

Copy of Online Submission to DPI Draft Water Report From Hunter Valley Water Users Assoc.

The Hunter Valley Water Users Association ( HVWUA ) believes that the IPART draft water pricing review does not accurately capture evidence that the NSW Office of Water/DPI Water's previous notional revenue allowance was inefficient and has ignored the Synergies efficiency review which provides evidence that the previous notional revenue allowance was inefficient. The transfer of functions between DPI Water and Water NSW ( visa versa ) should result in savings that are passed onto water license holders in the form of lower water charges.

DPI's annual reporting must be transparent and extend the KPI's to include a review of water sharing plans and the completion of the Water Take Measurement Strategy. The HVWUA also believes that the changes in cost recovery methodology is confusing and Irrigators are yet to fully understand their implication

No evidence, and therefore transparency, has been provided on the accuracy and cost efficiency of IPART's proposed metering charges.

The HVWUA is very disappointed that IPART has not considered a differential pricing framework and tariff structure for NSW coastal valleys. We will comment further on this issue via email to [ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Further to our online submission to this draft report, the Hunter Valley Water User's Association (HVWUA) would like to make further comment:-

The HVWUA is very disappointed that IPART has not considered a differential framework and tariff structure for NSW Coastal Valleys. The water management challenges in the NSW coastal valleys are fundamentally different to inland NSW valleys and as such, there should be a consideration, including a comprehensive cost benefit analysis, for managing the price determinations for these two broad geographic areas separately.

We believe there are numerous potential benefits which justify such a consideration and it has become self evident from extensive discussions with our members that the current approach to tariff structures, cost shares and metering programmes do not work for NSW coastal valleys. It has resulted in water management charges that are unsustainable for irrigators along the coast thereby creating disincentives for coastal valleys irrigators to fully utilise their water allocations. In this particular case, IPART's draft decision is to increase the water take component of most coastal valley water management charges, is yet another example of an outcome that is likely to be negative for DPI Water ie. higher prices will reduce demand.

Water demands and patterns of water consumption in the coastal valleys are different to inland NSW. The coast experiences much higher population density, creating needs for towns , stock and domestic water supply as well as water management initiatives to avoid tidal salt intrusion. There is a greater demand for water for recreational users who currently do not pay DPI Water's water management charges creating a cost recovery burden for coastal valley irrigators who hold water access licences.

The HVWUA considers it imperative that IPART engages separately with coastal valley irrigators to find a sustainable long term solution for coastal NSW valleys and support NSW Irrigators Council in a proposed review of the cost recovery mechanism and the current tariff structure. IPART must mandate PDI Water to conduct a full review , including stake holder consultation, into the viability of current coastal valley water charges and develop an alternative framework. The differences between water use patterns and management of NSW's inland valleys and coastal valleys warrants such a review.

Bruce Whitten

Chairman  
Hunter Valley Water User's Association