

\$1 BILLION IN IRRIGATION UPGRADES

The economy of the Goulburn and Murray valleys has been built on an irrigation delivery system that is more than 80 years old and has become dilapidated and outdated.

Evaporation, leaks and inefficiencies see up to 900,000MI of water going to waste every 12 months.

With the system in decline and confidence low, irrigation water is being sold out of the region at an alarming rate.

More than 30 of every 100 megalitres released from Lake Eildon for irrigation is now lost through leakage and evaporation. Under the project this figure will be halved.

Under the project, a pipe will be built to send Melbourne's share of the water from the Goulburn River north of Yea to Sugarloaf Reservoir where it will be treated for urban use. The pipe will be transferring an agreed maximum of



Current irrigation channel



Modernised and lined irrigation channel

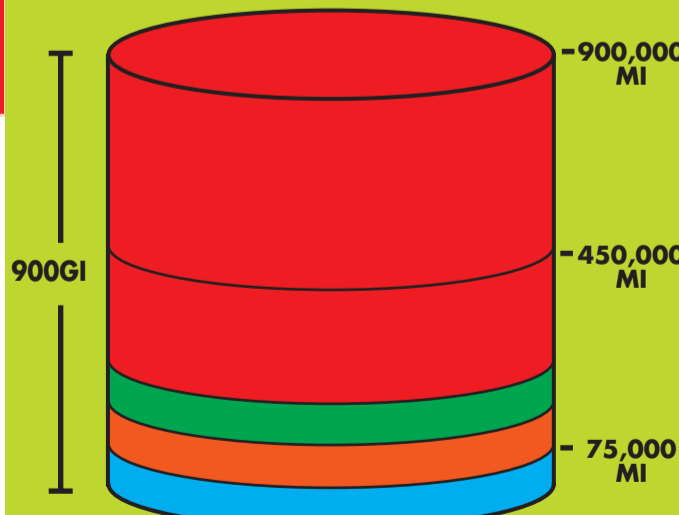
75,000MI annually. The cost of the pipe is not part of the \$1 billion announced by the Victorian Government.

Under the project, 20,000MI of saved water will be provided to Melbourne via the pipe by the year 2009, increasing to 75,000MI by 2010.

With less water lost to the system, security of water for irrigators will be improved.

Water will be delivered faster and at greater volumes through the upgraded system.

WATER LOSSES FROM CHANNEL SYSTEM



- 900,000MI Lost irrigation water every season
- 450,000MI Target for saving under stages 1 and 2 of Foodbowl Modernisation Project

Distribution of saved water under stage 1:

- 75,000MI of saved water piped to Melbourne
- 75,000MI of saved water to environment
- 75,000MI of saved water to irrigators

IT'S NOT A PIPEDREAM... IT'S A SECURE FUTURE



THE FACTS

Claim: Irrigators will lose water to Melbourne.

Fact: Goulburn and Murray Valley Irrigators will receive more water and a state-of-the-art irrigation system, with someone else paying for it.

The new irrigation system will provide better service and delivery

The Goulburn and Murray Valleys will be delivered investments of up to \$2 billion. The Victorian Government is contributing \$1 billion to stage one of the project.

The environment will receive an additional 187,500 megalitres to boost flows in the Goulburn and Murray rivers.

Claim: Melbourne will get it's allocated water whether or not it's available.

Fact: Water for Melbourne will only come from savings.

Claim: Things were better off as they were.

Fact: A do-nothing option leaves the region with less water, a broken down irrigation system and no investment in infrastructure.

At present 33 percent of water is lost to the Goulburn-Murray Water irrigation system.

Saving of less than half of this lost water will add an additional 450,000 megalitres to water availability. The water for Melbourne will come from this additional water.

Stage 1 will generate 225,000 megalitres in savings.

Claim: We should be taking the money offered under the Federal Government's Water plan.

Fact: An additional \$1.2 billion is being sought from the Federal Government to complete Stage 2.

Claim: Melbourne will get first use of any water and will take more than their share.

Fact: Farmers and the environment will share the water savings from stage 1 equally with Melbourne. The pipeline to Melbourne will be restricted to 100,000 megalitres capacity.

The cost of the pipeline will not be paid from the \$1 billion Victorian Government contribution. The cost will be about \$600 million.

Melbourne will be restricted from taking more than its quota as another pipeline and an upgrade of treatment facilities at Sugarloaf Reservoir would be needed for this to occur.

Claim: Irrigators' water security will be undermined.

Fact: With all of the savings achieved irrigators will have greater water security.

If the plan was completed this past year, farmers would have had an additional 187,500 megalitres delivered.

Promise of prosperity

A \$1 billion dollar deal has been secured to improve the irrigation delivery system across the Goulburn and Murray valleys under stage one of the Foodbowl Modernisation Project. This is new funding for the area that will result in unprecedented growth and opportunity and provide a massive boost to the economy. The works to pipe and remodel irrigation channels will save 450,000 megalitres each year. This will be extra water that could not be accessed in the

past. The "new" water will be divided equally between irrigators in the Goulburn and Murray Valleys, the environment and Melbourne Water.

The \$1 billion to complete the water saving works will be provided by the Victorian Government (\$600 million), Melbourne Water (\$300 million) and Goulburn-Murray Water (\$100 million).

If the planned works do not deliver savings quickly enough to meet these time lines, 20,000 megalitres of

water in Lake Eildon could be "lent" to the project until water savings grow. This water is the result of water saving initiatives already implemented.

This will ensure no water presently available to farmers will be used to supply Melbourne. The deal will provide each irrigated property in the Goulburn-Murray Water Irrigation District access to the

additional water within the next eight years. The arrangements have been brokered by Foodbowl Unlimited a community-driven organisation that seeks a sustainable and prosperous future for the Goulburn and Murray valleys.

The alliance comprises farm, community and business leaders.

“ Without the project the Goulburn Valley would not have a future because it would be eclipsed by other areas around the world. -Linqage International Director Chris Le Marshall ”

Deal based on "new" water

Modernising the Foodbowl will take up to eight years to complete and will involve a total investment of \$2 billion.

Up to 900,000MI of water is currently lost through leaks, evaporation and other inefficiencies.

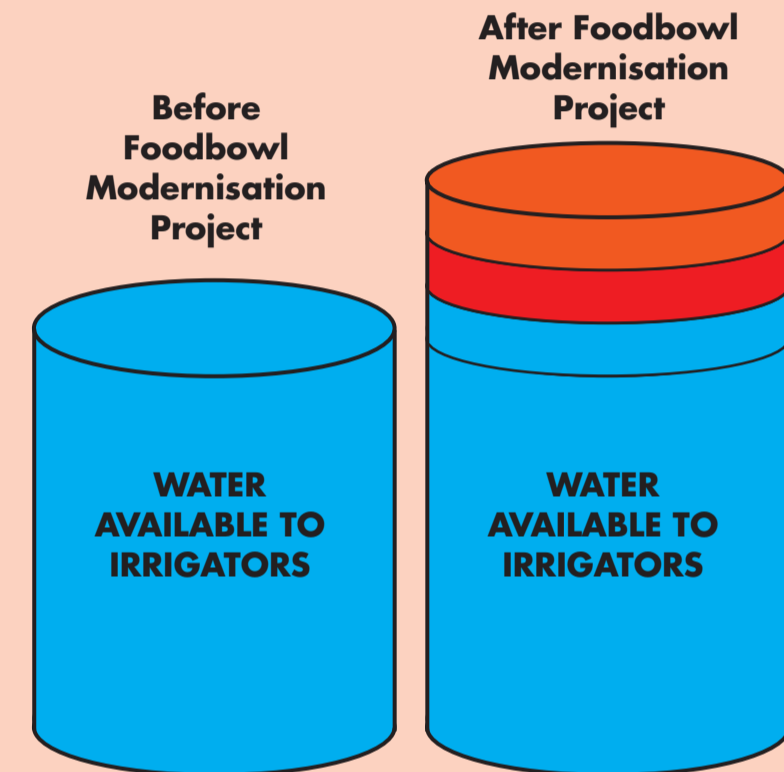
Approximately half of this water will be saved over the life of the eight-year Foodbowl Modernisation Project.

Stage 1 of the project will secure savings of approximately 225,000MI with the second stage to capture the remaining 225,000MI.

Melbourne Water will be entitled to one third of the savings from Stage 1. It has agreed it will not enter the market to source additional water from the Goulburn-Murray Irrigation District.

Under the deal, water savings earmarked for farmers will be added to each irrigator's water entitlement.

Metering of irrigation outlets will be one measure used to achieve the water savings, but under the arrangements new metering will be the last phase of the project following refurbishment of the system.



225,000MI of Additional Water gained in stage 1

- 75,000MI to Irrigators
- 75,000MI to Environment
- 75,000MI to Melbourne

DISTRIBUTION OF NEW WATER

“ A do-nothing option leaves us with less water, a broken down irrigation system and no investment in our region. - John Corboy. ”

As per Country News Article page 3 Monday, June 25, 2007.



The Foodbowl modernisation project will see \$250 million invested each year for the 4 years of stage 1 of the project.

This investment will represent the biggest regional renewal project in Australia and the biggest investment in the region since the construction of Lake Eildon. The economic multiplier effect will be massive with jobs and opportunities flowing throughout the region.

The gross domestic product of the region is expected to rise 12 to 15 percent during eight years on top of normal growth.

A STEERING COMMITTEE WITH REGIONAL PARTICIPANTS WILL BE FORMED. ITS ROLE WILL BE TO FINALISE KEY ELEMENTS OF THE PROJECT, INCLUDING:

- Governance arrangements that involve local government and community input into issues such as the works program and sharing of water savings.
- Safeguards for northern Victoria concerning water savings destined for Melbourne.
- How the water savings destined for irrigation and the environment will be delivered and managed.



John Corboy
Orchardist, businessman
"This project protects our future as farmers and our children's and grandchildren's futures. It's a good deal."



Stephen Mills
Dairy farmer
"Everyone wins under this plan - irrigators, the environment and regional development."



Peter Bicknell
Accountant
"The economic multiplier effect of a \$1 billion project will give our local economy unprecedented growth opportunities."



Adam Furphy
Businessman
"The flow-on effects of this investment are going to be enormous. The ripple effect out to service industries and the jobs that will be created will be staggering."



Michael Zurcas
Orchardist, businessman
"I am backing this project 100 per cent. It is our best chance of securing the long term future of our industry."



Stuart Rea
Dairy farmer
"This deal has secured dairy farmers better infrastructure and a more profitable future."



Russell Pell
Dairy farmer
"These works will ensure the future of dairying for the next generation."



Alistar Purbrick
Tahbilk Wines
"The Goulburn-Murray infrastructure needs to be replaced before it becomes unworkable. The big win is that the upgrade will free up 450,000 megalitres."



Jim Andreadis
Businessman
"I ask all readers to carefully consider the facts before they make up their minds. I think when they are aware of the facts they will agree with the plan."



Dudley Bryant
Dairy farmer
"This plan will allow farmers to invest and grow their businesses with confidence and will draw water back to the region."



Rocky Varapodio
Orchardist, businessman
"The proposal will upgrade our inefficient irrigation infrastructure and achieve savings that will benefit the primary producer; this is a great outcome."



Ross McPherson
Managing director McPherson Media
"This is our best chance to build future prosperity since Eildon was commissioned. It is the biggest regional renewal project in the entire country."



Nigel Garrard
Chief executive officer SPC Ardmona
"This project will deliver a more reliable delivery system to our growers."



Peter McCamish
Businessman, retired orchardist
"We have a once in a lifetime opportunity to restore the Goulburn-Murray Irrigation District to a world class irrigation system, saving 450 ggalitres."



Paul Quirk
Dairy farmer
"The whole idea is visionary - it not only brings water back through savings, it also provides a huge cash injection into our failing irrigation infrastructure."



David McKenzie
Property valuer
"This is the most significant opportunity for the region since the irrigation network was first established."



Suzanna Sheed
Lawyer
"The project will ensure the agricultural security of this region for years to come."



Ken Muston
Businessman
"This project will receive a huge long term benefit through spending on infrastructure for water savings and productivity gains."



Peter Johnson
Lawyer
"This is primarily a proposal for the benefit of the Goulburn Murray Irrigation District. Don't be distracted by the pipeline to Melbourne. We have to focus on the regional benefits."



Maurice Incerli
Chief executive officer Murray Dairy
"This is a huge investment that will help underpin the dairy industry's and the region's economic future."