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Bulk Water Pricing 2005/2006  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

Dear Sir,

**REF: BULK WATER PRICING 2005/2006**

The following comments are made on behalf of West Corurgan Private Irrigation District Board of Management representing the 300 irrigation, stock/garden stakeholders within the Private Irrigation District. West Corurgan has a General Security Access License for 80,092 ML coupled with a High Security License of 736 ML

**DIPNR**

The distinct lack of professionalism shown by DIPNR in presenting it's submission over 100 days late is of grave concern to this Board. The community has the right to expect Government Agencies such as DIPNR to operate their business in a totally businesslike and professional manner, the level of tardiness shown by DIPNR throws absolute doubt upon the accuracy of the final submission.

**TIMING OF THE FINAL DETERMINATION**

The fact that a final determination will not be made until at least October 2005 creates an unfair impost upon not only organizations such as West Corurgan but individual irrigators who prepare financial budgets for the ensuing financial year. Traditionally, West Corurgan sets rates and charges for the ensuing year in June and advises all stakeholders of the rates and charges applicable from 1 July. A price determination in October will mean that DIPNR/State Water will in fact be imposing retrospective rates and charges which in turn will force this Board to apply fees in retrospectivity. West Corurgan has a two tier fee structure structured upon fixed fees in advance according to entitlement and pay as you go charges in relation to water usage.

**WHOLESALE DISCOUNTS**

West Corurgan obviously does not support the apparent moves to remove discounts to bulk diverters and in relation to that scenario makes the following comments.

- (a) The Tribunal's own decision in 1997 concluded that the costs of delivering a megalitre of water to areas and districts was lower on average than the costs of delivering to an individual.
- (b) State Water's own submission this year states " State Water's costs to supply a 10 ML order to a river pumper are the same as supplying 1,000 ML to a Corporation". (Page 38)
- (c) As is the case with all commercial aspects of bulk selling there is an economy of scale that should be factored into pricing arrangements.
- (d) The additional impost of "discount removal" would place an unjustifiable burden on bulk diverters who in turn must pass on the impost to individual

stakeholders at a time of reduced access to entitlements . It must be borne in mind that the discounts apply to entitlements not consumption , therefore the impact of discount removal would be multiplied considerably in the current drought conditions.

- (e) West Corurgan currently provides State Water with ,
  - i. A four day advance water order, placed daily.
  - ii. A daily advance order
  - iii. Daily diversion figures
  - iv. A seven day in advance estimated average daily diversion
  - v. A once weekly summary of the weekly diversion and progressive diversion to date.
  - vi. Actual pump meter readings are also provided to State Water often on a monthly basis.

#### **STATE WATER/DIPNR/AGENCY ROLES**

- (a) West Corurgan believes that as a result of the institutional changes made in recent times, the roles and operational duties of State Water/ DIPNR may appear to be defined but in fact the separation process has resulted in areas of operational overlap. There needs to be a longer period of time for both agencies to complete their task assessments and physically carry out their respective duties before IPART can definitively apply fee structures.
- (b) West Corurgan has concerns that initiatives such as the National Water Initiative , the implementation of CMAs , will result in total community based expense items being collected from the “water extraction community”. The overall management of the water resource and its environment is a total community responsibility and IPART needs to ensure that extractive stakeholders are not solely bearing the cost of community responsibilities and expectations.

#### **THE TRIBUNAL’S DECISION**

West Corurgan is of the opinion that as a result of the delay caused by DIPNR , the ongoing doubts around the National Water Initiative, the impact of CMAs , the apparent lack of clear operational direction between State Water and DIPNR that

- (a) “ All rates and charges should be adjusted from the 1<sup>st</sup> July 2005 according to the appropriate CPI figures and
- (b) The Tribunal and all stakeholders continue the consultation/submission process so as to arrive at a full and complete determination prior to the commencement of the 2006/2007 financial year.

Yours sincerely,

Peter M Wallis  
Manager ., West Corurgan  
4<sup>th</sup> April 2005