

Media Release

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Dirty deals done dirt cheap

Participants in the federal government's Water for Fodder program may be forced to forego water they have paid for, due to complexities around delivery.

One such couple is Tanya and Matt Ginns from Murrumbidgee Irrigation Area.

The couple are at their wit's end trying to work out how to remain viable as young farmers in a changing environment, and one in which they say family farmers are being "left out in the cold".

They saw Water for Fodder as a potential benefit but have been left in a situation where they are unable to use the water they purchased.

"When we started looking to buy a farm in 2012, we could not find anything affordable with water attached. So we did what most young people getting into irrigation farming have done since land and water were separated; we bought a property and budgeted on being able to buy water on the temporary market," Tanya said.

Like all those starting their own business, they researched and prepared budgets, which showed that when water is accessible the sums add up and you can make a living out of farming. So the Ginns' made the decision, like many, to buy a property they could afford with the intention of accessing the water they need from the temporary market.

However, in 2012 temporary prices had rarely been above \$100 a megalitre (except during the peak of the Millennium drought) and even our political leaders advised that the temporary market would be accessible to staple food producers.

"Even former Prime Minister John Howard said environmental water would be traded back to food producers in drier than expected periods," Tanya said. "We based our decisions on what politicians had said, including their claims that the Basin Plan would be flexible, adaptive and bring more certainty into agriculture."

Fast forward to 2019 and they realised you cannot always believe what politicians and their bureaucracies tell you. Temporary water prices had skyrocketed and making a living off a family irrigation farm was virtually impossible.

To make water available the Federal Government offered its Water for Fodder program to ease the burden and placate growing anger from those in the Southern Basin. It announced that South Australia would be paid \$98 million to turn on its desalination plant (the construction of which had been heavily subsidised by the Federal Government with agreement that SA would turn it on in low flow years). Water for Fodder would allow the Federal Government to trade 100,000ML of water to Southern Basin irrigators to grow much needed fodder. Irrigators paid \$100/ML for the water and the taxpayer subsidised the remaining \$880/ML to the SA Government.

Eight hundred food producers were successful in securing 50ML each in the first round of 40,000ML with 106 of these, including Tanya and Matt Ginns, within the Murrumbidgee Irrigation Area. This water was transferred into water accounts in mid-March.

Tanya explained that Murrumbidgee Irrigation, unlike similar delivery companies involved in the program, transferred the water to their bulk licence, bringing with it additional conveyance water. It also announced an enhancement allocation of 1%, which is distributed to customers based on delivery entitlements.

“I think questions need to be asked about who are the majority of delivery entitlement holders and to what extent they participated in the program to receive the benefit of the enhancement allocation,” Tanya says.

However, it gets more difficult. The Ginns’, like many in her region, have had some good Autumn rain, and using this water before the end of the water season (June 30) would not be the most efficient use, especially considering it is a ‘Water for Fodder’ program.

For others in different regions their delivery company could not provide the successful applicants with their water as there was not enough water in the system to deliver the 50 megalitres. As a consequence, on Thursday April 9 the federal Water Minister Keith Pitt announced water under the scheme could be transferred to the next irrigation season, on the basis that “like any water, water received under the program is subject to the conditions for carryover in your state and irrigation district. If you are unsure of these conditions, please contact your state water authority.’

After the Easter long weekend the Ginns’, like many other successful applicants, contacted their local delivery company to find out what could be done with this water to ensure they would not lose it under the water sharing rules.

In the MIA there is no carryover on high security entitlement and 30% on general security entitlements. This poses a massive problem for producers like the Ginns’ who are unable to own water entitlements despite having paid \$100/ML for this water under the program.

“So we won’t get the water we paid for,” Tanya lamented. “Our enterprise, based around purchasing on the temporary market, seems to go from bad to worse. I think this again exposes loopholes which leave food producers at the bottom of the pecking order.

“All we want to do is produce food for domestic and export markets, but all we seem to get is politicians and their bureaucracies putting hurdles in front of us. As a nation, we probably need to ask an important question: Do we want successful food production in our region, which used to be the ‘food bowl’?

“If the answer is ‘yes’, we must have policy changes, along with a major rethink by our political leaders,” Tanya said.

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