



Essential Service Commission

water@esc.vic.gov.au

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Submission to ESC Draft Price Review Greater Western Water

Thank you for the opportunity to respond to the ESC's GWW Price Review Draft Decision. We agree that GWW has conducted effective community consultations. We found GWW officers willing to engage with us and appreciated their commitment to openness and transparency. They have been generous with their support of the Water Think Tank forums that focused on improving water literacy in our upper-catchment community groups. These respectful and frank discussions meant we could share our long-standing experience of unaddressed pollution problems with substandard water releases from Romsey, Gisborne, Riddells Creek and Sunbury Treatment plants. We were also able to detail the distress that residents experience at the environmental harm caused by over extraction of local waterways e.g., Garden Hut Creek Reservoir, which has been operated in breach of Licence condition on numerous occasions. Consequently, we have gained confidence in GWW's technical knowledge. We support ongoing dialogue between GWW and the community groups so we can embark on a wider water literacy education together. Our eyes on the ground are a valuable resource for GWW.

Friends of Steele Creek understands that the nominated cuts of:

- \$79.4 million from the forecast for the Water Main Performance Renewals
- \$68.1 million from the Asset Ecosystem and
- \$12.8 million from the Stormwater Harvesting

may be reinstated on condition that GWW is able to provide more detailed information. From our discussions of these matters, we believe GWW will be able to do so. We do not support the proposed cuts as they would cause severe environmental harm to the highly stressed Maribyrnong catchment and we contend that there is ample policy support for GWW's proposals. In general, these cuts also reduce GWW's compliance with the Statement of Obligations¹ and interfere with the ESC's obligation to ensure GWW can comply with it."²

¹ Water Industry Act Statemen of Obligations (General) PART 1 Preliminary 1-6 Guiding Principles

² WATER INDUSTRY REGULATORY ORDER 2014

Water Main Performance Renewals

This expenditure, aimed at improving mains infrastructure, increases the effectiveness of the water grid in moving water between catchments as is required by Central & Gippsland Sustainable Water Strategy (C&GSWS). It will enable GWW to draw water from MW's supply to meet the potable water demands of its growing population. It also ensures that more communities in their region will have access to water from the desalination plant.³ The proposed cuts would prevent GWW from implementing changes that support the C&GSWS and will also frustrate their endeavours to reduce take from fresh water streams and groundwater. The current take from the Lancefield Groundwater Bore Field poses a threat to the habitat of Southern (Bibrons) toad and maintaining a base flow in the highly seasonal Deep Creek a Groundwater Dependent Ecosystem. Inaction will lock in GWW's dependency on extremely old, small reservoirs, built in the early 1900s, in areas where the geology proved unsuited to supporting walls for larger reservoirs. At the time those small reservoirs were deemed adequate to supply small communities in rural areas who were dependent solely on rainwater tanks which ran dry during the annual dry period from September to April. These numerous small reservoirs are no longer fit for purpose and deprive the waterways of good water quality from headwater streams emerging from forested areas. They are also inadequate to supply the growing population of our catchment. Better quality pipes also reduce water main ruptures and ensure customers experience fewer supply interruptions.

Asset Ecosystem

The proposed budget cuts of \$68.1 million severely limit the upgrading of IT that would ensure the early detection of leaks and alert operators to potential treatment plant failures. Such IT is cost effective and protects water quality. Early detection of potential failure prevents serious habitat degradation caused by large water main ruptures. Early detection of treatment plant faults prevents the release of polluted water into sensitive streams supporting platypus and rare, vulnerable, endangered and critically endangered species (see Attachment A List of rare, vulnerable and endangered species of the Maribyrnong Catchment).

Burst water mains have harmful environmental impacts. They change the flow, destroy habitat and the food web. This fast-flowing water scours the waterways' beds and banks resulting in high turbidity loads, which prevents light reaching aquatic plants, microorganisms and young waterbugs. This abrasive water kills developing invertebrates and blocks fish gills. Additionally, potable water is chlorinated and therefore toxic to many aquatic species. The budget cuts seem based on a premise that GWW has no obligation to protect an already stressed catchment ecosystem.

"If current policy and levels of investment are maintained, without improvement, then it is likely that the Maribyrnong catchment region will experience declines in environmental and social values over the next 30 years. There is a real need to take action to avoid an otherwise inevitable decline in waterway health.

As the waterway manager for the region, Melbourne Water is committed to undertaking its share of this Healthy Waterways Strategy. However, it has been recognised that action by Melbourne Water alone is not sufficient to unlock the full value of the region's waterways, nor stem their decline due to climate, development or land use change. For this Strategy to be effective, it demands collective action from State government, State regulators such as the

³ Central and Gippsland Sustainable Water Strategy

*Environment Protection Authority, local government and other land managers such as Parks Victoria. Even more so, it needs collective action by the development sector, landholders, Traditional Owners and community groups. Working together, the full environmental, social, cultural and economic values of the region's waterways can be realised."*⁴

We appreciate the ESC has noted that there is strong community support for the cost of upgrading Waste Treatment Plants and the Draft decision supports the listed capital works and agreed to the expenditure for long overdue upgrades to existing inadequate plants. To obtain the maximum efficiency from the improved plants GWW must be able to get early alerts to potential system failures. That would improve their compliance with the EPA Act's General Environmental Duty. **The current frequent failures are unacceptable to the community.** In particular, Deep Creek is highly seasonal and releases of recycled water into this flow stressed stream, causes a high concentration of pollutants in the immediate area and downstream. These releases of substandard water into sensitive waterways are also contrary the GED and undermine River Health targets

However, we remain disappointed with a decade long wait to see all treatment plants upgraded. Another avenue of revenue must be sought to achieve quicker compliance of all treatment plants. EPA must set international best practice standards for PFAS treatment to protect human health, aquatic species and livestock. EPA currently grants emergency releases of recycled water that is free of pathogens harmful to human health but it still contains many types of pharmaceuticals, PFAS, high levels of nutrients and illicit drugs, all which pose a risk to wildlife and producers of biodynamic cattle and risk algae outbreaks. Numerous microfauna and small invertebrate aquatic species are highly intolerant of pollution and they are the foundation of the aquatic food web, upon which the platypus, fish, many birds and mammals feed. When insects disappear what will the frogs, birds, the Yarra pygmy perch and Mountain galaxias fish feed upon? Will future generations of children be excited by the sight of the Large River Damselfly or the strange call of the Growling grass frog? Will residents, seeking peace and quiet at our waterways, be able to watch a platypus feeding in the twilight? Will early morning walkers note the Swamp wallabies sheltering in the thick grass or ferns? Or will the catchments' residents be denied the mental and physical health benefits that comes from contact with nature?

By their apparent willingness to regularly grant emergency releases of recycled water, into freshwater systems EPA is enabling the transfer of pollution off site and downstream which:

- Increases the area of degradation.
- Leads to a decline in aquatic populations and species diversity.
- Increases risks to birds and mammals that drink at the streams.
- Increases the risk of blue green algae from the high nutrient loads released.
- Ensures high nutrient and sediment loads reach port Phillip Bay
- Diminishes community amenity and enjoyment of their blue green spaces
- Makes it harder for Catchment Management Authorities to achieve the State government's River Health Strategy targets .
- Increases the costs of restoration initiatives which have strong community support.

⁴ Melbourne Water Healthy Waterways-Maribyrnong-co-designed catchment program.pdf

Pollution is a silent extinction process that denies future generations opportunities to have contact with our unique wildlife. Water may flow but will it be life supporting for our unique species?

We see GWW as unfairly constrained in dealing with pollution issues because of Treasury directions to both them and the ESC. The inevitable consequence of delaying infrastructure upgrades makes it more expensive in the long term. We assert that Treasury should do more to provide financial assistance or allow GWW a mechanism for borrowing the capital needed to finance all the upgrades needed in a timely manner. As it is our communities are enduring a level of pollution that does not comply with protection offered by the EPA Act and makes it highly unlikely the RHS targets can be achieved. Where's the intergenerational equity in that!

Stormwater Harvesting

This cut is entirely unfathomable to us. GWW customers are living in suburb described in Plan Melbourne with very low tree canopy, high levels of exposure to heat thermal impacts and with high percentages of aged and very young who are most vulnerable to severe heat. It limits GWW ability to engage with other agencies in the *“delivery of water, wastewater and stormwater services(that) can contribute to water security, public and environmental health and urban amenity.”*⁵

The integrated Water Management Plan, the Werribee and Maribyrnong River Health Strategies and the Central and Gippsland Sustainable Water Strategy all prioritise investment in stormwater capture, treatment and reuse projects that prioritise :

1. Replacing potable water with recycled water for irrigation of parks sporting fields ,
2. Creating constructed wetlands that contribute to cooling suburbs and improving water quality and the amenity of open spaces.

The recently released IWM Implementation plan reveals that the 2035 and 2050 targets will not be achieved without a significant uplift in investment **by all agencies**. It is therefore hard to understand why GWW's willingness to commit \$12million to projects should be denied. Given the collaborative approach demanded by the IWMP it's not surprising that individual projects and willing partners can't be named. **How can GWW invite others to partner with them if they haven't got matching funds?** The community and environmental benefits of these projects are well known.

In conclusion we hope these funding cuts will be reinstated, as we see them helping deliver social, health and environmental benefits to present and future generations of GWW customers. Those funds will allow GWW to play an active part in protecting the waterways of the west and north west and upholding a plethora of policies that require their involvement and compliance.

Helen van den Berg
Friends of Steele Creek
PH: 0437 838 633

⁵ Integrated Water Management Plan