

Mr Jim Cox
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
Level 2, 44 Market St
SYDNEY NSW 2000

Re: Macquarie Valley Water Price Increases

Dear Mr Cox,

I am writing on behalf of Richardson and Son, a family partnership, which are water users in the Macquarie Valley. We employ 3 permanent and 5-6 casual staff and ourselves.

We write to emphasize several issues in addition to those raised by our peak body, Macquarie River Food and Fibre.

1. Cost sharing arrangements: We are to be charged 100% of the "user share" of costs, yet our entire Irrigation industry uses only 26% of the flows in the Macquarie River. We are "one" of the users of the Macquarie yet our irrigation scheme is charged, for all water delivered, including losses.
2. Treasury taking a 7% Return on Investment: The Macquarie's bulk water infrastructure should not return 7% annually to Treasury because it is not a private sector investment even the best Australian capital growth shares only return 3.5-5%. The annual return of 2% is all the average farm sector can expect or even hope for, with diminishing gross margins and the declining price of commodities.

We ask IPART to address these issues along with those raised by our peak bodies MRFF and NSWIC. We also request an opportunity to attend a public hearing in Dubbo to discuss these issues.

Yours sincerely,

Rhonda and John Richardson