I am a water entitlement holder (customer) in the Namoi Valley tabling this submission to state my rejection and opposition to the WaterNSW and Water Administration Ministerial Corporation WAMC pricing proposals tabled to the Independent Pricing and Regulatory Tribunal (IPART).

I am a member of Namoi Water and NSW Irrigators Council and unless stated directly in this submission I fully endorse all submissions and comments made by Namoi Water and NSW Irrigators Council on this matter.

The WaterNSW and the WAMC pricing proposals have an increase to rural water costs in the Namoi Valley by more than 152 percent (152%) over the next five years, which will put unmanageable pressure on my farm business and subsequently the support industries and the local economies which rely on irrigated agriculture production for their viability and sustainability.

Table 2.1 Proposed price increases by 2030 (annualised increases in brackets)

	Regulated rivers				Unregulated rivers		Groundwater	
	High security		General security					
Border Rivers	245%	(28%)	207%	(25%)	179%	(23%)	98%	(15%)[b]
Gwydir	167%	(22%)	170%	(22%)	95%	(14%)	98%	(15%)
Namoi	146%	(20%)	152%	(20%)	95%	(14%)	98%	(15%)
Peel	341%	(35%)	312%	(33%)	95%	(14%)	98%	(15%)
Lachlan	271%	(30%)	150%	(20%)	99%	(15%)	98%	(15%)
Macquarie	173%	(22%)	179%	(23%)	99%	(15%)	98%	(15%)
Far West	-	-	-	-	54%	(9%)	98%	(15%)
Murray	192%	(24%)	184%	(23%)	96%	(14%)	98%	(15%)
Murrumbidgee	142%	(19%)	130%	(18%)	99%	(15%)	97%	(15%)
Lowbidgee	-	-	111%	(16%)	-	-	-	-
North Coast	26%	(5%)[a]	29%	(5%)	101%	(15%)	101%	(15%)
Hunter	120%	(17%)	118%	(17%)	101%	(15%)	101%	(15%)
South Coast	16%	(3%)[a]	21%	(4%)	89%	(14%)	101%	(15%)
Fish River Water Scheme	55%	(9%)	-	-	-	-	-	-

The previous pricing determination saw the Namoi Valley as one of the valleys in NSW most impacted, with the typical bill impact being 49.8% and 33.2% increases to high and general security respectively. This was one of the largest increases across the state of NSW in that determination. That cost burden on WaterNSW customers was, and has been excessive.

My farm business profitability has been reduced in the current determination period.

A significant component of that increase was as a direct result to the overhaul of water management in NSW. This included the establishment of the Natural Resource Access Regulator (NRAR), the NSW Non-Urban Metering policy reform, new environmental water regime which was a result from a number of reviews and inquiries, which in turn drove up the costs of water management.

Many of the associated improvements are to services historically paid for by irrigators but have been poorly delivered by Government and agencies.

During this time there have been significant shortcomings which do not reflect value for money, let alone justify any increase to costs for customers:

- Despite the best efforts and significant investment by industry to comply with the flawed NSW Non-Urban Metering policy, there continues to be failings across all aspects which results in large and regular costs to customers:
    - continual failing and malfunctioning of componentry – both physical meters and Local Intelligence Devices (LIDs)
    - the Data Acquisition Service (DAS),
    - the reduction of active Duly Qualified Persons (DQPs) due to the time, costs and stress of the work and the risks they personally exposed to, and the risks their businesses are also exposed to.
- Operational, management and rule changes to the temporary trade (71T) framework, particularly regarding third party consent, triage process, extraction limits and additional information/extenuating circumstances provisions were not consulted on adequately which has resulted in significant impacts to customer farm businesses.
- Timeframes associated with trade assessments being protracted. There are examples of customers being told during the months of December and January, which is the peak demand time of the year in the Namoi, that trade assessment timeframes will be longer than usual due to “too many staff currently being on leave”.
- Local offices are not readily accessible. WaterNSW states “our local offices are currently closed for walk-in services” and “are only open on Tuesdays for pre-booked in-person appointments”. This has been a reduction in services which has impacted significantly on customers, as often trips to town are unplanned and the opportunity to “drop into WaterNSW” was invaluable to customers. Customers maintain this is a priority service which

has been removed, resulting in a decline of service to customers while increasing costs in the name of improving services. This demonstrates a fundamental disconnect from WaterNSW.

- It is apparent the various departments and agencies each use different databases for essentially the same information, yet these do not crossover or correlate, with customers funding the replication of this data. To date there is still no collation of the data bases into a single point of truth. It is the customers who pay for these multiple data replications and management.
- WaterNSW continue to underperform as land managers. The area of land held by WaterNSW is vast, yet there is no business model to lease land for primary production or other revenue streams such as solar farms of any sort which would reduce costs to WaterNSW, and instead generate revenue.
- Webtools such as iWas, WaterLive, Water Insights, have not delivered the accuracy or reliability required by customers or promised to customers.
- Stream gauging stations not providing current flow data which results in lost opportunities to access to water under licensing conditions. Each time this occurs it is an immediate and genuine negative impact to my property right. Any erosion or reduction to reliability due to ineptitude or faulty componentry should be compensable with the party at fault liable.
- The ability to easily and quickly contact WaterNSW for basic enquiries is more often than not an unlikely prospect.
- Protracted work approval processing times result in reduced efficiencies and production. There are examples of Part 8 approvals taking fourteen years, Works approvals over two years, LID approvals approximately four years and remain outstanding, meter re-validation enquiries which remain outstanding with the WaterNSW help desk.
- Supplementary flow access announcements not being announced in a timely fashion in accordance with the Namoi Regulated River Water Sharing Plan.
- Low risk administrative tasks executed by WaterNSW carry prohibitive transaction costs, particularly for low-volume water users.
- The Gunidgera weir raising project yet again not being delivered in the period.
- Flooding during the current determination period has demonstrated a lack of field staff. The ground truthing of floodwater behaviour is critical, yet WaterNSW were not able to do so, nor were staff able to attend infrastructure which required repairs.
- The level of transparency on how fee costs are determined, and the demonstration of their value has been unacceptable.

Customers should not be having to pay for poor performance.

Cost Drivers

- NRAR budget is proposed to increase despite high compliance and low enforcement action.
- Inefficient and ineffective program design and delivery such as non-urban water metering and floodplain harvesting.
- New rules in WaterNSW operating licence adding cost; environmental obligations and social and governance reporting.
- Reform overload; regional water strategies, water resource plans, NWA.

I am concerned that cost drivers which are incorporated into the WaterNSW and WAMC pricing proposals are not the sole responsibility of current customers and are in the public interest, which in turn should see an increased government responsibility and financial involvement in water management to deliver equitable cost distribution reflective of water infrastructure and management to also support community needs and expectations, along with environmental initiatives. These cost drivers include:

- The proposed increase to the NRAR budget despite high compliance and low enforcement action
- The ongoing management required for inefficient and ineffective programs such as non-urban water metering, floodplain harvesting licensing and floodplain harvesting metering.
- New rules included in the WaterNSW operating licence adding costs to environmental obligations, and social and governance reporting.
- The colossal water reform engagement overload which uses significant resources such as but not limited to: Water Sharing Plans (WSP), Regional Water Strategies (RWS), Water Resource Plans (WRP), National Water Agreement (NWA).

- The increasing expectation water will be managed to improve the social, economic, cultural and spiritual wellbeing of First Nations which is not yet fully understood. Significant resources are currently allocated to this.

If the WaterNSW and WAMC proposed exorbitant price rises of up to 152% are allowed to proceed, I fear for the viability of my farm business, and many other farm businesses, which will be reduced, resulting in significant decreases in production, threatening both my capacity and ability to continue operating. If implemented as proposed, these prices would see my farm business forced to reduce the number of casual and permanent employees due to having to restructure the business in pursuit of financial viability. The WaterNSW water charges are unaffordable; both for the cost reflective base case and the alternative affordability scenarios.

The WAMCs affordability analysis in the 2025-2030 pricing proposal is flawed in its methodology and apparent assumptions.

The impacts will not stop with farm businesses, but would extend to local governments, manufacturers, food processors and mines. This passing on of costs blindly will result in immediate, significant negative socio-economic impacts to communities.

As a customer of WaterNSW and WAMC I am insulted by much of the consultation which has been included for consideration in the development of the pricing proposals. The Water Working Groups, which gathered high level aspirations and recommendations from individuals who have low to zero level of water literacy, and who do not understand the complexities of water management, delivery and reliability were farcical. Despite this, their opinions contributed towards how water should be managed, delivered and the associated infrastructure and works programs should be funded and prioritised. The voice of paying customers has been diminished by the relevance placed on these indirect “stakeholders”. This has driven the increase in proposed costs, with WaterNSW and WAMC passing the management and implementation costs of these public good activities onto customers. The participants in these Water Working Groups were paid for by customers, as were the consultants used to facilitate the Water Working Groups. The exorbitant amount of money paid to consultants to gather uninformed statements and aspirations from people with low to zero level of

water literacy is glaring example of customer funds being flippantly used, rather than being managed judiciously.

Currently WaterNSW customers are covering 80-100% of both operating and capital costs, alongside 80-100% of 20 out of 35 Water Administration Ministerial Corporation (WAMC) activities. Many of these costs are for public good services and activities on behalf of the broader community, such as environmental planning and protection, recreation, cultural and managed environmental flows, and the construction of fishways.

The definition from IPART of "impactor pays" is highly problematic for managing public good in a developed society which requires consumptive use of water and changing community expectations impact water resource management decisions and therefore the costs the impact pays principal leaves productive water users (primarily farmers) carrying a disproportionate cost burden for many public interest items such as fish passageways. It is recognised that S218 of the NSW Fisheries Management Act 1994 that WaterNSW must construct fish passageways, that WaterNSW and NSW DPI Fisheries have developed a suitable fishway offset strategy to meet requirements under the Act. I call on IPART to revise how costs are shared between the customers and the NSW government for matters of public good. For example, it is recognised that S218 of the NSW Fisheries Management Act 1994 that WaterNSW must construct fish passageways. WaterNSW and NSW DPI Fisheries have developed a suitable fishway strategy to meet the requirements under the Act. If the fish passage wise strategy is to be delivered in a timely and cost-effective fashion the government must remove it from the cost sharing framework and find alternative funding through treasury.

Towns and communities will still need flood and drought protection with or without irrigated agriculture, while the environment will still need protection and planning because catchments rivers and floodplains have been modified by dryland agricultural development as much as irrigated cropping. Yet the bulk of these costs are borne by irrigated agricultural customers.

Many of the recent and current demands for new or improved services come from outside of the water user base - that is from a broader, largely urban community demanding water to be managed in a more holistic way than just a delivery service to water users. Yet under the current cost-share ratio, customers

who access only 28 percent or less of total inflows for agriculture, towns, and industry use, are having to pay to meet the impact of broader community expectations. In simple terms, those expectations are having a substantial impact on costs, but costs are not being assigned to those impactors who pay through the public purse.

I strongly disagree with current cost-share ratios, as costs are heavily recovered from water users for public interest items. This puts a higher cost burden on water users but has also resulted in important public interest environmental projects (such as fish passageways) not progressing due to prohibitively costly expensive cost recovery from water users alone.

In light of the above, I state the WaterNSW and Water Administration Ministerial Corporation WAMC pricing proposals be rejected by IPART as the entire framework and pricing structure of these agencies are fundamentally broken and require complete overhaul. Therefore, any increase should be limited to the changes in the Consumer Price Index (CPI).

To close, I will leave a quote from a fellow irrigator who has captured the sentiment of customers accurately:

"If there was competition no-one would do business with WaterNSW."