

SMK CONSULTANTS

surveying – irrigation – environmental - town planning

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03 March 2016

Mr Rod Sims

Chairman

The Australian Competition and Consumer Commission (ACCC)

GPO Box 3131

Canberra ACT 2601

Re: Submission for the Review of the Water Charge Rules

Dear Mr Sims,

SMK Consultants have been engaged by Mr John Seery, who owns and operates Jagsam Farming in Northern NSW, to make a submission as part of the ACCC's Review of Water Charge Rules.

Accordingly, we would like to request that the ACCC mandate the proportion of fixed to variable ("Usage") charges which are currently set by infrastructure operators. There exists vast differences in how infrastructure operators set these levels, especially between Queensland and New South Wales.

Currently, Mr Seery is paying significant charges for allocation and water usage. While this situation would be acceptable if he were receiving appropriate water allocation, he is currently accessing only very limited volumes. Of the charges being paid, only 13.7% is for water usage. We cannot see any plausible reasoning for this disproportion as any desired restriction on allocation does not need to be controlled through charges as it can be legislated. We would like to see a more sustainable structure, such as the possibility of a move to a 'user-pays' model with lowered allocation charges offset by higher usage charges.

Being subjected to these levels of allocation charges, when operators cannot access any benefits, is damaging enterprises to an extent where Mr Seery is being forced to re-evaluate his operations in the region. Obviously while we are not privy to the state of other operations, one can imagine though, the stresses being experienced by Mr Seery are not uncommon. Thus we feel strongly that these levels of access

charges are hurting the agriculture industry and will continue to do so until a point where many activities are untenable.

Thank you for your time and assistance. If you have any questions, please do not hesitate to contact us.

Regards,



Thomas Tramby MintBus, MCom, BE, BA, MIEAust

Project Consultant

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