



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

Engagement of NOW / NSW with the Commonwealth





Today's Presentation

1. MDBA Costs;
2. State Priority Projects;
3. Commonwealth Reform Requirements; and
4. Scenario One and Two





Today's Presentation

MDBA Costs





MDBA Costs

“...it is unsatisfactory to pass through unspecified costs to users without an independent review of their efficiency.”

IPART, Draft Determination for State Water Corporation, March 2010 at page 12.





MDBA Costs

- \$30m plus CPI per year for at least three years.
 - Around \$100m covered by;
 - Half of one page in the NOW Submission; and
 - A letter from the Commissioner to assure us that he's keeping on eye on the MDBA...





MDBA Costs

- IPART is unable to determine efficiency of MDBA costs.
 - Choice is twofold;
 1. Stop the clock and investigate; or
 2. Strike these charge *in their entirety*.





MDBA Costs

Basin Planning is to be covered by the Commonwealth.

Any NOW involvement *must be as fee for service.*





Today's Presentation

State Priority Projects





State Priority Projects

- Commonwealth funded – but NSW appears to have signed us up to 10% *without consultation*.
 - Not a single business case made!

Maintenance costs of metering program – why did they not negotiate a decent warranty?





Today's Presentation

Commonwealth Reform Requirements





Commonwealth Reform Requirements

- NOW want 57 FTEs at “around \$10.5m”.
 - Programs are dubious – including;
 - Structural adjustment 3 FTE at \$500,000
 - Shepherding 5 FTE at \$900,000
 - Basin Plan Planning 18.5 FTE at \$3,400,000
 - Assessment of Purchase 2 FTE at \$400,000
 - ACCC Implementation 9.4 FTE at \$1,700,000





Commonwealth Reform Requirements

- These are Commonwealth reforms that the Commonwealth should pay for;
- There is no obligation on NSW to participate;
- The beneficiary must pay; and
- In any event, non-Basin water users should not pay for any of this.





Today's Presentation

Scenario 1 v's Scenario 2





Scenario 1 v's Scenario 2

- Reject the notion entirely.
- We have not necessarily agreed with these programs *even if we're not paying.*
- This position from NOW reinforces their view that customers are merely cash cows.





Questions and Discussion

