Peppercorn Ridge
Bombala Rd
CANDELO NSW 2550
17 November 2005

Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
SYDNEY NSW 1230

Attention Nigel Rajaratnam

Dear Sir

Response to the Department of Natural Resources (DNR) submission to set Water Resource Management Charges from 1 July 2006.

My overall impression of the DNR submission is one of disbelief that any group could propose such an aggressive, dishonest and poorly justified proposal into the public arena. I hope for this round of consideration IPART is firmer with its decisions as I feel DNR has treated IPART as a soft touch in the past and with insufficient guidance has been embolden to submit such a despicable submission.

The major thrusts are as expected for some empire building with lots of extra people each with, of course a four wheel drive to cruise around in, and the usual cost shifting to get others to pay for it all. We all know from the Landcare programs how good the NSW government is at getting others to pay for what is their responsibility.

The proposal mirrors the recently announced, pathetic, Native Vegetation Strategy which follows the government policy of overregulation. Some regulation is of course necessary but as the bureaucrats move to ever increasing levels of prescription and regulation the complications gather exponentially. The whole concept has developed, even at this stage, into an impractical and unworkable quagmire of bureaucratic rubbish.

One could liken this overregulation condition to a fast spreading cancer. Until the condition is diagnosed and an external surgeon is brought in to rationalise the regulations back to what is possible in the real world, we will continue to be assaulted with this time wasting drivel. Let us hope IPART is able to do some corrective surgery.

I am dismayed that DNR has done yet another U turn and abandoned the concept of water use efficiency and a pay for what you use system. I find it offensive that IPART has been asked to consider what is no more than a concept of how unknown costs can be transferred to others. One should have been able to expect the DNR submission to build on previous submissions in a reasoned and structured way.

The consistent theme throughout the submission is that DNR has to do all this WRM stuff and that irrigators such as myself will have to pay for it all on the pretext that some private windfall which will accrue and which allows irrigators to cover everybody's cost. I have not been consulted in any

way about what will be done under the wonderful catch all and sufficiently obscure title of WRM and reject the concept that I am one of the bunnies who has to pay for it.

It is time the DNR bureaucrats and their do as they are told consultants get away from Sydney and spend some time in the real world of the countryside.

Probably the most deceitful and blatantly dishonest concept the paper harps to constantly, is the claim that the environment (and therefore the government) is not a user and therefore should not be liable for any WRM or WSP costs. The decision framework for cost sharing ratios at appendix 3 asks the question "Is the WRM activity being undertaken principally for the benefit of private water users?" the answer is yes in virtually all the following subprograms in table A3.1. This is clearly a blatant lie with the effect of transferring to irrigators virtually all costs.

The real world situation is that WRM activities are simply part of WSPs principally designed to determine environmental flows. The environment has absolute priority to water and it would have been helpful if DNR had detailed fully how the WSP process will really effect irrigators but then they would not want to fully inform IPART as it would detract from the plot. After environmental flows are established, irrigators, still under graded levels of access, are then permitted to take some water. Under the draft WSP for my area my access to any water will be restricted to about 20 % of the time so why should I be paying much for WRM as I am not an impactor in any way and only access flows when there is lots of water in the creek. So for 100% of the time during a dry period when I reality need some irrigation water my "share" under the incorrectly titled Water Sharing Plan is ZERO as the environment takes it all. The net effect of environmental flows is of course to allow a maximum of fresh water, which we are supposed to be short of, to flow to waste into the ocean. I totally reject the concept that I should by paying for WSR implementation. The plan is not my idea and how could it be when I expect to be screwed and have to pay a lot of money just to become a last place player with the environmental god taking all my flow at the most critical times.

For the past few years I have been in unresolved dispute with DNR/SWC about having to pay for water I have not used simply because my creek has had no flow for extended periods. My water usage metering equipment has been in place since 1999. The accounts I have been forced to pay have been for the full access and full entitlement which has not been available to be used. I have argued that I should pay the access and the usage fee which in each year would have been a much lower figure in fact zero as detailed below. All users were advised by Russell Simons, Commercial Accountant, Finance, DLWC (now DNR) on 1 August 2002 that the water account for 2002/03 would be on the basis of the less expensive two part tariff. DNR/SWC have since ignored that advice and continued to bill on the higher area rate for water not used and not available. The common theme in the responses from various bureaucrats and Ministers of State was that two part billing could not be done until all unregulated sources were metered. My requests for information about the timetable for completion of the meter installation program and the resources deployed to complete the work have always been ignored.

The DNR submission finally confirms the deception of the bureaucrats and the Ministers of State with the revelation that of the 13000 licences on unregulated rivers, 1% , yes ONE PERCENT, have been metered. And to further rub salt into my financial wounds the DNR submission admits "While it may be desirable for all water extracted under licences to be metered, this is impractical." But does not bother to explain why this is so.

So there was never any intent to ever complete the metering process for licences such as mine and that all the replies from bureaucrats and Ministers of State (probably drafted by bureaucrats) are dishonest and form part of a conspiracy to defraud me. I will take up this issue with the current Minister, hopefully with the support of IPART, for refund of past overcharging. If reason is unable to prevail then the next account may have to go to a third party, such as a court, for resolution.

The completion of 1% metering of unregulated rivers in a little over five years extrapolates to the task being completed in some 500 years. I can now see why the bureaucrats were so confident of not ever going to a two part system but suggest this inaction whether it be deliberate, or simply a function of incompetence and/or laziness, has profound implications for this DNR submission. There is no way any WRM or WSP activities can be concluded unless the usage rate within rivers is known. It will obviously be many years, as detailed previously some 500, before DNR is in any position to come to IPART for any cost recovery concept of the type detailed in the current submission.

There is also no water measuring device within the catchment for my stream to measure total flow so I am wondering by what basis an environmental flow could be calculated anyway. Even if a total flow meter were to be installed in my creek it would take many years given the variability of rainfall to collect sufficient data on which to form a reasonable decision. Another point I am unsure about is if the two irrigators in my catchment dispose of their licences would WRM activities in my catchment cease as there are no users to fund the "work" or would users in some other area have to fund the "work" from which they would get no benefit?

It could be likened to a situation where the government declares an area of forest as part national park and part state forest. Should the state forest workers be expected the pay for the upkeep of the national park?

Another reoccurring theme is that the whole exercise is for the benefit of the users and by some magical process the level of security for water users will improve. Another blatant lie. Over the past four years from a licence to pump 312 Ml my creek has yielded 13 Ml. Given my harvestable right is 6.8 Ml per year giving a total (rounded) right of 27 ML I could have taken a further 14 Ml before using any DNR water.

I really would have liked to use my full licence entitlement as I have been forced to pay for this full amount of 312 Ml under threat of cancellation of the licence. I have been disappointed with the lack of support from IPART which appears to have limited power to apply some discipline to this inefficient mob.

I would like to know why the harvestable right legislation and the implications to their submission have been ignored by DNR. What is really unclear is how the harvestable right water is considered within the WSP rules. Surely this has to be considered now before IPART can make any sense of the situation.

IPART will also recall the advice given to me about security of water access in your letter of 6 March 2003 that "The unregulated licence issued by DLWC (now DNR) provides no assurance that you will receive any water in a given year".

So much for any claim of water security within the DNR submission.

You would also be aware that had a WSP been in place during the past four years with the restrictions it would impose on me then my water usage would have been considerably less. Under these circumstances the worth of the licence is not much above zero so lets not have any more crap about improvements to security or tradability for short run coastal streams.

I again call upon IPART to consider short run, intermittent coastal streams as in a different category to inland rivers where water falling high in the catchment may take six months to reach the sea and trading is possible but for my water, which may take only a day to run to waste in the South Pacific Ocean, sustainability and tradability are not feasible. I also note at activity code C07-17 that I have an "obligation to meet interstate environmental obligations". How could somebody exhibit such stupidity to suggest that my creek flowed "interstate", but it does show how little they know about geography. One can only assume it is part of this disease called "pass through to users". The same could be said for any contribution to CMA costs. It was not my idea to have them and with little landholder support they have a low probability of doing much worthwhile, so why should I be forced to pay for them?

I also have a document from the Bega office of DNR which informs me that "Water users in the Bega Valley have indicated that they do not wish to have a water transfer market operating in the valley. This is because they believe that there is already enough competition for water resources between existing users of the river". I am disturbed that local bureaucrats and some users can, without any contact with me as a licence holder for some 11 years, take such decisions which appear to override government legislation. Perhaps this point could be further explored by IPART for an independent view?

The DNR submission is obviously an ambit claim with lots of staff and activities listed and estimates for what it would all cost. I would have expected that anyone with a modicum of intelligence would have been able to translate the estimates into dollars per megalitre but no, I suspect the omission was deliberate as the increase would spectacularly eclipse the 100% we have suffered over the past few years, with absolutely no change to anything except the cost, with an increase of perhaps 1000% in year one and rising steeply thereafter. Who knows? Certainly not DNR as they provide no estimate of the Ml costs for anybody.

One wonders if it is not all a plot to make these licences so expensive to maintain for so little access to water that people will surrender their licences thereby relieving the government of the potentially expensive process of compensation as detailed at section 87 of the Water Management Act 2000. I note the DNR submission makes no reference to the potential impact of compensation and I would like to know why.

Another theme running through the submission is that DNR staff will "service" their customers. I am unsure just exactly what this means and I hope it is not a physical thing but I have to say that in the 11 years of having a water licence I have never met or spoken to any DNR (or predecessors) about any operational matter so I wonder if this "service" thing could be explained.

Throughout the DNR submission most costs are transferred to users on the basis that they are the sole private beneficiaries. But am I the only user who benefits? If I go to the trouble and cost of pumping some water from the creek before it flows to waste into the ocean would I not be able to produce more and/or bigger animals for sale. Does this not mean that there is more work and/or product for the people downstream from me. Should not the stock carrier, the stock agent, the saleyard operator, the next stock carrier, the abattoir workers and owners, the wholesalers and

retailers of my product, all the people who use, or process or value add to the co-products of my output be users. And what about the consumers who may get a higher quality product and the country which may earn some foreign exchange if my product is exported, be all considered to be beneficiaries of simply pumping some surplus water before it runs to waste.

For those people who had not heard the term for this phenomenon before it is called economic activity and I was under the distinct impression that it was a good thing supported by governments and bureaucracies but perhaps I am wrong.

The community should be thanking me for the initiative of creating economic activity by improving my output and not trying to screw a few irrigators simply to support a government created bureaucracy in empire building mood.

I also find it offensive that the cost of just having the license is not even mentioned in this submission. I have just paid $213 to have someone in Sydney put a paid tick against my name for another five years.

I would like to be included in the list people interviewed by the consultants IPART engages for advice on the DNR submission as I feel I can provide practical experience and advice about how the real world operates as opposed to the theoretical concepts of the submission.

It would also be appropriate for IPART to hold one of the proposed user seminars is this area as we have been remote from all previous meetings held inland and it would provide a coastal perspective to water issues.

I have found this submission tiring to write as one had to cope with the constant assault of the blind passing of most costs to users without rational assessment simply because the government is bankrupt and apparently unable to fund all the WRM and WSP it thinks it has to do, but in reality it is only just a great big guess, at users expense.

The most important aspects of the DNR submission come down to the series of half truths and false assumptions they make each time in favour of DNR and against users, contained in the tariff structure from page 34. The DNR proposal that the WRM costs be recovered entirely through a single access charge based on Ml of entitlement (or unit share of the consumptive pool) is the most stupid, ill-conceived, impractical, unattainable, poorly argued attack on users ever mounted.

It makes a mockery of all the previous statements about water use efficiency. It does not value water in any way in that if you use water, you will pay for it. It also makes a mockery of the government policy put on local government in that two part accounts will be issued for all water supply accounts and that they will be in the ratio of one quarter fixed charge and three quarters usage charge.

But it does reveal the true and only intent of the DNR proposal in that it "would also assist in maintaining DNR's revenue stability, which is important in times of drought, when its WRM costs tend to increase rather than fall, in contrast with usage patterns".

What an absolute mongrel of a statement to make! Stuff the drought stricken farms trying the just survive years of drought and cope with mounting debt but make sure DNR gets its regular money to pay the bureaucrats. What does it matter if more farmers go further into debt just to pay these new

outrageous charges as long as the bureaucrats are comfortable and regularly paid in their government jobs?

But why should DNR's income have to be constant? They are but a group of bureaucrats who can and should simply be paid from government funds if circumstances dictate. They are doing the government's work not users.

It is obvious that DNR is aware of the government policy toward drought displayed so well over the past years where the NSW government put considerable effort into doing as little as possible for struggling farmers. Apart from some minor freight subsidies of about 6% of total cost the NSW government effectively passed the ball to the Federal government who to their credit caught it.

To suggest there is more WRM to do in drought displays the usual flexibility of the truth. No rain, no water, no flow, no pumping, not much anything to do but to hang about waiting for some rain. When it does rain Mother Nature will, as usual, be the driver not any human activity regardless of any inflated ego or considered self-worth. But there may well be stuff to do which may explain the suggestion that there are some multi-skilled people about who are able to tell, when the creeks are flowing well, how much water is in the system and in times of drought, how little water is in the system.

On balance DNR seems to have little idea of the complexity of water or what to do next except try to secure a revenue base, as evidenced by the various changes of policy over the past years, but they can see the opportunity for some empire building in the name of "saving " the environment and their interpretation of what it is they think they have been told to do.

The big problem for DNR is how to find some willing bunnies to pay for it all.

I think the time has come for DNR to get of its arse, get all unregulated extraction metered, set some base charges and start selling water and accept the variability that everyone else has to in primary production. It is called income averaging where the most variable and precious resource of rainfall dictates all that farmers do. Why should DNR be exempt from the real world?

Yours sincerely

Stephen Crossling