

IPART ISSUES PAPER – REVIEWING PRICES FOR WAMC & WATER NSW SUBMISSION – DECEMBER 2024

I am making a submission on behalf of the Lower Hunter Water Users Association.

Our group represents irrigations in the Hunter & Paterson tidal pool. There are 106 surface water licences in the Hunter River tidal pool (11.56 GL) & 108 surface water in the Paterson River tidal pool (10.97 GL).

We don't know the data with respect to licence details. However, we believe that the 80:20 rule applies.

This means that 80% of the licence holders 171 licences are less than 100 ML & of these 136 are less than 10ML

We appreciate the total minimum annual charge being capped to 2.5% p.a. – from \$278 to \$314 in 2029/30.

The current water charge for the unregulated rivers of the Hunter & Paterson are \$4.45. Over the 5 year period this will increase by 100% to \$.8.90.

A 500 ML licence the water charge will go from \$2225 to \$4450 . The \$2,225 is not likely to impact on irrigators operations. Their electricity bill is much more serious.

There are more issues surrounding the process than the quantum of the impact on users in the tidal pool.

1. In the Water NSW pricing proposal much is made of the “engagement process” & I was a participant in these. The outcome of the engagement process had” most customers favoured a 2.5% (plus CPI) price rises a year...some participants favoured a 5% increase and a smaller number favoured 10%.”

So at the end of the detailed engagement process the outcome was ignored and a 15% increase plus CPI was proposed per annum. Water NSW has suggested a 15% increase is unlikely to result in “shocks”. I suggest if the writers of the report head to Coles or Woolworths & find the prices go up 15% each year plus CPI there would be an outcry & a definite shock.

A 15% increase per annum is likely to impact on the agricultural enterprises in the coastal valley's, where irrigation is used from the regulated river system. This is at a time when agriculture in coastal valleys is being pressured by urban expansion & in the case of the Hunter Valley mining operations.

We need to protect our coastal land for future food growing.

2. Why are the costs incurred by Water NSW in the vicinity that they are Water NSW lists 12 reasons. A lot of these reasons are related to the Water Act 2000 which was enacted principally as a result of the health or more particularly the ill health of the Murray Darling system.

A study has just been published by the CSIRO where 12 scientists from a number of universities has looked at the data from 1980 to 2023. This study indicates that all the Water sharing plans, all the audit and monitoring of these has not delivered the desired health of the Murray darling system.

The objectives of Water NSW are admirable:

- a. Enhanced customer experience;
- b. Sustainable & effective water resource management (I would add efficient);
- c. Confidence in water resource management;
- d. Value for money

If the health of the river system is not improving then:

- a. We need to look at the many levels of regulation water sharing plans/metering that are not delivering the outcomes but are incurring costs;
 - b. Look at more than irrigation as a factor in river & environmental health. In our area of the Hunter there has been massive housing development without any consideration on the quality of the water flowing into the Hunter or the possible impact on flooding.
 - c. Incorporate more than irrigation into the river health monitoring models.
3. As landholders we are concerned about environmental health, on a day to day basis we look to Water NSW to deliver water and therefore the most important reasons for incurring costs are:
 - a. To operate & maintain water management works & assets
 - b. Improve systems of communication with customers.
 4. Another issue for the coast is the capital expenditure. The coastal charges are proposed to increase the same as the rest of the state. It is my understanding that the cost recovery relates to both operating &

capital costs. The proposed capital expenditure over the 5 years is \$354mill but on \$34 mill is to be spent on the coast, only 9.6%.

Are the coastal irrigators paying for capital works in other parts of the State?

In summary

1. The tidal pool irrigators will not be negatively impacted by the NSW Water proposal.
2. However, there are considerable concerns as to the process.
3. There are concerns about the impact on irrigated agriculture in the coastal valleys, for those farms in the regulated system.
4. We support the submission by the HVWUA

Julia Wokes

Secretary – Lower Hunter Agricultural Water User Inc

8.12.24