

15 June 2010

Mr James P Cox  
Chief Executive Officer and Full Time Member  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

By Email: [ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)



Dear Mr Cox

**Re: NSW Office of Water Charges- Determination**

The NSW Farmers' Association (the 'Association') welcomes the opportunity to comment on the Independent Pricing and Regulatory Tribunal ('IPART') review into the NSW Office of Water ('NOW') Charges Determination.

**Metering Service Charges (section 10)**

This is an issue of concern for the Association and its Members, particularly those in the Hawkesbury Nepean catchment who have been provided with inadequate information regarding the Hawkesbury Nepean Water Metering Project (the 'HNWMP'). The HNWMP is the first of a number of State Priority Projects to be rolled out by NOW and State Water Corporation. These projects are Federally funded and will be applied throughout NSW; the HNWMP is therefore a 'test case' and will set the precedent for other projects.

It is the Association's position that NOW has taken a back to front approach to the Hawkesbury Nepean Metering Project, by focussing on meeting Federal Government targets at the expense of the needs of the primary stakeholders; irrigators in the region. This is an issue that the Association has raised on a number of occasions with NOW.

The Association acknowledges that NOW has, in response to the Association's representations, begun to address these concerns and has recently convened a series of meetings throughout the Hawkesbury Nepean catchment. This consultation has been appreciated by irrigators in the catchment. However, the Association believes that there are still too many unanswered questions regarding the new metering program and that, at this point in time, the consideration of metering charges is premature. The Association therefore requests that IPART defers any determination on metering charges until the next determination period when more information on these costs exist.

Notwithstanding this, the Association makes the following recommendations regarding the NOW determination.

**1. No manual meter reading charge should be applied for telemetry enabled electromagnetic meters<sup>1</sup>**

NOW has sought to claim both a manual meter reading cost (\$75) and a remote metering reading cost (\$60) for telemetry equipped meters. Since the single annual reading occurs in conjunction with a maintenance visit, no charge for

<sup>1</sup> Examples refer to Electromagnetic meters with data logger and mobile data modem, which is the most common meter installed under this program

manual reading should apply. To allow this cost to be charged to irrigators would cause NOW to charge irrigators twice for the same visit.

**2. No meter maintenance costs should be applied during this period of determination**

The NOW has claimed a total of \$173 for meter maintenance costs during this determination period. The Association submits that the new meters should have a minimum of three years warranty and preferably longer. It follows that no maintenance costs should be required or approved in this determination period.

**3. The costs of dispute resolution should not be spread across all users.**

NOW has claimed a \$17 annual dispute resolution cost. The Association submits that where dispute resolution is required this is an issue for the NOW and the licence holder in question. Conscientious fee paying water users must not be forced to bear the costs of dispute resolution.

Taking into account the removal of the three costs outlined above, the Association believes that the maximum justifiable metering charge is \$116 for Electromagnetic meters with data logger and mobile data modem (\$60 Remote Meter Reading charge + \$56 Meter Information System charge = \$116 per annum).

A further issue requiring consideration is the impact of a standard water charge on smaller users. Such users represent an important element in the irrigation industry but are less able to bear increased fixed charges.

The Association believes that consideration of a metering service charge is premature and that consideration of such charges should be deferred to the next IPART determination. In this regard it is noteworthy that NOW has recently advised irrigators in the Hawkesbury Nepean that no metering charges will be issued for the first three years of the project.

If the IPART does decide to consider a metering charge then the Association submits that it should be limited to \$116.

**Other matters**

The Association is a member of the NSW Irrigators' Council and endorses its comprehensive submission regarding the Water Charges Determination on matters not outlined above.

Yours sincerely

Charles Armstrong  
**President**