

## Project Background

Fact Sheet 1 – June 2016

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### **The Lance Creek Water Connection will secure the water supply needs of Korumburra, Poowong, Loch and Nyora over the next 50 years.**

The project connects these townships with South Gippsland Water's largest reservoir, Lance Creek, which is also connected to the Melbourne Water Supply System. The combination of these systems will secure water supply for the area and provide a dependable environment for community development, economic growth and future investment within the region.

The project has a total cost of some \$43million and has been successful in acquiring state government funding of \$30million.

The connection from Lance Creek to Korumburra, Poowong, Loch and Nyora will be delivered over a 3 year period and involve the construction of pipeline and pump infrastructure necessary to allow the transfer of water to secure these townships.

The Corporation will recommission existing reservoirs and associated infrastructure. Local communities will have the opportunity to provide input into the transformation of these local community assets.

### **Why is the project needed?**

The Lance Creek Water Connection is a key component in South Gippsland Water's long-term strategy to secure water supplies for the region. In future years, South Gippsland's current catchment yields will reduce and will not meet the future growth and water demand for the townships of Korumburra, Poowong, Loch and Nyora.

South Gippsland Water investigated a number of options for securing water supplies for these towns, including both surface water and pipeline options. The resultant business case and formal stakeholder consultation has confirmed that the most viable and cost-effective option for water security for the area is the Lance Creek Water Connection.

### **Why a pipeline?**

South Gippsland Water's modelling and forecasting confirms that Lance Creek is a highly secure water supply and, when coupled with the security of the Melbourne Supply System, the connection project will be capable of meeting future water demand and supply beyond 2058.

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The Lance Creek Water Connection will deliver a higher security of water supply, as the network will:

- Connect townships to a system that is not rainfall dependent and, subsequently, not reliant on marginal catchment yields or subject to climate variability.
- Ensure water of consistent quantity and quality.
- Have the capacity to access the Melbourne Water Supply System for use during periods of water shortage, high demand or when water quality issues arise.
- Provide reliability for economic growth and future investment within the region.

Modelling has identified the Lance Creek Water Connection project as the most cost effective option providing water security for over 60% of South Gippsland Water's customers.

The existing dams, when no longer needed to supply the townships, will be re-commissioned to make the most of their potential as local community, economic and/or recreational assets. Further consultation will be undertaken on this throughout the project.

### Were surface water options considered?

Yes! South Gippsland Water has conducted extensive catchment modelling and demand forecasting to determine catchment yield, water demand and regional population growth factors that will influence water security over the next 50 years. Investigations confirmed that future demands would not be met by developing existing surface water storages.

Key considerations include:

- Modelling confirms that, over the next 50 years, catchment yields will be unpredictable due to climate variability and demand for water will not be met even if current rainfall-dependent dams were expanded.
- If reservoirs walls were raised and/or de-silting carried out, existing storages would not reliably fill given their small catchment areas and the potential future impacts of climate change.
- Water treatment plants at Korumburra and Poowong would require significant upgrade works to meet increasing demand and changed water quality standards.
- Dam safety issues would need to be addressed at significant cost before any expansion options could be considered.
- Over the next 50 years, the cost to augment existing dams and water treatment plants exceeds the cost of the Lance Creek Water Connection project and will still not provide a secure, long-term water supply for community development, economic growth and future investment.

### Keeping Up-To-Date

To find out more about the Lance Creek Water Connection and to receive regular updates about the project visit [www.sgwater.com.au](http://www.sgwater.com.au). Also follow us on Facebook and Twitter @SthGippsWater.

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