

9 November 2005

The Chairman
Independent Pricing & Regulatory Tribunal
PO Box Q290
QUEEN VICTORIA POST OFFICE NSW 1230

Dear Sir

Submission from State Water to Bulk Water Review for price increase

I note with concern the submission from State Water to the Bulk Water Review, particularly as it applies to the South Coast Region.

Application for price increases in excess of 800% is simply stunning!

I operate a small dairy farm in the Bega area. In recent years we have had to contend with a one in one hundred year drought and deregulation of the industry. This has resulted in a dramatic decrease in my returns. I am trying to stay in the industry, with this family having supplied milk for over 100 years.

If State Water is successful with the application, I will have to pay more for water than I can make as a business profit.

The result:-

Yet another dairy farm folding, with the land disappearing from agriculture use.

My cost for water under the State Water submission would be:-

		2005-06		2008-09	
High Security	3ml	@ \$10.60	= \$31.80	@ \$48.31	= \$144.93
General Security	249ml	@ \$8.15	= \$2,029.35	@ \$24.15	= \$6,013.35
Usage	252 ml	@ \$5.43	= <u>\$1,368.36</u>	@ \$97.58	= <u>\$24,590.16</u>
			\$3,429.51		\$30,748.44

This is based on 100% allocation being made available by State Water. Although this can vary, there is no reduction of the fixed charges portion even though State Water cannot deliver 100%.

In summary I submit:-

1. The State Water submission for an increase be rejected out of hand.
2. That fixed charges should apply only to the percentage of water that is allocated by State Water from year to year.

Yours faithfully

Vincent Taylor
Taylors Pastoral Company Pty Ltd