

# **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

### Witness

Mr Barry Bishop.

**The CHAIR** — 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 welcome to members of the public and members of the media if present. 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 posted on the committee’s website. Shortly I will invite you to proceed with a 5-minute opening statement, which will be followed by questions from committee members. Can I ask you now to state your name for the record and then proceed with your opening statement.

**Mr BISHOP** — Thank you, Chair, and thanks for the invitation to speak to the committee. I am pleased personally that some attention is being given to the governance and management of environmental water, but it can be an emotive issue, with an example being I think the ABC reporting of the New South Wales producers poaching, I will say, environmental water. Now, I disagreed with that because I do not think it was environmental water; I thought it was other irrigators’ water, not just environmental water. Anyway that is the slant that the media sometimes puts on reports. It was a good report from Ken Matthews on that issue; however, to keep it simple I suspect that New South Wales should simply tighten up its system to stop misuse of our valuable asset.

As an aside, Chair — and I am going back 30-odd years, which my age allows me to do — when I was a director of the Australian Wheat Board, we dealt with some of the producers in that area, cotton growers many of them. To put it simply they were scallywags, and a bit of sport of poaching a bit of water was part of the game, but Chair, times have changed and that nonsense certainly needs to be stopped. So I look forward in that area, which of course affects us quite dramatically, to further positive developments from the Ken Matthews report, and not only in the near future but I hope in the immediate future.

I might say that I think that Victoria’s water industry, whilst being a bit bureaucratic in my view and somewhat cumbersome if you deal with the connections system in the water industry in Goulburn-Murray, it certainly appears much stronger in its regulation and processes, which is a good thing. The comment that Ken Matthews made in relation to his report — the words I remember are ‘the industry’s social licence to irrigate is at stake’, and I think that is a very important thing we all should remember.

As I said in my opening notes, Chair, my submission is short and shiny, without frills, so I will allow you to take licence with that, because I know time is moving on. I had three main issues. The last issue has been more than adequately covered by the two previous speakers in covering that, but the first one is that we do own an irrigation property at Swan Hill. We have not had it for long, but we take a great deal of notice of the level of the river and that is for two reasons: one, for pumping, both domestic and irrigation, and the second one is the tourism industry.

We have observed the river go up and down quite strongly, without reason, over that number of years, and to put it mildly, it is most annoying that it does that. If I gave you a score out of 10 on the flow of the river, I cannot for the life of me see why they cannot keep it at six instead of having it at four and eight. I will give you an example from Easter this year. The river was at such a low level you could hardly even get a rowboat up the river, let alone anything else. Now that is not all that smart in relation to tourist industries as well, and it must be a change of strategy, because when I had some involvement in that area there was a clear understanding that minimal flows would be maintained, at least to maintain the tourist industry. So that is the tourist industry.

On the operational side, it is an absolute pest if your pump is out of the water, and certainly in those cases at about Easter time many of the producers along there, even with their stock and domestic water, had to extend their pipelines into the river, which you can do, but the river was extremely low. So I think a very simple management process, which involves environmental water, is if they were kept at a reasonable level at all times rather than being excessively up and down, it would be much better for everyone.

My second request is a review of how environmental water is managed with the intent to more closely follow nature and also to utilise our water more efficiently for both the environment and for the productive sector. Whilst I agree with Keith Greenham’s summation of the water market and how it is, that is what we have got. Years ago when that was set up the philosophy behind that was that in a wet season, when generally the forest would be flooded, the environmental water managers could flood the forests and therefore that would be fine, and they could utilise the water market from producers who in a wet year may want to temporarily trade some

of their water — a good arrangement. On the reverse, in a dry year, when the forest historically would never be flooded, the environmental water holder has plenty of water and they can trade that back into the productive sector, which would make a much more balanced approach to both the environment and the productive sector. It seems to me that over the years that has changed, and I think if it went back to the original philosophical view, it would be much better for both the productive sector and the environmental sector as well.

The third request is on flash flooding: I do not know whether you have been up to the Hattah Lakes — if you have not, it would be a good place to go. I think Rodger was talking about the pumps that are there, and they are magnificent pumps. I wish I had one of them at our place; it would be fantastic. I am quite sure that they do not do exactly the same thing as nature would have done. The water goes on very quickly, goes off very quickly and adds to the blackwater.

That is the short, sharp and shiny version, Chair.

**The CHAIR** — Short, sharp and shiny — thank you, Mr Bishop.

**Mr BISHOP** — You will have to speak up, because my hearing aids are not as good as they could be. By the way, I am not looking for a weir pool at Swan Hill, but I think a lot of the irrigation areas do have support from weir pools, such as Mildura and Robinvale, where the level is much simpler. You speak to someone from there, and they say, ‘Oh, well, I didn’t notice the river was low’ — and that is fine. There has been a number of studies done in relation to Swan Hill, and it has never happened, so I suspect it is not appropriate to have it there, but I think that better management of river flows would alleviate a lot of those issues.

**The CHAIR** — I am only going to ask one question. It relates to e-flows and water holder use in dry years. Is it fair to say that water holders already take this approach and in drier conditions with higher flows these things are considered? You talked about how the water holder should be taking this approach in the first place. Can you give us anything else that you think needs to be done in terms of that management through those drier conditions?

**Mr BISHOP** — I think what I have written briefly sums that up. If you follow history, the forests were flooded when the river was high. I believe that management process now has changed. I believe the environmental management people are tending to flood the forest when it is dry, therefore I think the change in that format would give a much better and more efficient use of water for both parties — very simple.

You spoke briefly before about the value of water, and what was said is true. The value of water — and I was involved in that in those early days — has certainly gone towards the higher return productivity use of water, such as almonds, which have been a huge soaker up of water, if you can put it that way. As Mr O’Sullivan said, it is very hard to argue that case. We can cheerfully argue it, and we will; we will continue to argue that because I think it is the environment of the area we live in which we wish to support.

I looked at the water market the other day. In our area it is about \$3300 a megalitre to buy it permanently. When in fact you had an opportunity to sell off water in the last season, it was \$40 a megalitre on a temporary basis; now it is \$150. To further build up my argument that the river flows could be better regulated, now we have got a 100 per cent chance of a spill out of Hume. You cannot tell me that there was not enough water in the dams to give a steady flow down the river when in fact we are talking about spilling it now, where the airspace has disappeared. The logic does not appear to be in the water management process as it was in the past.

My answer, if I heard you correctly, is: follow nature, and it is better for everyone.

**The CHAIR** — Thank you, Barry.

**Mr RAMSAY** — Barry, I also have just got a quick one. Thank you for your presentation and your three areas of interest and recommendations to the committee. Once we unbundled water in Victoria, though, the water market trade rules were opened up for everyone to be able to buy water. Whether it was dairy or whether it was almonds, it did not matter; the fact is the water would move to highest value. In your submission you are indicating that potentially the environmental water holder might be willing to release water from its entitlement to provide for irrigators. I cannot remember that ever happening. Do you want to make a comment on that?

**Mr BISHOP** — There is opportunity, I believe, for that to happen. If it was better managed, it would be a better use of water — a valuable resource.

**Mr RAMSAY** — Is that a reality, though?

**Mr BISHOP** — I beg your pardon?

**Mr RAMSAY** — Do you ever see that being a reality — that the environmental water holder would actually release water to —

**Mr BISHOP** — Well, I would hope they would. I missed what you said, but I think you said, ‘Have you ever seen the environmental water holder release water?’.

**Mr RAMSAY** — To the irrigation sector. I do not believe it has.

**Mr BISHOP** — I do not know; I am coming in late on that. But the fact of the matter is I believe there is an opportunity there for the structure to do that, without doubt. In a season where it is dry, history would show the river will not flood the forests in the dry season. If they have got water, and they are huge holders of water, surely they can trade that water back on a temporary basis into the productive sector, which would be crying out for it at that stage, whereas — the opposite — in the wet seasons the productive sector has often got an abundance of water due to the season, and they will be happy to temporarily trade that back into the environment, which seems to me to be a better use of a very valuable resource.

**Mr RAMSAY** — It sounds easy and sounds practical, but we will see if that is the reality.

**Mr BISHOP** — Let us hope it happens, Simon.

**Mr RAMSAY** — Thank you.

**Mr O’SULLIVAN** — Thanks, Mr Bishop, for coming in. I want to follow on from both of those questions. Who would make that decision and what would need to be changed to allow that to actually occur? Is it in the Water Act, or is it up to the environmental water holder itself? What needs to be changed to allow that to happen?

**Mr BISHOP** — I suspect any changes like that are political ones, and that is where you sit — right in there.

**Mr YOUNG** — Sounds like an ex-politician to me.

**Mr BISHOP** — That is why I raised it. The Murray-Darling Basin is made up of state Parliament representation as well, and I believe that is something that should be certainly looked at for the better management of water over all.

**The CHAIR** — Mr Riordan?

**Mr RIORDAN** — Those last questions have covered it for me, so that is excellent. Thank you.

**Mr BISHOP** — Thank you.

**The CHAIR** — Thank you very much for your time, Mr Bishop.

**Mr BISHOP** — I think it is a good idea having the schoolchildren in by the way — excellent.

**The CHAIR** — Great engagement. I will just take this opportunity to thank all the witnesses that have come to the committee hearing today, Hansard and of course the shire for having us along. That is it. Have a wonderful afternoon.

**Committee adjourned.**