

**Southern Rural Water  
Werribee Reconfiguration Project  
Customer Reference Group Meeting #5  
23 October 2024, 2:00pm to 3:30pm**

**Meeting Notes**

**Introduction**

The Terms of Reference for the Werribee Reconfiguration Project Customer Reference Group (CRG) provide that the meeting facilitators will provide a summary report of each meeting to participants. At the first meeting of the CRG, the members and facilitators agreed that the facilitators would provide notes of the meeting rather than a summary report.

CRG members are welcome to provide feedback on these meeting notes if they contain any inaccuracies or omissions.

**Meeting #5**

The Fifth CRG meeting covered the following topics:

- Reconfiguration Project Update from SRW Managing Director
- Project timeline
- 75% of river water needed to transition
- Transition agreement: key terms recap
- Grower engagement during project development
- Grower Cooperative
- Next steps

**Managing Director Update**

Cameron FitzGerald, SRW's Managing Director, recently met with Melbourne Water's and Greater Western Water's Managing Directors, and senior representatives from DEECA, to discuss the reconfiguration project. The three water corporations agreed to progress a detailed business case and request funding from the Commonwealth's National Water Grid Fund for this purpose.

The three water corporations and DEECA would provide \$6 million for the detailed business case and would seek a similar amount from the Commonwealth. The detailed business case would include a comprehensive plan for the reconfiguration that aligns with the growers' 10-point plan. It would include detailed cost analysis of the recycled water project, and detailed consideration of how the project benefits would be shared, and preparation for a "shovel-ready" project.

The three water corporations and DEECA have signed a letter of support for the project and will now progress the federal funding application. Melbourne Water and SRW are open to signing a Memorandum of Understanding with growers, a step growers see as important to demonstrate shared commitment and to support project momentum.

This level of commitment by the three water corporations and DEECA would not have been possible without the input from the CRG and its 10-point plan, which has provided the necessary confidence for stakeholders to commit to investing in the project.

### **Project timeline**

The CRG was presented with high-level timelines for the project.

**Phase 1**, the preliminary business case, is nearly complete and will soon be submitted to the Commonwealth for review.

Following this, if the Commonwealth funds the detailed business case, **Phase 2** would involve developing a detailed business case and is anticipated to take approximately 30 months. During this phase, SRW, Melbourne Water and Greater Western Water will design the project, establish cost estimates, and quantify the benefits—including comprehensive evaluations of grower, environmental and Traditional Owner benefits. By the time the detailed business case is submitted to the Commonwealth, a draft contract with the growers will need to be close to finalised.

Finally, **Phase 3** will be the construction stage, during which the project would be implemented. Contracts with participating growers would need to be signed at the beginning of this phase.

### **75% of river water is needed to transition**

The growers and SRW discussed the commitment required from growers to make the project feasible. Under the reconfiguration concept, growers would transition from their existing river water entitlements to recycled water. The river water entitlements would be shared approximately one third each by Traditional Owners, the environment, and urban supply. The 75% threshold is necessary to ensure a sufficient urban water share, traditional owner share and environmental benefits, as these benefits diminish if the threshold falls below 75%. Although not a strict requirement, this figure serves as a clear guiding benchmark.

SRW clarified that approximately 75% of the water entitlement (around 10 GL of high-reliability water and 5 GL of low-reliability water) is based on the ownership of shares rather than on actual water usage. Growers described how for some, the value proposition is less clear if the buy-in price to the recycled water scheme is the same as the value received for their existing entitlements. Even if there were improvements in water quality and reliability, some growers remain uncertain.

Growers articulated that their current river water entitlements have an established value, and with the government seeking to benefit from the water freed up by reconfiguration, growers want a fair and equitable price for that asset.

SRW outlined the benefits to growers from securing a more reliable, better quality recycled water supply, as river water becomes more saline and less secure in dry conditions.

### **Transition agreement: key terms recap**

The group briefly recapped the key terms of a transition agreement. Growers generally support the process but are not yet ready to finalise any agreements. The specific details of the contracts will be determined during development of the detailed business case, during which growers can have independent representation. Growers reiterated that the agreement will need a lot of detail to make the transition acceptable to them. These details would likely include volume, quality, reliability, price and conditions.

### **Grower engagement during project development and Grower Cooperative**

During the development of the detailed business case, ongoing engagement with growers will be crucial. The contract will need to be nearly finalised before the detailed business case is submitted, with the final signing required before construction commencement.

For the growers, the project will require establishing formal governance structures to ensure unified representation, which will make engagement much easier. To facilitate this, the growers are considering using an entity such as Food Secure Melbourne. The exact form of the coordinating body is still undecided – it could be a cooperative or a not-for-profit incorporated company. This entity would allow growers to engage effectively in discussions, advocate for their interests throughout the project and ensure they get the right deal for reconfiguration. Growers also expressed interest in securing a seat on the project's managing board.

The primary goal is to establish a constructive relationship with SRW, enabling efficient project progression. By working collectively, the group can speed up the process and access advice. Cameron emphasised that this partnership will be key in managing challenges and working collaboratively through any issues that arise.

Food Secure Melbourne would be open to all growers, with broad support expected from the larger grower community. Many growers are primarily concerned about what access to river water will look like (for example in emergency situations) and what the relative costs to sell-out of river water and buy-in to recycled water will be.

### **Next steps**

Not all details need to be settled by the conclusion of the current term of the CRG as stakeholder engagement will continue as the project is developed. Growers and SRW have agreed to close out the current term of the CRG with a ceremony that signals commitment to a cooperative approach to progressing this project.