

ANU Professor's Criticism of Irrigators Not Justified

Headline seeking commentary by ANU Water Economics Professor Grafton claiming 'little to show' for the money spent on the Murray Darling Basin (MDB) plan is selective and misleading says Irrigators Council CEO, Steve Whan.

Steve Whan said "last week Professor Grafton gained a few headlines attacking hard working irrigators and basin communities. He claims irrigators are not using less water and says Government funds would be better spent buying water entitlements.

"I've read Professor Grafton's article and some of the research he refers to. His comments appear to me to be selective and ideological rather than research driven.

"The truth is since the start of the Basin Planning process, the Commonwealth Environmental Water Holder has acquired from irrigation water entitlement holders 2000 Gegalitres of water, which was previously available for extraction, but now is for the environment.

"That is enough water to fill Sydney Harbour four times, or fill 800,000 Olympic swimming pools each year.

"The Professor's claims are a slap in the face for the environment, and for the communities of the Murray-Darling Basin."

Investigation of the Professors claims reveal:

Claim: "the average volume of water applied per hectare [was] virtually the same in 2014-15 as it was in 2002-2003"

The publicly available ABS figures do not show the MDB for 2002-2003. Potentially that means the figure is comparing all of Australia with the MDB. The first year of ABS statistics for the MDB is 2005-06, in that year there was 1,654,000 ha of irrigated land in the MDB, 7,369,807 ML of water was used at a rate of 4.5 ML/ha. In 2014-15 there was 1,366,738 ha of irrigated land, 5,868,785 ML of water used at a rate of 4 ML/ha. That represents a significant reduction, particularly when we consider that 2014-15 represents only the 2nd year of the plan.

It is noted also that Professor Grafton does not appear to account for different levels of water availability, in the MIL for example in 2002-03 General Security users received 38% and in 14-15 53% of their entitlement.

Claim: taxpayers money would be better spent buying water not investing in infrastructure.

Response: It is cheaper in straight dollar terms for Government to buy back entitlements rather than invest in infrastructure improvements. But that simplistic assessment ignores assessment of economic impacts on communities of removing

productive water; on Australia's capacity to supply food and fibre for domestic and export consumption; and on the long-term productivity of regional communities.

It is noted that Prof Grafton quotes a study suggesting that the 'GDP' of the MDB would be higher if all the money designated for infrastructure was diverted to local spending on additional services, presumably on the very brave assumption that Governments will convert one off capital funding into funding for services which is, by definition, recurrent.

"Fundamentally, the Professor's analysis excludes a big slab of the picture for Murray Darling communities. It ignores recent economic impact work indicating that water buyback has significant impacts on entire communities.

"The only comprehensive study of the social and economic impact of the Plan carried out by the Murray Darling Basin Authority, so far, is for the northern Basin. It suggests that acquisition of 390GI for that region would come at the cost of 710 jobs.

"If that is extrapolated across the whole Basin, then the potential impacts on jobs from a 2750GI recovery is over 5000 jobs, or at the current recovery level almost 3,700 jobs.

"For the Professor to say that the Plan has made no difference, is an insult to the families in Basin communities who no longer earn an income.

"It also fails to grasp the importance, for every Australian, of being able to produce here, at home, the food we eat, the natural fibres we wear and the export income our country earns from competitive irrigated agriculture."

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Tuesday 7 March 2017