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AWA backs Productivity Commission on Murray Darling water recovery

The peak body of the Australian water Industry, the Australian Water Association, has welcomed the findings of the Productivity Commission Report on recovering water from the Murray Darling basin.

The CEO of the Australian Water Association, Mr Tom Mollenkopf agreed with the Commission Report's finding that rigorous cost-benefit analysis needs to be applied to all proposals to fund irrigation upgrades to ensure that tax-payers' funds produce benefit to the community in general.

The Research Report, entitled *Market Mechanisms for Recovering Water in the Murray-Darling Basin* recommended that purchases by the Commonwealth of a range of water products, such as seasonal entitlements, leases, and options were likely to improve the cost effectiveness of the *Restoring the Balance in the Murray-Darling Basin Scheme* being run by the Department of the Environment.

"There is a risk that water obtained for the environment through irrigation infrastructure upgrades - the *Sustainable Rural Water Use and Infrastructure* (SRWUI) - will be costly in comparison to that obtained through buy-backs, suggesting that the opportunity cost of such upgrades may not have been fully considered," Mr Mollenkopf said.

"Accordingly, rigorous cost-benefit analysis needs to be applied to all proposals to fund irrigation upgrades to ensure that tax-payers' funds produce benefit to the community generally, and not just irrigators."

"But whilst AWA agrees that there are opportunities for improvement, the underlying intent of the current programs was essentially sound," he said.

Mr Mollenkopf said that water buy-backs and irrigation upgrades were important components of the policy-mix directed at restoring water-deprived environments and responding to local communities' transitional needs.

"The Productivity Commission's recommendations provide justification for the improvement in existing schemes, not an excuse for abandoning buy backs or infrastructure improvements," Mr Mollenkopf said.

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The Australian Water Association is an independent, not-for-profit association for water professionals and organisations. AWA provides leadership in the water sector through collaboration, advocacy and professional development. Our services range from publications, conferences and courses, right through to community and industry programs.