

Sensible Outcome at Today's Water Ministers Meeting

The National Irrigators' Council has welcomed the decision of the Commonwealth Government to revert to previous conversion factors used to determine the reliability of water entitlements in the Murray Darling Basin.

“NIC CEO Tom Chesson said the news that 20 week consultation period is due to begin on the 28th of November was welcomed, however, it is hoped that this is the last delay.

Conversion factors are used to assess how much water will be allocated on average to a particular entitlement – referred to as reliability. Given there are many different classes of water entitlement in the Basin, conversion factors help provide a common “long-term average” yield for water entitlements, in this case helping give a clear picture of likely actual returns to the environment from Commonwealth purchases.

Tom Chesson said the decision to change the factors without consultation had caused great concern throughout basin communities as it had devalued water already bought by the Commonwealth in some valleys with the net effect being even more water would need to be purchased.

“We welcome advice coming out of today's Ministerial Council meeting that the Commonwealth Department will revert to the previous conversion factors. Ministers have recognised that this move caused great uncertainty for many in our communities and had the potential to have real impacts. For example, with the stroke of a pen it potentially devalued some entitlement types raising genuine concerns about debt and equity levels for irrigators.

“The bureaucracy must understand in future that it does not operate in a vacuum and the decisions they take can have an impact in the commercial world.”

Mr Chesson also welcomed confirmation out of today's meeting that there will be public meetings following the release of the draft Basin Plan and the appointment of Diana Gibbs to fill the vacancy on the Murray Darling Basin Authority.

Media Contact: Tom Chesson (02) 6273 3637 or 0418 41 5597