



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

TONY WINDSOR MP
INDEPENDENT
FEDERAL MEMBER FOR NEW ENGLAND

Shop 5
259 Peel Street
TAMWORTH NSW 2340

All Mail: PO Box 963
TAMWORTH NSW 2340

Ph: (02) 6761 3080
Toll Free: 1300 301 839
Fax: (02) 6761 3380
e-mail: Tony.Windsor.MP@aph.gov.au
Web Page: www.tonywindsor.com.au

Media Release

7 February 2007

Climate Change and Water

The following is the Hansard of a speech given by Tony Windsor MP Member for New England during a Matter of Public Importance debate on *“The need for a coherent strategy for our future that builds long term prosperity, preserves a fair go for all Australians and responds to the great national challenges of climate change and water”* on Tuesday February 6, 2007.

In it, Mr Windsor addresses some concerns he has about the Prime Minister’s 10 Point Water Plan, the Government’s history in dealing with water reforms over the last 10 years, taxation of groundwater compensation payments, the Carbon Taskforce and climate change.

[Mr WINDSOR](#) (New England) (4.55 p.m.)—The environment is an important issue, and I am pleased to be able to speak on it in this matter of public importance debate. However, I am disappointed that the two spokespeople for the government are from the Liberal Party. I would have thought that, as this debate concerns a very important part of Australia, the Deputy Prime Minister or someone from the National Party who actually lives in the Murray-Darling Basin would have been represented. But, given their history on this and other issues, I can see why the Liberals have ruled them out.

I congratulate the member for Wentworth on his appointment to the ministry, and I wish him well. Although he did not say anything new today, I listened to what he said and thought that there was a lot of promise in it. He made mention of sceptics. I am a sceptic. I am sceptical about the history and performance of this government on water issues. The Prime Minister announced a \$10 billion, 10-year, 10-point plan. I think it is commendable because, for once, the borders of our states are being looked at as impediments to water reform.

Let us have a look at what we have done in terms of water over the last decade or so. The MPI mentions a ‘coherent strategy’. The Prime Minister’s plan is 10-days old. The New South Wales National Party is talking about inland diversions of water, with the Barnard River being diverted into the system. We have a coherent strategy? The Minister for the Environment and Water Resources and the Prime Minister are talking about capping the groundwater and surface water systems within the Murray-Darling Basin. The National Party is suggesting that, rather than spend the \$3 billion to take care of the over-allocation problem, we pour some water into the basin from the Barnard River. If we are talking about a 10-point plan, we need to be a little coherent about what the strategy is. Only some months ago, when the Minister for the Environment and Water Resources was a parliamentary secretary, he and the Business Council of Australia talked about using pricing policy to divert water from the Murray-Darling Basin to Sydney. They proposed using pricing policy, market mechanisms, to drive farmers’ water back to Sydney to sell it to a higher value use. This is apparently the coherent strategy that the minister is referring to.

The MPI talks about a fair go for all Australians. Let us have a look at that in terms of water policy and what has happened in relation to it in recent years. The Prime Minister spent some time talking about the need to look at sustainability within the Murray-Darling Basin and the over-allocation of water carried out by the states. I am like a cracked record on that matter in this parliament. Obviously the issue of over-allocation has to be looked at, but let us see where it has been looked at. Irrigators in the Namoi Valley came together and agreed with the state government that there was an over-allocation of this resource and that, for there to be a move to sustainability, certain adjustments had to be made.

Further information contact Tony Windsor, Ph (02) 6761 3080 or 0427 66 8868

The Commonwealth came into that process as well, and I commended the Commonwealth at the time, because at last there was a strategy where the Commonwealth and the states were working together to overcome an overallocation problem—and that problem was no fault of anybody. Mr Deputy Speaker Causley, given your history on the issue of water resources you would remember this very well—and I would have loved to have heard you speak in this debate today; maybe you will on another occasion. The Commonwealth and the states together developed a package to compensate people for the loss of their entitlement, because they were losing a capital asset for the greater good of the nation. That is exactly what the Prime Minister is talking about—looking to the future, looking at sustainability, looking at the water resources as a whole within various aquifers or rivers in terms of the totality of the Murray-Darling Basin.

Now what has happened? What is the Commonwealth strategy? When the money for loss of entitlement has been allocated by the states, by the Commonwealth and by the irrigators, the Commonwealth is going to tax the recipients of that money as if it were income in the year of receipt. About three months ago, when the minister was parliamentary secretary, he told me that this was all under control. If anybody really cares about individuals that are going to be impacted by changes in natural resource management policy—and I think there have to be changes—it is about time the government demonstrates that it is serious. The Prime Minister and the Minister for the Environment and Water Resources, who is at the table, cannot wander around Australia saying, ‘We are here to take care of overallocation—there will be money to look after that. Don’t worry about it, irrigators—there will be money to look after that,’ when, in the six valleys in New South Wales, not only the Namoi Valley, you have this system in place where up to 47 per cent of the compensation receipts that they get to move to sustainability—the goal—are going to be treated as taxation.

Let us look at the history of this matter, at issues such as climate change and carbon sequestration. A task force was set up recently to look at how market mechanisms may be established. The agricultural sector was left out; it was just not there. Doesn’t the minister or the Prime Minister understand the role of organic matter in humus in soils, how that can be used as a natural sink, how that can be used not only in the carbon debate but in the soil health debate, water infiltration rates—a whole range of issues? The farmer is left out. Where were the National Party? They were not to be seen. The farmers were left out of the debate. I think that is an absolute disgrace.

Let us look back to the 1995 COAG processes. The situation was similar to what the Prime Minister is talking about now. The states and the Commonwealth came together, designed a strategy for the future and had as the mechanism of control the national competition payments for water reform. When these promises are being made about the next 10 years, let us look at what happened in the last 10 years: \$4.6 billion in competition payments were handed from the Commonwealth to the states without real reform of water at all. There were intergovernmental agreements, a national action plan on water quality and salinity and catchment blueprints. There were documents coming out of the proverbial and money was handed over. The Prime Minister was saying, ‘We will have \$3 billion to hand over to the farmers, the irrigators, if they agree to the cutbacks.’ Did he say they were going to be taxed at 47 per cent on that money? No, I have not heard that. Let us look at what the past has reaped in water reform. In that COAG process, the state and the Commonwealth were joint signatories. We were being told again that there was money on the table, and nothing happened. The Commonwealth was complicit in handing the money to the states without demanding that the property rights that were in the original agreement be recognised. The property right initiatives in that agreement have never been recognised.

The new minister will go out to the farming community and say: ‘Trust us on this, there is money on the table. We can take care of a lot of the problems and you will get half the savings back.’ I have seen the letter from the Prime Minister to the premiers. There is a lot of fine print in relation to farm dams that the farming community want to know about. What does the fine print mean? What about diversions and the impact that they will have?

Then there is the issue of agroforestry. What happened to the debate on salinity of a few years ago, where the demands were for more trees? Now we have this document saying that, if trees are grown, that will impact the totality of the cap within the system; therefore there will have to be adjustments within that process. Then you have got the National Party in New South Wales saying, ‘No, we will pump water in. Don’t worry about it. There is no problem—just add water.’ In terms of a coherent strategy that is fair to all those concerned, to those who live in inland Australia, we really need to make this a bit clearer than it has been made today. (*Time expired*)