

Bega Valley Water Users Association (Inc.)

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Independent Pricing and Regulatory Tribunal Review of Rural Water Cost Shares

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Introduction

The BVWUA Inc. is the representative body for the regulated and unregulated irrigators in the Bega Valley. Our area of representation encompasses the area represented by the Bega Valley Water Sharing Plan.

Statement

There is a general lack of understanding amongst Water Access License(WAL) holders, of the differing regulatory roles that WaterNSW and the Water Administration Ministerial Corporation's (WAMC) currently administer.

There have been so many changes in the last few years as to the roles of both the organisations that it is difficult for the general irrigator or the general public to understand how the cost share framework operates, how the functions of the two organisations are divided as to whether the costs are divided equitably and efficiently.

General Comments

- BVWUA irrigators pay the highest charges for water administration in NSW with little transparent return on our investment.
- BVWUA believes that regulatory and administrative costs should be largely borne by government as they are a function of government.
- The supporting argument to the above is there are groups other than irrigators, such as riparian water users, tourism, fishing and other recreational users that also need to bare a greater share of the cost, this can only happen through government contribution.

For example, on the VisitNSW website the Brogo Dam and surrounding area is listed as a highly valued tourist site:

“Just 19 kilometres north of Bega is the stunning Brogo Dam, which is contained within the Brogo wilderness area and the southern section of Wadbilliga National Park.

The park protects rugged coastal escarpment and plateau areas surrounding the Wadbilliga, Tuross and Brogo Rivers. The Brogo Dam is situated in the southern region of the park and offers picnic facilities and a ramp from which to launch your canoe or row boat. Power

boats are also welcome in this area. You can hire canoes to explore the Dam and gain access to remote pockets of bushland. Explore tranquil rainforest gullies, and the rugged picturesque surrounds. Sheer cliffs overhang the water with rock orchids and ferns, while the surrounding bush harbours many native birds and animals.

- Notwithstanding the above comments, BVWUA agrees with the NSW Irrigators council in the executive summary third paragraph. “Despite NSWIC’s support for this review¹, the Council remains agnostic as to the future methodology that IPART applies to efficiently and equitably share costs between water users and the NSW Government when reviewing and determining water charges for WaterNSW and the WAMC as long as the framework is **transparent, robust, practical, cost reflective, measurable and auditable.**”

Consideration of the Difference in the managing of Coastal Valleys verses MDB

- It needs to be recognised that the management of coastal valleys is significantly different from managing the complexities of the MDB system. Coastal Valleys rivers are generally short in nature and are simpler to manage as the water that travels down these rivers reaches the ocean within a few days.
- This is probably not a significant difference from the MDB system, but there are a considerable number of stake holders other than irrigators that benefit from the management of a river such as the Brogo regulated system and the Bemboka Bega unregulated system, that don’t directly contribute to the cost of managing the river. For example, there are significant numbers of riparian zone users that are not monitored or charged for water use, again tourism, recreational user of the dam and river and fishers that benefit from regulated flows to name a few.
- BVWUA agrees with the comments in the NSW Irrigators submission page 3. “Furthermore, NSWIC remains concerned that without further data collection and a thorough assessment of the drivers for a new ‘service-based’ approach, there is a significant risk that future costs are incorrectly or inappropriately assigned (e.g. leading to price shocks) or that they lead to cross-subsidisation between different water users (e.g. as shared costs cannot be correctly identified).

¹ NSWIC has called for a review of cost shares since 2012.

Thus, NSWIC proposes that prior to IPART making a decision about new cost share methodology, IPART must firstly:

1. establish the shortcomings of the current approach
2. assess the current data and information gaps that could inform a change in approach
3. analyse the net benefits of a change in methodology.”

Final Comments

BVWUA generally supports a review of the management framework in NSW we caution allocation of increased cost to irrigators. We suggest that the uniqueness of coastal river systems be taken into account.

Coastal regulated irrigators in particular, are already burdened with a high cost of water and management costs, and we would caution against increased costs.