

ENVIRONMENT, NATURAL RESOURCES AND REGIONAL DEVELOPMENT COMMITTEE

Inquiry into the management, governance and use of environmental water

Shepparton — 24 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 Greg McKenzie, Manager, Environment, and

Ms Geraldine Christou, Acting Director, sustainability development, Greater Shepparton City Council.

The ACTING CHAIR (Ms Halfpenny) — Welcome back to Ms Christou and Mr McKenzie from the Greater Shepparton City Council. Perhaps again if you could just go through your titles and responsibilities, and then we will go to the formalities before your presentation.

Ms CHRISTOU — Geraldine Christou, acting director, sustainable development, Greater Shepparton City Council.

Mr McKENZIE — Greg McKenzie, manager of environment, Greater Shepparton City Council.

The ACTING CHAIR — Thank you both for coming. This time we are looking into the inquiry into management, governance and use of environmental water. The evidence that is being given today is being recorded. You will get a copy of the transcript proofs once they are available to check for accuracy, and then they will be made public. Also, I remind you that all evidence that you give today is protected by parliamentary privilege. Therefore whatever you say today in this room is protected. However, once the hearing is finished, what you say is not protected by parliamentary privilege. I will now pass over to you to provide a presentation to us.

Ms CHRISTOU — Thank you very much. I would like to start out by welcoming you to Shepparton, and thank you for affording Greater Shepparton City Council the opportunity to present in relation to our submission. In preparing our submission we conferred with the Goulburn Broken Catchment Management Authority and utilised their submission and expertise in river management to inform our discussion points. Water is paramount to Greater Shepparton, being a rich and productive agricultural region and being located on the confluence of the Goulburn and Broken rivers and Seven Creeks. We have developed industries which manufacture and support the production of world-class products, and our diverse industries support our local primary production in supplying the growing international demand for quality food. We have a world-class irrigation system, and we grow clean and green produce that we are extremely proud of. The GMID water leadership group has engaged RMCG to undertake a study of impacts of the Murray-Darling Basin plan implementation, predicting net job losses of up to 2000 people across the GMID and \$550 million each year in lost production.

Mr McKENZIE — In terms of the role of environmental water management in preventing or causing blackwater events, it seems to council that the severity of blackwater events has increased in recent years. It is important that we lessen the impacts of these events for the future economic and social wellbeing of our communities. These events have severe detrimental effects on our native fauna and ultimately tourism. Council has suggested that a way to lessen the impact of these blackwater events is by diluting the river water from other sources such as environmental flows and usage of irrigation channels, introducing fresh sources of water and increasing oxygen levels. We do note though that the GBCMA have noted in their submission that this may not always be feasible in large blackwater events due to the volume of environmental flows required to significantly dilute the blackwater. It is imperative though that regular monitoring is conducted to identify a blackwater event at the earliest opportunity so that intervention methods are enacted quickly to lessen the severity and impacts.

The barriers to more efficient use of environmental water — further works are required to assist with the delivery of water to more wetlands, flood plains and rivers. The number of areas able to receive environmental water are restricted at the moment. This could be increased with works such as connection to irrigation infrastructure, addressing constraints on delivery of higher in-channel and overbank environmental flows, addressing constraints on environmental flows during and outside of the irrigation season, better forecasting of river inflows to improve the use of unregulated flows to meet environmental flow targets, funding of long-term monitoring programs, implementation of technical investigations to increase knowledge gaps in environmental management objectives and targets and complementary projects to protect and improve wetlands, rivers and flood plains.

In regard to existing fees and charges, council understands that DELWP has recently prepared a discussion paper on environmental water charges that had input from key organisations. We would refer the committee to that discussion paper for this matter.

The impact of management tools like carryover — council is supportive of carryover to allow for flexibility and timing of water delivery for all parties. The carryover tool allows water entitlement holders to take their unused water allocation in the following season.

That basically concludes our submission. I might point out that we are not a water authority in as much as we do not manage, so our understanding of how the system works is probably not as great as other agencies that perhaps you may be hearing from.

Mr O'SULLIVAN — Thank you. I will start the questions for this part. I fully understand that water is not the expertise of councils, although in a greater picture water is pretty significant for the councils up in this part of the world. Some of my more technical questions I will hold over until we have got Goulburn Murray Water in the room. I want to start off a little more generally with you guys. Can you give us an understanding of the importance of water, particularly irrigation water, not only just for the community but from an agricultural sense up in this part of the world? I think it is important that we get that on record and the other committee members can actually get a feel for how important water really is up in this part of the world.

Ms CHRISTOU — Yes, absolutely. Our whole base is built on agriculture. We talked about SPC previously, so a lot of our agriculture becomes our manufacturing base and our manufacturing base is reliant on agriculture. We talked about SPC, we talked about the \$100 million renovation they are undergoing at the moment, and all that is reliant on the inputs coming from the farm gate. Water is incredibly important, and it has never been recognised as being so important as at the moment with the Murray-Darling Basin plan, the implementation of the plan hanging over our heads and the studies that have been undertaken by the water leadership group and also by the Victorian government and the now-to-be MDBA themselves. We welcome those studies being undertaken, but it also brings to the fore quite publicly what the risks are associated with water security.

That certainly had a detrimental impact on our communities in terms of investment and in terms of farmers, both from an economic perspective but also from a social perspective. Through the implementation of the Murray-Darling Basin plan and during the droughts, we have seen suicides within our community. So water is a really raw topic, it is a really emotional topic, but it is the backbone to our communities, and without water communities will die. We cannot sustain those sorts of impacts, and that is why the GMID water leadership group have put together the report to demonstrate that the implementation of the Murray-Darling Basin plan will most certainly have negative social and economic impacts on our region.

Mr McKENZIE — I guess it is important to add that we do fully support the provision of environmental water to ensure the health of our rivers.

Mr O'SULLIVAN — Yes, that is absolutely true. It is about trying to understand —

Ms CHRISTOU — A balance.

Mr McKENZIE — That balance.

Mr O'SULLIVAN — That balance in terms of how we can have water for the environment, have water for production and obviously have water for the communities themselves for domestic purposes. Just from a bit of a historical point of view, in terms of when the Murray-Darling Basin plan was first spoken about, there was talk about having a much greater buyback of water — or a clawback of water — that would have ended up going to the environment. At the moment the plan is that 2750 megalitres of water would go back to the environment, and some of the early drafts of the plan were talking about 5000 or 7000 gegalitres of water going back into the environment. What would the impact for this community have been if that amount of water was taken out of production and went into the environment?

Ms CHRISTOU — It would have been devastating. As I mentioned earlier with the water leadership group and RMCg putting together the socio-economic impacts of the 2750 and the implementation of the Murray-Darling Basin plan, we are talking about 2000 jobs and we are talking about \$550 million worth of lost production per annum.

Mr O'SULLIVAN — So you are saying, as a result of the Murray-Darling Basin plan, you have already lost 2000 jobs.

Ms CHRISTOU — Over the life of the plan.

Mr O'SULLIVAN — Over the life of the plan, yes.

Ms CHRISTOU — Yes. So we have not done the numbers on the 5000 or the 7000 gegalitres, as you were talking about, but you could only presume that the impacts would be more devastating. It is about the smaller communities where these rural irrigators are what form the communities, the small schools and the football clubs and those sorts of things. Those are dying, and volunteers are dying off in those small communities as well, so you really start to see the devastation in the smaller townships as well.

Mr O'SULLIVAN — I just want to build on that. Can you actually outline what the water is used for in terms of irrigation purposes and production purposes up in the Goulburn Valley? I just want to get it on the record so that we can know what it is all about.

Ms CHRISTOU — Yes, definitely — horticultural production, dairying. We are the food bowl of Victoria, so we have apples, peaches, pears. Tomatoes are very big here, and the dairy industry as well is significant, and these are economic drivers in terms of jobs.

Mr O'SULLIVAN — Thank you. I just want to touch on the blackwater aspect, which is one of the terms of reference. There have been some blackwater events localised around this area through the Broken River, I think it was. I cannot remember the dates. What are the impacts? I want to know from an economic, tourism and wider Shepparton community perspective. What are the impacts that you find if there is a localised blackwater event that sort of stays around for a period of time?

Ms CHRISTOU — So talking about it from an economic and tourism perspective, a significant decrease in visitation, particularly when you have long weekends. If you are talking about the Easter weekend, it is a really good example of a time when people head out of the cities into northern Victoria, and we see a really significant drop in that because obviously there is huge publicity around the blackwater event. People's perception is that it is unsafe to be skiing and swimming in those waters, so it has a detrimental impact on visitation, and obviously that has an flow-on effect in the hospitality industry as well.

Mr McKENZIE — But also locally it has an impact on people and their ability to get out and about. Obviously people around this area love getting out and doing their recreational fishing; I am one. If you are hearing there are blackwater events going down the rivers, you sort of think, 'Oh well, not much point getting out there'. Being able to get out camping or fishing is one of the benefits of living in this area, so the locals are impacted fairly significantly as well.

Mr O'SULLIVAN — There is one question that I want to pose to both of you, and the way you answer it will be completely up to you, but I would just like to hear your perspective from an urban Shepparton perspective, which obviously filters on from the council. The Connections program has been going for a while now, and there has been a lot of commentary in relation to how that is progressing. What is the view of council or urban Shepparton in terms of the Connections program and its progress?

Ms CHRISTOU — From an economic development perspective, taking out all of the political commentary around the Connections program, the Connections program, the modernisation of our irrigation system, has been fantastic for this area in that we have a state-of-the-art irrigation system and that allows us to attract investment into the region — people have more confidence with the irrigation system — and to be able to attract places like Pactum Dairy. Pactum Dairy came here a couple of years ago, and one of the main reasons why they chose this regional centre is that it was in an area where it was perceived that there was water security, and obviously for their inputs from the dairy sector. So it is of significant importance to Greater Shepparton, but in terms of how it is being managed and how it is going, did you want to add anything to that, Greg?

Mr McKENZIE — I was looking at it from an environmental point of view, and I guess that modernisation has seen some of the more marginal land that had been irrigated previously taken out of production. From an environmental perspective I do not see that as a negative. That opens that land up for further, more appropriate agricultural pursuits and/or environmental-type usage. It has got that side of it.

Mr RIORDAN — We heard a little bit earlier in those answers that about 2000 jobs are being lost. Is there a ratio that has been come up with, like 'Take X amount of megalitres or gegalitres out of the system equals 2000 jobs'? Does the Shepparton region view it that way where you can sort of directly correlate —

Ms CHRISTOU — There probably has been that ratio analysis undertaken. I would probably prefer to refer you to the report, which we can actually forward through to you, rather than try to come up with those figures from memory.

Mr RIORDAN — Okay. The converse of that then — or the inverse, whichever it is — is that we heard at the other hearing on this about the tourism and visitor opportunities of managing environmental water better. It is sort of a little bit like talking about monorails to Tullamarine airport — there is a lot of talk about the potential, a lot of excitement about the pictures and the visions. But does Shepparton have some clear objectives, clear projects, clear plans about how transferring the water from agricultural production to environmental use translates to an economic benefit in the community? Have you got some clear direction — and sort of almost doing the opposite analysis, ‘We might have lost these jobs in agriculture, but we can reasonably expect to pick them up here.’?

Ms CHRISTOU — Yes. There are a number of projects. The economic development, tourism and major events strategy that was adopted last year certainly looks at how we can actually utilise our natural resources to be able to attract visitation here. It is widely recognised that we turn our back on the river, and there are so many opportunities with the river to present itself that other municipalities seem to be able to take advantage of and that we have some constraints in relation to that. One of the projects that we are looking at at the moment, which is a community project, is the Eastbank Lake project, which is looking at utilising the area of the river just to the west of us here and turning it into a precinct which is a lot more accessible and has some hospitality features but also highlights water treatment as well. It would be a state-of-the-art system that people could come and have a look at for visitation purposes but would also create more of a recreation environment for the river than what we currently do have here. Did you have anything you wanted to add?

Mr McKENZIE — No, I do not think I need to add anything to that.

The ACTING CHAIR — I used to come up here in another life quite a bit, to Shepparton and Echuca and so on. That was many years ago. I must admit there was always talk about the water way before this — and the waste. It was scandalous in terms of what was just going everywhere. In terms of this balance between environmental water and irrigation and, I think, the investment in trying to treat water as the scarce resource that it is, have you sort of done the calculation on how much is being saved in terms of better, more efficient use of the water for agricultural purposes, making sure that it is not just flowing everywhere and evaporating all over the place? Has there been a calculation on how much has been saved?

Ms CHRISTOU — There has been a calculation, and I would refer you again to that report, which I would be able to send through to you. I cannot quote those figures off the top of my head. But I guess when we are talking about the implementation of the Murray-Darling Basin plan and we talk about consumptive use and environmental use, farmers are environmentalists as well.

The ACTING CHAIR — Yes, absolutely.

Ms CHRISTOU — And they are using water a lot more efficiently now. They are modernising their farms to make sure that they are implementing water efficiency projects as well. I think we are utilising water a lot better. In terms of measuring how much we have saved with those water efficiencies, yes, that work has been undertaken, but I cannot quote the figures.

The ACTING CHAIR — I think all of us, no matter where we live, have a better understanding of how precious water is and all that sort of stuff.

Ms CHRISTOU — Liquid gold.

The ACTING CHAIR — I certainly know that position. It is always good to be able to balance everything up.

Mr McKENZIE — If I may add a bit, I guess that 20 years ago you would drive around the irrigation areas and it was not unusual to see water going down the drains or sitting alongside the roadsides, and you just do not see that anymore. That just does not happen, and that in itself is a great pointer towards the fact that it is being used more effectively.

The ACTING CHAIR — I know you were saying that you also support environmental water and healthy rivers.

Mr McKENZIE — Environmental flows.

The ACTING CHAIR — I think you were asked in terms of tourism and fishing, because everything is interrelated, I guess. You are still saying that the blackwater events mean you do not get people coming; people cannot do the fishing. But then on the other hand, if you do not have environmental water, you cannot do the fishing and you do not have people coming’.

Ms CHRISTOU — That is right.

Mr McKENZIE — True.

The ACTING CHAIR — What is in that report? Is it the idea about how much this area, economically speaking, brings in in terms of tourism and recreational activities versus other forms of economic development?

Ms CHRISTOU — I do not think the socio-economic impacts analysis goes into that probably as deeply as what you would like, but there are certainly some other reports that have been undertaken. The Murray-Darling Basin Authority themselves have certainly done some research in terms of the economic and social benefits of a healthy river, a healthy basin. So there has certainly been the work done, but not by council ourselves.

The ACTING CHAIR — On the 2000 jobs that will be lost, that is terrible; no-one wants to see that. Even if there is something going on in another sector of the economy, it does not mean those people that lose their jobs are going to be able to move into the other work. How is that sort of calculated? Is it just a matter of the number of people that have registered for unemployment benefits? I mean, how do you work that out?

Ms CHRISTOU — RMCG undertook that work, and a section of their report goes into the calculations behind the 2000, so again, I would probably refer you to that report rather than me trying to articulate how that analysis was undertaken.

The ACTING CHAIR — Thank you.

Ms CHRISTOU — That is okay.

The ACTING CHAIR — I guess we have now finished on time.

Ms CHRISTOU — Who is the best person to send a copy of that report through to?

The ACTING CHAIR — Christopher Gribbin. If there is any other — I think you mentioned a second one — that would be great too. If there are any other questions — sometimes as we go through our notes and everything else there might be something else — is it okay if we write to you?

Ms CHRISTOU — Absolutely, yes.

The ACTING CHAIR — Thank you.

Witnesses withdrew.