

WATER

Questions on Notice

Question 1

Danny O'BRIEN: *If you could. Could you tell you what the debt level of each of the water authorities in the state is at the moment? Given my short amount of time, would you be happy to take that on notice?*

Harriet SHING: *I can probably take that a notice, but what I would want to say is that debt is actually a really important part of enabling water corporations to finance investment –*

Danny O'BRIEN: *I understand that.*

Harriet SHING: *without them passing on increasing costs to end users. So the Essential Services Commission process on price setting is something that has kept our water bills the lowest in Australia.*

Answer:

The following table provides a summary of debt for each Victorian Water Corporation based on the 2022-23 Annual Reports, or latest audited information. The table also provides the asset value for each Water Corporation as an important context.

Organisation Name	Interest bearing liabilities (\$million)	Assets (\$million)	Ratio of debt to asset value
Melbourne Water	7,984.0	17,876.6	44.7%
Yarra Valley Water	3,509.5	6,071.5	57.8%
South East Water	2,476.2	5,192.5	47.7%
Greater Western Water	2,398.4	3,988.6*	60.1%
Barwon Water	599.3	3,710.6	16.2%
Coliban Water	497.3	2,290.8	21.7%
Central Gippsland Water	329.5	1,792.4	18.4%
Goulburn Valley Water	164.5	1,230.9	13.4%
Grampians Wimmera Mallee Water	129.9	2,348.0	5.5%
Central Highlands Water	111.5	1,863.9	6.0%
South Gippsland Water	107.5	530.3	20.3%

Water

Organisation Name	Interest bearing liabilities (\$million)	Assets (\$million)	Ratio of debt to asset value
Goulburn-Murray Water	83.6	5,376.7	1.6%
Southern Rural Water	71.5	1,666.6	4.3%
Lower Murray Water*	67.8	1,144.5*	5.9%
North East Water	67.4	1,039.5	6.5%
Wannon Water	49.8	1,093.1	4.6%
East Gippsland Water	21.0	567.5*	3.7%
Westernport Water	10.1	296.0	3.4%
TOTAL	18,678.8	58,080.0	32.2%

* These figures are adjusted from those presented in annual reports to account for deferred tax assets which has been added to make consistent with other water corporation figures.

Question 2

Danny O'BRIEN: *Sorry, you said three things. The last one I picked up was Living Murray. That is not a project in itself. What are the actual projects that you are looking at funding?*

Harriet SHING: *Living Murray is a joint initiative with the Commonwealth and the governments of New South Wales, Victoria and South Australia, and it is coordinated by the Murray–Darling Basin Authority. When we can –*

Danny O'BRIEN: *Can I possibly get the details of the projects on notice, Minister? Because I am going to run out of time.*

Harriet SHING: *Yes, of course. I can give you detail on them, but again it is about making sure we make the best use of a range of projects, and nothing has said more about the commitment of communities to making good on environmental outcomes like these projects and the engagement that has informed the prospectus.*

Answer:

The \$9.7 million state funding (Environmental Contribution) over one year will support three projects/programs:

- the Victorian Murray Floodplain Restoration Project (VMFRP);
- Constraints Measures Program (Constraints); and
- the Living Murray program (this includes sites such as Barmah Forest, Gunbower Forest, Hattah Lakes and Lindsay-Mulcra-Wallpolla Islands).

Successful delivery and operation of the Victorian Sustainable Diversion Limit Adjustment Mechanism (SDLAM) projects will protect and enhance up to 82,577 hectares of floodplains along the Murray and Goulburn Rivers from the long-term environmental decline due to river regulation and a lack of watering (in terms of quantity, frequency and duration).

Whilst funding is provided by the Commonwealth for activities such as planning, approvals and construction, they do not provide all funding. Funding provided in the State Budget for the 2024-25 year will cover activities such as:

- Governance, project and contract management oversight;
- Ensuring alignment with complementary projects and state policy; and
- Funding to third party delivery partners including Catchment Management Authorities (CMAs), Water Corporations and Traditional Owners.

Question 3

Danny O'BRIEN: Minister, thank you. Can you advise of the cost incurred by Goulburn–Murray Water to repair Loch Garry?

Harriet SHING: Can I take that one on notice?

Danny O'BRIEN: Sure. Whether you can answer now: whether the cost will be borne by the rateable properties or whether it will be covered by Goulburn–Murray Water or –

Harriet SHING: Yes. Let me get back to you in terms of the cost and the way in which that has been disaggregated, if that suits.

Answer:

Following the October 2022 Floods, Goulburn-Murray Water (GMW) established the Loch Garry Reference Committee with the objective of providing advice in relation to a review of the service provided by the Loch Garry Flood Protection District and the associated Operational and Maintenance Manual. On Wednesday 23 August 2023, the GMW Board approved the revised Loch Garry Operating Rules. The revised operating rules were developed and endorsed by the Loch Garry Reference Committee. The Committee was comprised of various stakeholders, customers, and interested community members.

Around 350 metres of the Loch Garry levee was damaged in the October 2022 Floods. Repair works on the levee commenced in May 2023 and were completed in July 2023.

The cost to repair the Loch Garry levee was approximately \$1.1 million. DEECA provided financial assistance of \$750,000 to ensure GMW could meet its ongoing obligations to the Loch Garry Flood Protection Service following the October 2022 Floods. This includes contribution to the levee repair, as well as undertaking a flood study and looking at the long-term options for its levee asset and the cost implication to the GMW business and its customers.

The remaining cost of the levee bank repairs will be recovered from Loch Garry Flood Protection District customers over a period of 80 years, beginning from Price Submission 2024.

The review of the Loch Garry flood regulator is progressing, with the formation of the Loch Garry Future Service Strategy Community Reference Group. The group held their second meeting on 23 April 2024, where discussions on infrastructure and service options for the Loch Garry flood regulator were had. The group will meet again to further discuss options.

Question 4

Aiv PUGLIELLI: Just on Latrobe Valley, what is the current average cost per gigalitre for a bulk water entitlement for the Latrobe Valley system?

Harriet SHING: Off the top of my head, Mr Puglielli, I cannot tell you.

Aiv PUGLIELLI: Could you provide it on notice?

Harriet SHING: I am very happy to provide that to you on notice.

Answer:

Bulk entitlements to surface water are held for a specific purpose by an authority under the *Water Act 1989*.

Only Water Corporations, the Victorian Environmental Water Holder, a power-generation company, and the Minister administering the *Conservation, Forests and Lands Act 1987* can hold bulk entitlements – consistent with section 34 of the *Water Act 1989*.

Most bulk entitlements from the Latrobe River system were issued in the 1990s.

Bulk entitlement holders pay a fee for surface water-related infrastructure and services provided by Water Corporations. These fees are regulated by the Essential Services Commission and are based on cost recovery.