

ATHERTON CHAMBER OF COMMERCE

P.O. Box 564
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SUBMISSION TO THE INQUIRY INTO THE IMPACT OF COMPETITION POLICY REFORMS ON RURAL AND REGIONAL AUSTRALIA

BACKGROUND

The Atherton Chamber of Commerce exists to support the development and maintenance of business in the Atherton Shire.

Atherton is a service centre for a number of other Shires--- Etheridge and Croydon in the west, as well as the local Shires of Herberton and Eacham. The local economy is based upon primary production, namely dairying, maize, peanuts, and sugar, with a growing horticultural industry. Tourism is a fast developing industry which capitalises on the many natural attractions of the area. There are a few light engineering and manufacturing industries which service the farming community.

ISSUES

The national competition policy has impacted on the Atherton business community in both positive and negative ways.

* The most positive result has been in the reduced costs of telecommunications. The exposure of Telstra to competition has undoubtedly led to a greater variety of telecommunication products, and options. This has resulted in a reduction of business input costs which have allowed business in the area greater flexibility in service delivery.

* However, the rationalisation of Telstra services has led to a contraction of services from Telstra, and a downsizing of local maintenance work forces. Local jobs have been lost, and it is very difficult for Telstra to maintain service levels at an acceptable standard. This has resulted in customers having to wait for up to three weeks to have telecommunication services reconnected after breakdowns. This is an impost which few businesses can afford.

* The most profound effect on the local business community has been the deregulation of some of the local primary production. The maize industry has contracted markedly since deregulation, and the peanut industry has also been in a state of contraction since it has been exposed to the entry of peanuts from China. The fact that the standards governing the content of cadmium have been lowered to allow the import of peanuts from China is also of concern. The contraction of these industries has meant a loss of work for casual labourers, and a contraction of the service requirements of the farmers. Similarly, the local pork industry which was struggling because of the distance from markets and access to grains which are not produced locally, is now under even more pressure from the imports of subsidised pork products from Canada. The elimination of the pork industry will cause a loss of jobs, and consequently business for our local traders.

* In the area of education, the exposure of TAFE to competition from private providers has resulted in TAFE becoming the poor relation of the training industry. Whilst private providers are certainly providing quality training for people able to obtain Government subsidies of one sort or another, TAFE cannot compete with them because of the different award conditions under which it must operate, and the high infrastructure costs which must be sustained. Therefore TAFE is being left with the Government's community service obligations, which do not attract the higher rates of support. In this way, TAFE is being run down to the point of non-viability, whilst the private providers are under no obligation to provide long-term programmes to support the community.

* In the smaller shires, the competition policy has forced them to tender out their road works and other maintenance projects. This has resulted in tenders being won by large companies from outside the area, who move men and equipment on and off jobs very quickly, and take money out of the local economy. Local contractors then find themselves with only minor works to do, and have to disperse with their local work force. This drains the already small towns of population as the work force finds it necessary to move elsewhere to find work. This in turn runs down the business and services in the town which in turn contract. In time, schools lose teachers, banks or agencies close, and the towns slowly die.

SUMMARY

The town of Atherton has maintained a modest growth rate of under 2% per annum over the last few years. This appears to have been mainly from the retirement sector who are attracted to the area because for lifestyle reasons. However, the area needs viable industry to maintain a healthy business and service industry. Any further contraction of the local agricultural industries will result in an overall contraction of the services that local businesses will be able to offer. We do not wish to find ourselves in the same position that many smaller rural towns have become. Australia's Governments must decide if the dubious benefit to consumers outweighs the terrible social cost of unemployment and the deaths of small towns in rural areas. It appears that rural areas have once again carried the burden of an initiative which has resulted in the major grocery chains becoming even more profitable, whilst the producers and small businesses are squeezed into non-existence.

Marjorie Gilmore

President

Atherton Chamber of Commerce

Marjorie Gilmore
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