



1. Introduction

Council supports a whole-of-water cycle management (WWCM) approach and recognise the benefits it will bring to metropolitan Melbourne.

The framework should provide clarity to the water sector to assist in the transition to WWCM. However, the Framework does not provide sufficient clarity to stakeholders in key areas.

In summary, it is recommended that:

- a greater integration of whole-of-water-cycle management planning between local and Victorian Government authorities responsible for land-use planning be developed.
- greater clarity around roles and responsibilities is needed within the framework.
- greater clarity around financial and technical support is needed within the framework.
- continued consultation and collaboration between the Victorian Government and local governments is needed to transition to a streamlined whole-of-water-cycle approach.

2. Policy principles

Council supports many of the policy principles outlined in section 2.1. This includes maintaining Melbourne's liveability, maintaining high quality green spaces and reducing the urban heat island effect. Council also supports the principles of protecting public health, the development of diverse water sources, transparency and collaboration.

In principle, Council supports the development of an Investment Lifecycle Guideline (ILG) Water Supplement as outlined in section 2.15. However, this is likely to have a significant impact on which multi-agency projects are funded, including partnership projects between City West Water, Melbourne Water and Council. Consequently, Council requests that local governments be consulted during the development of the ILG water supplement and provided with the opportunity to review and provide feedback on the proposed ILG Water Supplement.

In principle, Council supports a polluter pays approach to the remediation and prevention of pollution as outlined in section 2.1.17. It is noted however, that further work needs to be undertaken to determine the most effective way to achieve this. Water Sensitive Urban Design elements that Council builds and maintains protects Melbourne Water assets. It is suggested that there is a case for including funding through the drainage charge for the ongoing construction and maintenance of these assets. This is analogous to the methodology for allocating funds from prosecutions to communities where the pollution occurred that is used by Environment Protection

Authority Victoria. These issues need to be further explored and consultation undertaken with appropriate government bodies and agencies to develop an effective process.

It is suggested that reference to local government be included in section 2.1.13 regarding collaboration. Continued and increased collaboration and cooperation between water authorities and other sectors of the water industry, including local governments, combined with a strong commitment to whole-of-water-cycle management is an effective approach.

3. Pricing principles

Council supports, in principle, the key considerations identified in section 2.3 including; intergenerational equity, the principle of postage stamp pricing and cross sectoral equity in the allocation of costs and benefits. It is noted however, that further work is needed to determine how cross sectoral equity in the allocation of costs and benefits is best achieved. Reducing the urban heat island effect will directly benefit the health sector by reducing demand on medical services in extreme heat; however councils will be one of the key players in managing this risk through the strategic use of water, placement and choice of street trees. Neither councils nor the health sector is well placed to absorb additional costs. Capacity to pay and capacity to generate funds needs to be incorporated into the principles of cross sectoral equity.

Council supports the development of mechanisms to apply funding raised by individual agencies to cross agency projects as identified in section 2.3.1. Greatest benefit would be achieved if this were to apply to both the capital and operational costs associated with projects. This would ensure that the operational cost of a project did not prohibit the project from progressing. The current arrangement between City West Water and Hobsons Bay to harvest stormwater from Laverton and Paisley Parks is an example of an effective model.

4. Roles and responsibilities

Clarity is requested about the roles and responsibilities of all stakeholders to enable the transition to WWCM. This includes the roles and responsibilities of the Victorian Government, water businesses, the many departments and agencies that are directly or indirectly involved in WWCM and local governments.

Section 3.1 of the framework recognises that roles and responsibilities will need to change to facilitate the new approach. However it does not identify who will decide on the new allocation of roles and responsibilities. Councils are representative bodies democratically elected to manage local issues and to establish and plan for their local community's needs. Consequently local governments need to be a key player in the negotiations on the allocation of roles and responsibilities. This should be reflected in the framework.

Due to the high level of general support for the transition to a whole-of-water-cycle management approach stakeholders are currently using a learning-by-action approach. Council agrees that a learning-by-action approach, as identified in section 2.3.1, has the potential to increase the industry's understanding of how the allocation and sharing of costs, risks and benefits can be achieved effectively. However, section 4 discusses the development of regional Key Performance Indicators (KPI's) which will inform the KPI's for sub-regional and local plans. It is of concern that the final Framework's KPI's will be set in the absence of the agreed allocation and sharing of costs, risks and benefits. The final Framework should explain the interconnectedness of these two issues and how one might be approached in the absence of the other.

Failure to come to a collaborative agreement on the allocation of costs, risks and benefits prior to the allocation of actions and KPI's will result in a loose approach to governance and accountability. Without this clarity there will be no assurance that each party will pursue particular projects, or that there will be an adequate allocation of ongoing funding and resources to achieve the desired outcomes.

A whole-of-water cycle management approach will require multiple levels of governments to work together in a collaborative manner. Therefore the allocation of costs risks and benefits should not and cannot be decided by a single level of government.

The Framework recognises that roles and responsibilities will need to change to facilitate the new approach, as identified in section 3.1. However it does not say who will decide on the new allocation of roles and responsibilities. Councils are representative bodies democratically elected to manage local issues and to establish and plan for their local communities' needs. Consequently local governments need to be a key player in the negotiations on the allocation of roles and responsibilities. This should be reflected in the framework.

5. Local and Sub-regional Plans

Council supports a coherent, consistent approach to water and land use planning and renewal as identified in section 7.1 of the Framework. Consequently Council supports the alignment of the boundaries for subregional plans with those identified in Plan Melbourne 2014, with the necessary variations for catchments. Council also agrees that different regions will need different targets due to different catchment conditions, as identified in section 4.3.

Sections 8.1 – 8.10 of the Framework further articulate the role of local whole-of-water cycle management plans, their purpose, benefits, potential support for development and implementation of such plans and the governance arrangements pertaining to them. Whilst this is very useful, some elements of these sections may be misinterpreted as follows:

- that the proposed local WWCM plans will require councils to commit to a list of actions to achieve Victorian Government objectives. It is understood, that local plans will be an agreement between all relevant authorities detailing how each of them will work together to achieve the subregional plans on a local level. In addition, that while these plans will set appropriate goals, targets and actions local government will have autonomy over implementation of these actions.
- that the Victorian Government will have the final say over all actions regardless of whether they are state or local WWCM actions. As noted above, for both local and subregional plans to be effective there must be signoff by each of the governing bodies associated with the plans and that local government will have autonomy over implementation of these actions.
- that the WWCM documents and strategies will be prepared and implemented in parallel, when in fact many rely on guidance from other documents and often include an overlap of findings within each document.

The acknowledgement of local councils' work in the implementation of WWCM is appreciated (section 8.9). However, many councils have also developed local integrated water management strategies and have had close involvement in the preparation of whole-of-water cycle assessments (WOWCA) for new Precinct Structure Plan (PSP) areas - often in close collaboration with water authorities and at considerable cost and time commitment. It is unclear how, or if, it has been considered how these plans could be reviewed to incorporate any additional WWCM objectives or activities or their ongoing status regarding funding and support.

It is recommended that some clarification about the above issues be provided.

6. Financial and technical support

Commitments about financial support are currently unclear. It is agreed that "for whole-of-water-cycle management to be effective, mechanisms need to be developed to apply funding raised by individual agencies to cross-agency projects" (2.3.1). This is inconsistent with section 8.4 which suggests that the only funding available will be the current Living Victoria funding. Financial support, whether it be a joint partnership such as that which exists between City West Water and Council on their stormwater harvesting sites or other forms of support including grants, must be made available if local governments are to partner with state agencies in the water sector to make whole-of-water-cycle management a reality.

Local governments also need a commitment that technical assistance and tools, skills development, human resources will be contributed to assist them in whole-of-water-cycle management on an ongoing basis.

7. Embedding within the state system

Section 8 makes a number of references to local government's role on WWCM including embedding WWCM in Council strategy and policy, Councils' Municipal Strategic Statements, Council Plans and Council Health and Wellbeing Plans. The Framework does not include equal reference to the embedding of WWCM outcomes into the policies and strategies of water businesses and the many departments, including the Department of Transport Planning and Local Infrastructure, that are directly or indirectly involved in WWCM.

This is particularly relevant to include within amendments to the Victoria Planning Provisions as clearly articulated in the Living Melbourne, Living Victoria policy (February 2012). In particular, the Victorian Government is urged to fulfil Reform Element 1 of this policy.

Local governments cannot achieve WWCM in isolation. To achieve WWCM outcomes requires an equal commitment from all relevant stakeholders. Council would like to see this more clearly reflected in the Framework.

8. A changing climate

The Framework identifies a number of factors that need to be incorporated into subregional and local plans. There is support for flooding risk being incorporated into and considered in each level of planning. However it is recommended that this be broadened to incorporate risks from a changing climate including; changed frequency and intensity of rainfall events as well as sea level rise.

9. Concluding remarks

Council supports the continued transition to a whole-of-water-cycle management approach within all sectors of the water industry. No one organisation can achieve this outcome on its own. It can only be achieved through a clear and collaborative commitment from all organisations and levels of government that both directly and indirectly influence the sector. Significant work still needs to be undertaken to enable a whole-of-water cycle management approach to be achieved.