

Friday 13 March 2009

PR/040/09

Water buybacks continue to raise major concerns for NSW farmers

The NSW Farmers' Association has expressed its concern over the Murray Darling Basin water buyback proposal and its potential negative impact on NSW.

NSW Farmers' Association President Jock Laurie says the Association is particularly concerned about the implications of the buybacks on the future of irrigation in NSW.

"The Commonwealth will purchase \$1.9 billion of water from the Murray Darling Basin over the next four years, which includes the \$500 million that was brought forward as a result of negotiations around the economic stimulus package," Mr Laurie said.

"Our concern is that these buybacks will not be spread equitably across the four States in the Murray Darling Basin, and NSW will be burdened with the majority of water purchases.

"Victoria has protected its irrigators from the buyback by installing a ten per cent cap on the amount of water that can be traded out of the State," Mr Laurie said.

This barrier to trade was negotiated by Victoria under the intergovernmental agreement on Murray Darling Basin Reform.

"The 10 per cent cap restricts the trade of water from Victoria, which as a result, is likely to see the majority of water purchases coming from NSW," Mr Laurie said.

The Association is calling for a cease to the water buyback process until a level playing field can be established between Victoria, South Australia, Queensland and NSW.

"The sale of water out of irrigation systems has flow on effects to the remaining farmers and agricultural communities," Mr Laurie said.

"For example, consideration must be given to the long-term viability of shared infrastructure when irrigators sell their water and no longer contribute to maintenance costs.

"Similarly, small businesses, towns and indeed entire communities that depend on the flow-on from irrigation are potentially threatened by the buyback process," Mr Laurie said.

According to Mr Laurie, while removing trade barriers doesn't remove the threat to irrigators and communities, it spreads the risk.

"The Federal Government needs to recognise that the buybacks have the potential to decimate rural communities. It is essential that a plan be in place to determine where water is going to be purchased, and how it is to be used, so that the impacts can be spread evenly across the states," Mr Laurie said.

"The Association has opposed the water buybacks under these conditions and the Association will continue to work to ensure the NSW irrigation industry is treated in a fair manner," Mr Laurie concluded.

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