

18 November 2005

Bruce Griffin

The Chairman
Independent Pricing and Regulatory Tribunal
Bulk Water Review
PO Box Q290
QUEEN VICTORIA POST OFFICE NSW 1230

Fax No: (02) 9290 2061

Dear Sir

RE: BULK WATER USERS PRICE INCREASE

I represent the interests of the Griffin family, who have relied on the Brogo River System for farming and residential water for over 70 years. We hold water licence rights for approx 312 ml and see this as an integral commitment to the viability of our family farming enterprise moving forward.

You will be familiar with how to calculate the cost increases our farming enterprise will be up for under the proposed new charges at 312 ml (I have run the numbers and can assure you we will not be able to afford the increases being proposed!). These charges will apply even though we only use less than 5% of our licence rights at this time, so we will be paying excessive rates for water we do not even use!!!

I understand that many submissions have been made by small business operators directly utilising their water entitlements for irrigation. I have spoken to many of the people who have lodged detailed submissions. I am sure that you will observe clearly that the consistent theme from their submissions is that all users of water under licence are highly critical of the proposed increases on water prices for users on the Brogo River from both the State Water Corporation ("SWC") and Department of Natural Resources ("DNR").

I wholeheartedly endorse the criticisms put forward. Further, I believe the proposed new charges:

- Are ill-conceived in every aspect.
- Are made without regard to the ability of the farmers to cover a 700-800% increase in charges without sufficient lead time, reasonable debate/consultation and zero ability to on-charge such excessive cost increases.

- Have no regard for the commercial viability of the farming users on the Brogo, in that such cost increases may well put farmers out of business.
- Fail to see that the Bega Valley dairy industry, which employs over 1,500 people directly and indirectly, will be significantly adversely affected if these charges go through, which will result in substantial decreases in employment.
- Lack integrity in relation to the financial justification of the proposed increases, (failing to focus the need to tightly control administrative costs and no appreciation as to how such costs should be apportioned between commercial users and community interest to name but two highly dubious flaws).
- Fail to allocate costs to managing to the environmental component of the water, surely the task to which most of the costs are incurred.

I also understand that The Bega Co-operative Society Limited ("Bega Cheese") has lodged a submission. I have also spoken to Executives at Bega Cheese and am familiar with the content of their submission. I also endorse the contents of the submission from Bega Cheese and congratulate the Board and management for taking such a pro-active stance in the interests of their milk suppliers, their shareholders, local business operators and the wider South East NSW community.

Having regard to the above, I urge you to reject the proposals you have received from SWC and DNR and that you sternly recommend that they revisit their charges structure so as not to decimate the Bega farming enterprises and future employment opportunities for the local area.

Should you have any queries in relation to this submission please do not hesitate to contact me (work 02 64922005 or ah 02 64921550).

Yours truly,

Bruce Griffin

CC: Barry Irvin, Chairman Bega Cheese