

Customer Satisfaction Survey 2012

During June G-MW completes its annual Customer Satisfaction Survey. The 2012 survey will include 750 telephone interviews with customers across the G-MW area. This year we have also added an online survey to ensure all customers have the opportunity to provide feedback on our services. The online survey will be available at www.g-mwater.com.au

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.

The final results will be shared with the Water Services Committees over the coming months as we identify ways to further improve the services we deliver.

Integration

From 1 July this year, the Northern Victoria Irrigation Renewal Project (NVRP) will be integrated into G-MW.

The combined organisation will be called Goulburn-Murray Water and will continue modernising irrigation infrastructure throughout the Goulburn Murray Irrigation District.

For further information please visit www.g-mwater.com.au

Water Quality

Please be on the lookout for changes in water quality as rainfall, warm weather or floods may cause changes. Please monitor your water supply source and make alternative arrangements if water quality deteriorates.

Water users are reminded that water supplied by G-MW is not fit for any use that may involve human consumption, either directly or indirectly, without first being properly treated.

Safety around the G-MW network

G-MW customers interact with our assets in many ways across the season. Your safety is vital so please ensure you understand the hazards and risks associated with G-MW infrastructure. Call your local G-MW customer service centre or talk with a staff member onsite to find out more.

Where G-MW are undertaking works on assets, please observe all safety precautions, signage requirements and site restriction requirements implemented by the corporation.

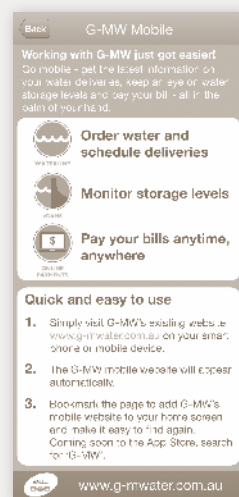
Water Information goes mobile!

G-MW has launched a new mobile platform for some of its most popular online information.

You can now get the latest information on water storages including current levels, weekly changes and average levels right in the palm of your hand.

G-MW customers can also use the mobile site to check on water deliveries and pay bills.

Simply visit G-MW's existing website www.g-mwater.com.au on your smart phone or mobile device and the new mobile website will appear automatically.



Rural Support Line 1300 655 969

Lifeline 131 114

Beyondblue 1300 224 636

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

contacts

Kerang office

78 Kerang-Koondrook Road, Kerang 3579
(03) 5450 5300

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.



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.



Woorinen Irrigation Area

With your newsletter you'll also find:

The G-MW 2012/13 pricing schedule - This schedule is for your information and allows you to compare prices across all of G-MW's services. G-MW is required to mail out the full schedule by the Australian Competition and Consumer Commission (ACCC) as part of the ACCC.

G-MW has extracted pricing data specific to your Area and printed these in this newsletter to make it easier for you to identify your costs.

Chair's Message

The end of the 2011/12 irrigation season has seen an increase in water use compared to last season, although a large quantity of water remains to be carried over for next season.

Customers need to be cognisant that there is potential for our storages to 'spill' in the 2012/13 irrigation season, consequently the declaration of low risk of 'spill' may be later than the past two seasons. Water in your 'spillable water account' as of the 1st of July is unavailable for use until the declaration is made. The water in the available balance of your Allocation Bank Account (ABA) however, is available.

Our resource manager recently informed us that under average inflow conditions, it is likely that we will have a seasonal determination of 46% High Reliability Water Share (HRWS) at the start of the 2012/13 irrigation season and 100% HRWS by February 2013.

The customer meeting held in Woorinen on 18 April 2012 was well attended with approximately 60 customers in attendance. The WSC has acknowledged and discussed the issues raised by Woorinen customers, particularly over the last 12 months. Many of the issues appear to relate to the construction cost of the pipeline in 2003.

The WSC supported the G-MW board decision in 2011 to remove approximately \$3.7m from the Woorinen debt. This ensures the current pricing is calculated as if the two new entrants remained as part of the system. It must also be recognised that G-MW has no other source of revenue other than customers and whilst none of us enjoy price increases, the G-MW policy of user pays must apply to the remaining

debt. The WSC however, will ensure that we continue to question the interest rate which is applicable to the loan as even a 1% interest rate reduction could result in substantial cost savings for Woorinen customers.

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.

Water Plan 3 is another process where customers currently have the opportunity to consult with G-MW on service and price. This relates to potential service levels and pricing for the period of 2013/14 to 2015/16.

For information on your account/s, entitlements, Service Point fees, Carryover and Spillable Water, please call G-MW on 1800 013 357.

Charlie Gillingham



Charlie Gillingham
Chair, Woorinen WSC

G-MW Water Plan 3 update

G-MW has released the first in a series of discussion papers to help inform the development of its three year Water Plan which commences July 2013.

The Water Plan is the mechanism for the Australian Competition and Consumer Commission / Essential Services Commission to approve water corporations' service standards, revenue and prices.

G-MW has produced 4 separate consultation brochures for its customer groups including:

- Irrigation District customers (including pumped)
- Bulk Water customers and Headworks users
- Water District and Loch Garry Flood Protection District customers and
- Licensed Diversers

These consultation brochures outline proposed levels of service, capital expenditure, cost saving measures and the projected amount of revenue required.

Key points about the first discussion papers:

- Proposed that revenue be capped at CPI plus 1.5% annually.
- To achieve this, a \$6 million efficiency saving from within G-MW over the three year term of the Water Plan must be achieved.
- A 25% reduction in G-MW operational staff in the coming years, recognising that the full benefits of modernisation of G-MW's infrastructure cannot be achieved until the project is complete. It is anticipated that this reduction will occur through natural attrition.

The second discussion paper in the series, to be released in July, will be focused on the design of our tariff system. Water Services Committee Chairs will guide the development of a tariff strategy for the longer term and help inform G-MW's Water Plan. The final in the series, scheduled for late September, will be our Water Plan with proposed pricing.

Copies of G-MW's 4 Water Plan consultation brochures are available online at www.g-mwater.com.au/water-plan-3 or from your local G-MW Customer Service Centre. The opportunity to provide feedback closes on Monday 30 July 2012.

Woorinen Update

■ **Board decision (2011)** - Following a court determination on “new entrants” and customer feedback on projected pricing, G-MW’s Board agreed in 2011 to corporatise costs associated with the Woorinen Service. The intended outcome of this action was to restore the price for Woorinen to a similar position as would have been the case if the customer base remained unchanged from that on which the scheme was designed.

The costs corporatised included:

- approximately \$3.7 million in debt and legal costs from the Woorinen service
- annual costs of approximately \$200,000 associated with the 48ML/day of “new entrant” delivery share

■ Approximately 60 customers attended the customer meeting held at the Woorinen Recreation Reserve on 18 April 2012. At this meeting G-MW presented information relating to carryover, water availability and 2012/13 pricing.

■ Over the past 12 months G-MW has received numerous requests for information from individual Woorinen customers. G-MW has endeavoured to provide as much of this information as possible without requiring those individuals requesting the information to comply with the Freedom of Information Act. Under this Act the individual requesting information is required to pay the cost associated with the collection and provision of the information. Therefore until now customers in general are meeting the costs associated with providing this information.

To date the following information has been provided to various individuals:

- 29 Customer Newsletters distributed during the planning and construction of the Woorinen Pipeline
- Various Board Papers relating to the Woorinen Pipeline
- Preliminary Design reports
- Costings associated with the construction of the Woorinen Pipeline
- Interest rates applicable to the Woorinen debt since the 2003
- Profit & Loss Statements for the Woorinen Pipeline to 2008/09
- Balance Sheets for the Woorinen Pipeline to 2008/09
- G-MW has also committed to provide information covering subsequent years once finalised
- Various responses to individual questions relating to a range of issues associated with the Woorinen pipeline

■ In addition to the provision of this information the following queries were also raised on 18 April 2012 and the information provided below is in response to those additional questions.

1. How was the \$1.8 million in the Woorinen Renewals Reserve utilised?

Upon separation from the Torrumbarry Irrigation Area in 1997/98 the Woorinen Irrigation Service received a one off payment into its renewals reserve.

During the transition from a gravity irrigation service to a pumped irrigation service, prior to commissioning of the pipe system, G-MW priced to recovered less revenue from customers than required to operate the system. This kept prices lower, reflecting customers were not yet getting the higher level of service, and provided a smoother transition to the pumped system price. Therefore over that period G-MW operated the service with a negative ‘operating bank’. The overall bank position at 2006/07 (i.e. renewals plus operating) formed the balance to be repaid.

2. Interest Rates

The G-MW component of the Woorinen project was predominantly debt financed and the debt associated with this project has started to be repaid. G-MW’s pricing is regulated by the Essential Services Commission (ESC) and borrowings are authorised by the Department of Treasury and Finance. G-MW are conscious of the impact interest has on the Woorinen service and as a result are working closely with Treasury Corporation of Victoria to ensure the financing costs are as low as possible while managing interest rate risk.

3. The financial statements

The profit and loss and balance sheets for Woorinen are a special purpose financial report developed in conjunction with Water Services Committees to enable comparison with pricing projections. As a result they focus on viewing expenses from a pricing perspective; this originally included a renewals annuity and later regulatory depreciation on assets.

4. When will the loan be repaid?

The repayment period associated Woorinen debt, as per the Essential Services Commission determination, is 75 years. This 75 year period commenced in 2006/07.

■ **Independent Woorinen Review** - G-MW commissioned Halcrow Pty Ltd to undertake an independent review of capital and operating expenditure and pricing associated with the Woorinen Irrigation Area. This review is currently nearing completion and customers can register their interest to receive a copy of the final report by contacting the G-MW Kerang Customer Service Centre on (03) 5450 5300 or by e-mailing Torrumbarrywsc@g-mwater.com.au. The report will be sent to the postal or e-mail address provided.

■ **Future information requests** - Having provided this level of information G-MW believes it is now reasonable, to ensure that unnecessary costs are not borne by other Woorinen customers, to require that future requests are made under the Freedom of Information Act so that the cost associated with providing the information is paid by the person making the request.

Water services prices 2012/13

Following a range of consultation and customer meetings with Woorinen customers, 2012/13 prices have now been approved by the Essential Services Commission.

Woorinen Pumped Irrigation

The 2012/13 fees applicable to the Woorinen service were presented and discussed at a range of public meetings. For 2012/13 an increase in a typical customer account will be around 7%. This increase aligns with the \$4,650 fee for the Infrastructure Access Fee set out last year, which has been partially off-set by a reduction in the Infrastructure use fee.

Infrastructure use fees

Infrastructure use fees are being progressively adjusted to align with the actual costs of operating the system, i.e. to reflect the variable costs which are dependent on the volume of water used.

Woorinen Fees & Charges

	2011/12 Current	2012/13 Approved	% Change	\$ Change
Storage				
Entitlement Storage Fee (HRWS)	11.13	11.60	4%	0.47
Entitlement Storage Fee (LRWS)	4.21	4.40	5%	0.19
Delivery				
Service Fee	75.00	80.00	7%	5.00
Additional Service Point Fee – Irrigation	57.98	60.00	3%	2.02
Infrastructure Access Fee	4,140.00	4,650.00	12%	510.00
Infrastructure Use Fee	19.16	18.00	-6%	-1.16
Casual Infrastructure Use Fee	163.33	170.00	4%	6.67
Drainage				
Service Fee	75.00	80.00	7%	5.00
Water Use Fee	0.49	0.60	22%	0.11
Area Fee	1.36	1.50	10%	0.14

Example of customer impact

	Small	Medium	Large
Water Shares - Entitlement (ML) (HRWS/LRWS)	2	70/32	180/82
Delivery share (ML/day)	0.02	0.88	2.2
Additional service points (irrigation)	0	0	1
Drainage (ML used)	0	59.5	153
2011/12	212.63	5,885.15	14,700.28
2012/13	226.80	6,320.85	15,775.57
Change %	7%	7%	7%
Change \$	14.17	435.70	1,075.29

All prices referenced in this newsletter are inclusive of CPI. For G-MW’s complete 2012/13 price schedule please see the enclosed brochure with this newsletter or visit www.g-mwater.com.au.

Pricing Simulators

G-MW has developed pricing simulators that can help you understand the charges that will apply for your services in 2012/13. G-MW’s simulators are available at www.g-mwater.com.au



Check before starting works

A reminder to customers who are undertaking works in the vicinity of G-MW assets to ensure that they adequately locate the asset/s to ensure it is not damaged in any way. Costs associated with repairs to G-MW assets resulting from avoidable damage will be recovered from the individual so that the entire customer group is not funding such repairs.

SMS Service

From August 2012 customers in the Woorinen Irrigation District will be able to register their details and receive SMS notifications relating to Pipeline maintenance and shutdowns.

All Woorinen customers will receive further information relating to this new service in early August 2012.