



22 April 2002

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Dear Jane

Thank you for the opportunity to comment on the draft Victorian River Health Strategy.

The completion of this Strategy is a considerable achievement and, for the first time, brings together the full spectrum of river issues under the one policy framework. Melbourne Water has been involved in the development of this Strategy and has adopted an approach to the management of waterways that is consistent with it.

Melbourne Water generally supports the draft Strategy and provides comments in the attachment to assist in improving the document by making it more practicable.

If you have any queries about the comments in the attachment, please contact Jane Bateson on 9235 2546.

Yours sincerely


BRIAN BAYLEY
MANAGING DIRECTOR



ATTACHMENT: MELBOURNE WATER'S COMMENTS ON THE DRAFT VICTORIAN RIVER HEALTH STRATEGY

Section 2 – A Vision for Victoria's Rivers

Part 4.1 The Vision

The vision combines the concept of ecologically healthy rivers that will deliver social and economic beneficial uses. This vision is unrealistic, as trade offs in ecological health will need to be made to meet social and economic needs of the community.

The vision includes "preserving the values that are fundamental to our indigenous cultures". It is interesting to note that the indigenous cultures bullet point was placed in the 'natural values' section of the vision as opposed to the 'human needs' section. This indirectly separates social values related to indigenous cultures from other social and economic values related to agricultural drinking water and recreation. There is no mention of whether indigenous cultures are specifically included in "communities" which are referred to throughout the strategy. Any difference assumed between "community" and "indigenous cultures" should be stated clearly.

Part 4.3 Statewide Targets

The Statewide targets have been developed in collaboration with major stakeholders and therefore, the majority of targets are, at a state level, realistic. The target that 95% of all highland and upland and 60% of all lowland monitoring sites will meet State environment protection policy environmental quality objectives is unrealistic. This is because environmental quality objectives contained within the State environment protection policy (Waters of Victoria) are visionary. Accordingly, many of Melbourne's waterways are expected to fail environmental quality objectives. This concern has been highlighted in Melbourne Water's comments on the draft State environment protection policy (Waters of Victoria) provided early April.

The strategy identifies that five and ten-year regional targets are to be developed through the regional planning process (p.10). However, Statewide timeframe does not align these regional targets with the proposed three-year (2005), nine-year (2011) and nineteen-year (2021) timeframes. Melbourne Water supports the need for targets and would like to better understand the relationships between the regional and Statewide planning timeframes.

Part 4.2 Implementing the Vision

The Strategy outlines a management approach and priorities for the protection and restoration of waterways. The approach is logical and similar to that currently adopted by Melbourne Water. However, the use of the term 'community' is applied inconsistently in defining the management approach (part 4.2.1, 5, 5.1, 5.2).

Section 3 – The Integrated Management Framework

There is uncertainty regarding the scope and format of the Regional River Health Strategy for the Port Phillip Region. This is acknowledged within the draft Strategy and it is understood that, by late May, the Catchment and Land Protection Board will work in partnership with Melbourne Water to develop a proposal for the preparation of a Regional River Health Strategy for the Port Phillip Region. Given the complexities of the Port Phillip region, the time frame for completing River Health Strategies by December 2002 is not achievable.

Part 5.1, Box 5.1

Box 5.1 outlines the environmental, social and economic assets that are to be considered in the development of the Regional River Health Strategy and in determining waterway management works. It is understood that these assets are the values contained within the State decision support system RIVAS. This system is similar to Melbourne Water's decision support system called STREAMs. To cater for differences in Melbourne Water's role and the unique issues associated with the metropolitan area, the values within STREAMs differ slightly from those within RIVAS. Accordingly, the State system should not be applied *in toto*.

Section 4 Specific Management Issues

Part 6 Environmental Flows & Water Allocation

6.2 Unregulated Rivers

Implementation of Statewide management rules aiming to relieve summer ecosystem stresses has yet to be discussed and agreed to by water authorities. The draft Strategy however, indicates that these rules have been finalised and implemented – this should be altered to reflect the current status.

The Strategy requires that water use data be collected. The substantial capital costs involved (installation of meters on diverter pumping equipment and additional installation of streamflow gauging stations) with this task are not acknowledged. A discussion of the issue of who should pay is notably absent.

6.2.2 Unregulated Systems, Table 6.3

Category 1 – states that no further diversion licences may be issued while a Stream Flow Management Plan is being developed. Stream Flow Management Plans take time to develop (up to 4 years and no Stream Flow Management Plans are currently formalised), so there is a need to be able to supply water for new developments through a sustainable regime. This can be achieved in the water trading market without increasing water allocations. Additionally, the Sustainable Diversion Limits (SDL) project provides conservative estimates of water availability for all catchments in the state. In the interim, water for new developments should be available as assessed by the SDL application.

Category 2 - There is an issue associated with implementing a reduction of 20 percent of entitlement on trade. This approach is currently applied within Northern Victoria where caps are in place and, in some instances is not appropriate for the southern half

of Victoria. It is a concern that no public or authority consultation has occurred regarding the application of this proposal within the southern half of Victoria. The strategy should be flexible to cater for different needs throughout the State. Accordingly, it is suggested that this approach is an appropriate issue to be dealt with by the stream flow management planning committees.

A suggested change of wording in Category 2 is: 'In the interim, **may** be managed in accordance with Statewide rules.....'

6.2.3 Groundwater Management

Groundwater management plans are developed for declared groundwater management area's only. In the broader Yarra Basin, there is a strong interaction between groundwater and surface water in many small localised aquifers. Experience has shown that due to an absence of formal referral arrangements between Melbourne Water and the groundwater manager, ground water licences have been issued leading to instream impacts to the environment and reduced availability of water for licensed diverters. The Strategy should deal with this issue by documenting an improved mechanism for managing groundwater and surface water interaction at a small aquifer scale. A suggestion is to introduce total resource management that includes one allocation cap for groundwater and surface water.

6.3.1 Defining an Environmental Flow

The draft Strategy should acknowledge that the new environmental flow methodology is costly (approximately \$40k), and is still to be accepted by the steering group.

Part 7 – Management of Water Quality

7.2 Current Management Arrangements and 7.3 New Management Arrangements

The Draft Strategy correctly highlights that the current State environment protection policy (SEPP) (Waters of Victoria) 1988 has not addressed diffuse sources of pollution effectively. However, it fails to acknowledge that the recently released draft SEPP (Waters of Victoria) 2002 and Westernport schedule address previous inadequacies of SEPPs that focus on point source pollution. The draft Victorian River Health Strategy should acknowledge that SEPPs address diffuse sources of pollution and complement the Victorian Nutrient Management Strategy and Victoria's Salinity Management Strategy.

The Strategy requires the development of catchment Water Quality Action Plans. It is assumed that the issue of who develops these plans in the Port Phillip region will be addressed as part of the proposal for the preparation of a Regional River Health Strategy for the Port Phillip. This is currently being developed by the Catchment and Land Protection Board and Melbourne Water.

7.4 Emerging Issues

Metals and other toxicants, especially in sediments, represent an issue for streams in urbanised catchments.

Part 8 Riparian Vegetation.

The Strategy adequately acknowledges the difference between Regional Native Vegetation Plans and priorities for restoration of riparian land. However, this difference is not reflected in the policy statement. Accordingly it is suggested that the policy statement be amended to read:

“Priorities for protection and restoration of riparian lands will be **consistent with** regional river health and regional vegetation planning processes

8.3.4 Mechanisms for the Protection and Restoration of Riparian Land

Page 101 -The transfer of Crown Frontage to CMAs and potentially Melbourne Water as the waterway manager in the Port Phillip Region is a large issue. The transfer of this function to CMAs (and potentially Melbourne Water), can not occur without clearly considering the resources required and providing additional funding, including revenue collected from Crown Water frontages. Melbourne Water seeks clarification regarding the application of this policy statement to the Port Phillip region.

Page 102 - The discussion proceeding the policy statement on page 102 regarding planting exotic species is limited as it focuses on willows. The discussion should include European plantation species that pose a threat to waterways such as ash, elm, and poplars. There are also some native eucalypts and wattles that are becoming invasive and should be included.

The need for weed control is implied in previous sections that refer to the need to restore the riparian zone. This section of the Strategy could be improved by also referring to other weed strategies. An additional recommended policy direction is:

“Consistent with the National Weed Strategy and the draft Victorian Weed Strategy, the Department of Natural Resources and Environment will identify new and emerging weed species that threaten riverine ecosystems.”

Part 9 Management of the River Channel

Section 9.3.3 Fish Passage

This section discusses many issues associated with fish passage. Melbourne Water seeks to better understand the focus on redundant weirs. Redundant weirs should be captured as part of an overall fish habitat program.

The discussion on page 107 accurately acknowledges the contribution of the State Fishways Program to the removal of barriers across Victoria. Although, it fails to acknowledge the contribution made by other authorities in removing fish barriers.

The policy statement on page 108 outlines requirements for water regulating structures that are due for major maintenance works. Melbourne Water would like this requirement clarified. In particular, we seek to understand what is defined as ‘major maintenance’ and question the need for a community consultation process to determine whether a structure that forms part of the urban water supply system is required.

Page 112 - Melbourne Water supports the need for fish passage to be considered when planning and designing works on waterways. A critical need is the incorporation of practicality in policy statements. The policy direction states that:

“Any new structure, if required, will include adequate ongoing provision for fish passage.”

The Strategy should outline the criteria that will be applied to determine if ongoing fish passage is required and which is considered adequate.

Section 5 – Management Arrangements

Part 11 Management Arrangements

The Strategy identifies, in general terms, how river management within Victoria is currently funded. The Strategy fails to acknowledge Melbourne Water as one of the principal sources of funding for activities related to the management and restoration of river health (Part 11.3, p124). The Strategy also fails to acknowledge Melbourne Water's role in specific functions related to the management of river health (Appendix 3).

The involvement of the community in waterway management priority setting and decision making is a central theme of the Strategy. The mechanisms for engaging the community in planning and implementing river health programs outlined on page 122 of the draft Strategy and in part 12 (Community Engagement and Participation) are not appropriate for the Port Phillip region. This is because the Port Phillip Region has a different institutional structure to regional Victoria and the communities and stakeholders of the Port Phillip region are more numerous and complex. The issue of community consultation in the Port Phillip Region should be addressed in the proposal for the preparation of a Regional River Health Strategy for the Port Phillip Region, that is currently being prepared by Melbourne Water and the Catchment and Land Protection Board

Page 122 of the strategy incorrectly states that there are 31 local councils in the Port Phillip Region. There are 38 local councils in the Port Phillip Region

Part 13 Adaptive Management

The fundamental need for adaptive management is the production of information to enable sound planning and assessment of management activities. The Index of Stream Condition is a valuable tool that provides an excellent regional overview of the condition of waterways. The ability of the Index of Stream Condition to provide the data needed for planning, setting objectives and river health assessments at the local waterway reach scale, however, is limited. Accordingly it should be noted that, in addition to water quality and quantity monitoring and biological monitoring (section 13.1.2 and 13.1.3), the Index of Stream Condition should be complemented by specific investigations that lead to increased understanding of processes operating at a number of spatial scales.