

## MEDIA RELEASE

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# Price hikes a blow for irrigators in drought recovery

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IPART's decision to increase irrigators' water bills by up to 52 per cent in 2021-22 is a blow for farmers trying to recover lost ground in their first wet season after years of severe drought.

"Many irrigators did not get any water at all during those drought years, but still had to pay their annual water bills," said NSWIC CEO Claire Miller.

"Now, in the first decent year for a long time when farmers are hoping to make up some of what they lost in income, much less get ahead, IPART is hiking up their charges.

"It is cold comfort that IPART's pricing determination for the next four years is less than what WaterNSW and other Government agencies originally proposed.

"The fact remains: price rises ranging from 10-52 per cent in every valley, except the north and south coasts, are still well above the 3.8 per cent CPI rate."

IPART also decided to further increase water users' share of water management and infrastructure costs, ignoring the strong case for Government to cover the costs of public good works and programs.

"Few people realise irrigators already pay for 80 per cent of capital expenses, and 100 per cent of operational expenses to manage our waterways. This is an incredibly high proportion of costs, when irrigators use only around 25 per cent of total flows," Ms Miller said.

"Australians would reasonably expect Government to cover the costs of protecting towns and cities from floods, ensuring adequate water quality, and looking after river environments – it is wrong for these public costs to be almost entirely passed on to the irrigation industry."

In the southern valleys, much of the increase in bills is due to the Government passing on the cost of the MDBA's system management. For example, the \$341 MDBA charge accounts for just over half the increase in bills for the average, medium-size Murray general security water user.

Irrigators also face five new, additional charges to cover the cost of the Government's non-urban metering policy to upgrade meters to a new gold standard. Charges include an annual \$899 operating charge for government-owned meters and an annual \$266 charge for telemetry.

"New, government-owned meters were imposed on many irrigators as part of early Murray-Darling Basin Plan programs to save water for the environment," Ms Miller said.

“They were assured back then that Government would cover the ongoing costs of the infrastructure it owns. It is a kick in the guts for these irrigators to now face an \$899 a year charge for meters they do not even own.

“IPART acknowledges in its determination that water use is declining over time, putting upward pressure on water prices with fewer and fewer water users left to pay the bill. It’s pricing determination today shows Government remains intent on squeezing this sector dry.”

Medium water user by valley and entitlement type	% Rise	Indicative 2020-21 bill	Indicative 2021-22 bill
<b>Border Rivers General Security</b>	10.9	\$1050	\$1307
<b>Border Rivers High Security</b>	10.6	\$1546	\$1832
<b>Gwydir General Security</b>	21.2	\$9633	\$11,738
<b>High Security</b>	40.2	\$2633	\$3647
<b>Namoi General Security</b>	32.1	\$11,495	\$14,623
<b>Namoi High Security</b>	51.6	\$1152	\$1660
<b>Macquarie General Security</b>	38.7	\$752	\$1043
<b>Macquarie High Security</b>	41.9	\$1535	\$2111
<b>Far West (unregulated)</b>	22	\$2822	\$3431
<b>Lachlan General Security</b>	43.6	\$1819	\$2612
<b>Lachlan High Security</b>	51.8	\$3370	\$4999
<b>Murrumbidgee General Security</b>	23.7	\$778	\$945
<b>Murrumbidgee High Security</b>	28.7	\$1068	\$1345
<b>Murray General Security</b>	9.7	\$673	\$739
<b>Murray High Security</b>	18.1	\$817	\$949
<b>Hunter Valley General Security</b>	40.9	\$1752	\$2378
<b>Hunter Valley High Security</b>	40.8	\$1047	\$1408
<b>South Coast General Security</b>	1.1	\$2406	\$2485
<b>South Coast High Security</b>	1.1	\$732	\$760
<b>North Coast General Security</b>	1.1	\$1629	\$1742
<b>North Coast High Security</b>	1.1	\$529	\$554