



## Environment Victoria submission to Project Impact Assessment of the Sugarloaf Pipeline Proposal

March 2008

This major infrastructure project is intended to transfer 75GL of water from the Goulburn River to Melbourne each year starting in 2010. Despite the many hundreds of pages of documents in the Project Impact Assessment, it fails to adequately assess three key areas.

### 1. Impacts on the Goulburn Catchment

The Sugarloaf pipeline is intended to export up to 75GL water from the Goulburn River to Melbourne each year. Melbourne Water's Bulk Entitlement of 75 GL is proposed to come from water savings generated by the Food Bowl Modernisation Project (FBMP)<sup>1</sup>.

However, the Sugarloaf Pipeline is due for completion in 2010, and water delivery to Melbourne is guaranteed in 2010/11, before FBMP savings become available in 2012 at the earliest<sup>2</sup>. In the interim the Victorian Government intends to use water from existing environmental entitlements, including the Goulburn/Broken Water Quality reserve (held in Lake Eildon) and existing water saving projects (Central Goulburn 1-4 Channel Automation and Shepparton Irrigation Area Modernisation) where the savings are already committed to the Living Murray and Snowy Initiatives. So far, there has been no assessment of the impact on the health of the Goulburn, Broken, Murray and Snowy systems of diverting this interim water that was to be used for environment to Melbourne.

The Northern Region Sustainable Water Strategy Discussion Paper<sup>3</sup> provides extensive assessment of the predicted impact of climate change on inflows to the Goulburn catchment. If conditions of the last 10 years continue, inflows into the Goulburn will decline by 36%. The environment will bear a disproportionate share of this decline, as environmental flows will decrease by up to 55%. The impact of climate change on the proposed FBMP savings is unknown.

The Goulburn already supplies over 80% of its water for consumptive use<sup>4</sup>. and has no reaches below the Eildon Dam in either good or excellent condition<sup>5</sup>. However it is home to several EPBC listed fish species, including Murray Cod, Trout Cod and Macquarie Perch<sup>6</sup>. Appendix C of the PIA argues that, regardless of whether the 75 GL being extracted is replaced by 'savings', that extraction will not

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<sup>1</sup> Victorian Government Response to Food Bowl Modernisation Project Steering Committee Final Report [http://www.ourwater.vic.gov.au/data/assets/pdf\\_file/0011/2414/Response\\_to\\_FBMPS\\_C\\_Final\\_Report.pdf](http://www.ourwater.vic.gov.au/data/assets/pdf_file/0011/2414/Response_to_FBMPS_C_Final_Report.pdf) viewed 29/1/08

<sup>2</sup> Food Bowl Modernisation Project Steering Committee Final Report, November 2007

<sup>3</sup> Northern Region Sustainable Water Strategy Discussion Paper. DSE, 2008

<sup>4</sup> State Water Report 2005/06, DSE 2007

<sup>5</sup> Index of Stream Condition 2004, DSE

<sup>6</sup> Goulburn Broken Regional River Health Strategy, GBCMA 2005.

matter because the Goulburn River in the vicinity of the extraction point at Yea, and downstream to the Goulburn Weir is in a relatively degraded state and that the native fish fauna is degraded. It states that the river is no longer suitable habitat for Murray cod, Trout cod and Macquarie perch, EPBC and FFG Act listed species that were once present in the river in large numbers.

This statement is not true, at least in part. Trout Cod larvae are appearing in the lower Goulburn for the first time in many years and any further water extraction is a direct threat to the maintenance of a successful breeding population of this nationally endangered species. Murray Cod have recently been relocated from a drying Lake Mokoan to a site near the proposed pumping station and are by all accounts thriving. The Flora and Fauna Guarantee Act requires that all species be able to flourish in the wild and to allow the river to degrade further would be contrary to good river management. Any extraction of water for Melbourne must be conditional on the overall river health being improved.

The Victorian Government has excluded other means of acquiring water from the Goulburn to send to Melbourne, in particular purchasing water on the market<sup>7</sup>, due to fears that buying significant amounts of water would inflate the price and distort the market. There is little evidence to suggest that this would actually happen as Coliban Water and Central Highlands Water have both successfully bought for transfer to Bendigo and Ballarat through the Goldfields superpipe. Other tender processes in the Murray Darling Basin, for example by the Living Murray and Water for Rivers, have also been successful. If Melbourne were allowed to buy water on either the temporary or the permanent market, it would reduce the need to use existing environmental entitlements before FBMP savings become available, and allow more of the FBMP savings to be returned to the environment to help mitigate the effects of climate change.

## **2. Energy supply and greenhouse gas emissions**

Pumping water over the Dividing Range will be an energy intensive process. The pipeline will lift water from an elevation of 170m at Yea to an elevation of almost 400m at the top of the Divide. Melbourne Water estimates that direct CO<sub>2</sub> equivalent emissions will be up to 100,000 tonnes pa. Pipeline construction, including vegetation clearance, will create additional greenhouse gas emissions. The PIA does not address how these emissions will be offset. Since the principal driver for the project is to secure Melbourne's water supplies against the impact of climate change, it is doubly important that energy for the project come from renewable sources and that a commitment be made to create a dedicated supply.

## **3. Melbourne's need for water supply augmentation.**

The Central Region Sustainable Water Strategy<sup>8</sup> identified many options for reducing Melbourne's demand for water by a combination of conservation, efficiency, reuse and recycling options. Melbourne residents have responded well to calls to curtail water use and the city's consumption is currently at its lowest level since 1982/83<sup>9</sup>.

The 'Our Water Our Future - The Next Steps of the Government's Water Plan', with its significant augmentation of supply, threatens to undermine this conservation effort by a return to unrestricted

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<sup>7</sup> Victorian Government Response to Food Bowl Modernisation Project Steering Committee Final Report [http://www.ourwater.vic.gov.au/data/assets/pdf\\_file/0011/2414/Response\\_to\\_FBMPPSC\\_Final\\_Report.pdf](http://www.ourwater.vic.gov.au/data/assets/pdf_file/0011/2414/Response_to_FBMPPSC_Final_Report.pdf) viewed 29/1/08

<sup>8</sup> Central Region Sustainable Water Strategy, DSE 2006.

<sup>9</sup> Minister for Water media release 4/3/08

[http://www.dpc.vic.gov.au/domino/Web\\_Notes/newmedia.nsf/798c8b072d117a01ca256c8c0019bb01/7d2bb3bd1d9f03adca257401007c4f1e!OpenDocument](http://www.dpc.vic.gov.au/domino/Web_Notes/newmedia.nsf/798c8b072d117a01ca256c8c0019bb01/7d2bb3bd1d9f03adca257401007c4f1e!OpenDocument)

water use. Many other cheaper and more energy efficient options of augmenting supply remain to be explored, such as a city wide roll out of water tanks, stormwater harvesting and indirect potable reuse.

While the allocation of water savings from the FBMP has been set outside the Terms of Reference for the PIA and Advisory Panel, whether or not Melbourne actually needs this augmentation of its water has not and should be assessed.

### **Other pipeline impacts**

The Sugarloaf pipeline covers a width of 30 metres for a length of 70 km. Approximately 245 ha of the corridor is vegetated of which 90 ha is forested. The extent to which the remainder is native or exotic is unclear but includes areas of native grassland with accompanying rare fauna. There are a number of threatened species on or near the route which are listed under the state Flora and Fauna Guarantee Act and/or the federal Environment Protection and Biodiversity Protection Act.

The documentation acknowledges that the project will cause habitat loss and fragmentation including permanent loss of high quality habitat within some areas, and that this will *result in more limited movements of all fauna, but particularly ground-dwelling fauna.*

The documentation also points out that *“Pipeline construction could pose a serious risk for the introduction of environmental weeds, especially in areas of intact native vegetation such as the Toolangi State Forest, Hunts Lane Rise, Christmas Hills Escarpment, and Sugarloaf Reservoir and Reserve. In addition, existing environmental weeds may be spread throughout the survey corridor by construction machinery.*

*There is potential for the Phytophthora cinnamomi pathogen to be introduced and/or spread throughout the survey corridor, particularly within Toolangi North LU. This would lead to significant negative impacts on the ecological integrity of this area.*

*Chytridiomycosis, the disease caused by the Amphibian Chytrid Fungus is listed under the EPBC Act as a Key Threatening Process. Potential exists for Chytrid Fungus pathogen to be introduced and/or spread to parts of the study area, particularly damp areas. It may be spread by infected water or wet soil being moved across the landscape on boots, equipment or machinery (p45). Spread of chytridiomycosis could lead to significant and potentially catastrophic impacts on amphibians within these areas, and may impact populations of **Growing Grass Frog** if found to be present within these LUs”).*

Coupled with the impacts on EPBC listed species such as the Regent Honeyeater, Matted Flax Lily and Striped Legless Lizard, it is clear that the pipeline and associated infrastructure will have a significant impact both in the local area and more broadly in view of its contribution to greenhouse gas emissions and its impact on the Goulburn River. These impacts must be considered in the cost-benefit analysis of whether the pipeline should go ahead.

For further information, please contact

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