

SUBMISSION TO ACCC WATER CHARGE RULES ENQUIRY

1. Termination Fees

The termination fee is a capitalisation of the annual Infrastructure Access fees (10 times thereof, implying an interest rate of 10%) The capital payment replaces the stream of annual I.A. fees, in perpetuity, the Authority misses out on when the irrigator “terminates.” (The Authority may wish to vary the capitalisation factor to account for varying prevailing interest rates.)

Consider the following:

An irrigator pays his annual I.A. fees up to when he “terminates”. His property is paid up, all square with the Authority. He pays the termination fees and this should confer on his property extra value because a subsequent irrigator on that property should not have to pay I.A. fees. : **they have already been paid.**

I note that Goulburn Murray Water talks about having no obligation to supply water and may even remove the channel once delivery shares are surrendered, shouldn't they then square the ledger and return the termination fee?

Where a series of deliberate * Government policy changes aimed at moving water to its highest value use (and devaluing water shares in the process) is rendering broad acre irrigators unviable. In these circumstances it is highly inappropriate for Termination Fees to be charged.

2.Consistency of Charges

As a Northern Victorian Irrigator it is extremely annoying to enter the temporary market for water in competition with N.S.W. irrigators who pay about half what I pay for their **entitlement/ water share** water. Their average cost of water is then about two thirds of my cost. Same dams, same river, same water, same products. What have you really achieved with the National Water Market ? How about a model that makes these natural monopolies genuinely compete for our business.

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*If this statement requires amplification contact me.