

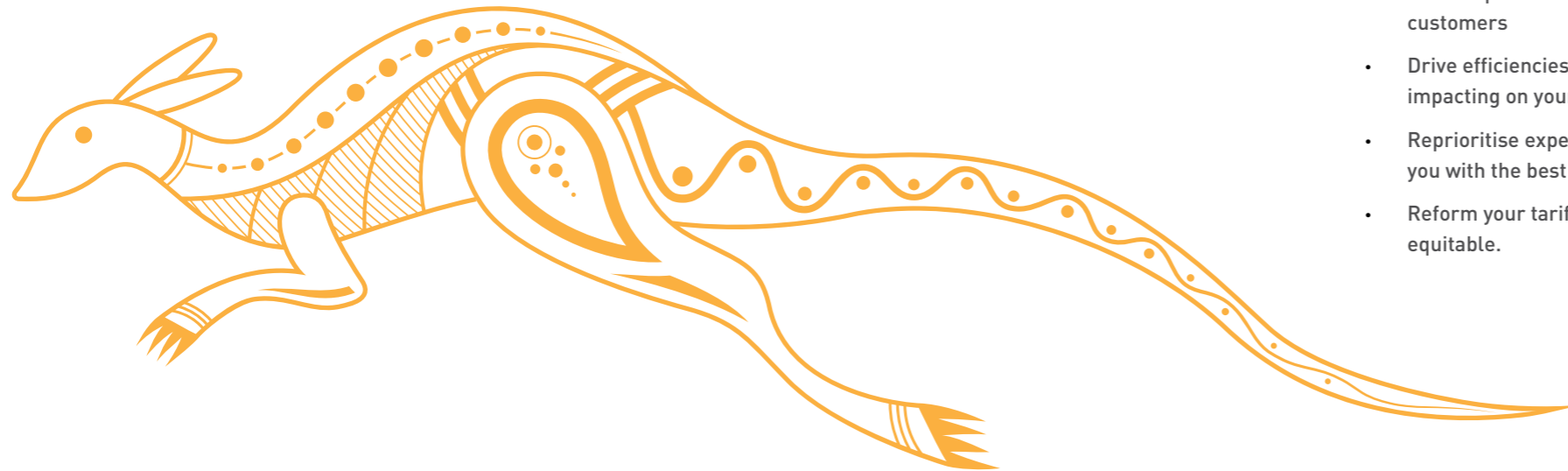
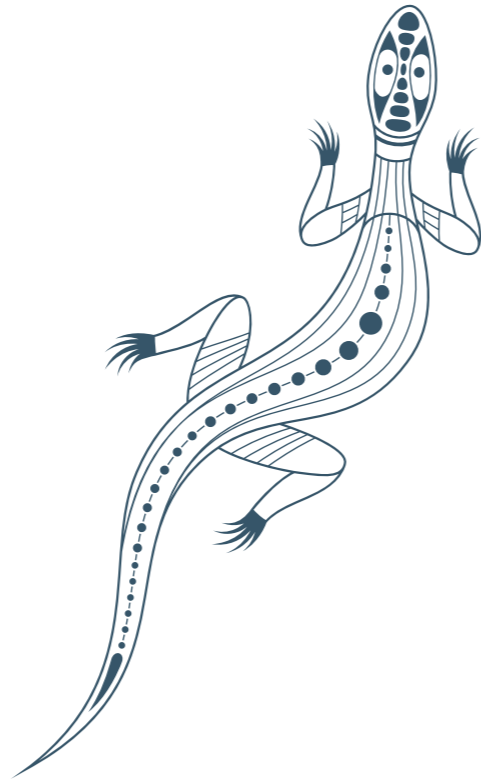


A fairer deal for all

A consultation draft of key elements of GMW's Pricing Submission 2020-2024

Acknowledgement

Goulburn-Murray Water acknowledges the Australian Aboriginal and Torres Strait Islander people of this nation. We acknowledge the traditional custodians of the lands on which our services are provided, and we pay our respects to ancestors and Elders, past and present. GMW is committed to honouring Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.



About our Pricing Submission

Every four years we put forward our proposed fees and charges to the independent umpire – the Essential Services Commission (ESC). As a non-profit authority, our pricing is structured to recover the costs of the services we provide and to maintain our assets – the dams, channels and meters we operate – into the future. We call the written document we lodge with the ESC our “Pricing Submission”.

Our Pricing Submission will be lodged with the ESC in November this year and will contain our proposed fees and charges for the period 2020-2024. It will also contain the service levels we will provide and the efficient costs related to delivering these services.

It is based on extensive engagement with you – our customers – through workshops, drop-in sessions, summit meetings and thousands of customer conversations over the past two years.

It also reflects the continuing transformation of our business to drive efficiency and innovation, to consolidate and reduce costs and to pass these benefits on to you.

You have been clear in what you want. **A fairer deal for all** is the overwhelming message. We have heard you and we've developed proposals that will:

- Provide price reductions for almost all our customers
- Drive efficiencies and cost reductions (without impacting on your level of service)
- Reprioritise expenditure into the areas that provide you with the best value for money
- Reform your tariffs to be simpler and more equitable.

“This is a good news story.”

You have told us – and we agree – that where there is a single service there should be a single price. We heard everyone should pay their fair share and again we agree. We believe our proposed changes align with your comments.

We're now seeking feedback on our proposals, options and prices we submit to the ESC.

Feedback is open until 9am Monday, 4 November. We encourage you to drop us line, give us a call or drop into a customer service centre – all the details on how you can provide feedback can be found on the back page.

Thank you for taking the time to get involved. We know deciding on what's fair and equitable in our prices is much easier when we're collaborating with you. We firmly believe working together will help us achieve better outcomes for you, our customers, our business and our region.

Our Vision & Our Values

GMW's vision of 'Delivering for our region and our future' recognises the significant role we have in contributing to the prosperity of our region. We will do this by providing essential rural water services to our customers at an affordable long term cost.

Vision

We take pride in knowing that we are custodians of the infrastructure and services which form such an integral component of economic activity in our region.

Our five Strategic Outcomes, listed below, reflect our corporate aspirations.

Safe, skilled, engaged people

- We have a safe, inspiring and diverse workplace where learning is encouraged and people are supported.

Satisfied customers, trusting partners

- Our customer-first culture and strategic partnerships provide benefits for our customers and communities.

Innovation, data and technology driven services

- We innovate and use data and technology to deliver efficient services.

Sustainable business, viable customers

- We make long term, sustainable decisions focused on efficiency, finance and assets.

Water security and other water values are recognised

- We champion the cultural, economic and environmental opportunities that water provides to our communities.

Values

Core values are essential and enduring principles of an organisation. Values underpin its culture and provide a standard against which the Board and employees can test their decisions, actions and behaviours.

We have committed to the following organisational values to guide our culture:



Excellence

We pursue quality, innovation and continuous improvement in everything we do.



Honesty

We are truthful and transparent in all our dealings and communications.



Accountability

We take responsibility and ensure we follow through on all our commitments.



Courage

We take considered risks and step forward with conviction into a new future.



Caring

We look out for each other and demonstrate genuine empathy for our customers.



Who We Are

GMW manages water resources on behalf of northern Victoria and the largest irrigated agriculture region in the nation. We harvest, store and deliver water for domestic use, to grow food and fibre and to protect flora and fauna. Our rivers and inland water storages provide recreation for Victorians while serving their economic and environmental interests. Water is our region's lifeblood and vital to all who live, work and play in northern Victoria. We are proud and privileged to manage this precious resource.

The map above shows the 68,000 square kilometre GMW region, bordered by the Great Dividing Range in the south and the River Murray in the north and stretching from Corryong in the east down river to Nyah.

How we are transforming our business

From season to season, our farmers and communities are continually adjusting to government policy, global trends and the impacts of a changing climate. Our business must also transform and continue to adapt to best serve our region and customers.

Some of the changes impacting on our region have been profound. We are delivering about half the water to irrigators that we did 20 years ago. In the same timeframe, we have experienced prolonged drought, a number of floods and more recent periods of dry. Our costs, and those incurred by our customers over this time, have all gone up.

In more recent years, government has invested heavily to modernise the water delivery network serving the Goulburn Murray Irrigation District (GMID). Part of this efficiency drive has been to decommission redundant channels and rationalise the GMID as our customer base consolidates.

We need to do the same – continue to drive efficiency and consolidate our business in line with the changing needs of our customers.

We have moved on from the challenges of our recent past, to face our biggest challenge of all. That is, to ensure GMW remains sustainable over the longer term,

with the capacity and drive to support our customers and communities to prosper also.

We have addressed this with a multi-faceted transformation action plan that is now well under way. It includes new leadership to drive change, new technologies, different approaches to how we do business and workforce efficiency programs.

We are innovating. For example, our new Channel-by-Channel Framework will apply a more commercial focus to what we repair, maintain or rationalise, to keep the GMID running at peak efficiency,

We are taking a caring approach to our people as we reduce operating costs. We are implementing an Early Retirement Program and a Regional Mobility Program, to keep skills and opportunity in the region.

As a not-for-profit authority, we are passing on the benefits of transformation to lower prices for the majority of our customers.

The financial challenge

At the core of our challenge is the need to create efficiencies in business operations and asset management practices to ensure GMW's short, medium and long-term financial sustainability.

To achieve this for your business and ours, we must:

- Achieve significant and sustained reductions in operating, maintenance and overhead costs and capital expenditure.

- Reduce our future capital expenditure by:
 - » Adopting a targeted and risk-based approach to identifying priority works
 - » Reducing the number of assets we need to replace or refurbish in future (without impacting service delivery).

We are working hard to transform our business and to permanently eliminate unnecessary cost, to ensure our best offer and a fairer deal for all.

The table below shows the significance of our financial challenge. Note: it includes operational and capital savings requirements.

	Short term (2018 to 2024)	Medium term (2025 to 2040)	Long term (2041 to 2067)
Average annual savings	\$19.4 million	\$45.0 million	\$32.6 million
Cumulative savings	\$19.4 million	\$64.4 million	\$97.0 million

What we've achieved (so far)

The table below shows achieved savings in operational expenditure. Note: it does not include capital savings.

This table shows short-term targets by service type.

Service Group	Savings
Gravity Irrigation	\$7.0m
Bulk Water	\$1.7m
Drainage	\$0.5m
Pumped Irrigation	\$-0.1m
Diversions	\$0.2m
Water Districts	\$0.1m
Customer service and billing	\$2.1m
Corporate costs (overheads)	\$4.6m
Total savings achieved	\$16.1m

What this means for you

To put it really simply, the efficiencies our transformation is generating means we need less money from you, our customers. We're proposing a revenue requirement of \$443.0 million during this Pricing Submission. A drop of around 12% from the previous water plan in which we needed \$504.7 million.



About our customers

Many of our customers are irrigators who are supplied by the gravity irrigation network in the GMID.

We also supply irrigators on three pumped districts in Nyah, Tresco and Woorinen. We have pumped pipelines that supply domestic and stock water in several water districts. We manage the water supply to diverters on regulated, unregulated and groundwater systems and then there's environmental watering and bulk water customers.

All these have different fee structures and different requirements from our business. It's for this reason our engagement program has been so extensive. We need to work with all our customer types to reflect all their different needs. It's a constant challenge, but our aim of developing trusted partnerships is seeing our business achieve the many positive initiatives reflected in this Pricing Submission.



Our Engagement

Our engagement with customers to prepare for this Pricing Submission has been more extensive than our usual approach.

This reflects the diversity of our customer base. We have worked with our long standing Water Services Committees but we have also reached out to our broader customer base and connected with well over a thousand of you as individual customers. The list below shows the range of activities we have conducted. This has been driven by our ambition to give you every opportunity to have your say, to be honest and transparent with you and to listen closely to the broad range of customer views.



Beneath the Waterline

Three days, 36 participants and more than a dozen major topics – our *Beneath the Waterline* forum brought together a core team of customers to work with our experts to help develop and refine proposals for the fees, charges and service levels we will provide over the next four years.

The Echuca forum enabled us to follow up in more depth, many of the key topics that were raised during our earlier customer engagement activities.

Beneath the Waterline was different from our other engagement activities. Participants were not only selected for their willingness to devote days of time and effort; criteria developed by an independent statistician ensured a more representative sample from across all customer segments, customer size, location, production and service type.

Participants were required to actively engage in debate, deliberation and make judgements on a broad range of issues. Combining their own experience with expert briefings from GMW, some of our key stakeholders and industry presenters, they voted on options relating to key aspects of our pricing from 2020 to 2024.

The major topics included our service standards, pricing equity and how different price paths apply to different customer segments. Specific issues that impact on pricing, like the prospects of 365 day irrigation delivery, how we manage customer hardship and the make-up of service point and storage fees were all covered in structured workshops resulting in voting “for” or “against” existing practice or other options.

Beneath the Waterline reflected our diverse customer base and the complexity of developing our Pricing Submission. Our goals, however, are shared and simple: knowing the needs of our customers, providing the level of service they ask for and doing so at a fair price.

Beneath the Waterline allowed participants to vote on a range of topics. You can find the independent facilitators’ report, with all the results, on our [website](#).

Your feedback

We interviewed a number of participants and presenters at the halfway point of the forum. To hear what they had to say about *Beneath the Waterline*, their input and what they hoped the forum would accomplish visit our [website](#).



Paul Harry
Katandra dairy farmer

Tariff and pricing equity was the priority for Paul, who’s experienced immense change in water management, trade and pricing in his 15 years on the land: “We’re paying enough as it is, I think other stakeholders, other water holders... need to be paying their fair share to help Goulburn-Murray Water become more sustainable.”



Mark Turner
Goulburn-Broken Catchment Management Authority

How the Environmental Contribution Levy is spent, and how land managers impact river health, comprised Mark’s presentation to *Beneath the Waterline* participants. “The main thing I heard was a call for transparency on what the environmental water holder pays for storing and using water. I think we should have that level of transparency.”



Giles Johns
Swan Hill turf farmer

With a business expansion into the GMID, Giles had a commercial interest in understanding water management and customer pricing: “It’s been informative and interesting for me, in particular. Turf farms in Melbourne are supplied with on-farm dams so being up here on an irrigation system is totally new for the company and myself.”



Richard Anderson
Bamawm mixed farmer

As a customer, Victorian Farmers Federation and GMW Water Services Committee stalwart, Richard knows water issues like few others. “I’m 36 years in the water space... what we’ve been talking about today is within Goulburn-Murray Water’s realm to change or we can have a fair input into changing government policy.”



Annette Van Der Hoek
Eildon property owner

As the owner of a lifestyle property with a large garden, Annette was pleased to attend the forum and participate in what she saw as important discussions: “We live right on the Goulburn and I wanted to know what happens down the line... the issues are huge and we need to be fair to the farmers and all of the players involved in water management.”



Craig Madden
Avenel groundwater customer

Providing an “on the ground” perspective to GMW and ultimately government was Craig’s incentive to take part in *Beneath the Waterline*. He appreciated the opportunity for his views to be heard: “I get a whopping power bill... I sometimes wish I had the same input into tariff review with the power company as I get with this one.”

What our customers are telling us

Customers have been clear on the outcomes they're seeking from us:



Reliable Supply

We need our water to stay in the region.



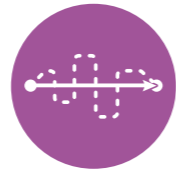
Credible Business

We need GMW to be transparent, honest and trustworthy and have a stable leadership team.



Fair Pricing

We need prices that fairly reflect the true use of infrastructure by all water users (including irrigators, investors and the environment).



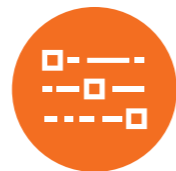
Efficient Operations

We need the business to run lean enough to deliver affordable prices that support farmers to stay on the land.



Responsive Services

We need GMW people and systems to deliver the right flow rates in the right timeframes.



Simple Systems

We need digital information and communications systems that are fast and simple (for customer service, water delivery and billing).

During our customer engagement program we have gathered more than 1300 pieces of customer feedback. Recognising that not all feedback is applicable to the Pricing Submission, all responses were categorised in to three clearly defined "next steps". These being business ideas, customer proposals and opportunities to inform government of customer views on policy and other key issues. This ensures the appropriate response and action to occur.

You can view the list of the Pricing Submission Customer Proposals on our [website](#).

The diagram below shows our engagement process for identifying the proposals.




Our proposals to meet your needs

Service Standards that matter

Based on what you told us our service standards need to be more customer focussed. To respond to this we are proposing to move away from service standards that are inward facing, and focus more on the outcomes we are delivering for you.


What you told us Licensing and Administration

These are important. We should educate and encourage customers to move to online platforms which have quicker turnaround times and can generate business efficiencies.

What we propose	How we'll measure our success	Target	Outcome
We're offering timely and innovative services for our customers	We process all allocation trade applications within five business days	90%	 Efficient Operations
	We process all water share applications within 10 business days	95%	
	We process all change of ownership applications within 10 business days	90%	

What you told us Water Districts Service Standards




You are happy with the service you receive. The supply interruptions standard is important as it ensures you have the right amount of on-farm storage to meet any outages.

What we propose	How we'll measure our success	Target	Outcome
We're getting water to our water districts customers when they need it	Supply interruptions do not exceed 96 hours	100%	 Efficient Operations



General Customer Service



The call centre is important and we should never consider outsourcing this service. You value the simple access to information and answers it provides. When it comes to complaints you placed more value on fixing problems and us working with you, than statistics!

What we propose	How we'll measure our success	Target	Outcome
We take actions on complaints quickly to reach resolutions for our customers	Complaints to Energy and Water Ombudsman Victoria (EWOV) per 1000 customers each year	0.32	 Credible Business
	Customer complaints to GMW per 1000 customers each year	3.0	
	We respond to complaints in writing within 10 business days	100%	
We're answering our customers' calls quickly and effectively	Calls are answered within 60 seconds	85%	 Simple Systems
The person who answers your call can answer your questions	First point-of-call resolution	2020/21: 64% 2021/22: 66% 2022/23: 68% 2023/24: 70%	 Credible Business



Pumped Irrigation Service Standards




In the summer months supply interruptions have a serious impact. In the winter months it's less important. Knowing when outages occur is crucial.

What we propose	How we'll measure our success	Target	Outcome
We're getting water to our Pumped District customers when and where they need it	Irrigation orders are delivered on the day requested	98%	 Efficient Operations
	Supply interruptions do not exceed eight hours in the summer months and 48 hours in the winter	80%	
Our customers are informed by SMS when there is a supply interruption and again when it is restored	Within two hours	100%	 Simple Systems

What you told us

Diversions Service Standards


You are happy with the service we provide, but you want more customer education activities.

What we propose	How we'll measure our success	Target	Outcome
Our customers have access to the resource monitoring data they need	Within two weeks of it being submitted	90%	 Responsive Services
We comply with the Local Management Rules we developed with our customers	Access to unregulated stream flows is managed in accordance with restriction triggers in Local Management Rules	100%	 Responsive Services
	Customer access to groundwater is managed through seasonal allocations which are announced in accordance with relevant management plans	100%	
Our customers know when restrictions on unregulated streams are in place	Customers receive notification in writing (electronically where possible)	100%	 Responsive Services

What you told us

Water Delivery Service Standards


Feedback on service in the GMID was simple - you said flow rate is king!

What we propose	How we'll measure our success	Target	Outcome
Our GMID irrigators are getting water when and where it's needed	Orders are delivered within 24 hours	95%	 Responsive Services
	Flow rate is within 10% of order	80%	

What you told us

Drainage Service Standards







These service standards should focus on maintenance as it has the biggest impact on the service you receive.

What we propose	How we'll measure our success	Target	Outcome
We maintain drains to remove excess rainfall runoff	Within the declared level of service for each drain	98%	 Responsive Services

What you told us

Bulk Water Service Standards

For environmental water delivery and planning it's essential our system can meet demand. We also heard a focus on harvesting was important because it supports system reliability.

What we propose	How we'll measure our success	Target	Outcome
Our regulated systems are delivering water to meet our customers' demands	Percentage of time a customer demand can be met	99%	 Reliable Supply
We're maximising harvesting opportunities - to deliver the best water outcomes for our customers	Up to 100% of design storage capacity	100%	 Reliable Supply
Our delivery systems will efficiently deliver water from storage to our customers	Water delivered to customer's property as a percentage of water diverted from rivers	85%	 Efficient Operations
We maintain the minimum required flow rates in our rivers	Flow requirements as specified in the relevant bulk entitlements	98%	 Responsive Services
Our customers are informed of seasonal determinations on time, every time	As per the defined time frames	100%	 Responsive Services
Our customers are informed about risk of spill announcements on time, every time	As per the defined time frames	100%	 Responsive Services

HAVE YOUR SAY

Do you support GMW's proposed changes to service standards? Visit our [website](#) to have your say.

“We need to attract new investment to the region. The vegetable growers are interested in this area, but need winter water access for production.”

365 Day Gravity Irrigation

Our region is home to some of the country’s most innovative farmers. More than this, the \$2 billion Connections Project is ensuring our delivery system is one of the best in the world.

The security of our delivery network is not only supporting our region’s farmers, it’s attracting interest from investors from outside our region.

Recently land use pressure on the urban fringe of Melbourne has been generating further interest in our region. Developing this new investment could have huge benefits for our region, delivering jobs and a serious boost to our region’s economy. However, to do this GMW would need to provide water beyond the traditional irrigation season (which currently runs from August 15 to May 15).

We are excited about the prospects of growing our region. We will do all we can to support regional development and need to investigate how widely we can provide 365 day delivery in the GMID.

This investigation will need to take into account any price implications for our customers, be they positive or negative, and other impacts.

For example, we have traditionally drained large sections of channels over winter to allow for frosting of weeds, to enable asset replacements and maintenance work. Frosting of aquatic weeds is not simply an efficient

method of dealing with submerged weeds, it’s by far the cheapest option. Chemical treatment is less effective, more costly and more likely to harm the environment.

We currently consider applications for winter delivery supply on a case-by-case basis. We are proposing to investigate the opportunities and risks of pursuing 365 day delivery within the gravity irrigation areas.

It will consider:

- In which locations a 365 day supply would be appropriate / viable
- Whether customers should include on-farm storage
- How to appropriately recover the additional operational costs of extended supply
- Any additional system losses and
- How we ensure **a fairer deal for all**.

HAVE YOUR SAY
 What things are important to you as we consider a 365 day irrigation service in some parts of the system? Visit our [website](#) to have your say.

“Non-water users should pay their share.”

Fairer prices

We are proposing a number of changes to your pricing. We are making tariffs easier to understand and looking to charge everyone the same price, where they receive the same service. This is fair.

The following pages present the key proposals based on what you said was important. Actioning these will provide price relief for many.

Entitlement Storage Fees (water user / non-water user)

You have told us that everyone should pay the same storage fees. No matter whether you are an irrigator, the environment or an investor.

Our current prices differentiate between water that is associated to land (a water user), or not (a non-water user). Where it is associated with land, customers pay a ‘system’ price. Where it is not associated to land, customers pay a ‘basin’ price.

We agree that there should be no differentiation in pricing, on the basis of how water is used. As such, we propose **scrapping the water user/non-water user basis for charging**.

Without the difference between water user and non-water user, all customers would pay the same price. We think that achieves what you have been asking for and we also believe it’s **a fairer deal for all**.

System pricing

There is a choice of two options for this single price - system pricing or basin pricing.

Our storages are connected to two systems – the Goulburn and Murray systems. 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 results in greater complexity and for customers in smaller basins, higher prices. This conflicts with your feedback regarding one service, one price and fairer pricing arrangements. As such, we propose 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 would apply a system price (weighted average) to all water shares, using the Goulburn and Murray systems.

HAVE YOUR SAY
 Do you support a move to system pricing? Do you support the proposal to charge water users and non-water users the same fee? Visit our [website](#) to have your say.

The table below shows the price impacts for all high reliability water shares being charged a system price (note - it does not include bulk entitlement holders). It explores a two system (Goulburn and Murray) price (note – the prices in brackets represent the current prices paid by water users).

Water basin	Basin Price (19/20)	Goulburn System	Murray System
Broken	59.56		
Goulburn	7.46		
Campaspe	26.00	\$9.71 (\$11.10)	
Loddon	44.13		
Bullarook	461.67		
Murray	9.22		\$10.74 (\$13.86)
Ovens	75.62		

“Why is the IAF so expensive? Investigate pricing structure options to help sustain our delivery system.”

Infrastructure Access Fee and uniform delivery charges in the GMID

We heard loud and clear the Infrastructure Access Fee (IAF) was too high. You also asked us to reduce this fee and to consider reallocating some costs out of the IAF into other fees.

We looked at opportunities for cost reduction and reviewed how costs are allocated, to ensure they were still fit-for-purpose. We explored many options for reallocating costs but most of these resulted in impacts on other customers that would not be reasonable.

One change that was seen as appropriate was a reallocation of some overhead costs to service fees, just as overheads are applied to the other fees. This has slightly reduced overhead costs in the IAF and is one of the changes embedded in the new proposed pricing tables later in this document.

However, we believe the best way of reducing the cost of the IAF for all our customers is by cutting our operating costs by close to \$20 million. All our teams have significantly reduced operating costs to support fairer pricing. The work done on Shepparton costs has brought their costs much closer to the other districts.

In looking back at the structure and costings of our GMID irrigation districts, we also confirmed that the Broken Creek costs and revenues more correctly belong within the Shepparton Irrigation Area, rather than the Murray Valley Irrigation Area. This is because the vast majority of water supplied to Broken Creek customers uses Shepparton infrastructure. To note: this proposal will not change.

These two actions have reduced the cost differential between Shepparton and the other five irrigation areas to a point where it is no longer material.

Therefore, we are proposing a move to uniform delivery charges in the GMID. This approach will:

- Create a simpler pricing structure that will create cost efficiencies for GMW
- Allow us to create more certainty and stable pricing across the region
- Protect smaller irrigation areas from price shocks caused by unexpected events
- Strengthen the ‘one-GMID’ approach, to drive the best outcome for everyone.

You have told us that you want the IAF cost to drop. That you want delivery fees that are fairer for everyone. You told us everyone who receives the same service, should pay the same price and we agree.

We strongly believe creating a unified GMID will do this. Creating a GMID that works together, puts our irrigators, our communities and our industries in the best possible place to tackle future competition and future challenges.

So now, while all our customers are getting reductions across the GMID, we believe the timing is right to deliver a uniform Infrastructure Access Fee and a uniform Infrastructure Use Fee.

We think it's **a fairer deal for all.**

In real terms, uniform pricing will bring the Infrastructure Access Fee for the six areas to \$2,527 per delivery share. This is a drop of almost \$400 per delivery share from the current price of \$2,925 for the five districts.

HAVE YOUR SAY

Do you agree with a move to uniform delivery charges for the six areas? Visit our [website](#) to have your say.

“There needs to be greater transparency in what everyone pays for water delivery, including the environment, and what services are provided in return”

Environmental Delivery Charges

During our engagements you raised questions about the share of costs paid by the Murray-Darling Basin Authority (MDBA) and Environmental Water Holders (EWHs) at both state and federal level. We have talked about the importance and challenges of environmental watering and the current pricing arrangements.

EWHs pay for environmental water delivery through a Supply By Agreement. The current agreement / charges are based on an interruptible supply. This allows GMW to delay environmental water delivery in order to meet irrigation customer demand. The charges applied to the EWHs acknowledge the lower level of service provided to them.

We agreed there is a need for greater transparency around the arrangements that are in place so that all parties understand the service levels and payments made. This is one of the primary aims of a current review into environmental water charges by the Department of Environment, Land, Water and Planning (DELWP).

We are actively participating in this review and have informed DELWP of some customer views in our recent discussions. We will also keep you informed with any available updates on the review to be posted on our website, as we know you will be interested.



“Simplify – the whole billing system is too complex. Stop charging such high prices for services other than water.”

Customer Account Fee and Water Register Fee

One way we’re proposing to simplify our bills and bring costs down is through the adoption of a single Customer Account Fee. This fee would replace the multiple service fees many of you are currently charged.

Our current Service Fee recovers the costs of maintaining customers’ land and water records, billing, debt recovery, central customer service and a fixed payment to the DELWP for access to the Victorian Water Register.

Customers pay a Service Fee for each service they receive from GMW. For example, if a customer has a property receiving delivery and drainage services, they pay two Service Fees; if they also have a groundwater licence on the property they pay a third. If they have another property receiving two services then they pay two further Service Fees, making a total of five; and so on.

The 2019/20 Fixed Charges accounts included 33,552 Service Fees. GMW has an estimated 19,958 customers so there are many individuals paying multiple fees.

An important part of creating a single Customer Account Fee is also passing through the cost of the water entitlement storage fee. We are required to pay DELWP for each of your water entitlement records stored in the Victorian Water Register.

We believe charging some of you multiple service fees, while at the same time not passing on the fair costs of storing your water entitlements in the Victorian Water Register, creates inequity. This is why we’re proposing to replace the current Service Fee with a Customer Fee and a Water Register Fee.

This would be a **fairer deal for all**.

You could consolidate all services on a single account. Instead of paying multiple Service Fees, you would pay only a single Customer Fee. Each customer would pay the true costs of storing their water entitlement records in the Victorian Water Register.

In 2019/20, each Service Fee is \$120. We estimate the single Customer Fee would be \$140 and the Water Register Fee for each water entitlement record would be \$13.

HAVE YOUR SAY
Do you support our proposal to create a single Customer Fee? Visit our [website](#) to have your say.

“Stop charging for service points that never get used. Look at the fee structure. How can remote access fees be so high?”

Customer Service Point Fees

Customer Service Point Fees recover the cost of infrastructure connecting your property to our assets. You have emphasised that some of the service points are redundant, yet attract fees. You have asked us to simplify our charges and create a **fairer deal for all**. To do this, we are proposing:

- Treating all service points the same way across all customer groups and recovering the average cost of operating and maintaining each type of service point at the individual service point level
- Recovering the cost of channel automation more broadly from all customers within the gravity channel system

- Incorporating corporate overhead costs in the Service Point Fee
- Removing the differentiation between Local Read Local Operate and Remote Read Locate Operate, and creating a single Local Operate charge
- To assist in monitoring customer compliance with water use – and to reduce our costs - we propose asking our customers with a local read outlet to enter a meter reading at the end of each irrigation
- We will look at ways for you to reduce your Service Point Fees by investigating mothballing and options to rationalise. This is also in line with transforming our business to reflect the consolidation of our customer base.

HAVE YOUR SAY
Do you support our proposed changes to Service Point Fees? Register your support or concern on our [website](#).

The price impacts of the proposed changes to Service Point Fees are shown in the table below. Note the amounts shown are the proposed price at the end of the transition period and current prices are shown in brackets.

	Customer group			
	GMID	Pumped Irrigation Districts	Pipelined Water Districts	Diversions
D&S SPF	\$145 (\$120)	\$145 (\$120)	\$145 (n/a)	\$145 (\$120)
Irrigation - Unmetered SPF	n/a	n/a	n/a	\$145 (\$120)
Irrigation - Local Operate SPF	\$455 (Local Read - \$350, Remote Read \$850)	\$455 (n/a - Additional Service Point Fee \$120)	n/a	n/a
Irrigation - Metered SPF	n/a	n/a	n/a	\$455 (\$350)
Irrigation - Remote Operate SPF	\$1,070 (\$1,060)	\$1,070* (n/a - Additional Service Point Fee \$120)	n/a	n/a

*There are eight Remote Operate outlets in Woorinen.





Torrumbarry Natural Carriers Rebate

The GMID delivery system mostly comprises of channels and pipes. In some places natural carriers (creeks, lakes, lagoons) also form part of the system. Unlike most GMID customers, those taking water from the natural carriers generally pump onto their properties.

In the Torrumbarry Irrigation Area, those taking water from nominated natural carriers have, since 1996, been eligible for the Torrumbarry Natural Carriers Rebate (also known as the Pumpers Rebate). A similar rebate does not apply in other parts of the GMID with natural carriers.

Recipients of the rebate pay standard Torrumbarry Irrigation Area delivery tariffs and prices. The calculated rebate (\$/ML) is then applied to each ML used.

The rebate is funded by other delivery service customers (previously only Torrumbarry, but now also Murray Valley, Central Goulburn, Rochester and Loddon Valley), resulting in higher prices for them.

The rebate has averaged a total of \$400,000 (\$2019/20) for the last three years. In 2018/19, the rebate was \$11.02/ML compared to the Infrastructure Use Fee of \$5.10/ML. i.e. rebate recipients were being paid \$5.92 for every ML pumped.

In 2013 a review into the rebate (which included input from customers) found it should be removed, but this should be deferred until changes to service point fees were complete. With this work being completed in 2019/20, we're now proposing the rebate be phased out over four years.

We understand this proposal will create concerns for some customers. This is why we would commit to a four-year transition path.

The table below outlines the proposed transition path.

2020/21	Pumpers receive updated Rebate Agreements. Rebate reduced by 25% to \$8.27/ML
2021/22	Rebate reduced by 50% to \$5.51/ML
2022/23	Rebate reduced by 75% to \$2.75/ML
2023/24	Rebate not available

HAVE YOUR SAY

Do you agree with our proposal to phase out the Torrumbarry Natural Carriers Rebate? Visit our [website](#) to have your say.

How your bill is changing

The cost reductions we're delivering will create sustainable price outcomes for you. Prices are falling as they reflect a transformed GMW now and in the future. Our price paths represent **a fairer deal for all**.

The tables below show the bill impact on typical customers in the GMID. To note – these bills are modelled on uniform Infrastructure Access Fee and Infrastructure Use Fees. They continue to be different in each district to reflect the Goulburn and Murray system pricing in the Entitlement Storage Fee and drainage fees.

The table below shows the bill impact on typical pumped irrigation district customers.

Pumped Irrigation - Typical customer bill

Woorinen					
	2019/20	2020/21	2021/22	2022/23	2023/24
Small	\$1,269	\$1,224	\$1,188	\$1,172	\$1,145
Medium	\$7,345	\$7,276	\$7,251	\$7,308	\$7,321
Large	\$18,676	\$18,216	\$17,992	\$17,975	\$17,895
Nyah					
	2019/20	2020/21	2021/22	2022/23	2023/24
Small	\$1,235	\$1,183	\$1,143	\$1,110	\$1,069
Medium	\$9,216	\$8,909	\$9,037	\$9,221	\$9,430
Large	\$18,312	\$17,778	\$18,001	\$18,333	\$18,726
Tresco					
	2019/20	2020/21	2021/22	2022/23	2023/24
Small	\$1,372	\$1,319	\$1,277	\$1,240	\$1,196
Medium	\$9,064	\$8,695	\$8,758	\$8,873	\$9,006
Large	\$18,007	\$17,352	\$17,443	\$17,637	\$17,879

The tables below shows the bill impact on gravity irrigation customers.

Gravity - Typical small bill

	2019/20	2020/21	2021/22	2022/23	2023/24
Shepparton	\$423	\$380	\$411	\$410	\$406
Central Goulburn	\$376	\$380	\$411	\$410	\$406
Rochester	\$376	\$380	\$411	\$410	\$406
Loddon Valley	\$376	\$380	\$411	\$410	\$406
Murray Valley	\$385	\$388	\$419	\$418	\$413
Torrumbarry	\$385	\$388	\$419	\$418	\$413

Gravity - Typical medium bill

	2019/20	2020/21	2021/22	2022/23	2023/24
Shepparton	\$10,558	\$7,469	\$7,156	\$7,100	\$7,083
Central Goulburn	\$7,979	\$7,179	\$6,936	\$6,905	\$6,913
Rochester	\$7,962	\$7,148	\$6,891	\$6,849	\$6,845
Loddon Valley	\$7,892	\$7,151	\$6,969	\$7,003	\$7,078
Murray Valley	\$8,308	\$7,515	\$7,275	\$7,246	\$7,225
Torrumbarry	\$8,072	\$7,250	\$6,986	\$6,935	\$6,896

Gravity - Typical large bill

	2019/20	2020/21	2021/22	2022/23	2023/24
Shepparton	\$33,900	\$23,861	\$23,396	\$23,219	\$23,199
Central Goulburn	\$25,191	\$22,631	\$22,463	\$22,393	\$22,475
Rochester	\$25,128	\$22,508	\$22,274	\$22,157	\$22,187
Loddon Valley	\$24,810	\$22,494	\$22,579	\$22,773	\$23,134
Murray Valley	\$26,560	\$24,022	\$23,866	\$23,798	\$23,760
Torrumbarry	\$25,545	\$22,889	\$22,631	\$22,475	\$22,361

Gravity - Typical extra large bill

	2019/20	2020/21	2021/22	2022/23	2023/24
Shepparton	\$153,615	\$109,565	\$107,323	\$106,579	\$106,609
Central Goulburn	\$104,009	\$92,906	\$92,406	\$92,026	\$92,390
Rochester	\$103,243	\$92,130	\$91,598	\$91,212	\$91,550
Loddon Valley	\$103,361	\$93,392	\$94,058	\$94,885	\$96,510
Murray Valley	\$109,677	\$98,821	\$98,530	\$98,320	\$98,260
Torrumbarry	\$107,161	\$95,798	\$95,074	\$94,497	\$94,129

The table below shows the bill impact on typical water district customers.

Water Districts - Typical D&S bill

	2019/20	2020/21	2021/22	2022/23	2023/24
Normanville	\$2,230	\$2,069	\$2,041	\$2,022	\$1,997
Tungamah	\$1,811	\$1,610	\$1,550	\$1,504	\$1,459
East Loddon (South)	\$1,357	\$965	\$804	\$795	\$782
East Loddon (North)	\$958	\$0	\$0	\$0	\$0
West Loddon	\$837	\$848	\$863	\$878	\$878
Mitiamo	\$0	\$1,861	\$1,867	\$1,869	\$1,866

The table below shows the bill impact on typical diversions customers.

Diversions - Typical customer bill

Groundwater					
	2019/20	2020/21	2021/22	2022/23	2023/24
Small	\$576	\$369	\$388	\$381	\$374
Medium	\$1,523	\$1,219	\$1,245	\$1,245	\$1,249
Large	\$3,100	\$2,592	\$2,592	\$2,565	\$2,542
Extra Large	\$6,080	\$5,183	\$5,158	\$5,104	\$5,058
Shepparton Groundwater					
	2019/20	2020/21	2021/22	2022/23	2023/24
Small	\$216	\$192	\$224	\$225	\$221
Medium	\$336	\$298	\$329	\$328	\$323
Large	\$600	\$533	\$560	\$556	\$547
Extra Large	\$1,080	\$948	\$969	\$959	\$944
Service Water Regulated					
	2019/20	2020/21	2021/22	2022/23	2023/24
Small	\$482	\$482	\$513	\$512	\$508
Medium	\$1,467	\$1,462	\$1,513	\$1,531	\$1,573
Large	\$4,368	\$4,361	\$4,428	\$4,463	\$4,601
Extra Large	\$7,920	\$7,913	\$7,980	\$8,015	\$8,268
Service Water Unregulated					
	2019/20	2020/21	2021/22	2022/23	2023/24
Small	\$407	\$346	\$375	\$372	\$366
Medium	\$766	\$683	\$730	\$744	\$757
Large	\$1,206	\$1,067	\$1,105	\$1,112	\$1,117
Extra Large	\$2,835	\$2,488	\$2,522	\$2,523	\$2,527

More information on what we mean by a "typical customer" can be found on our [website](#).



Have your say

We've created several ways you can have your say. The feedback period is now open and all feedback must be received by 9am on Monday 4 November 2019.

- Email us at yoursay@gmwater.com.au
- Visit our website at yoursay.gmwater.com.au
- Write to us at Have Your Say, 40 Casey St, Tatura, Vic, 3616
- Phone our Customer Call Centre 1800 013 357.

We're also hosting a series of drop-in days where you can come and speak to us about the proposals in this document. The table below outlines where and when these sessions are occurring. Please drop in at any one to speak to us.

Venue	Time	Date
GMW Cobram Customer Service Centre 2-4 Dillon St, Cobram	10am to 2pm	14/10/19
GMW Shepparton Customer Service Centre 21 Wheeler St, Shepparton	10am to 2pm	15/10/19
GMW Tatura Customer Service Centre 40 Casey St, Tatura	10am to 2pm	16/10/19
GMW Rochester Customer Service Centre 41 High St, Rochester	10am to 2pm	17/10/19
GMW Kyabram Customer Service Centre 79 McCormick Rd, Kyabram	10am to 2pm	18/10/19
GMW Kerang Customer Service Centre 78 Kerang-Koondrook Rd, Kerang	10am to 2pm	21/10/19
GMW Pyramid Hill Customer Service Centre 24 Barber St, Pyramid Hill	10am to 2pm	22/10/19

Next steps

We will collate the feedback we receive and finalise our Pricing Submission, which will be lodged with the Essential Services Commission on 15 November.

The Commission will then conduct a round of engagement as part of their review of our submission. You will be able to comment to the ESC during that process. The ESC will then deliver a draft decision in March 2020. A final Price Determination will be made in June 2020, for implementation from 1 July, 2020.