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## SOUTHERN RIVERINA IRRIGATION DISTRICTS' COUNCIL

7 November 2001

Professor T Parry  
 Chairman  
 Independent Pricing & Regulatory Tribunal of NSW  
 PO Box Q290  
 QVB Post Office  
 SYDNEY NSW 1230

Dear Professor Parry

SRIDC welcomes the opportunity to comment on the IPaRT draft determination of Department of Land & Water Conservation Bulk Water Prices from 1 October 2001.

SRIDC generally supports the IPaRT decision and the issues identified for consideration in the next determination. In particular the ruling relating to capped increases acknowledges the impact on irrigators and the viability of irrigators, and this is supported by the inclusion of the fixed charge in the variable cost analysis.

However, in stating the above, there are some issues of concern that SRIDC feels need clarification and these are set out below.

### Impactor pays scenario

- Not enough is known and understood on this cost sharing option but SRIDC considers that this will greatly increase prices for bulk water over time. More needs to be done to understand impactor pays scenario not just now but in the future. SRIDC would support the notion of a workshop to enhance the knowledge of the irrigation sector on this scenario.
- SRIDC has issues with the allocation of MDBC assets (ACIL consultancy, Table 25, page A4-43) to 100% irrigation and therefore all costs being borne by water users. Hume & Dartmouth Dams and Yarrowonga Weir have uses other than irrigation, eg hydropower, flood mitigation and the increasing use of the storages for environmental requirements. An example of the latter are the new rules regarding the Barmah-Millewa forest allocation in which 150,000 ML per year can be stored for up to six years. This allocation will take up a significant volume of air space in the dams reducing the ability for irrigation supplies to be stored.

### CSC Committee Process

- The consensus voting process is not working. SRIDC seeks direction from IPaRT on how it should work. An example is the CSC recording vote (majority) and DLWC using this to justify their policies, ie irrigators in the

- Murray Valley have been told by the DLWC that carryover of up to 50% is a CSC decision by your representatives therefore you must accept this decision, even if the decision was majority NOT consensus.
- The provision of information – financial (eg specific valley accounts for State Water and DLWC, budget, comparison to budget) and other – to the CSC's in order for them to consider when making recommendations is poor at best. The committee members are unable to adequately make decisions, as appropriate and timely information is not forthcoming. The accounting systems within DWLC must be upgraded to provide this information or another method found to provide this.

#### Efficiency Savings

- DLWC and State Water must be able to determine and accurately realise cost efficiencies. It is not satisfactory for public authorities and government departments to say we presume this is an efficiency level but to not actually realise the same and in lieu just reduce bulk water charges by this determined efficiency amount. This has implications in the future for escalating costs and unrealised cost savings.

#### MDBC Issues

- The ability for the CSC to access financial and other information from the MDBC, ie the process is not clarified. Currently the DLWC are supposed to be the liaison but this is not happening. In lieu, the irrigation community is told that the DLWC is supposed to provide this information and this does not happen. The DLWC openly state that they are the clients of MDBC and NSW irrigators are their clients. This smacks of a mentality that excludes access to pertinent information by NSW irrigators. Comments made by PwC at the Griffith workshop supports this point of view, ie the MDBC provided any information requested and that the DLWC should be accessing and providing this information for irrigators.
- MDBC Compliance Annuity is not being charged by MDBC and yet the PwC consultancy deemed that this should be paid and it has been incorporated into Murray Valley MDBC costs. SRIDC would like to determine where this money is transferred to if the MDBC do not pass on the cost to State Water, ie where does this money go after collection from water users. SRIDC will not support the collection of an MDBC compliance annuity if these funds were to pass into the NSW Treasury or DLWC/State Water coffers.

SRIDC looks forward to your comments on the above issues.

Yours faithfully



TREVOR CLARK  
CHAIRMAN