

Dear Professor Flavio Menezes Recent discussions with irrigators have centred around a less onerous Part A in periods of drought. Two scenarios have emerged to look at - i.e. 50/50% Part A-B, and reversing the current pricing. Examples of this are based on Sunwater receiving similar income, but varying with-in the 5 year plan and the reliability adjusted each 5 years, to maintain the Sunwater receivables. Based on the current 15 year reliability of 36%, the following prices could be appropriate. Example: Av. 5 year Part A \$32 Part B \$10 Total cost 100mg/l Allocation is \$3200 @ 36% Yield -equals \$88.89 per mg. Total Sunwater Income \$3560 50/50 Payment Part A \$17.80 100 mg \$1780 Part B \$49.45 @36% \$1780.20 TOTAL \$3560.20 This would make a good transitional payment system. Reverse Payment: Part A \$10 100mg \$1000 Part B \$71.11 @ 36% \$2560 Total \$3560 This charging system would relieve pressure on irrigators when there is lack of irrigation water in times of drought and also relieve pressure on the Government for drought relief subsidies. Importantly, it would show the true cost of water and would direct usage to the higher value crops, with a subsequent higher return to the community. Yours sincerely PR Enkelmann Preema Partnership