

To
Mr Jim Cox
Independent Pricing & Regulatory Tribunal
PO Box Q290
QVB Post Office NSW

Dear Sir,

We are farmers on the Peel River using both groundwater and regulated water from Chaffey Dam.

We find the proposed increases very hard to accept because of the lack of "Fairness" and because of our inability to pay. If a commodity is provided it is fair to accept that it should be purchased and one would assume that the price paid reflects its benefits.

Why is it that the price for high security water is only marginally more expensive than general security water in the regulated system?

Whilst I cannot find proof I believe that State Water have calculated that it should be 13 times more expensive than general security water however it is not hard to reason that it should be at least 5 times. As we now have a Peel Valley Water Sharing Plan it is stated that our Average Annual Usage shall not exceed approximately one fifth of the Licensed Water Entitlement.

This means that High Security Water Users can use their full entitlement (Providing that there is water) and General Water Users can only use about one fifth. Are High Security Water Users getting their Water too cheap or are we General Water Users paying too much?

In the last few years most of the water that we have been using is actually unregulated water (not coming from Chaffey Dam) and yet we are paying Regulated prices. Most of the water that we have been using has entered the system below Chaffey Dam. Chaffey Dam catches water from only 10% of the Valley the remaining 90% enters the Peel Below the wall of Chaffey Dam. A megalitre of water varies in price from almost nothing in the Cockburn Valley (Depending on where it is extracted) to what we pay for as regulated users and then continually gets cheaper the further from the Peel Valley. This means that a parcel of water varies considerably in price depending on where it is extracted- there is no value adding, there is no interaction from mankind yet it varies. This means that irrigators are not on a level playing field and that water pricing should be the same throughout the State. Regulated water that refills the aquifers is extracted at a cheaper rate. Why?

Finally farmers unfortunately are price takers and do not have the ability to charge for all their inputs.

Our agronomist sold sorghum in 1965 for \$140.00 per tonne and at present (45 years later 2010) sorghum is realising around the \$160.00 per tonne.

We cannot afford the steep increases that are being sought.

Your faithfully,

Thomas Woolaston

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