

Submission to the Essential Services Commission

Re: **Greater Western Water's 2024 Price Submission (28/09/2023)**
and **ESC's Draft Decision (26/03/2024)**

GWW's proposed Stormwater Harvesting Partnership Fund

As Chairs of the Maribyrnong and the Werribee Integrated Water Management Forums, we write to propose that Greater Western Water's *Stormwater Harvesting Partnership Fund* be included GWW's Final Pricing Decision (not removed, as proposed in the ESC's Draft Decision).

The reasons for this are:

1. It is a partnership program that directly addresses Greater Western Water's Obligations (SoO)¹ to
 - a) *manage water resources in a sustainable manner that enhances environmental outcomes and amenity in urban landscapes; ... whilst at the same time supports sustainable and liveable communities (SoO, Clause 1-6.1).*
 - b) *act consistently with any approved **Sustainable Water Strategy** and ... have regard to the principles of informed decision making; integrated decision making; risk management; complementarity; equity: and community engagement ((SoO, Clause 1-6.2).*
 - c) *develop an **Urban Water Strategy** to consider all aspects of the urban water cycle across a 50 year planning horizon and be consistent with the guiding principles of this Statement and any relevant **Sustainable Water Strategy** (SoO, Clause 6-1.1).*

We note in particular that Policy 4.3 of the current approved *Central and Gippsland Sustainable Water Strategy*² specifically states that:

The Victorian Government will continue to support IWM forums to collaboratively plan and deliver an optimal mix of recycled water, stormwater and rainwater that contributes to long-term water security, and improved liveability and economic prosperity in the Gippsland and Central Region.

2. By providing alternative sources of water for the irrigation of public parks, gardens and sports fields, the program conserves high quality, high cost potable water for use by residents, as part of building the resilience of its **prescribed retail water**

¹ Water Industry Act, 1994 Statement of Obligations (General), Minister for Environment, Climate Change and Water, 20th October, 2015

² The State of Victoria Department of Environment, Land, Water and Planning, 2022, *Central and Gippsland Sustainable Water Strategy*

services³ and reducing the customer costs and impacts of drought response in the presence of climate change and population growth.

3. The program is a direct response to government policies that started with *Water for Victoria*⁴ in 2016 and the *IWM Framework for Victoria*⁵ in 2017, and subsequently the *Catchment Scale IWM Plans*⁶ and the *Action Plans*⁷ that were subsequently released by the Minister for Water in April 2014. These Plans have been developed **in partnership** and “signed off” by all parties to the IWM Forum process, including all Local Governments and Water Corporations in each Forum area.
4. The program will only support projects that are specifically designed to meet the Outcomes and Targets that are incorporated in the Catchment Scale IWM Plans. That is, it will be possible to assess *prudence* and *efficiency* within a rigorous and transparent framework, that has been agreed to by all Forum partners.
5. By way of background on the scale of this Partnership program, it should be noted that, in the Maribyrnong catchment, nine priority stormwater harvesting projects have been identified as largely ready for detail design and construction now, requiring a total capex of \$23.4 million. Because this is a dynamic plan, there will be more partnership projects identified over the pricing period – all will be tested for prudence and efficiency prior to any funding approval.
6. It is important to note that the projects will be subject to a rigorous Monitoring, Evaluation, Reporting and Improvement (MERI)⁸ program that has been developed by DEECA, will be managed by DEECA, and to which all partners have committed to supporting and participating in.
7. Finally, it should also be noted that the Minister for Water, in her **Letter of Expectations** 2025-2025 to the Melbourne Metropolitan Water Corporations, of April 2024, has identified Resilient and Liveable Cities and Towns as a key priority (LOE5). As part of the Victorian Water Industry Reporting Guidelines 2024 -25 there are five key performance areas, including Integrated Water Management and Sustainable Water Use. For each key area there are indicators that are associated and aligned with her expectations.

³ Water Industry Act 1994, Water Industry Regulatory, Order 2014

⁴ Department of Environment, Land, Water and Planning, 2016, *Water for Victoria*

⁵ Department of Environment, Land, Water and Planning, 2017, *IWM Framework for Victoria*

⁵ Department of Environment, Land, Water and Planning, 2022, *Maribyrnong Catchment Scale IWM Plan*, and *Werribee Catchment Scale IWM Plan*

⁶ Department of Energy, Environment and Climate Action, 2024, *Maribyrnong Catchment IWM Plan - Actions for Delivery*, April.

⁷ Water Industry Act, 1994 Water Industry Regulatory Order Council, 23rd Oct 2014

⁸ Department of Energy, Environment and Climate Action, 2024, *Monitoring, Evaluation, Reporting and Improvement Plan for Melbourne IWM Forums*, Final Draft, March.

Points 1. to 7. above demonstrate, we believe, that GWW's proposed Stormwater Harvesting Partnership Fund is directly relevant to the provision of *prescribed services* in the WIRO and deliver on a number of GWW's obligations specified in Government Policy, GWW's Statement of Obligations and GWW's latest Letter of Expectations from the Minister.

The prudence and efficiency of projects will be determined through the rigorous planning process that is linked to outcomes and targets that have been agreed to by all members of the IWM Forums. The process of monitoring, evaluation, reporting and continuous improvement of the program will be undertaken by a process overseen by DEECA.

We would welcome the opportunity to further discuss these matters.

Dr Rohan Henry

Chair, Maribyrnong IWM Forum

Professor Rob Skinner

Chair, Werribee IWM Forum

Lead Chair of Metropolitan and Regional IWM Forums

7th March, 2024