



The Hon Bob Baldwin MP

Parliamentary Secretary to the Minister for the Environment

MC15-001155

The Hon Niall Blair MLC  
Minister for Primary Industries  
Minister for Lands and Water  
GPO Box 5341  
SYDNEY NSW 2001

- 2 JUN 2015

Dear Minister *Niall*

The NSW Lower Darling Horticulture Group has conveyed to me a proposal, seeking funding to assist them to change their current farm business practices to be less reliant on high-security water entitlements.

The Horticulture Group comprises six property owners who have formed a consortium and are seeking [redacted] to carry out a number of on-farm infrastructure-related activities, buy general security water entitlements and provide financial support to affected employees as a result of a proposed reconfigured business model. In return, the Group would provide the Commonwealth with approximately one gigalitre of high-security water entitlement that it currently owns.

The Department of the Environment has assessed the proposal and found that most of the proposal is ineligible in its current form under its programmes.

Given the initiative taken by this irrigator group, the dry conditions of the area, and the potential value of the proposal in allowing a broader range of options to be considered in the Menindee Lakes project, parts of their proposal may warrant further investigation and support as a potential NSW State Priority Project (SPP). Should a SPP be appropriate it would require a business case based on the relevant Information Requirements and be within the 2.5 market multiple. I would also request you consider whether any aspects of the proposal may be eligible for NSW programme funding.

I have responded to the Group advising that the Australian Government will not be providing support for the proposal in its current form and officials from my Department will contact them again to discuss possible future opportunities under our purchasing initiative. It would be desirable for such discussions to occur jointly with NSW officials if there was any scope for NSW participation in the project. Please find attached a copy of my response to [redacted] who submitted the proposal to me.

Yours sincerely

Bob Baldwin