



Richard Bootle
Chair – Water Taskforce

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8 March 2024

WaterNSW Operating Licence Review
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop, Sydney NSW 1240

Via online submission: [Have your say | IPART \(nsw.gov.au\)](https://www.ipart.nsw.gov.au)

RE: Submission to IPART Discussion Paper on WaterNSW Operating Licence Review 2023-24

NSW Farmers' Association (NSW Farmers) welcomes the opportunity to provide comment on the Independent Pricing and Regulatory Tribunal NSW (IPART) discussion paper on WaterNSW Operating Licence Review. NSW Farmers is Australia's largest state farming organisation, representing the interests of its farmer members across the state. We are Australia's only state-based farming organisation that represents farmers across all agricultural commodities. We speak up on issues that matter to farmers, whether it's the environment, biosecurity, water, animal welfare, economics, trade, workforce or rural and regional affairs.

As noted in the discussion paper, the operating licence for WaterNSW lays out the terms and conditions that WaterNSW must adhere to in order to protect customers, ensure service quality and reliable supply, and assess the impact of the utility on the environment. The proposed recommendations to improve the operating licence focus on reporting obligations, compliance on management systems, catchment and river health, and consultation with customers and communities, amongst a number of other key changes.

NSW Farmers provides the below comments in relation to the draft operating licence, 14 December discussion paper, cost-benefit analysis and 9 February information paper as released by IPART as part of the WaterNSW operating licence review 2023-24.

- Supporting their customers should remain the primary priority for WaterNSW. Often the first response by governments and the market is to take your business to another supplier if you are unsatisfied by the offered service. As WaterNSW is a monopoly supplier, productive water users are not afforded the option to change to another provider. To fulfil their obligations to their customers, it should be required that WaterNSW focus on delivering value for money, looking for efficiencies to improve customer service, and incorporating feedback from the customer base that shoulder the costs for water management. NSW Farmers support the draft changes that would require WaterNSW to report on performance standards including productivity improvements and enhanced water security arrangements for irrigators.
- The continued alignment with the 'impactor pays' model (i.e. that whoever creates the need for the cost pays for it) is not allowing for better efficiency outcomes, especially as state and federal water policies evolve and a changing climate is leading to extended dry periods. The cost-drivers within water management are complex, diverse, external and multifactorial, which mean that they cannot be practically incorporated into the impactor pays model. The cost burden is disproportionately placed on productive water users, when the benefit is delivered to a greater number of the general public.

NSW Farmers

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- Water management is in the public interest and these services are required to be provided regardless of customers using water for productive agriculture. NSW Farmers requires that the government should provide a larger share of the costs for measures or programs that are purely targeted at delivering on broader community benefits, like water quality measuring, and research in non-declared catchment areas, or are required by government policies, including climate change risk management activities, climate-related disclosures, net zero progress or family violence obligations.
- A reoccurring shortcoming that directly impacts customers of WaterNSW is the broader river management of regulated systems, particularly in the southern Basin. General river management is not the sole responsibility of WaterNSW, and decision-making is shared amongst other agencies such as MDBA, environmental water holders and state departments. There is opportunity to improve customer engagement on issues like maintaining flows during critical productive periods, management of weirs, and the deteriorating river health through bank slumping and sand build up. It is critical that WaterNSW improve relationships with all stakeholders responsible for river management and consult with communities to consider local knowledge that can assist with decision-making.
- Resourcing of regional WaterNSW staff and offices is essential to meeting the obligations required under the operating licence. Proper resourcing across the service provider's footprint not only benefits customers, it also supports the opportunity for bottom-up consultation to occur. WaterNSW should look for avenues to expand its face-to-face service offerings to customers, which could include utilising other existing state government customer service centres like Service NSW. Proper resourcing should also extend to standard service offerings like water access licence applications, with particular focus on ensuring timely turnarounds for approvals.
- Regarding the proposed changes that would allow WaterNSW to determine and implement its own mechanism for customer and community consultation, it is essential that water users for productive agriculture remain as a key stakeholder in any engagement. As resourcing of regional offices declines and reliance on WaterNSW website and databases as the main source of information increases, it is crucial that WaterNSW can be objectively assessed on its engagement processes, especially if the impactor pays model is continued to be preferred by IPART.
- Additionally, NSW Farmers support the requirement for applications to WaterNSW be published in local newspapers, to allow due process for feedback by those impacted by changes to license applications or entitlement transfers. Local papers remain a critical source of information for regional communities and can also be an avenue for WaterNSW to engage with their customer base as part of broader consultation.
- Efficiencies should be sought through the improvement and sharing of data and information systems already under authority of WaterNSW, rather than duplication of reporting models across other agencies or requiring WaterNSW to establish a new data system.

Should further information be required, please contact Nick Savage, Policy Director, Environment by email

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Yours sincerely,

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