



Southern Grampians
SHIRE COUNCIL

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GNM:HM
4/1/12

22 January, 1999

Impact of Competition Policy Reforms Inquiry,
Productivity Commission,
P.O. Box 80,
BELCONNEN ACT 2616

Dear Sir,

Council wishes to make the following comments on the impact of competition policy reforms.

Firstly it needs to be stressed that most rural areas depend on population levels for economic well being.

Southern Grampians Shire has a steadily declining population (see attachment 1) which is almost mirrored by the loss of government funded employment which can in part be attributed to competition policy reforms. It is acknowledged that not all economic difficulties experienced by rural communities are a result of NCP.

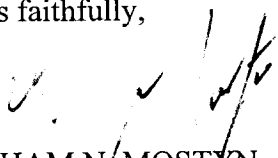
In summary, the issues of real concern to our particular municipality are as follows:

- * Since 1991, the number of government funded positions in the Shire has fallen by at least 600 (see attachment 2 which shows the ones we know about).
- * Even with a conservative multiplier of 1 additional job lost for each government job, this represents the loss of 1200 in a labour force of 7600 and a population of 17-18,000.
- * These losses have occurred when our traditional grazing industries have been under great cost/price pressure and have been forced to shed labour.
- * If we look at manufacturing and banks, we have lost another 330 jobs from our major private employers.

- * The loss of employment of this magnitude means that the population drop to date could be the tip of the iceberg - Hamilton's population has dropped by over 500 in the last 10 years, but could yet plummet.
- * As employment and population drops, it puts in train a cycle of future reductions in government services, employment and grants and in business activity and private employment.
- * Hamilton and the whole of the Shire face a very bleak medium term future because it is now extremely hard to turn the situation around - Council cannot do this on its own.
- * This area has borne a disproportionate and inequitable share of the pain of privatisation and rationalisation and it is extremely hard to identify gains. The consequences for us are extremely serious and potentially disastrous for the whole community.

In conclusion, Council is of the view that any benefits obtained by rural communities from increased competition have been well outweighed by the negative effects caused.

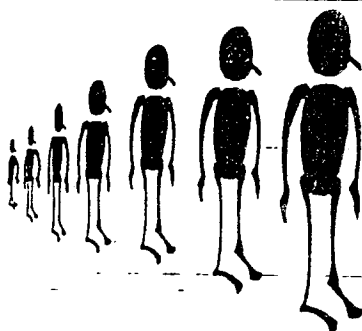
Yours faithfully,



GRAHAM N. MOSTYN
CHIEF EXECUTIVE OFFICER



POPULATION



| TOWN | 1981 | 1986 | 1991 | 1996 |
|-------------------------------------|---------------|---------------|---------------|---------------|
| HAMILTON | 9,751 | 9,969 | 9,753 | 9,248 |
| COLERAINE | 1,232 | 1,153 | 1,089 | 1,084 |
| PENSHURST | 558 | 504 | 483 | 513 |
| DUNKELD | 402 | 412 | 440 | 444 |
| BALMORAL | 257 | 254 | 214 | 190 |
| GLENTHOMPSON | 207 | 176 | 170 | 138 |
| CAVENDISH | 147 | 153 | 120 | 105 |
| BRANXHOLME | 113 | 113 | 108 | 117 |
| RURAL POPULATION | 6,058 | 5,581 | 5,473 | 5,264 |
| SOUTHERN GRAMPIANS SHIRE | 18,725 | 18,315 | 17,850 | 17,103 |

Southern Grampians Shire
GOVERNMENT FUNDED EMPLOYMENT
1991-1998

| | Employment 1991 | Employment 1996 | Employment 1997 | Employment 1998 | Other Changes |
|--|--------------------|--------------------|--------------------|--------------------|--|
| Telecom Regional Office | 85 | Nil | Nil | Nil | |
| Telecom Technicians/Works | 81 | 33 | 20 | 16 | |
| Telecom Directory Assistance Centre | 105 (incl casuals) | 80 | 80 | 63 | |
| Hamilton Base Hospital | 387 | 286 | 256 | 269 | |
| Department of Social Security | 43 | 21 | 19 | 13 | |
| SEC/Powercor | 82 | 22 | 10 | Nil | |
| Education Department | 351 | 322 | 312 | 298 | |
| V/Line | 18 | 18 | 8 | 5 | 3 or 4 positions to be contracted out next year. |
| Department of Conservation/Soil Conservation Authority/Survey and Mapping | 47 | 19 | 19 | 19 | |
| CES | 8 | 4 | 4 | Nil | |
| Gas and Fuel | 14 | | 4 | 4 (Contract) | |
| Vet Lab | 35 | 3 | Nil | Nil | |
| Department of Agriculture/PVI | ? | ? | ? | ? | |
| Housing and Health/Commonwealth Rehabilitation Service/Skillshare | 9 | 9 | 2 | 2 | |
| Southern Grampians Shire | 188 | 181 | 179 | 165 | |
| TOTAL | 1,453 | 998 | 913 | 854 | |