

Can we afford Australian rice?

Barney Foran – Summary Argument

In generating one dollar of GDP, our *Balancing Act*¹ report reveals that rice growing uses 200 times more water than the economy-wide average and has four times the average greenhouse emissions. More recent data and better management may reduce this water quotient to less than 100 times the economy-wide average. Physical water requirements for rice are about 1,000 litres per kilogram, similar to fruit, vegetables, milk and wine. However each dollar of rice activity generates 50 per cent more jobs than the average, most of them in regional Australia. Australian grown rice generates significant exports and helps avoid imports. A balanced position on rice needs to arraign environmental issues against its societal and economic advantages, although a dollar of export income, whatever its source, is a poor return for a ruined aquatic system.

Thus the 'rice and water' debate needs to accommodate broader boundaries and be set within a 'consumptive lifestyle' frame where average Australians now consume over 700,000 litres of water in their yearly goods and services budget, while the most affluent citizens consume over two million litres each. An inner Sydney household with a yearly spend of \$140,000 has embodied water use and greenhouse emissions of 2.4 million litres and 85 tonnes respectively. Consumption activities by such households where you and I dwell, drive Australia's suite of environmental crises and are ultimately the key to well crafted solutions.

Future water policy must not dwell on tightly focused questions on the desirability of the rice, cotton or irrigated pasture industries. Instead they must analyse the full life cycle impacts of we the consumer while avoiding the partiality of economics 'on the margin' and the technologists who promise more for less. Water crises and greenhouse plumes are driven by our daily decisions in the aisles of supermarkets. Blaming rice growers for water crises while we lunch on risotto and sip lattes is the ultimate consumer cop-out.

¹ Foran B, Lenzen M and Dey, C (2005). *Balancing Act: A Triple Bottom Line Analysis of the Australian Economy*. Consultancy project report for the Federal Department of Environment and Heritage. May 2005, 800pp. <http://www.cse.csiro.au/research/futures/balancingact/index.htm>