

WATER

Questions on Notice

Question 1

Mr D O'BRIEN: Thank you again, Chair. Minister, can I just take you to budget paper 4, page 147. It shows Coliban Water buying up low-reliability water shares, Coliban Water being the central Victoria-based urban authority. Why is a government-owned authority buying up low-reliability water shares? It is the third line item up, under 'Existing projects', \$1.1 million.

Mr WYNNE: Sorry, I am going to have to refer this one to my colleague.

Ms VAUGHAN: Mr O'Brien, I apologise; I have not got that information.

Mr D O'BRIEN: Sorry, Ms Vaughan, could you take your mask off so I can hear you properly.

Ms VAUGHAN: Sorry about that; I get a bit used to it. I have not actually got the information relating to Coliban Water in front of me right now, Mr O'Brien, but I can take that one on notice.

Mr D O'BRIEN: Do you know if it is for the Goldfields Superpipe?

Ms VAUGHAN: I will have to take that one on notice, Mr O'Brien.

Mr D O'BRIEN: Okay.

Mr WYNNE: Sorry, I have just checked down the back there too, Mr O'Brien. We do not have an answer to that at the moment, but we will take it on notice.

Mr D O'BRIEN: That is fine. If you could take the following questions on notice too, Mr Vaughan, if you could: how much has Coliban Water bought and sold in the past five years? How many low-reliability shares does Coliban Water currently own? How many shares are they buying and from what systems with this money that is in the budget? And if you could also take on notice whether they have been trading any of the allocation of this water.

Mr WYNNE: We will ensure we get an answer for that question.

Answer:

Why is a government-owned authority buying up low-reliability water shares? How many shares are they buying and from what systems with this money that is in the budget? It is the third line item up, under 'Existing projects', \$1.1 million [2020-21 budget].

As described in its Urban Water Strategy (2017), Coliban Water hold low-reliability water shares as part of their strategy to manage water security for 49 towns across central and northern Victoria.

In most years, Coliban Water has sufficient water to meet demand for these towns. However, in dry years when allocations are low, there can be a risk of not having enough supply. Coliban Water mitigates this risk by carrying over unused allocation when it has surplus. Water that is carried over can be at risk of spilling, so Coliban Water generally carry over water against

low-reliability water shares, where the risk of spill is low. This approach also minimises Coliban Water seeking to buy water in dry years.

This \$1.1 million initiative that has been underway since 2017-18 with the release of Coliban Water's Urban Water Strategy (2017), a 50-year water security planning document.

Coliban Water's 2020-25 Corporate Plan states their intention to buy low-reliability water shares in the Murray Zone 7 (below Barmah Choke) to secure urban water supplies for the growing population that is supplies over the long-term.

Coliban Water is in the process of developing its new Urban Water Strategy in consultation with customers to look at the specific actions required to secure water supplies over the long term. This will be an opportunity for customers and the public to have a say about Coliban Water's plans for the future, including any further water share purchases. Draft key outcomes and actions proposed for inclusion in the Final Urban Water Strategy are expected to be made public in late 2021 in order for Coliban Water to finalise its Strategy by March 2022.

How much has Coliban Water bought and sold in the past five years?

Over the last five years, Coliban Water has purchased 697.8 megalitres (ML) of low-reliability water shares in the Murray system. Coliban Water has not sold any water shares during this time. Coliban Water has also traded water allocations and more information on this is provided below.

How many low-reliability shares does Coliban Water currently own?

Coliban Water owns 722 ML of low-reliability water shares in the Murray system, 2,861 ML of low-reliability water shares in the Goulburn system and 646 ML low-reliability water shares in the Campaspe system.

Has Coliban Water been trading any of the allocation of this water?

Low-reliability water shares have not received an allocation in most of the recent years. The last time there was an allocation to low-reliability water shares in the Murray system was in 2016-17.

However, Coliban Water do trade water allocation consistent with the objectives outlined in the Urban Water Strategy (2017) and the annual forward outlook for water resources identified in its Annual Water Outlook. Generally, Coliban Water's water trading activity relates to selling surplus seasonal allocations that are available against its bulk entitlements or high-reliability water shares in years of higher water availability.

Question 2

Mr HIBBINS: Thanks. I want to ask now just about climate change, as it has been mentioned several times, and I just really want to ask: are you factoring in climate change to future projections in the sustainable water strategy that is currently under development, noting that the current system is based on retrospective information?

Mr WYNNE: Well, if you recognise—as you do, clearly—I mean, we all recognise the challenges of climate change and population. They are the two elements that we have to as a community understand and accept that we all have a role to play in. But we have also

and the minister has also always taken the view that where we have existing rights that are available that are existing rights for irrigators, and—

Mr HIBBINS: Could I potentially take that on notice for further information?

Mr WYNNE: Yes, we will be able to do that—sure.

The CHAIR: Thank you, Mr Hibbins. Ms Taylor.

Answer:

Yes, the Central and Gippsland Region Sustainable Water Strategy does factor in climate change.

The Central and Gippsland Region Sustainable Water Strategy is being developed to secure a sustainable supply of water in the region for all users. It will be a plan for a climate-resilient future so that in a drying climate, there will be enough water to meet needs. The Strategy will plan for future climate change scenarios as recommended in DELWP's latest guidelines for assessing the impact of climate change on water availability in Victoria from 2020. All urban water corporations across Victoria are also developing their Urban Water Strategies by 2022 using these same climate change scenarios.

Question 3

Mr D O'BRIEN: Thank you again, Chair. Ms Vaughan, can I ask some questions about the department? Can you tell me how many staff are currently employed in the water group?

Mr WYNNE: How many staff?

Mr D O'BRIEN: The budget paper reference is BP3, page 212, just for those playing at home. But yes, in the water group. Do you have a figure for staff numbers?

Mr WYNNE: Could I suggest the Secretary might answer that question?

Mr D O'BRIEN: Sorry. I assumed it was Ms Vaughan's group, but whoever has the data.

Mr WYNNE: I think it is for the Secretary, Mr O'Brien. He will just refer to his notes there.

Mr BRADLEY: Having built that expectation, Minister, I am afraid I do not have the figure with me.

Mr D O'BRIEN: Happy to take it on notice, Secretary.

Mr WYNNE: Just give us a minute. We will come back with a number. It should be easily found.

Mr D O'BRIEN: Okay. While we are doing that I am actually also after the numbers for last year and ideally for the past five years.

Mr WYNNE: Yes. Probably the five-year number I suspect we will have to take on notice.

Mr D O'BRIEN: You will take it on notice? Okay. Can you also take on notice whether there will be any staff redundancies, voluntary or otherwise, given that level of funding reduction and whether there has been a program of savings presented to government to meet the reduced funding arrangement.

Mr WYNNE: Well, I can start by saying that there has been no advice provided to me to that effect.

Mr D O'BRIEN: Okay. But, yes, you are happy to take the rest of it on notice?

Mr WYNNE: The rest we will take on notice. Hang on, John, have you got that now?

Ms VAUGHAN: Mr O'Brien, I could I just—

Mr WYNNE: Sorry, Helen, I think John has got the answer. Graeme, have you got the number?

Mr EMONSON: I have not got the staff number, but I have got the output number.

Mr D O'BRIEN: Have you got further to add, Ms Vaughan?

Mr WYNNE: A false start, Mr O'Brien. We thought we had the number. Helen is telling me it is 300.

Ms VAUGHAN: We have around about 300 FTEs within the water group.

Mr D O'BRIEN: Okay. If we could get last year's and the previous five years on notice.

Mr WYNNE: Yes. We will get that for you on notice.

Ms VAUGHAN: That has been reasonably consistent. We operate to that level.

Mr D O'BRIEN: Okay.

Answer:

Water and Catchment Group's (WCG) Full-time Equivalent (FTE) numbers, as at June 2021 and for the previous five years are provided in the table below:

Water and Catchments Group	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021
Casual		0.6				
Fixed Term	57.2	87.6	100.0	99.4	65.3	69.8
Ongoing	149.2	163.8	176.3	189.7	211.6	236.3
Total	206.4	251.9	276.3	289.2	276.8	306.1

There are no planned staff redundancies nor has any program of savings been presented to government. The variance in output funding over the period from 2015-16 relates to the completion of distinct infrastructure projects and has no impact on WCG staffing levels or general portfolio program delivery.

Question 4

Mr D O'BRIEN: I will ask some others, and you might be able to come back to me on the first two. Last year the budget for this part of the portfolio was \$354 million. It is down—

Mr WYNNE: Sorry, Danny, I just did not pick that up.

Mr D O'BRIEN: The portfolio budget for water—the output, sorry—was \$354 million. It is down \$37 million this year, and it is down almost half since 2015–16 when it was \$603 million. What programs have been cut in order to meet these reductions in budget funding to the output area?

Ms VAUGHAN: Mr O'Brien, I will need to take that one on notice.

Answer:

The difference quoted in the output is due to the successful completion of the Connections Project. In 2015-16 the project was at peak delivery however the project has now been successfully completed and final milestone payment made in June 2021. Therefore, the funding is no longer within the 2021-22 output.

This is also the reason for the difference between the 2021-22 output and the 2020-21 output level.

These differences are due to the completion of distinct infrastructure projects and have no relation to general portfolio program delivery.