

# Statement of Reasons

## Compliance of the GMW Stock and Domestic Water Supply Scheme with the agreed socio-economic criteria for efficiency measures

### 1. PROJECT DETAILS

**Name:** GMW Stock and Domestic Water Supply Scheme

**Location:** East Loddon, West Loddon and Timmering areas, Victoria

**Project Type:** Off-farm

**Proponent:** Goulburn-Murray Water

**Total Project Cost:** Up to \$17.98 million

**Commonwealth Funding Sought:** Up to \$17.98 million

**Total water recovery:** Up to 818 ML

**Water recovery for the environment:** Up to 818 ML

**Additional water recovery:** None

### 2. THE DECISION

On 23 June 2025, the Victorian Minister for Water Gayle Tierney determined that this project satisfies the requirement for efficiency measures projects that contribute additional water recovery to achieve neutral or positive socio-economic outcomes.

The project was assessed against the socio-economic criteria agreed to by the Murray-Darling Basin Ministerial Council. This assessment also considered Victoria's principles for further water recovery, set out in Victoria's 'Planning our Basin future together' prospectus, which were established by Victoria in response to changes made to the Basin Plan by the Commonwealth Government in 2023.

### 3. SUMMARY OF KEY STEPS

On 6 June 2025, Goulburn-Murray Water (GMW) submitted the feasibility study for the GMW Stock and Domestic Water Supply Scheme to the Department of Energy, Environment and Climate Action (DEECA). The feasibility study includes information about the expected socio-economic outcomes of the proposed stock and domestic supply projects in the East Loddon, West Loddon and Timmering areas.

On 23 June 2025, the Victorian Minister for Water, Gayle Tierney, made a determination on the compliance of the projects with the socio-economic criteria.

### 4. INFORMATION GUIDING THE DECISION

The decision was guided by:

- Information prepared by Goulburn-Murray Water in consultation with local government agencies and key stakeholders

- Supporting technical analysis on the socio-economic impacts of water recovery for the environment and infrastructure programs, including assessment of the project against the socio-economic criteria by DEECA.

## **5. REASONS FOR THE DECISION**

### **Validity of water savings (Criteria 12a)**

The proposed GMW Stock and Domestic Water Supply Scheme recovers water through modernising ageing and inefficient stock and domestic and dam fill services.

The savings will be generated through:

- Modernisation of the Timmering dam fill service through installation of a pumped pipeline
- Removal of the East and West Loddon dam fill schemes through reconnection of properties to existing or proposed GMW assets
- On-farm works to reduce losses, such as installation of tanks or more efficient conveyance to existing dams
- Potential voluntary surrender of water allowances and privately held water shares by customers (to be confirmed with landowners during project implementation)

The existing Timmering dam fill service uses an open drain to supply customers. East and West Loddon customers are currently supplied through inefficient GMW channels or privately owned infrastructure, such as farm channels.

Water losses and potential water savings would be independently assessed using the framework and guidance set out in the Victorian Government Water Savings Protocol.

The rigorous and independently audited process will ensure that the water savings to be delivered will be real and will not result in profiteering or roting.

### **Potential impacts on water market prices (Criteria 7a, 7b, 7c, 7d)**

The water savings achieved by reducing losses through modernisation or removal of the dam fill schemes will be recovered by reducing allowances for these losses in Goulburn-Murray Water's Bulk Entitlement. The Bulk Entitlement recovered will be issued as water shares for transfer to the Commonwealth Environmental Water Holder. This component of water recovery will have no impact on privately held entitlements and water market prices.

Modernisation of private infrastructure will also have no impacts on privately held entitlements and water market prices.

The volume of water allowances and privately held water shares that would be potentially surrendered by stock and domestic customers will be small (up to 170 ML) relative to water savings achieved through infrastructure works in the scheme. The volume will be made available for recovery due to being surplus to customer requirements. The surplus will result from the more efficient and reliable stock and domestic supply created through the proposed works.

Recovery of a small volume of stock and domestic water allowances and shares through purchase has minimal impacts on the water market in the context of open tender water

purchases by the Commonwealth. It also aligns with the principles of Victoria's Planning our Basin future together prospectus.

### **Community and industry engagement (Criteria 1a, 1b, 1c, 1d, 9a, 9b, 6a, 6b, 3)**

The project team has engaged with a range of stakeholders in the development of the GMW Stock and Domestic Water Supply Scheme. This includes 120 affected customers, Traditional Owners and government agencies.

GMW wrote to the Yorta Yorta Nation Aboriginal Corporation and the Dja Dja Wurrung Clans Nation Aboriginal Corporation, outlining the proposed works and seeking to work together in project delivery.

GMW has also written to all landowners directly affected by the proposed works. A group meeting has been held in the Timmering area, followed by meetings and telephone calls with customers throughout the Timmering, East Loddon and West Loddon areas. Consultation has shown that there is general support for the proposed works.

GMW hosted a 'Your Say' webpage on its website that provided information about the scheme and invited submissions from the broader public about the proposed works.

Customer consultation to date has provided an opportunity to gauge levels of community support and provide customer input into inform design of the stock and domestic supply scheme and delivery strategy for the capital works components.

The Stock and Domestic Water Supply Scheme aligns with GMW's Asset Management Policy and supports GMW's commitment to manage future water availability, which is detailed in GMW's Corporate Plan.

The scheme is also consistent with State Government strategies such as Water for Victoria. It also aligns with the principles in the 'Planning our Basin future together' prospectus.

### **Future viability of proponent businesses and irrigation districts (Criteria 4a, 4b, 4c)**

The scheme will improve the water quality and reliability of stock and domestic supply for more than 75 farms in the Timmering, East Loddon and West Loddon areas. The works will provide a consistent, clean, and reliable supply, instead of the existing dam fill services which supply customers once or twice annually.

The improved service delivery standards for customers support better stock health outcomes in the region.

The stock and domestic supply scheme aligns with GMW's strategic investment priorities and other business planning. It supports GMW's Asset Management Goals as outlined in its Asset Management Policy. It also supports GMW's commitment to manage future water availability as detailed in GMW's Corporate Plan.

### **Support for regional economies (Criteria 5a, 5b, 5c, 5d, 6c)**

The stock and domestic supply scheme will increase on-farm productivity by providing an improved delivery service to customers. Increased productivity will generate flow-on benefits to the regional economy by supporting processors and other agricultural service industries that provide employment and stimulate economic activity.

The scheme will support local industry and regional economies by creating an estimated 82 employment opportunities through the course of delivery. This will be achieved through the procurement of regionally based project management, design services, civil contractors and use of locally sourced materials.

### **Social, environmental and cultural outcomes (Criteria 2a, 2b, 2c, 2d, 8a, 8b, 8c)**

The water savings achieved by the stock and domestic supply scheme will increase the volume of water available for the environment. The scheme is estimated to provide up to 818 ML to the Commonwealth Government and contributes to water recovery for the environment under the Murray-Darling Basin Plan.

The scheme will be delivered in accordance with established environmental management processes. These processes were implemented as part of the GMW Connections Project and further refined as part of the GMW Water Efficiency Project. The delivery team will follow these procedures and guidelines to ensure that construction activities are delivered in compliance with relevant state and Commonwealth legislation.

The stock and domestic supply scheme is expected to have a net positive impact on social values. This includes reduced manual labour to operate and maintain the channels and drains that are used in the existing dam fill schemes. The drains are also prone to ponding of stagnant water and collecting rubbish and silt, which reduces amenity.

The delivery team has written to the Yorta Yorta Nation Aboriginal Corporation and the Dja Dja Wurrung Clans Nation Aboriginal Corporation. The letter outlined the proposed works and associated delivery arrangements and sought to work together on the design and delivery of the proposed works. This will involve identifying opportunities to incorporate Traditional Owner knowledge of water planning and management into the delivery of the projects. This approach will also build capacity for Traditional Owner involvement in future water management and is consistent with Victoria's policy commitments outlined in the Water is Life strategy.

Cultural heritage investigations will be completed for all potential works sites to avoid or minimise actions that may have adverse effects on cultural heritage values. The delivery team will also seek to establish regular meetings with First Nations representatives. The meetings will be used to ensure that cultural heritage processes are up to date, and cultural values are identified, protected and improved.

### **Business resilience, including drought and climate change impacts (Criteria 10a, 13a)**

The scheme will improve resilience to drought and climate change impacts for stock and domestic water supply customers in the Timmering, East Loddon and West Loddon areas. The proposed works will provide a clean and reliable 270-day stock and domestic supply to customers instead of an ad-hoc annual or biannual service. This will increase agricultural productivity, improve resilience and create flow-on benefits to the regional economy over the long-term.

The scheme will result in more accurate metering, faster delivery times and modernised supply points, while greatly increasing water efficiency. The existing dam fill schemes have estimated losses as high as 80%.

## Socio-economic criteria assessment – checklist

### Checklist Key

Checklist Key	
+	Meets the criteria with positive outcomes
+	Meets the criteria with neutral outcomes
+	Meets the criteria requirement
×	Does not meet the criteria with neutral or positive outcomes
N/A	Criteria is not applicable to the project proposal

ID	Criteria	Response	Decision
1	<b>Projects must be made public.</b>		+
1a	A regional map must indicate where investments are being made to depict how these interrelate to improving the efficiency of the district. This includes showing broad location of the project, amount of water to be recovered for the environment, type of project and relevant socio-economic information.	Project information provided by Goulburn-Murray Water was made public on the GMW Your Say web page for the scheme. This includes a map of the GMW supply area and other relevant information about the project.	+
1b	Where possible, reports or outcomes of past projects should be made available.	No past projects that were relevant to the stock and domestic supply scheme were identified.	N/A
1c	Technical reports on completed projects must be made available to inform the development of any future projects.	No technical reports on completed projects that were relevant to the stock and domestic supply scheme were identified.	N/A
1d	Following in-principle government approval, non-sensitive information about project applications must be advertised to allow relevant stakeholders to make submissions to the proposal.	Information about the funding applications for the stock and domestic supply scheme was made available on the GMW Your Say web page for the projects.	+
2	<b>Projects do not negatively impact on social and environmental outcomes.</b>		
2a	All projects are required to describe the expected socio-economic and environmental benefits of their proposed project, with delivery partners required to coordinate and communicate with local communities and community bodies on the program and describe the expected socio-economic and environmental impacts of each program on the local community, region or state.	Goulburn-Murray Water submitted documentation describing the expected socio-economic and environmental impacts of the project to DEECA. Goulburn-Murray Water also communicated with key stakeholders during the feasibility study.	+
2b	Social values may include the amenity to local communities of weirs, storages and parks that may be affected by efficiency projects.	Based on the information provided by Goulburn-Murray Water, the proposed works are expected to have a net positive impact on social values. Manual labour to maintain the channels and drains used in the existing dam fill schemes will be reduced. Amenity will be improved through no longer using the drains to convey flows.	+
2c	Large projects must describe the expected socio-economic outcomes of their proposal. In doing so, they must address the following: – the anticipated socio-economic impacts to the local community, region or state – their project's strategy for increasing the socio-	The information provided by Goulburn-Murray Water demonstrates that the scheme will have socio-economic benefits for local communities. The scheme will increase on-farm productivity and generate flow-on benefits to the regional economy by supporting processors and other agricultural service	+

I D	Criteria	Response	Decision
	economic benefit to participants and their communities (e.g. local sourcing of goods, services and labour); and – if and how the project will contribute to regional investment and development in geographic area.	industries. The proposed works will further support the regional economy by creating an estimated 82 employment opportunities during project delivery. Project management, design services, civil contractors and materials will also be sourced locally.	
2d	Both project and delivery partners are required to comply with all relevant laws including work health and safety laws. Each project must show an understanding of all relevant legislation or regulation (including environmental laws and regulations) that will require approval prior to works commencing.	Goulburn-Murray Water has a legal and regulatory framework in place to ensure the proposed works are delivered in accordance with statutory processes and relevant legislation. This includes occupational health and safety, and environmental laws and regulations.	+
2e	Australian Government to fund facilitators to work with communities to develop proposals that have community support and positive social and economic outcomes.	N/A	N/A
3	<b>The project assessment for funding must be clear, timely, simple and transparent, and not unduly increase red tape.</b>	The Victorian Government's socio-economic assessment process is clear, timely, simple and transparent and does not unduly increase red tape.	+
4	<b>Projects need to demonstrate how they contribute to the current and future viability of proponent businesses and irrigation districts.</b>		+
4a	Proponent considers how the project would contribute to the current and future financial viability of the irrigation district/region where it will occur, including identification of potential irrigation network improvements.	Goulburn-Murray Water has considered how the stock and domestic supply scheme contributes to the current and future financial viability of the Timmering, East Loddon and West Loddon areas. The scheme will address ageing infrastructure and improve the quality and reliability of supply.	+
4b	Projects should avoid upgrading water supply infrastructure where the system, or parts of the system are not going to be used in the future.	The stock and domestic supply scheme focuses on upgrading infrastructure that will continue to be used in the future. Existing assets that are not fit for purpose or no longer required will be removed as part of the modernisation works.	+
4c	Project proposals in an irrigation district should take account of relevant irrigation business' strategies or plans.	The scheme aligns with Goulburn-Murray Water's Asset Management Goals set out in its Asset Management Policy, and GMW's commitment to manage future water availability as outlined in its Corporate Plan.	+
5	<b>Programs or projects support regional economies.</b>		+
5a	Programs or projects should identify opportunities to support local industry and regional development.	The scheme will support processors and other agricultural services in the region that provide employment and stimulate economic activity. The project is estimated to create 82 jobs during delivery. Procurement will focus on regionally based contractors and services, and the proposed works will use locally sourced materials.	+
5b	Programs or projects should focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services. <i>(Also captured in Criteria 9b, 6b &amp; 10a)</i>	The project aligns with Goulburn-Murray Water's Asset Management Goals set out in its Asset Management Policy, and GMW's commitment to manage future water availability as outlined in its Corporate Plan.	+

I D	Criteria	Response	Decision
5c	Programs or projects in an irrigation district don't reduce the overall productive capacity of the relevant region.	The project provides opportunities for rural customers to increase their on-farm productivity. The modernisation works will support the long-term viability of irrigation in the region.	+
5d	Programs or projects should not impact negatively on regional jobs.	The stock and domestic supply scheme is estimated to create 82 jobs during delivery and procurement will focus on regionally based contractors and services. The improved service delivery standards for customers will generate ongoing flow-on benefits to the regional economy.	+
6	<b>Programs or projects do not have negative third-party impacts on the irrigation system, water market or regional communities.</b>		+
6a	Where a proposed project is located within an irrigation network, the proponent must provide evidence that relevant network operator or water corporation is involved in or aware of the project.	Goulburn-Murray Water is the project proponent and supports full implementation of the scheme.	+
6b	Relevant government or proponent must consult industry bodies, irrigation network operators/, local governments or regional development organisations, on a strategic regional approach which will focus on ensuring there is a mix of water efficiency projects in a region in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services. <i>(Also captured in Criteria 9b, 5b &amp; 10a)</i>	Goulburn-Murray Water consulted with all affected customers, Traditional Owners and government agencies during the development of the scheme. The feasibility study report developed for the project includes a summary of its engagement with these stakeholders.  The scheme aligns with GMW's asset management policy, and its commitment to manage future water availability detailed in GMW's Corporate Plan. The project also aligns with Water for Victoria and the Planning our Basin future together prospectus at the Victorian State Government level.	+
6c	The socio-economic assessment of programs or projects must consider impacts not just on participants, but for broader regions.	Goulburn-Murray Water has considered project impacts on rural customers and the broader region. Information provided demonstrates that the projects will improve on-farm productivity. This will generate flow-on benefits to the regional economy by supporting processors and other agricultural service industries that provide employment and stimulate economic activity.  The project has been developed to further support local industry and regional economies by creating an estimated 82 jobs during delivery. The proposed works will also use local contractors and services.	+
7	<b>Projects need to be assessed for their potential to impact on the price of water.</b>		+
7a	Proponents can only transfer water rights that they own at the time of their application. They cannot receive funding to acquire water rights. A project cannot transfer more water than the project will save, and the proposed quantity must be independently verified as being a conservative estimate of the resulting water savings. A proponent may keep any water savings beyond the amount transferred.	The project's water savings are generated by infrastructure efficiency upgrades or removal of inefficient dam fill schemes. The losses are allowed for in Goulburn-Murray Water's Bulk Entitlement. The savings will be issued as water shares. There may be additional water recovery through voluntary surrender of allowances and privately held water shares by stock and domestic customers.	+
7b	Proponents applying for project funding would be required to provide evidence that the water entitlements have been held for a minimum of 3 years at the time of application.	Goulburn-Murray Water's Bulk Entitlement has been in place since 1995.	+

I D	Criteria	Response	Decision
7c	Project proponents must ensure there is no direct impact on the reliability of water from cumulative implementation of projects.	<p>The project's water savings are mostly generated by reducing conveyance losses in the GMID channel system and removal of inefficient dam fill schemes. The Victorian Water Savings Protocol requires that water savings are independently audited to verify works have been completed and the water savings have been calculated consistent with the methods described in the Protocol.</p> <p>This ensures that there is no direct impact on the reliability of water from cumulative implementation of projects.</p> <p>The modernisation works will improve reliability for stock and domestic customers in the project areas.</p>	+
7d	Projects must not directly increase the price of water.	<p>Water savings from the project that are derived from works to improve efficiency do not affect consumptive entitlements and have no direct impact on the price of water.</p> <p>The volume of water allowances and privately held water shares that would be potentially surrendered by stock and domestic customers will be small. The volume will also be surplus to customer requirements due to the more efficient and reliable supply created through the scheme. This component of water recovery would have minimal impacts on the water market in the context of open tender water purchases by the Commonwealth.</p>	+
8	<b>Any cultural impacts identified, protected or improved.</b>		+
8a	Projects are required to describe the expected cultural benefits of their proposed project, with delivery partners required to coordinate and communicate with local communities and community bodies on projects and describe the expected cultural benefits of each project on the local community, region or state.	Goulburn-Murray Water has provided information about its engagement with Traditional Owners on the proposed scheme. The delivery team has sought to work with Traditional Owners to incorporate cultural knowledge into the delivery of the scheme. This approach seeks to build capacity for Traditional Owner involvement in future water management.	+
8b	<p>Projects must describe the expected cultural benefits of their proposal. In doing so, they must address the following:</p> <ul style="list-style-type: none"> <li>the anticipated cultural benefits to the local community, region or state;</li> <li>their project's strategy for increasing the cultural benefit to participants and their communities (e.g. local sourcing of goods, services and labour)</li> <li>if and how the project will contribute to regional investment and development in the geographic area.</li> </ul>	<p>Goulburn-Murray Water has provided information about the cultural benefits of the project.</p> <p>The delivery team has sought to work with Traditional Owners on the design and delivery of the proposed works. This will build capacity for Traditional Owner involvement in future water management.</p> <p>The delivery team will also seek to establish regular meetings with First Nations representatives during the cultural heritage assessment process to make sure that emerging values are identified, protected and improved.</p>	+
8c	Projects over \$3 million must identify cultural heritage sites and manage any impacts in accordance with relevant Commonwealth and State laws.	<p>A cultural heritage investigation will be completed at all sites prior to works to avoid or minimise actions that may have adverse effects on cultural heritage values.</p> <p>Goulburn-Murray Water has the appropriate systems and frameworks in place to ensure that all project works are undertaken in accordance with all relevant Commonwealth and State laws.</p>	+



I D	Criteria	Response	Decision
9	<b>Program design should include close engagement with community and industry leaders.</b>		+
9a	The relevant government or proponent must consult with industry bodies, IIOs, local governments or regional development organisations, or investment corporations on relevant strategic regional projects, and consider community support.	Goulburn-Murray Water provided details of consultation and engagement with rural customers, Traditional Owners and government agencies during development of the feasibility study. Consultation has been used to inform the design and delivery strategy and gauge community support for the scheme.	+
9b	This consultation should focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services. <i>(Also captured in Criteria 5b, 6b &amp; 10a)</i>	The scheme aligns with State Government and Goulburn-Murray Water strategies and priorities. The project is consistent with GMW's Management Policy and supports the commitment to manage future water availability detailed in GMW's Corporate Plan.	+
10	<b>Where practical, seek to develop and implement integrated implementation of efficiency measures to maximise benefits to the irrigation network and local enterprises.</b>		+
10a	Programs or projects must focus on increasing water use efficiency in ways that address industry, network/system and local/regional priorities, future needs and risks and may include research and extension services. This would include integrated proposals. <i>(Also captured in Criteria 9b, 5b, &amp; 6b)</i>	The scheme aligns with Goulburn-Murray Water's Asset Management Goals set out in its Asset Management Policy, and GMW's commitment to manage future water availability detailed in its Corporate Plan.	+
11	<b>Monitoring and evaluation, including of socio-economic outcomes, should be built into programs and used to regularly review and adapt programs as required.</b>		N/A
11a	The Commonwealth will develop a monitoring and evaluation framework to assess the progress of projects in real time, post-approval.	Goulburn-Murray Water and DEECA will work with the Commonwealth to support any monitoring and evaluation of the project as required.	N/A
12	<b>Projects must deliver real water savings and not result in profiteering or roting.</b>		+
12a	Projects must not allow participants to individually profit without creating water savings.	Water losses and potential water savings will be assessed using the framework and guidance set out in the Victorian Government Water Savings Protocol.	+
13	<b>Projects should identify improved capacity to respond to changes in business environment including drought and climate resilience.</b>		+
13a	Provide information on how the project will improve resilience to climate variability.	The project will improve resilience to drought and climate change impacts for stock and domestic water users in in the Timmering, East Loddon and West Loddon areas. This will be achieved by improving water supply security, quality and reliability.	+