

# Media Release



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## Albanese's Basin Plan sugar hit fails to deliver

The Victorian Farmers Federation (VFF) says the Albanese Labor Government's plan to take water from food production in the Murray Darling Basin Plan in exchange for a \$300 million sugar hit is yet another slap in the face for regional communities.

VFF Water Council Chair Andrew Leahy said the funding package announced by Water Minister Tanya Plibersek will go nowhere close to what will be required to support communities targeted for water buybacks.

"Taking out \$111 million of agricultural production every year and replacing it with a one off \$300 million package will do little more than paint some town halls. Ten years of lost agricultural production based on the government's own flawed numbers would see over a \$1 billion lost in agricultural production."

"Regional communities depend on thriving agricultural industries. A billion-dollar loss in agricultural output will result in schools having to close, and job losses across multiple industries. A \$300 million sugar hit is no solution."

"The Commonwealth Government's creating the problem by buying up water and yet they just want to buy us off with a cash splash, but what they are really doing is making us all poorer," Mr Leahy said.

Mr Leahy said despite the limitations in the economic analysis being relied upon by the government, their number still show water buybacks reduce the water available for food production and drive-up prices.

"ABARES found average water prices will increase by \$53 per megalitre in northern Victoria from \$401 per megalitre to \$454 per megalitre. This is about half of what other reports have estimated, because they assume water purchases of 225GL and not the full 450GL would only reduce water use by 133GL."

"They assume that groundwater use would increase to replace lost surface water. In practice we know that the Basin Plan caps groundwater use and suitable groundwater resources are simply not available in many areas."

"The ABARES analysis focusses on changes in water prices but ignores the catastrophic costs that reducing the amount of water available for consumption during droughts."

"They talk in averages, we know that if the millennial drought is repeated, 40,000 acres of trees in horticulture will be lost, but the ABARES report finds water purchases would cause little impact to almonds and horticulture."

"Despite the limitations of the ABARES report, they still find that Commonwealth water purchases hurt agriculture and rural communities. ABARES also cast significant doubt on other reports prepared by South Australian academics that trivialize economic impacts in NSW and Victoria."

“The VFF urges the Commonwealth to stop treating the Basin Plan as a political problem. It is time that Tanya Plibersek come to Victoria to really understand the full impacts of water purchase on farmers and communities and seriously address these impacts,” Mr Leahy said.

**ENDS**

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