

Mr Sebastian Roberts,
General Manager – Water Branch,
ACCC.

Regarding the Peel Valley Water Pricing.

Dear Mr Roberts,

I wish to make the following submission to you, regarding the cost of water in the Peel Valley. My husband's family have been irrigators in the Peel Valley for over 40 years, and Ross and I still have an irrigation plus grazing enterprise at Dungowan, near Tamworth.

I am a member of the Peel Valley Water Working group initiated by our local member, Mr Kevin Anderson.

I am also the representative on the Peel/Namoi Customer Service Committee with State Water for the Peel Valley irrigators who are members of Namoi Water.

I am very alarmed and concerned about the proposed price increase determination handed down by the ACCC for State Water. If these increases are implemented, it will mean the end of a currently viable industry, as these prices will make irrigation unsustainable in the Peel. The Government, both State and Federal, have an obligation not to adversely affect any sector of the State, yet these increases will have a devastating effect on our community, not just the irrigators, but the wider community as well. The industries in Tamworth that support the farming sector will be severely impacted, and any industry investment limited. This is already affecting property sales as confidence in the future of irrigation is de-railed. We know of irrigators who have already lost customers who find it more economical to purchase hay from down South, even with the added cost of freight, rather than purchase hay locally, due to the huge disparity of water pricing between the southern valleys and the Peel. We simply can't compete. This is clearly an adverse outcome for our industry and community.

I present the following for your consideration.

1 – I would like to see legislation changed to allow uniform water charges to be applied to the whole of the Murray-Darling basin, commonly known as postage stamp pricing. I realise this can't happen overnight, but please - start the ball rolling.

2 – In the short term for the next 3 years allow subsidisation by the Government to continue for the Peel Valley to bring us to a level playing field so that we can compete and Tamworth can prosper. In other words, use weighted average pricing for the Peel Regulated.

3- If this can't be done, then price parity with the Namoi would give us some short term relief, except in years of 0% allocation, however even with 20% we would be better off.

4 –As a matter of urgency, I request that the Peel Valley Water Sharing Plan be revisited and the unrealistic CAP of 6100ML at least doubled; figures used to calculate CAP should be based on years of consistent usage, not taken on drought years when there was no allocation, or very little, which is how the CAP was calculated and gave a false average figure;
and any environmental water costs not be levied on the irrigators.

5- Chaffey Dam when it was originally put in was never intended for full cost recovery, it was put in for "irrigation and recreation" by the Government of the day. It was also originally meant to be double the size it is now. It simply is not fair or equitable to compare this small valley with the much larger river valleys down South.

6 – I believe there should not be 2 Government agencies doing much the same job, i.e. State Water and NOW. It used to be just State Water, now with the 2 agencies there is a lot of duplication, plus double the administrative costs, all of which seem to be passed on to the water users. I would like to see some rationalisation and cost cutting applied and bring all the roles back under the State Water umbrella.

7 – When there is no allocation available in dry times, such as we are facing when the next water year starts on 1st July, we should not be charged at all for our entitlement. In my opinion, this is highway robbery. In no other instance would any business be allowed to charge for something it can't deliver. Why should a Government agency be any different, it is a business the same as all the other businesses we deal with. We have already had to purchase our allocation in the first place, pay licence fees every 5 years, then pay for our allocation even when there is no water available to us, plus pay for whatever water we use when we do get it. We have no problem in paying for our usage, especially if the price of Peel Valley water could be brought to a more reasonable level. I think it is high time the whole structure of water pricing and water operations in NSW should be reviewed, and tightened up to provide a more equitable and efficient service to its customers.

8 – We do not wish to be included in State Water's plan to implement new Telemetric Water meters, this would cost the irrigators a substantial amount of money, and the only benefit would be gained by State Water.

In summary, I wish to give my full and unconditional support to the Peel Valley Water Working Group, and to our State Member, Mr Kevin Anderson, and will support any suggestions put forward in the submission being prepared by Mr Rob Jarrett on our behalf.

Jan Hahn.

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