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Stephen Guthrey
Mary McWhirter


Phone or email contact

IPART
Water Pricing
water@ipart.nsw.gov.au

IPART review into Water NSW Regional and Rural Bulk Water Pricing 2025-2030

Dear Sir/Madam

Thank you for the opportunity to comment on the water pricing proposed by Water NSW and WAMC.

We are water license holders on the **regulated** system on the south coast of NSW. Water users on the south coast do not have a professional organisation with employees to manage these consultation processes. The documents are very technical and detailed and we rely heavily on the volunteer effort by the Bega Valley Water User Association members and the NSW Irrigators Council for guidance.

We have significant concerns regarding the level of bureaucracy involved with water management in NSW. There are three independent semi-Govt entities that manage water. There are significant inefficiencies with administration and the misinterpretation of policy rules and decisions. The system has become too dysfunctional, inefficient and water license holders and tax payers can not afford to continue to pay the cost. If costs are not reined in as part of this review, the viability of irrigated agriculture in NSW will be at risk.

Regulated Brogo system

We are pleased that Water NSW have maintained the 'Capacity to Pay' model for pricing for the regulated Brogo for the 2025 -2030 determination period and do not propose to increase the price of water for both general and high security license holders. We do, however, have significant concerns about the full cost recovery price proposed to be paid by the NSW tax payers. Water NSW are proposing to increase water charges by 65% each year for the next 5 years. Based on the figures proposed, by 2030 the dam will cost tax payers around \$3,094,106 per year for general security and high security water alone, \$515 on average per ML. This cost, before inflation, can not be justified and must be significantly scaled back. If after 2030 the price is shifted to water license holders no one will be able to afford the cost.

The proposed 15% annualised WAMC fee increase is also excessive. The current system is already over complex and inefficient, increasing the funding will only deliver more inefficiency.

Unregulated system

The total increase in proposed pricing for the unregulated system are WAMC charges. On the south coast of NSW a large proportion of irrigation water use is in the Bega region. The water sharing plan for the Bega Area was finalised and released in 2023. The plan is in place for the next 10 years. It is difficult to understand what additional level of service is required from the NSW Water Dept to justify this increase. It is also understood the funds are also used to support the compliance organisation NRAR. NRAR do not have any staff presence in this region. A significant portion of licenses on the unregulated system are not utilised, increasing the cost of water just adds to the cost of living pressures our local communities are facing for no tangible benefit.

Water NSW fees and charges

It is difficult to determine what increases are proposed for Water NSW fees in the documents provided. The existing fee structure is excessive and needs to be reduced to make them comparable with other utility service charges. A simple water license transfer application, irrespective of the size, within the same water source on the unregulated system between two users with works approvals will cost \$2,822.15 per dealing. This should be a basic administrative task. Comparably, to transfer the ownership of a car in NSW costs \$37 and to transfer a property title in NSW costs \$156.55. How can Water NSW justify these extreme fees?

In many water sources there are very small water license holders who do not utilise their entitlements. They are paying fixed water charges for no benefit. There is no benefit in selling the water to other license holders because it will cost more in fees, in the short term, to sell than it does to pay the license fee each year. There is significant inefficiency in Water NSW administering large numbers of unutilised water licenses. In many water sources there is great demand from commercial agriculture businesses for additional water entitlement to improve water security for their business. The fee structure for Water NSW dealings is a major impediment to water trading and is putting at risk the resilience of commercial agriculture on the south coast.

Level of Service

The level of service Water NSW and the NSW Water Dept provide has deteriorated significantly in recent years. There is no longer any staff based in the Bega region to provide customer support. Prior to the Covid pandemic a Water NSW representative used to travel to Bega approximately one day per month to meet with license holders requiring assistance. Since Covid there has not been any regular visits by Water NSW staff to the region.

On the regulated Brogo system, a Water NSW representative used to visit each farm at least once per year to read the meters and to help users with water ordering issues. For approximately the past four years Water NSW staff have instructed water licence holders to take a photo of their meter and text it through to Water NSW instead of reading the meters themselves. There have been instances where license holders with Government owned meters have been instructed by Water NSW to verify meter identification numbers due to

administration errors. At their own cost landholders have paid pump suppliers to verify meter ID numbers to satisfy Water NSW when it was Water NSW's responsibility to complete the task.

We are now at the point where water license holders in NSW are paying high prices for water, paying to install meters, paying with their own time to read the meters, paying to fix administration errors and paying extreme fees to Water NSW to complete simple administrative tasks. With this, the water bureaucracy is getting larger more complex, more costly and inefficient.

We seek assistance from IPART to rein in the spending of both Water NSW and WAMC. Water users on the south coast and NSW in general can not afford to keep paying more for less services.

Yours sincerely



Stephen Guthrey

For

Stephen Guthrey & Mary McWhirter