



16th February 2022

**Response to DELWP Central and Gippsland Region Sustainable Water
Strategy: Discussion Draft v2**

To:

- (1) DELWP Sustainable Water Strategy team at sws.team@delwp.vic.gov.au
- (2) Ministers The Honorable Lily D'Ambrosio, The Honorable Lisa Neville and The Honorable Richard Wynne
- (3) Ms Jordan Crugnale Member for Bass
- (4) Tyler Rotche at Environment Victoria as contact for Concerned Water Alliance signatories

Dear Sirs,

You will recall that Watershed Victoria (WV) is the community group formed to protest the sudden water policy back-flip by the Bracks Labor Government in 2007 and the building of the Victorian Desalination Plant, then the largest RO desal plant in the world .

We became aware of the 2021 Discussion

Draft https://www.water.vic.gov.au/_data/assets/pdf_file/0032/544847/Central-and-Gippsland-SWS-consultation-draft-v2.pdf through an article published in the Bass Coast's Sentinel Times newspaper in January this year. That article reported on proposals for substantial increase and reliance on desalination water, referencing expanded construction and base-load operation.

Was the Discussion Draft and timeline for public participation advertised locally in Bass Coast beforehand?

We note that feedback is stated as closing 10th December 2021, however notwithstanding, we write to now register the interest of WV and our supporters in being heard on this subject, and to be included in public consultation to the fullest extent possible from here on, including community information sessions.

From initial review of this voluminous 327 page document, we submit the following preliminary feedback, and ask that you forward 6 hard copies of the complete Discussion Draft to facilitate our more detailed review.

1. The June 2007 announcement by Labor's Premier Bracks/Deputy Premier Thwaites/and then Treasurer Brumby was closed to consideration of alternatives and their merits. Requests by the Bass Coast community for the Government to explain their reversal from 2006 pre-election Policy commitment that Labor had recycling and conservation plans to secure Melbourne's water supply, and concurrent denouncement of desalination, were not for explaining. After some 8 years then in Government and opportunity to closely liaise with DELWP, Melbourne Water and others, Premier Steve Bracks proclaimed about desalination: "The energy generation is enormous, the intrusion on the community is enormous and, of course, it's extraordinarily expensive" (HS 13th Nov 2006). In light of these and other well established negatives, including environmental issues, expanded desalination should always be a last resort option.
2. The 2007 decision to build the VDP would only augment Melbourne water supply post 2012 due to construction lead-time. That decision for longer term augmentation was reached without the benefit of rigorous assessment of options and their business cases, as was noted by the Victorian Auditor General in 2008. Such mammoth public expenditure decisions must be made after assessments particular to the supply area and evaluation of available options. Correspondingly, the EES enquiry held in 2009 precluded assessment of other options. Now 10 years on, and already a strong promotion within the Draft Discussion paper claiming a need for major desal expansion to a point where it will be the major contributor, we see water planning is being made ahead of detailed options assessments. The DELWP Draft asserts that by 2040 over half of Melbourne's supply will need to be manufactured water, rising to around 75% by 2065(P120).
3. There is a prominent assertion within the DELWP Draft Discussion that Melbourne's annual water usage is currently 70GL more than the average volume of water that flows naturally into our dams and water storages (P12, P19, P42 & Minister's foreword). Details of this calculation are not stated. In Section 2.7 P42, total current urban demand is quoted as 470GL. From Figure 12 P20, average annual inflow 1997-2019 is quoted as 418GL. That period includes the widely referenced millenium drought 1997-2009, hence arguably is non-representative, yet even so the difference is 52GL, a not-insignificant difference to the 70GL asserted. Using storage level data from Melbourne Water, for the 3-decade period following completion of the Thomson Reservoir Dec1990-Dec2021, and which includes the full millenium drought, our dams went from 93% full to 90%, and so after adjusting for 400GL desal inflow, were just 454GL short of meeting demand, meaning an annual dam-only supply over demand deficit of just 15GL/year. **Further, examining the most recent period and post drought, in the decade from Dec2010 to Dec2021, storages increased from 66% to 90%, an increase of 434GL while meeting full supply and without water restrictions. Within that period desal has supplied just 400GL, so dam inflow has in fact exceeded demand by 34GL or 3.4GL/year, vastly different to the asserted 70GL/year shortfall.**
4. Further we note that the North-South pipe has not been used to supplement Melbourne's supply, another example of massive wasted expenditure of public monies, construction cost reportedly \$750million. The Baillieu Government

shutdown the pipeline in 2010, the pipe only to be used if storage levels fall below 30%.

5. Adding to the distorted analysis between dam inflow versus demand is the lack of action and outcomes on water saving. In this decade since the drought, the target 155lpp/day has not improved, there having been miniscule funding of public education programmes and further water-saving incentives. How many of the 500,000 single flush toilets in Melbourne remain? The minor subsidy toward that and other long term water saving measures have been insignificant in effecting change.
6. When it comes to projects and programmes implemented and not-implemented since the millenium drought, the record appears to be that the Labor Government and statutory authority Melbourne Water under Chair Mr. John Thwaites are still welded onto huge high-cost centralised solutions to water supply, particularly to "manufactured water".
7. **PPP Ramifications:** Other States that built desal plants were able to achieve significant cost savings by mothballing equipment when water augmentation was not required, whereas the VDP contract reportedly did not offer such saving opportunity. Public scrutiny of the VDP including costs, profitability and environmental impact is precluded by claims of "Commercial-in-Confidence" protections for Aquasure, whose financial interests are diametrically opposite to that of Victorian public who foot the bill. It is noted however from ESC sources that payments for VDP availability have represented as much as 60% of annual operating costs for all of Melbourne Water. The costs for plant availability alone reportedly increases from \$650million/year to \$800million/year by the end of the contract (p6 at Dr Ben David ESC Chairperson 2013 Water Conference).
8. **VDP Water Orders versus responsible public messaging:** From completion in 2012 until 2016, there were no annual orders for VDP supply. We understand that within that period, this was based on whether storage levels were below 65% at April, reflective of a policy based on need and water security assessment, and at the same time avoiding costs which could be better spent. In the current 3-year period 2020-2023 annual orders are being placed for 125GL when dams are well above the 65% threshold. This appears to facilitate unfettered use of water rather than the 1986 message of "Don't be a Wally with water", ever valuable and surely worthy of funding ongoing.

We acknowledge that these do not represent an in depth review of the entire 327 page document, however we have raised information within that appears to represent a predetermined disposition by the Minister, the Sustainable Water Strategy Committee, DELWP and others toward expanded desalination capacity before independent expert and rigorous assessments, and to recent water ordering with attendant major costs to the VDP consortium carried out regardless of need, and irrespective of public interest.

We would appreciate your consideration of this initial response within public submissions sought, and receiving confirmation that we will be included in all future public consultation, including advice of all attendant opportunities.

yours sincerely

Watershed Victoria

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