



Benalla District Environment Group



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DSE Sustainable Water Strategies Branch  
East Melbourne

## Northern Region Sustainable Water Strategy

### Discussion Paper

Dear people,

Please accept this submission from Benalla District Environment Group to the Discussion Paper.

We thank you for this opportunity to make comment on this important issue and hope that we can make a valuable contribution to the process.

Yours sincerely,

Charles Jones

(for Kate Stothers, President)

# Northern Region Sustainable Water Strategy

## Discussion Paper

### Time for Plan B

The business as usual approach to water issues over the past two decades has failed to prevent the slide towards further environmental decline. Given the expected and accepted increase in Victoria's population and environmental growth, it is doubtful whether the business-as-usual approach will be any more successful over the next two or five decades. Adding the impact of climate change, this approach will not work at all. We will continue towards environmental catastrophe.

It must now be obvious: It is time for Plan B. An alternative approach must be based on the concept that our ecological system underlies our economic system. As the Victorian Government White Paper, 2004, *Our Water Our Future*, states:

“The management of water will be based on the understanding that a healthy economy and society is based on a healthy environment.”

Once we truly accept this principle and we open the door to consider potential catastrophic changes, a whole new debate is engaged.

Once we take a holistic view, including land, climate and biodiversity (along with water), the possibilities for change are almost endless. Additionally, solutions for one issue will often provide benefits in other areas.

The future of our Northern Region with our northerly flowing rivers at its heart, is in a precarious situation, as any reading of the Discussion Paper testifies. It is time to pull back from the “overshoot and collapse” pathway that we are on and consider alternatives that offer a genuine sustainable future.

Let there be no doubt that the current situation is alarming. The Discussion Paper offers little hope and even less concern for the environment in the future.

Even though Victorian water use within the Murray Darling Basin has been relatively constant for the last twenty years, it has tripled since 1920 (p.16), with the result that in many northern rivers, “the amount of water extracted from rivers and aquifers is higher than that which can sustain existing ecological objectives” (p.32).

Although the precautionary principle was invoked with the MDB cap in 1995, the situation remains so critical that land use change options deemed necessary for other environmental issues such as salinity mitigation, water quality and carbon sequestration, are virtually denied us (p.35). And when, “during droughts, the priority of environmental managers is to prevent the loss of species and protect key refuges to enable recovery” (p.41), it is time to recognise that we are in an environmental crisis situation.

One would expect that climate change projections, the Western Australian experience and eleven years of below average rainfall (p.43) would truly ring alarm bells and at least invoke the precautionary principle with more radical proposals. However, the Discussion Paper is evasive in its suggestion that it will take decades to determine the real cause of the below average rainfall (p.43). Prevarication at this point in time is a parlous response.

When the Discussion Paper finally does turn to the consideration of “increasing water scarcity” (p.44), we find that the environment has borne (Table 3.7; p.47) and will continue to bear (Table 3.6; p.46) the lion’s share of reduced inflows. Under Scenario D (Impact from now) the average potential reduction for regulated systems on diversions for consumptive use is 30 percent, while the environment flows works out at 64 percent. Under Scenario B (Medium climate change at 2055) the average potential reduction on diversions for consumptive use is 12 percent, while for environmental flows it is 43 percent. While water sharing arrangements may have been appropriate in the past, it would seem that continuing on this trajectory will have major environmental consequences. Increasing water scarcity could quickly become an environmental water deficit.

This “increasing water scarcity “will impact overwhelmingly on the environment. It is suggested that “reduced flood frequency will be problematic for floodplain survival...with increasingly long gaps between flood events” (p.56). The reduced

frequency of flooding would likely lead to limited regeneration of River Red Gums at best and extinction at worst (p.56). As well, we could expect a gradual loss of population of Murray Cod and the permanent loss of water birds such as egrets, herons and spoonbills from this area (p.56,127).

When we look at managing water scarcity for the environment we find that insufficient ecological margins have left us with very limited option where proposed fine tuning would come down to managing environmental emergencies by entering the market (p.65). Even this course, though, is not certain, with several issues and risks involved (p.65).

Proposed further fine tuning focuses on the provision of drought refuges and survival flows (p.77) and as if to recognise there is little left to fine tune, it is suggested that “it may be necessary for the community to make trade-offs between environmental functions and assets”. To reinforce this recourse “it must be acknowledged that we may not be able to maintain all of the current values” (p.80). We have come down to placing (short-term) human betterment before the preservation of our natural systems.

In summary, the Discussion Paper confirms the overuse of water, with subsequent limitations on other necessary environmental courses of action such as restoring terrestrial habitat, mitigating salinity and sequestering carbon. It shows that there is now insufficient latitude in which to take further appropriate actions. This, in effect, will lead to the loss of many species and habitats. Finally, in the face of this environmental crisis, the Discussion Paper suggests that we change our values rather than our actions.

Northern Victoria is suffering an environmental crisis and it can only get worse under the business-as-usual approach. The Discussion Paper clearly indicates that we are crossing natural thresholds that we admit to but do not recognise: We appear to be locked in to the scenario of consuming our natural assets for the sake of economic growth.

### What would Plan B look like?

In broad terms, the Victorian Catchment Management Council's Catchment Condition Report sums it up well when they suggest a Victoria,

“...covered with a mosaic of land uses that match capability. The mosaic includes a mix of intensive agriculture with reduced water, nutrient and energy inputs and land formerly used for farming instead producing ecosystem services, supporting rural lifestyle and nature conservation”(p.57).

The *Bush Tender* trials in the Central and North-East regions are one tentative step towards recognising the value and need for ecosystem services and the maintenance of our biodiversity assets. We look forward to their expansion in the future. The *Victoria Naturally* initiative, sponsored by eight environmental organisations, is another proposal gathering momentum in response to climate change and biodiversity decline and vulnerability. Headed by the Victorian National Parks Association, the initiative actually proposes a defined mosaic structure for Victoria, with “*Biolinks*” - large-scale habitat restoration projects reconnecting native bushland across all landscapes - linking up National Parks and helping plants and animals cope with the effects of climate change by allowing them to move throughout the landscapes as they try to remain within their natural habitat range.

Biolinks are already a reality in south-western West Australia and are underway in western Victoria through *Habitat 141*. Driven by Greening Australia, *Habitat 141* aims to link bushlands from the southern ocean to north of the Murray.

Reducing water, nutrient and energy intensity opens the door to establishing new industries in northern Victoria that could support genuinely sustainable lifestyles.

One such industry is the kangaroo harvesting industry currently worth \$250 million to the Australian economy and, according to David Lindenmayer, Professor of Ecology and Conservation Science at ANU, “can be regarded as one of the most ecologically sustainable industries in Australia”. (*On Borrowed Time*, 2007:83)

This industry, in which Victoria does not currently participate, is heavily regulated with quotas being reassessed each year, based on excellent science and underpinned by rigorous monitoring (Lindenmayer, 2007:84).

The case for developing this industry is compelling. It would mesh suitably with the *Biolink* concept, providing economic, social and environmental benefits.

Another industry that would have multiple benefits is alternative power generation. Northern Victoria is ideally situated to utilise solar radiation for both photo-voltaic and solar-thermal electricity production. Energy and heat from woody biomass is another possibility and in association with well sited commercial woodlots on farms would not have significant impact on stream flows.

The development of carbon and ecosystem services markets will be necessary along with short-term subsidies for appropriate new commercial industries, in supporting this type of change as they allow farmers alternative options to intensive agriculture for generating incomes.

Changes will also be required at the institutional level. To generate the momentum required for such urgent changes will require the government to act as if they were preparing for war. It will be necessary to either expand the role of CMA's or develop (probably) three regional bodies in Northern Victoria to oversee, plan and manage the transition to sustainability.

The kind of approach we are suggesting would support farmers to diversify their enterprises and sources of income, including tourism, and allow water to be returned to our river systems. In the words of the VCMC,

“Water used for environmental ends is not wasted: It is an investment in the future of an aquatic ecosystem and hence an investment in the communities that depend on it”.

The development of the Sustainable Water Strategy for the northern region should be laying the ground work for achieving a future that supports both regional development and the environment: a future that we can all have a share in - a sustainable one.

## Some specific proposals for the NRSWS

### **1. A new health objective:**

The commitment to enhancing river health is missing from the Discussion Paper and if this flows through to the final strategy, it will fail to meet its obligations under the water act.

What is required is a set of ecological objectives for each river system that go beyond leftovers from consumptive use and emergency watering of drought refuges, and the setting of targets and timelines to meet the objectives.

### **2. A commitment to address over-allocation:**

The Discussion avoids the area of over-allocation in the face of declining inflows and environmental decline. Nowhere does it acknowledge that the current level of extraction before the impact of climate change is unsustainable or that it may be the primary cause of degraded ecosystems.

Ample evidence of this decline and continuing failure to rectify the situation is given in the VCMC reports of 2002 and 2007 and by DSE's *Index of Stream Condition 2004*. Even the MDBC talks of "human induced drought" (media release, January 21, 2008).

There are many mechanisms to address over-allocation, some of which are discussed by the Productivity Commission (*Rural Water Use and the Environment: The Role of Market Mechanisms Research Report, 2006*). These include buying water on the open market to add to the EWR, other market-based instruments such as tenders and auction schemes, licence attenuation and options contracts; retiring entitlements and water use licences; structured adjustments to assist social and land use changes; and lowering the Basin Cap or setting Sustainable Diversion Limits for each catchment.

The NRSWS should contain a full and frank discussion of all these and how they can be used to best advantage for returning water to river systems.

### **3. Additions to the Environmental Water Reserve:**

The existing EWR for the Northern Region consists mainly of passing flows and “above cap” water. Of the 460GL of actual environmental entitlement that can be used at an environmental manager's discretion (which represents about 4 percent of average environmental flows), 57.6GL is high reliability water, while the remaining 88 percent is low reliability (Table 2.6, p.30).

In recent years, where low reliability water has not been available and passing flows have been suspended, only the high reliability share (57.6GL) has been available for environmental use in the whole of northern Victoria.

There are no rivers in northern Victoria with more than 50 percent of their reaches in good condition (Figure 2.5, p.19) and the need for additions to the EWR has never been more urgent. In particular, more high reliability water is needed along with the freedom to use and manage it even in dry years. The Discussion Paper should recognise the recommendations of the VEAC Investigation (*River Red Gums Forests Investigation Draft Proposals*, July 2007) into the watering needs of northern Victoria's red gum forests and wetlands. VEAC recommends that a major flood every five years is essential to maintain floodplain health and the NRSWS should provide the vehicle for accessing and managing this water.

### **4. Improved management of the EWR:**

The Discussion Paper recognises the need for more activities, efficient and flexible management of environmental water (p.78).

This should include the ability of environmental managers to buy water on the open market, multiple year carry-over for all environmental water (to build up towards major floods), tagging of all environmental water as “green to the sea” to allow multiple use, and the freedom to use environmental water when required, according to agreed objectives.

Management of the EWR could rest with an independent body to avoid the continual Qualification of Rights experienced in recent years. Under the Commonwealth Water Act that will become law in 2008, environmental water purchased with Commonwealth funds will be held by an independent environmental water holder, and the NRSWS offers the opportunity for Victoria to align with this position.

#### **5. Integrated Planning:**

The NRSWS intersects with a number of other policy and planning documents, in particular the development of the *Land and Biodiversity in a Time of Climate Change* White Paper, VEAC River Red Gum Investigation, Victorian River Health Strategy and Regional Catchment Management Strategies (all due for revision in 2009). Few of these rate a mention in the Discussion Paper and no attempt is made to align with their visions or objectives.

The VCMC report makes clear that while significant money and effort is being invested by both state and federal governments, the effort is inadequate to halt the scale of landscape decline. A new framework is required to fully implement the goal of integrated catchment management. The NRSWS affords an opportunity to provide this framework and to provide better integration between resource management and strategic planning.

#### **6. Climate Change Action:**

Awareness of climate change has increased dramatically in the last few years and the Discussion Paper makes repeated reference to its impact on water resources. Mitigating its effects is a key driver in the development of the strategy. However, there is not a parallel urgency in dealing with the causes of climate change, which the Discussion Paper does not discuss. It is also very vague on what emissions will flow from its actions or how they will be mitigated, in contrast to the Central Region SWS that has a strong and appropriate commitment to greenhouse neutrality.

The NRSWS needs to discuss the contributions of agriculture in the northern region to Victoria's greenhouse gas emissions. The greenhouse impacts of the *Foodbowl Modernisation Project* and *Water Grid Project* also need

consideration. One possible response to the challenge of climate change would be to set a target for emission reductions from the agricultural sector of, say, 20 percent on 1990 levels by 2020, in line with the EU target for emissions reductions.

#### **7. Commitment to Second Step of the Living Murray:**

The Victorian Government explicitly committed to undertaking the NRSWS prior to completion of the First Step of the *Living Murray*, “to inform any further action on the River Murray” (OWOF, Victorian Government White Paper, DSE 2004, P.55, Action 3.9).

It is time to acknowledge the shortcomings of the First Step actions to date (eg. The lack of reliability of the water from the “Sales Deal” which makes up a major part of Victoria's commitment but will only be available to TLM three years out of 100) and make good on the commitment to further action on returning environmental flows to the Murray.

#### **8. Water conservation targets for homes and businesses:**

The CRSWS set targets for per capita use in Melbourne, Geelong, Ballarat and other towns in the central region for a 25 percent per capita reduction in water use by 2015, rising to 30 percent by 2020 (compared with average use in the 1990's). The 25 percent target has already been met in Melbourne.

The NRSWS needs to set similar targets for urban and industrial users in the northern region.

Another discrepancy with the central region is the level of environmental contribution, established under OWOF, made by water corporations. Under current arrangements, urban water corporations are required to pay environmental contributions equivalent to 5 percent of existing reserves, whereas rural water corporations are only required to pay 2 percent (Discussion Paper, p.81). The contribution made by rural water corporations should be brought into line with urban water corporations to increase the funds available for river restoration projects.