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This chapter highlights opportunities for community involvement in water and summarises how the community will be supported in adjusting to water scarcity.



Prosperous, dynamic and resilient communities

Guide to the chapter

Section 9.1 Community involvement in water resource planning

- Indigenous involvement

Section 9.2 Supporting communities through structural adjustment

- Encouraging community development

What is the issue with the existing arrangements?

Decisions about water can affect almost every aspect of our lives, including our health, regional economies and the environment. Community involvement in these decisions is essential. Communities are undergoing considerable adjustment as a result of prolonged drought and potential climate change and the transfer of water from consumptive use to the environment.

What improvements does the Strategy make?

- Highlights the range of processes where community members can get involved to ensure their values are reflected in decisions about water.
- Encourages greater Indigenous involvement in water resource planning by establishing a scholarship and cadetship for young Indigenous leaders.
- Outlines Victorian Government programs supporting regional communities.

9.1 Community involvement in water resource planning

Water affects almost every aspect of our lives; it underpins our health, regional economies and the environment. Decisions about its management can affect the very fabric of our communities and therefore it is critical that community members get involved in water resource management. Community involvement ensures that decisions about water resource management reflect community views and support the values that communities deem most important.

There are several processes where community members can contribute to water planning in their area (see Figure 9.1), which:

- cover all aspects of water resource management, including rural and urban supplies and the environment
- prepare for a range of timeframes, from one to 50 years
- plan for a variety of geographic scales from specific systems through to Basin-wide arrangements.

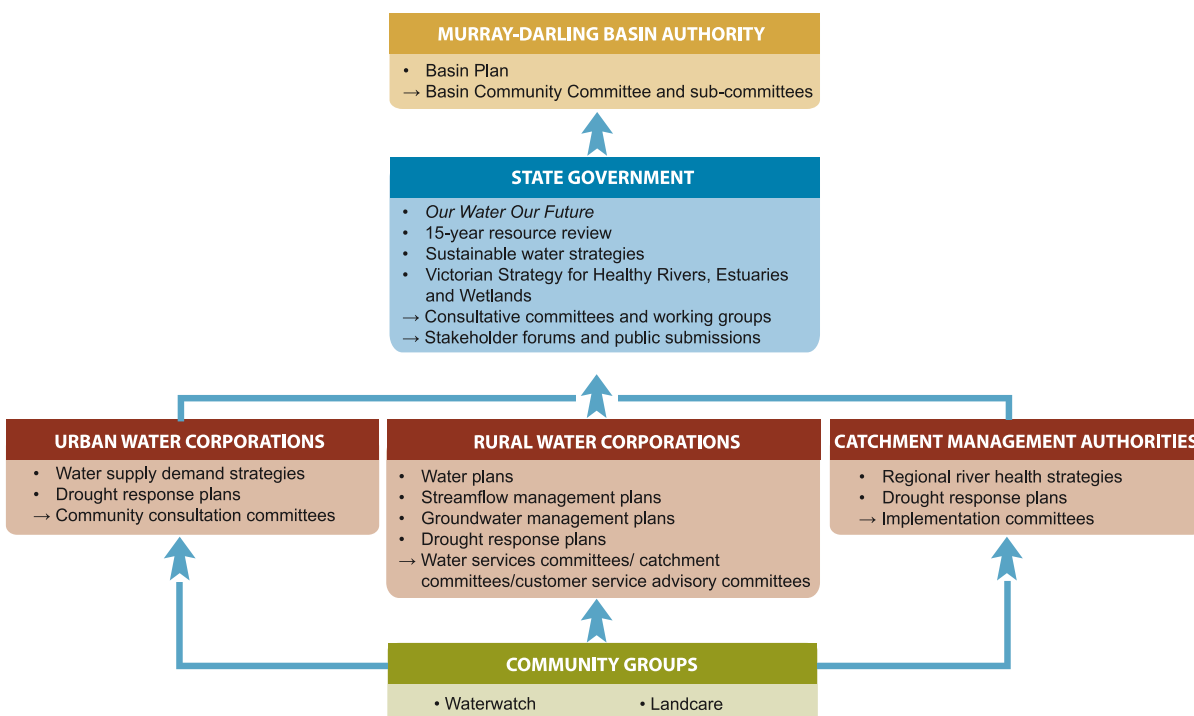
To find out how you can get involved, contact your local water corporation, catchment management authority or other relevant organisation. See page 173 for contact details.

9.1.1 Indigenous involvement

Water is a fundamental, life-giving source that is at the heart of Indigenous culture. Indigenous people in the Northern Region have distinct cultural perspectives and want to be more involved in water resource decisions and processes. Background Report 11 has more details of these aspirations. There are several ways this can be achieved:

1. **Improved funding and resources:** Most Traditional Owner organisations in the Northern Region do not have adequate funding to be able to respond to and engage with government decision-makers. Funding is required to establish viable and effective organisations that can engage with governments and the wider community on water management decisions.
2. **Forums for decision making:** Indigenous people have traditional rights to care for Country which have historically been undermined. In order to exercise these rights, Traditional Owners need to be involved in decisions about water management on an ongoing basis.
3. **Informed input:** The introduction of information exchange forums will facilitate contact and information sharing between Traditional Owners and land and water managers and provide greater understanding of the cultural aspects of water management.

Figure 9.1 Community involvement in water resource management – key planning documents and consultation processes



4. **Skill development:** Traditional Owners in the Northern Region have identified the need for greater professional and skills development within their communities. Traineeships and scholarships related to water management are two options, as well as increased employment of Traditional Owners in water management agencies, including contractual work. Further professional development and training is also important.
5. **Supporting connections to Country:** Traditional Owners in the Northern Region currently own only a small percentage of their traditional lands and many aspire to owning more of their Country. This could be facilitated through existing land/water purchase programs (see page 45). In the Northern Region, no new entitlements can be issued due to the Murray-Darling Basin Cap but existing entitlements can be purchased by Indigenous people.

“Appropriate resources should be allocated to Traditional Owners to be involved in these processes...”

– Draft Strategy submission DS164

Many Traditional Owners are interested in understanding how river flows can meet cultural needs. In 2007, members of the Murray Lower Darling Region Indigenous Nations met in Echuca and agreed to a preliminary definition of cultural flows. The Echuca declaration⁶⁰ will help water managers to gain a basic understanding of cultural flows, however further work is needed to consider the aspirations of individual Traditional Owner groups.

Catchment management authorities are a key link for Indigenous groups to become more involved in water resource planning. When reviewing regional river health strategies (see page 149), the RIVERS assets register will be improved to help catchment management authorities and their communities document values associated with the region’s rivers, floodplains and wetlands. By recognising and communicating the social, cultural, economic and environmental values, they can provide input into further decisions on water recovery targets and annual watering plans.

In June 2009, the Victorian Government announced that the *Victorian Native Title Settlement Framework* would become the preferred method for negotiating native title settlements over land and water in Victoria⁶¹. Developed in collaboration with the Victorian Traditional Owner Land Justice Group, the framework aims to make it easier for groups to resolve native title claims, while building strong partnerships and creating economic opportunities. The framework will be important for identifying and progressing Indigenous people’s aspirations for managing water resources.

Action 9.1: Indigenous involvement in water management

Who: Department of Sustainability and Environment; catchment management authorities

Timeframe: Ongoing from 2010

Education, training and capacity building for Indigenous people will be improved by inviting Traditional Owners to nominate young leaders to be involved in:

- a scholarship for the biennial Graduate Certificate of River Health offered by Melbourne University
- an annual cadet position within the Department of Sustainability and Environment’s Office of Water/regional offices or catchment management authorities.

Indigenous involvement in decisions about water resources will be improved by:

- providing regular regional forums for information exchange between catchment management authorities and Indigenous groups
- establishing key positions for Traditional Owners on regional water resource decision-making committees
- providing funding to Traditional Owners to facilitate capacity building and participation in meetings and committees.

9.2 Supporting communities through structural adjustment

Structural adjustment refers to changes in the distribution of activity and resources among businesses, industries and regions⁶². It occurs as a result of natural economic, social and environmental factors (such as changes in demand for goods) and as a result of government policy (such as the Murray-Darling Basin Plan).

Structural adjustment is the cumulative effect of countless decisions that individuals, businesses and governments continuously make in response to changing conditions. It is occurring all the time and it is an integral part of ongoing social and economic development.

Some of the changes experienced in northern Victorian communities as part of structural adjustment include:

- declining population in some small towns with growth in larger regional centres
- farms close to regional centres being subdivided and purchased by people who rely on off-farm income
- retirement of salt-affected or unproductive land
- aging population profile, particularly of farmers who are deciding to retire
- consolidation of properties, with increasing size and corporatisation
- significant investment in agricultural ventures from non-agricultural sources
- changing farming enterprises and practices in response to water scarcity and changing cost structures and commodity prices.

This Strategy considers the structural adjustment that is occurring in the irrigation sector as a result of:

- prolonged drought and potential climate change (which could reduce consumptive water availability in the Goulburn system by up to 30 per cent – see page 24)
- the transfer of water from consumptive use to the environment (in particular, through the Commonwealth's Basin Plan and \$3.1 billion water purchase for the environment – see pages 42 and 45).

“... as water is removed from rural communities, jobs and wealth creation will also disappear and will result in further urban migration. The principle of regional development should be a key priority in the development of the strategy and making response decisions.”

– Draft Strategy submission DS134

A permanent reduction in water availability for irrigation will reduce the area of land that is irrigated, with flow-on effects for communities currently dependent on irrigation industries.

Large amounts of water have been transferred within and between irrigation districts over the past 12 years as the market moves water from lower to higher-value uses. These transfers need to continue in the future. The adjustment resulting from them has been a difficult process for some people, but it is inevitable that this will continue.

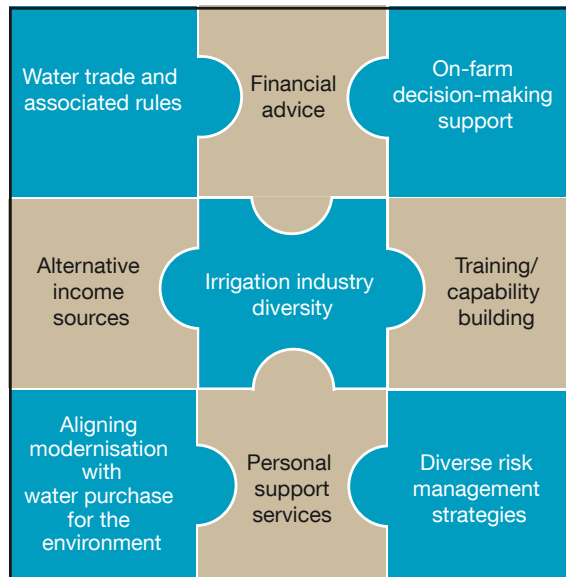
In the past, impacts on regional economies have been manageable because water has tended to move from low-value uses that employ relatively few people to higher-value uses that employ relatively more people. For example, water moving from mixed farming to horticulture will generally result in a net increase in economic activity and employment. More recently the opportunities to source water from low-impact areas have diminished; we are now seeing water moving from higher-value, higher-employing industries such as dairy to other higher-employing industries or to the environment.

The Victorian Government has taken action to increase the amount of water available to meet the environmental needs of the River Murray and Snowy River. It has chosen to do this by investing in the modernisation of irrigation infrastructure rather than buying water from productive farms. This approach was adopted because it helps grow regional economies and jobs, unlike the alternative of buying water on the water market.

The adjustment processes of the past 12 years will be accelerated and extended by the Commonwealth's water purchase program and Basin Plan (see page 45).

So how can regional communities be supported through this adjustment? There are many possible approaches (see Figure 9.2) and these can be categorised into water-related and non water-related responses. The water-related responses set out in this Strategy include: increasing production from available water resources; limiting the reduction in the consumptive water pool; and encouraging investment in diverse industries, including those that are not water-dependent. A key constraint on the rate of adjustment has been the four per cent limit on the trade of water shares out of irrigation districts. Recent changes to this limit are outlined on page 108.

Figure 9.2 Many factors in supporting communities through adjustment



Key

- Water related strategies
- Non-water related strategies

9.2.1 Encouraging community development

Non-water related responses to adjustment include policies or programs to manage the socio-economic impacts, such as alternative employment schemes. They may focus on enhancing individual and community capacity and ensuring individuals have access to financial and personal advice. In some cases, unemployment benefits or assistance in seeking alternative employment may be required. Existing programs may be sufficient, however in undertaking its water programs (see page 45), the Commonwealth Government will need to consider the benefits of additional programs. As a partner government in the NWI, the Commonwealth has agreed to address any significant adjustment issues arising from its water reforms.

The Victorian Government is providing direct support to the farming sector through the *Future Farming* strategy, which will deliver targeted services to meet the needs of farm businesses and to match industry needs. \$205 million will be invested over four years to build a strong and secure future for the farming sector by:

- boosting productivity through technology and changes in farming practices
- building skills and attracting young people to farming
- understanding and managing climate change

- strengthening land and water management
- helping farming families to secure their futures
- developing new products and securing new markets
- transporting products to market.

Further information on *Future Farming* and a range of drought support services and programs is available at www.dpi.vic.gov.au.

Broader support to regional communities is being provided by Regional Development Victoria, established to facilitate economic, infrastructure and community development in rural and regional Victoria (see www.business.vic.gov.au). Its focus is on investment attraction, job creation, exports, creating stronger economies, communities and infrastructure to create a strong and growing provincial Victoria. There are several programs to:

- promote business and industry development
- work with local government and communities
- help new businesses establish themselves
- pave the way for existing industries to grow and diversify.

A COAG working group considered the impacts of structural adjustment and assessed the range of strategies designed to manage those impacts. The key findings were:

1. Information provision and communication is key to building community and stakeholder acceptance of change.
2. Adjustment assistance should be time-limited and targeted towards those directly affected by the policy change.
3. Any assistance should be directed towards facilitating adjustment, not supporting unviable enterprises or investments.
4. In situations where the adjustment shock is expected to be significant, phasing the adjustment may reduce the severity of impacts – however, the costs of such delays need to be taken into account.

In advancing this work, a key consideration will be defining ‘those directly affected’. For examples, does it include fruit pickers, other service providers and associated manufacturing and processing industries?

In many cases, adjustment offers new opportunities and encourages innovation in regional communities. CSIRO’s report on water-related adjustments says that “experience suggests that Australian farmers... and rural communities have demonstrated great skill and capacity in adjusting to changing conditions”⁶³. The Victorian Government strongly supports CSIRO’s appraisal. The combination of the strength of regional people and support from government will result in strong, vibrant and resilient regional communities.