



Your irrigation area water entitlements



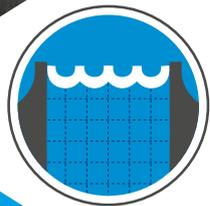
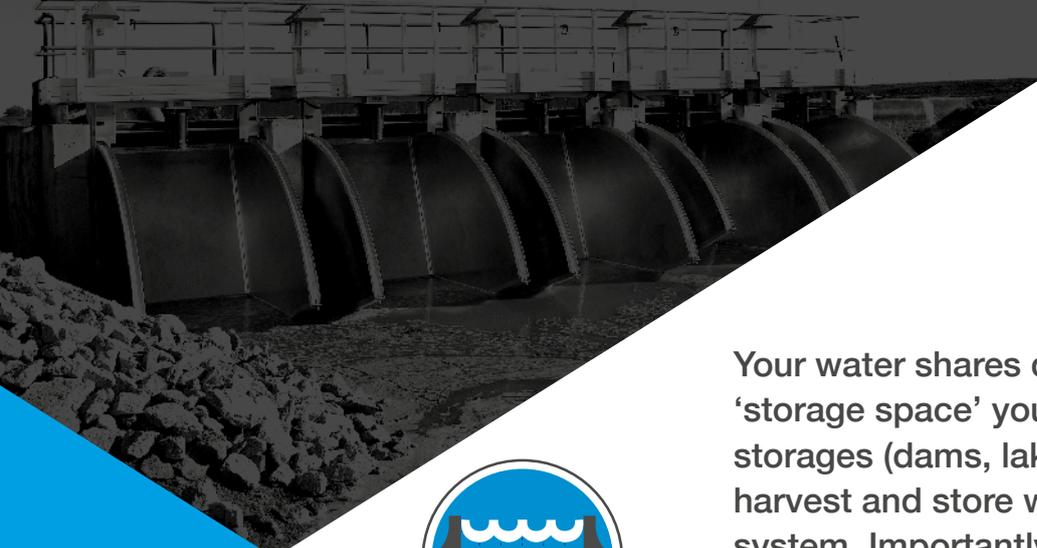
**Understanding
your water
entitlements will
help you get the
right mix for your
irrigation business
today and into the
future.**

Understanding your irrigation area water entitlements

Seasonal allocations, carryover, modernisation opportunities, future service costs and tariffs along with the Murray Darling Basin Plan are all reasons why you might be thinking about your future irrigation service needs.

As part of the 2007 unbundling of water entitlements, GMW Irrigation Area customers' Water Rights and Domestic & Stock Allowances were separated, "unbundled", into the individual components; water shares, delivery shares and a water use licence.

Unbundling increased the opportunities and flexibility in the holding of water entitlements (water shares, delivery shares, water use licences) by allowing components to be managed independently and water to be owned separate to land. The following is a reminder for customers in GMW's irrigation areas of some aspects for them to consider in their farm planning.



Water Shares

Your water shares define the volume of ‘storage space’ you ‘hold’ in the water storages (dams, lakes and reservoirs) that harvest and store water in your regulated river system. Importantly, water shares define your share of the water resources in the regulated river system – the amount of water available to you each year is called an allocation and is expressed as a percentage of your water shares. Each allocation involves dividing the amount of water available for a high or low reliability allocation by the volume of high or low water shares in that system and is expressed as a percentage. This percentage is called the seasonal determination.



Murray, Goulburn and Campaspe systems are entitled to carryover 100 per cent of their high and low reliability water shares.



Loddon and Bullarook systems are entitled to carryover 50 per cent of their high and low reliability water shares.



Broken system are entitled to carryover 50 per cent of their high reliability water shares.

Carryover

If you hold water shares you also have the opportunity to carryover unused allocation from one season to the next. The carryover rules are specific to the different regulated systems:

- On the **Campaspe, Goulburn and Murray systems** water entitlement holders can carry over a maximum value equal to the water share linked to their allocation account.
- On the **Bullarook and Loddon systems** water entitlement holders can carry over a maximum volume equal to 50 per cent of their high-reliability water share and 50 per cent of their low-reliability water share.
- On the **Broken system** water entitlement holders can carry over a maximum volume equal to 50 per cent of their high-reliability water share only.

The [carryover calculator](http://www.waterregister.vic.gov.au) available on the Victorian Water Register website www.waterregister.vic.gov.au can help water entitlement holders understand how the rules apply to their system.

Spillable water accounts

Spillable water is any carryover or allocations above your water share volume.

A spillable water account is a feature of your allocation account (ABA) linked to your water share.

As part of your allocation account recorded on the Victorian Water Register, it keeps track of any water that can be lost if the dam spills.

Once your full water share volume is reached, any further allocation increases are recorded in your allocation account, but this water is set aside as spillable.

You cannot use or trade any water in your spillable account until after the Resource Manager makes a low-risk-of-spill declaration.

Spillable water accounts allow you to use extra dam space when it's not needed to support other entitlements.

When the dams are full, spillable water has to make way for inflows to support new allocations to all water shares.

Water shares and your GMW Account

Water shares are the basis for sharing the costs of operating and maintaining water storages. The higher your water share volume is, the more you contribute to the operations, maintenance and renewal of the water storages in your system.

Your delivery share is an entitlement to have water delivered to your land through the delivery system (channels or pipes) in an irrigation area. A delivery share represents your property's share of the available capacity in the delivery system. The delivery share is tied to the land and remains with the property if it is sold.



Delivery Shares

Delivery share and your GMW Account

Fixed costs represent more than 90 per cent of the total costs of an irrigation area delivery system. Delivery shares are the basis for sharing many of these costs between all landowners in an irrigation area. The fixed costs are charged to irrigators on the basis of delivery share, number of service points and a service fee. This means the more delivery share you hold, the more you contribute to the cost of operating, maintaining and renewing the delivery network whether or not you have water delivered. Variable costs are shared on the basis of actual deliveries - your actual use of the delivery system.

Annual Delivery Allowance (ADA) – casual use and casual use fees

A casual use fee will apply to each megalitre of water you have delivered during the season in excess of your annual delivery allowance (ADA). Your ADA is your delivery share (ML/day) multiplied by 270 for gravity irrigation areas and by 365 days for pumped irrigation districts. Any water use in excess of your annual delivery allowance is called casual use.

Increasing or reducing your delivery share

You can increase or decrease your delivery share by transferring delivery share from or to another property within the same delivery system. You can also apply to

GMW to increase or decrease your delivery share or to re-apportion delivery share between the service points on your property. GMW can issue delivery shares if there is spare capacity in the delivery system - this benefits all customers in the Irrigation Area by increasing the base over which the costs of operating, maintaining and

renewing the network are shared. If you increase your delivery share this will increase the fixed account you will pay; however, if this results in lower casual use fees your total GMW account may reduce.

You can terminate delivery shares if you decide you no longer need as much access to the delivery system. Because terminating delivery shares reduces the base for sharing costs, a termination fee applies. The termination fee is regulated by the Australian Competition and Consumer Commission (ACCC) and is usually equivalent to 10 times the annual Infrastructure Access Fee.

- To explore opportunities to transfer delivery shares, it's worth talking with your professional adviser.
- If the entire delivery share for a property is terminated, GMW may refuse any request to deliver water if it will adversely affect the delivery service for customers within the network.

Delivery shares and rationing

Delivery shares are used to share access to the delivery system by a process called 'rationing' during periods when total customer orders exceed the available capacity of the delivery system. This ensures all customers receive a fair supply as GMW manages any congestion.

The rationing cycle is guided by a formula. The formula has two variable inputs:

- The number of days in the cycle
- The per cent of delivery share

For example a 10 day rationing cycle at 100 per cent delivery share rate will allow customers to receive 100 per cent of their delivery share every 10 days. In this example a customer with 1ML/day delivery share will be able to access 10ML in every 10 day cycle.



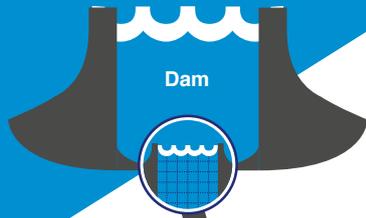


Water-use licences

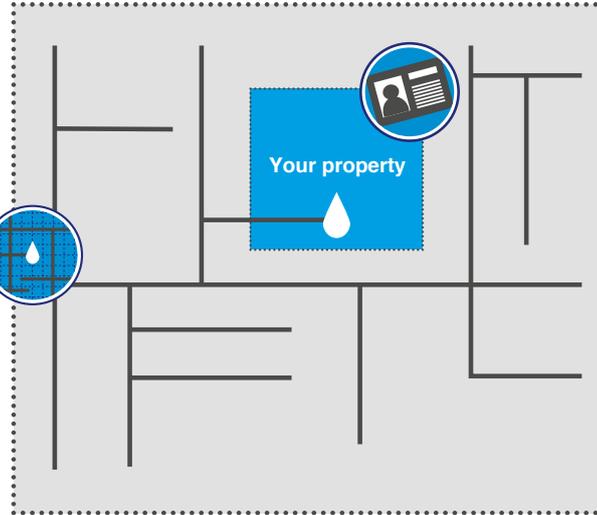
A water-use licence allows you to use water for irrigation and defines the conditions for that use, such as, how much water you can apply to a specific parcel or parcels of land. A water-use registration allows you to use water for purposes other than irrigation, for example domestic and stock or industrial use. Licences and registrations are attached to a specific parcel or parcels of land, and stay with the land if the land is sold, unless part of the property is sold separately (in which case a new licence or registration is required if you wish to continue to use water).

Your drainage services – on-farm reuse dams as well as your access to the GMW drainage system – are the key factors determining how much water you can apply to your land (your annual use limit). You can amend and change your annual use limit.

For more information please contact GMW on 1800 013 357.



Irrigation area (channel delivery network)

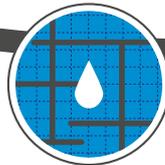


River

Key to diagram:



Your water shares define the volume of 'storage space' you 'hold' in the dams and your seasonal allocation.



Your delivery share is an entitlement to have water delivered to your land through the delivery system.



A water-use licence allows you to use water for irrigation and defines how much water you can apply to a specific parcel or parcels of land.

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