

JG.IH

27 August 2010

Mr EJ Hall (John)
Chief Executive
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

***RE: QCA PROPOSED INVESTIGATION INTO WATER PRICING OPTIONS FOR THE
BUNDABERG WSS***

Dear Mr Hall,

I wish to advise that the Isis Central Sugar Mill does not support the proposed investigation by the QCA into water pricing options for the Bundaberg WSS, and this investigation should not proceed.

The Board of Isis Central Sugar Mill met with QCA representative on 26/8/10 and outlined our strong concerns on this issue.

It is ICSM's strong view that the Bundaberg WSS Channel scheme was constructed as one scheme with one price and it is unconscionable to seek to alter this after individual investments decisions have been made on the basis of both, an understanding of a single price for the scheme, and the practice, over decades since inception, of a single price for the scheme.

By way of background, the Isis Central Sugar Mill (ICSM) is a 116 year old sugar milling business that directly employs more than 200 employees in its operations. The mill also operates a large sugarcane farming operation on over 3,000 hectares that will produce in excess of 120,000 tonnes this year and that utilises a combined water allocation of 4811 ML.

ICSM is not represented in any way by BRIG and ICSM is concerned that some parties may be seeking to utilise this issue to obtain a commercial competitive advantage.

Yours sincerely



GENERAL MANAGER