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Dear Sir

Draft Victorian River Health Strategy

Thank you for the opportunity to review the draft Victorian River Health Strategy (VRHS) and provide comment on the documentation.

Grampians Water wishes to express its support for the VRHS and the need to ensure that the natural assets of the State, such as its river resources, are protected and sustainably managed for the future benefit of all Victorians. As an urban water authority, the Authority acknowledges and supports the recognition within the VRHS vision statement that healthy rivers are a source of clean and safe drinking water.

It is noted that the VRHS nominates the Victorian water allocation framework as a means of implementing the management arrangements for sustainable flow conditions in rivers, through the establishment of environmental flows. Also, where a waterway is identified as a "stressed" river, the strategy proposes that improved environmental flow regimes will be established over time, with water authorities being expected to contribute to improving river flows. The strategy contemplates that water authorities owe a duty of care to the environment, and so must be prepared to commit to the foregoing or transferring of part of their water entitlements to river managers.

However, water authorities also owe a duty of care to the customers that they supply, and so are obligated to ensure that their water entitlements are not adversely diminished, to the extent that there is a marked reduction in the security of supply to customers. Therefore, any proposals to improve environmental flows that are to be based on variations to legitimate water entitlements held by water authorities must be derived fairly and equitably, and cannot compromise the ability of a water authority to maintain a secure supply to water users.



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The VRHS should, therefore, recognise and acknowledge the broader extent of the duty of care incumbent upon water authorities, and that an equitable balance needs to be achieved between protecting the river environment and the needs of water users.

The VRHS also proposes that Government and authorities responsible for the operation of water markets will ensure that the rules governing water markets are developed to deliver positive environmental flow outcomes wherever possible or an overall net ecological benefit. For example, a flow management situation that leads to further stress of a river in one location will be offset by river restoration elsewhere.

Grampians Water acknowledges that changes to flow management practices should not cause a significant deterioration to river conditions or environmental values. However, water trading regulators must also ensure that the achievement of environmental protection objectives does not unduly restrict or inhibit trading of water entitlements.

Strict adherence to a principle of "positive environmental flow outcomes" in all situations could lead to situations of restraint of trade, and potentially compromise the efficiency benefits that the water trading market has to offer. The VRHS should recognise and acknowledge the need for this principle to be administered in a manner which achieves the best overall outcome with respect to all stakeholders involved or affected.

The Authority would welcome the opportunity to participate in any information forums or workshops that are proposed to be conducted as part of the VRHS project. Please direct all future correspondence on the project to Mr. Jeff Rigby, General Manager Operations, who can be contacted on (03) 5382 5611.

Yours faithfully



Peter McManamon
Chief Executive Officer

cc: Jeff Rigby, Rob McLean