

21 September 2012

The Hon Matthew Guy MP
Minister for Planning
Department of Planning and Community Development
GPO Box 2392
MELBOURNE VIC 3001

Dear Minister Guy

Re: Department of Planning and Community Development – Discussion Paper – July 2012 - VicWater response

Please find enclosed VicWater's comments on the Department of Planning and Community Development's (DPCD) Discussion Paper on Reforming Victoria's Planning Zones – July 2012. Our response represents the views of VicWater's Catchment Working Group (the Working Group). VicWater is aware that some of its members will be making separate submissions on specific issues as they relate to their business.

The Working Group endorses the Government's desire to move to a more responsive, contemporary and resilient planning system. However, in doing so, we want to emphasise the need for a planning system which continues to involve water corporations in relevant planning processes and decisions, and which operates to protect water quality, thereby protecting public health, particularly in relation to the quality of drinking water supplies.

It should be recognised that the planning process is the only opportunity for water corporations to influence the nature of development within their service areas. However, the consequences of planning decisions have a significant impact on a water corporation's operation and the cost of services to customers, primarily by increasing the treatment requirements to achieve safe drinking water.

The following points highlight the water industry's key areas of concern with DPCDs Discussion Paper:

- ◆ Changes to the minimum lot size provisions (i.e. reduction from 8 ha to 2 ha in the Rural Living Zone and allowing Council's to change the 40 ha minimum provision in the Farming Zone; also, removing or reducing lot size provisions in the Township Zone):

- This creates an expectation amongst landholders and developers that they have the ability to develop or subdivide land providing it meets the minimum lot size requirement. Adequate information must be provided to advise stakeholders that other requirements need to be addressed or satisfied when considering potential developments, not just the minimum lot size requirements. This includes catchment water quality provisions identified within the planning scheme.
- ◆ Removing restrictions to subdividing land:
 - There are concerns that removing restrictions to subdividing rural land would compromise the protection of water quality by leading to increased cumulative development. Water quality is compromised if changing land use and development accumulates risks due to:
 - Density of dwellings with on-site wastewater/septic tank treatment systems; or
 - Intensity of agricultural, commercial, industrial and other human activity which brings increased impacts of chemicals, nutrients, solids and pathogens including those contributed by stormwater runoff from impervious areas, roofs, paving and roads.
 - Removing these restrictions would also result in considerably increased challenges through VCAT.
- ◆ Impact of proposed changes in planning zones on the application of the Guidelines for *Planning permit applications in open, potable water supply catchment areas* (the Guidelines):
 - It is important that the planning requirements specified in the Guidelines take precedence over the changes highlighted for "improved rural zones". Further, this precedence needs to be made very clear to stakeholders to avoid conflict in interpretations.
- ◆ We also emphasise the importance of consultation with relevant water supply authorities (where changes impact on water supply catchments) as there may be consequences for water quality risk management, which may potentially adversely impact water supply system operations and maintenance activities.

On another note, we are aware of the change to the referral authority process specified in the *Planning and Environment Amendment (General) Bill 2012*, which underwent a second reading in the Victorian Legislative Assembly on Thursday 30 August 2012.

Specifically, the Industry has concerns with the proposed changes to the definitions specified under *Part 4 – Amendments relating to referral authorities*. As an industry, we want to ensure that this amendment would not have a negative impact on the ability of water corporations to participate in the planning process and that their status as a referral authority is retained. The current role of water corporations as referral authorities supports the protection of water quality necessary to safeguard public health.

VicWater and the Working Group acknowledge and appreciate the consultation process being undertaken by the DPCD and thank you for the opportunity to respond to the paper. Please feel free to contact me should you have any questions.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Tony Wright', with a long horizontal flourish extending to the right.

Tony Wright
Chief Executive Officer

CC: The Hon Peter Walsh, Minister for Water
The Hon David Davis, Minister for Health