

Diversions Cost Review – Meeting summary

COMMITTEE NAME	Diversions Cost Review Customer Reference Group
MEETING DATE	Friday 4 April 2025 10am – 1pm Benalla Racecourse
ATTENDEES	Reference Committee: Nicholas Legge, Cameron Reid, Christopher Ramsay, Heather Thompson, Peter Serpell, Brian Reid, Richard Carter, GMW attendees: Peter Clydesdale, Geoff Coburn, Steve Gemmill, Dale McGraw, Chloe Warburton Facilitator: Cath Botta
APOLOGIES	Jason Reid, Geoff Voight, Adrian Tuddenham, Graeme Watson

Main Topics Discussed

Meeting recap and agenda items
- Peter Clydesdale opened the meeting and noted reference group member Geoff Voight has finished with the group after changing employment. - GMW acknowledged the moving of the meeting on several occasions and committed to holding future meetings as scheduled - GMW currently has five months of data collection, to the end of February. Ideally GMW will collect a full 12 months of data (to end of September 2025). Data collection will be business as usual for GMW going forward. - Facilitator Cath Botta welcomed the group to the meeting and went through the agenda. - Cath noted the group's task is to provide input into the review, acknowledged that it has been complex and challenging. - Group members introduced themselves. Nick Legge noted he and Cameron Reid are part of a group that is currently challenging GMW and the Essential Services Commission in VCAT.
Update of the data collected so far
- Geoff Coburn presented the update. The presentation was provided as a hard copy at the meeting and also emailed to group members prior to the meeting. - Geoff began the presentation with a recap of the background on the ESC determination, the formation of the Diversion Customer Reference group and GMW's commitment to the review process. - Geoff also emphasised that the interpretation and analysis of the data is preliminary in nature - Geoff presented a heat map of the tasks Diversions Inspectors undertake over a 12-month period. The work ebbs and flows through the year depending on customer requests, seasonality, organisational processes such as meter reading and licencing applications. - Geoff also presented a summary of Diversion Inspector efforts by tasks, the hours undertaken in each task and the year-to-date percentage. He noted that the proportions amongst tasks will change as more data is collected under the new model of tracking DI tasks. - Geoff presented further detail on each task observing that dry conditions have led to more customer enquiries in this period, as have proactive media releases from GMW about licensing and dry conditions. Questions and feedback from the group included: - The summary of DI tasks presented as a pie chart is a good way to present the summary by task for the wider customer base. - Clarification was sought on how GMW meters groundwater. It was noted that groundwater metering is similar to surface water. Some sites are not metered because of water quality leading to premature failure

of meters. A licence is not normally needed to use groundwater for D&S as most users have a private right (section 8 of Water Act 1989).

- The group asked if there could be a way to present the data for large, medium and small customers. Peter Clydesdale noted that GMW is investing in a new customer relationship management system in the coming years which could assist with this.
- The group noted that as dry conditions impact on river and creek systems there will be more contact with D&S customers concerned about their supply
- GMW's current sense is that compliance activity is more than a normal year, but there isn't enough data yet to say for sure.
- The group asked about the use of aerial photographs/satellite images. GMW stated that it can be difficult and expensive to get regular aerial imagery. Google Earth is used for this purpose and does assist to an extent.
- The group asked about monitoring and surveillance in more remote areas such as the Lake Eildon area, and GMW confirmed that neighbourhood reports do assist with compliance in that area.
- The group noted that a significant proportion of the investigations are on landowners who aren't GMW customers. The costs associated with investigating compliance matters is shared across all GMW customer groups.
- The group noted that most rostering and restriction occurs in the East area, and GMW is seeing more of that – it is unclear what the impact of climate change will be on this in the future.

Group reflections on the data presented

- No surprises from an irrigators' perspectives, but the figures quantify what some people have referred to as "gut feelings".
- The breakdown in time and costs and the collection of the data reflects the DIs' role as our "water police" and there needs to be a certain amount of them out there doing the work, and that they know the problem areas are and have the experience.
- The presentation shows GMW knows their business very well but there is a challenge for people to understand what the fees are. It is clear that a big chunk of GMW's work is to do with meters and compliance, but how much of that is attributed to small D&S customers on unregulated streams
- Reinforces GMW is a big organisation and has large customers, and it is easy for small customers to be neglected in communication and the ability of GMW to demonstrate that the fees that small customers are paying are valid. Those that are involved in this group understand that, but others wouldn't.
- There needs to be more transparency around GMW's fees and charges and help for customers to understand their fees. GMW needs to explain better what metered and unmetered service points are and the fees and charges associated with those.
- There is complexity in trying to allocate different costs. Can we see an allocation of costs by customer type – small and large users are quite different - and the costing of dollars and time should go down to that level?
- Discussion on a broader question on the beneficiaries of some of this work and who should pay for it is needed:
 - GMW's compliance activities in terms of a "police" function to prevent water theft, should this be paid for by the state in line with all other policing activities?
 - similarly for rosters and restrictions activities that helps the environment – should this be state funded?
- Clarity was sought on the data from unregulated users in the Victorian Water Register (VWR) and why this is different to the data that GMW has presented. The total is close to the same, but the VWR has 2000 D&S instead of 3000 D&S. GMW will investigate and clarify this for the next meeting.
- GMW clarified that the environment does pay for storage costs and is treated as a customer.
- The group queried the allocation of fees by service type and requested data on domestic & stock users be pulled out so the group can see how fees are allocated.

Check in: Terms of Reference

- The group reviewed the Terms of Reference to ensure the actions so far are aligning with the purpose of the Diversions Cost Review Community Reference Group.

Next steps and further information needs

- Can GMW fees and costs be benchmarked against other water authorities?
- GMW needs to have clearer data and information on the fact sheets that go out with accounts
- GMW's new Customer Committees will be more strategic and there'll be more opportunities in the future for further investigations into GMW's diversions domestic & stock service.

Proposed next meeting schedule

- Peter Clydesdale proposed the next meeting to be in late August, followed by a meeting in October or November.
- The October/November meeting will include discussions around how fees and charges are communicated and consider any potential implications for GMW's 2026/27 annual price review.

Reflections

The group reflected on the meeting and noted:

- the meeting went well and there was a good update of information. Having agreement around the table can be challenging but is part of the process
- GMW has grappled with communication over many years and the diversity of the customer base and services makes this difficult
- increasing understanding of GMW's fees and charges but still have questions on whether they are fair and equitable between customer groups
- the group commended the Diversions Inspectors for taking on the task of tracking their work so closely to gather the data, and without their persistence the group wouldn't have the information they need
- it has been a good exercise, and participants have been open and receptive.
- water is too costly to have a water right and not use it
- the process has been good, but GMW doesn't have competition like other utilities do and is governed by the market and the ombudsman. While the opportunity has been good, small customers shouldn't need to be participating in groups such as this, and if the bills hadn't done a 100% price increase over an eight-year period we wouldn't need to be here.

Actions for Reference Group

- Consider how best GMW can communicate with its customers regarding fees and charges, and the information they would like to hear.

Actions for GMW

- Rectify and clarify data against Victorian Water Register.
- Investigate how other water authorities present their fees and charges to customers.
- Provide information on resource management units and the collective demand.
- There is complexity in trying to allocate different costs. Can we see an allocation of costs by customer type – small and large users are quite different? and the costing of dollars and time should go down to that level.
- Understanding your water bill – how GMW can better communicate what customers pay for
- GMW will commit to providing agenda and reading material at least 5 working days prior to meetings