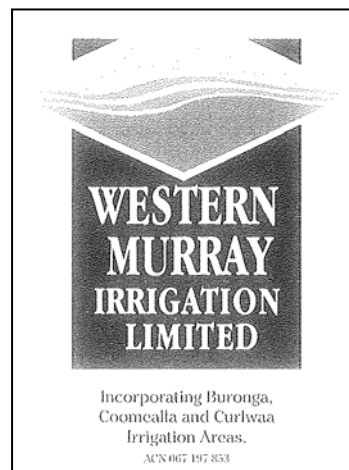


27 March 2009

Isabelle Arnaud
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Dear Isabelle

Re: Comments on Draft Water Amendment Regulations 2009

Western Murray Irrigation Limited (WMI) wishes to make the following comments on the regulations:

- The aim of the water charge rules is to allow consistency of application of water charges however the water charge rules can only relate to **regulated water charges**. This fact has not been addressed in the regulations and the rules are limited in their application as a result. There are simply too many inconsistencies across States as to what charges exists and are currently subject to any form of cost recovery or regulation. The regulations while expanding the definition of charging to those "non typical irrigation users" will provide for little overall consistency.
- WMI agrees with the inclusion of private diverters, industrial users, stock and domestic customers and rural town water authorities under the rules. This definition should include any user with riparian rights.
- The regulations appear to target the infrastructure operator however does not clarify the infrastructure operator to be all State and privately owned operators.
- WMI has concerns the regulations are noting price distortions will be reduced. The reading of the regulations does not provide a clear path for this to occur. As noted in the explanatory notes the aim is for cost recovery. Cost recovery will be different for each infrastructure operator, which will in turn lead to natural price differences, which may not be distortions.
- WMI agrees bulk water service providers should not be subject to more than one regulatory framework and continues to support IPART as the regulator in NSW.
- WMI agrees any termination charges to be levied by a bulk water service provider to an infrastructure operator should be included in the water charge rules as regulated water charges.

Yours sincerely

A handwritten signature in cursive script, appearing to read "Cheryl Rix".

Cheryl Rix
General Manager