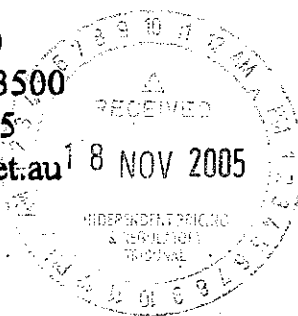




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17th November 2005

The Chairman
Bulk Water Review
Independent Pricing & Regulatory Tribunal
P.O. Box Q290
Queen Victoria P.O.
NSW 1320.

Dear Sir or Madam

For-shadowed price increases for water taken from regulated streams in the Bega District have created significant and undue anxiety within our family business which is a major supplier of inputs to local agricultural enterprises.

Dairy enterprises account for 75-80% of Southern Farm Supplies' annual turnover which approaches \$7,000,000 p.a. Dairy farms which depend on irrigation for their current levels of productivity account for approximately 50% of that figure. Clearly any major cost imposts which threatens the viability of these latter farms will have significant negative effect on Southern Farm Supplies.

Prior to dairy industry de-regulation the real costs of dairying in the Bega Valley were difficult to ascertain. However milk pricing and the effects of adverse climatic conditions over the past four years have served to strip away any financial smokescreens. We have become painfully aware of how fine the margins in dairying here are, even of the more successful or long established of our customer base. We have reason to believe that the magnitude of the proposed costs of bulk water will be enough either bankrupt some or cause further exits from the industry in the case of others.

Our business currently fully or partly supports 15 families. The other similar service businesses in our district probably support a further 200 families, possibly more. Any dramatic downturn potentially caused by overpricing of a major input such as water would cause substantial social dislocation particularly when reductions in direct farm labour and employment at the local milk processor, Bega Cheese, are also contemplated.

The effects on the economy and employment levels, and on the social infrastructure of our region, at least in the medium term, would be devastating. One can imagine the reduction in viability of businesses (like ours), schools, artistic and musical endeavours (mostly affecting the young), sporting and other recreational institutions (again mainly affecting the young) would be severe and would contribute to further drift to the urban centres. We are doing our best to counter-act that slow death of the bush and our culture.

Public policy in Australia appears to strongly driven by what one might term the ideology of the "noble savage." I am certainly aware that this is still the basis of many university studies in the social sciences, despite the discrediting of much of its foundational material in the 1980s if not earlier. I am sure that the Tribunal is aware of the growing disquiet, particularly strong in the non-urban areas of the nation, at the constant discounting of the value of the primary (and associated secondary) industries which underpin the general affluence which allow the illogical and ill-informed views which threaten production of the building blocks of that affluence.

The implications of such selfish world-views on the future well-being of the populations of developing nations let alone the implications for the gradual reduction in international warfare are very depressing.

Could I implore the Tribunal to address the bigger picture and to seek a balance between the competing "ideologies" which drive public policy and remember that it, along with all government instrumentalities, should be providing positive impetus to our legitimate endeavours rather than capitulate to the negative. I am suggesting that access to irrigation water is not simply a privilege enjoyed by only a few but entails a benefit to the whole community, certainly in irrigation districts, but also to the rest of the community irrespective of where they live or whether or not they are aware of that benefit.

Yours sincerely

Stephen Ireland, B.Eng (Mining), Univ. of Sydney
Director