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19th April, 2002

Project Manager VRHS
Catchment & Water Division
Department of Natural Resources & Environment
PO Box 500
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Dear Sir

DRAFT VICTORIAN RIVER HEALTH STRATEGY

This letter is in response to the letter from the Minister for Environment and Conservation dated 6th March, 2002 regarding the abovementioned strategy.

Goulburn Valley Water has reviewed the draft strategy accompanying the Minister's letter. The Authority is very supportive of the principles proposed, both with provision of water for the environment and with the management structure having Catchment Management Authorities as the lead agency for river management.

Specific comments on the draft strategy are:-

1. The urgent need for a structured, coordinated approach to river management and recovery of the ecology for Victorian rivers is supported. The longer positive action is delayed, the longer will be the recovery time (and associated costs).
2. The targets for river health, while admirable, are extremely ambitious and it is questioned whether account has been taken of the many conflicting views and needs to be accommodated in the decision making process. Comprehensive consultation with stakeholders and the community will require considerable time.
3. Although the strategy indicates a "triple bottom line" approach, the document fails to address economic values. The strategy is focused very much on environmental values, with some consideration of social values. It is impossible to develop the scope of work outlined in the strategy, and associated timelines, without knowing what quantum of funds will be required. This is a significant deficiency in the strategy, and one that must be addressed before a meaningful final strategy can be developed.

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4. In addressing economic issues, the strategy needs to recognise that reducing legally - established Bulk Entitlements will have a major impact on viability and profitability for owners of these entitlements. For example, reducing bulk entitlement for farmers will reduce the value of properties, and potential returns. Reducing bulk entitlements and/or increasing passing flows for water authorities may require additional storages to ensure water supplies for domestic and industrial consumers. Compensation for the additional costs, either as grants or as additional customer charges, will be required. These costs need to be included in any economic evaluation.
5. Reference is made in the strategy to provision of new water allocations from groundwater (pg 79). This option needs to be treated with extreme caution as many of Victorian's groundwater resources are themselves significantly over committed.
6. It is pleasing to see that the draft strategy recognises the need to concentrate on diffuse sources of pollution to gain maximum return on improved water quality. Considerable time and money has been invested in reducing water quality impacts from point source pollution, and the benefits gained from continuing this focus are diminishing. It is essential that attention now be directed to diffuse sources, which will require considerable changes throughout stream catchments.
7. The Murray Darling Basin cap is the key to improving conditions in the Murray Darling river system. However, there is little value in Victoria proving total commitment whilst other parties do not. The Victorian government needs to vigorously encourage Queensland and New South Wales to meet their commitments.
8. Section 6.3.7 "Role of Water Authorities" (page 82) stresses the important role for water authorities in management of river health. Goulburn Valley Water, like most regional urban water authorities, has demonstrated a commitment to the principles espoused in the draft strategy, and will continue this commitment in the future. However, the costs in making this commitment must be recognised by government and the authorities must be able to reflect these costs in charges to customers.
9. Linking of the strategy to the SEPP – Waters of Victoria is critical, particularly in providing the statutory framework for the development of regional targets for river protection and restoration, and for establishing objectives for major river reaches. The proposed approach is strongly supported.



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In conclusion, Goulburn Valley Water endorses the principles for the draft Victorian River Health Strategy, but emphasises the need to establish the costs and how these costs will be met to enable the ambitious program to be achieved before endorsement can be given of the final strategy.

Yours sincerely



Laurie J Gleeson
CHIEF EXECUTIVE OFFICER

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