



Xavier Martin  
Vice President

30 July 2021

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 Review of WaterNSW's Non-Urban Metering Reform Charges**

NSW Farmers Association (NSW Farmers) welcomes the opportunity to provide comment on the Independent Pricing and Regulatory Tribunal NSW (IPART) supplementary draft report of the Review of WaterNSW's Non-Urban Metering Reform 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.

The Supplementary Draft report follows the March 2021 IPART draft reports on the WaterNSW and Water Administration Ministerial Corporation (WAMC) rural water and water management charges. At that time, IPART didn't make draft decisions for additional cost for the implementation of the non-urban metering reform, largely due insufficient information. IPART decided to delay the commencement of the determination period to 1 October 2021, to allow further analysis of metering charges before making final decisions.

The IPART draft decisions are to introduce five new charges for WaterNSW to recover the costs of implementing the NSW Government's non-urban metering reforms:

- A 'scheme management charge' would apply as an annual fee per licence (\$/licence). This fee would apply to all licensed customers.
- A 'telemetry charge' would apply as an annual fee per metering installation for customers that use telemetry (\$/meter). This fee would apply to customers with privately owned and government owned meters.
- A 'non-telemetry charge' would apply as an annual fee per metering installation for customers that do not use telemetry capacity (\$/meter). This fee would apply to customers with privately owned and government owned meters.
  - Two additional charges would apply to customers with government owned meters – 'meter service charge – operating costs' and 'meter service charge – capital costs'. These charges would be applied as an annual fee per metering installation (\$/meter).

**NSW Farmers' Association**

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NSW Farmers provides the below comments on the IPART supplementary draft report.

1. NSW Farmers is pleased that IPART found that the efficient level of costs to implement the non-urban metering reform is 12.3% or \$6.7 million less than WaterNSW's revised proposal. IPART states that further adjustments to WaterNSW's proposed costs are needed to ensure water users are not paying for inefficient costs. It is NSW Farmer views that it is not appropriate for water users to be paying costs that cannot be demonstrated to be efficient. Validation of costs over the implementation of the metering reform should be monitored for potential cost saving and opportunities for optimisation. Efficiency adjustments over time will be very important, such as to capture new technologies and technology advances which will enable savings.
2. NSW Farmers does not agree with the 100% customer share for costs as it is at odds with the impactor-pays principle. The majority of water users already had water meters (many with telemetry) installed and operational. The government changes in policy and metering standards to rebuild confidence in government water management has driven the costs. However, irrigators support the robust metering requirements, which seek to dispel misunderstanding of water use and improve the trust in irrigation water users.
3. In regards to the metering charges, 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 costs of the metering reform would be passed on to irrigators and therefore expected the Government to fund the program. Irrigators and the general public expect the government to fund compliance activities to ensure that the metering and recording requirements are enforced.
4. NSW Farmers agree with the proposed pricing structure as it ensures users are only paying for their individual circumstance. We also agree with the transitory approach for the new charges coming into effect that aligns with the various metering reform roll-out dates.
5. The implementation of the metering reform has encountered many barriers that are out of the control of water users. As Tranche 1 of the metering reformed is behind schedule (in term on not having 100% implementation) and as the barriers to implementation remain, is can be assumed that the metering reform project will not be delivered to the current timeline. There are a number of costs that are dependent on successful roll-out of the metering reform. Water user must be assured that potential increases in costs that may arise due to the 'delayed' roll-out of the metering reform are not passed on to them.

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

Yours sincerely



Xavier Martin

**NSW Farmers Vice President**

**NSW Farmers Water Taskforce Chair**

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