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Review of Water NSW rural bulk water services  
Independent Pricing and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop, Sydney NSW 1240

**RE: Submission to IPART Draft Report on rural bulk water supplies in NSW**

NSW Farmers Association (NSW Farmers) welcomes the opportunity to provide comment on the Independent Pricing and Regulatory Tribunal NSW (IPART) draft report on rural bulk water services and charges. NSW Farmers is Australia's largest state farming organisation, representing the majority of commercial farm businesses in New South Wales, ranging from broad-acre livestock, dairy, wool and grain producers, to more specialised producers in the horticulture, egg, pork, oyster and goat industries.

NSW Farmers provides the below comments on the IPART draft report on rural bulk water services and charges.

1. Farmers across New South Wales have experienced many recent challenges including extended drought periods, floods and impacts due to the COVID-19 pandemic. Additionally, cumulative water reforms have also created significant impacts on farm business productivity. Therefore, NSW Farmers is concerned with the affordability of the proposed price increases to rural bulk water charges. While, NSW Farmers understands that the prices proposed by IPART are less than those proposed by WaterNSW; price increases coinciding at the same time as farm business are attempting to recover from prolonged drought may further hinder a farm businesses recovery and/or create further hardship. IPART should also provide justification for any increased charges.
2. Water management is in the public interest and these services are required to be provided regardless of irrigators. Therefore, NSW Farmers believe the government should provide a larger share of the costs. Water users contributing 80% of the costs for public good items such as environmental planning and protections, fish passage, water quality monitoring, etc. is disproportionate and imbalanced.
3. Related to point two above, is the principal of the 'impactor pays', i.e. that whoever creates the need for the cost pays for it. The cost-drivers within water management are complex, diverse, external and not singular (including changing public expectations, societal values, and changing climate), which cannot be practically incorporated into this framework. Therefore the 'impactor pays' principal is not appropriate for water management, resulting in irrigators paying more than their fair share of the costs.

**NSW Farmers' Association**

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4. A key driver of increased costs to water management is the need to adjust to a changing climate and in particular more severe, frequent and extended dry periods. Water management during extreme dry periods is not for the benefit of extractive users, but for high priority needs, such as river operations, critical human needs, stock and domestic supplies and the environment. Additionally, during extreme dry periods, the availability of water for irrigation is significantly reduced as Available Water Determinations are reduced, typically for consecutive years. Therefore, it is unfair and is not sustainable to ask extractive users to pay for water management during times of water scarcity, especial as water access to irrigators is the first to be reduced and cut off during these dry periods.
  
5. In regards to the metering charges proposed by WaterNSW, irrigators have already incurred significant costs to ensure that they are compliant with the new metering standards and recording requirements. Irrigators were never consulted on the possibility that the start-up costs of the new metering scheme would be passed on to irrigators and therefore expected the Government to fund the program. Irrigators support the new metering requirements, which seek to dispel misunderstanding of water use and improve the social licence of irrigation. Irrigators and the general public expect the government to fund compliance activities to ensure that the metering and recording requirements are enforced (similar to the role of the Police).

NSW Farmers are happy to provide further information about the issues raised in this submission, if this would be helpful.

Yours sincerely



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