Demands from a growing population

Continued reliance on reliable water supplies - agriculture, industry, tourism, recreation, etc

Increasingly stressed natural environment

Eighth year of drought

Climate change predictions - less rain and higher temperatures

*Message is clear - we need to find smarter ways to use & manage our water supply*
Outcomes of White Paper

The White Paper is a plan of action to secure water for homes, farms, businesses and the environment for the next 50 years.

Six priority areas:

- Improved Water Allocation Framework
- Restoring Rivers and Aquifers
- Smarter Use of Irrigation Water
- Smarter Use of Urban Water
- Pricing for Sustainability
- Innovative & Accountable Water Sector
Water allocation system

Victoria's Water

**Tier 1**
Rights held by Crown
- Surface water, groundwater, stormwater, and recycled water

**Tier 2**
- Rights granted to the environment & authorities
- Water for non-consumptive uses
- Caps
- Caps and bulk allocations for consumptive use - includes benefits for tourism, recreation, and other values
- Environmental water reserve - includes benefits for tourism, recreation, and other values

**Tier 3**
Individual rights
- Licenses - surface water, ground water
- Irrigation - water rights, new water product
- Supplies by agreement
- Supplies to urban customers
- Private rights - leasehold, riparian
Water allocation system

Amend legislation to establish environmental water reserve

Victoria's Water

Tier 1
Rights held by Crown

Tier 2
- Rights granted to the environment & authorities
- Water for non-consumptive uses
- Caps

Environmental water reserve - includes benefits for tourism, recreation, and other values

Tier 3
Individual rights

Licenses
- surface water
- ground water

Irrigation
- water rights
- new water product

Supplies by agreement

Supplies to urban customers

Private rights
- rainfall
- riparian
Create a new lower reliability water entitlement
Planning for the future

State Water Inventory

• high level picture of State’s water resources
• identify emerging pressures and trends
• updated every 4 years
• initial inventory early 2005
Planning for the future

State Water Inventory
- high level picture of State’s water resources
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Regional sustainable water strategies
Set priorities and directions for -
- managing changes in the demand for urban, irrigation, environmental and other uses
- investment in water supply systems across traditional boundaries
- investment in major infrastructure for alternative sources to replace potable water use
- water management plans
- vary the environmental water reserve
Planning for the future

State Water Inventory
- high level picture of State's water resources
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Regional sustainable water strategies
Set priorities and directions for -
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5 Strategies
- Central region to start in 2004
- Wimmera/Glenelg subject to pipeline funding
- Northern Victoria linked to completion of the Living Murray’s First Step
- Gippsland and South West regions to start 2006.
Stability and adaptability

Statutory water resource assessment
12th year of each 15 year period

Decline in resource base due to climate change or bushfire?

or

Decline in river health?

Open consultative review
recommend corrective actions

Government investment
preferred for most situations

Reserve Powers
not less than 15 years between changes
Compliance and accountability

**Improved metering**
- all significant uses to be metered
- new water uses pay full cost
- Government will fund RWAs equivalent to $400 per meter

**Improved compliance**
- all water users must comply with entitlements
- RWAs required to enforce licence conditions
- exceptional circumstances considered

**State water accounts & water inventory**

**Register of entitlements**
- water rights, licences bulk entitlements
- tracks water trades
- publicly access

**Improve monitoring**
- quality and quantity
- environmental condition of rivers
- second benchmarking river condition
- upgrade State’s groundwater bores ($13mill. over 4 years)
Managing risk - climate change

- 3 year climate research program
- Improve understanding of climate variability vs climate change
- Develop triggers to say there has been a long term change to the resource base due to climate change
Impacts of land use

Private forestry plantations

• undertake statewide assessment of impact on water resources
• develop tools to account for the impact
• open processes, involving stakeholders
• recognising other benefits and costs of plantations
• Rory’s maps, graph of relative impacts of different land-use types
Restoring Our Rivers and Aquifers
Tackling all aspects of river health

- Environmental Water Reserve - to provide legal rights for the environment’s share of water
- Recognising rights of existing consumptive entitlement holders
- Establish CMA’s as the caretakers of river health
- Invest $100 million/4 years in protecting and repairing rivers
- Supported by River Health Strategy
Fixing stressed rivers -

**general approach**

In priority **regulated rivers** water will be recovered through:

- Investment in distribution savings
- Water recycling, reuse & demand management
- Changes in system management
- Reconfiguring irrigation services
- Purchasing water from willing sellers
- Enabling donations

In priority **unregulated rivers and aquifers** management plans will be developed and sustainable environmental water reserves implemented within 10 years.
The Government will improve flows for the Murray and Snowy Rivers by recovering:

- **145 gigalitres from the ‘sales package’**.
  - 120 gigalitres of low reliability water
  - 25 gigalitres of high reliability water to be used to improve flows in the River Murray and its tributaries including the Goulburn, Broken, Campaspe and Loddon rivers.

- **44 gigalitres from decommissioning Lake Mokoan**.

To be shared between the Snowy (~20 Gls) and the Murray rivers (~24 Gls)
Develop & implement Stream Flow Management Plans, including co-investment with farmers to move to winter-fill dams (21 priority rivers)
Smarter use of Irrigation Water
Irrigation Initiatives

• Refining entitlements to improve choice

• Upgrading / rationalising distribution

• Certainty on ‘sales’ water

• Minimising side-effects of watering
Refining entitlements to improve choice

The Government will unbundle water entitlements:
- share of available water
- share of delivery capacity
- licence to use water on a site

Address concerns re water barons
- 10% limit on total water held by non-users in a supply system
Certainty on ‘sales’ water

For regulated surface water systems in northern Vic (initially):

• make ‘sales’ water into separate, legally-recognised, independently-tradeable entitlements

• give the new ‘sales’ rights (& licences) perpetual tenure, as shares of water available for consumption

• provide 145 GL to River Murray and tributaries via
  – 20 per cent of the new ‘sales’ rights (120 GL)
  – 25 GL savings from $50 m for reconfiguration

• provide transitional assistance
Minimising side-effects of watering

• Harm from existing irrigation can be large
• Tradeable pollution permits possible in future
• Water-use licences
  - at outset, no change (just deemed)
  - standards can be lifted, via land and water management plans
The Government will help rural authorities to upgrade & rationalise their distribution systems

- Some channels not viable, need closing
- Need to balance individual rights & wider good
- Infrastructure reconfiguration plans
- Look at all options, e.g. remaining users paying more
- Closure by agreement if possible, or fair compensation
- D&S rights in districts: tradeable / merged
Pricing for Sustainability
The environmental contribution involves

- From 1 October 2004, Government will require metro and regional urban water authorities to pay an environmental contribution.
- Environmental contribution equal to 5% of urban authorities existing revenues.
- Rural water authorities to pay contribution from 1 July 2005, equal to 2% of revenues (GMW to start payment in 2007).
- First 4 year funding period, around $225 million generated.
Securing Our Water Future Together

Government’s White Paper on Water