

South Gippsland Water releases its 50-year Water Supply Demand Strategy for comment

South Gippsland Water has been working on a long term strategy for the security of water supply for some time. Our aim is to supply secure, good quality water, at the lowest possible price, to all of our existing and future customers, over the long term.

Dear South Gippsland Water Customers,

We need to find new water sources to meet the needs of South Gippsland's projected population and industry growth.

In the years ahead, we know that South Gippsland's current catchment yields will reduce as a result of future climate variability. Water is going to be more difficult to secure, and more expensive.

A draft Water Supply Demand Strategy has been developed which explores two options for long term water supply in our Northern and Southern regions:

1. To maintain and upgrade existing surface water supply methods, and
2. Using Lance Creek as a main water supply, and connection to the Melbourne supply system, as a back up, to use if and when required

The draft Strategy and supporting Business Case reaches the conclusion that the most cost-effective option over the long term is to create a hybrid system of using Lance Creek reservoir as a main water supply, as opposed to the major capital costs of upgrading and maintaining South Gippsland Water's existing separate water systems, particularly in the northern region.

The construction of a desalination plant at Wonthaggi and an 82 kilometre pipeline from the plant to the Melbourne Supply System has opened up the possibility of tapping into a reliable supply of water that is not dependent on rainfall and is available to use if and when required.

In addition, the desalination plant is now connected to the Lance Creek Reservoir by a 20 kilometre pipeline, which was laid down to provide water to the plant during its construction phase.

These two pipelines provide long term supply security to South Gippsland's southern towns, including Wonthaggi, Inverloch and Cape Paterson.

Our Strategy provides for the construction of an additional pipeline from Lance Creek Reservoir to the northern towns, such as Leongatha, Korumburra Poowong, Loch and Nyora, which will also provide long term security to these towns.

The business case analysis has estimated that this strategy will be approximately 9 percent less expensive than maintaining and operating the existing small water supply systems.

Utilising the Lance Creek Reservoir and the Melbourne Supply System water as needed, is part of South Gippsland Water's overall Water Supply Demand Strategy for the next 50 years.

Existing water sources supplying the towns in the eastern region - such as Yarram, Toora, Fish Creek and Foster - have planned works which will ensure they are capable of meeting future water demands.

Lance Creek Reservoir will still be our prime source of water for our Northern and Southern regions. But we will no longer need to be dependent on annual rainfall and will have a secure alternate source of water going forward.

THE BENEFITS OF THE STRATEGY

The Water Supply Strategy is the most cost effective solution over the long term to provide security of water supply for all South Gippsland Water customers for the next 50 years.

In addition, the project will:

- provide a reliable water supply to support South Gippsland's regional growth and economic development;
- provide a strategy for good quality and affordable water for the next 50 years for the entire region;
- make efficient use of existing infrastructure, in particular Lance Creek Reservoir and treatment plant;
- make our water supply system less complex;
- provide benefits, by utilising decommissioned reservoirs for agricultural, industry and environmental purposes.

Most importantly, the project will generate further flow-on economic benefits for the entire South Gippsland region, and will enable major residential and industrial growth that would otherwise not be possible.

REQUEST FOR COMMENT

We at South Gippsland Water invite our customers to comment on our draft long term Water Supply Demand Strategy.

The recently released draft Strategy, is designed to secure a reliable, quality water supply for South Gippsland for the next 50 years.

We believe the Strategy is of great significance and value to the South Gippsland community. It is now in the final stages of completion, and its direction has been approved by the South Gippsland Water Board.

Copies of the draft Strategy and its supporting Business Case are now available for public comment and discussion.

We invite you to contact the South Gippsland Water Customer Service Team on 1300 851 636 or visit www.sgwater.com.au

This Strategy allows us to purchase additional water, if needed, at the average pool price paid by all three major water corporations - City West Water, Yarra Valley Water and South East Water - which is much cheaper than the full cost of desalinated water.

Connecting 78 per cent of our customers to the Lance Creek System will allow us to supply all of our customers with water that is reliable, affordable and adequate for future residential and industrial needs.

And importantly, it will meet rising health and quality standards and environmentally sustainable goals.

We look forward to receiving your comments by contacting the South Gippsland Water Customer Service Team on 1300 851 636 or visit www.sgwater.com.au.

Yours sincerely



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