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Introduction

- Acknowledgements

The Murray Cod is the fiercest predator in the Murray.

It's renowned for eating anything it can fit in its mouth – ducks, cormorants, tortoises, snakes, and small mammals have all been found in their bellies.

Even small dogs, if you believe anglers' stories.

The largest on record was an incredible 1.8 metres long and 113 kilograms, but according to legend even bigger ones existed.

Around 1920 the monster reported lurking in Lake Hawthorn, Mildura, was dubbed the 'croco-gater' by the local paper.

In 1883, more than 147 tons of Murray cod were sent to market from the Murray town of Echuca alone.

Last week, the Murray Cod was added to the International Union for the Conservation of Nature's global red list of endangered species.

The Murray Cod is yet another symbol of how badly the Murray Darling Basin has been let down – over decades of mismanagement, compounded by the onset of climate change.

Reform: changing how we use our rivers

After decades of political irresponsibility, we are turning this ship around. We have come a long way in a short time in reforming the Basin – in changing how we use our rivers.

Fewer than six months after the election, we secured the agreement that had eluded all who had tried previously.

The agreement struck here in Adelaide between the Prime Minister and the Premiers means that the States no longer control the destiny of the Murray.

The way we manage the long term future of the Murray Darling Basin has changed forever.

We have taken over Basin-wide planning and will put a new, lower, scientifically-based limit on water use in the Basin, for the first time ever.

We have set up an independent authority to develop this first-ever Basin Plan, with the draft Plan due out next year.

After this historic takeover, there were still further details that needed resolution.

For example, there are a number of factors that have complicated water trade, including antiquated barriers to trade in some States. If we want to truly value water, and we want access to be fair, we need water to be able to move to where it is most highly valued – which is why we need a flexible, efficient and effective water market.

That's why the Rudd Government was so determined to overcome the restrictions on water trade in Victoria. These included that only four per cent of a district's water could be traded out of that district in any year, and a ten per cent limit on the amount of water that could be owned separately from land in individual supply areas.

Like the COAG agreement, these were tough negotiations, but I was pleased that in June this year, the Victorian Government agreed to the Rudd Government's demands for reform.

We secured the removal of the ten per cent limit. We also reached an agreement where the Victorian Government will phase out the four per cent cap over a five year period, enabling the Australian Government to purchase 460 billion litres of water over this same period.

This agreement came in spite of the opposition from members of Malcolm Turnbull's team, who wanted the four per cent cap to remain in place.

Given the stakes, for our rivers, for our irrigators, for our future, it was a great relief that we could get the action we needed without setting up camp in the courts.

Inevitably, some criticised our landmark reforms. Some have said the process for the new Basin Plan is too slow.

Sure, it would be good if we could go faster – but on the other hand, a big part of the reason the Basin is in its current mess is that it's never been managed properly – so it would seem more than a little important that we finally get the management of the Basin right, for the first time in our history.

Of course, if we wanted the Plan ready earlier, we should have started sooner.

Others have said our takeover is not enough.

But I had a choice when I became minister.

The Murray was in a critical condition. It is still serious.

When dealing with a patient who is critical, you have to act. You can't hang back hoping for a better treatment to be invented. You use whatever you have at your disposal.

Our takeover, our water purchase, our investment in infrastructure – all gradually moving the Murray off life support, towards health.

The Rudd Government was determined to get the only takeover that counts, because waiting for anything else would have just caused further delay.

I could have spent years in the courts arguing over a perfect outcome, and hoping the River was still there when I got out of court, or I could get on with the job.

So while I understand the motivation, my preference is to put action ahead of litigation.

The Murray Darling Basin Authority is well and truly engaged with implementing reform through the Basin Plan. Do we still have more reform to do? Without doubt.

As I have said, freeing up water trade is crucial to ensuring we use water wisely. A key obstacle has been the hotch-potch of different state and territory-based water registers, and their limited capacity to inform the market and support interstate water trade.

Today I am announcing \$56 million to develop a new National Water Market System; a system that will deliver better, real time market information, much faster and more efficient transactions, and improved interstate trade.

This new system will include a common registry system or system upgrades for all jurisdictions, a national portal and inter-state processes to speed up cross-border water trades and cut transaction costs.

The national portal will provide water users with ready access to a new national market information service, and state and territory-based information on things like water licenses and seasonal allocations.

As well as improving interstate trade, the national portal will provide water users with ready access to a new national market information service, and state and territory-based information on things like water licenses and seasonal allocations.

And there are other issues that still need work, such as the different ways water theft is managed by state governments.

I believe Australia needs a stronger compliance and enforcement regime, in the Basin and elsewhere, to recognise that when people take water that is not theirs, that hurts all of us.

Taking water illegally is theft and should be treated as such. It's a basic law and order issue – like any other for which the States are responsible. We don't tolerate other theft; why should we tolerate theft of one of our most important natural assets?

What the state of the Murray means for South Australia

The reforms that are being implemented will yield benefits for the nation as a whole, and nowhere more than South Australia.

But there is a more fundamental issue for South Australia – and particularly for Adelaide – and that is where its long term water supplies should come from.

Adelaide's principal water challenge is that it relies on the Murray, and everyone who relies on the rivers of the Murray Darling Basin is justifiably anxious about where their water is coming from.

Sometimes there is a perception that the biggest obstacle is that everyone else is just hoarding water for themselves. I wish it were that simple.

The reality is that in this era of extended drought and with the emergence of climate change, we face a comprehensive and monumental set of problems across the Basin.

Over the last ten years, the average amount of water flowing into the River Murray was less than half the long-term annual average.

Over the last three years, the average amount of water flowing into the River Murray was just one fifth of the long-term average.

And it says a great deal about where we've got to – with much remarked upon recent rains – that active storage levels in the Murray remain at just 30 per cent – well under one half the long term average for this time of year.

Research shows that the extended drought is clearly linked with global warming.

The challenge of climate change is compounded by decades of mismanagement throughout the Murray Darling Basin – in each and every State.

Across the Basin, water has been taken from our rivers as if it is in infinite supply.

It's not just that since the 1950s, Basin governments have tripled the amount of water that can be taken from the Murray Darling River System – there is also the staggering fact that around one fifth of water in the Southern Basin is lost to production because of leaky old irrigation systems.

Since Federation, Federal governments have pretty well allowed Basin States to do as they pleased.

The fact is that everywhere across the Basin, we need to take less water out, and more needs to be left for the rivers themselves.

All Australia's major cities have been moving to shore up water supplies that rely less on the climate.

Over the past few years, projects on desalination, stormwater and recycling have been multiplying.

Adelaide is reducing its reliance on the Murray in a number of important ways. The desalination plant – in which the Rudd Government is investing \$328 million – will provide half of Adelaide's current water needs.

Last week I was pleased to announce the Rudd Government was funding eight new stormwater harvesting projects – providing a further eight billion litres annually.

The fact is that Adelaide is in a particularly challenging circumstance when it comes to water. The only major city that seriously relies on the Murray. The capital of the driest State in the driest inhabited continent.

So whereas the previous government considered urban water to be a State Government problem, the Rudd Government sees helping South Australians secure new water supplies as a key priority.

We believe Adelaide's water security lies in new supplies of water– and we are putting our money where our mouth is.

We have committed over \$1 billion to water infrastructure projects throughout South Australia.

I should say that not everyone believes Adelaide is a priority.

One of Malcolm Turnbull's most senior frontbenchers – his spokesperson on border security, Sharman Stone - has accused the Rudd Government of giving undue support to Adelaide's water needs, saying contemptuously that:

When Adelaide squeaks, irrigation systems shudder.

Can I just say this: the Rudd Government makes no apology for giving Adelaide's water security needs a high priority.

Preparing for the future

This investment in water infrastructure is core business for our long term, \$12.9 billion plan, Water for the Future.

And despite the fact that some of my colleagues in the Federal Parliament still want to debate whether climate change is real, the Rudd Government is well on the way to preparing for the impact of climate change.

Climate change projections show that average inflows into the Murray could reduce as much as 37 percent by 2030, while the Bureau of Meteorology is also warning that we are facing another El Nino event this summer.

Plainly, any plan for the future has to expect that we will have less rain in Southern Australia.

That is a major worry for the Lower Lakes – because even with reform, infrastructure and water purchase, the long term future of the Lakes remains extremely vulnerable.

They cover a huge expanse – around 900 square kilometres, directly exposed to the sun, and can lose several hundred billion litres every year through evaporation alone.

I am deeply worried about the future of the Lakes. The exposure of soil that was previously under water risks the Lower Lakes turning into acid.

Filling them now would require 450 billion litres, and a further 750 to 950 billion litres a year to maintain them – when already, all throughout the Basin, other environmental icons are on their knees.

The Rudd Government has already committed \$330 million to projects to support South Australian Government in securing a sustainable future for the Lower Lakes and Lakes communities. The new \$120 million pipelines required to secure drinking and irrigation water to Lakes communities are now almost complete, and the \$10 million bioremediation project to help manage the threat of acidification is proceeding well.

Work has also commenced on the long-term plan for the environmental threats facing the Lower Lakes and Coorong, for which the Rudd Government has committed up to \$200 million. Soon, the South Australian Government will be releasing its draft plan, which will then be appraised by an independent expert panel that my Department has convened.

I find it appalling that some politicians are still trying to play politics with this issue – one of the most serious environmental problems this State has ever faced.

I find it particularly appalling when most of those who are playing politics have long been part of the problem and have never been part of the solution.

Consider that the Liberal Party is still opposed to water purchase.

Water purchase is the fastest way to help the rivers. It has a much shorter lead time than infrastructure and structural reform. It means that as water enters the river, more of it stays there. And it starts the adjustment to the new reality that everyone will face under the new Basin Plan, when there will be a much tighter limit on the water that can be taken out of the rivers.

Nevertheless, not a single drop was directly purchased by the previous government, including when Mr Turnbull was water minister, and senior Liberals have made it clear that they do not tolerate any water being purchased from their rural constituencies.

Once again, the senior front bencher Sharman Stone:

I have stated, and I just restate for the record, that I have continuously and loudly opposed the water buyback scheme by Labor.

And Greg Hunt, the man who would be responsible for water policy if Malcolm Turnbull won an election tomorrow, complains about

"...Penny Wong's plans to rip the heart out of country Australia through her extreme farm buy-out plans."

Frankly, it's no wonder that by election day two years ago, the Murray was in the emergency room.

When we started purchasing water within months of taking office, it was nothing short of putting the Murray on life support.

With the Liberal Party remaining opposed to returning water to our rivers, they cannot be trusted not to turn off this life support.

As at September 30, we had secured a total of 612 billion litres of water entitlements worth more than \$947 million.

The independence of this position assures the integrity of environmental watering decisions that may benefit numerous sites and assets across the Murray Darling Basin.

Under this arrangement, the 2008/09 financial year saw priority-based decisions by the independent Commonwealth Environment Water Holder that resulted in 62 percent of available Commonwealth environmental water directed to benefit sites in South Australia.

Water purchase is one of the two main ways we are improving the health of our rivers.

The other is infrastructure. So far we have committed over \$4.4 billion to upgrade and modernise water and irrigation infrastructure in the Basin.

These investments mean we can continue to have viable industries and communities in the Basin at the same time as we improve the health of our rivers.

Under the agreement on Basin reform reached at COAG last year, a crucial component was the development of bilateral agreements covering both Commonwealth funding for State Priority Projects and water reforms.

\$3.7 billion is committed through State Priority Projects. While I understand that infrastructure doesn't materialise overnight, I would reiterate that it's time to hit the accelerator. Rapid progress of these projects is essential – not only to address the urgent situation of many Basin communities, but also to support regional economic activity.

Having said that, I am pleased to announce today that the first of these water management partnership agreements has been signed – with South Australia.

In announcing this bilateral agreement, I acknowledge that South Australia is not only the first basin state to sign this bilateral agreement, but is also the most

advanced Basin state in the design and delivery of the agreed State Priority infrastructure projects.

With work on the two major Lower Lakes pipelines now complete and other Basin initiatives rolling-out, South Australian communities are already realising the benefits of the Rudd Government's commitment to the Basin.

Conclusion

None of the measures we are taking will cure our Basin's ailments overnight.

I've no doubt that some will continue to argue that we should be on the hunt for the miracle cure, while others will urge us to slow down.

But we are at least, for the first time, moving forwards.

The rehabilitation will be gradual, and it is made harder by the fact that climate change is with us, now.

Here in Adelaide, we have the opportunity to make do with reduced reliance on the Murray – and we are well on that path.

Others are not so lucky. Whether they be the suppliers of our food and fibre, or whether they be the hungry croco-gater we call the Murray Cod, the serious condition of the Murray is still a challenge from which we cannot let politics divert us.