



Submission to the Department of Environment,
Land, Water and Planning on the
Victorian Floodplain Management Strategy:
Revised Draft

By

Victorian Farmers Federation

August 2015

Foreword

The Victorian Farmers Federation (VFF) is Australia's largest state farmer organisation, and the only recognised, consistent voice on issues affecting rural Victoria.

The VFF consists of an elected Board of Directors, a member representative Policy Council to set policy and eight commodity groups representing dairy, grains, livestock, horticulture, chicken meat, pigs, flowers and egg industries.

Farmers are elected by their peers to direct each of the commodity groups and are supported by Melbourne-based staff.

Each VFF member is represented locally by one of the 230 VFF branches across the state and through their commodity representatives at local, district, state and national levels. The VFF also represents farmers' views at many industry and government forums.



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Executive Summary

The VFF welcomes the opportunity to comment on the Revised Draft of the Victorian Floodplain Management Strategy. We have made the following specific recommendations:

Recommendation 1: That the harvesting of floodwater by farmers be included in an integrated approach to water management.

Recommendation 2: That more stream flow gauges are installed especially on tributaries which feed rivers where environmental water will be delivered.

Recommendation 3: That the State Government clarify the liability framework for damage from environmental watering.

Recommendation 4: That the level of government which is responsible for environmental watering, or a cost-sharing arrangement where both the Commonwealth and Victorian Environmental Water Holders hold water entitlements, is responsible for capital and operational funding to mitigate the third party impacts of environmental flooding.

Recommendation 5: That flood warnings need to be disseminated through a variety of channels as reliance on digital networks in rural areas is risky.

Recommendation 6: That farmers should not contribute towards the private benefits of building new or restoring existing urban levees.

Recommendation 7: That the role of 'unintentional' levee banks is considered in the development of regional floodplain management strategies.

Recommendation 8: That any liability for decommissioned channel banks should not be transferred to farmers or landholders.

Recommendation 9: That the government ensure the insurance industry reduces premiums where reasonable mitigation action has been taken.

Recommendation 10: That the government work with the insurance industry to clarify how damage from environmental watering is covered.

Recommendation 11: That the VFF is involved in the development of the guidelines to support the power to construct, remove or alter a levee or remove debris during a flood incident.

The VFF is a key voice for Victorian farmers and rural communities. Our members have a keen interest in how floodwaters are managed in rural and regional areas as it impacts on their safety, homes and livelihoods.

9. Working with the environment to hold and slow floodwater

The VFF supports the concept of using the environment to hold and slow floodwater and the need to understand the costs and benefits of undertaking the necessary works to connect wetlands to the river system.

We see significant value in directing the flow of water into wetlands as this will help to reduce the downstream impacts of floodwaters on public and private assets. We recognise that on unregulated rivers natural flooding is the only opportunity to connect the river to the floodplain. The cost-effectiveness of installing works such as regulators to allow water in and out of wetlands and culverts to direct water needs to be considered in the context of these values.

The VFF believes that there is an opportunity to consider floodwater harvesting as part of an integrated approach to water management in rural and regional areas. Similar to using the environment to help manage downstream impacts capturing floodwaters in off-stream storages for on-farm use will also help lessen the downstream impact. It will also provide farmers with a valuable water resource, enabling them to fill their dams when there is plenty of water around and securing water for future dry periods. Capturing and using this water will also support the reliability of entitlements.

Recommendation 1

That the harvesting of floodwater by farmers be included in an integrated approach to water management.

11.4 Victoria's flood intelligence platform

The VFF believes more stream flow gauges need to be installed. The capacity to predict and manage floods is contingent on the available information.

The VFF is concerned that there is insufficient information about the impact of tributary flows. This constrains the ability to understand the potential risk of flooding and to adequately plan and prepare. This is particularly an issue in river systems where environmental water is intended to be delivered. Our members are concerned about the risk of and liability from environmental flooding and this is exacerbated when there is limited information available.

Recommendation 2

That more stream flow gauges are installed especially on tributaries which feed rivers where environmental water will be delivered.

12.7 Taking account of environmental watering

The VFF notes that the deliberate decision to create environmental flooding is not the same as natural flooding. Consequentially, the flooding of private property caused by the delivery of environmental water requires a different framework for considering the costs, benefits and liabilities. It is not appropriate to apply the same expectations about liability and costs as would apply when dealing with a natural flood.

The framework for considering the protection of private assets from the impacts of environmental watering needs to be focused on the costs and benefits of environmental watering, not the costs and benefits of providing and maintaining rural levees. The costs of flood mitigation infrastructure are incurred as a consequence of delivering a public benefit – the environmental flooding. The private benefit of protecting the farmers' assets is only required because of the deliberate decision to deliver the environmental water. Therefore the cost-sharing funding arrangements for managing and mitigating natural floods should not apply.

The VFF suggests that the capital and operational costs of flood mitigation infrastructure (easements and levees) to protect public and private assets from environmental flooding needs to be funded by the level of government which is responsible for environmental watering, or a cost-sharing arrangement where both the Commonwealth and Victorian Environmental Water Holders hold water entitlements. Farmers and local councils should not pay for the impact of environmental watering decisions.

Our members are also concerned about identifying who is responsible when things go wrong. When environmental water is released it can take weeks to travel down the length of the river. Where there is a significant rainfall event during this time the liability for damage is unclear. In addition, there has been discussion of 'piggy-backing' environmental watering on rainfall events. The liability in this situation is also unclear, particularly where there is significant impact from tributary flows.

Expertise in delivering environmental water is in its infancy. There is a great deal of data to be collected, assessed and understood about the volumes of water in tributaries and where the water is likely to flow to on the floodplains before any decisions about delivering larger volumes of environmental water should be taken. More funding and resources needs to be directed to recording data on tributary flows as their contribution to the main trunk is not well understood. Alongside the technical work to understand what is likely to happen under a range of scenarios, there is also the need to work with the community to harness their local knowledge. We acknowledge that some of this work is currently being undertaken by the Goulburn-Broken Catchment Management Authority on behalf of the Murray Darling Basin Authority to address constraints in the Lower Goulburn system.

In light of this level of uncertainty, the Commonwealth and Victorian Environmental Water Holders need to proceed with caution and need to bear the risk and responsibility when things don't go to plan. Farmers and landholders should be compensated when the impact of the environmental watering is greater than the protection provided. Insurers will only bear the risk and offer products where the risk can be assessed and understood, this is not the case with environmental watering. Our members are also concerned about the water authorities being held financially accountable, as any costs borne by the water authorities will eventually be borne by them as customers.

It is the VFF's firm view that farmers and landholders should not be burdened with the negative impacts or costs of floods resulting from environmental watering. The VFF's view is that environmental water planners and managers are responsible for avoiding, minimising and mitigating third party impacts, including bearing any related costs. The delivery of environmental water should not be used as an opportunity to shift additional costs onto farmers.

Recommendation 3

The VFF calls on the State Government to clarify the liability framework for damage from environmental watering.

Recommendation 4

That the level of government which is responsible for environmental watering, or a cost-sharing arrangement where both the Commonwealth and Victorian Environmental Water Holders hold water entitlements, is responsible for capital and operational funding to mitigate the third party impacts of environmental flooding.

16. Flood warnings

The VFF is concerned about how a flood warning system would operate in areas with poor mobile coverage. There is a growing digital divide between the city and the country. At the same time there seems to be an increasing reliance by government agencies on this technology to provide information, including flood warnings.

In June this year the VFF surveyed members about their telecommunications needs and access. We received 533 detailed responses from members. The survey highlighted that poor internet connectivity and mobile coverage affects health, safety and emergency responses as well as restricting member's everyday needs to access internet banking and services and limiting the functionality and capacity to invest in precision technology.

Members commented about the variability of the service available to them across the course of a day – in response to the demand on the system. During a flood or other emergency situation demand is also likely to spike, resulting in limited or no service for some farmers. Relying on digital networks to convey critical information carries the risk that the message won't get through in areas where there is limited or patchy coverage. The risk that flood warnings may not get through in some areas needs to be considered in determining how messages are disseminated.

Recommendation 5

That flood warnings need to be disseminated through a variety of channels as reliance on digital networks in rural areas is risky.

17.4 Bringing government-built rural infrastructure into formal management arrangements

In the previous strategy rural levees were considered to only provide private benefits, and hence were not eligible for public funding. This revised draft strategy allows for rural levees which were built by government to be partially funded by government if they meet a public benefits test.

The VFF welcomes the Victorian Government's recognition that "it is possible that some government-built infrastructure may still be offering flood protection services that provide public benefits. If that is the case, there may be instances where it is appropriate to bring those systems into formal management arrangements." p.58

The VFF notes that the definition of public benefits would be "confined to reducing the risks to life and property and would predominantly be protecting towns or essential infrastructure that underpins the regional economy. The benefits in terms of agricultural production or businesses would be considered primarily to be private benefits." The VFF seeks further information on how this public benefits test would be designed and applied. We would be happy to provide further input on this matter.

The VFF is concerned that there is not a similar public/private benefits test for building new or restoring existing urban levees. It seems inequitable to apply a public benefits test to rural levees and not to urban levees. The Revised Draft Strategy notes that:

"The benefits of avoiding disruption to the functioning of urban areas often extend throughout the region's economy. Flood mitigation infrastructure intended primarily to benefit urban areas may also deliver benefits to rural areas, for example by keeping hospitals, schools, and other community services operational. For these reasons, it is appropriate that LGA raise the necessary revenue from across its municipality." p.57

However the proposed cost-sharing arrangements for building new or restoring existing urban levees support an assumption that protecting a town is wholly a public benefit. The VFF notes the public benefit arguments for funding urban levees; however we would argue that a large proportion of the benefit is private. The beneficiaries of an urban levee include private homes and businesses. This assumption of public benefit needs to be unpacked so that the costs can be attributed to and shared by those who receive private benefits.

The VFF does not support farmers paying for the protection of suburban homes and town businesses. Farmers are not provided with any financial support to cover the cost of protecting their homes, families and businesses because this is determined to be a private benefit. The same test is not being applied to people who live and work in towns. Socialising the cost of building new or restoring existing urban levees through increased rates will add to the inequalities that farmers already face. Our analysis shows that farmers are already paying 2 – 5 times more in rates compared to other local businesses.

Recommendation 6

That farmers should not contribute towards the private benefits of building new or restoring existing urban levees.

19. Business continuity plans for critical infrastructure

Critical public infrastructure such as roads, rail tracks and channel banks can act as levees. Where road and rail infrastructure is raised above the floodplain and there is inappropriate drainage design, insufficient drainage capacity or poorly maintained drainage systems flood waters can back up behind the infrastructure. Where irrigation channel banks and river banks have been built up these can also prevent the natural flow of water across the landscape.

In some places these 'unintentional' levees have a positive impact by protecting public and private assets in towns and on farms. In other situations there are negative impacts such as retention of floodwaters on paddocks creating waterlogged soils and ruining crops.

The VFF is also concerned about the potential transfer of liability from the water authority to farmers when channels are decommissioned. This is particularly an issue in Northern Victoria under the Connections Project where the channel network is being significantly reduced. We believe that farmers should be able to request the channels to be completely filled in and the channel banks to be levelled as part of the decommissioning process and prior to it be completed.

It is not clear how the liability for flooding which results from 'unintentional' levees is regarded. In this context the VFF believes it is not appropriate for this potential liability to be transferred from the water authority to a farmer.

Recommendation 7

That the role of 'unintentional' levee banks is considered in the development of regional floodplain management strategies.

Recommendation 8

That any liability for decommissioned channel banks should not be transferred to farmers or landholders.

20. Flood insurance

The VFF welcomes the government's commitment to work with the insurance industry to ensure that people are able to obtain suitable protection against flood risks and that insurance premiums are reduced in recognition of the benefits appropriate planning and flood mitigation works deliver.

However the VFF is concerned about how damage from environmental flooding will be covered by insurance. It is not clear whether damage from environmental flooding is included in existing definitions used in insurance cover. Insurance companies will provide cover where they are able to assess the risk and the steps taken to mitigate that risk. As the risk of environmental flooding is still new it is not clear that it is included in the definition.

Our members are unclear about who is responsible when environmental watering goes wrong. When environmental water is released and then it rains or when environmental water is released on top of a natural event the combined impact of a man-made flood and a natural event muddies the liability for damage further.

We are very concerned that in these situations insurance companies will use the delivery of the environmental water as an excuse not to pay claims for flood damage.

Recommendation 9

That the government ensure the insurance industry reduces premiums where reasonable mitigation action has been taken.

Recommendation 10

That the government work with the insurance industry to clarify how damage from environmental watering is covered.

23. Incident control

The VFF notes that an amendment to the *Victoria State Emergency Service Act 2005* has been tabled in the Victorian Parliament to allow a Service member to construct, remove or alter a levee or remove debris in order to protect life or property.

The VFF believes there needs to be a clear process for making these decisions during an incident. The power to undertake works on private land needs to be supported by guidelines which clearly identify the circumstances where these actions are appropriate. The VFF would be happy to provide further input on this matter.

Recommendation 11

That the VFF is involved in the development of the guidelines to support the power to construct, remove or alter a levee or remove debris during a flood incident.