

Transcripts from the meeting

“The Way Forward with the
Lower Goulburn FloodPlain
Rehabilitation Project”

held April 6, 2004
GBCMA Offices, Welsford Street,
Shepparton

Note: This transcript was taken from a recording of the meeting. Each speaker has had the opportunity to review and amend the transcript. It is not a verbatim report of what was said in the meeting; rather, it is an accurate representation of speeches and statements devoid of redundancies, obvious grammatical errors, slips of the tongue and factual errors.

The Way Forward
with the Lower Goulburn FloodPlain Rehabilitation
Meeting held April 6, 2004
at the GBCMA Offices, Welsford Street, Shepparton

Chairman

Good morning Ladies and Gentlemen. Its all pretty official with these microphones around the room. We don't often have that. I would just like to welcome everybody here today and I think it is a really important day for all of us and particularly for everybody who lives in the community in the Lower Goulburn Floodplain. This is a meeting of the Board of the Goulburn Broken Catchment Management Authority and so normal meeting procedure rules will apply.

The purpose of this meeting is for the Authority to seek the views of major stakeholders and what should happen after the Monash study. It is some time since the Authority had its public consultation and we would remind people to project forward and not reflect on what has happened in the past. All comments are being recorded and will be made public by the Authority's website. Chris Cocklin from the Monash team was invited to attend but has declined that invitation and we do have several apologies for today particularly from our Board. John Pettigrew, John is in New Zealand at the moment. Lyn Gunter, Brian Thompson, Mick Williams, Charles Jones and Stephen Junghenn and there are some people in the room today who will be just observing or part of the Board and perhaps we should just welcome those people as well. Russell Pell who is the Chair of the Shepparton Irrigation Region Implementation Committee, Ken Sampson, the Executive Officer of that Implementation Region and Mark Lawler from Goulburn Murray Water and the Directors of the Goulburn Broken Catchment Management Authority who are here, Cathie Scott who is the Deputy Chair of the Authority, Craig Madden, Yvonne Davies and Ailsa Fox. Have we missed anybody? Kevin Ritchie is coming I understand. We have Bill O'Kane, the CEO of our Catchment Management Authority and Guy Tierney who is the Floodplain Manager of the Catchment Management Authority. And we would also just like to welcome the people who are going to do the presentations today on behalf of the stakeholders or the communities that they represent, Dr Sharman Stone who is the Federal Member for Murray, Bill Baxter who is the Member for North East Province, Councillor Anne McCamish, the Mayor of the City of Greater Shepparton with Peter Harriet who is ... What is your title Peter? Director of Infrastructure. We have Gavin Cator who is the CEO of the Shire of Moira and Neil Repacholi who is the Mayor of the Shire of Campaspe. Welcome Neil. John Dixon. John you are representing the Loch Garry Water Service Committee. McKenzie Craig will be here soon, I assume. Doug Robinson is from the GV Environment Group will be coming. Darren Nabbs from Goulburn Murray Water will also be coming and we have John Lyle here who is a landholder representing the views of SIRIC. Is that right?

John Lyle

No, landholders on the south side

Chairman

On the south side, okay so welcome John. So I will just make a few comments before we start and hand over to Sharman. The model of the Lower Goulburn is now calibrated and the Authority has resolved to a design standard of a 35 year average rainfall incidence. The disastrous 1993 event was less than a 1 in 30 year average recurrence. The Department of Sustainability and Environment has had a

meeting with the Monash International, the Authority's consultants and a CMA to resolve the issue of benefit costs. The Monash International view that they were overstated is incorrect. The major omissions were in fact included. Ian Wills did not request the detailed workings relying on the public reports which were not explicit in this matter. The modelling demonstrates a positive impact in flooding in the Barmah/Milawa wetlands in events around the 10 year ARI which diminishes as the severity of the event increases. Further modelling of the Murray downstream of Tocumwal is required to quantify this. There you go Anne it has come. Loch Garry does not perform to design standards and this will be a major issue for Goulburn Murray Water if the structure is to be refurbished. Where to from here? The Authority has been requested to come back to Government by October with a response to the Monash report. So I think that is just a few points that we needed to have on the record before we started and Sharman I might hand over to you if you would like to present your opinions and where you think we should go from here.

Dr Sharman Stone I didn't realise you wanted each of us to bring something formal so I haven't prepared anything. That wasn't my understanding. I believed we were to have a discussion. I think also maybe you notified us but I didn't take it on that our comments are all to be recorded and made public. If this was Parliament before that occurred in any sort of get together you would ask the locals if that is what they wanted to do because it can be a very inhibiting activity. So I just raise that if people are happy for anything that they want to discuss right now to be on the record so be it but it would have been perhaps a useful sort of thing if you had said "well do you think this is a good idea at this stage?"

Chairman Bill can you just explain that for us please. I was under the understanding that that was what occurred.

Bill Baxter Yes that was very explicit in the letter. I will get a copy of the letter.

Dr Sharman Stone Right well that didn't register with me.

Chairman There's a copy there Bill.

Dr Sharman Stone So let me explain what I think is important for us to do. I think there needs to be an agreement in the very first instance on what the problem is that we are all trying to pursue. That's from the perspective of all of the stakeholders from the local councils, COGS, Moira and Campaspe, from the actual landowner stakeholders, from those who have specific environmental interests and obviously those often coincide, from Goulburn Murray Water and from the CMA and from any other State agency that is particularly concerned. What is the problem? What exactly is top of mind for them? Is it Loch Garry's performance? Is it the recurrent ratepayer contribution and weighting or differentiation between what different ratepayers pay and the benefits they get from the current flood protection regime? Is the key issue flooding itself? Is the issue water quality in the Goulburn or gouging which effects water quality? Is that the key issue? How does this issue fit in with the other current regimes that we have in place? For example the Living Murray and the National Water Initiative. So we need to put on the table an agreement about what the problem is. Then having defined together and agreed on what the problem is we need to say "well how does that fit, in terms of priorities with other issues in the Goulburn Broken Catchment?" Because there are a lot of priorities right now. There are funds all over the place

to do different sorts of works but what are the priorities. The CMA and Goulburn Murray, stakeholders and others need to agree on the priority of the Lower Goulburn floods issue. For example, is it number 1 priority, or number 2 or number 7. That prioritisation is going to determine to a very large extent how much resource different agencies put into this particular issue". And then I would make sure that there was a comprehensive stakeholder engagement with a fully worked through consultation process which took up the problem as agreed. The terms of reference for the project need to be all agreed up front, with time frames, and then you really work the whole show through. We have this long standing issue that has had numerous visits over the years by different consultants, and different agencies. There has been confusion between agencies as to who is actually responsible for what. Who in fact is the lead agent in this show or who has the major stake in terms of driving it forward. . The CMA, G-MW, State agencies and local government all have a role. And progress from there in doing the additional work or new work that needs to happen because the key thing that came out of the Monash Report was the fact that there wasn't best information with a project on the table that could be implemented if, lets pretend magically there was some money somewhere that could immediately be applied.. That planting work hasn't not yet been done sufficiently. This is what the report found. There was not in place a package or project that could be picked up by somebody if in fact there was funding available, and so a lot more work was identified as needing to be done. And finally let me say that it is an extraordinary difficult thing for the stakeholders who are in the floodway or . between the bunds to go on not knowing what their status is. The CMA has some resources to do other work that needs to be done right now, for example, like finding enough water for irrigators to use, finding the savings in the system for the environmental flow contribution, more salinity work, all these other priorities are out there. So how are we going to proceed in such a way that our poor old stakeholders have some sense of their futures?

Chairman Thanks Sharman. Has anyone ..., has any of our Directors got any questions for Sharman?

Stephen Mills Sharman you raised that there was confusion between the agencies and I am not sure that I have picked up that there is confusion between the agencies and the roles that they play. Could you just elaborate on that a little bit please?

Dr Sharman Stone Well for example we know that Goulburn Murray Water has got a problem with Loch Garry. Right? If we had a flood tomorrow I understand that you couldn't have workers go out and operate Loch Garry in its current condition. Okay? So therefore we have the CMA who is now I understand in charge of floodways, flooding, floodplains.

Stephen Mills Floodplain management

Dr Sharman Stone Okay floodplain management. So we have already identified that we have Goulburn Murray Water with infrastructure responsibilities to do with floodways. We have the CMA responsible for planning on floodways and then we have local councils Moira, Campaspe, COGS who have in the past been responsible for levee systems. They have got levees that were built under their predecessor's names that are out there. We then have private people's levees and we have some specific works that private individuals have done in terms of structures along the river. We have the Murray Darling Basin Commission who has interests in this

issue because of course the streams are all tributaries to the Murray. So there is this extraordinary amount of overlapping of different institutions who over the years have had Authority or responsibility for some of these actions. Right now, how does Goulburn Murray, for example, work in with the CMA in terms of its priorities and funding needs, and its rate payer base what the CMA isn't allowed to rate at the moment, no/yes? .

- Stephen Mills** Well we can't rate on certain things.
- Dr Sharman Stone** That's right. So I don't think you can rate on floodplains. Can you? Can you rate for floodplain management?
- Kevin Ritchie** Only for direct beneficiaries.
- Dr Sharman Stone** Only for direct beneficiaries. So for the CMA. So this issue of the rate payers which I don't know if you are aware but is a very significant issue for local stakeholders where some believe they're being rated and aren't direct beneficiaries. They believe others should be rated who aren't. This is the issue about who should be rated for Loch Garry and other floodplain protections. Who is responsible for that rating? Is it the CMA? Is it Goulburn Murray? If it is Goulburn Murray are you going to pay the CMA? You see there are those sorts of institutional issues.
- Stephen Mills** I don't think there is confusion though Sharman. I mean you might be trying to create that there is confusion.
- Sharman Stone** Okay well I will take away the word "confusion" and I will just say it is not clear cut and it is not just this area. All along the Murray River we have institutional confusions.
- Stephen Mills** Well what we are talking about here is the Lower Goulburn Floodplain. I don't know if we want to extrapolate beyond that to other areas and I think that the statement that you made was the confusion between Goulburn Murray Water and CMA and other agencies and I probably would have thought that there wasn't confusion and that Goulburn Murray Water has got responsibility for the regulator. I think everybody clearly understands that. I think Goulburn Murray Water clearly understand that. I don't think there is confusion there. There might be confusion in some peoples' minds that things aren't happening the way they would like them to happen so that might be an issue but I don't think there is confusion between the authorities from where they stand on those issues.
- Dr Sharman Stone** Steve, clearly you don't think there is but let me tell you that when people are trying to work out a floodplain plan regime there are numbers of different bodies, some of whom have become new entities since amalgamations like the councils. For example, Moira Shire has not been directly and intimately involved with the floodplain project yet. I think I am right in what I am saying Gavin? Would that be true of the Moira Shire?
- Gavin Cator** As far as the project.
- Dr Sharman Stone** The planning side
- Gavin Cator** Not the planning institution – no.

- Dr Sharman Stone** No. So...
- Gavin Cator** But that is not confusing as to the other important issues.
- Dr Sharman Stone** Well I guess. I am not saying that people are not being sensible, I am saying institutional arrangements are not clear. Not clear cut And that means that you have got quite a complex planning process because you have agencies who own infrastructure which in turn has to fit into a planning regime which is owned by someone else and there are ratepayers who pay to one agency which doesn't have overall planning control over, say, floodplain. I am talking about Goulburn Murray Water versus the CMA. So that is what I am saying. It is complex, and along the whole Murray River, flooding is a particular problem in terms of institutional failure because we used to have a thing called the Interstate Floodplain Committee a – Flood Management Committee which consisted of State agencies, the Commonwealth was represented the MDBA and local governments. That no longer exists and if there was a flood along the Murray River tomorrow the issue of liability would be totally unknown. You wouldn't know who owns the levees, and what happens if some had been uplifted in recent times. So you have levee catch up all up and down the river. It is institutional failure of a significant order which is recognised by Murray Darling Basin Commission.
- Stephen Mills** There might be confusion in that area but I think that is a different from where we started out. The other point I would probably like to just explore with you if I could was the way forward and you mentioned that you would like to have some comprehensive stakeholder engagement to take up with the problem and work out some terms of reference and put a time frame around it and I think from my contact with the people in the floodplain I think they would really love to have some time frames around all this because this has been going on for a long time for that community and we have to come to some point where they can have some certainty in their lives in the future so how would envisage we do that engagement?
- Dr Sharman Stone** Well you could commence tomorrow deciding together how you would have representation from various stakeholders. Quite obviously you have got people on both sides of the Goulburn River, you have got all the councils, you have got representatives of environmental groups, and you have State agencies. You would ask the other local stakeholders to bring forward their representatives to you and you would sit down in an agreed working group. When you had agreed on who was chairing, and who was responsible work plan. You would then progress to the next stage to identify together what are the issues, what are the problems and place them together on the table as an agreed set of problems to be addressed. As I suggested to you before the next step would be to put that into the total context of the Goulburn Murray Catchment to work out what priorities should be giving to this particular exercise given I presume like everyone else you have got a constraint on resources in terms of going forward.
- Stephen Mills** With a view to what? I mean.
- Dr Sharman Stone** Well developing a project proposal.

Stephen Mills I mean there were three options that were there and I mean the really difficult part about this scenario is doing nothing is not really an option because that doesn't help the community.

Dr Sharman Stone I didn't have a "doing nothing" amongst anything that I suggested.

Stephen Mills No no but where do we go. What is the view of the future?

Dr Sharman Stone Well I haven't got a crystal ball in front of me Steve but we have to have community confidence in a plan. Community and agency confidence. And there isn't that confidence at the moment as you would be aware. The Monash Report identified that if you are to progress with option 3 a significant amount of work needed to be done. Okay?. And I can quote you, now I have got my notes where it said that. So if work is to progress there has to be confidence in the way that people are being consulted so all agencies and individual stakeholders feel they have got a say in this. You were talking about compulsory acquisitions under Option 3 so quite obviously there are very high stakes involved in this. There are significant amounts of money that someone has to raise - \$30,000,000 - \$40,000,000 plus. That will be the biggest project any CMA undertook in the State of Victoria. So it is a significant project we are talking about and no one knows where the money would come from.

Stephen Mills I am not sure Sharman but I think you have escalated the amount of money required by some magnitude. I think – Bill can we just clarify that point.

Bill O'Kane In our business plan some time ago it was about \$22,000,000 so I don't know what the figures have done probably \$23,000,000 - \$24,000,000.

Stephen Mills Yeah, I don't think we want to exaggerate the figures beyond what those actual figures should be.

Sharman Stone There was no calculation of road heights.

Stephen Mills Lets not go ...

Sharman Stone You asked me Steve, I'm sorry and I didn't come here to be confronted and challenged. I think there are a lot of people that want to have a say as well. I've put to you on the table a process that I think is important to do – to carry out. Okay?. And there are a lot of issues that have not been fully resolved in relation to in the first instance what is an agreed set of problems and priorities to be addressed. I think we have to progress forward in a way that is full of a co-operative collegiate spirit. I think people around this table are sitting here in good faith, who want to do that and so lets see what we can achieve, because as you said very rightly there are about 70 family enterprises who were told a couple of years back to get ready to be sold out, and they are out there without any long term sense of what their futures are and that is just not fair. So we need to progress this. In the first instance they need to have some confidence in the process and the expertise and that requires all parties to participate together in a serious and collegiate way.

Steve Mills Thanks Sharman.

Ailsa Fox Steve as a Board member sitting here today and as one of the Board members that has been in this process right from the word go my reason for coming today was to listen exactly to what Sharman's talking about is. People were invited here to put their issues on the table and we as Board members, It is being recorded so we can understand those issues and I don't think Sharman is talking about it should start tomorrow. The consultation from the Board's point of view has started right here and now.

Dr Sharman Stone Fantastic Ailsa, great, that's good.

Cathie Scott Sharman just wanting to go back to some of the comments and I think one of the things that the Monash Report did say was certainly it recommended further work be done. It did actually say that option 3 was the preferred option if the work done proved that that was the best option and I think if we can just clarify that we acknowledge that there has been a process that has gone through and we have got to a point now where we have a study that has a confirmation of an option which requires further work but if that work supports the option then that appears to be the preferred option so I just wanted to clarify that the body of work that needs to be done and the consultation is it your view that then I guess the option 3 is the basis on which we move forward or are you suggesting something in addition to that.

Dr Sharman Stone I am suggesting that in the first instance all stakeholders including the institutional agencies should agree what the issue is. Is it for example salinity management? Is that part of it? Because remember at one stage the CMA was trying to get salinity funding and yet there is not in the mind or view of many a salinity factor involved in this. So is salinity management one of the outcomes that is being attempted through this project? Is it flood protection of one side of the river? Is that what it is about? I don't think it is clear. I don't believe stakeholders at this stage have been adequately consulted. You want to perhaps talk to some of the farmer stakeholders. I think before option 3 was isolated as the preferred option for the group to proceed, on you would want to have agreed exactly what the key terms of reference are, right? There has been a lot of concern about the environmental changes that additional floods down particular grassy woodlands would bring about. And that evokes the EPBC Act which you are aware of because of endangered species there. And there are a range of other ways to go about diverting flows which can mean that instead of gouging the Goulburn you gouge the Deep Creek and other places. So as the report actually said there is no improvement in water quality through this particular option 3 proposal. So is option 3 the best? Monash clearly said "that they would only be happy with option 3 if there were significant other works done which actually demonstrated that there were benefits including economic cost benefit studies that show that there was a cost benefit outcome from what was being proposed". I still fundamentally say a first step is not isolate an option, but to to put on the table all of the issues which are being pursued. Goulburn Murray-Water presumably will put on the table aged infrastructure that their owners haven't kept up in terms of meeting costs. I think they will probably put ratepayer issues on the table. Such issues must be integrated into the whole show up front, transparently and clearly. Some of the issues may be able to be addressed immediately in the short term. A longer term is needed for complex, issues. Does that make it clear?

Cathie Scott Just on one of the points there, the cost benefit analysis. I think certainly there has been some discussion in one of the points that Stephen made that Monash I think,

there is acknowledgement that the report was not correct in its statement that that analysis hadn't been done. So I think we just need to make that clear that the analysis has actually been done on a cost benefit. I think there is certainly some of the environmental benefits haven't been fully quantified, just to clarify that point.

Chairman Thanks Cathie, thanks Sharman. I think that's been very useful. I hope it has been useful for you as well because we do want to find a pathway forward.

Dr Sharman Stone Well I am looking forward to hearing what others have to say. That's why we are all here to talk together about an issue which needs to be progressed in a way that peoples' lives become more secure.

Chairman I think we are all after that same. We just have to make sure that we get there. I would like to introduce Bill Baxter. Bill is the State member for the North Eastern Province. Welcome Bill.

Bill Baxter Thank you Mr Chairman. I don't have any problem at all in identifying what the problem is. It's been staring us in the face for more than 30 years. At the outset I declare an interest. I am the owner of allotments 81, 82 and 83 in the Parish of Kotupna of about 320 hectares which I have owned since 1983. My family have owned it since 1934 and has leased it since the First World War. So I have a very strong sentimental attachment to that land and it is in fact the last piece of land on our family farm that might be considered to be in a natural state. Now I know you do not want to go back in history but I just want to tell you some of the things I have been involved in on this issue over the years. I was the Shire President at Nathalia in 1974 and 1975 when we had then two record floods. I stood on McCoy's Bridge on the night that the levee breached on the north side with the President of the Shire of Deakin, the late Hector Greiner. In 1993 I was instrumental in securing more than \$1,000,000 to repair the levee banks from the damage done in the 1993 flood and I think I should say that that money was obtained on two bases.

One, it happened to be convenient and helpful that I was a member of the Cabinet at the time but more particularly it was made available on the basis that we, the locals, do something about fixing this problem before the next flood because we are not likely to get that sort of largesse again unless we are seen to have at least begun to address the problem. In April 1995 I had chaired a meeting at the Kotupna Hall which was then considering the engineering proposal, option 3, – the buy back proposal then not having been developed. I congratulate the CMA for taking up this issue since its formation and clearly you have a statutory responsibility to do so under your Act. I don't think there is any confusion as to who's got the responsibility to do what. It clearly rests with the CMA under the Statute of Victoria and I think that at last on this issue we have got a bit of clout to get something done because we have a Catchment Management Authority statutorily charged to undertake this work and to manage the flood plain and I am very pleased indeed that I had some part to play in bringing that legislation to the Parliament of Victoria and I welcome the development of option 3. To me it is crystal clear this is the way we should go. It is a return to natural conditions. The land slopes to the North West. There is no dispute about which direction water flows. It's patently obvious that man's attempt to interfere hasn't been successful over the last 100 years and surely it's got to be noted also that the restoration of natural environmental conditions is what is popular at this point in time. That's

what gets Government's ear, that's what gets the taxpayers acquiesces to spending money. It is returning to a more natural regime in our environmental circumstance. I reject the comments that are made in many quarters and in the Monash Report to some degree about inadequate consultation. For heavens sake we have been having meetings about this now for more than 30 years. Allegations of lack of consultation, lets face it is a time honoured whinge from those people who lack vision and who are the opponents of far seeing initiatives and I have to say Sharman that what I heard from you this morning is a recipe for procrastination. If we go down your track we will be still here again in 20 years time wondering what we are going to do about it. We have to seize the initiative now when we have got the opportunity. I also doubt the claims that are made about the erosion we might get in the Deep Creek Floodway. It is going back to precisely as it was before. Nature handled it last time, and there is no reason why it won't handle it this time. Barmah is mentioned in the report. I think that is a red herring. Barmah is really only threatened when we have simultaneous floods peaking in the Murray and the Goulburn. Fortuitously that doesn't happen very often and I think the last time it occurred was 1956. But in any event it would only happen when the Goulburn is in high flood and if that is the circumstance the Deep Creek is going to be running gangbusters anyway so this is not going to in my view impinge upon Barmah anymore than what natural conditions or the current conditions would, so lets not get too carried away on what it might do and that we need a whole heap of hydrological studies done there because I don't think we do.

I don't think that we can sit on our hands. It's been said already here today that the farmers in the Loch Garry Flood Protection district are in limbo. They certainly are. Their properties are unsaleable at the moment. There is no doubt about that and they need to be given certainty and they won't be given certainty unless we actually move forward. They certainly won't be given certainty if we go off on another excursion of talking to every Tom, Dick and Harry and every organisation around the place. The next flood is clearly getting closer. That is self evident. We have had 10 dry years and to some extent it's a little bit unfortunate we are trying to do this in a period of dry years. People quickly forget. The next time they have wet socks they will be wondering why we have been taking so long to get on with it and those people who kid themselves that an empty Eildon is going to catch the next flood want to remember that the 1974 flood was entirely generated downstream of the Eildon wall.

Now I don't want to be part of the finger pointing that is going to occur after the next flood if we are seen to have done nothing. I don't want to see shotguns out on the levee banks which I have seen in the past and in my view option 1, the default option is in fact option 3 but we bear all the costs. We get that result but we bear the cost. We don't get any assistance. Why do we bear the costs? Because the default option is no option. Loch Garry Flood Protection Ratepayers can't afford to replace the Loch Garry structure unless we implement option 3 which does away with it. It will fall down. They have massive rate increases over the last five years. They are staring down the barrel of unaffordable increases if Loch Garry structure is to be replaced at their expense so they can't afford it. I am an unabashed supporter of option 3. I think we have to pick it up. We have to get on with it and run with it and just as a final comment I would say I am not worried about the fact that these final design hasn't been done. I was the minister who built Citylink. We signed that contract a long time before we had the final design done and we can do the same here.

Chairman Thanks Bill. I am sure Cathie if there are any questions. I think Bill's been pretty clear and straightforward on what his views are. There are some really good points that he throws there on consultation and providing certainty for the landholders. Are there any questions that we need clarification on.

Cathie Scott I don't think there is.

Dr Sharman Stone I would just make a point, I think the point that Bill was making was that consultation will hold things up. Is that what you are saying basically Bill? You saw it as procrastination?

Bill Baxter Sharman, the way you outlined what you propose to do seemed to me we were going back to tors, we were going back to base 1 and we would dissipate years more of talking. We have already had plenty of talking. We have umpteen meetings. We have had consultation, circulars have gone out. There has been every opportunity for people to make submissions to this study, every study and I simply say the next flood is coming down that river whether we like it or not and if we are seen come the next flood that we are still sitting around this table we will all be guilty.

Dr Sharman Stone Right, the point I was going to make was that unless you comprehensively and appropriately engage your stakeholders you will never resolve it. Okay. There will be no confidence in the outcome and so they will resist it. So you do have to engage the stakeholders.

Bill Baxter Well I say they have been engaged. I say they have been engaged.

Dr Sharman Stone Well. Okay.

Chairman I don't think we want to debate that here today.

Dr Sharman Stone That is the point I wanted to make. The process I was describing was to in fact move forward and get an outcome, not to have another project proposal put on the table which would be resisted again on the basis that the stakeholders felt disenfranchised and hadn't a proper ...

Bill Baxter Well which stakeholders? Which stakeholders are going to feel that other than a small group of people who are going to be opposed whatever is done who are prepared to just cop floods and do nothing.

Dr Sharman Stone Well I guess I was talking about 300 or 400 people in the Nathalia Hall. The people who come together whenever this is discussed and want to know what is going on. The people who live out there. So that's what I am talking about.

Bill Baxter Well the 300 or 400 people in the Nathalia Hall what were they mainly concerned about that night? Land acquisition and the compensation they would get.

Dr Sharman Stone Ah yes they were very concerned about what was being proposed in regard to land acquisition which they resisted. Yeah that's right.

Bill Baxter So they weren't arguing about the proposal, they were arguing or they were seeking information about the process and seeking reassurance that they were actually going to get a fair deal out of all this.

Dr Sharman Stone Ah well that is disputable.

Chairman Ailsa?

Ailsa Fox Steve could I seek clarification from Sharman, does she, in this consultation process does she want to go back to square one or does she believe that option 3 is probably the best option to move forward with?

Chairman Sharman, I think that is a good question.

Dr Sharman Stone I said to you before Ailsa, in the very first meeting to bring those stakeholders together in a white board type of exercise and probably a professional facilitator or co-ordinator wouldn't hurt on that occasion so it was seen to be totally objective. You would make sure that the various stakeholders put up front what it was that they are trying to resolve. Now clearly Bill would say flood, the flood, absolutely, right and he has made that quite explicit. But there are other agencies and individuals who would perhaps put up other things Goulburn Murray Water would put up on the board a piece of infrastructure that they can't afford that the State Government hasn't paid them to keep operative. For another stakeholder, their number one issue could be something else. Some do not see flooding as the key issue.

Bill Baxter It's the flooding.

Ailsa Fox That is not the question I asked.

Dr Sharman Stone Well I am saying it is the answer I'm giving. It is the first step.

Yvonne Davies Are we being fair to those that are presenting. I think it is a little unfair ..

Chairman Assuming what position other people are going to take ...

Yvonne Davies Yes, I think people are entitled to their views and they should be allowed to give them without feeling under threat.

Chairman Bill, you have been pretty quiet but I think perhaps it could be good if you clarified a few things.

Bill O'Kane Yes, the first thing is that the Lower Goulburn Waterway Management Authority was established by Minister Colman to resolve this issue. The writing instructions for the CMA were actually clearly stated in those days and it is only a matter of going back to minutes and establishing what their roles and responsibilities. Our writing instructions to the CMA have always been clear and that is to come back to Government with a resolution to the flooding problems of the Lower Goulburn. This wasn't picked up in the Monash Report. It is something they missed and it is a fact this that is what the Lower Goulburn Floodplain Management Authority was set up for. The second point is that there has been some analysis of the three options and I think more importantly there has been a statement in this report

there is no fourth option worthy of consideration so what we have is what we have got and we need to resolve that I suppose. .

Chairman

Thanks Bill. Just on that point of consultation and I don't want to put my personal views in here but as Chairman of the Authority you would expect I have had quite a bit of contact with people in the flood plain particularly in the last week as a lead up to this meeting and the overriding sentiment has been from people living in the flood plain "please, we have had this going on for ten years, just get on with it and do it, you know," like people were saying "I was opposed to the buy back scheme but once it got to that stage I am fully behind it now, lets go ahead and do it, don't leave us in this land of uncertainty for any longer". That is the overriding message I'm getting from people who are living in the flood plain and I dunno whether you can read the numbers but people are saying to me very very strongly that is the view that they have got so I think we have got to be very careful about going back and starting another consultation process and probably delivering false expectations in what we can deliver from that so I think we are very clear on what we are trying to forward with.

So Bill is there anything else that you wanted to say before we move on to the next ...?

Bill Baxter

No I just want to re-emphasise the point you have made that we have got to rescue the Loch Garry Flood Protection ratepayers and we won't do that if we start a whole of going back to tors and around the table again. Because their properties are un-saleable at the moment and that is totally unfair to them and it has become very very stressful indeed. They just want an answer. They deserve an answer. They are entitled to an answer.

Chairman

And they want some assistance and they're feeling as if they are going to be left out in the open if a new Loch is put in or the repairs are put in that they are going to carry the can for all that themselves and it is going to place a huge burden on them and that is what they are terrified about at the moment, so.

Dr Sharman Stone

You read it back in the transcript, when you do you will see that what I was talking about in terms of consultation is a working group with stakeholder representatives that comes from all of the stakeholders who will work with whoever is the lead agency here , eg., the CMA, to come forward with a project pack. Now you can't for a second, I wouldn't have thought imagine doing anything but that in the modern 21st century Australian democracy, That is what I am talking about. I am not talking about rushing out doing surveys or whatever right now. That is probably part of the socio-economic work required later on along with cost benefit work.

Bill Baxter

With respect Sharman your opening remarks were that we didn't know what the problem was and therefore we would have to go back and determine it. Well you are not going to do that with a working group. If you are now saying that we are endorsing option 3 and we are going to put together a project management team then I think we will agree with you.

Chairman

We will all agree with that. Yeah. Thanks Bill and I think that has been useful to have that discussion and clarify those points on consultation cause it is a key issue. I would like to introduce Anne McCamish. Anne is the Mayor of the City

of Greater Shepparton. Welcome Anne and you have got Peter Harriet to help you with some of the finer points.

Anne McCamish

Thank you, thank you Stephen. Look I think if the issue. If someone wants us to define the issue, the issue for COGS is that we know that the flood is on its way. We have them every 16, 17 or 18 years. The last one was in 1993. After the October 1993 flood I was appointed as a community recovery worker to work with the flood affected people in the Shires of Rodney, Shepparton and the City of Greater Shepparton. I was appointed I think about the 17th October which was two weeks after it happened and I was told I would only need to work for a month and we ended up working for 18 months. I could spend hours talking about the impact of the floods on this community and I think of it now as one community because we worked across those three. As I look around the room I see Bill and I suspect Russell Pell knows what I am talking about. Mark was there but unless you have been through an experience like that it is fairly difficult to understand exactly what happened.

In Undera which the area where the shotguns appeared what happened was that there are levees on the Undera side of the river. They broke, everybody knows they are going to break when the river gets to a certain point. Now the people who have lived in Undera for a long long time know that if you get to work very very quickly with a road grader and a bobcat and block off a few bridges you can actually create a secondary levee somewhat south of the river but what that does is it traps a whole lot of families between that secondary levee and the river. Now the families who live between the levee and the river don't stay very long. They only stay for one flood. You only have to live through one flood like that because the land is cheap, everyone knows it is low. The locals who live there know what they have to do to protect their own farms and that is what happened. I spoke to one of the women in Undera after the flood who was one of the people responsible for putting a levee across a bridge and I said to her "now what are you going to do to make peace with the people who got dramatically and terribly and tragically flooded" and she said "Oh they will sell up and go away and there will be a new lot when the next flood comes". Now we are talking about peoples' lives being more secure. That's your phrase Sharman, I wrote it down.

The people in Undera started their consultation process in January of 1994. They got together in the Undera hall to pressure government to have the levees rebuilt and we met every month until Minister Colman finally agreed to rebuild the levees. Once the levees were agreed to Undera then split. It just split right down the middle. The people who had been impacted by the works of those who knew what was going to happen to the water. So if you live there long enough you know. Um, everybody knows that mortality and morbidity increase after a flood. There have been several deaths in Undera. They weren't suicides, people who have died of natural causes who became sicker and sicker and sicker after the floods from stress as much as anything else and this is what happens to communities. Undera is a major part of my community. I don't want to see it happen again. After Minister Colman agreed that the levees would be rebuilt Noel Maughan then, in Undera chaired a whole lot of meetings and I took the notes. I've got the notes and I can produce them again and it was made perfectly clear to the people in Undera that if they wanted those levees rebuilt then they had to accept the responsibility for looking after themselves in the future and that was the understanding then the Lower Goulburn Authority was set up and they took on the responsibility for doing it. I want to make it perfectly clear that the Shire, the

City does not own those levees. If they go again we are not going to rebuild them, we are not resourced. There is no way on earth we could possibly restore the levees. In Undera they are 10 years old now, some of them are worn down in parts and they are not going to be as resilient as they might be and anyway if it is a flood like last time which was only 1 in 35 they will breach again and we will go through the same community upheaval and disruption with people knowing where to put the levees. Even the police couldn't stop them last time. The policeman came out and did his best. He put on his uniform and his hat and he looked very imposing but there was absolutely now way he could get the people to clear that levee off the ... it's off the Ardmona Main Drain that's where the ... the Catchment Management people know what I'm talking about. So look we are very very strongly supportive of option 3. We want some certainty, we want some commitment, and we want it now. The consultation has been going on for a long long time.

After that flood and as I say I was employed for another 18 months. Now the flood wasn't just here in Shepparton, it went all the way up to Myrtleford and the Ovens Valley. The Emergency Management Institute of Australia identified that flood as the fourth worst natural disaster in Australian history to that point and with the Ash Wednesday fires that were a couple of years before the experience of the fires and the flood were used by Emergency Management Australia and the learning's from it for their training courses for years and years and years and I went up there and lectured on the social and economic outcomes of that disaster. To the point where the work , not only that I did, I just happened to be the most verbal of the people that did the work so I got to do the speaking on behalf of but the work that we did and the learning's that we achieved from the combined efforts of the fires and floods we are able to take the community rebuilding knowledge that we got down to Port Arthur after the shooting there. Now you might say to yourself "what's the flood got to do with a disaster where 35 people are killed". Exactly the same impact on the community. It is divisive. People don't trust each other. Neighbours let neighbours down. Football clubs dissolve because they couldn't get enough players from one side of the levee to form a team because people on one side of the levee wouldn't talk to people on the other side of the levee. Our community doesn't need that. So I will get over the emotional stuff and tell you that Loch Garry is dangerous. You know that. The cost of rehabilitation would have to fall on the Protective Landholders and I don't know how on earth they would meet those costs.

From a selfish municipal point of view the risk of local government being lumbered with restoration and maintenance and we would bitterly argue that it is not our responsibility. Currently no-one owns them. We don't want them, we can't afford them. We don't want to be involved with them and how certain are we that we will continue to qualify for National Disaster Funding. I am not entirely sure that we got much after the flood anyway because I think someone had to die to qualify for Natural Disaster Funding. Several people tried to. They drove through Road Closed signs and had to be rescued from trees but as far as I know no-one died from the flood. But with community anger unless you were there and truly you cannot measure the degree of community hurt and anger and distress and pain that resulted from that because people put barriers up across a natural floodway. The water knows where it wants to go and option 3 allows for a bit of bunding and some existing remnants of what is left in the levee system to create a perfectly natural solution. I know that it is not nice for the families who live up there. My heart goes out to them but in the end we are talking about

peoples' lives that I guess if you have to go back to the old Chinese attitude we have to look at the benefits for the greatest number of people and I just can't see that any option other than 3 is going to do it for our Municipality.

Chairman Thanks Anne. I think that was pretty good stuff from the emotional side of things.

Anne McCamish I didn't realise I still felt so much after 11 years but that means it will only be 4 or 5 ...

Chairman I don't think you can hide your passion but I think it probably tells us how people who have been through that flood and you were there in some official capacity but people who are living through it how it must really impact on their lives as well.

Does anyone want to ask Anne any questions? Craig? Sharman?

Dr Sharman Stone Anne, would you be supportive of the concept of stakeholder representatives on a project team?

Anne McCamish Well if the project is option 3 – yes. I would be quite happy to go along to meetings that made sure that happened as soon as possible and as effectively as possible.

Dr Sharman Stone So you would go along as the COGS representative and put your issues on the table and what you thought were the problems.

Anne McCamish If I was the most suitable person. There may very well be someone who is better qualified technically if a technical response is required. But I would feel more than confident in representing people and their social and community type issues. I would be surprised if anybody in the country knows more about the social and community impacts of flooding than I do and I would be perfectly willing to do that.

Chairman Thanks Anne. Bill?

Bill O'Kane Just for the record 1993 was a 27 ARI not a 35 ARI
Chairman 27?

Bill O'Kane 27 yes

Chairman So a misprint in those papers that someone printed probably.

Anne McCamish No if I said that what I meant was the fact that ...

Bill O'Kane No I said 35 early on and ...

Anne McCamish Yes but option 3 would have contained that.

Bill O'Kane Yeah but it was only 27 so there are a lot bigger events about.

Chairman Yeah, much bigger. Okay thanks Anne. Gavin Cator. Gavin is the CEO of the Shire of Moira. Gavin you might have to ask Bill or someone to pass a microphone to you so ...

Bill O’Kane

Your voice is not loud enough (laughing)

Anne McCamish

He doesn’t know you very well. (Laughing)

Gavin Cator

Bill knows what I am going to say anyway. Just on behalf of David an apology for not being here as Mayor and thanks for the opportunity to discuss the Lower Goulburn. I think to start with the relationship that Moira Shire staff has with the Catchment Management Staff and some of the projects that we have been working on very positively need to be acknowledged. There has been a lot of work carried out in our municipality for the betterment of the environment and I think that that will continue to do and we are working on a number at the moment. We have been involved discussions with the proposal for the Lower Goulburn but the Council position at the moment is that it hasn’t a view of whether or not to support option 3. This in part is due to the fact that it hasn’t been actively involved with the Monash International Review. The Earth Tech Report or the Price Waterhouse Coopers Business Plan for this scheme. Council’s involvement has been limited and is as follows:

The Monash International – we had one meeting with the consultants and that was myself lasting approximately one hour and I gave Monash International all our files to review. There was no involvement that I can put my finger on with the Earth Tech Report and I think if we had have some of the flaws in that report which I will detail in a second wouldn’t have occurred and the Price Waterhouse Coopers Report was one half an hour meeting with the full Council so that was the involvement.

The Council has three major areas of concern and these have been detailed I think previously to the CMA and the Council believes prior to it being able to support option 3, further discussion needs to take place and I think they are known to the Board. One is the rate revenue. We do have correspondence from the CMA that indicates that we will be compensated for loss of rate revenue and that’s due to the conversation of rateable to non-rateable property within the flood plain. Some of the questions are how will this be undertaken and from where will the compensation be provided?

The local roads. The CMA have indicated that it will compensate the Shire if the increased cost of road maintenance from flooding is not off set by the reduced costs from road closure and reduction in costs from roads receiving flood protection. We haven’t discussed with the CMA what roads are to be closed, who will be responsible for the upgrade of the roads within the flood plain or who will be responsible now as the road manager under the recently introduced Road Management Act within the flood plain and we haven’t been involved in relation to the possible social impacts in Nathalia either positives or negatives. In preparing the submission we don’t have the expertise relating to the hydrology and most of the matters raised within the report and we are not going to comment on those. We are however the planning Authority that would be involved within the report or within option 3 and we believe we should have been involved more widely particularly with the authors of the three reports.

In relation to rating, Council has not been involved with any discussions on which land would or would not be rateable in the future. This will obviously affect the amount of the rate revenue that will be generated from the buy back area if any. In relation to the Earth Tech Report, there are a number of issues. Page 3 of the

area in the buy back is 9,740 hectares. Page 4 indicates that the leased back area to landowners will be 4,188 hectares. Page 11 indicates that the lease back area will take the form of a grazing licence and would have an immediate impact on Council rates. From that we can assume that the land within the scheme, all the land would eventually become non-rateable which is the 9,740 hectares. If we use a valuation of \$1,000 per hectare which is from yesterday's discussion with our valuer about half of the value of the land. The capital improved value within the area is \$9,740,00.00. Using the Earth Tech Report the actual assumed increase is detailed in the report is \$2,546,000.00. The loss of evaluation would then be \$7,194,000.00 which is a loss of rate revenue of approximately \$28,000.00. The Price Waterhouse Coopers Business Plan Summary indicates approximately \$20,000.00 per annum and that in 99 so one could consider that that is reasonable at the time. However the Earth Tech Report indicates that on page 12 the loss of rate revenue over a 10 year period will be \$20,000.00 so there is a significant variation there.

Similarly there are areas within that table relating to the positive impact. We've have indicated that it would be \$9,875.00 per annum but the Earth Tech Report indicates that that would be over a ten year period. We therefore don't believe that Monash International have actually checked the Earth Tech Report in relation to this item because it clearly shows on page 129 that Moira Shire will incur some losses in rate revenue under option 3 but the estimates suggest that these will be relatively insignificant. It is clear that there will be a positive impact for the City of Greater Shepparton and Shire of Campaspe because effectively they will be flood proofed through this process.

The report is not clear on how the compensation would be raised and how it would be collected. Would it take the form of the previous collection of levy where Council was contracted. I know that the Price Waterhouse Coopers Report indicates a levy would be collected by the Councils for the CMA and we have had no discussion relating to whether that is an option if a levy is going to be collected.

The roads issue – Council is concerned that some of the comments in the Earth Tech Report particularly page 18 under The Road Asset Improvements. A sealed road surface would enhance the road's durability during inundation. Again I have been involved in flooding areas. I've been involved in sealed roads during floods and I wouldn't have thought a sealed road is the best surface during a flood area so we have some concerns relating to that report and can't support those items.

Page 20 raises two issues. The management of the road system during flooding and secondly improvements on selected priority roads to increase their all weather capacity. It would appear that no effort has actually been carried out as yet to what roads will need improvement and what cost. What would be the roads within the flood plain that would be inundated and to what level. What velocity the water would travel and therefore what damage could be consistently caused to the roads. Council is of the view that the Earth Tech Report in relating to roading is the opinion of the author and can't be based on fact.

The social impact – Council is unable to determine what the positive or negative impacts on Nathalia will be. We do not have expertise in this area suffice to say that the Monash International Report indicates that the social/economic impact on Nathalia will be discernable though modest. What does that mean? Has that been

taken into account? Council believes that we should have been involved in the discussions relating to what that means at the time.

I suppose the conclusion is that again as has been said whatever decision needs to be made it needs to be made as quickly as possible. The uncertainty is of concern to those ratepayers within the flood plain and they have been in contact with our Councillors. Council as has previously done makes the offer to examine the issues to ensure accurate information is provided and used. Again the three items that need to be discussed and determined are the rating, the roads and the socio economic impact on Nathalia. I am sure once these are carried out in greater detail Council will be able to determine its position on option 3 and again I would like to thank the Board for the opportunity to raise those issues and look forward to continuing to work with the Board on the many projects that we are involved in.

Chairman

Thanks Gavin and Bill there were some specific items there. Do you want to comment on those? I think Gavin's raised some really good points there about how the rating in particular was treated in the reports. The roads? Do we want to raise any of those matters now?

Bill O'Kane

Yes, losses in Council rating. I think our figure was \$22,000.00 or \$20,000.00, per annum. That's for the loss of rates within the bunded area which is the compulsory required area. I think you will find our letter did discuss nett rating impacts because clearly some land will become more valuable as it becomes flood free and that will be a fairly difficult modelling exercise. I have got a feeling that \$20,000.00 was an estimate in the Fisher Stewart Report was the nett impact over ten years if you took the ups and downs of this. I think that sum was estimated but I would have to go back and check.

With regard to the roads, the flooding. The Lower Goulburn Rehabilitation Scheme will actually improve the outcome for roads. The issue for Moira is that most of those roads receiving a positive affect, are those maintained by Vic Roads and the ones receiving a negative affect or no affect will be Moira roads. So if we want to talk about roads we have got to make the delineation of responsibility. If you said the region is going to be better off in terms of roads that would be accurate and you could also say that Moira might be slightly worse off. Again a lot of the issues that are raised will actually be dealt with in the detailed design. There are not many roads that go across the Floodplain. The Murray Valley Highway is one which would have to be upgraded and that is included in the cost. I would have thought that the roads that actually run parallel to the flood plain would be areas we would have to have a look at and so that is more in the design. I can't add anymore to that because we haven't designed it but we will have discussions with Gavin. We are working together on many projects now and we will work together on this one. When we get to the design we will actually include Moira in those areas where their expertise and knowledge are. My only question is as the Planning Authority can you have an opinion?

Gavin Cator

The Council can have an opinion until such time as an amendment is placed on the table and one would have thought that a positive view as the Planning Authority would assist in this going forward.

Craig Madden

Gavin, most of your comments were related to option 3, does Moira Shire have an opinion on the other options? Option 1 and option 2?

Gavin Cator The Council hasn't determined what option to support although it is aware of the view of the Board and the reports relating to option 3 being the preferred way forward.

Chairman I think probably the point that Bill has made there is a lot of these issues will actually be resolved in the final design of the project. You know, there will be a lot of negotiations and discussions as part of that final design for the project. Has anybody got any questions for Gavin?

Gavin thanks for that presentation and for clearly outlining the views of Moira because Moira residents are the ones that are going to be mostly affected by that flood plain and I think everyone is well aware of that and we ...

Gavin Cator Negatively affected.

Chairman Well lets hope at the end of the day they will be positively affected. I mean that is what we have got to make sure of and we didn't talk about the socia economic impacts but we have got to make sure that they are positive not a negative as well.

Bill Baxter Anne has just volunteered to pay the rates so ...

Chairman That's fantastic. That's great calibrations across the river and I'm sure our next speaker Neil Repacholi will want to have something to say on that as well so welcome Neil and we will hand it over to you for your presentation.

Neil Repacholi Thanks a lot Stephen. Firstly to establish my credentials I was a member of the VFF Flood Recovery Committee in 1993. I carried out emergency assessments along with NRE and I helped patrol the Yambuna and Echuca Village levee system at night. Firstly from the Shire's point of view we should say that our involvement in this process has been very limited to date and I have to say that I support Sharman's view that we need a working group to proceed option 3. It is important to satisfy community questions and that's an ethos that we run with in our Shire. From the Shire's perspective option 3 is the preferred option and a default to option 1 is not supported in any way by the Shire of Campaspe.

We have one reservation and that is that we have seen no detail on how the process will be funded and the implications for the beneficiaries. So we have to sell this to the people in Kyabram, Tongala and Echuca and those people will be expected to pay the levies. We also believe that immediate and just compensation should be paid for the communities affected by the compulsory land acquisition and we also say that the option 3 appears to demonstrate the best outcome for biodiversity which is an important part of our strategic plan. I understand it also minimises the sediment loads entering the Murray System.

From our perspective the 1993 flood caused something like \$23,000,000.00 worth of losses and we want to get on with it. We want to preserve the valued added assets that we have within our system and we believe that option 3 is one that best addresses that issue. There is one comment I would like to make. I think the CMA has been pretty precious about some of the criticisms in the Monash Report and I think you should be taking some of those on board because it clearly identifies options that weren't fully investigated. We believe that a working group to pursue option 3 is the preferred outcome for the Shire of Campaspe and

we also the same as Shepparton point out it is not our role to maintain levees.
Thanks.

Chairman Thanks Neil.

Bill O’Kane Mr Chairman can I have a point of order? Can I just confirm that Sharman was actually quoted or has she been subsequently quoted as saying that we should form a working group or a consultative committee to progress option 3? Can I just confirm that she actually made that statement because that wasn’t my understanding of what she said?

Chairman Well what Sharman said will be on the tape.

Dr Sharman Stone What I said was that I believe we form a working group of stakeholder representatives and the very first thing they should do which would be a one day exercise would be to put on the table what each of those representatives saw as the key issues, the problems. If that group then decided to progress to option 3, 2 or 1 then the representatives may choose to do that but the very first job to do which could happen next week as far as I’m concerned is to get a stakeholder derived working group together to commence this business and local government would be keyed to that because after all they are the planning authorities and they do have an enormous amount at stake.

Bill O’Kane Yes I didn’t understand that Sharman said she wanted ...

Neil Repacholi No, now that Sharman has clarified that our position is very similar to Shepparton’s in that we believe we should be pursuing option 3 and we also believe that a working group is the best way to progress that.

Chairman It’s better that we clarify that as it is important. Thanks for that.

Dr Sharman Stone It is up to the stakeholder group to decide the options we now face and that should be arrived at fairly quickly but Moira hasn’t decided yet which option to pursue. It should be a stakeholder group to help make that decision pretty quickly.

Chairman Neil raised the point that there is no detail on the funding and I mean that is what this is all about to develop a proposal for funding so that the funding can be clarified.

?? Stephen the report was initially released I think there was a high expectation raised about it being funded out of the National Salinity Action Plan. Now from what I have read in this Monash Report I think that has been clearly dispelled so it is going to be raised locally. How are you going to raise it and what is reasonable and where is it going to be raised?

Chairman No well I don’t think you want to read into that that it is going to be raised locally and I think there is an expectation that the CMA will be seeking other sorts of funding and if there is one problem we have got here in, not just in our catchment but everywhere is that we tend to have funding allocated in big dollops of money that you have got to have certain criteria to access those grants of money and we have a project that probably fits 3 or 4 but not all into one so we will be doing our best to try to maximise our ability to seek funding for the proposal when it is fully developed. Bill?

- Bill O’Kane** The business plan states that we require government to put up the capital and the beneficiaries pay for the operation, maintenance and replacement.
- Neil Repacholi** And have you determined the beneficiaries at this stage Bill?
- Bill O’Kane** In the Price Waterhouse Coopers there is an indicator on the number of hectares that would benefit from the implementation of this strategy.
- Neil Repacholi** That didn’t really answer my question Bill but I am aware that in the Shire of Deakin days we were levied, each and every property holder and there was considerable concern within the township area about them being required to contribute to the levee system. Now given that you have Kyabram, Tongala and Echuca in my areas that may still be in the same position I think we need to include in those groups in any proposals.
- Bill O’Kane** That is an interesting issue. Under the Water Act we can only levy beneficiaries. Interestingly enough that nearly all urban flood plain management strategies are actually paid by the whole community. Cobram is a good example. The ongoing costs are met by all ratepayers of the Shire of Moira not just the beneficiaries of the structures. That would mean if this is the preferred option, the three municipalities would pay their share of operation, maintenance and replacement costs from a rate across the whole community, not just the beneficiaries. That would require co-operation between the municipalities and the Authority for the municipality to collect the rate on behalf of the Authority We have proven this can happen but we haven’t got the legal capacity to do it.
- Neil Repacholi** And we don’t either because if someone can demonstrate they are not a beneficiary we can’t raise the levy against them.
- Bill O’Kane** I think you can do it from your rate base. You make a decision to say that this is a normal function of the municipality and you raise it out of your rate base rather than as a levy. That would create some angst I would suggest although it seems to happen in Benalla and Cobram and those problems are an urban one. Cost sharing one is a very interesting one. The proposal that we have got on the table is we will attract the capital from the State and Federal Governments of \$22,000,000.00 in the business plan and the operation, maintenance and replacement will be met by the beneficiaries of the scheme. This will be everyone but the current Loch Garry claimants who will get out of it. It is actually the complete reverse.
- Chairman** Now Bill that is consistent with our cost sharing for most of our projects in the CMA?
- Bill O’Kane** Yes.
- Dr Sharman Stone** It doesn’t really define beneficiaries does it?
- Chairman** Well that is always the real issue, how wide ...
- Dr Sharman Stone** That’s right. How long is a piece of string?
- Chairman** That is what Bill was just saying, how wide do you cast the net?

Bill O’Kane And it could well be you might have a half gets recovered by the beneficiaries and half by the greater community. You could do anything you like as long as you had co-operation with the municipalities.

Neil Repacholi The point I am trying to make is that there is no agreement at this stage on the level of contribution, what is reasonable and what is unreasonable. Will local government then have some say in control over what are operational costs? They’re the sort of issues that haven’t been dealt with.

Bill O’Kane The beauty of this scheme is that it does bring the levee banks that are not owned or maintained by anyone into the fold. The only rating that is going on at the moment is to maintain Loch Garry and the surrounding levee banks. This scheme would actually resolve the ownership and the maintenance of those levee banks that go both sides of the river.

Dr Sharman Stone The confusion?

Bill O’Kane No, no.

Dr Sharman Stone Sorry, I’m being the devil’s advocate.

Bill O’Kane No there is no confusion. We think if “push comes to shove” they would be owned by the State Government under the Constitution. The Goulburn levees are not like the Murray ones which were on the Public Works Department’s Assets Register so they so they are definitely “owned” by DSE. These ones have been built by employment schemes..

The reality is there is no certainty of them being replaced in any way, shape or form unless you can attract natural disaster funding. In the guidelines for natural disaster funding they are saying it has got to be a natural disaster not a ten year flood event. It was only a 10 year flood the last time they breached. So there are some issues there but there is no confusion. We don’t own those levee banks and GMW don’t own those levee banks and Moira, Campaspe and the City of Greater Shepparton don’t own those levee banks. The fact is when they breach it is always going to be problematic who is going to repair them. In the past the State Government has obtained natural disaster funding if they were lucky and it went to the municipality to fix up. We have done a little bit of that but we did it under contract. .

If you want to fix up the surety of who owns and maintains those pieces of infrastructure which provide flood protection for the three shires then option 3 will do it. Option 1 is a continuation of the current system It is like playing Russian Roulette trying to attract those funds. You can always pay for it yourself but I am sure the City of Greater Shepparton has shown a willingness to do so.

Chairman Thanks Bill. Neil thanks for that. We have some really interesting presentations this morning and I think that is going to continue. Our next presenter is John Dixon and John is a member of the Loch Garry Water Service Committee and he is going to present on their behalf so welcome John and thank you.

John Dixon Thank you very much Steve. First of all I feel like the lamb going to slaughter because of what I am about say because basically the Loch Garry Services

Committee support option 1 with conditions. Option 1 involves the retention of the existing system and involves the repair and maintenance of existing levees and structures which have been allowed to deteriorate in recent years due to the continued on again/off again debate. Option 1 is only viable on the basis that the Government replaces the regulator and system and recovers the costs from all of the beneficiaries. The existing rating base is not an option. I will speak about this a bit later. The Monash Review clearly condemns the handling of the project by the CMA and in particular your lack of public consultation. The release of this Review is another example in our opinion. We received it in the first week of February this year. Some of our customers have requested that Monash prepare a summary of this report to a maximum of three pages and circulate this our customers with a questionnaire which could be returned to Monash for an accurate analysis. The CMA doesn't have a good record of analysing public submissions and as the Review says "potentially misleading". This would allow a better cross section of the communities' views. We have been given a little over four weeks to read and understand this report of 152 pages, hold meetings and get views from our customers. This is not an even playing field in anyone's eyes.

The current system protects a large number of landholders for a reasonable period of time. On this basis the cost benefit of option 1 is very good. It is better still if the levee is reduced and the base is broadened. Option 3 only protects landholders to a 1 in 25 or 30 year event. We note that in the original design flood protection was requested to provide protection for up to a 50 year event. Option 3 fails in this regard. The Monash Reports comments in respect of options 1 and 2 that some critical areas of evaluation have either been overlooked or have not been conducted on a basis that allows direct comparison with option 3. According to the Review other errors and omissions in reports bring into question their conclusion that option 3 is superior to options 1 and 2. They include no information about road inundation, SMEC and PWC reports are based on questionable agricultural values, inaccurate costs on managing the floodway, natural disaster funding transfers are countered as benefits of options 2 and 3 and SMEC and PWC under-estimate agricultural flood damage reduction benefits. In other words the benefit/cost ratio of option 3 is not credibly different from option 1 and I will quote from the report "A single error ignoring the withdrawal of agricultural production from the floodway has the potential to eliminate the majority of the economic gains attributed to option 3".

Farmers within the existing Loch Garry flood protection district are the only landholders downstream of Shepparton who pay a flood protection rate yet despite this they are the first to be flooded and forced to live with the greatest proportion of floodwaters. In effect they pay for the right to be flooded. This problem gets worse when you consider the amount per hectare that is charged let alone the amount suggested in the future. Our Committee strenuously opposes the existing rating structure which is unfairly imposed upon a relatively few landholders. The current rating basis is inequitable and unsustainable and the beneficiaries of the scheme extend well beyond the existing boundary. To quote the Monash Report again. It concurs with our opinions and it says "Consideration needs to be given to the rating of beneficiaries of the project. In particular the current flood protection rating scheme which is inequitable in that only landholders north of the Goulburn River are levied needs to be assessed with a specific view to rating all beneficiaries including those south of the river.

There is obvious concern that a rate increase of around 200% to cover the cost of replacing the loch would be inevitable. This is based on a cost of \$2,000,000.00 as estimated by Goulburn Murray Water.

Salinity – In June 2001 the then DNRE said Federal Government financial support was necessary under the National Action Plan for Salinity and Water Quality for proposal to proceed. We don't have a salinity problem. We refer to an article in the Numurkah Leader where the CMA confirmed this fact. To the contrary if option 3 proceeds a salinity problem would be created which would not appear to be the best use of funds allocated to prevent salinity. The CMA have argued that the proposal would improve water quality in the Murray River however the report which started this process, the SMEC Report notes that the proposal will in fact deliver poorer water quality outcomes. Further nutrient and silt loads to the Murray River will also be exacerbated. The Monash Review didn't find any analysis of the outcomes of any of the options in terms of salinity that had been completed nor were any such assessments planned. They also found that no rigorous assessments of the claims made by the CMA in terms of water quality were located and they stated that "these issues do not appear to have been assessed by the GBCMA or its consultants thus far".

In the event that option 3 was to be successful the existing improvements of the loch are compensable yet we haven't heard from anyone who would receive compensation let alone how it would be assessed. It will cost approximately \$2,000,000.00 to replace the structure combined with OH & S issues a firm decision must be forthcoming. We will never solve flooding in this country. Anyone who thinks they can manipulate nature is very naïve. The Lower Goulburn is no different. Figures are often quoted that the 1993 flood cost the community \$22,000,000.00 yet since 1993 no-one has been able to tell the community where this money was spent nor how it was calculated. In our opinion if the flood protection district were expanded to cover a larger area i.e. those actually protected and a modest levy imposed then more than enough money would be collected to carry out annual maintenance and repairs to flood damage when it occurs. The perceived benefits of option 3 cannot justify the massive cost. In fact we do not know of any major Government project that has come in under budget. Why would this one be any different? Who is accountable for cost estimates when there is a blowout? The Monash Report was not clear whether disaster funding would or wouldn't be available. Further they stated that neither the nature of the problem to be addressed nor the objectives of the scheme had been stated as clearly as they should have been. In these times of economic instability and uncertainty we cannot see why some one hundred small businesses will be put out business and not replaced within the State of Victoria. Instead the proposal will increase unemployment levels in Victoria and those farms that are able to re-open will be forced across the border to New South Wales. We all need a decision. We were categorically promised a firm decision prior to the Kennett Government's final budget. Since 1997 when the project became public we have all been promised that some certainty would be available to landholders shortly. Still we wait. Thank you.

Chairman

Thanks John. Can I just say that John made a comment at the start that he didn't receive is copy of the Monash Review until the first week in February. I just want to put on record that that is when the CMA received their copy of the Review as well. I don't think we have been treated any better or any differently to anybody else and if the Review was floating around and it is dated August 2003 I can't tell

you where it was but it wasn't in the hands of this Catchment Management Authority until then so as soon as we had the Review we acted on it straight away and made it available to people so I just want to make sure that everybody understands that we didn't have the report and sit on it for some period of time without acting on it.

Dr Sharman Stone It was finished in apparently August/September. The Commonwealth flicked it off virtually immediately to the State and it sat until State Government decided what to do.

Chairman Well I don't know where it sat but I can tell you it didn't sit here and ...

Dr Sharman Stone The same as with the State Government ...

Chairman ... that's all I'm really interested in where it didn't sit and I thought it should have been here much earlier than what it was because it was nearly another six months of uncertainty that could have been avoided and we could have had this meeting back in October last year if we had got on with it.

I think John throws quite a few points and you know it is really legitimate what he does raise that the people in that area that is affected by the Loch Garry regulator are the ones who actually do pay the rates now and are paying for the privilege of being flooded and it isn't all that fair if you see what is happening there. I think we do go with that. Bill?

Bill O'Kane As I understand it the Loch Garry regulator was put in to stop nuisance flooding up to a 1 in 5 year event. In that respect the Loch Garry Scheme performs to its intended design to stop nuisance flooding but it doesn't perform to the desired effect in a flood because it doesn't actually pump out enough water at the agreed benchmark height. What is the difference there Guy?

Guy Tierney It is designed to release approximately 44,000 megalitres a day with 900 mls freeboard on Loch Garry levees but we found since that it can only deliver 29,000 megalitres a day so it is not really allowing the escape of water from the Goulburn River system as it was designed in the 1920's. Thanks.

McKenzie Craig Mr Chairman I have an estimated change from SMEC and Sinclair Knight Merz and based on evidence taken in 1993 that Loch Garry was assessed to have passed albeit not with freeboard as some 60,000 megalitres per day. Accepting what Guy says about the integrity of the levees designing to run with freeboard, the ultimate outfall of Loch Garry during 1993 was independently assessed by a number of people to be approximately 60,000 a day.

Guy Tierney All I can respond to is we have spent 18 months cultivating the two fully hydrodynamic hydraulic models and we have got all the flow measurement data taken at the time into real measurements in the field and hydraulically it is impossible to deliver 60,000 megalitres a day through that small opening. It is just physically impossible. The calibration does fit the observed flows and heights and there is just no way it can deliver 60,000. Its just an estimate at the time from SMEC and Sinclair Knight and Merz did their reports that through the latest calibration which has been a significant effort only 29,000 can get through Loch Garry with 900 mls freeboard.

Chairman Thanks Guy and I don't think we will resolve that today whether it was 60,000 or 29,000 so I don't think we want to try to resolve that issue today. I think the point though is that the structure is there is obviously in need of replacement and something has to be done John and the issue is that it is a risk for OH & S and it is hard to operate and if we did have a flood it would be pretty hairy to go out and pull those bars or put them in at 2:00 or 3:00 o'clock in the morning. I don't think I would like to do it and the problem for your Water Service Committee is that you are facing rate increases of significant levels if you don't have support to put that structure in.

John Dixon You know, like we said, the basis is wrong. A flood protection levy has been paid by people who are being flooded before anybody else and that is just fundamentally inequitable. It is not right. What the loch, the loch protects a broader group of people. Be it as it may that it may be nuisance flooding, it protects more people than are being rated and what we are saying is that the beneficiaries of the whole scheme should be rateable.

Bill O'Kane The loch doesn't protect the broader group of people. The levee banks that are not included in the rating protect the other people. So lets get that right. The loch protects the people in the Loch Garry flood protection area from nuisance flooding up to a five year event and the loch performs that task. The levee banks provide flood protection for broader group of people not Loch Garry. Therefore you cannot rate these other people unless you accept responsibilities for these levees for the levee banks on both sides of the Goulburn. . That needs to be clear.

Chairman Ailsa?

Ailsa Fox Steve, my being a benefit of the upper catchment I just wondered could I have an indication of what sort of rating we are talking about for the Loch Garry area. How its rated? It's per acre I understand.

Chairman Per hectare.

Ailsa Fox Per hectare? So what sort of rate.

Chairman It is currently about \$4.00 which is probably more than council rates are.

Ailsa Fox Oh, okay, thanks very much.

Chairman And the expectation is that it could go up by 200%. Is that right? Is that accurate or is that just a guess?

John Dixon No I think, well CMA would know better than anybody else. They were floating around some figures.

Bill O'Kane But \$2,000,000.00 is an implied debt of \$140 hectare on all that land out there. It is about a 10,000 hectare rating base so if you put the \$2,000,000.00 you would say there is a debt on each one of those properties of \$200.00 a hectare.

John Dixon Okay so I think that puts it in some context and you have got to service that debt plus other operational costs on top of that.

- Chairman** Cathie?
- Cathie Scott** You made a comment about the salinity issues and that option 3 may in fact lead to a worsening position. Can you explain that a little bit.
- John Dixon** I've taken that straight out of the Monash Independent Review. They are the ones that I've quoted. I am not an expert in that field. I have got to rely on advice that experts are providing. As I would assume the CMA would.
- McKenzie Craig** If you have a look at the current floodwater tables for the land that is proposed to be acquired. It is one of the few areas in the Goulburn Valley that doesn't have a problem with a rising water table or any problems with either dry land or irrigation induced salinity. It would be quite obvious. I shouldn't say that because that is quite insulting to most that to encase that area which is predominantly grey box grassy woodland in a bounded levee system and then regularly flood it you certainly could not argue that that is going to improve salinity in that area.
- Bill O'Kane** I think there were two issues raised on salinity. One was whether it is included in the benefit costs. The projections for rising water tables in the area are about 40 or 50 years out. If you did normal discounts anything over, depending on what discount rate you use, say 4 %, anything over 20 years is discounted out. The reason hasn't been included in because it gets discounted out because it is a long term salinity threat. The floodplain is surrounded by areas of high watertables as McKenzie rightfully pointed out, and the projections are that those pressures will encroach onto the lowest part of the landscape. If you go to Kerang, you always see the lowest part in the landscape are saline and as Sharman can attest to from growing up there, all those wetlands were taken out with high water tables because it is a regional system.
- The question on the hydraulic performance of the area in terms of water use. It would vary as to the amount of trees in the landscape and so if there were more trees in the landscape it would use more water and less water would get through the ground water. It would have a marginal impact because it will driven by the impact of the high watertables on either side. In this case, mainly the northern side. You could probably expect the impact of how you managed the flood plain for groundwater recharge would be more to do with how many trees were in the landscape than any other determining matter.
- Chairman** Thanks Bill. No other questions for John? We will move on then to McKenzie Craig and McKenzie is a landholder on the northern side of the flood plain. McKenzie?
- McKenzie Craig** Firstly I thank you for the opportunity to address the Board especially as many of the members are new. It is a shame that my previous offers to do so were never taken up. Given the importance of the issue and the controversy that surrounds the project I don't believe that ten minutes is enough time considering our committee has representation from most of the significantly affected areas. Our committee is not just Loch Garry farmers. Our committee members also represent or attempt to represent those views of Nathalia, the Moira Settlement, Barmah and New South Wales. I encourage everybody to ask questions at the end of my presentation and please question my credibility, my integrity or my motivation for being here because I for one would like to state on the record and dispel some of

the rumours that I understand come back to me about why I am doing the job that I am doing.

It is a disgrace that many have been under the threat of compulsory acquisition now going on for six years. I fear that this project has become certainly a war of attrition. I understand that many are fed up and want “a decision” and for the life of me I don’t understand what a decision could be. The resolution of the issue gives our group the most angst. At our committee meeting last Friday despite much discussion on a range of issues it was unanimously agreed however that any further development of any proposals needs to be done expeditiously. Foremost we have often asked “what is the problem” and does option 3 therefore fix the problem? Agreement on this fundamental issue should be the Catchment Management Authority’s highest priority. Our group believes that flooding on the Lower Goulburn is not the problem. Flooding on the Lower Goulburn at its extreme is completely uncontrollable and yet there are those who wish to take all the benefits that the river can provide and yet want to pass the problems of flooding downstream onto somebody else. The design limit for option 3 is only a 25 – 30 year event. Apparently not well understood by many keen on option 3 is it given a medium to large flood. Option 3 causes widespread, uncontrolled flooding similar to existing conditions. In that as publicly stated by the CMA the near river levees as well as the proposed spillway levees would be breached. The incremental increase in protection that options 3 is offering is what we are talking about here today. Using flood hydro gas for all known floods including what we believe to have occurred in 1916 and examining the peak river flows, the present flood protection has only been exceeded for approximately 10 days in the last 100 years.

Option 3 based on the present design criteria of 25 year flood would have given us approximately another 3 days protection in all that time. So what is all the fuss? When the capacity of any of the known options is exceeded the levees start to overtop. They quickly collapse and a large section of levee is washed away. This surge of flood water at far increased head causes significant damage in its path. The main problem however is that water continues to flow from these wounds not for one or two days until the river recedes down past the river levee height but it flows often for one or two or more weeks until such time as the river recedes down past the point of where the erosion into the natural river bank has ceased.

If all the water naturally flowed to the north as some would have you believe why are the levees on the south on average much higher than those on the north? And why in 1993 did the majority of failures occur on the south? I ask where did the Kanyapella Basin, an area of significant environmental wetland, where did it receive its environmental flow from. Please don’t get me wrong and I see the hackles of Russell coming up here. I am not arguing for less water on the north. We get most of it now and we will continue to do so under every option. The question is what we do with the water that cannot be contained safely within the river channel and that which cannot be safely contained within the proposed spillway designed under option 3? A 25 year flood event is not really, in my opinion, serious compared to say 1974 which was a 1 in 70 year event nor say 1916 which was approximately a 1 in 100 year event. The land is neither marginal in terms of agricultural production or marginal in terms of environmental worth and I suggest that if you are slightly candid you as the Honourable Bill Baxter what over the last three years his family farming enterprise has made from his 800 acres of productive land in Loch Garry? All

credit to them they are an exceptionally good farming enterprise however it proves the worth of that land and I would say that the last 3 or 4 years have been quite tough. I have heard it said that they were just fluky years. I am a fourth generation Loch Garry farmer. If I couldn't make money from that land I would not be there and nor would my forefathers. Sure there are some losses but the years following make up for it.

Option 3 does not address the problem of uncontrolled and random breaches of the existing levee system. In other words are we, and I say both north and south really any better off given the cost implement and significant social dislocation? Some including members of our committee argued that it doesn't matter where the money comes from. That is not the present taxpayer funded means of appropriation. Option 3 will consume at least \$22,000,000.00 from State and Federal money that was under the previous proposal allocated for salinity and improvements to water quality and I ask the Board does option 3 nationally present the greatest return on investment for that outlay? Similarly if \$22,000,000.00 was allocated directly to improve land degradation, wildlife habitat or threatened species again does option 3 nationally present a worthwhile return on that investment?

The challenge therefore is to balance the conflicting outcomes of flood protection versus natural flood plain operation and I will be damned if I can accept that removing 200 metres of levees at Loch Garry and building an additional 80 kilometres of levees from Loch Garry down to the Murray is restoring natural conditions. That is just not possible. The present Loch Garry Flood Protection District with its narrow rating base as previously mentioned is completely unsustainable and completely inequitable given those members are the only ones who pay for flood protection and are the first ones flooded. Loch Garry and the regulator and the levees provide protection from nuisance flooding in the same way that the near river levees prevent nuisance flooding to those people as well. We urge the Board to form a consolidative working group of major stakeholders to progress the project and can I say specifically not option 3.

We ask again that the guarantee by the former chairman who unfortunately is not here today that all options be modelled over the entire range of floods and furthermore it is available for public scrutiny. Simulations that only test option 3 up to a 25 year flood are completely inadequate and are misleading that they give the impression that option 3 actually solves the flooding. It does to a point but show existing conditions up to design limit and that is an approximately 1 in 15 year flood and it looks good too.

The acquisition status of the Lower Moira Settlement needs to be confirmed given that it is in the middle of the bunded outfall where it enters the Murray Rive and finally there is being some consideration given to possible flooding effects on Barmah and I dispute what the Honourable Bill Baxter says in that we are significantly altering the amount of flood water that will be placed above the Yambuna choke. How is it possible that there implications for the flooding in Barmah and that a settlement of some 50 or more self funded retirees living in the bottom of the spillway will not be subjected to increased flooding? The impact of flooding on Barmah and New South Wales to be quantified over the entire range of floods for all options. Option 3 is currently not supported based upon the available evidence. Option 2 could be supported in future providing that design and modelling demonstrated and equitable split of additional water beyond that

currently released by Loch Garry both north and south and I make the point that retardation should be a key aspect of any plan that attempts to resolve flooding on the Lower Goulburn. Passing the buck downstream is not the option.

I still believe that modelling would show option 2 will provide the greatest level of protection over the entire range of floods over the longer term. It is the only option that addresses the problem of random levee failures. The spillways proposed by SMEC would have only ran for approximately 1 or 2 days in 1993 and 2 to 3 days in 1974 and would be both to the north and the south and I ask the question of those people on the south who are so strident in their support of option 3, in a 1974 type flood would it be better to have 2 or 3 days running from the spillway in a known location or to have approximately 3 weeks? Option 1 was always and still is an option despite the claims made by the Catchment Management Authority. Its effectiveness needs to be compared to no levees. Option 1 provides a moderate level of protection to many for a considerable amount of the time for minimum cost. It is paramount that a cost benefit ratio analysis be undertaken on option 1 compared to natural conditions and natural conditions are no levees, no Loch Garry north and south at least downstream of Loch Garry.

Option 1 should be implemented as soon as possible as follows:

The river management works proposed by SMEC including levee re-alignment and levee repairs and upgrades are strongly supported. The discontinuation of the Loch Garry Flood Protection District is strongly supported. The flood protection levy to be struck similar to that proposed under option 3 that is often kept quite quiet by those don't realise that it is coming their way should be paid by all beneficiaries both north and south and can I make one point as an olive branch absolutely clear, no differential rate would be proposed even though the current Loch Garry landholders would receive the majority of flood water and the least protection. The proposed charge would cover inspection, annual repairs and damage following flooding and unless State Government assistance is forthcoming it would need to cover the upgrade of Loch Garry considered by Goulburn Murray Water to be approximately \$2,000,000.00. The opening rules should be amended with greater flows earlier but perhaps importance on closure once the river has receded to be retained. Our group understands from the Chairman's letter that option 1 is not doing anything and I hope nor it is suggesting that the CMA would walk away from the issue if it is unable to get its own way on option 3.

Can I say from some of the previous comments that Monash had reservations about all options, specifically options 3. They were absolutely critical in their criticism that there was no detailed comparative assessment of all the options based on the triple bottom line and that is economic, environmental and social and the sceptics amongst us would question as Monash did how the Board so quickly came up that option 3 was the best option. I agree with Anne that people in Undera should be responsible to pay for flood protection. Does VicRoads understand their liability regarding the Murray Valley Highway? To the best of my knowledge and I will certainly stand corrected it has not been in the cost to the best of my knowledge and if we are talking about raising the Murray Valley Highway for at least a couple of feet for at least a distance of five kilometres with the associated structures to allow the flood water to pass that would be a considerable cost and we are still saying that the acquisition of the land and the

construction of 80 kilometres of levee banks will come in under budget or at least at budget at \$22,000,000.00. I would think that the Murray Valley Highway alone would be some \$4,000,000.00 or \$5,000,000.00. Five years ago I asked that an environmental impact statement be undertaken. That a social and economic assessment be done and that Catchment Management Authority's business plan be released. Interviews, the newspapers, the television and the radio will attest that our group was fought on these issues every step of the way and to this date the business plan has still not been made public. You are asking people to have confidence in a project and specifically information has been withheld. The environmental has not yet been completed to a satisfactory standard. The social study was completely inadequate. There has been considerable effort, money and energy expended to accept that something needs to be done. Doing nothing or walking away is not an option for a responsible statutory Authority. Neither is leaving the cost to maintain the present flood system to a small number of landholders who are the most affected by the flooding and who are in the least position to be able to pay. Thank you.

- Chairman** Thanks McKenzie. Does anyone want to ask McKenzie a question? Ailsa? Cathie?
- Cathie Scott** Can you just tell me who is on the Committee that you represent?
- McKenzie Craig** It is on file with the CMA but ...
- Cathie Scott** Okay but they're not all landholders?
- McKenzie Craig** No, as I mentioned there is myself as President, the former Community Development Officer of Nathalia as the Secretary, a landholder in the lower reaches as the Treasurer. We have two landholder representatives from the, if you like the upper Loch Garry in other words that area east of the Murray Valley Highway. We have two representatives from the lower reaches i.e. that west of the Murray Valley Highway. Until quite recently we had two representatives from the Lower Moira Settlement although one due to ill health has gone to Melbourne. We have two representatives from the township of Barmah and one representative from New South Wales and I say and I will accept and I keep looking down here and I hope that is not a rat caught in a trap and that is a sign of things to come but it is often said I don't speak for all the landholders. That is absolutely true and I don't know anybody or any organisation that does and I accept that as criticism.
- Chairman** Bill?
- Bill O'Kane** I understood that you (McKenzie)suggested option 2 was the preferred option for your group, is that correct?
- McKenzie Craig** No I did not.
- Bill O'Kane** What did you say then?
- McKenzie Craig** I said that I believe that option 2 could be supported in future providing that modelling and blah blah blah blah. I was absolutely clear well I thought that I was that I said option 1 should be implemented as soon as possible as follows so the group consensus was that option 1 should be implemented as soon as possible.

Dr Sharman Stone But it is not an option when you do nothing.

Chairman Not as it was?

McKenzie Craig Again Stephen or Chair whichever you liked to be called. Reading SMEC ...

Chairman But didn't you say option 1 should be implemented ASAP with some modifications?

McKenzie Craig With the inclusions that were included in the original SMEC report and specifically there is a whole chapter on waterway management works and that includes the rock stabilisations of outfalls, levee re-alignments and all the rest of it. Now a lot of those works were common to all of the options and one of the key factors of option 1 would have to be, and that is in accordance with SMEC that the discontinuation of the Loch Garry Flood Protection District. One of the things that I have often heard said is that Goulburn Murray Water will only be released from their responsibilities for Loch Garry, so will the current landowners be if option 3 is implemented. Now unless there is errata issue to the SMEC plan it is absolutely clear that any of the 3 options would remove the responsibility for the operation and maintenance of Loch Garry from Goulburn Murray Water and under all options the discontinuation of the Loch Garry Flood Protection District was recommended so unless there has been a change to that and that certainly hasn't been issued publicly although I understand there has been some private discussions on that.

Bill O'Kane That has never been the position of the GBCMA Board and it is not the responsibility of the CMA to determine what Goulburn Murray Water does so I am not sure what McKenzie is talking about. Certainly the CMA's position has been that if option 1 was to continue, it would be continued under the same institutional arrangements.

McKenzie Craig Well again part of the problem is that the decisions of the Board are not made public and its quite difficult therefore to be involved with a project where you are not availed of all of the sheets of music.

Bill O'Kane But that was certainly made known at all the public meetings and in fact I suffered some personal criticism which I remember quite vividly.

McKenzie Craig SMEC is absolutely clear and as I said unless the Board is being selective in what parts of the report that they accept and don't ...

Bill O'Kane Yes but that is true too.

McKenzie Craig ... all of the options recommended the discontinuation of the Loch Garry Flood Protection Scheme and the transfer of the assets from Goulburn Murray Water and I see that there is no impediment to that occurring and I understand that the Catchment Management Authority is not keen to take on the existing structure.

Bill O'Kane I think it could be an understatement that one.

- McKenzie Craig** Well so be it but let me assure that if I was a member of the Board I would be very reluctant to accept option 3 because I think you are inheriting and taking on a greater set of problems than what exists now and I ... sorry.
- Chairman** The Board will worry about those issues that I think concern the Board. Bill?
- Bill O’Kane** The point I was going to make with option 2 was that in the consultation process, very few people supported it and is my view from reading these submissions that Option 2 was unsaleable in the public. Now I was wondering if McKenzie could advise me if that has changed the view.
- McKenzie Craig** I think there would be considerable difficulty selling it. I think specifically to those on the south side but again let me say that one of the things that I have asked and asked and asked and asked is that there is a comparative assessment of all of the options against the entire range of known floods. It is my strident opinion and always has been that if the simulations and we have the technology and it would be, certainly be a small increment from what I understand we have now is it would be easy to demonstrate that option 2 actually provides the greatest level of protection and I think that to talk about the opinion that was issued in the submissions some years ago without the privilege of those people being able to see a comparative assessment of the options or to be able to see the current technology available unless you are asking that we conduct those simulations, run another round of consultations on those and then seek clarification.
- Chairman** Ailsa?
- Ailsa Fox** Just a technical question. The flood you talked about in 1944 and I think 1001 was it?
- McKenzie Craig** 1974 and 1916.
- Ailsa Fox** 1916 and I thought someone mentioned, it might not have been you, 1944 but they would be pre lake Eildon too wouldn’t they?
- McKenzie Craig** As mentioned you have to look and say where the rain fell in the catchment and where was the peak flow through Shepparton. It is argued that 1956 for example was a similar flow velocity through Shepparton of 1993 but the effect in 1956 in a lot of ways was actually contained by Lake Eildon. 1974 and 1993 would have the actual Eildon structure, as Bill has already pointed out would have minimal impact on that. The point I tried to make is that you have to look at the known magnitude of floods that we know can occur on the Goulburn and I am saying that the option proposed is a very slight incremental increase in protection given the significant cost to implement and the significant social dislocation.
- Chairman** I think in the interests of time and fairness, oh well, Bill you want to comment?
- Bill O’Kane** Just for the record the design standards of 35 ARI, 1993 was about a 27 ARI and that the PWD levees on the Murray are about a 30 ARI with no freeboard so we have fair risk of failure so they are more like a 20 ARI so in terms of rural flood protection 35 is in the higher side.
- Chairman** Cathie, you wanted to make a point.

Cathie Scott

Oh it was really a question relating to, there has been a lot of discussion about the modelling that has been done and the various options, to what level of protection may or not be there and I am just wondering does your committee have a view as to what they feel is an acceptable level of protection?

McKenzie Craig

It would probably be fair to say no and I suppose it is difficult say and costs of flood protection schemes are incremental in that to get an additional one or two or five years and I am sure the modelling has shown that there is an incremental cost. The balance is and look I have always said it is a difficult job the CMA is trying to do. The challenge is to get that incremental cost and balance that against it.

Chairman

I think we will leave it there because we have gone way over time on this one and I think we have got to be fair and equitable to everybody that is doing the presentations and people might have other commitments afterwards so I think that is the fairness that I have got to provide to everybody.

The next presenter is John Lyle and John is representing the landholders from the Civic prospective, the Shepparton Irrigation Region Implementation Committee and John is a landholder at Wyuna on the south side of the Goulburn River.

John Lyle

Thanks Steve. My name is John Lyle. I have lived at Wyuna all my life and owned land along side the Goulburn River for 35 years. In 1974 I assisted with local efforts to combat the floods and in 1993 I was appointed by locals as co-ordinator of our flood control effort.

Before I get into the submission I would just like to state that we in the Wyuna area are most definitely not in favour of option 1 and we do favour option 3. Now this submission is really to give the reasons why we have those opinions.

The Goulburn River is unique. It is unique because it differs from the usual picture of a river where the channel follows a path along the lowest points of a valley or flood plain and the river in flood spreads reasonably equally on both sides with the receding river draining back into the river channel. The Goulburn flows across the slope of the land with the natural fall of the land on both sides being to the north west while the river follows a path to the west. The Goulburn River is also unique because while the usual picture of a river is for the river channel to become larger as you go downstream, the Goulburn actually becomes smaller with the Yambuna choke being a significant flow restrictor. These unique features indicate that in natural conditions in times of flood significant quantities of flood water left the Goulburn and flowed along the waterways to the north west to the Murray River. River flood flows leaving the river on the southern side are forced back to the river by natural flood plain features. At present flood protection along the Lower Goulburn is attempted by a system of levee banks along both sides of the river with a relief valve for higher floods at Loch Garry. Detailed modelling carried out by consultants Cameron McNamara for their 1987 Lower Goulburn Flood Study for the Rural Water Commission indicated that this levee system has increased the height of the flood water on the river floodway by approximately one metre in the larger floods, compared to natural conditions. This greater height of water provides the potential for flood water that escapes the river floodway on the southern side through a levee bank to be forced to higher levels thus creating greater damage. It also means that this escaping flood water must build up to higher levels outside the levees before it can re-enter the river floodway which is the natural tendency for the flood water on the southern side to

do. With these levee banks there is always the worrying uncertainty in high river levels of whether a levee fails and where. At present it is the case of the areas with the highest levee banks that get the best protection. I certainly do not consider option 1 to be a desirable option.

The only solution to the flooding problem of the Lower Goulburn is one that returns the river to a more natural state. Better use must be made of the waterways to the north west because of the reducing capacity of the Goulburn River as you go downstream. Option 3 addresses these issues by the development of a leveed floodway along the Bunbartha and Deep Creek systems. Landowners with land that would form this floodway must be adequately compensated, with recognition that some properties may become less viable and the owners may have to relocate. It should also be recognised that in some cases the land and associated infrastructure will have been in the ownership of the same family for several generations which could involve compensation of a more emotional nature.

Option 3 proposed a scheme that will give substantial long term benefits to the Goulburn River itself and to the adjacent land and its occupants. The flood level of the river will be lowered rather than be continually raised as has been the case over the past 100 years thus meaning a reduction in river stream and bank erosion. Coupled with this will be reduced sediment movement and reduced phosphorus loads going into the Murray River. Landowners in the vicinity of the river in flood will not have the constant worry of levee failure. The levee floodway across the northern floodplain if managed properly will promote revegetation with trees and grasses native to the area thus helping prevent erosion along the floodway and provide habitat for native birds and animals. The increased biodiversity provided by this corridor across the floodplain will be of immense value in the future. It is now over 100 years since levee banking commenced along the Goulburn River below Shepparton and man's efforts at controlling the river during these intervening years have only created a greater problem.

Option 3 if approved offers what will probably be our only chance of recreating an environmentally friendly and sustainable river system in the Lower Goulburn area. It will be a river system that will operate in a more natural fashion, and, because the northern floodway will be banked on either side social disruption and dislocation of landowners will be minimised as much as possible. Current communities expect the current river problems to be solved and future communities will look back with appreciation at the foresight of those who made the moves towards solving them. I certainly favour option 3 believing it to be the only viable option.

Chairman

Thanks John. Are there any questions for John? I think you have made it pretty clear on what your views are and your options so thanks very much for your presentation. Our last presentation is going to come from Doug Robinson and Doug is with the Goulburn Valley Environment Group and I think Doug is well known to most people around here so welcome Doug and over to you.

Doug Robinson

Apologies for my late arrival. I'm involved in another workshop today so if it is okay I will vanish again after the presentation. I'm here today representing Goulburn Valley Environment Group and as a background to the presentation I guess we would like to commend the CMA firstly on actually having a vision of landscape scale conservation which we feel is critical in the catchment and also I

guess for having some vision about the fact that if we had to do flood mitigation works we should get other benefits out of those works so we would just like to put that onto the record.

Since 1999 however our group has consistently refused to give unequivocal support to the favoured option 3 of the CMA for the Lower Goulburn Floodways Project because of the number of environmental and social concerns we had with the proposal in its current form and these have been documented in various letters to the CMA and in media releases we have put out over the past few years. In particular our group was concerned that option 3 would send more water down Deep Creek than currently potentially causing more erosion and scarring. It would actually lead to less flooding of some parts of the floodplain because of the retention of the Goulburn River levees and the levee along the southern edge of the floodway. It could actually damage the current natural valleys of the Deep Creek system because of increased flooding and scarring. It could actually modify the terrestrial landscape which we know from surveyors' records was an open box woodland with open plains and from the soil mapping and so on we know that it was a sort of, a secondary floodplain as opposed to a primary floodplain. Putting more water down a significant portion of that floodplain could potentially actually transform it from box woodland to a sort of more even aged mature woodland of river red gum.

We also felt that there were some errors with the proposal. Only 50% of the proposed floodplain mitigation scheme was to go to conservation, the rest of the land would be available for agriculture which would therefore dilute many of the postulated environmental benefits caught up in the SMEC report. We also thought that some of the proposed environmental benefits in terms of habitat protection such as the amount of value we would get for squirrel gliders and having more of them in the landscape were actually untenable and that has borne out by the Review and finally we felt that the proposal gave scant attention to other mechanisms, legal mechanisms which by it could achieve the same outcomes. There is just one line in the business plan that says that acquisition is the only possible way to go and we felt that other strategies for improved floodplain management had not been investigated fully and throughout all of that discussion within our environment group we have always questioned whether the estimated cost of \$22,000,000.00 including the \$10,000,000.00 for land purchase actually gave the whole community that level of environmental benefit and in that sense our group has felt strongly vindicated by the Review in regard to many of these concerns. Many of these same points have been picked up by the view and in particular the Review has questioned some of the technical and consultative detail of proposed option 3. The Review has also strongly suggested that further investigation needs to be made into the purported environmental benefits from the scheme. It is emphasised that if the scheme were to proceed then all of that land should be managed for conservation if you are to get those environmental benefits in the future and the Review has also asked about is this a good use of public dollars. Are we getting the environmental benefit that we should?

Additionally our group feels vindicated by the findings of the Review that the technical and consultative processes in regard to the Lower Goulburn Floodplain Project have generally been poor. We agree with many of the criticisms made about these processes made by the Review and do not actually think that the consultative process during this whole discussion has been a credit to the catchment and I say that particularly in a catchment where I think our consultation

processes are generally good. That said however the Review provided new information. It forced us to modify some of our views and having carefully considered the information and comments expressed in the Review we agree with the Review that option 1 is unacceptable as it provides very little environmental benefit and our groups consequently rejects option 1 as an option for the Lower Goulburn Floodplain. Instead we would agree with the recommendations of the Review that option 3 provides the greatest potential environmental flood and mitigation benefits for the Lower Goulburn Floodplain so long as all of the following caveats are met and I note that most of these caveats are also reinforced by the Review and I have got copies of our presentation with the page numbers to circulate after the meeting.

The caveats we would add to any further investigation of option 3 that currently it can only be considered as a broad strategy rather than a detailed plan. That it requires much more work to actually formulate details of where it should go and how it is constructed and that there needs to be a proper consultative process as recommended by the Review. We also think that alternative mechanisms to achieve flood mitigation and environmental benefits such as conservation covenanting or land stewardship schemes or land easements should be considered in more detail to reduce the social impacts that could be caused by direct land acquisition and to increase the potential cross benefit ratios of the project by taking out the cost of land purchase.

If however further analysis indicates that land purchase is a viable option and the only viable option then we strongly support the Review's recommendation that all of the land, all of that 10,000 hectares be transferred to the Crown and managed for conservation and floodplain mitigation and that there be appropriate levels of funding provided for initial and ongoing management costs. We support the Review's recommendation that the southern bund of the floodway should be removed to increase the floodplain benefits of option 3 and finally we would recommend that the present environmental values of Loch Garry and the Lower Goulburn River be maintained or improved through the process. But I will add here that Goulburn Valley Environment Group believes that the supposed environmental benefits of this proposed project still need to be quantified to demonstrate whether the restoration of the Lower Goulburn Floodplains represents a sound investment of public funds.

The Review found that unpriced theoretical benefits of the buy-back scheme were excluded from the costings and these were the potential costs, potential benefits that we might get from habitat protection or recreation, if those imagined benefits were excluded option 3 was not even an acceptable option on benefit cost ratio grounds and the only way in which it can become a viable option in terms of benefit costs ratios is if it does generate substantial environmental benefits. So for our group the question is "does it do that?" the environmental data provided by the Review and by the CSIRO study of ecosystems services along the Lower Goulburn Floodplain indicate that some of the environmental benefits will not transpire for 100 years or in some cases 300 years. By contrast there is already 30,000 of existing floodplain woodland in Barmah, 20,000 hectares of existing floodplain at Gunbower, 10,000 hectares of existing floodplain along the Goulburn River all of which are already in public ownership but suffer from poor land management. Under the State Government and CMA's recommended biodiversity hierarchy of protect, restore and revegetate it consequently might actually be a better public investment to improve the conditions of these

functioning floodplain woodland systems and spend less on that restoration component of the Lower Goulburn Floodplain Project.

If a project is to proceed therefore the CMA must show clearly that this major investment of public funds does provide substantial environmental benefit to the whole community. In conclusion our group does support a variation of option 3 so long as all of the provisos I have outlined above can be met. Thank you.

Chairman

Thanks Doug and I think you have really clearly spelled out where the GV Environment Group stands. Has anyone got any questions to Doug? Bill?

Bill O’Kane

Just one clarification I got confused about. Barmah and Gunbower, are you suggesting that they similar ecological types as the Lower Goulburn?

Doug Robinson

Well the argument for us is that the Lower Goulburn is a floodplain and what you are going to do is to restore it as a floodplain and bring about the ... I mean the Review partly talks about sort of restoring ecological function to that floodplain. It is in fact as I say a different system because the Lower Goulburn is a secondary floodplain whereas those are primary floodplains. I actually suspect that the benefit/cost ratios from the Lower Goulburn Floodplain Restoration Scheme may actually be inflated because it hasn’t functioned as a primary floodplain for perhaps 10,000 years.

Bill O’Kane

I’m sorry, I’m confused by the comment . What is stopping it from functioning right back to 10,000 years?

Doug Robinson

It is just slightly higher in the landscape. There is fairly small primary floodplain along the Goulburn River., The Lower Goulburn Floodplain is part of the same secondary floodplain that Shepparton sits on and the Benalla township sits on, they are older floodplains.

Bill O’Kane

Yes, but it is quite active though?

Doug Robinson

Still active, yeah.

Bill O’Kane

So they are different in terms of scarcity. You would say that the Lower Goulburn’s eco-system is much more scarce than Barmah and Gunbower.

Doug Robinson

Yup, that is quite correct.

Bill O’Kane

So in terms of their policies of “protecting the best” scarcity is an important issue too.

Doug Robinson

No that is a good point too.

Chairman

Sharman?

Dr Sharman Stone

Doug can I reflect back to what I think you are saying. You were making the point that the Gunbower, Barmah, all those red gum forests along the Murray and in fact along the Goulburn are important and need to be managed better. I think we all acknowledge that, but the so called rehabilitation of this area through the Lower Goulburn is not in effect a rehabilitation but a conversion from woody box

lands to something else because of the additional inundation. Is that what you are saying?

- Doug Robinson** Well although that's been a concern of our group, in that regard, no that's not what I am saying. I guess I am saying we always need to think as the Board well knows where to spend public money and although Bill rightly points out these are a different floodplain system nevertheless it may actually be more effective in terms of the environmental benefits we get to improve the condition of these existing floodplain woodlands rather than try to restore 2,000 hectares of floodplain woodland.
- Dr Sharman Stone** So in what way would the 10,000 hectares of the Lower Goulburn area that goes through from Loch Garry to the Murray, in what way would it be restored through the option 3?
- Doug Robinson** I suppose and this is speaking personally not on behalf of the group but as a biologist I was convinced by the data in the Review that whilst some of our concerns about increased flooding leading to more red gum woodland may be correct they were saying at the kind of scale this restoration is going to occur, actually gaining 10,000 hectares of woodland in a depleted landscape will have much larger environmental gains and I accept that point and that certainly influenced my thinking.
- Bill Baxter** Can I just seek clarification following up that point that Doug has just made there going back to your reference earlier looking at different methods of land tenure because I turn my mind to that as well, is there a way of doing this without acquiring land? But surely if we are going to have the land remain in some sort of agricultural pursuit whether its leasehold, covenant land, stewardship or whatever. We don't get those environmental benefits do we?
- Doug Robinson** I think it depends how you construct the scheme.
- Dr Sharman Stone** What we call Environmental Services I think Doug is referring to..
- Doug Robinson** Again you would actually have to look at is it more cost effective to do that than direct purchase, and I think we sent some of this information to the CMA. In the United States they have got very large sort of land easement programs over again about 30,000 hectares of floodplain country in which they have worked out a legal framework for management.
- Bill Baxter** In other words you would pay the owner to maintain that land to a certain regime ...
- Chairman** Pay for the eco-services that are provided which is a concept that has just been developed here in Australia now.
- Dr Sharman Stone** But it is well established in the US? In Australia we call it the Environmental Services Programs Bush Tender is the example. You pay farmers to maintain their wetlands, their river rockarian zones, their weeds, their ferals according to an agreed outcome and the cost is borne by an Authority which therefore transfers public taxes to the private individual who is managing the country for the public good.

Chairman Yeah, quite a logical way to go. Thanks Doug. Thanks for the presentation and I think it has been very useful to us. Ian Moorhouse is our last presenter and Ian is from Goulburn Murray Water.

Doug Robinson If it is okay I will just dash back to the workshop.

Chairman Thanks Doug. Over to you Ian.

Ian Moor house Thanks very much for this opportunity. Just a few short notes. Just a couple of points I would like to get across. Look Goulburn Murray Water manages the Loch Garry Flood Protection District. We have been doing that since 1994. The original regulator and levees were constructed in about 1925. The district is approximately 16,000 hectares and it has about 118 rateable properties so quite a small rating base and it is operated under rules that were developed by the State Rivers & Water Supply Commission in 1932. Under Goulburn Murray Water the customers of the district have to meet operating, maintenance and renewals costs. Over the last three years customers have had rate increases of 33%, 30% and 15%. The district has an existing debt of \$200,000.00 and the annual revenue base is about \$60,000.00.

Now three key issues Goulburn Murray Water would like to make at this time and really we want our customers and the Government to know these sorts of facts. The regulator is an old structure. It needs to be upgraded to meet contemporary standards and that will need to be done in the very near future if the Loch is to continue to operate. It's dangerous because of the fatality of the 1960's. It has deteriorated and there are now structural and instability concerns with the structure. The preliminary upgrade cost is \$2,000,000.00 and that will mean a rate increase of in excess of 200%. So the future viability of the district is being questioned both by the internal customers and external observers. So that is the point that we really want to get across.

The second point that Goulburn Murray Water would like to make that under the Water Act Goulburn Murray Water has statute responsibilities for the floodplain within the district and that goes just beyond operational management. Goulburn Murray Water Board has resolved to adopt a position on the Lower Goulburn strategy when all the information is available and it has not yet done that. There is a need by Goulburn Murray Water to have an early decision on the Lower Goulburn strategy. The two relate to reduce uncertainty and reduce risk exposure. Significant expense is going to be required in the future to upgrade the Loch and GMW wants to investigate those options and consult with the Water Service Committee and customers about the future direction for the district. Okay? As well GMW has to reduce the risk exposure associated with existing structure to an acceptable level within the very near future. Due diligence will require Goulburn Murray Water to act very soon regardless of the outcomes on this Lower Goulburn strategy.

So they are the three key issues I wanted to get across at this time and that is all Goulburn Murray Water has to say.

Chairman Thanks Ian and thanks for being very concise and to the point and I suppose the last point you left us with is the fact that you will be acting, you have got to make some decision very soon. Can you put a time frame on that?

Ian Moor house We really, well it is a difficult issue. We have been very fortunate there has been nearly eight years of drought but we are taking a number of steps to reduce the risk but we are very reluctant to go through a subsequent winter where we will have to operate the structure. We are looking at having to go through the 2004 winter, we are very reluctant to go forward to the 2005 winter without acting.

Chairman Okay, thanks for that. Are there any other questions for Ian on his presentation? Bill?

Ian Moor house No. No we haven't. We haven't actually considered that. We would have to consider ... under our rating principles the beneficiaries pay so we have to really consider how we can justify the benefits that would flow to those people.

Bill O'Kane The proposal from the Water Services Committee we heard this morning is to extend the rate base . As I understood it from those people who benefit from Loch Garry to those people who benefit from the levee banks.

Ian Moor house That is a decision that we would have to go through at debate and the Board would have to consider the arguments about whether there was a strong enough case to justify rating those people for the benefits that they gain.

Bill O'Kane Yes, thank you.

Chairman Okay.

Dr Sharman Stone Can I just ask have you put an application in the meantime to the State Government to help support the capital injection into Loch Garry?

Ian Moor house No, no, what we want to do first is that we need to get some certainty about the cost, the \$2,000,000.00 is only a preliminary estimate. We want to do some investigation. Get better confidence in the costs. Talk to our customers and the Water Services Committee about how we go forward and develop strategies and that is where we'd look at then seeing what funding sources, if there was anything externally available. The \$2,000,000.00 could be a little bit less or it could be a lot more.

Chairman Thanks Ian. Just before we do bring this morning to a close. If you could just stay for a few minutes it might be useful Ian. We won't be very long. There has been ... I really think that presentations have been really good and been delivered with a lot of passion and I think that is important and a lot of people have got passionate views and expressed those but there has been a few common threats and one of those has been the issue of consultation and how that is handled and perhaps even the suggestions that there be some sort of stakeholder committee or landholder reference group or what. I'm not sure but everyone has got different names for it but we will take those views back to the Board but it might be useful if you just gave us a little bit of feedback before we go back to the Board on what you think that committee should do and who should be part of that committee and that might just help our Board a little bit in forming their views on that. Would anyone like to take the opportunity to add and give us some advice in that regard.

Bill Baxter Well I perhaps would like to mull over it for a day or two if we are going to be looking at some sort of . I mean I'm only I'd be supporting it on the basis that we are going with option 3 and we are wanting to put together a group that is actually going to work towards that and oversee that and I would like to instruct someone to look at what should be the stakeholder ...

Chairman I am not sure what that committee or group is but it may well be a steering committee that helps you know bring the community on Board and understand what is happening with the project.

Dr Sharman Stone I would suggest a working group that has and it's a shame, I don't think any local government representatives are here anymore. No. Defacto we have a few here. I would like to propose that the working group or steering committee, whatever it is called consists of the stakeholders which of course include Local Government, State Government representatives, CMA, Goulburn Murray Water and the actual farming, we call them landholders, stakeholders who come from both sides of the river plus the urban settlements involved and that that working group takes up the Monash Report where it said that for example there has been no cost benefit work done between options 1, 2 or 3. There is an enormous amount of work to go to even be assured that option 3 delivers the outcome that people are after, costs benefits ratios that would need to be there if you are going to get any external funding. So the first job as I said at the beginning was that the stakeholder or working group, whatever it is called was formed and the first thing that it did was put on the table what each of those stakeholders bring as the key issues that had to be resolved for them. We just heard from Goulburn Murray what their key issue is in all of this. We just heard from the environmental group what their key issue is. They all vary somewhat depending on where the stakeholders come from. We have heard what the Lower Goulburn landholders representative see as their key issues. That's all put on the table then that working group would progress in a collegiate fashion to look at what additional work needs to be done having established that it was the priority for the CMA to progress. And to me that's not rocket science, it is fairly straightforward common sense.

Chairman Thanks Sharman. Any other comments on that issue from anybody? Okay well I think we will leave it there and thanks very much for everybody for coming and your inputs today has been really valuable and I think it has been quite useful for all of us to have a better understanding of where everyone is coming from and what their particular points of view are on various options in the Monash report in total so I think the important thing is that we have heard today that the community out there has been living in a time of uncertainty for a decade or more now and that can't continue. We have heard from Goulburn Murray Water that if nothing happens they are going to act anyway because they have got a statutory responsibility to act and do what they have got to do with their assets so if we don't come up and do something straight away it will be taken out of our hands and then the community is going to be still unsure of their future so I think we have got to bear all that in mind so thanks for input. Bill we have got lunch and so we have invited everyone to stay for lunch and just mull over what we have been talking about. Thanks a lot.