



21 October 2020

Review of Water NSW's rural bulk water prices
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop, Sydney NSW 1240

Dear Dr Paul Paterson, Ms Deborah Cope and Ms Sandra Gamble,

Letter of support - NSW Irrigators' Council submission

The Ricegrowers' Association of Australia (RGA) would like to formally acknowledge its support for the NSW Irrigators' Council submission in response to the IPART Draft Report and Determination review of water NSW's rural bulk water prices from 1 July 2021 to 30 June 2025.

The RGA is the peak body for and collective voice of NSW rice growers representing around 1200 voluntary rice grower members located predominately within the NSW Murray and Murrumbidgee valleys. The RGA's main objective is to represent members on issues affecting the viability of their businesses, their communities and their industry.

Water is an essential input into rice production, and hence the proposed increase is a key concern for grower members. In a reasonable water year, the rice industry is one of the largest water users in our two valleys, and therefore rice grower contribute a significant volume of the revenue generated through the relevant NSW water charges.

While we acknowledge that the draft prices are significantly less than those prices proposed by WaterNSW, we are still of the opinion that the price increases proposed are much greater than is acceptable to water users and industry.

The RGA also believes that the basis for distributing the operational and capital expenditure costs is flawed and consequently irrigators are required to contribute to a much greater share of these costs than is reasonable. The RGA believes that a 'user-pays' principle for distributing costs is a more equitable framework than the current 'impactor pays' framework.

Furthermore, the RGA finds it hard to believe that WaterNSW has sought to base this pricing proposal upon the efficient costs of water delivery considering the steep increase in prices proposed, and therefore encourages IPART to seek out further cost efficiencies when conducting this review.

In addition, the RGA would like to see a greater level of transparency and cost efficiency regarding the significant increases proposed for the MDBA 'pass through' costs.

Finally we note that a lack of response from industry and grassroots irrigators should not be interpreted as an acceptance of the draft price determinations. The reports produced for both the current reviews of NSW Water Prices (WaterNSW and WAMC) are highly technical in nature and to be interpreted require readers to have a significant level of expertise and background knowledge in the topic of water pricing. Furthermore for rice growers, the current consultation period is



unfortunate timing, having occurred at the most busiest time of the year for growers who are currently both harvesting their rice and other summer crops and at the same time planting their winter crops.

For these reasons, we collectively rely on the skills, knowledge and expertise

We therefore encourage IPART to pay careful consideration to the concerns raised by the detailed submission provided by our peak body, the NSW Irrigators' Council. We otherwise thank you for the opportunity to provide our letter of support to this review.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Rob Massina", is positioned below the "Yours sincerely," text.

ROB MASSINA
RGA PRESIDENT