

TYPE WRITTEN COPY OF HAND WRITTEN SUBMISSION

“Glenburn”
PO Box 104
Jamberoo NSW 2533

14-12-98

Productivity Commission
PO Box 80
Belconnen ACT 2616
Fax 02 6240 3311

Dear Commissioners

RE: Deregulation of the Dairy Industry

We wish to make a submission, Re: The above deregulation before the Dairy Industry falls apart. Interstate and intrastate rivalries threaten to destroy our futures.

Our family have been dairy farmers since arriving in the Kiama district in the 1840s. The present situation leaves us with the possibility that our survival in the industry is very doubtful.

This probability will force our nephew, who completed a distinguished course at TAFE, to find other employment which he doesn't want to do, as he has dedicated his life to managing this farm.

The first impact on our income was the loss of 3.35 c/litres on our market milk income, with a similar loss on our manufacturing milk income.

I cannot understand why supermarkets, although buying milk from the processors at lower prices, have increased their prices to the consumer. When deregulation was first proposed by Prof Hilmer, it was a well known fact that farmers would be worse off, and consumers would pay more as it has happened in overseas countries.

Our local corner store, to their credit, still sell milk at the old price.

It is a great pity to alter a system that was working so well – the quality of milk is extremely high, and we feel this excellence may change for the worse if we are forced into a cost savings struggle which has no end.

Even though we are receiving less, cost of production is still increasing and we are in a situation where we cannot expand nor have the finance available

to purchase land if it were available in this District. Rates and land costs are extremely high.

A further result is the fact that we are unable to enjoy a holiday.

We are now under a lot of pressure to eradicate EBL and Johnes Disease.

Fortunately we don't have an EBL problem, but the cost of Johnes Disease and eradication is a costly and big worry.

We are under a lot of pressure from our Bank, who are not prepared to increase our overdraft any further.

So you can see there are not many clouds with silver linings around and we urge you to take into consideration the difficulties the Dairy Industry and the Farming Community are facing due to this unnecessary deregulation.

Yours faithfully

Jill and John East