

Submission to IPART on behalf of the Richmond and Wilson Combined Water Users Association (RWCWUA) re the Draft Determination- Water Administration Ministerial Corporation –Maximum prices for water services from 1 July 2016.

This organisation has made a submission to IPART and was represented and gave further input to IPART during the consultation process which preceded the release of this Draft Determination. RWCWUA is a member of NSW Irrigators Council and as such support the submission made by that organisation on behalf of irrigators across the state. We now take the opportunity to further address issues present in this Draft document.

Charges

Charges for Licence Holders on the North Coast, for both Regulated and Unregulated water sources, have been reduced in this Draft Determination. We are disappointed that this reduction did not go far enough in comparison to the charges set for other coastal users.

Two Part Tariff

We believe that on the North Coast the ratio for the Two Part Tariff in the Regulated and Groundwater systems is now correct and that the ratio for the Two Part Tariff in the Unregulated system should be similar to these. There has not been any explanation of why they have been set at such different rates and the fact that they have been seems to be an inconsistency. We recommend that you consider resetting the ratio for the Unregulated to be the same as that for the Regulated.

Synergies report

Having read the Draft Determination document, along with others available publically including “Review of prices for the Water Administration Ministerial Corporation for DPI Water- from 1 June 2016 Water Draft Report March 2016” it is evident that IPART has relied greatly, for its investigations into DPI Waters proposed charges, on its contracted consultant “Synergies”. Because of the reliance on “Synergies” to assess information presented by DPI Water there is no allowance for all stakeholders to have equal input into the process. As water users we have no opportunity to rebut to “Synergies” any information supplied by DPI Water.

Annual water charges

There is no transparency as to how percentage of costs are weighted against licence holders, with the same formula being applied to vastly different situations right across the state for “Monopoly services user shares and cost allocation”. For example the 70% cost of Surface Water quantity monitoring charged against licenced users is the same for dry inland areas as it is for flood prone coastal areas. On the North Coast there are a huge number of stream gauges- the vast majority of which are used mostly in the frequent high rainfall periods to inform the whole community of likely flooding. The information from these gauges is rarely used to monitor any effects of licenced water use, which only occurs in very infrequent low rainfall conditions. This is the opposite of the inland areas- so how can the 70% cost to licenced users be the same in both situations.

Further to this the North Coast population as a whole are very demanding of high environmental management standards and therefore can be seen as serious impactors on DPI Water costs in this region. This means that they have great expectations of, and demands upon, all relevant government agencies including those managing water. There is no indication of how the DPI Water environmental management and public accountability costs are apportioned. It makes sense that a higher proportion of DPI Water staff time would be used in managing community aspects of environmental monitoring on the highly populated coastal regions than they do in the less densely

populated inland areas, yet the cost recovery percentage from licence holders is the same for both areas. We recommend that the formula currently used state wide be reassessed to reflect the actual costs of impactors in different regions across the state. Impactors are different groups in different areas and this should be reflected in the formula used in these different areas.

As a whole North Coast irrigators seldom use any of their irrigation entitlement and certainly to use 100% of their combined entitlements would never happen. The 40% figure used in DPI Water calculations is erroneous and we do not understand how this figure was determined in an area where most licence holders do not have take measured.

RWCWUA believe that the formulas used in calculating our charges are flawed. They do not reflect the actual impact by licenced water users and this leads to us cross subsidising other areas, as well as bearing costs that should be borne by others.

Farm Dams

Farm dams are not mentioned in these documents and the Chair of IPART acknowledged at the Hearing that this issue needed to be addressed. He directed DPI Water to do so. Charges for farm dams should be calculated separately to those for other surface water.

Metering

There is nothing evident in the publically available documents to explain how metering charges, particularly for irrigator read meters or Approved Meter Equivalents, are determined. A charge of over \$190 for this would seem excessive given that the hourly rate for the administrative component used in DPI Waters' other calculations is about \$69/hour.

Consent transaction charges

We are at a loss to understand why Dealing costs are so high for Unregulated rivers and Groundwater in comparison to those for Regulated rivers. There has been no explanation from DPI Water to justify this.

We have not been able to find a definition of a "low risk" Unregulated river and Groundwater Dealing or Works Approval. DPI Water staff have not been able to clarify the issue satisfactorily and appear to be unaware if there is any mapping to justify such a definition. We are of the opinion that the rules of the Water Sharing Plan are designed so that there should not be a large amount of investigation required where trading boundaries have been set by the Water Sharing Plan. There would appear to be no justification for the dealing costs in unregulated and groundwater to be any higher than those of the regulated systems.

As there is such a difference in price between an ordinary dealing and a low risk dealing, as well as an ordinary works approval and a low risk works approval, it would seem that there should be information available but there doesn't seem to be any explanation in any of the documents publically accessible.

We are also unable to find a definition for Dealings –administrative, as mentioned in Table 20 of the 7 page IPART document headed "Draft prices for Water Administrative Ministerial Corporation- Department of Primary Industries from 1 July 2016". Therefore we are unable to comment on whether this charge is reasonable.

RWCWUA recommend that the prices for all Consent transactions charges be reassessed.

We appreciate the opportunity to participate in commenting on this Draft Determination and hope that our concerns can be addressed.