Public submission on the proposed amendment to the *Water Charge* (*Termination Fees*) Rules 2009 by the National Irrigators' Council on 4 June 2010

Introduction

The National Irrigators' Council (NIC) is the peak body representing irrigators in Australia. The NIC's objective is to develop projects and policies to ensure the efficiency, viability and sustainability of Australian irrigated agriculture and the security and reliability of water entitlements. NIC currently has 24 member organisations covering a variety of states, regions and commodities. In particular we represent a number of large, private irrigation infrastructure operators.

While this document has been prepared by the NIC, each member reserves the right to independent policy on issues that directly relate to their areas of operation, or expertise, or any other issues that they may deem relevant.

The Amendment

The National Irrigators' Council welcomes the opportunity to comment on the proposed amendment to the *Water Charge (Termination Fees) Rules 2009*. In short, having brought the issue of the applicability of GST to termination fees to the attention of the Commission, we support the amendment as presented.

We believe that the proposed amendment, along with changes to the technical guide for irrigation infrastructure operators, will satisfactorily address the concerns that have arisen since the receipt of advice from the Australian Taxation Office that termination fees should be subject to GST.

We hope that in future the ACCC will consult directly with other government agencies such as Treasury and the ATO, if it doesn't already do so, to avoid the occurrence of such problems again. We hope that all government agencies fully understand the potential consequences of their activities on the farming and business communities and will seek to ensure that unintended outcomes such as this are avoided. We note that this issue alone has potentially cost a number of our irrigation infrastructure operator-members significant amounts of money.

On a more positive note, we acknowledge the prompt response of the ACCC, the Department of Environment, Water, Heritage and the Arts and Minister for Climate Change and Water, Penny Wong, towards rectifying this problem once it was brought to their attention.

END OF SUBMISSION

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