

Outcomes over the 2008 regulatory period

Legislative and regulatory requirements guide Melbourne Water in delivering community, shareholder and environmental outcomes.

Considerable new obligations have arisen since the Commission last set prices.

These new obligations, set out in Melbourne Water's revised Statement of Obligations and Waterways Operating Charter, the State Government's Our Water Our Future and the Central Region Sustainable Water Strategy, include managing environmental flows in line with newly established Environmental Entitlements, implementing flood protection measures to reduce currently known intolerable flooding risks and undertaking water quality programs to improve stormwater and catchment run-off. Large investment is required to meet these obligations.

Melbourne Water has consulted extensively to ensure that regulatory, Government and community service requirements over the 2008 regulatory period are as clearly defined as possible.

This Chapter sets out the obligations and requirements that guide the proposed community, shareholder and environmental outcomes that should be delivered by Melbourne Water's waterways and drainage services over the 2008 regulatory period. It also details where obligations and requirements are either business as usual or new obligations, and the main activities that will be undertaken to deliver these requirements. Consultation undertaken with the community and stakeholders is also outlined.

These obligations and requirements are based on the best information available to Melbourne Water at the time of formulating its 2008 Water Plan. Melbourne Water has undertaken substantial consultation to clarify the nature and timing of these obligations and requirements. Where obligations change or new obligations arise over the 2008 regulatory period, Melbourne Water will work with the State Government, regulators and the community to confirm relative priorities and the most appropriate source of funding including use of the mechanisms provided in the regulatory framework to manage such change.

Appendix 1 summarises the significant obligations over the 2008 regulatory period. The regulatory framework underpinning Melbourne Water's 2008 regulatory period obligations is summarised in Chapter 1. The costs associated with meeting these obligations and activities (capital and operating) are discussed in Chapters 8 and 9.

5.1 Waterways and drainage services

As outlined in Chapter 1, Melbourne Water undertakes programs to improve and protect the health of rivers and creeks (which includes improving the water quality of waterways) and enhance their environmental, economic and social values. It also provides drainage infrastructure to service urban growth and provides a safe level of flood protection for communities within the Port Phillip and Westernport region to meet State Government requirements as well as its obligations under the Waterways Operating Charter.

5.2 Waterways Operating Charter

Melbourne Water's obligations in relation to waterways and drainage derive from a wide array of legislation given the diversity of responsibilities that range from managing river health to regional drainage systems, and minimising flood risks. The nature of legislation and government policies also means that specific standards can be open to interpretation. Because of this, Melbourne Water has sought to clearly articulate within an Operating Charter, the responsibilities and goals for its waterways functions, key service commitments/outcomes, priority setting processes for work programs, performance targets and measures.

The Statement of Obligations sets out the requirement for Melbourne Water to develop an Operating Charter which is to be reviewed at least every five years and provided to the Minister for Water. The Statement of Obligations also requires consultation on the development of the charter and associated work programs along with performance reporting, which is independently audited each year.

The Waterways Operating Charter outlines service outcomes for the following areas:

- Managing waterways (Waterways Condition program)
- Managing water quality (Stormwater Quality program)
- Flood and drainage management (Drainage and Flood Protection program)
- Managing urban growth (Land Development program)
- Monitoring, investigations and research
- Community and stakeholder engagement.

Monitoring, investigations and research, and community and stakeholder engagement are required for each of the key program areas.

5.3 Service outcomes

Service outcomes to be delivered over the 2008 regulatory period are detailed below for each key program area.

Waterways Condition

As the caretaker of river health¹, Melbourne Water's requirement under the Port Phillip and Westernport Regional River Health Strategy is to work in partnership with State Government agencies, industry, landholders and the wider community to protect and improve the ecological health of rivers, creeks, estuaries, floodplains and wetlands in the region. This requirement has been incorporated into the Waterways Operating Charter as a long term aim and ten year goal. An Addendum to the Regional River Health Strategy has also been developed to translate priorities and targets in the Regional River Health Strategy to interim targets for the 2008 regulatory period. Targets included in the Addendum have been developed taking account of achievements and additional learning's acquired over the 2005 regulatory period.

Long term aim

To ensure that Melbourne's rivers and creeks are healthy, with increased numbers of native fish, platypus and plant life.

Ten year goal

To have 50% of rivers and creeks in good or excellent condition by 2015 (as measured by the Index of River Condition).

This is a business as usual obligation.

As the waterways manager for the Port Phillip and Westernport catchment, Melbourne Water is responsible for ensuring that environmental flows are managed, monitored and audited to maximise ecological benefits. New obligations arising from Melbourne Water's role as a waterway manager include managing the Environmental Water Reserve in accordance with requirements under the State Government's Our Water Our Future strategy. The new requirements include establishing and managing environmental entitlements for priority regulated rivers within Melbourne Water's area of responsibility, along with delivering environmental water reserves to priority unregulated rivers.

Under the Water Act 1989, Melbourne Water as a waterway manager is also responsible for licensing surface water extractions (diversions) and farm dams in the Yarra, lower Maribyrnong, Stony, Kororoit, Laverton and Skeleton Creek catchments. Diversions are managed in accordance with stream flow management plans, local management rules and drought response plans to ensure environmental flows are protected. This is a business as usual obligation.

As directed by the Commission, Melbourne Water has a new obligation to develop a Customer Charter for diversion services that sets out service standards for diversions licensing and administration. This Charter is currently with the Commission for approval.

¹ Under the new arrangements outlined in the State Government's White Paper, Our Water Our Future, Melbourne Water has been designated the caretaker of river health and is responsible for waterway management, water quality monitoring, management of the environmental water reserve, regional drainage and floodplain management for the whole Port Phillip and Westernport region.

2008 Water Plan outcomes

River and creek management works will be delivered each year to achieve the implementation targets and regional priorities set out in the Regional River Health Strategy – Addendum.

Meet service requirements set out in Melbourne Water’s Customer Charter for Diversion Services.

To deliver the Water Plan outcomes, Melbourne Water will:

- Deliver works to rehabilitate, protect and maintain the condition of river and creek beds and banks, aquatic habitat and streamside vegetation
- Undertake planning to assist in the effective implementation of waterway programs
- Provide financial assistance to local government, community groups and landholders to undertake waterway improvement and protection works on public and private land
- Undertake environmental flows studies for all major rivers and creeks within Melbourne Water’s area of responsibility and implement a program to enhance the environmental water reserve for rivers and creeks that do not meet agreed scientific flow objectives

The above activities will form the basis of achieving the implementation targets outlined in Table 5.1. These targets contribute towards the ten year goal to have 50% of waterways in good or excellent condition and are used to measure the outcomes of river health actions.

Melbourne Water will also commence reporting against Customer Charter service standards set out in Table 5.2.

Table 5.1: Regional River Health Strategy-Addendum implementation targets

Target Area	5 Year Target 2008/09 to 2012/13
Number of rivers with negotiated environmental flow regimes ¹	12 ^
Number of rivers with improvements made to environmental flow regimes ¹	17 ^
Area of streamside land under management agreements	10 km ²
Length of streamside land revegetated ~ +	1026 km#
Number of fish barriers removed	31
Length of riparian land subject to weed management +	2042 km#
Number of plans developed for rivers and creeks of high social value	15 ^
Rivers where heritage values are protected or improved	34
Number of plans developed for rivers and creeks of high environmental value	11 ^
Number of investigations to fill data gaps in rivers or creeks	55
Number of sites subject to bed and bank stabilisation	55
Number of Index of River Condition (IRC) reaches with instream habitat reinstated	12

¹ Target relates to rivers within Melbourne Water’s area of responsibility

~ Kilometres of rivers and creeks for streamside revegetation may overlap with kilometres of weed management

+ Length calculated for both sides of the stream

^ Denotes action which covers multiple Management Units, counted as one target in the overall targets

Target has been adjusted to reflect 80% of the total kilometres of stream length

Table 5.2: Customer Charter service standards*

Service Standards	Target
Percentage of applications for surface diversion licences determined within 60 days	90%
Percentage of permanent transfer of surface diversion licences processed within 30 days	90%
Percentage of temporary trade of water entitlement volumes processed within 60 days	90%
Percentage of permanent trade of water entitlement volumes processed within 60 days	90%

* Melbourne Water's Customer Charter for Diversion Services is currently with the Commission for approval

Stormwater quality

Melbourne Water, as caretaker of river health and a "Protection Agency" under the Environment Protection Act 1970, is required to undertake actions to help achieve water quality policy objectives for rivers, creeks and bays and to implement agreed attainment strategies identified in the State Government's State Environment Protection Policy (SEPP) (Waters of Victoria) and Schedules F6 (Waters of Port Phillip Bay), F7 (Waters of the Yarra Catchment) and F8 (Waters of Western Port and Catchment). The protection policies and schedules include objectives for water quality pollutants such as nutrients, several heavy metals, suspended solids and E. coli which aim to protect beneficial uses of waterways.

Schedule F6 (Waters of Port Phillip Bay) provides a nitrogen reduction target of 1000 tonnes per year from mid 1990 levels by 2006 for Port Phillip Bay. This target has been incorporated into an Environmental Management Plan (EMP) developed in 2002 by the former Department of Natural Resources and Environment (now the Department of Sustainability and Environment) in consultation with Melbourne Water and EPA Victoria. A key target of the EMP was assigned to Melbourne Water to reduce nitrogen loads from the Western Treatment Plant by 500 tonnes per year by 2006. A major upgrade to the Western Treatment Plant was completed in 2004 to achieve this target and has been designed to treat increased loads from future population growth.

The EMP also set a joint target to reduce catchment nitrogen loads to Port Phillip Bay by 500 tonnes per year by 2006. Melbourne Water's contribution to meeting this target involved undertaking targeted stormwater actions within urban areas. In 2000, Melbourne Water committed to a \$60 million wetlands program aimed at achieving a 100 tonne reduction in nitrogen loads by 2010. As detailed in Chapter 3, the wetlands program has achieved a cumulative reduction in nitrogen loads of 54.5 tonnes for the year 2006/07.

In addition, Melbourne Water was assigned the responsibility for monitoring nitrogen loads to Port Phillip Bay to allow a comparison to be made against the baseline determined by EPA Victoria. The load monitoring program undertaken by Melbourne Water has been expanded and improved in line with recommendations from the Port Phillip Bay Environmental Study. The current network includes nine sites in the Port Phillip catchment including the Yarra-Maribyrnong and Patterson-Mordialloc catchments. There are also five sites in the Western Port catchment. The monitoring program also measures total suspended solids, total phosphorus and more recently pathogens, pesticides and heavy metals. Samples are taken in both dry weather and for each storm event. Proposed expenditure for the load monitoring program totals \$0.5 million over the 2008 regulatory period.

At present, a statistically robust comparison of monitored loads against the 1996 Port Phillip Bay baseline cannot be determined as there has not been an adequate number of storm events to accurately represent storm events for the catchment. Melbourne Water expects that an acceptable level of monitoring data will be available within the next two years to make an assessment of the changes occurring in load inputs to Port Phillip Bay over a period of time.

Outcomes over the 2008 regulatory period

In addition to the catchment scale load based targets associated with Schedule F6 of the SEPP (Waters of Victoria), Melbourne Water is also required to meet obligations and water quality objectives outlined in Schedule F7 (Waters of the Yarra Catchment) and F8 (Waters of Western Port and Catchment). Water quality targets based on SEPP objectives for individual rivers and creeks have been identified in the Regional River Health Strategy.

To assess water quality against SEPP objectives Melbourne Water manages an annual \$0.4 million monitoring program for 136 fixed sites across the Port Phillip and Westernport region.

There are 37 sites within the Western Port catchment, 38 sites within the Yarra catchment and 61 sites across the Maribyrnong, Werribee and Dandenong catchments.

Water quality sampling that includes nutrients, metals and E. coli is undertaken on a monthly basis. The results are compared with relevant SEPP objectives and reported quarterly to EPA Victoria. See Monitoring, investigations and research on page 43 for further information.

These are all business as usual obligations.

To clarify its roles and responsibilities, and program of actions for water quality management, Melbourne Water has developed a Waterways Water Quality Strategy in consultation with key stakeholders. The integrated water quality program defines five year implementation targets and planned activities that progress towards achieving long-term SEPP objectives, meeting Regional River Health Strategy targets and priorities identified in the State Government's Yarra River Action Plan.

The Waterways Water Quality Strategy will form part of the Better Bays and Waterways action plan being developed by Melbourne Water and EPA Victoria to provide a long term regional plan for improving water quality in rivers, creeks, estuaries and bays. The action plan is expected to be released for public consultation in 2008 and will determine priority areas and sources for actions to improve water quality for a range of pollutants, as well as guide investment in regional water quality initiatives. Actions and targets arising from the Better Bays and Waterways action plan will be assigned to each responsible Government agency.

Modelling undertaken for the Waterways Water Quality Strategy suggests that increased loads from urban development, and to a lesser extent rural intensification, continue to pose a significant challenge in achieving the 500 tonne reduction target for nitrogen loads from the Port Phillip catchment. An important focus of the Waterways Water Quality Strategy is recognising that all human activities within the Port Phillip and Westernport region have varying degrees of impact on water quality, and that no single agency can undertake water quality management works on its own. Therefore, Melbourne Water's progress towards meeting State Environment Protection Policies and water quality targets can only be achieved by working in collaboration with State agencies, local government, industry, land managers and the general community to improve the quality of stormwater and catchment run-off.

The Waterways Water Quality Strategy identifies that significant opportunities exist for local government to reduce pollutant loads at their source by incorporating water quality works into their road and drainage renewal work programs along with placing planning conditions on all new developments. While retrofitting water sensitive urban design into existing urban catchments is increasing, it is still in its infancy and being applied to a very limited number of potential projects. Developing local targets, such as municipality based load reduction targets, will be an important action for the future to enable assessment against broader scale targets such as the 500 tonne reduction target for Port Phillip Bay. Melbourne Water responsibilities are focussed in areas such as supporting capacity building programs that assist local government to deliver best practice stormwater management and assisting EPA Victoria, Department of Sustainability and Environment and Department of Planning and Victorian Communities in the development of regulatory frameworks. These regulatory frameworks will aim to institutionalise water sensitive urban design and incorporate sustainable urban water management into planning provisions and building permits.

Outcomes over the 2008 regulatory period

Another opportunity to reduce catchment loads is working in partnership with the Department of Primary Industries, land managers and other agencies to encourage the adoption of best management practices on rural land.

Responsibilities for undertaking load reduction programs in rural areas of the catchment are new to Melbourne Water and derive from its expanded role as caretaker of river health. This expanded role enables Melbourne Water to undertake programs and works away from waterways to improve river health.

As the load reduction programs are dependent on the participation of land managers, models of engagement will need to be trialled and the performance of different treatment systems tested. Therefore, specific nutrient load reduction targets have yet to be developed and will be set in consultation with EPA Victoria. In addition, Melbourne Water has the responsibility of constructing treatment facilities such as regional wetlands to improve water quality within rural areas where feasible.

The programs proposed within the Water Quality Strategy have been developed to support the long term aim and ten year goal outlined in the Waterways Operating Charter. This includes achieving a net reduction in a number of additional key pollutant loads including total phosphorus, total suspended solids and toxicants.

Long term aim

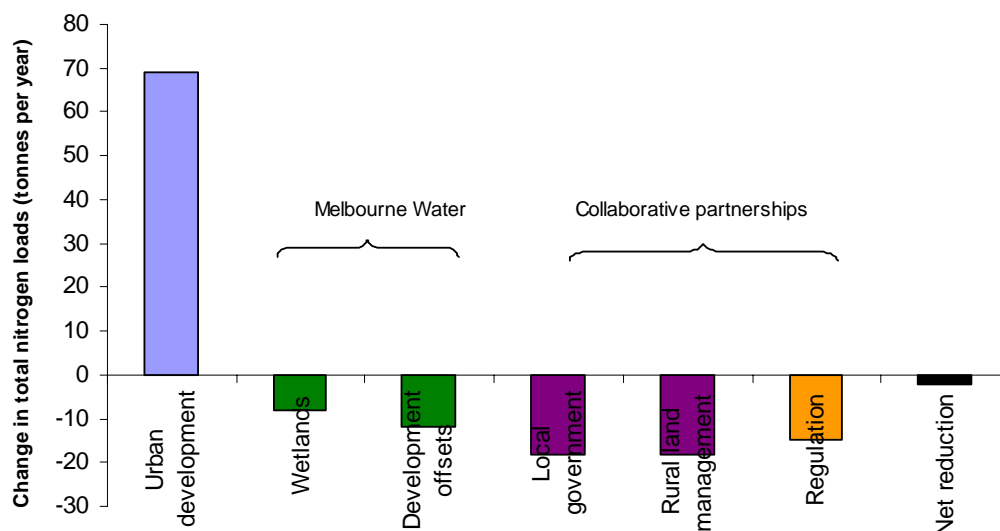
In collaboration with others, to achieve objectives for water quality in accordance with State Environment Protection Policies and targets set out in the Port Phillip and Westernport Regional River Health Strategy and Waterways Water Quality Strategy.

Ten year goal

In collaboration with others, protect and improve water quality to significantly counteract the effects of growth in greater Melbourne and achieve a net reduction in pollutant loads for the Port Phillip and Westernport region against 2001 levels.

Figure 5.1 illustrates the mix of proposed programs that aim to achieve the goal of counteracting the effects of urban growth on nitrogen loads to Port Phillip Bay against 2001 levels. The figure does not include the 100 tonne reduction in nitrogen loads achieved by the wetlands program by 2010.

Figure 5.1: Programs to address load increases from urban growth



2008 Water Plan outcome

Water quality programs and works will be delivered each year to achieve the targets set out in the Waterways Water Quality Strategy and Regional River Health Strategy.

To deliver the Water Plan outcomes, Melbourne Water will:

- Project manage the development of the Better Bays and Waterways action plan and implement programs assigned to Melbourne Water
- Work with the Department of Primary Industries, landowners and other agencies to develop and implement a rural land management program that encourages the adoption of best management practices on rural land and, where feasible, construct treatment facilities such as regional wetlands to improve water quality and river health
- Continue to support programs that are designed to build the capacity of industry and local government to deliver best practice stormwater management such as the Clearwater program and increase knowledge within the community about actions that can be undertaken to improve stormwater quality (e.g. use of rain gardens)
- Work in partnership with the Department of Sustainability and Environment to develop regulatory frameworks that ensures that all new industrial, commercial and residential developments meet best practice stormwater quality objectives and institutionalises water sensitive urban design (see Land development on page 42)
- Undertake targeted programs to address pollution hotspots to remove known sources of pollutants
- Implement on ground works assigned to Melbourne Water in local government Municipal Stormwater Management Plans
- Work together with local government to provide incentives to support the delivery of water quality works and water sensitive urban design
- Deliver regional water quality treatment works that includes the construction of wetlands, bio-retention systems and other water sensitive urban design features to reduce nitrogen loads from stormwater and manage load increases associated with urban development
- Implement monitoring and investigation programs to better understand the threats of pollutants such as pesticides and metals on water quality and their impacts on aquatic life and assess the risks to public health associated with the recreational use of waterways (see Monitoring, investigations and research on page 43).

These activities will form the basis of achieving the Waterways Water Quality Strategy implementation targets outlined in Table 5.3. These targets contribute towards ten year resource condition targets and the ten year goal to collaborate with others to protect and improve water quality to significantly counteract the effects of growth in greater Melbourne and achieve a net reduction in loads for the Port Phillip and Westernport region from 2001 levels. Given that water quality is a key component of assessing river health, the implementation targets will also assist in measuring progress towards meeting Regional River Health Strategy targets and SEPP objectives.

Table 5.3: Waterways Water Quality Strategy implementation targets

Target Area	5 Year Target 2008/09 to 2012/13
Planning for improved water quality	
Develop a draft Better Bays and Waterways Plan	2008
Percentage of programs implemented from the Better Bays and Waterways Plan assigned to Melbourne Water	100%
New or revised State Government requirements for all industrial, commercial and residential development to meet best practice water quality objectives	2013
Equipping agencies, communities and industry to manage water quality	
Develop and commence implementation of a land management program to manage run-off in rural areas	2009
Number of training modules delivered under the Clearwater program per year with assistance from Melbourne Water	10
Percentage of local governments with improved performance in delivering sustainable urban water management (as measured by the Council Needs Analysis)	70%
Number of guidelines and/or tools prepared to assist in the application of best practice stormwater management	6
Number of rain gardens built in the community with support from Melbourne Water	10,000*
Decrease in number of rivers and creeks where stock access poses a high risk to water quality	Demonstrated decrease
Targeted water quality works	
Number of pollution load hotspots addressed	8
Percentage of actions implemented from local governments Stormwater Management Plans assigned to Melbourne Water	30%
Percentage of local governments that have committed to water sensitive urban design implementation targets for pollutant loads, flow and effective imperviousness	50%
Reduction of nitrogen loads in urban stormwater by 2010	100 tonnes
Annual reduction in nitrogen loads through the establishment of wetlands for the period 2010 to 2013	2 tonnes
Monitoring, investigations and research	
Percentage of health risk assessments completed for major rivers and creeks with a high level of recreational activity	100%
Number of new monitoring programs to fill knowledge gaps for toxicants and pesticides	2
Completion date for delivering the faecal investigations program	2013

* Denotes a target that covers multiple programs

Case Study:

Building raingardens in the community

To increase knowledge within the community about actions that can be undertaken to improve stormwater quality, Melbourne Water has undertaken a number of flagship projects with local residents and several local governments to build raingardens in their areas. Stormwater run-off from driveways, pavements and road surfaces are directed into raingardens built around the base of street lining trees. The raingardens are comprised of soil and plants which help filter pollutants including oils, metals and litter before the stormwater is drained away. This provides a sustainable watering and feeding system for the trees as well as improving the quality of stormwater entering local waterways and Melbourne's Bays.

Over the 2008 regulatory period, Melbourne Water proposes to build community and local government capacity by providing support for the construction of 10,000 rain gardens across Melbourne.

Part of this program involves working with local governments to ensure raingardens are installed with regular street upgrades.

Drainage and flood protection

Melbourne Water's obligations under part 10 of the Water Act 1989 as the Floodplain Management Authority for the Port Phillip and Westernport region includes the requirement to provide, operate and maintain drainage systems (that service areas generally greater than 60 hectares), determine how high floodwaters will rise and how far they will extend and to develop and implement plans to minimise flood damage.

Melbourne Water has historically focussed on mitigating flood risks by undertaking engineering works to improve flood protection in areas that have been identified as being at high risk with the aim of protecting 500 properties every ten years. It is recognised that the recent rates of expenditure on mitigation works are making little impact on about 40,000 identified properties that contain buildings or dwellings that would be at risk of flooding above floor level in a one-in-100 year storm.

In addition, a 2005 performance audit of stormwater drainage systems operated and maintained by Melbourne Water and six local governments identified that there is scope for more effective and collaborative consultation arrangements between Melbourne Water, local governments and key stakeholders. This will enable flood risk reduction targets to be set that are cost effective and that consider stakeholder expectations. In light of the above, Melbourne Water has developed a Flood Management and Drainage Strategy in consultation with stakeholders to clarify requirements and determine acceptable standards for managing flood risks.

The Strategy acknowledges that floods are a natural event and that it is not physically, or practically, possible or necessary to protect all properties in the region from a one-in-100 year flood.

Consequently, the approach to managing flood risk will see Melbourne Water and local governments undertake works to reduce flood risks that are determined to be intolerable, increase community understanding and awareness in relation to other flooding risks and their preparedness for flood events.

Outcomes over the 2008 regulatory period

Intolerable flood risks are identified by taking account of consequences to public health and safety, numbers of properties at risk and impact on the environment, economic activity and public infrastructure.

Melbourne Water's requirements in relation to managing drainage systems and its new approach to managing flood risks that are determined to be intolerable have been clarified in the Waterways Operating Charter as a long term aim and ten year goals.

Long term aim

To minimise all currently known intolerable flooding risks to public health and safety, property and infrastructure, and increase community understanding and preparedness for floods.

Ten year goal

Implement flood protection measures to reduce currently known intolerable flood risks by 30% by 2018.

Implement a community flood awareness and preparation program.

Support the preparation of Municipal Emergency Management Plans to ensure local government and communities have an adequate understanding of flood risks and are well prepared for flood events, and that flood mitigation actions are co-ordinated with Melbourne Water.

2008 Water Plan outcome

Currently known intolerable flood risks will be reduced by 10% by 2013.

All local governments in the Port Phillip and Westernport region who have flood risks will have Flood Management Plans in place by 2013.

Develop and implement a flood awareness and preparation program in partnership with the Victorian State Emergency Service and local governments.

Initial notification and subsequent forecast information will be provided to the Bureau of Meteorology for all notifiable flooding events on stipulated waterways.

There will be no instances of asset structural failure that result in significant flooding, damage, disruption or personal injury.

Develop and implement a program to undertake local flood extent and tidal mapping.

To deliver the Water Plan outcomes, Melbourne Water will:

- Develop and implement a program to eliminate or reduce intolerable flood risks to tolerable levels through the combination of engineering works and non-structural solutions
- Provide technical and funding assistance to assist local governments who have flooding issues with the preparation and review of their Flood Management Plans which provide a local focus for integrating flood planning, prevention, preparedness and response activities
- Develop and implement community education programs to increase flood awareness and preparation in collaboration with the Victorian State Emergency Service and local governments

Outcomes over the 2008 regulatory period

- Continue to provide the Bureau of Meteorology with predicted times and areas of inundation so that formal flood warnings can be issued to responsible agencies and the community
- Continue to maintain drainage infrastructure to meet public health, safety and environmental requirements
- Continue flood mapping and investigations of the region to identify all flood risk areas
- Develop and implement a program to better understand the social impacts of flooding on the community and how social impacts are considered in priority setting for flood mitigation along with understanding the potential long term pressures on the existing drainage system arising from urban consolidation and climate change (see Monitoring, investigations and research on page 43).

Land development

Melbourne Water's responsibilities as a statutory referral authority for planning permit applications under the Planning and Environment Act 1987 and floodplain management authority under the Water Act 1989, requires it to provide flood risk information and undertake development planning. This ensures that new urban development meets appropriate standards of flood protection and will assist in ensuring that the costs of infrastructure required to service growth are equitably allocated among land developers.

Melbourne Water is also required to ensure that developments comply with State Government Best Practice Guidelines for the environmental management of urban stormwater to protect and enhance the condition and values of existing rivers and creeks where feasible.

These requirements have been further clarified in the Waterways Operating Charter as long term aims and ten year goals.

Long term aim

Ensure urban development achieves appropriate standards of flood protection, protects waterway health and is sensitive to other environmental and social values of waterways.

Deliver an efficient service and provide accurate, timely and reliable information to the development industry and community.

Ten year goal

Improve transparency and streamlining, and facilitate improved access to information for the development industry, community and other interested parties.

Ensure appropriate standards of flood protection and environmental performance are consistently and equitably achieved for all urban development.

Benefit the local community through the provision of drainage and waterway assets that integrate with the urban infrastructure and open space.

Achieve improved sustainability of urban development by implementing water sensitive urban design and facilitating increased stormwater reuse.

Manage the potential impacts of increasing redevelopment activity on levels of flood protection service in established areas of Melbourne.

Find cost-effective strategies for servicing growth that minimise impacts on housing affordability.

These are all business as usual obligations.

2008 Water Plan outcome

All new development will comply with flood protection standards.

All flood-related property information statement updates will be completed within one month of Melbourne Water receiving notification of a change in the relevant circumstances.

Statutory and agreed industry response times will be achieved for all development referrals.

To deliver the Water Plan outcomes, Melbourne Water will:

- Prepare, implement and review development service schemes to ensure that all new urban development meets flood protection and environmental standards
- Work with local governments to incorporate flood overlays into local planning schemes and place conditions on development to ensure compliance with appropriate flood protection standards
- Support programs to provide local governments with the technical assistance to implement water sensitive urban design requirements into new planning scheme provisions and provide industry with the necessary tools and capacity to deliver sustainable design outcomes
- Investigate and identify further opportunities to streamline development referrals and planning control processes, and improve customer service levels by reducing the amount of administrative effort required to process planning permit applications
- Investigate opportunities to enhance online access to development service scheme information by the land development industry.

Monitoring, investigations and research

Melbourne Water's responsibilities as a designated waterway manager include monitoring water quality throughout the Port Phillip and Westernport region in accordance with agreements with EPA Victoria and implementing monitoring, investigations and research priorities assigned through policies and strategies that include the CRSWS, State environment protection policies, Regional River Health Strategy, Waterways Water Quality Strategy, Yarra River Action Plan and Flood Management and Drainage Strategy.

Monitoring and investigations are a key part of ensuring Melbourne Water is meeting its obligations for river health and water quality. Investigations allow more efficient and effective targeting of resources to achieve outcomes, and research improves the understanding of risks and assists in the development of new management tools. These requirements have been further clarified in the Waterways Operating Charter as a long term aim and ten year goal.

Long term aim

To build a comprehensive knowledge base on waterways, drainage and floodplains to improve decision making and the evaluation of progress.

Ten year goal

To undertake monitoring, investigations and research on rivers, creeks, wetlands, floodplains, estuaries and bays in order to:

- Better understand their condition
- Measure progress towards management targets

Outcomes over the 2008 regulatory period

- Identify and understand threatening processes
- Improve effectiveness of management activities
- Inform government, community and stakeholders.

These are business as usual obligations.

Melbourne Water's new obligations arising from the Waterways Water Quality Strategy, Yarra River Action Plan and Flood Management and Drainage Strategy include undertaking monitoring programs to improve understanding of the impact of pollutants on river health and the recreational use of waterways, along with developing programs to better understand the intangible impacts of flooding on the community.

2008 Water Plan outcome

Implement monitoring and investigation programs for river health, environmental and recreational water quality and flood management to determine changes in condition over time and provide information for management decisions, and track progress towards achieving targets.

Undertake research into river health, environmental and recreational water quality and flood management to address gaps in understanding and explore new technologies so that management activities, plans and policies are based on sound knowledge and best practice.

To deliver the Water Plan outcomes, Melbourne Water will:

- Undertake detailed investigations on priority rivers identified in the Regional River Health Strategy to assess their ecological health, identify causes of degradation and inform rehabilitation programs
- Continue to conduct stream environmental monitoring and reporting programs as agreed with EPA Victoria and in line with priorities assigned through the Regional River Health Strategy and Yarra River Action Plan to assist in the identification of trends and variations in water quality and stream health
- Continue partnerships with institutional bodies such as the eWater Cooperative Research Centre, Universities and CSIRO to help deliver research programs which include understanding the likely impacts of climate change on waterway, floodplain and drainage management, the impacts of urbanisation on stream ecology and methods of urban stormwater treatment
- To better inform management responses, implement a program to better understand the sources of pesticides, herbicides, metals and hydrocarbons as well as their effect on aquatic life
- Implement programs to better understand and assess the risks to public health associated with the recreational use of waterways which include monitoring contaminants in fish, extending the YarraWatch network of faecal monitoring sites to areas with high recreational values and improving techniques for tracking sources of faecal contamination
- Help initiate and implement a Western Port Environment Study and a River Estuary Management Study to better understand the link between catchment, input drains, streams and the estuarine and marine receiving environment to inform management responses

Outcomes over the 2008 regulatory period

- Develop and implement a program of social research on the intangible impacts of flooding to assess the effectiveness of flood awareness activities, define tolerable and intolerable flood risks and willingness to pay for mitigation measures.

Community and stakeholder engagement

The Statement of Obligations requires Melbourne Water to develop and implement an open and transparent process to engage and involve stakeholders and the community in its planning processes to ensure that the waterway and drainage services it provides reflects their needs and expectations. This is a business as usual obligation.

Melbourne Water has developed a Waterways Stakeholder Engagement and Communications Framework to bring together all the associated engagement and communications initiatives for waterway and drainage programs. Requirements under the framework have been further clarified in the Waterways Operating Charter as a long term aim and ten year goal.

Long term aim

To build trust and strengthen working relationships with key stakeholders and the community.

Ten year goal

To achieve a high level of community and stakeholder understanding and active participation in programs related to the health of the region's rivers, water quality and flooding.

2008 Water Plan outcome

Achieve targets and implement actions identified in the Waterways Stakeholder Engagement and Communications Framework.

Maintain 70% community satisfaction with waterways.

Develop and implement a program to measure community and stakeholder satisfaction with Melbourne Water's engagement processes.

To deliver the Water Plan outcomes, Melbourne Water will:

- Provide resource information and implement community initiatives such as education grants, organised events/festivals that help foster a sense of connection with waterways and increase the community's knowledge and awareness of river health, water quality and flooding programs
- Provide opportunities for community and stakeholder involvement in improving waterway health by undertaking education programs such as Waterwatch and providing support for partnership projects with the community and stakeholders to encourage participation in waterways related activities
- Provide opportunities for involving the community and stakeholders in the planning and delivery of waterway programs
- Utilise a range of studies and market research measures to report on community and stakeholder satisfaction with waterway programs.

Case Study:

Strengthening Melbourne Water's working relationships with stakeholders

In 2006, Melbourne Water developed 'Making Connections', a new catchment-based method for building on existing cooperative relationships, strengthening understanding and connection between people, and exploring new opportunities for working with stakeholders to protect the health of catchments, waterways and bays. Organised events bring together a wide variety of people with an interest in waterways, representing community and environment groups, local government, schools and universities, private industry, rural landholders, and retail water companies. Ideas and actions generated at the events influence Melbourne Water's planning, programs, on-ground works and partnerships, highlighting the value of community and stakeholder input. Outcomes from events to date highlight the importance of Melbourne Water:

- building trust, demonstrating openness and transparency and following through on commitments
- improving support and forming effective partnerships with community groups to get people involved and connected to waterways
- continuously building knowledge and awareness of the health of waterways
- clarifying roles and responsibilities around waterways.

Melbourne Water proposes to conduct a series of events across the region on an annual basis to continue strengthening working relationships with stakeholders.

5.4 Customer and stakeholder consultation

Overview of customer and stakeholder consultation

Melbourne Water has undertaken considerable consultation in clarifying its waterway and drainage requirements for the 2008 regulatory period. This has included:

- Regular meetings with the Waterways Advisory Committee to agree on priorities and develop targets to be included in the Waterways Operating Charter for waterway services. The advisory committee comprises key stakeholders which includes EPA Victoria, the Department of Sustainability and Environment, Port Phillip and Westernport Catchment Management Authority, local government and community representatives
- Developing strategies in consultation with relevant stakeholders and community representatives to agree on objectives, targets and priority programs. Commitments assigned to Melbourne Water through the Regional River Health Strategy-Addendum, Waterways Water Quality Strategy, Flood Management and Drainage Strategy, Regional Catchment Strategy and the Yarra River Action Plan form the basis of obligations contained in Melbourne Water's Waterways Operating Charter
- Utilising market research to explore public and stakeholder attitudes to water quality across the Port Phillip and Westernport region which has been used to inform and set priorities for the Waterways Water Quality Strategy, along with undertaking research to better understand the capacity of local governments to implement State Environment Protection Policies and best practice urban stormwater management

Outcomes over the 2008 regulatory period

- Establishing reference groups comprised of representatives from key stakeholders, local government, local community groups and other relevant agencies to assist in developing policies and management programs. Examples include a Development Service Schemes Review Group, Edithvale-Seafood Wetlands Community Liaison Committee, reference groups for Waterways Activity Plans and 'Making Connections' which included four all day events involving over 500 community and stakeholder representatives
- Meetings with diversion customer committees (Diversion Management Advisory Committee and Keilor Diverters Advisory Group) comprised of customer and key stakeholder representatives to consult on proposed diversion prices and operational matters
- Release of a 2008 Waterways Water Plan Consultation Draft.

Overview of key issues identified by customers

In responding to Melbourne Water's 2008 Water Plan Consultation Draft, EPA Victoria requested further clarification on Melbourne Water's proposed outcomes in relation to meeting attainment strategies identified in the State environment protection policy (Waters of Victoria) (SEPP) and Schedules F6, F7 and F8. Additional information has been provided in the 2008 Waterways Water Plan to help clarify Melbourne Water's responsibilities in relation to reducing catchment loads and the outcomes it proposes to deliver to meet SEPP requirements.

As a result of this consultation and an ongoing process of engagement, Melbourne Water understands that, at this stage, its customers and stakeholders have no significant outstanding issues in relation to the obligations and requirements detailed above and the outcomes and activities proposed to be undertaken to achieve outcomes over the 2008 regulatory period.

It is noted that these obligations and requirements are based on the best information available to Melbourne Water at the time of formulating its 2008 Waterways Water Plan. While considerable consultation has been undertaken to clarify and understand the extent of government requirements relating to river health and water quality, new government policies are likely to be developed and existing policies reviewed over the 2008 regulatory period which may impact on both the level of service and costs associated with meeting the revised objective or target. Where this occurs, Melbourne Water will use the mechanisms provided in the regulatory framework to manage such change.