

GOULBURN-MURRAY
WATER



Shepparton
IRRIGATION AREA

Chair's Message

As we look back on another extraordinary irrigation season, we must remain sympathetic to all that have been affected by the recent floods, and remember for some the recovery will last for a long time to come.

I would again like to congratulate our local G-MW teams for their wonderful job in assisting local authorities during the flood. Some staff worked long hours under difficult situations to ensure that the impact of flood water was reduced for the good of the whole region.

The spring and summer rains, then subsequent floods, have interrupted many irrigators' plans and caused us to use a record low amount of water this season. This has created a large amount of carryover in our dams. For many of you as allocations increase next season this will be the first time that you have carried over enough water to activate your Spillable Water Account (SWA). It is amazing how quickly things have changed!

Recent customer meetings across the Shepparton Irrigation Area were well attended and topics such as carryover and SWAs were discussed. These meetings are an excellent way for customers to become better informed on a suite of operational and policy changes that continue to take place.

Your WSC recently discussed pricing issues and were pleased to discover, following ESC approval, that

increases for next year in the gravity system will be less than anticipated and there will be a small increase in storage fees. We continue to question G-MW to justify price increases, and will continue to advocate for customers to ensure that the impact to customers is minimal.

WSC nominations have been advertised and closed. Nominations have not exceeded vacancies which means there is no need for a ballot and the nominations will now be forwarded to the Board for consideration of appointments.

The Shepparton WSC is in discussion with NVIRP about the modernisation of the Shepparton East area under Stage 2 of the NVIRP Modernisation program. The funding for this project has not been secured yet so no modernisation works will start until after this funding is secured.



Craig Reynolds
Acting Chair, Shepparton WSC

Manager's Message

How quickly situations can change, floods in the spring and summer and record low deliveries has left a significant volume of Carryover in Shepparton irrigators Allocation Bank Accounts (ABAs). More water in reservoirs coupled with a positive outlook for the 2011/12 allocations provides plenty of optimism for all irrigators moving into the new irrigation season. With all this water available to use, we may see a number of the new outlets that haven't been used since they were installed finally deliver some water.

It is pleasing to see customers using the online technology available to them to order water, receive allocation updates and gain information about when your outlet is due to start and stop. This technology is assisting customers with their planning and efficient use of water. If you would like any further information on these tools please speak with your planner or contact your local G-MW office.

Managing the irrigation system is a joint effort and I appreciate the support from customers in promptly reporting leaks and other maintenance issues. This allows maintenance staff to respond to your issue in a timely manner and improve the efficiency of the system.

We are currently undertaking our customer satisfaction survey and we are keen to hear your feedback on G-MW's operations and services. Your feedback will help us improve our service delivery and operations in your local area.

I finish by thanking the Water Services Committee for their contribution in pricing and policy development and implementation for the benefit of all customers in the Shepparton Irrigation Area.



Greg Shannon
Manager, Goulburn-Broken Operations

irrigation news

Water services prices 2011/12

G-MW is required to produce a schedule of fees and charges that will apply for all of its services for the coming year. The schedule is submitted to the Essential Services Commission (ESC) for review. Once the ESC makes its determination the Board of G-MW is required to give its approval before the prices can take effect.

How are prices calculated?

To remain viable, each service must recover the costs of its annual operations and maintenance as well as a proportion of the long term capital costs. This includes recovering shortfalls from previous seasons that may result from low deliveries.

The annual costs are determined in consultation with local Customer Committees who advise G-MW on the trade off between an appropriate level of service and cost of delivering this service standard. The long term capital costs are determined according to a formula defined by the ESC.

Water storage services

Water storage service charges recover the costs of operating and maintaining the water storages. The Goulburn System entitlement storage fee has increased by 28% for high-reliability water shares and 34% for low-reliability water shares for Goulburn allocation customers, and by 18% for HRWS in the Broken, Campaspe, Loddon and Bullarook allocation customers. Goulburn system storage costs have increased to fund more than \$3 million worth of dam safety and improvement works at Goulburn Weir, Tullaroop, Laanacoorie, Hepburn, Nillahcootie and Eildon.

Why is there a difference?

In 2009/10 G-MW recovered revenue from the Goulburn allocation customers in anticipation of funding the costs of pumping the Waranga Basin in that season. Pumping wasn't required so the revenue was returned to Goulburn allocation customers as a reduction from the system fee – Goulburn allocation customers paid \$7.03 per ML while the other system customers paid \$7.65. In 2011/12 everyone returns to the same price which has increased from last year.

- The Goulburn System price averages irrigators' share of the costs for the Goulburn, Broken, Campaspe, Loddon and Bullarook basins across the irrigators who own water shares in these basins. The costs are charged per megalitre of water share.
- Urban water corporations, environmental entitlement holders and water shares not attached to land pay the individual basin price for the water shares they own in each basin.

Water Delivery Charges

Water delivery charges for customers in the Shepparton Irrigation Area have increased by 12% from 2010/11.

Why?

The actual costs of operating and maintaining the Shepparton irrigation network have not increased from 2010/11 however, over the past three seasons, low deliveries have seen this service accumulate \$1.1 million in revenue shortfalls. The shortfalls need to be recovered over the final two years of the current 5 year Water Plan.

Safety around the G-MW network

G-MW customers interact with our assets in many ways across the season. From opening your outlet to lending a hand with temporary G-MW site equipment. Your safety is vital so please make sure you are properly briefed on what is expected of you and the hazards and risks associated with these activities before hand. Call your local area office or talk with a staff member onsite to find out more.

G-MW pricing simulators

No two customers have the exact same combination of water services. G-MW has developed pricing simulators that can help you understand the charges that may apply for your services in 2011/12. G-MW's simulators are available at www.g-mwater.com.au



2011/12 prices do not include irrigators' contribution to the Northern Victoria Irrigation Renewal Project (NVIRP). The first NVIRP payment is now forecast to occur in June 2012. Accordingly, the impact of this is not included in this year's pricing.

Drainage Services

Most customers will see a reduction in their drainage service charges for the 2011/12 season. The service fee and area fees are unchanged, and the water use fee has been reduced by 26%.

Subsurface Drainage prices have increased by \$0.50/ML. Revenue for this service has been less than budgeted over the past three years because of low water deliveries. These shortfalls need to be recovered in the next two years to remain viable in the short term. The service is now moving to a more sustainable footing.

Community Surface Drainage prices have increased by CPI only.

Drainage service charges fund the costs of operating and maintaining the drainage network and services associated with mitigating the impact of irrigation on the natural environment and rivers.

Examples of price impact

Shepparton	Small	Medium	Large
Water Shares (ML) (HRWS/LRWS)	2	100/48	650/312
Delivery share (ML/day)	0.02	1	6.5
Service points (Irrigation)		1	6
Service points (D&S)	1	1	2
2010/11	\$230.92	\$6,932.02	\$41,662.83
2011/12	\$247.17	\$7,695.76	\$46,627.14
Change \$	\$16.25	\$763.74	\$4,964.31

*Examples provide an indication only. The examples assume a customer has storage, delivery and drainage services.

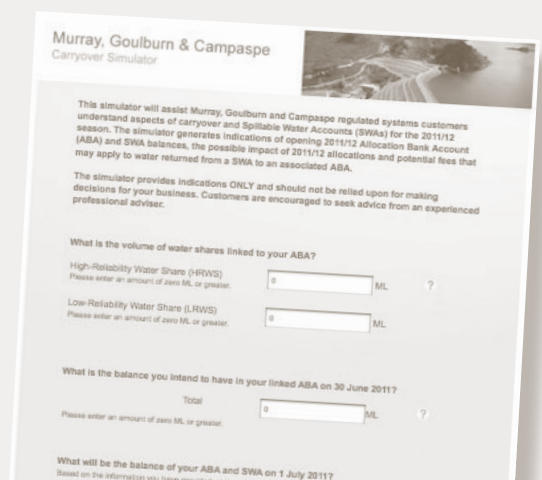
G-MW online Carryover simulators

At 15 June Northern Victorian irrigators had approximately 2,200,000 ML of water in Allocation Bank Accounts and eligible for Carryover into next season.

This is about 1,400,000 ML more than at the same time last year and reinforces the significant improvement in water resources this season.

At this stage, preliminary analysis suggests approximately 1,900,000 ML of this water will be available for trade and use in customers' Allocation Bank Accounts (ABA) from the start of next season, with a further 300,000 ML quarantined in spillable water accounts until there is a spill or pre-release or the declaration can be made. These volumes will be confirmed by the Victorian Water Register at the end of the current year.

Every customer's circumstances are different, so to assist you in understanding how Carryover might fit into your farm planning visit G-MW's online Carryover simulators at www.g-mwater.com.au



Winter Works Update

Winter works are currently underway in the Shepparton Irrigation Area to help improve service delivery for the coming season. G-MW will deliver the following works this winter:

- Bridge construction - East Goulburn Main channel, on Cosgrove Road, Katandra.
- Channel remodeling - on the No.3/12/12 channel on Old Dookie Road.
- Culvert construction - On the following channels, No. 21/12 on Congupna West Road, No.2/28 on Batey Road, Invergordon & No. 5/18 on McKenzie Road, Tallygaroopna.
- Subway construction - on the No. 8/10 channel off Beckham Road, Shepparton East.
- Installing personal access gates on channels to access customer meters and regulators.
- Minor maintenance on channel and drainage structures

Customers and members of the public are reminded to be mindful while moving around the works areas due to the increase in traffic.



Replacing an occupation crossing on channel 17.

Customer Satisfaction Survey 2011

During June, G-MW completed its annual customer satisfaction survey. The survey involved 500 telephone interviews with customers from all services including groundwater and surface water diversions, Irrigation Areas, water districts and pumped irrigation districts. The survey is a key tool in measuring customers' views on our water management and delivery as well as customer service, communications and consultation processes. The survey results help us to identify areas for improvement as well as areas where we are doing well. Over coming months the final results will be shared with the Water Service Committees as we identify ways to further improve the services we deliver.

Thank you to all customers who participated in the survey.

Rural Support Line 1300 655 969

Lifeline 131 114

Beyondblue 1300 224 636

contacts

Shepparton office

03 5832 9900

GoulburnBrokenWSC@g-mwater.com.au

Emergencies

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

24 hour emergency line:

1800 064 184

G-MW e-services



Online Payments:

To pay your G-MW account please visit our website at www.g-mwater.com.au



SMS Allocations:

Allocation announcements sent direct to your mobile phone.



SMS Start/Stop:

Reminders of when your water order will start and stop.



Irrigation eNews:

Allocation and irrigation updates emailed to you twice a month.



eDams:

Water storage levels emailed to you daily, weekly or monthly.

WaterLINE

Online offers additional features such as the ability to view spare channel capacity and adjust flow rates and duration – all with 24 hour, 7 days a week convenience.