



The Hon. Tony Burke MP

T R A N S C R I P T

Press Conference

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Subjects: Upgrade of Chaffey Dam, Flood Levy, Alpine Grazing in Vic, EPBC Hawke Review, Water Act

E&OE only

TONY BURKE: What we might do is I'll say a few words first of all about the announcement, then allow Phil Costa, the New South Wales Water Minister to make some comments. Tony Windsor will want to make some comments and then we'll have the questions at the end - if that's okay if we do it in that order.

One of the election commitments which we made was for the upgrade of Chaffey Dam. Chaffey Dam is very important for the water storage needs of Tamworth and Tamworth it needs to be remembered, is one of the Evocities, one of those great inland cities that wants to grow.

The availability of water is often viewed by people as being the critical carrying capacity issue that determines the extent to which an area can grow. The upgrade of Chaffey Dam to date was something where the Commonwealth money was only going to be released after we got a lot further down the track on the Menindee Lakes project.

What we're announcing today is that the money for the upgrade of Chaffey Dam is allowed to go forward now. That's \$17 million of Commonwealth money. What does it mean for Chaffey Dam? It means the capacity the dam moves from 62 through to 100 gicalitres. So it makes a big difference to the future growth capacity of Tamworth. It allows water storage to be able to support the community there in New England. It makes sure that a community that wants to grow is able to and that work no longer is reliant on the work that's happening at Menindee. I'll hand over to Phil.

PHIL COSTA, NSW WATER MINISTER: Thank you Minister. It's a great day for the New England area, particularly Tamworth. The particular project that we're looking at here needs to be looked at in context of what we're actually doing at Chaffey as we speak.

We in the state, New South Wales, are very pleased to be working with the Federal government in this project. We are in the process of finishing Stage 1 of a safety upgrade. We have Stage 2 of a safety upgrade which we will bring forward to coincide with the augmentation. This will result in a considerable savings in coming back to that project. So by doing the augmentation and the second stage of the safety upgrade, we will get some economies of scale and savings.

The augmentation of Chaffey will deliver security of water supply. That's what it's about. It's about the reliability of the supply. This particular dam does flow over on a regular basis. If we augment, we're going to actually have that reserve of water there available to the communities of Tamworth in that region. It is going to be one that will give such an important city such as Tamworth the capacity to think strategically about their future and not be worried about having a water supply to support that community. So a very, very good announcement.

If the Federal government hadn't moved forward on this one, we would have been quite a time down the track, probably a decade or more, before we actually came back and actually looked at this. So we in New South Wales very much appreciate the support we are getting from the Federal Government, and I thank the Minister for his support, and particularly thank the local members in that area. Peter Draper who's been on my doorstep ever since I've been in the portfolio and he's probably been on Mr Windsor's doorstep as often, as has Mr Windsor been on my doorstep.

Look, this a project where both the State, the Federal and the Local governments can work together, deliver a great outcome to a community, something that we're all looking forward to do. The construction we believe can commence in 2012 with this addition of funds. So thank you very much, congratulations to all those involved and we're looking forward to the long term prosperity of the city of Tamworth and its environs. I might call Tony who has also been on my back about this one.

TONY WINDSOR: Well thank you Phil, to Tony. Both ministers, I do thank you for the involvement that you've both had in this particular project and endorse Phil's remarks in thanking the State Member Peter Draper.

Peter's been a real champion in terms of the issue of augmentation along with the safety upgrade of Chaffey Dam. Also Tamworth Regional Council, they've been working for a long time to see this come to fruition. This dam structure, or the augmentation, is very important to the Tamworth community that nearly ran out of water back in the drought.

So this issue has been around for some time now and it will alleviate the concerns that people had when the water levels became critical and the debate started as to how it could be augmented. There's been a process of water sharing plans and a whole range of things that have had to have been entered into and gone through, and I do thank both ministers for recognising and working together on this. The Commonwealth have made a major

contribution and the State has obviously been involved right from the word go and played a great role. So I do thank them.

I know the people of Tamworth and the region, the security of water, this means that the sorts of things that business needs in our community to guarantee that it can have a sustainable future in terms of water supply, the very basic need is guaranteed into the future. Thank you.

JOURNALIST: What guarantees have you sought from the Federal Government and from the State Government this project will still go ahead if the New South Wales government changes in March?

TONY WINDSOR: Well it's been signed off on. So I think that's enough of a guarantee, but if the State government did change, the Coalition have said for quite some time that they support this concept as well. This is not a new process, but it had to go through a range of processes which involved the Water Sharing Plan. So I don't see any issues in terms of the project not going forward.

JOURNALIST: There's a lot of speculation about the flood levy at the moment. Could you just spell out clearly for us what your thoughts are on the levy, what conditions you might place on it, what you're thinking about it at the moment?

TONY WINDSOR: Well I'm making a determination on that when and if the bill comes to the parliament. Well when it comes to the parliament, that's tomorrow. I've been caught before making decisions on the run and not having seen the legislation, and I think there are things that I need to sort out in my own head in terms of how such a process is funded. So I haven't made up my mind yet.

JOURNALIST: So what sort of concerns do you have having not seen the legislation? Would it be budget cuts that come with the levy?

TONY WINDSOR: Well obviously there are a number of ways you can fund the additional funding that's required. You can do it through the budget, you can deficit, you could do it through cut-backs or you could do it through a special levy. There's probably other ways you could do it as well. They're the sorts of things I want to consider.

I want to see the magnitude of it because of the cyclones coming through and there could be another disaster. But I think the one thing that's coming out of all of this is that we do need some sort of long term arrangement that actually works for the future. Otherwise you get the sort of ad hoc approach that takes place. I'm not blaming anybody for that, but I think it's time that as part of this process we look to how we deal with these sorts of issues in the future. So that doesn't have to sort of go to the budget or special levies or cut-backs to government policy. There's a fund there that is available if in fact an extreme disaster occurs.

JOURNALIST: Have you put any proposals to the government itself in your meetings?

TONY WINDSOR: Sorry?

JOURNALIST: Have you put some proposals to the government about how they could fund it?

TONY WINDSOR: I'm not discussing my deliberations. I don't think this is the appropriate time to do that actually. This is Chaffey Dam's moment. This is a big moment in the history of Tamworth.

JOURNALIST: Still on the levy, what did you make of the opposition's alternate budget cuts that were announced yesterday?

TONY WINDSOR: I haven't seen them.

JOURNALIST: Including \$600 million...

TONY WINDSOR: I honestly haven't seen them. I honestly haven't seen them. I've been pretty busy and I haven't had a look at them.

JOURNALIST: What about you Mr Burke? Can we get your reaction to the deferral of that money for the Murray-Darling?

TONY BURKE: Yeah. There's one very simple reason why Tony Abbott has proposed putting off \$600 million in water buy-backs, and that's he doesn't support the reform. It's a reform that in the Howard Government was championed by Malcolm Turnbull. Mr Abbott does not support it. He's quite happy for water reform to not go ahead. Whenever it comes to a difficult reform, his idea is always "Let's just put it off."

Let's face it, people have put off reform of the Murray-Darling basin for decades. That can't keep going on and we can't have a situation where when we get to the next drought, we allow it to look exactly like the last one.

JOURNALIST: Where is the Murray-Darling reform at, at the moment? Can you give us an update on how close we might be to a plan?

TONY BURKE: Well, the guide was a document where it was hard to find many friends for it. It was never government policy that document, and if you read some of the disclaimers in it, it arguably wasn't even the policy of the Board of the Murray-Darling Basin Authority. If you read the disclaimers at the beginning of that document.

The guide was always in addition the formal processes, but the formal processes begin when the draft plan is put out by the Murray-Darling Basin Authority. If the community is going to have confidence that we are taking into account all three needs, not just the health of the river, but also the impact on communities and food production, then I think it makes sense that they wait for the Windsor Inquiry to be able to provide some input into that.

JOURNALIST: The scientist in charge of the study into alpine grazing in the Victorian National Parks, he said on the weekend he was unaware that this was even occurring. Adam Bandt today said if you don't actually use the powers that you do have under the EPBC to put a stop to this, he's going to put in a Private Member's Bill, bring a Private Member's Bill

in parliament next week. Time sort of seems to be running out for you on this issue. What are you going to do?

TONY BURKE: Well, let's make clear, under the *EPBC Act* I have a clear statutory obligation and the question that I have to ask there, is not whether or not I support alpine grazing, it's whether or not what the Victorian government has done constitutes a breach of Federal law. That's the question I have to answer.

My department is working with the Victorian government on seeking some further information on this trial that the Victorian government say that they've started. My question that I'll have to answer is "have they breached Federal law or have they not?"

In terms of personal views on alpine grazing, my position is very clear - we are talking about a national park, not a farm. I'd encourage the Victorian government to be sensible about that. But on the question of the use of my powers, they'll be guided purely by what my legal obligations are.

JOURNALIST: Back on the dam, why are you speeding up this funding when you're cutting funding to infrastructure projects everywhere? Has it got anything to do with keeping the Independents on side?

TONY BURKE: This money was reserved, but what's happened up until now was it was completely tied to the outcome of the Menindee Lakes project. Now the Menindee Lakes project as you'd be aware, has had delays, some of which have been caused by the fact that now so much of it's under water. But there's a series of studies that still have to be done and I took the view that we should be able to decouple them. So the commitment to the funding was already there. The difference is that we've taken it away from something that could be delayed and delayed and said "no, let's get on with the job."

JOURNALIST: Why?

TONY BURKE: Well it's a good project.

JOURNALIST: Does it have anything to do with the man standing behind you?

TONY BURKE: Look, make no mistake, Tony Windsor has been adamant in his advocacy of this, adamant in his advocacy of this. It's also a good project that should happen. If you look at the work that I'm doing in the sustainable population strategy, we're talking a lot about the capacity of regions to be able to grow. It's good for those regions. It's also good in taking pressure off the cities - Tamworth's one of them - but there's not much point talking about growth if your number of people is capped by your water supply.

JOURNALIST: You've said your government's not dam phobic. Are there any other dams that you're considering at the moment constructing or enlarging across the country to deal with both flood mitigation and also water security?

TONY BURKE: The other biggest ticket item in terms of water security projects at the moment would actually be the NVIRP, the project in Victoria, the Northern Victoria Irrigation Project which involves a series of engineering changes there. It's not a dam as such, but

involves just short of a billion dollars in comprehensibly improving the efficiency of the irrigation structures that are there. That'd be the other big ticket item that we're currently in negotiation with the State government about.

JOURNALIST: In terms of population, there's been a bit of debate about multiculturalism lately. Do you think it's progressing as it should or do you have any concerns about the way multiculturalism is in Australia at the moment?

TONY BURKE: We are a nation where people have come from all over the world to call this place home and I think that is a great feature of the Australian community. There's other ministers who are involved in the day-to-day policy issues on this, but it's part of what Australia has always been and what will continue to be. I think it's a good thing.

JOURNALIST: Just back on the EPBC for a moment, the government was handed Allan Hawke's review of that in October 2009. It was publicly released December 2009. You've had your feet under the desk for about six months now, are you ever going to respond to the recommendations contained in the report?

TONY BURKE: Only last night I had a number of industry sectors, the mining sector, urban development sector, local government was there, a number of farmers' groups were there last night participating in a roundtable on what people think we should do with the Hawke Review. I've got similar roundtables being organised. That was land-based development last night. I've got a similar one for marine-based development and a similar round-table that's being scheduled for the environmental nongovernment organisations. I'm conducting all of that now and what I intend to do is conclude those discussions, then come up with essentially a shortlist of which items within the Hawke Review I intend to progress first, and then do another roundtable run and from there we'll go to drafting.

JOURNALIST: Is there a timeline for that? Like when do you anticipate the first stage of consultations will be completed?

TONY BURKE: Well, the first stage in terms of land-based terrestrial was finished last night. Over the next couple of weeks I'll get through the other roundtables I've referred to. I believe that in the next few months I'll be able to give you a very clear idea of where we're headed in responding to the Hawke Review. There were two recommendations within that review that we ruled out at the time. One was on excluding RFAs, Regional Forestry Agreements from the Act, and the other was on implementing a greenhouse trigger. Those exclusions that we announced at the time remain government policy.

JOURNALIST: Just on dams, would you be welcoming further proposals from state governments to expand or construct dams?

TONY BURKE: Absolutely, absolutely. Dams in the right place, whether it be putting in a new dam or whether it be a project like this where you're augmenting an existing dam, can be a very effective way of managing the highs and lows of water in a continent like ours.

So whenever a project comes forward, then we look at it on its merits. There are a limit to the number of places where you can actually put a dam and the nature of who owns the

land and where the powers lie mean realistically the proposals do need to come very much from state governments. But we have never had a policy opposed to the construction of dams and weirs, and today's announcement is just further evidence of when the right project comes forward, we're very happy to get behind it.

JOURNALIST: Mr Burke, just back on the Basin, the Victorian government's handed its submission about the Authority. The issues raised there, does that concern you and does the Authority still enjoy your full support?

TONY BURKE: I agree with a whole lot of issues in the Victorian submission except for one which is where they say "Let's go on for some further delay". Delay is such an easy tactic in an area of policy that's been ignored so much for decades. I don't intend to add to that.

The concerns that the Victorian government have put forward on where they think the process needs to be improved, a lot of those concerns mirror comments I've already made publicly about how I think the balance needs to be got right on this.

So I welcome all of that, but my determination is that we move ahead, we get on with the reform, we don't have this nonsense of treating the Murray- Darling Basin as though it respects State boundaries – it doesn't. I don't know how long we'll have the high levels of water that we have in the Basin now but it's Australia. There's another drought coming, we don't know when but I'm determined it doesn't look like the last one.

JOURNALIST: Mr Windsor can you just provide us with a quick update on where you're at with your inquiries into the Murray-Darling?

TONY WINDSOR: Well they've been going very well, exceptionally well in my view and the committee from all sides of parliament has been working very well together. We're probably about half way through the process I guess. We've got a lot more evidence to take. We're actually sitting on Wednesdays and Fridays of sitting weeks in the parliament and also going out to some communities in New South Wales, Queensland and Swan Hill when we can eventually get there.

I found, and I agree with both ministers actually, that the community essentially has to be re-engaged on this, and I think Craig Knowles is the man for that job. I know Craig quite well. I've worked with him on water when we did a similar thing in terms of the Namoi groundwater issue where a ramp-down to sustainability was put in place. Well Craig was part of that process. So he knows how to engage with people and I think the missing ingredient in all of this has been appropriate engagement and respect for people on the ground.

The respect our committee were shown on the ground was very, very good and I think the respect that they're being shown by the various states and commonwealth ministers now is good as well. I think if we can work in that framework there's a way through this, and I agree with Minister Burke, this is the time to do something about this problem. There is a problem there. Five governments don't sign a document, even though the Act has been debated. Five governments don't sign a document without a real issue being there, and five oppositions don't support it without a real issue being there.

So there is an issue there that needs to be addressed, the community recognises that and I think if we all adopt the right frame of mind, we can actually deliver a solution that doesn't impact dramatically on communities or individuals within it.

JOURNALIST: Do you think that could happen in early 2012...

TONY WINDSOR: Well timelines are timelines, so I think it should happen when we get it right. But in terms of our committee's deliberations, I think our timeline, we'll be able to meet that. I think we're seeing all the issues as they are and there'll be a bit of writing at the end, but I think we're seeing a lot of those problems that are going to be there at the end, right now.

JOURNALIST: Mr Windsor have you since last year had any briefings from companies or the government on the Tri-X takeover of the ASX? Have you formed a view on whether you would support that change of regulation that would...

TONY WINDSOR: Short answer no, I haven't. I won't waffle around it. I haven't made a decision.

JOURNALIST: Minister can I ask in the Murray-Darling Basin Authority, do you have confidence in the Authority now after the appointment of Craig Knowles, or do you think that they might need to be a change in personnel?

TONY BOURKE: Everything for the Murray-Darling Basin Authority, it's a statutory authority, and I'm leaving those issues to the Authority itself. I was very careful in the appointment of the Chair. I wanted to make sure it was somebody who believed that we could deliver a reform that gave us healthy rivers, strong communities and sustainable food production. Craig Knowles believes that. The reference point for the authority beyond that is to work within the legislation and they're doing that.

JOURNALIST: What about the actual *Water Act*? Barnaby Joyce is proposing a senate inquiry through the Legal and Constitutional Affairs Committee to have the Act investigated further. What's your view of that?

TONY BOURKE: I agree with Malcolm Turnbull on this one. The *Water Act* provides a basis for the reform to be able to go ahead.

Barnaby would love two things. He'd love to be able to stall reform. He'd probably also like there to be a senate inquiry that whacked Malcolm Turnbull around the head. He'd enjoy both.

We can have lawyers at 20 paces and turn the whole thing into a legal picnic or we can get on with the reform. We've got the government and with the same view as Malcolm Turnbull, saying that the *Water Act* allows this reform to be able to take social and economic impacts into account as well as the environmental. That's what the Chair of the Murray-Darling Basin Authority is saying he wants to do.

We've got a government wanting to do it. Let's stop the legal argument from the sidelines and just get on and make the reform.

JOURNALIST: Well maybe if the legal advice was tabled it would resolve some of that argument do you think?

TONY BOURKE: It was. I tabled it the day I received it.

JOURNALIST: Yesterday in the *Financial Review* you were accused of misrepresenting that legal advice. How do you respond to that?

TONY BOURKE: Well I don't know how you misrepresent something that you table. I made clear when I sought the legal advice, it didn't matter what it said, I would make it public. The day I received it I went and made a ministerial statement and tabled the advice in the parliament.

JOURNALIST: But a barrister in the *Financial Review* suggested that it doesn't say what you said in parliament and the *Water Act* must be amended to include the triple bottom line?

TONY BOURKE: Look there are some people who would seek us to amend the *Water Act* until it became unconstitutional so that they can then knock the plan over in the High Court. There's a whole lot of agendas floating around here, but as I say, I tabled the advice in the parliament. So if you want a level of clarity, it was the Australian Government Solicitor. The day I received it I tabled the advice. It makes clear there are a series of discretionary points where we can do exactly what the Act says is one of its objectives, and that's to optimise the environmental, social and economic outcomes. That's what the Act says it's trying to do. That's what the legal advice says it can do. I intend to get on with the reform.

JOURNALIST: Yes, but isn't the issue will the environment actually have precedence over those other missions, and that's where it really becomes difficult doesn't it?

JOURNALIST: And at what junctures?

TONY BOURKE: Look, we can go around in circles. The legal advice says "You're able to optimise all three." The Act says "You should optimise all three." The Chair of the Murray-Darling Basin Authority says he's going to optimise all three. So let's get on with the reform.

ENDS