



NSW IRRIGATORS' COUNCIL

## *MEDIA RELEASE*

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### **Productivity Commission Hot and Cold on Water**

The NSW Irrigators Council says the Productivity Commission's Draft Report on Market Mechanisms for Recovering Water in the Murray-Darling Basin, release today, is spot on in some areas and confusing in others.

Council Chief Executive Andrew Gregson says the recognition that environmental water comes at an opportunity cost to agricultural production and the national economy is a major step forward.

"Irrigators recognise the need to move to a sustainable future for all – but have encouraged Australians to understand that environmental water comes at a cost. Whilst Australians are obviously keen to protect large swathes of environmental assets, there needs to be a balance. That balance can only be struck when people understand what it costs.

"With the advent of a market for water, Australia is in the unique position of being able to accurately value what water for environmental assets is costing us all. As we said to the Commission, that process should commence immediately.

The Council took issue, however, with the Commission's view of infrastructure investment.

"The Commission says that subsidising infrastructure is not an effective or efficient way of sustaining irrigation communities. Aside from the inherent contradiction – that investment in efficiency is inefficient – the Commission has clearly missed the point that irrigators are required to return water licenses to the Government when engaging in infrastructure programs. At the same time, they are able in their own operations to maintain or even increase productivity with a reduced amount of water. The flow on benefits of their continued productivity to their business, their community and the Australian economy are clearly significant.

**ENDS**

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