

SUBMISSION BY P.H.&U.I.J.GRIFFITH.

"BALCARY" ATTUNGA 2345.

IN RELATION TO THE PROPOSED 20% INCREASE PER YEAR, IN THE PRICE OF BULK WATER FOR THE PEEL/NAMOI,01/07/01-30/06/04.

We have operated this mixed farm of 151ha since 1987. It consists of beef cattle and irrigated lucerne. Since 1988 lucerne has been 50% of our income. Currently we are irrigating 15ha of lucerne which we sell mainly to beef producers (cattle) and horse owners. The hay is generally prime to choice and is produced in small rectangle bales. This hay is sold to various locations throughout northern N.S.W. This property is operated by the two owners aged 65 and 60. In the past however casual labour was employed for hay production, but in an endeavour to curtail costs we have to cease or restrict this casual employment.

The following table indicates average costs achieved by us for the sale of bales

PERIODS	AV PRICE PER BALE	AV COST WATER	COMMENTS
1988-92	\$4.00	\$2.52	
1993-98	\$5.75	\$5.00	
1999-01	\$4.75	\$7.80	
07/01-30/06/04	\$5.25 *	\$16.00	*+gst

This table does not take into account any overheads and is purely a comparison of the effect of the additional cost of water to the selling price of hay.

It is our past experience that there is abuyer resistance to any increase in hay prices. The entitlement fixed charge is an additional burden when there is a nil or a reduced allocation of water-Should the proposed increases be implemented this burden will decrease the viability of our operation to the point of extinction.

RECOMMENDATIONS

1. The introduction of a state wide pricing structure so that all users pay a similar price per megalitre. It is difficult to compete against large operators who enjoy a lower cost for their water as they receive a similar or comparable price for their hay.
2. Licence holders should have the option of trading their allocation or the government purchase this allocation at a fair market price. The government then have the ability to onsell this allocation to new enterprises which may produce a more viable product for the benefit of the community.