

Our Ref: #2460463,2007/216/1
Your Ref:

Greg Wilson
Chair
Essential Services Commission
Level 2, 35 Spring Street
Melbourne VIC 3000

20 May 2008

Dear Greg

Rural Water Price Review - Goulburn-Murray Water response to ESC draft decision

Goulburn-Murray Water (G-MW) has reviewed the draft decision of the Essential Services Commission (ESC or "the Commission") in relation to its Water Plan for the period 2008/09 to 2012/13 and is pleased to have the opportunity to respond.

We note the proactive response provided by the ESC regarding the difficulty in determining future water prices in an environment undergoing significant capital investment. Importantly this capital investment has a largely unknown effect on how we will deliver our services in an automated environment. Operating efficiency gains need to be offset against the increased cost of maintaining these new structures. G-MW are grateful for the interim review opportunity to re-submit further pricing proposals for key services by October 2008.

You will note in our response that G-MW have accommodated as much as practicable the recommended variances to the Water Plan 2008/09 – 2012/13. However there are some essential programs that have targeted water savings and strict timeframe deliverables. These have been clearly highlighted for your final consideration. As they are externally funded the majority of these deliverables will have little or no effect on water pricing.

Details have also been provided on appropriate service standards as requested.

In addition, G-MW proposes a number of changes to reflect additional obligations, such as the introduction of the Terrorism Act early this year.

Given that G-MW operates with no profit margins, contingencies or any other buffers against unforeseen events, we propose that a threshold be set. Unforeseen issues of a large nature can have a significant impact on smaller districts, therefore it is recommended that a limit of \$250,000 or 1 per cent of a business's total revenue per annum over the regulatory period, whichever is lower, be incorporated into the pricing plan.

As discussed at a recent meeting in Tatura between yourself and G-MW Chairman, Stephen Mills, G-MW is under extensive pressure regarding resources due to the large scale modernisation operations being delivered over the next 2 – 8 years. Projects of this magnitude demand resources outside of our region to meet the required targets, and it is now demonstrated that regional wage parity can no longer be held. The ESC has kindly provided G-MW with an opportunity to present a revised pricing proposals for the

remaining 2009/10 – 2012/13 period due to the current uncertainty, and this will, without a doubt, require price remodeling to meet the challenges ahead.

Should you require any further explanation or detail, Peter Guy – Chief Financial Officer would be pleased to respond as necessary.

Yours sincerely

David Stewart
MANAGING DIRECTOR

Rural Water Price Review - Goulburn-Murray Water response to ESC draft decision

Executive Summary

G-MW acknowledges the ESC draft decision document released on 28 March 2008. This document detailed some additional information requirements relating to a number of service standards, as well as adjustments made to both Capital and Recurrent costs for the Water Price review periods 2008/09 – 2012/13.

To allow an appropriate service standard to be adopted for this review, G-MW has provided a detailed history of previous recorded statistics, as well as an assessment on asset condition, which can be used to make an informed decision. This should demonstrate where our 'base-line' has been and should allow a continuous improvement opportunity over the regulatory period.

ESC adjustments to Operating expenditure have been considered, and where practicable, have been accommodated. G-MW notes that two expenditure items identified within the draft decision (Asset Rationalisation and Lake Mokoan Deferral) are linked to State Government direction, with fixed water savings outcomes, and therefore fixed timeframes for these projects to be delivered. G-MW has provided the necessary feedback within this report to allow the ESC to re-evaluate these projects with this new information now clearer.

Capital adjustments recommended by ESC have also been considered. G-MW notes that these were largely a timing issue of delivery, rather than reduction in the overall level of capital expenditure, and as such we have been able to accommodate these adjustment recommendations. However, the Lake Mokoan – Return to Wetlands (Water Savings Project) needs to proceed as originally proposed due to the funding and time delivery targets the government has established for this project.

G-MW also notes that, where practicable, capital projects for 2008/09 have been deferred to allow carry-over of incomplete capital works from the previous Water Plan period. These are also detailed within the report.

Finally, best estimates of 2007/08 Revenue shortfall have also been provided due to the continuing drought conditions. Extensive effort has been applied during the 2007/08 financial year to reduce operating expenditure, the net deficit position will also need to be accommodated in the 09/10 – 12/13 pricing position.

Revenue shortfall

The 2007/08 revenue shortfall has been forecast at \$7.98M. This is an estimate only as consumptive revenue cannot be finalized until the end of the irrigation season. The figure of \$7.98M has been calculated using the final water allocations announced in April 2008 and assumes customers use their full allocation, with no carryover to the 2008/09 irrigation season. The ESC should be aware that there will also be approximately another \$1.2M in revenue shortfall due to the carry-over, this is a timing issue and will be recovered in the 2008/09 period. Due to issue that the carryover crosses Water Plans, there will be a need increase the revenue requirement in Water Plan 2, this additional timing issue needs to be accommodated, and therefore the total revenue shortfall totals approximately \$9.18M

Operating expenditure

An estimated \$5.2M reduction in operating expenditure for 2007/08 is anticipated and all but \$0.25M of this reduction occurs in the irrigation areas. The reduction in the irrigation

areas comprises a \$3.05M reduction in the Advanced Maintenance Program, and a \$2.30M reduction in operations expenditure.

It is expected that the final net deficit of approximately \$2.7M will be carried forward to be recovered in the periods 2009/10 – 2012/13.

1. Service Standards

ESC Draft Decision:

- *The Commission is seeking further information in relation to the targets set for the following indicators:*
 - *Processing permanent transfer of surface diversion or groundwater licences with [X] days.*
 - *EWOV complaints*
- *Number of channel burst an leaks (per 100km of channel)*

G-MW Response:

- Targets for processing of surface diversion or groundwater diversion licences: As discussed with Commission officers, a number of significant changes occurred during 2007/08 which affected the processing of licences. These included:
 - the introduction of the new statewide water register on 1 July 2007, which significantly changed the key system and procedures used for processing and managing these applications.
 - Changes to inspection and assessment processes to ensure compliance with legislative requirements.

Given these significant changes, in conjunction with record levels of application in 07/08 for all types of transactions, there was no reliable historic performance data available that could be used to develop meaningful targets in this area. It is proposed that the data from 07/08 will be reviewed at the end of the financial year and a target developed in consultation with Water Services Committees and the ESC. It is proposed that this will occur and final targets can be agreed before the end of the 2008 calendar year.

- EWOV Complaints:
The historic data for EWOV for all complaints has been reviewed, based on the revised definitions of complaints. Proposed targets for the regulatory period are set out in the following table.

	2006/07 actual	2007/08 est.	2008/09	2009/10	2010/11	2011/12	2012/13
No. of Complaints	47	49	48	47	46	43	40

- Service Standard –number of channel burst of leaks (per 100km of channel)

Number of burst and leaks (per 100km of channel)

	2005/06 Actual	2006/07 Actual	2008/09 Target	2009/10 Target	2010/11 Target	2011/12 Target	2012/13 Target
Shepparton	44.4	47.3	46	45	44	43	42
Central Goulburn	55.4	56.7	56	55	54	53	52
Rochester Campaspe	29.6	20.7	25	24	23	22	21
Pyramid-Boort	9.6	6.2	8	7	6	5	4
Murray Valley	27.8	40.4	34	33	32	31	30
Torrumbarry	62.6	59.1	61	60	59	58	57

2. Operating Expenditure

2.1. Asset Rationalisation

ESC Draft Decision:

The Commission adopted the Cardno recommendation to reduce asset rationalisation expenditure in the first two years of the regulatory period to allow further development of the Foodbowl Modernisation project.

G-MW Response:

The rationalisation expenditure referred to in the Cardno report is part of the reconfiguration program which is funded by the Sales Deal, being \$50M for 25GI water savings.

The reconfiguration program aims to rationalise parts of the system prior to the commencement of the Foodbowl modernisation project to ensure that assets which are no longer required are not considered for renewal.

Recent direction from DSE confirm that the reconfiguration program is to be completed by May 2009. With the scope of the works programs now being firmed, which include Shepparton Modernisation, CG1-4, and including the FoodBowl Early Works program, it is important to ensure that this Asset Rationalisation program is delivered and does not get 'pushed back' against further water savings programs.

Recent advice from the Asset rationalisation project manager has proposed **escalating** this project to ensure we meet the funding and water savings targets. Resources to deliver this project have been secured in order to meet the tight May 2009 deadline. Any further deferral of this to 2009/10 as recommended within the ESC draft decision will compromise this arrangement and water saving targets.

It is important to note that this program has no effect on pricing under the draft decision.

Goulburn-Murray Water strongly recommends that the original program for asset rationalisation be adopted in the final decision.

2.2. Lake Mokoan Deferral

ESC Draft Decision:

Given the delays to date and the likelihood of further changes to scope and timing for the Mokoan project, Cardno recommended that \$3.6 million of operational expenditure be moved from 2009-10 to 2010-11.

G-MW Response:

Goulburn-Murray Water were guided by DSE expected completion dates when proposing the spread of budget for this project.

DSE expect the delivery of water savings from this project by 30 June 2009. Subject to DSE confirming the scope of the project by the end of this financial year, the bulk of the reliability offsets can be completed by 30 June 2009. Decommissioning of assets can then be undertaken. Asset Decommissioning is a program of activity which should take no longer than 6 months to complete. Even if the delivery of offset measures were to be delayed by 6 months, the asset decommissioning can still be completed by June 2010. All Project expenditure can be reasonably expected to be completed by the end of 2009/10.

Based on the expected delivery timeframes, and that there are no price implications in the Water Price Review, Goulburn-Murray Water strongly recommends that the original program be reinstated.

2.3. ESC Audit Costs

ESC Draft Decision:

Proposed costs associated with ESC audits were considered to be over estimated by G-MW. Cardno recommended that they be reduced by \$0.03 million per annum.

G-MW Response:

G-MW based their estimates on tenders received. It is acknowledged that the successful tenderer's price was substantially below others received however it was considered that the future tenders may be higher.

G-MW have reduced the amount allowed for ESC audits by \$0.03 million per annum.

\$ million in 2007/08 dollars

	2008/09	2009/10	2010/11	2011/12	2012/13
Reduction in ESC Audit Costs	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)

2.4. Environmental Contribution

ESC Draft Decision:

The Commission advised an increase in the Environmental Contribution had been notified by DSE.

G-MW Response:

G-MW have factored the increase into the operating expenditure for the period of the Water Plan

\$ million in 2007/08 dollars

	2008/09	2009/10	2010/11	2011/12	2012/13
Increase in Environmental Contribution	0.43	0.39	0.34	0.30	0.26

Goulburn-Murray Water response to ESC draft decision

3. Capital Expenditure

3.1 Drainage

ESC Draft Decision:

Cardno considers that, based on historical expenditure, the forecast expenditure in the G-MW Water Plan is optimistic. They therefore recommended that the forecast for this category of expenditure be reduced by 20%.

G-MW Response:

The G-MW Capital Drainage Program is primarily salinity works funded by Catchment Management Authorities. It is acknowledged that historically G-MW have under spent on these works due mainly to the budget being prepared well in advance of commencement of works, and the level of funding available changing during the planning period.

Community Surface Drainage, funded 50% by Government and 50% by customers is also a component of capital drainage works.

G-MW has prepared a revised forecast for both the salinity and community surface drainage programs over the period of Water Plan which exceeds the reduction of 20% proposed by Cardno.

Surface Water Management Program

\$ million in 2007/08 dollars

	2008/09	2009/10	2010/11	2011/12	2012/13	Total
Original Water Plan budget	5,648.6	5,607.0	4,990.2	6,015.3	6,442.7	28,703.8
Revised	4,374.7	5,893.0	3,066.0	2,976.0	3,483.3	19,793.0
Cardno (includes 20% reduction)	4,518.9	4,485.6	3,992.2	4,812.2	5,154.2	22,963.0
Variance Cardno less Revised	144.2	(1,407.4)	926.2	1,836.2	1,670.9	3,170.0

Community Surface Drainage

\$ million in 2007/08 dollars

	2008/09	2009/10	2010/11	2011/12	2012/13	Total
Original Water Plan budget	744.4	1,680.0	1,630.0	1,620.0	511.5	6,185.9
Revised	248.8	195.2	439.1	536.7	634.3	2,054.1
Cardno (includes 20% reduction)	595.5	1,344.0	1,304.0	1,296.0	409.2	4,948.7
Variance Cardno less Revised	346.7	1,148.8	864.9	759.3	(225.1)	2,894.6

Total Drainage

\$ million in 2007/08 dollars

	2008/09	2009/10	2010/11	2011/12	2012/13	Total
Original Water Plan budget	8,368.4	8,844.3	8,067.2	9,323.7	8,680.9	43,284.5
Revised	6,598.9	7,645.5	4,952.1	5,201.1	5,844.3	30,241.9
Cardno (includes 20% reduction)	6,694.7	7,075.4	6,453.8	7,459.0	6,944.7	34,627.6
Variance Cardno less Revised	95.8	(570.1)	1,501.7	2,257.9	1,100.4	4,385.7

The total G-MW Capital Drainage Program, with no reduction in G-MW funded works results in a reduction of \$4.39M in excess of the Cardno recommended reduction over the five years of this Water Plan.

3.2 Dam Improvement Program

ESC Draft Decision:

Cardno noted that historically actual expenditure has been lower than proposed in the forecast. Cardno recommended that the forecast expenditure be more evenly distributed over the five year period.

G-MW Response:

The forecast project costs as listed in the draft Water Plan remain the current best estimates for those projects.

The DIP is a risk based program that is regularly updated based on latest information regarding the condition of the assets and assessed risk. This means that as dam safety reviews or detailed analyses for upgrade designs are progressed, our understanding of the risks across our portfolio of dams can change and therefore priorities and cost estimates may be adjusted to ensure that we continue to achieve a rational and cost -effective risk reduction program.

However, the commencement of construction at William Hovell (planned for Sept-Oct 08) is likely to be delayed due to the stakeholder consultation required on basin pricing. If construction does not commence before March 2009 then it is likely that expenditure in 2008/09 would be around \$5M lower with this amount carried over to 2009/10.

By deferring the Tullaroop project to 2010/11 the ESC recommended adjustments would be achieved.

This revised program is still consistent with our risk based program in terms of priorities and timing to implement works.

Revised forecast (William Hovell spread over three years and Tullaroop deferred to 2010/11)

\$ million in 2007/08 dollars

Dam	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
William Hovell	318	2,400	5,000			
Buffalo				1,350	6,000	3,700
Nillahcootie						300
Goulburn Weir	4,654*	2,500				
Eppalock					300	2,200
Cairn Curran	2,900					
Tullaroop				3,400		
Laanecoorie	5,700*					
Newlyn	100		500			
Total	13,672	4,900	5,500	4,750	6,300	6,200

Original Water Plan	10,400	3,400	1,350	6,300	6,200
Revised Water Plan	4,900	5,500	4,750	6,300	6,200
Change	5,500	(2,100)	(3,400)	-	-

* It should be noted that there will be carryover of expenditure from 2007/08 to 2008/09 of:

- ~\$4M at Goulburn Weir - construction delayed to commence in off-season to mitigate project risk;
- ~\$5.1M at Laanecoorie - project design behind schedule due to increased scope;

The capital expenditure program has been amended to reflect the changes shown above, and RAB adjusted downwards accordingly. As noted above a full review of the risk profile across all dams is currently in progress. It is likely that the program will require further adjustment within this regulatory period. G-MW assumes that any such adjustments be reflected in the subsequent regulatory period.

William Hovell

A design review comparing the design and current condition of William Hovell Dam to contemporary engineering design standards was completed in 2005. This information was input to a risk assessment of all G-MW's dams completed in 2006 to develop a prioritised dam safety risk reduction strategy across G-MW's portfolio. A key finding of the risk assessment is that William Hovell poses a dam safety risk in excess of the limit of tolerability defined by the Australian National Committee on Large Dams (ANCOLD) and as such risk reduction works should be implemented in the short term.

The risk assessment identified a series of sequential actions to reduce the risk at William Hovell, comprising:

1. Increase flood capacity to 1 in 100,000 flood capacity by raising the embankment by 2 metres.
2. Raise the downstream fine filter to align with the existing filter.
3. Anchor the spillway ogee crest
4. Strengthen spillway walls
5. Place protective filters on the secondary embankment
6. PMPDF flood capacity via a new fuse plug embankment

In 2006 a concept level study was undertaken to investigate the extent of further works to fully upgrade the dam to current engineering and industry standards. During this study it became apparent that a full "standards based" upgrade at William Hovell would be costly. Therefore, an assessment was performed to assess the risk reduction achieved by the various elements of the proposed standards based upgrade, and prioritise these works in order of risk reduction value. The outcome of this assessment was a proposed interim works package that addressed 80% of the risk posed by the dam, but focused work on selected elements of the dam, and thus reduced the upgrade costs. This is the package of works proposed as the current project and includes the first four actions listed above.

The proposed timing of the works was determined considering the magnitude of the risk posed by William Hovell relative to ANCOLD tolerability criteria. This is a requirement of G-MW's Statement of Obligations. Staging the works as proposed by the ESC to smooth pricing impacts can be achieved by deferring commencement of construction so that construction occurs across two years. This will still achieve risk reduction in a reasonable and defensible timeframe given the nature and magnitude of the existing risk at William Hovell.

Tullaroop Dam Safety Upgrade

A design review was completed of Tullaroop Dam in 2005. The review identified a number of deficiencies in the design and condition of Tullaroop related to a lack of filters to control possible seepage through the earthen embankments and inadequate spillway capacity to pass the largest floods that could be expected to occur. These deficiencies were evaluated in a risk assessment of G-MW's dams in 2006 and a prioritised risk reduction strategy developed. This strategy included construction on filters on the secondary embankments at Tullaroop as the highest priority issue at Tullaroop. The risk at Tullaroop has been calculated to be 3.7×10^{-4} lives/annum which is marginally below the ANCOLD limit of

tolerability of 1×10^{-3} lives/annum. This indicates that works are required to reduce dam safety risk to achieve a satisfactory long term residual risk position.

G-MW has developed a dam safety programming guide which assists in setting timeframes for implementing risk reduction works. The guide considers the magnitude and nature of the risk and whether the deficiency is likely to deteriorate with time. The guide shows that works to reduce risk at Tullaroop should be commenced within five years from the time the deficiency was identified (i.e. 2005). Deferring works to 2010/11 to smooth pricing paths is consistent with this programming guide.

Implementation of works to reduce risk at Tullaroop is required to satisfy requirements of G-MW's Statement of Obligations and is consistent with current industry practice.

3.3 Lake Mokoan – Return to Wetlands

ESC Draft Decision:

Given the delays to date and the likelihood of further changes to scope and timing for the Mokoan project, Cardno recommended that the forecast capital expenditure for this project be spread over the first two years of the period.

G-MW Response:

Goulburn-Murray Water was guided by DSE expected completion dates when proposing the spread of budget for this project.

The Cardno recommendation was based on the information available at the time. This information identified that there were a number of years of project deferrals, in which G-MW had provided within each of the budgetary periods an expectation of a Ministerial announcement of decommissioning works.

Cardno identified this in their visit to G-MW early in December 2007. Subsequent to their visit, the Minister announced (on the 23rd December 2007) that decommissioning will proceed. This is information that Cardno did not have when providing their recommendation to the ESC for their draft Water Price Review.

DSE expect the delivery of water savings from this project by 30 June 2009. Subject to DSE confirming the scope of the project by the end of this financial year, the bulk of the reliability offsets can be completed by 30 June 2009.

Based on this new information, Goulburn-Murray Water strongly recommends that the original program for capital expenditure be reinstated

4 2007/08 Carryover

4.1 Capital Expenditure

Taking into consideration the Draft decision, and the response to this above, there are a number of issues that need to be accommodated within the 2008/09 year of the 5 year Water Plan review 2008/09 – 2012/13.

Predominantly we need to accommodate 3 separate issues specific to this 2008/09 year;

1. Carry-over of unfinished capital works, or budgeted projects not delivered, under Water Plan 2006/07 - 2007/08;
2. Modification to the original 2008/09 Capital budget based on revised asset management practices impacted by the current modernisation programs;
3. Inclusion of additional Items not previously identified.

Carry-over of unfinished capital works, or budgeted projects not delivered, under Water Plan 1 2006/07 – 2007/08.

There are a number of capital projects that have been identified that will not be completed prior to the finish of the 2007/08 financial year. For distribution assets this is approx \$6Mill in total. The completion of these projects will move into the 2008/09 financial year, a corresponding \$7.5Mill value reduction in 2008/09 has been identified to offset this carry-over (per point 2 below).

There are also non-distribution assets totaling \$2.2Mill that have been included in the WP1 pricing that will be carried forward, these have been deemed absolutely necessary. As we have recovered these capital costs in the WP1 pricing structure, these will be delivered in the first year of WP2 (2008/09). To minimise the impact on the 2008/09 plan, and to ensure we can deliver targeted 2008/09 projects, the 2008/09 original capital plan has been reviewed and a corresponding dollar value of projects have been deferred to years 2009/10 – 2012/13 of the Revised Water Plan.

There is a further \$9.1Mill of Dam Safety works externally funded that will also be carried forward due to non-completion in the 2007/08 financial year. There will be no pricing implications with these deferral adjustments.

Modification to the original 2008/09 Capital budget based on revised asset management practices impacted by the current modernisation programs

The pricing model for the 2008/09 capital plan has been reduced by the amount of the carry over from Water Plan 1.

The uncertainty associated with the modernisation program has required G-MW to determine what will be 'Business As Usual', as detailed in the 5 Year Water Plan developed in November 2007 and ratified by the ESC. The budget for replacement of access tracks, fences, guardrails, foot walks and addressing OH&S issues will remain unchanged. This also applies to scheduled works for the East Goulburn Main Channel, Kow Swamp, Waranga Western Channel (East) and Waranga Western Channel (West) as these major carriers will be retained under any GMID future plan. In addition, the budget for compensation payment associated with rationalisation of channels and structures has not been altered. Beyond these works, no additional new capital works (within the original 2008/09 capital plan) of the distribution system are planned to be undertaken during 2008/09.

The Capital Works Plan for the balance of the Five Year Water Plan for the period of 2009/10 to 2012/13 would involve the replacement of structures in poor condition. The structures to be replaced relate to Bridges, culverts, syphons, subways and weirs with Asset Condition Rating 5 or 6 that will not be funded by the NVIRP

It should be noted that G-MW asset management philosophy for assets outside the NVIRP backbone areas is to focus on additional maintenance rather than replacement. This should allow time for full implementation of NVIRP program, including connections. Of primary focus, GMW asset management practices will aim to avoid any potential duplication of Modernisation Programs and NVIRP works resulting with this revised Capital Works Program.

Inclusion of additional Items not previously identified

There have been some projects identified as needing to be fast-tracked which was not foreseen in the original 2008/09 – 2012/13 Water Plan. These are Predominantly IT related and due to the escalation of large modernisation projects, these items will require a commitment within the pricing structure to bring forward some capital expenditure, however it is expected that the total 5 year spend will be controlled under the original water plan submission. Examples include a disaster recovery plan and upgrades of networks to accommodate the additional infrastructure requirements.

Segment	08/09	09/10	10/11	11/12	12/13	Total
	07/08\$m	07/08\$m	07/08\$m	07/08\$m	07/08\$m	07/08\$m
Irrigation	23.9	17.24	15.8	15.34	15.38	87.67
Drainage	6.2	7.95	4.16	4.09	4.78	27.17
Domestic	-	-	-	-	-	-
Surface Water Diversions	2.54	1.55	1.68	1.63	1.66	9.07
Groundwater Diversions	1.19	0.59	0.45	0.43	0.44	3.10
Bulk Water	46.74	15.62	14.12	12.70	12.60	101.78
Total capital expenditure	80.56	42.95	36.22	34.21	34.85	228.78

Major Changes from the Original Water Plan for 2008/09 are:

- Irrigation Capital expenditure \$3.9m over original Water Plan due to 2007/08 carry over expenditure of \$7.4m offset by reductions in other projects.
- Drainage Capital expenditure \$2.2m below original Water Plan due to reductions made in drainage capital program as advised by ESC. The recommendation was for a reduction of 20% across the program, the reduction made by G-MW exceeds 20%.
- Bulk Water \$20.1m over original Water Plan due to \$9.15m carry over expenditure of Dam Improvement Projects, \$27m carry over expenditure of Lake Mokoan Decommissioning project offset by reductions in other capital projects.

4.2 Recurrent Expenditure

The following table represents the 2008/09 % Price Movement in Real Terms under the original submission in October 2007.

Gravity Irrigation Service	2008/09 % Price Movement in Real Terms *
Shepparton Gravity Irrigation Service	0.0%
Central Goulburn Gravity Irrigation Service	0.0%
Rochester Gravity Irrigation Service	0.0%
Campaspe Gravity Irrigation Service	(7.0)%
Pyramid-Boort Gravity Irrigation Service	4.6%
Murray Valley Gravity Irrigation Service	0.0%
Torrumbarry Gravity Irrigation Service	4.6%

** Note: The percentage price movement represents the change in an "average" customer bill for each service. Due to changes to components of the tariff for each service impacts on individual customers may vary above or below this average. The percentage price movement is expressed in real terms, which means that CPI will be added to the above percentage movements.*

The pricing impact regarding the recommendations by the ESC in the Draft decisions are now reflected in the table below, which includes the increase in WACC, deferral of proposed and agreed expenditure, and adjustments to the Environmental Contributions and ESC Audit costs.

Gravity Irrigation Service	2008/09 % Price Movement in Real Terms *
Shepparton Gravity Irrigation Service	1.0%
Central Goulburn Gravity Irrigation Service	1.0%
Rochester Gravity Irrigation Service	1.0%
Campaspe Gravity Irrigation Service	(5.6)%
Pyramid-Boort Gravity Irrigation Service	5.0%
Murray Valley Gravity Irrigation Service	1.0%
Torrumbarry Gravity Irrigation Service	5.5%

** Note: The percentage price movement represents the change in an "average" customer bill for each service. Due to changes to components of the tariff for each service impacts on individual customers may vary above or below this average. The percentage price movement is expressed in real terms, which means that CPI will be added to the above percentage movements.*

Key issues to be considered for final price determination;

G-MW is very keen to maintain the pricing as close as possible to the original Water Plan submitted in October 2007. After considering the ESC recommendations, and following a review of business requirements and costs for the 2008/09 financial period, G-MW recommends the proposed pricing in the table below, allowing for;

- Financial result for 2007/08 is expected to be approx \$2.9M – \$3.2M deficit. Revenue is forecast to be down approximately \$9.2M, and costs will be approximately \$5.2m down. This will leave a deficit to be carried forward which it is proposed to be recovered within the 2009/10- 2012/13 period.
- The Advanced Maintenance Program (AMP) will be reduced during the 2008/09 year within the NVIRP backbone area to occur in locations such as the Central

Goulburn Channels 1 – 4 where the backbone and channel refurbishment works have been clearly defined. For the remaining four years of the Water Plan, AMP will proceed along the defined backbone following identification and implementation of channel refurbishment works. This reduction is approximately \$2.9m on original estimates for 2008/09.

The reduced AMP scope of works until a revised plan can be developed that allows for the Foodbowl Modernisation project is:

2007/08 (07/08\$mils)	2008/09 (07/08\$mils)	2009/10 (07/08\$mils)	2010/11 (07/08\$mils)	2011/12 (07/08\$mils)	2012/13 (07/08\$mils)
13.2	5.0	8.5	8.6	8.4	8.5

As noted above the AMP program originally proposed, and discussed with Water Services Committee in June 2007, was higher than that now proposed pending further details of the Foodbowl Modernisation Project (FMP).

- Increased obligations unforeseen at time of Water Plan submission. G-MW has been advised in March 2008 of further obligations as an Essential Service operator, relating to the recent update of the Terrorism Act. To ensure compliance we need to respond and resource accordingly for this, a component of the reduced AMP expenditure will be applied to offset these additional obligatory costs of approximately \$0.15m.
- Specialist advice requirements. The introduction of the Modernisation programs, and now the NVIRP Early Works program, will see increased compliance costs and associated expenditure to ensure funds application, efficiency, and water savings are achieved. These additional costs include Auditing, Tariff reviews, Pricing Structure reviews, increases in IT software upgrades specific to asset management commitment, and further IT upgrades in response to the immediate needs of these large scale committed projects. A component of the reduced AMP expenditure will also be applied to offset these addition obligatory costs, expected to be approximately \$0.4m.
- The G-MW Water Plan proposal submitted in October 2007 identified a number of uncertainties in section 4.6. There is now a clear requirement regarding unbundling implementation and ongoing costs to meet the Water Administration functions, which also include corporate support, records management, water register management and customer support functions. The impact of these requirements has identified an ongoing expenditure cost of \$0.5m per annum to support these functions. A component of the reduced AMP expenditure will also be applied to offset these addition obligatory costs.
- Price relief back to the irrigation districts can be given on a proportion of the remaining AMP reduction from the original Water Plan pricing. This will be reflected in the table below.

G-MW final proposed pricing table

Gravity Irrigation Service	2008/09 % Price Movement in Real Terms *
Shepparton Gravity Irrigation Service	0.7%
Central Goulburn Gravity Irrigation Service	1.0%
Rochester Gravity Irrigation Service	0.7%
Campaspe Gravity Irrigation Service	(6.0)%
Pyramid-Boort Gravity Irrigation Service	4.8%
Murray Valley Gravity Irrigation Service	0.5%
Torrumbarry Gravity Irrigation Service	5.0%

* Note: The percentage price movement represents the change in an "average" customer bill for each service. Due to changes to components of the tariff for each service impacts on individual customers may vary above or below this average. The percentage price movement is expressed in real terms, which means that CPI will be added to the above percentage movements.

Operating expenditure by segment:

Operating expenditure by Segment	\$ million in 2007/08 dollars					
	2008/09	2009/10	2010/11	2011/12	2012/13	Total
Irrigation	63.4	69.1	48.1	47.9	48.0	276.5
Drainage	5.5	6.3	6.3	6.3	6.3	30.7
Domestic	0.5	0.5	0.5	0.5	0.5	2.5
Surface Water diversions	3.5	3.5	3.7	4.2	4.3	19.2
Groundwater diversions	5.0	2.5	2.5	2.7	2.8	15.5
Bulk Water	33.3	24.7	21.4	21.3	21.3	122.0
Environmental contribution	1.7	1.7	1.6	1.6	1.6	8.2
Licence Fees	0.1	0.1	0.1	0.1	0.1	0.5
Total Operating Expenditure	113.0	108.4	84.2	84.6	84.9	475.1

Major changes from the original Water Plan are;

Operating - Irrigation	\$ million in 2007/08 dollars					
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Original Water Plan		59.4	56.9	51.5	49.9	49.5
Water Savings		5.5	9.0	(6.4)	(5.1)	(4.3)
AMP		(2.1)				
Other miscellaneous		0.6	3.2	3.0	3.1	2.8
Revised Water Plan		63.4	69.1	48.1	47.9	48.0

Operating - Drainage	\$ million in 2007/08 dollars					
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Original Water Plan		6.0	5.8	5.8	5.8	5.9
AMP		(0.8)				
Other miscellaneous		0.3	0.5	0.5	0.5	0.4
Revised Water Plan		5.5	6.3	6.3	6.3	6.3

Operating - Bulk Water	\$ million in 2007/08 dollars					
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Original Water Plan		21.4	28.9	20.8	20.7	20.7
Lake Mokoan	(7.4)	11.9	(4.5)			
Other miscellaneous		0.0	0.3	0.6	0.6	0.6
Revised Water Plan		33.3	24.7	21.4	21.3	21.3

Given that G-MW operates with no profit margins, contingencies or any other buffers against unforeseen events, we propose that a threshold be set at \$250,000 or 1 per cent of a business's total revenue per annum over the regulatory period, whichever is lower, be incorporated into the pricing plan.

5 Tariffs

The ESC Draft Decision raised a number of issues related to proposed tariffs.

5.1 Price Increases for some Services

ESC Draft Decision:

The Commission will seek further detailed information from Goulburn-Murray Water explaining the relatively large price increases for a number of its services and other differences in price changes between districts for similar services

G-MW Response:

This information has already been provided under separate cover to the ESC.

5.2 Termination Fees

ESC Draft Decision:

The Commission requests clarification from Goulburn-Murray Water on the inconsistency with the ACCC principles

G-MW Response:

On 21 June 2006 the Australian Government requested that the ACCC develop a consistent inter-jurisdictional framework for the use of exit and access fees charged by operators of irrigation water delivery networks, so as to assist the New South Wales, Victorian and South Australian Governments meet their obligations under the National Water Initiative.

The ACCC provided its advice on access, exit and termination fees to the Australian, New South Wales, Victorian and South Australian Governments on 6 November 2006 in a report titled "A regime for the calculation and implementation of exit, access and termination fees charged by irrigation water delivery businesses in the southern Murray-Darling Basin."

The governments of New South Wales, Victoria and South Australia subsequently developed the Murray-Darling Basin Agreement Schedule E Protocol on Access, Exit and Termination Fees to formalise the requirements on irrigation water delivery businesses. This Protocol provides for a maximum termination fee of 15 times the access fee.

In July 2007, the Victorian Minister for Water, Environment and Climate change also issued Directions on Delivery Entitlements, which reflected the provisions of the Schedule E protocols and empowered Water Corporations to charge a termination fee of not more than 15 times the annual access fee in declared water systems (i.e. unbundled irrigation districts in Northern Victoria)

5.3 Prices for Bulk Water Services

ESC Draft Decision:

The Commission is seeking further detailed in regard to the prices it proposes to charge for bulk water services.

G-MW Response:

Bulk Water Services relate to the provision of water harvesting, storage and distribution services to Water Corporations which hold Bulk Entitlements. The pricing structure for bulk water charges are specified in the relevant Bulk Entitlement Orders, which are issued by the Minister under the provisions of the Water Act 1989.

In determining charges for bulk water, G-MW is obliged to do so in accordance with the provisions of these Ministerial orders. The BE specifies the financial obligations that apply to the holder of a bulk entitlement. The costs for operating the headworks systems in each river basin are shared in direct proportion to the high reliability bulk entitlement volumes held by each authority. This is referred to as basin pricing.

Basin pricing is used for all BEs in Northern Victoria and it aligns the costs of operating and replacing headworks assets, which are largely fixed costs, with the relative benefit derived by each authority as measured through the bulk entitlement volumes they hold in each particular basin. Details on the major drivers of operating and capital expenditure for bulk water services are included in G-MW's 2008 Water Plan submission.

Storages provide a valuable service through the regulated release of stored water during dry months when natural stream flows are insufficient to meet water users' needs. A bulk entitlement is not an absolute guarantee of supply, rather it is a right to access a share of the available resource, up to a maximum of the entitlement volume, under the terms and conditions set out in the BE order.

Although all Water Corporations pay for bulk water supplies on the same basis, each authority is free to aggregate and pass on the various components of cost that go to make up the total cost of supplying service to their retail customers in whatever manner the authority, in consultation with its customers, believes is most appropriate.

G-MW's retail business consolidates the bulk water costs it incurs into two system "pools" and recovers its bulk water costs from retail customers through average retail Entitlement Storage Fees for the Murray system and the Goulburn system. As noted in our 2008 Water Plan submission, G-MW's Board has taken the decision to move to basin pricing for its retail customers charges. Consultation on the transitional arrangements that may need to apply to manage individual customer impacts has recently commenced.

5.4 Bundled Surface Water and Groundwater Transaction Fees and Charges

As part of G-MW's 2007/08 pricing submission to the ESC, the fees and charges for a wide range of surface and groundwater transactions were extensively reviewed to reflect the changes to the assessment and processing of these applications which were required to meet changed legislative obligations. During 2007/08, the Regional Groundwater Water Services Committee requested a detailed analysis of the work currently undertaken to

assess and process groundwater licence applications and the subsequent fees Goulburn-Murray Water (G-MW) charges in relation to this function.

G-MW issues and manages groundwater and surface water Diversions licences under powers delegated to it by the Minister and as such must comply with any relevant legislation, policies and guidelines issued by the Minister.

G-MW is required to comply with requirements of the Water Act 1989 [the Act] and must comply with legislative requirements when considering any application. Goulburn-Murray Water must consider all Section 40, 53 and 68 matters of the Act when approving or not approving an application. Changes to Section 62 of the Act required that G-MW must consider Section 53 of the Act which in turn requires consideration of Section 40 matters for any application for a licence transfer. Prior to this change, the Act only required that Section 53 may be considered for the transfer of a licence. The licensing process was strengthened to achieve this obligation resulting from legislative change. The changes intend to provide improved management of a diminishing resource.

In addition to this requirement the Department of Sustainability and the Environment [DSE] undertook an audit of groundwater processing by G-MW during 2004/05 and identified areas for improvement for G-MW to comply with their legislative obligations. G-MW acknowledged these areas and accordingly amended the licensing process in consultation with DSE to comply with the groundwater audit requirements.

Following the implementation of the 2007/08 fee schedule Goulburn-Murray Water agreed with its customers that it would further review application fees for 2008/09 using the best available information, including experience gained in the actual application of these revised processes.

The review found that five application fees should be reduced to reflect proposed productivity gains and streamlining of processes. Further to this the review of 15 application types showed there was a shortfall between the fees levied and the full estimated cost of the work undertaken. The fees for these applications have been adjusted to ensure full fee recovery is achieved.

In addition to this, consideration has been given to customer feedback that groundwater licence entitlement volume reduction applications be viewed separately from current Category 4 "replacement upon alteration" applications. A review has been undertaken in consideration of those requests and a fee reduction proposed.

An additional review of surface water transaction fees also identified several low risk temporary transfer transaction that could be separated and be subject to a lower fee. A number of other transactions where there was a shortfall between the fees levied and the full estimated cost of the work undertaken were also identified and revised fees proposed

A full schedule of proposed 2008/09 bundled surface and groundwater transaction fees is attached, showing the changed fees and the rationale for these changes. It is proposed that the 2008/09 fee levels will apply for all 5 years of the regulatory period, subject to CPI indexation.

Goulburn-Murray Water has consulted with the Groundwater and Surfacewater Diversions Customer Committees who have reviewed and endorsed the 2008/09 schedule. Goulburn-Murray Water will also monitor and review of both surface water and groundwater fees in future to ensure fees are reflective of the costs of providing these services

**WORKS LICENCE (BORE CONSTRUCTION) & GROUNDWATER LICENCE
APPLICATION FEES 2008/09**

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase/ decrease	Reason for change
Works Licence (Bore Construction) Application					
1. To construct, alter or replace a bore for non-licensable purposes (Domestic and Stock)	\$839.00	\$790.00	-\$47.00	-6%	<ul style="list-style-type: none"> Reduction in approval hours required Increase in approval hourly rate.
2. To construct, alter or replace a bore for non-licensable purposes (observation/ investigation). Renewal and amendment of licence	\$839.00	\$424.00	-\$415.00	-50%	<ul style="list-style-type: none"> Field inspection no longer required (process now involves highlighting obligations to applicants regarding licensable setback requirements if applicant wishes to progress to an application for licensable use)
3. To construct , alter or replace a bore for licensable purposes (eg irrigation, commercial, industrial, communal domestic, dairy wash)	\$1,067.00	\$1140.00	+\$73.00	+7%	<ul style="list-style-type: none"> Additional 45 minutes estimated field work than in initial assessment recommend fee increase for 2008/09 to recover costs.
4. Each additional bore at the site	\$136.00	\$296.00	+\$160.00	+118%	<ul style="list-style-type: none"> Drilling Inspector inspection required and not included in 2007/08 assessment.
5. Renewal of a Works Licence (Bore Construction) for Domestic and Stock	\$338.00	\$535.00	+\$227.30	73.8%	<ul style="list-style-type: none"> Proposed increase for Drilling Inspector check not included in 2007/08 assessment.
6. Renewal of a Works (Bore Construction) Licensable Use	\$338.00	\$573.00	+\$265.30	+86.1%	<ul style="list-style-type: none"> Drilling Inspector check not included in 2007/08 assessment. Increased confirmation of risks associated with application for groundwater licence with potential for new bores to be in close proximity that were not

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase/ decrease	Reason for change
					existing at time of original field inspection.
Works Licence (Bore Construction) Application for Renewal or Transfer					
7. Transfer of a Works Licence (Bore Construction) for Domestic and Stock	\$338.00	\$338.00	No change	No change	<ul style="list-style-type: none"> No change to process
Application for a new Groundwater Licence Increase to an existing Groundwater Licence and Renewal of Groundwater Licence					
8. Groundwater Licence Application/ Transfer of Entitlement 0-20 ML	\$1153.00	\$1,188.00	+\$35.00	+3%	<ul style="list-style-type: none"> Charge out rates not accurately included in the initial assessment. It must also be noted that additional fees apply to sensitive and high risk applications as discussed in section 8.
9. Technical Assessments for Sensitive Applications	\$1,095.00	\$1,095.00	0.00	0%	<ul style="list-style-type: none"> No change proposed for technical assessments for sensitive /high risk applications for licence volumes of 0-20 ML.
10. Groundwater Licence Application/ Transfer of Entitlement 20-200 ML	\$2,491.00	\$2,465.00	-\$26.40	-1%	<ul style="list-style-type: none"> Reduction of planning input labour hours.
11. Groundwater Licence Application/ Transfer of Entitlement 200 - 400 ML	\$3,483.00	\$3,604.00	+\$122.00	+4%	<ul style="list-style-type: none"> Charge out rates not accurately included in the initial assessment. Reduction of planning input labour Approval labour hours have been increased upon review.

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase/ decrease	Reason for change
12. Groundwater Licence Application/ Transfer of Entitlement 400 + ML	\$5,441.00	\$5,548.00	+\$107.00	+2%	<ul style="list-style-type: none"> • Charge out rates not accurately included in the initial assessment. • Inspection labour hours increased. • Approval labour hours decreased.
13. Groundwater Licence Renewal Application	\$869.00	\$675.00	-\$194.00	-22 %	<ul style="list-style-type: none"> • Reduction in planning assessment labour hours. • Reduction of approval labour hours.
14. For each additional licence on the same land	\$308.00	\$530.00	+\$222.00	+72%	<ul style="list-style-type: none"> • Increase in field inspection labour hours. • Planning assessment labour hours were not included in initial assessments. • Increase of approval labour hours.
15. Temporary Transfer of Allocation Entitlement Application 2 ML or less and of allocation up to 100% of licensed entitlement (Low Risk)	\$220.00	\$230.00	+\$10.00	+5%	<ul style="list-style-type: none"> • Slight amendment to charge out rate for approvals.
16. Temporary Transfer of Allocation Entitlement Application > 2 ML (Medium Risk)	\$555.00	\$600.00	+\$45.00	+8%	<ul style="list-style-type: none"> • Reduction of field inspection labour hours. Increase of in planning assessment labour hours. Reduction of approval labour hours. • An additional charge per ML of increase is applied to applications to cover the technical work required to appropriately consider the impacts to existing users and the environment. • Per ML rates remain the same

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase/ decrease	Reason for change
Application for a Temporary or Permanent Transfer of a Groundwater Licence Application for Subdivision/Amalgamation of a Groundwater Licence					
17. Temporary Transfer of Allocation Entitlement (High Risk) 20 – 200 ML \$5.50 per ML for entitlement volumes of up to the 200 ML. 200 - 400 ML \$11.00 per ML for entitlement volumes greater than 200 ML up to 400 ML 400ML + \$22.00 per ML for entitlement for volumes greater than 400 ML	\$555.00 plus per ML charge	\$600.00 plus per ML charge	\$45.00	+8%	<ul style="list-style-type: none"> Reduction of field inspection labour hours. Increase of in planning assessment labour hours. Reduction of approval labour hours. An additional charge per ML of increase is applied to applications to cover the technical work required to appropriately consider the impacts to existing users and the environment. Per ML rates remain the same
* Note: If the application for temporary transfer is considered high risk applicants will be required to pay the additional per ML charge on top of the medium risk fee of \$600.00. Applicants will be contacted and advised if this applies. Applicants who choose not to proceed with the transfer will not be refunded the \$600 application fee.					
18. Permanent Transfer of Ownership/Sale of Land Application	\$640.00	\$523.00	-\$117.00	-18%	<ul style="list-style-type: none"> Reduction of field work and approval labour hours upon review.
19. Additional charge for permanent transfers 20 – 200 ML per ML for entitlement volumes of up to the 200 ML. 200 - 400 ML per ML for entitlement volumes greater than 200 ML up to 400 ML 400ML + per ML for entitlement for volumes greater than 400 ML	\$5.50 \$11.00 \$22.00	\$5.50 \$11.00 \$22.00	No change No change	0%	<ul style="list-style-type: none"> No change

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase/ decrease	Reason for change
20. Application for Subdivision/ Amalgamation of a Groundwater Licence	\$640.00	\$767.00	+\$126.90	+20%	<ul style="list-style-type: none"> • Increase in field inspection labour hours. • Planning assessment labour hours were not included in initial assessments. • Reduction of approval labour hours.
21. Additional Subdivision of Groundwater Licence Application	\$308.00	\$530.00	+\$222.00	+72%	<ul style="list-style-type: none"> • Increase in field inspection labour hours. • Planning assessment labour hours were not included in initial assessments. • Increase of approval labour hours.
Application for a Amendment to Works Licence (Bore Construction) and Application for Amendment to Groundwater Licence					
22. Licence Amendment Category 1 <ul style="list-style-type: none"> • Change of address • Change of name e.g. Deed Pole, Married Name change (evidence required) • Adding in a person as 'c/-' on the billing address 	No charge	No charge	0	0	<ul style="list-style-type: none"> • No change
23. Category 2 Replacement licence	\$338.00	\$510.00	+\$172.00	+51%	<ul style="list-style-type: none"> • Increase in field inspection labour hours. • No planning assessment labour hours included in assessments. • Increase of approval labour hours.

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase/ decrease	Reason for change
24. Category 3 Amendment to existing Works Licence (Bore Construction) <ul style="list-style-type: none"> • Alter number of bores to be constructed • Alter proposed depth of bore/s • Change authorised purpose/s • Change proposed bore site 	\$463.00	\$527.00	+\$64.00	+14%	<ul style="list-style-type: none"> • Reduction in field inspection labour hours. • No planning assessment labour hours included in assessments. • Reduction in approval labour hours.
25. Category 4 <ul style="list-style-type: none"> • Amendment to existing Groundwater Licence • Change of land description (usually subdivision or consolidation) • Change authorised purpose/s of Licence • Change point/s of supply (add, remove or alter number of) • Excise allotments from land authorised for water usage • Include additional allotments as land authorised for water usage 	\$869.00	\$949.00	+\$80.00	+9%	<ul style="list-style-type: none"> • Reduction in field inspection labour hours. • No planning assessment labour hours were included in assessments and have been amended to cover technical advice required in regard to groundwater licence amendments to consider impacts to existing users and the environment. • Increase in approval labour hours.

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase/ decrease	Reason for change
26. Category 4 <ul style="list-style-type: none"> • Amendment to existing Groundwater Licence Decrease Licence volume 	\$869.00	\$212.00	-\$657.00	-76%	<ul style="list-style-type: none"> • Reviewed with consideration to Section 40 matters being considered as low risk with licence entitlement volume reduction not treated as separate application in the initial assessment. • Licences will only be renewed for the current term as a full assessment is required to extend the term of the licence to a full term and undertake the work to provide due consideration of Section 40 matters. • Applications for licence reduction will not have a field inspection or formalised planning assessment. • During the approval process advice may be sought from the planning group in regard to an application which is not proposed to be included in the application fee.
27. Domestic and Stock Registration	\$80.00	\$80.00	0.0	0%	No change

Irrigation Development Guidelines

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/decr ease	% Increase /decrease	Reason for change
Tier 1	\$200.00	\$200.00	0	None	No change
Tier 2	Tier 1 + \$1,000.00	Tier 1 + \$1,000.00	0	None	No change
Tier 3 Agreed Price (Quote)	Tier 2 + \$110/hr	Tier 2 + \$110/hr	0	None	No change

Please note: If the application is required to be assessed against the new Irrigation Development Guidelines you will be required to pay an additional fee on top of your application fee.

Miscellaneous Fees

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/decr ease	% Increase/decrease	Reason for change
Registration of a Domestic &/or Stock Bore	\$80.00	\$80.00	0	None	No change
Partial Refund of a Works Licence (Bore Construction) for non construction	\$205.00	\$195.00	0	None	No change
Re-print of Works Licence (Bore Construction) document (with no alteration) Reprint of a Groundwater Licence with no alteration (unsigned copy)	Not included	\$60.00	New	New	<ul style="list-style-type: none"> New fee introduced to cover administrative costs of providing a copy of a Works Licence
Title Search Fee - Standard electronic search (fee is for each title – Volume/Folio)	\$45.00	\$45.00	0	None	No change
Title Search Fee - Non standard (per title – Volume/Folio)	\$90.00	\$90.00	0	none	No change

**BUNDLED SURFACEWATER APPLICATION FEES
ANNUAL FEES 2008/09**

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase /decrease	% Increase/ decrease	Reason for change
Application to Transfer Ownership of A Bundled Surfacewater Licence					
1. Transfer of Ownership/Sale of Land Application	\$640.00	\$524.00	-\$117.00	-18%	<ul style="list-style-type: none"> Groundwater review identified a reduction of field work and approval labour hours upon review. The Surfacewater process is exactly the same as the Ground water process Review of the scrutiny required to comply with assessment and consideration of section 40 & 53 of the Water Act 1989
Application for a Bundled Surfacewater Licence (Domestic &/or Stock or Zero Volume Licenses only)					
2. Standard Application	\$1,067.00	\$1,067.00	No Change	0%	No Change
Technical Assessment Fee for Sensitive/ High Risk Zero Volume Licence Applications <i>Please note: If there are sensitive/high risk issues surrounding your proposal (these could relate to proposed water use and/or property location) you will be asked to pay an additional fee on top of your Application Fee. You may also be required to submit a technical report which will require analysis by Goulburn-Murray Water.</i>	\$1,095.00	\$1,095.00	No Change	0%	No change

Application for Renewal, Amalgamation or Assignment (Subdivision) of a Bundled Surfacewater Licence

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase /decrease	Reason for change
3. Standard Application	\$648.00	\$648.00	No Change	0%	No change
4. For each additional Renewal on the same land	\$308	\$308	No Change	0%	No Change
5. For each additional Assignment (Subdivision) of Licence issued (Third and subsequent Licenses)	\$308	\$308	No Change	0%	No Change

Application for Amendment to a Bundled Surfacewater Licence

6. Licence Amendment Category 1 <ul style="list-style-type: none"> • Change of address • Change of name e.g. Deed Pole, Married Name change (evidence required) • Adding in a person as 'c/-' on the billing address Please note: There is no Application form for this but a written request is required	No Charge	No Charge	No Change	0%	No change
7. Category 2 <ul style="list-style-type: none"> ▪ Replacement of Licence Please note: There is no Application form for this but a written request is required	\$338.00	\$338	No Change	0%	No change

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase /decrease	Reason for change
8. Category 3 Amendment to existing Bundled Surface Water Licence (Domestic &/or Stock purpose Licenses only) <ul style="list-style-type: none"> Excise or include additional land Change authorised purpose of Licence entitlement Addition or removal of service point 	\$463.00	\$463.00	No Change	0%	No change
9. Category 4 Amendment to an existing Bundled Surfacewater Licence (For purposes other than Domestic &/or Stock) <ul style="list-style-type: none"> Excise or include additional land Change authorised purpose of licence entitlement Addition or removal of service point 	\$869	\$869	No Change	0%	No Change
Application for Transfer of Water Entitlement					
10. Temporary Transfer <ul style="list-style-type: none"> Low risk trades to existing licence holders 	\$555.00	\$555.00	No Change	0%	No Change
	\$65.00	\$65.00	No change	0%	No change
11. Permanent Transfer	\$640.00	\$640.00	No change	0%	No Change

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase /decrease	Reason for change
Application for a Private Right Determination					
12. Standard Application	\$640.00	\$640.00	No change	0%	No Change
Application for a Waterway Determination					
13. Standard Application	\$216.00	\$381.00	\$165.00	76%	<ul style="list-style-type: none"> Application fee was not reviewed for 2007/08. Not recovering the cost of processing an application
14. For each additional assessment required	None	\$271.00	\$271.00	100%	<ul style="list-style-type: none"> Not recovering the cost of processing an application Additional determinations have the same work criteria apart from a proposed 30% reduction for estimated reduced travel time.
Application for Dams on a Waterway					

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase /decrease	Reason for change
15. Dams or other works less than 5ML capacity not requiring qualified engineering input or design and specifications by G-MW	\$483.00	\$483.00	No Change	0%	No Change
16. Dams less than 5ML capacity IR, CO and D&S with engineering design review consultancy and assessments	\$1,895.00	\$1,895.00	No Change	0%	No change
17. Dams less than 5ML capacity IR, CO and D&S without engineering design review consultancy and assessments	\$782.00	\$782.00	No Change	0%	No change
18. Dams greater than 5ML capacity or 7m embankment height with engineering design review consultancy and assessments • Resubmission of revised proposals with G-MW assessment	\$2,369.00 \$1,586.00	\$2,369.00 \$1586.00	No Change	0%	No Change
19. Dams greater than 5ML capacity or 7m embankment height without engineering design review consultancy and assessments	\$783.00	\$783.00	No Change	0%	No Change

Application for Dams NOT on a Waterway

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase /decrease	Reason for change
20. Dams requiring a licence to construct with engineering consultancy and assessment by other than G-MW	\$783.00	\$783.00	No Change	0%	No change
21. Dams requiring a licence to construct with engineering design review consultancy and assessments G-MW	\$2,369.00	\$2,369.00	No Change	0%	No change
Irrigation Development Guidelines					
22. Tier 1	\$200.00	\$200.00	No Change	0%	No change
23. Tier 2	Tier 1 + \$1,000.00/ hr	Tier 1 + \$1,000.00/h r	No Change	0%	No change
24. Tier 3 Agreed Price (Quote)	Tier 2 + \$110.00/hr	Tier 2 + \$110.00/ hr	No Change	0%	No change
1. <i>Please note: If the application is required to be assessed against the new Irrigation Development Guidelines you will be required to pay an additional fee on top of your application fee.</i>					

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase /decrease	Reason for change
Miscellaneous Fees					
25. Converting a Farm Dam Registration Licence to a Standard Licence	No Charge	No Charge	No Change	0%	No change
26. Title Search Fee	\$45.00	\$45.00	No Change	0%	No change
27. Title Search Fee – Non Standard	\$90.00	\$90.00	No Change	0%	No change
28. Reprint of Bundled Surfacewater Water Licence unsigned		\$60.00		New fee	New
Application for Dams on a Waterway					
29. Dams or other works less than 5ML capacity not requiring qualified engineering input or design and specifications by G-MW	\$483.00	\$483.00	No Change	0%	No Change

Application	2007/08 Fee \$	Proposed 2008/09 Fee \$	\$ increase/ decrease	% Increase /decrease	Reason for change
30. Dams less than 5ML capacity IR, CO and D&S with engineering design review consultancy and assessments	\$1,895.00	\$1,895.00	No Change	0%	No change
31. Dams less than 5ML capacity IR, CO and D&S without engineering design review consultancy and assessments	\$782.00	\$782.00	No Change	0%	No change
32. Dams greater than 5ML capacity or 7m embankment height with engineering design review consultancy and assessments	\$2,369.00	\$2,369.00	No Change	0%	No Change
<ul style="list-style-type: none"> • Resubmission of revised proposals with G-MW assessment 	\$1,586.00	\$1586.00			