



Southern Riverina Irrigators represent 1800 generational farming families across the Riverina. We underpin and support a \$7 billion agricultural industry. Through dual-purpose irrigation water, we grow staple foods like dairy, rice, wheat, livestock and horticulture while supporting biodiversity on farm. Irrigation underpins the success of our region socially, economically and environmentally.

SUBMISSION IPART - Prices for WaterNSW regional and rural bulk water from 1 July 2025.

GENERAL COMMENTS

SRI would like to commend IPART for recognising the pricing model of WaterNSW is broken. For WaterNSW to pass their spiralling costs and unsustainable business model onto already stressed irrigators who are grappling with poor water policy and basin plan reform would have been an absolute disaster for Australian staple food production. The increase of 1.9 +CPI for the first year, and then CPI for the following year is far more realistic and palatable and offers irrigators sensible relief.

THE PROBLEM

As a member of the Customer Advisory Group (CAG) I have sat in on many meetings with WaterNSW where we have continually pointed out the flaws of their current business model. In fact employees themselves have also agreed, a decreasing productive pool across the state due to the basin plan

and water buybacks has rendered WaterNSW current structure untenable. You don't have to be a rocket scientist to work out as more water leaves the productive pool and transitions across to environmental water – revenue decreases. Government does not pay the same fees and charges to keep an IIO operating as an irrigator does which also contributes to higher internal water delivery costs for those irrigators that continue to farm.

According to MILs 2024 annual report -the five-year annual productive use (droplet on crop) is 553,000MLs. While this figure is also impacted by seasonal conditions, it does show a downward trend as costs to irrigate continue to rise.

It is in the best interests of not just WaterNSW but the whole country to encourage productivity.

- It is worth noting Murray Valley consistently operates under the SDL to the tune of around 20 per cent every year – this underuse impacts on productivity and there are no provisions via a Water Sharing Plan to effectively address this issue. Underuse spirals into additional underuse and ever decreasing productivity.
- Changes to river management have also impacted on supplementary water access. In recent times, there have been various opportunities for a supplementary water allocation but changes to river management, loss of historical understanding (senior staff) and environmental watering has seen this opportunity dwindle.

POINTS TO NOTE

We also remain concerned about the lack of scrutiny around MDBAs out of control cost structure.

- For the 2025-30 Determination period, the proposed total revenue requirement for the MDBA is \$226.3 million. In real terms, this is forecast to be **132% higher** than the 2021-25 average annual revenue requirement.¹
- For the 2025-30 Determination period, the proposed total revenue requirement for the MDBA user share is \$206.7 million. In real terms,

¹ [2024-Pricing-Proposal-WaterNSW-Attachment-16-MDBA-pass-through-charges.PDF](#)

the average annual revenue requirement is forecast to be **123% higher** than the 2021-25 average annual revenue requirement.²

- For the 2025-30 Determination period, the proposed total revenue requirement for the MDBA Government share is \$19.6 million, The average annual revenue requirement is forecast to be **274% higher** than the 2021-25 average annual revenue requirement.

Who is overseeing these increases and why should a shrinking productive pool be tasked with the responsibility of funding them?

- WAMC price determination are yet to be released, and we fear groundwater, and unregulated and surface water users in the Murray Valley will be left to carry the burden of cost recovery.

WHAT WE NEED

IPART must take the time needed to get any future cost determinations right and it is imperative stakeholders across NSW must be involved in the consultation processes moving forward. SRI urges you to continue to consult and listen to our communities to understand our issues.

SUMMARY

The issues impacting productivity in Murray (which are not going away) are:

- increasing water delivery costs
- increasing government charges
- increasing water prices
- underuse
- reducing supplementary access
- buybacks/basin plan reform
- decreasing productive water

² [2024-Pricing-Proposal-WaterNSW-Attachment-16-MDBA-pass-through-charges.PDF](#)

CONCLUSION

Declining productivity is going to impact NSW Murray general security water users ability to absorb increasing costs. As the pendulum continues to swing away from productive water usage and more toward environmental water usage, this will only be exacerbated in the future.

Ensuring long term sustainability for regional areas is imperative not just for the economic success of our regions, but for our country as well. This must be recognised and be at the forefront of any future cost structure inflicted in the future.

It is also worth bearing in mind that increasing costs will also impact the next generation of farmers and if the numbers don't stack up, there will be no NEXT GENERATION.