

At a meeting of our Irrigation Advisory Committee this morning the issue regarding Tiered Pricing was raised. Below is further clarification on the issue raised in part c of Section 2 (Tariff Structure) of our Submission (attached)

c. We support the continuation of 'amount of allocation based' Tiered Pricing for both allocation & usage charges in the MDWSS Channel System

At this morning's meeting SunWater clarified that the Tiered Pricing system only applies to the usage of water on properties that are contiguous. Previously they applied the tiered pricing system to the total amount of water allocation the irrigator held in the channel scheme irrespective of whether the properties it was used on were contiguous or not.

Discussions with Joe Moro who was on the Tier 1 Committee for the last price path clarified that the calculations for the tiered pricing system was not only based on efficiencies of scale but also on the capacity to pay by the larger irrigators.

The smaller irrigators who are predominantly fruit & vegetable growers represented by Joe Moro (Chair of MDFVGA) have always supported the tiered pricing system as ensuring the long term viability & the capacity to pay of the larger broadacre irrigators who have the majority of the water allocation means that smaller irrigators won't have to pick up the burden of the extra cost if the larger irrigators are no longer able to afford / use their water allocation.

We will provide further clarification on this issue once the Issues Papers are released for comment.

Regards

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