

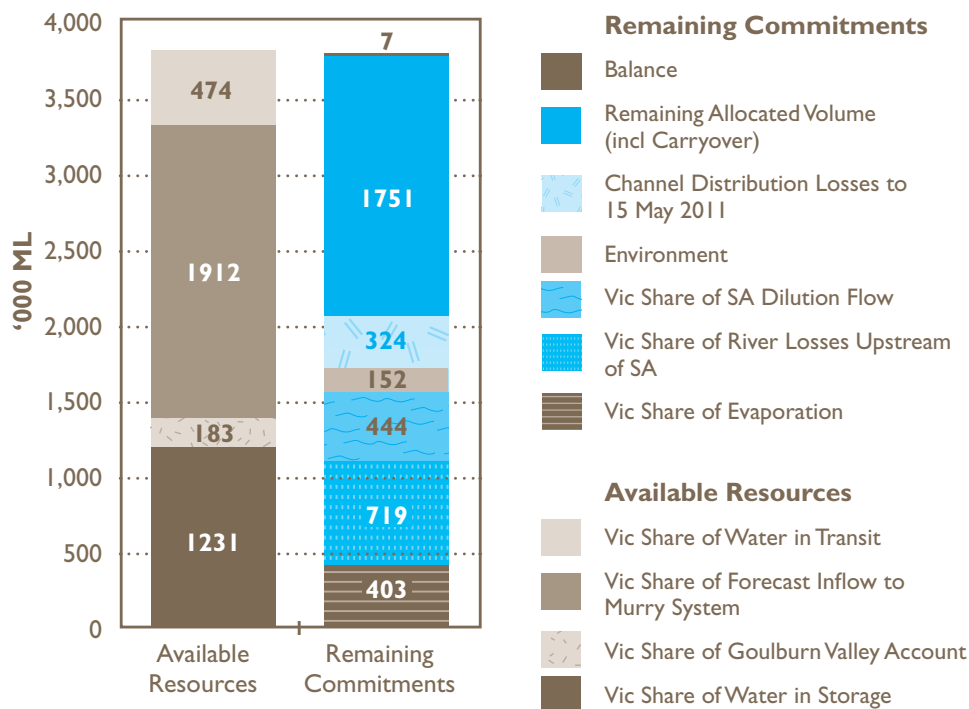


irrigation news

Murray System Allocations

G-MW publishes system resource diagrams with each allocation announcement. The diagrams show how the available resources have been allocated under the Victorian Water Sharing Rules. The full list of definitions is available from our website.

Breakdown of Water in Store and Commitments – 15 September 2010



Season outlook Murray System

The recent floods illustrate how rapidly system outlooks can change in response to seasonal conditions. The outlooks are a guide to assist you in planning for the season ahead – they do not predict if we will have dry, wet or average rainfall, they indicate the likely resource position if we have these rainfall conditions. The outlooks are updated on the 15th of each month for systems with allocation under 100%.

Inflow Conditions	15 Oct 2010	15 Dec 2010	15 Feb 2011
Wet	100%	100%	100%
Average	100%	100%	100%
Dry	100%	100%	100%

Trading & Ballot

G-MW has completed processing of water share applications received as part of the 2010 Water Share Ballot. G-MW approved 588 of the 877 applications received including 512 high reliability water shares applications involving more than 69,800 ML along with 74 low reliability water share applications involving nearly 5,384 ML.

To check current 4% water share transfer limits visit www.waterregister.vic.gov.au/Public/Reports/WaterTradeFourPercent.aspx

G-MW is now processing applications received since 9 July 2010. G-MW will continue to process water share transfer applications that are not affected or exempted from the 4% limits.

Rural Support Line 1300 655 969
Lifeline 131 114
Beyondblue 1300 224 636

contacts

Torrumbarry Office
03 5451 0111

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

Emergencies

To report emergencies and urgent matters such as pollution incidents and illegal activities call by using our 24 hour emergency line.

24 hour emergency line:
1800 064 184

WSC MEMBER

- Paul Bethune 0439 508 757
- Brian Boulton 0428 302 244
- Charlie Gillingham 0457 719 874
- Ross Gordon 0427 562 169
- Margot Henty (03) 5456 8372
- Bruce Jones 0438 307 164
- Andrew Leahy 0408 500 875

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E-News

Subscribe online today at www.g-mwater.com.au to receive the latest information from G-MW to help you plan your water use and trading. The service is free and you will receive updates delivered direct to your email twice a month.



Central Murray OPERATIONS



Chair's Message

The 2010/11 year is already far more promising than at the same time in the past few seasons with good inflows in all catchments as highlighted by recent flood events on the Murray, Loddon and Avoca Rivers.

I would like to congratulate Margot Henty & Brian Boulton on their re-appointment to our Water Service Committee. I would also like to welcome Daniel Irwin back to the area as our new Operations Manager. Daniel will be a great asset to the area as we move in to a period of change.

Recently myself and other WSC Chairs met with the Board of G-MW where G-MW outlined their 'change' agenda for the next 12 months. G-MW aims to maximise the benefits of a modernised irrigation system for all customers.

As we know NVIRP will complete modernisation of the channel backbone (Stage 1) by

2013 and continues to finalise more and more connections with G-MW customers as it rapidly progresses towards the 2018 finish date. By 2018 G-MW and NVIRP's vision is that every channel delivery customer will be connected to a common user system (the backbone) by a connection which is owned by one or more landowners and managed by them. Which also means around 50 percent of the current channel network will be under G-MW's management.

This will mean major changes for G-MW's business. For this reason, G-MW intends – in partnership with stakeholders and customers – to develop a 7 year transition plan that will provide greater certainty, appropriate planning signals for customers and create a smooth transition for the business to meet its future functions.

G-MW is already planning a consultation program, and in



Charlie Gillingham
Chair, Torrumbarry WSC

future newsletters we will keep you updated on this program.

Over the past few weeks my fellow WSC members and I have fielded calls from customers asking about their water charges. There are a number of changes to how G-MW is calculating the prices this year, but the key point is the changes will impact differently depending on what mix of services you have. If you have any concerns regarding your water charges, then I would encourage you to contact your local G-MW office on 5451 0111.

Manager's Message

We have been carefully monitoring the progress of flood water through the region and have been a part of the local emergency response arrangements under the leadership of the SES.

At this stage we have no major asset damage at the storages or down through the delivery network. There have been some minor issues that our team has addressed but overall we are well placed to begin operations as soon as there is demand.

Over coming weeks please consider checking water taken from on-farm dams, channels and rivers to ensure its safe. G-MW's supplies are not treated and are not fit for consumptive use, but we ask you to be extra careful given the debris and other

contaminants that could have washed into water ways over recent weeks.

Increased flows in the river systems have also provided G-MW with an opportunity to harvest water into Kow Swamp, Lake Charm, Kangaroo Lake and Lake Boga as part of the Victorian Mid-Murray Storages. These storages are now approaching capacity and will be able to be called on during the season to release water back to the Murray system to meet demand.

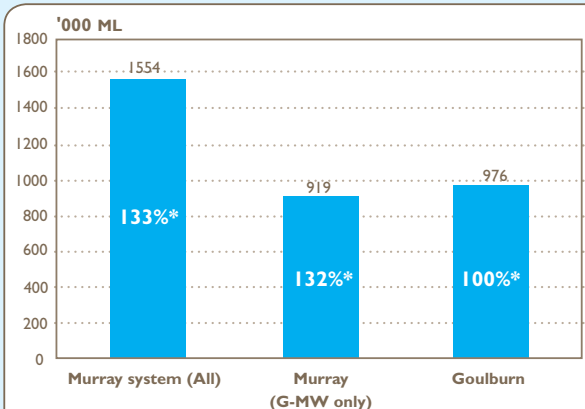


Daniel Irwin

Volume Allocated but not delivered

This year across all systems more than 850,000 ML of water was carried over for use in the current season. Carryover is not identified as a specific volume in a storage because the carryover is stored across the entire system. Its not possible to determine the volume of carryover unused at a point in the season because carryover, like water purchases and allocations is simply identified as allocation in customers' allocation bank accounts. For these reasons G-MW publishes the following tables that indicate the combined volume of carryover, allocation and intersystem trade that is available for trade or use by customers on a system.

Allocation available for use, trade and carryover at 15 September 2010

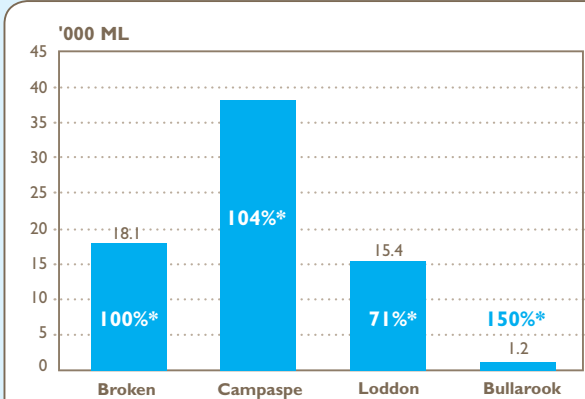


Allocated volume includes allocation carried over from 2009/10 to 2010/11

* Volume expressed as % of high-reliability water share.

** Some estimates of use and trade required for Murray analysis

Allocation available for use, trade and carryover at 15 September 2010



Allocated volume includes allocation carried over from 2009/10 to 2010/11

* Volume expressed as % of high-reliability water share.

Your G-MW Accounts

The amounts that appear on your fixed water charges account depend on your mix of water services and water entitlements. This year a larger proportion of the channel network costs were included in your fixed water charges account, with a smaller proportion to be recovered through to the end of season consumptive water charges account. The move to a higher proportion of fixed charges will help achieve more stable prices for customers by reducing the impact of low deliveries on future prices for your services.

WATER STORAGE SERVICES

What is driving costs?

The entitlement storage fee for Murray System customers has increased by 16.5%. These increased costs for Murray water share owners reflect the Murray Darling Basin Authority's works programs for Hume Dam, Buffalo Dam and the Lower River Murray Locks.

How are water storage service costs shared across customers?

All water entitlement owners pay an Entitlement Storage Fee (Charged per ML of water share) Your storage fee is a fixed charge because the volume of water in a dam does not impact on the dam's operating and capital costs.

DRAINAGE SERVICES

Surface Drainage: From this year surface drainage customers, those who put water into drains, will fund a larger proportion of the costs of operating and maintaining the drainage network. Drainage diversion customer, those who pump water out of drains, will fund a smaller proportion recognising that drainage diversion is a cost effective way for G-MW's irrigation customers to meet catchment strategy objectives, such as protecting river health. From this year the volume of water used to calculate your surface drainage usage charges will include your channel water, deep lead groundwater and river diversions. Previously only your channel deliveries were included in the calculations.

Surface Drainage Diversion: Drainage diversion customers have an important role in ensuring our irrigation networks continue to meet their catchment strategy obligations. From this year diversion customers will contribute a smaller proportion of the overall costs of operating the drainage network and a local site fee applies.

Subsurface Drainage Services: From this season the costs of providing subsurface drainage services will be recovered in full if deliveries are equivalent to a 60% allocation. (Previously 100%). This means that the rate has increased but not the total costs recovered by G-MW.

How are drainage service costs shared across customers?

- ▶ **Service Fee:** Charged per property. The new service fee is \$75, down from \$112.68.
- ▶ **Area Fee:** Charged on the property area (hectares) and reflecting the property's access to the drainage network.
- ▶ **Surface Drainage Usage Services Fee:** Charged on the volume of water used for irrigation.

WATER DELIVERY SERVICES

What is driving costs?

- G-MW's prices were designed to recover the costs of delivering Advanced Maintenance Program (AMP). G-MW has revised the AMP program to ensure it does not spend funds on channels that NVIRP will modernise. Funds recovered but not required for these programs will be used to offset the modernisation investment and other local Area costs.
- Over the next eight years as NVIRP progressively completes its connections program, G-MW will continue to operate and undertake essential maintenance on the delivery network which includes the smaller channels and meters. This will impact on maintenance and operational costs in local areas except Shepparton.

- Irrigators across all Irrigation Areas will share in the savings realised by NVIRP and are contributing to G-MW's \$100 million investment in this program. The investment is recovered from customers as part of the Infrastructure Access Fee. Irrigation Areas with relatively low Infrastructure Access Fees will see a larger percentage increase even though all irrigators pay the same rate per unit (ML/d) of delivery share.
- The increased entitlement storage fees also apply to the loss entitlements required to operate the delivery networks in the Murray Valley and Torrumbarry irrigation areas and are recovered through the network charges.

How are water delivery costs shared across customers in the Torrumbarry Irrigation Area?

The total budgeted costs are shared across 5 separate charges. Each customer's account is different depending on the customer's water use, delivery shares, number and types of service points. The following graph is an indication of how the delivery costs are shared across these fees.

