

Our Ref BRD07028/30

8th October 2015

Water Team
Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne Victoria 3000



Dear Water Team

Re: 2016 Price Review for Melbourne Water's Waterway and Drainage Services

Thank you for the opportunity to comment on the questions raised by this Price Review.

The Port Phillip & Westernport Catchment Management Authority's (PPWCMA) interest in the Price Review stems from its provision of strategic leadership and evaluation for land, water and biodiversity management in this region for nearly 20 years and its statutory responsibility to prepare the *Port Phillip & Western Port Regional Catchment Strategy* (PPWRCS) and coordinate its implementation.

The PPWCMA considers the *Healthy Waterways Strategy* (HWS) which is prepared and implemented by Melbourne Water to be an integral component of the PPWRCS and that implementation of the HWS is vitally important for the overall health and resilience of this region's environment. The PPWCMA therefore believes it is essential that Melbourne Water maintain the technical, financial and management capacity needed to achieve the HWS goals.

The PPWCMA's consistent experience is that Melbourne Water's Waterway and Drainage Services:

- Achieve high levels of implementation against its goals;
- Achieve efficiencies through leveraging and collaboration;
- Are delivering significant and lasting improvements in the environmental, social and economic values of our region's waterways;
- Provide leadership and initiative that benefit the region's environment managers in **monitoring, evaluation and commitments to continuous improvement;**

Melbourne Water's on-ground works facilitate complementary investments and cost-sharing that would not otherwise be possible. Cost-share investments by local government, Parks Victoria and others in waterway conservation, landscaping, recreation and drainage are widespread across the region. They create localised benefits for nearby residents and businesses alongside the regional benefits created by Melbourne Water's capital works. Reductions in Melbourne Water's capacity to fund HWS implementation would likely reduce the leveraging and cost-sharing by other organisations.

Our region's waterways, Port Phillip Bay and Western Port are extremely important environmental, social and economic assets in Victoria. Their ecological services are complex and irreplaceable - aesthetic seascapes, passive and active recreation, tourism, fishing, wastewater purification, drainage, swimming and boating for 4.5 million people. Declining waterways and marine water

quality in the Bays would significantly undermine this value. Accordingly, Melbourne Water's work to maintain and improve waterway management and drainage services to reduce sediment and nutrient pollution and improve in-stream habitats and channel stability has been very important to protect water quality in Port Phillip Bay and Western Port.

Since 2004, Melbourne Water's focus on stream-health monitoring, evaluation and improvement has grown in scope and value. This program is a leading light for environment managers across the region and a major factor in the evidence-based nature of Melbourne Water's work. It is most important this work continue to inform Melbourne Water's decision-making and action and to inform and lead other environment managers including government agencies, local governments and NGOs.

The challenges facing Melbourne Water to maintain and improve the region's waterways are not static. Urban and peri-urban population growth poses major threats to waterway values. These threats are compounded by expected water quality and altered stream flow effects of climate change. It is essential Melbourne Water has the financial and intellectual resources needed to respond to these changes.

Waterways are inherited 'environmental capital' - assets that yield a stream of irreplaceable benefits. Melbourne Water is a leader in the maintenance of this stock of capital and protects it from being eroded and lost. Reductions in Melbourne Water's capacity to resource waterways and drainage services would likely lead to deterioration of waterways in good condition and loss of the gains achieved from two decades of investment.

Yours sincerely,

A handwritten signature in black ink, appearing to read "David Buntine". The signature is fluid and cursive, with a long horizontal stroke at the end.

David Buntine

CEO