



# The Hon. Tony Burke MP

## T R A N S C R I P T

### Interview on 5AA with Leon Byner

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Subjects: SA water allocations – milk industry

E&OE only

LEON BYNER: Over the Christmas-New Year period where we had water everywhere, ah, a drop to drink, but the growers were seeing - that's the South Australian growers who make our food - they only had sixty-seven percent of water that they could use when, a few metres from them, were flood waters flowing down the Murray in abundance that they couldn't touch because of an administrative arrangement between our state and the rest of Australia.

Now, our state government didn't do much about it. They had a few little chats, a letter or two, said, "Oh, look, if we start breaking agreements then we'll be in sorts of trouble so we can't do it". They failed to tell everybody that whilst we were sixty-seven percent of what we were allowed, the growers on the other side of the border were enjoying a hundred and a hundred-and-twenty.

Then a couple of Federal members of parliament, such as Steve Georganas, and Tony Zappia, wrote to my next guest, saying, "Listen, is there something you can do?" Well, let's talk and welcome back from his holidays- a camping trip I think- Water Minister Tony Burke.

Tony, thanks for joining us and a happy new year to you. Tony, welcome.

TONY BURKE: Happy new year Leon.

LEON BYNER: Okay. Now, you got letters from Tony Zappia and from Steve Georganas, what's your response?

TONY BURKE: Yeah and they've both been really, really strong on this. Tony Zappia actually has family here who are irrigators. I've been out to one of their properties when I was Agriculture Minister.

I can understand the frustration that irrigators have felt. I do, I have to say, understand why the South Australian government has been reluctant to reopen the entire deal with the other states because you don't necessarily get a better arrangement each time you reopen those.

So what I've been doing following on from the letter from Steve Georganas and Tony Zappia is to find out at what point, at a Federal level, if something similar happens in the future, at what point there might be some extra way of providing something for growers in an identical situation.

LEON BYNER: But, can I make this point though, that deal which we're signed up to, the Victorian Water Minister said from our point of view it was a dud deal. Secondly, there are environmental waters which now you won't need because of what mother nature has delivered that you could, through legislation, which wouldn't circumvent any agreement delivered to South Australia. Why don't you?

TONY BURKE: This is exactly the, the advice that's come back to me about what will be able to happen in future but then I'll explain why it can't happen today. In the future, what will be able to happen is the Commonwealth Environmental Water Holder, when in a period like we have at the moment where all environmental assets are being fully looked after, would be able to put some of those water holdings, if the Commonwealth Environmental Water Holder chose to, it'd be open to them, to put those water holdings for that year back on the market. They'd be able to do that with those allocations that year.

Now, to be able to do that, they need to make sure that all the environmental watering plans are being taken care of and those plans don't exist until we've got the Murray-Darling Basin Plan in place.

This is exactly why Leon, when people have been saying, "Oh, there's a whole lot of rain why can't just slow down on the reform process?" This is exactly why we need to get in, because there's a

whole lot of protections for people, a whole lot of different options that become available once you've got the plan in place.

But until then, you don't just have uncertainty, you also have limits on water the Commonwealth Environmental Water Holder's able to do when people are saying, "Hang on, we're on a low allocation, why can't we get access to the extra water that clearly for the moment, if for environmental purposes, doesn't fully need to be used?"

LEON BYNER: Okay. Two points. Rationalise for me now a farmer who's on sixty-seven percent whose neighbours are on a hundred and a hundred-and-twenty, who sees metres from where he's standing or she, of water going out to see. Rationalise for me why he shouldn't and can't touch it.

TONY BURKE: Oh, for a very simple reason. He or she would see the logic of why they should be able to touch it. They'd see the logic of all environmental issues are being looked after, why on Earth can't the water be made available? What I'm saying is once we've got a Murray-Darling Basin Plan in place, then it does become open to the Commonwealth Environmental Water Holder in circumstances like this to make that extra water available on the market.

LEON BYNER: Then Tony, if the reason he or she can't have more than sixty seven percent because we don't know if the environmental imperatives are met because we haven't got the plans yet, how is that across the border, his or her neighbours can have a hundred or a hundred-and-twenty percent allocation?

TONY BURKE: Look, some of that goes to issues of carry-over and what's happened in previous years.

LEON BYNER: And the kind of deal that was struck?

TONY BURKE: That may well be the case - well, certainly it's the letter of that deal is part of what's the limitation there. There's no doubt about that. It's always an open question in any negotiation, where you might have got an improvement, but what price in another area you would have had to pay to have got that improvement.

I'm not party to agreements that were knocked out years earlier. But, I certainly wouldn't presume, and I do agree with both Mike Rann and Paul Caica on this, I wouldn't presume that reopening negotiations with other states would land South Australia necessarily in a better place.

LEON BYNER: Would the other states begrudge us the water which they have in abundance?

TONY BURKE: I'm not going to comment on the views of other states.

LEON BYNER: Well, no. I'm not asking you to comment on the views of other states, I'm asking you to tell me what the other states have said to you, given that you are the Federal Water Minister. You don't need to comment on them, just tell us what they are. I ask again, would the other state begrudge our growers water when they have it in abundance?

TONY BURKE: There would be a view that if South Australia wanted to reopen the negotiation, then everything was back on the table.

LEON BYNER: Okay. My next question: isn't this negotiation going to be superseded in any case once the Murray-Darling Basin Authority come up with a plan? Which they did but you rejected because they didn't follow the rules.

TONY BURKE: Well, they came up with a guide. At the moment, the earliest we get a plan is in the first few months of next year. There's a formal process that the law demands of consultation they have to go through in the course of this year.

I want, in the first few months of next year, to have a situation where those plans are locked down and we don't have a situation like we have the moment where people are caught in situations that cause them deep frustration simply because we've continued on endless delay. The basin has been managed as though state boundaries were real boundaries as far as the river was concerned, throughout its entire history. Getting the planning powers has been critical to being able to view it as a national water system and I'm determined that we don't keep delaying. Every delay causes problems like this to cause deep frustration for people.

LEON BYNER: Alright. Did we do a, or get, a dud deal by having our growers get sixty-seven percent in this? See, these plans were made during a drought. The drought's gone; did we get a dud deal?

TONY BURKE: Depends which year, Leon. There are some years where the deal has served South Australia better than in the absence of the deal, and there are some years like this one where there have been anomalies that have caused frustrations. I don't think you can look at the deal as though this is the only year where it's applied.

LEON BYNER: Well right now what we've got are record floods in most parts of Australia, and we've seen that in a situation where, in that same umbrella you've got people who make food, and remember in Queensland you've got a situation where there is now going to be an undersupply of produce that we could actually take up the slack in South Australia if we had the water. Is there not a national interest question to this now?

TONY BURKE: Oh absolutely! Absolutely there is. This is my frustration with people who say "let's just flow it all down, let's not go ahead with reform, we've got water in the system now, we don't need to do all of this". We leave people in the worst of all worlds as long as we retain uncertainty, and once you've got your plan in place you've got your boundaries. Your boundaries of what are the minimum levels of health that you need to have environmentally to keep the whole system healthy. To keep it healthy for the environment...

LEON BYNER: Alright.

TONY BURKE: ...healthy for irrigators, healthy for communities.

LEON BYNER: Explain to the city folk, who are listening to intently to what you're saying, as to why our growers have a sixty-seven percent allocation and across the border they've got a hundred and a hundred-and-twenty percent. Why?

TONY BURKE: I'm not going to pretend to be across every detail of this, but, as it's been explained to me South Australia has a carry over system where they're able to make decisions in previous years of allocations that then get carried forward into future years. That is not an option that applies in every state, and that's why when you get your total amount of water available for the state of South Australia some of it has already been hived off because of the carry over principle.

LEON BYNER: But there's water going out to sea that won't be of any use to the environment because it's in the sea.

TONY BURKE: Some of it is. I don't want to pretend that the fact that the mouth of the Murray is open, that that's water wasted. A lot of that water is flushing out salt, improving a whole lot of salinity problems that have been developing over a long period of time.

This is where you do need to have your environmental water plans in place to be able to say ok, to what extent is that water flushing out salt that is environmentally necessary for the health

of the system, and to what extent is it more than we need, and therefore we can start returning some of the Commonwealth environmental water and make it open to the environmental water holder to put some of that water back on the market for that year.

LEON BYNER: Tony, when you visited in the studio last year you sat in front of me and said that you would love to be able to reinvigorate local manufacturing and production, particularly in our regional areas. You said that to me, right?

TONY BURKE Yep, I've said it many times.

LEON BYNER: Okay. What do you make of the fact that the fresh milk market now is being undermined by retailers who are selling a product well below cost. But we all believe, and we've got it from a lot of different sources - not just Nick Xenophon but Dairy Farmers and Senator Colbeck from Tasmania - that this is going to put the fresh milk market in jeopardy, and it's going to mean that fresh milk could be like it is in Europe, where it'll be a niche product, very expensive and hardly available, and our farmers will go broke because they can't get the fair price at the gate. What's your observation?

TONY BURKE: My observation's simple and it's both as a Minister, and as a consumer and a father - we want fresh milk and the way to get fresh milk is to be having Australian milk. If the retailers are going to be in touch with the customers they will hear that message, because it's not just me saying it. It's everybody who's pouring milk on their corn flakes, it's everybody who's putting milk in their coffee, it's everybody who wants to have their cheese, be it the various dairy products they buy, they want it to be based on fresh milk and the way to have fresh milk in this country is to have a strong, Australian dairy industry. The retailers would do well to hear the message.

LEON BYNER: And what will the government do to make sure they do?

TONY BURKE: Well you're, you're way beyond my portfolio now as Environment and Water Minister. Can I say the message being made loud and clear needs to get through. Putting up tariff barriers and tariff walls isn't the way to deal with it because...

LEON BYNER: No-one's suggesting that.

TONY BURKE: Yes, no I hear that. Because our dairy industry relies very heavily, very heavily on exports as well. I think people are capable of

completely voting with their feet on this. I think you go back to the days where it's school, the milk was provided, I wish...

LEON BYNER: Well it used to be delivered to your home for God's sake! And the cream on it!

TONY BURKE: Yeah, that's right. That's right. Then this is, you know, it's gradually shifted in different ways but I do believe very strongly that Australians won't cop a situation where the milk that is offered is no longer fresh, Australian milk.

LEON BYNER: When you say vote for their feet tell us what you want them to do?

TONY BURKE: It's very simple, you do two things. First of all you make a point of buying Australian milk from Australian dairy farmers.

LEON BYNER: If you can get it identified.

TONY BURKE: Well, you've got 'Product of Australia' on it. All the Australian milk has 'Product of Australia' on it. It's a shame that people have to look for that at the moment but at the moment if they have to look at it, my request to people is they should.

LEON BYNER: Alright. Tony Bourke, Federal Water Minister, thank you for your interesting comments today.

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