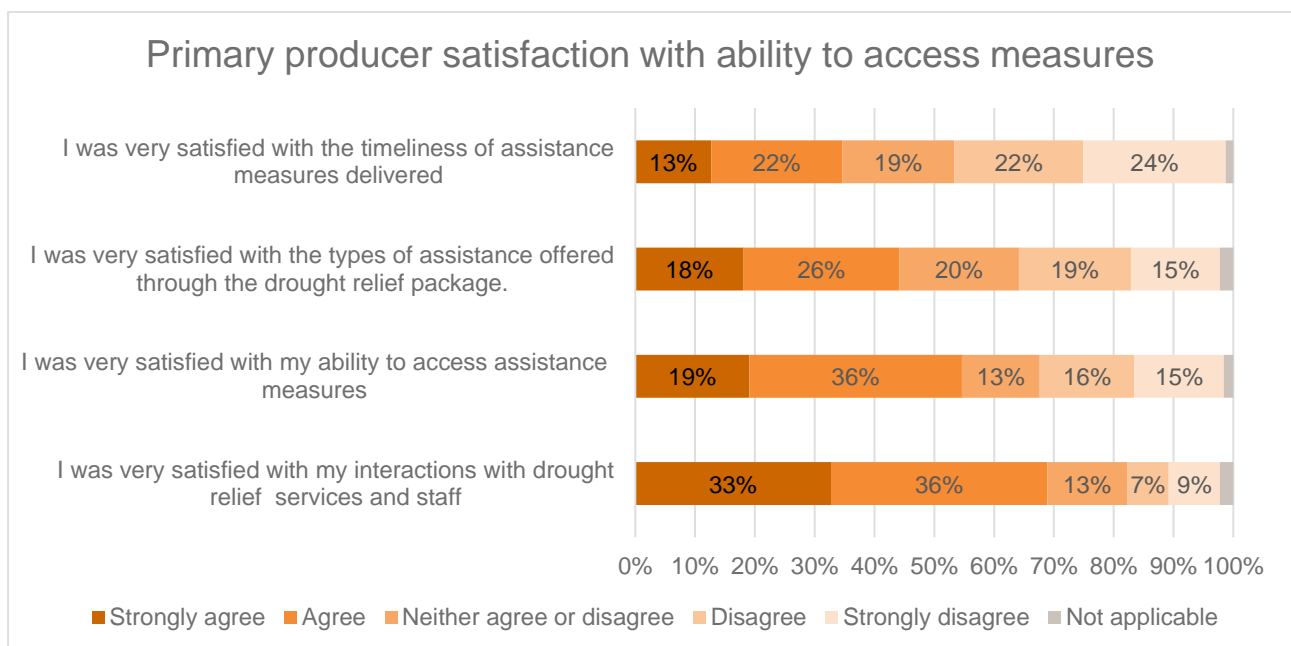


Figure 7 Primary producer satisfaction with their ability to access the measures (n=315) (Evaluation survey)

**Primary producers were concerned about the transparency of the funds disbursed.** Nine primary producers complained of the failure to list what invoices the disbursed funds covered and to show how applications were progressing.

*“Once the application went in you couldn’t see anything. It would have been good to see the dates of your claims, there was no record kept. We didn’t know and then weren’t sure if we had sent the invoices in or not.” [Primary Producer interviewee #07]*

*“I’ve been paid for something I claimed [for the DTS] in December, but [the payment advice notices the RAA sent] has absolutely no information attached to it. No correlation back to the numbers of original claim.” [Primary Producer interviewee #06]*

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Key issues raised by primary producers regarding the application process were:

- **The application process was perceived as too onerous for many.** Seventeen primary producers indicated that the initial application process for the DTS and loans was **onerous and a barrier to application**. In three cases the primary producers **decided not to submit** an application for this reason.

*“The [DTS] was a bit onerous as owner-operators, there was a lot of extra paperwork, though overall, we are generally happy.” [Primary Producer interviewee #29]*

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- **Applicants experienced technical challenges.** Three primary producers said they encountered technical errors that prevented them from submitting their applications online. Many decided to print the online forms, scan them, and email them back in.

*“I remember nearly being in tears trying to fill out the online forms. One question asked for a phone number and didn’t allow me to go further. I remember ringing somebody and saying, ‘go on!’ Those forms are a pain in the bum.” [Primary Producer interviewee #14]*

*“Because [it took] a lot of the time when you applied online, I felt that downloading the form you could just fill it in and then email it to them and it was a lot easier for me what way.” [Primary Producer interviewee #19]*

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- **Negative experiences may have prevented many primary producers from applying.** Nine primary producers indicated that they were resistant to seeking drought assistance for various reasons, including their experience in trying to access the drought-relief measures, such as having been refused assistance.

*“My aim is to never, ever have to apply for drought assistance again. Ever. There’s so many things that I believe the government can be doing to put more people like me into a position where we don’t need drought assistance, it’s a co-collaboration on ensuring that I’m a tax paying citizen as opposed to someone that needs financial assistance.” [Primary Producer interviewee #16]*

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## RECOMMENDATION 10

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**Retain centralise processing.** Where substantial processing for a specific measure is required (such as the DTS, FIF and DAF loans) it is recommended that these processes are done centrally to ensure consistency and efficiency.

### 4.2.3 Effective implementation of drought measures relied on other agencies

#### KEY FINDING

The contribution of organisations including the RFCS, LLS and RRP was highly significant in supporting the implementation of the measures. These were informal responsibilities with no additional funding provided and required their staff to prioritise the work ahead of their day-to-day responsibilities. However, the extent of the support required does not appear to have been factored into the design and implementation of the drought measures.

**The implementation of many drought-relief measures relied on agencies not formally resourced to support implementation.** RFCS and LLS staff made a major contribution to support the implementation of the measures by helping to inform primary producers about the measures available to them and often helping them complete applications. This was despite the RFCS and LLS having no formal role or funding to support implementing the measures (RFCS is funded by the Commonwealth government). With a focus on supporting primary producers, these organisations prioritised supporting them ahead of their day-to-day roles. However, the extent of the support required does not appear to have been factored into the design and implementation of the drought measures.

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*“We engaged a lot with the RFCS and rely on them [for communication]”. [State Personnel interviewee #01]*

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**RFCS provided primary producers with advice and support in completing applications.** Three program team members and 13 frontline workers said RFCS provided advice to primary producers on the support available and helped farmers complete and submit applications. In particular, the RFCS enabled farmers who were not tech-savvy or connected to the internet to access the measures and provided a human face that farmers could talk to for support. RFCS also processed DTS invoices once applications were approved.

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*“The fact that the RAA is using electronic submissions means we do a lot of scanning. We [RFCS] help farmers look at their options, improve their long-term viability, help them navigate the system. During drought we do lots of transactional activity [acquittal]. I have 70 emails of receipts for the DTS.” [Frontline Personnel interviewee #05]*

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**RFCS staff helped the primary producers access the measures at the expense of their core roles.** Four frontline workers said that the amount of transactional work required to develop and process applications prevented RFCS staff from doing their core role of financial counselling. They explained that this was an important function of the RFCS at a time when many farmers would be reconsidering their viability.

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*“There is a big increase in transactional costs, but we don’t get new funds. Our people end up with 40–50 clients per counsellor, which is too many. The big issue is that there is never acknowledgement of the work we do on behalf of these guys. We need funding for positions. When they get busy, we get busy. I need to fund more staff over the same period that they do.” [Frontline Personnel interviewee #02]*

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**LLS staff played a major role in communicating the measures** and supporting primary producers to access the measures. Seven frontline workers said that the LLS enabled farmers to access the measures by referring primary producers to the information, advising them of the support that was available, and helping them complete application forms. This resulted in increased workloads for LLS staff during the drought, and demand for LLS support increased as the drought worsened. Four frontline workers said that LLS staff were not supported in delivering the measures.

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*“Other than the animal welfare pilot, LLS was not funded to provide the advisory services that we provided. At last count during 2019, we had over 100,000 customer engagements in the drought space, just 5700 site visits, we had 29,500 landholders at drought events, and provided phone support to another 27,800 landholders. So, there was quite a sizeable direct investment from the LLS. LLS also took on a lot of work unfunded to help complete applications and provide support and advice for applicants. The financial contribution to LLS to deliver this support could be improved. We did a lot of the support off our own back without funding, and that was a large amount of engagement to support hits, which was a massive stretch of our resources.” [Frontline Personnel interviewee #03]*

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Other organisations directly involved in delivering the measures included the **RRP team** and **NSW Farmers**.

Two primary producers interviewed for the evaluation acknowledged the work done by the RRP team, but they thought the role of the RRP constrained the activities they could undertake in their communities. It is also likely that the number of RRP staff across NSW and their roles (which one primary producer described as ‘like social activities’) has meant most primary producers have more frequently turned to the RFCS and LLS to assist with business activities, including applying for loans and subsidies.

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*“[The rural resilience officers] they’re very committed and I couldn’t speak more highly of them, of that network. I think, however, that they are constrained with some of their activities. One, because of their budget, and maybe not necessarily a recognition that every area has its own special need.” [Primary Producer interviewee #03]*

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Two frontline staff said that the Rural Resilience Officers and the Rural Resilience Program, including Rural Service Support Networks, enabled farmers to access the measures, and NSW Farmers was cited by one program team member for effective communications and raising awareness of the measures.

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*“We coordinate the Rural Service Support Networks — Rural Resilience Officers facilitate those — to avoid duplication in communities. They [RSSN] were probably overlooked.” [Frontline Personnel interviewee #11]*

*“NSW Farmers always highlighted [the measures] in their bulletins; there was regular communication in The Land; LLS notified producers in their monthly newsletter ...” [State Personnel interviewee #12]*

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## RECOMMENDATION 14

**Resource according to demand.** To have the capacity to support the delivery of drought measures, it is recommended that the roles and responsibilities for delivering drought measures in the future be formalised and resourcing needs identified.

## 4.2.4 Coordinating the implementation of drought-relief measures

### KEY FINDING

Agencies implementing the drought measures coordinated their activities effectively at the state level. However, there were difficulties coordinating activities at the local level (especially with local charities and organisations), with those organisations able to access local knowledge and resources not always included. The lack of coordination, including with charities operating in local areas, may have confused primary producers and their communities about the support available to them.

**Agencies implementing the drought measures effectively coordinated their activities at the state level.** Three program team members indicated that agencies cooperated effectively to implement the different measures. Two members highlighted the **Interagency Drought Working Group** in providing an effective platform for communication and coordination.

*“... the Interagency Drought Working group which brought all agencies together in a single forum. Each agency has a better understanding of challenges of other agencies and could breed competition between the agencies in terms of service delivery.” [State Personnel interviewee #03]*

**Coordinating activities at the local level was challenging.** Three frontline staff described a lack of coordination between agencies and with charities when delivering measures locally. They questioned why the networks of existing not-for-profits and other organisations present in each region were not used to deliver the measures. Seven frontline workers highlighted the lack of coordination between charities and support agencies, particularly in relation to events and communicating information about the support available. While all these charities and support agencies were trying to help, the lack of coordination and oversight was confusing for farmers, inefficient, created competition between charities, and was not addressed. The National Drought Agreement (Commonwealth of Australia, 2018) has defined the responsibilities of the Commonwealth and states, but there has been limited coordination with non-government organisations, particularly charities.

*“The other gap in the service offering across the drought measures was engagement coordination. There was a significant number of charities and support agencies trying to engage with farmers because that was their charter, and there was limited coordination of that engagement. A fair few organisations with best of intentions were ultimately competing with the same people to participate.” [Frontline Personnel interviewee #04]*

GIVIT received funding under one measure to coordinate charitable donations, ensuring that 100% of donated funds received were used to purchase items requested by charities. This is detailed in the case study below.

### RECOMMENDATION 12

**Deliver coordinated and consistent communications via local support networks.** To target drought-relief measures to specific industries and regions in the future, it is recommended that the

NSW Government investigate ways to decentralise the communication and coordination of some measures.

## GIVIT CASE STUDY

### Background

During natural disasters, there is often an influx of donations of goods and services from organisations and individuals to those affected by the events. It is often challenging to ensure the coordinated delivery of these donations is aligned with the needs of those affected. GIVIT is a national charity that focuses on coordinating donations. Through its online platform, it connects those wanting to donate with the communities in need of donations. Key features of GIVIT's approach are to connect with local community members to understand what other charitable activities may already be occurring and to gain an understanding of local needs.



Image source: [www.givit.org.au/what-we-do/crucial-support-for-nsw-drought-affected-communities](http://www.givit.org.au/what-we-do/crucial-support-for-nsw-drought-affected-communities)

As part of the NSW Government Drought Relief Measures, DPI provided GIVIT with \$0.4 million (\$0.2 million in 2018–19 and \$0.2 million in 2019–20) to help coordinate donated goods and services to drought-affected communities. These funds covered the administration costs for GIVIT.

### Outcomes achieved

GIVIT has contributed to greater coordination and distribution of donations by leveraging existing charities and distribution networks and connecting them to those in need.

**GIVIT coordinated the distribution of \$600,000 worth of donated financial support to drought-affected communities.** By connecting donors with those in need, GIVIT brought immediate financial relief to 12,000 individuals and families and 300 organisations. Five frontline workers interviewed indicated that 100% of donated funds were spent in communities.

**GIVIT effectively leveraged existing charities and distribution networks.** GIVIT developed and consolidated networks across NSW during the lifetime of the drought measures. Over the funded period, 844 charity agents registered with GIVIT as part of the coordination effort. These networks included existing charities in the area, Rural Resilience Officers, Rural Financial Counsellors, and members of local community groups.

Six frontline workers interviewed highlighted that GIVIT tapped into existing networks to identify the needs relevant to the local area.

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*“Some of the other charities give you a whole heap of money, or a truckload of [unnecessary] goods. When GIVIT come in, they say, what is it that you want? Now I knew that we needed, we needed food, fuel, we need fencing, and we need hay. I asked*



*for all those things, and they gave it to me within a very short space of time.” [Frontline Personnel interviewee #10]*

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Five of the frontline workers specifically pointed to the GIVIT NSW Coordinator as being key to building and maintaining these relationships and networks.

*“The Church put [Christmas Carols] on usually, but people weren’t going to be able to attend or afford the \$2 for the sausage sizzle. [The NSW GIVIT Coordinator] bought all the meat for it from the butchers then they announced that the event and BBQ would be free. It was a huge sigh of relief — it brought that bit of normal back.” [Frontline Personnel interviewee #20]*

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**GIVIT built and reinforced networks that will endure beyond the drought support.** While GIVIT was designed to meet an immediate and short-term need, the networks it has built and supported are likely to endure beyond the drought support. Two interviewees mentioned how the initial connections facilitated by GIVIT are continuing beyond GIVIT’s involvement.

**While GIVIT improved coordination, it could not solve the problem.** While GIVIT has established a presence among the networks of charities, issues regarding the lack of coordination between charitable organisations remain. Eight interviewees described how the lack of coordination contributed to communities receiving inappropriate or unneeded donations or areas that needed the most support missing out (seven frontline workers and one program staff member). Four frontline workers interviewed highlighted concerns that the charities were acting in competition with each other and creating parallel events, rather than responding to the needs of the community they were attempting to help.

### **Design**

**GIVIT’s approach was effective in coordinating the delivery of donations** to where they were needed. Six frontline workers interviewed highlighted the importance of GIVIT’s approach to tapping into the local networks to identify those in need, be they individuals or businesses, and ensure they received appropriate donations.

*“[GIVIT] worked with the charities on the ground [and] tailored what was provided based on what the local communities said they needed.” [Frontline Personnel interviewee #33]*

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### **GIVIT’s focus on purchasing locally helped to support local communities and businesses.**

Four frontline interviewees highlighted that GIVIT’s model of buying locally resulted in flow-on benefits to others in the community. By purchasing locally, the GIVIT measure was able to support businesses and community members that did not otherwise benefit from the NSW Government Drought Relief Measures.

*“Shopkeepers were struggling and had been largely ignored by other support, [the] butchers shop isn’t going to get assistance under the drought relief [...]. When GIVIT bought something from them, it pays their wages for a week. It also encourages people to buy locally and look after each other.” [Frontline Personnel interviewee #21]*

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**Challenges remain to ensure the effective coordination and distribution of donated goods and services.** While GIVIT’s design worked well to improve the coordination and distribution of

donations, the following challenges remain: many donors do not take a community-centred approach and continue to provide inappropriate goods and services; reliance on local networks for distribution sometimes leads to bottlenecks and perceived lack of transparency in the sharing of donated goods and services.

## 4.3 Design appropriateness

### FINDING SUMMARY

Perceived and actual inconsistencies about the definition of an eligible primary producer may have curtailed access for some primary producers and contributed to increased stress when accessing the different measures.

Some of the targeted measures were appropriate in their design — such as the Northern Drought Response Pilot Program, which engaged disconnected farmers who were likely to have livestock welfare problems. Others, such as those that included loans, had limited demand.

The drought measures were accessible to primary producers in all regions, regardless of the impact of the drought. Regions with major livestock industries received funding above the relative contribution of their industry to the state.

Communication about the drought measures and administration of the measures that required applications and reimbursement were largely designed using online channels, which is not appropriate for all primary producers.

The following section discusses the appropriateness of the design of the drought-relief measures. It is structured as follows:

- Section 4.3.1 Eligibility criteria
- Section 4.3.2 Livestock Welfare Pilot engaged disconnected farmers
- Section 4.3.3 Appropriateness of loans
- Section 4.3.4 Appropriateness of supporting the unprepared
- Section 4.3.5 Appropriateness of reliance on online communications

### 4.3.1 Eligibility criteria

#### KEY FINDING

The existing definition of a primary producer when applied to the eligibility of farm businesses to access different measures (including Commonwealth measures) may have curtailed access for some primary producers and contributed to increased stress when accessing the different measures.

**The definition used for an eligible primary producer may have prevented many from accessing some of the measures.** Eligibility criteria for accessing the drought-relief measures were inconsistent with the eligibility criteria for Commonwealth measures, and the Commonwealth's definition of a primary producer differed from the definition used by NSW. Both of these factors caused confusion. This was raised by six primary producers.

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*"The definition of a primary producer needs to be consistent nationally. We encountered a lot of people not considered a primary producer by their financiers and agencies. Others have taken government advice to integrate their primary and secondary production business. Wine growers are primary producers but not their cellar door operations. We need to define primary production more broadly." [Primary Producer interviewee #03]*

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*"There's a significant change in farming practice and what is a farmer and who is a farmer. I know so many people now that have a farm and they have off-farm income. But if it's a case of 'oh, but they're a plumber, not a farmer'. There's a shift in that definition ... rules of off-farm income need to change." [Primary Producer interviewee #06]*

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It was acknowledged that it was important to define clearly who would be eligible to access the substantial support made available.

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*"One thing that has been a primary challenge is the definition of eligibility for off-farm income. We recognise there has been major support and a need to have a maximum cap of income both on and off-farm." [Frontline Personnel interviewee #22]*

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**Some business structures precluded access to drought measures.** Apart from the definition of a primary producer, the ways some farm businesses are structured may have made them ineligible for some drought measures. Seven primary producers interviewed for the evaluation indicated that they were ineligible for assistance due to diversified income streams, either from off-farm income, or for having a non-traditional business structure. These diversified income streams and business structures had been put in place to protect against events such as drought.

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*"We've got a [unusual] business structure [with a silent equity partner]. There is no external cash coming in or going out of that business, but [RAA are] telling me that [I] need tax returns for the equity partner and because I can't provide them, that the farm really isn't primary production? It's just weird." [Primary Producer interviewee #16]*

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## RECOMMENDATION 6

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**Clarify eligibility criteria for each measure.** It is recommended that the NSW Government review and clarify the criteria for various measures to eliminate confusion around eligibility within the next two years.



Image source: Juleen and Rod Young

### 4.3.2 Livestock Welfare Pilot engaged disconnected farmers

The Northern Drought Response Pilot Program was effective in supporting disconnected farmers in the worst-affected areas who were likely to have livestock welfare problems. This is explored further in the **case study** below.

## CASE STUDY — NORTHERN DROUGHT RESPONSE PILOT PROGRAM (NORTHERN PILOT)

### Background

As of July 2019, northern inland NSW was the most severely drought-affected area across the state and the extent, intensity and duration of the drought exceeded reasonable farm-business planning. Limited feed, water and on-farm cash flow were forcing farmers to make difficult stocking decisions.

From experience with Stock Welfare Panels, LLS and DPI were aware that, in these severe drought conditions, there were farmers who were disengaged from traditional support networks (i.e. professional networks or local communities). They were living in isolated areas, often without internet connectivity or the capability to access support such as the Drought Hub. These farmers were more likely to have welfare-compromised stock, and LLS staff were also hearing reports that the incidence of stock welfare cases was increasing.

As a result, the Northern Tablelands and North West LLS regions established a pilot program that aimed to mitigate and prevent livestock welfare cases, whilst maintaining viable farming enterprises within their regions through to the end of the drought. The **Northern Pilot** was run from July to September 2019 and focused on reaching out to traditionally 'disengaged' farmers to provide support and tailored assistance that might prevent cases from progressing to a Stock Welfare Panel.

The Northern Pilot involved **cold calling** farmers, delivering targeted **extension events**, mailing out **hard-copy** drought-assistance resources, seeking referrals to at-risk producers from industry, and providing **free tailored advice and support** to at-risk primary producers.

The LLS received \$165,317 from the NSW Government Drought Relief Measures to deliver the Northern Pilot.

### Outcomes of the Northern Pilot

Through the Northern Pilot, LLS successfully cold called 1500 farmers, mailed a printed drought-management handbook to all 20,000 ratepayers in their regions, delivered 40 additional LLS

extension events and received referrals to 24 farmers whose stock were at risk of becoming the subject of a Stock Welfare Panel. LLS also provided tailored advice and decision-making support to almost 800 producers, including free stock feed and water testing.

Most of the funds provided were spent on hiring additional staff or engaging contractors to deliver the support and outreach activities. At the time, this \$165,317 was the only funding LLS had received to increase its workforce under the drought package.

With the success of the Northern Pilot, all LLS regions received \$30,000 to provide tailored extension and technical support to at-risk farmers in their regions.

**The pilot reached disengaged farmers.** Two frontline workers explained that the cold calls and *Managing Drought* handbook were useful for reaching farmers outside existing networks.

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*“Lots of the people who attend the workshops don’t really need to be there. The cold calling helps to connect with people who do not engage. That is the next level we need to pursue.” [Frontline worker]*

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**The pilot reduced the number of stock welfare cases, some of which would probably have escalated to become Stock Welfare Panels.** Three frontline workers said the Northern Pilot prevented livestock welfare problems before they arose. There were at least 40 cases of LLS staff visiting farmers and supporting them to make proactive decisions to destock as a result. In addition, the DPI received 24 referrals to at-risk farmers who all received information and ongoing casework.

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*A referral was received from a local RFC about a couple which ran a beef operation and currently had 45 breeders down from the normal 160. It was evident that they needed to feed the remaining breeders. However, the supply and cost of feed was becoming a serious problem as they had no funds available and were unable to borrow more. Some stock had already been put down due to poor condition and all indications were that this would continue. After the case worker reached out and facilitated a discussion about the couple’s needs both now and into the future ... the farm was completely destocked, and the couple made a decision to list the farm for sale. (DPI report)*

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**The pilot supported farmer capacity and decision-making.** Two primary producers who attended the extension events said they were useful because they were on topics that were relevant to the decisions they were currently making. In addition, one primary producer highlighted the usefulness of feed testing when they tried to use alternative feed sources.

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*“Yes, I used the free feed testing. We stumbled across an old silage pit on one of our properties that we had never used before, and we wanted to have the silage tested to see if we could feed it to our stock.” [Primary producer]*

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**The pilot helped primary producers feel supported.** One primary producer and two frontline workers said that the outreach work created a feeling of support for farmers.

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*“I was pleased to receive the phone call. It made me aware of what services were available and made me feel pretty good. It helped me feel that someone was on my side.”*

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*They were pleased that someone gave them the time of day and offered up what services are available.” [Primary producer]*

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### **Conclusion**

The pilot’s use of cold calling proved to be an effective method of reaching traditionally disengaged and at-risk farmers and making them aware of the advice and support services being provided by LLS. Staff also reflected that these calls were generally very well received by producers in the areas called.

The funding provided through the NSW Government Drought Relief Measures enabled LLS officers to deliver the Northern Pilot and bring in the skilled private consultants needed to assist primary producers and provide the technical advice and decision-making support they needed.

The outcomes achieved represent great effectiveness and value for money given the small budget. Recognition of this was reflected in the subsequent decision to provide funding to all regions of the state.

### **Observations**

**Early intervention:** Many primary producers started experiencing the drought in 2018, and as the Northern Pilot did not begin until July 2019, many primary producers were already affected by severe drought conditions. LLS staff reflected that earlier intervention might have supported better decision-making and prevented many farmers from sinking further into debt.

**Appropriate LLS resourcing:** While the contractors were funded through the Livestock Welfare measure, additional unfunded support was required from LLS to facilitate the delivery of the Northern Pilot, putting pressure on already overextended staff during the drought period.

### **4.3.3 Appropriateness of loans**

**Measures that included loans had limited demand.** As discussed in section 3.2.1, an apparent lack of demand, as evidenced by the low take-up of the FIF and DAF measures, suggests that the demand for these measures was overestimated when the measures were being developed. The lower-than-expected take-up of the FIF and DAF loans indicates the capacity of primary producers to take out further loans was lower than anticipated by the NSW Government.

### **4.3.4 Appropriateness of supporting the unprepared**

**The design of some measures may have supported unviable farm businesses.** Six frontline workers and one program team member raised concerns that the DTS supported primary producers who were unprepared for drought (see section 3.1.2) by encouraging them to retain their stock. In contrast, primary producers who had been managing their stocking levels (and had destocked early) were unable to access other forms of support as they had no stock to feed or sell.

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*“Within our region we’ve seen people hold on to stock longer than they normally would, and utilised DTS to source fodder instead of being proactive to destock at the right times. And that’s been the biggest issue I’ve seen — that segment of the community is waiting for government to intervene and are not making good decisions.” [Frontline Personnel interviewee #03]*

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**The drought measures should focus on supporting drought preparedness.** Primary producer interviews highlighted a desire for drought support to be aimed directly at supporting farmers to prepare for drought.

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*“If there’s that preparedness and stimulus before drought [farmers] wouldn’t have to be so reliant on measures during.” [Primary Producer interviewee #01]*

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#### 4.3.5 Reliance on online communications

##### KEY FINDING

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Major communications about the drought and drought measures available initially focused on the DroughtHub. However, the evidence shows that there was limited awareness and use of this website by primary producers as a direct communication platform. As a result, primary producers appear to have sought other forms of communication, in particular face-to-face and paper-based, which the agencies and frontline staff provided as the drought processed.

**Communication about the drought measures and administration of the measures that required applications and reimbursement were largely designed for online channels.** These channels worked for primary producers who had access to the internet and were practised in using online processes. However, there is evidence that a substantial number of primary producers required other forms of communication (face-to-face and hard copy) and sought out advisors such as Rural Financial Counsellors to complete and submit applications and ongoing evidence for reimbursement (this was discussed in section 4.2.3 above).

**Primary producers were not convinced about the usefulness of the DroughtHub.** The DroughtHub was developed as a major communications hub for drought information and drought measures. Figure 8 shows that half the primary producers surveyed for this evaluation indicated they knew about and had used the DroughtHub but only one-third (38%) found it useful. Of those interviewed, 15 primary producers (less than half) had heard of the DroughtHub, of which five thought that it worked well and enabled them to access information about the measures, while 10 didn’t use it or didn’t find it useful.

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*“Like most department websites they are not easy to use. I went on it — I found the phone number and emails of the counsellors I contacted. I contacted them and I didn’t receive any response.” [Primary Producer interviewee #17]*

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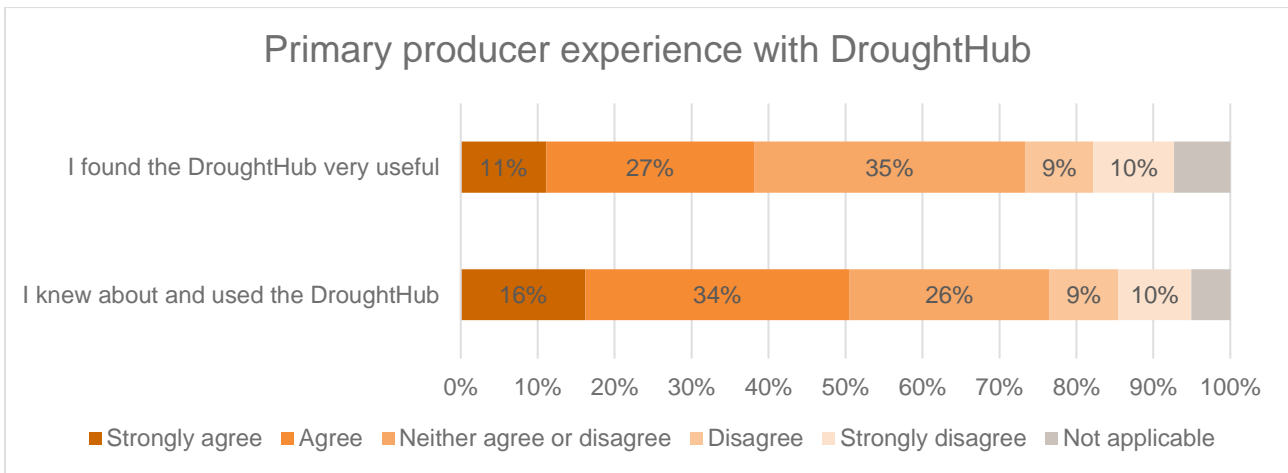


Figure 8 Primary producer experience with DroughtHub (n=315) (Evaluation survey)

**Reliance on the DroughtHub as the major communications channel was inappropriate for communicating with all primary producers.** Ten frontline staff said that the DroughtHub was inappropriate for farmers who are not tech-savvy, five suggesting the DroughtHub was ineffective because many producers did not have reliable internet access.

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*“Many clients are not technology-savvy. Some farmers are 80 with no email address.”*  
 [Frontline Personnel interviewee #05]

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## 5 Value for money

This chapter presents the findings and supporting evidence about the value for money of the drought-relief measures. This includes a summary of the Cost Benefit Analysis (CBA) report for both the FIF and DTS, which is attached to this report. The chapter is as follows:

- Section 5.1: Farm Innovation Fund — CBA summary
- Section 5.2: Drought Transport Subsidies — CBA summary
- Section 5.3: Administration costs

### FINDING SUMMARY

The FIF demonstrates good value for money particularly for drought affected areas in NSW. The FIF generated \$1.56 in benefits for regional communities for every \$1 invested, with a NPV of \$72 million. The FIF led to \$1.44 in benefit per dollar invested for the entire state, with a NPV of \$57 million. This value for money finding justifies government investment with a low cost to government for a loan program. This being said, there were recipients who would have been willing to source loans in the private market.

The DTS provided very low value for money, generating \$0.36 in regional benefits for every \$1 spend, and \$0.15 in benefits across the entire state. This is equivalent to a NPV of -\$163 million for regional NSW and -\$216 million for the entire state. Despite this low return on investment, the transport subsidies were accessed by 50% of primary producers.

The NSW drought relief measures were delivered economically with administration costs kept to a minimum or absorbed by delivery agencies. However, the amount of support required of the LLS and RFCS and the delays in processing reimbursement claims against the DTS, FIF and DAF indicates that these measures would have benefitted from greater administrative funding support.

### 5.1 Farm Innovation Fund — CBA summary

#### KEY FINDING

The Farm Innovation Fund achieved a **state-wide BCR of 1.44 and an NPV of \$57 million**. This means that for every dollar of investment made by farmers through the FIF, \$1.44 in benefits was generated. For every dollar of investment made by farmers through the FIF, **\$1.56 in benefits for drought affected regions** was generated with an **NPV of \$72 million**. This indicates that the FIF was good value for NSW and from the perspective of rural, drought affected areas. Furthermore, the CBA uses the total project cost to estimate value for money. From a government perspective, the cost associated with the FIF was minimal as it was a loan that stimulated private investment. The FIF appears to be worthwhile from a government perspective with justification for government investment. However, some recipients indicated they were likely to source loans in the private market. For these recipients similar returns would likely have been available without the FIF. Ways to minimise the potential for crowding out of the private sector should be considered.

A CBA was conducted as part of the evaluation by calculating the Net Present Value (NPV) of the FIF loans. The CBA considers all the costs associated with the FIF (including the costs to government and primary producers) and the benefits to primary producers and NSW. This section is structured as follows:

- Cost Benefit Analysis discussion
- Description of the **benefits** associated with the FIF, including employment created.
- Description of the **costs** associated with the FIF.

#### 5.1.1.1 Cost Benefit Analysis discussion

The Farm Innovation Fund achieved a **state-wide BCR of 1.44 and an NPV of \$57 million**. This means that for every dollar of investment made by farmers through the FIF, \$1.44 in benefits was generated. In **drought affected regions the FIF achieved a BCR of 1.56 and an NPV of \$72 million**. This indicates that the FIF was good value for the State and from the perspective of rural, drought affected areas.

Furthermore, from a government perspective the **cost associated with the FIF was minimal** as it is a loan that stimulated private investment. Excluding the loans provided to farmers and subsequently repaid, the FIF cost government \$10 million (including loan concessions) and provided a benefit to regional NSW of \$201 million. The FIF appears to be worthwhile from a government perspective with justification for government investment. However, 26.5% of recipients indicated they were likely to source loans in the private market; for these recipients similar returns would likely have been available without the FIF. Ways to minimise the potential for crowding out of the private sector should be considered. A summary of the NPV and BCR for both whole of NSW and regional NSW are shown in Table 15.

Table 15 FIF Net Present Value summary (7% discount rate)

Present value	Regional NSW	Whole of NSW
Costs	-\$129 million	-\$129 million
Benefits	+\$201 million	+\$186 million
<b>Net Present Value</b>	<b>+\$72 million</b>	<b>+\$57 million</b>
Benefit Cost Ratio	1.56	1.44

Sensitivity analysis was conducted to account for uncertainty using real discount rates of three and 10% for both Regional NSW and the state as a whole (Table 16).

Table 16 Sensitivity analysis - Farm Innovation Fund

Discount rate	3%	7%	10%
<b>Regional NSW</b>			
Net Present Value (\$)	\$116 million	\$72 million	\$48 million
Benefit Cost Ratio	1.97	1.56	1.36
<b>Whole of NSW</b>			

Discount rate	3%	7%	10%
Net Present Value (\$)	\$96 million	\$57 million	\$35 million
Benefit Cost Ratio	1.80	1.44	1.26

### 5.1.1.2 Benefits

This cost benefit analysis considers four types of benefits:

- **Direct benefits:** are those benefits experienced by farmers due to the funding. This includes increased income during droughts and future years operation.
- **Indirect Benefits** are those experienced by third parties or related markets. These include reduced anxiety and retained expenditure in regional areas.
- **Disbenefit:** a disadvantage or loss due to the funding, such as the potential for loan arrears and defaults.
- **Hypothetical benefits:** are future benefits which rely on strong assumptions, such as reduced reliance on future drought funding, retained property values, and reduced interest repayments. *These benefits were excluded from the CBA calculation as their reliability and accuracy are limited by their reliance on high-level assumptions.*

Additional benefits and disbenefits that were considered but not quantified for the CBA were the proliferation of technology and practices by enabling investment in technologies which demonstrate innovative practices, improved environmental outcomes from investment in farm management practices, and crowding out of the private sector through reduced loans to banks.

The major benefit for farmers was **increased income through FIF works undertaken**. Respondents indicated that they experienced a 13.3% increase in turnover during drought conditions due to the FIF funding. It is assumed that this benefit will also occur during both drought and non-drought periods in the future. If this increased turnover continues in future droughts – an assumption based on most funds being spent on infrastructure or drought resilience – then the total present value of this increased income is estimated to be **\$140.9 million** over a 20 year period from 2018 onwards.

The second major benefit for farmers was **additional years operation** in drought conditions. Survey analysis has identified that the FIF enabled or would enable businesses to operate for longer periods in drought conditions, maintaining a significant amount of output that would otherwise be lost (see Figure 9). The value of this benefit is estimated to be **\$43.4 million** over the 20 year assessment period.

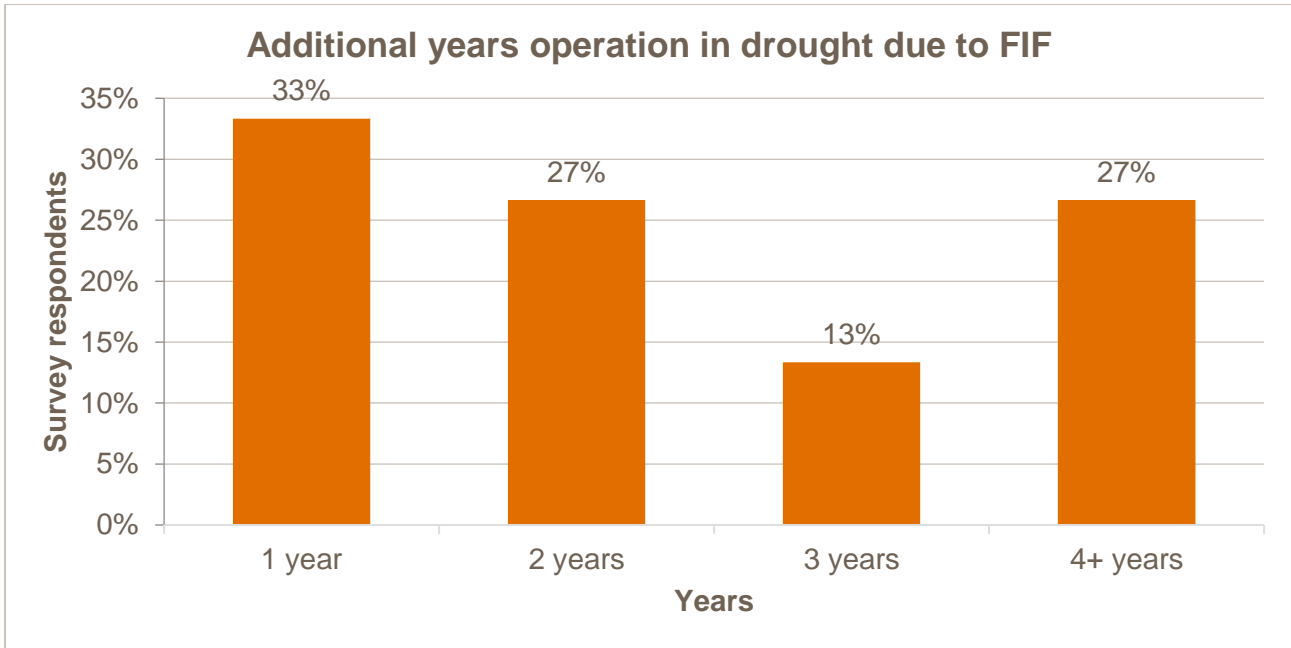


Figure 9 Additional years in operation in drought due to the FIF (Evaluation survey)

The FIF provided **benefits to drought affected areas of NSW** which did not transfer to the rest of the state. For example, farmers who were indicated they were able to remain in the region through the FIF investment, continued to spend money in regional NSW rather than urbanising and spending money in Sydney or another city. The CBA estimated that the expenditure in drought affected areas of NSW from farmers who would otherwise have urbanised to be at **\$15.6 million**, \$8.6 million for retail expenditure and \$7.0 million for non-retail expenditure. These benefits result in two values for total benefits: one for drought affected areas of NSW and another for Whole of NSW.

All benefits and their present values are summarised in Table 17.

Table 17 FIF summary of benefits (7% discount rate)

Benefit	Present value
<b>Direct benefits</b>	
Increased income through FIF works undertaken	\$140.9 million
Future income from increased years operation	\$43.4 million
<b>Indirect benefits</b>	
Increased retail expenditure in regional NSW (regional NSW only)	\$8.6 million
Increased non-retail expenditure in regional NSW (regional NSW only)	\$7.0 million
Benefit due to reduced anxiety	\$2.6 million
<b>Disbenefits</b>	
Loan arrears	-\$1.3 million
<b>Hypothetical benefits (not included in CBA)</b>	
Reduced reliance on future drought funding	\$15.7 million

Benefit	Present value
Retained property values	\$13.6 million
Reduced interest repayments	\$14.0 million
<b>Total benefits for Regional NSW</b>	<b>\$201 million</b>
<b>Total benefits for Whole of NSW</b>	<b>\$186 million</b>

**The FIF contributed towards increased employment in NSW.** The FIF is estimated to have supported 102 direct FTE employment opportunities per annum between 2017/18 and 2019/20, of which approximately 85 would have been local to drought affected regions. The project will have stimulated approximately 323 indirect FTE employment opportunities in the broader economy per annum, for a total impact of approximately 425 FTE employment opportunities per annum over the identified period.

### 5.1.1.3 Costs

This cost benefit analysis considers two types of costs:

- costs to government: the costs to government in providing the loan concessions and administering the funds through the RAA
- costs to primary producers, who are expected to repay the loan disbursed.

**The costs to government were very low** as the FIF loans must be repaid and the interest rates on government bonds have decreased. In normal circumstances the costs to government would be higher, but the lower interest rates available from 2020 in response to COVID-19 mean that the current interest rates on government bonds are lower than the loan concessions made in 2018, reducing cost to government. These low costs to government were unintentional and reflective of unpredictable market conditions.

The costs to primary producers were the value of money disbursed, which primary producers are expected to repay over the coming 20 years. Primary producers who would have undertaken the investment without the FIF have been excluded. A summary of the costs is in Table 18.

Table 18 FIF summary of costs (7% discount rate)

Cost type	Present value (\$2021)
<b>Costs to government</b> <i>Costs of providing loan concessions and administering the fund</i>	-\$10.1 million
<b>Costs to primary producers</b> <i>Costs of repaying the FIF loans</i>	-\$123.7 million
<b>Total costs</b>	<b>-\$133.8 million</b>
<b>Total costs CBA (excludes loan concessions)</b>	<b>-\$129.0 million</b>

## 5.2 Drought Transport Subsidies – CBA summary

### KEY FINDING

The DTS achieved a State-wide BCR of 0.15 and an NPV of -\$216 million. This means that for every dollar of funding distributed through the DTS, approximately \$0.15 in benefits were generated. In drought affected regions, for every dollar of funding distributed through the DTS, approximately \$0.36 in benefits were generated. The DTS results indicate a low value for money from the Government's perspective.

The evaluation conducted a CBA by calculating the Net Present Value (NPV) of the DTS. The CBA considers all the costs associated with the DTS (including the costs to government and primary producers) and the benefits to primary producers and NSW. This section is structured as follows:

- Discussion of Cost Benefit Analysis
- Description of the **costs** associated with the DTS.
- Description of the **benefits** associated with the DTS, including employment created.

#### 5.2.1.1 CBA discussion

The Drought Transport Subsidies achieved a **state-wide BCR of 0.15** and an NPV of -\$216 million. This means that for every dollar of funding distributed through the DTS, approximately \$0.15 in benefits were generated. In **drought affected regions the BCR was 0.36**, indicating for every dollar of funding distributed through the DTS, approximately \$0.31 in regional benefits were generated. The DTS indicates a very low value for money from a government perspective.

A summary of the NPV and BCR for both whole of NSW and regional NSW are shown in Table 19.

Table 19 DTS Net Present Value summary (7% discount rate)

Item	Regional NSW	Whole of NSW
Costs	\$254 million	\$254 million
Benefits	\$91 million	\$38 million
<b>Net Present Value</b>	<b>-\$163 million</b>	<b>-\$216 million</b>
Benefit Cost Ratio	0.36	0.15

Sensitivity analysis was conducted to account for uncertainty using real discount rates of three and 10% for both Regional NSW and the state as a whole (Table 20).

Table 20 Sensitivity analysis – Drought Transport Subsidies

Discount rate	3%	7%	10%
<b>Regional NSW</b>			

Discount rate	3%	7%	10%
Net Present Value (\$)	-\$153 million	-\$163 million	-\$171 million
Benefit Cost Ratio	0.35	0.36	0.36
<b>Whole of NSW</b>			
Net Present Value (\$)	-\$221 million	-\$216 million	-\$227 million
Benefit Cost Ratio	0.06	0.15	0.19

### 5.2.1.2 Benefits

This cost benefit analysis considers the following benefits and disbenefits from DTS:

- **Maintaining stock levels:** farmers were able to maintain some stock for longer and avoided the costs of restocking once the drought broke.
- **Retained spending in regional NSW:** benefits due to farmers staying in regional NSW from the contribution of the subsidies. Every household that remains in a drought affected area makes retail purchases and spends money on services, helping sustain employment in those areas.
- **Reduced stress:** the value of reduced mortality associated with reduced stress attributable to the transport subsidies.
- **Survival of inefficient farms (disbenefit):** the survival of inefficient farmers contributing to a less productive agriculture sector that is likely to rely on government funding in future.
- **Increased price for fodder (hypothetical disbenefit – not included in CBA results):** the disbenefit due to increased prices associated with DTS funding – estimated to be a cost of \$22 million
- **Retained property values (hypothetical benefit – not included in CBA results):** Reduced churn of farms minimises the potential for non-NSW investors to reap the benefits of increases in property values arising during the period from factors such as the increasing amenity available to rural areas and growing population.

Additional benefits and disbenefits that were considered but not quantified were the increased prices for freight and fodder, and degradation of pastures.

The benefit of **maintaining stock levels** is estimated at **\$46.7 million**. This includes benefits for beef farmers (\$33.6 million) and sheep farmers (\$13.1 million). Descriptive survey responses indicated the transport subsidies allowed farmers to retain stock that they otherwise would have sold over the course of the drought. By allowing farmers to retain a larger herd size, farmers will be able to breed more and reach the maximum herd size earlier, allowing farmers to receive the benefits of a larger herd size earlier than they would have without the DTS. It should be noted that without the DTS, farmers are estimated to still reach their maximum herd size, however, this would be at a later date, reducing the present value benefit of the stock.

The transport subsidies contributed to **primary producers remaining on farm** and continuing to operate their business. This created additional benefits for regional NSW through **continued regional expenditure**. The value of these benefits was \$53.3 million (see Table 21).

Table 21 DTS summary of benefits (7% discount rate)

Benefit	Present value
Maintained stock levels	\$47 million
Increased retail expenditure in regional NSW	\$29 million
Increased non-retail expenditure in regional NSW	\$24 million
Survival of inefficient farms (disbenefit)	-\$9 million
Hypothetical benefits (not included in CBA)	
Retained property values	\$43 million
Fodder price distortions	-\$22 million
<b>Total benefits for Whole of NSW</b>	<b>\$38 million</b>
<b>Total benefits for regional NSW</b>	<b>\$91 million</b>

### 5.2.1.3 Costs

This cost-benefit analysis considers one cost — costs to government: the subsidies disbursed to primary producers, plus the administrative costs for the RAA. This total cost was estimated at **\$254 million**.

## 5.3 Administration costs

### KEY FINDING

The NSW drought relief measures were delivered economically with administration costs kept to a minimum or absorbed within the normal operating costs of delivery agencies. The costs incurred by the RAA represent just 3.7% of funds disbursed, which is very cost-effective for a program of this nature. However, the unfunded work undertaken by the LLS and RFCS would appear to be unsustainable in the long run. The amount of support required of the LLS and RFCS and the delays in processing reimbursement claims against the DTS, FIF and DAF indicates that these measures would have benefitted from greater administrative funding support.

**The costs of administering many of the drought relief measures were absorbed by delivery agencies.**

- The costs of delivering seven of the 12 measures (including all types of fee relief and the kangaroo management measure) were absorbed by the relevant delivery partner. This includes the LLS fee



relief, which disbursed over \$94.6 million, and the WaterNSW fee relief, which disbursed \$68 million.

- Agencies and organisations such as the RFCS, LLS, and Rural Resilience Program were active in communicating the measures to primary producers and supported them through application processes within their ongoing operating budgets.

**RAA administration costs were minimal despite the significant changes required to staffing.**

Additional administration costs of \$16.2 million were incurred by the RAA, which represents 1.4% of total funds approved and 3.7% of funds disbursed through its three measures. This indicates the RAA was very cost-effective, especially considering the significant overhaul required. The RAA changed its systems, staffing, and operating hours to implement the three measures and meet the needs of primary producers during the drought. This includes more than tripling the number of employees from 2017-18 to 2019-20.

**Administrative costs of the livestock welfare measure were higher due to the nature of this measure.**

Much of the work in the livestock welfare measure was for technical support and outreach, which requires wage costs to be delivered. The main costs were accrued for funding Stock Welfare Panels, in particular staff wages including casual staff hired to participate in panels and provide advice and support to participants. Funds were also provided to increase staffing in the RSPCA, LLS extension offices, and vets to reflect the increased demand for these organisations.

**GIVIT funding was for administration alone.** The GIVIT agreement provided funding to set up a web platform to manage the large amounts of donated goods. The costs involved covered administrative and consultation and engagement activities to facilitate the distribution of donated goods in communities.

## 6 Conclusion and recommendations

### 6.1 Conclusion

The NSW Government Drought Relief Measures were part of a broad response to the recent drought from the state, the Commonwealth, and the community. All droughts are different. With its fast-moving intensity and widespread impact, the recent drought demonstrated that even well-prepared primary producers might struggle to operate, maintain livestock welfare, and continue to support their families and communities in such a situation without outside support. The drought was even more challenging with the cumulative impact of other adverse events such as bushfires, floods and COVID-19, all of which depleted the resilience of primary producers and their communities.

The design of the measures recognised the widespread impact of the drought by providing some support through fee-relief measures. These measures were provided without request from primary producers and provided short-term benefits for their cash flow, so they could continue to operate. About 50% of primary producers took advantage of the Drought Transport Subsidies. Whether they had prepared for drought or not, these two types of measures (fee relief and transport subsidies) gave primary producers options during the drought and recovery. Many chose to retain stock, even when livestock prices were high. Other industries had to wait until they could consider re-establishing crops once the rain came. But with the support that was widely available and reasonably accessible, it is unclear whether these primary producers will prepare better for future droughts or have come to expect some level of government support. While rural communities benefited indirectly from the drought-relief measures, they, too, may need more direct support in the future.

Primary producers have been encouraged to prepare for drought for some years by focusing on infrastructure projects on their properties. It is possible that this most recent drought has tested their preparations and asked them to consider the extent to which they can get ready and support their businesses and prepare their properties. As they reassess their needs, based on their experience of this drought, these infrastructure projects may not be enough. Other forms of support, such as technical advice to plan better and make better decisions, may be required.

The delivery of the measures was cost-effective. But, in some cases, the delivery method might have compromised the capacity of agencies to provide support quickly and with minimal effort from already stressed beneficiaries. As many of the supporting administrative processes are used both in normal circumstances and emergencies, they may need to be streamlined for the future.

### 6.2 Recommendations

This evaluation makes 14 recommendations under four broad themes:

#### **Prioritise measures to support primary producers' long-term preparation and resilience**

- 1. Support primary producers to become resilient when they have the capacity to prepare.** Preparation for drought can happen at any time but may be more difficult during a drought. It is recommended measures and programs to assist in preparation and resilience, including the FIF, continue to be available in good seasons when people have the capacity to implement them.
- 2. Deliver capacity-building programs** to improve decision-making about livestock welfare and appropriate land management during drought. This aligns with the agreed role of the states as set out in the National Drought Agreement.

- 3. Strengthen the technical assessment of infrastructure projects on farm.** The FIF has been the major drought preparedness measure in recent years. However, this measure currently does not provide or require technical assessment to ensure the infrastructure funded will provide the most effective solution on-farm. It is recommended that consideration be given to modifying the requirements for the FIF to include an option for a technical assessment to be undertaken or provide a separate measure to enable such an assessment is available to primary producers when considering taking up FIF loans.

#### **Plan the government's response to 'in-drought' relief**

- 4. Put in place 'in-drought' planning processes** well before there is a drought to facilitate a timely response and early intervention for future droughts within the next 12 months. These processes should include identification and selection processes for drought relief measures (see recommendation 5), and agreement on the roles and responsibilities to deliver these measures.
- 5. Utilise measures found to be effective in providing short-term relief** such as fee relief, livestock welfare measures including direct engagement activities used in the Northern Drought Response Pilot program and the extended engagement program across LLS, the coordination and management of charitable donations by GIVIT, and targeted Drought Transport Subsidies. However, any use of the DTS would need to be carefully considered based on the low value for money it provides.
- 6. Clarify eligibility criteria for each measure.** It is recommended that the NSW Government review and clarify the criteria for various measures to eliminate confusion around eligibility within the next two years.

#### **Establish mechanisms for ongoing review, adaptation and improvement**

- 7. Develop a Monitoring and Evaluation framework for drought measures** to underpin any future assessment of drought measures and to monitor their effectiveness during periods of drought. This would enable the collection of evidence during delivery.
- 8. Undertake regular evidence-based reviews of measures during drought.** To enable greater accountability and more adaptive support during droughts, it is recommended that processes are put in place to regularly review the measures during their implementation. Monitoring processes should gather evidence about the effectiveness of the measures for target beneficiaries, including their capacity to use the measures. Where there is a significant lack of uptake of a measure, program teams should consider redesigning it or reallocating funds to measures with greater demand. Any reallocation of funding should be done in accordance with agreed criteria and a clear trigger should be established for this to process.
- 9. Access local knowledge.** Recognising that local knowledge may assist in designing, planning and reviewing measures, it is recommended that regional drought advisory groups be established from agency and industry staff rather than rely on potentially stressed primary producers and community members. Such advisory groups could provide local knowledge as an important source of evidence about the effectiveness of the implementation of measures and the achievement of outcomes.

#### **Balance local and statewide delivery**

- 10. Retain centralised processing.** Where substantial processing for a specific measure is required (such as the DTS, FIF and DAF loans) it is recommended that these processes are done centrally to ensure consistency and efficiency.

11. **Adhere to 'No lines on maps'**. In line with the National Drought Agreement, continue to adhere to the concept of no lines on maps for drought support.
12. **Deliver coordinated and consistent communications via local support networks.** To target drought-relief measures to specific industries and regions in the future, it is recommended that the NSW Government investigate ways to decentralise the communication and coordination of some measures.
13. **Use a range of information and communications channels.** It is recommended that future drought-response designs consider the capacity and capability of intended beneficiaries of drought and other emergency measures to interact online. Future drought responses may need to provide other forms of support including face-to-face and paper-based communications.
14. **Resource according to demand.** To have the capacity to support the delivery of drought measures, it is recommended that the roles and responsibilities for delivering drought measures in the future be formalised and resourcing needs identified.

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## Appendix 1: NSW Government Drought Relief Measures

Table 22 below lists the drought relief measures that were in scope for this evaluation. The value assigned to each measure is the allotted amount identified by the NSW Government for each year. The amount used or rebated for each measure is set out in Table 11, and discussed in Section 4.1.1.

Table 22 NSW Government Drought Relief Measures

Lead Agency	Drought Relief Measure	Descriptions	2018–19 Value	2019–20 Value	20–21 Value
DPI	Drought Transport Subsidies	<p>The subsidy can be applied for the cost of transporting fodder and water to a property for stock or domestic use; stock to and from agistment; and stock to sale or slaughter.</p> <p>The subsidy covers up to 50% of the full cost of freight up to a maximum of \$5 per kilometre and 1,500 kilometres per journey.</p>	\$190m	\$70m	\$116m
DPI	Farm Innovation Fund	<p>The Farm Innovation Fund is part of the NSW Government’s Drought Strategy and is a long-term, low-interest loan for NSW farmers for permanent on-farm infrastructure. The fund helps farmers to:</p> <ul style="list-style-type: none"> <li>improve farm productivity — reduce risks and improve efficiencies by building fodder and grain storage facilities, sheds, fencing, roadworks and solar-power conversions</li> <li>manage adverse seasonal conditions — improve water efficiencies with irrigation systems, cap and piping of bores, new dams, install water tanks and desilt ground tanks</li> <li>ensure long-term sustainability — increase the viability of a farm business and improve pasture and soil health, plant trees for shade and wildlife corridors, eradicate weeds, flood-proof property and fence riverbanks.</li> </ul> <p>The 2018–19 drought-relief measures included an additional \$150m to the existing \$500m available. It also included \$11m of fee waiving for</p>	\$161m	\$350m	

Lead Agency	Drought Relief Measure	Descriptions	2018–19 Value	2019–20 Value	20–21 Value
		the fund. For 2019–20, the value was \$350m with \$10m for waiving of fees.			
DPI	Drought Assistance Fund	The NSW Government is offering a one-off \$50,000 interest-free loan to primary producers to implement systems and management practices that enhance the sustainability of their farm business. The loan term is seven years and there are no repayments required in the first two years. This loan will fund: transport of stock, fodder and water; genetic banking of breeding herds; installing of on-farm fodder and water infrastructure.	Up to \$200m over three years or until funds exhausted		
DPI	Livestock welfare	NSW Drought Relief livestock welfare measures fund: Stock Welfare Panels; LLS District disease investigation & surveillance laboratory testing; stock feed and water testing; Northern Drought Response Pilot Program; LLS engagement program; additional Enforcement Agency inspectors; POCTA transport scheme; and printed communications materials.	\$4m	\$2.1m	\$0
Environment, Energy and Science (including NSW National Parks and Wildlife Service)	Kangaroo management	Changes to kangaroo-management licensing to aid in the management of the impact of kangaroos on primary producers during the drought while maintaining animal welfare standards and ecologically sustainable populations.			
WaterNSW	Fee relief for fixed water charges in rural and	The NSW Government is providing financial assistance of up to \$4000 to all general water security licence holders (and supplementary water access licence holders) in rural and regional NSW across surface and	\$30m	\$30m	\$28.5m

Lead Agency	Drought Relief Measure	Descriptions	2018–19 Value	2019–20 Value	20–21 Value
	regional areas	groundwater systems, and to customers of Irrigation Corporation Districts (ICDs) for water entitlement costs incurred.			
DPIE Crown Lands	Fee relief for wild dog fence rates	The NSW Government will pay the annual Border Fence Maintenance, known as 'dog rates', which covers the NSW Border Fence for 2019. The rates that would have been due on 1 January 2019 will be waived. This rate would usually impact 1,300 landholders along the Queensland and South Australia borders. You do not need to apply for this waiver as it will be automatically applied to the eligible landholders.	\$1.65m	\$1.65m	\$1.65m
Local Land Services (LLS)	Fee relief for LLS rates	The NSW Government is relieving fees from all LLS rates for 2019, including general rates and rates for animal health and pests, the meat industry levy and costs for routine stock moving permit and stock identification. You do not need to apply for this fee relief as it will be automatically applied to landholders.	\$48m	\$50m	\$50m
Forestry Corporation	Fee relief for existing bee keeping permit annual fees	The NSW Government is relieving annual fees for existing public bee site permits. Those beekeepers who have already paid or have been invoiced for their fees will either receive a refund or will be provided with a credit for the 2019–20 financial year.	\$1.3m	\$0.9m	\$1m
RMS	Critical services in regional communities including drought related road upgrades and repairs	Drought relief activity is increasing heavy vehicle use on local roads, and the NSW Government is investing \$15 million towards road maintenance, such as shoulder and road surface repairs and signage. Councils are encouraged to apply for grants up to \$300,000 for repairs in their area.	\$15m	\$1.6 m	



Lead Agency	Drought Relief Measure	Descriptions	2018–19 Value	2019–20 Value	20–21 Value
	Fee relief for class one agricultural vehicle registration costs	The NSW Government is relieving the registration fees that apply to new registrations and renewals of Class 1 agricultural vehicles that are oversized and/or over mass.	\$7m	\$7m	\$0
GIVIT	GIVIT agreement	DPI entered into an agreement with GIVIT, a national not-for-profit organisation, to set up a web platform to manage the large amount of donated goods and services ( <a href="http://www.givit.org.au">www.givit.org.au</a> )	\$0.2m	\$0.2m	
		<b>Total</b>	<b>\$508.15m</b>	<b>\$513.25</b>	<b>\$197.15</b>

Out of scope for this evaluation was the \$26.5 million Emergency Drought Relief Mental Health Package (Package) delivered by NSW Health across 2018-19, 2019-20 and 2020-21. The Package included a range of programs to support the mental health and wellbeing of people across rural and regional NSW. Programs included farmgate counsellors, additional Rural Adversity Mental Health Coordinators, funding for Aboriginal Community Controlled Organisations, community drought events in Western NSW, a youth drought summit coordinated by UNICEF Australia, the Royal Flying Doctors providing peer ambassadors in Far West NSW, and grants to 23 sporting bodies to deliver mental health projects across drought affected areas of NSW.

## Appendix 2: Program Logic

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The following narrative articulates the cause-and-effect relationships underlying the logic model, presented in Figure 10. The program logic was developed collaboratively with the DPI Project Steering committee (PSC) and Evaluation Advisory Committee (EAC) and is presented in the NSW Government Drought Relief Measures Revised Evaluation Plan (v6.1, 8 December 2020).

The drought-relief measures aimed to provide immediate relief and recovery measures to primary producers to address the impact of the drought on regional communities. It was expected that the **short-term outcomes** from the relief measures provided to individual primary producers would contribute to them recovering faster from the current drought and improve their resilience for the next drought. Improved resilience of individuals will lead to resilient rural communities affected by drought, which are the **long-term outcomes** being sought for these regional communities. These long-term outcomes are in line with the DPI Strategic Plan 2019–2023 and the NSW Government outcomes including ‘sustainable and productive regional industries and communities’.

Several activities and outputs were delivered **to provide immediate support** to individuals and their farm businesses in response to the drought. These included fee-relief measures, DTS, road upgrades and maintenance, livestock welfare resources, changes to kangaroo-management licencing, and support for the management of donated goods and services.

As a result of this immediate support, it was expected that primary producers would make better decisions about destocking, leading to stocking levels and productive land being managed for drought conditions. As a result, it was expected primary producers would be able to continue to operate their businesses. The expected flow-on effect of this was that primary producers and their households would continue to spend money in their local community.

Two drought-relief measures were designed to **build preparedness and resilience** through the provision of loans to improve the viability of primary producer businesses: the Farm Innovation Fund and the Drought Assistance Fund. These loans were for primary producers to undertake infrastructure projects and to implement improved environmental management practices. This was expected to lead to improved water and fodder storage and the greater viability of productive farmland (pasture, soil health etc). In turn, this was expected to ensure the availability of infrastructure to manage adverse seasonal conditions (not just drought) and contribute to productivity improvements. These outcomes were expected to lead to improved farm viability of farm businesses.

It was also expected that the primary producers who accessed a loan would contract local businesses to supply the goods and services for farm infrastructure projects. This would contribute to the continued viability of other local businesses.

In turn, these outcomes for primary producers would contribute to improved mental health and wellbeing for primary producers. (Please note specific mental health outcomes arising from the delivery of the mental health program delivered as part of the package is beyond the scope of this evaluation).

The outcomes of the relief measures were expected to contribute to outcomes for rural communities affected by drought, based on the theory that primary producers recovering faster from the current drought are expected to have improved resilience for the next drought. These outcomes are also expected to lead to resilient rural communities that are prepared for drought.

The relief measures were underpinned by a number of foundational activities, including capacity building, connecting people with services, information and support, and networking.

The following principles underpinned the delivery of the drought-relief measures:

- Provide immediate support to individuals affected by drought.
- Encourage self-reliance and drought preparedness.
- Stimulate regional and local economies (e.g. using local business to supply goods and services such as farm infrastructure projects or town water projects).
- Focus on animal welfare.
- Focus on equality of access — all primary producers can access the relief measures.

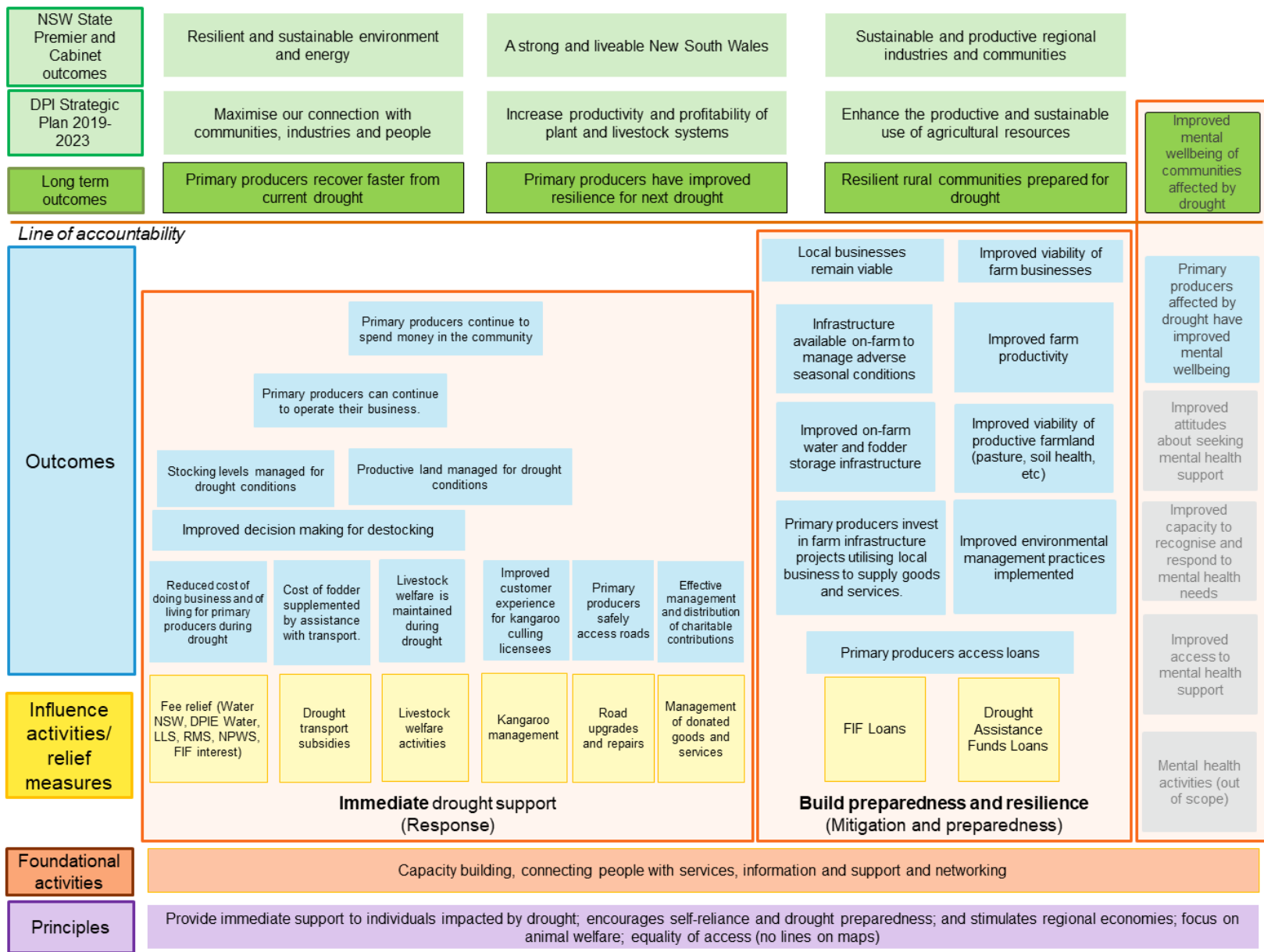


Figure 10 NSW Government Drought Relief Measures Program Logic (grey tiles are out of scope of the evaluation)

## Appendix 3: Key Evaluation Questions

Table 23 below presents the key evaluation questions (KEQs) that guided the evaluation. The sub-questions were used to guide the collection of information to answer the KEQs.

Table 23 Key Evaluation Questions

Key Evaluation Question	Sub-questions
<b>Outcomes (Effectiveness)</b>	
KEQ1. To what extent did the drought-relief measures effectively deliver the intended outcomes for the intended beneficiaries?	a) To what extent did the drought-relief measures effectively deliver the intended short-term outcomes?
	b) What contribution did the drought-relief measures make to intended longer-term outcomes?
	c) To what extent can these outcomes be attributed to the program?
KEQ2. Were there any positive or negative unintended outcomes from the drought-relief measure?	a) What were the positive and negative unintended outcomes of the drought-relief measures?
<b>Legacy</b>	
KEQ3. To what extent are outcomes likely to endure?	<i>No sub-question required</i>
<b>Process (Effectiveness)</b>	
KEQ4. To what extent were the drought-relief measures delivery processes effective?	a) Were the drought-relief measures delivered as intended?
	b) Did the target group access the benefits?
	c) What worked well about the implementation of the drought-relief measures?
	d) What were the challenges in implementing the drought-relief measures?
<b>Program design (Appropriateness)</b>	
KEQ5. To what extent was the program design appropriate to the context?	a) Did the design of the drought-relief measures appropriately respond to existing stresses from previous adverse events?
	b) What were the features of the design and context that made a difference?
<b>Efficiency (Value for money)</b>	
KEQ6. To what extent do the outcomes of the drought-relief measures represent value for money?	a) To what extent does the DTS represent value for money?
	b) To what extent does the FIF represent value for money?
	c) How do the drought-relief measures compare to a no-intervention or case-based scenario?
	d) How cost effective was the administration of the drought-relief measures?

## Appendix 4: Evaluation Data Sources

This evaluation used three data collection methods:

- a **desktop review** of existing data
- a **survey** of primary producers
- **interviews** with key stakeholders

This section includes the list of documents reviewed as part of the evaluation and the demographics for the interviews and surveys.

### Document review

The document review included over 40 documents and datasets supplied by DPI and implementing agencies.

Table 24 Documents and datasets reviewed as part of the evaluation

Name	Year
RAA Drought Data.xlsx	2019
Guide for RAA Drought Data.docx	2019
Apiary Renewal 01042019 to 30092020.xlsx	2020
Apiary Renewal for 01102019.xlsx	2020
Apiary renewal from 31032020 and 31052020 to 30092020.xlsx	2020
Apiary permit fees waived fcnsw sep2018.xlsx	2020
Attachment to Transport for NSW email 2.pdf	2020
Border Fence Maintenance Rates.docx	2021
DPI Comms Actions sheet.xlsx	2020
Crown Lands Wild Dog Fence Waiver Data 2019 and 2020.pdf	2020
DPI Rural Resilience Program Final Report FINAL 19_9_2018.pdf	2018
Drought IAP3 2_September 2019.docx	2019
EAC data Animal Welfare 23 Nov 2020.zip	2020
FOR ACTION_ Commercial Kangaroo related measures_ Data Request 1.pdf	2020
FOR ACTION_ Non Commercial Kangaroo related measures_ Data Request 1.pdf	2020
Forestry Corp Waiving of Beekeeping Permits Invoice covering April 2019 to Sept 2020.pdf	2020
Forestry Corp Apiary Sites Waiver report 1 July 2020 to 30 Sept 2021.xlsx	2020
GIVIT Acquittal example.xlsx	2020
GIVIT charity agents.csv	2020
GIVIT Drought Report October 2020.pdf	2020
Licence to harm kangaroo data - 2020-11-29.pptx	2020

Name	Year
LLS Data clarification Mar 2021.pdf	2020
LLS Drought Relief Summary 2018–2020 – Mar 21 revision.xlsx	2021
LLS Drought Relief Summary 2018–2020.xlsx	2020
LLS Summary 2018– 020 – Mar 21 revision.xlsx	2021
Microsoft Word – Animal Welfare Pilot Program Final Report V3.pdf	2019
Northern Drought Response 3 monthly report.pdf	2019
Northern Drought Response-Communications Plan-130819.doc	2019
RAA Data DAF DTS FIF transactions Jan 2018 to Aug 2020.xlsx	2020
RAA EDR FIF and DAF figures Mar 21.xlsx	2021
RAA Emergency Drought Transport Subsidies Dashboard 2020-11-11.pdf	2020
RAA employee numbers 2012 to 6 April 2021.xlsx	2021
RAA strategic review _final report Mar21.pdf	2021
RE_ ACTION REQUIRED_ Data Request 1 Transport for NSW email 1.pdf	2020
RE_ ACTION REQUIRED_ Data Request 1 Transport for NSW email 2 .pdf	2020
RE_ GIVIT second data tranche.pdf	2020
Sitrep5 Northern Drought Response.DOC	2019
Wild dog fence – Western LLS Drought measures data request.docx	2020
WNSW Drought Rebate_ Breakdown April 2018 November 2020.xlsx	2020

## Survey

The survey opened 3 February 2021 and closed 10 March 2021. It was strongly promoted by DPI (see Table 25 for detailed breakdown of activities), and the chance to win a \$50 visa gift card was offered as an incentive. Originally, the survey was planned to close on 3 March, but it was extended an additional week after a lower-than-expected response rate.

Table 25 Summary of promotion of the primary producer survey

Platform	Promotion activities
Social media	Social media pushes with DPI, LLS, RAA, including: RAA-FRCS closed Facebook page, Crown Lands, GIVIT, CWA, COVID WG, Young Farmers Business Program, Rural Women’s Network, Rural Resilience Program, Rural Adversity Mental Health Program and Centre for Rural and Remote Mental Health (CRRMH) and stakeholders.
Listings on key websites	Listing on DPI and RAA home page carousels DPI/DRNSW Workplace posting Have Your Say website Drought Hub website

Platform	Promotion activities
Newsletters	RAA eDM newsletter, LLS, CRRMH
Traditional media	ABC and Country Hour Radio interviews Article in The Land newspaper DPI Media Release
Stakeholder communications	Auto Reply email response for RAA rural.assist inbox
Promotion within Government activity	Mention at Budget Estimate

The survey of primary producers received **345 responses**. The rest of this section shows the demographics of survey respondents including LLS region, farming sector, and farm size.

**Regional spread.** Figure 12 shows the LLS region of survey respondents. Central West and Northern Tablelands were the most well represented regions (15% each). These two areas were among the most severely affected by drought. Northern Tablelands (15% of respondents) is well represented considering it only accounts for 4% of NSW agricultural production and 9% of financial support received.

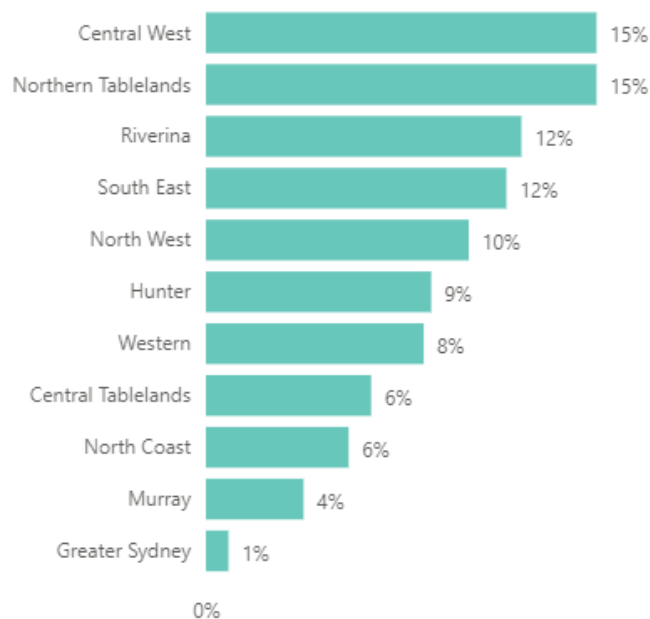


Figure 11 LLS region of survey respondents (n=345)

**Industry spread.** Table 26 shows the farming sector of survey respondents. Respondents indicated all sectors they were involved in, with some respondents operating across more than one sector (as a result, the percentage totals are greater than 100%). This shows that the majority (78%) of respondents farmed beef cattle. This matches the data on who accessed the RAA elements, which showed 49% mixed farming and 23% beef cattle; 35% of respondents were cropping. This is lower than the data on



who accessed the RAA elements, which showed that 56% of respondents were into either mixed farming (49%) or cropping (7%).

Table 26 Farming sector of survey respondents (n=345)

Sector	Respondents
Beef cattle	78%
Sheep	57%
Cropping	35%
Other	10%
Horticulture	3%
Dairy	2%
<b>Total respondents</b>	<b>345</b>

## Interviews

A total of **74 interviews** were conducted, including 31 with primary producers, five with the program staff (DPI and RAA staff responsible for oversight of the measures), and 38 with frontline workers responsible for delivering different components of the measures.

**Primary producers** were invited via the survey to participate in a follow-up interview. From those that self-nominated, a targeted sampling strategy was used to get a sample of primary producers that best represented each region according to ABS data on industries for that region. The sampling also took into account size of region, scale of primary production and level of drought affectedness per region. At least two primary producers were interviewed from each region, excluding Greater Sydney and North Coast (Table 27).

Table 27 Primary producer interviews by region

Sector	No. interviews
Central Tablelands	2
Central West	4
Hunter	3
Murray	2
North Coast	0
North West	6
Northern Tablelands	5
Riverina	2
South East	3
Western	4

Sector	No. interviews
<b>Total</b>	<b>31</b>

The sampling method aimed to ensure a mix of farming industries were represented. As shown in Table 28, the majority (62%) of the primary producers interviewed ran either a mixed cropping and livestock (39%) or mixed livestock (23%) farming operation.

Table 28 Primary producers interviewed by industry (aggregated)

Industry	Frequency of mentions	%
Mixed farming (Cropping & livestock)	12	39%
Mixed livestock	7	23%
Beef cattle	5	16%
Cropping (e.g. grain)	2	6%
Beekeeping	2	6%
Other	2	6%
Sheep	1	3%

Industry	Frequency of mentions	%
Mixed farming (Cropping & livestock)	12	39%
Mixed livestock	7	23%
Beef cattle	5	16%
Cropping (e.g. grain)	2	6%
Beekeeping	2	6%
Other	2	6%
Sheep	1	3%
	31	100%

**Program staff and frontline workers interviewed** were purposively selected to give a rounded perspective on how the package had been designed and implemented across the state and across the measures. Agencies represented include DPI, RAA, RFCS, RRP, LLS, non-government organisations (NGOs), community-based organisations (CBOs), industry organisations, and other agencies delivering measures.

## Appendix 5: Evaluation Data Collection Tools

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*<See attached document AP5 – Data Collection Tools>*