

Ron Smith

The Chairman
Bulk Water Review
IPART
PO Box Q 290
QUEEN VICTORIA POST OFFICE NSW 1230

Dear Sir,

Re: State Water and Department of Natural Resources Proposed Water Pricing Increase

I write to express our families fear regarding price increases on the water we use for irrigation. My son and his wife, my wife and myself dairy farm on the Brogo River just north of Bega. Irrigation is a critical part of our dairy operation, especially over the last 10 years which have been well below average annual rainfall. Without irrigation our farm would not be able to milk the numbers we do. A reduction in herd size due to not being able to afford to irrigate would make our farm too small to be able to support both families and I certainly would not be able to operate the dairy on my own.

The price rises seem beyond comprehension. What other service provider could lift prices 800% to its customers and still remain in business. As State Water is a monopoly we have no other options. I would expect the State Government to show a lot more responsibility, the stress that these price increases has created, especially on the back of the worst drought we have faced in history obviously has not been considered.

We are also concerned that the asset value that we have on both our land and the water entitlement we own would be significantly reduced. Obviously no one would want to own an irrigation licence at those rates, and the investment in irrigation infrastructure would be worthless. Our land would revert to dry land values which is half that of the irrigated country. For farms in the valley which have high debt levels, this devaluing will have disastrous affects on their ability to trade.

I strongly urge you to dismiss the requests in the State Water and the Department of Natural Resources submissions as they are completely unrealistic and have in no way taken into account the impact they would have on family farms and local communities. If required I would be more than pleased to talk to you in more detail on the specific impacts on our farm.

Regards,

Ron Smith