



The Hon. Barnaby Joyce MP

**Deputy Prime Minister
Minister for Agriculture and Water Resources
Minister for Resources and Northern Australia
Leader of The Nationals
Federal Member for New England**

Ref: MC17-006516

5 OCT 2017

Mayor David O'Loughlin
President
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

Dear Mayor *David,*

Thank you for your letter of 22 August 2017 about the 2017 National General Assembly of Local Government's (NGA) Resolution Number 77 concerning David Coffey's 1984 Clarence River Diversion proposal.

In my capacity as Deputy Prime Minister, Minister for Agriculture and Water Resources and Minister for Resources and Northern Australia I am passionate about exploring all infrastructure options that have the potential to deliver sustainable and affordable water and energy for rural and remote communities across Australia.

I welcome the NGA's efforts to identify innovative solutions to water security that will lead to regional economic development through new and existing agriculture. I note that Resolution Number 77 calls on the Australian Government to fund a feasibility study of Mr Coffey's Clarence River Diversion proposal. Unfortunately, funding for feasibility studies under the National Water Infrastructure Development Fund (the fund) has been fully committed.

With this in mind, I encourage you to consider progressing your Resolution with the Hon. Niall Blair MLC, New South Wales Minister for Regional Water. The New South Wales Government is responsible for the long-term strategic planning to meet current and future demands of water and energy in New South Wales. Without the support of the New South Wales Government a project like the proposed diversion of the Clarence River could not proceed.

I am committed to pushing the states into action to address current and future water and energy demands. The Australian Government has committed an unprecedented \$2.5 billion to assist state and territory governments to invest in the water infrastructure of the 21st century to grow regional economies.

The \$500 million fund includes \$440 million to accelerate and co-fund the construction of water infrastructure. The remaining \$60 million has been committed to fund 39 feasibility studies around the country to build business cases to inform investment decisions by state and territory governments and their project partners on water infrastructure projects such as new dams, weirs, pipelines and managed aquifer recharge projects. This work will ensure that the right infrastructure is built in the right place.

The \$2 billion National Water Infrastructure Loan Facility (the loan facility) is also open for business and offers concessional loans at the lowest rate the Commonwealth can offer to create an incentive for states to progress the construction of water infrastructure for agriculture and regional economic development. The loan facility ensures that the New South Wales Government and their project partners have funding options to kick start the construction of dams.

Thank you for bringing this matter to my attention and I am happy for you to convey these sentiments to your members on my behalf.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'B. Joyce', with a stylized flourish at the end.

Barnaby Joyce MP