

# LEETON SHIRE COUNCIL

*Preserving the Past, Enhancing the Future*

Chelmsford Place, Leeton NSW 2705

Reply to: PO Box 394 Leeton NSW 2705

Telephone: (02) 69532611 Facsimile: (02) 69533337

Email: leetonsh@webfront.net.au

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Impact of Competition Policy Reforms Inquiry  
Productivity Commission  
PO Box 80  
**BELCONNEN, ACT 2616**

Dear Sir,

Thank you for the opportunity to present a submission to your Inquiry on the Effects of Competition Policy Reforms on Rural and Regional Australia.

I should not have to remind you that rural Australia has been facing a very serious decade of change, which has put enormous pressure on rural communities and the services that they are able to provide to their communities. For example, changing commodity prices in the wool, citrus and beef industries have had an enormous effects on our community as well as many others. These changes have then put pressure on the level of services that are provided within the community and I need only look at examples such as bank closures, government agency closures and obviously business sector withdrawals from rural communities. These changes obviously mean that people in rural communities have to some extent suffered a reduced access to particular services, as compared to their city counterparts.

It may be counter argued that the advent of the telecommunication age may have shortened these distances and they may not be as important. The major problems with making these statements is that a lot of the government services and bank services are human type services that need to be delivered on a face to face basis and any withdrawal from within a country town of these services is a direct lowering of the standard of living for country people. I also need to remind you that whilst we may be enjoying a revolution in the telecommunication age, the reality in rural Australia is that basic services such as telephone access, uninterrupted electricity supply, mobile phone coverage are services that are not enjoyed by the whole community. Therefore they are unable to take advantage of some of the cost savings that the new technology brings. This means that the concept of the level playing field does not apply equally to rural communities, as they are already in a disadvantaged position, before they start.

Another significant disadvantage of the thrust of economic rationalism is that the interior of Australia is a resource rich area for agricultural, mining and

manufacturing pursuits. If this is stimulated under a decentralised theme, it would take an enormous amount of pressure off the infrastructure burden that is being placed on our major cities and our coastal regions. This could also have a favourable impact on some of the social problems being experienced in our major centres, as a decentralised program could encourage the development of rural and regional centres to grow and therefore reduce the drift of our population away from rural communities to the more populated coastal regions.


It is quite ironic that the various forms of government allocate funds for rural communities to promote themselves, recognising the flow on effects of the benefits of a growing rural economy. Examples of this include Main Street Promotions, State & Regional Development, assistance to the farming and agricultural industries. Yet, on the other hand, government policy based on National Competition Policy is tilting the playing field to the advantage of those areas who are able to enjoy economies of scale, to the detriment of those who cannot.

It is my belief that there needs to be a counter argument against the economic rationalist point of view in the National Competition Policy Principles, that every Australian is entitled to enjoy a certain standard of living regardless of economic pressures. This philosophy should also equate to each community and there should be some incentives to allow rural communities to at least stabilise during these very difficult economic times.

The facts are, **that rural communities are suffering under the hard cold hand of economic rationalism** and during discussions with the citrus industry last year, this issue was brought to the surface by comparing the cost for Australians to import oranges into Brazil, which would cost in excess of 40%, whereas for Brazilian imports to come into Australia it is under 10%. This highlights the enormous inequities in the current philosophies of economic rationalism and they need to be addressed immediately to prevent the fabric of rural communities falling any further than what they already have.

I see your inquiry as an ideal opportunity to look at these issues and I welcome the opportunity to raise these issues with you.

Yours faithfully,

  
J.H. BURNS  
MAYOR