

"Jelgowry"

18 NOV 2005

15 November 2005

The Chairman
Independent Pricing and Regulatory Tribunal (IPART)
Bulk Water Review
P O Box Q 290
Queen Victoria Post Office NSW 1230

Dear Chairman,

We are writing this submission about the proposed water charges for the Brogo River. The amounts proposed are outrageous.

This would impose considerable financial restraints on our dairy farm in the Bega Valley. You would have to question the viability of dairying in the Bega Valley when these amounts are being considered.

We have managed our property with irrigation for over 40 years, with improved irrigated paddocks now making up $\frac{2}{3}$ of the farm. This would relate to about 85% of total production for our dairying enterprise.

We have spent a considerable amount of time and money over the past few years to make our irrigation systems work more effectively and efficiently, but by no means are they efficient enough to sustain these proposed water charges.

We rely heavily on irrigation. We could say that our farm would become unviable as a dairy if we were to go dryland. On the other hand, if these charges were to be enforced, we would become unsustainable.

The Brogo Dam was initially built for the irrigators of the Brogo River. We have a 420ML licence, but over recent years due to the weather we have had between 40-60% allocation. Our annual water account is currently \$4500. Under the proposed charges our water account for 2006-2007, based on a 70% water allocation usage, would be \$36500.

Over the past years we have had many Government regulations put in place to dairy farm. This has cost us dearly in time and money. This outlandish suggestion would just be another nail in the coffin for us. Does the State Government really want primary production to continue in NSW?

Could you imagine the Bega Valley without a viable dairy industry? There are over 500 employees at the Bega Cheese factory, and another 300 people working on farms.

Annually there is between 60-70 million dollars paid out by the Bega Cheese Cooperative either as salaries to workers of Bega Cheese or as milk cheques to farmers. Goodness knows how many people and businesses of the Bega Valley rely on this injection of money annually. This could be the end of dairying in the Bega Valley.

Yours sincerely,

Robert and Philippa Russell
Directors for Jelgowry Pty Ltd