

Faxed to I.P.A.R.T 02 9290 2061 4 pages (Original will be posted.)

Submission to I.P.A.R.T. Bulk Water Pricing 2006 on , from R.Caldwell
s N.S.W. 2871 and P.Mac Phillamy

Forbes N.S.W. 2871.

Dear Sir,

We would like to remind you of our previous submissions and ask you to look them up.

We think you have avoided addressing these fundamentals and the present drought has demonstrated that our concerns were real and should be born in mind when pricing.

The Cap on the Lachlan has been set at 250,000 MI based on level of usage in 1993/1994. The use of 400,000 MI in dry years in the 1990's is more indicative of the level of development in 1993/1994 and should be used. This 38% reduction will unfairly constrict production and prosperity in the Lachlan Valley.

The suggestion that reductions of 3% /year in Cap on average "are tolerable" is deceptive and not a proper Hydrologic description.

As an example I quote the Number of Zero Allocations as 9 Zero years in a 100 year period Pre Reform. (see attachment).

We now estimate 40 Zero years in a 100 year period. This assumes no Carry Forward provision. Carry Forward only spreads the same amount of water and income over a 2 year period.

We do not believe the farm will be much better off financially.

If you count the Zeros, then they have increased 4 fold in a 100 year period.

We believe this is a very large and serious impact.

In the numerous Water Reform Acts there is a clause saying "The socioeconomic impacts should be Born in Mind, when developing Water Sharing Plans".

We believe the plans have been developed without proper Hydrological or Socioeconomic analysis and will continue to adversely impact the property rights of irrigation farmers and the productivity of the Catchment for no good reason.

We have asked I.P.A.R.T. to take loss of reliability into consideration when fixing prices. Paying for Zero Water is inconsistent and would not be tolerated by Sydney residents.

We think State Waters claim to double charges is irresponsible and out of touch with reality. Our balance of trade and uncompetitiveness is very serious, they do not seem to comprehend The Big Picture.

The cost sharing ratio 70:30 (Users: Govt[public good]) should be 50:50 or less considering the present percentage (%) level of irrigation diversions.

We could go on with many specifics but we think you understand our concerns. We ask you to do something about it when Fixing the Price of Bulk Water.

Yours sincerely

Yours sincerely

Peter McPhillamy

Robert Caldwell

Attachment McPhillamy/Caldwell submission p3 + p4.

WATER SUPPLY VARIABILITY IN THE LACHLAN RIVER



1992

HOW CAN WATER SUPPLIES BE PREDICTED?

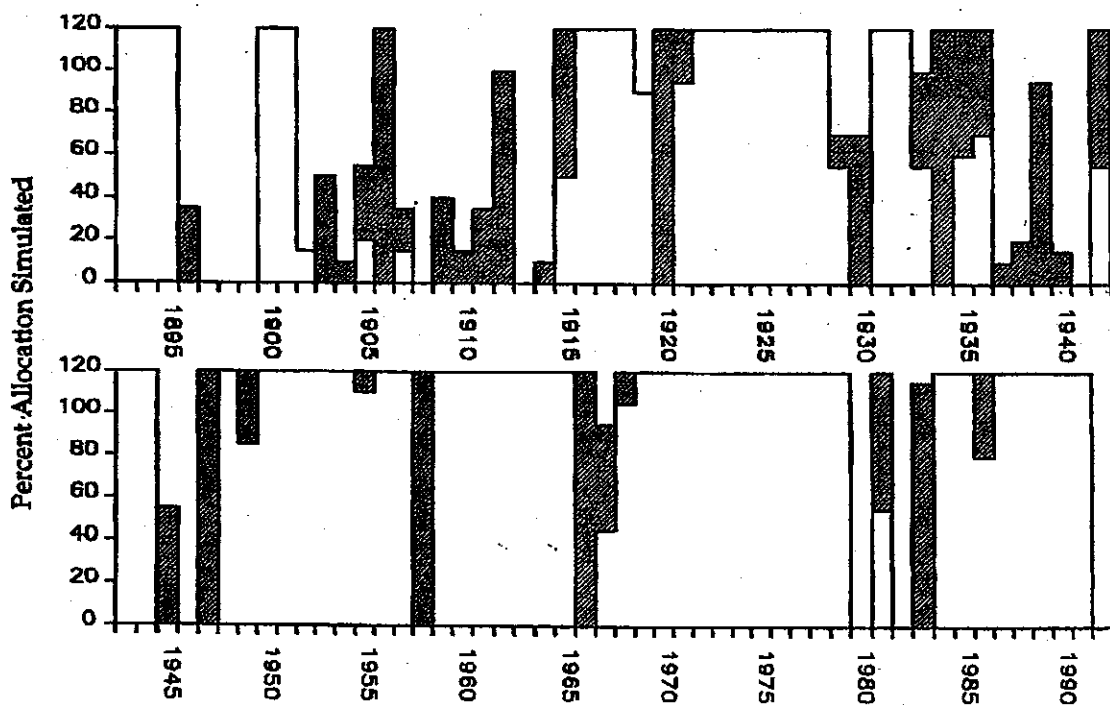
DWR has developed computer models which can simulate the operation of the Lachlan Valley's water supply system. These models are mathematical representations of the river system. They approximate as closely as possible to actual physical factors (dam size, tributary flows, etc), human factors (decisions on areas and types of crops irrigated) and operational factors (allocation levels, dam operation policies, etc) which exist in the Valley.

The models can be used to predict how water supplies would have varied in the Valley over the last 100 years had the dams, lakes and all irrigation been in existence. This gives an indication of what could be expected to occur over future years. As an example, Figure 2 shows the simulated storage behaviour for Wyangala Dam.

These models operate on a monthly time step basis and give indicative results. They are being improved and modified as an understanding of factors affecting the Valley improves, and as more data becomes available.

It should be noted, that all the results and diagrams provided in this brochure, do not include the Environmental Contingency Allowance discussed later.

LACHLAN RIVER ALLOCATIONS FOR NORMAL SECURITY USERS
 - Present Irrigation Area



Increase in allocation during the year.

**GOOD AND BAD YEARS -
DO THEY COME IN CLUSTERS?**

A sequence of good or bad years can make or break any farming enterprise. Farm planning, therefore needs to take into account the unpredictable nature of irrigation water supply in future seasons.

Based on results over a 99 year period from computer models mentioned earlier, the following statistics which illustrate good and bad periods, could prove helpful for Lachlan Valley users.

	<u>Present Irrigation Area</u>	<u>Fully Utilised Irrigation Area</u>
1. 100 per cent or more allocations are available:		
(a) In how many seasons	71	46
(b) Longest period of no restriction (ie 100 per cent allocation or greater)		
- when	1948-67	1969-79
- how long	20 seasons	11 seasons
2. Restrictions:		
(a) In how many seasons are irrigation supplies restricted to less than 100 per cent		
- at start of season	45	69
- at end of season	28	53
(b) Longest period of restriction		
- when	1907-15	1901-16
- how long	8 seasons	15 seasons
(c) Longest period of zero allocations		
- when	1897-1900	1897-1900
- how long	3 seasons	3 seasons
3. In how many seasons are allocation levels increased	36	63
4. When initial allocations are below 100 per cent, for these events:		
(a) In how many seasons are allocation levels increased (includes 4b)	34 out of 45	56 out of 69
(b) In how many seasons are allocation levels increased to 100 per cent or more	17 out of 45	16 out of 69
5. Periods when dam drawn down to minimum operational level:		
(a) How many times	1	4
(b) Longest period		
- when	1899	1899
- how long	6 months	6 months