

**UPPER OVENS LICENCE RENEWAL PROJECT
CUSTOMER FOCUS GROUP MEETING
THURSDAY 10 SEPTEMBER 2020
3PM**

Background

Following customer concerns raised over the Upper Ovens licence renewal term GMW has hosted three customer webinars to date:

- 22 June 2020: Information about the Water Supply Protection Area (WSPA) Plan and how it drives the licence term and costs.
- 20 and 21 July 2020: Listening to customers concerns and agreeing to specific matters to explore in more detail.

GMW has established a project team, and committed to customers that it will:

- Establish a Focus Group that includes some D&S customers, to explore the detail of potential paths to a resolution.
- Review the term of the licence and associated inspection regime for the Upper Ovens Water Supply Protection Area and including the possibility of a different inspection regime for D&S.
- Review and be transparent about the activities and costs comprising the \$700 fee and consider this fee in its historical context of increases over a period of time.
- Consider the relationship (including any overlaps) between the Licence Renewal Fee and the Annual Fee, in particular for Domestic and Stock Licences.
- Consider the equity for Upper Ovens customers and relative prices for D&S customers.
- Engage with Department of Environment, Land, Water and Planning to gain support for resolution of the issues – noting this could be a lengthy process.
- Improve communications with customer input and continue engaging on the issues.
- Consider comparative prices of similar services across the state.
- Consider the matter of intermittent water availability for some customers.

Below is a summary of the first Customer Focus Group meeting held on 10 September 2020.

GMW representatives

- General Manager: Customers and Stakeholders: Ann Telford
- General Manager: Water Delivery Services Warren Blyth
- General Manager: Business and Finance Michael Gomez
- Manager Diversions: Peter Clydesdale
- Policy and Regulatory Adviser: Geoff Coburn
- Groundwater and Streams Manager: Matthew Pethybridge
- Diversions Services East Manager: Stephen Gemmill
- Manager: Communications, Engagement and Media Alison Foscholo

Upper Ovens customer representatives

Attendees:

- Cameron Reid
- Peter Eggleston
- Sarah Nicholas
- Peter Jacobs
- Adam Bollas
- Ray Bollas
- Rod Hall
- Kerry Murphy

- Marco Casagrande
- Christopher Maud
- Colin McCormack

Apologies:

- Ian Stapleton

A presentation was given covering the following information:

1. Welcome and purpose of the Customer Focus Group
2. Our commitments – progress to date
3. Licence Term Review
4. Next steps

The presentation included:

- Discussion on the licence term:
- Licence term considerations (historical)
- Process for changing licence term
- What is the appropriate licence term for 2020
- What needs to be considered

During the presentation, there was discussion around the following questions and feedback:

Make up of aquifer across Upper Ovens and where they are sourced from?

The unconsolidated sedimentary aquifer is the shallow gravel aquifer within the river and creek valleys. This aquifer is accessed through draglines, shallow wells and bores. While the fractured bedrock aquifer underlies all of the upper Ovens catchment including the unconsolidated sedimentary aquifer.

The conjunctive nature – what makes it unique?

The hydrogeology of the Upper Ovens is unique and very interesting. The strong connection between the shallow sedimentary aquifer and the river is a product of historic mining and the dredging of the river valleys which removed a lot of the clays and silts within the flood plains and displacing the gravels.

In 2017 what was the evidence the plan was effective?

Following surveys and meetings with key stakeholder group general feedback was that the plan was meeting its objectives. The key theme from the review was for more flexible trading rules on the river. This included upstream trade of annual licences and removal of the 20% loss on downstream trade

Licence renewal terms – whether annual / 5 year / 15 year – how does this ensure flow through the Ovens River in drought

5 year renewals ensure GMW has the greatest understanding of water access and use within the Ovens River and its tributaries (which have been identified as a priority stream). A lot can happen over 15 years with potential new owners or redevelopment of sites outside of licence conditions.

Hierarchy of water – not commercial user why is this being considered – licence and in drought years

There is no set hierarchy of licences within the Plan, Policies or the Water Act. Domestic and stock holders are viewed as an essential human need so access to low flows is allowed while other licence holders have their access restricted or suspended

If 15 years is viewed as the way to go by– what has to happen?

- Water Act sets out process to amend a WSPA Plan
- Process very similar to development of a WSPA Plan
- Involves input from a range of stakeholders
- Can be a lengthy process
- recent amendment of Katunga Groundwater WSPA Plan took over 2 years
- Amendment requires the Minister for Water's approval
- GMW has commenced engagement with DELWP about whether there may be alternative mechanisms to change licence term

D&S user - why did I receive restriction letters

- Based on feedback GMW was receiving early in the implementation of the Diverters Tariff, it was identified there were visibility issues in relation to the services customers were receiving in regards to the Access Fee.
- Particularly applied to DS customers who did not receive communications when stream restrictions/suspensions were implemented/lifted.
- To this end GMW started sending the restriction/suspension letters to DS customers to make them aware this work was happening “in the background” to protect their access to the diminishing resource.
- Letters make it quite clear that the restriction/suspension applies to Irrigation, Commercial or any purposes other than Domestic and Stock use.

The Focus Group agreed they would like to explore the possibility of a longer licence term if this does not compromise achievement of Upper Ovens WSPA Plan objectives.

GMW will also provide the following information to focus group members:

- Map showing aquifers and WSPA area
- D&S use as a % of total use
- clarify licence status of people who said they had received “restriction” letters; and
- advise about qualifications of rights and Plan restrictions.