



**PETER DRAPER MP**  
Independent  
Member for Tamworth



16 October 2009

**Independent Pricing and Regulatory Tribunal**  
PO Box Q290  
QVB Post Office  
SYDNEY NSW 1230



**FXED**  
9290 2061

Dear Tribunal Members

**Re: Review of Prices for State Water Corporation from July 2010**

I would like to make a brief submission in relation to IPART's review of recommendations by State Water Corporation (State Water) to increase charges paid by irrigators, industrial users and town water suppliers for extracting bulk water from regulated rivers in NSW.

I would like to support and endorse concerns raised by local irrigators, and in particular members of the Peel Valley Water Users Association regarding the price of extracting regulated surface water from the Peel River.

I understand that the proposed increases will result in charges rising from \$25/Megalitre to approximately \$62/Megalitre for Peel Valley irrigators, and I am advised this will seriously affect the ongoing viability of their businesses and force many farmers to sell out or face bankruptcy. The value of irrigation properties will also be downgraded.

Primary production in the Peel Valley has suffered over a number of years due to the sustained drought, with access to water being massively reduced. The proposal to dramatically increase the cost of water is yet another impost that irrigators and farmers in the valley cannot afford.

Combined with the drought and the current economic downturn, the potential result of increased water charges on local primary producers will have a significant negative flow-on effect on town businesses and rural suppliers in this region.

The Peel irrigators have informed me they are already being disadvantaged as a result of the existing inflated pricing in comparison to other river systems. Any further increases of the magnitude proposed will ensure that local producers will not be able to compete with hay and commodity supplies produced in other regions.

It is critical that a fair and equitable pricing structure for regulated water extraction is achieved, and I am pleased to support submissions made by Peel Valley irrigators.

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I trust that my submission and the concerns of the Peel Valley Water Users Association will be given due consideration, and that the issues raised will be taken into account when the Tribunal makes its determination.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Peter Draper". The signature is stylized with a large initial "P" and "D".

PETER DRAPER MP  
**Member for Tamworth**

PD:km