



ALICE SPRINGS PASTORAL COMPANY

ACN 002 043 932 • ABN 45 002 043 932 • INCORPORATED IN NEW SOUTH WALES 1980

Submission to Ipart on DPI Water's Review on Pricing of Water Administration.

October 5 2015

Bolaro Station is an aggregation of land consisting of 18,000 acres situated 5kms from Adaminaby in NSW. The property straddles the Murrumbidgee River in the upper reaches between Tantangra Dam and Cooma.

The property is owned by a number of related landowning companies, Alice Springs Pastoral Co. (ASPC), Platanus Pty Ltd and Bolaro West Pty Ltd of which ASPC is the operator. These entities hold irrigation licenses totaling 1,296 ML.

ASPC made a significant investment in infrastructure to utilise those water licenses efficiently to irrigate lucerne and fodder crops to preserve necessary fodder for drought reserves and feeding livestock over the particularly harsh winter months experienced in this region.

As the irrigation licenses are in the unregulated Murrumbidgee valley our licenses, we are restricted by a "cease to pump" order which means that if the river falls below 33ML at the Mittagang gauge near Cooma we have to turn our irrigators off, even if in the middle of watering a high value crop. This essentially means that we have no security in the availability of water. Indeed, nine of the past eleven years, watering has had to cease at some stage through our very short irrigation season. Irrigators on regulated rivers, even with a small annual allocation, have the ability to plan a reduced crop or trade water in, well ahead of time to guarantee the crop can be finished. We on the other hand have no such security. As recently as January 2014 we had to stop pumping for 7 days in the middle of a Lucerne hay crop which, through independent analysis, showed that we were denied a total of 272 tonnes of hay worth in excess of \$80,000 of valuable winter reserves. This then begs the question 'why are we paying so much more for the water?'

Whilst the proposed changes to water pricing by DPI Water has put forward in their submission are positive they still do not go far enough to address the current inequitable restrictions of the current licenses.

The move to reduce Entitlement charges from \$8.30/MG down to \$3.27 and put more emphasis on water take is more equitable. The time frame of the proposal is also welcome, providing stability of pricing.

However, the unregulated Murrumbidgee is one of the most expensive valleys in NSW. The regulated sections of the river are paying a total for all charges of \$2.02/Meg increasing to \$2.49/MG in 2019/20¹ compared to our \$11.85/MG now and down to \$9.03/MG in 2019/20. While there are more licenses in the regulated Murrumbidgee (1737) than the unregulated section (1023)², it would appear the administration costs are much more heavily weighted against us. Water management and delivery doesn't come into it, we pull from river when there is enough water to do so.

¹ DPI Water Ipart Submission, pages 220/221, tables 8.18 and 8.19.

² DPI Water Ipart Submission, page 204, table 8.9.



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How can DPI Water justify a budget of \$844,000 a year³ to check a few gauges and meters and send out a bill? We even send them accurate meter readings by email!

In section 8.4.1 of the submission, DPI states that all categories of licensing are included in the water management charge process. That is all fine but the inconsistency in determining that pricing is most inequitable. Within the unregulated rivers, the Murrumbidgee has consistently paid well above the average of all the valleys: average entitlement cost all valleys \$4.83 vs. \$8.30 for M/bidgee. Usage all valleys \$2.21 vs. \$3.55 M/bidgee. All this with a cease to pump order hanging over our heads.

In summary, the DPI Water submission has some very good and strong commitments: monitoring environmental issues, getting more gauges into the system etc, but we think that the pricing determination in our region of the river is totally inequitable and unsustainable in its present form. We feel that the water is unfairly overpriced considering the lack of certainty in extraction due to the 'cease to pump' order, and little water management required in this region.

David Mott
For Alice Springs Pastoral Co. Pty Ltd.

2/10/2015.

³ DPI Water ipart submission, page 211, table 8.17.