

Tuesday, 18 October 2011

## Food Bowl funding deal a win-win for all

The National Irrigators' Council has welcomed the settlement of a \$1.2 billion funding agreement for Victoria's Food Bowl stage 2 development as a win for all parties.

NIC CEO Danny O'Brien said the agreement signed today by Victoria and the Commonwealth was an investment in the future of irrigation regions and at last delivered on an infrastructure promise first made more than three years ago.

"Investment in more efficient irrigation districts is a win-win because it delivers improved productivity for farmers and local communities while also returning more water to the environment and helping to offset new sustainable diversion limits.

"The revised deal announced this morning is a good one because it delivers more water to the Commonwealth and reduces the overall cost per megalitre, removes a potential ongoing cost for Victorian irrigators and delivers the Victorian Government the funding needed to complete this important project.

"We congratulate Ministers Burke and Walsh for having the maturity to negotiate a better deal on this project."

Mr O'Brien said it was frustrating that some green groups and commentators continued to attack investment in irrigation systems as "costly" compared to direct water buybacks.

"The Murray Darling Basin Plan will force an enormous adjustment process on many communities throughout the Basin. Investing in irrigation efficiency will allow irrigators to continue producing the same or more food and fibre with less water and that benefits the thousands of people whose jobs and businesses rely on irrigated production.

"Buying water is no doubt cheaper in a strict financial sense but that doesn't factor in the longer term costs for communities of reduced economic activity.

"Infrastructure investment boosts the productivity of regional communities while buyback reduces productivity. Buyback has its place, but it must be complemented by these sorts of investments.

Mr O'Brien said irrigators looked forward to the finalisation of funding arrangements for NSW projects.

"We have been critical of the many delays in getting infrastructure programs rolling, particularly while buyback continues apace, but the Commonwealth is now clearing these major hurdles and we will be pleased to see real work happening on the ground very soon."

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