

Nambucca Water Management and Users Group
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8th May, 2001.

The Chairman,
IPART,
Level 2,
44 Market Street,
SYDNEY, NSW, 2000.

Dear Sir,

Re: Bulk Water Pricing - DLWC Submission to IPART

The Submission by DLWC reinforces our concern that this Department continues to mislead and misrepresent situations to achieve its own ends and that no transparency exists in the operation of this Department.

Broad sweeping statements regarding water extraction by DLWC continue to cast a totally different situation than that which actually exists, particularly within this region. It is essential that the differing characteristics of this coastal valley area be acknowledged. We would like to point out the difference between eastern-fall waters and western-fall waters. Of the rainfall of NSW, 25% falls west of the range and 75% east of the range. The problems that have occurred in the western areas are far greater than the eastern-fall waters.

We make the following comments on DLWC's submission to IPART on Bulk Water Pricing.

DLWC's Pricing Rationale

We support full cost recovery for efficient and effective services in the actual delivery water. We also support the cost of service provision being fairly borne by those benefiting from the services. We agree that all those who receive the benefits of water use should contribute. Charges should reflect the true users - not just those easily identifiable. Cost sharing should fairly represent that proportion attributable to the environment, the community and the riparian users - for which we all contribute through taxes.

2 Bulk Water Operations

By separating State Water and DLWC, we see that State Water may be responsible for account collection, but who is responsible for securing efficient and effective service for the Customers? Many 'customers' wonder for what they are being charged - particularly those who have constructed and maintained their own dams.

3 Resource Management

According to the DLWC'S submission: 'Environmental problems exist in NSW rivers and groundwater systems due to water regulation and extraction. Full cost recovery is an incentive to reduce water extraction.'

This statement is typical of how DLWC distorts information and how applying broad overall statement distort the true picture. In the Nambucca Catchment water extraction has not created environmental problems.

To claim that 'full cost recovery is an incentive to reduce water extraction' clearly demonstrates that DLWC does not understand the need for water extraction. Irrigators do not extract water for the fun of it - they do so because their produce has a need for water. Water is a precious resource to irrigators and irrigating in itself is an expensive process. Irrigators do not irrigate frivolously or wantonly. We support Waterwise and many of our members have participated in these workshops. The participants have benefitted from what they have learnt at these workshops to improve the efficiency of our water use.

We wonder if the sole purpose of DLWC is to do away with irrigation altogether? (Who will produce the food then and what will be the social impacts?) Excluding irrigation is not management of the resource.

Resource Management is what DLWC is all about.. Resource Management is a PUBLIC GOOD. To propose that any costs for resource management be recoverable from identifiable consumptive users is inequitable.

Further, we have endeavoured to monitor and work with our Water Management Committee who are those principally involved in management of this resource. In this area this process is not balanced; it is time consuming; expensive and a SHAM. DLWC should not expect irrigators to fund such committees when we have found that their way of managing water resources in the area covered by the local Water Management Committee is to limit - or even prohibit - water extraction. We suspect that the WMC appointments have been manipulated to further the ends of extreme conservationists. Meeting procedure and 'Consensus' on the Mid North Coast Water Management Committee is farcical. (In two and half years, not one water management plan for any of the 63 sub-catchments has been fully completed.)

It is outrageous to request a contribution from identifiable consumptive users for this incompetence. (We note however, that this may not be the case with other Water Management Committees.)

Further, to expect any contribution from irrigators because they are identifiable is inequitable, particularly when riparian users make no further contribution than recreational users. As the focus of this work is to maintain an environmental flow, the community should bear the cost of this work.

3.1 Recoverable Resource Management Functions

Unregulated metering and monitoring

For the Nambucca Catchment, we believe that meters should only be required where it is commercially viable to do so. We see little benefit in having expensive meters installed and expensive methods of recording data when other - more cost effective - alternatives may be available.

However, planning and management and program implementation is for the benefit of the broader community. It is unreasonable for DLWC to expect the few identifiable water users in this area to contribute to these costs when these functions benefit all. Once again riparian users benefit yet are not required to contribute in the way licensed irrigators contribute.

4 Costs and Revenues

Costs claimed by DLWC should surely be reflected by the services we receive. Our membership is made up of representatives from all forms of agriculture, horticulture, council, recreation and commercial fishers, and many others. We endeavour to involve all users. The one common question raised continually is what service are we getting for these costs?

In over twenty years many irrigators may have seen the DLWC perhaps once at their pump sites. Once or twice during this time span the community have approached DLWC to restrict pumping - instigated by community monitoring, not DLWC monitoring.

However, we all feel strongly that almost all of DLWC resources for the past five years or more have been associated with water reform and water reform only.

Through the Coastal Valleys Customer Services Committee we have tried to find out from the DLWC what service they provide for irrigators - to find out what we are expected to pay for. Not even State Water have been able to obtain this information.

DLWC is not transparent and continues to misrepresent the true picture.

The water courses in the Nambucca catchment are all unregulated. We question what proportion of the North Coast costs in Table 4.1 applies to the Nambucca.

4.4.3.4. State Water Return on Capital

We object to the requirement that State Water seek a return on Capital investment, particularly as capital works have been funded by the community in the past.

5.3 Unregulated River Prices

We believe that DLWC is once again misleading IPART with the claims that managing unregulated rivers in a similar manner to regulation systems will be higher. The only reason why costs may be higher is that under water management plans DLWC will have to monitor the unregulated rivers whereas in the past this was not done. There has been no management - no monitoring - as will be required in the future.

We cannot make the point too strongly that it is difficult to agree to any proposed increase in tariffs without knowing what service we receive for the costs to be recovered. While DLWC list products this does not necessarily relate to our experience in the Nambucca.

Further we would like to point out to IPART that following their process some years ago the issue of farm dams resulted in DLWC declaring an amnesty on dams. The final result has been that dams built and maintained by our members have now been classified as unregulated streams, even though they may be high on a hill and not in even a gully. We now have to pay for our water (if we are above the 'harvestable right) even though DLWC does nothing for us. Our members placed in this situation take strong objection to suddenly being classified as 'customers' of State Water. DLWC has misrepresented the situation regarding these farm dams and this has been an absolute travesty in the Nambucca area.

As mentioned in Section 4, Paragraph 4, in these instances, what service is DLWC providing for these particularly irrigators? For what are they being asked to pay?

6 Impact Assessment

It would appear from DLWC's submission that selective information has been presented to justify their comments on Impact Assessment. We believe these figures are not reflective of the actual situation and should be treated with suspicion.

Our greatest concern is the socio-economic impact from the resource management/water management process. The cursory attempts to assess these impacts to date raise even further concern.

Appendix 6

Bulk Water Products - Description & Cost Sharing

PA1 Surface Water Database - For the Nambucca Area we believe the apportionment of 50% is high - particularly as riparian users are not required to contribute. Riparian users also benefit from this work and an allowance should be made for this. All water users benefit - not just licensed irrigators. We believe for the Nambucca Catchment Users the cost share should only be 30% provided that the work is carried out efficiently and effectively.

PA2 We believe that there should be no difference for surface water to groundwater. In a nearby groundwater aquifer used for both licensed and domestic irrigators, the domestic irrigators also benefit from this work. Once again the chargeable user share should be 30% with a similar proviso that the work is carried out efficiently and effectively.

PB1 Surface Water - Resource Management is the stewardship of DLWC - all users should contribute, not just those identified by a licence. Chargeable users' share should be 0%.

PB3 Ground water - Resource Management is the stewardship of DLWC - all users should contribute, not just those identified by a licence. Chargeable users' share should be 0%.

PD1 Water Management Planning and annual implementation Programs and reporting - For reasons strongly outlined in this submission earlier the Chargeable users; share should be 0%.

PD5 As above - 0%.

PE1 Provision for Doubtful Debts - What does DLWC mean by a 'doubtful debt'. Is it a debt for a charge that should never have been levied - or was incorrectly levied? True debts should be recovered from the debtor and to suggest that all licensed irrigators contribute to funds not recovered from the original debtor is an easy way to pass the buck. 'User share' in this instance should be 0%.

In closing, we trust that we have pointed out to IPART, that pricing must be relative to the services received. In view of the continued misrepresentation of DLWC and the limited time frame allowed for this present determination we urge IPART to implement a pricing structure only for the next twelve months and assists in having DLWC address the issues raised, prior to longer determinations.

Yours faithfully,
Nambucca Water Management & Users Group