

## MIKE HORAN MLA

MEMBER FOR TOOWOOMBA SOUTH  
DEPUTY LEADER OF THE OPPOSITION AND  
SHADOW MINISTER FOR STATE DEVELOPMENT,  
TRADE AND RURAL COMMUNITIES

## ELECTORATE OFFICE

566 Ruthven Street  
(Opposite the Town Hall)

Postal Address  
PO Box 3005 Village Fair  
TOOWOOMBA Q 4350  
Phone: (07) 4639 1199  
Fax: (07) 4639 1045

20 October 1998

Presiding Commissioner  
Productivity Commission Community Meeting

Dear Presiding Commissioner

I am pleased the Productivity Commission is visiting Toowoomba as part of an inquiry into the "Impacts of Competition Policy on Regional and Rural Australia".

I am really disappointed I can not attend as parliament is sitting this week. I would have liked to have spoken to you and the committee on a first hand basis.

However, I convey to you in writing the general feeling of rural and regional communities towards the issue of competition policy.

My comments therefore are not related to specific detail of the National Competition Policy (NCP). However I can assure you that the large groundswell of antagonism to the NCP and total mistrust that presides in the community really bears out the disadvantage that communities have seen first hand and secondly the fear that resides in communities of the further effects of the NCP.

Throughout rural and regional Australia at the moment there is an awful pervading feeling of drift of jobs and economy and ultimately of people from rural areas to capital cities and major coastal cities.

There is also a feeling of antagonism that a theoretical academic type process has been imposed upon people of rural and regional Queensland and that in many cases it has ripped out cash and therefore the people and heart and soul of so many communities.

There are examples again and again but some would be major roadwork projects going to larger companies from the city instead of rural shire councils with subsequent loss of jobs to families and the following loss of teachers, health staff and viability of businesses in that town. Then follows loss of local amenities, sporting teams and a "general taking part in a rural community".

I have been shown first hand evidence of this in a rural community where only a small part of the contract funds for a roadwork and creek crossing project remained in the district with the vast bulk of the money going outside the district.

..2/



..2/

Secondly, the job itself has cost hundreds of thousands of dollars for repairs each year since. Having driven over the project, I have seen how it is not up to the standard that would have been done by the local shire council.

Again when de-regulation hits the dairy industry in Queensland it is likely the result will be the same as in NSW where the farmgate price will be forced down by supermarket prices. This will result in the transfer of hundreds of thousands of dollars and jobs from rural towns such as Warwick, Clifton, Oakey, Toowoomba, Gympie, Monto, Kingaroy, Goomeri and Murgon.

This cash will move from the pockets of rural families and instead of being spent in local businesses will go to capital cities or to overseas shareholders of major supermarkets. Again this is another concrete example of how the NCP is shifting the great values of decentralisation of rural and regional town and cities to the concentrated capital city areas.

The opportunity for families to operate small businesses such as pharmacies and newsagents is being attacked and eroded by the ogre of the NCP. As a result we are moving as a society towards shifting rural and regional retail dollars and the profits away from towns to capital cities and overseas.

It is obvious that an experienced pragmatism has existed previously to NCP. Shire councils kept rates at an acceptable level but provided the services of rural towns and part of this has been employment of family breadwinners on roadworks and construction.

In my travels I have never heard a good word about the NCP. States have virtually been forced to comply due to the threat of withdrawal of funds (by non payment of the NCP).

The suspicion continues that the payments to the state are not new monies but purely funds that would normally be provided.

I am convinced that all of our principles of families establishing small businesses and farming operations are at risk through the NCP. It is turning Australia from a country that was once built upon effort and enterprise of small business to an era of big is better and a consequent shift of income and people from rural and regional towns to capital cities and overseas.

The time has come for the government to recognise the dreadful impact the NCP has had on good, ordinary, decent people particularly in rural and regional Australia and to set about ridding our country of this academic exercise, and build upon the strengths of small businesses, family farms and smaller business and local government units.

J/



J/

Please understand that there is enormous fear and mistrust and concern about what the NCP is doing to rural Queensland. I thank you sincerely for the opportunity to present this generalised overview and thank you for your consideration of this submission.

Yours sincerely

Mike Horan MLA  
Member for Toowoomba South  
Deputy Leader of the Opposition &  
Shadow Minister for Economic Development,  
Trade & Rural Communities