



A fairer deal for all

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

Bulk water customers

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.

Engagement with our bulk water customers has been through a series of meetings and workshops – face to face, by the phone and video conference.

We have discussed a range of topics important to our bulk water business including:

- GMW Transformation and expected cost reductions for the business
- Capital expenditure at storages that will feed into the bulk water price and indicative bulk water price direction
- Proposed service standards for Water Plan 5
- Operating arrangements that capture what GMW can expect from bulk entitlement holders and vice versa
- The Regional Urban Storage Ancillary Fee
- System versus Basin pricing

We heard 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 are now seeking feedback on our proposals, options and prices before we submit to the ESC.

Feedback is open until 9 am 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 page 22.

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.

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 the region's lifeblood and vital to all who work, live and play in northern Victoria. We are proud and privileged to manage this precious resource.

The map below 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.



Our vision and our values

Vision

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. 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.

How we are transforming our business

From season to season, our bulk water customers, 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 and the environment has emerged as a significant user under water recovery programs and the Murray-Darling Basin Plan. 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.

The transformation process is resulting in GMW undergoing changes to how we operate with regard to project management, maintenance and capital planning, asset management processes, policies and governance structures. Improved processes, including the Dams Strategy and updated Portfolio Risk assessment for our dam's portfolio were integral in informing the development of our next Price Submission (Water Plan 5).

The most significant contribution to delivering the savings required in the short term will result from reduced operating expenditure through changes to GMW's business structure. While in the medium and long-term, asset management practices and innovation will be the critical to achieve savings.

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 action plan that is now well under way. It includes new leadership to drive change, new technologies, asset management practices, different approaches to how we do business and workforce efficiency programs.

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; and
 - 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	\$19.4million	\$45.0million	\$32.6million
Cumulative savings	\$19.4million	\$64.4million	\$97.0million

What we've achieved (so far)

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

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 Project 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 bulk water customers

GMW supplies bulk water to regional and rural water corporations, the Victorian Environmental Water Holder (VEWH) and its own retail business (Water Delivery Services). Collectively described as bulk water customers, each of the external organisations hold bulk or environmental entitlements that receive water under GMW operations and management.

Six regional and/or rural water corporations receive bulk water from GMW systems:

- North East Water
- Goulburn Valley Water
- Coliban Water
- Central Highlands Water
- GMMWater
- Lower Murray Water

The three Melbourne retail water corporations—Yarra Valley Water, City West Water and South East Water—hold Goulburn and Murray bulk entitlements, but have not physically taken water from either system since 2010.

The VEWH holds bulk and environmental entitlements across the GMW systems for the delivery of environmental water.

GMW's Water Delivery Services is effectively a bulk water customer on behalf of the GMW customers holding individual entitlements such as water shares.

Our Engagement

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

For this price submission, GMW established a Bulk Water Working Group, including representatives of each of the nine water corporations, as well as the Victorian and Commonwealth Environmental Water Holders.

This group met via video and teleconference, as well as a series of face-to-face meetings across the region. The working group enabled GMW to consult directly with our bulk water customers about issues and topics specific to this customer group.

Discussions included the following topics:

- GMW Transformation and expected cost reductions for the business
- Capital expenditure at storages that will feed into the bulk water price and indicative bulk water price direction
- Proposed service standards for Water Plan 5
- Operating arrangements that capture what GMW can expect from bulk entitlement holders and vice versa. Operating arrangements are a requirement of the bulk entitlement and formalise the interactions between GMW and each bulk entitlement holder on matters such as data exchange, supply planning and rights to return flows.
- Customer service manager proposal to oversee arrangements with each bulk water customer.

Engagement statistics at a glance:

- 100+ face-to-face hours by GMW staff
- 2 bulk water customer workshops
- More than 20 meetings
- Face-to-face, teleconferences and video conferences!

What our customers are telling us

During our Price Submission engagement, we have heard from a number of customer types and groups. We have collated this feedback and to develop the following outcomes:

Reliable supply – we need to maximise the harvesting and storage of water.

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, bulk water and the environment).

Efficient operations – we need the business to run lean enough to deliver affordable prices that support our business.

Responsive services – we need GMW people and systems to deliver the right services in the right timeframes

Simple systems – we need digital information and communications systems that are fast and simple.

Bulk water specific customer topics

These are the topics specific to bulk water customers and what you are telling us is important to you:

Water availability – You told us that water availability outlooks within a season and for the following season are highly valued as a planning aid by bulk water users and a high proportion of other customers. We will continue this service and enhance its value where possible. We will consult on timing to meet customer needs, including the time, form and content of seasonal outlooks.

Relationships – We heard you are happy with the level of service you receive from GMW. We will continue to engage with our bulk water customers under current arrangements and be open to your ideas and feedback for improvements.

Reliability – Our bulk water customers told us their primary expectation of GMW is to maintain the reliability of water supplies across the northern Victorian water systems and we agree. We have established business units to protect reliability and address the concerns of

climate change and other matters such as increasing urbanisation. We will continue to engage with our bulk water customers to ensure they are confident about GMW's plans for the future.

Impartially and independence – You said maintaining impartiality and independence was essential. We're committed to working with you to ensure this continues into the future.

Equitable cost allocation – You told us you wanted fair and reasonable cost allocations and we're delivering this through our commitment to continue engaging with you to make better business decisions. This includes proposals on system versus basin pricing & GMID tariff & pricing.

Transparency of charges – You told us you would like more information on the Regional Urban Storage Ancillary Fee (RUSAF) and how this money is used. We commit to providing this transparency for RUSAF and general on how our charges relate to service. We will work with our bulk water customers and DELWP to investigate possible alternatives to RUSAF.

Transparency of operations – We will deliver on your request for more transparent information and communications on our operations, including for operational incidents such as Blue-green Algae, suspended solids, outlet portals, operational and capital expenditure and outages.

Recreation and cultural water – We agreed with our bulk water customers to explore this topic separate to our price submission.

Service during outages and works – You want to collaborate with us on matters affecting service delivery. We will continue to keep you informed and address individual concerns with you as required.

Shared and aging asset risks – You want to be involved in resolutions for asset issues that are vital to the provision of GMW's services to bulk water users and other entitlement holders. We agree and will work with you to make these important decisions on critical assets, asset solutions and capital upgrades.

Water quality issues / costs – We will work with you to understand how water quality impacts on service and service delivery and what opportunities exist in this space.

Storages and recreation reserves management – You want to explore options for managing recreation reserves and providing water outside the irrigation season. As part of our next Water Plan, we are asking our customers what things are important to them as we consider 365 day irrigation service in some parts of the system. We will also work with other water authorities and government departments to explore the shared management of recreational reserves and spaces.

Return flow opportunities – You want to explore opportunities to seek return flows and credits with GMW who administer this with the Victorian Water Register. We will work with our bulk water customers to look at the current approach and other forms for cost appropriate cost discounting.

Channel / river capacity – We believe that competition for channel capacity is increasing in the Goulburn and Murray systems and needs to be addressed by GMW as the Resource Manager, together with DELWP. We will collaborate with our bulk water customers and

broader customer and stakeholder base about what is the best way to manage river capacity and competition for channel capacity in rivers and the GMID and to understand capacity sharing needs.

Operating arrangements – You to be clear on the operating arrangements and individual roles and responsibilities and service levels with GMW. Together with our customers, we will review, update and develop operating agreements to determine clear and transparent arrangements with individual bulk water customers.

Connections Project entitlements – We heard you are not clear about the arrangements and timelines for returning entitlements for the Melbourne retail water corporations and the irrigators in the Goulburn Murray Irrigation District (GMID) as part of Connections Project Stage 1 entitlements. We will keep you updated on any decisions made (by the Minister’s consultative committee) and work with the Connections Project and DELWP to better understand these arrangements.

Dam safety – GMW recently assessed the dam safety risk associated with our portfolio of dams. This assessment has resulted in a list of investigations and projects, which have been prioritised, and will be used to inform GMW’s 30-year investment in our dams. This approach will reduce the Dam Safety Program by \$35M in the short term, while also reducing our dam safety risk to an acceptable level.

Bulk water customer topics	Our Price Submission promise					
	Reliable supply	Credible business	Fair pricing	Efficient operations	Responsive services	Simple systems
Water availability outlook	✓	✓		✓	✓	✓
Relationships	✓	✓		✓	✓	✓
Reliability	✓	✓		✓	✓	✓
Impartiality and independence	✓	✓	✓	✓	✓	✓
Equitable cost allocation		✓	✓	✓		✓
Transparency of charges		✓	✓	✓		✓
Transparency of operations		✓		✓		

Recreation and cultural water		✓	✓	✓	✓	
Service during outages and works	✓	✓		✓	✓	
Shared and aging asset risks	✓	✓		✓	✓	
Water quality issues / costs	✓	✓	✓	✓	✓	
Storages and recreation reserves management	✓	✓	✓	✓	✓	
Return flow opportunities	✓	✓		✓	✓	✓
Channel / river capacity	✓	✓		✓	✓	
Operating arrangements	✓	✓		✓	✓	✓
Connections Project entitlements	✓	✓	✓			
Dam safety	✓	✓	✓			

Our proposals to meet your needs

Service standards that matter

Overall feedback out of our price submission engagement, was that you wanted 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.

Bulk Water Service Standards

What you told us: *For environmental water delivery and planning it's essential our system can meet demand. A focus on harvesting is important because it supports system reliability.*

What we propose	How we'll measure our success	Target	Customer 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
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 service standards?

Operating arrangements

GMW has agreed operating arrangements for the regulated water systems with the majority of our bulk water customers, which establish a mechanism for GMW contribution to the maintenance of their service standards in those systems.

These operating arrangements are mandated for the regional water corporations supplied by GMW and cover matters such as:

- Taking water
- Rights to return flows
- Restrictions
- Metering
- Data provision and reporting

However, the operating arrangements omit issues of water quality protection and the requirements of the *Safe Drinking Water Act 2003*.

Updating the arrangements to recognise all water supply systems and matters that involve GMW will help both organisations coordinate service standards and focus on future water resource challenges.

GMW also proposes establishing some form of operating arrangement with each of the Melbourne retail water corporations and the Victorian Environmental Water Holder to capture the expectations and requirements of all parties.

What we will do:

- Review, consolidate and update the operating arrangements held between GMW and our bulk water customers, to include unregulated systems and groundwater supplies;
- Complete operating arrangements for the Victorian Environmental Water Holder for the Murray and Goulburn systems;
- Develop operating arrangements with the Melbourne retail water corporations;
- Recognise our existing Memoranda of Understanding for the Safe Drinking Water Act.

HAVE YOUR SAY: GMW is seeking your feedback on which components of the existing arrangements require review and your preferred timeframes for any amendments.

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

One of the things we've heard loud and clear from our irrigators is everyone should pay the same Entitlement Storage Fee - whether you are an irrigator, a water corporation, 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 our customers have been asking for and we also believe it's **a fairer deal for all**.

We know our bulk water customers hold water shares in addition to their bulk or environmental entitlements as a risk mitigation measure during dry times. These water shares are predominantly categorised as non-water user, which means these changes apply to you.

HAVE YOUR SAY: Do you support the proposal to charge water users and non-water users the same fee?

Basin and System Pricing

High and Low-Reliability Water Shares

Once we remove the categories of water user and non-water user, there's another choice to be made, which is whether we should adopt 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. The basin price reflects the actual cost of providing storage services in that basin, whereas the system price is the volume-weighted average across those various basins that form each system.

Basin pricing results in greater complexity, and for customers in smaller basins, it means higher prices and conflicts with our proposal for one service, one price and fairer pricing arrangements. As such, we're proposing all high and low-reliability water shares move to system pricing.

This means we would apply a system price (volume-weighted average) to all water shares, using the Goulburn and Murray systems.

For you – it means we're proposing you high and low-reliability water shares (if you have them) will be charged at a system price.

The table below shows the price impacts for all high reliability water shares being charged a system price. It explores a two system (Goulburn and Murray) price.

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

Bulk Entitlement

Bulk entitlements holders currently receive basin pricing (these prices are shown in the **Your Prices** section of this document on page 19). In accordance with our ambition to achieve fairer pricing overall, we are proposing to further engage with Bulk Entitlement customers to explore the merits and implementation options of alternate pricing methods (eg System based price) for Bulk Entitlement holders.

YOUR SAY: Do you support GMW's proposal to move bulk water customers to system pricing? What do you see as the key issues and what are the reasons for your view? What timing / transition arrangements would best accommodate your needs if we were to proceed to system pricing? What other comments would you like to make?

Regional Urban Storage Ancillary Fee (RUSAF)

Our bulk water customers told us, they want to better understand the Regional Urban Storage Ancillary Fee (RUSAF), including its current revenue and how that compares how that compares to the total expenditure at recreational facilities at GMW storages.

RUSAF is an entitlement-based fee (\$10 per megalitre of bulk entitlement since 2013/14) paid by all urban water corporations to GMW to fund the recreational aspects of our storage business.

Current revenue from the RUSAF does not cover the total expenditure on recreational facilities at GMW storages and although non-regulated services are technically excluded from the pricing submission, RUSAF is important to the water corporations because of its cost.

Because of this, GMW will set up a working group with DELWP and other water corporations to plan for how recreational access and infrastructure will be funded going forward.

There are growing expectations from the community for recreational use and facilities at GMW's storages and the Victorian Government's *Water for Victoria* requires GMW to manage its water delivery services to maximise recreational benefit.

GMW wants to formalise discussions with our bulk water customers in regards to RUSAF, including to identify the risks and opportunities this obligation presents and how this might influence services and costs.

We plan to establish a working group in 2020, with outcomes or decisions from this to coincide with the price submission periods for other water corporations during 2023.

Specifically, we want to explore a funding mechanism that fairly meets the financial demands of public use and access, but does not unfairly burden all of the water users depending on the storages. We understand RUSAF is only one approach that provides funding. We want to work together to review options such as changing the RUSAF or identifying additional revenue streams.

GMW and recreational use and land management

All of the dams managed by GMW have open catchments and are available to varying degrees to the public for recreational activities such as boating, fishing and swimming. Public amenities including barbeques and toilets are provided for public use.

GMW maintains about 70 public recreation reserve and associated assets, and is the Waterway Managers for 14 sites. This equates to about 70,000 ha of public land and storages open to recreation.

The portfolio involves the management of (approx.):

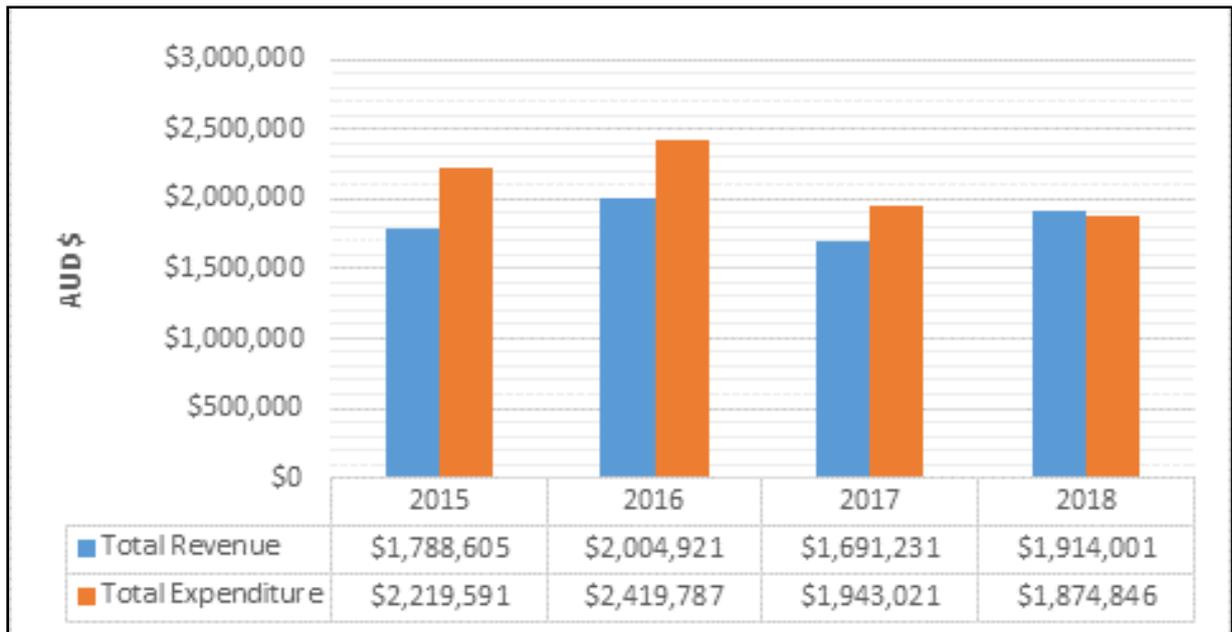
- 40 toilet blocks
 - 27 picnic shelters
 - 6 playgrounds
 - 86 electric BBQs
 - 55 km access roads
 - 32 km of fencing
 - 50 public boat ramps
- Event Management
 - Approvals for works and developments
 - Fire protection plans
 - Recreational by-laws
 - Environmental, Cultural and Indigenous Heritage protection and management of unauthorised works

Tasks include:

- Ensuring safe access and public risk issues are identified and addressed.
- Ensuring GMW compliance with various Acts, Regulation and Legislation requirements (Planning, Environment, OHS, Cultural Heritage, etc.)
- Monitor and manage development around storages
- Managing and approving or obtaining approval for public events on storages, such as boat racing events.
- Managing the land and assets around the storages, including toilet & BBQ cleaning; mowing, slashing and tree management; rubbish collection; weed, fire control and biodiversity management; routine patrols; recreational by-law compliance/education; undertaking maintenance works as required; etc..
- Liaison with CFA and DELWP on fire management and development, review and implementation of GMW fire protection management plans
- Managing Transport Safety Victoria (TSV) Boating Regulations and the Marine Safety Act 2010.
- Making recommendations to Transport Safety Victoria for safe boating zones.

- Operations and maintenance of boat ramps, buoys, exclusion zones, etc.
- Strategy, policy, procedure and process - development & review
- Interaction with DELWP, TSV, VFA, Parks Victoria, GMA, funders, Shires, stakeholders & public (Land & on Water Management Plan's and meetings), etc.

The figure below illustrates the current financial status (excluding depreciation and financial charges) of recreation use on the GMW dam sites, which has benefitted from some rationalisation of facilities and service provision, as well as no capital investment unless grant funded. This indicates that RUSAF and grant revenue does not cover OPEX, with no capacity for CAPEX, at the current level of service provision.



HAVE YOUR SAY: Do you support our proposal to investigate and develop appropriate funding mechanisms for the ongoing management of recreation and public access at our dams? What suggestions do you have about generating funds for the ongoing management of recreation and public access at our dams?

Your prices

The table below provides the proposed high-reliability and low-reliability entitlement bulk water prices for each basin, an indication of whether the price has increased or decreased and the percentage change from the 2019/20 price to the 2023/24 price.

Basin	2019/20 Price (\$/ML)	Proposed Price (\$/ML)				Trend (↑ or ↓)	Percentage change to 2023/24
		2020/21	2021/22	2022/23	2023/24		
Murray (HRE)	9.22	8.33	8.33	8.33	8.33	↓	-9.7%
Murray (LRE)	4.19	3.79	3.79	3.79	3.79	↓	-10.6%
Goulburn (HRE)	7.45	6.91	6.91	6.91	6.91	↓	-7.2%
Goulburn (LRE)	3.85	3.57	3.57	3.57	3.57	↓	-7.8%
Broken	59.96	65.96	72.56	79.81	87.79	↑	46.4%
Loddon	44.13	44.75	45.37	46.01	46.65	↑	5.7%
Campaspe (HRE)	26.00	22.96	22.96	22.96	22.96	↓	-11.7%
Campaspe (LRE)	16.04	14.16	14.16	14.16	14.16	↓	-11.7%
Bullarook (HRE)	461.67	404.27	404.27	404.27	404.27	↓	-12.4%
Bullarook (LRE)	279.73	246.16	246.16	246.16	246.16	↓	-12%
Ovens	75.62	82.72	90.50	99.01	108.31	↑	43.2%

Why these prices are changing

Factors that have influenced the downward trend in the bulk water price include:

- Consideration of above entitlement storage fees in the Murray, Goulburn and Campaspe basins
- Pricing the Murray based on a pre-agreed MDBA budget contribution for WP5
- A review of forward programs and a comprehensive portfolio risk assessment has informed future revenue recovery requirements across Water Plan 5 and into Water Plan 6.

The upward trends in the Broken, Loddon and Ovens basins are influenced by capital works required in Water Plan 5. The 10 per cent per annum price increases are the maximum allowed by the Essential Services Commission under the revenue cap model. GMW anticipates achieving full cost recovery in these basins within Water Plan 5. We propose to apply stable pricing in the basins that have achieved full cost recovery.

The table below shows major projects that will be included in each basin (in operating and capital expenditure) to provide a better explanation of pricing changes.

GOULBURN BASIN	INCLUDES
OPEX	<ul style="list-style-type: none"> • Storage Operations • Dam Safety & water quality surveillance • 2 Comprehensive Dam Safety Inspections (\$175K) • 2 dam safety design reviews (\$450K) • 3 investigations arising from the recent Portfolio Risk Assessment (PRA) project (\$175K) • Periodic inspection and maintenance works (\$1.3M)
CAPEX	<ul style="list-style-type: none"> • Eildon tower bridge – replace protective coating (\$625K) • Eildon spillway gates – tertiary drive upgrade (\$600K) • Eildon dam crest road & Sugarloaf roads – reseal (\$440K) • Eildon spillway & service gates – replace limit switches (\$310K) • Eildon – security barriers on water at spillway and outlet tower (\$277K) • Eildon spillway service gate – conduit protective coating replacement (\$260K) • Eildon outlet tower – service hoist upgrade (\$240K) • Eildon – boat replacement (\$130K) • Goulburn Weir Spillway Gates – Replace protective coating, seals & hoist gearboxes (\$2.16M) • Goulburn Weir – security barriers on water (\$375K) • Cattanach Offtake - Gate and Trunnion Arm Repairs and Protective Coating Upgrade & hoist replacement (\$950K) • Cattanach Canal – Bridge guard rails and approach upgrade (\$327K) • Cattanach canal – access track upgrade (\$100K) • Stuart Murray Canal – Bridge guard rails and approach upgrade (\$513K) • Waranga Basin – Resheet embankment access roads (\$300K) • Waranga Major Outlet – Bridge deck upgrade (\$100K) <p>Total Goulburn WP5 CAPEX budget = \$9.7M</p>
MURRAY BASIN	INCLUDES
OPEX	<ul style="list-style-type: none"> • Storage Operations • Dam Safety & water quality surveillance • 4 Comprehensive Dam Safety Inspections • 2 dam safety design reviews • 7 investigations arising from the recent Portfolio Risk Assessment (PRA) project • Periodic inspection and maintenance works
CAPEX	<ul style="list-style-type: none"> • Upgrade to Mildura-Merbein Salt Interception Scheme to meet current and medium term operational requirements (\$200K) • Refurbishment of the Pyramid Creek evaporation ponds (\$390K) • Dartmouth telemetry system upgrade (\$1.2M) • Dartmouth main embankment – raise core and filters to existing crest level, which will reduce the risk of piping through the embankment during high water levels in the storage (\$9M) • Dartmouth spillway – increase flood capacity - detailed design (\$450K) • Dartmouth – widen upper berms (\$270K)

	<ul style="list-style-type: none"> • Torrumbarry navigation lock & new closure bank – seismic upgrade – preliminary design only (\$500K) • Yarrowonga fishway modification (\$1.4M) • Yarrowonga spillway – access stairway replacement (\$400K) • Mildura – additional mechanised trestle (\$400K) <p>The projects and costs listed above are preliminary, as the MDBA budget is approved on an annual basis and may vary substantially from the forward look budget.</p>
OVENS BASIN	INCLUDES
OPEX	<ul style="list-style-type: none"> • Storage Operations • Dam Safety & water quality surveillance • 2 Comprehensive Dam Safety Inspections (\$100K) • Dam safety design review at Lake Buffalo (\$100K) • 2 investigations arising from the recent Portfolio Risk Assessment (PRA) project (\$100K) • Periodic inspection and maintenance works (\$335K)
CAPEX	<ul style="list-style-type: none"> • Lake Buffalo Irrigation Outlets Upgrade (\$1.16m) <p>Total Ovens WP5 CAPEX budget = \$1.5M</p>
BROKEN BASIN	INCLUDES
OPEX	<ul style="list-style-type: none"> • Storage Operations • Dam Safety & water quality surveillance • Comprehensive Dam Safety Inspection at Lake Nillahcootie • Investigation arising from the recent Portfolio Risk Assessment (PRA) project (\$50K) • Periodic inspection and maintenance works (\$165K)
CAPEX	<ul style="list-style-type: none"> • Dam Safety Upgrade to stabilise spillway training walls (\$1.95m in WP5, with an additional \$2m required in WP6) <p>Total Broken WP5 CAPEX budget = \$2.3M</p>
CAMPASPE BASIN	INCLUDES
OPEX	<ul style="list-style-type: none"> • Storage Operations • Dam Safety & water quality surveillance • Dam safety design review (\$300K) • Periodic inspection and maintenance works (\$1.19M), which includes substantial work to stabilise the spillway rockwall.
CAPEX	<ul style="list-style-type: none"> • Eppalock intake tower bridge – replace protective coating (\$1.05M) • Eppalock intake tower – replace protective coating (\$315K) • Eppalock dam crest road upgrade (\$220K) <p>Total Campaspe WP5 CAPEX budget = \$2M</p>
LODDON BASIN	INCLUDES
OPEX	<ul style="list-style-type: none"> • Storage Operations • Dam Safety & water quality surveillance • 3 Comprehensive Dam Safety Inspections • Dam safety design review at Cairn Curran Reservoir (\$200K) • Investigation arising from the recent Portfolio Risk Assessment (PRA) project (\$50K) • Periodic inspection and maintenance works (\$375K)
CAPEX	<ul style="list-style-type: none"> • Cairn Curran tower bridge – protective coating replacement (\$860K) • Cairn Curran security barriers on water at spillway and outlet tower (\$460K)

	<ul style="list-style-type: none"> • Cairn Curran spillway western approach wall – movement prevention works (\$400K) • Tullaroop – secondary filters upgrade (\$400K) • Tullaroop outlet regulating valve – replacement (240K) • Tullaroop spillway bridge – protective coating replacement (\$200K) • Laanecoorie rotork actuator – replacement (\$110K) • Laanecoorie downstream measuring weir – install drain valve (\$100K) • Laanecoorie upgrade project (includes upgrade to valve operating platform and walkway, regulating valve, trash screens and bulkheads, tilting gates) (\$2.7M) <p>Total Loddon WP5 CAPEX budget = \$6.5M</p>
BULLAROOK BASIN	INCLUDES
OPEX	<ul style="list-style-type: none"> • Storage Operations • Dam Safety & water quality surveillance • Comprehensive Dam Safety Inspection at Newlyn Reservoir (\$30K) • 2 investigations arising from the recent Portfolio Risk Assessment (PRA) project (\$40K) • Periodic inspection and maintenance works of the conduit and underwater inspection at Newlyn Reservoir (\$35K)
CAPEX	<ul style="list-style-type: none"> • Newlyn Reservoir spillway and outlet filter interface dam safety project (\$1.2M) <p>Total Bullarook WP5 CAPEX budget = \$1.45M</p>

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 Martina Cusack, General Manager Water Storage Services at martina.cusack@gmwater.com.au and Ann Telford, General Manager Customer and Stakeholders at ann.telford@gmwater.com.au
- Email us at yoursay@gmwater.com.au
- Visit our website at www.gmwater.com.au/yoursay
- Write to us at Have Your Say, 40 Casey St, Tatura, Vic, 3616
- Phone our Customer Call Centre 1800 013 357.

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 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.