

10 August 2016

Yarra River Protection Ministerial Advisory Committee (Yarra MAC)
Planning Policy Implementation
Department of Environment, Land, Water and Planning
Level 8, 8 Nicholson St
Melbourne 3000

Dear Yarra MAC

Re: Protecting the Yarra River Discussion Paper

Thank you for the opportunity to have input to the Protecting the Yarra River (Birrarung) Discussion Paper. VicWater is the peak body of the Victorian Water Industry with its membership constituted of Victoria's 19 statutory water corporations. Those corporations are responsible for the provision of urban water and wastewater services, rural water supply including irrigation and related drainage services (and waterway management, in the case of Melbourne Water). In addition, Goulburn Broken Catchment Management Authority (CMA) and the Victorian Environmental Water Holder hold associate membership status.

Although the Yarra River is directly relevant to only two VicWater members (Melbourne Water and Yarra Valley Water), all water corporations have a strong interest in catchment protection more broadly and the promotion of risk-based approaches to tackling pollution. These were important themes of the VicWater submission on the SEPP WoV Review Discussion Paper, Independent Inquiry into the EPA, Review of EPAs Scheduled Premises Regulations Discussion Paper (copies of which can be provided).

I understand that you met James Cleaver from VicWater earlier in August to discuss the Discussion Paper and that the following issues were raised:

- ◆ VicWater supports the content of the Discussion Paper, it provides thorough coverage of the issues and their historical context. It also directs the reader towards consideration of the most appropriate institutional arrangements to protect the Yarra from future risks and ideally allow the condition of the Yarra to be improved. VicWater used a framework of assessing institutional arrangements in the recent submission on the Water for Victoria Discussion Paper.
- ◆ The Discussion Paper highlights the complexity of existing arrangements and the multiple parties that are involved. These arrangements have led to significant

improvements in Yarra River water quality in recent decades (despite significant population growth), but may not be the best approach to meet future challenges.

- ◆ A particular challenge perceived by water corporations is the growing impact of diffuse sources of waterway pollution (including stormwater, unlicensed discharges and agriculture run off) and the diminishing relative impact of point sources (for example water corporations' wastewater assets), on overall waterway health in many catchments. Where this is the case, further investment in regulating point sources is a decreasingly economically efficient way to achieve environmental outcomes.
- ◆ Robust institutional arrangements to deal with diffuse sources of pollution would include clear roles, responsibilities and accountabilities for diffuse sources of pollution, and developing individual policy measures to target individual outcomes (the Tinbergen rule).
- ◆ A priority for the Yarra River Plan should be to identify risk-based tools that target the greatest sources of pollution in the catchment (be they diffuse or point source). During this process, the Yarra River Protection Plan should consider the applicability of the risk-based tools to catchment and waterway protection elsewhere in Victoria.
- ◆ With this in mind, VicWater welcomes the proposed whole of Yarra plan, Yarra Protection Act and Planning Scheme reforms as new instruments to drive greater protection and improved waterway outcomes. In particular, reforms to the Victoria Planning Provisions Clause 56 are likely to be an effective way to protect the Yarra River against future degradation (and consequently avoid future high cost remediation) as Melbourne grows and becomes more densely populated.
- ◆ VicWater supports the intent of new State Planning Policy Framework clause 12.05, which includes the phrase "*Ensuring development does not increase the rate or quantity of stormwater, sediment or other pollutants entering the river*". This clause could benefit from some subordinate guidelines to provide detail and clarity to requirements. The Guidelines for Development in Potable Water Supply Catchments provides an example of an effective subordinate instrument to an SPPF clause that creates a clear standard (the 1 in 40 rule) robust accountabilities including referral powers, and a risk-based path to more flexible implementations (the development of a Domestic Wastewater Management Plan).
- ◆ Another approach may be to license stormwater discharges. The United States EPA licensing regime, the National Pollutant Discharge Elimination System (NPDES) includes a permit category for managing stormwater.
- ◆ A new regime for managing stormwater discharges need not rush to prescribing interventions. Instead it should establish a management framework that ensures that the highest risks are targeted first. To that end, establishing a high quality data set of the most significant sources of pollution in the Yarra catchment would be an ideal starting point. It would also help ensure that any funding that is available is directed most efficiently and effectively, for example promoting water quality offsets rather than upgrades of water corporation infrastructure assets.
- ◆ There may be an opportunity for the Yarra Plan to reinforce the Government's Integrated Water Management (IWM) objectives as outlined in the recent Water for Victoria Discussion Paper. Many IWM projects have created new green spaces and

reduced waterway pollution in the Yarra catchment. The VicWater submission on the Water for Victoria Discussion Paper suggested that it is now timely to: (1) evaluate the costs and benefits of IWM projects that have been completed, (2) evaluate projects' financial arrangements, (3) review decision making processes and barriers to adoption of IWM, (4) identify opportunities to reduce future costs and enhance benefits, and (5) identify opportunities to streamline regulatory and approval processes. The Yarra River Plan could support this analysis to inform the framework to evaluate and prioritise future IWM opportunities.

VicWater welcomes further opportunities to work collaboratively with the Yarra MAC on the Yarra River Plan.

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