



# project factsheet

October 2009

## Where is the Water Coming From?

The Sugarloaf Pipeline is a major part of the Victorian Government's \$4.9 billion response to the issues of drought, population growth and climate change. Along with a number of other major infrastructure projects in the immediate term, it will help secure the future water supply for the 70 per cent of Victorians living in Melbourne.

The Sugarloaf Pipeline will provide an additional link in the State's water grid, enabling water to be moved to where it is most needed. In the longer term, this will allow us to make the most of our available resources, providing a more secure water supply for all of Victoria.

The Victorian Government has made the commitment to supplement Melbourne's future water supplies with one-third, or up to 75 billion litres per annum, of the overall water savings achieved by the Northern Victoria Irrigation Renewal Project (NVIRP), a project to upgrade irrigation infrastructure in the Food Bowl region.

### Where will Melbourne's 75 billion litre share come from in 2010?

In the first year of the Sugarloaf Pipeline's operation (2010–11 water year), the Victorian Government has allocated up to 75 billion litres of water savings to Melbourne (via the pipeline).

The Sugarloaf Pipeline will be the first of Melbourne's large-scale water supply options to come online, making this water critical should levels at Melbourne's water storages continue to decline over the next few years.

For the 2010–11 water year only, the 75 billion litres will come from water savings from the early Food Bowl irrigation works and also be supplemented (as required) from existing water saving projects such as the Shepparton Modernisation Project and the Central Goulburn 1–4 Channel Modernisation.

The supply of 75 billion litres in the 2010–11 water year will not impact on existing programs such as The Living

Murray initiative or the Snowy Initiative. Savings committed to these programs will not be used to supply Melbourne in the 2010–11 water year.

Only that component of the Shepparton Modernisation Project not required for The Living Murray initiative will be used to supply Melbourne in the 2010–11 water year.

Savings from the Central Goulburn 1–4 Channel Modernisation project are scheduled to be transferred to Water for Rivers in the 2010–11 water year. Savings achieved prior to the 2010–11 water year, may be used to meet the 75 billion litre commitment.

### What happens after 2010–11?

After the 2010–11 water year, as water savings are progressively achieved from NVIRP, they will be shared between irrigators, the environment and Melbourne.

Irrigators will receive an equal one-third share of all savings up to 225 billion litres.



## What guarantee is there Melbourne will not get more than its allocated 75 billion litres?

The sharing of savings between Melbourne, irrigators and the environment is contained in Government policy. The one-third share of the 225 billion litres of Stage 1 savings (ie, 75 billion litres) will be reflected in a specific allocation to Melbourne.

As with irrigators and the environment, the 75 billion litres for Melbourne is a long-term average volume. That is, in some years Melbourne may be allocated more than 75 billion litres and in other years less, but over the long-term it will be 75 billion litres. This also applies to irrigators and the environment.

The 75 billion litre allocation will also specify the federal and state government conditions placed on the operation of the pipeline.

There is also a limit to the volume of water that can be treated at Sugarloaf.

## How were the key figures arrived at?

Stage 1 of the Northern Victoria Infrastructure Renewal Project (funded by the State Government, Melbourne Water and irrigators) will produce an estimated long-term average of 225 billion litres in water savings. This is to be shared equally between irrigators, the environment and Melbourne.

Stage 2 of the project (funded by the Federal Government) will produce an estimated long-term average of 200 billion litres of water savings. This will be shared equally between irrigators and the environment.

The Department of Sustainability and Environment has assessed the losses in the Goulburn–Murray Irrigation System by using Victoria's long-term water allocation records from the past 100 years. On average, approximately 800 billion litres of water is lost each year through leaks, system inefficiencies and evaporation.

Using the inflow patterns of the past 10 years as a guide, modelling indicates that even with reduced irrigation diversions following climate change, system losses will generally still range from 700 to 800 billion litres in most years.

By improving the system's efficiency, 50 to 60 per cent of the total losses can be captured and saved.

Modelling has been based on the experience gained from modernisation works in the Macalister Irrigation District in Gippsland, Coleambally in New South Wales and Central Goulburn in the Goulburn–Murray Irrigation District.