

**IRRIGATORS' WATER CHARGES MUST REMAIN
FAIR AND TRANSPARENT**

(16 March 2017)

The New South Wales Irrigators' Council (NSWIC) has welcomed the release of the Independent Pricing and Regulatory Tribunal (IPART) Draft Determination for WaterNSW's regulated water charges for the 2017-2021 regulatory period.

NSWIC Policy Manager, Stefanie Schulte, said that the Draft Determination, if adopted, would provide some relief for NSW irrigators who remain deeply concerned about continuously rising water charges.

Ms Schulte said water usage charges in most valleys are proposed to decrease, which will reduce some of the input cost pressures on food and fibre producers, which include rapidly rising energy costs. However, NSWIC is concerned that the same cost reductions are not proposed for water entitlement charges in all valleys.

"The Draft Determination is a mixed bag for irrigators depending on which valley they operate in, but we are pleased that the regulator has listened to some of our concerns and is proposing to keep prices close to current levels and continue to apply the existing tariff structure to water charges to more closely align with irrigators' water use patterns. The very obvious exceptions are irrigators in the Murray Valley who would have to wear a significant price rise mostly due to increased Murray Darling Basin Authority (MDBA) costs, which appear out of control."

Nevertheless, Ms Schulte said this was only one of a range of outstanding cost issues that need to be resolved.

"Irrigators' need to have greater transparency around what they are paying for. A proposed volatility allowance, the payback of the balance in the revenue Overs and Unders account and the MDBA costs make it virtually impossible for anyone to clearly understand the cost makeup of an irrigator's water bill. We need to have greater clarity around these costs and the WaterNSW expenditure program to be able to confidently say that irrigators are only paying for their fair share of WaterNSW's efficient costs."

Ms Schulte said the Council has been very active in the water charge debate in order to give irrigators in NSW a strong voice on sustainable and fairer prices. She said that while there were positives in the Draft Determination including the proposed reduction of WaterNSW's overall revenue requirement as a good first step, NSWIC would continue to advocate for further reductions in WaterNSW capital expenditure. The price freeze on the North Coast, and significant cost reductions in a number of valleys including the Macquarie and Border Rivers were very welcome, but there was a need to also freeze South Coast water prices to keep irrigation there sustainable. The MDBA also needed to urgently review its charges if Murray irrigation is to remain sustainable as well.

ENDS.

For More Information: Stefanie Shulte- Policy Manager, New South Wales Irrigators' Council

Approved: RS/MM 02 9251 8466