

Productivity Commission National Water Reform Draft Report

VEWH submission on recommendations in Chapter 5. Environmental Management.

Draft Recommendation 5.1

DRAFT RECOMMENDATION 5.1

Australian, State and Territory Governments should ensure that their policy frameworks provide for the efficient and effective use of environmental water to maximise environmental outcomes, and where possible, provide additional community outcomes relating to water quality, Indigenous values, recreation and economic benefits.

Australian, State and Territory Governments should enhance the National Water Initiative to align with this recommendation.

VEWH Response: Agree

- Current Victorian policy stipulates that the environmental water holdings should be used to maximise environmental outcomes and where possible provide additional benefits for Aboriginal values and for social and recreation values.
- The VEWB applies these principles when making decisions about environmental water use.

Draft Recommendation 5.2

DRAFT RECOMMENDATION 5.2

State and Territory Governments should ensure the management of environmental flows is integrated with complementary waterway management at the local level.

To achieve this:

- a. State and Territory Governments should ensure that consistent management objectives for rivers, wetlands and floodplains govern the use of environmental water and complementary waterway management activities
- b. where possible, one planning process should be used to set objectives for both activities, but if not, State and Territory Governments should ensure planning at the local level is aligned and coordinated. Planning processes should also provide explicitly for other public benefit outcomes where these are compatible with environmental outcomes.

Australian, State and Territory Governments should enhance the National Water Initiative to align with recommendations 5.2 (a) and 5.2 (b).

VEWH Response: Agree

- In Victoria, the majority of waterways where environmental water is used are affected by multiple stressors. Improving the hydrological regime is not likely to be effective unless other stressors such as catchment erosion, unrestricted livestock access, pollution, pest plants and animals are also addressed.
- Victorian Catchment Management Authorities (CMAs) develop Regional Waterway Strategies that identify the suite of actions that are needed to maintain or improve the condition of waterways in their region. These actions can include environmental water deliveries and contribute to Statewide decisions about the use of Victoria's Environmental Water Holdings.
- The Rivers 2040 Program specifically aims to highlight and demonstrate the importance of co-ordinating multiple NRM actions to achieve waterway health targets.
- Having a single planning process for environmental water management and other NRM practices is desirable, but is not always practical.

Draft Recommendation 5.3

DRAFT RECOMMENDATION 5.3

Where governments own significant environmental water holdings, they should ensure that decisions on the use of the holdings are made by independent bodies at arm's length from government.

The Australian and New South Wales Governments should review current governance arrangements for held environmental water to ensure holdings are managed:

- a. independently of government departments and political direction
- b. by statutory office holders with an appropriate range of expertise.

Australian, State and Territory Governments should enhance the National Water Initiative to align with this recommendation.

VEWH Response: Agree

- The Victorian Environmental Water Holder was established to ensure decisions on the use of the holdings are made by an independent body. We consider this framework works well.

Draft Recommendation 5.4

DRAFT RECOMMENDATION 5.4

Australian, State and Territory Governments should ensure there are clear roles and responsibilities for managing environmental water in shared resources, with no duplication.

Consistent with this principle, The Living Murray program should be disbanded as there is no clear rationale for its continued existence in the context of the Murray-Darling Basin Plan. Each Basin jurisdiction should manage its share of former Living Murray entitlements as part of its broader portfolio of held environmental water. The Murray-Darling Basin Authority should complete the divestment of its holdings.

VEWH Response: Agree in principle

- Having multiple water holders that are responsible for environmental water decisions across the same area duplicates some administrative processes and therefore consolidating responsibility to fewer organisations makes sense. We agree in principle but the following benefits of the current arrangement need to be protected:
 - Leadership and co-ordination of large scale watering actions
 - Long-term and co-ordinated monitoring programs where data, results and knowledge are shared and used to inform future management.
 - Co-ordinated funding and investment that clearly demonstrates the contribution from each agency. If these were consolidated into individual State jurisdictions there is a risk that the total investment may fall over time and that investment will be disproportionate between states.
- One of the main benefits of the current approach is that all organisations collaborate to make decisions about environmental water deliveries that require large volumes of held water and/or that require co-ordinated deliveries to achieve outcomes at multiple sites and across jurisdictional borders. The Southern Connected Basin Environmental Watering Committee (SCBEWC) is the main forum for this co-ordinated approach. SCBEWC members are committed to collaborating to achieve better outcomes through co-ordination because they have a vested interest in how the shared water and associated money are used.
- Disbanding TLM may remove some of the incentive for jurisdictions to collaborate over large-scale environmental watering actions. Any action to disband TLM should take this into account and establish other incentives for jurisdictions to continue to collaborate and co-ordinate large scale environmental watering actions.

Draft Recommendation 5.5

DRAFT RECOMMENDATION 5.5

Where capable partners are available, Australian, State and Territory Governments should devolve the use of held environmental water to the lowest practical level, consistent with the principle of subsidiarity.

Australian, State and Territory Governments should enhance the National Water Initiative to align with this recommendation.

VEWH Response: Agree

- The environmental water management framework in Victoria is based on a bottom up planning approach where CMAs develop Seasonal Watering Proposals, that feed into the VEWH's Seasonal Watering Plan. Relevant sections of the Seasonal Watering Plan link to Basin Plan objectives and priorities.
- In Victoria, the VEWH divests responsibility for on ground delivery to CMAs through Seasonal Watering Statements.
 - In Southern Victoria where environmental water entitlements are held in single systems a single watering statement is produced at the start of the

water year to authorise the relevant CMA to deliver water in accordance with the Seasonal Watering Plan for that year.

- In Northern Victoria, systems are interconnected and therefore a greater level of co-ordination is required to ensure outcomes are met. In these systems, the VEWH works with CMAs, Water Corporations and other environmental water holders to determine what flows need to be delivered across multiple systems. Once agreed, the VEWH issues Watering Statements that authorise CMAs to deliver individual watering events.

Draft Recommendation 5.6

DRAFT RECOMMENDATION 5.6

Australian, State and Territory Governments should improve monitoring, evaluation, auditing and reporting to demonstrate the benefit of allocating water to the environment, build public trust in its management, keep managers accountable and make better use of environmental water over time.

Priorities are:

- a. Australian, State and Territory Governments should increase their focus on monitoring environmental and other public benefit outcomes — not just flow delivery — where additional effort would be commensurate with the risk to, and value of, those outcomes
- b. monitoring and evaluation should involve collaborative and complementary partnerships, consistent methods that enable the synthesis of outcomes across different temporal and spatial scales, and long-term investment. In the Murray-Darling Basin, governments should develop a strategy to coordinate monitoring and evaluation of the outcomes of environmental flows, both planned and held
- c. all managers of environmental flows should publicly report on whether outcomes have been achieved or not, and the reasons why
- d. Australian, State and Territory Governments should establish arrangements for independent auditing of environmental flow outcomes to support transparency
- e. managers of held environmental water should use the results of monitoring, evaluation and research to improve water use as part of an adaptive management cycle. To achieve this, managers should clearly allocate responsibility and provide adequate resourcing for adaptive management.

Australian, State and Territory Governments should enhance the National Water Initiative to align with recommendation 5.6 (e).

VEWH Response: Agree in principle

- Many environmental water monitoring programs are currently measuring environmental as well as flow delivery outcomes. However, most of the monitoring effort focuses on short-term, easily demonstrated responses at individual sites. This often leads to the same or similar predictable outcomes being measured at multiple sites, at the expense of some more difficult, but important questions.

- Environmental water programs aim to restore some of the impacts associated with more than five decades of changed water regimes and it will likely take many years to achieve some environmental watering outcomes. Environmental Water Monitoring Evaluation Reporting and Implementation (MERI) programs need to test important regional objectives at appropriate timescales.
- Consistent, long-term funding is needed to support a co-ordinated approach to identify and address key knowledge gaps for environmental water management. Such programs should recognise that some key outcomes may not be detected for 10 or more years and that results from well conducted monitoring programs at a small number of sites can be used to reliably infer outcomes in other places where similar environmental flow regimes are applied.
- Item b in Recommendation 5.6 calls for consistent monitoring methods to be applied across different spatial and temporal scales. While such consistency is useful in some situations, it can lead to unnecessary monitoring at some sites. It is more important to ensure consistent quality of information between regions and times than consistent methods. For example, if we want to measure changes in fish community composition over time across different regions, we should implement sampling methods that allow the fish community composition to be estimated with similar confidence at each location. That may mean quite different sampling methods are applied in different locations depending on habitat type and the expected community composition.

For further information, please contact: Andrew Sharpe, Executive Manager Governance and Relationships, VEWH.