

→ Colin Reid

Jerang Pty Ltd

A.B.N.: 28 000 993 377

PO Box 131

BEGA NSW 2550

18 November 2005

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

Dear Sir,

Re: Brogo Water Users Price Increases

Jerang Pty Ltd

| | |
|----------------------------|-------------------|
| 2005/2006 Water Charges | \$ 16,324 |
| 2008/2009 Proposed Charges | <u>\$ 126,274</u> |
| <u>INCREASE</u> | <u>\$ 109,950</u> |

Our Company operates a large dairy farm supplying Bega Co-Operative Society Ltd. We produce 4-5 million litres p.a..

We employ 7 full time staff, several casual and variety of contractors.

We have survived deregulation, three (3) years of horrific drought, yet we are positive about our industry with intentions of further capital upgrades, increasing milk production and employing additional staff.

The proposed increases in water charges on the Brogo River by both State Water Corporation and the Department of Natural Resources if coming into fruition are so dramatic they will destroy the financial viability of our property, resulting in its closure as a dairy farm, retrenchment of existing staff, forcing us to look towards alternatives such as subdivision, etc.

I have spoken to many fellow farmers who believe they will be in exactly the same position as ourselves or worse depending on financial institutions, which will ultimately flow through to our local Co-Operative, the Bega Cheese. The resultant decrease in throughput at Bega Cheese will make the operation of the factory sub-economical.

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Our Co-Operative currently employs approximately 500 people with the huge multiplier effect from farm to factory increasing the social and financial benefit for the whole of the Shire.

If our farmers, and Co-Operative, fail massive job losses will occur throughout our Shire.

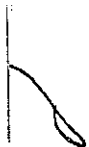
We find it incredible that State Government could ever contemplate such a horrendous increase in charges, especially in the context of what our industry has gone through over the last several years.

We find it amazing that the State Government could contemplate full cost recovery all against one group without reasonable enquiry to environmental benefits, social and financial benefits for the local community.

Before even contemplating an increase that could destroy a farming community it would be reasonable that both State Water Corporation and the Department of Natural Resources be held accountable via an enquiry for their budgets, operating expenditures, staff levels, etc.

We will be pleased to participate in supplying additional information if required and believe that CPI increase would be the maximum that should to be applied under the circumstances.

Yours faithfully,



RICHARD PARBERY

Jerang Pty Ltd

Chairman