

Review of prices for WaterNSW's Rural Bulk Water services from 1 July 2017 Response to Draft Determination

Submission made to the Independent Pricing and Regulatory Tribunal of NSW

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**Ron Harris
April 2017**

This submission by Australian Modern Dairy is made with response to the IPART Draft Determination of WaterNSW's prices for rural bulk water services from 1 July 2017 to 30 June 2021. The submission specifically relates to pricing in the Lowbidgee region of the Murrumbidgee valley that includes the Nimmie-Caira, Redbank North and Redbank South areas.

We would like to make the following comment in relation to the Draft IPART Determination:

1. The IPART recommendation to introduce a 20% variable component to Lowbidgee fees and charges is welcomed and supported by AMD. This better reflects the variability of supply of supplementary water in the Lowbidgee as opposed to a 100% fixed pricing scenario. This will offer an incentive for WaterNSW to implement a solution to the inadequate metering of use for individual customers within the Lowbidgee.

While the inclusion of a 20% variable component of water charges is welcomed, we would encourage IPART to consider bringing Lowbidgee into line with other valleys in NSW and recommend a higher proportion of variable pricing closer to the 40% fixed to 60% variable which is applied in other areas of the state.

2. Consistent with our previous submission to IPART relating to this pricing determination and the review of the WaterNSW operating licence, we would recommend that during this determination, WaterNSW actively consult with all Lowbidgee entitlement holders to identify and implement a set of equitable

arrangements for the future ownership and operation of the Lowbidgee water supply infrastructure, including the option of privatisation of Redbank North delivery infrastructure.

Thank you for the opportunity to make a submission to the Draft Determination of WaterNSW rural bulk water prices and I look forward to your consideration of the issues raised. If you require any further information or wish to discuss these issues further, please contact Ms Kaye Dalton in the first instance on [REDACTED] or Ron Harris on [REDACTED].