



NSW IRRIGATORS' COUNCIL



IPART Determination for NSW Office of Water



Introduction

NSW Irrigators Council represents around
12,000 irrigation license holders
across New South Wales.

We represent:

- Membership Groups; and
- Water Access License Holders





Overview

NSWIC will appear at 3 Hearings and will cover different issues;

1. Determination process & Operations of NOW
2. Engagement of NOW / NSW with Commonwealth
3. Specific Matters (user shares, consumption forecasting, fixed costs)





Today's Presentation

Specific Matters





Today's Presentation

1. Consumption forecasting;
2. User shares;
3. Length of Determination;
4. Fixed/variable ratios;
5. Return on assets; and
6. Cap on increases.





Today's Presentation

Consumption Forecasting





Consumption Forecasting

We reiterate our SWC submissions – this is unwarranted, unnecessary and unscientific.

Forecasting is an inaccurate science – the use of all available data is clearly sensible.





Consumption Forecasting

- In the alternate...

We propose an alternate data set for the 20 year model.

Commence *now* with 19 years of IQQM LRA and one year of actual; and

Drop IQQM LRA data over a period of years.





Today's Presentation

User Shares





User Shares

- There is simply no data provided on how user shares were calculated.
 - Section 8 merely attributes dollar increases
 - Without adequate information we can make no submissions; and
- IPART cannot assess efficiency and hence should defer this process.





Today's Presentation

Length of Determination





Length of Determination

We submit a 4 year Determination be continued.

No compelling reason advanced for shorter term.

Cannot commence mid-year.

Oppose mid-Determination adjustment





Fixed / Variable Ratio

Fixed / Variable Ratio





Fixed / Variable Ratio

- We oppose completely the shifting of 100% risk to productive water users.
- 100% fixed charge eliminates efficiency entirely.
 - No defensible reason advanced for change.
 - Incompatible with business-like approach.





Today's Presentation

Return on Assets





Return on Assets

- *We flatly reject* this submission from NOW.
- A “return on assets” is incongruous with a request to eliminate risk.
- A “return on assets” for a Government Department is inappropriate – it’s a tax.
- It is not inconsiderable once State Priority Project assets are built in next time.





Today's Presentation

Cap on Increases





Tariff Structure

“Other than lifting the cap on price increases, the Office is not proposing any amendment to the (tariff structure)”

The cap on price increases is the key factor to the tariff structure!

“Complex” and “time consuming” – no, it isn’t...





Questions and Discussion

