

Submission to IPART :- Bulk Water charges.State Water, NSW Office of Water, and any other relevant Government water charges.

Made by :- R Caldwell , "Radley", Cowra Rd , Forbes NSW 2871 Date :- 21-4-2010

Thankyou for the opportunity to comment on Review of Bulk Water 2010 to 2014.
I first made a submission to IPART 19-1-1996 (see Caldwell & Mac Phillamy 1996).

Not much notice was taken of our original concerns. Most of our concerns have come to pass despite assurances by the bureaucracy that our fears were unfounded.

In the intervening years, the Bureaucracy and Costs have grown exponentially. The Landholders right to a reasonable use of Water has been diminished without compensation.

I will briefly list my views. These are at "odds" with State Water & NOW. All I can do is ask you to Review the relevant statements by State Water & NOW with scepticism in view of their History.

I am opposed to Conversion Factors (CF) and "Shares". A Mega Litre of Water or Allocation should remain just that (The Rubicon has been crossed with regard to Water trading. Yes or No.).

I am opposed to State Water & NOW demanding a profit and RAB. They are arms of Government and should only provide a minimum cost, essential service (0% Return).

Could IPART examine State Water accounts and confirm these transfers have actually been made?

Raising costs above essential will reduce our World Competitive Agricultural Production.
I am opposed to Fixed charges because I am loosing money with no production. Just imagine the uproar in Sydney if fixed charges were demanded and "No Water" was delivered.

Statistical analysis of the 120 year Inflow record can be done to calculate the probability of consecutive years of drought and consecutive years of low allocation.
Why isn't this current practice ?

State Water, NOW and "Water Reform" believe water costs can be up to 10% of Farm Budget without detriment. Water costs should be minimal to remain world competitive
I believe a lot of Farmers will sell their licences, never to return to irrigation because it is unprofitable.

The Reliability of General Security Lachlan water is amongst the lowest in the state but water charges are escalating to make it some of the most expensive in the state.
A consequence will be uncompetitive Lachlan produce, reduced production, declining employment and contracting towns.

Scarcity pricing would just add to the Boom / Bust mentality. The present Cost increases and loss of Reliability are about to significantly add to Inflation.

I believe we are too indebted and a Depression is just around the corner. This will force efficiency gains but the World will experience considerable hunger, especially the poor. The high price of Rice is of particular concern to the poor.

Yearly Water bills were difficult enough to reconcile but Quarterly Bills will become a never ending nightmare (see Bills below). Quarterly billing will increase costs and confusion.

Figure 3.3 State Water actual and forecast capital expenditure compared to the 2006 Determination (\$ millions, nominal)

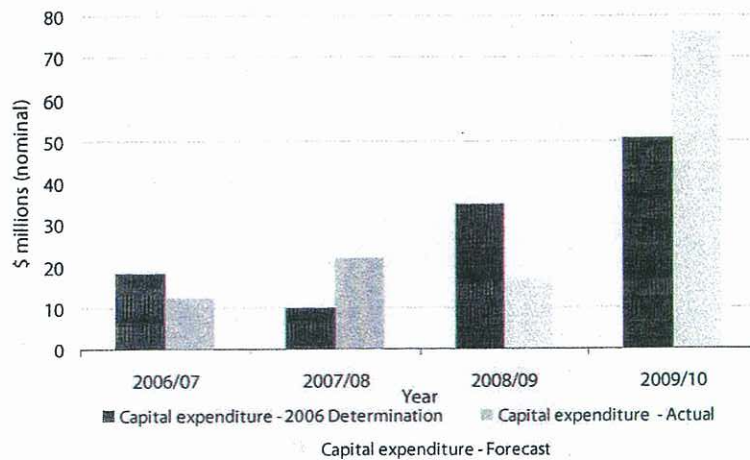
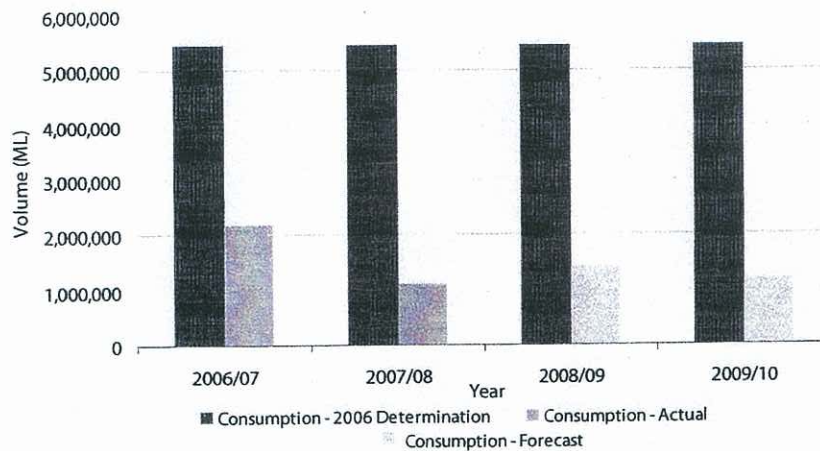


Figure 5.1 State Water actual and forecast sales compared to forecast consumption assumed in making the 2006 Determination (Volume ML)



Box 2.1 State Water's objectives under the State Water Act (section 5)

State Water's principle objective is to capture, store and release water in an efficient, effective, safe and financially responsible manner.

State Water's other objectives are:

- ▼ to be a successful business
- ▼ to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates
- ▼ where its activities affect the environment, to conduct its operations in compliance with the principles of ecologically sustainable development contained in Section 6 (2) of the *Protection of the Environment Administration Act 1991*
- ▼ to exhibit a sense of responsibility towards regional development and decentralisation in the way in which it operates.

Statement sent to:

Date: 7/04/2010

Payment Ref:

Customer Account No:

Licence/Ref No:

Our records show that as at the date of this notice, these charges remain unpaid.

<u>Description of Charge</u>	<u>Date Issued</u>	<u>Outstanding Balance</u>	<u>Age</u>
Water Management Access Domestic & Stock	12/11/2009	\$1.90	90 Days
Entitlement High Security Domestic & Stock	12/11/2009	\$14.00	90 Days
Water Management Access Domestic & Stock	15/02/2010	\$1.90	Current
Entitlement High Security Domestic & Stock	15/02/2010	\$14.00	Current

90 Days & Over	60 Days	30 Days	Current	Total Amount Due
15.90	0.00	0.00	15.90	31.80

Statement sent to:

Date: 7/04/2010

Payment Ref:

Customer Account No:

Licence/Ref No:

Our records show that as at the date of this notice, these charges remain unpaid.

<u>Description of Charge</u>	<u>Date Issued</u>	<u>Outstanding Balance</u>	<u>Age</u>
Interest	31/10/2009	\$1.25	90 Days
Interest	31/10/2009	\$8.90	90 Days
Water Management Access Charge High Security	12/11/2009	\$84.85	90 Days
Entitlement High Security	12/11/2009	\$614.25	90 Days
Interest	31/12/2009	\$0.25	90 Days
Interest	31/12/2009	\$1.95	90 Days
Interest	31/01/2010	\$0.65	60 Days
Interest	31/01/2010	\$4.65	60 Days
Water Management Access Charge High Security	15/02/2010	\$84.85	Current
Entitlement High Security	15/02/2010	\$614.25	Current
Interest	28/02/2010	\$0.55	30 Days
Interest	28/02/2010	\$4.20	30 Days
Interest	31/03/2010	\$0.95	Current
Interest	31/03/2010	\$7.05	Current

90 Days & Over	60 Days	30 Days	Current	Total Amount Due
711.45	5.30	4.75	707.10	1,428.60

9 REFERENCES

1. Wyangala Dam Safety Upgrade Stage 1 – Preliminary Environmental and Planning Overview, Dept of Commerce, 2008
2. Archaeological Survey and Assessment of Aboriginal sites, Wyangala Catchment, NSW, A.J. English and L.M. Gay, 1995
3. A Review of the Existing Literature on the Environmental; Effects of Wyangala Dam, A. Richardson, G. Rees and D. Baldwin, 2005
4. (Risk Assessment) Wyangala Dam Final Report, Sinclair Knight Merz, 2000
5. Wyangala Dam flood Security Upgrade Parapet Wall Option Investigation, GHD, 2008
6. Wyangala Dam – Further Development and Optimisation of Spillway Upgrade Options and Preliminary Environmental Assessments, SMEC, 2005
7. Blowering Dam Upgrade Stage 1 Works, Review of Environmental Factors, Molino Stewart, 2004
8. Physical Model Study for Wyangala Dam spillway, SMEC, 2006
9. Wyangala Dam Concept Design – Gate Raising and Locking, Dept of Commerce, 2008

MDBA is just another unnecessary cost burden Only \$30 Million now.

The Blow Out in State Water spending looks excessive and unrealistic (see Fig 3.3 above).

Dam Safety :- I think erecting a Concrete Parapet (Cost \$34 Mill) on an Earth Core may reduce integrity of the dam, give a false sense of security and actually increase the chance of Dam Failure.

I would be more comfortable with a robust gauging / warning system and pre-releasing water 12hours in advance of anticipated Inflows.

Cowra would experience the same levels of Disasterous flooding under both these scenarios.

Fish Ladders :- I think \$500,000 was wasted at Bumbagan Weir. \$250,000 of this came out of irrigation charges. This bad investment is not transparent and is not accountable.

To insure that this does not happen again, Fish Ladders should be 100% Government funded for the Public Good.

Metering :- Electronic meters may be preferable to the Dethridge Wheel but Mechanical Propeller Meters can be accurate if installed and adjusted correctly. Mechanical meters don't get flat batteries, don't require expensive software or data processing. Spindle life can be extended 2 or 3 fold with use of hardened materials.

To replace these existing meters with electronic meters (\$5,000 to \$10,000 each), even with a \$90M Federal capital contribution, meters will require maintenance, batteries and repairs. I am not sure if they will tolerate floodwater.

I estimate the service charge to be \$900/ year , even in times of Zero Allocation.

Using telemetry to avoid farm visits would further Blow Out costs and require extensive data processing.

I think it very unwise to take over ownership of meters when mobile insitue tests can confirm accuracy or require meter repair.

I notice electricity meters are physically read quarterly and this is a much bigger task.

In conclusion , I hope the dynamics of Farm costs, Food Production, Inflation and Australia's unsustainable Current Account will stabilise rather than experience more Boom's and Bust's.

Yours faithfully

R Caldwell