

Thursday, 5 August 2010

## Report highlights that everyone will pay for cuts

A new report released today highlights the fact that all Australians could suffer under proposals contained in the forthcoming Murray Darling Basin Plan.

The Judith Stubbs and Associates report clearly demonstrates that the Murray Darling Basin Authority must strike the right balance between the needs of the environment and productive use of water when formulating the Basin Plan.

The National Irrigators' Council said it was now clear that all Australians would be worse off if the balance isn't right, with thousands of jobs lost and costs shared right around the nation.

"The report demonstrates that this Basin Plan, while having a potentially devastating effect on many communities in the MDB, will also impact on all Australian families through increased costs, loss of jobs and economic activity, and social upheaval," said NIC CEO Danny O'Brien.

"This report puts numbers on the fears that we have held for some time, and to devastating effect. A significant cut to water availability in the Basin Plan will make a mining tax look benign."

The report estimates that a 25 per cent cut in water availability for irrigation in the MDB would cost the national economy \$1.4 billion annually and 14,000 jobs, while a 50 per cent cut would cost 28,000 jobs and \$2.7 billion in economic activity every year.

"This report, produced by a credible economic research organisation, highlights that the impacts of the Basin Plan would not be just felt by a few farmers – this will hurt corner shops, accountants, bakeries and service stations and the flow-on effects will be felt by urban Australians and others outside the basin," Mr O'Brien said.

"Perhaps what is most scary is that the estimates are considered by the report's authors as being conservative."

Mr O'Brien said the Judith Stubbs and Associates report highlighted why the NIC has long been calling for balance in the Basin Plan.

"It also shows why our concerns about social and economic impacts are well founded and reinforces our view that the Commonwealth Government should commit to a Productivity Commission review of these impacts before it adopts the final Basin Plan.

"If the politicians don't believe this report, they can ask the government's premier economic think tank to gauge the impacts. If they think they have got the balance right in the *Water Act*, then they should have nothing to fear from a Productivity Commission review."

**Media Contact: Danny O'Brien (02) 6273 3637 or 0438 130 445**