



Manager's Message

Over the last season we have seen the effective implementation of the 4 new Diversion Regional Water Services Committees (RWSC) – Upper Murray, Mitta & Kiewa RWSC Chairperson is Peter Serpell, Ovens, King & Mid Murray RWSC Chairperson is Malcolm Carson, Goulburn Broken RWSC Chairperson is Morris Brown and the Loddon Campaspe RWSC Chairperson is Alan Rothacker.

The 4 RWSC's have a mix of new and previous WSC representatives in the mix of membership representation across groundwater, regulated and unregulated surface water Diversion customers. The considerable input of the Diversions customer representatives is valued and the hard work and commitment appreciated by both customers and Goulburn-Murray Water.

The past season has seen significant improvement in the available resources with the flooding rains across our region. Our sympathies lie with those affected by floods on top of 15 years of extreme drought. The positive thoughts of increased aquifer levels and subsequent unregulated system flows and improved regulated storage levels should see us better positioned in the next few years at the very least to manage water use increased production no matter what commodity is grown or produced.

Unfortunately we see price increases driven by ever increasing expectations of improved equitable and sustainable resource management. The impacts of the Murray Darling Basin Plan are yet to be determined but following the 15 years of dry climatic conditions the expectations are that we will develop agricultural water use to be at the forefront of sustainable water use to protect the resource and the environment for future generations.

We look forward to next season with tempered optimism acknowledging the future is no less challenging than the past and confident we can develop and implement resource management strategies that will stand current and future generations in good stead.



Barry O'Donnell
Manager, Diversions and Compliance



Peter Serpell
Chair, Upper Murray,
Mitta & Kiewa RWSC



Malcolm Carson
Chair, Ovens, King &
Mid Murray RWSC



Morris Brown
Chair, Goulburn
Broken RWSC



Alan Rothacker
Chair, Loddon
Campaspe RWSC

newsletter

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.

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.

Unregulated Systems Services

Unregulated system service charges recover the costs of monitoring resource levels as well as determining, communicating and enforcing rosters and restrictions during periods of low supply. Over the past three years these costs have increased as G-MW increased surveillance and compliance to protect the entitlements of customers.

Within the next two years G-MW will develop a set of Local Management Rules that apply to all of the 120-plus unregulated stream catchments across G-MW's service region. Any further changes to these Local Management Rules will first require Catchment Management Authority advice and consultation with relevant customers. While some funding is available to assist with technical investigations, customers on these systems are required to fund the costs of developing, implementing and administering the Rules.

Once in place the LMRs provide a rigorous and transparent understanding of customer entitlements to access water, and will be particularly important to protecting and defining these entitlements under the proposed Murray Darling Basin Plan.

Regulated Systems Services

Water storage services

Water storage service charges recover the costs of operating and maintaining the dams, lakes and weirs that service the system.

The Murray System entitlement storage fee has increased by 28% for high-reliability water shares and 32% for low-reliability water shares. Murray system storage costs have increased to fund G-MW customers' portion of Victoria's contribution to the Murray Darling Basin Authority's (MDBA) programs. The MDBA's

programs include more than \$14 million worth of works at Mildura Weir, Dartmouth Dam, Hume Dam and Lake Victoria. G-MW has also completed upgrade works at William-Hovell in the Ovens basin.

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 17.6% for high-reliability water shares and 34% for low-reliability water shares for 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 Murray System price averages irrigators' share of the costs for the Murray, Ovens and King basins across the irrigators who own water shares in these basins. The costs are charged per megalitres 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 services

Goulburn regulated system customers will see a 25.7% increase in the water delivery fee and Murray regulated system customers will see an increase of 14.5% in this fee. The increases reflect a significant increase in monitoring and compliance activity during recent years of low supply and these programs will continue in coming years to protect all customers' entitlements.

Recent metering programs have increased the number of meters in the field and the resulting increase in the meter maintenance and monitoring workload is also a factor driving price increases in 2011/12.

The prices have been calculated with provision for completion of the remaining components of these metering programs as the region continues its progress towards compliance with the requirements of the national metering standards.

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

Examples of price impact

Murray Regulated

	Small	Medium	Large
Water shares (HRWS/LRWS)	2	80/38.4	300/144
Capacity share (ml/day)	0.02	0.8	3
2010/11	\$203.81	\$1,493.07	\$5,120.78
2011/12	\$216.24	\$1,802.93	\$6,266.82
Change \$	\$12.43	\$309.86	\$1,146.04

Murray Unregulated

	Small	Medium	Large
Licensed entitlement	2	45	220
2010/11	\$211.48	\$1,019.45	\$4,307.70
2011/12	\$222.66	\$1,146.30	\$4,905.30
Change \$	\$11.18	\$126.85	\$597.60

Goulburn Regulated

	Small	Medium	Large
Water shares (HRWS/LRWS)	2	100/48	300/144
Capacity share (ml/day)	0.02	1	3
2010/11	\$196.58	\$1,464.61	\$4,046.03
2011/12	\$208.53	\$1,831.98	\$5,136.54
Change \$	\$11.96	\$367.37	\$1,090.51

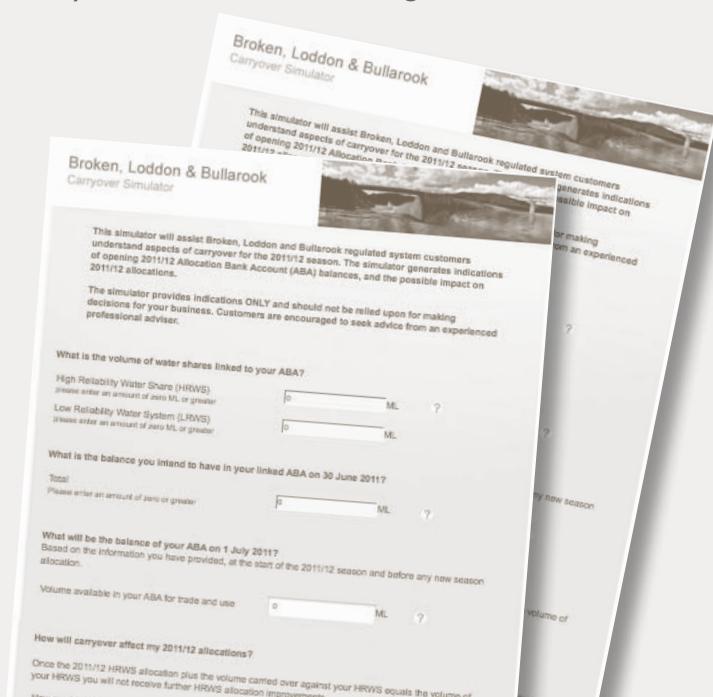
Goulburn Unregulated

	Small	Medium	Large
Licensed entitlement	2	45	220
2010/11	\$207.34	\$926.30	\$3,852.30
2011/12	\$226.40	\$1,230.45	\$5,316.70
Change \$	\$19.06	\$304.15	\$1,464.40



G-MW online Carryover simulators

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



Groundwater Services

Groundwater service charges recover the costs of monitoring the aquifers' resource levels as well as monitoring licence holders' compliance with their entitlements.

Base Fee

During the recent drought years the number of bores significantly increased, increasing the costs of monitoring and compliance, and also coincided with the introduction of programs to better protect all groundwater users' entitlements, for example all licenses of 10 ML or greater must be metered. The increased costs of metering, monitoring and compliance are reflected in the increased base fee, with a substantial portion of the costs being off-set by the new customers entering the system.

Intensive management fee

Intensive management fees apply to licence holders in groundwater management areas (GMAs) or water supply protection areas (WSPAs). The intensive management fees recover the additional costs associated with the development, implementation and administration of Local Management Rules (LMRs) and Groundwater Management Plans (GMPs).

Within the next two years G-MW will develop and implement three new GMPs and a review of the Katunga GMP, which has been in place for five years. G-MW is also required to develop LMRs for a number of existing GMAs. New GMAs are set to be defined over the next 2 years, with the development of LMRs to follow.

The Shepparton Irrigation Region GMP is also targeted for review in the next 2 years. Salinity management is closely linked to the resource management requirements under the Shepparton Irrigation Region GMP.

The increased intensive management fees reflect the costs of developing these new plans and rules as well as supporting increased groundwater resource monitoring.

Once in place the GMPs and LMRs provide a rigorous, documented and transparent understanding of how customer licence entitlements can be maximised, and will be particularly important to protecting and defining these entitlements under the proposed Murray Darling Basin Plan.

Examples of price impact

Groundwater Base (base fee only)

	Small	Medium	Large
Licensed entitlement (ML)	20	60	150
2010/11	\$236.90	\$362.90	\$646.40
2011/12	\$250.70	\$392.70	\$712.20
Change \$	\$13.80	\$29.80	\$65.80

Groundwater Intensive (example includes base and intensive fees)

	Small	Medium	Large
Licensed entitlement (ML)	20	150	300
2010/11	\$315.50	\$1,235.90	\$2,297.90
2011/12	\$339.50	\$1,378.20	\$2,576.70
Change \$	\$24.00	\$142.30	\$278.80

Groundwater Shepparton (example includes base and intensive fees)

	Small	Medium	Large
Licensed entitlement (ML)	20	150	300
2010/11	\$262.50	\$838.40	\$1,502.90
2011/12	\$282.30	\$949.20	\$1,718.70
Change \$	\$19.80	\$110.80	\$215.80

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

Central Goulburn office

03 5833 5705

Cobram office

03 5871 0100

Pyramid Hill office

03 5455 7100

Rochester office

03 5484 0400

Shepparton office

03 5832 9900

Torrumbarry office

03 5451 0111

Wangaratta office

03 5723 2501

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.