

8 May 2008.

Mr Tony Darvall
Commissioner, Essential Services Commission
Level 2, 35 Spring St
Melbourne Vic 3000.



Dear Commissioner,

The Municipal Association of Victoria's Rural South Central Region grouping comprising the Councils of, Golden Plains Shire, City of Ballarat, City of Greater Geelong, Hepburn Shire Council, Moorabool Shire, Pyrenees Shire and, Surf Coast Shire write seeking your commitment in ensuring the State Governments expressed desire and intent (see attached Media Release dates 5 December 2005) to address significant community health issues in particular schemes within the Blackwood, Barry's Reef, Simmons Reef and Gordon.

The Media Release clearly indicates that the schemes would proceed after the design and tender phase. Further funding would then be provided to the water authority to assist with construction costs.

The concern of the Rural South Central Region is rightly justified as we are aware that the Essential services Commission has engaged Sinclair Knights Mertz to provide commentary on the water Plans and pricing structures proposed by Central Highlands Water, which include the small Town Sewerage Schemes. In the ESC document "2008Water Price Review Draft Decision Volume II Central Highlands Water", the following comments appear:

"9(c) Country Towns water and Sewerage Schemes – SKM consider that whilst there is an obligation to undertake these works, they are not aware of any requirements concerning timing associated with this obligation. It therefore recommends deferral of works for Smythesdale, Waubra, Landsborough and Avoca for two years and the towns of Blackwood and Gordon for three years to commence in 2011-12 (SKM, section 5.2)."

The grouping would also like to reinforce the reality that The Small Towns Sewerage Projects were instituted to address significant community health issues in these areas, which included pollution of water courses. Prioritisation of the projects selected followed a rigorous process to establish the most "at risk" communities.

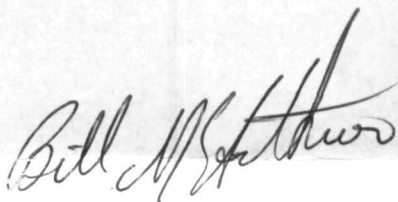
Central Highlands Water has commenced the process of implementing these projects by calling for expressions of interest.

We would appreciate a reconfirmation in writing to the spirit and intent of the schemes, and in particular the earliest commencement times possible for the projects.

Yours sincerely



Cr Dick Gross
President



Cr Bill McArthur
Chairman Rural
South Central Region
Group of Councils

Media release

From the Premier of Victoria

Monday 5 December, 2005

CENTRAL VICTORIAN TOWNS TO HAVE SEWERAGE CONNECTED

Premier Steve Bracks today announced a number of sewerage and water supply projects for towns in the Moorabool, Golden Plains and Pyrenees Shire Councils.

Speaking in Smythesdale, Mr Bracks announced funding of \$40,000 for the next stage of an innovative water treatment and sewerage project in the town that will result in recycled water being used to irrigate the local sports oval.

“The funding comes from the \$42 million Country Towns Water Supply and Sewerage Program and is consistent with the Bracks Government’s plan to secure the State’s water supplies – *Our Water Our Future*,” Mr Bracks said.

“Using recycled water is consistent with the *Our Water Our Future* strategy of water conservation, re-use and adding to existing supplies.”

Mr Bracks also announced Blackwood, Barrys Reef, Simmons Reef, and Gordon would be the first towns to receive funding for sewerage upgrades under the State Government’s Country Towns Water Supply and Sewerage Program.

Under the program each scheme will receive up to \$25,000 to complete a concept design and up to \$140,000 to prepare functional and detailed design, tender specification and undertake tenders. Further funding will then be provided to the water authority to assist with construction costs.

Water Minister John Thwaites said each town’s community would be involved in selecting the right sewerage scheme.

“These communities can now work with their local water authority and Council to identify a sustainable solution that will reflect local needs and conditions,” he said.

“Solutions may involve innovative approaches other than conventional reticulated sewerage. This could have the additional benefit of keeping costs down.”

Mr Thwaites said under the Country Towns Water Supply and Sewerage program towns were selected for funding based on a range of criteria including public health and environment factors.

Mr Bracks also announced the town of Landsborough would receive a water supply upgrade. As part of the upgrade Central Highlands Water and the Pyrenees Shire Council will also investigate opportunities to improve water supplies to nearby Navarre.

“Innovative sewerage services can also provide other benefits, such as creating wetlands for treating wastewater and making recycled water available for local use,” Mr Bracks said.

“Introducing sewerage services can also stop leaking septic tanks polluting rivers, groundwater and other waterways and damaging the environment.”

The towns announced today were chosen as top priority in a statewide list of works developed by an independent review in consultation with the Department of Human Services and the Environment Protection Authority (Victoria). Local councils and the Municipal Association of Victoria helped collect information.

The program lowers the cost of a property owner's contribution to sewerage schemes. Property owners capital contribution will be capped at \$800 which can be paid upfront or \$80 a year over 20 years.

Funding for other country towns will be announced soon.