

# Water for Victoria Discussion Paper

## Submission to the Victorian Government

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MANSFIELD SHIRE



### ABSTRACT

Mansfield Shire Council has prepared this submission in support of residents, ratepayers and visitors who value the critical nature of water, access to our lakes and rivers and the contribution they make on a social, environmental and economic basis to our destination's sustainability.

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## Executive Summary

Water is fundamental to our environmental, social and economic health. Drought or flood - water is front of mind.

Coming off a period of El Nino, characterised by low rainfall and high temperatures and with a long term established pattern of climate change – water supply, equity, cost, demand, quality and surety become critical elements of water planning.

Council applauds the Victorian Government initiative to create a water plan and consult as part of the process. We note the key areas identified around:

- Responding to climate change
- Managing waterway and catchment health
- Managing water for agriculture
- Developing resilient and liveable cities and towns
- Recognising and managing for Aboriginal values
- Recognising recreational values
- Strengthening water entitlement and planning frameworks
- Realising the potential of the grid and markets
- Focusing on jobs, economy and innovation

Our destination makes a significant contribution to the social, economic and environmental health of the state and water is fundamental to our sustainability.

Our key messages include:

- ✓ Upstream matters
- ✓ Address the supply side
- ✓ Don't underestimate the tourism card
- ✓ Build economic resilience to changing water storage levels by funding projects such as the Lake Eildon Recreational Boating Facilities Improvement Plan
- ✓ Water for 'hot spots' and 'easy wins' dissuade strategic planning
- ✓ Clarify roles, responsibilities and subsequent resourcing
- ✓ Educate our water users
- ✓ Release timing for win wins
- ✓ Partnerships and collaboration are critical for destination sustainability

## A destination approach

Tourism is the key economic driver in Mansfield Shire; generating 18.6% of employment; 19.6% of industry output and 52% of retail spend in a local economy generating \$823.1m.<sup>1</sup>

Lake Eildon is the top destination driver of visitation in summer according to our Tourism Industry Survey<sup>2</sup> and fishing and watersports are key activity drivers.

### Improving our lakes and rivers

Mansfield Shire Council is acutely aware of the importance of our river systems and Lakes Eildon and Nillahcootie to the sustainability of our destination from an economic, social and environmental perspective.

To that end, Council has a long established record of working with Goulburn Murray Water (GMW), Fisheries Victoria and other key stakeholders including Goulburn Broken Catchment Management Authority (GBCMA) and Department of Environment, Land Water and Planning (DELWP) in the development and execution of management plans to improve the catchment and the fishery.

Beyond a water focus, Council has led the Destination Sustainability Program which sees all land manager and key stakeholders come together to agree key principles, share strategic directions and collaborate for the benefit of the whole destination. Signatory partners include Mt Buller Mt Stirling Alpine Resort Management, Parks Victoria, DELWP, GBCMA, GMW, Tourism Victoria, VicForests and Mansfield Shire Council.

We worked with business and community to bring attention to the concerns around the decreasing populations of wild trout that saw the commencement of a recent local trout survey project. Council also partnered with Fisheries Victoria to deliver the inaugural Talk Wild Trout conference held in Mansfield late 2015 that attracted 174 delegates and will do so again for 2016.

### Recommendation

Identify collaboration models for replication and resourcing, such as Mansfield's Destination Sustainability program for key land and water managers, to improve shared outcomes across destination footprints.

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<sup>1</sup> Regional Development Australia Hume Economic Profile

<sup>2</sup> Mansfield Shire Accommodation Industry Quarterly Survey, Trend Results

## Lake Eildon

The economic sustainability of our region is dependent on lake levels sufficient to sustain recreational use during the summer period.

Council understands the significance of this inland water storage and is a key player around the table in the development and execution of the Lake Eildon Land and On Water Management Plan.

One of the key priorities from the Plan was to improve the recreational boating facilities in a coordinated and strategic way. Our Council, partnering with Murrindindi Shire Council and Goulburn Murray Water, has since endorsed the Lake Eildon, Recreational Boating Facilities Improvement Plan (LERBFIP).

### LERBFIP – Lake Eildon Recreational Boating Facilities Improvement Plan

LERBFIP commits us, in partnership with key stakeholders, to drive improvements around Lake Eildon that will:

- attract investment and drive job creation;
- improve specific facilities;
- improve environmental outcomes; and,
- create a streamlined management, development and marketing structure.

LERBFIP identifies that Lake Eildon is underperforming from an economic return and user experience perspective. Funding of detailed development and design plans are the next step in a staged approach toward investment in three hubs to be the focus of improved facilities and recreational experience.

“The Lake Eildon Recreational Boating Facilities Improvement Plan once enacted will realise a future for Lake Eildon that boasts world class hubs for access, amenity, commercial investment and visitor experiences that are largely financed by a user pays system that delivers value.”<sup>3</sup>

We understand and accept that the levels of water in Lake Eildon will vary and that the economic benefit derived by tourism is only one factor to consider in retention of water in Lake Eildon for recreational users.

### Recommendation

Provide in-principle support for the strategic actions identified within LERBFIP, that will substantially increase the resilience of our community and business sectors to varying lake levels and generate increased economic return from Lake Eildon.

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<sup>3</sup> Lake Eildon Recreational Boating Facilities Improvement Plan, p.7

## Upstream matters

### Value of water retained

Tourism is the key economic driver in Mansfield Shire; generating 18.6% of employment, 19.6% of industry output and 52% of retail spend in a local economy generating \$823.1m.<sup>4</sup>

The vast tracts of public land – state forest, reserve, resort and Alpine National Park, when combined with our lakes and rivers, are at the heart of what makes us special and attractive to our visitors, residents, non resident ratepayers and the many visiting friends and relatives.

Mansfield is well known for its five high country fed rivers being Delatite, Howqua, Jamieson, Big and Goulburn. Lake Eildon is the jewel in the crown and with over 500 kilometres of shoreline it rates as one of Victoria's most popular holiday destinations for fishing, high speed boating, canoeing/kayaking, houseboats and personal watercraft.

According to the Boating Industry of Australia, 50% of recreational boating is on inland waterways and in Victoria, Lake Eildon is the most popular inland waterway for recreational boating.

“The boating industry represents an industry worth \$ 4 Billion to the economy. And provides over 17,700 FTE jobs”

Lake Eildon is the key destination driver for summer visitation in Mansfield Shire according to our business surveys. The majority of community towns and settlements are based around the lake. The lifestyle living and tourism that underpins Mansfield Shire's economy is intrinsically linked to the lake and river system.

### Recommendations

Include tourism in the 'Jobs, economy and innovation' section in the discussion around key sectors that have the potential to drive longer term economic growth.<sup>5</sup>

Undertake a cost and benefit analysis relevant to the value of water retained in Lake Eildon, particularly as it relates to driving the tourism dollar and its associated multiplier effect.

Appropriately identify the considerable positive economic impact in region from water based tourism.

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<sup>4</sup> Regional Development Australia, Hume Economic Profile

<sup>5</sup> Water for Victoria Discussion Paper, p 133

## River health

The health of the upper catchment rivers in the Goulburn Broken are critical to the water quality entering Lake Eildon and subsequently sold downstream to competing end users. The health of the rivers is also critical to the environmental values and recreational activities so appreciated by residents and visitors.

### Recommendation

Provide clarification as to why none of the key feeder rivers to Lake Eildon are included as priority waterways in the Goulburn Broken regional waterways strategy.

## Hot spots and easy wins

Council applauds the stated desire to recognise the recreational values of water and appreciate that there can be shared outcomes for planned releases that can benefit recreational users.

On behalf of our community, Council is concerned if water is to be released from one recreational water source – being Lake Eildon, to fill ‘hot spots’ for ‘easy wins’ downstream. We believe both retaining and releasing water for recreational and tourism outcomes ought to be done in a way that rewards strategic planning for best outcomes.

Retaining water in Lake Eildon is a strategic way to formally allocate water for recreation in an efficient way with least loss of water. It would also support the considerable economic yield derived from established industry built around what is the state’s most significant inland recreational waterway.

Transporting water to shallow lakes downstream with the associated water loss from the system may fix a short term issue but it’s an expensive and inefficient use of a scarce resource.

“There is virtually no additional water that can be converted into entitlements for consumptive use in Victoria’s regulated surface water systems without going beyond sustainable diversion limits. As a result, the future creation of recreational water entitlements, such as that used to supply priority lakes in the Wimmera region, is unlikely to be possible. .... “Volumes of water required for recreational uses can be significant, which means purchasing water for recreational benefit is only viable at a very small number of sites.”<sup>6</sup>

### Recommendation

Retain water in Lake Eildon, as a critical headwater asset, to better support Victoria during periods of prolonged drought, while focusing investment attraction and facility improvement on an asset of state significance.

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<sup>6</sup> Water for Discussion Paper, p.102

## Timing of release

The timing of water released from Lake Eildon matters. It affects communities, businesses, recreational users and the environment, both upstream and down.

Council supports the government proposal to continue to extend shared benefits by requiring storage managers and water corporations to continue engaging and collaborating... along with the multiple uses of water and waterways (recreational values = tourism and economic development), to provide shared benefits when possible.<sup>7</sup>

Council recommends that the Victorian Environmental Water Holder (EWH) also delay environmental releases for recreational (economic) values over the course of a summer season, where it is possible to do so and still achieve environmental outcomes.

## Recommendation

Identify the importance of retaining water for recreational uses as late as possible over a summer season.  
Identify 'timing of releases for maximum shared benefit' as key criteria to be assessed by water managers and EWH.

## 5 litres is better than 1

Moving water around is expensive and it's wasteful when lost in relocation. Regardless, the cost to benefit case of moving water from storage to traditional source use is well documented and appropriately protected under the allocations and rights of water holders, as identified in the water plan.

What if though, as we focus on innovation under the regime of climate change; the water could be more efficiently used for agriculture upstream?

The government proposes to enable opportunities to redevelop irrigation districts and expand agriculture in areas where water is available and can be delivered within the capacity of the system.

And consistent with the multi shire Climate Smart Agricultural Development project, we are already doing the work to determine what crops will work well where in our region in a climate change affected future. The possibility of water utilisation high in the catchment would add another lens for business to consider in the practical outcomes of this study.

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<sup>7</sup> Water for Discussion Paper, p 44

Our agricultural sector is characterised by a small number of large livestock properties and seed and fodder farmers. But we also boast one of the largest hydroponic tomato growers in the state and increasingly our small lot farmers are building reputations across a diversity of product including free range pork, capers, truffles and garlic. The Mansfield Food Alliance is a collective of small producers who have applied, with Council support, for Food Source Victoria funding to develop a strategic growth plan with objectives including developing the value chain from paddock to international plate and increasing the quantity and variety of agricultural products grown.

“The sector must continue to pursue productivity improvements and innovative ways of sustainably generating more output and value from our land and water resources to remain competitive..... The government’s Regional Statement also supports more productive use of non-urban regional land.”<sup>8</sup>

Council recommends adding a proposed strategic direction to ‘ensuring viable investments in water infrastructure that will help realise the potential of the grid in a market driven economy to create and or sustain jobs in an era of water innovation’.

### **Recommendation**

Investigate ways to support the long-term viability of Victoria’s irrigation sector by supporting a feasibility study into the efficiencies to be gained by using water high in the catchment and at source for intensive horticulture – to provide information for new investors and support market forces for water.

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<sup>8</sup> Water for Victoria Discussion Paper, p 53

## Address the supply side

The Water for Victoria Discussion Paper focuses on the demand side of the water equation, without adequate consideration of increasing supply.

Clearly demand is growing; driven by an increasing population, competing interests and a climate change scenario that suggests increased temperatures, reduced rainfall but increasing storm events.

Council believes that the Discussion Paper ought to focus more attention on increasing the supply to complement the identified strategies such as increasing efficiencies in moving water and better capturing stormwater.

What are the opportunities to better recycle water? What are the implications for 'whole of system' planning when dealing with recycled water from sewage?

What is our groundwater resource? How quickly are we using it? Is our existing or proposed future use sustainable? What are the risks associated with using too much of this 'out of sight, out of mind' resource. Do we face a future of sink holes?

We note that "The government will investigate the potential for broader water trade within unregulated and groundwater systems."<sup>9</sup> We seek clarification as to this statement.

Are desalination plants at small 'fit for purpose' scale viable?

What is the benchmarking we have done against other climate and water challenged countries that have found incredible answers to extreme water supply questions?

## Dams

Is there a case for increasing our state's water storage capacity? Council notes that the recently released Federal budget identifies construction of dams as a priority for future capital works and has made significant funds available to support the initiative.

Currently Mt Buller Mt Stirling Alpine Resort Management Board, with Mansfield Shire Council's support, is seeking to construct a 100ML dam for potable water and snowmaking and have applied for funding to Round 3 of the National Stronger Regions Fund. The project is vital to support the continued growth of Mt Buller year round, consistent with its response to a climate change future, the need for required environmental summer flows in catchment and compliance with licencing conditions.

## Recommendation

Increase the focus within the water plan on increasing the supply of water, with due consideration for construction of new water storages.

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<sup>9</sup> Water for Discussion Paper, p127

## Roles, responsibilities and resourcing

Council recommends the Water Plan better clarify roles and responsibilities within the strategic directions throughout the Discussion Paper.

Council is critically aware of the limitations of its sector to absorb increasing responsibilities unless adequately resourced both for the life of any initiative or project. The introduction of rate capping brings added focus to the limits on what rate income can deliver for its communities.

In relation to 'Investing in improved drought resilience for rural communities', Council notes the following statement:

"The government is seeking regionally driven solutions to improve long-term water reliability in rural areas. In areas without access to reliable supplies, landholders should work with their local government in the first instance to understand their vulnerability to drought and climate change, their options for addressing it in the long term, and their willingness to contribute to capital and ongoing costs."<sup>10</sup> This statement requires clarification –it appears to be a new policy direction which is outside the current capability and capacity of local government.

In relation to our emergency water supply points, Council is keen to see increased rigour around supply sustainability and seeks to address the current inability for cost recovery associated with maintenance and running costs.

### Recommendation

Ensure the Water Plan clearly identifies the roles, responsibilities, resourcing and timeframes for the implementation of proposed strategic directions.

## Educate our water users

The best way to keep 'water' from being an emotion fuelled, short term and self-interest issue that has the potential to bring down governments or divide a community, is to educate people. Bring them along and share the information.

The success of the Water Plan, will at least in part be measured by its acceptance as a plan for a sustainable future for all. The Discussion Paper does not address the need to educate people, sectors, communities and businesses about the 'big picture' of our water.

### Recommendation

Produce and deliver a community education program, with key messages and facts around water supply and use.

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<sup>10</sup> Water for Victoria Discussion Paper, p 62

## Recommendations

- Identify collaboration models for replication and resourcing, such as Mansfield's Destination Sustainability program for key land and water managers, to improve shared outcomes across destination footprints.
- Provide in-principle support for the strategic actions identified within LERBFIP, that will substantially increase the resilience of our community and business sectors to varying lake levels and generate increased economic return from Lake Eildon.
- Include tourism in the 'Jobs, economy and innovation' section in the discussion around key sectors that have the potential to drive longer term economic growth.
- Undertake a cost and benefit analysis relevant to the value of water retained in Lake Eildon, particularly as it relates to driving the tourism dollar and its associated multiplier effect.
- Appropriately identify the considerable positive economic impact in region from water-based tourism.
- Provide clarification as to why none of the key feeder rivers to Lake Eildon are included as priority waterways in the Goulburn Broken regional waterways strategy.
- Retain water in Lake Eildon, as a critical headwater asset, to better support Victoria during periods of prolonged drought, while focusing investment attraction and facility improvement on an asset of state significance.
- Identify the importance of retaining water for recreational uses as late as possible over a summer season.
- Identify 'timing of releases for maximum shared benefit' as key criteria to be assessed by water managers and EWH.
- Investigate ways to support the long-term viability of Victoria's irrigation sector by supporting a feasibility study into the efficiencies to be gained by using water high in the catchment and at source for intensive horticulture – to provide information for new investors and support market forces for water.
- Increase the focus within the water plan on increasing the supply of water, with due consideration for construction of new water storages.
- Ensure the Water Plan clearly identifies the roles, responsibilities, resourcing and timeframes for the implementation of proposed strategic directions.
- Produce and deliver a community education program, with key messages and facts around water supply and use.

## Future Discussion

Thank you for the opportunity to comment on the Water for Victoria Discussion Paper.

Mansfield Shire Council values the opportunity to work with the State Government toward great outcomes for best capture, use and re-use of water as a critical resource for our social, economic and environmental health and sustainability.

Contact

Judy Dixon

[judy.dixon@mansfield.vic.gov.au](mailto:judy.dixon@mansfield.vic.gov.au)