

March, 2003

RESEARCH PROPOSAL CURRENTLY UNDER DEVELOPMENT

The research outlined below is based on Expressions of Interest received by, and feedback from, the Sustainable Irrigation Program Management Committee. It may not precisely describe the final project agreement, particularly in terms of final project design, cash and in-kind contributions.

Irrigation, National & Regional Economies Providing an analysis of the total value of irrigation to the Australian Economy	
Principal Investigator	Dr. George Reeves, Director & Principal Consultant, Centre for International Economics Canberra & Sydney email cie@intecon.com.au
Host Organisation	As above
Issue or Problem to be Addressed	There is scant information on the economic, social and environmental values of consequences of policies on diversion rates and various scenarios. For example scientific advice to the Living Murray initiative suggests that there is a good chance of achieving healthy river systems in the Murray Darling Basin if an average of 4000 GL is returned to environmental flows annually. But this would have major economic impacts. A phased approach to comprehensively study the value of irrigation to the Australian economy and the implications of various policy scenarios is required.
Objectives	• Undertake a national economic assessment of the value of irrigation to the Australian economy. In addition to the national approach, undertake two case studies – one in the Goulburn-Broken (Victoria) and the other in the Burdekin catchment (Qld). • A comprehensive economic study of diversion policies and scenarios. Assess the economic consequences for the Australian economy of various reductions in water availability and opportunities for irrigation. • Assess monetary benefits of environmental flows using non-market valuation techniques
Comment	This project was valued for its potential to inform public policy. It will be directly relevant to and complement the Watermark group of projects for the Murray Darling Basin Commission.
Research Timeline	2 Years
Proposed Funding	Not to exceed \$230,000 in total Sustainable Irrigation Program funding