



# Lachlan Valley Water Inc

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Representing  
and Uniting All  
Lachlan Valley  
Water Users

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## Submission to Independent Pricing and Regulatory Tribunal

### Review of the 2005-2008 Operating Licence For State Water Corporation

December 2007

#### Introduction

Lachlan Valley Water (LVW) is the peak body representing river and groundwater users in the Lachlan Valley. We are members of NSW Irrigators Council and support the NSWIC submission, and provide the following additional comment on specific matters outlined in the issues paper.

#### **4. Should the requirement in the Operating Licence for pricing compliance be expanded, for example, to include a reference to any other relevant regulator?**

LVW supports IPART continuing to set bulk water prices in NSW, and understands that initially IPART will retain that function, operating in accordance with the rules set by the Commonwealth Minister. We consider it is unnecessary to change the Operating Licence now to refer to other regulators when the arrangements through which ACCC will exercise its role are uncertain.

#### **5. Should the Operating Licence include an obligation on State Water to use its best endeavours to negotiate a new MoU with DWE reflecting allocation of functional responsibilities?**

LVW supports the inclusion of this obligation, and the recommendation by NSWIC that IPART specify a timeframe for completion of the MoU.

We note State Water's comments that their relationship with DWE is more complex than with other MoU partners, which in our view makes it more important that the MoU be completed within a reasonable timeframe.

We also note State Water's concern that under the Operating Licence the MoU is binding only on State Water. LVW considers that IPART should explore arrangements to ensure the obligation is equally binding on DWE.

#### **8. Are changes required to the Operating Licence so that State Water adequately satisfies the information requirements of the Customer Service Committees and effectively engages the CSC in consultation?**

LVW agrees that State Water's failure to provide timely and accurate financial reports is a shortcoming in performance, not a deficiency of the Operating Licence.

This affects the CSC's ability to perform key functions effectively, ie, identifying customer service requirements and appropriate service delivery standards, reviewing and advising on asset management priorities, and providing input to water pricing strategies for recommendation to IPART.

We note State Water's comment that it expects to provide information to CSCs and IPART by November 2007, and confirm that a financial report was made available to the Lachlan CSC in November 2007. Instead of changes to the Operating Licence, we recommend that IPART should audit State Water's current and ongoing performance in providing financial reports.

**10. How can the Operating Licence ensure that metering performance measures are appropriately in line with National Water Initiative standards?**

Ensuring metering performance measures in line with NWI standards requires two sets of actions:

- (i) Appropriate metering standards to be included in the Works Approval conditions. We note that this is a responsibility of DWE.
- (ii) Audit of meters to determine compliance with the Works Approval conditions. This is a responsibility of State Water and we believe it should be contained in the Operating Licence. Some valleys already have this as a performance measure, eg, the Lachlan Valley Business Plan contains the performance driver "Audit 100% of the water supply works that extract 80% of the water in the valley."

Mary Ewing  
Executive Officer