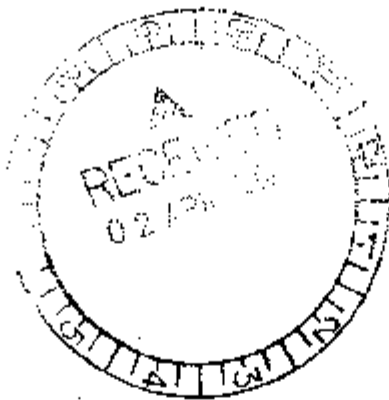


27 March 2002

Mr Ed Willett
Executive Director
National Competition Council
GPO Box 250B
MELBOURNE 3001



**Australian
Conservation
Foundation**

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Attention: Paul Swan

Dear Mr Willett,

**Victoria and Water Reforms:
Concerns re Environmental Performance**

I write to express ACF's grave concerns regarding the lack of commitment by the Victorian Government to environmental reforms under the CoAG Water Resources Policy. Despite repeated commitments to the contrary, plus the recent development of the Victorian River Health Strategy document, ACF has learnt that, once again, the proposed River Health Strategy will not receive funding in the 2002/03 State budget.

For some years now ACF has voiced its concern about the urgent need for a strong commitment by the Victorian Government to its rivers, wetlands and estuaries, most of which remain in a poor state of health. Indeed Victoria's commitment to the Snowy River remains the only notable area of progress since Victoria signed the CoAG Water Resources Policy in 1994.

In summary, ACF is particularly concerned that Victoria has failed to meet policy commitments re:

- Identifying the environmental flow needs of rivers via the *best available* scientific knowledge;
- Returning water to stressed rivers where water resources have been over-allocated;
- Separating – institutionally – the role of resource manager and regulator from that of government trading enterprises (i.e. Rural Water Corporations);
- Development *and implementation* of water quality strategies.

You will be aware of ACF's prior submissions and papers where ACF's concerns in Victoria have been spelt-out in more detail, and I do not propose to reiterate all of these concerns in this letter. However at this point I would like to draw to your attention the following:

- Recent advice to ACF from the Victorian Government that the Victorian River Health Strategy will not receive any funding over the 2002/03 financial year.
- Deficiencies in the Victorian River Health Strategy document, particularly:
 - the lack of any 'claw-back' mechanisms in relation to stressed rivers, and
 - the lack of any strategic approach to thermal pollution caused by large dams.

- The abolition of the statutory 'catchment levy', required under legislation to be spent on river management works, and its replacement with funding that is *not* required to be spent on river management. This has resulted in the demise of almost all river management programs statewide.
- Recent media statement by Minister Garbutt expressing Victoria's intention to oppose the River Murray Environmental Flows initiative under development by the Murray Darling Basin Commission.
- The lack of any formal response to the Nolan-ITU report on pollution from irrigation drains in northern Victoria. The report has recommended, amongst other things, a licensing regime for irrigation drains to be managed by the EPA.
- The premature demise of the Stressed Rivers Program.
- The very slow progress of Bulk Water Entitlement and Streamflow Management Plan processes to date, the lack of any 5 year reviews (eg. Goulburn BWE), and the overwhelming failure to restore adequate environmental flows in stressed rivers.
- The lack of funding commitments to date to address the water and flow needs of the following Ramsar-listed wetlands: Lake Albacutya, Dowds and Hearts Morasses, and Lake Corangamite.

ACF notes that some areas of progress have been achieved. The Snowy corporatisation agreement, as alluded to above. And the Farm Dams Review package recently passed through Parliament, for instance, will accelerate the Streamflow Management Planning process for unregulated river systems, albeit through committees whose membership will be dominated by nominees of the Victorian Farmers' Federation.

While important areas of progress cannot be discounted, the overwhelming conclusion must now be that Victoria has demonstrably failed to commit to the environmental reforms of the CoAG Water Resources Policy.

ACF therefore submits that Victoria should be denied water reform funds payable by the Commonwealth under the 4th Tranche of NCP payments until such time as funding and policy commitments are secured.

I look forward to Council's consideration of these matters.

Yours sincerely,



Tim Fisher
Co-ordinator, Land & Water Ecosystems Program