

TO: ESC GMW water price review – DIVERSIONS -

My Name is Andrew Maher and I am an irrigator in the Mid Loddon Groundwater management area.

I am a member of the Loddon Campaspe Regional WSC and was a member of the Diverters Tariff Strategy Working Group. The views I have expressed here are my own and not those of the fellow members of these groups

I am writing this submission in an effort to bring to your attention a few factors that seem to have not been recognised or “brushed over” in the ESC GMW water price review draft decision paper.

The ESC propose that GMW’s diversion services strategy should be extended out to four years to reduce the impact on small diversion customers.

With that in mind I ask you to consider the following:

In 2002/2003 year our water bill was \$3564. It then increased at varying rates over the next 11 years till 2013/2014 when our water bill reached \$17837.76 for the exact same water license!!!

This equates to a 16.5% annual compounding increase over the entire period!! Or 5 times the original bill size, or, a lazy \$14273.76. (And yes, that is in AUD, the same currency that all other GMW bills are charged!!!)

So what happens if the commission extends the transition period to four years?

From Table 10.1 GMW Estimates of proposed diversion bill changes quoted on page 59, ESC Goulburn-Murray Water Price review 2016 Draft Decision Feb 2016 we can deduct that the small customer rises of between \$112 and \$158 will be around \$28-\$39.50 per year instead of \$38-\$87 a year for two years and small CPI type rises for the next two years,

In exchange for the amazing warm fuzzy feeling that this will give the Esc and anyone else who notices this adjustment, the so called large irrigators that have already been paying up to thousands of dollars more per year for their licenses, get to be overcharged for an extra two years.

On page 60 of the same document the ESC notes that “indec’s analysis confirmed that the cost drivers for access compliance relate to the number of service points (which are a fixed cost) rather than water entitlement volume”. This is just one example that, despite some allegations in other submissions, the tariff review has achieved what it set out to do by making tariffs “cost reflective” and following more of a user pays principle rather than what I believe was rampant over charging of larger irrigators due to their smaller numbers and a reluctance of GMW in the past to make the tough decisions and raise a larger number of smaller bills by any meaningful amount. However instead of allowing GMW to move toward a more appropriate tariff over what was an already sluggish time frame, ESC want to make our pain last even longer all in the name of saving the “large majority” a few bucks each, yes, lets be real here its bugger all isn’t it!!!

So how about we bite the bullet and implement the tariff strategy sooner rather than later to stop irrigators being overcharged for an extra couple of years just because it sounds good. Please, **look at the history of our pricing, we’ve been paying far too much for too long, don’t exacerbate an existing pricing problem, we’ve paid enough for GMW’s mistakes of the past already.**

Kind regards,

Andrew Maher

