



12 September 2008

MEDIA RELEASE

FEDERAL APPROVAL FOR CRUCIAL PIPELINE WELCOMED

Melbourne Water has today welcomed the Federal Environment Minister's approval of the Sugarloaf Pipeline, to bring much-needed water savings to Melbourne.

Acting Managing Director of Melbourne Water, Tony Antoniou, said the decision would enable construction of the 70km pipeline to start shortly, as soon as key conditions were met.

"Today's decision provides certainty and secures the infrastructure we need to bring up to 75 billion litres of water savings to Melbourne from 2010," said Mr Antoniou.

"We've done an enormous amount of work to reach this point, in terms of detailed environmental and engineering surveys, to give Federal and State authorities all the information they need.

"As a result, the two sets of approvals we now have mean the Sugarloaf Pipeline will be held to an extremely high environment and social standard.

"We welcome the conditions set out by the Federal Government today, and along with the State conditions set last month, we'll now work towards meeting them in full."

Mr Antoniou said a number of conditions had to be met before construction could begin, including finalisation of environmental management plans required by the State. Other conditions would be met on a milestone basis, as construction progressed.

Developments on the project since the State Government finalised the pipeline corridor in early August 2008 include:

- Sending information to affected landowners about their rights to compensation for easements.
- Meetings with individual landowners about their preferences for the pipeline's location on their property.

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- Continued geotechnical and flora/fauna surveys to help finalise Environmental Management Plans required by the State Government.
- Ongoing discussions with Murrindindi Shire and the Shire of Yarra Ranges on how any inconvenience from construction can be minimised.
- A search for local community members to be part of the Regional Benefits Advisory Committee, which will help direct a \$5 million grants package back into the community.

“From a project management perspective, the Alliance’s preparations so far mean we’re in a strong position to make a quick start once we’ve met the necessary State and Federal conditions,” Mr Antoniou added.

Today’s announcement confirms that the Sugarloaf Pipeline remains on schedule for completion in 2010.

Melbourne’s storages are currently at 34.1% compared with 38.8% at the same time last year – representing a shortfall of about 83 billion litres.

ATTACHED: Backgrounder – Next Steps

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ABOUT THE SUGARLOAF PIPELINE ALLIANCE

The Sugarloaf Pipeline project team is made up of an alliance, comprising Melbourne Water, John Holland, Sinclair Knight Merz and GHD. This alliance is responsible for planning and environmental assessments, engineering, design, community and landowner relations and project management associated with delivering the Sugarloaf Pipeline. The 70km pipeline will transfer Melbourne’s share of the water saved through the Northern Victoria Irrigation Renewal Project to Sugarloaf Reservoir.





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BACKGROUND – NEXT STEPS FOR SUGARLOAF PIPELINE

The Sugarloaf Pipeline project now has both State and Federal approval. Several State Government Conditions must be met before construction on the project can begin. These include:

- **Environmental Management Framework** – maps out what steps will be taken by the Alliance to protect the natural environment during construction. This framework needs to be approved by both the Victorian Minister for Planning (or his delegate) and the Victorian Minister for Environment and Climate Change (or his delegate).
- **Finalising Environmental Management Plans** – these sit under the overall framework and provide the detail for how construction in each section of the approved pipeline corridor will be managed. Additional flora, fauna, heritage and geotechnical surveys to provide the level of detail required for these plans are almost complete. There are expected to be 11 plans in total and each must be approved by Victorian Minister for Planning (or his delegate) in consultation with the Victorian Minister for Environment and Climate Change (or his delegate). Once a plan is approved, construction can begin in that section.

Once the Environmental Management Framework for the project is approved, and Environmental Management Plan finalised for a particular area is finalised, construction work will begin.

Among the first works will be construction of the inlet structure at Sugarloaf Reservoir, which delivers the water savings into Melbourne's water supply system.

Discussions will continue with affected landowners along the construction corridor to determine their preferences for any easement that may have to run through their property. These discussions will need to be completed within the next three months.

The Valuer General will also be contacting landowners to discuss compensation.

More information on the project can be found at: melbournewater.com.au/sugarloaf

