

# Shire of York

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ENQUIRIES                Eliot Fisher

26 October 1998

The Productivity Commission  
Nature Conservation House  
Cnr Emu Bank and Benjamin Way  
CANBERRA ACT 2617

Dear Sir

Please find enclosed a submission for your Committee on the matter of National Competition Policy.

Yours faithfully

E R FISHER JP  
Chief Executive Officer

enc

(4937ef)

## **NATIONAL COMPETITION POLICY – EQUALITY OR EQUITY**

### **Principles**

National Competition Policy is about equality not equity. Equality does not work. It has been seen to fail in so many areas, Aboriginal people, despite the well intentioned attempts to a European society to make them equal, will testify to the abject failures in this area. Our disabled minority, are still facing an uphill battle despite the many worthy initiatives of the government and our community support agencies to achieve equality. It simply does not work.

What is needed is equity, simply defined as ‘the policy of being fair or impartial according to need’.

From a purely common sense view, to promote a policy that is obviously unfair to Australians and by the application of strictures, biased against our producers and developers in this country, is in my view not only foolish, but also striking at the very foundation of Australia.

Sir Robert Menzies, the founder of the Liberal Party once said, “ It is the role of government to provide services that are uneconomic for private enterprise to provide”,

The emphasis here is on the provision of services, not on maximising returns to stakeholders. Somewhere we seem to have lost the plot. Government is about service delivery; and (government) statutory authorities are only an instrument of government created to deliver such services.

### **Impact on Rural Communities**

The National Competition Policy is a matter of consternation to many people in Western Australia who live outside the confines of the Metropolitan area or in regional centres.

Rural Western Australia once the source, of so much of the country’s wealth, is being hit hard by the effects of the “unlevel playing field”, created by the National Competition Policy.

The subsidies paid by other nations to their primary producers, a depressed commodity market and the increased costs associated with production have created a climate of real concern in the agricultural industry.

As a Chief Executive Officer of a small rural Local government I know that the farmers in this shire are having difficulty meeting their rate commitments.

### **Loss of services**

We look at the services we receive as a result the drive for increased profits in the private sector, and the corporatisation of our (previously) public utilities and notice:

- our banks closing
- the levels of service of Telstra is so much worse than 5 years ago and even their employees acknowledge that they have no idea when some of the project work is going to be done because they don’t have the staff to do it.
- Headworks charges applied by the Water Corporation, drive development away from our area.

- The move to contracting road building services has resulted in some of the worst road construction on the main east-west route, the Great Eastern Highway that has been experienced in the last 50 years.

Significant opportunities continue to be lost in the areas of regional development because of this factor.

### **Inappropriate Performance Criteria**

Chief Executive Officers of Corporations formerly statutory authorities, are employed on contracts where performance indicators relate to the maximisation of financial return to the stakeholders with minimal concern for service quality to residents of rural communities.

### **Structural Reform Impacts**

The push for structural reform in Local Government is another response to the plethora of change that has accompanied a drive for "economic rationalism". This change is well documented in Victoria and the experience of those who live in rural communities in that state are quick to indicate the impact on the of the change which very few see as an improvement.

What so many people who live in cities don't understand, is that the council in rural Australia is the pivot of the community. For good or ill, in most places the community expect "the Council to do it" whether it be provide facilities, give money, allow free rental of property or provide cheap services. Ever time the system places an additional impediment in the way which makes it more difficult for the Council to function, or the ratepayer to operate his buisness, the community suffers in some way.

### **Disposal of Assets**

This country has sold, or is selling it assets, which our forefathers sacrificed to create. We are told that it will be better for Australians to embrace this change. I liken the situation to that in Western Australia some years ago when the Burke Government bought the PICL Project. At that time I, as an ordinary person, could not understand how we could pay millions of dollars for something that did not exist. I thought I had missed a segment of the economics unit I studied at university, but later events showed that I had not.

Unfortunately ordinary people often think the experts know best and put their trust in a system that is expected to protect and sustain them. Government policy proposed for the national good is often found wanting because of the many influences current and driving issues at the time.

In the light of hindsight we not only see the errors but, individually have the opportunity to make the sacrifices to pay for them. As a western Australian motorist I can still recall the \$50 levy on my motor driver's licence to pay for the mismanagement of the State Government Insurance operations.

Economic rationalism and National Competition Policy are in my view a form of fundamentalism and that is a very narrow approach to developing a nation.

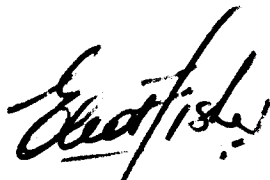
There is plenty of evidence that other countries provide massive incentives to attract development whilst we are "hamstrung" by the ethereal concept of a level playing field.

### **Conclusion**

It is my view that there are basic levels of service to which all Australians are entitled. There are also very good reasons for supporting the development and economic viability of rural Australia. Whilst we can import cheap foreign produce our national debt continues to balloon. Someday we will have to return to our reliance on the land and what we produce from it.

Perhaps at that time like our now diminishing infrastructure "expertise" it will be too late.

**This issue is not about academic experiment in real time, it is not a difference in philosophical view, it is about survival for rural Australia.**

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

**ELIOT FISHER**  
Monday, October 26, 1998