



# TRANSCRIPT

## Senator the Hon Penny Wong

*Minister for Climate Change and Water*

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### TRANSCRIPT OF INTERVIEW PRESS CONFERENCE - ADELAIDE

### SUBJECT: WATER BUYBACKS, MURRAY DARLING BASIN, CARBON POLLUTION REDUCTION SCHEME

### E & O E – PROOF ONLY

**WONG:** Thanks very much for coming.

A couple of things I wanted to talk about today.

The first is announcing the results of our water purchase to date. As you know we were elected with a policy to return water to the parched rivers of the Murray Darling Basin, and we're doing that in two ways. One is, for the first time in Australia's history, the Federal Government entering the water market to purchase water to try and reduce the amount of take from the rivers and to increase the amount available for our wetlands and environmental sites.

In addition we are also investing in irrigation infrastructure, both on and off farm, in order to improve the efficiency of our irrigation industries and to return water to the river.

I can announce today that in total to June 30<sup>th</sup> we have secured the purchase of some 446 billion litres of water, worth some \$660 million. The largest buyback process in our nation's history is underway. We have a long way to go – we know that – we are facing not only years of over-allocation and mismanagement of our river system but also the current and ongoing risk of climate change. But we are making progress and this buyback to date has secured, as I've said, some 446 billion litres of water and in the previous financial year alone, just over 400 billion litres of water.

I also wanted to make some points about the current state of the Opposition on the important issue of climate change.

Let's just have some context here, if we remember at the last election John Howard and the Liberal Party went to the Australian people convincing them that they had got over their climate change scepticism. They told the Australian people they too wanted to take action on climate change. They told the Australian people that they too would introduce an trading scheme – an emissions trading scheme to tackle climate change.

And what we've seen over the last few days from the Opposition is division and disarray. The same people who opposed action on climate change in government again coming to the fore. And really it's time for Mr Turnbull to step up because we know from what's been said publicly, we know what Nick Minchin says the Opposition will do, we know what Tony Abbott says the Opposition will do, what the Australian people expect is Mr Turnbull to tell them what his party will do in 20 days time. What will his party do when this legislation comes to the Senate?

Happy to take questions.

**JOURNALIST:** What do you make of Tony Abbott's plea for Coalition members to back Mr Turnbull on this?

**WONG:** Well I welcome Mr Abbott's suggestion that the Coalition should actually engage on this issue. We've been saying for some time this is such an important issue, it's an issue key to the nation's future. It's also an issue Australians care about and really it's time for Mr Turnbull to tell Australians what he will do, and put forward his views on this legislation. Because let's remember until now, not one single amendment, not one single constructive suggestion about the legislation on climate change.

**JOURNALIST:** Kind of surprising Tony Abbott's lying a bit low, he's refusing to speak out although he did write the opinion piece in the paper today because of his book deal apparently.

**WONG:** I've seen some commentary on that. I don't have a book deal so I'm happy to talk to you.

**JOURNALIST:** Do you find it unusual or surprising? Are we getting value for money from this person who will speak only when he...

**WONG:** Well I'm not across the detail of Mr Abbott's sort of media strategy or whatever arrangements he is party to, that is a matter for him. What I'm focused on and what the Government's focused on is what's in the national interest. We think this legislation is in the national interest and what we say to all the Liberal party, particularly Mr Turnbull, is it's time for you to tell the Australian people what you're going to do.

**JOURNALIST:** With the buybacks, what tangible evidence of improvement will that show in South Australia? I mean will people down in the Lower Lakes for example, will they see any benefit from the amount of water purchased?

**WONG:** I'm not going to pretend there's an easy solution and a silver bullet to the issue and the Lower Lakes. We all know how difficult the situation is there. I'd make the point in terms of the last round of purchasing the majority of environmental sites which were watered from the Government's purchase were in fact in South Australia, not in New South Wales or Victoria. But we face a very difficult situation with the Lower Lakes. To fill and maintain the lakes for a year will take probably more water than we have currently have in active storage, in excess of 1300 gigalitres, 1300 billion litres, that give you some sense of the magnitude of the problem.

As you know the Government is working with the South Australian Government to assist the lower lakes communities, we've put \$330 million on the table, \$200 million for a long-term, lasting solution, which I understand the South Australian Government is working on, has had a discussion paper out. We've put \$100 million down for the pipeline to service communities and \$10 million towards bioremediation. So we'll continue to provide that assistance because we understand how important it is.

**JOURNALIST:** So will any of the water make it to the Lower Lakes – from the latest release?

**WONG:** Well that will depend on how much is allocated by state governments. Let's remember the Federal Government purchases entitlement; we stand in the same shoes as all the irrigators who have various levels of allocation. Some irrigators last year didn't get out of single digits in terms of the allocation amount. We've just seen the start of the new water year and we are still at very low allocation levels. We'd anticipate higher levels down the track. On the back of your press release on the second page you'll see the average annual expected return. So it is the case obviously that you

purchase entitlement, allocation levels are likely to be less, and the expected annual average volume is 262 billion litres of water.

**JOURNALIST:** Is any expected to actually flow that far?

**WONG:** That will depend on the year, what sort of year we have, how much water there will be available; so I can't give you a definitive answer on that now. What I can say to you is we will continue to do what should've been done well before we came to government which is to start to reduce how much is taken out of the river. That will benefit the basin across the board.

**JOURNALIST:** Minister how many more litres is the Government looking to or hoping to buy back in the future?

**WONG:** Well we have allocated \$3.1 billion of which in the last financial year, the amount that, which contracts have been exchanged is about \$600 million, so there's a way to go. We are working to improve the situation in the Murray Darling Basin after many years of inaction.

**JOURNALIST:** How much would an individual buyback cost roughly? I know they vary.

**WONG:** Well an individual buyback depends on what you buy and what the nature of the entitlement is. So that's why we've given you details in the press release of the entitlement type and the cost.

**JOURNALIST:** There's not a whole lot of South Australian release, are you surprised by that?

**WONG:** No I think people are obviously entitled to sell their water or not sell their water. We have taken the approach that the best way to enable irrigation communities to adjust is to purchase from willing sellers. The majority of purchases have been in New South Wales and Victoria and that's where people have been willing to sell to us.

Can I say what's important to understand about this is we're heading towards a basin plan. We've appointed a Murray Darling Basin Authority, which includes representatives, people from a range of the states, and that basin plan will be developed by the authority. We know that plan is likely to say we're taking too much water out of the river. So what we're doing now by purchasing and by investing, is investing in the adjustment. So we don't end up one or two years down the track saying we've got a huge adjustment to make and we've done nothing about it.

**JOURNALIST:** Do you think this is happening fast enough Minister? Some Riverland crop growers, almond growers rely on the river for their water, are either bailing out or cutting right back, obviously their produce is not getting to market. Is this going to be something that will happen quickly enough to keep them on their properties?

**WONG:** Well different people in different parts of the basin want different levels of speed. Some people have criticised the Government for going too fast and others have the opposite view. It is an enormous restructure it is an enormous challenge. We're trying to turn around a very difficult situation and that will take some time. This is a very large purchase of water which is an investment not only for now but in the future and in a more sustainable basin.

**JOURNALIST:** Are you convinced the authority is going to have the clout to interact with the states? To get what you want?

**WONG:** Remember the key thing that we did achieve, that all states have agreed to is that ultimately the cap of extraction under the basin plan will be finally and ultimately a decision for the Commonwealth Minister, and that's not happened before.

**JOURNALIST:** Minister this water that has been bought back through irrigation licences, it won't be classified as environmental water in the future?

**WONG:** Yes it is environmental water, that's the purpose of purchasing it. It will be allocated to the environmental water holder who will use it accordance with their independent statutory authority, to water the parched wetlands and other sites within the Murray Darling Basin after consultation with the states.

**JOURNALIST:** Are they allocated in terms of the irrigation allocation for the state?

**WONG:** When you purchase an entitlement you stand in the same shoes as an irrigator, in other words the states still allocate but instead of that being allocated for irrigation and production purposes it's allocated for environmental.

**JOURNALIST:** How will you deal with the Point Sturt residents who have raised this morning on the ABC that it's going to cost them \$100 ,000 to connect to the pipe?

**WONG:** Well I think I've discussed that already on radio today. I remind you again that we've committed \$120 million to that pipeline. I've indicated on radio today that I would look into this issue. But ultimately the Federal Government has already put a very substantial amount of money into the pipeline, but as I've said I'll look into that.

Thanks very much.

**ENDS**