



Australian Dairy Industry Council Inc.

Media Release

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Basin Plan Ministers urged to remember local dairy communities

For Immediate Release

A robust and transparent test to determine the socio-economic impacts of removing an additional 450 gigalitres (GL) of irrigation water from the Murray Darling Basin is critical if the impacts to local communities are to be fully understood, according to the country's peak dairy industry body.

The Australian Dairy Industry Council (ADIC) is urging state and federal water ministers to consider any impacts the test would have on dairy jobs and local communities ahead of Friday's Ministerial Council meeting in a bid to beef up the socio-economic neutrality test currently in place under the Murray Darling Basin Plan.

ADIC Water Taskforce Chairman Daryl Hoey said the current test was measured at an individual level rather than a community level.

"At the moment, a farmer might sell their water to the Commonwealth and because the farmer received payment, it is considered to have a positive outcome," Mr Hoey said.

"However, there is no evaluation of what the loss of water means for the region and its future viability.

"Dairy farmers value our rivers and support the improvements that have been made to the Basin, but irrigation communities are worried the current 'neutrality test' does not consider community impacts when water is removed.

"Any socio-economic test must be fair for all farmers because, as it stands, local dairy dependent communities cannot tolerate more job losses."

Data released last year by the Murray Darling Basin Authority (MDBA) revealed job losses in Basin communities of up to 40 per cent in agriculture, and up to a 60 per cent loss in irrigation employment in some regions.

The MDBA also estimated future water recovery measures would lead to a further 9 per cent slump in the gross value of irrigated production. Analysis by consultants RMCG found that milk production would be slashed by 235 million litres in the southern Basin alone, putting around 500 jobs at stake in the district.

The deal struck between the federal Government and Opposition also includes expressions of interest for on-farm projects which would involve farmers receiving funding to upgrade their irrigation practices providing they return a portion of their water to the Commonwealth.

"Unfortunately, these projects simply take irrigation water out of production. The Commonwealth and States must look for water projects that do not take water from the consumptive pool," Mr Hoey said.

“We certainly understand the long-term desirability for all irrigation districts to be as efficient as possible. But unless individual programs can demonstrate that they will not produce negative flow on impacts for communities they are unlikely to gain support.

“Ministers should also recognise that the social and economic neutrality impact test must consider impacts beyond the farmgate. Farm services, processing and transport jobs will reduce if an on-farm efficiency project removes water from the irrigators pool. The economies of scale for dairy processing sites will be compromised and maintaining local infrastructure will become less viable”.

The ADIC will continue advocating ensuring the neutrality test is measured at a community level. –

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The Australian Dairy Industry Council (ADIC) is the dairy industry's peak policy body. It co-ordinates industry's policy and represents all sectors of the industry on national and international issues through its two constituent bodies, Australian Dairy Farmers Ltd (ADF) and the Australian Dairy Products Federation (ADPF). It aims to foster, promote and protect the interests of the Australian dairy industry by driving a whole of industry approach to dairy policy and the development of the dairy industry.