

Platts Farms Pty Ltd
"Ellerslie"
Quaama NSW 2550

17th November 2005

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

Dear Sir/Madam,

We are irrigators on a tributary of the Brogo River, whilst not directly affected by the proposed water price rises we are very concerned as the flow on effects could have a huge effect on our business. There are two main issues, despite a general concern for other dairy farmers.

When similar price rises are subsequently rolled out to other non-regulated tributaries and those irrigating from Catchment dams there is the potential for huge effect on our business. We are producing 4.0 Million Litres of milk and in "normal seasons" we have a good profitable business. An increase in irrigation charges of the proposed magnitude would make growing irrigated pastures a very marginal activity and our milk production would be based solely on a dryland farming system. Producing milk from dryland grass is uneconomic in our variable climate. A business based on this type of production system would not be economically sustainable and we would have to reassess whether we remain in the dairy industry. Our staff of 6 would be made redundant.

The other even larger consequence of these price rises would be the effect on the Bega Cheese Cooperative and the multiplier effect through the entire Bega Valley Shire. A significant proportion of milk into the Bega Cheese Cooperative comes from the Brogo River irrigators. Should these proposed price rises occur, most of this production would cease as those farmers struggle to absorb the increases. The reduced production would make Bega Cheese Cooperative non viable with dire consequences. The potential would exist for 500 employees to be made redundant with enormous multiplier effect throughout the Bega Valley businesses and Community. Bega Cheese is the largest employer in the region.

We urgently urge you to reconsider these proposed increases. The farmers and the district cannot handle increases of this magnitude after three years of the worst drought on record and after the financial ramifications of dairy deregulation.

These price rises are unrealistic and unreasonable. Please don't sink our dairy industry.
Yours truly,
Richard and Debbie Platts