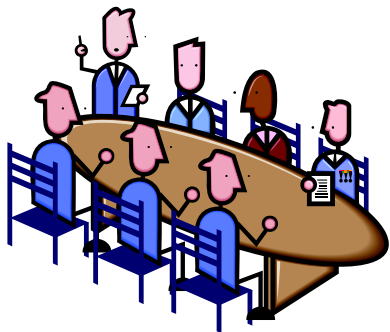




The Harvey Water "Furphy"

IRRIGATORS MEETING IN BENGER

We will be holding our annual meeting for irrigators at Benger Hall from 9.00 to 1.00 on Wednesday 10 August. (lunch included)



We will have a presentation on the Irrigation Review which is due for release in the near future. This is a forward looking document which will have some interesting and challenging ideas for irrigators, so we urge you to come along to stay informed.

As well, we will be seeking input on the future of the cooperative and welcome ideas from shareholders.

There will be an update on the piping project and activity at Wellington dam plus plenty of time for questions and suggestions.

***Don't say we never tell you anything ! Don't listen to rumours!
Come along and find out for yourself !***

WELLINGTON SALINITY UPDATE

Harvey Water has invested over \$0.5 m to get the Collie River Salinity Recovery Project underway at Collie.

We have supplied and installed a 3km 800mm pipeline and installed the pumps needed to get the diversion project up and going.

We are providing direct and practical support to the Department of Environment, Federal Government, South West Catchment Council, Griffin Coal in implementing what will be a flagship project for the National Action Plan for Salinity and Water Quality. (NAP)

Unfortunately, getting all the necessary approvals proved to be time consuming and there may not be much effect this winter as it is a bit late starting but the diversion will certainly be ready to go at the start of next winter.



Keep your eyes and ears open for a major announcement on this project in early August.



NEW STAFF MEMBERS

We welcome new IT Support Officer, Gary Fernandez. Gary was formally site administrator at Iluka Resources and lives with his young family in Australind.

HOW MUCH WATER IN THE DAMS?

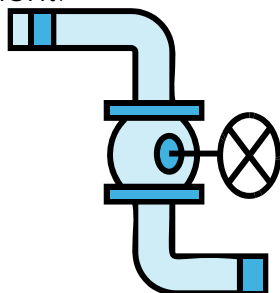
While we had an excellent start to the winter with very good run-off rains, the dry July has put a bit of a dent in our hopes for a wet winter and full dams.

However, all is not lost as it is normally the next 3 months when the dams fill the most.

HARVEY PIPE PROJECT

Negotiations and preliminaries are proceeding very well for the project with the intention of works starting in the last quarter of the year.

A meeting of Harvey irrigators strongly endorsed the concept of trading water savings for the pipe system. They recognised that these savings were water that had never reached them in the past and so it is not a loss of entitlement.



The good news for them is that after looking at the pro's and con's very carefully it was recommended that there be no connection contribution, unlike in previous pipe projects.

This was because the project is fully funded by the trade whereas in previous projects, the company picked up a reasonable part of the costs.

NEW IDEAS AND NEW CROPS

Harvey Water has fielded some interesting queries recently about opportunities for production.



Both are industrial type crops for Japan. One is for sweet potato (yam) to be grown for conversion into a favourite type of liquor.

The other is for the production of a large type of chilli for processing into chilli powder.

It is also pleasing to note that in Waroona the area sown to horticultural crops has trebled since the pipe scheme went in.

DEVELOPMENT OFFICER

As many will know, David Chester, our Development Officer, has left us for a trip through the desert and other pleasures.

We are looking at the best way to replace him and welcome any suggestions from shareholders.

Please contact Geoff Calder at Harvey Water on Tel: 9729 0100 for further information on any of the items above.