

**Public submission to draft water charge rules advice  
by Macquarie River Food & Fibre  
on Friday, 8 May 2009**

Macquarie River Food & Fibre is an organisation representing the interests of 600 irrigators in the Macquarie Valley, in Central West NSW. MRFF includes the interests of riparian irrigators, groundwater irrigators, and the individual members of the Valley's seven irrigation Schemes.

MRFF has made previous submissions to the ACCC's development of the Draft Water Infrastructure Charge Rules, and thanks the ACCC for the opportunity to provide input to the Draft Advice. The following points are raised in relation to the "further development" of the rules for the Tier 1 category of Operators, under which it is understood that the Schemes in the Macquarie Valley (Macquarie Infrastructure Operators) fall.

**1) Support for 3 tiered approach**

MRFF previously commended the ACCC on its consideration of the issues of size, need and capacity of operators in determining the appropriate level of regulation. However, MRFF has reservations in relation to rules suggested to apply to Operators with entitlements greater than 10GL, as outlined in the Draft Advice. MRFF understands that these rules will apply to a number of the Macquarie Infrastructure Operators. Our concerns in relation to these rules will be elaborated on further under the relevant points below.

**2) Tier 1 Rules – Transparency and non-discriminatory pricing**

*Publishing of Fees and Charges*

MRFF previously submitted that it supports the objective of achieving pricing transparency via providing customers with price and tariff schedules. Further, MRFF considered it appropriate that such information would be provided direct to customers rather than incurring expensive and unnecessary costs in publishing information in print or electronic media.

MRFF notes that in further developing the rules relating to publishing fees and charges, it now requires member-owned operators with entitlement in excess of 10GL to publish schedule of charges in regional newspapers or the Gazette.

MRFF believes that the requirement to publish a schedule of charges in the newspapers and/or the Gazette is unnecessarily onerous. It is considered that the rules applying to all operators, i.e. that a schedule of fees and charges be provided to:

- existing customers
- new customers
- all customers when changes occur; and
- on request to "any person",

would be sufficient to ensure that "any person" who might require it, could access the information. Requirements beyond this to publish the schedule in print media, would only serve to add additional cost and burden to the Operator, and therefore irrigators.

### *Non-discriminatory pricing*

MRFF notes the ACCC is now proposing that Operators with greater than 10GL of entitlement, who may pay distributions to their members be subject to ACCC approval or determination of the operators charges. MRFF seeks further clarification from the ACCC as to what would be classified as a “distribution” to members and therefore whether the specific operating arrangements of some of the Macquarie Infrastructure Operators would make them subject to such regulation.

MRFF supports the concerns raised in the NSW Irrigators Council’s submission and concurs that the matter should be subject to further consultation.

### **3) Application and Implementation**

MRFF previously submitted that a 6-12 month transitional period would be appropriate for implementation of the Water Infrastructure Charge Rules. It is recognised that the ACCC has made some concession on the timeframe for implementation, allowing for a 3 month transition period for the Tier 1 rules. Although providing some allowance, MRFF is not convinced that the ACCC fully appreciates the numerous other changes required under new Water Market, Charge (Termination Fees) and Trading Rules. It is therefore requested that our initial suggestion of a 6-12 month transition period be reconsidered, particularly if the additional proposals for Operators with greater than 10GL were to advance. MRFF would again like to highlight that Macquarie Infrastructure Operators are member-owned schemes with boards operating in a voluntary capacity.