

Bega Agricultural Services

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18 November, 2005

The Chairman
Independent Pricing & Regulatory Tribunal
Bulk Water Review
PO Box Q290
Queen Victoria PO
NSW 1230

(Fax: 92902061)

Dear Sir:

I would like to make a short submission in relation to the claim by State Water Corporation & the Department of Natural Resources for increased water charges on the Brogo River.

As an agricultural retailer, I am dependent on the profitability of local farmers to maintain a viable business. The massive increase in water charges proposed would clearly make all of the Brogo River dairy farmers (some of the best farmers in the Bega Valley) non viable. Even a cursory examination of dairy farmers profit & loss budgets will show such a massive increase is unsustainable. Farm size on the Brogo is based on irrigation – when farmers can no longer afford to irrigate, their farms will be too small to support a viable enterprise on dryland. From profitable dairy farms these properties will inevitably be cut up & sold as “life style”, subsistence type hobby farms.

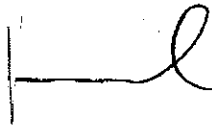
Having to lay off staff in down sizing my business is just a small example of the impact such a massive increase in water charges will have in the Bega area across many unrelated businesses.

I am also extremely sceptical and even cynical about State Waters purported costs of running the Brogo Dam – I hope their figures are held up to rigorous examination & compared to the direct costs a private company with one and a half employees might incur in overseeing the facility.

In the end, levying the full cost of the dam only against direct water users is flawed anyway. Flood mitigation, maintaining environmental flows, eco tourism, bass fishermen, etc are benefits that spread to a much wider community and as such the wider community should continue to support the cost of the dam through existing tax revenues. As an example, I know personally that a significant percentage of the labour input at the dam goes to maintaining the amenity areas – parking, BBQ's & boat ramp, none of which add value to direct water users.

In the end, if this increase is ratified & the Brogo River farmers have to stop irrigating & give up their licences then I assume domestic water users in Cobargo & Bermagui will be forced to fully fund State Waters costs. Why not go directly to that scenario now & prevent the dislocation of farming families and our regional economy that this increase will incur in the interim?

Sincerely,



Peter Abramowski