

SUBMISSION TO ESSENTIAL SERVICES COMMISSION

SUBJECT – GWM WATER TARIFF 2008-2012

Background:

During 1950's and 1960's State Rivers and Water Supply Commission (SRWSC) CHARGED Wimmera and Mallee farmers a tariff based on Land Area/Valuation and/or special arrangement. This reflected the productivity of Wimmera dry land farms receiving unmetered water via the then termed "Stock and Domestic Supply System".

Subsequently, the regionally based Water Authority, Wimmera Mallee Water (WMW) charged a tariff at a flat rate based on area, known as an area charge. This was also unmetered and took no account of the productivity of the farmland serviced, by the now changed title of a Domestic and Stock System.

Grampians Water was merged with WMW about 2004 in order to be able to increase borrowing capacity for construction of the last and most expensive stage of the Wimmera Mallee Pipeline Project. This project originally was to be constructed over a 10 year period. However it is now about 5. All up capital cost now exceeds \$1 Billion if all outlays (Public and Private) are included. Of this cost one third was to have been provided by Australian Government, one third by Victorian Government and one third by customers of GWM Water.

From information available, a considerable shortfall exists in funds expected from each of the above sources, but most from the latter. GWM Water now proposes a rapidly rising tariff well above C.P.I, so as to attempt to meet the shortfall, while not knowing the actual figure applicable to the completed project.

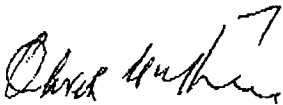
Water supplied to farms will be of lesser quality compared to urban, have no pressure available for farm use, supply will be unreliable in times of peak demand. Farms will be forced to install on-farm tanks, pipelines and other infrastructure wholly unfunded by any outside source.

The refusal by GWM Water to supply even one farm house dam, which would replicate urban storages, will further add to costs of on-farm tank storage. Considerable doubt exists as to GWM Water's ability to adequately supply livestock enterprises (sheep, cattle pigs or poultry) consistently over Summer due to the engineered design faults.

Requests:

This Submission asks that the tariff structure be delayed for one year, so that more information can be gathered from the Water Authority and farms on trunkline No 1 now being connected to a completed system.

Material contained in this Submission has been drawn from published statements from:
GWM Water,
Dr Goff Letts (former Chairman of Wimmera Mallee Water),
Wimmera Mallee Pipeline Project Final Business Case,
Victorian Auditor General,
Federal Government
and State Government



Oliver Guthrie
Customer of GWM Water and former Shire Councillor