

**Southern Riverina Irrigators represent 1800 generational farming families across the Riverina supporting a \$7 billion agricultural industry. Through dual-purpose irrigation water, we grow staple food and support biodiversity on farm. Irrigation underpins the success of our region socially, economically and environmentally.**



## **IPART Submission – review of prices for WaterNSW and WAMC regional and rural bulk water**

Southern Riverina Irrigators strongly oppose these proposed prices increases which are unjustified and unsustainable.

By 2029, and under this increase, government water delivery charges will cost our farmers \$41.45 for every single megalitre they use.

**THIS TABLE BELOW INCLUDES WaterNSW and MDBA fee increases ONLY.**

	2024-2025 Current charges per WE	2029-2030 184% increase over five years Per WE
Class C pass through charges (excluding MIL charges)	\$7.71	\$21.89
Water usage fee (excluding any MIL charge)	\$6.89	\$19.56
<b>TOTAL cost per WE</b>	<b>\$14.60</b>	<b>\$41.45</b> (note this is exclusive of any MIL charges)

A NSW Murray general security irrigator using 500MLs annually currently pays \$7,300 in government charges.

- By 2029 that figure will be \$20,725

Think about that for a second, yes that's right **\$20,725!!**

Based on MILs five-year average productive usage of 553,000ML (MIL annual report 2024) this fee increase will see nearly **\$23 million** leave our community in 2029- money which would normally be spent in our rural towns, propping up local business and creating enduring employment.

When you combine government charges with water delivery charges by our IIO MIL, our irrigators are looking at potential water delivery costs of well over \$110 a megalitre and that is before a single seed is sown, fertiliser applied or diesel used.

And let us not forget about labour costs, temporary water purchases etc.

***This is not sustainable and will contribute to the demise of staple food production and food security for our nation.***

**Farmers will stop irrigating because they simply won't be able to afford the bill.**

**And what will this do to our rural communities who are so dependent on irrigation to support local business, services, the community and the environment?**

**It will turn us into ghost towns and threaten food security for our nation.**

**Every dollar generated by a farmer has a flow on effect of between \$4-7 as it flows through the community.**

**At some point in time, government has to come to an understanding irrigators are no longer the golden cash cow. With a shrinking productive pool we no longer use the volume we once did.**

**Changes in system management have resulted in less and less water used for irrigation and staple food production, and more water for the environment- in fact only 28 per cent of water in the basin is now used for irrigation, industry and towns.**

**Water delivery costs continue to rise well above inflation, essentially propping up government departments who have outdated and unsustainable business models brought on by an ever increasing mishap of legislative burden and increased environmental water delivery.**

## **How will WaterNSW and WAMC's proposed prices impact customers?**

**These price increases dramatically exceed inflation and I am not sure how you can realistically expect any business to absorb a tripling of charges in this economic environment and take it on the chin.**

**Not only do these increases create an additional degree of risk and pressure, they will force irrigators out of business because the risk to irrigate will no longer be worth the return. Commodity prices have not increased by 184% so why would a farmer irrigate just to lose money? It just simply won't happen.**

**Government departments appear to have no genuine idea how to run business as evidenced by the unsustainable business models of WAMC and WaterNSW, especially considering the push to decimate irrigation will leave a further reduced cost base.**

- We vehemently oppose WaterNSW moving to a fixed bill component – agriculture is unpredictable and our irrigators need flexibility with fee and charges to enable them to ride out tough drought years when there is little or no allocation.***

## What factors should IPART consider, so appropriate WAMAC and WaterNSW prices are set?

Farmers are continually hit by the impacts of ever-changing policy and here in the Riverina, we would argue these cost increases offer no real benefit, nor do they optimise irrigated agriculture in any shape or form.

- Our valley has a long history of underuse so as a region we should face a reduction in fees not an increase.
- We already have Australian standard metering with every drop entering and leaving our system adequately measured.
- Irrigators in the Riverina should not have to pay for environmental infrastructure like a fish ladder on the Darling River. The environment/ fisheries/recreational users etc should step up to the plate and contribute to these costs.
- It is hard to justify these increases when irrigators in our region have watched their creeks run dry and services are diminishing along with our access to water.
- The Bullatale Creek ran dry in 2024. Orders were unable to be fulfilled and productivity losses were experienced, despite these irrigators holding high security water licenses and investing significantly in water efficiency measures like laterals.

## Do the proposed 2.5% and 15% caps on WAMC prices strike the right balance?

No they effectively knee cap the productive capacity of the Riverina.

## WAMC and WaterNSW engagement – questions 5,6,7,8

We have become accustomed to tick the box engagement and our feedback continually ignored. While we appreciate the opportunity to get in front of the departments, this does not always mean the process is successful.

We have been pointing out the inadequacies of the basin plan for nearly two decades but rather than be listened to, we just face additional legislative burden. It is very hard to get any traction when the outcome is already predetermined.

As a side note all water users should be treated equally and without bias and a sole focus on indigenous water will be detrimental to the wider pool. Like Rice Growers Australia, we flag our concerns around indigenous water which will only further erode the WAMC and WaterNSW revenue base.

## Effect of WAMC proposed metering charges

Why should NSW Murray general security irrigators face any additional financial burden for metering when we have been metered to Australian standards for decades? Metering should be on a user pay basis and not attributed to areas already compliant.

## General Comments

The increase in MDBA charges is reprehensible and with no formal oversight or 'accountable' process, will continue unabated. We note the National Water Initiative proposed a concept of full cost recovery and despite the fact this was not supported by a range of irrigation stakeholders, it remains the preferred model for Governments.

It is also unreasonable to expect rural water users to foot the capital expenditure bill of Greater Sydney and there planned spend of \$1,485.8 million from 2026 to 2030, while rural expenditure is estimated to be less than half at \$553.1 million. Sydney residents are facing an increase of around \$50 a year to their total water bills while we are looking at nearly the same cost for delivery of a single megalitre!

## Points to note

- Implementation of fast moving and ever-changing policy is contributing to blow outs and major cost increases.
- Irrigators should not have to foot the bill for environmental infrastructure.
- ASA metered irrigators should not subsidise unmetered users.
- Buybacks and indigenous water will shrink the NSW MGS irrigator pool over the next five years further increasing cost pressures.
- The current cost of water delivery is already forcing irrigators out of production – 184% is past the tipping point.
- Simply taxing the farmer is lazy and will only contribute to further demise of the revenue stream.

## Solutions

- Addressing the issue of underuse in the Murray Valley would encourage and increase production improving WaterNSW revenue.
- Environmental water holders must share the cost burden more fairly.
- We need a moratorium on new policy and everyone needs to step back, take a breath and look at the basin from a SOCIAL and ECONOMIC perspective, not just environmental.
- Government departments must acknowledge their business models are unsustainable and simply taxing the farmer will only contribute to the demise of future production.
- Similar cost structure across ALL WATER USERS including city users.

## SUMMARY

We have lost faith in the submission process and while we spend many hours putting these together, we know it will fall on deaf ears. As we continue to state, NSW Murray has bore the brunt of basin reform and there is no end in sight as government regulation continues to come forward unbidden.

Our allocation reliability has been reduced from 84% to 48 % over the last decade (excluding recent wet years). The current model for cost recovery bore by a continually reducing water user base is untenable and there must be a better solution moving forward.

**Continuation of this current process will only decimate irrigation in the southern basin, threaten national food security and place upward pressure on the cost of living crisis.**