

Keith and Patricia Pearce

15th November 2005

The Chairman
Bulk Water Review
IPART
PO Box Q 290
Q V B POST OFFICE
NSW 1230

Dear Sir,

My wife and I have been steadily growing our dairy farming business since purchasing our farm several years ago. We have made significant investment in a new dairy and two new centre pivot irrigators. This has involved extensive pasture renovation and other infrastructure changes such as laneways and fences. Cow numbers were below 200 and peaked close to 400 during this expansion phase. I employ 2 people now when at first I did it all on my own. Our ability to do this was based on several factors.

1. Increased and more efficient irrigation allowed us to grow more grass and therefore milk more cows.
2. Our asset value increased over this period which has helped with our bank financing position.

The proposed water increase on the Brogo would undermine those years of extremely hard work, probably resulting in us having to leave the land. The devaluing of our farm, our water licence and our infrastructure will create a very difficult position for us in terms of debt to equity ratio. Reduced cow numbers and increased costs of brought in feed will ultimately push us out of business.

We are relatively young farmers, and agriculture as it is does not have enough young people entering the industry. These types of unforeseen and unbudgeted increases are beyond the scope of any farmer, let alone a young farmer in a start up program.

I am passionate about farming, especially dairy farming, and I want to continue, and hopefully see my own children come onto the land as well. Agriculture in Australia has no hope if Governments actively seek to undermine businesses and destroy rural communities. Sydney is already overcrowded, but these increase will drive more people, especially young people to Sydney to find work as there will be no viable agriculture to support them.

I strongly encourage you to fully investigate the devastating impact these rises would have on our farms and our community. We need to be able to plan for the future and set targets that we can attain. Water pricing needs to remain affordable so that we can continue to invest and grow our business. We cannot afford any increases in water at this current time let alone an 800% rise.

Yours truly,

