

**IPART**

Regional and Rural

Water Pricing

[ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

November, 2025

To Whom it May Concern,

**Pricing Review 2025-2026****Overarching Key Points**

- Short time frame from the release of the discussion paper to submission deadline was inadequate
- Most of our committee and members are in harvest or preparing for summer cropping and have not had the time to thoroughly assess the Discussion Paper
- Our organisation does not have the resources and technical capacity to provide input to pricing models
- We are concerned there is a lack of knowledge and understanding of how policy changes have impacted the reliability and accessibility of water for food production and the cost impost left on food producers, who are the last in the system to be allocated water
- MRSG feels our role is not to provide IPART with pricing models, but to highlight how its members are impacted by policy changes that we are paying for
- We need a fairer and more transparent pricing model that is fit for purpose in a modern era where public opinion has a greater impact on policy decisions, and therefore a model that sees the broader community contribute to these costs

**Introduction**

The Murray Regional Strategy Group (MRSG) welcomes the opportunity to contribute to IPART's 2025–26 pricing review. MRSG is a coalition of irrigation, industry, and community voices from the NSW Murray Valley, who are committed to sustainable water management and regional resilience.

We welcome the opportunity to contribute to IPART's 2025–26 review of WaterNSW's rural bulk water charges. This review comes at a critical time for irrigators and regional communities, and we appreciate IPART's recognition of the broader issues at play, including affordability, cost allocation, and the need for a more sustainable pricing framework.

However, we are concerned that the short timeframe for this review may not allow for the depth of analysis and stakeholder engagement required to deliver a fair and future-fit outcome.

### **Timeframe and Process Concerns**

The scale of reform being considered (from cost structures to pricing principles) is significant. Attempting to resolve these complex issues within a compressed review period risks entrenching existing inequities. We strongly recommend:

- That IPART secures the technical resources to develop options and model scenarios, for stakeholders to then review and provide feedback on.
- An additional step prior to the Draft Report to signal likely directions and allow for further stakeholder input.
- A staged or transitional approach to reform, ensuring that any new framework is robust, consultative, and implementable.

Recommendation - We strongly recommend an additional step prior to the Draft Report (a signal of proposed directions) to allow stakeholders to provide meaningful input before positions are locked in and consider timeline adjustments to ensure this process makes the most of the opportunity it provides. Especially given that issues raised by WaterNSW and IPART in the last review are being dealt with separately by the NSW Government and are outside the scope of this determination, but are highly linked. It's challenging to see how those processes will come together within the timeframe, but it is essential that they do.

### **Impactor-Pays Principle Is No Longer Fit for Purpose**

The current impactor-pays model is flawed, and the 'counter factual' is a huge part of the problem in both theory and practice. A 'world without high consumptive use' is redundant in a developed nation, with infrastructure developed long ago, and regulated rivers that serve many purposes now that infrastructure is in place. The current model assumes that costs can be fairly and accurately attributed to specific users, but in reality:

- Many "impactors" are either unidentifiable or unable/unwilling to pay.
- The burden falls disproportionately on irrigators, particularly General Security entitlement holders.
- The principle fails to reflect the shared use and public benefit of water infrastructure.

We urge IPART to explore alternative cost-sharing models that better reflect actual service use, public benefit, and capacity to pay

**Recommendation** – Move toward a more transparent, needs-based approach that reflects actual service use, environmental obligations, and community benefit, rather than theoretical impact attribution. Family farmers cannot afford to pay for the delivery of policy that is pushing them out of business.

### **Shared Infrastructure, Shared Responsibility**

Water infrastructure in the Murray Valley was built to protect our food security in dry periods and to mitigate against floods. NSW's bulk water storages now serve multiple users, including towns, the environment, flood mitigation, and public safety, not just in NSW, but in South Australia and Victoria.

If irrigation ceased tomorrow, the infrastructure would still be required and used. Yet irrigators are expected to shoulder the majority of the cost.

- Only 28% of Basin water is used for irrigation; 72% supports environmental and broader outcomes.
- The regulated system kept the Murray running during the Millennium Drought, benefiting all Australians. This came at the cost of irrigators, who not only didn't receive an allocation for their livelihoods, but also still were required to pay fees and charges on infrastructure. Water Sharing Plans in the NSW Murray Valley ensure that critical human needs, minimum flows to the SA border and conveyance volumes are met prior to the allocation of consumptive volumes.
- Water quality monitoring, flood protection, and environmental flows would still require infrastructure and oversight, even without irrigators. Despite the fact that the irrigation infrastructure in the NSW Murray was built to ensure a viable irrigated agriculture sector, it is key to delivering environmental outcomes within its footprint and downstream, along with critical human needs, along with tourism and recreational activities.

This reality must be reflected in how costs are allocated.

### **External Policy Drivers and Public Expectations**

WaterNSW's operations are increasingly shaped by policy decisions outside the irrigation sector, including:

- Environmental water delivery

- Water Sharing Plans and Resource Plans that prioritise town water and environmental flows
- Basin Plan targets for end-of-system flows – The Water Sharing Plan for the NSW Murray and Lower Darling Regulated Rivers Water Sources 2016 includes several provisions that support Basin Plan targets for end-of-system flows, eg -
  - **Appendix 3** – Operational guidelines for delivering flows prescribed by the Murray Darling Basin Agreement in Schedule 1 of the Water Act 2007 of the Commonwealth
    - This appendix directly references the Murray-Darling Basin Agreement and outlines NSW's obligations to contribute to South Australia's entitlement flow of 1,850 GL/year at the border.
      - Daily flow targets are specified for each month (e.g., 7,000 ML/day in January and December).
      - Additional dilution flows of 3,000 ML/day (1,500 ML from NSW) are triggered when Menindee Lakes and Hume/Dartmouth storages exceed thresholds.
      - Minimum flows are prescribed downstream of Hume Dam, Curlwaa pumps, and Weir 32 to maintain water quality and ecological health.
  - **Clause 16** – Planned Environmental Water - Water remaining after meeting basic landholder rights and access licences is committed as planned environmental water. This includes:
    - Water that contributes to downstream environmental and water quality events.
    - Water that supports hydrological connectivity and wetland events (e.g., fish passage, bird breeding).

These policies have direct impacts on water reliability and affordability for irrigators, yet irrigators are expected to absorb the costs. This is neither fair nor sustainable.

Moreover, the standard of service expected by the broader community (including environmental outcomes and public safety) is rising. These expectations must be matched by a fair and transparent funding model that includes contributions from all beneficiaries, not just entitlement holders. The city-based public expects a gold standard approach to infrastructure, monitoring and measuring, etc, yet are not the ones left to pay for these services.

### **A Call for Transparency and Equity**

We support IPART's intention to examine WaterNSW's base costs, pricing structures, and cost-sharing arrangements. However, we urge the Tribunal to:

- Acknowledge the broader public interest in rural water infrastructure
- Ensure transparency in how costs (e.g., MDBA and WAMC charges) are calculated and passed through
- Avoid pricing models that penalise irrigators for outcomes driven by external policy
- Recognise the counterfactual: much of the water currently in storage, particularly for environmental use, would not exist without the infrastructure funded and maintained by irrigators.

### **Conclusion**

While policy discussions are really important, it is important to allow appropriate time to reach a conclusion those most greatly impacted are happy with. Alongside this, it is essential that fair and appropriate pricing decisions are made.

MRSRG recommend that

- WaterNSW be capped at CPI until the critical policy work is done, and we're satisfied with the outcome.
- IPART provide an early indication of what it is thinking by way of new WaterNSW charges, ahead of the draft pricing decision being released in March 2026.

This review is a vital opportunity to reset the foundations of rural water pricing in NSW. We are encouraged by IPART's recognition of the broader issues, but remain concerned that the current timeframe may not allow for the development of a truly equitable and sustainable path forward.

We urge IPART to take the time needed to get this right and to ensure that the voices of irrigators and regional communities are not only heard but meaningfully reflected in the final determination.

Kind Regards,

A large black rectangular redaction box covering the signature and name of the sender.