

Customer Guide
2021

Irrigators' Share Distribution



Introduction

Following the successful completion of the Goulburn Murray Water (GMW) Connections Project, \$300 million worth of benefits will be distributed back to Goulburn Murray Irrigation District (GMID) delivery share holders.

Every GMID delivery share holder needs to know what to expect from the distribution and what action to take to prepare. This guide provides important information about the irrigators' share distribution, including:

- How much you will get and when you will receive it
- What you need to do and know about the distribution
- Who to contact if you need support



Background

The GMW Connections Project, the largest irrigation modernisation project in Australian history, delivered works to achieve 429 gigalitres (GL) long-term average annual yield (LTAAY) of water recovery in October 2020.

Since then, the project has been finalising all of its work scope resulting in the project exceeding its target and a further 2 GL (LTAAY) of water recovery can be distributed.

The Acting Minister for Water recently confirmed that the additional 2 GL (LTAAY) will be distributed to GMID irrigators on top of their 75 GL LTAAY share previously committed. This brings the total volume of the irrigators' share to 77 GL LTAAY.

The Irrigators' Share Consultative Committee (ISCC), appointed by the Minister for Water in mid-2019, recommended a distribution approach for the irrigators' share to pass on the benefits to individual delivery share holders. The ISCC worked through a range of distribution options, as well as undertaking extensive consultation with the irrigation community in the GMID, before putting its recommendations to the Minister.

The Minister accepted the ISCC recommendations in October 2020 - that the irrigators will receive their share of water recovery either as water shares or financial benefit, in proportion to the volume of delivery share they hold:

- Customers with 0.25 megalitre (ML)/day or more of delivery share, water shares will be issued in October 2021 along with any water allocations which would have accrued against these entitlements since July 2021.
- Customers with less than 0.25 ML/day of delivery share, financial benefits equivalent to the value of water shares will be distributed as a credit on their GMW fixed charges bill in July 2022.



Who will receive a benefit?

At census date, scheduled for 12:01 am 1 October 2021, if you hold delivery share within any of the six areas of the GMID and contribute to the cost of operating and maintaining the GMID by paying the common Infrastructure Access Fee (IAF), you are an eligible GMID delivery share holder.

As recommended by the ISCC, the census date has been set as close as is feasible to the date when the water shares are issued. Doing so helps to maximise the accuracy of delivery share information and ensures that the benefits of the irrigators' share are distributed to those that will continue to contribute to the ongoing cost of the GMID.

It is important you make sure to account for the distribution of the irrigators' share in any decisions you make around trading or terminating delivery share, or when buying or selling land in the GMID that has delivery share.



MURRAY SYSTEM
HRWS
 3.96 ML
LRWS
 2.36 ML

Current estimates of water share per ML/day of delivery share.

GOULBURN SYSTEM
HRWS
 3.99 ML
LRWS
 2.20 ML

How much will you get and when?

The exact make-up of the irrigators' share will be confirmed at census date, scheduled for 12:01 am 1 October 2021, when information on delivery share ownership will be taken from the Victorian Water Register.

Based on current data available, eligible irrigators can expect to receive either water shares or the financial value of around 4 ML of high-reliability water share (HRWS) and around 2 ML of low-reliability water shares (LRWS) per 1 ML/day of delivery share.

Water shares will be issued in the trading zone where the delivery shares are held.

Water shares are recorded to one decimal place in the Victorian Water Register. Conventional rounding (rounding up or down to the nearest number) will be used to determine the final volume of water shares you will receive. This rounding will occur after the water shares per ML/day of delivery share has been multiplied by your individual delivery share rate.



Why is there a difference between the Murray and the Goulburn system?

The Murray and Goulburn systems have slightly different conversion factors (long-term diversion limit equivalents, or LTDLE) that are used to convert the water recovered from water recovery projects, such as the Connections project, into entitlements like water shares.

These factors are being applied so that irrigators in the Murray and Goulburn systems receive water shares equal to the long-term water recovery volumes, in proportion to the delivery share they hold.

Further details on the LTDLE factors and Victoria's processes for converting water recovery into water shares can be found at www.water.vic.gov.au/water-for-agriculture/irrigators-share-distribution

Irrigators with 0.25 ML/day or more of delivery share

Water shares are scheduled to be issued between the 16 – 31 October 2021 along with any water allocations which would have accrued against these entitlements since 1 July 2021. While both water shares and allocation are scheduled to be distributed between this period, they may be issued on different days.

Water share calculator

Irrigators with 0.25 ML/day or more of delivery share can visit the water share calculator to estimate the amount of water shares they will receive. The calculator can be found at www.gmwater.com.au/irrigators-share

Irrigators with less than 0.25 ML/day of delivery share

Around half of all GMID delivery share holders (approximately 5,000) have less than 0.25 ML/day of delivery share. For these delivery share holders financial benefits will be issued as a credit on the GMW fixed charges bill in July 2022.

The Minister for Water accepted the ISCC recommendation that irrigators with less than 0.25 ML/day of delivery share will receive the financial value of the water share (both HRWS and LRWS), rather than the water share itself.

This makes sure that the benefit owed to eligible GMID delivery share holders who hold a small volume of delivery share is not significantly eroded by the associated costs, e.g. cost of storing, using, and trading water shares. It also ensures the benefit is passed on to those who hold 0.05 ML/day or less delivery share and would otherwise not receive a water share due to the Victorian Water Register being unable to record parcels of water shares less than 0.1 ML.

The water shares will be issued to GMW to sell on the open market in the latter part of 2021 and into early 2022. Approximately 2% of the total amount of eligible delivery share held by irrigators in the GMID falls below the 0.25 ML/day delivery share threshold. Based on the current water share volumes to be issued, this equals about 1200 ML of HRWS and 650 ML of LRWS. These numbers will be confirmed at the census date scheduled for 12.01 am 1 October 2021.

A formal trading strategy is being developed by a specialist third party to support the sale of these water shares. The trading strategy will consider issues such as achieving best value, avoiding market distortions and transparency. Non-sensitive information on the strategy will be made available before trading occurs.



What do you need to do before census date?



As an eligible GMID delivery share holder, it's important to us that you receive your share. Before census date make sure you:

- 1. Check your delivery share records** – Make sure your details are accurate as water shares can only be issued when the names of the delivery share holders recorded in the Victorian Water Register are exactly the same as the landowners recorded in the land titles system. For example, if there has been a change to land ownership, the Delivery Share Entity may have changed or been updated. Therefore, you should confirm and make the necessary changes to your delivery share records well in advance of the census date scheduled for 12:01 am on 1 October 2021.
- 2. Consider your options** - You may wish to check or combine your delivery shares. You can find quantities listed on your 2020/21 fixed charges account under the Infrastructure Access Fee (IAF) total.
- 3. Contact GMW** - Contact GMW if you wish to update your billing address, or discuss your Delivery Share Entity/Land Ownership, Allocation Account or Water Use Licence ownership.

How will you receive the benefit?

Allocation account

Over 10,000 parcels of water will be issued as part of the irrigators' share distribution process. To make sure water shares are distributed in a timely manner an automated process is being used. This requires a set of business rules to ensure the benefits are distributed to the correct accounts and that water shares and allocation can be used immediately after issue.

Where possible water shares will be issued to an existing allocation account (sometimes also referred to as ABA). For this to occur, the allocation account must:

- be within the GMID
- match the trading zone of the delivery share through linked service point(s)
- have the same account holders as the delivery share owners.

If more than one suitable allocation account is found, the allocation account with the most usage recorded in 2019/20 (or year previous) will be used.

What if you don't have a suitable allocation account?

Approximately 500 eligible delivery share holders do not have an existing allocation account suitable for the automated distribution process. For these irrigators to receive their water shares a new allocation account will be created.

GMW will contact all individuals where a new allocation account will need to be created.

If you have a new allocation account created, you will need to link this new allocation account to your Water Use Licence or relink the water shares to another allocation account after the distribution date.

If you are unsure of what allocation account your water share will be issued to you can contact GMW on 1800 013 357.

Syndicates

Syndicate bodies will receive a financial benefit issued as credit on their GMW fixed charges bill in July 2022. GMW are contacting all syndicates to advise them on this process.

If you are a member of a syndicate and need more information you can contact GMW on 1800 013 357.

GMW customers in debt

Approximately 500 customers who are eligible for the irrigators' share distribution owe a debt to GMW of greater than \$100 and older than 90 days. GMW will work with these individuals to discuss the options available to them to use the benefit from the irrigators' share to reduce and stabilise their debt owed to GMW.

GMW is committed to reducing and maintaining low levels of debt as part of sustainable financial management. It is also committed to fair and reasonable treatment of customers facing financial difficulties.

Information on GMW's current debt management procedure can be found at www.g-mwater.com.au/payment-assistance



How can you be confident in the process?

The irrigators' share distribution is the largest single issue of water shares since the Victorian Water Register was created.

Significant technical work is being undertaken to get ready for the issue of water shares in October 2021. This includes manually comparing and updating customer details to enable water shares to be issued to correct customers. This work provides confidence that water shares will only be issued when the details recorded in the systems are correct and accurate.

Water shares are scheduled to be issued over a two-week period between 16 – 31 October 2021. The issuing of water shares needs to occur outside of business hours and on weekends to minimise the disruption for other users.

A 'readiness for service' independent assurance review will occur in September 2021, before the water shares are issued in October 2021. This will be undertaken by an external third party to provide additional assurance that the Victorian Water Register and associated processes are ready for the distribution. This review ensures confidence that GMID delivery share holders receive the benefit they are eligible for and that there are no errors in the system. If this review does not provide certainty that the system is robust and 'ready to go' the census date and distribution period may be delayed





What else do you need to know?

Enquiries centre

It is important to us that the distribution process goes as smoothly as possible and for our customers to have all the information they need. Therefore, we have established a dedicated irrigators' share distribution (ISD) support service for customer enquiries.

Enquiries related to the irrigators' share can be lodged at any time.

A reviews process will be available for all GMID delivery share holders and open for six months after you have received your benefit. The review process is only available for those who are eligible to receive a benefit and require further information on the outcome of their individual distribution.

For all enquiries please:

- email ISDProject@gmwater.com.au
- call 1800 013 357.

Storage fee and interim billing

Water shares will be distributed after the 2021 fixed charges bills are issued. An amended fixed charges bill for the additional storage fees will need to be raised for customers who receive water shares. GMW will issue the amended account in late 2021. The shares will have the same charges as water shares in each system. Current storage fee pricing can be found at www.g-mwater.com.au/pricing

Next steps

GMW will continue to provide eligible delivery share holders with information on the irrigators' share distribution. This will be in the form of letters, messages on bills, social media and GMW newsletters.



Frequently asked questions

What happens if my records are not updated before census date?

At census date, scheduled for 12:01 am 1 October 2021, water shares will only be issued if the names of the delivery share holders recorded in the Victorian Water Register are exactly the same as the landowners recorded in the land titles system. If the names are not the same, there will be a delay in receiving your water shares until the records are updated. Therefore, you should confirm and make the necessary changes to your delivery share records well in advance of the census date.

What if my delivery share covers multiple outlets?

Water shares are issued against a Delivery Share Entity.

If the Delivery Share Entity covers multiple outlets, the daily rate and trading zone on each outlet adds up to the total delivery share on which the distribution will be based. If those outlets are spread across more than one trading zone, the daily rate in each trading zone will be combined and water shares will be issued in both zones.

If the combined volume of daily rate in one or both of the trading zones is less than 0.25 ML/day a bill credit will be issued.

Customers who have delivery shares with outlets in two different trading zones will be contacted by GMW directly to discuss what this means for them.



What if I hold a different delivery share on another property?

If you hold different Delivery Share Entities on other outlets or properties, a separate water share or bill credit will be issued for each (depending on the daily rate).

You can apply to apportion rates from the same Delivery Share Entity across service points via a Form 35 - Application to Vary a Delivery Share (DSV).

If customers have multiple Delivery Share Entities, they may be able to be transfer from one Delivery Share Entity to another via a Form 36 - Application to Permanently Transfer Delivery Share (DST).

You can contact GMW for assistance or access the forms at www.g-mwater.com.au/customer-services/forms



Can I change the amount of delivery share I hold?

You can change the amount of delivery share you hold through trading on the market.

The issue of new delivery share for irrigation is currently restricted in the GMID in line with the delivery share review recommendations. All applications are subject to rules and channel flow rates capacities - contact GMW for more information.

Why are syndicates receiving a GMW bill credit?

Syndicate bodies contribute to the common Infrastructure Access Fee (IAF) and are eligible to receive the benefit. Syndicates hold delivery share but not in the same way as an individual land owner does.

In some circumstances, the syndicates include landholders unknown to each other, making it inappropriate to issue a water share as a jointly held asset.

For the majority, the number of landowners in a syndicate if broken down to an individual scale, each landowner would fall below the 0.25 ML/day threshold.

Due to these reasons, syndicate bodies will receive a financial benefit issued as credit on their GMW fixed charges bill in July 2022.

GMW are contacting all syndicates to advise them on this process.



Contacts

For help and support, you can contact GMW by:

- Visiting a customer service centre and talking to us
- Emailing the project team ISDProject@gmwater.com.au
- Phoning the GMW Customer Experience Team on 1800 013 357

For more information, visit the irrigators' share website at www.gmwater.com.au/irrigators-share

