



# FAQ

## Q&A Topics

### Q. What is the Water Efficiency Project?

The GMW Water Efficiency Project (**Project**) is delivering modernisation and rationalisation works that have been identified across the Goulburn-Murray Irrigation District (**GMID**) to deliver automation and rationalisation opportunities and water savings.

The Project is expected to benefit approximately 1,000 customers by modernising or decommissioning more than 250 km of channels and upgrading or rationalising more than 1,000 outlets. Water savings totalling 15.9 GL will be achieved by undertaking these works.

The Project provides the opportunity for the recovery of water through investment in efficiency measures, which will generate benefits for local and regional communities, reduce the ongoing asset financial liability and achieve environmental enhancements.

### Q. What is the scope of the Project?

The scope of the GMW Water Efficiency Project includes treating channels and meters throughout all six GMID areas. The Project's planning undertaken to date has identified the works in the table below. Note that the work types and number of customers may change following detailed planning and engagement with customers which may result in different works being undertaken within each irrigation area.

The initial scope of works has been identified using the 'efficiency optimisation approach' which was developed under the Connections Project's Reset Delivery Plan. This approach seeks to determine the best fit-for-purpose solution for the existing assets. The below figures are subject to scope development changes.

Irrigation Area	Customers to Benefit	Channels to be treated	Outlets to be treated
Central Goulburn	270	63 km	274
Loddon Valley	50	38 km	42
Murray Valley	110	33 km	114
Rochester	150	19 km	174
Torrumbarry	220	79 km	238
Shepparton	200	24 km	179
<b>Grand Total</b>	<b>1000</b>	<b>256 km</b>	<b>1021</b>



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### **Q. When will the GMW Water Efficiency Project occur and how much will it cost?**

The Commonwealth Government has recently announced \$177.5m in funding for the GMW Water Efficiency Projects. The Project team will begin the project with Winter Works packages between May and August 2021.

Customer engagement will continue as the Project team develops the schedule and scope of the project. The WEP Project team are planning for the majority of the work to be completed by 2023.

### **Q. What are the objectives of the Project?**

The GMW Water Efficiency Project aims to recover off-farm water savings while pursuing infrastructure solutions that improve level of service and reduce ongoing cost liability.

Works will be prioritised under the following principles:

- a) *Value for money*, considering total cost for water savings to be achieved;
- b) *Volume of water recovered*;
- c) *Social outcomes*, including supporting food and fibre production, regional development, jobs and growth;
- d) *Complexity*, considering the number of unsigned agreements and complexity of works; and
- e) *Deliverability*, considering the ability to bundle with other works, ability to deliver, overall project schedule considerations.

### **Q. How does the Project align with GMW's objectives and principles?**

The GMW Water Efficiency Project is entirely consistent with, and contributes to, GMW's Strategic Goals. The Project provides an opportunity to further modernise and rationalise the channel network with external funding, contributing to sustainable business and water security objectives.

### **Q. How does the Project align with Victoria's position on the Murray-Darling Basin Plan and the agreed socio-economic criteria?**

The Victorian Government's position on the Basin Plan remains unchanged, that any additional water recovery above the 2,750 GL target must only occur with neutral or positive socio-economic outcomes for communities. The Murray-Darling Basin Plan requires that all efficiency measures that recover additional water for the environment be assessed to ensure compliance with the socio-economic criteria agreed to by the Murray-Darling Basin Ministerial Council, to protect communities from further impacts of water recovery.

On 27 September 2020, the Victorian Minister for Water Lisa Neville determined the GMW Water Efficiency Project to be compliant with the socio-economic criteria. In making this determination the Minister considered feedback received during public consultation on the project's socio-economic outcomes undertaken between 21 August 2020 and 11 September 2020, via the Engage Victoria website. You can read more about the socio-economic assessment of the GMW Water Efficiency Project at <https://engage.vic.gov.au/gmw-water-efficiency-project>.



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**Q. Why are we recovering more through this project than the 9GL water savings that Victoria agreed to at the Murray-Darling Basin Ministerial Council?**

Water recovery for the environment has always been a component of GMW Water Efficiency Project and was key to securing funding from the Commonwealth. By recovering a long-term 15.9 GL of water for the environment, the GMW Water Efficiency Project will contribute to Victoria's Basin Plan commitments and further reduce the risk of future buybacks.

The GMW Water Efficiency Project has multiple benefits beyond water recovery for the environment. By further modernising the GMID, the Project will provide an improved level of service to more irrigators, maintain the long-term viability of the GMID and generate significant social and economic flow-on benefits to the community.

**Q. How does the Project's objectives benefit GMID irrigators?**

The GMW Water Efficiency Project builds on the success of the Connections Project with the opportunity to further modernise the GMID and provide an improved level of service to more irrigators.

Together with the Connections Project, the GMW Water Efficiency Project will maintain Victoria's competitive advantage in the agri-food sector with greater stability in its agricultural productive systems and providing a more sustainable future for the GMID and supporting further regional development. The project is estimated to create approximately 1,000 jobs in the region (direct and indirect) and generate an estimated regional GDP increase of \$167.5 million.

**Q. Will customer fees be impacted because of the Project?**

No, customer fees will not change because of the GMW Water Efficiency Project.

The Project is to be fully funded by the Commonwealth Government, which will include implementation and management costs. No funds are required to be contributed by irrigators.

**Q. Will the Project modernise all remaining channels and meters?**

No, the GMW Water Efficiency Project will only be modernising some of the remaining unmodernised channels and meters within the GMID.

The works undertaken by the Project will continue to follow the efficiency optimisation solution principles. This generally involves:

- a) replacing medium to high loss channels with pipelines, remediation, or decommissioning the channel;
- b) modernising or retaining low to medium loss channels with medium to high use;
- c) rationalising or retaining without modernisation low loss and low use channels; and
- d) rationalising or retaining outlets with historical low usage.

This approach will not result in all channels and meters being modernised, however it targets strategic investment in higher-loss and usage assets to achieve cost effective water savings.





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### **Q. What is the Project's delivery method?**

Given the GMW Water Efficiency Project's scale and complexity, delivery of the Project will be undertaken by dedicated contractors with knowledge and experience of managing similar scopes of work and through sourcing of local skills and experience. An added benefit of this delivery method will be improving the local economy and the skills of local contractors.

The Project will be delivered by direct engagement between GMW and contractors and suppliers, including locally based companies.

### **Q. Will the Project follow the same operational rules and engagement model as the Connections Project?**

The operating rules are expected to be similar; however, GMW will undertake a review in the current context and incorporate learnings from Connections.

The engagement model will also be largely consistent with the model developed by the Connections Project's Reset Delivery Plan. This involves the Project team working closely with landowners from the outset from planning, implementation, and completion of works.

As part of the Reset Delivery Plan, a landowner guide was developed which outlined the eight-step engagement process which would be followed by the Connections Project and included the responsibilities of landowners during the process. The engagement process contains several checks and balances, such as a formal submission process, access to independent review and allowance of 'a reasonable time' to reach agreement between landowners and GMW.

### **Q. Will the Project use the statutory reconfiguration process?**

Yes, GMW intends to use the statutory reconfiguration process.

Statutory reconfiguration refers to the powers provided to an Authority under the *Water Act 1989* to reconfigure its water delivery system by adopting a reconfiguration plan.

Reconfiguration plans are key to the successful delivery of the GMW Water Efficiency Project. Using reconfiguration powers creates more certainty of timelines for landowners and the Project. The process has been designed to be fair, reasonable, and equitable and will not seek to take away water services for any landowner.

A reconfiguration plan is a map that shows the new location of GMW assets and/or channels. Before adopting a reconfiguration plan, the Project will consult with landowners and other bodies (if required) and there is a process for landowners to make submissions.

It is important to note that the reconfiguration process only applies to GMW assets. It does not apply to any privately-owned infrastructure or assets (ie. on-farm infrastructure that connects a landowner to the channel).

The reconfiguration process will not be used to terminate a water delivery service.







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### **Q. Who will get the water entitlements from the water savings delivered by the Project?**

All the water savings delivered by the GMW Water Efficiency Project will be provided to the environment.

Prolonged drought has demonstrated the importance of sustainable water use and supply. Australia is a country of extreme weather, and water needs to be used more sustainably in the future.

Water is a precious resource and using it more efficiently and effectively is vital to our long-term sustainability as a region producing high quality, large quantity produce.

### **Q. Will the project result in a reduction to the amount of water available to Water Entitlement holders?**

No, there will be no reduction in the volume of water available to irrigators.

Water is recovered by reducing losses in the GMID channel system. The losses include evaporation, seepage and leakage in open channel and meter error and leakage in legacy meter outlet. Conveyance losses are provided for in GMW's bulk entitlement. As a result, the GMW Water Efficiency Project works will not reduce the amount of water available within the consumptive pool.

The proposal is for the Project to recover water for the environment by reducing losses from seepage and evaporation through the modernisation of channels and outlets. Because water is recovered by reducing losses and not by reducing the volume of water available to irrigators, the GMW Water Efficiency Project itself will not impact the water market or increase water prices. Other factors such as the move to higher value agricultural enterprises, commodity prices and water availability will be the primary factors affecting market prices.

### **Q. Are the Project's water savings real?**

Yes, the GMW Water Efficiency Project will adopt the Victorian Government's water savings calculation method.

Water savings are generated by reducing losses in the GMID channel system. These losses include evaporation, seepage and leakage in open channel and meter error and leakage in legacy meter outlet.

To support this process the Victorian Government published a Water Savings Protocol for calculating water savings. In general, water savings are based on assessing losses pre and post modernisation works.

The Water Savings Protocol requires water savings to be independently audited to verify works have been completed and the water savings estimates have been calculated consistent with the methods described in the Protocol.



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**Q. Will customers maintain their current level of service after the Project?**

Yes, and in some cases, service levels will increase due to the GMW Water Efficiency Project.

Modernising the channels will improve service delivery standards to irrigators and contribute to the overall viability of the GMID by reducing the irrigation infrastructure footprint and whole-of-life operation and maintenance costs for GMW and its customers.

**Q. Have the landholders who may benefit from the Project been made aware of it?**

GMW commenced consultation with key stakeholder groups including water service committees, industry groups, stakeholder consultation committees, industry groups, local leaders, councils and government agencies in July 2020. As part of the Victorian Government's socio-economic assessment of the project, a three-week period of public comment was also undertaken via Engage Victoria. You can read more about the outcomes of this consultation at <https://engage.vic.gov.au/gmw-water-efficiency-project>.

Now that Funding has been announced by the Commonwealth Government, detailed consultation can commence with landowners on the proposed modernisation works in their area.

**Q. Will any of the Project's funding be spent or available for on-farm efficiency schemes?**

No. The scope of the Water Efficiency Project is to achieve off-farm water savings through modernising or rationalising infrastructure in the GMW delivery system.

**Q. What is the role of Water Services Committees (WSC) in relation to this project?**

WSCs work with GMW on matters relating to operations in local areas. Through regular meetings, WSCs advise and assist GMW in:

- a) Better understanding issues facing customers and their service expectations
- b) Improving GMW's relationships with customers, including communication and problem solving
- c) Providing a customer perspective
- d) Distributing information between GMW and its customers, particularly through local organisations and informal networks
- e) Providing operational insights to support the development of GMW's reconfiguration plans.

Engagement with the WSCs will continue during the delivery of the GMW Water Efficiency Project.



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### **Q. Is there a risk that the project may not achieve the water savings?**

The GMW Water Efficiency Project has identified more potential scope at a desktop level than is required to achieve the long-term 15.9 GL of targeted water savings. This includes identifying sufficient asset treatment options to ensure delivery of the water savings target.

The Project will actively develop and engage on the scope, using the efficiency optimisation principles (that were developed for the Connections Project) to achieve the best mix of works to be delivered to achieve the water savings targets.

There is a high level of confidence the water savings will be achieved, as the approach being adopted for the Project is consistent with that applied under the Connections Project which successfully delivered its targeted long-term 429 GL water recovery in October 2020.

### **Q. Is the Project separate to the Connections Project and who will be managing the Project?**

Yes, the GMW Water Efficiency Project is separate to the Connections Project and will be managed by its own project team.

The Project will be overseen by a Project Control Group (PCG) reporting to the GMW Board and the Victorian Minister for Water. The PCG will be supported in decision making by a Stakeholder Consultative Committee. The PCG will be established to oversee this Project and the delivery phase of the Mitiamo Pipeline Project, as well as any other projects assigned to it by the Minister and/or the GMW Board.

The governance structure, organisation of the project team and its sub-contractors, management processes and systems to be used to deliver the Project are similar to that adopted by the successfully completed Connections Project.

### **Q. Why was the work being undertaken for the Project not completed as part of the Connections Project?**

The Connections Project identified an extensive number and range of potential works to be undertaken to achieve the targeted volume of 429GL of water savings.

As part of the Reset Delivery Plan, the Connections Project adopted an 'efficiency optimisation approach' to identify the best fit-for-purpose solutions to enable the remaining targeted water savings to be achieved within the remaining timeframe and on budget. This enabled the project to also meet the State government's commitment to honour all works with existing agreements with landowners. This resulted in some works identified as not being required to enable the project to reach the 429 GL long term water recovery target. Some of the works originally identified as being necessary to complete the Connections Project. The Connections Project completed all works to successfully achieve the 429 GL long term water recovery target by October 2020.

The GMW Water Efficiency Project will allow for further off-farm modernisation and rationalisation works to be pursued. These remaining available opportunities represent less than 5 per cent of the total water savings proposed to be recovered from efficiency projects in the GMID.



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**Q. Will the Project delay the distribution of the 75GL recovered under Stage 1 of the Connections Project?**

No. The Connections Project has completed all works to reach the 429 GL long term water savings and this will result in the irrigators receiving their water shares from October 2021 onwards. The GMW Water Efficiency Project will not affect the Connections Project as the Project is unrelated to the Connections Project.

**Q. Why is the Project more expensive per megalitre recovered than the average for the Connections Project?**

In accordance with the Reset Delivery Plan, the Connections Project treated high loss and high usage channels and outlets. As a result, remaining unmodernised works are typically medium to low usage meters and channels or have complexities associated which require more time to resolve.

Accordingly, while the capital cost to deliver new assets by the GMW Water Efficiency Project will be similar to the Connections Project, the average water savings for the Project will be less than the average achieved by the Connections Project.

Despite the higher cost per megalitre, the Project provides the opportunity to further secure water savings whilst keeping water in the consumptive pool and providing significant socio-economic benefits. Leveraging the experience of the successful Connections Project team and its systems provides a high level of confidence in the delivery of the works and water savings.

**Q. Does the Project have any impact on the 2020 – 2024 Water Plan and tariff?**

There is no impact to the 2020 – 2024 Water Plan tariff.

This Project will be entirely funded by the Commonwealth Government.

Modernisation of the irrigation system has been a key factor in our transformation as a business, which has meant we have provided cost savings of 10 per cent to the average customer. It allows us to continue to make the GMID an attractive place to farm. This project is aligned with previous modernisation programs and with GMW's strategic objectives.