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Customer Jury Process in Pricing Determinations

Dear David,

On the 4th and 5th March 2020 at the NSW Irrigators' Council (NSWIC) March General Meeting, the Council Members discussed the intention of WaterNSW to create a Customer Jury (CJ) process as a mechanism for customer engagement on Rural and WAMC pricing determinations. I can inform you that it is the view of the membership of the NSWIC that the process will not be any more effective in capturing the views of the diversity of water-users than the existing Customer Advisory Groups (CAGs). The CJ will undoubtedly be costly and time consuming for an outcome that can be achieved through existing forums.

There is no guarantee that the selection process for the juries will recruit water-users with the depth of knowledge and experience of irrigation farming industry to provide credible input in the jury deliberations. This is in addition to significant time commitment of seven weekends over several months that would dissuade many of our Members. Our Members focus over the coming months is to get their businesses back on track following the drought, bushfires and floods, while hoping that the recent rainfalls will sustain to break the drought. Recovery will not happen overnight and having to devote many weekends will encroach not only on time for repairing businesses but also on quality family and leisure time.

Specifically, our Coastal Members recently learnt at the Hunter CAG meeting in November 2019 that the ACCC that normally regulates prices for coastal catchments has delegated such responsibilities to IPART¹. This means the coastal catchments pricing will now be covered by the single WaterNSW submission to IPART. It is not clear how the planned CJ process will take adequate cognisance of the unique circumstances of these coastal catchments in WaterNSW pricing determinations. Many of those issues were raised at the aforementioned CAG meeting. WaterNSW could not explain how the coastal catchments will be adequately catered for within the three juries created for the North, Central and Southern regions of the Murray Darling Basin. I would add that the perceived WaterNSW view that proper consideration of Coastal matters could be achieved through one of the MDB juries only served to further undermine the confidence of our Coastal Members. The statement by WaterNSW that "There may be a requirement to run something parallel on the coast" was not at all reassuring and only exacerbated the confusion over the whole process.

¹ https://www.waternsw.com.au/_data/assets/pdf_file/0005/154193/Coastal-Hunter-Customer-Advisory-Groups-Minutes-5-November-2019.pdf

In addition to the abovementioned matters, our Members were not reassured that all licensees who are the potential jurors could be reached using the WaterNSW customer database since there are many inactive licences on the unregulated rivers with outdated contact records. This group would be hard to contact and thereby undermining fair representation and defeating the key objective of the CJ process, i.e. adequate representation of all licensed water-users.

I understand that a significant amount of the taxpayers' funds, and indeed the charges imposed upon our Members, have already been expended on this endeavour by Water NSW. It would have been better if consultation had taken place prior to your agency initiating this CJ process, given that you now have a major stakeholder that has no confidence in this initiative. Nevertheless, in the constructive manner by which NSWIC engages in water policy, I look forward to your response to the matters raised and we would be grateful for that information prior to our final consideration of our public position on the matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Luke Simpkins', written in a cursive style.

Luke Simpkins
CEO