

N.F. Patmore  
PO Box 63,  
GLOUCESTER NSW 2422

28<sup>th</sup> November, 2010

Mr. James Cox  
Chief Executive Officer  
IPART  
PO Box Q290  
QVB POST OFFICE. NSW 2130

Dear Mr. Cox,

**Review of the Water Administration Ministerial Corporation's Water Management Charges.  
Your Reference: 09/30**

Thank you for your letter of 18<sup>th</sup> October and the enclosed information.

I appreciate the opportunity to comment on this draft Determination which I will do in due course.

I have an irrigation licence to pump water from the Barrington River, a tributary of the Manning River. The Manning system is not in the Hunter, but it seems your regionalize us in that way.

My father set up an irrigation plant on this property over 60 years ago, and we have held an irrigation licence since they were introduced.

In 1996 I increased the irrigation licence to permit irrigating wherever appropriate or needed on a total area of 80 hectares, especially following the advent of efficient systems like quick shift and K-line.

At that time Brian McDougall asked me to nominate a volumetric allocation. Using pump capacity and worst case scenario in a dairy situation I calculated 440 megalitres, which Brian thought was high but commensurate with high production properties.

I paid the five year licence fee and continued farming, using irrigation when essential to keep pasture alive.

The property is now used for grazing beef cattle with some Lucerne production from time to time. The property was a dairy for over half of the last century and is suitable for that purpose hence the establishment of a large irrigation licence to cover future possibilities.

It is not economical to irrigate regularly for beef cattle production, due to the low returns received for cattle.

It is essential to irrigate from time to time to keep expensive pastures alive in times of low rainfall and to promote "a green pick" to help the cattle through.

I do not waste water.

In 2002 we spent \$8,000 on diesel pumping water during that drought, a huge expense for this operation.

Since then, while the western areas of this state have been in severe drought, we in this area have been blessed with sufficient rainfall, whilst not plentiful, but falling at strategic times to provide sufficient fodder with very little irrigation.

We would have used less than two megalitres during that time.

That is a brief history of our situation and water usage since I took out a new increased irrigation licence and paid the five yearly fee. The irrigation licence has been renewed each five years and the fee paid.

But additional annual charges began creeping in and I remember once calculating that our five yearly charge had gone from \$256 to \$1300 in total.

Then the somewhat confused accounts were received from State Water following IPART's previous determination demanding huge payments, with huge annual increases.

The accounts were not itemized and did not state what I was being charged for.

Naturally I queried the accounts, as I do not pay accounts which do not state what the charges relate to.

That began in July, 2008 and to date no one in State Water, the Office of Water, IPART or the Minister for Water has given me that information.

It has been a very frustrating and distressing exercise because everyone passes the buck to someone else and it comes back to IPART and some time ago one of your officers told me the determination was set by your office and that was the total amount.

Eventually I wrote to the Minister for Water through our local member, the Hon. George Souris, and after almost a year's delay he replied in July, 2010, but only sent the list of charges you determine which I already possessed.

Minister Costa and no one else has told me what these charges are for.

The charges remain unpaid and have blown out now to over \$5,000 because I do not pay for services not rendered.

In your draft determination you state smaller sums which it is proposed to charge large numbers of licence holders.

71% of licences will be subject to a bill of \$500 a year or less by 2014.

Our latest invoice issued on 3<sup>rd</sup> November, 2010 is \$1,860.90, a crippling charge to us for services not rendered and water not used.

I have had a water meter for some years, and your determination indicates a standing charge and usage charge, but I am still billed for the total volumetric entitlement.

The last time I checked with a Water Resources Officer in Newcastle, some 18 months ago, he informed me that they had not determined what kind of meters were acceptable.

No one has checked my meter, and so I am charged as though I don't have one.

Is this what you are sanctioning State water to charge me \$1,860.90 for?

Due to the lack of transparency from NOW both to me as a land holder, and to you as a regulator, as your draft determination states, it appears that the charges administered by State Water are a tax on farmers to fund a bureaucracy.

Other countries ensure security of food production by subsidizing their farmers. In China farmers are revered.

In Australia farmers are ignored, vilified and taxed.

I encouraged other members of our water users association to make submissions to one of your earlier attempts at a determination last year but they informed me that they attended a meeting in Taree prior to your previous determination and were ignored. Their comment: "What's the point in doing that again?"

Is there any consideration in government or its bureaucracy including IPART – at state or federal level for food security in this nation?

It appears that there is not.

Farmers are a sure bet for funds because we just pay our taxes and keep farming.

We do not have time to read 300 page determinations and sit around writing submissions which nobody reads or comments on.

I hope someone is still reading this and I request that I meet with your panel.

I did not attend your meeting in Tamworth because I did not want to spend five hours driving the round trip to a meeting of people who are dealing with a totally different situation from that here on the coast.

That's the error of all green legislation which is preventing efficient food production in this state. It is based on the one size fits all principle that what applies west of the Great Dividing Range applies also east of the Great Dividing Range.

Farmers are also expected to fund ecological change for community benefit.

For example we are restricted on clearing land for production and we are expected to take land out of production to grow trees on it at our expense for community benefit.

One way out of our dilemma is to sell off our most productive farmland to foreign countries, keen to buy land either for their own food security or to dig it up and destroy the land and aquifers under it to mine coal.

I trust you are aware of how much valuable farming land has been bought by the Arabs, the Chinese, the Indians, the Brazilians and others.

Australia is now a net importer of food!

Australia has the capacity to feed 80 million people!!

When are all of you in the cities going to wake up?

Meanwhile we farm for a pittance.

In 2001 we broke the \$2.00 per kilogram live weight price for cattle.

It was around that time when I calculated that my five yearly total fee for maintaining an irrigation licence had increased from \$256 to about \$1300.

During the past six months in 2010, nine years later cattle have again broken the \$2.00 per kilogram live weight threshold in some categories.

In the meantime it has fluctuated around \$1.50 to \$1.80, occasionally spiking to \$2.00.

To maintain my irrigation licence at your present level of charging the five yearly cost would be around \$9,000, a 700% increase while earning potential has remained static or declined

Meanwhile in a good year with good markets our farm can gross up to \$90,000 , then we take out all our expenses generally \$40,000 to \$50,000

I note in your draft report that NOW allows around \$170,000 per capita to pay its staff, almost double the amount our farm can gross.

I have read the material you supplied with the above letter and portions of your draft report. I also spoke with Amanda Chadwick who was very helpful, but did not seem to understand our situation as irrigators on the Barrington River, an unregulated coastal river.

Therefore I request again the opportunity to meet with your panel, because this whole exercise is inflicting on farmers an unfair crippling cost to our viability to produce food.

The water in the Barrington River flows freely past our farm as a result of rainfall or snowfall events.

There is nothing that NOW or anyone else can do to "make water available".

NOW can't even make water available from regulated rivers when there is no rain, but irrigators continue to be charged. E.g. the recent situation in the Lachlan Valley when flow was completely stopped, but irrigators continued to be charged.

Where is the fairness in that? Is that justice?

It is abuse of hard working people by government and its bureaucracy.

Table 3.1 pages 34 & 35 lists ten parameters determined by Pricewaterhouse Coopers from the veiled information NOW provided which in PwC's opinion justify charging for "making water available".

Has anyone from PwC walked along any of the rivers involved, let alone managed their way through a drought, sparingly allocating dwindling water supplies to sustain pastures, livestock and ensure sufficient water to keep a river flowing full length?

None of those ten points listed in table 3.1 apply because NOW can't "make water available" as noted above.

Examples of my concern with the whole of your draft report:

Item 2 in Table 3.1. Surface water and groundwater management, second column: "System operation activities, blue-green algae management and river works management activities are included on the basis that they arise from the supply of water from NOW's facilities"!!

What facilities?

NOW doesn't supply any water from facilities on the Barrington River, the water comes from Barrington Tops and tributaries along the river as a result of rainfall or snow melts.

There is negligible blue-green algae and the only river works are done in consultation with the Catchment Management Authority and funded by the landholder, a specific grant, or a combination of both.

Item 3, Table 3.1 Water licensing and compliance has been done by the relevant department for the past 60 years or so in connection with the irrigation licence and at no extra charge.

Like the listing in Table 3.1, your building block approach appears to be a further attempt at passing on NOW's multi-million dollar costs to farmers.

1. How can you "establish the efficient operating and capital costs of NOW"  
Without an itemized account, other than by assumption? I have to conduct this farming business according to the facts presented and determined, I cannot assume anything.
2. How can you determine the share of these costs that should be paid by water users, using the impactor pays principle when NOW has not provided you with an itemized account?

What is the impactor pays principle?

In times of plenty, when there is good flow in the river no one impacts, the water continues on down through the catchment and out to sea.

In times of drought, when there is low flow, everyone impacts, urban dwellers - Gloucester, Wingham, Taree, Forster, Tuncurry and the seaside sprawl – farmers, wildlife, aboriginals.

On the Barrington River we farmers impact by keeping the river flowing in drought. When flow falls below 70 megalitres key people in the local Water Users association use river flow

information to allocate restricted hours of pumping for irrigators to ensure sufficient flow continues to the sea at Manning Point.

There have been times when the Barrington River is the only River with water flowing in the whole Manning system.

3. Your “allocating costs to different valleys and between regulated, unregulated and groundwater sources” by your process of assumptions penalizes those in valleys where there are few licence holders, and penalises those in unregulated valleys where there are large numbers of measuring stations - placed there for information for NOW to determine overall community benefit.

The charges you have determined for North Coast Rivers are absurd and like the charges we have been receiving in recent years are crippling.

Are you or anyone else in Government and its bureaucracy in this nation concerned with security of food production?

You claim that you have set the prices for various catchments based on the number of water measuring stations.

What kind of criteria is that?

Those stations are there for overall monitoring, or community benefit, not solely for irrigators.

Further, those measuring stations are obviously not evenly distributed when NOW intends to install another 128 of them.

Are you going to change your allocations and charges when that's done?

What about the metering stations on regulated rivers?

Amanda Chadwick told me that they're owned by State Water and charged differently. So that leaves us on unregulated streams to pay more for something we shouldn't be charged for.

It is absurd that we on an unregulated river should pay more than those on a regulated river.

4. How can you “set the split between fixed and usage charges” when NOW hasn't given you the information?

NOW won't give it to we who are required to pay either, referring us to IPART, they say you have set the charges.

For over two years I have been trying to obtain that information and no one, State Water, NOW, IPART, or the Minister for Water will tell me, so the exorbitant charges I have been billed under your previous determination remain unpaid because I do not pay unsubstantiated, non-itemized accounts.

5. You don't have to determine forecasts for entitlement and usage volumes because they are already set by the embargos on each river, and the total licences thus issued.
6. NOW has been in confusion on meter services for years, and what are transaction consents?
7. Have you really considered what impacts your determination has had on users? What adjustments?

You can see from the above the impact you've had on this user. You don't have any credibility, because you have not gone back to the basic facts and worked out where the water in our rivers comes from – and it's not from NOW.

It is obvious that you have to find some way of passing on the costs of a \$55 Million bureaucracy to users. Costs which should be borne by the whole community from the taxes we pay.

8. Establishing a reporting framework for NOW – will they?

Somewhere in your report you mention water sharing plans, as a further excuse to pass on costs.

The Barrington Water Users Association has been through that exercise too, and made a mildly worded submission.

“Water Sharing” plans are Water Trading plans, set up for big business, and their provisions are not logical. Water can only be traded downstream, but it can be traded from one stream to another, increasing the demand on the second stream.

Once water has been traded downstream it stays there.

The only bidder at present in this area is Mid Coast Water, securing water for coastal urban development. Once traded that water is lost for food production. Water allocated to a property should remain with that property and be available for loan or lease for food production not speculative purchases by the likes of Macquarie Bank.

Are we water users expected to pay for developing a farce like that?

I'm sorry I have run out of time to examine all of your draft report, but the portions I have read do not justify your taxing water users, principally food producing farmers to fund NOW.

Please remove this impost and let us get on with farming within the constraints of our variable harsh climate as we work this amazing, responsive country we call Australia.

As stated above may I with my wife Shirley and son Paul please have an appointment with you and your panel to discuss the above. The entitlement granted to our property should remain with this property, but \$1,860 a year for water freely passing our property is an unfair, outrageous impost.

I look forward to your reply.

Yours faithfully,

Newman Patmore.