

Bega Valley Water Users Association (Inc.)

PO Box 983

Date: 1st April 2016

BEGA NSW 2550

RE: Submission to the IPART Draft Determination and Report – Response from Bega Valley Water Users Association

Dear Sir, Madam,

The Bega Valley Water Users Association represents irrigators on the Far South Coast of NSW who utilise both regulated and unregulated water. The primary agricultural use of the water is for dairy production. There is limited other significant agricultural or non-agricultural water use in this region. The dairy industry generates approx \$100 mill directly into the local economy. The multiplier effect of this is significant and the industry is a main economic driver for the region. Of the dairy farms in the region 78% utilise irrigation in their production systems. This statistic highlights the importance of access to irrigation for the future survival of the local dairy industry. The large distance to forage and grain sources (the Riverina region) creates a dependence on irrigation for ongoing farm viability.

The following is a series of comments to IPART emanating from the IPART Draft Determination.

1. We support the minimum annual charge increasing to \$200 by the end of the next determination.
2. We support the South Coast Regions 70:30 fixed/variable ratio.
3. We appreciate the review on pricing to create decreases in pricing for entitlement and fixed charges on regulated and unregulated rivers.
4. We would still like to see the Farm Business Impacts of these proposed prices to include the South Coast for future reviews. This oversight for regulated systems the South Coast needs to be resolved so that true impacts of the price can be understood.
5. The regulated system on the south remains the second highest and the 6 times higher than the weighted average price. Our concern with this is that when you add the NSW Water price at full cost recovery, the accumulative result is excessive and well beyond the ability of agricultural irrigation to afford. We therefore acknowledge that the south coast regulated system represents some unique issues as we move towards full cost recovery. A new paradigm for pricing water in the smaller high cost valleys needs to be considered. We note the outcome of the harmonisation of prices for the Northern Valleys. We request that a similar investigation be carried out for the South Coast regulated system to determine an effective and sustainable pricing mechanism into the future.
6. We support the Water NSW (Sydney Catchment Authority) separate price. We note that of the 1,257,625 ML of unregulated river annual share for entitlement charge licences, 987,000 ML is Water NSW entitlement for Great Sydney customers. We assume that the separate price reflects this allocation in respect to cost sharing.

We would be pleased to be able to work with IPART and DPI Water to address the issues discussed above. Please do not hesitate to contact myself Ken Garner on [REDACTED] or [REDACTED] to discuss these issues further.

Regards

A black rectangular redaction box covering the signature of Ken Garner. A small, thin, light-colored mark is visible at the top right corner of the box.

Ken Garner

Bega Valley Water Users Association.