



Council for the SHIRE OF MURRAY

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220

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Impact of Competition Policy Reforms Inquiry
PO Box 80
BELCONNEN ACT 2616

Dear Sirs

RE: SUBMISSION TO INQUIRY

Murray Shire Council is of the view that the National Competition reforms have had a severe impact on rural and regional Australia. This impact is most severe in smaller rural communities.

I would like to focus on the small town of Mathoura which has suffered population decline since the advent of National Competition Reforms. The following table demonstrates a decline in population following a good period of growth based on ABS figures.

Year	1986	1991	1996
Population	618	668	654

The above table shows an 8% increase between 1986 and 1991 followed by a 2.1% decrease in the following census periods. However, there have been some rather significant events associated both directly and indirectly with National Competition Policy.

In the last 5 years the following major events have occurred:

- ***Rationalisation of NSW Roads and Traffic Authority***

Resulting in closure of Roads and Traffic Authority Works Depot, relocation of maintenance gang to be based in Deniliquin. The Mathoura based employees stayed on until retirement working from Deniliquin for 2 to 3 years. Whilst they still reside in Mathoura the jobs have gone from the town reducing cash flow.

- ***Closure of Westpac Bank***

This resulted in 4 permanent jobs being lost to the town including Manager, Accountant and 2 Customer Service Personnel.

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- ***Restructuring of Local Timber Industry***

Mathoura is located on the edge of the largest redgum forest in the Southern Hemisphere. The redgum timber industry for many years has been the backbone of the Mathoura economy. The 1995 main employer revolved around sleeper cutting for Victorian Railways. Traditionally individual sleeper cutters had a licence issued by NSW State Forests to cut sleepers. This licence mirrored an allocation from Victorian Railways to cut various quantities of sleepers. On average each sleeper cutter would cut 2000 sleepers for the Railways. NSW State Forests were paid a royalty by Victorian Railways of \$50 per cubic metre. The sleeper cutters were also paid by Victorian Railways an amount of approximately \$28 per sleeper. Victorian Railways also covered the cutters for workers compensation.

This arrangement was heavily regulated and it was fair to say it was a closed shop. However, it did provide stability for approximately 33 sleeper cutters in the NSW State Forests Murray Management Area. A total of 16 of the sleeper cutters were based in Mathoura.

In 1995 Victorian Railways commenced tendering for sleepers. This decision also pushed NSW State Forests into tendering the timber that was previously allocated to the sleeper cutters. This arrangement provided no guarantees for any party. A situation could occur where a sleeper cutter won a tender for timber in the State Forest but not a tender to provide sleepers to Victorian Rail. The reverse of this situation could also occur.

As a result of this arrangement there has been a reduction in the number of sleeper cutters from 33 to 16 with 50% being lost to the town of Mathoura.

NSW State Forests now get an average of \$55 per cubic metre for timber which is a 10% increase in price. Victorian Railways are currently paying \$22 per sleeper a reduction in cost of 21.4%.

Due to the process being put to public tender Crown mills which are large concerns with existing timber quotas (outside the tender process) are beginning to tender for the timber. Previously they did not have access to this timber. This is further threatening those sleeper cutters that have survived. However, NSW State Forests have recognised this and are endeavouring to find a solution and some stability.

Consideration of this information demonstrates the severe impact on cashflow within the Mathoura community as a result of the tendering process.

NSW State Forests would be able to provide additional information on this issue if required.

The effect of these three issues has had a severe negative impact on the Mathoura community. The town also acts as a service centre to the rural community. The bank was a major attraction to rural landholders who would attend to their banking and whilst in town utilise other commercial services. Since its closure two local businesses have closed. These were a mixed business providing haberdashery, clothing, nursery, florist and dry cleaning and a supermarket and takeaway business.

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These closures have been contributed to by the reduction in cash in the local economy as a result of the three major events.

These three issues have also affected the social fabric of the town. A bank manager or accountant is regarded as a career professional, and such expertise and experience are utilised by the town in many ways. Such people when moving into a community usually get involved and stimulate local service and social clubs. It is interesting to note that the local Apex Club has folded in recent years.

Local Government Reform

This Council is located on the border between NSW and Victoria and has been in a good position to observe the effects of Compulsory Competitive Tendering and amalgamations in Local Government. Many smaller towns in Victoria have suffered severe decline as Local Government workforces have disappeared from local communities in favour of larger regional centres.

In the event that Murray Shire Council was forced into competitive tendering and/or amalgamation the consequences for Mathoura could be disastrous. Council has a workforce of 70 and 45 of the employees are residents of Mathoura. The loss of these jobs to the town would be the final death sentence for the Mathoura community.

Public Utility Restructure

The NSW Electricity Industry has been subject to major restructuring over recent years. Murray Shire Council has acted as an agent for Murray River Electricity and the new Great Southern Energy. Council officers have witnessed a decline in customer service with the loss of a number of Murray Shire based technical positions. In addition the clerical customer service has declined with the centralisation of administration. The new telephone answering and diverting services tend to frustrate customers and the people at the end of the line seem faceless with no care for their clients.

In addition, the staff have tended to become more specialised so that to get the appropriate answer to an Inquiry a customer has to wind their way through the bureaucracy of the organisation.

It is perceived that there are more blackouts and power interruptions. However, there are no statistics available from this source.

Telstra is another example of faceless people not serving local needs. I personally had to make 6 separate phone calls over a period of a month prior to successfully having a telephone diverted for a period. There would be other individuals who could tell similar stories.


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Enclosed for your information are a number of documents that support the information provided in this letter as follows:

- Competitive Communities – A Study of Compulsory Competitive Tendering on Rural and Remote Areas of Victoria
- Economic and social Impacts of the Closure of the only Bank Branch in Rural Communities
- 1996 New Zealand Manager Exchange Program – GJ Murdoch

Should you require further information please contact Mr Greg Murdoch at this office.

Yours sincerely



Greg Murdoch
General Manager

GJM/aw