

Lake Glenmaggie Community Representative Group
The Communities of Coongulla and Glenmaggie
Gippsland Victoria

Mr. S. Crees
Director – Water Regulation
Essential Services Commission
Level 2
35 Spring Street
MELBOURNE, VICTORIA 3000



19th February 2008

Dear Mr. S. Crees,

Subject: EXCESSIVE TIME DELAY TO IMPLEMENTATION AND COST SHIFTING – GLENMAGGIE COONGULLA CTWSS PROGRAM

We write on behalf of the communities that constitute membership of the the **Lake Glenmaggie Community Representative Group [LGCRG]** which includes the towns of Glenmaggie, Coongulla and adjoining district located in the North Western section of **Wellington Shire Council [WSC]**, Gippsland.

We have recently been made aware that during the month of March 2008 you will make assesment and recommend priorities for works under the Country Towns Water Supply and Sewerage Program. We wish to respectfully place before you the following facts to assist in your comprehension of our communities poisiton on this program.

Executive Summary

Gippsland Water [GW] as Project Managers of the Glenmaggie/Coongulla CTWSS program **22 months** after the Water Minister announced funding for the project, have yet to finalise a business case, seek board approval for the project and currently will not complete the project until the 2012/2013 financial year.

The State Government [Department of Sustainability and Enviroment -DSE] has reduced the funding commitment requested by Gippsland Water by 22% and is effectively only funding this core piece of infrastructure to the value of less than 3.9% of the budgeted cost, further shifting the funding burden of this project to Gippsland Water and its customers.

[Source: Gippsland Water, 2008 Water Price Review-Final Water Plan, November 2007]

Background Detail

The towns of Glenmaggie and Coongulla adjoin the shores of Lake Glenmaggie which provides irrigation, drinking water harvesting and recreational opportunities on the Macallister River system. These towns come under the operational area of **GW** which currently provides a reticulated water system from Lake Glenmaggie.

These towns have since April 2001 been formally restricted [by WSC and GW] in their development and amenity principally due to identified limitations in the disposal of waste water/sewerage effluent.

This situation is a response to potential environmental and health issues due to discharges from septic tanks or absorption pits, affecting not only Lake Glenmaggie, but having the potential to impact the entire catchment downstream on the Macallister River to and including the Gippsland Lakes.

This potential has been identified for in excess of 20 years, being that septic systems and the terrain adjoining were less than ideal in these locations, with successive Local Government and State Government agencies attempting, without success, to secure funding for a reticulated sewerage system.

The Wellington Shire Council and Gippsland Water have jointly nominated Coongulla/Glenmaggie as the **highest priority** for a reticulated sewerage system from the 14 towns identified in need within the total Shire [ref Shire of Wellington Domestic Wastewater Management Plan August 2006].

On the 9th of January 2006 the then Acting Premier and Minister for Water The Hon. John. Thwaites MP, announced 35 towns for investment in water and sewerage services as the final component of the \$42 million **Country Towns Water Supply and Sewerage Program [CTWSSP]**.

The joint towns were identified as recipients of this funding and Gippsland Water commenced a concept study in August of 2006. The concept study was presented to the **Project Control Group [PCG]** which consisted of WSC, GW and **Department of Sustainability and Environment [DSE]** representatives in March of 2007.

The PCG is currently evaluating the recommendations and intend to [no time line confirmed at time of writing] develop a business case for consideration by the GW board [no time line at time of writing].

The Lake Glenmaggie Community Representative Groups concerns with this project to date are:

EXCESSIVELY LONG PROLONGED TIME TO IMPLEMENTATION:

- It has been in excess of **20 years** since the need for a reticulated sewerage system was identified.
- 9th of January 2006 – Minister for Water announces CTWSSP funding for new sewerage services to 23 towns including Glenmaggie and Coongulla.
- August 2006 – GW commenced concept study
- March 2007 – PCG received concept study
- July 2007 – GW releases Draft Water Plan 2008-2013 – Indicating that Coongulla Waste system project expected completion date 2012/2013 and Glenmaggie completion date 2011/2012
- November 2007 – GW 2008 Water Price Review – Final Water Plan confirms above dates

GOVERNMENT FUNDING COMMITMENT REDUCTION

- The GW Draft Water Plan 2008-2013 identified a required level of Govt contribution for the Loch Sport and Glenmaggie/Coongulla projects. In the GW Final Water Plan 2008-2013 Government [DSE] has reduced its level of commitment by a total of \$1.415m giving no reason.
- This reduction effectively cost shifts to GW and its customers and put's into question the level of Government commitment to the basic principle of the CTWSSP is that land holders one off contribution of \$800 or \$1600 over 20 years to survive the 5 years between the present and project completion.

The identified cost by GW of the Glenmaggie [\$6.2m] and Coongulla [\$14.3m] waste system projects between 2008 and 2013 will be in the order of \$20.5m of which the **CTWSSP** has currently only committed **less than 3.9%**.

This level of funding is totally inadequate and shifts the costs to GW customers, at a time Government has reaped windfall dividends from the 19 water authorities statewide in a prolonged period of unprecedented budget surplus.

An effective waste system installed and operating without further delay is a basic **CORE INFRASTRUCTURE** requirement which will deliver immediate benefit to not just Lake Glenmaggie but the towns, habitats and ecosystems downstream on the Macallister River system, the Gippsland Lakes and the environment for all Victorians.

We respectfully request that you address the current excessive proposed time lines and less than adequate Government funding commitment to ensure this vital project is delivered to the Victorian community in a timely and cost effective manner.

In the event that you should desire a personal presentation in support of our community position we would be happy to oblige at a mutually convenient time and location.

We remain yours faithfully.



**Per David Sullivan for
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Chairman
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