



HARDEN SHIRE COUNCIL

All Communications to be
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The Impact of Competitions Policy Reforms Inquiry
Productivity Commission
P O Box 80
BELCONNEN ACT 2616

Dear Sir,

I refer to the invitation to forward a submission into the social and economic impacts on rural and regional Australia of the competition policy reforms agreed to in 1995.

To allow the submission to be viewed in the context of the Harden Shire area, the following details are provided on the Shire itself.

Harden Shire is a small Local Government body located in the south west region of New South Wales and has a population of approximately 4,100. The major town is Harden Murrumburrah which has a population of 2,100 with the small villages of Galong, Jugiong and Wombat as minor service points for the Shire. The Shire produces a wide range of agricultural and horticultural produce which forms the backbone of the local economy.

Specific issues which have impacted upon the Shire are as follows:

1] Reform of the Electricity Industry.

A down turn in employment numbers at the Harden depot of the former South West Slopes County Council has eventuated with the number of staff employed throughout the area of that former County Council also reducing significantly. This has obvious implications for local employment and most importantly, the response time to blackouts following storms etc. Council is aware of the numerous lengthy delays which occur now whenever regional storms move in, such delays occurring infrequently when the former County Council was in operation.

In addition, when the electricity industry was restructured, approximately six million dollars of local funds were hijacked by the State Government with no compensation to the local residents. This has meant that the considerable support the County Council gave to the three towns within its County area through sponsorship for sporting, cultural and other activities, is now virtually non-existent. Simple issues such as providing street lighting for the festive season no longer eventuates through the supposedly tight financial budgets with which the industry is to operate.

Most importantly, the supposed significant savings in electricity costs to the consumers has not eventuated nor is it likely to despite the statements of the industry to that effect.

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To say that the region is extremely disillusioned with the restructuring of the electricity industry would be an understatement.

2] Telecom Services.

The decision to open up the communications market to private firms has not provided any significant benefits to the region. Formerly, Telecom maintained a level of employment within the Shire and service was generally well received however this now has lessened considerably with its flow on effect to the local economy. The area has an extremely poor mobile phone reception with it being very patchy and therefore unreliable.

The obvious means of providing the necessary mobile phone infrastructure would have been for a parent company or a Government corporation to set up the infrastructure and then rent the facility to the private companies. Instead we have the ridiculous situation where each firm constructs its own towers etc which ultimately must be paid for by the consumer.

3] Banking Facilities

The private sector have embraced the principles of competition policy and have decimated the level of service provided within the rural and regional areas all in the name of the almighty dollar. The cost of services provided by the banking sector have not been reduced as a result of the supposed savings and the public basically have been shortchanged on the massive changes which the banking industry underwent. Employment within the industry has reduced markedly and this has a significant effect in rural areas and in Harden's case five full time jobs have been lost which is quite a loss within a small community.

4] CTP Insurance

The CTP Insurance issue was opened up to the private sector prior to 1995 with the wonderful statement of the significant benefits which would flow to the community. It did in the first year however once the industry allowed the honeymoon period to pass, charges have risen significantly and the electorate is querying the wisdom of amending what was a workable system under the control of the Government Insurance Office.

5] TAB Service

The TAB certainly embraced the competition policy principles with its restructure which has meant a loss of employment within Harden. Whilst the local hotels now all have pubTAB the outlets are operated by the existing bar staff and in one instance by a casual employed for approximately five hours per week. This has once again reduced employment within the township and added to the other losses its cumulative effect is considerable.

6] Grocery Retail Chains

The three major retail grocery chains have been given open slather on the grocery market and are now seriously effecting local economies. When a regional grocery centre is established, it does not create additional employment but reduces the number of employees in similar businesses throughout the region however the income derived from the chains is



not retained in the local community which once again has a significant flow on effect onto the local economy. Similar to the electricity reform, the large chains rarely support local communities by donation etc which was the case with local businesses and this is another area in which small rural communities are the big losers.

Harden Shire has seen a large reduction in its employment base over the last decade through reductions in railway, banking, electricity, education and health industries all in the name of supposed financial savings and "improved delivery of services". If these significant savings across the public sector have been achieved, the question must be asked, why have we not seen a significant reduction in our taxation level? All that the community have noted is a loss of significant employment, a marked reduction in the level of services provided to the rural areas and a deep feeling of complete disillusionment with the ideals of the competition policy reforms.

I trust the brief submission on this issue adequately portrays the effect which this issue has had upon rural and regional Australia.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Campbell'.

P Campbell
General Manager