

## **NSWIC URGES IPART TO BALANCE THE BURDEN (28/11/2018)**

The New South Wales Irrigators Council has made two submissions to the Independent Pricing and Regulatory Tribunal (IPART) Review of Rural Water Cost Shares. Initially NSWIC made a submission that endorsed the need to review government-user cost shares but found that IPART had not actually made any recommendations that would improve the transparency of the framework and rural water costs in general.

CEO of the NSWIC Luke Simpkins said, "This review appears to be more about an attempt to justify why the 'impactor pays' methodology applies. The basis of this review is a proposition that unfortunately runs counter to the facts and allows no other option but to find that water users are the significant impactors even if the reality is quite different."

There are other users apart from irrigation farmers. Water utilities can also be considered water users, but the cost burden primarily falls on irrigation farmers. This includes where the costs are incurred to protect public infrastructure or to meet the expectations of a public far removed from the river and its operations. This review has not investigated if and how water charges and costs could be recovered from other 'impactors'.

Following a meeting with Water NSW, the NSWIC obtained information about the forecast capital expenditure of Water NSW over the next ten years. This information suggests that the cost to irrigation farmers in some river systems could exceed a 16% increase and is far in excess of IPART's stated 1% increase for Water NSW customers. Although the Water NSW 10-year capital expense program and pricing will be subject to the next price review and determination, the fact that the figures are known now, should warrant consideration of the changes proposed under this review. As a result of seeking this information, the NSWIC provided a supplementary submission to highlight this issue. As was stated in our submission, "Transparency and clarity must be core principles of this review, and NSWIC is disappointed that the figures provided by IPART understated the degree of cost increase."

Given the overall approach of this review to unevenly burden irrigation farmers over other users, there is a need for careful consideration and a rethink. Irrigation farming produces much of the food and fibre for Australia. Government agencies should carefully consider the impact of unfair pricing and cost burdens if they wish to maintain rural towns and centres, rural jobs and quality Australian food, cotton and wool.  
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Approved JC / TN