

23 May 2025

Submission – Information paper - Prices for WaterNSW bulk water services - May 2025

This submission responds to the IPART review of WaterNSW regional and rural bulk water pricing. We address all questions outlined in the Information Paper (May 2025), with a particular focus on pricing fairness, the impact on irrigators, cost-sharing principles, and the long-term sustainability of our farm and regional community.

1. Do you agree with the draft decision to set a 3-year determination period?

Yes — we agree with the decision to set a 3-year determination period. It strikes a sensible balance between price stability and responsiveness to changing conditions. A 3-year term gives irrigators enough time to plan ahead, while still allowing WaterNSW and IPART to adjust if external factors like government reforms, seasonal variability, or cost structures shift significantly.

2. In your view, what should WaterNSW focus on over the next 3 years?

WaterNSW should focus on three core areas:

1. **Rebuilding trust** – through clear, transparent communication and genuine engagement with stakeholders that doesn't clash with peak farm seasons.
2. **Driving internal efficiency** – customers shouldn't be funding inefficiencies, reform blowouts, or failed hardware rollouts.
3. **Fixing the cost-share model** – current pricing expects irrigators to fund broad public benefits like recreation, tourism and environmental flows. That's unfair. The system needs to reflect who actually benefits from water infrastructure — and price accordingly.

3. Should WaterNSW's proposed safety-related costs be included in Greater Sydney pricing?

Yes — safety upgrades are essential, but they must be transparently justified and prioritised based on risk. As rural customers, we note a double standard in cost allocation: urban customers often receive subsidised or stabilised pricing, while rural irrigators are expected to absorb full costs, including public good services. If safety-related works are included in pricing, urban and rural communities must be treated equitably.

4. Other matters to consider for Greater Sydney pricing

Yes — the current pricing model appears to protect Greater Sydney customers from the full impacts of WaterNSW's rising costs, while rural users face significant hikes. If WaterNSW's operating model is under strain, solutions should not disproportionately shield one group over another. Cross-subsidisation, capital prioritisation, and public contributions should be openly examined across the board — not just in rural valleys.

5. Should WaterNSW's proposed safety-related costs be included in Rural Valleys pricing?

We support genuine investment in safety-related infrastructure. However, these costs must be clearly itemised and justified. Customers should not be asked to foot the bill for general inefficiencies disguised as “safety upgrades.” We support the Dams Safety Levy and related safety works if the value and necessity are transparently demonstrated.

6. Should Rural Valley prices be adjusted due to reduced water sales volumes?

No — while we recognise the need for accurate budgeting, penalising irrigators with higher prices during dry years is unfair. Lower allocations already mean reduced production and income. Increasing prices in those same years compounds the pain and ignores the volatility farmers already face.

7. Should the Yanco Creek Levy remain at \$0.90/ML or increase?

We support indexing the Yanco Creek Levy to inflation. This reflects the increasing cost of delivering the valuable local work done by YACTAC. It's vital that these funds remain local and aren't absorbed into WaterNSW's broader budget.

8. Other matters (e.g. cost shifting, land tax, government dividends, dam safety)

Irrigators are unfairly burdened with the cost of public benefits — from environmental flows to town water support. On top of this, we pay land tax and help fund dividends back to the government. The current model assumes irrigators are the sole users and beneficiaries of bulk water — this couldn't be further from the truth. The cost share must be revised to reflect community benefit, not just licence ownership.

9. Do you agree IPART's draft pricing decisions provide enough funding for WaterNSW?

Yes — if WaterNSW improves internal efficiency. We can't keep absorbing costs created by failed reforms, slow rollouts, and regulatory bloat. The draft determination allows for sufficient revenue *if* WaterNSW operates as a lean, customer-focused utility. Financial sustainability should be a shared goal — not a one-way cost shift to irrigators.

We're not just fighting for fairer pricing — we're standing up for the future of regional families, the next generation of farmers, and Australia's food security. Our business values teamwork, doing our best, and being passionate about what we grow. But passion alone doesn't pay inflated bills. If we want a sustainable water system that supports resilient rural communities and puts food on Australian tables, then pricing must be fair, transparent, and reflect shared benefit. We owe it to our children — and to the country — to get this right.

Yours sincerely

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