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SUBMISSION TO IPART ON
GROUNDWATER PRICING
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We see the proposed price increases as both unfair and extravagant. We also see some hypocrisy in the way DLWC has developed the rationale to their submission.

Groundwater charges have been split in two sections, an allocation charge and a usage charge. In their rationale, Principle (2), DLWC point out, they wish for a Beneficiary Pay System. If this were the case, why are the charges split into two sections? Our understanding of this principle is that if you use the water that is what you pay for. Why should there need to be an allocation charge. In our Management Area GWMA 016, licences have been granted under four different sets of rules over a period of forty years. Many licensees were given huge allocations to encourage the Groundwater User to use the resource in an attempt to reduce the rising watertable. Current infrastructure does not allow these allocations to be pumped for use. Under the proposed pricing structure, these licensees are being charged for a resource they will never be able to utilise. The allocation charge is also flawed when a farmer fails to use all his allocation for whatever reason, be it an efficiency gain, a change in crop rotation or a wet year rainfall wise. We see this a neither fair or adhering to principle two as set out in the rationale of this submission. We therefore feel the usage charge should be the only charge involved when charging for groundwater.

The allocation charge has angered many of our users because they see it as a money grabbing exercise. In our Management Area GWMA 016, DLWC over allocated the resource by 160,000 megalitres. The Areas annual recharge is 130,000 megalitres, yet DLWC has licensed allocation of 296,000 megalitres. If you study the pricing proposal for the groundwater in our area, you will see the allocation charge is the larger of the two charges. This means there is 160,000 megalitres being paid for which is not there to be used.

This is another reason we feel the allocation charge unfair and should be removed.

Accountability is also missing from this proposal. Nowhere is there to be found an itemised list of costs of their new charges. It lists Aquifer Management, Metering and Monitoring and Compliance Costs, but gives no breakdown as to the cost of these functions in real terms. We all know that there was 130,000 megalitres used in 1999/2000. Under the current pricing regime of 66c for allocation and 33c for usage, in our area the revenue would be \$128,700. Nowhere is there a break up of the spending on this amount, which would indicate some justification of this amount.

Under their Water Use Compliance heading DLWC indicate there are three strategies required. These are enforcement, prosecution and education, in that order. We feel that more emphasis should be placed on education. Our requests to DLWC for information indicate that little is known about underground water. If DLWC knows so little, it is asking too much of the users to become responsible in its use without a sound education policy.

In conclusion we feel the changes in pricing and policy proposed by DLWC do need to be modified to take into account the issues raised above.

Leigh Chappell.
Secretary.