



2020

GMW Water

Efficiency Projects

AUGUST 2020

P r e s e n t a t i o n

Water Efficiency Program – Victorian position

- The Commonwealth Government introduced the \$1.5bn Water Efficiency Program to provide funding to upgrade water infrastructure in the Murray-Darling Basin.
- Victoria has identified further works within its irrigation systems for Commonwealth Government investment through its northern Victorian water recovery prospectus.
- Victoria's consistent commitment at the Murray-Darling Basin Ministerial Council is to develop projects that deliver neutral or positive socio-economic impacts.
- To proceed, every project needs to have positive outcomes for communities and be transparently presented with community feedback.



The Proposals

- GMW is proposing to submit a proposal to the Commonwealth Government to be funded by the Water Efficiency Program:
- The proposal is for:
 - Total estimated water savings of 15.9GL (from the loss provision not the consumptive pool).
 - Total estimated cost of \$177.5m.
- These projects will support Victoria's Commitment to the Basin Plan regarding the nation wide commitment to the 62GL of Water Savings and have positive social and economic outcomes for the community.
- GMW is well positioned to deliver these works by leveraging the processes and systems developed for the Connections Project. This includes governance arrangements, statutory approvals, management systems, operating procedures and procurement arrangements.



Context with Connections Project

- **Separate Project** – the Connections Project is on schedule to achieve 429 GL water recovery by October 2020. These projects are separate opportunities.
- **Connections completion** – the Connections team will continue to provide close out services through until Dec 2021.
- **Additional opportunity** – Connections Project achieved the required water savings using the ‘efficiency optimisation approach’. These projects present further opportunities to invest in additional efficiencies.
- **No delay to 75GL** – these projects will not affect the Connections Project completion or distribution of water recovery.

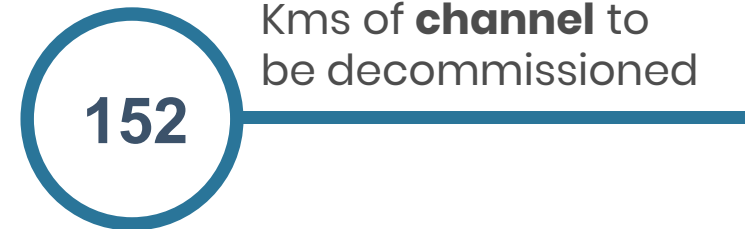
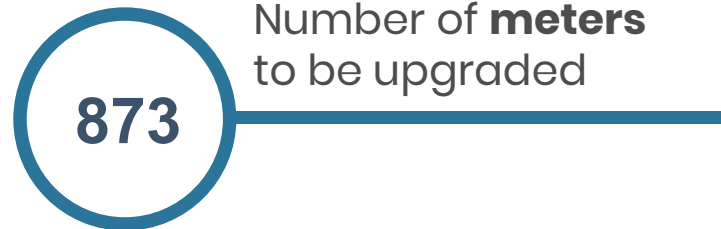
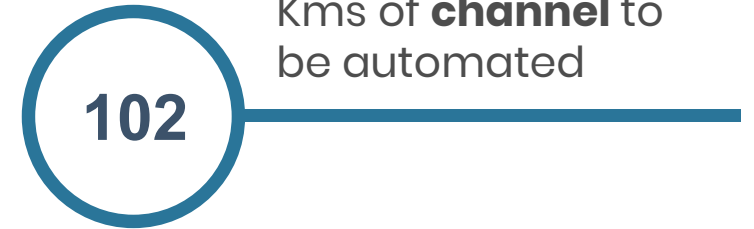
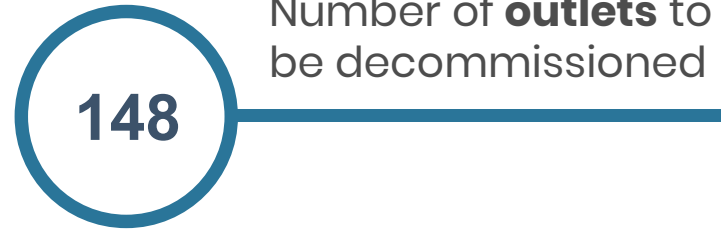


Water Efficiency Project – indicative works

- Modernisation and rationalisation of channels and meters will be undertaken across the entire GMID.
- An indicative assessment of the Reconfiguration Plans (RPs) and water savings is shown in the table.
- The final scope for the plans will be determined following project commencement and detailed planning.
- Existing processes developed during the Connections Project will be used, including:
 - The reconfiguration and efficiency optimisation solution processes; and
 - The eight-step process developed for landowner engagement.
- Not all channels and meters will be modernised following these projects. The efficiency optimisation approach targets strategic investment in higher-loss and usage assets to achieve cost effective water savings.
- Completion of works expected by December 2022 subject to timely securing of funding.

Irrigation Area	Reconfiguration Plans (no)	Indicative Water Savings (GL)
Central Goulburn	42	3.9
Loddon Valley	12	0.8
Murray Valley	18	2.8
Rochester	8	1.5
Torrumbarry	24	5.7
Shepparton (Shepp East)	TBC	1.2
Total	104	15.9

Water Efficiency Project – indicative works



1000 customers expected to be engaged

Project Delivery

- **Project Team** - dedicated team within GMW.
- **Leveraging Connections** - successful governance structure, organisation of the project team, management processes, systems.
- **Strong Governance** - PCG and Stakeholder Consultation Committee governance structure.
- **Statutory Reconfiguration** - intention to continue use the statutory reconfiguration process to provide consistency in engagement.
- **Operating Rules** - similar model, with opportunity taken to review in current context and adopt any learnings.
- **Direct Procurement** - works delivered through direct engagement between GMW and contractors and suppliers, including locally based companies.



Benefits of the Water Efficiency Project

- **Irrigation Network** - further modernisation and rationalisation of the GMID.
- **Customers** - expected to treat up to 1,000 customers.
- **Local Employment** - expected to create more than 1,000 Full Time Equivalent (FTE) jobs in the region (direct and indirect).
- **External Funding** - no impact to GMW customer fees – fully funded by the Commonwealth Government.
- **Basin Plan objectives** – helps meet Victoria’s objectives through works, rather than purchasing of water shares. Investing in efficiency projects will have a positive contribution to the local economy.
- **Business sustainability** – these projects will fast-track GMW Transformation and make a significant contribution to GMWs Strategic Goals – contributing to sustainable business and water security objectives.
- **Water Entitlement** - no reduction in the volume of water available to irrigators savings to come from the Loss Provision.



Developing socio-economically positive water efficiency projects

- In December 2018, Murray-Darling Basin Ministerial Council agreed to implement socio-economic criteria for additional water recovery under the Basin Plan.
- Proponents develop a project proposal/business case that addresses the socio-economic criteria < [Currently at this stage](#)
- Submits to DELWP to check compliance with the socio-economic criteria.
- DELWP publishes proponents' response to the socio-economic criteria for broad public comment across the Basin on [Engage Victoria](#).
- To receive the updates including when consultation opens at contact mdb.waterefficiency@delwp.vic.gov.au
- The Minister for Water will then decide whether to submit the project proposal to the Commonwealth for funding.

The key elements of the socio-economic assessment are:

- the validity of water savings
- potential impacts on water prices
- community and industry engagement
- the future viability of proponent businesses and irrigation districts
- socio-economic, environmental and cultural outcomes
- third-party impacts on irrigation districts, water market and regional communities
- integrated implementation opportunities
- improving drought and climate resilience

Stakeholder Feedback

- Would you support GMW putting forward these projects to secure additional funding?
- Are there any benefits we have not captured or clearly defined?



Discussion

