



Your Reference:
Our Reference: 02/01687

30 April 2002

Project Manager VRHS
Catchment & Water Division
Department of Natural Resources and Environment
PO Box 500
East Melbourne VIC 3002

Dear Sir or Madam:

Draft Victorian River Health Strategy

Southern Rural Water (SRW) is pleased to contribute to the drafting of the Victorian River Health Strategy and has summarised its comments in the attached document.

SRW will continue to work collaboratively with NRE to achieve the desired outcomes of the strategy and looks forward to receiving any future drafts of the document.

Yours sincerely

(DR) MARTIN KENT
Chief Executive

SOUTHERN RURAL WATER

RESPONSE TO DRAFT VICTORIAN RIVER HEALTH STRATEGY

INTRODUCTION

Southern Rural Water is a statutory authority responsible for surface and groundwater licensing, major dams and irrigation districts across southern Victoria. Our revenue of \$15M is generated from some 8,500 customers - ranging from dairy and vegetable farmers to orchardists, power generating companies and non-metropolitan urban water authorities.

SRW is committed to achieving high standards of service in keeping with the needs of our customers, professional application of the licensing regime delegated to us from the Water Act, and helping achieve sustainable environments and water using enterprises.

This submission responds to the draft Victorian River Health Strategy, released by the Minister for Environment & Conservation in March 2002.

OVERVIEW

Southern Rural Water (SRW) supports the purpose and the general approach of the draft Victorian River Health Strategy (VRHS).

As a Natural Resource Manager SRW has an important role in implementing the draft VRHS, and believes that its value to the Victorian community will be enhanced by addressing some issues of detail.

Accordingly, this submission focuses on issues where SRW believes further thought and discussion are required.

SPECIFIC COMMENTS

Principles for Implementing the Vision (pg 43-44)

SRW supports the principles of Integrated Catchment Management, the SEPP (Waters of Victoria) and the draft VRHS.

The development of effective partnerships and the establishment of roles for guaranteeing the stewardship of natural resources will be essential for the success of the Regional River Health Strategies. In order to ensure SRW can fulfill any new obligations that are identified in this process it is important that funding arrangements are also considered. Where funding for activities is not provided by Government, the funds will need to be generated through pricing. This obligation - funding - pricing loop needs to be a consideration at the strategic level in order to ensure consistency across the state, and the success of the VRHS.

Protection for Rivers and Streams of High Community Value (pg 46-47)

SRW supports the recognition of the value of the Mitchell River and recommends that any process to establish management options for the river system should also incorporate the Stream Flow Management Planning process. Irrigators on the Mitchell River contribute significantly to the horticultural exports of Victoria and should therefore be extensively

consulted, along with the rest of the community, before any management regimes are proposed.

This would be in line with the community engagement and participation program as outlined in Chapter 12.

Management of Unregulated Rivers (pg 68-67)

The three category prioritised management of unregulated rivers is supported by SRW; however, it believes that the following issues need to be addressed:

- The Draft Streamflow Management Plan Framework needs to be endorsed by the Minister in order to avoid conflict in other forums ie VCAT
- The Statewide Rules for Unregulated Rivers have yet to be agreed; the agreement of all stakeholders should be sought before they are introduced.
- The constraints to water trading that would be added by a 20% reduction of entitlement with trade and downstream licence transfer only, are in conflict with the policy contained in the **Future Outlook for Agricultural Growth** (section 3.2 p35) and **Improved use of existing allocations – trading and the water market** (section 6.3.4 p77).
The trading of water is identified as a key mechanism in helping Victoria achieve an increase in agricultural exports by an additional \$5 billion, and yet less water would be available to achieve this target if there was a 20% reduction on entitlement.
The cost of providing Water for the Environment should therefore be borne by all licence holders not just those willing to trade.
- A process for localised impact assessments of upstream trading (where applicable) would remove the limitation and maintain consistency with section 6.3.4.
- The draft VRHS proposes that the Winter Sustainable Diversion Limits (SDL) will be in place by December of 2002. Whilst it is important that the technical aspects of this allocation method are accurate, the funding and implementation issues that will be involved have yet to be addressed. This will need to occur to ensure this target is achieved.

Stressed Rivers and Stressed River Proposals (pg 73-75)

While SRW is supportive of such initiatives the issue of funding rehabilitation activities will need to be addressed. Refer to the discussion on Principles (see above).

Roles of Water Authorities (pg 82)

SRW strongly supports the Water Services Agreement (WSA). A draft of the WSA has been prepared and SRW looks forward to sign off by both its board and the Minister. The WSA will go a long way towards clarifying obligations, expectations and funding.

Water Quality (pg 91)

The draft VRHS suggests that all catchment nutrient management plans are to be expanded to include a broader set of water quality parameters. SRW sees this as a positive step toward improving water quality throughout the state. However, SRW and other stakeholders would

be concerned if plans such as the Macalister Irrigation District Nutrient Reduction Plan were absorbed into an overall plan and funding directed elsewhere.

Emerging Water Quality Issues – Thermal Pollution (pg 93)

SRW is currently implementing the DNRE recommendations on monitoring regimes for thermal pollution. It is envisaged that SRW would be involved in any discussion on priority dams and the techniques for mitigation from the outset.

Riparian Land (pg 101)

The draft VRHS proposes that where riparian land managers fence riparian land to the CMA's standards, RWAs will waive charges for a domestic and stock licence to divert water from the adjoining waterway. Whilst SRW supports actions to improve the state of riparian vegetation, it is concerned about the implications of this proposal. SRW believes that waiving the charge for domestic and stock licences would be inconsistent with the Government principle espoused in the Victorian Governments response to the Farm Dams (Irrigation) Review Committee Report. This states:

“All water users should share in the cost of managing the water resources of a catchment.”

This proposal would also have implications for SRWs licensing business revenue stream. In order to alleviate the funding issue there are two possible solutions. Government could provide replacement funding, or the cost of the obligation could be passed on to all other water users. This would action would raise concerns about equity between domestic and stock users compared to other types of water use.

SRW is also aware of community concerns about:

- responsibility for the stewardship of the riparian land once it was fenced; and
- permanent fences catching large debris in a flood and being washed away. Temporary fencing set ups may be more viable.

Fish passage (pg 107-109)

The VRHS highlights the need to restore fish passage in Victorian rivers. Suggestions include:

- The removal of barriers;
- Altering design and/or operation of structures; and
- Installation of fishways.

The process involves identifying structures that are barriers to fish migration and assessing the validity of its current usage. This would involve extensive community consultation to understand the various needs for the structure.

Having recently undertaken a process of community consultation with regard to strengthening works at Lake Narracan, SRW's experience suggests that community and stakeholder views can be polarized when discussing the need for maintaining existing structures. Consideration should therefore be given to the development of a Best Practice Guideline for the Community consultation process on the issue of removing barriers to fish migration.

Interaction with CMAs (pg 121)

The VRHS identifies that the CMAs do not have lead responsibility in water allocation but are a major stakeholder in water allocation decisions, and should therefore be a referral authority on applications for licences to take and use water and construct dams.

SRW suggests that the term 'licences to take and use water and construct dams' should be expanded to 'licences to take and use water and construct dams for commercial or irrigation purposes'. In the current context this would mean the referral of all take and use licences, including domestic and stock, whereas the alteration would be more in line with the new farm dams legislation.

Arrangements within the Port Phillip Bay and Western Port CaLP Region (pg 121)

SRW have a significant interest in the waterways of the Werribee and Maribyrnong River Catchments where it is the delegated licensing authority for works on waterways, in addition to its wider headworks, irrigation and licensing responsibilities. It should therefore be included in any discussions on appropriate institutional arrangement within the Port Phillip CaLP region in particular.

Regional Resource Managers (pg123)

SRW suggests that any annual reporting required with regard to river health should be included as a requirement under the Water Services Agreement. This will ensure the accountability is defined.

Cost-Sharing Principles for Natural Resource Management Programs (pg 127)

SRW supports the broad concepts of cost sharing for Natural Resource Management Programs but believes that some clarification is required. The points that should be addressed are:

- Cost sharing principles need to inform funding of activities and therefore any impacts on pricing that might occur.
- The current state of the environment is the result of many years of degradation. Therefore, the process for remedial action should be establishing what best practice is and deciding the pathways that need to be followed in order to achieve this. There should also be recognition that there will be multiple players in this forum.

SRW also believes that the December 2003 target for establishing cost sharing arrangements is too far away. Bringing this date forward to December 2002 would be more appropriate and SRW would like to offer its support to this process.