



MEDIA RELEASE

Senator the Hon Penny Wong

Minister for Climate Change and Water

PW 25/08

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TRANSCRIPT OF DOORSTOP INTERVIEW AT SWANPORT WETLANDS (NEAR MURRAY BRIDGE)

SUBJECT: PURCHASING \$50 MILLION DOWN PAYMENT FOR THE MURRAY; DISCUSSIONS WITH VICTORIA

E & O E – PROOF ONLY

JOURNALIST:

WONG: Can I first thank Bill and Joanne and other members of the board for hosting me today and for showing me around, and thanks particularly to Catherine who gave me an excellent and informative tour of the wetlands. Thanks also to Mayor Arbon who, I think, was one of the people responsible for the boardwalk on which we walked.

Obviously, the River Murray is an issue of great concern to South Australians and to the nation; and national leadership on this river is one of the things that a Rudd Labor Government is committed to. What I have announced today is \$50 million dollars; a down payment on the future of the River Murray. \$50 million for water purchase in this financial year and our intention is that this water is to be used for the benefit of the river. Because we all understand that a healthy river benefits communities, towns, cities and farmers and irrigators who rely on the river for their livelihood; so we all benefit from a healthy river.

Can I say that this is a down payment on the future of the River Murray. But we do recognise that this is the first step. So, this is the first step in what has to be a comprehensive national approach to resolving the issues in the Murray-Darling Basin. Now, unlike the previous Government, we are going to get on with the job, we are not going to wait and we are going to work co-operatively with the states. Can I say that the best outcome for the Basin, the best outcome for South Australians, the best outcome for the nation, is to have an agreement between the Commonwealth and all the Basin States about the management of the River Murray. What we need is a Basin-wide plan, and what we need is agreement amongst all the Basin states to a cap. Now that's what we are also progressing. We said we would provide national leadership and we will continue to do that and today we are also announcing something to progress the urgent action that is also needed; that is a \$50 million down payment on the future of the River Murray. Happy to take your questions.

JOURNALIST: This money must be just a drop in the bucket. When will we notice any difference and how much will it buy?

WONG: Well, what we are doing is we are putting up \$50 million. This is the first time in the nation's history that the Commonwealth Government has directly purchased water for the river and we are doing it because we understand that health river is what is needed and that all communities and industry that rely on river, need a healthy river to survive. Now as I said this is only the first step, and there is much more that needs to be done but this is a substantial investment; it is a down payment on the future of the River Murray.

JOURNALIST: When are going to see a noticeable difference with the money or the reallocation of this water into the Murray?

WONG: Well, we'll see what we are able to buy with what we put on the table. As I said, we've put \$50 million on the table as a significant down payment on the future of the River Murray. We want to buy from willing sellers and most importantly what we want to do is to manage this water for the health of the river, and that is the first time that the Commonwealth Government has done so.

JOURNALIST: So, have you any plans for what sort of, the amount in terms of gigalitres you could buy with this money?

WONG: Those of you who are already in the water market will know that if I tell you how much water I want to buy and how much money I have put on the table, I am actually telling you how much I am willing to pay. So, that is clearly market sensitive information. We put \$50 million out there, it's a down payment on the future of the River Murray. We want to buy water that we can use for the benefit of the river and is the first time in the nations history that the Commonwealth Government has directly entered the market and directly purchased water that it will use the environmental benefit of the river and for the communities which rely on it.

JOURNALIST: Are there going to be any compulsory buy-backs?

WONG: No, our approach, as I have made clear, is to buy water from willing sellers and that is what this \$50 million will be directed towards.

JOURNALIST: Do you think we will see a change to this wetland in the next 12 months?

WONG: Look, my hope is that we get more rain and my hope is that we get more water to use for the benefit of the river but obviously governments can't make it rain. What we can do is to try and manage the river better and there are two approaches we need to take. We need to take urgent action now, which is what this \$50 million goes towards, a down payment on the future of the River Murray, and we also need to progress a Basin-wide agreement involving all of the states; and that is what we are doing.

JOURNALIST: What is the sticking point with Victoria on that agreement with the states?

WONG: Well, look, 11 years of the previous Government saw no agreement across the Basin and we had the former Prime Minister's announcement on Australia Day last year and of course, what everyone knows, is that there was no agreement with Victoria and a dual structure which no one believes will deliver the outcomes. So, that's what we have inherited. What we are doing, is trying to work co-operatively with Victoria. We've made it clear what we believe we need and we are working through the issues that Victoria has because we understand that the best outcome for South Australians, the best outcomes for all Australians who rely on the Basin, is for a co-operative arrangement; an agreement between the States and Commonwealth to a Basin-wide plan and a Basin-wide cap. We have to stop the finger pointing and we have to get States and the Commonwealth working together because as people kept emphasising to me today, we know that rivers flow across State borders, so we have to get all the States to agree.

JOURNALIST: How long can that go on? How long can you let Victoria have a stalemate? Is there going to be any deadline?

WONG: Well I was very pleased yesterday with my meeting with Minister Holding that we did make some progress. We put out a statement afterwards which made it clear that Victoria is willing to work with us to bring together the Murray-Darling Basin Authority and the Murray-Darling Basin Commission. This is the dual structure that we inherited from the previous Government that no one believes will work. One of our election commitments is to bring them together because we want a single authority. I was very pleased that Minister Holding indicated a willingness to work towards that, obviously we will keep progressing these discussions with Victoria because we believe that is the best outcome for all the people in the Basin, including South Australians. That doesn't mean that we are not going to continue to do things with the money that we think is appropriate. What have announced today is a down payment on the future of the River Murray, \$50 million, to purchase water - in addition I have already allocated some funding for irrigation organisation projects. So, we're still progressing the expenditure of the money but at the same time we have to get the future of the River Murray right.

JOURNALIST: Will there be a point when you'll just have to say to Victoria that's it, we are going to take over this, something needs to be done?

WONG: Well, as I said we will continue to negotiate with Victoria because we believe the best outcome for everyone is to have a cooperative agreement between the Commonwealth and the States.

JOURNALIST: You won't set a deadline?

WONG: Well, I have made clear that my intention is to progress these negotiations. That doesn't mean we are not going to spend the money we think is needed for the river, and that is what I am announcing today. Does the Advertiser have anything?

JOURNALIST: Just wondering, Professor Mike Young's plan to the future proof the Basin, have you had a chance to look at that? And what is your view on his approach?

WONG: Look, I have had a very good discussion with Professor Young and his colleague on Saturday, where they took me through their views and I've asked for some detailed advice from my department about it. Professor Young is an esteemed contributor to River Murray matters and certainly he's got some very good ideas and we will look at them.

JOURNALIST: This money, do you think it might send up the price per gigalitre?

WONG: We are very conscious of our impact on the market and that is why we are going to open tender process. We'll be assessing offers from irrigators for sale of water on a value for money basis. We are conscious of the need to ensure that we manage our involvement in the market sensitively.

JOURNALIST: So that's the reason why we are not going straight into the water market and just buying water on the market?

WONG: Well what we doing is we are going to an open tender, the advertisements will be out there, they will say the Commonwealth Government is putting 50 million dollars on the table and we will be buying water from willing sellers within the Murray-Darling Basin. Anything further?

JOURNALIST: You have been criticised for taking three months too long to work on this project and get things underway, is that valid?

WONG: Well, look, can I say this, we had 11 years of the Howard Government and they were unable to get agreement on the River Murray; we had months of impasse between the former Water Minister and Victoria where they weren't able to get anywhere. What I am doing is progressing our negotiations with Victoria. I am determined to seek an outcome there because I do believe that the best interests of all of those within the Basin, including South Australians, is to get a co-operative arrangement with the States. Having said that, clearly we are not stopping the other aspects of the plan that we want to implement and today is an announcement of \$50 million, as I said, the first time the national government has purchased water directly in the River Murray and it will be used for the purposes of ensuring or improving the health of the river.

JOURNALIST: You've still got a lot of money up your sleeve though?

WONG: We have recommitted the \$10 billion, and we are looking at the best way to spend that. We will spend that wisely, we'll spend it in order to achieve the best outcomes for the river and the people that rely on it.

JOURNALIST: Do we know when that water would start flowing?

WONG: Which water?

JOURNALIST: The water that you buying with that \$50 million will start to move through?

WONG: Well, obviously need to get into the market, we need to buy the water and then we will see what results from that. The intention clearly is that this money is allocated to purchase water to benefit the river, it is a down payment on the future of the River Murray.

JOURNALIST: Any indication where the water is going?

WONG: Well we haven't bought it yet. Thanks very much.

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