

# Lower Macquarie Groundwater Irrigators Association

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Mr. James Cox  
Chief Executive Officer  
Independent Pricing and Regulatory Tribunal  
Level 2, 44 Market St  
SYDNEY NSW 2000  
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## Re: Macquarie Valley Groundwater Price Increases

Dear Mr. Cox,

I am writing on behalf of the Lower Macquarie Groundwater Irrigators Association. We are the only highly managed groundwater users in the Macquarie Valley & represent **90** groundwater irrigators with entitlement of 137,301ML where sustainable extraction is 65,682ML

I write to emphasise several issues:

### **1. Table 10.3 Entitlement Volumes & Usage for Groundwater**

The figures used in this table for the Macquarie highly managed area are wrong.

DNR Groundwater Newsletter, Nov 2005, shows Usage 54,890ML and, as stated before, total entitlement is 137,301ML. Also stated in this Newsletter this is the highest usage volume recorded in this groundwater management area. The Tribunal states that entitlement usage data was calculated from billing data. Groundwater irrigators have not received their water accounts for 2004/05. These accounts are sent out by State Water; at a State Water Customer Service Committee Meeting last week the meeting was informed DNR had not given State Water the data to send out the water accounts, when DNR have had the data since at least Nov 05.

I ask why have DNR given IPART wrong information? While Burrendong Dam is at such low levels then groundwater usage will be at the 50,000 to 54,000ML.

Why are the Macquarie Valley groundwater irrigators being asked to pay 35% (Lachlan), 45% (Murray) & 77% (Murrumbidgee) above these other Valleys? When this is calculated back to megalitres in each valley the Macquarie is 40% (Lachlan), 70% (Murray) & 77% (Murrumbidgee). This was using the figures in Table 10.3 & Table A4.3.

As stated before, the Macquarie Valley's figures in Table 10.3 are a lot lower. Macquarie usage is half that of the Lachlan, however the Macquarie is being charged more. The highly managed area in the Macquarie Valley is around Narromine whereas the Lachlan highly managed area spreads from Cowra to Hillston with a greater number of irrigators. Surely costs would be higher in the Lachlan Valley?

## 2. DNR Costs

**Table A4.3** Tribunal draft findings of DNR's user share of operating expenditure & depreciation (real 06/07)

For the Macquarie groundwater for 2006/07 of \$1.6m, this figure is still \$400,000 over-inflated. MRFF & LMGIA had a meeting with DNR representatives where this error was revealed in costing the monitoring program. This error was pointed out by DNR Regional staff in Dubbo to DNR Head Office before they presented their submission to IPART. Regional DNR staff at this meeting also pointed out the costs estimates they were requested to provide to DNR Head Office during the preparation of DNR's cost proposal to IPART were not the numbers used in DNR's costing submission presented to IPART.

The PB Associate study could only show costings for \$395,000 in a year; where is the costing for the other \$1.3m? This study didn't identify the error in costings by DNR.

The Tribunal is working towards full cost recovery; however it is an inflated cost.

## 3. Staff Numbers

In 7.2.2, Page 47, it is stated that an additional 6 staff is needed per region compared to 2004/05.

At the meeting with DNR Dubbo Regional staff the then Regional Director informed us staff were taking redundancies, and once they leave there were no funds available to replace staff.

Instead of increasing staff numbers DNR is losing staff. With less staff how can DNR do its compliance work, implement WSP, monitoring, etc? Local DNR staff do not know what is going on, irrigators can't get information, DNR do not have staff to do their job. Staff are leaving a sinking ship.

Who makes DNR accountable for expenditure from increased charges?

I reiterate:

- Incorrect data used for entitlement & usage
- Macquarie Valley costs higher than other valley
- DNR losing staff, not increasing staff numbers

I have great concern that IPART is working towards an over inflated cost recovery. There is a complete lack of transparency of costs.

Why should Macquarie Valley Groundwater irrigators pay for DNR costs not substantiated & not proven to be accurate & efficient & if they are costs related to meeting Government/community requirements rather than directly related to the provision of groundwater for irrigation?

Yours Sincerely,

Peter Gainsford  
**Chairman LMGIA**



## Lower Macquarie Groundwater Newsletter

This is the 3<sup>rd</sup> annual newsletter for the Lower Macquarie Groundwater Management Area 008

### Groundwater Extraction in 2004/05

In the 2004 - 2005 water year a total of 54,890 megalitres (ML) was extracted across the six zones. Overall this is the largest recorded annual volume of groundwater pumped in the Lower Macquarie Groundwater Management Area. The total volume pumped is up by 26% from the previous 2003 - 2004 season. Zones 1, 2, 3 and 6 recorded their largest annual usage.

The individual zone usage for 2004 - 05 usage is shown in the table below. The zones boundaries are shown on the map on page 2 of this newsletter.

Table 1: 2004 - 2005 groundwater usage

Management Zone	Zone Extraction Limit (ML)	2004/05 Usage (ML)
1	21,680	19,088
2	22,610	17,909
3	9,350	10,922
4	5,100	4,717
5	2,398	61
6	8,160	2,191
<b>Total</b>	<b>69,298</b>	<b>54,890</b>

### Groundwater Allocations

Allocations in Zone 4 are again at 28% of entitlement this year. Allocations for Zones 1, 2, 3, 5 and 6 remain at 100% of entitlement.

Extraction in 2004 - 2005 in Zone 3 exceeded the extraction limit for the first time. Under the existing operating rules the trigger for considering reducing allocations is reached if the average of the preceding three years extraction exceeds 90% of the extraction limit. This 90% level has been exceeded in Zone 3 although the average is still below the extraction limit. Allocations for 2006 - 2007 will be dependent on the changes to entitlements under the Achieving Sustainable Groundwater Entitlements Program which is currently being negotiated (see Changes to the Water Sharing Plan pg 2 of this newsletter). Under the current entitlement levels and operating rules, the allocations for Zone 3 will be reduced in 2006 - 2007.

### Temporary Transfers

A total of eight temporary transfers were approved during 2004 - 2005 allowing 1,745 ML of groundwater to be transferred. All transfers were within Zones 1 and 2. Temporary transfers are again possible this water year under the same transfer rules as 2004 - 2005.