



Our Reference: 08/01/026:TGB:alc  
Your Reference:  
Contact Name:

4<sup>th</sup> March, 2008

Mr Greg Wilson  
Chairman  
Essential Services Commission  
Level 2, 35 Spring Street  
MELBOURNE 3000

Dear Mr Wilson

### 2008-13 Water Plan Exposure Draft

I refer to the document Grampians Wimmera Mallee Water Plan 2008/-13 dated October 2008 (GWM Water Plan). This document is published on your website as "2008-13 Water\_Plan final version.doc".

In response to your invitation for written comment, the following is submitted on behalf of Council.

#### 1. Pricing of Water

Concern is expressed regarding the proposed revenue increase of 17.1% in year one. As you're well aware, the region is still suffering from continuing drought conditions and its significant affect on household incomes, particularly in the agricultural sector. As such, the community's ability to meet such a price increase is severely limited. It is understood the Wimmera Development Association has been requested to undertake some analysis on the regions affordability to meet such price rises and it is hoped this is taken into serious consideration in those findings.

Continued implementation of the Wimmera Pipeline project is recognised as vital to the regions future, however other aspects of the capital expenditure program may need review in light of the community's ability to meet the proposed revenue increase.

#### 2. Wimmera Mallee Pipeline reviewed estimated costing.

Council were very concerned to learn of the dramatic 53.5% capital cost increase of the pipeline project from \$501 million to \$768 million (including on farm costs). Council acknowledge and appreciate the opportunity to have discussed this issue with GWM Water. However, in response to a high volume of contact from the local and regional community to our Councillors, Council did resolve to request the Premier of Victoria, the Hon John Brumby, MLA to undertake an independent review into this cost blow out and its impact on the future price of water to Wimmera Mallee customers. We now understand that the Auditor General's office is undertaking a review of the costing estimates.

.../2



Address Communications to:  
Chief Executive Officer  
PO Box 511  
Horsham Victoria 3402  
Telephone: (03) 5382 9777  
Fax: (03) 5382 1111  
E-mail: council@hrcc.vic.gov.au  
Website: www.hrcc.vic.gov.au



Our Reference:  
Your Reference:  
Contact Name:

Address Communications to:  
Chief Executive Officer  
PO Box 511  
Horsham Victoria 3402  
Telephone: (03) 5382 9777  
Fax: (03) 5382 1111  
E-mail: council@hrcc.vic.gov.au  
Website: www.hrcc.vic.gov.au

2.

In terms of the exposure draft, concern is expressed at the likely pricing impacts of this increased cost on customers should they be required to meet a share of this. As has been expressed in various regional forums, Council believe it is crucial that the full extent of these cost increases be met by Government and not by GWMWater customers who we understand are already paying some of the highest prices for water in the State.

### 3. Capital Expenditure Program

Several proposals for the five year program of \$75.4 million are referred in the exposure draft. Again these appear to be largely focussed on smaller towns and communities in the region.

Council have made GWMWater aware of the continued growth of Horsham and the infrastructure demand required to meet this growth. In excess of 150 new dwellings per year together with new business and industrial premises require adequate services. This growth has not been recognised in the Capital Expenditure Program and Council submit this needs to occur through expanding the services district in Horsham, particularly in the south and along Stawell Road.

Thank you for the opportunity to comment and I trust this submission will receive due consideration in review of the GWM Water 2008-13 Water Plan exposure draft. Horsham Rural City Council is available to further discuss and comment on this submission.

Yours faithfully

KV SHADE (Mr)  
Chief Executive Officer