

# Victorian Desalination Project

## Timelines

In June 2007 the Victorian Government announced the Victorian Desalination Project, a rainfall independent way to secure our water supply.

Since then, the Government has been getting on with the job of securing our water future.

June 2007	<i>The Next Stage of the Government's Water Plan</i> announced
November 2007	Environment Effect Statement (EES) Referral submitted by DSE
December 2007	Minister for Planning announced EES to be undertaken
February 2008	Commonwealth Government accredits EES process assessment under <i>Environment Protection and Biodiversity Conservation (EPBC) Act 1999</i>
March 2008	Public comment on Draft EES Scoping Requirements
May 2008	Final EES Scoping Requirements released
June 2008	Expressions of Interest to bid for project issued
July 2008	Expressions of Interest closed
August 2008	EES report and EPA Works Approval Application (WAA) submitted and exhibited for public comment
September 2008	EES and WAA public exhibition closed
September 2008	Request for Proposal for construction and operation to two short-listed bidders issued
Oct/Nov 2008	EES Inquiry Hearing
December 2008	EES Inquiry submits report to Minister for Planning
January 2009	Assessment by Minister for Planning announced
March 2009	EPA issues Works Approval
March 2009	Commonwealth issues EPBC Approval
March 2009	Final bids due from shortlisted bidders
July 2009	Contract awarded to the AquaSure consortium
October 2009	Construction starts
End 2011	Water delivered

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## Local community

The Wonthaggi region has been selected for the desalination plant that will provide 150 billion litres of water each year by the end of 2011.

### How will the local community benefit?

The Project will provide significant job opportunities during the construction phase, and a corresponding economic boost to the local region, including opportunities for local businesses.

At the same time as securing our water supply, the desalination project will secure 1700 direct jobs and as many as 3050 indirect jobs during construction.

The operation of the plant will result in 150 full-time equivalent jobs – 50 directly involved on operations and 100 indirectly to support operations, maintenance and servicing.

Of the 1700 construction jobs, 1250 are blue collar jobs, up to 100 are apprenticeships or traineeships and 350 are professional positions such as engineering, environment, safety and planning roles.

AquaSure will work with training organisations to help local people gain skills for employment with them. There have been more than 2000 expressions of interest received by AquaSure and the DSE Project team.

### How can I express my interest for working on this Project?

The Industry Capability Network (ICN) has established an office in the Project Information Office at Wonthaggi to assist local industry to get involved in the Victorian Desalination Project.

You can contact the ICN through our Project Information Office at 1 McBride St, Wonthaggi (03 5671 3900), or register online at [www.regionalindustrylink.com.au](http://www.regionalindustrylink.com.au). Information Office at Wonthaggi.

Wherever possible, AquaSure has advised that they will recruit locally. AquaSure/Thiess also have a careers section for desalination-related jobs as well as a supplier and sub-contractor section.

### What did the EES say about economic benefits?

The EES found that economic benefits would flow from the Project with increased employment and spending in the Bass Coast area and surrounding region.

While there may be temporary pressure on social infrastructure, such as health and housing, there is potential for long-term positive outcomes for overall provision of services. The EES also predicted a \$1 billion economic boost to Victoria during construction of the plant.

### How is the Project servicing the community?

The Project team is working with the local community and businesses to maximise the economic benefit of the facility in the region and minimise the impact on the environment and on the local community.

A Desalination Project Information Office was established in September 2007 at 1 McBride Street, Wonthaggi (open Tuesday–Thursdays, 9.30am–3.00pm).

The office has information displays as well as fact sheets like this one, plus detailed information about environmental impacts, industry and employment opportunities, and feedback forms to provide comments to the project team. There are also free bottles of desalinated water to sample.

The project team also provides information sessions, brochures, newsletters, letterbox drops and regular website updates.

A dedicated landowner liaison team continues to work with landowners and residents along the pipeline and power supply corridors.

### **How did the community have their say on the Project?**

Input from the local community, councils, regional authorities and other stakeholders is playing, and will continue to play, a significant role in the Project.

Public comments were invited on the Environment Effects Statement (EES) scoping document, and on the exhibition of the full EES. The EES attracted over 400 written responses with a range of varying interests and concerns.

A 15-day public hearing was held across October and November 2008, where an independent panel heard in-person submissions from 20 community groups, five councils, and 74 members of the public.

A range of public activities have been held since the middle of 2007, including community information sessions at Inverloch, San Remo, Kilcunda and Wonthaggi and information stands at local markets and festivals.

Briefings have been given to councils, local groups, landowners, water authorities and other interested parties.

Members of the community are invited to talk to the staff of the Desalination Project Information Office, Wonthaggi and to submit feedback forms through the Information Office or the website.

The successful bidder, AquaSure, also has a detailed stakeholder engagement and community consultation program.

More information on the Desalination Project is available at [www.ourwater.vic.gov.au](http://www.ourwater.vic.gov.au) or by calling 1800 811 214.

## Victorian Desalination Project State and Federal environmental approvals

In August 2008, a full Environment Effects Statement (EES) was released for public exhibition.

Spanning five volumes and over 80 specialist technical reports, the EES covers a broad range of issues concerning the Project's effects on land, the marine environment, flora and fauna of all kinds, visual impact, greenhouse gas emissions, and social and economic effects.

The EES found that the Project would not cause any significant or long-lasting harm to the environment.

Following an independent panel hearing in October and November 2008, an inquiry report on the EES was submitted to the Minister for Planning, along with some 400 written submissions from the public.

In January 2009, the Minister for Planning, in his assessment, accepted the EES and stated that any environmental impacts resulting from the desalination plant could be largely minimised or off-set to acceptable levels through the application of strict requirements to determine how the final project would be delivered.

On 5 March 2009 the Environment Protection Authority (EPA) issued a Works Approval. The EPA was satisfied that the proposed works met the requirements of the *Environment Protection Act 1970* and were consistent with the State environment protection policies.

Under the Australian Constitution, the States have primary responsibility for environmental protection and management and the Federal Minister has authority over defined matters of national environmental significance under the *Environment Protection and Biodiversity Conservation (EPBC) Act 1999*.

The Federal Minister for Environment, Heritage and the Arts, approved the Project under the EPBC Act on 19 March 2009.

The Department of Sustainability and Environment also continues to liaise with councils and communities to ensure social and economic benefits are optimised.

## Victorian Desalination Project Water transfer pipeline

Water from the Desalination Plant at Wonthaggi will be piped to Melbourne via a new 84 kilometre underground pipeline.

The pipeline will connect into the existing network at Berwick. This water will then enter the Melbourne water supply system through Cardinia reservoir.

Desalinated water can also be provided to towns in Western Port and South Gippsland through new pipe infrastructure and to Geelong via a new 50 kilometre pipeline connecting Geelong to the Melbourne water system by 2011.

### What route will the pipeline take?

A pipeline alignment was included in the Reference Project for the Environment Effects Statement (EES).

The pipeline will go through Bass Coast Shire, City of Casey and Cardinia Shire Council areas. The current plan of the pipe route is available online at [www.ourwater.vic.gov.au](http://www.ourwater.vic.gov.au).

### What happens if my property is subject to a pipeline easement?

If it is necessary to acquire an easement on your land, compensation will be paid under the *Land Acquisition and Compensation Act 1986*. This will vary depending on the effect on each individual property.

### What did the EES say about the transfer pipeline?

The EES found no significant impacts are likely to occur to land based plants and animals. The plant site is mostly agricultural pasture with little habitat for supporting indigenous species.

The pipeline corridor is mostly pasture and introduced vegetation and the grid connection corridor is generally along agricultural land. The EES found that if native species and ecological communities were impacted they would recover within a short time.

Where there is potential for impacts, mitigation measures are suggested in the EES. Performance Requirements will also be demanded to ensure the successful bidder manages these risks.

Techniques include avoiding key vegetation and tunnelling under dunes at the plant site, and aligning pipe and power infrastructure to avoid significant species and vegetation where possible.

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## Power supply and energy consumption

### How much energy will the plant use?

The plant and booster pump station are estimated to use about 90 megawatts (MW) of power for 150GL of water delivery.

### What sort of power will be used?

A range of power supply options were considered in the Environment Effects Statement. The AquaSure design includes the Government's preferred underground power supply option to follow the transfer pipeline and then use the existing electricity easement to connect to the grid at Cranbourne Terminal Station. A high speed communications cable along the entire length of the powerline will facilitate broadband to the region.

### How will the Project be carbon neutral?

While it would be impractical to power the Project directly with wind, solar, tidal or other green energy, Renewable Energy Credits (RECs) will be purchased to offset the electricity the plant and the transfer pipeline will use.

AquaSure has committed to develop, in partnership with AGL, the Oaklands Hill 63MW wind farm near Glenthompson that will create 200 new jobs, and Macarthur wind farm (330MW), which is in the final commitment stage.

This will ensure that the equivalent amount of renewable energy is injected into the grid. Hence, over a yearly period, it would be as if the desalination project had obtained its power supply from the renewable energy source, thus ensuring a carbon neutral outcome for the electrical operation of the plant and transfer pipeline.

### What energy efficiency measures will be included?

Reverse osmosis is the most energy efficient method of desalination, and energy efficiency and membrane technologies are constantly improving. The energy consumption of the Victorian plant is estimated to be proportionate to other plants in Australia and around the world. The plant will feature Energy Recovery Devices which capture the energy created by water moving through desalination processes.

## Victorian Desalination Project Public Private Partnership

In September 2007, Premier John Brumby and Water Minister Tim Holding announced that the Desalination Project would be delivered as a Public Private Partnership (PPP) under the Government's *Partnerships Victoria* (PV) framework.

Through a PPP, the Government taps into private sector expertise in designing, building, financing, operating and maintaining the Project for a period of time before handing it back to the Government.

Desalinated water will be delivered from the private sector to the State Government owned water authorities who will deliver this water to households. The Government will own the water, thus the public interest and ownership of water is protected.

Under a PPP project, the successful bidder is paid if it delivers the required service to the required standard. For the Desalination Project, this will include delivering the required quantity of water to the appropriate water quality standard.

The Victorian Government's experience in delivering complex major projects under the PPP model has shown projects are delivered on-time, to a high standard and in a cost effective way.

The PPP framework has already proven successful with projects contracted to build hospitals, water treatment facilities, and transport developments in Victoria.

After Expressions of Interest, two bidding consortia were shortlisted to submit proposals for the Project:

**Aquasure**, comprising SUEZ Environnement SA, Degremont SA, Thiess Pty Ltd, and Macquarie Capital Group Limited; and

**BassWater**, comprising Veolia Water Australia Pty Ltd, John Holland Pty Ltd, and ABN AMRO Australia Pty Ltd.

Final bids from these consortia were received in the first half of 2009.

In accordance with *Partnerships Victoria* policy, these bids were tested against the Government's quantitative benchmark, the Public Sector Comparator (PSC), and were also required to meet public interest tests.

In July 2009 the contract was awarded to the AquaSure consortium. The 30 year contract provides for flexible water supplies with annual ordering of water in set steps from zero to 100 per cent.

Further information on the *Partnerships Victoria* policy can be obtained via their website – [www.partnerships.vic.gov.au](http://www.partnerships.vic.gov.au).