

"Jelgowry"

N S W 2550
15 November 2005
Mr James Cox CEO
Independent Pricing and Regulatory Tribunal (IPART)
Bulk Water Review
P O Box Q290
Queen Victoria Post Office NSW 1230
Email ipart@ipart.nsw.gov.au

Dear James,

We would like to notify you of the huge impact the State Water Commission's proposal for full cost recovery for the Brogo River System would have on ourselves as dairy farmers in the Bega Valley.

We fully support the submissions from the NSW Irrigators Council and Bega Cheese. The current price of \$31.20/ML (\$6.24/ML entitlement and \$24.96/ML usage) entitlement is expensive enough. The difference on our 420ML licence with a 40% allocation, which we have had over the past few years, would be \$14,680 (the difference between \$6,714 and \$21,394). This would impose considerable financial restraints on our dairy farm in the Bega Valley. You would have to question the viability of dairying in the Bega Valley when these amounts are being considered. Our farm would become unsustainable as a dairy if we were to go dryland. On the other hand, if these charges were to be enforced, we would become unviable.

Could you imagine the Bega Valley without a viable dairy industry? There are over 500 employees at the Bega Cheese factory, and another 300 people working on farms and many people and businesses in the Bega Valley rely on the injection of dairy industry based money. What value do you put on Australian made and produced products? Bega Cheese has become a national icon. Do you really want Australia to import more of its dairy products?

Where will we be when there are fewer farmers than now to pay for full cost recovery and what for future pricing. This will be the beginning of the end for dairying as we know it in the Bega Valley.

Our current milk pay rates are on a par with 2000 prices. How do you think we can afford such increases with irrigation water? This year to date we have only had 5% allocation. How will full cost recovery work if the climate serves us more of these dry years?

We do not benefit from the daily use of freeways and varied public transport. Why not give some of our taxes back in the form of water operating costs. This is our livelihoods at stake.

Yours sincerely,

Robert and Philippa Russell
Directors for Jelgowry Pty Ltd