

TRANSCRIPT

LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Environmental Infrastructure for Growing Populations

Melbourne—Tuesday, 27 April 2021

(via videoconference)

MEMBERS

Ms Sarah Connolly—Chair

Mr David Morris—Deputy Chair

Mr Will Fowles

Ms Danielle Green

Mr Paul Hamer

Mr Tim McCurdy

Mr Tim Smith

WITNESSES

Mr Tony Baker, Executive Officer, and

Ms Sharyon Peart, Chair, Vic Catchments.

The CHAIR: I advise that the sessions today are being broadcast live on the Parliament's website. Rebroadcast of the hearing is only permitted in accordance with Legislative Assembly standing order 234.

Sharyon and Tony, thank you so much for taking the time to meet with us today here at the public hearing for the Inquiry into Environmental Infrastructure for Growing Populations. This is one of several hearings that the Environment and Planning Committee will be conducting to inform itself about the issues relevant to the inquiry.

Before we begin there are a couple of things I need to let you know. All evidence taken today will be recorded by Hansard, and it is protected by parliamentary privilege. This means that you can speak freely without fear of legal action in relation to the evidence that you give, but it is really important to remember that parliamentary privilege does not apply to comments you make outside this hearing even if you are merely restating what you said today.

You will receive a draft transcript of the evidence in the next week or so to check and approve. Corrected transcripts are published on the committee's website and they may be quoted from in our final report.

So thank you again for meeting with us. I will get the committee to introduce themselves and then I will throw to you for introductions. If you have got a 5-minute—no more than 10-minute—presentation or opening statement, that would be great, and we will kick off into a bit of a discussion with some questions. My name is Sarah Connolly. I am the Chair of this committee and the Member for Tarneit.

Mr MORRIS: And I am David Morris, the Member for Mornington, Deputy Chair of the committee and Shadow Minister for Local Government, for housing and for ageing.

Mr FOWLES: I am Will Fowles. I am the Member for Burwood.

Mr HAMER: And I am Paul Hamer. I am the Member for Box Hill.

The CHAIR: And we may have Danielle Green joining us. She is the Member for Yan Yean. So I will throw over to you, Tony.

Mr BAKER: Thank you. We do have a presentation, So if you are happy, I will share the screen.

Visual presentation.

Ms PEART: Thanks, Tony. While Tony is sharing the screen, my name is Sharyon Peart, and I am here today as Chair of Vic Catchments, and I am joined by Tony Baker, who is our Executive Officer. I would like to acknowledge the traditional owners of the land on which we meet across Victoria today and thank you for the opportunity to present to you. There are great synergies between the work of catchment management authorities and the Inquiry into Environmental Infrastructure for Growing Populations.

First, I just thought I would quickly explain catchment management authorities, or CMAs. CMAs were set up over 20 years ago as community-based organisations. We have extensive experience working with community on environmental based projects. Our functions are established under the *Water Act* and the *Catchment and Land Protection Act*. These functions are reinforced and expanded on in a government-directed statement of obligations, and our annual priorities are set through the Victorian minister's letter of expectation.

Vic Catchments was established in 2017, and it is a collaboration of the work of CMAs. Our purpose is to promote Victoria's integrated catchment management—ICM as we affectionately call it—our approach and develop strategic partnerships to deliver more outcomes on the ground. The CMAs do great work in recovery efforts through drought and flood, and currently we are working on the COVID recovery program called Working for Victoria. Thanks, Tony.

In Victoria integrated catchment management underpins the sustainable management of land and water resources and contributes to biodiversity management. Through this approach CMAs and our partners seek to deliver sustainability and ensure the long-term viability of natural resource systems and human needs for both current and future generations. Our framework for integrated management of catchments is established under the *Catchment and Land Protection Act 1994*, for short obviously the CALP Act. ICM is the coordinated management of land, water and biodiversity resources based on catchment areas. It incorporates environmental, economic and social considerations. Today we are just going to focus on the catchments' interface between the regional landscape, the urban interface and how we work with the built environment. On that note I will hand over to you, Tony. Thanks.

Mr BAKER: Thanks, Sharyon. Integrated catchment management is planned through regional catchment strategies, and each catchment management authority across the state delivers those. They set out 20-year objectives based on the science and the needs of the community, so they look at the current condition of the natural assets or the environmental infrastructure in a region and, more importantly, what the community wants to see them like in 20 years time. Importantly, those regional catchment strategies align to government policies. They also link to regional strategies and local government planning schemes. CMAs also deliver action plans under those regional catchment strategies which articulate exactly how they are going to implement those outcomes on the ground.

Just a few examples about how CMAs get things done on the ground. One of the major ways they do this is through working with local community, in particular Landcare groups, friends of groups, and in this photo here it is an angling group that is helping improve an area for angling access and the environment. We also provide incentives to landholders. This could be through grants or market-based instruments, and it is really about encouraging landholders or land managers to change practice. In this case here a landholder has given up some of their land but been provided with funding to put up a fence to keep stock out of a waterway. We also work with councils and other government authorities on regulatory mechanisms. In this case the photo here is an environmentally significant overlay, which means that any development in that catchment of that wetland needs to be referred to the catchment management authority or to other authorities to make sure the development does not impact on that asset. But we also have works in waterways permits and other flood plain management referral functions as well that ensure the environment is protected.

We also do a lot of work with other authorities in terms of leveraging funding and partnerships, so in this case here the CMA in question was working with local government and local groups to remove a bunch of tyres that were used for erosion control, which was an inappropriate kind of activity from the past. The CMA provided the funding from the Victorian government, but the council did all the work with the support of local volunteers. So it is one sort of additional way where CMAs might spend some money but there are a lot of additional resources added to it from others.

I will just go through some of the opportunities we see around improving and enhancing environmental infrastructure. Areas around waterways and flood plains, particularly in flooded areas where there is not really a desire for development or there are impacts on development, really lend themselves to being used as environmental infrastructure. Sharyon, I might hand over to you to discuss this one.

Ms PEART: This is a great picture. I do not know if we have got Danielle with us here, but she is a Mildura girl so she might know the area. This is Kings Billabong, and we have built some great infrastructure there for people with disabilities to be able to go fishing. So you can see we have got this great platform where they can go out, and we have also got canoe launches there as well. It is just a bit of a great example where a waterway that is essentially a water storage for irrigation has got an environmental management plan around it and now it has great shared benefits for the community, with walking tracks, canoe launches and disability fishing platforms.

Mr BAKER: Thanks, Sharyon. Another example—and this is a really good illustration of the long game that CMAs play—is the riparian areas or watersheds where the catchment management authority have been working with local Landcare. This is out towards Bacchus Marsh in a bit of a growth area. So you can see over a number of years the before and after photos here of how that landscape has significantly changed from a degraded agricultural landscape into something that has secured environmental infrastructure, and that has been through a range of schemes, particularly Landcare support.

There are great opportunities to leverage off the work we do around climate change adaptation as well in terms of developing environmental infrastructure. So there is a big push to make green space in terms of cooling the

environment, adding trees to the environment in and around our towns and cities to cool them down and to provide amenity but also habitat. But one thing we do need to be mindful of is that we need trees in the right place for the right purpose. It is not just a matter of bunging trees in the landscape and hoping for the best. The trees need to be there fit for purpose and making sure we do not have any perverse outcomes.

Water is also a very significant factor in environmental infrastructure in our landscapes. CMAs do a lot of work in terms of retrofitting waterways that have already been manipulated, I suppose, and in this case this was on the Barwon where there is a barge, and the CMAs have been working with the local community and other authorities to develop a fishway so that fish can move up and down that waterway so the anglers can enjoy the benefits of fishing again.

There has also been some really great work with CMAs and local authorities in terms of identifying and planning for green infrastructure, so looking at unused or unutilised public land in towns and cities and protecting those and enhancing them, so developing some really good strategic planning about how those areas should be protected and how they should be enhanced going forward. This is just an example from Horsham up in the Wimmera where they have been developing a city to river plan, and there are similar activities happening around the state. That is our presentation. I will hand back to you, Sharyon.

Ms PEART: Yes. Thanks so much for that, and thanks, Tony. We are happy to take any questions. Hopefully we can answer any questions that you have or add to anything that we have discussed in our presentation. I will hand back to you, Sarah.

The CHAIR: Thanks, Sharyon and Tony. That is fantastic. It is great to see presentations like you have given. It just helps to sort of flesh out where you have made a submission and those sorts of things. I know we do have questions. We are excited to talk to you today. I will kick off. Your submission suggests that the regional growth plans have not been referenced as much as they actually should when making planning decisions, which I found quite interesting. You also suggested that there could be an advantage in aligning these growth plans with the CMA boundaries. Can you just talk a little bit more in detail about where you actually see these deficiencies and what advantages might be gained by addressing them? What kind of policy changes do you want to put to the committee about what you would like to see in this area?

Ms PEART: Tony.

Mr BAKER: Yes. Regional growth plans: there was a lot of work and effort spent on regional growth plans at the time and a lot of investment from a lot of authorities, but I feel that in some cases those regional growth plans have probably been left on the shelf somewhat. There needs to be a concerted effort, or a disciplined effort I suppose, to go back to those regional growth plans and make sure when there are planning decisions being made that they are referenced. I do not think we are suggesting necessarily a policy change there. I just think we want to remind people that they are there, and they are very useful documents and they need to be referenced. I think where we would like to see them move—and this is probably where we see the opportunity with them aligning with regional catchment strategies and CMA boundaries—is that the CMAs have done the work in terms of identifying where the priority locations are for work around environmental infrastructure or natural assets, and if there were an alignment between those boundaries of those regional growth plans and regional catchment strategies, there is a real opportunity to enhance that work and make sure that it flows through to planning.

It is probably not a blanket across the state where we are seeing the same issues, but I think there are opportunities to really get those synergies between the two sets of plans so that we can make the most of the work that has been done with regional catchment strategies to make sure they flow through to the regional growth plans and then to local government planning.

The CHAIR: Is there anything you wanted to add, Sharyon?

Ms PEART: Look, not really, and as we say at Vic Catchments, 'We are a collaboration of CMAs, and every region is different'. CMAs have 10 regions, but obviously we have many more than that in local government areas across Victoria that have regional growth plans. But I think there is always merit in trying to line up work that has already been done, so we always would encourage that.

The CHAIR: Thank you. I am going to hand over to David.

Mr MORRIS: Thanks, Sarah. I do want to ask a further question, but can I just come back to Sarah's question I think probably Tony. The submission, and you referenced it there, talks about potentially aligning the boundaries for the RGPs and the regional catchment strategies. I have not spent much time researching them, I must admit, but as far as I can see the RGPs are basically an amalgam of municipalities, so their boundaries align with municipal boundaries, which of course does not match with catchment management boundaries. I am wondering how that would play out if you were seeking to align the boundaries.

Mr BAKER: Yes. That is a good question. We always have this issue when we look at boundaries. They are always different, whether they are government agency boundaries with our partners in DELWP or whether they are local government or our own. You can cut the pie a hundred different ways and you are still going to have those boundary issues, but we have been advocating for many years that if we can align other planning boundaries with catchment boundaries, then it is going to make it a lot easier. CMAs probably benefit out of that, but we also believe the community will benefit out of that. Where some CMAs have got really smart is they have aligned boundaries within their regional catchment strategies so each CMA in a regional catchment strategy develops local area plans as well. It is a bit more detailed about what you would do in a local area, and some CMAs have actually used local government boundaries to do that, so there are opportunities there maybe at the more operational level, if you like, or at the transition between a high-level strategy and an operational strategy where we can bring those things together. I think that is where it probably plays out best. When you get to the local level we start to bring those things together and work out those boundary issues. There needs to be some creativity around some of that, but we are working through it. We work through it all the time because we always have these boundary issues. It is all about the relationships. I think in the transitioning from that strategic to that operational planning is probably the place to do that best.

Mr MORRIS: I do not think the committee would want to be making recommendations about realigning council boundaries.

Mr BAKER: No, definitely not. I will leave that to someone else to make those decisions.

Mr MORRIS: Can you just talk to me a little bit about—Tony or Sharyon, whoever is the appropriate person—this issue with the regional catchment strategies with local government not being obliged basically to align their decisions with the RCS. It is related to my first point, I guess. You know, how much of a problem is that? Is it simply that the structure is not there, or is it causing some operational challenges?

Ms PEART: I think that it goes back to relationships, as Tony said before. All CMAs have fairly robust relationships with their local government partners. Certainly from the perspective in the Mallee, and I know from in the Wimmera where Tony is, we do involve our local government partners with our RCS development, which we are currently working through. I actually see that going forward that that relationship is strengthening because the RCS informs investment in each catchment region. I think that we are all very aware of our relationships with our key stakeholders, and I think that is strengthening. But I will let you answer that, Tony.

Mr BAKER: Yes. I think it is not broken. I think there is just room for improvement again, and I think the councils that have worked really closely with CMAs and CMAs closely with councils have got some really good outcomes through their planning mechanisms, where they are on the same page. The example I gave you before of the wetland environmental significant overlays being a really beneficial thing for the Hindmarsh Shire Council up in the north-west of the state, there are many of those across the region and there are many other mechanisms that have been applied as well. It also rolls out well again when you transition from the strategic to the operational and we start talking about, you know, how we are going to cope with climate change and how we are going to deal with farm productivity and those kinds of things. When councils are looking to build on those, they have got a document there—the CMAs' documents are giving them direction. So it is probably more just about, for those that are not embedding those processes in their planning schemes or in their decision process, reminding them that those support tools are there within CMAs.

Ms PEART: And I think too, Tony, it is really important to note that at the moment we are renewing our RCSs but we are a little bit out of sync. It has actually worked out really well, because all of our local government areas in Victoria are currently formulating their council plans, so because we are doing that in conjunction I think it has been a bit of a gift that we had not thought of. We are not always doing this work at the same time, because council plans are four years and our RCS is a longer period of time than that. So I think that this is actually a really good process that we are currently in around Victoria.

Mr MORRIS: Is there an opportunity to, in the future, coordinate that? Is eight years too long or is four years too short given that it is linked to the council elections and so on?

Ms PEART: Well, the work we do, David, is a bit of a long game and it is much longer than eight years, but I think that the strategy, the RCS, we like to think of as being a rolling strategy because the investment is a continuum, really, of a plan. It is not like we invent a whole new plan each time, so I think there is a lot of merit in just seeing where we can connect the dots, if you like. Because we know if it is in the council plan it is going to get funded, and we know if it is in the RCS it has got double the chance of being funded. So that is how we try and make our alliances, and a lot of that is through the relationships between the stakeholders, I would suggest. Tony, did you want to add to that?

Mr BAKER: The only thing I would add is that when we talk about regional catchment strategies, it is like a framework, and those action plans that sit under those regional catchment strategies are equally important, particularly when we do get operational. So if it is a waterway strategy, it is a really good mechanism of linking, you know, the high-level regional catchment strategy outcomes with local government but also recognising sustainable water strategies and a number of other government policy documents or strategy documents as well. So I think it is about recognising our overall framework of integrated catchment management, not just the RCS. Those operational plans and the strategic plans that link into RCSs give councils a really big opportunity to make sure they are aligning with government policy as well.

Mr MORRIS: I do not want to hog the microphone, but the RCSs are under review at the moment. What is the frequency of that review? I get that they are longer term—clearly it is not something you are going to have a new plan for every four or five years—but what is the review cycle like?

Mr BAKER: So it is a six-year cycle. Within the document there are 20-year outcomes and six-year outcomes. The idea is that your 20-year outcomes will stay fairly stable, or they might be continually improved, but your six-year outcomes might change somewhat. Whereas something like a waterway strategy is an eight-year strategy, which is more operational. It is linked to our funding cycles for waterway programs and those kinds of things. So yes, things get out of sync, but when it comes to putting rubber on the road or trees in the ground or fences on the ground it is really about the investment cycles when that comes together. That is the job of CMAs: to bring all that stuff together at the right time with all the right stakeholders when government wants us to put forward proposals.

Mr MORRIS: Terrific. Thanks for that. Thanks, Sarah.

The CHAIR: Thanks, David. I am going to throw to Will.

Mr FOWLES: Thanks very much, Chair. We have heard that there is an integrated water management framework under development at DELWP. Can you tell us what you know of that and what impact that will have on CMAs?

Mr BAKER: Yes. That has already been rolled out. It is generally being run across the state by water authorities on water authority boundaries, but CMAs have been heavily involved and in some cases CMAs have taken the lead. It is really about delivering good water solutions for towns and cities so that those towns and cities are as livable as they can be. When we look at the operational side of that, it is really about looking at all the water opportunities within a town and city and making the most of that water. So it could be re-using stormwater, it could be using recycled sewage water or it could be how we deliver environmental water to get recreational benefits. So it is looking at the overall water framework within a particular town and city and making the most of it for the community. There are local forums where there are a range of local stakeholders that are involved in those—they are different in each patch. But they sit down and they look at what the priorities are and then have a priority work plan, so there will be a list of projects that they want to put forward to government over a number of years. So that is the general framework.

Mr FOWLES: Can you tell us, then, a bit about the relationship between the catchment management authorities and the water authorities. There is kind of a bit of a jurisdictional mishmash. You have got some DELWP bits, some Crown bits, some CMA, water authority, local council—it seems to me to be an area that is ripe for simplification and reform. Can you give us your views on that?

Mr BAKER: I might start, and then I might let Sharyon have a go. Water corporations generally are about the sale of water, if you like, or the resource. They will often run our reservoirs. They will deliver water to users, stock and domestic, or irrigators and the like. They are, I suppose, the retailer of water. Catchment

management authorities—in terms of water there are probably two or three parts of our business. There is the catchment management, so improving our catchment so that water quality is improved—preventing erosion and sedimentation in our waterways so water quality and the health of our water ecosystems are improved. The other role we have is around delivering environmental water and planning the delivery of that environmental water on behalf of the Victorian Environmental Water Holder. In doing so we work very closely with water corporations around ensuring that what we do does not have impacts on the water corporations' ability to deliver their water for stock, domestic or commercial use and their water supply to all the other entitlement holders in a system. So we work really closely with them. They pull the levers, I suppose; they open the valves, open the gates, to move the water, so we put requests in for them to do so. We also obviously have roles around flood plain management, working with council to provide advice around development in flood plains.

Mr FOWLES: Sorry, if I can take you to, I guess, the pointy bit: is that the ideal set-up? If you had a blank sheet of paper, how would you structure those regulatory arrangements and functional arrangements?

Ms PEART: Do you want me to take that one, Tony?

Mr BAKER: Yes, thanks, Sharyon. I will let you go with that one—nice handball!

Ms PEART: Being the chair of a catchment management authority and also being a director of a water authority, I cannot tell you how different the organisations are. I think everybody has this perception—well, not everybody, but some people seem to think—that the work is similar if not the same, and it cannot be more different. Water authorities are a health organisation. They deliver fresh drinking water and safe drinking water to their constituents or customers. Some of us have a rural capacity as well, where we deliver rural irrigation water as well as stock and domestic water. And, you know, it is a structured business, and what the CMA does is really look after the landscape and the environments and where we are going on the long game.

The other really important thing we do, as Tony said, we support local government in flood plain management. And, yes, we deliver environmental water, but because we have got such a terrific governance structure here in Victoria—because we are supported by our Victorian government, for which we are incredibly grateful as no other state in Australia has quite the same arrangement as we do, and because we got such a great governance model we actually do bring in a lot of funding from the commonwealth government, and that is a really important aspect of the work of CMAs. We can give you a much more detailed response to this very large question if there is any more information required.

Mr FOWLES: Sure. I guess where my question goes to is this is the Inquiry into Environmental Infrastructure for Growing Populations. The question is not so much, 'Are the regulatory and governance arrangements structured right as of today?' but, 'Are they the right arrangements going forward as populations grow?', and questions like, 'Why do we have 10 CMAs'—or is it 11, I have forgotten, sorry—'rather than one?' and, 'Why is that work done by CMAs and not DELWP or Parks Vic or some other?'. Actually go back to first principles: what do you see as being the best model for the achieving of all the goals that CMAs have?

Ms PEART: Well, a few years ago we did do some work around this very question, and we have got some work around that. It came to be that where we are at is actually the very best model of where we are in Victoria right now and how we move forward going forward. The other really important work that CMAs do and are actually lending a hand to water authorities on is the traditional owner engagement and how we work with our traditional owners and how we manage that aspect of our business as well. Tony, would you like to add some more to that?

Mr BAKER: It is up to the government of the day to determine how best to deliver its services.

Mr FOWLES: I appreciate that, but our job is to make recommendations to government about that, and we are asking you for your unvarnished view.

Mr BAKER: Yes. Going on from that, you could make a number of changes, but I suppose the things that we need to be mindful of are making sure that there is a separation of powers, there are not conflicts of interest, those kind of things. It is very hard to say what the ideal model would be, but if you were making a change or recommending a change, there needs to be some very careful consideration about those separation of powers and conflicts of interest of different organisations, so recognising that water authorities have a commercial aspect to their business—they sell products—whereas CMAs are not-for-profit, environmentally focused, triple bottom line sort of organisations that deliver a range of different other outcomes. So it is very hard to—

Mr FOWLES: But, for example, if a CMA was to make some dramatic improvement to the water that is caught for the purposes of human consumption, you do not necessarily get rewarded for that, but the water corporation would, wouldn't it?

Mr BAKER: Yes, that is right, and we do that every day. CMAs every day are out there, particularly where they are managing large catchments that flow into storages—we are working with landholders to improve that water quality. Water authorities do benefit from it, but so do the CMAs in terms of their water delivery and the community. And governments are funding that through the environmental contribution levy that water corporations collect, so it comes back and around.

Ms PEART: The big thing that CMAs do is deliver for communities and deliver on the ground. We do produce a great report, which is actually a really good, positive read, and we are happy to provide that to you if you would like. We have just released another one now.

Mr FOWLES: Please. If you could share it with the secretariat, both that report and that piece of work you did on the structural arrangements in the sector, that would be great. And I will stop hogging the mic, Chair, and give up there.

The CHAIR: Thanks, Will. I am going to throw to Paul.

Mr HAMER: Thanks, Sarah. I think you showed on your slides some of the particular revegetation that had occurred in Bacchus Marsh that would have presumably significantly improved the quality of the land and particularly then the waterways and had a flow-on public benefit. I was just wondering what other mechanisms or incentives you have introduced or you can think of that would be useful in terms of having more private landowners provide that public benefit.

Mr BAKER: There are probably two major ways that landholders give up their land, if you like, for an ecosystem service. It is either through engagement and education where CMAs or other partners are working with landholders to really educate them about what the benefits are to them and to the community in terms of practice change. We have seen quite a number of landholders across the state change their practice without any financial benefit at all apart from the gains they get on their own property, and they will fund hectares and hectares of revegetation and hectares and hectares of weed and pest control for the benefit of their own land but also their community. But where we do not have that practice change happening, then market-based instruments or grants have really been successful in terms of providing that ecosystem service. CMAs over a number of years have run these market-based instruments or tenders to test the price. Then they can understand what that price is and then they might turn it into a grant scheme because they make some more efficiencies out of delivering it that way. They are probably the two major ways that we have done it.

In terms of how that comes about, particularly the first aspect, working really closely with Landcare and other partners. Landcare in a lot of places across the state has got a really strong presence. They can work really closely with landholders in each particular patch and develop their own little or smaller detailed plans, and they can then bring those landholders along. There are very strong networks up there where those Landcare groups can help CMAs deliver those outcomes. So it is a combination of education, engagement and ecosystem service payments. Sharyon, have you got something else to add?

Ms PEART: Yes. I think really key to that is we did some work a little while ago and we actually know that for every dollar that a grant recipient receives the landholder puts in at least \$5 against that money. So it is always a win-win when we use it as a grant mechanism on private land because we get a lot more than the \$1 that is part of the grant. It is five times the amount that you get for your grant because the private landholder puts in five times as much. So it is a really important aspect of the work that we do across Victoria.

Mr HAMER: Terrific. Thanks, Sharyon.

The CHAIR: Thanks, Paul. I am just mindful of time. I know that we started late. If members do not have any further questions, I will throw to Tony and Sharyon. If there are any words or recommendations that you just wanted to make sure that we heard and you want to throw them out there, now is the time.

Mr BAKER: I do not have any more, but I will send you some additional documents through Nathan. We also have some short video clips that will sort of demonstrate some of the work that CMAs have done, particularly in high-growth areas around Melbourne. So we will package up some material and forward it through to Nathan.

The CHAIR: Thank you, Tony. That would be greatly appreciated. On behalf of the committee, I would like to say thank you so much for spending some time with us this afternoon. It is greatly appreciated. Again, I am very sorry that we started a little bit later than we thought.

Mr BAKER: No problems. Thanks for the opportunity.

Ms PEART: Thank you.

Witnesses withdrew.