

NIC Welcomes Legislation to Cap Water Buy-Backs in the Murray Darling Basin

The National Irrigators' Council (NIC) today welcomed the renewed commitment by the Coalition Government to legislate a cap of 1500 gigalitres on water buy-backs in the Murray Darling Basin and said it hoped that the Labor Party would continue the tradition of bipartisan support for Basin reforms.

CEO Tom Chesson said back in 2007 the Coalition had promised irrigation communities that buybacks would be a last resort and that its preferred option was to recover water through efficiency measures which ensured communities weren't placed into permanent man-made droughts.

"There was nothing strategic about the 'no regret' buybacks policy adopted by previous governments. This policy caused more pain to communities than was necessary," Mr Chesson said.

"Whilst recovering water through infrastructure still represents removal of water from the economic base of communities, the loss of the water can be offset by increasing productivity and allowing our farmers to grow more with less.

"Just as our irrigation sector is the world's most efficient, the delivery of environmental water must also be world class. Those delivering taxpayer funded e-water must ensure that they have a mantra of delivering more 'frogs per drop' than anyone else."

"If the Government can deliver the same environmental outcomes using less water by being more efficient, as irrigators have shown, then this would be a huge win for the environment and for the nation," Mr Chesson said.

An [analysis](#) done by the taxpayer funded research body Dairy Australia on investing in on-farm infrastructure rather than buybacks, highlights that the real costs of buybacks on communities is far more expensive than investing in infrastructure. The findings included:

- Upgrades cost the Australian Government about \$3700/ML for the environment's share of water savings.
- Upgrades delivered \$9800/ML worth of increased farm productivity (annualised capital value).
- The market value of the farmers' share of water savings is about \$1800/ML.
- Using this water to increase production generates additional regional economic activity worth \$6200/ML (capitalised value) based on \$500/ML per year additional farmgate production.
- Farm upgrades improved irrigation labour efficiency.
- Water use is reduced by 2.2ML/ha per year on the modernised irrigations areas of the farm.
- Pasture yield improvement is 2 tonnes dry matter (DM)/ha and 0.4 tonnes DM/ML.
- Additional benefits reported included greater likelihood of farm succession to the next generation of farmers, farm expansion, improved business resilience and the ability to use improved water delivery service provided by water companies modernising their district supply systems.
- Buyback tenders for irrigator entitlements for the environment cost the Government around \$2000/ML, but are associated with reduced regional farm productivity. This in turn reduces regional economic activity by around \$4,300 for every megalitre purchased by the Government.

Mr Chesson said investing in water infrastructure to grow the food and fibre that people need to survive is the best climate mitigation program the government can invest into secure the nation's food security and to ensure that we can transition from the mining boom to the dining boom.

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