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Dear Commissioner

PRODUCTIVITY COMMISSION'S DRAFT REPORT NATIONAL WATER REFORM 2020

I am writing to you as the Acting Water Minister for Water. Thank you for the opportunity to comment on the Productivity Commission's *Draft Report National Water Reform 2020*.

The draft report provides a thorough assessment of governments' implementation of the 2004 *Intergovernmental Agreement on a National Water Initiative (NWI)*, as required under the *Water Act 2007 (Cth)*, as well as important advice to governments that should renewal of the NWI proceed it must:

- account for the impacts of climate change and drought;
- set priorities that address the challenges of population growth in our cities and towns; and
- ensure that traditional owners are full participants in water resource planning with recognised access rights to water.

These priorities strongly align with initiatives we have taken through *Water for Victoria* such as establishing integrated water management forums, reforming urban waterway management and increasing investments in water efficiency as noted in our earlier submission to the Inquiry.

In response to your request for further information regarding: triggers for rebalancing environmental and consumptive shares in the context of climate change; and how a refreshed NWI will ensure that major water infrastructure investments most effectively promote the aspirations of Traditional Owners and protect Aboriginal and Torres Strait Islanders, I advise as follows:

Victoria's risk assignment framework as set out in the *Water Act 1989 (Vic)* provides for a detailed consultative process with environmental and consumptive users that accounts for catchment specific objectives and retains Ministerial discretion for how any reduction in the availability of water will be shared between users. While to date it has not been necessary to make such a reduction, Victoria has recently completed Long Term Water Resource Assessments for southern Victoria and is in the process of developing a new Sustainable Water Strategy for the Central and Gippsland Region. This process has the advantage of ensuring there is strong community support for and understanding of desired objectives and outcomes before actions to address the impacts of various threats to water availability are determined and, where necessary, any reduction in water availability is shared out between users.

The Victorian Government is committed to supporting Aboriginal access to water for economic development, increasing inclusion in the water sector and building capacity to increase Aboriginal participation in water management. We have been a strong advocate for improving outcomes for Traditional Owners and Aboriginal Victorians. Part of this approach is a commitment to participatory design, or co-design.

This aligns with the principle of self-determination and involves jointly developing and testing solutions to understand what works. Traditional Owners should be meaningfully engaged in the governance, development and design of key programs and project delivery.

Traditional Owners have long advocated for their knowledge, interests, and ongoing connection to water to be recognised in Victorian water legislation and policies, and this was achieved through *Water for Victoria* and the *Victorian Water and Catchment Amendment Act 2019*. It is now legislated that Victorian water agencies, including the Victorian Environmental Water Holder, must consider Traditional Owners' values, uses and aspirations in water planning and management processes. Since the *Water Act 1989 (Vic)* amendment, Traditional Owners have been provided increased opportunities to have a seat at the table, for policy design and implementation. For the first time in Victoria, Traditional Owners will play a significant role in the development of state water planning, management and policy processes, following self-determination principles. As an example, the Central and Gippsland Region Sustainable Water Strategy will consider how water is shared and the opportunity for Traditional Owners to have a voice in the decision-making process and access to water.

Water for Victoria provides a state-wide approach toward the delivery of an Aboriginal water program. The aim of the program is to better include Aboriginal people in the way water is managed in Victoria and to reconnect communities to water for cultural, economic, customary and spiritual purposes. Victoria's preferred model of consultation centers on Traditional Owners designing and determining governance arrangements, which is critical to ensure self-determination and is a Victorian Government priority.

Victoria agrees with your advice that any renewal of the NWI should be in accordance with *Closing the Gap* principles.

I can also advise that since our earlier submission Victoria has continued to implement further reforms. Significantly, in November 2020, Traditional Owners' deep connection to water was recognised with the announcement that the Gunaikurnai Land and Waters Aboriginal Corporation will receive two gigalitres of water in the Mitchell River in East Gippsland.

The Victorian Government remains committed to the outcomes and objectives of the NWI and the draft report provides comprehensive advice on its potential renewal. We look forward to considering your final report and recommendations for renewal of the NWI.

Yours sincerely

HON RICHARD WYNNE MP
Acting Minister for Water

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