



A fairer deal for all

The Essential Services Commission (ESC) has now provided its final determination on the highly anticipated Goulburn-Murray Water (GMW) Pricing Submission 2020-24.

The ESC's decision - in what is being described as a new era for GMW and a fairer deal for all – approved GMW's proposal for a landmark reduction in its revenue requirement enabling the organisation to reduce costs and implement several important changes to its tariff structure.

This new pricing submission delivers a fairer deal for all. Customer feedback has included the need for a reliable supply, credible business, fair pricing, efficient operations, responsive services and simple systems. You can expect to see this commitment and continuous improvement across all areas of the GMW business.

During the next pricing period from 1 July 2020 – 30 June 2024, most customers will receive on average, a 10 per cent drop in their bills. Some fee changes will take effect from 1 July while other changes will be implemented during the pricing period.

From 1 July 2020, customers can expect:

- uniform pricing for gravity irrigation customers
- a drop in the Infrastructure Access Fee and Infrastructure Use Fee for gravity irrigation customers
- a move to system pricing for all water share owners
- service point fees simplified by treating all meters the same way.

From 1 July 2021, customers can expect a single customer charge.

Uniform pricing across the GMID

A feature of the new pricing structure is the unification of all irrigation areas to deliver uniform pricing for gravity irrigation customers.

The Goulburn Murray Irrigation District (GMID) comprises six irrigation areas, with a two district pricing model applied under the previous pricing submission; where five areas paid one set of fees, while one area paid a higher fee.

With most customers receiving a reduction in fees across the GMID, the timing is right to deliver a uniform Infrastructure Access Fee and a uniform Infrastructure Use Fee.

GMW believes this is a fairer deal for all and most customers will receive a reduction in their overall fee as a result.

From 1 July 2020, GMID customers will pay the following:

- Infrastructure Access Fee: \$2469/ML/day
- Infrastructure Use Fee: \$4.99/ML

This is a saving of at least \$400 per delivery share for all customers.

Entitlement storage fees

We are delivering more equitable pricing by removing the terms 'water user' and 'non-water user'. Changes approved by the ESC will move all entitlement storage customers to system pricing regardless of whether their water entitlement is associated to land (i.e. their status as a water or non-water user).

Current non-water users will also now be charged storage fees based on a system price rather than the basin price. This is aimed to improve price transparency and lead to greater efficiency in the use of water resources.

Each system is made up of a number of basins (you might think of them as river valleys). The basin price reflects the actual cost of providing storage services in that basin, whereas the system price is the weighted average across those various basins that form each system.

Basin pricing is complex and for customers in smaller basins, it results in higher prices. This conflicts with your feedback regarding one service, one price and fairer pricing arrangements. That's why we are moving to a two-system storage price for all water shares and there is a cost difference in providing storage services within those two systems. We are applying a system price (weighted average) to all water shares, using the Goulburn and Murray systems.

The basin pricing approach will remain for bulk entitlement holders, with the possibility to transition bulk charges to a system price during the next price review.

From 1 July 2020, Entitlement Storage Fees for high reliability water share owners will be:

- Goulburn: \$9.83/ML
- Murray: \$11.18/ML

Service point fees

Customer service point fees recover the cost of infrastructure connecting your property to our assets. We are simplifying our charges by implementing a new cost structure and a fairer deal for all.

Our new pricing structure will:

- treat all service points the same way across all customer groups and recover the average cost of operating and maintaining each type of service point at the individual service point level; and

- transition pumped and water districts to introduce the service point fee across the next pricing period spanning four years. This will be offset with a reduction in the infrastructure access fee.

Natural Carriers Rebate

The Torrumbarry Natural Carriers Rebate was applied to some customers pumping water from creeks, lakes and lagoons who pay standard Torrumbarry irrigation delivery fees and prices. This formula, developed more than 20 years ago no longer reflects our services and systems.

This rebate will be phased out and reduced each year until 2023-24. Customers who currently receive the Natural Carriers Rebate will be/have been provided with a new agreement reflecting the table below.

This rebate will apply during the transition phase:

Torrumbarry Natural Carriers Rebate				
2019/20	2020/21	2021/22	2022/23	2023/24
9.81	8.27	5.51	2.75	0

Our landmark pricing submission

Our customers have been clear in what they want. A fairer deal for all has been the overwhelming message as part of our engagement process.

Our plan will provide:

- price reductions for almost all our customers
- efficiencies and cost reductions (without impacting on your level of service)
- reprioritised expenditure into the areas that provide you with the best value for money; and
- tariff reform.

Customer engagement

Drawing on lengthy and in-depth customer engagement, GMW reached more than 10 per cent of its customer base to inform its Pricing Submission. As part of this consultation process, we achieved significant reach through more than 1000 face-to-face conversations, 3000 online visits to Your Say, 1300 customer conversations, 36 customer forum participants, 18 customer workshops, three major customer events, 34 drop-in days, 75 Water Services Committee members, one service standard summit day and two pricing and tariff summit days.

Background

Every four years, GMW puts forward its proposed pricing submission outlining annual fees and charges to the ESC as the independent regulatory authority.

GMW is a non-profit authority and its pricing is structured to recover the costs of the services it provides and to maintain its assets including the dams, channels and meters it operates; now and into the future.

The plan has been approved by the ESC after two independent rounds of consultation during a three-month period.

Where can I go for more information?

For more information and details on how your individual bill will change please visit gmwater.com.au/pricing

You will also find a number of customer case studies to help estimate the change in your fees, visit www.gmwater.com.au/pricingsimulator

Understanding your fees and charges

The charges on your bill relate to the services you use and the type and number of service points you have. There are also fees related to maintaining delivery infrastructure and delivering water to your property.

Access Fee recovers the costs of ensuring water is accessed in line with management rules and plans. This includes the management of allocations, rosters, restrictions and water ordering.

Area Fee recovers a proportion of the costs of operating, maintaining and renewing the drainage network that services your area.

Drainage Diversion Agreement Fee recovers the cost of managing access to water available in the drains.

Drainage Diversion Site Fee recovers the costs of managing, maintaining and renewing drain diversion service points.

Entitlement Storage Fee covers the cost of operating and maintaining water storages that service your regulated river system. The costs are charged per ML of entitlement.

Flood Protection Fee relates to the Loch Garry structure mitigating flooding for a defined area. This fee applies for each hectare in the Loch Garry area to recover the costs of operating and maintaining the structure.

Infrastructure Access Fee applies to the amount of MLs per day of delivery share you hold and it recovers a portion of the cost of operating, maintaining and renewing the delivery network in your irrigation area. The delivery network can include channels, pipes, bridges, road crossings, siphons and subways.

Infrastructure Use Fee recovers a portion of the costs of operating, maintaining and renewing the delivery network in your irrigation area. The fee applies per ML of water used during the season on your property.

Local Benefit Area Fee recovers a portion of the costs of providing subsurface drainage services and is charged per hectare of land owned in the area of influence of a subsurface drainage pump.

Local Benefit Water Use Fee recovers a portion of the costs of providing subsurface drainage services and is charged per ML of water used during the season to irrigate land in the area serviced by the subsurface drainage pump.

Resource Management Fee recovers the costs of developing, managing and reviewing resource management plans for unregulated surface water

and groundwater. Regulated surface water diverters do not pay this fee; instead, they pay the Entitlement Storage Fee on water shares they hold.

Subsurface Drainage Fee recovers the costs of providing subsurface drainage services in the irrigation district.

Service Fee covers administration costs of maintaining your customer records, billing and debt management. The fee applies for each service.

Service Point Fee – Diversions

Applicable to Surface Water and Groundwater Diverters. These cover the costs of compliance, monitoring, measuring use and, where installed, maintaining meters at each diversion site:

- **Service Point Fee – Unmetered** refers to service points that do not have a meter installed, or are used only for domestic and stock purposes.
- **Service Point Fee – Metered (excluding domestic and stock)** refers to service points where a meter is installed and is used for purposes other than domestic and stock.

Service Point Fee – Gravity Irrigation, Pumped and Water Districts recovers the costs of operating and maintaining service points (meters and outlets) in your irrigation area. The fee applies for each service point:

- **Domestic and Stock (D&S)** fee recovers the costs of operating and maintaining domestic and stock service points.
- **Local Read** means a service point that is manually operated and the meter reading is manually collected.
- **Remote Read** means a service point with some electronic features which is manually operated and the meter reading is automatically recorded.
- **Remote Operate** means a service point with electronic features that is automatically operated and the meter reading is automatically recorded.

Water Allowance Storage Fee recovers the costs of operating and maintaining the water storages that store water for supply systems in water districts.

Water Use Fee recovers a portion of the cost of operating, maintaining and renewing the drainage network in your irrigation area.

A full list of our fees and charges can be found on our website at www.gmwater.com.au/pricing