

The broken water politics of the Murray Darling Basin

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Twenty-five years ago, initiating a pattern that is now commonplace, a group of radical environmentalists calling themselves scientists launched a campaign to re-allocate water, then being used in agricultural production, to the 'environment'. The claim was that agriculture, and especially irrigation, was causing environmental stress through salinisation of the soil and erosion.

As usual with such activist claims, the facts showed them to be totally baseless. There is no serious soil or water salinisation in Australia

other than that which occurs naturally. Moreover, it is ludicrous to suggest that farming is causing soil stress when both farm productivity and farm output has increased steadily for two centuries. A Parliamentary Committee examined the matter and agreed with that conclusion.

Even so, the issue was in play. Those in the media, and on the left of politics, quickly showed sympathy to the notion that productive agriculture was an area ripe for political hegemony to correct alleged community costs caused by private enterprise.

The Murray Darling Basin, Australia's major irrigation province, was the main target for the activists. Around 32,000 gigalitres of water flows into that system annually but this is highly irregular. Dams built over the past century or so have allowed about 11,000 gigalitres to be divertible for a range of urban, environmental and irrigation uses. These have created a working river responsible for 40 per cent of Australia's agricultural output.

John Howard, as the Prime Minister in 2005, tried appeasing the environmental activists. He proposed a \$500 million 'rescue plan' that would divert, to environmental uses, 500 of the 7,800 gigalitres of Murray Darling water that was used by irrigators. The then leader of the Opposition, Mark Latham, wanted 1,500 gigalitres diverted, which the environmental activist Wentworth Group described as 'very, very courageous'.

But, as is so often the case, these proposals brought an upping of the ante. In 2012, the then Environment Minister, Tony Burke, got legislation to obtain 2,100 gigalitres from irrigators (of which 1266 gigalitres were buybacks) and additional savings from evaporation, etc amounted to a further 650 gigalitres. A further 450 gigalitres was

to be bought contingent on no adverse economic implications, a condition that was tightened in 2018 requiring this to be made only by efficiency savings. The present government wants to obtain this additional 450 gigalitres through buy-backs.

Taking from irrigators not only reduces the water available for productive purposes but also increases the average costs of infrastructure support for the remaining irrigators. Furthermore, there are physical constraints in the river system, which are even now preventing the use of the existing 4,600 gigalitres allocated for environmental purposes. And this is for a river that was previously in good condition and for which management through dams has brought considerably enhanced recreation value and liveability.

The bottom line is that, in pursuit of vastly overstated environmental gains, at least 16 per cent of the Basin's water that was previously used for irrigation is no longer available and a further 6 per cent is now being sought. [Frontier Economics](#) estimated the latter would mean \$513 million a year lost in gross agricultural production. By severely reducing the productivity of the land, the existing plan will therefore wipe out some \$2 billion a year in the form of losses in agricultural output incurred by irrigators and their employees, contractors and customers. In addition, taxpayers have outlaid over \$1.5 billion for engineering works to save water that is worth far less than this.

Government intervention in the Murray Darling is a sad reflection of misplaced prostration to false or grossly overstated environmental concerns. This has severely reduced economic well-being, especially within the Basin itself. The present government is taking further urban-populistic interventions to please its base and counter Green attacks in inner-city seats. And, while it continually concocts new

claims of productivity benefits for its policies, with water it is undermining efficiency and living standards.