



CIRCULAR HEAD COUNCIL

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26 October 1998

Impact of Competition Policy: Reform Inquiry
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Dear Sir/Madam,

COMPETITION POLICY

Council writes to express its deep concern about the impact of National Competition Policy (NCP) on Regional and Rural Australia.

Council contests that the NCP is driving an acceptable reform agenda for city and urban areas, but the NCP is being implemented at great cost to rural and regional areas.

The NCP is in its early days in rural Australia and Council is already observing significant decline in its area.

The Telstra reforms have resulted in considerable reduction of staff employed in the Circular Head area. Council notes that this reduced employment is contributing to a substantial loss of social capital. Maintenance standards are also falling, evidenced by recent unprecedented outages of a telephone service to the Marrawah area.

Provision of an adequate mobile telephone service as a community service obligation to rural and remote Australia communities appears to be a victim of the NCP at the same time.

Tasmania's hydro electricity system has also been an early victim of the NCP. Again there has been a considerable reduction of staff employed in the Circular Head area, and some concerns regarding level of maintenance support.

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The flow-on effects of reduced employment in rural areas is a significant factor ignored by the NCP. Loss of employment as a result of NCP, results in declining school enrolments thereby jeopardising funding levels to schools; loss of banking services as communities decline; loss of retail and commercial service opportunities as disposable income declines; loss of medical and hospital services as population reduces and loss of morale and spirit of the community so affected.

Council contends that the objectives of NCP totally disregard vital social aspects relating to a rural and remote community. Council fears the pending consequences of water reforms, local government reform as NCP principles continue to be applied.

Significant research and study is required to justify why the NCP should continue to be applied to rural and remote communities.

Finally, Council urges the Inquiry to recommend a total review of the application of NCP in rural and remote Australia. Communities are far more significant than the objectives of NCP.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Paul Arnold', written in a cursive style.

Paul Arnold
GENERAL MANAGER