

**Richmond and Wilson Combined Water Users - Far North Coast NSW**

**Submission to IPART on NSW Office of Water 2010 - 2014 Price Determination  
for the North Coast**

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This submission is on behalf of the water users of the Richmond River catchment including those of the Wilson River sub catchment – The Richmond and Wilson Combined Water Users Association (RWCWUA). Our membership (over 400 water users) is spread across the communities of the upper and lower flood plain of the Richmond River with major centres being Kyogle, Casino, Coraki, Woodburn, Lismore, Alstonville, and Ballina.

The Richmond and Wilson Tidal and Fresh Water Users Association and the Toonumbar Water Users Association (regulated) are also incorporated within this umbrella water users association along with many other localized Water Users groups from within the Richmond Valley.

There is a strong reliance on licensed water use in the valley to conduct a range of primary and secondary industries including dairy, beef cattle, pigs, poultry and numerous horticultural enterprises (stone fruit, nurseries, macadamias, tea tree, pecans and sugar cane), abattoirs, sporting groups and others.

The Combined Water User Association (RWCWUA) worked extensively with the NSW Office of Water (NOW) in the development of the water sharing plan for the Richmond River Catchment.

### **General comments.**

IPART did not increase prices anywhere near what the Office of Water had requested. The Office of Water requested increases far above what is realistic.

1. The delayed start date, now 01 July 2011, is welcomed.
2. The length of the determination – now three years (ending 30 June 2014) makes common sense in terms of providing a smaller time frame in which to determine whether the prices set for water are realistic and not financially detrimental to water users.
3. The irrigation community of the Richmond River catchment is paying too much out of their own pockets to support the “community good” elements within the pricing structure.
4. Stakeholders were not able to provide comment on usage forecasts for unregulated rivers and groundwater as the NSW Office of Water (NOW) did not provide these.
5. NOW’s financial and reporting systems and approach to consulting with stakeholders must be noticeably improved. This includes transparency in recording its expenditure and the outcomes achieved in order to justify any further increases in costs to the consumer.
6. RWCWUA believes that there is insufficient information on groundwater aquifers including local factors to justify the charges for groundwater.

## **Specific comments relevant to the RWCWUA and North Coast water users**

It is our understanding that for the North Coast our total water bill, as outlined in the draft determination, will be made up of the following costing components - gauging stations 11%, entitlement volumes 28%, licence numbers 23%, groundwater licences 12%, water sharing plans 17%, and others 8%.

The minimum charge is to be raised from \$60 to \$95 in the next billing period.

1. The North Coast, as defined by NOW, consists of an area which goes from the Queensland border down to, but not including, the Hunter region. We do not believe that it is within the spirit of the "valley by valley" approach, which is purported to be in use by NOW for pricing determination, to have so many coastal river catchments considered as one entity. The area is extremely diverse and this does not appear to have been reflected in NOW's submission.
2. The base charge of \$95.00 suggested in the draft determination is still too low. It fails to recognise the true value of the water resource, especially in the case of the small license holder. It is suggested that a figure of \$200 could be justified. This would mean an extremely large increase (approx. 235%) but we feel that this is not unreasonable. Small licence holders require a disproportionate amount of NOW's resources to manage in terms of their use of the water resource.
3. NOW requested an increase by 71% to North Coast water users. IPART's draft determination is for an increase of 31% in the period to 2014. RWCWUA believes that a 31% increase is still not justified for the following reasons:

### **(a) Gauging stations**

It is recognised that the Richmond River valley is extensive and contains many sub catchments requiring an above average number of gauges to assess flow. The gauges are used to determine when restrictions on use and cease to pump orders are implemented. This occurs during the very rare times of low flows, so that environmental flows can be maintained and water is available for town supply, licenced stock and domestic supply and riparian right users.

The only gauges used to regulate irrigation water supply are two on the small regulated Toonumbar system. It is our understanding that in the six major rivers contained in the area known in this determination as the North Coast there are in excess of 200 gauges on the remainder which is unregulated.

They have been put in place by various government bodies and of these NOW claim ownership of 80. All of these are used for monitoring flood events which occur much more frequently than low flows.

As the flood gauging network is established for community good the fact that irrigators are being charged for the majority of the cost of these 80 meters is basically unfair.

As the vast majority of licences on the North Coast are within the Richmond River catchment and only a few of the gauges to which NOW claims ownership are located on that river system it is inequitable to expect the

licence holders of the area to have to bare 70% of the deemed full cost of each gauge (\$7,630.00/year). The cost of maintaining and monitoring river meters (gauges) on unregulated rivers is being passed on to licence holders, but the benefits received from these meters (gauges) goes beyond licence holders (flood monitoring). A higher percentage of this should be considered a community service obligation and therefore paid by Government;

**(b) Water management -**

The management of ground water is largely a paperwork task as there are fundamentally no meters to read and minimal field trips by staff to monitor and liaise with water users. Hence proposed charges are excessively high. Unregulated surface water has no water delivery cost, use is currently unmetered (therefore there is no cost to read meters and when metering is implemented users will be expected to provide NOW with readings), water use restrictions and cease to pump orders are implemented and monitored by irrigators and Water Users Groups at no cost to NOW and any change to water licences already incurs a user pays fee. The small regulated Toonumbar system already bares the highest State Water charges of any in the state. Additional increases by NOW will result in licence holders leaving irrigated industry due to lack of viability. Therefore it is unreasonable to expect the formula used in this determination to give a fair outcome for licenced water users;

**(c) Water sharing plans**

The RWCWUA actively engaged with the NSW Office of Water, including the participation in, and organisation of community meetings (water users, wider community briefings, NRCMA). It also participated by input of submissions in the development of the water sharing plan for the Richmond catchment. The 17% of licence charge figure in the NOW determination is unjustified as the water sharing plan was based on protecting and establishing environmental flows. As the whole community benefits from the setting of environmental flows charging water users for a program that is designed to benefit the environment and therefore the public is inequitable. NOW claim that there is no cross subsidy to the large complicated plan being developed for the Murray Darling Basin however it is our understanding that planning staff from the North Coast are actively involved in formulating this plan and unavailable to complete other coastal plans in our area;

**(d) Metering**

There is no incentive for irrigators in the unregulated system to install meters and move to the two part tariff under the current proposal. With the fixed charge being for 70% of the licensed volume and the remaining 30% being according to usage it would not be of any benefit financially for an irrigator to invest in meters. If the fixed charge was 30% and usage charge 70% and an incentive program of some kind put in place to assist financially with installation for meters there may be a greater uptake.

There is no clarification from the Office of Water as to when water meters are required to be installed or the real cost to the licence holder, or their costs in terms of managing the meters (readings, compliance, administration).

4. The Richmond and Wilson Combined Water Users Association requests that the IPART Tribunal receive a delegation from the Association so that it may further clarify issues raised in this submission.