



Department of  
Sustainability and  
Environment



**GOULBURN  
BROKEN**  
CATCHMENT  
MANAGEMENT  
AUTHORITY



Our Ref: #2084342; 2006/451/1

Name  
Co Name  
Address  
Address  
Address

2 March 2007

Dear Water User

### **Mokoan - Return to Wetland Expression of Interest in Sale of Water Entitlement**

The Victorian Government, as part of its Our Water Our Future Action Plan, with the support of other states and the Commonwealth, has made the decision to close Lake Mokoan and return it to the original Winton Wetlands.

A package of offset measures is required to ensure that reliability of supply to Broken System irrigators is maintained after the decommissioning of Lake Mokoan. You may recall in earlier correspondence that the final package will need to include a range of infrastructure, efficiency improvement and water purchase measures.

Four Offset Packages (A, B, C, D) each providing measures which will maintain existing supply reliability were released for comment on 1 October 2006. Submissions closed on 8 December 2006, and the key issues identified by irrigators in the submissions will be taken into account in the development of a Final Offset Package.

The location and extent of water entitlement that may be sold by irrigators has the potential to impact on the infrastructure and efficiency improvement options to be included in the Final Offset Package. Just as important will be the need to ensure that future services to irrigators are accurately determined, to minimise future operating costs, hence prices and tariffs for the Broken System.

To assist in formation of the Final Offset Package, the Project Control Board is now initiating a process for the purchase of water entitlement. This is to ensure that any irrigators who may be interested in selling their entitlement in the future have the opportunity to consider their options now, in an attempt to provide the most economic solution for all irrigators.

The volume of entitlement purchase required from the Broken system to support the four offset packages ranges from 1150 to 4640 ML.

The purchase of water entitlement will be conducted in 2 stages, namely:

1. An invitation, via this letter, to all Broken System irrigators to express their interest in selling some or all of their entitlement.
2. A water broker will be commissioned to make individual contact with potential sellers.

The attached form is provided for you to indicate any interest you may have in the sale of some or all of your current water entitlement. Any expressions of interest received will be treated with strict confidentiality and will not be deemed to be a binding offer to sell entitlement water.

Current prices for permanent transfer of water entitlement in the Goulburn system have ranged from \$1,000 to \$2,000/ML. We expect that our 2-stage process will produce up to 4640ML of water entitlement at a price which is equitable for both the seller and the buyer.

Whilst water users ideally need a good understanding of the potential impacts of decommissioning and the reliability offset measures on future water pricing, G-MW is unable to be definitive at this time and any proposed changes need to be verified and approved by the Essential Services Commission. However, it is very likely that water prices will be higher in the future.

Further guidance on these issues is provided in Mokoan Fact Sheet #16 which can be accessed from [www.lakemokoan.com](http://www.lakemokoan.com) or by contacting the Mokoan Project Office on 03 5761 1611.

If you would like to submit your interest in the possible sale of some or all of your water entitlement, then we would be pleased to receive the attached form completed with your details.

If you have in queries in relation to this matter please contact the Mokoan Project Director, David Jeffery on 03 5761 1611.

Yours truly,

**Department of Sustainability  
and Environment**

*(signed using electronic  
signature and posted on 2  
March 2007)*

Kevin Ritchie  
REGIONAL DIRECTOR  
NORTH EAST REGION

**Goulburn Broken Catchment  
Management Authority**

*(signed using electronic  
signature and posted on 2  
March 2007)*

W J O'Kane  
CHIEF EXECUTIVE

**Goulburn-Murray Water**

*(signed using electronic  
signature and posted on  
2 March 2007)*

Russell Cooper  
CHIEF EXECUTIVE

**Expression of Interest  
Sale of Water Entitlement  
Broken Regulated Supply System**

Expressions of Interest are invited in the Sale of Water Entitlement by current holders of Broken Regulated Diversion entitlement.

Information received from this process will be used to support the development of the Final Supply Reliability Offset Package, will be used solely for this purpose and will be treated as strictly confidential.

I understand that by submitting this Expression of Interest I am not legally bound to sell the water but may be contacted by G-MW for further discussion on this matter.

Name of Entitlement Holder: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Service Point No/s associated with the potential entitlement sale volume/s: \_\_\_\_\_

Total Amount of Entitlement currently held: \_\_\_\_\_ ML

Volume of potential Entitlement Sale: \_\_\_\_\_ ML

Indication of price expected: \_\_\_\_\_ \$/ML

In providing the information above, please recognise that there is a finite amount of water entitlement proposed for purchase. If you price your proposed sale price is too high, then you may not be successful.

Comments/issues related to this Expression of Interest:

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This form should be placed in an envelope marked "**Strictly Confidential**" and mailed to Mokoan Project Director, 89 Sydney Road Benalla 3672, PO Box 124 Benalla 3672 by 5 April 2007.