



*Promoting socially and economically sustainable irrigation in the Wimmera Region.*

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Mr Greg Wilson  
Chairman  
Essential Services Commission  
Level 2, 35 Spring Street  
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Dear Mr Wilson

Thank you for the opportunity to talk to you after the recent public meeting held at the Wimmera Business Centre.

As requested, I list below the major issues which the Wimmera Irrigators Association feels are issues for the ESC to investigate.

- The “new” tariff structure which is to be implemented during the 2008/13 Water Plan, following the cessation of the “Drought Tariff” structure, was designed in conjunction with irrigator representatives with one of the aims being to *“not to incur any future accumulating debt as a result of low or nil allocation irrigation seasons”*.

The Water Plan states that the “Irrigation tariff will continue to be a drought tariff until water supply capability is restored. Revenue shortfalls will be recovered in subsequent years of the regulatory period”.

It has not been explained to the irrigators that although the previous dubious debt held against the irrigator’s account was waived, there is now another debt accruing behind the figures in the Water Plan.

- If a debt is to be accruing in the background, irrigators need to know the size of this debt as it accumulates.

- The State government last year, and again this year has assisted irrigators, state wide, by paying for the annual FIXED CHARGES which water authorities have applied to irrigation sectors to cover the costs of operating the systems without supplying any water. In the Wimmera, the “drought tariff” does not cover all the fixed charges applied to its’ irrigators, but because the drought tariff is the one put into the Water Plan, it is this charge that is reimbursed by the Government. The remaining fixed charges are left for the irrigators to pick up in future years.
- The situation could arise where if many irrigators sell out of the system; the debt is left for the remaining irrigators to pay off. This scenario gives a good case for the introduction of Exit Fees. Exit fees, however, are generally not accepted by government authorities. It seems unfair that some irrigators can leave a system and leave their debt behind as well.

The irrigators have requested GMMWater to calculate a price which they would need to charge for full cost recovery once water becomes available again. From the complex data shown to them, they have been unable to understand how the result of \$64.00 per MI is calculated. It is difficult to understand why it costs so much to run a system which does not operate.

Your Commission has the responsibility on behalf of all rate payers to find the answers to many of our long unanswered questions. For years we have questioned GMMWater to justify some of their decisions, only to be told that the ESC will decide the outcomes for the 2008-2013 water plan. We can only ask you to have a look at our issues and ask them the question why; before you make your final decision.

Yours sincerely

Dean Netherway  
Secretary  
Wimmera Irrigators Association