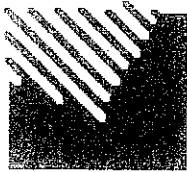


19 SEP 2007



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13 September 2007

Mr Simon Johnston
Principal Council Officer
Legislative Council Committees
Parliament House
Macquarie Street
SYDNEY NSW 2000

SD 07/147

Dear Mr Johnston,

Re: Inquiry into aspects of agriculture in NSW

I refer to the recent appearance of Ms Deborah Kerr and myself at this Inquiry and particularly to the question of the Inquiry:

“Does your organisation support a ‘free market’ for water trading and what are the implications for your individual members of such a market?”

The simple answer is a qualified yes, we do support the principles of a market for water.

That said, we need to consider exactly what a ‘free market’ in this context means.

We do not support a completely unregulated market. The complexities of water as a commodity and the delivery systems associated with it require regulation.

As an example, it is our position that brokers of water ought be regulated (licensed) as a matter of urgency. We are greatly concerned that the emerging engagement in water trade by unregulated and unlicensed brokers will lead to some very poor outcomes.

We also recognise that regulation is required to minimise the impacts of trade on third parties within the system.

I trust that this answers your question, but please do not hesitate to be in touch for further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Gregson".

ANDREW GREGSON
CHIEF EXECUTIVE