

COOLMORE®

A U S T R A L I A

3367 Golden Highway, Jerrys Plains NSW 2330

PO Box 8, Jerrys Plains NSW 2330

Phone (02) 6576 4200 Fax (02) 6576 4299

Re: Independent Pricing and Regulatory Tribunal (IPART) Review of Water NSW's bulk water prices.

Dear Tribunal Members,

Coolmore Australia operates a thoroughbred stud farm at Jerrys Plains. The farm comprises c.9600 acres, general security licences used for irrigation of >5k megalitres and employs up to 150 staff. Coolmore has been operating from this site since 1996 and one of the principal reasons for choosing this farm was its access to affordable water, via the regulated Hunter River.

Increased costs for our business

The steep price increases proposed by Water NSW to fixed charges and usage charges will have adverse effects on our profitability and is an increase in expense that ultimately we will have to try to recoup from our clients which will ultimately harm our competitive position and pressure our business.. As Hunter river users we believe we deserve more specific detail on the Hunter system and what has changed at a local level to bring about these proposed price increases. Businesses like ours are still in the process of recovering from three years of tough drought. These proposed price increases will have a negative impact on our enterprise at a time we can ill afford it.

It is also a real concern that if bulk water fixed prices are too high, licence holders will relinquish their entitlements, causing a greater load on the remaining parties.

The likelihood of increased costs for water users comes alongside the December 2021 deadline for compulsory metering requirements from the water regulator. These requirements carry further costs for business.

Coolmore have installed the required meters and already spent in excess of \$100K farm wide. We have already installed an onsite telemetry system that allows us to track and plan our water usage. This also provides us with our log book history for compliance.

Additionally, our meters will also need a Local Intelligence Device(LID) fitted at a cost of approx. \$2K per pump site. We envision adding these to 15 pump sites.

The possible requirement to install compulsory telemetry for compliance is another real concern. Our understanding is that we would will have to fund this entire process along with the monthly SIM card charge per LID device. Additional we have concerns regarding the phone coverage on our property and the workability of the proposed unproven system. Once again, we have at substantial cost to our business, already install our own on site telemetry

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system. We would be happy to make available our system to the relevant departments.

A greater burden and cost of compliance is being placed on the licence holder/customer. All that we seem to be receiving in return is higher water costs. We are having to fund compliance which one would imagine would lead to less operational costs.

This whole process has failed to deliver a clear and transparent path forward. Communication to inform water users and improve dialogue between the parties has been non-existent. Instead matters to do with water reform and compliance seem to be spread through word of mouth. Our organisation wishes to be the best corporate citizen it possibly can be. However, the lack of clear messaging from the water regulators coupled with large proposed price increases makes this very difficult.

Yours faithfully,
John Borg,

A black rectangular box redacting the signature of John Borg.

Farm Manager, Coolmore Australia.