

Media Release

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Taking Living Murray offsets out of the Basin Plan could cost taxpayers \$1 billion

For immediate release

The exclusion of The Living Murray environmental works from the latest draft Basin Plan could cost taxpayers more than \$1 billion, the Australian Dairy Industry Council (ADIC) warned today.

ADIC president Chris Griffin said excluding the works meant the Government would have to buy 650GL instead, for no environmental gain.

“This will cost taxpayers more than \$1 billion, if past buybacks are any guide,” Mr Griffin said. “Not to mention further undermining the viability of irrigation districts and driving up the price of water for those farmers who remain.”

The Living Murray works make up the bulk of the 650GL in offsets proposed by the Basin State ministers as part of an adjustable Sustainable Diversion Limit (SDL) mechanism.

“The offsets will enable similar or better environmental outcomes to be achieved using less water than the 2750GL the Murray Darling Authority wants to recover,” Mr Griffin said.

The MDBA told several parliamentary hearings over the last 12 months that The Living Murray environmental works would be considered as offsets.

But the amended Basin Plan released last week excludes these works, claiming they were already factored into the modelled 2750GL baseline.

ADIC Basin Taskforce chair Daryl Hoey said regional communities were shocked that the Authority could try to move the goal posts at the last moment.

“It seems the Authority is determined to preserve its 2750GL recovery target, no matter what,” Mr Hoey said.

“It is not just the Living Murray works – new provisions such as ‘initial conditions of development’ and targets for the lower lakes have also been introduced.

“These provisions will stymie attempts to adjust the SDL using offsets such as environmental works and improved river operations.

“For the Government, this should be very simple: the more environmental offsets that can be found, the more taxpayers’ money it can save by not having to buy the water from irrigators instead.

“And the environmental outcomes will be similar or even better this way. It seems like a no-brainer.”

Mr Hoey explained that the Commonwealth had paid an average \$1700/ML for high reliability and general security water in the southern Basin; these water entitlements are likely to continue being the target of future buybacks.

“So, they could save more than \$1 billion if they don’t have to buy 650GL, and achieve similar or better environmental outcomes through The Living Murray offsets instead.” he said.

“We are urging the federal and State water ministers to reinstate the Living Murray works in the offsets equation, and remove the new provisions that stymie any SDL adjustment using offsets.”

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