

5 May 2019

Mr. Luke Simpkins
CEO
New South Wales Irrigators' Council
ceo@nswic.org.au

Dear Mr. Simpkins,

Thank you for the opportunity to provide the views of the Morrison Government on important issues facing your members. A response to your questions is attached.

This election will have real consequences for Australia's economy and our future. This year, for the first time in more than a decade, the Government will deliver a Budget surplus.

Our plan for a stronger economy will:

1. Create 1.25 million more jobs over the next five years.
2. Maintain budget surpluses and pay down debt.
3. Deliver tax relief to encourage and reward hard working Australians.
4. Guarantee increased investments for schools, hospitals and roads.
5. Keep Australians safe and our borders secure.

The alternative at this election is Mr Shorten. Labor's risky agenda includes billions of dollars of higher taxes – on retirees, housing, incomes, investments, family businesses, electricity and more.

Thank you for communicating our response to your members.

Yours sincerely,



Andrew Hirst
Federal Director

MORRISON GOVERNMENT RESPONSE TO NEW SOUTH WALES IRRIGATORS' COUNCIL

- 1. Apply rules of access and security consistently across water products regardless of ownership. Long term reliability of products must not be undermined through policy implementation.**

The Morrison Government recognises the importance of certainty to irrigators and communities in the Murray Darling Basin. Central to this is certainty around the implementation of the Basin Plan. Through the delivery of the *Sustainable Diversion Limit Adjustment Mechanism* and the *Northern Basin Review* – both committed to as part of the Basin Plan 2012 – we have ensured that equivalent environmental outcomes will be met through more efficient water management that reduces the need to recover even more water from irrigators and their communities.

A core element of the *Water Act 2007* and the *Basin Plan 2012* is the need for implementation of water reform not to impact on water reliability for entitlement holders. This is as important for environmental water holders as it is for irrigators. The Morrison Government is committed to ensuring that the rules are fair and apply equally. Changes to the reliability of water entitlements create uncertainty for irrigators and the environment and would only undermine the environmental, social and economic objectives of the Basin Plan.

- 2. Measured implementation of the Murray-Darling Basin Plan for stability.**

The Coalition is committed to a measured but full implementation of the Basin Plan. Since 2013, we have taken a number of actions to give communities certainty, meet the environmental outcomes of the Basin Plan and reduce the social and economic impacts of water recovery including:

- Legislating a 1500 GL cap on water buybacks, which the Labor Party proposes to repeal;
- Prioritising water infrastructure investment over damaging and indiscriminate water buybacks;
- Delivering a 605 GL reduction to the recovery target for the southern Basin through the Sustainable Diversion Limit Adjustment Mechanism that secures equivalent environmental outcomes through improved system management;
- Completing and implementing the scientific Northern Basin Review, which resulted in a 70 GL reduction to the northern Basin recovery target;
- Providing more than \$20 million in additional support to Basin communities most impacted by the Murray Darling Basin Plan; and
- Securing all states agreement to a social and economic neutrality test for the recovery of the required 450 GL in additional water for the environment.

We recognise that there is more to do and that significant implementation challenges lie ahead. We are committed to addressing those challenges with communities and to understanding the changes that have taken place in the Murray Darling Basin since 2012.

That is why on 8 April 2019, the Minister for Agriculture and Water Resources, the Hon David Littleproud MP, announced a broadbased assessment of the social and economic conditions in the Basin that will be undertaken by an independent panel. This assessment will give communities the opportunity to share their experiences and inform the Murray Darling Basin Authority's 2020 Basin Plan Evaluation.

And we have added to this by announcing that the Coalition would if re-elected commission the Australian Competition and Consumer Commission to undertake a review of southern Basin water markets.

3. Respond and adapt to a changing climate of water availability by investing in innovative infrastructure and RD&E for water storage and use.

The Morrison Government is committed to delivering the water infrastructure of the 21st century. \$3.3 billion is on the table to fast track the investigation and development of new water infrastructure. \$1.3 billion in grant funding is being provided through the *National Water Infrastructure Development Fund (NWIDF)* and \$2 billion through the *National Water Infrastructure Loan Facility*.

Through this funding we have already made commitments to projects that will expand agricultural production, provide improved water security and reliability and potentially increase the area under irrigation. A special \$72 million drought round was launched last year and a further round of the NWIDF closed on 1 April 2019.

On 30 April 2019 the Deputy Prime Minister, the Hon Michael McCormack announced that the re-elected Morrison Government will establish the National Water Grid – a statutory authority that will be responsible for the strategic planning and project management for water policy and water infrastructure right across the nation. The new agency would provide for better and coordinated national planning and delivery of water infrastructure.

At the farm and industry level, we are working our rural industries, investing over \$800 million in rural research and development (R&D) corporations. Through this investment R&D corporations are investing in improved resilience and climate change adaption including improvements in water saving technologies. Through the Government's \$134 million Smart Farms Program we are also supporting individuals, organisations and broader industry partnerships to develop, trial and implement - including through extension activities – new and innovative technologies and practices.

The adoption of new technologies and on-farm infrastructure has also been supported through the tax system with a \$25,000 instant tax write-off for small businesses with a turnover of up to \$10 million. In the 2019-20 Budget, the Morrison Government announced this would be raised to \$30,000 and eligibility increased to businesses with a turnover of \$50 million.

4. Invest in measures which improve the transparency of water management and water use to build public trust and reach world-leading basin-scale water monitoring and data availability.

Irrigators and communities have an expectation that the rules that govern water use will be followed. Compliance and enforcement is fundamental to building confidence in the irrigation industry and to ensuring that water is monitored and accounted for. The Coalition have already announced a range of measures to support improved accountability and monitoring of water across the northern and southern Basin. These include an additional \$9.1 million to strengthen the Murray Darling Basin Authority's compliance functions and additional funding to improve hydrometric and satellite monitoring.

In response to the *Final Report of the Independent Panel into the 2018-19 Lower Darling Fish Deaths*, the Minister for Agriculture and Water Resources, the Hon David Littleproud MP has announced since 10 April this year more than \$90 million in funding including:

- \$25 million rebate to irrigators for water meters the northern Basin.
- \$26 million to improve river measurement and satellite monitoring in the northern Basin.
- \$5 million for live-streaming and satellite monitoring of rivers that can be viewed on the internet in real time.

These measures will improve data and understanding of the northern basin, provide transparency and build community confidence in the management of water resources.

5. Invest in reliable, efficient and cost-effective energy solutions.

The Morrison Government is committed to lower power prices while keeping the lights on.

We understand rising power prices are hurting Australian families struggling with the cost of living and preventing small businesses from employing more people and expanding.

That is why we are taking strong action to lower prices and we are already seeing results. By mid-2019, over one million Australian families and small businesses will benefit from electricity prices falling by up to 15 per cent and the ban on sneaky late payment fees.

While keeping the economy strong and returning the Budget to surplus, we are also providing \$365 million for Energy Assistance Payments of \$75 for singles and \$125 for couples to four million eligible social security payment recipients – to help with their next power bill and cost of living expenses.

Our Fair Deal on Energy delivers affordable, reliable, 24/7 power to Australian families, businesses and communities, including:

- A price safety net to protect loyal customers and help families and small businesses make empowered and informed decisions about their energy plans.
- Big stick legislation to stop the big energy company rip-offs and banning sneaky late payment fees.

- Supporting reliable power by requiring energy companies to sign contracts guaranteeing enough energy to meet demand.
- Underwriting investment in new reliable power generation to improve competition, including Snowy 2.0, Battery of the Nation and a shortlist of reliable generation projects, which the ACCC forecasts will reduce wholesale power prices by more than 25 per cent.

We are reducing costs for households, businesses and community groups through investment in energy efficiency upgrades and advice, new building standards, opportunities for community groups to invest in solar and supporting regional communities to invest in local micro grid electricity systems.

Our policies deliver lower-cost electricity while also meeting our climate commitments and increasing renewable energy. Around one third of Australia's electricity will come from renewables by the early 2020s.

The Morrison Government has a clear plan to reduce power prices for families and businesses.

By contrast, Labor's risky policies are to reduce emissions by 45 per cent by 2030 along with a renewable energy target of 50 per cent. We know these policies will drive up power prices, wreck the economy, reduce wages and cost jobs. Labor's policies will not reduce global emissions as businesses, jobs and wages are forced overseas.

Labor's policies could reduce real wages by \$9,000 per household, reduce the number of jobs by more than 330,000 and increase wholesale electricity prices by 58 per cent.