

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 Prices for the Water Administration Ministerial Corporation

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

Proposed price increases through the Water Administration Ministerial Corporation and its desire to pass on more costs to licence holders, is a proposal we cannot support. We are on the regulated Hunter River stream which has multiple flow gauges situated along the entire length of the stream. New metering laws that come into effect by the 1st December for us, have been totally self-funded by the licence holder. This cost has been substantial for our business.

The proposed increase of Water Administration Ministerial Corporation charges will in our opinion, place unfair pressure on our business. We are still recovering from three years of intense drought, and yet another rise in regulatory management is proposed at this time.

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. We have yet to be formally notified of these.

Coolmore have installed the required meters and already spend in excess of \$100K farm wide. We have already installed an onsite private telemetry system that allows us to track and plan our water usage. This also provides us with our log book history for compliance. We are being proactive in this area and had commenced this some 5 years prior. We will also bear the cost of validation for our meters, another cost.

In addition to this, there is the possible requirement of installing compulsory telemetry for compliance. Our understanding of this process, is that we would need to fund the entire process at around \$2K per device and also have a monthly charge for a SIM card per LID device. Why would we fund another telemetry system that is unproven, when we have already installed one onsite that we are willing to provide access to upon request?

Another concern that hasn't been resolved is phone coverage and the ability for the LID devices to be reached remotely. Our understanding is the proposed

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telemetry system has yet to be proven. Why would we want to fund more capital into compliance of an unproven system when we already have a system working for us?

The proposed sharp price increases by will need to be passed on to our customers and borne by our business, which will harm our competitive position in the medium term.

Yours faithfully,
John Borg,

A black rectangular redaction box covering the signature of John Borg.

Farm Manager, Coolmore Australia.