

The Hunter Valley Water Users Association (HVWUA) submits to WaterNSW Bulk Water Price Review, the following:-

The HVWUA , as an affiliate member of NSW Irrigators Council, fully supports NSWIC submission to the Review of Prices for WaterNSW Rural Bulk Water Services and in the interest of brevity, wish for that to be the substance of this submission but highlight several points that are of major concern.

1. The proposed large increases in Capital Expenditure for Coastal Valleys, in excess of 1000% with 70 to 80 percent of this increase being attributed to users, without any information about why the increases are needed and what the expenditure will allocated to. WaterNSW has significantly under-spent on CAPEX programmes allowed for in previous determinations for Coastal Valleys and therefore forfeited potential savings that could ben gained from such expenditure.
2. Any efficiencies resulting from the transfer of functions/responsibilities between WaterNSW and DPI Water could easily be eroded by the potential for “double dipping” in revenue recovery for functions performed by the two entities
3. We support a price freeze for this determination and a review of the cost sharing framework to ensure that the current cost shares for the next determination accurately reflect the share of costs imposed under the impactor/beneficiary pays approach and that all beneficiaries are identified, not just those are the most easily targeted ie. Licence holders/Irrigators.
4. The risk that large proposed increases in the cost of Water Usage that have occurred particularly on the North and South Coast of NSW, make irrigation unviable economically, resulting in the creation stranded assets. The Hunter River Regulated allows for approximately 30% of the allocated volume to be assigned to Power Generation from Liddell and Bayswater Power Stations as high security water. The foreseeable future will bring both both stations to the end of there working life and the risk of those water assets being stranded by cost increases beyond which the remaining users(Irrigators and Licence Holders) can remain economically viable.

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