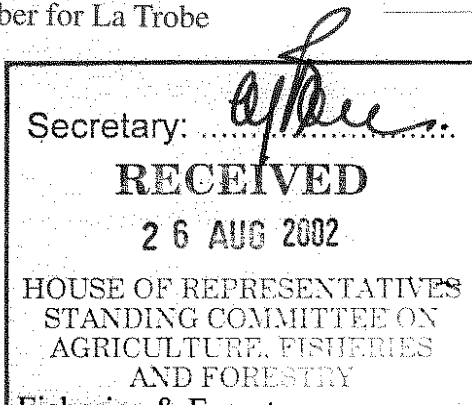




PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Bob Charles MP
Federal Member for La Trobe

SUBMISSION NO. 16



22 August 2002
rec/nv/c

Mr Ian Dundas
Secretary
Standing Committee on Agriculture, Fisheries & Forestry
Suite R1.110
Parliament House

Dear Mr Dundas,

Ref: Inquiry into future water supplies for Australia's rural industries & communities.

Please consider the following comments as my submission to the Inquiry into future water supplies. I would also like to appear before the Committee to speak to this submission.

The water level in beautiful Lake Eildon in central Victoria is at 19.2 per cent and falling. Beautiful Lake Eildon is no longer beautiful but a giant mess on the landscape of dried and drying mud because of the Goulburn-Murray Water Authority's lack of attention to the needs of the local community surrounding Lake Eildon and all those people who use the lake for recreational and tourism purposes.

The Commonwealth government has made an unprecedented investment in the management of our environment and national resources through the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality. The federal Minister for the Environment and Heritage, Dr David Kemp, and the Federal Minister for Agriculture, Fisheries and Forestry, Warren Truss, have said that, thanks to funding of \$1 billion, the Natural Heritage Trust has been extended from 2002-03 to 2006-07. The new package represents a total commitment to the trust of more than \$2.7 billion over 11 years, funding actions that will help deliver cleaner beaches, improved water quality for all users, more sustainable agricultural practices and protection for threatened animal and plant species and ecosystems. Dr Kemp said that a key focus of the next phase of the Natural Heritage Trust would be water quality. At least \$350 million of the new trust funding will be spent directly on measures to improve water quality. For example, river care projects will support improved land and water practices that affect the health of our rivers. Coast care and river care funding will also target coastal and urban water quality hot spots.

The trust might also give some attention to our water storage areas in inland Australia which are such an important part of the infrastructure for both agriculture and leisure, and indeed for the very lifestyles that we live. May I say to you that Mr Alan Valle, the owner-manager of Peppin Point Holiday Park at the northern end of Lake Eildon near Bonnie Doon, caused a petition to be circulated around the lake for users of the lake, including holidaymakers and visitors from other countries and other places.

That petition draws to the attention of the House the problem of sustained diminished water levels at Lake Eildon in Victoria. Residents of Lake Eildon and the local area are dependent on the Reservoir for many reasons and for several years now have had their lives and income adversely affected by consistently low water levels. Whilst it is understood that prevailing weather conditions do have an impact on water levels at the lake, it is felt that in these times greater consideration needs to be given to the lake's water level as opposed to the needs of the irrigation systems regularly in receipt of water from Lake Eildon. The petitioners have requested that legislation be put in place to ensure that the water level of Lake Eildon not be allowed to drop below 40% of the maximum capacity (excepting in times of severe drought).

This is a serious issue. The state government of Victoria has the theoretical responsibility, and practical responsibility, for management of that huge water storage area. But it has abrogated its responsibility by pushing off all the operations and all the decision making to a quango known as the Goulburn-Murray Water Authority. It seems to me that the authority currently acts to maximise its income from farmers and those who would use the water out of the lake, to minimise any risk whatsoever, and to give little consideration to other users of the lake.

I am advised that over 700 houseboats are located on Lake Eildon. Each of them pays \$1,180 a year for a licence fee to operate the houseboat on the lake. If the lake goes down to 20 per cent, which it has, there are no houseboats in the water anymore. The houseboats are up on the mud and so they cannot use the water. But the authorities still collect the \$1,180 a year. If you want to put a yacht in the lake—which might have an onboard toilet but in any case you are going to sleep on the yacht overnight—you will pay a fee to the authority for every night that you are on the lake.

I am also informed that those who have foreshore rights around the lake for holiday parks, caravan parks and houseboat facilities pay a fee to the authority for the length of shoreline they have on the lake. They also pay a fee for every ramp which they have permanently put in place to dump boats into the water. It matters not whether there is any water in the lake; they still pay for the ramps, even though you can take a boat down to the ramp and strike absolutely nothing but mud and it may be that way for a kilometre or more. The authority still charges the fee. A fee is also charged for fuel barges which are put in place by those who have houseboats for hire. A fuel barge might be sitting on the mud, as several are at the moment, and the authority still charges those people for the use of the fuel barge, which of course they cannot use.

The authority seems to be a complete law unto itself. An article in the *Mansfield Courier* in January of this year said:

Bonnie Doon lake operators are fed up with consistently low water levels on Lake Eildon—and are determined to do something about it.

I do not blame them.

The petition was delivered to Parliament in the hope that legislation is put in place to stop the lake reaching significantly low levels.

Over 4,000 citizens of Victoria have signed that petition and their wishes ought to be listened to. That is a fact. The government ought to consider what it can do to pressure the

Victorian government or the water authority or else give us national management of our internal water resources. The article continued:

Mr Valle said residents of Lake Eildon and the surrounding local area had had their lives adversely affected by consistently low water levels. 'The water levels controlled by Goulburn Murray Water need to be addressed,' he said.

They certainly do. Of course dry weather has an effect on levels in the lake, but for the last five years we have consistently had water levels below 50 per cent, which puts the holiday plans of a massive number of Victorians and some from interstate at greater risk. But the authority does not seem to care. The article goes on to say:

The Member for Latrobe, Mr Bob Charles, an Eildon holiday maker, has promised to help the residents and has received support from the Member for McEwen, Fran Bailey.

All that is true. They have got my support and they have got Fran Bailey's support, and we are determined to push through with this issue to see that someone addresses it. I can tell you that we as a nation are now having a look at the Snowy River and the devastation and destruction that has been done to the Snowy over such a long time by having virtually no water running down the Snowy. We are as determined to do something about the water storage at Eildon. It is certainly crazy that the authority can hit the property and houseboat owners for all these fees and yet make no guarantee of any water level in the lake whatsoever.

In an article in the *Mansfield Courier* in February, the authority responded. According to the article, Mr Bob Klos, Goulburn-Murray Water's headworks manager, said the prospect of legislation to ensure the lake level does not drop below 40 per cent capacity is 'very slim'. The article continued:

Mr Klos said that while the water was used for leisure purposes, there were other needs that have to be met including irrigation and the Goulburn River. 'There are rights to that water,' he said.

Mr Klos said the water was owned by irrigators and GMW simply released the water according to those requirements. 'The water is the lifeblood for lake operators—but the dam was designed to cater for these events when water is needed and has been designed to go to almost empty if need be.'

The authority, GMW, does not care at all about the leisure operators around the lake or the leisure users of the lake. In April one of the operators at Eildon, Mr Greg Smith, who has the Lakeside Leisure Resort, also near Bonnie Doon, proposed putting in a golf course down on the mud flats by mowing the grass that was growing there because he has got no water any more. He has fuel barges sitting on the mud but very little tourism. He said at the time that at the last reading the lake was holding about 23 per cent but when this year's irrigation finished on 15 May it held less water than at the same time last year. At that time, on 5 April, Mr Klos said that environmental water quality and public liability issues meant that it was unlikely that anyone would be teeing off on this golf course.

Mr Klos seems to be concerned about environmental water quality but not water levels, and in fact the authority is not managing water quality at all. All it is doing is managing the water resources in the most inefficient, impractical ways possible in order to get the maximum amount of dollars out of Victoria's farmers. I do not deny the rights of Victorian farmers to water. This is an important resource, and it should be used and used properly. But there are competing needs for this resource, and to ignore totally one user of that water is to deny responsibility nationally altogether. To say, 'Well, the dam was built originally

for irrigation purposes and nobody ever thought about anybody using it for waterskiing, fishing or other boating or water leisure activity' is certainly disingenuous. Times change. Where we had farms in my electorate we now have houses. Many of us might wish that we still had the farms there, but times move on and we need to address the issues as they arise.

It was recently announced back in January, I think, that Richard Pratt offered something like \$100 million to help cap Australia's northern flood plains and bring them down in pipelines to middle and southern Australia. At the time he told the *Australian* that he would urge John Howard to take personal charge of a national water authority, or appropriate body, to override vested interests. He made an important statement. Mr Pratt had offered to invest up to \$100 million on such a venture. That should be taken seriously. It is undeniable that our inland waterways are under stress. This government has pledged huge amounts of money to try and help overcome salinity, to approach dryland management in a positive way, and to try and get water flowing back into our rivers and make them live again. I say to the minister responsible that, from my viewpoint and the viewpoint of the recreational users of Lake Eildon, they consider the water storage area at Eildon to be of equal importance. Their issues need to be taken into consideration as well, along with simply providing water at the cheapest possible price whenever anybody says, 'Okay, I'll pay a few dollars for a few more megalitres of water.'

The Goulburn-Murray Rural Water Authority was constituted by ministerial order under the provisions of the Water Act 1989, effective from 1 July 1994. The authority is responsible for the management of the headworks within its region and is Victoria's constructing authority for the Murray-Darling Basin Commission. Goulburn-Murray Water is responsible for the provision of bulk water supplies to urban water authorities, other rural water authorities, industry and agriculture and for the delivery of irrigation water, domestic and stock supplies and drainage services to an area of approximately 68,000 square kilometres. It also undertakes a number of national resource management activities closely associated with its core business for government on a cost recovery basis, predominantly related to salinity, water quality and water resource management, but they are ignoring or abrogating that final portion of their responsibility.

In the year 2000 the Delatite Shire in Victoria commissioned a study on the impacts of low water levels at Lake Eildon. I will quote to the House from the results of that study. Essential Economics Pty Ltd, who prepared this report, said, under the heading of 'Business Revenue Impacts':

We estimate that a total of around \$16 million in direct expenditure is lost by businesses in Lake Eildon study area when lake levels decline to around 20-30% (compared to revenues when lake levels are high, at around 75%), and this represents approximately 17% of total business revenue in tourism-related industry sectors. An estimated \$9 million in revenue is lost from the retail sector when lake levels are low ... and \$6 million is lost from the accommodation sector. We estimate that \$10.4 million in direct expenditure is lost by tourist-related businesses in Delatite—and that is just in Delatite—and around \$6.3 million is lost from the retail sector in Delatite ... and about \$4 million from the accommodation sector—

That is 30 per cent of total revenue in this sector. So there is over \$20 million at risk here being lost when the lake levels are low, and that dramatically affects employment. They were talking in that report about a direct loss of about 185 jobs in the study area alone and 125 jobs in Delatite. It is true that these effects are being felt. The operators there are going

through a terrible time. People who have paid money for access to a lake to be able to use the facilities of that lake are no longer able to enjoy the amenities. This has been going on for five years. It is not as though this issue has just crept up on us today. It is not the same as saying, 'Well, we had a bad year. It is a bit of a drought and the water level is down.' As I said before, the level is now down at 19.2 per cent and still falling. It appears, from statements made by the authority, that they do not care if the lake falls to zero.

We will have this great scar on the landscape of central Victoria, which is one of the most beautiful inland waterways in the nation, and it is an absolute shame. It could certainly be prevented and the authority need to get their act together. I urge the Minister for the Environment and Heritage, Dr Kemp, to consider these issues and to think about what the Commonwealth government can do to further enhance the national interest in terms of water management facilities for inland waterways. In particular, I hope that somehow we can ensure that the water level in magnificent Lake Eildon—the once magnificent Lake Eildon—does not fall below 40 per cent.

Respectfully

A handwritten signature in black ink, appearing to read 'Bob Charles', written in a cursive style.

Bob Charles MP
Member for La Trobe