



# State Budget 2008

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FROM THE MINISTER FOR WATER

Tuesday, 6 May, 2008

## GOVERNMENT DELIVERING ON VICTORIAN WATER PLAN

The Brumby Labor Government's 2008-09 State Budget delivers \$865 million in funding for key water projects across Victoria including projects in the \$4.9 billion *Next Stage of the Government's Water Plan*, released in June last year, Water Minister Tim Holding said today.

Mr Holding said the record investment in major water projects would provide water security for Victoria for the next 50 years.

"The Brumby Labor Government is taking action, delivering a water plan that will secure water supplies for communities across Victoria, for our farmers and for our rivers," Mr Holding said.

"Climate change, 11 years of drought and the lowest streamflows in our history mean Victoria can only secure its water future through saving water and creating new water.

"The Brumby Labor Government's comprehensive Water Plan delivers the right balance of saving and creating new water – and sharing that extra water between farmers, towns and rivers."

Funding in the 2008-09 State Budget includes:

- \$600 million over six years for the Food Bowl Modernisation Project as part of the \$2 billion State and Commonwealth irrigation modernisation project for northern Victoria which will capture approximately 425 billion litres of additional water annually;
- \$10 million for the 53km Hamilton-Grampians Pipeline which will transfer up to two billion litres of water savings from the Wimmera-Mallee Pipeline to the Hamilton system;
- \$99 million to fast-track completion of the Wimmera-Mallee Pipeline, which will save more than 100 billion litres by replacing 17,000 kms of open channels with 8,800 km of closed pipes;
- \$20 million for the Geelong to Melbourne Pipeline;
- \$18 million for regional councils over four years to reduce the impact of water unbundling on council rates;
- \$117.4 million for the first stage of the \$3.1 billion desalination plant at Wonthaggi, to be recouped from Melbourne Water; and
- a \$635,000 contribution to the Murray Darling Basin Commission.

He said the Government foreshadowed in June last year that average water bills were likely to double in Melbourne to help pay for key water projects, such as the desalination plant and the Food Bowl Modernisation project.

“We are all going to pay more for our water bills to help fund this record investment in water projects and to secure our water supply,” Mr Holding said.

“In regional Victoria, water projects receive large subsidies from the State and Commonwealth governments to reduce the impact of water projects on water bills.

“Concessions for water bills for low-income earners have been increased by \$41 million to help offset the rise in water bills to fund these water infrastructure projects.”

Mr Holding said the prolonged drought had taken its toll on the Murray River and other rivers around Victoria.

“Victoria recently signed up to the Commonwealth’s national agreement for the Murray Darling Basin – an agreement that will now deliver better outcomes for Victorian irrigators and the Murray River,” he said.

He said the Brumby Labor Government was taking action on water in another crucial way, undertaking the biggest water projects in the State’s history.

“Since 1999-2000, we have committed total funding of \$2.6 billion to water projects with water authorities spending an additional \$5.3 billion over the same period,” Mr Holding said.

The Brumby Labor Government has also committed \$110 million to the Natural Resources Investment program.

The funding will support volunteer groups, agencies and regional communities to undertake activities that address key environmental issues including conserving species and habitat, maintaining productive and sustainable landscapes, tackling salinity and water quality and responding to climate change.