

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 Keith Greenham, and

Mr Rodger Schifferle.

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, and 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 the same thing, 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 ask you to proceed with a 5-minute opening statement, which will be followed by questions from committee members. I will ask you to state your name and role for the record, and then I will have you start with your opening statement.

Mr GREENHAM — My name is Keith Greenham, and I come from Swan Hill.

Mr SCHIFFERLE — Rodger Schifferle, and I come from Swan Hill as well. I am Keith’s stepson.

The CHAIR — Terrific. Wonderful. Thank you for being here today. Over to you for a statement. Would you like to make a statement?

Mr GREENHAM — Mr Chairman and members, my formal submission relates to the management and use of the VEWH entitlement in the southern Murray-Darling Basin, and it is written in a back-to-basics geographic strategy and historical context. It contains advocacy for the socio-economic and environmental way ahead. My specific area of interest is the Swan Hill-Kerang region, where I highlight the strategic link between flood plain irrigation agriculture, flood mitigation infrastructure and the environment. Having regard to historic past mistakes, I am acutely aware of your responsibilities as we review the evolution of environmental water acquisition and management. My advocacy has been slightly amended, and I will read through it now.

In seeking socio-economic, environmental sustainability in an unregulated water trading environment, I advocate: for restoring critical long-term confidence in flood plain irrigation agriculture through the Victorian Environmental Water Holder not activating its annual Murray-Darling Basin region watering plan until full irrigator high-security — that is the change — entitlement is assured; for a review of the Murray-Darling Basin region watering plan carryover provisions to ensure that full irrigator high-security entitlement is achieved; that acquisition of further environmental water be justified by compulsory acquisition rather than further corruption of the unregulated water market; for a review of the Victorian flood plain management strategy in regard to flood plain flood protection and mitigation infrastructure management and its strategic environmental role; for a review of the impact of the liability for a flow of water provisions of the Water Act and any VCAT or earlier judgements; that the Victorian Environmental Water Holder be required to exercise its duty of care for the local, state and national economy; that the methodology and accuracy of measurement of environmental water use and return flows must be disclosed in the Victorian Environmental Water Holder’s annual report — the purpose of this is to balance the penalties imposed on irrigators for overuse — an audit is required; and that minimum Murray River flows at Torrumbarry Weir be raised from 1950 megalitres a day to improve the built environment — that is, the pumping costs and recreation — and to avoid the water access problems of the last year. My colleague, Mr Barry Bishop, who submitted submission number 8, will expand on that issue. In seeking a solution to blackwater events, environmental watering of red gum forests in all climatic seasons has a similar effect on water quality to a flash flood. I advocate that the return of contaminated environmental flows to the river must be avoided — my colleague, Mr Rodger Schifferle, who submitted submission number 15, will expand on that issue and answer your questions; and that in regard to blackwater events, the principles of the liability provisions of the Water Act must be the discipline which governs red gum forest watering — these involve best scientific practice and local knowledge. In justifying that advocacy, I just say that as a retiree I have no pecuniary interest in the outcome of the inquiry. I am alarmed that, as a result of unbundled water trading and the Murray Darling Basin plan, thousands of hectares of A-class flood plain irrigation agricultural land are no longer productive. It is called the Swiss cheese effect, and it impacts on infrastructure provision.

Studies into the problem in 2006 and 2012 reminded us that we live in a democracy, warned us of the long-term severity of social impacts and reminded local government of their duty of care to their communities. As a nation, we have a duty of care not to become blinded to the reality of population growth and food security by our obsession with preserving the natural environment and our Indigenous and European heritage. I have provided hydrographic information on the evolution of Murray River flood flow in the Swan Hill region before and after the commissioning of Lake Hume and Lake Eildon. Those hydrographs I have reproduced and

provided for you were originally produced for the State Emergency Service in dealing with floods in this particular region, and they impart a very important principle to you.

Operationally in Victoria any negative environmental impact is balanced by reduced flood plain and lake pondage through wall levee bank-protected urban and irrigation agricultural development. Lake-based evaporative salinity management and lake-based midstream storage and recreation use with some permanent lake closures establish the balance between the two issues we are dealing with. Sustainable flood plain irrigation and a healthy river system are dependent on flood protection mitigation engineering works, which must now, like salinity management works, be considered strategic environmental infrastructure, whether on public or private land, under the Victorian flood plain management strategy.

I list 16 government strategies which impact on the way ahead. To provide beneficial environmental outcomes, they must be coordinated around the sustainability of flood plain agriculture.

Finally, in contributing to your inquiry, I seek to halt the decline in productive flood plain irrigation agriculture for the benefit of the environment as well as our economy. I thank you sincerely for the opportunity.

Mr RAMSAY — Thank you, Keith. I really appreciate the effort you have gone to in providing a comprehensive and substantial submission and also the fact that you have actually sought to provide us with some recommendations to go forward with. I appreciate that. Time is not going to allow us to go into any detail about some of your recommendations. The trouble with a self-reference like this is that when we investigate potential environmental water holder entitlements and the impacts of blackwater, we could soak up days, or even months and years, trying to find the right balance. But I did want to say thank you. I do appreciate the effort you have gone to. I will deliberate with the committee over your recommendations over the course of the inquiry.

Mr O'SULLIVAN — Thank you both for coming in. It is a very comprehensive submission that you have put in. Your advocacy recommendations are very interesting and something that we will consider in some detail. I just want to explore one of the issues you have listed, because as Mr Ramsay said, we do not have time to get into a whole range of them. Can you explain to the committee how under the current water market arrangements the environmental water's part in that water market is bringing about some adverse outcomes in terms of the water sold for productive irrigation purposes?

Mr GREENHAM — You are talking about the water market?

Mr O'SULLIVAN — Yes.

Mr GREENHAM — I suppose there are two issues. It said that they will not be buying any more environmental water. So the issue for flood plain irrigation, which is critical to the sustainability of the environment, is that water is moving from low-value use to higher value use. In this region we are in here, we are basically pasture-based, low-value irrigation. In other words, the farmers retire, as I did once, in an environment where water is unbundled from land, and there you have the problem.

This region has already lost a massive amount of water to the environmental water holder, but it is also losing water to higher value use north of here — Robinvale to Mildura. The pressure on the water market is coming from higher value use — unregulated higher value use.

In my original submission I listed my experience in that area. I actually sat in as a councillor on the discussions on whether water sales should be regulated or not. The decision was that it should be unregulated, and then they unbundled it. That is what has caused this massive problem, as I see it, of preserving flood plain irrigation for the benefit of the environment as well as the community. I hope that answers your question.

Mr O'SULLIVAN — It sort of does, but I have a question off the back of that: that water that you are talking about that has gone to higher value agriculture up in the north — the almonds, the carrots and so forth — it is hard to argue against that water being used for that purpose, because it is actually producing a higher productive value per megalitre than what it would using it as flood irrigation in other parts of the state.

Mr GREENHAM — That is correct, but in the workshops that I attended over the future of water trading, we were actually looking at a regulated system which involved urban use and so on down to the lower value

use. We were looking at that particular problem: how we could continue to support lower value use, which is rather critical to so many communities. This community here in Kerang is surrounded by flood plain land.

Mr O'SULLIVAN — You could also argue that water for the environment is an even lower value use of that water.

Mr GREENHAM — It could be argued, yes. In some ways I believe they are complementary. You mentioned earlier that these issues are extremely complex, and by golly they are, but we have got to solve them. If you have got any questions about blackwater, Rodger will answer them.

The CHAIR — The member for Polwarth may have a question on blackwater. I will pass to him now to ask his choice of question.

Mr RIORDAN — Actually I did not have a question on blackwater. My apologies. We are talking about this land value use, and in this particular community, where you are losing water access — the traditional use of water in this area — what is the land being used for when it is losing its water entitlements and becoming costed out? What is the experience in this community for the alternate uses of that land? Regarding land in what has been traditional flood irrigation country, when the water is not being used for that and the land is not being used for what it has been traditionally used for, what are the consequences of that land management going forward?

Mr GREENHAM — It just becomes lifestyle. They can of course buy water annually in the speculative market, and if the price is low enough — that is, if the annual value is \$100 a megalitre instead of \$200 a megalitre — they will grow a crop on it or something like that. That is the alternative, but that depends totally on the availability of water in that particular season.

Mr RIORDAN — I guess the basis of my question is around that farmers, as we know, are the biggest and most important land managers that we have in the state. If we create a situation where land becomes devalued and people cannot afford to operate it and look after it, that ultimately leads to another whole set of environmental management issues.

Mr GREENHAM — That is what I am arguing. It is critical that we maintain the use of flood plain land protected by levee banks. These levee banks actually reduce the natural pondage and raise water levels above what they would have been in the natural environment. That is the crux of my argument: this land has to continue in production, and somebody has to maintain those levee banks. Those levee banks are strategic environmental infrastructure. Others will argue that the levee banks are only there for the benefit of the farmers, but they are not. It is more than that. They are to benefit the whole community and the environment.

The CHAIR — Thank you. We are keen, Rodger, to hear your thoughts on blackwater. We are well and truly over time, so we are going to have a very, very quick question from Mr O'Sullivan on blackwater.

Mr O'SULLIVAN — Rodger, as part of the submission, at number 9 it says there about avoiding having contaminated water going back into the Murray that has gone out into the forest and obviously accumulated leaf matter and so forth as it goes through. When we were out at Gunbower forest yesterday, the CMA were saying that they think that some blackwater going back into the river in smaller quantities actually provides a food source for the fish and so forth and provides beneficial outcomes for the Murray. Is that something you would also subscribe to? Are small amounts okay but big amounts not good?

Mr SCHIFFERLE — The nasty one can only happen with a rapid drop, and the only one we have ever had in living memory was in 1981. On Keith's hydrographs you will see the rapid drop in July — a quick flood and rapid drop. It is that drop that pulls the water out of the forest back into the river. I irrigated at that time. It killed my dam and all my pasture. I was dairy farming at the time. I flushed that damn fortnightly for 10 years, but any water that went in, the fish and yabbies would float to the top, dead. The toxin was in the mud.

Later I was a fisherman professionally on the Fly River in New Guinea. I was the only fisherman there. I fished the entire Fly River basin, which is 100 times the size of the Murray Darling in volume. I had regular visits from marine biologists. Now, one of them, Ross Smith, took tests from a lake that had the same problem. It was Lake Kaka, and he concluded it was a toxin from the forest. Not oxygen, not carbon, a specific toxin that a tree uses to kill its competition, which red gums do. He insisted that this would be worse because red gums are 100 per

cent of the trees in our forest, not 1 per cent of the trees. So it is a risky thing, but as long as they do not push the water through the forest, it will not hurt.

This was the thing. I have got some pictures of fish for the kids in here. They were given to me by a friend yesterday, and he was pretty emotional because they had platypus here. There were 147 cod taken out of one bed from the blackwater event at Christmas. They have their family holiday on Peter Phyland's farm. They offered me some pictures, seeing as I was coming here. Some of these were trout cod, which are very rare. This is in the Meran. At Wakool it was the same.

All country people are nature lovers. We are not environmental vandals, but outsiders have come in now all the people along the Meran have no fish. This is seven years later. I said it would stay in the mud for 20 years. I have been right. I predicted the fish kills before they happened. I went to all the meetings. I said, 'Don't do this. Don't pump water into the forest'. That is just the initial stage. The next stage it goes into the mud and it stays killing, so you do a lot more damage and it is a hard fix.

The important thing is do not push water through the forest. They had massive pumps — 100-megalitre-a-day pumps mounted on semitrailers — pumping into Barmah Forest, and they just killed everything. There are still no microbes of any sort in the water in Swan Hill, and that is a fact. When you go up stream of here, where there are dairy farms and flood irrigation and permanent pasture, you will see the birds again following the bugs down along with the water. Go back to where we have lost our water to higher value crops and there is nothing. There is nothing on the river. I go around fixing pumps. I do not see a bird all day some days, not a feather.

The CHAIR — Keith and Rodger, thank you very much for being here and for presenting to the committee this afternoon.

Mr SCHIFFERLE — Thank you for the opportunity.

Witnesses withdrew.