

ENVIRONMENT, NATURAL RESOURCES AND REGIONAL DEVELOPMENT COMMITTEE

Inquiry into the management, governance and use of environmental water

Kerang — 13 October 2017

Members

Mr Josh Bull — Chair

Mr Simon Ramsay — Deputy Chair

Ms Bronwyn Halfpenny

Mr Luke O’Sullivan

Mr Tim Richardson

Mr Richard Riordan

Mr Daniel Young

Witnesses

Mr Stuart Simms, President, and

Ms Raelene Peel, Secretary, Kerang Lakes Land and Water Action Group.

The CHAIR — Good morning and welcome to the Environment, Natural Resources and Regional Development Committee’s public hearing in relation to the inquiry into the management, governance and use of environmental water. I extend a warm welcome to members of the public and members of the media who may be present this morning. I also welcome the member for Murray Plains and former Minister for Water, who is with us, and extend a very special welcome to, it is my understanding, grades 4, 5 and 6 from Kerang Primary School. I hope you find the committee hearing interesting. It is wonderful to see you all here with big smiles, all nice and attentive. Thank you for being here. We greatly appreciate that.

All evidence taken today is protected by parliamentary privilege, therefore you are protected for what you say here today, but if you go outside and repeat those same things, those comments may not be protected by this privilege. Today’s evidence is being recorded. You will be provided with a proof version of the transcript at the earliest opportunity. Transcripts will ultimately be made public and be posted on the committee’s website.

I invite you now to make a 5-minute opening statement, which will be followed by questions from committee members. I first ask that you state your name and role for the record and then proceed with your opening statement.

Mr SIMMS — Thank you, Mr Chairman, and thank you to your group for hearing us today. By way of introduction, I am Stuart Simms. I am president of the Kerang Lakes Land and Water Action Group. I have 55 years of experience in community representation on irrigation, salinity and natural resource management committees, including irrigation advisory boards and catchment management boards. I spent 12 years as chair of the Kerang-Swan Hill salinity management plan, and I am currently a flood warden with the Shire of Gannawarra.

My secretary here is Raelene Peel. Raelene has experience in irrigated and dryland agricultural farming systems, a farm trades apprenticeship and a diploma of conservation and land management from the University of Melbourne, and she also has been involved in many natural resource management committees, such as the Kerang-Swan Hill future land use pilot project.

The Kerang Lakes Land and Water Action Group was formed in 2003 as a means for members of the community to meet and discuss matters of state, independent of any allegiances to political parties or bureaucratic agencies.

You already have our full 20-page submission. Our key points are: the value of irrigated agriculture, its demise and our ability to feed the nation, and the complexities of the Kerang Lakes area, its agricultural potential and the need to listen to local knowledge. We have three case studies that we have quoted — namely, Lake Tutchewop, Avoca Marshes and Lake Cullen — from which there are valuable lessons to be learned. We talk about the environmental water holders and ask whether they are holding irrigated agriculture to ransom.

We see barriers to the efficient use of environmental water, including the use of irrigation infrastructure to deliver environmental water. We ask whether depressions are flood pondages or environmental opportunities, and we talk about the frustration and futility of dealing with bureaucracy where people ignore local knowledge too often. We touch on fees and charges applied to environmental water, with the lack of transparency making it difficult to know who pays for what, and we question whether this was by design.

Trading of environmental water, carryover provisions and manipulation of water prices is a complicated subject. Environmental water holders are the largest water-holding entities and as such can then manipulate water availability and hence prices and so force farmers, in some cases, to abandon irrigated crops. We ask whether environmental water holder carryover is equitable.

On the links between wetland flooding, blackwater events and the proliferation of European carp, we say that European carp are the greatest environmental vandal within the Murray-Darling system and that that is a problem that is largely ignored. Prolonged inundation of flood plains promotes blackwater events, potentially threatens river red gums and promotes European carp breeding.

We comment on the Murray River flows and the ‘just add water’ perception. For example, Lake Alexandrina was historically estuarine and was never meant to be permanently fresh. We ask whether we can afford to waste 750 000 megalitres of freshwater that is lost through evaporation from this lake each year. The Murray River did not always harbour the great river red gums. I think we have quoted that when Major Mitchell came through

and stayed at Swan Hill in 1836, he spent a cold night because he could not gather enough wood to light a fire. There were no red gums on the Murray.

We have recommendations. One is that we establish a local consultative group so that the local people have a great input into these sorts of affairs. Statewide, we recommend that the environmental water holders be subject to the equivalent water fees and charges as paid by irrigators and that there be better transparency; that all water trades by environmental water holders be finalised by the end of February each year; that no further sales of Australian water to overseas investors be allowed; and that there be decentralisation of environmental water and agricultural management — including the employment of catchment officers, project officers and so forth, with permanency in employment — back to regional and small communities.

That is a brief run-down of our submission. Thank you, Mr Chairman.

The CHAIR — Thank you very much, Mr Simms, for your detailed contribution. I wanted to ask you about the main influences on and contributors to blackwater events and your view on how they come about and why they come about.

Mr SIMMS — Blackwater seems to be the result of ponding of water in floodways where there is a great deal of trash that has built up on the forest floor over a period of time. Perhaps Raelene might have a better explanation of it than I.

Ms PEEL — Yes, with reduced grazing in some of these areas, and introduced species versus your native species. When the water tends to sit we get a lot of the tannins coming out of the barks and that sort of thing, so if we can promote a more natural flooding regime. But in some of the instances when the water has been left there to pond it has exacerbated the problem. It is a natural occurrence, but some of the water use seems to have exacerbated the problem. The flooding of wetlands promotes the breeding of European carp, and some of the research that I have observed shows that it does not affect the abundance of the carp, so we are promoting their breeding. The native species are being affected by the blackwater events whereas the carp are not. We believe that carp are an often ignored problem in our system. The blackwater is a natural event, but we need to get better at trying to manage it. If we are going to get environmental water in, we need to get water in and out and not prolong it.

The CHAIR — Sure. Thank you. That does lead to my next question. Can you use environmental water to mitigate and improve, if you like, some of those blackwater events, to assist with local fish populations or damage that may have been done by a severe, nasty blackwater event?

Ms PEEL — I believe that the timing of environmental flows needs to closely mimic nature. Sometimes we are putting water into our flood plains when it suits for irrigation purposes or when it suits the water availability. Naturally around here most of our floods are springtime floods. If we are going to put water in, ideally it should be in springtime, so when there are natural flushes coming down through the system we can get the water in and we can get it out. Putting water in and letting it pond is not a good thing for the environment. Mimicking nature and getting it at the right time is critical.

The CHAIR — Thank you.

Mr RAMSAY — I was interested to know your opinion of a demonstration we saw yesterday with a CMA using environmental water to provide for fish habitat and flora and fauna habitat in the Gunbower state forest. My understanding is that the principal aim there is to improve the fish stocks and provide some longevity for the red gums in some of the wetland flooding that they used environmental water for. Do you have a view about the current practice of CMAs and others using environmental water for improving fish habitat or wetland flooding to help sustain the red gums? I say that noting your comment, Mr Simms, in relation to historical populations of red gums within the Kerang area. We saw that there are a lot of standing red gums around this municipality. Do you believe that ongoing flooding is required for their long-term sustainability? And the issue I have raised regarding that CMA's role in providing lagoons and pondages for fish stock, using the environmental water — any comment?

Mr SIMMS — I think we have got to be very careful. Certainly the irrigation system — ponding our rivers and so forth — has altered the natural regime of the flooding of our red gum forest. Naturally it would have been the snowmelts in spring and floods coming down flooding. We are doing that a little differently now and

adjusting it to our irrigation methods. The consideration of our red gum forests in the environmental flows is very important and very valuable. We must be very careful.

One of our programs here, which we have mentioned, is the Avoca Marshes. There was quite an extensive red gum forest there. It was perceived by some in our community that they were not getting their fair share of water, and so an innocent-looking 600-millimetre sill was put in. It held 2 feet of water — I am using imperial now; it is a sign of my age, I am afraid — over some 6000 acres. Unfortunately, several years following the installation of that sill the river flooded. We lost probably 100 000 red gum trees.

We have got to be very careful that we do not kill these trees in the Gunbower and the Perricoota forests with kindness. Red gum will only stand water for three years; any longer than that and they will drown. So we must be very careful. I remember talking to an old sleeper cutter many years ago, and he said, 'The best red gum timber for sleeper cutting was from trees that had 3 feet of water for three months every three years'. But he said the other two and a half years needed to dry out and allow the root zone to dry out. So while these forests with their environmental water are looking very pristine at the moment, we have to be careful we do not kill them with kindness.

Mr O'SULLIVAN — Thanks to both of you for coming in and presenting to us this morning. I read your submission with much interest. I want to look at the actual use of environmental water itself. I guess it is a two-part question, because obviously we have the Murray-Darling Basin plan, which is allocated water for irrigation for the community and also for the environment. What does success look like in terms of that environmental water allocation that is going to be used for the environment?

Mr SIMMS — I think we have to look at the Murray. The first question is: is the Murray dying? Do we need these volumes of water? Yes, we cannot ignore the environment altogether, but I think, too, we have to look back at the historic role of the Murray-Darling Basin system. I go back to our early mariners. They sailed past the mouth of the Murray for several years before they realised there was a Murray mouth there. The Murray was not always flowing. We have photographs of picnics in the dry bed of the Murray and these sorts of things. In 1956 — the great flood — 46 million megalitres of fresh water flowed down the Murray and out to sea. There are huge ranges in the Murray. Again, we cannot ignore the environment, but I think for all the hype that we hear about the health of the Murray, there has been very little on European carp. Again, European carp, in my view, have been the greatest environmental vandals to our wetlands through here of anything else. I think these are the types of little things that we should look at.

The other point is that we have to look at environment versus irrigation. We are living in a world of inevitable overpopulation and starvation, and what is Australia doing at the moment but methodically dismantling its ability to grow food? I said in my earlier reports there that we are attempting to keep Lake Alexandrina fresh, which historically was estuarine: the tides would bring saltwater in and it varied then from freshwater in great floods to saline of course when it relied on the sea water and the tides. About 750 000 megalitres of water evaporates out of that, and we are now trying to keep that fresh — 750 000 megalitres. We can grow 1 tonne of wheat with a megalitre of water, so we have foregone the ability to grow three-quarters of a million tonnes of wheat by trying to keep Lake Alexandrina fresh.

To go a step further, we can generate perhaps \$2000 worth a megalitre of water through a grapevine or a fruit tree. If you equate your 750 000 megalitres of evaporation in Lake Alexandrina, that is \$1.5 billion worth of production. I think the question here is: how far do we go with environmental flows and how far do we go looking after the food we are producing?

Ms PEEL — The other part of that scenario is that the values attached to the environment are very emotive. They are very emotive words; they are feelings. People were surveyed by phone on what they thought the importance of birds and fish and things were. When you look at a sample of people taken from, say, Melbourne versus a sample of people taken from this community, where we are losing community members — shops are shutting, businesses are closing, people are leaving town, school numbers are dropping, we cannot get enough members in our fire brigades; it affects all our community groups — what the view is of the value of environmental water is different in a rural community that is struggling versus a more affluent community in Melbourne. It is a very emotive question as to the question of water.

We are often told that with environmental watering and national parks we will bring people to the communities — the tourism will support the communities. We are yet to see it in our communities. I believe

you were hearing from people addressing the sustainability of shires. That is a major issue in this community because of the lack of community members and our population decline, and a lot of that is being generated because we are losing our ability to produce an income in this community because we are losing our water.

Mr O'SULLIVAN — Absolutely, and my supplementary goes to that very point. We have a scenario where we have got the environmental water and then we have got production water. In our hearing this morning we heard about paddocks just around the edge of Kerang that have been dried off as a result of the Murray Darling Basin plan, and there is no doubt that some of that water, in part, would have gone to the environment, which once was in productive use. In terms of the sustainability of regional councils and rural councils, we are hearing that there are fewer people paying more as a result of a whole range of issues, and no doubt the drying off of some of those paddocks is a factor in that. Have we got the balance right in terms of the environmental water versus production water? Obviously there has been a whole lot of debate around it. Have we got it right, and is the management of the environmental water appropriate for the outcomes we are trying to achieve from it?

Mr SIMMS — I think the main problem there is the environmental water holders, and that is not just the environment itself; there are so many other commercial entities now that hold water, even overseas. I believe, for example, the New York fire brigade owns Australian water. Now whether that is true or not I do not know, but it is a ridiculous situation. The problem we have there is that there is so much water now in the hands of non-irrigators, I suppose would be the way to put it, that they can, to some extent, corner the market. They can withhold the water, create a shortage and then, when the farmer is desperate, put it out on the market at inflated costs. This then is going to have a marked effect on our economy. I said before that we can grow a tonne of wheat with a megalitre of water, and if a tonne of wheat is worth \$150 and a megalitre of water on the temporary market is worth \$200, you are not going to grow wheat.

Ms PEEL — The other thing that we forget about with environmental water versus irrigation water is that irrigation water supports species. It supports the bitterns at Lake Cullen, where there is a leaky regulator that has been feeding the reed beds. The newspaper article that was included in our submission spoke about the importance of growing rice and things around Deniliquin for the survival of the Australasian bittern. Growling grass frogs — I am not sure whether they are endangered. They are vulnerable at least; they are on the Flora and Fauna Guarantee list for Victoria. There are extensive communities of those around the Murrabit district, where they survive in irrigation channels. Often irrigators and irrigation communities are viewed negatively by a lot of people, but they actually also supports species and support conservation. At the heart of every farmer you are a conservationist, because you seek to maintain your property and to build on your property, and we have seen that through the participation in Landcare and tree planting and areas that are being set aside. Farmers are not environmental vandals.

Mr YOUNG — It is really interesting kicking off with water. I have been looking forward to this one. You guys seem to have a really good headspace as far as the balance between what we need to achieve. What I want to ask you is whether you could speak to any particular instances within this area, because you have obviously got an intimate knowledge of the Kerang lakes, where infrastructure needs to be fixed or work needs to be done. You mentioned Cullens Lake, and I did read that in the summary we have got. That that would be an example of something that needs to be worked on now that you could steer us in the right direction to.

Mr SIMMS — The Kerang lakes area is a very complex area. We live on a flood plain, and in times of flood the lakes system is very useful for flood pondage. It is also a great opportunity to use those flood flows for environmental purposes and for filling our depressions and so forth. Of course that is always the toss-up: do you fill a depression while you have environmental water available, or do you save it and use it for flood mitigation to have greater value later on? That is always the great toss-up. That is one of the problems: if you fill an extensive pondage this year with environmental water and get a flood next year, you have lost that ability to flood one.

Mr YOUNG — Which we saw last year with Murphys, just down the road. They withheld filling that so they could use it for flood mitigation.

Mr SIMMS — Yes, that is right. And Cullens lake here is an example. We have just put 10 000 megalitres of water into Cullens lake.

There are other restrictions of course in some cases. Again with Cullens lake, the restriction there of course is an irrigation channel that has to take environmental water into that channel. So there are cases where the demand

on the irrigation infrastructure is such that you want to use it for irrigation and environmental flows at the same time. Generally I think the relationship there is pretty good. They can work around that, and they will communicate and work around that, yes.

Ms PEEL — One particular area that is under development I guess at the moment is the Reedy lakes bypass project. They are seeking to bypass Third Reedy Lake, and as part of that they are wanting to promote fish breeding and that sort of thing. At the moment the business case and some of the documents are away seeking further approvals. I am not exactly sure where all that lies at the moment. But when you read through some of the documentation — and there are various reports — in some areas it talks about putting fish passageways in and out of the lake to promote breeding. In another area that I read they deemed that that was not necessary; the gate will either be open or it will be closed.

Is it an environmental project, or is it a water savings project? Because when it was first brought forward as a project, it was as a water savings project made by the Torrumberry irrigation modernisation project. Very quickly when it became apparent that the dollars-per-megalitre-saved ratio was not going to be favourable to bypassing the lake, it then was not a water savings project, it was an environmental project. But if we do not put fish passageways in and out of that lake, then we are not achieving the goal we set out to achieve as an environmental project. That is an area of which I would like to see closer scrutiny. Some of the community were involved, and Stuart was a community rep on that process. Originally they were going to bypass a number of lakes, and now it is down to just one lake. Fish passageways in and out is certainly a big issue there.

Mr RIORDAN — You have given voice today in your presentation to a frustration that we see around rural Victoria of grand environmental gestures being made that local communities are not necessarily joining in with and that are coming at the expense of the traditional industries. In this area we have got the dairy industry, presumably. In other areas we see timber communities that have big areas locked up for national parks, and you are seeing the same movements here. There seems to be a lack of coordination at government level, because we are sold the promise that tourism and visitors will be the replacement industry that will be gifted to your community and all will be well again. We saw yesterday that \$14 million had been spent to ensure that they could manage the flooding and environmental flows through the Gunbower forest. I wonder where you could demonstrate or where you might be able to tell us about similar grand gestures by government to invest in tourism, the visitor economy or other replacement industries for your community when those types of movements are made and whether in helping communities deal with the changing political environment of more water for the environment there is, in your mind, a genuine commitment from responsible authorities to actually supercharge and work with communities and provide the infrastructure to get that benefit for communities so people can take advantage of it if it is to be had.

Mr SIMMS — I think the wheel has turned a full circle. In my early days the system was very bureaucratic and dictatorial. The 1980s saw the salinity management plan. We had salinity problems up here in northern Victoria. It was a Joan Kirner initiative actually, and we went into Salt Action: Joint Action, where the community actually had input into what was going on with our problems here. That was very successful. We had a grand committee with all the input from the various agencies and government — a multidisciplinary committee, if I remember rightly — and I had the honour of being chair of that. That was excellent, as bureaucrats and the ordinary people all sat together and discussed problems. That was a marvellous innovation because we got a great deal of work done. The fact that we were listened to by the bureaucratic people was great. We could have great discussions, and I think it was a great example of coordination between the community and bureaucracy.

The other extent, I think, was the 2011 floods, where the SES came up here and were given a job. It was the first time that they were given the job of mitigating the floods that we had here. It was a mess simply because they came up here and had no idea of the hydrology or the geography of the area, and at no time did they confer with the local people.

As a result of the Comrie report — and I think there was a parliamentary inquiry into that — we now have a different arrangement. We now have a situation where I am a flood warden with the shire. During this last flood, even though it was only a minor flood, there was a tremendous amount of coordination and communication between we as Yorta people and the government. I think that is the best way of being able to deal with that. We might be pretty basic in our thoughts, but we have a tremendous amount of experience of

what goes on around here. When push comes to shove, we have probably got a better idea of the results of actions than what a lot of people that you import into the area have.

Ms PEEL — In this area too, if we are going to change industries, tourism is promoted as the industry that will save us, but the Kerang lakes are reliant on having water in the lakes. We have a range of wetlands, from hypersaline wetlands to the Avoca Marshes that are dry and receive water during floods. Wetlands do not always have to be wet, but what brings people to the Kerang lakes are the lakes and the water. We have national waterskiing events and things here. There have been lots of grants to upgrade boating facilities, fishing facilities, jetties, walking tracks and all that sort of thing to promote tourism in this area, but if we do not have water in the lakes, then we do not have a drawcard to bring them. We forget that the water that is in a lake is here for irrigation, it is also here for the environment, it is here for recreation and it is here for the community.

The CHAIR — Raelene and Stuart, on behalf of the committee can we thank you for your submission and for your time this afternoon. The committee greatly appreciates it, so thank you. Raelene, good luck with the new job.

Ms PEEL — Thank you

Witnesses withdrew.