

Monday 29<sup>th</sup> July, 2013

## National Irrigators' Council Welcomes New Irrigation Efficiency Program Funding Round

The National Irrigators' Council has welcomed today's announcement of the opening of the \$100 million fourth funding round of the On-Farm Irrigation Efficiency Program.

NIC CEO, Tom Chesson said a recent Dairy Australia report highlighted the value for money taxpayers received from investing in on-farm water efficiency programs.

"Whilst any program which takes water out of consumptive use is going to have major negative economic and social implications, the way to minimise that pain is through investing in infrastructure," he said.

The major findings of the Dairy Australia ['Cost Benefit Analysis of Farm Irrigation Modernisation'](#) report were;

- Upgrades cost the Australian Government about \$3700/ML for the environment's share of water savings.
- Upgrades delivered \$9800/ML worth of increased farm productivity (annualised capital value).
- The market value of the farmers' share of water savings is about \$1800/ML.
- Using this water to increase production generates additional regional economic activity worth \$6200/ML (capitalised value) based on \$500/ML per year additional farmgate production.
- Farm upgrades improved irrigation labour efficiency.
- Water use is reduced by 2.2ML/ha per year on the modernised irrigations areas of the farm.
- Pasture yield improvement is 2 tonnes dry matter (DM)/ha and 0.4 tonnes DM/ML.
- Farmers reported that government funding enabled upgrades that they otherwise could not have afforded or that would take years to complete incrementally and at greater cost.
- Additional benefits reported included greater likelihood of farm succession to the next generation of farmers, farm expansion, improved business resilience and the ability to use improved water delivery service provided by water companies modernising their district supply systems.
- Buyback tenders for irrigator entitlements for the environment cost the Government around \$2000/ML, but are associated with reduced regional farm productivity. This in turn reduces regional economic activity by around \$4,300 for every megalitre purchased by the Government.

Mr Chesson said in short the On-Farm Irrigation Efficiency Program provides taxpayers with excellent value for money.

"Given the success of programs like the On-Farm Irrigation Efficiency Program and negative impact buybacks have on communities the Government should commit to legislating a 1500 GL cap on water buybacks."

"The Coalition has committed to capping water-buy backs to 1500 GL," Mr Chesson said.

Applications for funding close at **4.00 pm (Australian Eastern Daylight Saving Time) on Monday, 14 October 2013.**

More information about the *On-Farm Irrigation Efficiency Program* including the funding guidelines and application form can be found [here](#) or by calling 1800 218 478.

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