



# SMP

Sunraysia Modernisation Project

## QUESTIONS AND ANSWERS

**1. Will there be any extra cost to growers?**

*No. If the project goes ahead it will be from funding obtained from the Commonwealth Government for Stage 1. Likewise Stage 2 will only proceed if additional funding is obtained from the State Government.*

*It is important to note that the State Government has not committed any funding for Stage 2. The application for State funding will be assessed by the Government on its merits, alongside many other projects competing for scarce public funds.*

*Should Stage 2 proceed growers will then be able to choose if they want high pressure and will pay for it under Stage 3*

**2. Why have the Stage 1 works been chosen?**

*The Stage 1 works program has been selected to address the major risks of failures at the pump stations and in the main channels. It also provides benefits to all customers by providing water 365 days per year at good quality. It also removes the risk of accidental drowning.*

**3. What sort of consultation will take place before deciding if Stage 3 will occur?**

*Growers in each of the subsystems will be consulted as the design for the Stage 2 works are being undertaken. This will enable them to decide if they would like to move to the higher pressure service at the same time as the Stage 2 works are being undertaken.*

**4. What plans have been undertaken for expansion outside the district?**

*There are no plans for expansion outside the districts. Existing customers outside the districts will still be supplied under the same arrangements as exist today.*

**5. What is the difference in cost between piping the channels verses lining the channels?**

*The difference in cost is more than \$200 Million. If growers were to fund this it would cost at least an extra \$100 per ML. This would effectively double the current price of water.*

*On an equivalent capacity basis the cost for a pipe verses a lined, covered and fenced channel is*

- *1000mm pipe is \$1,800 per metre v a lined system at \$250 per metre*
- *1500mm pipe is \$3,500 per metre v a lined system at \$280 per metre*
- *1800mm pipe is \$5,200 per metre v a lined system at \$300 per metre*
- *2100mm pipe is \$10,300 per metre v a lined system at \$310 per metre*

**6. What if we don't get the Commonwealth Government funding?**

*Major works are still required in each of the three districts, which will have to be funded by growers. While this is different in each district it will lead to cost increases over then next eight to ten years.*

**7. What will the project mean for the local economy?**

*There will be over 100 jobs created during the Stage 1 construction phase along with significant usage of local contactors and service providers.*

**8. Why aren't we putting a pipeline within the existing channel?**

*The channels cannot be taken out of service for enough time to allow for construction of the pipelines. Also construction and backfilling will be very difficult and expensive due to the saturated soils that exist in the current channels. This is equally difficult with the existing concrete lining which will have to be removed and disposed of in an environmentally acceptable manner*

**9. Why aren't we installing a pipeline along side the existing channel system?**

*The ground conditions adjacent to the existing channels have been saturated from leakage and seepage over a long period of time creating difficult and expensive construction conditions. This makes it difficult to place and correctly bed the pipeline within the saturated soils. Pipelining will cost an additional \$200+ Million and will have higher ongoing pumping costs due to the higher pressure required.*

**10. Why is channel lining the preferred option?**

*The existing channel networks were very cleverly positioned by our forefathers to take advantage of gravity to move the large volumes of water throughout the districts at minimal cost. This strategic advantage will be maintained by retaining the channel networks thus providing a far more cost effective solution. It will be more efficient to operate while still achieving the benefits of a 365 day service along with improved reliability of supply and improved water quality.*

**11. What is the channel lining made of?**

*The proposed lining system is a 2mm high density polyethylene (HDPE) liner. This system is proven technology in lining irrigation channels and water reservoirs. It is termite proof and is easily repairable by a simple heat weld. It is also fully*

*recyclable.*

**12. How long will the lining last before needing to be replaced?**

*The HDPE liner has a life expectancy in excess of 30 years and can be replaced some five times over for the equivalent cost of the pipelining.*

**13. What is the cover made of and how long will it last?**

*The covering system is an industrial strength high weave shade cloth. It has a guaranteed lifespan of 25 years and will most likely last longer. It is also fully recyclable.*

**14. Will water ordering/delivery lead times be reduced?**

*The proposed system includes an automatic channel control system which will better manage flow rates in the system. This will lead to reduced lead times.*

**15. What is happening at the pump stations?**

*The three main pump stations are being fully rehabilitated. Each pump station will be refitted with new or fully revamped pumps, high efficiency motors and modern control and protection equipment. Red Cliffs and Merbein are being upsized to deliver the design application rate of 10.5 mm per day.*

*A new rising main will be constructed at the Central Pump Station with an additional rising main being built at Merbein.*

**16. What is the cost of each stage?**

*The estimated costs at June 2009 are*

- *Stage 1 - \$120M. Approx \$61M is for pump stations, \$47M for channel lining, covering etc and \$12M for metering.*
- *Stage 2 - \$227M*
- *Stage 3 - \$54M*

*The total estimated cost is \$401M*

**17. How accurate are the cost estimates?**

*The cost estimates are valid at June 2009 and were prepared by professional estimators based on engineering concept designs. These estimates include a component to cover the risks of cost overruns. This is a requirement when applying for Commonwealth and State Government funding.*

**18. How long is the project expected to take to complete?**

*Subject to the Commonwealth funding being granted (answer is expected by February 2010), Stage 1 works could commence in the winter of 2010 and be completed in the winter of 2013.*

*Timing of Stage 2 and Stage 3 depend on State Government funding decisions on the funding application for Stage 2.*

**19. How much water savings are expected to be generated from the modernisation project?**

*Stage 1 water savings are estimated to be in the order of 4,000 ML.*

*50% of these savings will go to the Commonwealth Government with the other 50% remaining with LMW. Stage 2 water savings are also estimated to be the order of 4,000 ML.*

*LMW's share of savings from both stages (6,000 ML) will be offered to the State Government as part of the funding application for Stage 2.*

**20. Will the upgrade works have any effect on supply to growers?**

*The works will be programmed such that there is no interruption to the existing supply arrangements. The channel works will be scheduled around normal winter shutdowns.*

**21. Has the occurrence of walk-offs (leaving the land by growers) been factored into the modernisation project?**

*While dried off land is an issue, the project has been designed to cater for all irrigable land within the districts such that this land can be brought back into production*

**22. Will I be able to access water 365 days a year?**

*Yes – at the completion of Stage 1 the pumped districts will operate 365 days a year. Access to water from your outlet will still be controlled by the water ordering system as is currently the case.*

*At the end of Stage 3 a higher application rate of 10.5mm/day would be available at the farm gate for all growers.*

*Depending on the location of your property the application rates will improve after Stage 1 and Stage 2*

**23. I draw from an open channel now; will I get a pressurized supply?**

*Stage 2 works propose to make a pipeline available to all properties. You can then choose to draw water from the pipeline or continue drawing from the channel system.*

*Following Stage 3, high pressure water at the rate of 10.5mm per day application rate would be available at the farm gate via the new system.*

**24. Will termination fees increase?**

*No. Termination fees will generally remain as they are today. The new works are treated as “gifted assets” for accounting purposes, so do not contribute to the calculation of termination fees.*

**25. What will the lined, covered and fenced channel system look like?**

*The Corporation will be constructing a trial section of lined, covered and fenced channel over the next few months, allowing interested parties to view the configuration. This is only a trial – other covering configurations will be considered. It is worth noting that the former FMIT installed a section of plastic lined channel approximately 10 years ago. This section of lined channel is still in service today.*