



The Hon. Tony Burke MP

T R A N S C R I P T

Murray-Darling Basin

E&OE Transcript
Interview with Leon Byner, 5AA
13 April 2011

LEON BYNER: Now let's talk about energy but this time move it to water because what is interesting is that as you know, some months ago we had a nasty drought. And then Mother Nature gave us a wonderful reprieve. But a key parliamentary inquiry into the River Murray is likely to recommend there is no need for big cuts to upstream water entitlements because the system is returning to good health. Now you will remember that the base of this problem goes back a long way to what was called over allocation. So let's talk to the Water Minister, Federal Water Minister Tony Burke.

Tony are you surprised at the media reports that have come out today that we appear to be saying, well because Mother Nature has given us a reprieve, we won't grab the mettle and take advantage of doing things we need to do?

TONY BURKE: I was very surprised Leon to see that article in the *Adelaide Advertiser* today. It certainly doesn't match anything that I've heard Tony Windsor say publicly. And nor to my way of thinking does it match common sense. The fact that you had extraordinary flooding in a way that we haven't seen previously through Queensland, and that's washing an extraordinary amount of water down through the Murray Darling basin, right through to the mouth of the Murray.

For anyone to then argue that that means because we've had these events that therefore we can forget about what the Murray Darling basin looked like for the last decade, is just a pretty major leap of logic I think.

LEON BYNER: So what are you going to be lobbying for?

TONY BURKE: Well at the moment there are two processes which I'm very hands off on, which are the Tony Windsor inquiry process where they are looking at the social economic impacts to try to make sure, through the reform, we do the right thing by communities. And then there's also the work that Craig Knowles is heading

up with the Murray Darling Basin Authority to look at what the actual numbers should be for how much environmental water we actually need.

My principle that I've said to both of them where I think this needs to land, is we do have a problem with over allocation. We do have a situation where the drought, the environmental assets in the drought and the downstream flows during the last drought were worse than they otherwise would have been because of over allocation. And I want to use the time where there's a whole lot of water in the system, to be making sure that when the next drought comes and inevitably it will, we don't have identical problems to what we had last time because over allocation makes drought years look that much worse.

LEON BYNER: Okay. One other point. Our growers here are still enduring a sixty-seven per cent quota when across the river they're getting a hundred or more. Surely we've got to fix this.

TONY BURKE: And all the advice that I've had is the anomaly that has happened this year will not be repeated in future years. That the carry over water entitlement and the way that had been designed, in most years was a good deal for South Australia. The way this year has turned out, it's something where a whole lot of South Australian growers have felt a high level of frustration.

I can understand why the South Australian Government hasn't wanted to go back to the other states saying let's renegotiate the whole deal, because South Australia doesn't necessarily come out better at the end from all of that. But most importantly on all the advice I've received, the anomaly which has occurred this year is highly unlikely to ever be revisited.

LEON BYNER: So when can they get some relief? When can they get into a situation where they're not standing on their land watching flood water and they can't touch it?

TONY BURKE: Certainly - and I don't think we should view what is happening at the moment as all water going out to sea being water wasted because you do need to flush out the system. That's an important part of restoring the health and getting a whole lot of the salt content in particular out of the system.

So water out to sea is often thought of as water wasted. It's actually part of restoring the health of the basin. But for this year the only way you would be able to fix it on the advice that I've received, would be for South Australia to reopen those negotiations. There'd have to be and there would be a leap of faith that the South Australian Government would have to be willing to take to be confident that they would end up with a better outcome.

LEON BYNER: Alright. Stay on the line because I have Liberal Senator Simon Birmingham on the line.

Simon, good morning. What would you like to add to this?

SIMON BIRMINGHAM: Well good morning Leon. Look I'm pleased to hear Tony talk about what he needs and thinks needs to happen in regards to the planning process. I'd be very concerned if we saw a report that didn't recommend that some further water be returned to the system. But it's all about how it's returned. And unfortunately we've had years of wasted opportunity in terms of Mike Rand playing politics with other states in High Court challenges, the Rudd and Gillard Governments re-prioritising water buy back ahead of water saving infrastructure projects, efficiency programs, things that can provide the win/win outcomes.

We really need to get this back on track and get it back on track by having a real plan, not just of how much water needs to be saved. But of how we go about saving that water.

LEON BYNER: Alright.

SIMON BIRMINGHAM: And by doing that we can actually get irrigators on board, communities on board and get an outcome for the [inaudible] sustainable.

LEON BYNER: I'm going to put a question to you both. As I've got you Simon, I'll ask you first. Are you comfortable with the concept that international buyers can come in, purchase water off us, sit on it and wait for it to appreciate? Do you think that's good for South Australia, good for our country, yes or no?

SIMON BIRMINGHAM: Leon if that's what happens on a large scale then no I don't think that's good for South Australia or our country and I think we need to look at it. Now we need to check and see whether there's evidence that that is really happening and...

LEON BYNER: Well I can assure you. I wouldn't be asking you the question if I didn't have evidence and if I've got it you should be able to get it as a Member of Parliament.

SIMON BIRMINGHAM: Well Leon I think we need other transparency in regards to water trading. We need some better market rules to knock out some of the difficulties for effective trading between the states. And we need to make sure that we have transparency of who owns the water, how it's used. And indeed if we see a situation where there is a, pardon the pun, a bottling up of water by interests that are not pursuing it in Australia's national interest, then that's something we need to look at acting on.

LEON BYNER: Alright. Tony Burke I'll ask you the same question. Are you comfortable with the concept that you can have investment from the Cayman Islands in the millions and millions to buy up water, sit on it and wait for it to appreciate like something on a share market?

TONY BURKE: I'm not happy with any situation where water is being purchased and it's not being used. If it's being used for environmental purposes, if it's being

used for production in communities, then Australia benefits from that. And there can be times when foreign investment actually provides jobs.

But if it's being used simply as a way of playing a market and not using a resource that's there for providing food in our country, then that is definitely something which is not of a national interest and needs to be looked at.

LEON BYNER: Well can you pledge that you will look at this because like you know, we've talked about this on and off air. And I think most people listening today would be failing to understand that you know, you can't buy a water licence in China, you can't buy one in India, you can't buy one in America. I could list a whole lot of countries that trade with us or the Cayman Islands but they're buying one here and they're using it like the share market.

Now I reckon that's a problem. The question is what will you do about it?

TONY BURKE: There's a whole lot of reforms we're doing at the moment. You've got to remember the water market itself is new. In some parts of the country, in Queensland for example, we're probably only just on 12 months for the water market having actually existed as a market on its own. And getting transparency into the market is something that I've been meeting with the irrigation round table that I've formed for irrigators groups.

And we are working through now on how we get proper market transparency. The market's brand new. If foreign investment comes in and it's being used in a way that creates jobs and builds communities, and I'll tell you up front I have a less of a concern with that.

LEON BYNER: Alright. So does everyone.

TONY BURKE: Yeah but if people are simply parking an asset that's there to provide food in this country then that's something that I can't see any argument that puts that in the national interest.

LEON BYNER: Alright well Tony I'm going to be watching to see what both you and the Opposition federally are going to do about this because we don't even have at this stage - I mean before the last federal election, on the table was discussed a register where you could go to it and see who owned what. We still don't have that for God's sake.

TONY BURKE: Yeah and even in terms of price transparency at the moment people want to know what the water is worth in different areas. Now whenever we participate in water buy back, we always publish the amounts as to what we paid. So there's full transparency. That's not automatic yet and these are all issues. Not just ownership but what prices you have and trying to build a brand new market into something that's [inaudible].

LEON BYNER: Given that your Prime Minister and colleague Craig Emerson are pursuing free trade and free market ideology, if your concerns are what you suggest and I have no doubt that they are, you're going to have a fight.

TONY BURKE: I've got to say, what I've - if you're talking about someone actually parking an asset and it not being used in the national interest at all, then those sorts of concepts are concepts which I don't think actually come up against the two people you've just named in any way.

LEON BYNER: Well if that's the case well they better do something about it.

TONY BURKE: We do have - yeah - and as I say Leon - brand new market, there's a whole - you've raised one of the issues. There's a whole series of issues that we need to be able to get this market to maturity. And you've raised one of them and these are issues where - and what I'll do is I'll start giving you updates on how we're going on all of this. Because there's many elements of a brand new market where if we get it right, it will work very much in the favour of local communities.

LEON BYNER: Alright. Tony Burke, thank you and also thank you to Simon Birmingham. I couldn't resist the opportunity of putting that question. I mean I talk about it on my Facebook site, *Don't Sell Australia Short*. That we need, if anybody buys more than five hectares, who's buying it? And also a foreign investment [inaudible] test, I suspect that we need the same for water. Ten to ten, 82230000.

ENDS