

From: Phil Montgomery
Sent: Monday, 11 March 2013 2:04 PM
To: Water (External)
Cc: Ian Johnson
Subject: Pie Creek water submission

From: Phil Montgomery - Irrigator Pie Creek Channel – Penticton Farm

Dear Sirs

We have been irrigating from the Channel since 1989. Since that time our business activities on the farm have expanded rapidly. 2200 Macadamia trees were originally planted in 1984. In 1992 a further block of land was purchase under separate title with a further 1800 trees planted for a total of 4000 trees all of which are now mature. The farm installed with at the time a very sophisticated irrigation system throughout the whole 24 hectares. In todays values the system would cost \$300,000. Additions have been made as we went along such that we have a very modern system which is a major reason for the farm to be recognised in the Macadamia industry in Australia, in fact the world with having a crop yield per hectare in the top 80 – 90% of all Macadamia farms. Irrigation is the important contributor.

QCA is recommending that the cost of water pumped from the Channel in July 2013 to be doubled on the existing year, then continue to increase year after year compounding until the impossible cost of \$535 per ml is reached; even then the project is short of breaking even.

The cost penalty for an irrigator to exit from the Channel is a cost starting in 2013 at \$3,595.46 per ml and increasing each year. This is outrageous!

There are reduced costs for the irrigator who stops pumping water, the lowest rate causes him to pay for having an allocation which as a the result of restrictions continues for ever! Now the problem switches to the children of the diseased irrigator.

This solution is not practical and should be an embarrassment to the proposers. There is a good example of this situation occurring now in submissions made from others.

Since 1989 we blithely continued developing our business not expecting that there could be a threat of closure or costing's that would make us unviable. We believed that agriculture in the Mary Valley had a future, that we could prove that horticulture was an successful business for farmers in the Valley. Now we are told that we had it wrong.

Penticton Farm is now trapped. We cannot sell the farm as a going business.

We cannot move the farm to another location; Macadamia trees are commercial for a lot of years and have deep roots.

We are unable to subdivide the property as it has rural zoning and does not qualify for development.

We cannot see a future for our enterprise beyond the next price path as we would need to sell at a heavily discounted price, probably below or at house price only.

There is one larger Macadamia farm than us who has and uses 80 ml on Macintosh Creek Rd; Their experience is similar and would want to sell to solve this problem with the same issues as above..

It will take only one more of our three larger water users to stop irrigating to create issues for the whole Channel.

To expect the Channel to continue providing a service to agriculture with the proposed controls and penalties is the wrong direction.

It will be best for all parties concerned to find other solutions than threatening rules that will ultimately remove objective farmers from the system and the area.

Farmers on this scheme do not want to own or participate in the operation of the Channel. To work with the management of the Channel would be welcomed.

If the scheme were to close down it would be the decision of the Government and not the Users.

With regard and respect

Yours faithfully

Phil Montgomery