



**Development of a new Victorian
Waterway Management Strategy -
Discussion Starter paper**

Submission

September 2023

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The MAV is the statutory peak body for local government in Victoria. While this paper aims to broadly reflect the views of local government in Victoria, it does not purport to reflect the exact views of individual councils.

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1 Executive summary

The MAV welcomes this opportunity to provide early insights on what the next Victorian Waterway Management Strategy (“the Strategy”) ideally needs to achieve over the short to medium term ahead. The current Strategy has proven influential in driving significant change over the 10 years since it was initiated in 2013. We hope that the next iteration will similarly enable and support healthier waterways which generate multiple benefits for the community, environment and economic prosperity of the state.

From a local government perspective, the issues we recommend being explored in the next Strategy include:

- Funded and practical implementation programs. In recent years the volume and extent of policy changes impacting councils has been extensive in seeking to drive improvements for waterway health, including land-use planning rules and significant new approaches for environment protection. Capacity building and seed-funding support needs to be provisioned to embed these across the state and minimise areas of disadvantage
- Anticipated high volume of new residential dwellings being approved at fast pace to mitigate housing affordability issues, and their expected significant impact for the built environment and maintenance of biodiversity in metropolitan Melbourne, regional cities and large towns
- Understanding the impact on councils of an increased water landscape approach to managing flooding. Renewed attention will be required on the regulatory and liability frameworks for councils, as managers of public land likely to be relied on, to ensure they are fit for purpose
- The role of waterways in generating greening and cooling of urban centres to support community health and wellbeing
- Clarity regarding connection and integration with the Victorian Floodplain Management Strategy, particularly on regional planning and flood mitigation infrastructure.

Consideration also needs to be given to how to involve local government in the preparation in the draft Strategy ahead of it being released for public consultation in 2024. Councils are a unique stakeholder with both statutory and public infrastructure manager roles critical to the achievement of healthier waterways. We suggest that involving MAV and council representatives prior to the release of the discussion paper would assist test priority inclusions, missing and/or other refinements.

A no-surprises approach regarding First Nations people’s aspirations for waterways will also assist their constructive consideration through the public consultation process.

There is much more detail and issues to work through relating to local government than has been possible to canvas in this submission. We would welcome being involved through this next phase of the Strategy’s development to provide further insights and test proposals.

2 Introduction

The Municipal Association of Victoria is the peak representative and advocacy body for Victoria's 79 councils. The MAV was formed in 1879 and the *Municipal Association Act* 1907 appointed the MAV the official voice of local government in Victoria.

Councils are an important stakeholder impacting the management of waterways throughout Victoria through their role as responsible planning authorities and regulators of onsite wastewater systems, managers of urban stormwater drainage and infrastructure, users of integrated water systems, land managers, emergency management bodies, and supporters of community groups.

The MAV's recent submissions provide a useful reference for outstanding issues requiring consideration in state policy reform agendas:

- [Victorian Parliamentary Inquiry into the October 2022 Flood Event in Victoria](#)
- [State Environment Protection Policy \(Waters\) Saved Clauses RIS](#)

3 Recommendations

We support the outlined direction of the new Strategy as outlined in the Discussion Starter document, in particular that the Strategy will:

- have a continued focus on the health of Victoria's waterways, including how we will adapt to climate change
- increase Traditional Owner decision-making in waterway management
- support communities to connect with and take care of waterways, promoting stewardship
- guide the development of regional waterway strategies, which are required under the *Water Act 1989*.

In addition, we recommend a fifth dot-point is required to respond to the rapidly densifying urban landscape to accommodate projected population increases, continued fast pace of new residential dwellings and their expected significant impact for the built environment in metropolitan Melbourne, regional cities and large towns.

Setting the scope and implementation plan for the strategy is important – there is much to be done, but the economic outlook and global uncertainty accompanied by constrained resources on all agencies is going to require careful prioritisation.

Set out in the following sections are further details regarding issues to be explored under the two themes being consulted on in the Discussion Starter document.

3.1 Healthy waterways in a changing climate

Councils have a significant interest in waterways and surrounding lands as local representatives of their communities, and the role they play in supporting local recreation, water sources, biodiversity and economic purposes. Although they are not waterway managers identified in the Water Act, councils' role in managing public urban stormwater infrastructure and regulating private land-use development means they have a direct impact on the volume and quality of stormwater runoff entering waterways.

The regulatory framework for flood risk management, so important to protecting healthy waterways, is complex however, with a myriad of agency, landowner and varying capacities within the community to manage influencing runoff and use of waterways.

The recommendations from the Victorian Parliament's Legislative Council Environment and Planning Committee and the Victorian Government's response (due in 2024) will also need to be considered, with an implementation provisioned for inclusion in the new Strategy.

Alignment of the new Strategy with the Victorian Floodplain Management Strategy

As stated in the MAV's submission to the Parliamentary Inquiry, the MAV understands that councils were involved in the development of regional floodplain management strategies, which sit under the VFMS. However, feedback from the sector indicates councils are not confident in their capacity to implement relevant parts of the strategies, including mapping, planning scheme amendments and flood mitigation infrastructure.

Action 17b in the VFMS is also yet to be completed to the sector's satisfaction. This action acknowledged the need for the Water Act 1989 to be amended to clarify and simplify the liability and assurance arrangements for councils that construct or maintain flood mitigation infrastructure through the implementation of Water Management Schemes. Despite subsequent analysis and review, the Victorian Government has not proceeded with this much-needed amendment.

Retaining the current liability status quo will continue to limit the extent to which councils agree to be involved in water management schemes and provision of flood-mitigation infrastructure.

Land-use planning reform

The [*Climate Change and Planning in Victoria: Ensuring Victoria's planning system effectively tackles climate change*](#) report includes a number of recommendations which indicate a program of work which would assist achievement of the aims of the new Strategy. Pertinent recommendations are set out in the MAV's submission to the Parliamentary Inquiry into the 2022 flood event in Victoria illustrate the nature of changes necessary to ensure new developments have regard for different climate conditions.

A consistent state-wide planning approach to flood and coastal inundation is necessary, similar to the current bushfire arrangements. This would involve the Minister for Planning being responsible for implementing best-available flood and inundation data into planning schemes. This must be supported by ongoing review, the provision of clear policy direction, updating of state-wide flood,

inundation and sea-level rise benchmarks and updating of overlays and planning provisions to ensure development is appropriate to current and future risk.

If not undertaken sooner, the Strategy should again review Catchment Management Authorities (CMAs) being ‘determining referral authorities’ under Section 55 of the Planning and Environment Act and in all planning schemes.

Consideration also needs to be given to whether the planning system is sufficient to regulate urban stormwater infrastructure on private property. Although planning permits can include conditions for how stormwater will be managed in new developments, these only apply where planning permits are required. Councils also do not have the capacity or expertise to continue to monitor and enforce conditions on many thousands of properties over extended periods of time. The collective actions of many individual landowners can make a meaningful difference to waterway health – more can be done to harness the actions of many.

Emerging water landscapes approach

The 2022 floods highlighted the urgent need to reform Victoria’s planning system to direct development away from flood-prone areas. The current approach to implementing flood studies through the planning scheme amendment process on a town-by-town, council-by-council basis results in inconsistent and often substandard outcomes. There is already precedent for the State taking a data-driven, state-wide approach to hazard planning. The Victorian Government applies bushfire risk to all Victorian planning schemes through an internal and streamlined mapping, planning control and policy update process. The same approach should be applied to planning for other hazards, including flooding and coastal inundation.

Councils located in the Murray Darling Basin area will also need to be closely involved in discussions regarding water entitlements and the impact on local communities arising from national discussions.

Public urban stormwater infrastructure

Effective stormwater management is a key mechanism to manage and prevent adverse impacts arising from heavy rainfall in urban areas on waterways. Local government is a key player in this regard, with councils across the state involved in the provision of public urban stormwater infrastructure in cities and towns through enabling authorisations contained in clauses retained in the Local Government Act 1989. These drainage provisions in the ‘old’ Act continue to operate alongside the newer Local Government Act 2020.

Capacity to deliver public urban stormwater infrastructure and services varies across the state however, depending on the capacity and expertise within individual councils, and the extent to which flood risks pose threats in particular locations. No funding sources are available to councils to manage these responsibilities. Rate-capping and communities’ limited capacity to pay continues to constrain what councils can achieve, renew and improve in many parts of the state.

Reform is underway to better define the delineation of responsibilities between Melbourne Water and the 38 councils in the Port Phillip and Westernport region. The complexity of arrangements which have arisen over the last 90 years and the future urban renewal challenges ahead does mean this reform project will need to be acknowledged and continued during the life of the next Strategy.

A dedicated investment program should also ideally be included in the next Strategy to achieve equity not only across metropolitan Melbourne, but also in regional cities and other towns experiencing densification. Increasing the resilience of infrastructure, proactive assessments of assets in areas identified prone to climate-related disasters would allow councils to consider, plan and implement solutions prior to emergency events occurring. They would also significantly aid improvement of waterway health through improved management of urban stormwater runoff.

Increasing water supply through recycling and stormwater harvesting

We recommend local government being included in discussions and program initiatives examining how urban stormwater runoff collected through council infrastructure can be recycled and/or harvested for public uses. Work is underway through initiatives in the Central and Gippsland Region Sustainable Water Strategy. We suggest that this topic also be flagged in the state-wide Strategy.

Onsite wastewater management

The capacity of councils to deliver ongoing inspections of onsite wastewater systems under 50 litres capacity per day poses risks to groundwater systems and waterways where these are nearby. Currently councils do not have powers to charge landowners for the full costs involved in monitoring and enforcing the conditions associated installation permits. They are also expected to deliver on onsite wastewater management plans from within existing rate-capped budgets. By contrast, water authorities do have dedicated funding sources to deliver their functions.

Until this regulatory gap is examined, onsite wastewater systems will continue to pose serious risks to pollution of waterways and groundwater systems.

3.2 Community connection to water landscapes

As acknowledged in the Discussion Starter document, waterways are highly valued for communities. They are also very important for their role in support healthier local environments which encourage active living, maintain biodiversity as well as deliver local economic development and employment opportunities. VicHealth's research [How your postcode predicts your health and life expectancy](#) highlights the importance for the initiatives and activities to be undertaken in the new Strategy being aimed at creating healthier environments for use by people. We support the intent for communities to be encouraged to be more involved in their care and management. The benefits will be significant in reducing chronic disease and enhancing community health, wellbeing and local connection. As well as being good for communities, this approach also generates considerable savings from avoided health costs and associated pain and suffering from chronic illness.

We recommend that the value of waterways to health and wellbeing be acknowledged in the new Strategy.

3.3 Additional topic - rapidly densifying urban landscapes

At the time this submission was being prepared, significant housing and planning statements are expected to be released outlining changes to planning laws and processes to enable fast-tracking of approvals for residential development at scale to respond to the current housing affordability crisis. Increased population expectations and continued consumer preferences for urban living present significant challenges and pressures for waterways flowing through urban centres.

Infrastructure Victoria's [Our Home Choices report](#) also endorsed medium density being encouraged in locations close to existing infrastructure. In many cases, however, these existing areas also have old drainage systems which will need to be upgraded to accommodate significant numbers of new dwellings. Socialising innovative approaches to dense urban living would be a very useful program to support in the new Strategy.

These issues will continue to be playing out in the early phases of the next Strategy, with considerable work likely to be required across the water sector and local government agencies to ensure public infrastructure will be able to manage the associated increased water supply, sewerage and urban stormwater runoff that will be generated from these developments.

The expected increase in impervious (sealed) surfaces across urban precincts and loss of green canopy from private land is also of considerable concern and will require dedicated attention to design and innovation. In 2018, a DELWP (now DEECA) [report](#) found that that if this urban growth is accommodated in the same way it has been until now, by 2051 the total area of impervious surfaces in Melbourne would increase by around 43% and stormwater runoff would increase by almost 50%.

In addition, as referenced above, many more people will be relying on waterways and their surrounds for recreation, with the associated impacts and need for new public infrastructure such as walking and cycling trails and footpaths.

Urban greening and cooling

Higher numbers of people in urban locations will be relying on waterways and their surrounding areas for recreational and travel purposes (walking and bike-riding). Innovations regarding the role of waterways and surrounding land for public green spaces will be vital. In rural and regional locations, visitor destination to waterways continue to be important in driving local employment.

Failure to factor in the need for infrastructure renewal at scale risks leaving metropolitan Melbourne and regional cities without the necessary drainage and urban stormwater infrastructure to manage increased impervious surfaces and loss of private green space that will arise from increased densification. Yet urban greening and cooling are vital to mitigating heatwaves through periods of high temperatures and drought, and mitigating floods at times of intense storm events.

A number of councils have undertaken innovative projects to examine heat island effects and initiate greening programs across their municipalities. Including these in the program of work in the new Strategy would assist in sharing and building on these innovations.