

PRIME MINISTER

MINISTER FOR CLIMATE CHANGE AND WATER

NEW EXIT GRANT PACKAGE TO ASSIST SMALL-SCALE IRRIGATORS

The Rudd Government is offering to buy the water entitlements of small block irrigators in the Murray-Darling Basin who agree to sell all their water entitlement to the Commonwealth.

The Government will offer up to \$150,000 as a special exit payment, along with other transitional assistance, to eligible irrigators on 15 hectares or less.

The short-term scheme will be available this financial year. Access to the program will be conditional on irrigators selling their water entitlement to the Commonwealth to be returned to the Basin's rivers and wetlands.

The program is expected to yield up to 48 gigalitres of water for the environment.

This assistance will allow eligible small scale irrigators with permanent water entitlements of at least 10 megalitres who choose to leave irrigated farming to stay on the farm.

The Government has allocated up to \$57.1 million for this assistance to bring relief to small-scale irrigators in the Murray-Darling Basin impacted by drought and climate change who wish to exit irrigated farming but are unable to sell their farms.

This program will provide struggling small irrigators – many of whom have been carrying on farming enterprises that were established by their families several generations ago – with an opportunity to exit the sector while remaining in their family homes.

Many of these irrigators live close to rural and regional centres. Staying on the farm and working nearby are real options for them.

The objective is to help these small block irrigators remain in their communities while getting out of the business of irrigation, at the same time as providing greater environmental flows to the Murray-Darling system.

In addition to the exit grant of up to \$150,000, two complementary grants will be included in the package:

- up to \$10,000 for advice and training, including skills development, direction setting plans, succession planning and business advice
- up to \$10,000 for removal of permanent plantings and other production-related infrastructure

The program will be part of the Government's Water for the Future plan, which includes \$3.1 billion for buying back water in the Basin and \$5.8 billion for infrastructure improvements and to help communities adjust to reduced water availability.

Implementation of this initiative will be linked to water reforms agreed between the Commonwealth and the States. More details for irrigators about how to access the package will be announced within the next month.

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