

Buyback targets the vulnerable

High temporary water prices and low allocations mean those most likely to participate in another round of Government buyback are those most vulnerable to business pressures according to Murray Irrigation Chairman, Bruce Simpson.

Parliamentary Secretary to the Environment Minister, Senator Simon Birmingham announced a new open tender for water buyback in the Murray and Murrumbidgee Valleys last Friday 28 November, just five days after applications for a new round of on-farm efficiency projects opened.

“When elected the Government committed to focus on efficiency and limit buyback at 1,500GL but we haven’t seen any legislation to that effect.

“To announce the opening of the latest round of efficiency funding virtually at the same time as a new buyback tender could be viewed by the cynical as targeting the vulnerable.

“Those with the means will take the time and effort to look at applying for efficiency funds. But those with their backs against the wall may have no option than to relieve some capital by going down the buyback route.

“We have always said the term ‘willing sellers’ is inaccurate. It can be more realistically described as ‘sellers under pressure’,” he said.

“This is not people selling to the Government because they have spare water sloshing around in their account.

“When the belt is as tight as it can go, selling water to the Government can relieve the pressure.

According to Mr Simpson, efficiency measures maintain regional productivity but have an impact on the water market with less water available to meet demand; however buyback is a double hit.

“As a region, buyback contributes to the tightening water market and leads to reduced productivity. It can’t get much worse than that.

“The Government must realise that every drop of water taken out of consumptive use has an impact that is felt across the region,” Mr Simpson said.

“What this region really needs is time to transition to the new reality. The reality is there is less water in the consumptive pool. We need time for the market to adjust as our region is suffering as a result of the amount of water that has already left. Any further Government buyback only increases the pressure.

“We would encourage the Government to deliver on their promise to legislate the cap on buyback; focus on efficiency; concentrate on infrastructure and getting the SDL adjustment mechanism right and avoid any further buyback,” Mr Simpson said.

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