

John and Joan Bailey

16 October 2009

State Water Corporation Price Review 2010
Independent Pricing and Regulatory Tribunal
PO Box Q 290
QVB POST OFFICE NSW 1230

Submission to IPART – Bulk Water Prices from 2010

We are irrigators in the Peel Valley and wish to object most strongly to the proposed increases in regulated water from the Peel River.

The proposed increases are massive and unreasonable in the extreme and, if approved, would doubtless make irrigation in the Peel Valley unviable for most, if not all, irrigators.

Many irrigators have invested substantially in infrastructure (such as underground mains and associated equipment) based on current water prices. Irrigators cannot increase the price of their product to cover the proposed increases to the cost of water, which if implemented would make it virtually impossible for many to stay on their farms. This means they would have to sell out or face bankruptcy. The result would be that the irrigation industry in the Peel River Valley would be destroyed.

The proposed excessive price increases would also have a negative flow-on effect in Tamworth and associated areas. There would be a dramatic downturn in business for rural machinery suppliers and other associated rural suppliers. Some of these businesses will have to close down or move to other areas. This will negatively impact growth in Tamworth and lead to more unemployment in the area.

Apart from the obvious devastating economic impacts of excessive price increases, there would also be potentially serious social impacts. Many farming families would need to access welfare payments to survive. There would be increased stress and depression amongst our farmers which, in some cases, could lead to suicides.

We understand that Chaffey Dam on the Peel River was not built on a cost recovery basis. However it now appears that there is a drive to recover costs with no regard to the devastating economic and social problems that will occur in the Peel Valley if the proposed excessive charges are implemented.

The bottom line is that irrigators in the Peel Valley are being seriously disadvantaged and treated un-fairly. We request that water prices in the Peel Valley be kept at an affordable level,

John Bailey

Jean Bailey

Copy to: Peter Draper MP – Member for Tamworth
Namoi Water
Peel Valley Water Users Association