

IPART

PO Box Q290

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Dear Sir:

IPART have forwarded me a copy of their draft review of Bulk Water Charges for State Water Corporation for comment, I presume as a Peel Valley Irrigator.

IPART propose to increase annual bills for general security Peel Valley customers by 127% by 2013/14. On average, all valleys will be 28% higher. Higher costs contribute 12% to the increase and lower water sales 15%. The largest contribution will be a return on capital of 10%. A volatility allowance contributes 5%.

IPART says water extractions over the last period were 70% less than expected due to drought.

At the last Peel Water Users Meeting I attended the proposed water sharing plan was rejected as the cap was too low, likely to be breached, which would significantly lower available water in the future. The plan was expected to make irrigation unviable in the long term.

In recent years, water allocations have been reduced due to drought. Now water users are being made pay for what they have not used, another slug for drought stricken farmers.

IPART have decided to charge an allowance for Murray Darling Basin Authority and Border River Commission costs. These costs should remain with Government as they are for the public good.

A return of 10% on capital is one that few farms or businesses would have made in the last year or so. I recommend this be substantially reduced.

I consider that dam safety upgrades should not be deferred and Governments should continue to make this money available for the safety of the general public.

With the proposed suggested population increases (in the news lately) it is surely for the good of the nation to be able to produce good, clean, wholesome food in Australia. The reduction or closure of the Peel Valley Irrigation Industry would lead to a reduction in Australia's capacity to produce food.

The probable closure of the Peel Valley Irrigation Industry and the reduction of other areas of irrigation in NSW as a consequence of the cost increases proposed by this report would in fact, substantially reduce the income of State Water Corporation, a result contrary its intent.

DAVID GOWING