

27th November 2025



To:

Matthew Mansell

Director, IPART



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Matthew, please see the below for eastAUSmilk's reply on the current discussion paper: WaterNSW Rural Valleys pricing review 2025-2026.

eastAUSmilk are members of the NSW Irrigation Council (NSWIC) and support the submission they present to IPART on the discussion paper for WaterNSW Rural Valley's pricing review 2025-2026.

1. What are the issues you consider IPART should further consider as part of this review?

The current one-year determination sits within scope however EastAUSmilk would encourage IPART to extend the period of the review to allow for an in-depth review to be concluded.

IPART should have complete confidence in WaterNSW business model and ability to conduct the business to the fullest. Any waver in this confidence should be research and developed to an extent of full confidence achieved.

Affordability to those rural water users is essential, without those water users producing food and fibre the food security of Australia is increasing vulnerable.

2. How has water use and crop production changed in your local area? Does the current method of water pricing support these changes?

eastAUSmilk has members throughout the NSW & QLD state. With the dairy industry located in pockets throughout the NSW state our response below will reflect that.

Crop and dairy production on a whole is down in comparison to previous years, due to allocation percentages being down, water prices being high and river cease pump levels being increased. Growing fodder, grain and pastures is paramount in all dairy businesses. The ability to grow your own is always the most cost-effective option to the business. However, with increased water prices, teamed with allocation lows, growing one's own is increasingly costly, buying fodder in follows on with the domino effect of being costly.

3. Have you observed improvements in levels of rural water services provided by WaterNSW to explain the increase in its base cost over time?

In the Riverina, dairy farm numbers have reduced by approximately 80%, with the largest factors including insecurity of water supply, cost of water and the changing of rules on which all water types (surface & bore water) can be used. These ceased dairy farms have been sold onto grain growers or moved into beef enterprises. Summer cropping which was once a vibrant sector within the Riverina has all but ceased due to the availability and rising cost of water. Following on from this, student numbers in local school have halved in the last 20 years, countless businesses have ceased trading and trades have left town.

Irrigation water uses account for approximately 28% of water used. WaterNSW conduct a range of activities (Flood Mitigation, maintaining fish passage and aquatic habitats, facilitating recreation, meeting end-of-system flow targets and more) within the business that are not the responsibility of bulk water users, there has been no noticeable improvement in the service WaterNSW provides to justify any increase in water charges for bulk water users. Processes for transferring water within the same farm business are time consuming and outdated, with the current process being paper based and fees attached to this are unreasonable. EastAUSmilk suggests that the activities that are not directly related to bulk water users are not to be funded by bulk water users.

10. Over what determination period should we set prices?
12. What factors should we take into account when assessing the most appropriate approach to forecasting water usage?
13. What do you consider the most important issues relating to WaterNSW's pricing

Irrigated agriculture will be heavily impacted by the steep price rises; this is placing this irrigated land into a risk of not being farmed for food and fibre.

It is paramount that pricing be valley specific to ensure fairness throughout the entirety of NSW is maintained. An increase to water pricing should be aligned with CPI to maintain production and profitability rates for producers. EastAUSmilk support the

current one-year price determination, however we encourage IPART should extend this beyond a single year to ensure an in-depth review can be conducted.

Water pricing should be insightful of the profitable realities of food production. Those in decision-making roles should consider the follow-on effect on food security and the cost of living. The rising costs throughout the agricultural industry is making it increasingly difficult to produce fodder and food at profitable rates, to increase water pricing will add to this pressure on producers. Australian Federal government is working on a food security policy for Australia, increasing water pricing will work against this as the proposed increase to water will reduce the production capacity and in turn increase the cost of food and fibre to the Australian consumers. The flow-on effect from this is great, loss of jobs, reducing the food security, and increasing the reliance on imported food.

Real and personable consulting with producers in valley regions is encouraged to ensure forecasting bulk water usage is captured in real-time evidence. Those to be consulted with should include, growers and community advisory groups, those being the most knowledgeable in their own valley areas.

Regards



Ruth Kydd
Director



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