



South West Loddon Rural Water Supply Project: Securing the future of the region

What is the South West Loddon Rural Water Project?

In partnership with Loddon Shire Council, Coliban Water, Goulburn-Murray Water and the Victorian Government, \$80.6 million has been committed towards construction of approximately 1,300 km of stock and domestic pipeline in the south west of the Loddon Shire.

As announced by the Premier on 7 April 2016, the Victorian Government is contributing \$40 million to the project, GWMWater \$15 million, and landowners \$5.6 million. The balance of the funding for the project is the subject of discussions with the Commonwealth Government.

The construction of a rural water pipeline will provide a secure water supply for the region of south west Loddon in Victoria. On completion the pipeline will service approximately 260 rural farming enterprises and 370 lifestyle properties over an area of 1,670 km² with a reticulated non-drinking water supply. These properties currently rely on their own rain dependent catchment dams for a water supply.

A secure water supply to the south west Loddon area will deliver economic benefits by supporting activity and employment in the farming and intensive livestock sectors. It will reduce the current reliance on water carting and sustain the agricultural sector that underpins the viability of this region. The project will also provide social benefits for recreational purposes at Skinners Flat Reservoir and enhance the region's fire-fighting capacity.

Environmental benefits are expected to be achieved by less dependence on farm dams that currently intercepts water that could benefit regional rivers and wetlands.

The project will deliver better overall management of water resources by interconnecting the Wimmera-Glenelg system to the West with the larger Goulburn system in north central Victoria.

For more information on the benefits landholders could expect from receiving a secure water supply and additional information relating to the project visit www.gmwwater.org.au/services/rural/south-west-loddon-pipeline

What is the construction timeframe?

The first stage of the project involving extensions to the Wimmera Mallee Pipeline near Wychitella, Yeungroon and Korong was completed in April 2017.

Planning is taking place at the moment for the remaining phases of the project and trunk main construction is expected to commence in early 2018.

The remaining construction of the smaller distribution lines to service individual landholders will commence once the trunk mains are complete and sufficient landholder commitment is received to confirm the design of the distribution lines.

What is the project area?

The project will service rural landholders identified within the project boundary shown on the map below.

The project does not include potable (drinking) water upgrades and properties with access to current water supplies in the townships of Wedderburn, Inglewood, Bridgewater, Laanecoorie, Wychitella, Borung and Tarnagulla.

Landholders interested in receiving a rural untreated water supply in these areas are encouraged to submit an expression of interest form to assist with future planning.

Where is the water coming from?

The piped supply will draw water from existing entitlements held by GWMWater and sourced from both the Wimmera Mallee Pipeline storages and the Waranga Western Channel managed by Goulburn-Murray Water.

This will interconnect the two systems and expand the Victorian Water Grid. GWMWater can then optimise the use of water held across catchments, including the Murray and the Goulburn as well as the Wimmera-Glenelg, for the benefit of all customers (urban, rural, recreational and environmental).

Why is GWMWater delivering the project?

The project will be delivered by GWMWater under the oversight of the Project Steering Committee and a Community Consultative Committee.

GWMWater has extensive experience in delivering similar projects over the past decade including the Wimmera Mallee Pipeline, Nhill Pipeline extension, Five Towns Water Quality Project, Landsborough Valley Pipeline and small rural pipeline extensions at Pella and Quambatook.

The Project Steering Committee is made up of key stakeholders to oversee the project, drawing on representatives from across the region and government.

The Community Consultative Committee involves community members specifically representing the views of potential customers with respect to supply issues and service standards that may impact them as a result of a water supply scheme.

Do I have to connect?

Customers can choose not to connect however they may not be eligible for a subsidised connection in the future. Landowners can decide whether they pay the capital contribution and connect to the system or not. Landowners connecting to the scheme up front have their service connections subsidised by the scheme.

How much will I have to pay to connect?

The cost to landholders will vary slightly depending on the volume of water required by the property. Landholders will be asked to make a one-off initial New Customer Contribution of \$12,500 per farming enterprise (per municipal assessment) or \$8,000 for properties not rated as a farm enterprise by the local council that are considered non-commercial/non-intensive water users. Negotiated contributions will occur for landholders considered an intensive water user and will take into consideration infrastructure requirements, expected usage and site specific requirements.

A one-off payment of \$730 per household meter and standard water allowance based on 2.5 kilolitre (kL) per hectare at \$2.50 per kL is required to provide an ongoing annual water allowance.

Landholders will also be expected to pay for any on-farm costs associated with pipework from the meter (located outside the boundary of your property) and tanks of a sufficient size to hold three days of supply calculated on three days of peak usage.

Further consultation will take place on total connection costs prior to landholders confirming their interest to connect. See Fact Sheet on New Rural Pipeline Products and Charges and New Customers – Rural Pipeline Systems.

Why do I have to pay a contribution fee?

The upfront payment is the landowner's contribution towards the cost of the total project.

Under the funding model for the project the following table sets out the total contribution of various parties:

Landholders:	\$5.6 million or 7 per cent
Victorian Government:	\$40 million or 50 per cent
Commonwealth Government:	\$20 million or 25 per cent
GWMWater:	\$15 million or 18 per cent

There are guidelines established by the Essential Services Commission (ESC) that determine the process for dealing with new customers connecting to GWMWater systems.

Generally, developers and new customers are required to fully fund new developments and extensions. Where the new developments also requires upgrades to GWMWater's existing infrastructure to service the extension or development, an assessment is made under the New Customer Contribution (NCC) Negotiating Framework to determine a NCC charge.

With this project GWMWater is fortunate to have access to funding which caps the contribution of landholders.

How do landowners pay the contribution?

The New Customer Contribution of either \$12,500 or \$8,000 per Municipal Charge (per rates notice) is the landholder's upfront payment towards the cost of the project. Landholders will have the option of choosing to pay their capital contribution in a one lump sum payment or by quarterly principal and interest instalments over 5 years.

Landholders experiencing significant financial hardships may qualify for longer term payment installments of up to 10 years. Landholders are encouraged to contact GWMWater to discuss their individual circumstances. The contribution is payable 30 days after the commissioning of the first service connection installed for each landowner.

How much will I have to pay ongoing?

Landowners would be required to pay ongoing service fees for water usage as per existing rural water customers of GMMWater. Ongoing annual charges include:

- Capacity charge - a fixed charge based on a landholder's water allowance.
- Meter charge – a fixed charge based on the number of metered tapping connections.
- Usage charge – applies to actual water usage.

See Rural Pipeline Products and Charges Fact Sheet on the GMMWater website for current ongoing charges that may apply.

Will GMMWater enter into an official contract with each landowner?

Yes. There will be two official signed contracts required by each landowner. The first contract will confirm landholders' commitment to connecting to the pipeline and will give GMMWater the confidence to construct the distribution pipes required to service properties. This contract is called a Heads of Agreement.

The second contract required to be signed is a Supply-By-Agreement that outlines the ongoing supply and access arrangements.

What do I have to do if I want to connect?

Interested landholders are required to complete an Expression of Interest form and return it to GMMWater. An expression of interest is non-binding and will help GMMWater progressing distribution pipeline stages.

GMMWater will be holding information sessions closer to the construction phases of the project so that you can talk to GMMWater staff about your connection needs.

Alternatively you can make an appointment for GMMWater to visit your property or discuss your requirements over the phone.

Further information on connecting to the Rural Pipeline System can be accessed from www.gmmwater.org.au/services/rural/south-west-loddon-pipeline.

When will I be able to connect?

Landholders who have completed the necessary processes will be progressively connected to the pipeline during or after pipeline construction.

Regular construction updates will be provided to landholders to advise of construction progress and expected connection timeframes for the remaining areas.

What happens if I don't participate in this process and want to connect in the future?

The pipeline network will only be built to service landholders that have committed to connect, delaying your decision to connect, risks the pipeline not extending to your property. Landholder commitment will be required by October 2017.

Connection of land parcels in the first 10 years following completion of the scheme will attract the same contribution charge.

Landowners will also need to meet the cost of further extensions (if required), connection and meter charges applicable at the time of connection. This cost may be significant if the piped water is on the opposite side of the road or some distance from their property.

Where can I access further information?

Further information on GWMWater's services can be found on our website at www.gwmwater.org.au/services/rural/south-west-loddon-pipeline or by calling us on 1300 659 961.

The following fact sheets are available on the website:

- Expression of Interest Form
- New customers –rural pipeline systems
- On farm benefits of a piped water supply
- Rural pipeline products and charges
- On-farm water reticulation
- Rural Customer Charter
- South West Loddon Project Map
- Cultural heritage and native vegetation obligations

South West Loddon Potential Project Area

