

VICTORIAN DESALINATION PROJECT

FREQUENTLY ASKED QUESTIONS

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PROJECT OVERVIEW

What does the project involve?

The desalination project includes the design, finance, construction and operation of the desalination plant, marine structures, an 84 kilometre transfer pipeline, delivery of an 87 kilometre underground power supply for the project and the purchase of renewable energy.

It is the largest seawater desalination plant currently being developed in Australia, and one of the largest reverse osmosis plants being developed in the world.

It will supply up to 150 billion litres of water a year to Melbourne, Geelong and, via other connections, South Gippsland and Westernport towns.

The project's production capacity represents approximately one third of Melbourne's annual water needs from a source that is entirely independent of rainfall.

It will be constructed in three 50 gigalitre (GL) modules, which will provide significant flexibility for the state's supply needs.

Why does Victoria need a desalination plant?

Population growth, climate change and the drought of recent years means Victoria needs to plan carefully to manage its future water requirements.

The desalination plant is just one of a number of measures being put in place to guarantee the reliability of our future water supply.

The major benefit of desalination is that it can continue to deliver high quality drinking water even if there is no rain.

Where will the plant be located?

The plant is being constructed just outside of the town of Wonthaggi on the Bass Coast.

Why was that site chosen?

A Seawater Desalination Feasibility Study prepared by Melbourne Water – and one of several investigations into ways to address shortfalls in Melbourne's water supply – examined a range of possible options in terms of plant size, location and project timing.

Four locations were short listed in the study – the Surf Coast, Port Phillip Bay, Western Port and Bass Coast.

Wonthaggi was chosen because of its ready access to high quality, high activity ocean water for the supply of seawater and rapid dispersal of the saline concentrate, a suitable site terrain, and the suitability to link into Melbourne's existing water supply.



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How much will it cost?

The capital cost of the project is \$3.5 billion.

On a megalitre per day output capacity basis, the capital cost of the desalination plant itself is comparable to that of the Sydney desalination plant, and less than that of the Brisbane and Adelaide plants.

The Victorian desalination plant also has a greater investment in architecture and landscaping than any other Australian desalination plant.

The total maximum net present cost to the State over the 30 year contract term of the project is \$5.7 billion.

This includes construction, financing and operating costs, and using 150 billion litres of water every year for the next 27.75 years (the full contract operation period).



Who is building the desalination plant?

The Victorian Desalination Project is being delivered as a Public Private Partnership (PPP).

The Victorian Government, through the Department of Sustainability and Environment Capital Projects Division, has entered into an agreement

with AquaSure who will finance, design, build, operate and maintain the desalination plant.

AquaSure brings together three companies, all leaders in their fields:



Degrémont

– a SUEZ ENVIRONNEMENT company and world leader in reverse-osmosis desalination technology



Thiess – one of Australia's largest and most trusted construction and services companies, and



Macquarie Capital – the world's strongest and most experienced infrastructure advisor.

Thiess Degrémont has been contracted to design and build the plant for AquaSure.

When will the plant be completed?

AquaSure has committed to delivering water by the end of 2011.





How has the project evolved?

- 19 June 2007:** Victorian government released its Water Plan, a suite of strategic projects designed to secure Victoria's water future.
- The Plan included the development of a seawater reverse osmosis desalination plant on the coast near Wonthaggi.
- 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.
- The PPP process enables the Government to tap into private sector expertise in designing, building, financing, operating and maintaining the Project (in this case for 30 years) before handing it back to the Government.
- December 2007 – January 2009:** The Minister for Planning decided that an Environment Effects Statement (EES) was needed for the project (this was a 12-month public process, assessing the potential environmental and social impacts of project).
- As part of the process an Independent Expert Group (IEG) was appointed to provide advice on the design and soundness of key studies.
- March 2009:** The Federal Minister for Environment, Heritage and the Arts approved by the project under the Environment Protection and Biodiversity Conservation Act, and the Environment Protection Authority issued a Works Approval.
- 4 June 2008:** The Victorian government called for Expressions of Interest (eight submissions were received).
- 30 September 2008:** Two bidders shortlisted to tender (AquaSure and Basswater).
- October 2008:** Tender documents released (6 month tender period).
- 30 July 2009:** The Government announced AquaSure as the winning bidder.
- 28 September 2009:** Thiess Degrémont commenced earthworks on site.

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Design as at January 2010.

CONTACT US

Visit the Victorian Desalination Project Community Information Centre
Shop 2, 33–35 Murray St, Wonthaggi

Opening hours

Tuesday–Friday 9.30am–4.30pm, Saturday 9am–12pm.



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JUNE 2010