

Hunter Valley Water Users association

Review of Water NSW Rural bulk water pricing from July 2021.

The H.V.W.U.A would like to convey to IPART their full support for the detailed submission of the NSW Irrigators council into the review of the NSW Rural bulk Water prices. H.V.W.U.A are a member of the NSW irrigator's council.

The H.V.W.U.A represents Licence holders in the Hunter regulated and unregulated systems. Our members cover several industries from dairies, to hay making, to cropping, food production and vigneron's.

The H.V.W.U.A acknowledge that IPART's draft determination of 35% is a better outcome than the 46% submission from WaterNSW. As an association we are of the opinion that water users are carrying too great a share of the cost burden for the operation of and the delivery of water in the Hunter valley. We believe that a 35% increase is still well above a fair, equitable and affordable burden on Irrigation water users.

Irrigation water users are just starting the recovery from drought where the high cost of irrigation and increased input costs have increased business debt. Some price increases experienced due to the drought, for a hay producer ie: increased hay price were absorbed by the increase in irrigation to achieve production.

The milk price increase for dairy farmers was absorbed by the increases in grain, fodder and protein meal costs. The increase in debt will take some years to retire.

On top of the 35% proposed cost increase, also 10 % for WAMC, Irrigation water users in the Hunter Regulated system have to comply with new metering laws by Dec 2021. With installation quotes of between 10,000 to \$15,000 per site (not including telemetry or final installation certification). Some members have multiple sites to be upgraded. These upgrades will not be completed through cash flow, they will have to be achieved by further borrowing and debt.

When we experience these size increases from a state run operation we can only suspect poor management and duplication of middle and upper management. Front line staff numbers have been on the decrease for some years.

WaterNSW has absorbed functions during the last determination period that were performed by other government departments. They merged with Sydney water in the name of becoming more cost effective and to provide better customer service.

These mergers and changes should have made large savings.

Yet each time WaterNSW obtain price increases to provide better customer service, prices increase but service declines. In the Hunter over recent summers there have been periods where water users have placed water orders in advance and waterNSW have run the river so lean they were unable to supply the ordered water in a timely manner.

Irrigation is a critical farm input into the reliable production of food and fibre in the Hunter Valley. Large increases in the cost of that input, such as the one proposed in the current draft IPART

determination, can only have a drastic impact on farm viability that that is already under threat from other cost price pressures.

The end result is an inevitable loss of irrigation activity, less farmers and lost production.

Shane Gee

On behalf of;

The Hunter valley water Users Association