



ACN: 067 197 853

**PUBLIC SUBMISSION TO
WATER CHARGE (INFRASTRUCTURE) RULES 2010
BY
WESTERN MURRAY IRRIGATION LIMITED (WMI)
PO Box 346, Dareton NSW 2717**

SEPTEMBER 2010

Contact: Cheryl Rix – General Manager

rix@westernmurray.com.au

WMI has prepared submissions to the water infrastructure charge rules issues and position papers and the final advice from the ACCC. WMI also attended the public forum held in Sydney that outlined the ACCC approach to the rules. The comments provided from WMI in previous submissions remain relevant to WMI's opinion about the rules.

It should be noted WMI is a small operator and is not required to complete many of the requirements set down in the rules. If WMI were a larger operator the requirement to complete a five-year plan would be onerous and unrealistic in light of the constantly changing environment in which the irrigation industry operates.

It is pleasing to see the Minister requested further consultation on the water infrastructure charge rules. The rules are complex and are setting down new requirements for a number of operators and should not be finalised without an understanding of the full cost implications for operators. Extended transition periods for implementation are fully supported.

WMI also fully supports the retention of State based regulators such as IPART in NSW noting the price determination process completed by IPART is well regarded by the irrigation community.

It is of concern if a State Government does not support the state based regulator then there will be no other option than the ACCC to undertake the determination.

The full benefits to be derived from the rules also need to be considered and communicated to industry. It is not apparent that there will be broad scale benefits to irrigators when member owned companies are already fully accountable to their customers for pricing decisions.

Specific comments on the rules are as follows:

1. The definition of the member owned operator should be clear and not muddled by various alternatives. Put simply we are not owned by Government and our corporate structure is the ownership driver. Regardless of whether we have any water entitlement on a bulk licence we would still be an infrastructure operator delivering water.
2. The change to include only major maintenance or expansion plans is welcome.
3. Revenue contributions should be transparent and clearly note Government contributions and should be excluded from pricing determinations.
4. The change to the definition of distributions is positive with no trigger of Part 7 if the distribution is made to call customers.
5. WMI disagrees with the requirement to notify customers 10 days before the service is to be provided and the penalty to be imposed on this is unreasonable. As previously noted WMI determines its water charges annually and sends the full schedule out with the end of year invoice in the first three weeks of July.
6. It is not clear how a casual user fees fits in under Rule 10, very few of the WMI charges relate to irrigation rights. All charges are now applied to the delivery right.
7. The need for an independent engineer to provide a comment on the efficiency of the plan to the ACCC remains a concern. This has the potential to interfere with how a private company operates and the board of directors manages its corporate responsibilities.