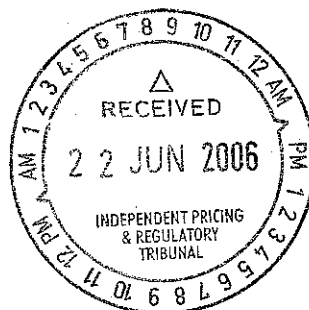


Submission - Draft report – Bulk Water Review
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
SYDNEY NSW 1230



Dear Sir,

I submit the following comments on the above draft report. My comments will be brief as I have a property to run. Contrast that to the dozens of full time bureaucrats whose full time job is to increase existing taxes or dream up new ones.

I found the structure of the draft determination to be very unprofessional.

The report should have been three distinct chapters (or three individual reports) on the three subject matters ie regulated, unregulated and groundwater. With limited or no involvement in regulated and groundwater it was extremely annoying to have to wade through pages of irrelevance never fully sure if I was in the correct section. I trust this glaring mistake is rectified in the final report.

It is disappointing that IPART has yet again allowed DNR to con it with a series of absurd claims all based on the proposition that water is too cheap.

I do not expect any notice will be taken about what I say but will say it anyway as some form of return for the ever increasing charges DNR is allowed to extract from me.

Lets have a look at recent past IPART price increase approvals and the four year increase of 25% granted with the current proposal using a base charge of say one hundred dollars

Charge	Year	Increase Granted	Actual Increase	Actual Charge
100	2001	20% + CPI	23%	123
123	2002	20% + CPI	23%	151
151	2003	20% + CPI	23%	186
186	2004	Year of Rest	0%	186
186	2005	10% +CPI	13%	210

So we have more than doubled the charges and should have full cost recovery as confirmed in the 2001 IPART determination. But wait on as the National Water Initiative is here and DNR, ever

vigilant to the possibility of some empire building invents Water Sharing Plans (WSPs) and needs lots more people with considerable head office support to meet the new need.

But how to get some bunnies to pay for it all as the Government is broke and it is in the business of cost shifting? Of course get the spin doctors to tell the users that it is all their fault and that they will get increased security for their water. DNR knows that IPART is a soft touch and sure enough IPART gives four years at 25%. What an insult to users. We go on from our 210 charge.

210	2006	25%	25%	262
262	2007	25%	25%	328
328	2008	25%	25%	410
410	2009	25%	25%	512

If my maths are faulty I expect someone will let me know but on the face of it \$100 in 2001 is then \$512 in 2009 supposedly to give effect to increased security to users and WSPs.

Let me remind IPART of what it has told me about water security many times and I quote

“Your licence does not guarantee that you will receive any water in any year”

At Table 7.8 the user share of \$M125.4 from a total of \$M189.8 is 66%. DNR has in theory to pay 34% but in reality can cut back on staff and users will actually pay an even higher percentage.

Let me remind IPART that the user share of water under the draft WSP for my valley is 4% and the environment gets 96%.

Does this comparison not cause just the tiniest doubt that the figures are arse about face. Why should users drawing 4% of the water be paying 66% of the costs even if the figures are a bit rubbery.

Another reason for screwing users for most of the costs is that they are claimed by DNR and the greenies to be impactors. Given the reality of using a maximum of 4% of flow has IPART reconsidered, even just a tiny bit, that users are impactors to the same extent as before?

Still no word or action of any form on the supposed “consultation” on the draft WSP issued October 2005 for our valley but one can be sure of some mutterings as soon as IPART gives the final four year determination.

And it looks like metering and water use efficiency have had the sausage.

How DNR hopes to “manage” water when it has no idea who is drawing what amount of water and when, is beyond belief.

On the basis of clear statements from DLWC, IPART and DNR I reconfigured my irrigation system in 1999 at a cost of over \$10,000 to make my system more water and energy efficient. In all of IPART’s recent determinations the move to user based billing has been confirmed but IPART has now completely changed the billing regime with no recognition of consumption. I require an explanation of why I was mislead and why I should not be entitled for compensation for such a shift

in direction. IPART has been negligent in not showing a bit of backbone and giving DNR a date to have metering completed some time ago.

And what of the deception DNR has conveyed over introduction of two part billing. I was informed that two part billing could not be introduced until all meters are installed. We were then told that it was not possible to install meters in all situations. Has anyone any affinity for Catch 22.

We were then informed that during the five or six years past only 1% of plants had meters installed. I do apologise that at the current rate of installation I will not be around to witness the completion of metering in 500 years time.

IPART has supported this conspiracy of changing the story as time goes along by being weak and providing shoddy determinations able to be manipulated by DNR to suit its current needs. It may be time for IPART to delete Independent from its title as with every determination it favours DNR and the common political masters.

I noticed in one section that IPART urged DNR to complete metering. Big deal. Is that the toughest you can get? Do you think DNR will take any notice of urging when they now clearly have no intention of installing any more meters through your weakness to put a bit of discipline on them.

In 11.7.1 IPART "notes that the introduction of a two part tariff for irrigators on unregulated in future determinations would offer advantages in terms of demand management. As this will only be possible once usage is metered, it encourages DNR to expedite its metering program". Obviously you missed or ignored the DNR statement that not all plants could be metered so you have effectively excused DNR from having to install even one more meter to any of the 12,870 plants not metered.

I think it pathetic that IPART should now reward DNR with an entitlement based account system as a reward for their incompetence and inefficiency in metering water use.

How about a little bet on the side that IPART says exactly the same thing in another four years during the next determination.

Your charging regime, which takes no account of usage, provides no signal for any form of water use efficiency. In the past I have tried to use water (when available) as efficiently as possible but now with metering non existent and charges only based on allocation who would ever know how much was being used or wasted.

On a side issue landowners have to pay to support the Rural Lands Protection Board (RLPB) with whatever it is they do. They have developed a tax system based on the notional carrying capacity of land. I have sought to pay my tax on the actual stock held on the property as it is always a lower figure and would cost less. The state council of RLPBs has advised that they can not base the tax on actual stock units as that would be an excise and only the Australian government can levy excise under section 90 of the constitution. As DNR is charging per unit of water ie per ML of entitlement, is the charge not an excise? Does the NSW government have any right to make these charges for water or is water more correctly an Australian government issue. Certainly we do not need, nor can afford, nine Ministers for Water when one would do and we would avoid the constant blame shifting

between governments. It is interesting to note the cost shifting the RLPBs had when all the government veterinary officers were sacked and the 48 RLPBs, of course fully funded by ratepayers, were forced by legislation to employ veterinary officers to do the same work.

This government has elevated cost shifting to a high art form and I repeat why should users taking 4% of water be paying for 66% or more of the cost?

Obviously IPART has ignored the request to consider the real world differences between short run intermittent coastal streams and the longer more regularly flowing inland rivers by lumping all types of creeks and rivers into one catchall classification. I require an explanation of why this was not considered or was it too hard.

I note there will be a single public hearing in Sydney on 30 June 2006. The original plan was for two forums to be held in user areas and I have made numerous requests to have one inland and for the first time, to have one in my area to give IPART some real world experience of short run intermittent coastal streams. Needless to say I will not be at the Sydney meeting as I do not have the time or resources to do so but I do require an explanation of why now only one forum and why in Sydney again.

I have to go now to feed my starving stock as if anyone would care but I do look forward to your reply to my questions in due course.

Yours sincerely

Stephen Crossling