

Submission to the ACCC re. Peel Valley Water Pricing:

TO WHOM IT MAY CONCERN

As an irrigator in the Peel valley I am very concerned for both the future of my business and the future of the Peel irrigation industry as a whole.

My family and I moved to the valley five years ago looking for a change from dry land farming in western NSW.

Since 2008 we have seen the viability of our business decrease to the point that profitability is very marginal.

The main contributing factor:

- The cost per ML of water has risen from around \$19/ML to \$53.13 (this is subsidised back from \$72.92 and this subsidy could be removed at any time) When our competitors can produce the same product using water at \$2.49/ML our gross margins have been destroyed by the stroke of an ill informed pen.

I cannot believe that Peel valley water pricing, as it currently stands, would fit with the charter of the ACCC. Water is as basic as power, fuel and food. All of which have comparable pricing where ever you are in the country. Why is it that Peel water is over twenty times the price of Murrumbidgee water?

The Namoi valley pays less than half the price for water than the Peel and 95% of the water that lands in the Peel catchment, after the irrigators and Tamworth Regional Council allocation have been used, runs into the Namoi. How is this fair?

It is my opinion that if the issue of inequitable water pricing in the Peel Valley is not addressed the irrigation industry that Tamworth was built upon will cease to exist and the follow on affects of deflating land prices will be devastating for the Tamworth region as a whole.

Regards

Richard Oates

Peel Valley Water User.