

GOULBURN-MURRAY WATER

SUMMARY OF 2013-18 WATER PLAN

Goulburn-Murray Water (G-MW) manages water storage, delivery and drainage systems involving 70 per cent of Victoria's stored water. It is Australia's largest rural water authority. It services more than 28 000 customers including approximately 15 000 irrigators and six bulk water customers.

KEY OUTCOMES

- G-MW proposes to limit its revenue recovery to an increase of 1.5 per cent per annum in real terms (see attachment for detail on proposed prices).
- G-MW is undertaking a tariff strategy review in the context of a major modernisation program, the Northern Victoria Irrigation Renewal Project (NVIRP) and the Murray-Darling Basin Plan. G-MW is engaging with customers throughout this process with final decisions on its tariff structures to be implemented during the Water Plan 3 period.
- The major capital project is upgrading the Tullaroop Reservoir to improve dam safety.
- G-MW's capital programs that are funded by customers cover numerous small projects for renewals or improvements, such as new access tracks and fencing, replacement of road crossings and culverts, and storage management improvements.
- NVIRP program to be funded by government.

PROPOSED PRICE CHANGES

Final decisions on G-MW's tariff structures await the completion of its tariff strategy review. The key features of the main tariff categories are below:

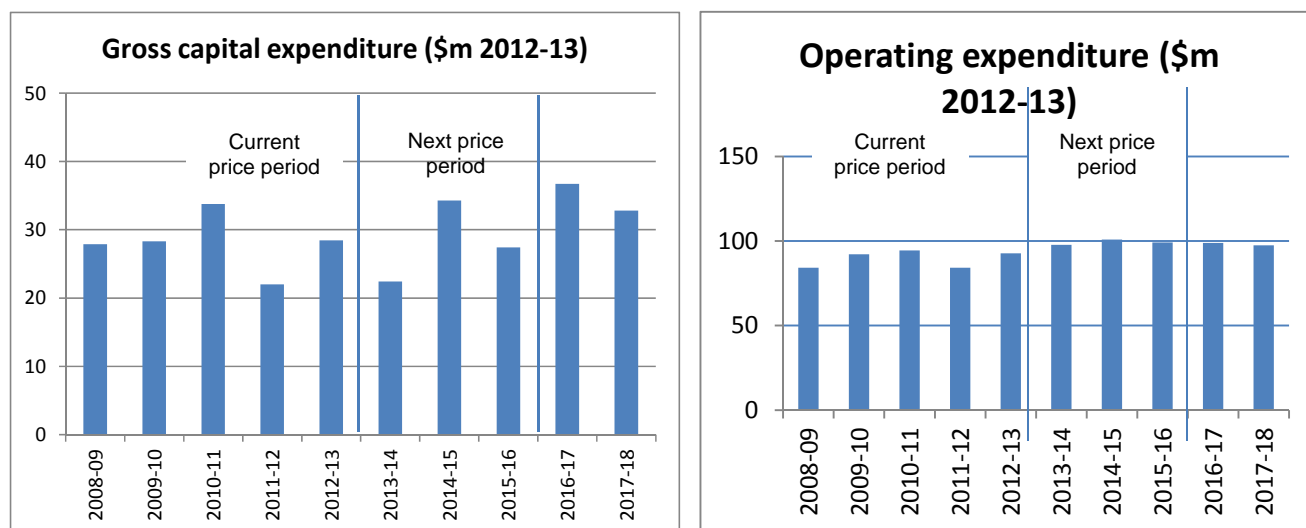
- Irrigation, drainage and stock and domestic - G-MW proposes to move towards single infrastructure fees and more cost reflective pricing of service points. Increases in the infrastructure access fees will differ in
- G-MW's water pricing regions in order to move towards more uniform pricing. The balance between fixed and volumetric charges will be retained.
- Diversions- G-MW proposes to apply a generic top down increase for diverters' charges, and defer other changes until after the tariff review is completed.
- Groundwater - revenue from groundwater and unregulated surface water diverters is fixed with reference to a service fee per property and an entitlement fee per ML of water on the licence.
- Bulk water - smaller catchments will continue to move towards full cost recovery.
- Form of price control - hybrid revenue cap with an upper rebalancing constraint between years of 15 per cent.

KEY PROJECTS FROM THE WATER PLAN

	Reason	Forecast cost (\$m 2012-13)
Tullaroop Reservoir Dam Safety Upgrade	Compliance	8.2
Mildura/Merbein Salinity Interception Scheme	Renewal/Compliance	4.9
Access tracks and fencing	Improved service	13.0
Road culvert and crossing replacement	Renewal	5.8

PROPOSED EXPENDITURE

Total capital and operating expenditure is covered in the GMMWater urban summary paper.



BREAKDOWN OF PROPOSED REVENUE (\$M 2012-13)

	2013-14	2014-15	2015-16	2016-17	2017-18
Operating expenditure	97.68	100.86	99.18	98.89 ^a	97.43 ^a
Return on assets	11.31	12.31	13.34	14.40 ^a	15.59 ^a
Depreciation	7.75	9.51	11.23	10.49 ^a	11.26 ^a
TOTAL	116.73	122.68	123.75	123.78^a	124.28^a

^a From 16/17 onwards, figures are forecasts for the next regulatory period

PROPOSED SERVICE STANDARDS

The modernisation of G-MW's irrigation system will lead to uniform service standards across all of G MW's districts. Because of this past actuals are not comparable to new forecasts based on the modernised system.

Standard	Proposed Target		
	2013-14	2014-15	2015-16
Processing allocation trade applications within 5 business days	90%	90%	90%
Processing water share applications within 10 business days	95%	95%	95%
Processing of Licence transfers within 10 business days	95%	95%	95%
Complaints to EWOV (per 1,000 customers)	0.17	0.17	0.17
Customer complaints to G-MW (per 1,000 customers)	2.00	1.90	1.80
Telephone calls answered within 30 seconds	95%	95%	95%

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Standard	Proposed Target		
	2013-14	2014-15	2015-16
Bulk Water			
Availability of Storage Capacity as a % of design storage capacity	100%	100%	100%
Availability of storages to deliver water on demand to customers as a % of time.	100%	100%	100%
Regulated Rivers minimum river flow regimes > or equal to specified minimum flows as a % of time.	98%	98%	98%
Unregulated rivers meet agreed targets or natural flow 90% of the time.	90%	90%	90%
Water Delivery			
Efficiency achieved as a % of delivered	78%	78.5%	79%
% of orders delivered on day requested	91%	92%	93%
% of orders within +/- 10% of flow rate for 90% of time	80%	80%	80%
% of orders within +/- 40mm of supply level 90% of time	80%	80%	80%
Maintenance			
Maintenance requests responded within target (% Priority 1-2)	90%	90%	90%
Unplanned service interruptions (> 12 hours)	5	5	5
Irrigation drainage			
Availability of surface drainage	98%	98%	98%
Availability of sub-surface drainage	98%	98%	98%
Irrigation water orders delivered on day requested	98%	98%	98%
Number of pipeline bursts and leaks (per 100km of pipeline)	17.5	17.0	16.5
Efficiency achieved as a % of delivered	92%	92%	92%
Pumped irrigation			
Irrigation water orders delivered on day requested	98%	98%	98%
Number of pipeline bursts and leaks (per 100km of pipeline)	17.5	17.0	16.5
Efficiency achieved as a % of delivered	92%	92%	92%
Water Districts			
Number of pipeline bursts and leaks (per 100km of pipeline)	5	5	5
Unavailability of stock and domestic supply systems for continuous periods in excess of 96 hours	1.5%	1.5%	1.5%
Efficiency achieved as a % of delivered	85%	85%	85%
Diversions			
Groundwater levels managed to agreed minimum targets in management plan.	90%	90%	90%
Groundwater seasonal allocation announcements to be announced in accordance with relevant management plan.	100%	100%	100%
Response to access or supply queries within one business day.	90%	90%	90%

CUSTOMER CONSULTATION

- G-MW described its consultation process for the Water Plan as including: regular meetings with water services committees; circulation of draft water brochures; customer newsletters; community wide communications through local media; use of on-line resources; and public meetings.

ISSUES IDENTIFIED BY THE COMMISSION FOR FURTHER INVESTIGATION

- Impact of proposed tariff reforms.
- Outcomes of tariff strategy review.
- Delivery of proposed efficiency target.
- Appropriateness of proposed service targets, given standardisation across districts.

More information: View Goulburn-Murray Water's Water Plan at www.esc.vic.gov.au