

Submission: ESC response to Melbourne Water pricing submission

Date: 1 May 2026

Confidential treatment: has not been requested

Summary: The Waterways Network strongly supports investment in our waterways in the Melbourne Water region and a commitment to reversing the decline in waterway health.

Supporting documents: No

Request to be heard: No

About The Waterways Network (TWN)

The Waterways Network is a community practice that considers how flows, rivulets, creeks, streams, and rivers form a connected network across the landscape of Australia that is fundamental to the health of our environment. The ecological integrity of the landscape is indispensable to the health of the world in which we live, and water is the critical ingredient in that integrity. The TWN is committed to understanding water as landscape flows in an Australia-wide context in all its variability and through the similarities and differences between basins, climatic zones, and jurisdictions. waterwaysnetwork.com.au

Endorsements

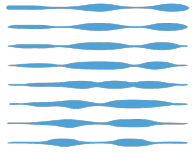
The TWN endorses the submission by the Concerned Waterways Alliance.

Considerations

1. On the ESC's draft decision, we wish to acknowledge as the first consideration that, while the Essential Services Commission adjusted Melbourne Water's broader pricing proposal, particularly in areas such as capital expenditure and associated revenue allowances, the Commission did not reduce the base waterways and drainage part. We sincerely thank the Commission for this decision, and acknowledge that our waterways will benefit from this decision, including as complex, integrated living entities that underpin our health.
2. We reject consultant's recommendation, adopted in the Draft Decision, to eliminate the \$7.28 million waterway manager step-change for vegetation grants and wetland/estuary management. The consultants claim incorrectly:
 - there is "no evidence of new or changed legislative or regulatory obligations", and
 - community support is "not sufficiently compelling,".

This claim:

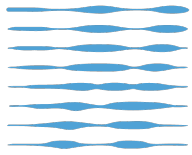
- contradicts demonstrable community support over time and several pricing submissions as evidenced by Melbourne Water's own customer research, for targeted funding in this area, and evidenced by other



water corporations research, such as Barwon Water's pricing submission, and

- ignores significant and important recent changes in planning legislation that imposes additional obligations on Melbourne Water, and
- ignores the initial low baseline of environmental health.

3. In this context we note the work of Friends groups in revegetation and landscape regeneration on waterways is broadly supported in depth by the community, even by non-participants, and is a symbol of the community love of place, which cannot be neatly quantified but does require funding to achieve full effectiveness.
4. With the expanding understanding of considering waterways as living entities there is an increasing obligation on Melbourne Water that needs to be funded as a whole-of-government commitment.
5. As asset-count growth is not proportional to residential customer connection growth and therefore cannot be absorbed by a 2 per cent growth allowance, the \$13.5 million step change for maintenance of developer-constructed waterway and drainage assets should be reinstated.
6. Considering the findings of the inquiry following the disastrous 2022 and the increasing flood threat from climate change and the squeezing of floods by built infrastructure, the flood investigation research component of Melbourne Water's floodplain manager step change needs to be reinstated.
7. The Yarra Birrarung work is already currently underfunded to achieve the commitments made by government in the Birrarung Act and under Burndap Birrarung Burndap Umako (Yarra Strategic Plan). The appointment of Melbourne Water as lead agency is an additional obligation specific to one waterway and should be specifically funded by government, not the statutory entity.



8. We have a particular concern with the assumptions and underlying 'dry' ideology of the consultants report. If such approach and thinking continues to be applied we, as a community, will see a continuing, and increasing, rate of derogation of the environment. We are explicitly challenging this sort of thinking. The natural environment is in decline and that is due to current funding models needs to be recognised in assessing pricing submissions.
9. The Healthy Waterways Strategy 2023 clearly identifies the decline in the health of waterways in the region of Melbourne Water's responsibility; this is in stark contrast to the intent of the strategy's intent to improve the health of waterways. The southern waterways of Victoria are drying, as the 'Long-Term Water Resource Assessment for Southern Victoria' clearly states, which includes the waters of the waterways in the Melbourne Water area of responsibility. The latest 'Index of Stream Conditions for Victoria' tells a similar story of waterway health on a broader set of indicators.
10. The Victorian State of the Environment report shows 35% of indicators declining and a mere 19% improving. As the state with the most cleared land in Australia, the baseline of the health of Victoria's environment begins at an initial low starting point. We are not going to achieve environmental protection of the current status nor reverse the decline if we do not fund investment in waterways. In the indicators of biodiversity only 1 out of 11 was assessed as good. And out of the 22 trend assessments that had sufficient data to be assessed 20 were deteriorating and only 2 were improving. We will not achieve a reversal if we do not invest and invest in projects where the 'business' outcomes lack the certainty of other sorts of investment.
11. Water and waterways are fundamental to the survival of both threatened species and good populations of more common species.
12. There is a persistent cultural underrating by 'dry' economic consultants of community sentiment, and an over-valuing of concerns about price. In surveys the environment is consistently rated highly, especially local environments, yet it is difficult to achieve real meaningful funding due to the negativity some

economists experience to longer term community qualitative assessments beyond simple price in the short term, despite the specific work done by Melbourne Water over several pricing submissions to support the clear community sentiment in favour of funding environmental works.

13. Environmental work is not as simple as constructing the built environment (which is difficult enough). The environment is complex and misunderstood with a range of partially known and unknown variables. Environmental work, necessary as it is, cannot be done to a recipe, and the work needs to consider long term outcomes, and investment in maintenance. In the longer run, the expenditure on the maintenance of green infrastructure declines, unlike the built environment where expenditure increases over time, so an initial investment reaps future dividends.

Conclusion

Protection of waterways is a critical obligation of Melbourne Water and a signature initiative of the current government. Yet as the 'Healthy Waterways Strategy', the latest 'Victorian State of the Environment Report', the 'Long Term Water Resource Assessment for Southern Victoria', and the 'Index of Stream Conditions' most clearly show the health of our waterways and the environmental health of associated ecosystems and species (including threatened and endangered) in the management area of Melbourne Water is on a trajectory of ongoing decline due to inadequate expenditure on environmental projects. The following need to be reinstated as a minimum:

- \$7.28 million waterway manager step-change for vegetation grants and wetland/estuary management,
- the \$13.5 million step change for maintenance of developer-constructed waterway and drainage assets, and
- the flood investigation research component of Melbourne Water's floodplain manager step change

And, DEECA should be requested to continue to fund Burndap Birrarung Burndap Umarko.

Yours sincerely,



Andrew Kelly
Convenor
The Waterways Network