

21 October 2020

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Independent Pricing and Regulatory Tribunal
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Dear Sir/ Madam

Review of Water Management Prices

Thank you for the opportunity to make a submission to IPART on the Review of Water Management Prices. Although Council supports the initiatives outlined within the Issues Paper Review of Water Management Prices from July 2021 there is insufficient detail in either the Issues Paper or the various supporting papers on IPART web site to make a fully informed submission to IPART. Specifically the papers do not provide detail of the costs associated with water management in the Tweed or for the Far North Coast for Council to undertake an appropriate review and provide a fully informed opinion.

Costs incurred by DPIE, NRAR and Water NSW in the management of water in the Tweed, which may be applicable to Tweed Shire Council are limited to

- Review of the Water Sharing Plan
- Development of a Regional Water Strategy, and
- Regulatory activities by NRAR.

Notwithstanding, proposed costs to be met by Council may include portion or all of items such as water monitoring (ground water, surface water and water lake monitoring). In the case of Tweed Shire Council this monitoring is undertaken by Tweed Shire not DPIE, NRAR or Water NSW.

In general water monitoring is undertaken by Council at Council's cost and results provided, at no cost, to DPIE. While Tweed Shire Council is happy to share in meeting actual costs of activities which are applicable to the Shire, Council is not supportive of Council bearing the costs of activities irrelevant to Council or having to meet the "cost" for an activity that is undertaken by Council and provided to DPIE at no cost to DPIE. This latter point was noted in the 2016 review where Tweed Shire Council argued it should not contribute to many of DPI Water's monopoly services outputs, as Council provides many of these outputs itself.

In determining costs a more granular analysis needs to be undertaken so that costs can be distributed fairly. It is suggested costs be collected on a catchment basis, in the case of Tweed Shire Council, the Tweed catchment.

In respect to flood plain and drainage management plans, Council agrees that the customer (those who hold water licences) share of the cost of flood plain and drainage

management plans should be zero. This is because the management of flood plains and drainage is not an activity related to licences to take surface or ground waters. Council, understands the need to review Water Sharing Plans and is supportive of the process but in the case of Tweed the actual cost of the review is not known nor is the assessed impact of each user known so Council is not in a position to assess whether the costs to be met by Council as part of its licence fees are appropriate.

It is unclear from the Issues Paper whether the Commonwealth will continue to fund works to address erosion and salinity. If that funding is unavailable it is inappropriate for licence holders to fund those works as they do not relate to the extraction of water. It is also worth noting that where salinity issues have posed risks to urban water supplies, funding has not been made available to address those risks.

Council supports the more active regulatory approach to be taken but again the issue of distribution of costs arises. Costs should be even distributed across licence holders but there is no evidence in the Issues Paper that this approach is taken.

WAMC is seeking a significantly increased capital expenditure. Items to be funded in that increased capital expenditure include works and monitoring that has no relevance to Tweed Shire Council. As stated above it is suggested costs be assessed and collected on a more granular basis so that cost associated with the management of a catchment can, where applicable, be recovered from the appropriate licence holders in that catchment.

Council concurs with the WAMC price categories. As stated above it is considered that maintaining a geographic split of charges is appropriate but there is insufficient information on the 22 different water sources (only 11 sources listed) to understand what areas are included. As above it is suggested costs and pricing be set on a more granular catchment basis, in the case of the North Coast, based on catchments such as Tweed, Richmond, and Wilsons so that licensees understand the services provided and can be provided more “accurately determined” fees and charges.

If you have any enquiries in respect to this matter please contact Rob Siebert, Coordinator – Strategy & Business Management on [REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]

Yours faithfully

Rob Siebert
COORDINATOR - STRATEGY & BUSINESS MANAGEMENT
WATER & WASTEWATER UNIT