



Pricing News

As previously discussed in Stream News, a review of the diversions pricing structure is currently taking place and diversion licence fees are set to rise.

Over the past few years, Melbourne Water has kept fee increases to a minimum, largely in line with CPI, in recognition of the difficulties being experienced by many licence holders during the current drought.

However, the costs associated with managing the water resources and licence holders have increased as a result of the drought, legislative and regulatory changes and the continued implementation of metering and monitoring programs.

All of these activities are aimed at improved management of streamflows for the benefit of diverters and the environment and are necessary to provide protection of entitlements and equity to all users.

As a result of these increased costs, and in line with the user pays pricing principles, a staged increase in diversion pricing over the next three years is planned.

This is consistent with government policy to ensure prices fully recover service delivery costs. Government policy also aims to ensure pricing levels encourage conservation and sustainable use of water and reflect the scarcity of the resource and associated environmental impacts.

With diversion licence fees in the Yarra catchment, currently made up of a service charge of between \$27 and \$220 and a price per megalitre of just \$3.90, river water prices are insufficient, especially when compared to the price of drinking water and other water supplies.

Fig 1. Proposed Diversion Pricing

Diversion Licences – Unregulated Waterways, Yarra River & Tributaries						
Licence type	2004/5		2005/6		2006/7	
	Licence service fee	Charge/ML	Licence service fee	Charge/ML	Licence service fee	Charge/ML
All months diversion	\$120	\$7	\$140	\$8	\$160	\$10
On-stream winter-fill	\$120	\$4	\$140	\$5	\$160	\$5
Off-stream winter-fill	\$120	\$4	\$140	\$5	\$160	\$5
Licensed farm dam	\$120	\$4	\$140	\$5	\$160	\$5
Non-consumptive licence eg. Industrial cooling, fish farms.	\$120	\$1	\$140	\$1	\$160	\$1
Power generation:	\$120		\$140		\$160	
Plus fee per kilowatt	\$15		\$15		\$15	

Diversion Licences – Regulated Waterways, Maribyrnong River – Rosslynne Reservoir						
Licence type	2004/5		2005/6		2006/7	
	Licence service fee	Charge/ML	Licence service fee	Charge/ML	Licence service fee	Charge/ML
All months diversion	\$120	\$28	\$140	\$30	\$160	\$32
Off-stream winter-fill	\$120	\$4	\$140	\$5	\$160	\$5

Melbourne Water is looking at simplifying water charges and introducing a single service charge fee to replace the existing range of service charges. The charge per megalitre of water will also increase and be divided into peak, off-peak and non-consumptive rates.

Peak rates will apply to licences which allow access to water all year round, including the low flow periods of November to April, while off-peak rates will apply to winter-fill licences which take their allocations between May and October.

The table below indicates the proposed pricing changes to be introduced over the next three years.

Melbourne Water is interested in any customer feedback on the proposed pricing changes. For further information on the pricing proposal or details on how it will apply to your licence, please contact us on 9784 6373.

Government Water Reform White Paper Released

On 23 June, the Government released *Securing Our Water Together*, a blueprint for future water management across the State. This action plan sets out more than 100 new initiatives to secure water for the next 50 years, for homes, farms, businesses and the environment.

We have enclosed a copy of the fact sheet, *Securing Water for Farms*. Although applicable more to regulated irrigation networks north of the divide it may be of interest to you. Further information including copies of the paper can be obtained by calling 136 186 or visit www.dse.vic.gov.au/waterfuture.

Drought Response Plan

In February 2004, a new Private Diverter Drought Response Plan, was introduced for managing access to water during times of low flow conditions.

Copies of the plan were forwarded to each licence holder in January and highlighted some major changes including:

- Introduction of new flow trigger levels on all major creeks and waterways for restrictions or bans to be implemented
- Need for licence holders to check the restriction or ban status of their waterway each time prior to taking water.

The changes were implemented successfully for the remainder of the irrigation season.

The season presented many difficulties with several catchments placed on a ban from pumping due to the lack of flows in the system. This represented the first time bans had been in place for many of these catchments and highlighted that there can be no guarantee of access to water under all conditions.

While licence holders' general ability to access their water entitlements in the Yarra catchment is still considered high, this year again highlights the importance for licence holders to ensure that they have made their own contingencies or alternative provisions for water should bans again be necessary in the future.

In this regard, property owners should prepare their own site-specific drought response plans. Assistance and advice for this can be obtained from the Department of Primary Industries offices at Woori Yallock on telephone 5954 4044

Licence holders need to also remember, given the dry winter conditions so far, that higher flow triggers apply to the winter period and it is possible for restrictions or bans to apply.

You should continue to check the status of your local waterway with Melbourne Water by accessing www.melbournewater.com.au or by calling the diversions team on (03) 9784 6373 each time you plan to pump water.

Diverter Survey Feedback

A survey of River Diverters was conducted in May to seek feedback on the effectiveness of Melbourne Water's communications, preferred management methods and levels of service.

The overall response to the survey was good, with over 300 of the 1100 surveys returned. The tabled results were also positive with:

- Over 80% of customers indicating satisfaction with the amount, ease of understanding and timing of information forwarded.
- Greater than 90% of people who had contacted Melbourne Water indicating satisfaction with the service provided.
- Strong preference for Melbourne Water to continue to provide written information to customers ahead of e-mail and telephone calls.
- Preference for licence holders to read their own meters



- Majority favouring the application of restrictions based on a percentage of their water entitlement held rather than based on different crop types.
- Evenly split opinion on the need for greater enforcement of licence conditions and restrictions.

On top of these results some constructive comments were received, particularly in regard to implementation of restrictions and bans.

All of this information will be used by Melbourne Water to try and further improve the management of our water resources and service to our diverter customers.

Contact Details and Change of Address

Melbourne Water asks all licence holders to ensure they notify Melbourne Water of postal address changes or incorrect licence or postal details.

If Melbourne Water is unable to make contact with you and invoices are outstanding, your licence may be cancelled, so please make sure your details are up to date.

Correct details can be sent to Melbourne Water Diversions Team at P.O. Box 125, Chelsea, 3196 or by facsimile to 9784 6471.

Want More Information?

Please contact Steve Hosking, Phil Biasi or Tim Donovan on telephone (03) 9784 6373 or 131 722 for further information.