

# *Lucasvale Farms*

October 26, 2009

Mr James Cox  
Chief Executive Officer  
Independent Pricing and Regulatory Tribunal (IPART)  
PO Box Q 290  
QUEEN VICTORIA POST OFFICE NSW 1230

Dear Sir,

**Re: Proposed Water Price Increases on Brogo River**

My wife and I, along with our two adult children, operate a three hundred cow dairy farm adjoining the Brogo River. We also employ three full time employees.

We have made significant investments in our dairy business in both dairy plant and irrigation infrastructure. That investment is aimed at creating an efficient and profitable business for now and into the future. The possibility of going to full cost recovery on the Brogo will put at jeopardy all that we have worked towards over the 40 years we have been on this farm.

Water pricing should aim to send the appropriate signals for efficient water use, not a signal to exit the industry. We are committed to improve our water use efficiency and use the resources we have wisely, but there is no possible way our business could accommodate the increases indicated by SWC through any form of efficiency gain or new technology. It is simply not possible to make up those costs.

With the dairy industry experiencing a downturn at present, any further increase in input costs will significantly restrict our investment as we will not be able to fully utilize our irrigation system and maintain our present production.

Yours sincerely,

Guy Lucas