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4<sup>th</sup> March 2013

Re: Pie Creek Irrigation Scheme Price Path Submission

Please consider the following three points in this Submission

1. Current and Future price path.
2. Termination fees.
3. Long term Viability.
4. Scheme efficiency

Since joining the Scheme in 1992 which has always been subsidised and were led to believe was always going to be, is an integral part of our Small Crops Farming Business. We rely on the Scheme for 100% of our income and the current and future price path cannot be absorbed financially by our business.

Previous Water providers informed us that the Scheme which was established in 1976 to support the dairying and agricultural industry would always be subsidised and has always been a category 3 Scheme. We have been asking Water providers for the last twenty years where the Scheme was headed with water pricing and the long term viability of the Scheme (without answers), as we were growing our business to secure a future in agriculture. Twenty years later the real costs have been exposed after we continually invested into the expansion of our business and employment of now 15 people, and securing Chain store contracts. We had the vision of being able to expand in the agricultural industry due to access to good clean scheme water, flood free land and suitable climate now we seem to have been trapped due to a number of reasons.

1. Increased costs of the Water from a scheme that was never going to meet lower bound costs.
2. Increased pressure from Local Government allowing development of good Agricultural Land into Rural Residential Lifestyle blocks in and around the Scheme (which was outside the state Governments guidelines for development of agriculture land). This in turn put increased pressure on the usage rate on the Pie Creek Scheme. And long term benefits for agriculture especially in the hydroponics industry, On many occasions we have been to the Local Council to prevent this from happening, to protect the long term viability of the scheme our business and future growth, opportunities for agriculture, but they seem to have lost the balance and foresight of the long



term viability of the Agricultural Industry and Urban growth which put increased pressure on the scheme.

3. At the recommended price path, Allocations will become a liability forever because of the cost associated if we wish to terminate. We are left with the choice of being unable to afford water and unable to afford to terminate. Of the 51 allocation holders approximate 10% are dependent on their allocations for 100% of their income. We are now held at ransom for the next four years until the next price path (then what happens) we cannot afford the water now and nobody wants to give us some insight into what will happen next yet we still have to be able to manage our business hopefully with capital growth and a future, and continue to employ people which benefits the community as a whole.

4. Scheme efficiency is a serious problem when it comes to running of the pie creek scheme, as we have witnessed over many years this is an issue that needs to be looked at, to reduce water losses and high maintenance costs.

Somehow we have this feeling that government departments and policy makers have got us on a rocket to the moon with half the fuel to get there.

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