

Tuesday 12th May, 2015

Budget a Mixed Bag for Irrigators

The National Irrigators' Council CEO, Tom Chesson said the failure to fund the Commonwealth Water Agencies including the Commonwealth Environmental Water Holder beyond the 2016/17 forward estimates sent a very poor message to Murray Darling Basin communities about the Commonwealth's long term commitment to the Basin Plan.

"It is disappointing that when the former Prime Minister John Howard stated one of the key reasons the Commonwealth became involved in water management in the Murray Darling Basin was because of "... under-resourcing by State and Territory Governments," the Commonwealth appears guilty of doing the same thing even before the Basin Plan has been fully implement.

"Communities already suffering from drought and water shortages won't be amused by the Government's failure to commit the funds needed in the forward estimates to manage the water they have recovered for the environment. This stands in stark contrast to the \$5.3 billion outlined in the Budget to recover productive water from communities over the next nine years.

"The funding allocated to recover water includes almost \$1 billion over the forward estimates to recover an additional 450 gigalitres over and above that required under the Basin Plan yet there is no funding beyond 2016/17 in the Budget to manage or deliver the environmental water the Government has already recovered.

"The last thing we want is to be involved in another 'historic reform' in a few years' time because successive Governments have failed to deliver what they promised," he said.

Mr Chesson said on the positive side the \$70 million for accelerated depreciation which will allow irrigators from 1 July 2016 to immediately deduct capital expenditure on fencing and water facilities such as dams, tanks, bores, irrigation channels, pumps, and windmills is a step in the right direction.

"In addition the Government is moving to allow farmers to depreciate over three years all capital expenditure on fodder storage assets such as silos and tanks used to store grain and other animal feed," he said.

Mr Chesson said we are also encouraged by media reports prior to the budget that these measures are part of a larger package of reforms in the agriculture white paper.

"We are expecting that when the Agriculture White Paper is announced it will address our submission to the Agricultural Competiveness Green Paper which called for increased Government investment in water infrastructure across the country.

"We understand that money has been set aside in the budget to fund initiatives under the Northern Australia and Agriculture White Paper, both of which are expected to be announced in the near future," Mr Chesson said.

Mr Chesson said whilst the budget was a mixed bag in reality most irrigators will be more concerned about when it's going to rain and fill near empty storages, than the lasting impact of this budget.

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