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SURVEY HIGHLIGHTS FRAGILE NATURE OF IRRIGATION BUSINESSES

The release today of a new survey of irrigators in the Murray Darling Basin only highlights the need for balance in the setting of new extraction limits under the proposed Basin Plan according to the National Irrigators' Council.

ABARE has today released the report - *An economic survey of irrigation farms in the Murray-Darling Basin: industry overview and region profiles 2007-08* – which shows that most irrigation businesses made a financial loss during that year.

NIC Chief Executive Officer, Danny O'Brien, said the survey highlighted the need for governments and the Murray Darling Basin Authority to get the balance right between the needs of the environment and the use of water for food and fibre production.

"The survey shows that broadacre irrigation enterprises suffered an average loss of nearly \$20,000 and dairy farms just over \$8000 in 2007-08. Only horticulture businesses returned a profit, but even then it averaged only just over \$7000," Mr O'Brien said.

"While the figures are a slight improvement over 2006-07, it must be recognised that that year was probably the worst on record for irrigators. Certainly things haven't improved much in the time since and with many major commodity prices at disastrous levels, things have been pretty grim for irrigators.

"It just underscores that the MDBA must consider the social and economic impact of cuts to water availability when it decides on new Sustainable Diversion Limits (SDLs) as part of its proposed Basin Plan next year.

"Irrigators and their communities are already doing it tough through the worst drought in recorded history – they cannot afford to face a policy-made drought caused by a Basin Plan that doesn't balance the needs of the environment and rural communities."

Mr O'Brien said irrigators support returning the system to sustainable levels but this must also include a sustainable irrigation industry that provides food and fibre for the nation.

"Even the Productivity Commission said last week that the needs of the environment should be balanced by community preference, including an identification of the opportunity cost of providing more water for the environment.

"It is important that we have healthy eco-systems but we must also consider the need for food and fibre security and the dramatic consequences that may occur in regional communities if too much water is taken from irrigators."

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