

Chair's Message

This is my last Chairman's message as I have not renominated for the position of Chairman. The Committee has nominated John Wenske as Chairman for 2009/10. In accordance with a new Charter for Water Services Committees (WSC) the nomination for this role is subject to G-MW Board approval.

Modernisation is continuing in our area. Channels south of the Broken River have been automated over winter. Some 35km of channels across the area have been rationalised. All wheels not rationalised will be changed to new meter outlets before December 2009.

A decision has not been reached yet about piping channels in the Shepparton East area. A further review of the project is underway. Hopefully a decision to finally proceed will be reached soon. Funding for the project will be via the Federal Government's Northern Victorian Irrigation Renewals Project. Channels already automated are being fine tuned for best operating efficiency and service.

G-MW and FutureFlow are working to ensure the new \$2.5m offtake on the East Goulburn Main channel is functioning correctly and providing consistent results to the traditional measuring site. Extra efforts to control weeds in our channels are being introduced as weed infestation interferes with the automated control of channel regulators potentially resulting in overtopping or low water levels in channels.

The Katandra Pipeline project is progressing well and is on target for both budget and time. Customers on the pipeline can look forward to an improved service. The ongoing maintenance problem of the concrete lined channels has now been solved.

As a WSC we will remain vigilant to the needs of the Area to ensure the best outcome of the Modernisation Project with the financial resources at our disposal.

Finally, on behalf of the Committee and G-MW, thank you to Rien Silverstein for her most valuable contribution to



John Horder

the WSC. Rien has taken on a new role with the VFF and as such has not renominated. We welcome Andrew Prentice to the Committee and look forward to his contribution.

Regards

John Horder
Chairman
Shepparton Water Services
Committee

David Irvine
Acting Operations Manager
Shepparton

Modernised system

By the end of 2009, the vast majority of the Shepparton Modernisation project will be completed with works spanning the entire Area. This winter 322 meter outlets (Dethridge wheels) have been installed and 91 rationalised, 172 regulators replaced with automated doors and 14 rationalised. At Katandra 27km of pipeline, 78 new meter outlets and 32 small pipe outlets replace old concrete lined channels and Dethridge wheels.

The Shepparton East proposed pipeline is being reviewed during the early works phase of the Northern Victorian Infrastructure Renewal Program (NVIRP). Customers will be advised as soon as a future direction has been identified.

New Water Services Committee Member

The Shepparton Operations Unit would like to welcome Andrew Prentice to the Shepparton Water Services Committee. Andrew has been appointed to the position vacated by Rien Silverstein as a Horticultural representative on the Committee. We thank Rien for her three years of service to the customers of Shepparton. Andrew has considerable knowledge in the fresh fruit industry, particularly the marketing and packing side of the industry and also brings previous experience as a Board member on a number of Boards including SPC Ardmona. We are looking forward to Andrew's positive and proactive contribution to the Committee.

Shepparton Irrigation Area

Irrigation News

Carryover changes and delivery

The use of carryover as a method to help manage security during times of low allocation has been well accepted by G-MW customers since its introduction in 2007/08. The maximum volume that can be carried over from one year to the next has increased from 30% to 50% of High and Low Reliability Water Shares. The Northern Sustainable Water Strategy has proposed that this limit be increased to the equivalent of 100% of HRWS and 100% of LRWS in a concept called a spillable water account.

Along with proposed changes to allocation policies these key concepts should be understood by all irrigators and interested community members. Information is available on the website www.ourwater.vic.gov.au.

Delivery of carryover is dependant on the delivery system operating. Refer to Operations Plans on G-MW's website for more details.

Customer Survey

G-MW seeks the views of customers on the quality of the service it provides and importantly how it can further improve these services in an annual survey.

The survey is undertaken with 20% of its customers representing channel irrigation, river diversion and groundwater users across an area of 68,000 square kilometers, roughly the size of Tasmania.

The information gathered in the survey is extremely valuable for G-MW to gauge its performance and identify areas for change or improvements.

Results from the survey, expected to be complete before September 2009, will be used to guide G-MW business operations and services to its 32,000 customers.

Web Use Increase

The end of the 2008/09 irrigation season marked a 50% increase in ordering over the internet by irrigation customers. As customers become aware of the new features available and how easy it is to use, G-MW anticipates the use of internet ordering will continue to increase.

On average, 350 orders were processed each and every day of the 2008/09 irrigation season, with one third of those orders placed through the internet.

Placing orders via G-MW's traditional WaterLINE phone service continues to be available and used by many customers, but we are seeing a larger proportion of our customers take up internet as their preferred method of ordering water.

Operations Plans

With low water allocations again likely for the 2009/10 season G-MW will continue to provide Operation Plans for each of its Irrigation Areas and regulated systems to provide customers information on how these systems will be operated.

These plans will be updated following each allocation announcement which occur on the 1st and 15th of each month (or the next business day). The Operation Plans specify how customers can access water for essential household needs, domestic and stock, and where delivery of any water in Allocation Bank Accounts might be possible, including allocation carried over from 2008/09.

Operation Plans are especially important when the seasonal allocation is less than 1% of HRWS as any operation of the system must be within the water available for system operating requirements. Operating Plans are available on the G-MW website

www.g-mwater.com.au



G-MW Case Studies

Modernisation of northern Victoria's irrigation network is already delivering dividends for farmers and other water users across Northern Victoria according to five case studies released by the region's system manager G-MW.

At this early stage of the 5-10 year modernisation program G-MW wanted to provide the broader community with some tangible examples of how channel automation, channel lining and new meters are improving the operation of the system, improving water efficiency and also enhancing our services to our customers. Losses like spills, seepage, leakage and meter error all delay allocations and also reduce the amount of water that is available for allocation and delivery to farmers, local communities and the environment.

All case studies are available from the G-MW website www.g-mwater.com.au/modernisationcasestudies

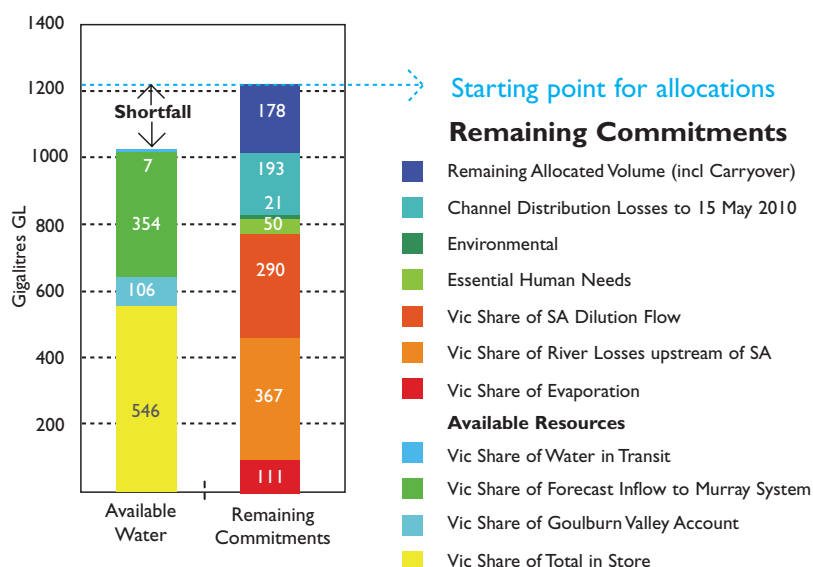
Shepparton Irrigation Area

Irrigation News

Water Allocations - Information On Resource Position

G-MW released the first information on 2009 allocations and resources on the 1st of July 2009 and will provide updates on the 1st & 15th of each month or next business day. At 1 July 2009 there was insufficient resources to enable allocations on any of G-MW's six regulated systems including the Murray, Goulburn, Broken, Campaspe, Bullarook and Loddon Systems.

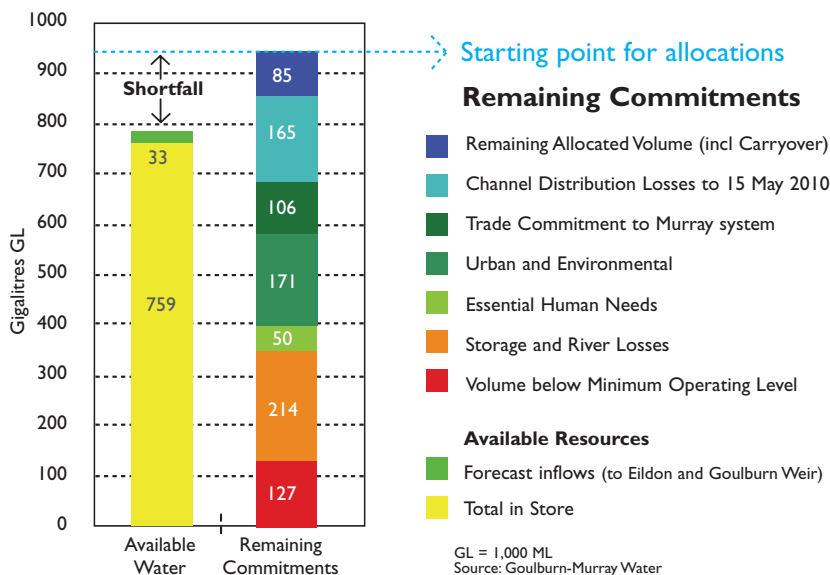
To provide customers access to detailed information on the resource position, in particular what is the shortfall before allocations are made, G-MW has established "Rocket Diagrams" indicating details of the volume of water available and commitments to be met prior to allocations being made. The two diagrams included below indicate the position on the Murray & Goulburn systems as at the 17 August 2009. Current information on all systems is available on G-MW's website www.g-mwater.com.au under the Customers Services/G-MW Drought Response tabs.



GL = 1,000 ML
Source: Goulburn-Murray Water

Breakdown of water in store and commitments
17 August 2009

Murray System



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Source: Goulburn-Murray Water

Breakdown of water in store and commitments
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Goulburn System

2009 Season Update

Customer Service – information or advice

When it comes to managing water entitlements, there is no doubt the unbundling of water has provided customers with greater flexibility and choice than ever before.

Customers now need quick access to information to support their decision-making and to help make the best use of all the available options.

Over the past two years the value of water trading transactions has increased dramatically. Water Administration staff regularly process transactions which are equal in value to a family car or a house.

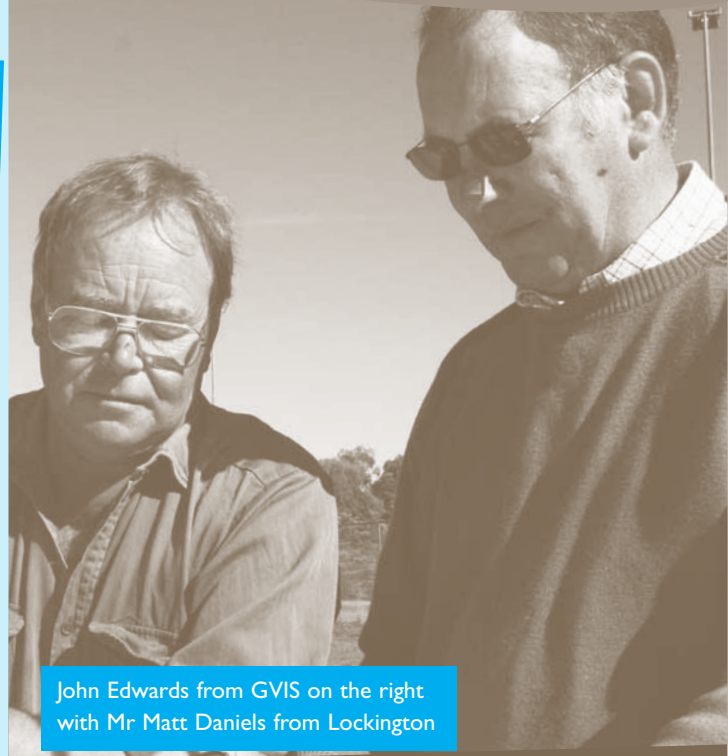
Customers will often ask G-MW staff “what should I do” or to fill out forms on their behalf.

Unfortunately we can't give that type of advice - we can't tell people what they should do, or fill out forms on behalf of customers. These are personal and important decisions based on individual circumstances and options.

What we can do is provide customers with quality information. We can tell you all we know about an issue and the consequences of an action, but at the end of the day, customers have to make the final decision about what they will do with their valuable water assets.

G-MW recommends customers always seek professional advice from qualified people such as solicitors and reputable water brokers. These professionals have plenty of experience in providing sound advice to their clients about the wide range of water management options.

Allocation Bank Account Statements have now been issued to G-MW customers. G-MW is urging all customers to keep their ABA statements in a safe place for reference when completing water trade applications as the statements include references such as ABA, WEE and WUL numbers. The statements recently issued include details of allocations, successful trades and usage against the account from July 1 2008 to June 30 2009.



John Edwards from GVIS on the right with Mr Matt Daniels from Lockington

NVIRP Update

The 2009 winter works for Stage 1 of the \$2 billion irrigation upgrade is now complete with over 1000 more regulator gates installed during the current winter shut-down.

Northern Victoria Irrigation Renewal Project (NVIRP) CEO Murray Smith said, although we had a slow start to the works this winter because of rain, we have been able to install another 1000 gates in backbone channels throughout Torrumbarry, Murray Valley, Rochester, Pyramid-Boort and Central Goulburn Irrigation Areas.

“We are now two thirds through the replacement of these regulator gates and the replacement of on-farm outlets is continuing.

“NVIRP's Modernisation Coordinators will continue to work with G-MW customers to make sure that the connections program is assisting them to review their farm operation and to take advantage of the modernised backbone.

“This is a time of great change in the irrigation industry and we encourage all landowners to rethink what will make their enterprise more profitable in the future and discuss these options with our Modernisation Coordinators and Farm Irrigation Designers.

Modernisation Coordinators for all Irrigation Districts can be contacted by phoning NVIRP on 1300 163 006.

Report maintenance issues

If there are any maintenance issues associated with G-MW infrastructure that require attention, please report them to the Shepparton office on 5832 9900. The site will be inspected and depending on the type of action to be taken the works will be prioritized and scheduled for repair. All customers who report such requirements will be advised of the proposed action.

Your assistance helps us provide the best service possible for all customers.

WSC changes

The Board of G-MW have appointed 6 new members to its customer advisory WSC. A further 21 representatives have been reappointed and join a customer committee network that includes more than 100 customers from across G-MW's service region.

The formal appointment of Committee members by the G-MW Board follows a nomination by public election process which commenced in April this year. Elections were held in two Areas where there were more candidates than positions available on the Committee. Local irrigators voted for their preferred nominees.

All of the Committees provide advice to G-MW and discuss policy matters impacting on local water users in their area. Your WSC members are listed on the back of this newsletter.

FutureFlow update

FutureFlow G-MW's Alliance is delivering a significant portion of the overall irrigation renewal works in the Goulburn Murray Irrigation District. These works are being delivered through three projects; **CG1234 Project, Shepparton Modernisation Project and NVIRP Early Works.**

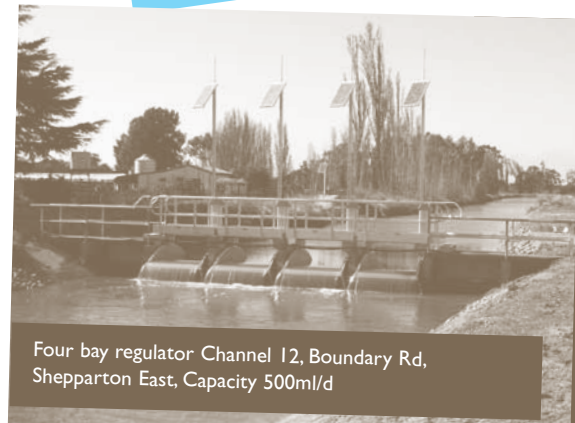
The current status of FutureFlow's component of these projects are:

- NVIRP Early Works – All works are now complete. 1000 FlumeGates, 1200 meter outlets, 5km of plastic lining and 18 radio towers have been completed.
- CG1234 – 22km of plastic lining and 70% of the 620 meter outlet upgrades are complete. Meter outlet upgrades are continuing and will be completed by December 2009
- Shepparton Modernisation Project – All 700 FlumeGates, 27km of pipeline at Katandra, 35km channel rationalisation and 40% of the 1800 meter outlet upgrades are complete. Meter outlet upgrades are continuing and will be completed by December 2009

Using G-MW's telecommunications network, FutureFlow will be reviewing the performance of each new meter outlet once customers have irrigated through them. To date, the vast majority of meters have performed to design and customer expectations. Where performance issues are identified, FutureFlow will resolve these issues in consultation with the customer.

Once completed, the FutureFlow project will have delivered \$290 million of work, integrating 2,000 kilometres of irrigation channel and 3,800 irrigation infrastructure assets into G-MW's automated IT-based channel delivery system.

FutureFlow's works have been completed ahead of time and under budget. This has been achieved through the dedicated alliance staff, contractors and suppliers. FutureFlow would also like to take this opportunity to show our appreciation to G-MW's customers who have demonstrated remarkable co-operation in challenging times. Your support has been crucial to the success of the project.



Four bay regulator Channel 12, Boundary Rd, Shepparton East, Capacity 500ml/d



New metre outlet, Slip gate with magflow meter and Rubicon pedestal



Katandra channel 24, laying 120mm diameter HDPE pipe – location between Inverness and Sidebottoms Road

Costs of Modernisation

“Whole of Life Project”

G-MW has now completed the “Whole of Life Project” which looked at the impacts that modernisation will have on our irrigation network and how this will shape the future price path for customers. The Whole of Life Project involved extensive modelling covering three primary scenarios.

1. A Base Case which looked at G-MW in its current form, including the Shepparton and Central Goulburn 1-4 Modernisation Projects, however assuming no further modernisation, ie without NVIRP.
2. An NVIRP Stage 1 Scenario, which modelled the system where the backbone is established, automation of the backbone and replacement of all dethridge meter outlets on the backbone with magflow meters undertaken. This scenario also assumed the rationalisation of 28% of channels, not on the backbone and the movement of delivery share associated with these assets to the backbone.
3. This scenario assumed G-MW would only operate the backbone and that all “spur” channels are rationalised, with the associated delivery shares transferred to the backbone. These customers would either be “connected” through 1 to 1 connections or syndicates.

This work identified the key cost drivers in the modernised system. Assets such as magflow meters, automatic regulators, the software and hardware associated with running these assets have been identified as major cost items. The combination of these costs with the reduction in future liability for assets rationalised, and connections established were modelled to demonstrate the impact on future prices.

We will now be working through the results of this project with our Water Service Committees and NVIRP's Modernisation Committees over the coming weeks.

Copies of G-MW's Whole of Life cost review Executive Summary are available from www.g-mwater.com.au/wholeoflife. The full report will be available in the near future.

Rural Support Line 1300 655 969

Lifeline 131 114

Beyondblue 1300 224 636

contacts

To place an order go to Waterline online via G-MW's website or phone Waterline on 1300 469 469

Internet

www.g-mwater.com.au

Hint Add the login page to your favourites.

G-MW can be contacted during normal business hours at any of it's offices.

Shepparton office contact
03 5832 9900

Emergencies

Customers may contact G-MW to report emergencies and urgent matters such as reporting of pollution incidents and illegal activities by using the 24 hours emergency line.

24 hours emergency line:
1800 064 184

WSC MEMBERS

John Horder (Chair)	03 5829 9454
John Wenske (Deputy Chair)	0427 499 615
Jamie Craig	03 5826 9468
Ian Klein	03 5828 8350
Alan Strang	03 5829 8481
Max Hyland	03 5829 2271
Craig Reynolds	03 5828 8202
Andrew Prentice	03 5829 2411

Drainage Tariff Review

A review of the way G-MW recovers the cost of providing drainage services has commenced. The tariff review will cover Surface Drainage, Community Surface Drainage and Drainage Diversion Services.

The process has been initiated following requests from Water Service Committees and individual customers for G-MW to review the current Drainage Diversion tariff. Ongoing drought, modernisation and improved farming techniques have resulted in the water available in drains for diversion being dramatically reduced. In these changing times it is timely for a fresh look at the way costs are recovered for drainage services.

Stakeholder Reference Committees that include customers have been established to ensure customers have input into the future tariff options. A significant amount of preliminary work has already been done and several options developed for discussion. Some initial consultation with WSC's has also occurred.

Prior to more formal and extensive consultation, financial modeling of the different options will be completed to provide information for a selection of practical options. Following consideration by the Reference Committee, options considered practical, will be progressed to formal customer consultation.

Board approval is required for any changes to the existing tariff. It is expected that the process will be completed in time for any proposed changes to be implemented in the 2010/11 year.

Customers wanting to have an input into the process will be able to attend one of the public information sessions which will be advertised once details are confirmed or can contact the local Area Office for details of Reference Committee members.