

Legends, Lakes & Valleys
TOWONG SHIRE COUNCIL

SUBMISSION TO PRODUCTIVITY COMMISSION

**PUBLIC HEARING ON DRAFT REPORT AND THE IMPACT OF
COMPETITION POLICY REFORMS ON RURAL AND REGIONAL
AUSTRALIA**

WODONGA, JULY 1, 1999

Cr Mary Fraser – Shire President and Mr. Lyndon Webb – Chief Executive

1. In rural areas (eg: Towong Shire) towns/communities are declining in number. Holdings are larger and less people are employed.

Competition policy means that local government's activities have had to develop an "efficiency" focus with shedding of positions and adding to the decline in numbers of people in the community.

Towns have reduced in numbers and the viability of the communities is in jeopardy.

2. When people's employment passes to a contract basis. ie: they are part of a business unit of a Council with only a limited tenure (say 3 years), they find it hard to get loans from banks. No loans means no house sales. People who move out don't return and they go to the larger regional centres when their employment contract ends, thus adding to the decline of the small rural communities.
3. Rural Australia needs country towns. Agriculture significantly contributes to Australia's economy. If people are to remain on farms they need towns for services, supplies and social needs. When the towns lose services they become less viable. Country towns are needed not only for farms but also because they provide the people who support emergency services (CFA - SES) and also as part of Australia's tourist structure.

4. Any government policies such as NCP which impact negatively on Communities need to be changed. Where NCP requires local government to change to have no advantage over private enterprise, quite often local government is the only provider. Councils are spending more time and money investigating policies etc (unproductive work) than actually getting out on the job and getting results.
5. Local Government is very close to the people and so inefficiencies through overmanning etc were far more easily taken into account and rectified through the ballot box.

In small rural communities the staff of the Council are part of the Community, its sporting teams, clubs etc and so it is not as easy to abuse the system.

6. Local Government's efficiency needs to be measured more directly through community satisfaction and not by the amount of work contracted out
7. The awarding of contracts to contractors from outside the area can be devastating on a Shire or town through the loss of the income to that areas economy. It can be greatly exacerbated if the contractor subsequently fails and the expertise has been lost from the area.
8. The cost differential between City and Rural petrol prices on June 28, 1999 was observed as 16 cents. per litre. There can be no justification for this which amounts to \$8 for a 50 litre fill.

Taking account of the location of refineries, cost equalisation across metropolitan areas, the efficiencies of modern road transport and the benefits to rural areas, travellers, farmers etc of uniform pricing, there can be no justification for maintaining differentials such as this.

9. Closure of banks in rural towns such as Tallangatta (one part-time branch left) means that people don't come into the town any more -they go to the regional centre. There has been a significant impact on the retail trade of the area. Many shops are vacant.