

# Media Release



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## **Farm upgrades beat buybacks, increase productivity and boost regional economic activity**

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### **For Immediate Release**

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Government and farmer-funded upgrades to irrigation systems are reaping multiple benefits with production gains, reduced water use and increased regional economic activity, according to new research released today.

Launched in Rochester, Northern Victoria, the Dairy Australia commissioned report "*Cost Benefit Analysis of Farm Irrigation Modernisation*" undertook case studies of 10 properties within the Murray Darling Basin in northern Victoria and southern NSW. It found that the farm upgrades delivered the environmental, social and economic outcomes that regional communities expect from the Murray Darling Basin Plan (MDBP).

ADF Natural Resources Policy Group Chair Daryl Hoey welcomed the report saying it confirms what the industry has been arguing for years - that substantial water savings can be achieved and that water buy-backs are just one small part of the solution.

"This report found that farm upgrades cost the Government around \$3,700 a megalitre (ML) of water savings for the environment and at the same time delivered gross productivity gains to farmers worth an average \$9,800/ML of water savings. In turn, increased farm production generates additional regional economic activity worth \$6,200/ML."

"While buybacks may cost less, at around \$2,000 a megalitre, they are also associated with reduced regional farm productivity. This in turn reduces regional economic activity by around \$4,300 for every megalitre purchased by the Government," said Mr Hoey.

The case studies covered a mix of farm sizes and irrigation systems, and included self-funded farm works as well as participants in the Federal Government's On-Farm Irrigation Efficiency Program.

The report shows that by working to upgrade farms, substantial economic benefits can be achieved both for the farmer and the broader community.

"By comparing a range of farms, this report shows once and for all that there are real and long-lasting benefits for local farmers and regional economies from upgrades to irrigation systems," said Mr Hoey.

"It also shows that for the ongoing benefits of the MDBP to continue to flow to regional Australia, continued Government support for water upgrades is vital," he said.

"The industry urges all parties to back regional Australia by capping water buybacks at 1500GL and recover water for the environment through infrastructure savings instead," said Mr Hoey.

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