

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

21 June 2016

Agenda Item 9.1 Water for Victoria Discussion Paper Submission

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Victoria Discussion Paper – April 2016..... 423**

Greater Shepparton submission to the Water for Victoria Discussion Paper – April 2016**Introduction**

Greater Shepparton is a vibrant, diverse and progressive region located in the agriculturally rich Goulburn Valley. As Victoria's fifth largest provincial centre, Greater Shepparton is a region of significant economic, social and environmental importance to the state.

Shepparton is the largest regional city in northern Victoria. The city is a major industry, employment and service centre for a broad catchment of approximately 230,000 people. This catchment includes the residents of towns and rural settlements within Greater Shepparton as well as those in nearby Moira, Campaspe, Strathbogie and southern New South Wales municipalities.

Greater Shepparton is the home to the second largest Aboriginal community outside of Melbourne, making up approximately 10 per cent of the population. The Yorta Yorta is the Nation and the local tribe is Kailtheban. Greater Shepparton boasts a strong Aboriginal cultural, spiritual and historical heritage.

Located on both the Goulburn and Broken Rivers, Greater Shepparton forms an integral part of the 'Food Bowl of Australia', accounting for 25 per cent of the total value of Victoria's agricultural production. Greater Shepparton is a national centre of primary production reliably exporting premium quality fresh and value added produce via innovative practices and a world class irrigation system. Irrigated agriculture is pivotal to northern Victoria and its economy. In 2012-13 the gross value of irrigated agricultural production across northern Victoria was \$2.4 billion, some 63 per cent of Victoria's total. The future of irrigated agriculture will be under threat if water resources are not managed properly to balance the needs of our environment and our economy.

Greater Shepparton is home to several multinational and iconic companies such as Campbell's Soups, SPC, Tatura Milk Industries (Bega), Unilever, Visy, Pental Soaps and Pactum Dairy (Australian Consolidated Milk). Several multinational companies also reside just outside of the Greater Shepparton municipal boundary, such as Nestle, Murray Goulburn and Bega. These companies utilise Shepparton as their major transport and logistics hub sending products to both domestic and international markets. Due to its strategic location Greater Shepparton is a significant hub in the national freight and logistics chain.

The Greater Shepparton City Council Plan 2013-2017 priorities and actions supports the protection of Council's economic and social sustainability through the following objectives:

- Ensure liveability options are always considered in our decision making activities – develop partnerships with federal and state governments, statutory agencies, not for profits and private business to leverage growth within Greater Shepparton
- Ensure that the environment is a major priority in planning for the future – work with government agencies, water authorities, higher education institutions and other municipalities to ensure irrigation water is both innovative and maximised
- Maximise opportunities to ensure Greater Shepparton leads Victoria, retaining and attracting education and industry – develop and implement a strategy that identifies resources needed to attract new business and industry to Greater Shepparton as well as retaining our existing businesses and industry.

The Hume Regional growth Plan identifies the Goulburn Valley irrigation area as Strategic agricultural land.

The Council welcomes the Water for Victoria Discussion Paper and the opportunity to make comment on the paper prior to the development of a State-wide Water Plan.

Overall the Council has some concerns about the discussion paper. These can be summarised as;

- The paper appears to paint the water situation as being very positive. Council has a differing view in that it regards the lack of availability of water as a major constraint to the on-going well-being and continued growth of the Goulburn Valley region. Council understands and is also concerned that water availability, particularly in the Goulburn system, is totally committed but there is a push for further growth and development in the Plan (Northern Region Sustainable Water Strategy - 2009 – Executive Summary page vi.).
- The Council considers that the lack of an identification of the risks that the State currently faces in regard to low water availability to be a major flaw in the discussion paper. The strategic directions that have been put forward also need to identify the risks that regions may face if these directions were to be carried out. The risks that are identified then need to have strategic solutions in how these may be avoided. The Council also believes that there is not enough information provided on assumptions that may be behind the strategic directions and that perhaps more information should have been provided with more case studies that supported the assumptions. This would allow a more informed discussion.
- The discussion paper does not include all other strategies and plans that have been developed and may have an impact on water services.
- The development of a Water Plan is welcomed but it needs to be developed in a manner that makes it easy for the community to understand.
- The Government has a great opportunity to undertake a major review of the water industry in Victoria through this process. It should take more time and effort to do this and have a greater conversation with the community in doing so.

Response to Water for Victoria Chapters:

Climate Change

The proposal to have the water sector contribute to climate change mitigation and adaptation is admirable however it should be noted that any actions to achieve this should be weighed against any cost implications it may have for the pricing of water. A monitoring, evaluation and reporting framework being used for decision making and adaptive management is a desirable outcome. This needs to be considered as part of the State Governments overall strategic climate change targets and objectives. As a Council we are concerned about the impact of the State climate change objectives in regard to the impact they may have for local government.

Waterway and Catchment Health

Council welcomes any opportunity to improve waterway and catchment health and therefore applauds the identification of 36 waterways that that will be targeted for improvement over a period of 30 years and particularly the Lower Goulburn River. The Council also agrees that to ensure a

desired outcome will require the input of the Community. Council's RiverConnect program currently undertakes this process in association with the Goulburn Broken Catchment Management Authority and other agencies. The program connects the community and school aged children with the Goulburn River to allow them to understand the importance of the river to our well-being, bringing together information about traditional owner's connection with the river, the importance of water quality, environmental watering, riparian bushland and flooding regimes.

Strategic Direction 3.4 reflects the current objectives of the RiverConnect project.

Council shares the concerns highlighted by the MAV in regard to the *Our Catchments Our Communities* strategies in that CMA's should have more certainty in their funding. Moving to a four year funding cycle will assist CMA's to better plan their programs. Council also shares the MAV point about transfer of roles and responsibilities to Councils with the current unclear situation.

The control of diffuse and point source pollution is mentioned under strategic direction 3.3. Council shares the view of the MAV regarding the management of wastewater management systems. In particular the Council agrees with the deficiencies that were identified in the MAV's *Domestic Wastewater Costing Study 2008* as shown below;

- A lack of clarity of roles and responsibilities
- A disparate regulatory framework and the need for a comprehensive onsite wastewater treatment policy
- A lack of statutory powers concerning retrospectivity of standards, rectification works and compliance
- A lack of prescription of wastewater as a function under the Local Government Act 1989 leading to a lack of funds to undertake compliance and enforcement processes.

Water for Agriculture

The loss of water from regions and the impact that this may have on the social and economic structure of small communities has also not been included in the paper but is of major concern to communities that rely on irrigated agriculture as their economic base. Council has been involved in advocating for the development of a socio-economic impact analysis as part of the Murray Darling Basin Plan to measure the impacts of further loss of water from our communities.

Council believes there are mixed messages being presented in regard to water availability and water industry investment. On one hand there is \$2billion being invested in modernisation of the irrigation infrastructure in the northern region and yet water is being transferred out of the region at a significant rate. This is alarming and is not the best use of government funded assets.

In drought scenarios the total value of water available is now close to the projected future demand for high value permanent horticulture – so any further reduction in available water allocation will have a significant economic impact through constraining high value production, in the food bowl of Victoria where the soils and climate are optimum.

Council has concerns about the rising interest of investment groups investing in ownership of water through the open water market in Northern Victoria. Council's concerns are in regard to the potential for market manipulation by these investors resulting in more expensive water for the

agricultural sector. The Council believes that this situation needs to be monitored with some form of government intervention to ensure this does not occur.

Council welcomes the development of a Victorian Rural Drainage Strategy and looks forward to working with The Department to assist in its preparation. Drainage infrastructure is vital in irrigated areas and the government's focus needs to be directed back in to this matter to protect irrigated areas from salinity.

The Council agrees that there needs to be more collaboration between water authorities and local government to better identify areas for development and how these areas may be resourced in terms of water.

Resilient and Liveable cities

Council is comfortable with the strategic direction to make cities and towns resilient and liveable. Water supply is only one facet of liveability however.

The major area of concern in this chapter is the impact that Integrated Water Management (IWM) may have on local government. Council have been an early regional proponent of water sensitive urban design around stormwater which has had a positive impact on stormwater run-off into receiving waters.

It is noted that Shepparton has been identified as a key regional city for the development of collaborative and integrated approaches under the IWM planning process. The Council welcomes this providing appropriate resources are provided. The Council has concerns that the process may place extra responsibilities on local government over and above existing responsibilities.

The Council supports the MAV's proposed roles and responsibilities as contained within the MAV submission.

Recognising and managing for Aboriginal values

The Council applauds the State in seeking to understand the values that traditional owners have for water in Country. It believes that once identified some of these values may be able to be provided through shared benefits for other uses eg environmental flows. This Council would welcome consultation about any initiatives that may be developed.

Recognising recreational values

Increasing recreational uses of water bodies is a great benefit to communities and is an area where a number of different bodies and agencies have worked together to provide. Identifying the costs associated with providing these recreational benefits needs to occur. Responsibility for recovery of these costs needs to be determined with the input of all stakeholders.

Water Entitlement and Planning frameworks

Irrigated agricultural in the Goulburn Valley is pivotal to the economy and therefore water entitlement protection is a major issue for local farming communities.

Realising the Potential of the Grid and Markets

Council refers to earlier comments in regard to the water market. It does have concerns about the social and economic impacts that the de-regulated market is having on communities in Northern Victoria and these need to be identified and a plan developed to counteract the negative impacts which may require some government intervention in market trading rules.

Jobs, Economy and Innovation

Council supports the strengthening of water institutions and in particular through provision of longer term funding arrangements for CMA's. In Council's opinion streamlining and improving regulation in areas such as water trading and wastewater treatment plants will assist in improving specific issues that have been raised within the Council's submission.