

Deciding whether to use Water Management Schemes

Guidance Note 17.5

Introduction

This Guidance Note is intended to help Local Government Authorities (LGAs) to determine whether or not they wish to use Water Management Schemes to bring existing or new flood mitigation infrastructure under formal management arrangements. It does this by:

- defining the challenges associated with the Water Management Scheme process
- reiterating the current policies surrounding Water Management Schemes
- reiterating the government's investment criteria for building, restoring or upgrading flood mitigation infrastructure
- giving an overview of the Water Management Scheme process
- outlining the main benefits of Water Management Schemes.

The challenges associated with the Water Management Scheme process

Water Management Schemes are the Government's preferred arrangements for managing flood mitigation infrastructure. The Water Management Scheme process is spelt out in Sections 213 to 216 of the *Water Act 1989*. It embodies a community-driven, collaborative approach between those ultimately responsible for managing the infrastructure and the Minister for Water.

LGAs have in the past expressed concerns that the process involved is rigid, onerous, time consuming and expensive. Some have also expressed concern that they do not have the expertise to manage the process.

Current policy

Under Policy 17a of the Victorian Floodplain Management Strategy:

- All new large-scale flood mitigation infrastructure outside Melbourne Water's region will be

implemented as Water Management Schemes under the Water Act.

Under Policy 17c of the Victorian Floodplain Management Strategy:

- Flood mitigation infrastructure outside Melbourne Water's region that is not currently subject to formal management arrangements will remain that way unless the relevant LGA (through a Regional Floodplain Management Strategy or local assessment) determines that the infrastructure should be brought into formal management arrangements through a Water Management Scheme or other appropriate arrangements.

Under Accountability 17a of the Victorian Floodplain Management Strategy:

- LGAs (outside Melbourne Water's region) are accountable for:
 - leading the processes to determine and implement new flood mitigation infrastructure, through flood studies and Water Management Schemes
 - the ongoing maintenance and management of new infrastructure through flood studies and Water Management Schemes.
- Catchment Management Authorities (CMAs) are accountable for:
 - supporting LGAs to lead the processes to determine and implement, through flood studies and Water Management Schemes (where appropriate), the assessment of new flood mitigation infrastructure.

While Water Management Schemes are the Victorian Government's preferred arrangement for flood mitigation infrastructure, there may be instances where alternative arrangements are demonstrably more appropriate. In such cases, as with all flood mitigation infrastructure that attracts government funding, the beneficiaries will be required, through their LGA, to meet the ongoing costs of management, maintenance and auditing.

Government investment criteria

As outlined in section 17.2 of the Victorian Floodplain Management Strategy, the Victorian Government will only invest in building or upgrading flood mitigation infrastructure where the primary benefits are the protection of:

- human life and safety
- community safety, by ensuring major evacuation routes are maintained
- community welfare, by ensuring the continuity of social services, particularly those provided by public infrastructure
- existing dwellings, where it is only feasible to protect them through collective action.

An overview of the Water Management Scheme process

Under existing policies, LGAs lead the Water Management Scheme process with the active support of the relevant CMA and the Victoria State Emergency Service. Their collective aim would be to identify flood mitigation options that would satisfy the government investment criteria.

The practical implications of the investment criteria can be distilled down into a series of principle-based steps that the LGA would need to follow in the Water Management Scheme process. These are:

1. Engage early with the community affected by the flood mitigation infrastructure.
2. Conduct a detailed flood risk evaluation of options (flood study).
3. Evaluate mitigation options.
4. Demonstrate the community benefits of the preferred option.
5. Commit to an appropriate asset management system.
6. To the extent possible these steps should be done in parallel rather than in sequence.

The Water Management Scheme process broadly follows these steps, but it formalises them in ways that help the LGA to share future liability for the scheme with the Minister for Water.

The process starts with a formal request, from the LGA to the Minister, requesting an investigation into flood mitigation options. The request should demonstrate that the LGA has the active support of the CMA (fulfilling its

accountability to provide support). If the Minister then decides that an investigation should be carried out (for example a flood study that considers and evaluates flood mitigation options), then:

A community-based committee is appointed by the Minister.

- The Committee (drawing on the resources of those with local government experience and technical expertise) carries out the investigation.
- On completion of the investigation, the committee prepares a water management scheme.
- The affected community makes submissions, which are considered by the Committee.
- If appropriate the Committee may modify the scheme.
- The Minister decides to accept, modify or reject the scheme.
- Any person affected by the Minister's decision may apply to the Victorian Civil and Administrative Tribunal (VCAT) for review of the Minister's decision.
- The Minister considers any VCAT determinations, formally approves the Scheme and nominates the organisation responsible for managing the scheme.

The benefits of Water Management Schemes

This formal approach takes time, money and commitment, but there are benefits:

- It satisfies the Government's investment criteria and therefore enables cost sharing (Policies 17a and 17c).
- It provides a record of community ownership of the decision-making process.
- Because the process is driven by a committee appointed by the Minister, liability in respect of future claims for flood damages is shared between the LGA and the Minister.
- The records provide assurance that the infrastructure has community acceptance, and that an organisation has responsibility for ongoing maintenance.