Webster’s Response to ABC 4 Corners and Online Article and Program Containing the Predictable Fabrications

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It does seem a real shame that having allegedly “researched” the water industry for the 4 Corners program, the researchers have in fact failed to understand the basic principles of Murray-Darling Basin Plan.

Very simply, the volume of water is allocated to communities first, the environment second and agricultural businesses are able to use the balance based on a strict system of licencing and verified by the process of metering.

The balance between the environment and the use of water for productive farming and grazing activities is a policy setting. The water buy-backs have been part of the process of adjusting those settings.

The amount of water any irrigator can take from the river system has nothing to do with farm infrastructure or the lack of it. It depends on the irrigator’s water entitlements. The infrastructure will determine how efficiently that water is used.

The ABC program failed to make this very simple but important point. They preferred to spend most of the program suggesting that the infrastructure spending and development, whether funded by Government or privately, was increasing the amount of water being taken from the rivers. This is a basic mistake and reflects a poor understanding of the whole basin plan.

In an online article promoting the program aired on ABC TV on Monday 8 July 2019 and in the program itself, 4 Corners presented a story full of errors of fact and baseless allegations that were seemingly intended to impinge on the reputation of Webster Limited amongst others.

Below is an analysis of the fabrications advanced by the article and the program as they relate to Webster and our correction of the record.

1. ABC Fabricated Allegation

Webster has received $41 million in Commonwealth funds to grow its empire in the Murrumbidgee Valley

Fact

The ABC knows full well from our written response to their questions, that this is an outright and deliberate headline grabbing lie. The number quoted includes the sale of water rights, which the authors fully understand to be the case. So why would the ABC choose to mislead the public? Because it is far more important to them to have a big headline number than to be truthful with their audience. The net proceeds received by Webster was $18.8 million (i.e. 0.5% of the total scheme value of $4 billion). That leaves many other participants that were not mentioned in the program.
2. **ABC Fabricated Allegation**

The headline in Point 1 above, “Webster has received $41 million in Commonwealth funds to grow...........,”, is a caption to a photograph of a Webster property inviting the reader to infer that some of the money was for this development.

**Fact**

The property in question has never applied for a water saving grant and none of the development was Government funded.

3. **ABC Fabricated Allegation**

Farmers say no-one is checking whether grants given under the scheme are delivering their promised water savings.

**Fact**

The predictable gaggle of “experts” and disaffected farmers are simply wrong on this point. The programs have received and continue to receive close scrutiny by the Federal government and its advisers from both a financial and technical perspective.

4. **ABC Fabricated Allegation**

The funding covers more than half of an ambitious $78 million capital works program by Webster Limited

**Fact**

Again, as the ABC well knows, this is an attempt by them at deception at best and an outright and deliberate lie at worst. Webster did not receive more than half of $78 million in Government funding, it received $18.8 million in a Government program connected with water saving initiatives.

5. **ABC Fabricated Allegation**

The money was used to build dams to irrigate an extra 81 square kilometres of land.

**Fact**

This is an unsubstantiated claim devoid of any truth.
6. **ABC Fabricated Allegation**

UNSW river ecologist Professor Richard Kingsford: “In fact we may be seeing more water taken out of the rivers than water savings”.

**Fact**

Maybe we are maybe we are not. Thank you, Professor, for your contribution. Maybe you might find out the facts before jumping into the debate with some helpful maybes.

7. **ABC Fabricated Allegation**

Ms Slattery says the region, where temperatures regularly soar into the 40s, is unsuitable for dams because of the high rate of evaporation.

"You just see dam after dam after dam, these massive on-farm dams, in a place that is as flat as a table, that just should not have dams," said Ms Slattery.

**Fact**

We have no argument with Ms Slattery of the environmental lobby group Australian Institute, masquerading as a research unit, on either the question of the flatness of the Hay plains nor that temperatures can get as high as 40 degrees in summer as in many other places of irrigated agriculture.

What Ms Slattery fails to note is that the catchment is for predominantly winter rainfall. Taking water allocations from the river and storing water in dams from licenced sources, which would otherwise simply run to the sea and be wasted makes good overall economic sense. Using that water early in the season before there is much evaporation is also a sensible and productive exercise.

The point we made in the introduction above is that an irrigator cannot fill a dam unless the irrigator owns water entitlements and those entitlements receive an allocation (as independently determined by the licencing authority or it has purchased water temporarily on the free market from other water holders. Water drawn from the river system is not a function of storage. It is a function of the overall level of water entitlements and it passes through a real time meter and reported directly to the licencing authority prior to storage. It should also be noted that prior to taking water, the irrigator must order the water in advance from the licencing authority, observing the appropriate lead time for delivery prior to pumping.

On farm water storage dams are a decision for the individual irrigator serving a critical role in drainage management which under the terms of approval for licencing is not to discharge from the holding. Prior to construction water storages are subject to Environmental Impact
Studies, engineering standards, reviewed by many government authorities, subject to local government approvals process and finally licenced by water licencing authorities.

8. **ABC Fabricated Allegation**

Ms Slattery: "The program was supposed to reduce the amount of water that was going to irrigation, when it’s actually increased the opportunities for irrigation".

**Fact**

Unfortunately, Ms Slattery along with the program presenters fail to understand the very basic elements of the Murray-Darling Basin Plan. Nothing in the program increases the amount of water that can be used for irrigation other than the water efficiency savings created.

In fact, the core of the plan involves the Government buying back water for the environment and hence reducing the amount available for irrigation.

If you are putting yourself forward as a researcher and expert, even for an environmental lobby group like the Australian Institute, would it not help to have a grasp of the basic facts?

9. **ABC Fabricated Allegation**

Ms Slattery says the scheme is a fraud on the taxpayer.

"There is no confidence that that process has been done independently and is able to be verified," she said.

**Fact**

Ms Slattery has no confidence in the process so that is good enough for the ABC to promote the scheme as a fraud. Ms Slattery says so and therefore it must be true!

10. **ABC Fabricated Allegation**

UNESCO chair in water economics Professor Quentin Grafton: "to date yet we haven't done those basic measurements to allow us to know what in fact we've got, net, in terms of the impact for the environment "

**Fact**

Well the ABC did not let the fact that we don’t know stop them from drawing a whole lot of erroneous conclusions. Don’t let the facts or the lack thereof get in the way of a story!

11. **ABC Fabricated Allegation**

Julie Andreazza and her husband Glen received more than $100,000 for earthworks to reduce water runoff from their farm.
"Those works were things that we were going to always do anyway," Ms Andreazza told Four Corners.

Fact

Whilst many farmers may have undertaken and funded the works at a later date this would have not resulted in any water returning to the environment and have allowed what must have then been inefficient irrigation practices to continue.

If Mrs Andreazza feels she has unfairly profited at taxpayers’ expense to the tune of $100,000, she could always give it back. Let’s see if that happens

12. ABC Fabricated Allegation

Mr Paul Pierotti states “Webster has sold vast volumes of water to the Federal Government under the basin plan in northern NSW and has used that money to come down here and buy further properties and more water”.

Fact

Mr Periotti is misguided and ill informed. As reported in Webster’s Annual report, Webster has used the proceeds of any sale of its water entitlements in North West NSW to retire debt. Since that disposal Webster has a acquired a small parcel of land in the Riverina and a partly developed Almond Orchard.

13. ABC Fabricated Allegation

Webster is transforming land the size of 40 thousand rugby fields

Fact

Even if this wildly exaggerated claim was true, which it clearly is not (40,000 rugby fields equate to 28,500 hectares far larger than Webster’s irrigated cropping land) it shows a complete misunderstanding of how the Murray-Darling Basin Plan works.

The amount of water able to be used on irrigated farms has nothing to do with the scale of development. It is solely a function of the water licences/entitlements owned by the irrigator.

How sad is it, that the ABC spends taxpayers’ money on a program critiquing a Government plan and yet misses the fundamental element of the Murray-Darling Basin Plan itself?