While this response is a bit abstract I have tried to highlight many issues with d/s both positive and negative and some of the long term risks this may have on the future viability of GMW

Delivery share in GMID was introduced late 1990 early 2000 well before 2007 unbundling. They were introduced in reaction to water trading and some channels reaching their capacity of delivering 100% of water right in 100 days which aligned with water rationing of 10% in 10 days and some irrigators wanting to reserve capacity for future farm expansion (nothing to do with water rates). Reason 1 d/s per 100 Ml of HRWS. In 2007 unbundling d/s were seen as a better way of rating as water was no longer tied to land and the physical channel network. The DEWELP equivalent at the time ruled that due to the water season being 270 days then 1 d/s should be able to use 270 Ml this is fine if there is plenty of capacity or irrigators want to water for the full 270 days but with most growing season approx 100 days any irrigator using in excess of 150 Ml is impacting the ability of other irrigators to access their capacity of the channel in peak demand. The other issue is d/s on the bulk of the centre of the system is aligned to the 1:100 ratio the majority of 1:270 ratio is in new development on the fringe which in many cases will need substantial upgrades to the channel system a cost that will be shared disproportionately with all irrigators. Being allowed 1:270 as a share of a channel or pipe would move rationing from 10% every 10 days to 10% every 27 days which would be detrimental to most agricultural enterprises

The graph used in your presentation on irrigators using in excess of 150% would be more relevant in a year of low water or average water usage as this would more accurately present low and high usage

While delivery share is an appropriate way to replace assets the way d/s to usage is calculated is the issue. From GMW modernisation paper identified a post modernisation GMID would have a significant percentage of irrigator would have delivery share without water therefore are building a business of relying on revenue from a customer receiving no benefit

The method of allocating d/s has also created anomalies with some properties having more d/s allocated than wul allowed to be used.

Under reconfiguration an irrigator was expected to rationalise outlets and possibly spur channel or other assets with no reduction in the irrigators ongoing cost to run the system.

Has delivery share met their purpose

1. **Manage an obligation to continue to deliver a service** yes it has demonstrates an obligation by both parties to continue a service

2. **Manage a level of service including rationing** No hasn't delivered while not a system wide issue rationing is definitely an issue on some spurs in peak demand especially where neighbouring spurs have been shutdown and extra water shared moved to new outlets irrigators with high d/s are being made to wait for irrigation supply while others with minimal d/s use the system

3. **Share the fixed costs** No hasn't worked as there is too much disparity between available water use per delivery share from little to no water use per share to 270 mgl per delivery share. Also no ability to relinquish delivery share with rationalise of assets When an outlet or channel is rationalised the current d/s are moved back to the existing outlet lowering GMW asset cost but not lowering irrigators account costs.

4. **Protect from price shocks** is partially true but no one has predicted what needs to be replaced and price impact post modernisation only looking at what can be added to the system. What is going to be the price impact if d/s holders without water all fall over at once which is a real threat especially given the risk of another dry period or new irrigators with low d/s continue to enter the system requiring significant upgrades but not paying their fair share of usage.

5. **Signal areas to be rationalised** No this is another fail because many spurs outlets and assets have been rationalised but the d/s were only moved back to an existing outlet lowering the assets to GMW but no relief to the irrigators how does this encourage rationalisation.

While the last thing irrigators want is more major change there does need to be better and more sustainable pricing system than relying on revenue from a service that cannot be delivered

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