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21 May, 2008

Michael Malouf
Managing Director
Barwon Water

Subject The Effect of the Proposed Increased Water Charges For Bartter
Enterprises

Dear Michael,

I would like to express my concern about the size of the proposed increases in our company's water bill from 2008 onwards. The following is a summary of why I feel that way. I hope common sense prevails and the increase is limited to a much smaller amount.

Bartter Enterprises have been pro-active in our efforts to reduce water consumption, in particular, over the past nine years. The result of the many water saving projects can be seen in the two graphs that are attached to this letter.

The KPI we use is litres per bird and this is measured and reported every week. This same KPI is used in all our sites across Australia. The figure for July in 2007 was under 13 litres per bird and we produced 100,000 birds at that time. In 1999 the figure was more than 21 litres per bird and the production was 60,000 bird per day.

We now see that our water bill will potentially be increased by about \$100,000 in the next financial year if your proposed increases come into effect. The figure has been calculated with the assistance of the Barwon Water billing area. We believe it to be accurate. It is an actual increase of 13% in our bill for the year.

We believe that as a major customer of Barwon Water and with a record of continuously reducing our water consumption over the last decade, we are being harshly treated by the Board's proposal to increase the rates by such a large amount.





We have injected many thousands of dollars of capital and R&M funds to complete several water saving projects, some of which are listed below:

1. Implemented a replacement program for diaphragm valves supplying hot water to the scalding tanks. The diaphragm valves had a high failure rate and caused water wastage. They were replaced by a more reliable piston type valve.
2. Implemented a program to remove all existing W.C. suites and the flushometer system and replaced the systems with 6/3 dual flush w/c pans and cisterns.
3. Replaced the thermostatic mixing valve controlling water temperature to the wash down system.
4. Implemented waste water collection systems to each of the three overhead chiller conveyors via a small portable tank and pump.
5. Increased hot water supply temperature to scalding tanks to reduce incoming water supply quantity.
6. Development and continual updating of site water supply and other services drawings to increase site efficiencies.
7. Completed a modification to the chicken water spray pump (foggers) in the live bay to eliminate water wastage of 8,000 litres per day discharging to the ground surface.
8. Smaller nozzles were installed on the cleaner's hoses to minimize water usage.
9. Installed electric heater in whole bird shrink tunnel to replace steam usage.
10. Installed a smaller capacity pump set for a staged pumping of process water to reduce plant water pressure and consequently the water volume used.
11. Installed an electric high pressure washer system for the truck wash area.
12. Replaced difficult to clean plastic link conveyor belts with new easily cleaned plastic "no tension" belts.
13. Routine replacement of toilet urinal flush system seals is carried out yearly.
14. Ceased operation of the steam boiler when the Ossid wrapper shrink tunnels were made redundant.
15. Provided the three pick up trucks with a water tank and high pressure pumping system to eliminate trucks being washed on our site.





In addition to those items completed, we have several more items that were being planned for implementation before the WaterMap Program made it an operating requirement. These include.

1. Installation of a high pressure pump set for washing of the two rotating screens in the offal plant.
2. Re-use of waste water from the daily waste stream to wash down concrete areas of the livebay and the vacuum pump area. We have estimated that this will save approximately 96 kilolitres per week of operation. The funding was approved last week and the work will be completed by the end of March 2008
3. Re-use of the previous day's spin chiller water for use in the GP system to wash system modules. We have estimated that this will save approximately 222 kilolitres per week of operation. The funding was approved last week and the work will be completed by the end of March 2008.
4. Complete the chlorinated water minimization exercise for the evisceration and the plucking areas.
5. A "Six Sigma Green Belt" project to develop alternative designs and or procedures is underway to reduce the volume of hot water supplied to the scalders.
6. Install a modification to the chicken water spray system (foggers) in the old live bay. This will save water as individual lines will be able to be switched off when the birds have been processed.

Bartter Enterprises has actively co-operated with Barwon Water in an effort to clean up our waste water. The following evidence is presented to support that statement:

1. The company received a State Government "Cleaner Production" grant of \$12,000 towards the design and implementation of particular projects. We installed an oil and solids collection system for the truckwash, a spilt diesel collection system at the diesel bowser and a grease trap in the un-metered East sewer line.
2. We teamed with Barwon Water in a \$23,000 feasibility study to treat and re-use our water on the Geelong Racing Club track. The win for all idea only lacked serious stake holder vision. It was left to Bartter to fund the \$2.1 Million required.





3. We are also currently working with Deakin University, the EPA and Barwon Water on an undergraduate waste water study to reduce our levels of contaminants going to the Black Rock facility.

By carrying out the above water saving works at our own expense, Bartter Enterprises have significantly reduced its daily consumption. The two graphs attached indicate how we would actually be using double the water volume we currently use, had we not carried out the improvements.

Bearing all this in mind we believe that the cost increase that has been proposed is completely at odds with our efforts to reduce water consumption and our desire to be a good “corporate citizen”.

We strongly request that the proposed increased be reviewed. We have a workforce of over 800 and want to remain competitive in this low margin business. We also want to continue with capital investment in our plant. Steep increases in the cost of water will threaten employment and future investment.

Brian R Egan
Engineering Manager
Bartter Enterprises

