



RAA low interest loans

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Irrigation Officers, Industry & Investment NSW, Griffith & Yanco

IN A NUTSHELL

- Low interest loans can be obtained for farm development and new irrigation systems that will bring about an improvement in on-farm water use efficiency.
- Administered by the Rural Assistance Authority, and facilitated by I&I NSW, 15-year loans at 4.5% are being offered currently.

You don't have to sell your water or the back paddock to finance a more efficient irrigation system.

If you are looking to upgrade your irrigation system but don't have the cash flow, Industry and Investment NSW (I&I) through the Rural Assistance Authority (RAA) can assist in funding irrigation upgrades with a low interest loan.

Loans in this program currently offer 4.5% interest for a fixed 15-year term.

The RAA through the Special Conservation Scheme finances low interest loans to upgrade an existing irrigation system. The generous repayment terms of the loan means you can repay the loan over a 15-year period while earning income from the new system.



Eligible landholders can borrow to 90% of the cost of the works (excluding GST) for a term of up to 15 years. The maximum borrowing for any farm business is \$150,000. Photo: Robert Hoogers.

Any works that provide an improvement in irrigation efficiency will be considered. In the past the Scheme has funded the installation of drip irrigation, centre pivots/lateral move, soil moisture monitoring, laser levelling and drainage recycling.

"The best thing about getting the loan was that I didn't have to sell any water to pay for the drip system. I know a few farmers who had sold water to pay for their systems and I didn't want to do that. If I didn't get the loan I wouldn't have installed drip," said Roy, a mixed horticulture farmer.

It is important and beneficial to involve your local Irrigation Officer to assist with the planning process, so you make better informed decisions to achieve a more efficient and cost effective irrigation system.



Irrigation officers can assist with the planning of the proposed system upgrade and with the application process of RAA low interest loans. Photo: Barry Haskins.

"My irrigation officer took a lot of the stress out of the application process and helped me with the application for my drip irrigation system," said Roy.

There are three irrigation officers in southern NSW.

- Robert Hoogers based at Yanco and covering the area east of Whitton to the upper Murrumbidgee and Murray rivers
- Iva Quarisa based at Griffith and covering the western MIA, CIA, Hay and Hillston areas
- Adrian Smith based at Deniliquin and covering irrigators from Yarrowonga west, but not Sunraysia.

In conjunction with the irrigation officer, Rural Financial Counsellors should also be involved in the preparation of an application as they will ensure all the RAA requirements are met. RAA requirements include net assets below \$5 million, with the farm enterprise under normal seasonal conditions providing the **majority** of total **gross** income. The irrigation works must also be designed correctly to improve water use efficiency.

The loans are available to eligible landholders, for up to 90% of the cost of the works (excluding GST) for a term of up to 15 years. The maximum amount any farm business can have borrowed under this Scheme is \$150,000.

Peter, a broadacre farmer, accessed a loan to complete "our irrigation landforming program so we could get better water use, resulting in water savings and higher yield returns."

"Business interest rates were too high to contemplate increasing our borrowings during the low water allocation years, so even though we had developed a strategy to improve our on-farm water use efficiency there was no way we could afford to implement it," he said.

"The new layout works well, and was really proven during the wet weather late last year. We harvested above-average wheat and barley yields with the new layout, which allows water to drain off much quicker than before. We also saw the improvement in the 40 ha of rice this past season, which yielded a record 13.4 t/ha.

"Because of the irrigation officers and RAA, we can look forward to utilising our more efficient new layout and recording further irrigation savings and higher crop yields."

Since its inception in the 1950s under the Farm Water Supplies program, many farmers across NSW have utilised this loan to improve on-farm water use efficiency, with some accessing the loan a number of times.

With a final word from Roy, "for me the benefits are not only in water savings but also access to my paddock, especially after rain events like we have been having". ☀️

Further information

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High tech subsurface drip has enabled this irrigator to grow a large range of high-value crops such as this Red Mignonette seed lettuce crop with greater yield and reliability. Photo: Robert Hoogers.



A previously flood irrigated vineyard has become more water efficient with the installation of drip irrigation, with the assistance of an RAA loan. Photo: Iva Quarisa.