

Submission to IPART on Rural Bulk Water Prices from 1st July 2021

This submission is made on behalf of the Richmond and Wilsons
Combined Water Users Association. 16th April 2021

Thank you for the opportunity to have a say on the prices that our constituents will be expected to pay in this determination period. We have previously taken the opportunity for online consultation with IPART on this matter, so this submission that we are now making, will focus on the key issue that is of great concern to our group.

We are concerned that the way the prices are developed, through the cost share arrangements is unfair to coastal water users. While the formula used may be accurate for the inland water users, it is definitely not accurate for the coastal areas, especially the North Coast and South Coast, and even more so for the unregulated water users in those areas.

The big problem is that there is a heavy reliance on a component that relates to the number of licences in a particular water source, e.g. North Coast where we have a very large number of very small licences.

In table 7.6 on page 81 of the document "Review of prices for the Water Administration Ministerial Corporation" we see that for unregulated rivers the component for NRR add up to a total of \$69.7 million. The contribution to this total from the three coastal water sources is deemed to be \$43.9 million. We believe this allocation of charges is out of proportion due to the smaller total volume of water licenced for extraction in these coastal water sources when compared to the volume of water licenced for extraction in the five inland water sources. We believe that the formula should look at the number of megalitres rather than the number of licences, which would better reflect perceived any risk of noncompliance that would need to be the target of compliance activities. The nature of licences is also different on the coast, with licenced pump capacity generally much less than those in the inland systems, which greatly limits any perceived risk of over extraction.

Table 7.2 WAMC's cost drivers for operating capital expenditure, the allocation of costs appears to be arbitrary at best. There is allocation of WAMC's costs to water users of mostly 100% for each Activity, however we believe that many of these "activities" should have much less percentage allocated to water users and a higher percentage allocated to the general community through the state government. This is because these "activities" are largely of benefit to the general community. For example Surface Water Monitoring W01-01, water quantity monitoring is, especially on the coast, for the benefit of all. Largely stream flow and river height monitoring in coastal areas is used in times of flood events, with only minimal use for determining cease to pump rules in some streams. W01-02, 03, 04, 05 are all more of public benefit than licenced extractor benefit W02 Ground Water Monitoring. The North Coast has some 30,000 ground water bores, with only a very small number used for licenced extraction. Most of the bores are used for unlicensed Basic Landholder Rights extraction, yet all monitoring costs for the North Coast ground water is allocated

against the very few licenced extractors. This is more for public benefit than extractors benefit and charges should reflect this.

W03 Water Take Monitoring. W03-01 and W03-02 are each being allocated 100% against licence holders. While this information is collected about licence holders it is driven by the perception of the community and therefore benefits the community.

W04 Water Modelling and Impact assessment. The community benefit from these activities outweighs the licenced extractors benefit, especially the groundwater modelling.

W05 Water Management Implementation. W05-01 There is no "system" to operate and manage in the unregulated and groundwater section and therefore there should be no charge to these extractors, unless this has included implementation of cease to pump rules- which have a major benefit to the general community. However licenced extractors are themselves responsible for management of cease to pump rules. W05-02 Bluegreen Algae Management and W05-03 Environmental Water Management are both largely of benefit to the general public rather than being directed to benefit of licenced extractors. W05-04 Water Plan Performance Assessment and Evaluation. Water Sharing Plans are largely in place for the benefit of the general community and environment.

W06 Water Management Planning. Once again Water Plans are in place largely to benefit the general public, and to reassure them that government bodies are looking out for their interests. W06-05 Regional Planning and Management Strategies and W06-06 Development of Regulatory Frameworks. Once again these are for the benefit of the whole of the community. W06-07 Cross Border and National Commitments. We are not aware of any cross boarder commitments that effect coastal rural licenced extraction so there should not be any charge for that.

W07-01 Water Management Works. If this is about management of weirs or other structures in unregulated areas we are not seeing any activity in the way of management on the North Coast, and in fact are aware of structures that have become non-functional due to neglect. What groundwater management works are there?

W08 Water Regulation Management. Yet again coastal licence numbers contribute disproportionately to these charges

W09 Water Consent Transactions. Costs appear to be high and the process inefficient and prolonged.

W10 Business and Customer Service. W10-01 Customer Management. Once again the formula used of charging per customer rather than per unit of extraction works to the detriment of coastal licence holders. W10-02 Business Governance and Support. Much of this is driven by demands of the community and therefore should be weighted to community rather than extractors

Chris Magner

Chairman of Richmond and Wilsons Combined Water Users Association.

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