



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

Determination Process Operations of NOW





Determination Process

- We have been extremely frustrated with the reticence to provide timely and useful information.
- We do not believe that IPART has sufficient information to determine efficient costs.
- PwC have had to “guesstimate” efficient costs – which is insufficient.





Determination Process

- This process should be deferred until such time as NOW provide a single submission with adequate information.
- Adequacy – or otherwise – should be determined by PwC.





Efficiency of Costs

- Notwithstanding our view that this process should be deferred...
- We submit that where insufficient evidence of efficiency exists, the cost should be *excluded altogether*.

Examples include the 24 FTE's who are “unallocated”, business cases are not made (PwC) and no real efficiencies for centralisation are achieved.





Efficiency of Costs

- 60% of costs are staffing – but no evidence of efficiency is provided for 40% non-staff costs.
- PwC have noted significant staff inefficiency – but no information is provided to analyse non-staff efficiency (or otherwise).

Where are the efficiencies from the Super Department?





Efficiency of Costs

- Turn to the ironically name “new core activities”...
- With a further irony that 47.5 FTEs will work on efficiency...
 - PwC point out **no business cases are made.**
 - We submit that no business case = no funding.

Opex determination should match capex – remove 20% guess and replace with “all resource requirements must be proven.”





In Summary

- This process is flawed;
- NOW have failed to live up to reporting requirements across the current Determination;
 - NOW flaunted the timeframes for this process;
- NOW have provided insufficient information to do its legislated job; and therefore

IPART should give NOW a choice...





Provide only those costs which are independently verified as proven, efficient and necessary; or

Start again.





Questions and Discussion

