

FACT SHEET 4

Rebates for Irrigation Companies

In the final determination, IPART has determined that the discounts that previously applied to eight Irrigation Companies will be replaced by rebates for the period of the determination.

As at 1 October 2006, wholesale discounts will be replaced by rebates. The new rebates are as follows and will be adjusted for the annual movement of CPI.

Irrigation Company	Annual Rebate (\$Real 05/06)
Jemalong Irrigation Ltd	\$85,000
Murray Irrigation Ltd	\$1,418,000
Western Murray Irrigation Ltd	\$31,000
West Corurgan Irrigation	\$31,000
Moira Irrigation	\$14,000
Eagle Creek Syndicate	\$6,000
Murrumbidgee Irrigation	\$901,000
Coleambally Irrigation Corporation Ltd	\$385,000
Total Rebates	\$2,872,000

The 2005/06 pricing included discounts on fixed entitlement charges to eight private companies. These were Murray Irrigation Ltd (40% discount on fixed charges), Western Murray Irrigation Ltd (27%), West Corurgan (35%), Moira Irrigation Scheme (30%), Eagle Creek Syndicate (25%), Murrumbidgee Irrigation Ltd (29%), Coleambally Irrigation Ltd, (32%) and Jemalong Irrigation Ltd (27%).

The irrigation companies sought discounts because they collect critical information and others claimed that economies of scale should result in lower costs for greater quantities of water extracted. State Water agreed that there are functions such as billing that should cost the same regardless of the volume extracted. However, these costs are not significant enough to warrant such discounts. Because of the greater impact of the wholesale customers on assets and operations, State Water proposed that economies of scale do not apply, unlike they do for a manufacturing industry's costs.

IPART has determined that the discounts that previously applied to the irrigation companies will be replaced by fixed rebates for the period of the determination.

For More information:

Please contact your local Customer Service Officer. Contact details are available at www.statewater.com.au.