

Media Release



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Basin Plan blackmail and broken promises

The Victorian Farmers Federation (VFF) has slammed the Albanese Government's announcement that it will alter the Murray Darling Basin Plan in an attempt to take more water from farmers.

VFF President Emma Germano said the deal done behind closed doors between the Commonwealth and state governments, which excluded the Victorian Government, would have a devastating impact on Victorian farming communities.

"This is a shameful announcement by the Albanese Government that shows a total disregard for Victorian regional communities."

"This deal not only undermines the livelihoods of Victorian farmers, but also threatens the long-term sustainability of our regions."

"We are staring down the barrel of job losses across northern Victoria in farming and food manufacturing, increased cost of production, and increased prices at the supermarket checkout."

"Victorian farmers have done all the heavy lifting in delivering the 2,100GL that has so far been recovered under the plan. This has been done to the economic and social detriment of our communities. In no world should Victoria be expected to do any more," Ms Germano said.

VFF Water Council Chair Andrew Leahy said the announcement [winds back Labor's promise in 2012](#) that the 450GL target would not be achieved through buybacks.

"Then Water Minister Tony Burke promised in 2012 buybacks would not be used for the 450GL. Tanya Plibersek broke that promise today."

"Recovery of the 450GL was never guaranteed and was always dependent on socio-economic criteria that Tanya Plibersek now wants to ignore, or worse, get rid of."

Mr Leahy also said the Albanese Government was effectively trying to blackmail the Victorian Government into agreeing to water buybacks from farmers in exchange for more time and funds to complete water efficiency projects.

"The Commonwealth is intent on blackmailing Victoria to sign up to buybacks if they want more time and money for the remaining Sustainable Diversion Limit Adjustment Mechanism (SDLAM) projects."

"Truth is that the Productivity Commission reported five years ago that these projects would need more time, and that was before their delay due to the COVID-19 pandemic and the floods last year."

"Extending the time frame is a no brainer, but to blackmail Victoria to sign up to buybacks to get more time and funding for the SDLAM projects just shows how low the Commonwealth is willing to go".

Background

- All Basin state and Commonwealth Minister's agreed to a socio-economic test for the recovery of the 450GL target in 2018.
- The agreed criteria under the agreement specifies that any projects for the 450GL 'must ensure there is no direct impact on the reliability of water' and that 'projects must not directly increase the price of water'.
- Water buybacks breach the socio-economic test as they reduce the amount of water available to agriculture, which drives up water prices. This was confirmed by ABARES in 2020.
- Independent Research completed by a leading economics firm in 2022 found that if 750GL of water is purchased, this results in a \$900 million decline in agricultural production.

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Media Contacts:

Ryan Moloney, VFF, 0400 874 589