



Friends of Steele Creek

Submission to the
Essential Services Commission
Price Review Greater Western Water 2023

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Introduction

Friends of Steele Creek is a not-for-profit community group, founded in 1995 and committed to the restoration and stewardship of Steele Creek, focusing on restoring water quality, nurturing its landscape, and protecting its diverse flora and fauna. As Steele Creek is a tributary of the Maribyrnong River, we also engage in catchment-wide issues.

We acknowledge that the merger of rural Western Water and the urban City West Water has presented Greater Western Water with a unique set of costly challenges which they are trying to resolve.

We appreciate the opportunity to make a submission to the Essential Services Commission. We look forward to participating in on-line public consultations, similar to that which occurred for Southern Rural Waters Price Review.

We are happy to be contacted if any comments need clarification.

Executive Summary

1. The environmental outcomes which will flow from Treasury's and ESC's excessive suppression of billing costs. This action effectively limits GWW income and delays the urgent upgrading of sewage treatment plants required for continuing population growth. Additionally, it also delays works which are required to improve environmental, social and Cultural outcomes which are required by both policy and legislation. We consider that this cost containment to be a high-risk strategy, given we also face entrenched drying conditions in an historically low rainfall catchment. Delayed investment now will inevitably lead to higher future costs and less favourable environmental outcomes.
2. The continuing reliance on water harvesting from
 - i) the Lancefield groundwater bore field;
 - ii) Garden Hut and Monument Cree - the headwater streams of Deep creek;
 - iii) old reservoirs on Mt Macedon's creeks which are head water streams of the Riddells Creek
 - iv) Rosslynne Reservoir on Jacksons Creek.demonstrates a failure to address the requirement to plan a reduction in water take as stipulated in the Central and Gippsland Sustainable Water Strategy 2022.
3. The combined impact of excessive take and chronic pollution from continuing regular releases of substandard water from treatment plants increases the risk of the ecological collapse of the river system.
4. Community engagement needs to be sustained beyond the Pricing Review. An ongoing community dialogue is required to improve general water literacy, and to build trust between GWW and the community it serves. To aid this endeavor we suggest that in kind and financial support for partnerships with community groups engaged in protecting and advocating for waterways should be increased.
5. Additional support for Healing and Caring for Country. We support GWW's engagement with Traditional Custodians and their ambition to Heal and Care for Country. Adequate funding needs to be allocated to meet needs as they arise.

1 Suppression of billing costs will hamper action on stream pollution

Given the widespread experience of a “*cost of living crisis*” it is understandable that Treasury directed the ESC to keep price rises low, with which GWW has complied. However, a consequence of reduced income for GWW will be a ten-year time-line for upgrading sewage treatment plants, which GWW openly acknowledges regularly fail to meet compliance standards. These plants therefore present an ongoing risk to river health in the next ten years before all plants reach compliance standard. In our view this presents an unacceptable risk to waterway ecology. Currently the only GWW treatment plant that is reliably meeting compliance standards is Altona. GWW has stated that the cost of all necessary upgrades would have led to large price increases, exceeding their customers capacity to pay.

This ten-year time-line may expose GWW to a failure to meet the EPA Act’s General Environmental Duty. Additionally, Melbourne Water, as The Water Catchment Management Authority, will be severely compromised in their obligated duty to protect river health.

Recommendation 1.

That the ESC reports to Treasury that additional finance is required for GWW to ensure that treatment plants meet compliance with the EPA Act within a shorter period of four years. Such an action will also support the Waterways of the West Action Plan to reduce pollution in the Maribyrnong and Werribee catchments.

Additional funds for could be made available to GWW through:

- A specific grant from the Environmental Contribution Fund to finance the treatment plant upgrades that are omitted from the current Price Review.
- The government foregoes the annual dividend from GWW (\$25 million in 2022-23 financial year) and those funds be diverted to outstanding sewage infrastructure upgrades to meet compliance standards.

2. Continuing reliance on water harvesting from streams in all catchments obstructs finding water for the environment and Cultural Water.

The Maribyrnong is estuarine from its confluence with the Yarra to Solomon’s Ford in Sunshine, and its upper reaches always contain some water, even when it does not flow. Nevertheless, it has been flow-stressed for many decades because of over extraction for water supply, irrigation and industry.

Melbourne Water’s *Maribyrnong Mirrangbamurn Flow Study by Earth Tech in 2006*, established that the river needed a 7GL Environmental Water Entitlement. The first Sustainable Water Strategy recommended that the 7G Environmental Water Reserve be created with the Victorian Environmental Water Holder once the outlet was upgraded. That recommendation was thwarted by Southern Rural Water ‘s refusal to meet the cost of the upgrading the outlet to the standard for delivering the EWE.

In 2017 Melbourne Water’s River Healthy strategy reported

“In regulated systems, there is a need to increase the environmental water reserve in the Yarra, Werribee, Maribyrnong and Tarago systems. Each of these river systems are already flow stressed as current entitlements are insufficient to meet all environmental flow recommendation requirements and will be under further stress with climate change.

<https://healthywaterways.com.au/waterway-conditions/water-for-environment#values>”2017

The C&GSWS 2022 restated the same need for 7GL for the Maribyrnong and requires 3G to be found by 2027.

Currently Jacksons Creek, four Mt Macedon streams and two headwater streams of Deep Creek ((Monument and Garden Hut creeks) are dammed to supplement water supply for Macedon Ranges townships. Furthermore, these waterways are groundwater dependent for base flows. GWW has recently acquired a third licence for groundwater extraction from the Lancefield bore field. This will further diminish groundwater flows to Deep Creek. Discussion with DEECA’s groundwater team revealed that groundwater levels have not yet recovered from the Millennium drought, so there is an obvious need to preserve groundwater in this catchment. How does this corporate plan and capital expenditure address this issue?

The flow stressed Deep Creek will not be improved by the releases from Romsey sewage treatment plant as that water is still contaminated with pharmaceuticals, high nutrient loads, salts and PFAS. The releases are not timed to give environmental benefits, they are released due to an inability to store surplus water until there is a demand for it. Demand will only increase when the standard meets producers’ needs. Currently dryland farmers have access to better quality water from their farm dams, on stream extraction, and groundwater bores. The experience in the Werribee catchment shows that farmers are still rejecting recycled water because of high salt content and cost.

A reduction in extraction from groundwater and waterways would mean the Guaranteed Service Supply will need to be delivered from another source, by relying on either

- a second desalination plant to supply the western regions urban and peri urban areas and the regions of Geelong and Ballarat; or
- bringing recycled water to drinking water standards through reverse osmosis. (There is no evidence that either of these ideas have been canvassed during the community consultation)

Improving flows in our catchment means the staged decommissioning of aged reservoirs to let the creeks flows. Reducing groundwater take is urgently need to ensure groundwater flows into the creeks, not under them!

We ask what discussions took place during this process to make the community aware of that? To address these issues, it is essential that all townships are connected to an integrated water grid, thus we support the infrastructure costs of connecting all Macedon Ranges townships to the water grid. This has only been explained as a mechanism for giving them equal access to desalinated water. It’s misleading to imply by omission that the Wonthaggi plant, even with an additional 50 GL will be sufficient to supply the projected population growth. There needs to be ongoing

community discussion of this need so that we avoid repeating the rushed and flawed consultation process that preceded construction of the first desalination plant.

Recommendation 2.

The ESC request that GWW explain their corporate strategy for meeting the C&GSWS direction to reduce their Bulk Water Entitlements and augment drinking water supply. This direction was devised to manage climate change risk and begin redressing the environmental harm caused by over-extraction.

3 Failure to meet the obligations, imposed by the Water Act, to protect waterway health and function.

The deliberations, as reported in this review, portrays environmental obligations as subject to a willingness to pay, rather than a legislated obligation of the Water Act. GWW's Pricing Review process has missed an opportunity to keep GWW's customers well informed of the needs of the silent customer the RIVER! Such a lack of transparency is disturbing.

Where did GWW explain to their customers that the Targets in the River Health strategy:

- to improve flows to protect in stream and stream bank habitat for the current populations of fish, platypus, frogs and birds
- ensure migratory species can freely move between fresh water reaches and sea water
- ensure water supply for fauna living adjacent to waterways
- to protect groundwater to ensure the maintenance of spongey ground in Lancefield for the vulnerable Bibrons toadlet
- ensure Environmental Water can be supplied and delivered, at species specific times, in adequate volumes and improve oxygen levels in water
- to ensure we retain instream habitat
- to improve community access and amenity
- to improve water quality

requires GWW to reduce its take from streams and groundwater. Reports from The Australia Platypus Conservancy attribute low stream flows to the reduction in platypus populations in our waterways over the past twenty-five years. They also state that pollution is reducing stream waterbugs upon which platypus feed!

Furthermore, the reducing volumes of fresh water inflows into Port Phillip Bay also reduces its health, productivity and amenity of Victoria's bayside beaches. Port Phillip Bay's health and productivity rely on a specific balance of fresh water and salt water. The Maribyrnong and Werribee rivers (plus the flow stressed Moorabool) provide the majority of fresh water inflows to the Bay. As that flow diminishes the Bay's health functioning and viability is also diminished.

Chronic pollution, as we have lamented in other parts of the submission, is also a factor in simplifying the species present in our waterways. Water bugs are the staple food for many larger species aquatic and water birds. Microorganism are also a key part of the food web and they are disappearing rapidly as they are highly sensitive to pollution.

GWW's proposal of fifteen stormwater capture treatment and reuse projects was reduced to ten projects by the deliberative panel. Although these projects have limited capacity to improve the severe impacts from polluted, high-velocity high-volume flows in urban areas, they are the only mechanism available in the west as we have nowhere to store large volumes of urban stormwater and treat it. Hence, we need far many more projects to reduce these damaging inflows.

Recommendation 3.

The ESC should request GWW to explain

- a) how they will meet their obligation under the Water Act to protect waterway health by reducing take,
- b) educate their community on the flows issue,
- c) report on how their actions are impacting the State's natural assets.
- d) generational impacts have been considered in their decision making.

4 Deepening and sustaining community engagement.

"The ESC expects that we will include customers at the centre of our decision making through a robust community engagement process. Not all engagement activities require extensive engagement, however it is expected that the engagement is broad and adequately captures the expectations of our customers. Fundamentally, the ESC expects to see well planned engagement undertaken earlier, deeper and broader."

Given customers of Western Water had a high level of dissatisfaction with past management, there is a need to build trust and respect for this new organisation to prove that the old culture is not present in the new institution. The current experiences of regular spills and illegal releases of treated sewage also creates doubt that the past cavalier approach to observing environmental regulations is not present. Improved performance and sustained open and frank dialogue is the only way forward in such a setting.

Greater Western Water's early consultations on the Price Review took place in 2021, a year of repeated, prolonged and justifiable lock downs. Most of their consultation effort was focused on getting to know the needs of the new customers previously serviced by past Western Water. Their 45-member deliberative panel process and subsequent follow up investigations attempted to redress that. GWW's excellent provision of interpreters and relevant IT to assist the panelists was inclusive. The videos on their web page show the panelist appreciated the support and felt heard. We look forward to seeing more multilingual videos.

We also commend Greater Western Water for their willingness to engage more deeply in discussion with the upper catchment's community groups and residents through the Macedon Water Think Tank meetings, which FOSC has also attended. These meetings are based on the community's questions rather than what the corporation wanted to tell us. It has resulted in a deeper understanding of the complexities of the task GWW has and appreciation and respect for the professionalism of the staff we have meet. We think this provides a model for future community water literacy engagement beyond the immediate pricing review submission.

Until the community understands:

- how water is delivered,

- sewage is treated,
- the process for treating and delivering recycled water,
- the difference between sewage pipes and stormwater and
- the needs of the rivers and our aquatic fauna

they cannot comprehend the true costs of water infrastructure nor the harm it is currently causing the ecological functioning of waterways.

By maintaining the Think Tank process and offering it to other sections of the community, GWW can empower trusted community members, who can then share their understandings of land and water resources management, to foster greater community understanding of responsible catchment wide management.

We are disappointed that GWW only intends to have an annual meeting to report on their works progress. Given the large number of tasks that would need to be reported on it would require a full days meeting, with a lot of information to be understood and analyzed on the spot. We suggest a model of quarterly meetings would be more effective.

Finally, GWW has not been established long enough to establish an Environment Committee that meets quarterly to discuss environmental issues. The long-established Barwon Water has such a committee and it includes representatives from Barwon Water, the CMA, resident and environment groups. Barwon Water also extends annual financial support to Friends of the Barwon River and four Landcare groups - that too would be helpful. We hope GWW would consider a similar model.

Recommendation 4

That the ESC asks GWW to consider

- Establishing an Environmental Advisory Committee
- Maintaining the Macedon Ranges Water Think Tank dialogue beyond the ESC process.
- discusses with environment groups what financial support they need to continue their voluntary community activities. Many of the waterways groups are unable to apply for very large grants from DEECA and Federal government to address catchment scale improvement because we do not have organisations with permanent, professional staff who have the skills to prepare multiple, large-scale grants and ensure its delivery through a combination of their own on-ground expert teams and use of contractors and engage the community. We need more resources for our fledgling Maribyrnong River and Waterways Association . Insecure employment is no way to ensure we retain highly qualified staff.

5 Healing and Caring for Country and Cultural Water Rights

While improved sewage treatment plants will reduce pollution of creeks, we consider it misleading to describe it as Healing and Caring for Country. The planned actions are a requirement of Licence conditions. Furthermore, there is no acknowledgement of the harm to Country by depriving rivers of needed water and regularly polluting them. Nor are there specific initiatives

listed and funded to Heal and Care for Country. Restorative justice requires more than an intention to observe Licence conditions.

As momentum increases and more Traditional Custodians are able to participate in the Cultural Water Rights discussions GWW must be able to cover the cost of that participation and any training needs that arise in the process. We note GWW funding is maintaining funding for this purpose. It's not clear if it has considered increasing costs as momentum builds.

Recommendation 5.

That the ESC ensures the GWW has the financial capacity to ensure that all Traditional Custodian groups have the means to participate in collaborations related to Cultural Water Rights and any training they request is provided.

CONCLUSION

Our recommendations are the result of many discussions and lengthy consultations and we would hope to see them reflected in the ESC's final decisions. We consider that the community's trust in government and its agencies can be undermined by obvious discrepancy between what government policies tell us our rivers need and the inadequate financial commitments to implement change.