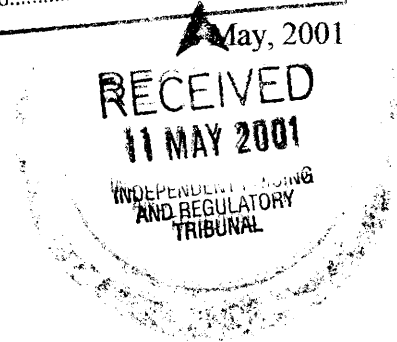


"Balmoral"
IPART ATTUNGA NSW 2345
Doc No..... File No.....
May, 2001

IPART
PO Box Q290
SYDNEY
NSW 1230



Dear Sirs,

Re: Proposed Price Increases for Irrigation from River Water and Groundwater in the Peel Valley

We would like to strongly object to the proposed price increases by DLWC for irrigation water from the Peel River (Upper Namoi) and bores.

Our property covers **104** hectares of which 52 hectares can be **irrigated at** any one time to grow **lucerne** hay and some cereal crops.

We have estimated that we would make \$358.00 net using a megalitre of water. If DLWC is allowed to go ahead with their proposed exorbitant price rises we would be put out of business, along with many other small farms.

Irrigation farmers also have other added costs eg.

- * Licence fees
- * Maintenance of meters
- * Data Management
- * Electricity
- * Maintenance of Pumps
- * Fuel (which has doubled)
- * Maintenance on machinery
- * Labour
- * Mortgage repayments
- * Overdraft costs

The increased costs outlined by DLWC **which** will be imposed **on** farmers with small acreage under irrigation will far outweigh the returns from the saleable product. (eg. The income from lucerne hay production has not increased for 18 years).

Under the regulated system these price rises will not only reduce our ability to produce income, they will also reduce the value of irrigation properties in the district. This will have a flow on effect to businesses in Tamworth.

We strongly urge IPART to give serious consideration to this matter.

Yours faithfully,
I W Mc Knight
G M Knight
IW & G McKNIGHT