



COLIBAN WATER

Your Reference:
Our Reference: RS/eah 1568/96
300/7

Extension No: (054) 341 221
Contact: Rod Smyth

23 May 1996

Mrs Kath Read
Secretary
Coliban Water Investigation Committee
Railway Place
GOORNONG 3557

Dear Mrs Read

I refer to your letter of 14 April 1996, regarding the proposed rural water services issues paper and the study of water security in the Coliban System.

Coliban System Water Security

The first phase of the development of a long term strategy for the source security of the Coliban system of waterworks identified a number of issues to be resolved to enable definitive solutions to all issues to be developed. The report identified policy initiatives with implications on development of the water security strategy. The policy of most impact is the specification of bulk water entitlements.

The bulk water entitlement process is being undertaken throughout the state by the Water Bureau. (Department of Natural Resources and the Environment). The process aims to convert existing rights to take water to properly specified bulk entitlements which:

- *provide authorities with a clearly defined property right to water;*
- *provide authorities with flexibility to manage within their entitlements;*
- *provide a basis for sharing a limited resource;*
- *facilitate water trading between user groups to provide for reallocation of resources over time;*
- *allow specific entitlements for environmental purposes.*

The Campaspe Bulk Entitlement Conversion process has commenced and is expected to involve representatives from the Water Bureau, Department of Natural Resources and the Environment, Coliban Water and Goulburn Murray Water (including Water Services Committees) and the Victorian Farmers Federation. Coliban Water expects to obtain bulk entitlements to:

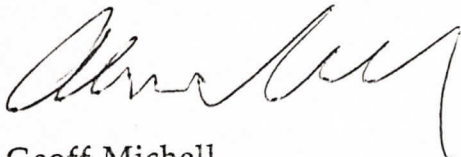
- *inflows and water stored in the Coliban River storages;*
- *a share of inflows and water stored in Lake Eppalock.*

The form and volume of entitlement from Lake Eppalock should become clear during the next three months. Following this, Coliban Water will be in a position to further develop a long term strategy for water security in the Coliban System.

Rural Water Services Issues Paper

Coliban Water has surveyed the opinions of its urban water and wastewater customers in order to measure the level of customer satisfaction. We may undertake a similar survey of rural water customers during the next six months. The "Rural Issues Paper" will be published and distributed to all Coliban rural water customers if that process is followed as it could add more reason and quality to the issues.

Yours Sincerely



Geoff Michell
Executive Manager Operations