

Stephen & Mary Guthrey

21 October 2009

Mr James Cox
Chief executive officer
Independent Pricing and Regulative Tribunal
PO Box Q290
QVB Post Office NSW 1230

IPART Review of State Water Pricing in NSW

Dear Sir,

As an irrigator in the Bega Valley I am extremely concerned for the viability of my farm and the other irrigation farms in the Bega Valley if the full cost recovery price increases proposed by the State Water Corporation were to be implemented.

Irrigators in the Bega Valley and other coastal areas already pay considerably more for water than irrigators in the western parts of NSW.

In our own situation our costs if we were to have a 40% allocation (currently we have only had 5% allocation as the dam is only 20%) would rise from \$7,283 in the 2009-2010 year to \$24,281 in the 2010-2011 year and increase to \$26,000 if we were to have a 50% allocation.

Though it might not appear to be a large amount of money in the scheme of things it is a three fold increase and will have considerable impact on our profit.

Dairy farmers rely on grass for gaining their best profit margins. If we have to import feed (as we are doing at the moment, as we are in a severe drought with exceptional circumstances and have no irrigation water) to produce milk we again have our profits eroded. Not to mention the increased carbon produced by bringing feed considerable distances into the Bega Valley.

Brogo Dam was never going to be a profitable enterprise for the State Government from the day it was commissioned. Yet it has allowed a viable and sustainable dairy industry to be developed in the Bega Valley employing 500-600 people directly and underpinning the economy of the Bega Valley.

So I would ask the panel to carefully consider the overall implications of raising the price of water to Brogo Irrigators as there is a considerable Community Service Obligation to the whole of the Bega Valley.

We also support the submissions made by Bega Cheese and the NSW Irrigators Council.

Yours faithfully

Stephen and Mary Guthrey.