



28 February 2007

Dear Customer

### Unbundling Water Entitlements

Water rights and domestic and stock allowances in districts and diversion licences on regulated water systems will be unbundled on 1 July 2007. This represents the next step in the Victorian Government's water reform program. Other water entitlements, such as diversion licences on unregulated waterways and groundwater licences, will be progressively unbundled after further consultation with affected irrigation communities.

### What is unbundling?

Unbundling is a concept introduced by the Victorian Government's water reform program.

Unbundling recognises that an irrigator's current water entitlement is actually a bundle of different types of entitlements and services that can be better managed when separated into the following individual components:

- **Water share:** a legally recognised, secure share of water available for use.
- **Delivery share:** an entitlement to have water delivered to a property. For regulated diversion licences this will be called an **extraction share**.
- **Water use licence:** an authority to use water for irrigation on a property.

In conjunction with unbundling, 'sales' water will be converted into a low reliability water share, which can be independently traded, both permanently and temporarily.

### What does it mean to irrigators?

For the majority of irrigators, unbundling water entitlements will make no difference. They can continue operating as they do now. However, some irrigators may wish to take advantage of the opportunities afforded under the new unbundled system. Irrigators will have the flexibility to develop their business in new and innovative ways.

Unbundled water entitlements will:

- make water trade easier; sellers will no longer have to advertise their intention to sell water off their property; buyers will no longer need to have channel capacity and salinity and drainage assessments.
- enable the level of delivery service to be bought and sold to better suit farm needs;
- make it easier for irrigators to get the reliability they need by buying or selling high and low reliability water shares;
- make water trading faster and lower the costs;
- allow mortgages to be registered on water share titles, instead of land titles, allowing access to other sources of finance.

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### More information

We understand that unbundling is an important change and you may want more information to help you fully understand it. You can find out more about unbundling through:

- The Unbundling - General Fact Sheet and Action List (enclosed);
- Local customer meetings in your area (see enclosed flyer for details);
- the Water Wheels information caravan will be visiting all localities over the next three months (check your local paper for days/times in your area); and
- [www.g-mwater.com.au](http://www.g-mwater.com.au) or by calling your local Goulburn-Murray Water office or 1800 013 357.

Please take the opportunity to find out about these important changes, which will help ensure that together we can provide sustainable water services into the future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Russell Cooper', written in a cursive style.

Russell Cooper  
CHIEF EXECUTIVE