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25 November 2005

Mr. Jim Cox,
Chief Executive Officer,
IPART,
PO Box 290,
QVB Post Office NSW 1230

Dear Sir,

Re:- Review of Bulk Water Prices for 2006/2007

I write as the Executive Officer of both the Murray Regional Organisation of Councils (Murray ROC) and the Riverina Regional Organisation of Councils (RIVROC), in relation to IPART's current review of bulk water prices for 2006/2007 and particularly to advise of the full support of Member Councils of both ROC's to the combined submission lodged this week by the Murray Irrigation Limited (MIL) and the Coleambally Irrigation Co-operative Limited (CICL).

Murray ROC has eleven Member Councils, extending generally along the Murray River from Albury City in the east to Balranald Shire in the west and to Hay and Jerilderie Shires north of the Murray River. A large proportion of the Murray ROC region falls within the MIL area, which extends from Mulwala in the Corowa Shire west to Moulamein in the Wakool Shire.

RIVROC has seven Member Councils, extending from Narrandera Shire, west to Carrathool Shire and also has membership of Hay and Jerilderie Shires. The CICL irrigation area principally falls within the Jerilderie and Murrumbidgee Shires, but also takes in small parts of Leeton and Conargo Shires.

There are also significant private irrigation systems throughout both ROC regions, which fall outside the MIL and CICL irrigation areas. These include the very significant Murrumbidgee Irrigation Area, together with a range of other irrigation district schemes and trusts, private pumpers and urban water supplies, all of whom will be affected by the outcomes of this review.

Irrigation water is vital for the wide range of summer and winter crops in the regions, which include rice, barley, wheat, canola and many others, as well as for sheep and cattle pasture and fruit production. Agriculture is absolutely the foundation of the economic well being of communities throughout the Riverina and Murray regions.

State Water's unconstrained funding model, combined with DNR's proposals for increases in water resource management fees, would if approved have serious consequences for irrigation companies and their end use customers, which in turn will affect the viability of agricultural properties/landholders and adversely flow on to regional and local communities and their businesses and employment levels.

Our communities and rural businesses are still recovering from the effects of one of the worst droughts in living memory and there is simply no capacity to absorb these continual cost increases, with the recent hikes in fuel prices already creating severe financial hardship for landholders and residents.

It is my understanding that under the proposals now before IPART, the average bulk water charge will rise by over 200% in MIL and by 35% in CICL. Logically, all of those increases would need to be passed on to their end user customers. Such increases can only be described as intolerable.

It is indeed fortunate that the proposals by State Water and DNR are at least subject to the closest possible scrutiny by IPART, whose role as an independent regulator gives some defence against unwarranted, unfair and unrealistic increases by Government proponents who are in themselves sometimes inefficient and have little understanding of, or regard to, the importance of agricultural production in Australia and the sustainability of regional and rural communities.

Murray ROC and RIVROC Councils exhort IPART to take a most rigorous examination of the proposals and give full and proper consideration to the long term future of our regions. Again, we commend and wholeheartedly support the MIL and CICL submissions in this most important matter.

Yours faithfully,

Ray Stubbs
Executive Officer
Murray ROC and RIVROC