

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Edenhope – 28 August 2001

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Witnesses

Cr B. Meyer, Mayor;
Cr G. Carracher;
Cr R. Hawkins;
Cr W. Wait;
Cr L. Guthridge; and
Ms M. Amos, Economic Development Officer, Shire of West Wimmera.

The CHAIRMAN — I declare open the public hearing of the Economic Development Committee in regard to its inquiry into structural changes in the Victorian economy. The Economic Development Committee is an all-party investigatory committee of the Legislative Council. All evidence taken by the committee, including submissions, is subject to parliamentary privilege and is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act.

I welcome delegates of the West Wimmera Shire Council. Mr Mayor, the committee is pleased to be here and I thank you and your fellow councillors and officers for making available your shire facilities for the public hearing. It is much appreciated. The local newspaper has asked for permission, which I have given, to take photographs during the hearings. I invite the shire representatives to make a submission.

Cr MEYER — Welcome, Mr Chairman, and members of the committee. It is good to have you here in Edenhope. It is our pleasure to make our facilities available to you. I hope that when you hear our needs you will come to a better understanding of our shire and this particular part of Victoria, and that something mutually beneficial will come from today's proceedings. I will give the committee a quick overview of the shire. It is large in area, covering 9000 square kilometres. The shire is long and thin; it is 250 kilometres long and runs from the Big Desert in the north to the area in the south bounded by Dergholm and Chetwynd and by the timber industry in that area.

We are an agricultural area. Our main products come from the land. The grain industry, and its expansion, is the focus of the shire. The sheep industry is still important, with fat lambs and wool production, cattle, to a lesser degree, and other stock. We pride ourselves in that, acre for acre, our grain industry is on the best land in Victoria. In years of drought or dry years the heavy grain-producing areas will often yield well while the rest of the state misses out; we often get extra rain at the end of the year.

The grain industry has been slowly expanding to the south, with a lot of canola being grown, particularly in this area; that grain would not have been around 5 or 10 years ago. Canola has become a vital part of the economy of the district. Further to the south the timber industry has always been there in the form of pine trees, but within the last three to five years the blue gum industry has moved into that area and virtually exploded. The area to the south or bottom part of the shire has become extensively covered with blue gums. What were traditionally grazing areas have now been replaced. Other councillors will comment on that.

The shire's population is around 5000. Edenhope and Kaniva each has about 700 residents. The shire also has a collection of smaller towns, each with its own identity: Goroke, Harrow, Apsley, Serviceton and a collection of smaller communities such as Chetwynd, Dergholm and Miram, which are very small places. Each community still maintains its character and identity. The towns have a fair bit of pride. A good example would be at Harrow, where the local community has banded together well to put something in place to ensure the town will be around for quite a while yet. As a council we have tried to make the towns attractive. We have done streetscape work on our two larger towns and we will do similar work soon to make the three towns in the next size good places to live — that is, good for the people now living there — and we hope we can encourage more people to come to live there.

Basically we are an agricultural area. We have snippets of industry, the transport industry being one. Quite a few operators of transports reside in and operate from within the shire. A good example would be Goodwins at Lillimur. If you drive up and down the highway enough times you are bound to see Goodwins trucks. There are others such as Bartholomews and Vivians. Some are commercial carriers of containers. Vivians is a grain-based industry carrier. Each councillor here today will speak on different issues, one by one.

Cr HAWKINS — I will give a quick history of the area and I will talk then about our population loss. The area was first discovered in 1836 by Major Mitchell in his exploration. In 1840 the squatters took up the land in vast tracts for wool growing. In 1869 the Robinson land act gave rise to settlement in the 1870s and 1880s. Settlers mostly selected allotments of a square mile or half a square mile.

After World War I and World War II the soldier settlement schemes were instituted by the government. We had population peaks in the early 1900s and the 1960s. All those initiatives were kick-started by the government. The shire is still based on agriculture and is probably one of the few shires in Victoria that is predominantly or almost 100 per cent based on agriculture; that, in itself, gives rise to troubles. The population loss per year is 1.5 per cent to 2.5 per cent, which is quite dramatic on a base population of 5000. When this shire building was opened three or four years ago the population of the new Shire of West Wimmera was less than the old Shire of Kowree, also based in Edenhope, which was established when the previous building was opened in the 1960s. That gives you some idea of the population loss.

We all know about the problems or the highs and lows of agricultural industries — and there are more lows than highs. An added factor to our population decline is the withdrawal of government services. Our small towns had a fairly large component of government services, including Powercor, the Department of Natural Resources and Environment and so forth, but most have now gone. Government services in the form of hospitals, schools and the shire are probably better now than they have ever been. Most of the other services have been withdrawn to the regional centres. I stress that our regional centre is more than 100 kilometres away, which makes it difficult for anybody who comes down from Horsham, as about 30 per cent of their time is spent in travelling.

The situation now is that we have a declining population. Our unemployment rate is 2 per cent, or less — but of what? We have only a small population, as most of the productive residents or people whose jobs were in jeopardy have withdrawn to other centres. The situation is that now critical mass is a worry, as is the viability of the community. It is a matter of keeping the butcher, the baker and the candlestick maker together! It is a real problem. You will see empty shops down the road, but it is ironic that now we have an economic turnaround; I believe we are now starting to enter a new era of prosperity and there are insufficient people to do the jobs. We have a critical shortage of labour, having come from a situation of people leaving the area.

Farms will not necessarily employ or use large numbers of people. As the mayor said, we have to concentrate on our towns and settlements to make them attractive and bring people in from outside. We need to look to tourism. I would like to think that any initiatives we could put forward as a shire or district would be along the lines of initiatives used by the government to kick-start the area after World War I and World War II, and would be encouraged by the government. Certain matters that I will not go into today are on the horizon and may need government support or help. We are always on the lookout for initiatives; certainly tourism is one.

My summary of the whole presentation is that it is rare, particularly in a rural agricultural area, that local initiatives will get up by themselves. Any advances we ever make will probably need to have a kick-start or help from external sources. In the last few weeks I have been reading about the great Australian lyric poet, John Shaw Neilson. His whole life and his family's history was of failure with farming, but the family was kept together by things such as the railway in the 1880s and 1890s being built through the Wimmera. In the late part of that century the water channel system was built in the Mallee. The pioneers had supplementary income back to the farm from external resources such as government initiatives. We are not crying poor or looking for handouts, but this area, with its agricultural base, must be looked at differently. Favourable consideration should be given to anything put forward by the shire.

The CHAIRMAN — I think we will continue with the presentations and then we will know how long we have to go.

Cr WAIT — I would like to raise two specific items. The first one concerns our shire's most important project, which is the Johnny Mullagh interpretive centre. It is a centre which we aim to put in at Harrow. We have a benefactor who is prepared to put up \$250 000 of their own money. Naturally they need matching money, and we have worked out some system where the centre may cost around \$835 000. We need money from the Community Support Fund for this project to go ahead. It will provide employment and a lift to the township of Harrow. I believe this is the council's most important project. You may have heard over the weekend how the first Aboriginal cricket team is now touring England; in fact the first Aboriginal cricket team came from here. Cr Carracher was involved with the team, and there are some books here for you from that event some years ago. We want to commemorate that and that is what we are doing with the book and the Johnny Mullagh interpretive centre, but we need government assistance to go on with that.

The other item I aim to bring up is that of blue gums. An opportunity arose over the past five years for me that if I had \$3000 I could invest in blue gums. The government has made this allowance for superannuation funds et cetera and it gives a good tax incentive for the same. As it turns out, as the prospectus says, I will be able to get \$9000 to \$12 000 over the next 10 to 25 years. What has happened in our shire is when you put all these \$3000 investments together we have had more than \$100 million invested in blue gums in this shire; over 20 000 hectares of blue gums has been put into our shire or is proposed. This has been done and there has been absolutely no regulation by the government: they do not need a planning permit, they can just go and do it. If the prospectus is right, they will be turning out somewhere in the vicinity of \$300 million worth of timber in what was then the next 10 years — it is five years now. We do not have any roads in that area to carry that timber. There is no regulation on the timber industry. All we can hope for is a bit of extra money in the rates. How are we as a council expected to supply roads for people who just hope we will do it? It has been estimated, and I have not checked this, that something like 70 B-doubles per day will be needed to cart this timber out. We have absolutely no structure of roads to handle this.

That is in 5 to 10 years time. Currently we have a pine industry, Auspine. Just to give you an idea, we have a map here show you the area. That is the blue gum side, the yellow.

The CHAIRMAN — What is the blue gum?

Cr WAIT — The green and the purple and blue are blue gums.

Mr CRAIGE — Are they planted blue gums or proposed blue gums?

Cr WAIT — These are planted. The yellow is the pine trees and they are there now. When they were put in there was no regulation on them either. Those trees there were due for their first thinning two years ago. When you go around all of this in our shire we need something like 50 kilometres not of sealed road but of gravel road. Our shire needs something like \$5 million just so they can get their timber out. They are prepared to put in some money and we are prepared to put in a small amount because it is a large project. We are told to plan five years in advance, but on these jobs there has been absolutely no planning; planning has been as of right: they can just go ahead and do it. There are jobs there.

As this timber looks at though it may go into South Australia because that is where the softwood mill, Auspine's mill, is, we would like to see the state government talk with Auspine with a possibility of getting a mill in Victoria for the advancement of our area. We have talked to the state government but we cannot seem to get dialogue going between these people. We believe Auspine has tried the Victorian government, and we have been to Canberra with Auspine. This is a problem in the southern part of a shire which has a small population. If we talk about economic development, we already have the trees; the pine trees are ready to fell but we need roads, and whose responsibility is it? Thank you.

Cr GUTHRIDGE — Following on from Cr Wait, employment is largely provided through the agriculture, viticulture and a South Australian meat processing plant. A lot of employment is over in South Australia, but people come back here to live. There are blue gums and the pine forestry, as we have spoken about. The employment also comes from services provided to these industries. These are areas we are looking at to maintain employment, improve growth areas, further develop agriculture and look at value adding to these industries, but our infrastructure does not allow for it. While we have quality of produce we cannot expect to attract industries when the quality of our infrastructure is not there. Joe Hockey was on *Meet the Press* last weekend; I do not know if you saw him on the television. He said that if we want the possibility of growth in industries in our rural shires we have to plan our infrastructure for the future now. Federal, state and local governments need to come together because the time to plan is now.

A lift in basic infrastructure — water, power, information technology, roads — needs to be addressed if we, the Shire of West Wimmera, want to take opportunities to increase population and the work force. These areas need funding now and strategies put into place so we can expect to attract industries to our shire. With the recession of major services from our shire the impact has had a far-reaching effect. We find ourselves in a cycle: we have loss of services and therefore loss of employment, and loss of employment brings about more loss of services. We have to seriously look at the impact on the services left — schools, hospitals and local traders. If we lose those it would be a loss of major services, and that in turn creates a loss of employment and a loss of population.

However, we do have wealth. The wealth in our community is our youth, and with economic development, training in the workplace and improved infrastructure we can expect to retain them. I think Cr Hawkins spoke of this before, but in our shire we have olive plantations, various grain crops, wool growers, potato and onion growers, clover seed, a fat lamb industry, and cattle feed lots, but that is only a portion of our wealth: we also have family farms. I was at the hotel in Goroke on Saturday night and speaking with some of the farmers down there. There were 14 second or third-generation farmers between 25 and 35 years of age who have stayed to work the family farm. Across the shire you find that there is a mass exodus of our youth once they leave school or attain their VCE so they can find employment, because a lot of the family farms cannot sustain their sons, but in Goroke it is a little different.

Our wealth achieved from agricultural industry is invested into transport, processing and marketing of raw resources, and not much of the profits are invested back into the rural sector to improve communities in the regions of rural Victoria. Service providers — banks, insurance companies, fuel companies and all other suppliers of goods and services — take large amounts of money from the rural sector. How much of these proceeds come back to the rural communities? Not very much. Superannuation payments from country people amount to \$1 billion annually, only to see it reinvested into metropolitan or larger regional areas.

The amalgamation of rural shires in the name of rationalisation brought with it a social and economic impact, loss of employment, population decline, service decline, and loss of economic development. We need assistance to keep the services in our communities and towns to stop the decline of our population. We need economic development to increase the opportunity of employment. Opportunities like basin minerals, blue gums, pine forestry — they all amount to employment in the future, but what we have in common with these is a basic lack of infrastructure to get them here and keep them. We have the possibilities, but we need the dollars and we need to work together to achieve our goals.

Cr CARRACHER — Thank you for coming to Edenhope. The first part of my submission will be on telecommunications and postal services and Internet access. Here in country areas if you are not close to an exchange your Internet services are terrible and mostly not available to people. You have to be very close and have a good coaxial cable to do any good with Internet phones. I notice that most of the people who arrived today had mobile phones, but 5 kilometres out of town you will not get a service. You will get a service on the highway at Kaniva, but between those areas hand-held mobile phone services are non-existent. You have to have a car kit if you want to do any services with a mobile phone, and there are a lot of big blank spots in the shire. Mobile phones are not available to the rural people in the shire, which is a nuisance.

Mr CRAIGE — I want your mobile phone number because I am going to keep ringing you every 10 minutes to see if you are right!

Cr CARRACHER — That will be right, because mine does not work at home.

Mr CRAIGE — So you will hide from me, will you?

Cr CARRACHER — No, it is a problem for people nowadays: with increased activity on farms they want to have more access. They have been using two-way radios, which are quite good but do not give the privacy of a mobile phone. Postal services have dropped in this area where there are now not the services over the border that there used to be. If you want to send a parcel across the border, which is only 20 kilometres from me, it is lot dearer, \$7.90, against the cost of a parcel to Goroke in Victoria at \$5.20. Crossing the border is a problem.

The second thing I want to talk about is the border. There are some very good services within Victoria, and I think the motor car registration in Victoria is so superior to what happens in other states; it is terrific. I hope that we never get the New South Wales system where you have to get a blue sheet and a pink sheet before you can register vehicles annually. With the Victorian system now you can buy a vehicle in South Australia and it can be completely registered in Victoria before you bring it home.

The other issue I would like to bring up is driver licences. In South Australia a kid can get a driver licence at 16 years of age. They do the logbook system, which is superior to the Victorian system, and we quite often have people using South Australian addresses to get South Australian licences so they can get to work. I think it is detrimental to country people in Victoria that they cannot get a licence a lot younger to be able to access work in the Wimmera. The parents have to take them to work all the time, whereas if they had a licence at 16 under the logbook system, which is a very good system, it would be better.

Along the border we have had two big meatworks start up over the past 20 years: one at Bordertown that employs 430, and one at Naracoorte with 260 on the staff. It is the infrastructure which was put in by the South Australian government which has attracted them with power. A lot of people from this shire work at Naracoorte and Bordertown and also in the vineyards growing the wine grapes that are now ripe, from Coonawarra to right through to Bordertown. However, after a while they get sick of driving over and the next thing they have shifted and live closer to their work.

In my area there are 90-odd sets of pivots that produce mainly white clover, which is 90 per cent of Australia's production or 20 per cent of the world's production. However, the cleaning plants are over the border in South Australia because the power sources were available there for them to set up. They were not available in Victoria, which is disappointing. We probably require better infrastructure for power in Victoria. If just one of those industries started up here, in Victoria the powerlines would be red hot before they got here. Work has been done to try to attract power from South Australia into the Victorian system but nothing has come to fruition on that.

The CHAIRMAN — Thank you for that comprehensive overview. You have covered a wide range of information. I recognise in the audience and welcome Mr Hugh Delahunty, MLA, the local member, who is taking an interest in the committee's inquiries.

Cr MEYER — If I may summarise: our infrastructure needs to be maintained. If we are to attract economic development in areas such as this we cannot afford to slowly drift backwards but need to hold what is already here. On the subject of new road networks mentioned in relation to the timber industry, the map of the Shire of West Wimmera shows how extensive the local road network actually is.

Maps shown.

Cr MEYER — Around Kaniva, for example, you will see that the roads are close together and a lot of roads are not dirt but sealed. Their sandstone construction needs to be continually resheeted. It is vital that the road network be maintained if we are to attract residents or visitors. In the 1950s, 1960s and 1970s a vision came from the federal government for rural Australia. It gave out massive road grants in those days. Shires and towns like ours, particularly when the shire was smaller, were laying 20 or 30 kilometres of new bitumen every year. I do not know whether the vision or the money has changed, but I think money is directed these days to other community needs. It appears that the federal Parliament needs men like John McEwen or Arthur Fadden for rural Australia, two men who set rural Australia on a sound footing.

These things are in place; the town has shops, hospitals, doctors and all those sorts of things. If we are to attract more people it is vital that the infrastructure stays in place. Outside money will need to be attracted because the shire cannot raise through its own rates the amount of money required to service and maintain those services. The Roads to Recovery money from the federal government has given us a chance to do something. Our portion was close to \$700 000. That means at least we can repair a lot of the road network that was becoming full of potholes. It may not mean we can turn to new road works but it has at least given us a chance to hold on to what we already have.

Another important aspect about maintaining the area is such things as machinery agents. A decision seems to have been made that perhaps every third town gets a machinery agent and that the couple of towns in between miss out. As those agents disappear it means people have to travel to, say, Horsham to buy their tractors or other machinery. That in turn means the people who sell the machines and those who do the repair work go with the agents. The smaller in-between towns then miss out. Most of our towns, like Edenhope, had machinery agents but now they have gone.

Every step taken to centralise everything hurts us badly; that example could be taken across a number of services. We need people on board to do the repairs because 10 jobs in a town like Edenhope are so important whereas 10 jobs in towns like Ballarat and Bendigo are a drop in the ocean. Around this area 10 jobs helps to weld the fabric of society together because 10 young people working in those jobs may mean the football team or cricket team still exists or that a shop on the borderline of closing will continue to operate.

On the positive side of things, this area has plenty of cheap land. If somebody wanted to do something and found the area suitable, the cost of the land purchase is minimal, but the downside is how we get power to the sites if it currently is not connected. The connection cost makes the land cost prohibitive. We have to be able to keep what we already have, as I said earlier. It may mean help is required along the line or that a vision of the government at all levels is needed to realise that centralising everything means somebody gets hurt in the end. This is where we live, it is our town and where we want to be, but we want a fair go to maintain what we already have.

The CHAIRMAN — You mentioned in your opening remarks that Harrow had banded its community together. What has it achieved by doing that?

Cr MEYER — Pride in itself. I am not sure if you are familiar with the town, but it has become an attractive place. They hold a sound and light show either weekly or fortnightly. That generates a certain amount of money, which then goes back into the community's various needs. But it is even more than that — it pulls the town together and brings people together. They give their time for nothing. Harrow and other towns like it will survive through community spirit. But the minute the community spirit goes out of a town, the town dies. While a town like Harrow can maintain the spirit, it has a chance to live.

The CHAIRMAN — What sorts of services exist in Harrow in terms of banks, for example?

Cr MEYER — It has banking services for 1.5 hours on one day a week. It has shops, a garage, postal services, a pub and a few houses. One or two shops are run by the community. It has a full-time blacksmith and a florist. That blacksmith would rely on the spirit of the town because it attracts people and he can sell things. It may mean another family as residents.

The CHAIRMAN — Is the shire aware of the rural transaction centres (RTCs) initiative?

Cr MEYER — Yes.

The CHAIRMAN — Has the council encouraged any RTCs to be established in the shire?

Ms AMOS — We have two groups in the shire. One has been established for two years under the regional connectivity program in partnership with the Ballarat University, which is the community enterprise centre (CEC) in Edenhope. Kaniva's expression of interest for a CEC has just been accepted. The CEC here is going through the first processes of a feasibility consultation to look at combining the CEC with an RTC. It would make a good partnership. The emphasis on partnership with anything like that is innovation, but as to the services needed — how long is a piece of string? It is what the community wants. At this stage the consultations are going well. That will be a complete partnership in the sense of it bringing in, condensing and establishing comprehensive services that may be missing.

Cr HAWKINS — That CEC has been a great boon for the town in building the community. It is self-managed.

Ms AMOS — They used to be a section 86 of council, but they are now incorporated in their own right and are seeking funding for other projects.

The CHAIRMAN — Do I assume the shire will encourage other towns to get involved in those types of programs?

Cr MEYER — Kaniva will be moving to a CEC but there are other opportunities in the likes of Goroke to do something on a smaller scale. The possibility is there but they are in their infancy at this stage.

The CHAIRMAN — Cr Wait, an application has been made to the Community Support Fund for the interpretative centre. Do I assume that accompanying that application was a full business plan for the proposed centre?

Cr WAIT — Yes, that was made. Everything has been done properly all the way through. We have done the business plan. We have spent a lot of time on it. We are waiting for news from the government on where we go from here, but we have heard nothing. We need to hear before next June; otherwise our benefactor may not continue with their generous support.

Mr BEST — When did you make the application?

Cr WAIT — The application was made about last February.

Ms AMOS — The application would have gone into the Community Support Fund in about December and the application to the federal government under the regional solutions program was lodged about then. We have two applications at the federal and state levels.

Mr BEST — Have you heard anything from the state government?

Ms AMOS — No. They have asked for minute clarification, so I take that as a good sign. It is going through the process and they are talking to the people controlling the regional solutions program, also.

Mr BEST — Under the criteria, as I know it, for the Regional Infrastructure Development Fund you have a community component and a local government component. It meets a number of the criteria handsomely. I am surprised it has taken the length of time it has and that there has been a lack of acknowledgment of the program.

Mrs COOTE — On transport, I know you do not have a train running to Edenhope. When did you have one?

Cr MEYER — Never. The *Overland* service to Adelaide runs through the shire, at Kaniva. It used to stop there. It may surprise you, but Kaniva was the most used railway station between Adelaide and Melbourne. When the service was examined, somehow, because of political clout, Kaniva missed out. The service went, but the V/Line bus services that.

Cr MEYER — The railway line in this area has gone; it used to run from Horsham to Portland, which was known as the Balmoral line, but it was pulled up. Another line from Natimuk to Goroke has also gone.

Mrs COOTE — Can you tell me about when that was?

Cr MEYER — It was 20 years ago.

Mrs COOTE — The reason I ask is that we are going right around the state talking about this, and transport and lack of trains has been a huge issue for so many of the towns. It is really interesting for me to hear how you have adapted and gone on with a range of other areas. As I said, there is a bus here, and you spoke before about your young people getting licences earlier and being able to go across to South Australia. Can you recall whether it was an enormous issue? Obviously you have been able to put things into place for public transport. Could you elaborate on some of the other pressures on transport issues today for this town and this region?

Cr GUTHRIDGE — With the vocational education and training (VET) programs that are in place a lot of our children have to go to the larger centres to access the programs they wish to be in. It is usually one day a week, which is a Wednesday. The children from here who have to go to TAFE or to a larger centre like Horsham need to rely upon their parents for that because there is not a bus that can take them through. It might only be five children at a time who need to go through, but that is a problem. There is another problem when people have young ones. When they take their children to Horsham for the VET program on the Wednesday they have to stay all day and pick up the children, so they tend to do their shopping there as well. That is taking away from traders and it has an impact. There is a pilot program from Hopetoun to Horsham to TAFE and that is a bus collecting 45 children from the Hopetoun area. Also there are about 55 coming in from the Warracknabeal-Nhill-Dimboola area. They have two buses on a trial basis until the end of the year; the trial started on 22 August. If that comes off there may be other bus projects for this area.

Mrs COOTE — What about the elderly?

Cr GUTHRIDGE — Community cars.

Mrs COOTE — So you have community cars?

Ms AMOS — They have a process here with the home and community care program that if they need to go to Mount Gambier for specialists there are community cars that the council provides.

Cr HAWKINS — And volunteer drivers.

Ms AMOS — The council provides some of the cars.

Mrs COOTE — Does that work well?

Ms AMOS — Let us put it this way, we dare to be creative and innovative. I think because we are rural and remote in the sense of Victoria we find solutions. They may not be the most optimal or beneficial solutions, but we dare to be creative and innovative to get the best results for the community.

Cr WAIT — One of our large problems is that if you are young and have a family, both husband and wife want to work and unfortunately this is not the place that will appeal to those people. You talk about transport to get the kids out: we just do not attract a lot of these people. We attract aged people because of our health service and because it is a safe area. Our housing, as you probably noticed, is very cheap compared with Melbourne; you can come out here, sell your house and you have a nice house here and a stack of money. These are the people we are attracting to the town, and that is affecting our work force and our thinking.

Cr HAWKINS — To reinforce that about the transport, it is a problem getting young people to work. Not everybody wants to go to tertiary education or whatever. There are jobs here, but to get them out to the farms is a problem. We had it on our own set-up. Last year we had two boys coming out from town here, and when the older one resigned the other bloke had to go too because there was no transport and he did not have a licence. That would be a big burden.

Mrs COOTE — I thought the age of the licence was an innovative suggestion. It goes back to your comment about this being an innovative area.

Mr CRAIGE — The licences bring back memories.

Cr CARRACHER — Did you get your licence at 16 too?

Mr CRAIGE — Yes, I did. I will have a chat about that if I can. I have two or three questions. One is in respect of the curdled milk and crystallised honey mentioned in your submission. I wanted to go back, Bruce, to your point about Harrow and how passionately you put that the people there have a soul and a feeling and get themselves together as a community. Can I ask you then about Kaniva, Edenhope, Goroke, Apsley and Serviceton — can you describe to me very briefly whether they have the same feeling within their towns and communities as Harrow?

Cr MEYER — Each town is slightly different in its make-up, nature and style of people. The reason I outlined Harrow is I remember — this is going back some years — driving down the main street of Harrow and wondered why anyone would want to go there, but you go there today and it is not the same town; it has lifted itself up and got itself going. A lot of our other towns were already attractive, particularly to the local people. I would say that in the bulk a lot of the people are very loyal to their own towns. Rather than individualise them all I will just use the example of Kaniva and give you one brief example. When the Westpac Bank closed for no real reason — it was because someone in Sydney looked at a map and said it is only that far from Nhill; that is the reason I was given for it closing — I used to bank at the Westpac and we got a letter saying that as from Monday we would be banking in Nhill. The bank manager at the time said that normally most people did not shift, that it was unusual for the people to lose any more than 15 to 20 per cent in all these decisions. When that happened in Kaniva I would say that probably no more than half a dozen customers stayed with that bank. That should explain to you the loyalty of people to their own towns; they all shifted to a bank that was still in the town, and they still do that. That feeling and loyalty is the difference.

Mr CRAIGE — Can I put it to you then that a lot of this is about leadership — about the leadership of individuals within these towns just as much as it is the community? Is that not a real key role which council, bank managers, police, and a lot of individuals play in respect to leadership? Is that not a key issue?

Cr MEYER — You are right, but the problem is that these banks are now running without bank managers. The bank manager used to be one of the key people in the town; they used to give that role and the leadership. Now these banks do not have the bank managers and it is just a matter of who you see over the counter.

Mr CRAIGE — So really it is important that there is identification in respect of these communities for leadership, whether that be elected councillors, managers or whatever. Is leadership not really one of the significant keys in respect of small towns and their community?

Cr MEYER — It is very important, but the people we have looked to in the past such as headmasters of schools, for example, are not living in the town.

Mr CRAIGE — I accept that all. All I am saying is you have to move on from that and other leaders have to be found. That is where councils play a significant role in respect to their areas, as do politicians and bank managers. What I am really saying is Harrow may have had that leadership. Can I get on to another question?

Cr MEYER — Just to round that off, I know what you are saying; I agree with what you are saying, as we as a council have been trying to do. There are many social issues around the place in which we as the council have taken the lead role.

Cr HAWKINS — I am the president of the Wimmera Development Association, and leadership has been identified as critical. As you might know, we have just gotten \$175 000 from the federal government to launch a leadership program over two years in addition to \$60 000 or \$70 000 from the state government. It is a \$250 000 project. It is not aimed at any particular level; it is from grassroots through to intense training. That has been identified and acted on.

Mr CRAIGE — You have raised a lot of issues today and we could spend hours here talking about some of the issues. It is that never-ending circle of if you do not have this then you cannot attract that. The licences are another issue. However, one can make other things with curdled milk. You can actually make something out of curdled milk and you can also make crystallised honey back into normal honey if you can heat it properly. You now have both curdled milk and crystallised honey in this area where you once had honey and milk. I see that as a challenge more than a problem. Having read your report, which proves that we do read these things, I think you should be encouraged that we do spend some time reading them. You have an opportunity to turn that curdled milk into something else and you have the opportunity to get that honey back to its normal state and not leave it crystallised. I think that is your challenge.

Cr GUTHRIDGE — Being as innovative as we are with the lack of the basic infrastructure, if we can work together as a group here now — local, state and federal — to build our infrastructure we can turn that curdled whey and crystallised honey back into the land of milk and honey.

Cr HAWKINS — I think we have an opportunity coming up. There is an economic turnaround, but we still have not addressed the population drift. That is where I started from this morning.

Mr CRAIGE — Mr Best and I were talking about that yesterday.

Cr HAWKINS — Until we arrest that we still have a problem. All the leadership in the world is no good unless you have something to lead. There are not many troops out there at the moment.

Cr WAIT — Words, words, words! The fact is 12 months ago there was a Commonwealth Bank here and you could go in and get a farm loan there. Then it got transferred to Horsham, and we are now told that that is going from Horsham to Ballarat.

Mr BEST — Is that the approval process?

Cr WAIT — That is the approval of the loans. It was here, now it is at Horsham and it is going to Ballarat. Economics will tell you that we are being centralised to the towns. We see that going on and we are trying in our own little way to keep what we can going. People's attitudes are changing in all of this. I think that people are becoming, as they have to, more — would the word be selfish? When I started off women did not work around in the area; being a wife was enough. Now we cannot get people out here unless there are two jobs. We are changing.

Mr BEST — Thank you and your fellow councillors for the passion you have for your municipality. That is the most vital ingredient required in leadership positions. I recommend the leadership Lead On program that started in Bendigo because it has been fantastic at getting our young kids of school age starting to think about leadership and where they position themselves. A couple of the initiatives you have started on really have some potential for bearing fruit. I live in Bendigo and my electorate goes to Mildura. I have a boom-and-bust electorate: I have areas that are decreasing in population; the small towns in between the two major centres of Mildura and Bendigo are finding it difficult — Charlton, Wycheproof and some of these other towns. I have other areas such as Swan Hill and Kerang, which are booming. Bendigo and Mildura are growing at about 6 per cent, and people are moving to each of the regional centres. One of the things that we ran into yesterday was the case of a gentleman who made a commercial decision to move from a small town into Horsham because that was where he saw a commercial opportunity to start a particular manufacturing business. That robbed a small town of a family and a potential industry.

One thing that you mentioned which I think is vital is that the commodity prices for our agricultural products are coming down. You are a municipality that has farming as its major pursuit. We have seen how successful some of these people are within the Wimmera Development Association structure or umbrella, such as the fellows we met last night, Rob Launder and Wayne Beddison from the Lentil Company. I suppose it really was quite adventurous to pursue that course. Wool is making a comeback, and a couple of weeks ago fat lambs were selling at Bendigo for \$158 each — extraordinary prices! Do you consider agriculture to be the foundation or one of your major building blocks in getting prosperity back into the community?

Cr HAWKINS — Cr Carracher mentioned the irrigation development. That amounts to 4000 hectares, with 90 pivots producing 90 per cent of the Australian production of white clover seed, which is 20 per cent of the world's trade. We could not get the processing done in Victoria because we could not get the power.

Mr BEST — Has it gone elsewhere?

Cr HAWKINS — It has gone over the border. and you will not be able to shift it either, because it is at Naracoorte, Frances and Bordertown. That is one simple example.

Mr BEST — That is a good example.

Cr HAWKINS — My message earlier today was that if we can get the theme across that if we can get a fast-tracking and positive response from the government if any project comes up in the future, we will have achieved something this morning.

Mr BEST — To tease that out, was it Powercor? We have had a similar problem in many of our dairying industries where the huge rotary dairies have gone in and a lot of the spur lines — —

Cr HAWKINS — It is the legislation; it is again a situation of the chicken and the egg.

Mr BEST — Please tease that out so that we know.

Cr HAWKINS — Returning to the issue of powering the pumps, to bring the power from Horsham through Goroke to the border five years ago would have cost \$4 million; it would probably cost \$5 million or \$6 million now. The consumption on the line then had reached almost its capacity; it would have been overtaxed had extra load been placed on it. Who was to pay? Would it be Powercor, the state government or the consumers of the power? At the time it was deemed that it be a system of user pays. That may even apply now, but five years ago it was a matter of user pays. That is where it fell down. We had plans drawn up to power the pumps — not the processing plants but the pumps. One place at Neuarcurr was set to have it come through Apsley at a cost of \$140 000. But when it came to doing the next stage, through Goroke, the line could not handle the load. It became a dichotomy of the three factors. It was deemed ridiculous that the applicant should put \$4 million into even 90 pumps. It fell over. Not only did the plans for the pumps fall over but also plans for the processing plant at Neuarcurr fell over.

Mr BEST — How many people would it have employed?

Cr HAWKINS — About 10.

Cr CARRACHER — They work around the clock. They would be looking at three on each shift, so you are looking at 10 to 15 people. It would probably not operate for a full year but a part year. They bring in seed from elsewhere to be cleaned. That industry went over the border to Frances.

Cr HAWKINS — But that is history. This morning I am trying to get the message across that the next time something comes up, we go for it. That is the message: we have to be proactive. To be fair, we were talking to one of your senior bureaucrats. He said at the time that whatever proposals were put here, his reaction here and perhaps somewhere else would be different. He acknowledged that the need was great. So long as we can get some action on that thinking, we will go ahead.

Mr BEST — As the Chairman will say, part of the committee's terms of reference gives us the opportunity of highlighting circumstances, as you have explained, and making recommendations to the government, because this is an all-party committee. Although there is no Labor Party member here this morning, Labor is very much part of the committee. That gives us the opportunity to demonstrate where there are shortfalls.

The CHAIRMAN — Cr Carracher, although we have not spoken much about information technology, we discussed that to some extent yesterday. What you have said is consistent with what we heard yesterday. Do not think we are not taking that issue seriously.

At conclusion of witnesses at Edenhope:

Ms AMOS — If I may summarise: the committee's terms of reference have been adequately covered. We commend your group for coming to the Shire of West Wimmera; that shows faith in the rural sector, which I think will be reciprocated by people from the rural sector.

Two issues coming continuously out of today concern the information technology issues and stopping the decline in the number of youth. We are good at exporting a good premium product — that is, our youth — although that happens across the nation. I shall leave the committee with handouts of the geographic region of the shire; also the submission on Victorian future infrastructure needs. A lot of that is based on a regional document that was looking at the socioeconomic impact of changing land use. That was coming in under the greater green triangle concept.

The issues raised in the consultation process have been created by political activity and will only be solved through appropriate consultation with all stakeholders and by putting into action the identified responses from the consultation processes in partnerships. I leave you with two quotes that I heard recently. One was at the mineral sands project in Mildura. It was called 'Partnerships or perish'. We need to establish that with all stakeholders, industry and all levels of government. The last quote is indicative of the Shire of West Wimmera — that is, 'Attitudes are contagious; is yours worth catching?'. The people of the shire have feelings that may be described as PPP: proactive, progressive and passionate! That is how they feel about the shire. I commend them all.

The CHAIRMAN — Thank you, Mr Mayor and councillors, for your time with us today. It has been a worthwhile hearing. As we move around Victoria we are finding that there are some very committed people working not only in councils but in community groups who make the state tick. Our goal and our responsibility is

to report to Parliament in due course with recommendations as to what we consider will help you and other rural communities; we will be doing that in the next few months. Then it is up to the government to examine our recommendations. It has a responsibility under law to report back on recommendations we make. We hope we will make a difference. I am sure what you have put to us today will be valuable for us by way of background in coming to grips with the issues that need to be addressed.

Witnesses withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Edenhope – 28 August 2001

Members

Mr R. A. Best

Mrs A. Coote

Mr G. R. Craige

Ms K. Darveniza

Mr N. B. Lucas

Mr J. M. McQuilten

Mr T. C. Theophanous

Chairman: Mr N. B. Lucas

Deputy Chairman: Mr T. C. Theophanous

Staff

Executive Officer: Mr R. Willis

Research Officer: Ms K. Ellingford

Witnesses

Mrs B. Mitchell, Secretary; and

Ms C. Dines, Member, Goroke District Advancement Committee.

The CHAIRMAN — This is a hearing of the Economic Development Committee, an all-party investigatory committee of the Legislative Council. All evidence taken by the committee, including submissions, is subject to parliamentary privilege and is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act. I invite you to make an opening statement.

Mrs MITCHELL — I represent two groups — that is, the Goroke District Advancement Committee and the Goroke traders. I am not a trader but these two separate bodies will amalgamate in the near future, become incorporated and, I hope, will have a little more clout. Goroke is my home town. I have lived in or close to it all my life. I have no wish to live anywhere else. I know there are problems. There are many negatives, and you will hear them today, but there are also a lot of positives.

I will touch on a few problems. We have a real problem, especially for the older citizens, because there is no public transport. They have to rely on families and friends if they need to travel to Horsham for anything. I am not talking about young pensioners like me, but the oldies. We have everything we need — golf, bowls and fishing when we have water, and we are still able to drive to Horsham or elsewhere for medical or other reasons. But members of the older generation, many of whom no longer drive, have problems. Some people do not have families to take them around and they have to rely on others. Families with small children are probably okay because they have play groups and kindergartens. Also we have an excellent school, but the teenagers are a different kettle of fish as there is no entertainment or prospect of employment, unless they want to become shearers or rouseabouts or seasonal farm workers. That creates problems also.

We have a bank on one day a week. Electronic banking is not an option for an ageing population; they do not understand it and they do not want to know about it. We have high fuel prices, like any small outlying country place, and frequent power failures. We have problems with our telephone service and the area has no readily available mobile phone service. A nephew at my home on Friday night could not get his call out; he drove halfway to Mount Arapiles before his mobile phone would connect with somebody in Adelaide.

The biggest blow to our community in the past few weeks has been the fact that our only cafe has closed, which means anybody passing through on a Sunday afternoon cannot get a drink or sandwich. We are trying to push tourism, as you can see from our brochures that have recently been printed. The hotel is open on Saturdays, but Sunday is a different kettle of fish. However, it is not all negatives because living in Goroke has lots of positives. We have an excellent community health centre with visiting doctors and most facilities, providing we remember to get sick during the week and not at weekends. Our school has a high standard of education and a great sense of community spirit. The people join in things readily. But we have a problem with the children after school.

Goroke is in a perfect position to be a stop-off point for people travelling between Melbourne and Adelaide. We will promote that to a greater degree in the future. The proposed beautification of our main street by the West Wimmera Shire has the residents sitting up and taking notice. Last week a public meeting was held. Some councillors attended, along with a wide spectrum of people, regarding the beautification of the street. That showed the enthusiasm of Goroke and district residents for the future of their town. I believe it has a future. I probably could be accused of being biased because I love to live in that area and I do not want to change that, but I also see people who come to the town as retirees. There are quite a number who have done that and ended up in Goroke.

Housing is cheaper and they love the country, and you do not want to say to them, ‘When are you going back to Melbourne to live?’ because they will not have a bar of it. We have a lot of positives and we hope we can run forward with them and overcome some of the negatives.

Mr BEST — Has the community thought of purchasing the cafe?

Mrs MITCHELL — They closed it and they are living there still. They have turned the front part of it into a lounge room or something. I heard a story this morning — I do not know whether it is true, I never had any time to think about it or anything like that — that somebody is toying with the idea of opening another place up.

Ms AMOS — That is correct, Bev. There is movement afoot, so to speak.

Mrs MITCHELL — I only heard it this morning on the telephone, but it was a really big blow to our community when that happened.

Mr BEST — Have you had many people coming from Melbourne and purchasing cheaper housing?

Mrs MITCHELL — Yes, that is why we have an ageing population. Without even thinking about it I could say that there are at least 10 couples my age who have come to live — —

Mr BEST — Late 40s?

Mrs MITCHELL — Something like that.

Mr BEST — We go to the same hairdresser.

Mrs MITCHELL — We use the same hair dye.

Ms DINES — On that same point, on the other side I have just moved to town; I have been there 12 months. There is an influx of younger people thinking about moving out to the country. If we had a little bit more support to encourage young families like my husband and I who are in the late 20s age group to move out, there is that different side of things. It is not only the old retirees moving out to the cheaper housing — there are people like us who found it tough living in the city where we could not afford to run two cars and two jobs anymore. We looked at a different option and for us that was to buy a small business in the country. We chose the hotel because the only thing I knew about was beer. There are two sides in Goroke. Being an egotist I think we have had quite an influence in the town being a young couple moving in. I just wanted to make that point separate from the older generation.

Mr BEST — You and your husband took a commercial decision. What is the population of Goroke at the moment?

Mrs MITCHELL — They say 350 but that is stretching it outside the town.

Mr BEST — Is it increasing or decreasing?

Mrs MITCHELL — It is decreasing. When you look around the houses there are couples living in quite a lot of the houses or just one person. There are not so many families. It is decreasing in that respect.

Mr BEST — Is it the type of town where the hotel is the centre of the community?

Mrs MITCHELL — Virtually.

Ms DINES — It is getting back to it.

Mrs MITCHELL — It is getting back to it because we had a bad run there for a little while.

Ms DINES — The situation was getting to the stage where another business in town was going to close. It is getting very tough with the decrease in population — they say by a third every seven years in the farming.

Mr CRAIGE — How you are going to grow your business?

Mrs MITCHELL — Just by being themselves they are already growing the business.

Ms DINES — The point I wanted to make is the younger influence is always very nice in an ageing population. I am not sure how we can encourage that in a future reference, but hopefully through a bit of tourism and people falling in love with the area like we did.

Mr BEST — My point is you are a young family that has come to town. Do you have children?

Ms DINES — No.

Mr BEST — Not yet?

Ms DINES — No.

Mr BEST — I am leaving that absolutely alone.

The CHAIRMAN — We are running out of time.

Mr CRAIGE — Part of our inquiry is to look at the impact the withdrawal of services has had on small and medium-sized towns. Have you ever had public transport or buses in Goroke?

Mrs MITCHELL — We have a bus that goes through. We had public transport — we had trains.

Mr CRAIGE — You had a train in Goroke?

Mrs MITCHELL — We had a train that went daily to Horsham.

Mrs COOTE — How long ago?

Mrs MITCHELL — Now you have got me, I do not know when it closed. It has been a fair while.

Mr CRAIGE — Was it 20 years ago?

Mrs MITCHELL — Probably closer to 30.

Mr CRAIGE — We have to try and look at where services have been withdrawn and the impact that has had on small towns. The train service went about 30 years ago but you have a bus go through town.

Mrs MITCHELL — We have a bus go through town, but if anybody needs to do anything in Horsham it does not give them enough time — the turnaround is too quick.

Mr CRAIGE — Let us quickly go through that. There is a bus service which goes through town. What is its starting point?

Mrs MITCHELL — It comes from Naracoorte and goes through to Horsham.

Mr CRAIGE — So it has the ability to pick people up and drop them off, but the service does not suit the requirements of the community in Goroke.

Mrs MITCHELL — Doctors' appointments are a classic example if they have to go to a specialist.

Mr CRAIGE — What time does it go through in the morning?

Mrs MITCHELL — Any time between 10 o'clock and 11 o'clock.

Mr CRAIGE — And then comes back in the afternoon.

Mrs MITCHELL — Yes, between 3.00 p.m. and 4.00 p.m. It is supposed to leave Horsham at 2 o'clock or something.

Mr CRAIGE — That is the only public transport you have through Goroke.

Mrs MITCHELL — Yes.

The CHAIRMAN — So it is a pretty short visit to Horsham.

Mrs MITCHELL — It is. You just cannot say you are only going to be there for 2.5 hours and you want that doctor's appointment in that period of time.

Mr CRAIGE — Have you caught the bus?

Mrs MITCHELL — Yes, I have caught the bus when I have been going to Melbourne. I have caught the bus and gone to Horsham and caught the bus there to get the train to Melbourne.

Mr CRAIGE — What would be the fare be?

Mrs MITCHELL — It is not that much. This is going back a few years so I really do not know. It is pretty good.

Mrs COOTE — I have a question and I would be interested in answers from both of you. You were speaking about people retiring to the country or younger people wanting a change in lifestyle. Are the people coming from Melbourne coming because they already know other people or come from the same area in Melbourne? Why are they choosing Goroke to retire aside from it being very nice? I will put this brochure in my electorate office, I promise.

Mrs MITCHELL — We seem to get a run of families. I will use the Taylors as an example. One brother and his wife came to Goroke because he had family in Kaniva and that suited them nicely. Then his other brother came and his mother came and it sort of snowballed. Then we had the same sort of situation — one brother and his wife came to town and then two others have now come and bought places in Goroke because they decided when they visited that they liked the place.

Mrs COOTE — You spoke before about a certain age group being able to go to golf and do all those things and then it moves onto an older age group which perhaps needs palliative care in their home and relies on neighbours if they do not have family there. Is there an opportunity for towns such as Goroke to perhaps make an issue of attracting older people for that first part of the lifestyle which is more money in the bank as one of the councillors said to us this morning? If they sell a house in Melbourne which was becoming more expensive to run, come to Goroke for example and have money in the bank and cheaper housing, can you have the lifestyle issue and then build into your structure an opportunity for having some health care issues and palliative care for the next phase? Given your location between Horsham and Edenhope is there potential to make that a positive thing?

Mrs MITCHELL — It could well be. There is no doubt that it could be. The biggest drawback I would see is we would run out of houses for starters. I know it is in the pipeline about some units. The other big problem I can see is we have no doctor. We have visiting doctors four days a week which is wonderful and a great service, but we do not have a doctor. That could be a problem. We have excellent nurses and a home nursing situation.

Mrs COOTE — I look at all these people in Melbourne, all these baby boomers wanting to go somewhere and there is probably a huge opportunity. If it looks as good as it sounds it is probably a good growth industry. Good luck.

Mrs MITCHELL — It is.

The CHAIRMAN — Thank you for coming along to give evidence. We will send you a copy of the Hansard transcript of our discussion for you to have a look at. We appreciate the time you have given us.

Witnesses withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Edenhope – 28 August 2001

Members

Mr R. A. Best
Mrs A. Coote
Mr G. R. Craige
Ms K. Darveniza

Mr N. B. Lucas
Mr J. M. McQuilten
Mr T. C. Theophanous

Chairman: Mr N. B. Lucas
Deputy Chairman: Mr T. C. Theophanous

Staff

Executive Officer: Mr R. Willis
Research Officer: Ms K. Ellingford

Witnesses

Ms L. Powell, Kaniva Progress Association; and
Ms J. Thring.

The CHAIRMAN — We have about 20 minutes to have a chat. We usually do this by witnesses making an opening statement and then we ask some questions. I have to advise that all evidence taken by the committee, including submissions, is subject to parliamentary privilege and is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act. Welcome and over to you.

Ms POWELL — Do you want a statement about what our purposes are as far as the progress association goes or what we do?

The CHAIRMAN — Not really.

Ms POWELL — I have made notes from what people have told me — I can give you copies of this later. On postal services and telecommunications issues, there has been a reduction in postal services; the mail runs only three days a week and is inadequate for some rural businesses which operate from rural properties. They feel they miss out because by the time they get information or want to get it back it is a bit late.

Mr CRAIGE — Can you give us an example?

Ms POWELL — There is one lady who has a little shop out in the country and she said she often missed out on supply orders or different things; they were not on the Internet. If they did not get their mail on Monday they would have to wait until Wednesday. I am not in that situation, but she feels for some of the rural business that might operate from their farm or whatever the three days are inadequate.

The CHAIRMAN — The three days is when the mail is delivered to the rural areas. Is there a daily delivery in Kaniva?

Ms POWELL — Yes, there is still a five-day delivery to Kaniva, but out to the rural areas there is only three days — Monday, Wednesday and Friday. The same with their collection; they leave their mail to be collected by the mail person when they drop their mail off. Mobile service is poor or unavailable in many parts of the shire, down here and particularly in the northern areas; out in Telopea it is virtually non-existent. I think charges have changed recently, but there has been a difference in charges to rural customers for Internet and telephone services compared to the metropolitan areas and also the speed and access to Internet services for some rural people. I know in the outer regions of the northern parts of the shire they virtually cannot get the Internet unless they want to go to the big expenses of satellite discs and optic cable and what have you.

On banking issues, we are very pleased that we still have two banks in Kaniva. They have both been downgraded. One recently won an award for category C banks in the whole of Australia, not just Victoria, but a few months later they downgraded it. We are a bit concerned that this is the beginning of the end.

Mr BEST — Which bank?

Ms POWELL — The Commonwealth Bank. They are apparently meeting their targets for new customers and trade and the rest of it and win a category C award for the whole of Australia, not just regional Victoria, and then a few months later they downgrade it. That is a bit of a concern. The only automatic teller machine at Kaniva is in a supermarket, so it is not available outside business hours. It is not readily recognised as such by anybody passing unless they know by word of mouth it exists. The aged are unable to use telephone or Internet banking. The high cost of electronic banking makes it unattractive to rural businesses.

Since amalgamation the shire is the fourth-largest shire in the state, covering 9000 square kilometres and with a population of only 5200 people. A lot of people feel the size of the shire makes maintaining the infrastructure difficult, particularly the many roads, because of the large area with a small rate base. The diversity of the shire makes council's decisions difficult because of the perceived — I do not say it is definite; this is what I have been told — needs of the north and the south of the shire, because the shire covers such a diverse area.

The feeling of country people following forced amalgamation is that they have less representation at the government level. There is less local government. On unemployment issues, Centrelink statistics show low employment for the area, but we feel the figures are unrealistic because most young people leave the area to seek employment in larger regional centres or the metropolitan area; therefore, they do not show up in the figures. Centrelink is in Horsham, so accessibility is a problem if people do not have their own transport.

Inflexible regulations and requirements, no allowances for problems of distance, lack of transport, especially with young people under the legal driving age and unemployed — all those factors make it difficult for them to seek employment elsewhere. You have to be prepared to take employment up to 90 kilometres from home, even on a

casual or part-time basis. Transport becomes a problem, coupled with the cost of petrol in rural areas. Another problem concerns the population drift to regional or metropolitan areas and the lack of industry within the shire for a lot of young people.

Another thing brought to my attention today is that the living-away-from-home allowance for young people studying trades has not increased since the GST was introduced. Apprentices are allowed only 17 per cent, which amounts to about \$8.50, off their taxation. Most are low-income earners, anyway. Business is allowed about \$300 on their equipment or books, or what have you. Students have the first \$250 deducted, leaving them only \$50, 17 per cent of which amounts to about \$8.50.

On rural or remote issues, the feeling of out of sight, out of mind persists. All services provided are expensive, and most goods are more expensive because of freight. Properties have lower values. Access to services and maintenance for the properties are similar or dearer than elsewhere. Rural people feel that those in power do not understand the difference between rural and regional. A lack of rail services impacts on all areas of rural life. The perception is that agricultural industries are not as important and metropolitan people regard other industries as more important; therefore they feel agriculture does not contribute to the state's economy.

The feeling of many country people is that rural and metropolitan areas always come first and that we miss out; we are last in the line. There is no public transport in the West Wimmera shire. We have no daily service to the main regional city. There used to be a daily train service from the border at Serviceton to Ballarat, but that does not run now. Even though Kaniva is on the main Adelaide-Melbourne route there is no rail service in the shire. To access the train you have to travel to Bordertown in South Australia, which is 30 minutes travel; or to Dimboola in Victoria, which is 50 minutes travel.

V/Line is the only bus accessible for travel throughout Victoria. You have to travel to Bordertown to get other buses such as McCaffertys and Greyhound. Most will take you only if you are travelling interstate. The buses are accessible at Kaniva if you are travelling to New South Wales or South Australia, but if you are travelling to Melbourne, V/Line is the only bus you can use. V/Line travels here daily from Melbourne via Bendigo, making it a long trip. The V/Line bus/train from Melbourne departs at 5.40 p.m. with a train to Ballarat and the bus to Nhill. The departure time is difficult for people who are working if they want to come here to visit or for students who maybe have late lectures or examinations.

V/Line buses are difficult for those with disabilities to access, but I am not sure about other bus lines. It is difficult for elderly people or mothers with young children to access those buses, and it is not easy for them to move around the bus on a long trip, as they can easily on a train. The trains leaving Melbourne after the departure of 5.40 p.m. go no further than Ballarat; the only onward connection is the *Overland*, which does not stop at Kaniva but at Dimboola and Bordertown. Passengers must be met there because the train arrives during the middle of the night. There can be up to an hour's delay in Ballarat at Christmas and Easter because not enough buses are prearranged or scheduled. If a bus to Horsham, Dimboola and Nhill is full, the additional passengers have to wait until a bus arrives from Melbourne. No taxi service is available. It comes down to people not wanting to drive if they are over .05; they do not want to drink and drive, but it happens particularly on Thursday, Friday and Saturday nights. A query has been raised about the community car at the hospital or the school car being used on a voluntary basis on those nights. Thank you.

The CHAIRMAN — Ms Thring, would you like to add anything?

Ms THRING — I have travelled about 140 kilometres from Telopea Downs to support Ms Powell. I endorse how large the shire is and how many miles our councillors have to cover to adequately represent our shire. Public transport is a big problem. I have written to a couple of ministers concerning the legal driving age because one problem with our youth getting jobs in the area is being able to drive to and from work. If they are on, say, a farming apprenticeship, legally they cannot get full licences until they turn 18. That causes problems because most schoolchildren leave school at age 16 or 17. Without public transport it makes it difficult to keep the youth in the area. Ms Powell has covered it well. I am here to endorse her comments.

I live close to the border and I see what goes on in South Australia, particularly the support the South Australian government gives to the Bordertown area and the south-east of that state. We in the western part of Victoria tend to be forgotten. When you hear comment made it is usually about Ballarat, Bendigo or Horsham, and because we are further away from Melbourne we tend to be forgotten. That is a valid point, particularly because of what support is given across the border.

The CHAIRMAN — What sort of support?

Ms THRING — Particularly with tourism. They have just received a \$285 000 tourism grant. They are pushing Coonawarra and Bordertown onto the map, but we receive minimal support.

Mrs COOTE — How large is Bordertown?

Ms THRING — About 2500.

Ms POWELL — They have two industries there — a meatworks and a grain mill.

Ms THRING — We have as much to offer in our area as does Bordertown, but the difference in support from the governments is amazing. There is that border distinction with many things.

Mrs COOTE — I come from an inner city Melbourne electorate. This trip has been interesting and I am one you could have justifiably criticised. I can begin to appreciate some of the things you are experiencing, particularly with the tyranny of distance. We have heard in other towns about women accessing the Internet. We have heard from the council about a lack of telecommunications, with the sites dropping out. If the women were secure in knowing they could access the Internet at all times at their homes do you think they would embrace it?

Ms POWELL — Definitely. Our learning centre in Kaniva is open one afternoon a week and is freely available to people. People come in all the time and want to use the computers. It has two Internet services — one in the information centre, the other in the library. We have lodged a submission for a community enterprise centre (CEC), which has passed the submission stage. It would be widely used because people, women in particular, are becoming more familiar with the Internet.

Mrs COOTE — We have heard it is a tool that women have used across the country, for example to start small businesses. Do you think people in your area would readily embrace it?

Ms THRING — I live at Telopea Downs, which is 50 kilometres north-west of Kaniva. Our Internet service is almost nonexistent. I have subscribed to the Wimmera web site, but 9 out of 10 times I cannot even log on; and when I do, I find I cannot get into the service. So we hardly use it. Unless you happen to be on the highest hill in the area you find your mobile phone will not work, either. We are trying to run a business. It would be used by men and women.

Mr CRAIGE — In rural areas farming is changing dramatically, which means that such things as information via web sites is critical, particularly for things such as weather. We used to hear it only on the ABC, along with *Blue Hills*. While Mrs Coote spoke about women using the Internet, men are just as important, and there is not the amount of information via the media that we once had. In a lot of areas farmers are now accessing that information via the Web. Information available there is about stocks, markets or whatever. Not only is it a problem with the tyranny of distance for women, but basically it is critical for the management of farming today and the way it is going. Do you agree?

Ms THRING — Yes, I would.

Mr CRAIGE — What difference would the train coming to Ararat make to you?

Ms POWELL — Nothing; it is too far away.

Mr CRAIGE — Where would the train have to go for it to be not 'too far away'?

Ms THRING — Why can't it stop at Kaniva?

Mr CRAIGE — I'm asking the questions. Do you want the train to go to Kaniva?

Ms THRING — Definitely. Most of the population here are elderly. We have a very good service through the West Wimmera Health Service. It is important that they be able to access medical services as they get older. They need to have contact. They do not want to leave the community they have lived in all their lives. Public transport is a major issue in small country areas. If the service goes straight through the town, why not have it stop?

Ms POWELL — The health service is very good. In Edenhope, too, volunteer drivers take the elderly to appointments in Horsham, Ballarat and Melbourne, but if the train stopped at Kaniva they would access the service themselves rather than relying on somebody else. They do not feel confident enough to drive distances. That also applies to students. I grew up in the Kaniva area and moved back there eight years ago. My five daughters used to

visit me all the time by train; they would rather use the train than the bus. That option is not available for them now, and I think a lot of people feel the same. With the daily service that used to be to Horsham and even the train service to Melbourne, people used to conduct their business. They could catch the train at 2 o'clock in the morning, go to Melbourne, have a day's business or medical appointments or whatever and catch it back at night, and they did not have to pay overnight accommodation.

Mr BEST — I am interested. You have driven from Kaniva today and Ms Thring has driven from the other side of Kaniva. We have a meeting in Nhill this afternoon.

Ms POWELL — We belong to the West Wimmera shire, not the Hindmarsh.

Mr BEST — That is a very good point. It probably gets to the point I want to make. How do you feel the performance of the council has been since amalgamation?

Ms POWELL — For the distance and the area they have, I think it has been quite good.

Ms THRING — I think one of the really good things with this council is that they do not only meet in Kaniva and Edenhope, they go to all the different areas. I think that is very rare for the state, and they should be commended for that. They are actually going out to the people whether they get anyone there or not.

Mr CRAIGE — Your next-door neighbour is not a councillor, is he?

Ms THRING — He is, but that does not come into it at all.

Ms POWELL — I think a lot of the problems with amalgamation are people's perception, not so much the council's performance but people's perception of them and us.

Mr BEST — That is a very good point.

Ms POWELL — We were the old Kaniva shire, down here was basically Kowree, and now it absorbs parts of Arapiles and Northern Glenelg. It is not so much what the council does as what people perceive it does not do because of the them and us factor. It is gradually declining, but it is still there in some areas.

Mr BEST — I see a rapport between you, your economic development officer and the councillors. I suppose a lot of our game is perception and also relationships with people. You are happy with the service you are getting from your councillors, and as ratepayers you are satisfied. Therefore, council amalgamation is serving you well.

Ms THRING — As long as it is shared equally within the shire, that is a fair response.

The CHAIRMAN — We are going to have to wind it up there, sadly.

Ms THRING — I would like to make one comment with the education. I went to a school meeting at Kaniva the other day in the welfare group. It was brought up about the kids attending TAFE in Horsham. Horsham is still a reasonable distance from Kaniva, and we have the perfect facilities in Bordertown, which is only half an hour away, to offer the children the same courses, but because of the border there are restrictions with the education. I received a Federation grant earlier this year, and I have looked into Federation and where we have come in the past 100 years. I thought we had come a long way, but where have we really come because we still have those same border restrictions?

Mr CRAIGE — There is a border anomaly committee in place. Have you been to see them?

Ms THRING — No.

Mr CRAIGE — You should.

Ms THRING — Is this for education?

Mr CRAIGE — No, it is not specific. It deals with border issues; it does not matter what the issues are. It is set up to try to work out a lot of those federal and state border issues.

Mr BEST — I have Mildura and Wentworth in my patch with the Murray River. It is a similar thing. We have overcome those problems with medical and hospital services because most of the patients who are treated in Mildura come from the other side. We can get through it. Talk to your local member, Hugh Delahunty.

The CHAIRMAN — Thank you very much for coming. We will send a copy of the Hansard record to you.

Witnesses withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Edenhope – 28 August 2001

Members

Mr R. A. Best
Mrs A. Coote
Mr G. R. Craige
Ms K. Darveniza

Mr N. B. Lucas
Mr J. M. McQuilten
Mr T. C. Theophanous

Chairman: Mr N. B. Lucas
Deputy Chairman: Mr T. C. Theophanous

Staff

Executive Officer: Mr R. Willis
Research Officer: Ms K. Ellingford

Witnesses

Mr D. Hunt, President; and
Ms M. Watt, Member, Harrow Promotion and Development Group.

The CHAIRMAN — If you would like to make an opening statement we will get right into it.

Mr HUNT — I am a recent local, I have been living in Harrow for just under six years. Harrow is Victoria's oldest inland town, once quite thriving and now nestled down to about 100 persons in and around the town. It has a pub, a garage, shop, cafe, post office, bush nursing centre with half-day weekly visits by a doctor from Edenhope, and a bank which opens for 2 hours on Friday. It has the usual range of local committees, also a golf club and with Balmoral football and netball teams, but alas no longer a cricket team, surprisingly. There is no public transport. The bush nurses now have a small bus and take our older citizens on excursions off to various places and shopping and things like that.

The mail comes and goes, albeit slowly, five times a week. You can get a letter to England quicker than you can to Sydney. I have never quite worked out why, but you can. The municipal services are limited, but the town improvement is on the shire agenda. The garbage services have been changed recently and seem to be working quite well. There are no employment services as such in Harrow, and the opportunities for employment are certainly limited. Our free-to-air television reception is very ordinary, and there is no mobile telephone access. The telephone line Internet access is very difficult, as you have heard. I think it is similar to elsewhere. Particularly in the evening when people are using it it is very hard to get through. If you need cash in the place, you go to the shop or the cafe and get a cheque cashed. That is about the only way you can have it done. The need to get over inertia is paramount in a small town like Harrow if it is to survive as an effective unit. Like most other people have said, you do not get an awful lot of support in these towns. They are out in the backblocks, people do not know much about them, and unless you actually get your name up front nothing very much happens.

About five years ago the township of Harrow embarked on a project called the Harrow by Night Sound and Light Show, a concept put together by the locals which is enacted about 40 times a year on average. The driving force behind this initiative was to rekindle the town spirit to, shall we say, save its soul. The town was in decline, and this initiative has given it renewed life and enhanced community spirit. All this activity has taken a lot of effort and considerable organisation. The ability to sustain this is probably more limited by organisational capacity than the willingness of the locals to regularly turn out as actors for the sound and light show. More ready access to support funds is needed to provide ongoing organisational support. One can spend so much time seeking grants that little time is left for anything else. A more direct approach by government like this committee is giving is needed in country areas where they come out and give you help rather than your having to always apply and find out what they are. The system reacts in the wrong way. If Harrow is to continue as a township that provides services to the local area, it will have to rely on tourism, hence the Johnny Mullagh interpretive centre is our next stepping stone.

Mr BEST — Who is behind the sound and light show? If you have a population of 100, are there 40 actors in the town?

Mr HUNT — There were probably only two or three who were well known, but that has increased to about 40 people who volunteer to take various parts in the show, and we have a coordinator these days. Originally the show was run from the local pub, and it had to move from there for various reasons. It is now run from the local hall, which we have reorganised slightly inside to give it a bit more character than local halls normally have. We have a coordinator who is paid a small amount. She organises each show in terms of ringing around to see who is available to come and do this, that and the other.

Mr BEST — It is becoming quite renowned. Roger Hallam, a colleague of ours, is a great supporter and advocate of how good it is. You said you need money. Do you raise money out of it or is it more of an entertainment value?

Mr HUNT — The show itself is marginal in terms of cost effectiveness, really. Even though the actors are not paid, they are given a small allowance to keep up their outfits and things. We do have to pay for certain services like the bus which takes them around. There is not too much difference between the outgoings and the incomings. What little difference there is, maybe \$5000 or \$6000 last year, goes back into the community be it the bush nursing centre or the football club — electricity arrangements had to be changed at the local cricket ground, Johnny Mullagh Park. We provide grants for things like that, so that anything that does come up goes back.

Mr BEST — One of the things I seem to pick up there is that people may be getting tired.

Mr HUNT — I think it is more on the organisational side. People are pretty happy to keep turning up at night and acting, but they are not all that keen to organise that they do turn up, if you know what I mean. That is the part we are struggling with. We have been paying someone to spend 5 or 6 hours a week on it, and they probably spend about 10 hours doing it.

Mr BEST — I know it is very tedious to apply through government, but government also needs some justification. Have you tried Tourism Victoria for any support?

Mr HUNT — Yes, we have actually. We had support from them originally in terms of setting up the show, and we have also had support through the Johnny Mullagh interpretive centre and the shire, which is very active with that. We have had good support there. I suppose we have to be a bit more proactive in trying to overcome that problem.

Mr CRAIGE — Where would people in Harrow go to do business? What town?

Mr HUNT — I think Harrow seems to be closely aligned with Edenhope and Horsham. The doctors come from Edenhope, and when they tried to get one to come from Balmoral they did not want to go there because Balmoral uses a different hospital.

Mr CRAIGE — So people move to Horsham for services?

Mr HUNT — Basically yes. Some of us go to Hamilton; we are equidistant. We could even go across the border.

Mr CRAIGE — I am just trying to find Harrow's centre, as to whether in fact it is divided in respect of Hamilton and Horsham.

Mr HUNT — Financially, the actual bank runs out of Balmoral, the people do, and they are subservient to Hamilton.

Mr CRAIGE — You have no public transport at all?

Mr HUNT — No.

Mr CRAIGE — No buses pass through there?

Mr HUNT — No. Many years ago there was a bus going up and down through Balmoral and others going down to Casterton.

Mr CRAIGE — None of that now?

Mr HUNT — No.

The CHAIRMAN — How long ago was that?

Mr HUNT — I am not sure.

The CHAIRMAN — Are we talking 10 or 20 years?

Mr HUNT — I think 20-plus years probably. I do not think running a bus system through Harrow would even be justified without doing research.

Mr CRAIGE — Part of our reference is to look at the removal of services in small towns. What I am really trying to find out is whether you had something, whether it was taken away and what impact that had.

Mr HUNT — It certainly had an impact as far as the older citizens are concerned. We have, together with the local benefactor, provided the bush nursing centre with a bus. That is now providing that sort of once a week or fortnight trip to Horsham and various places for entertainment and shopping. To some extent we think we have that covered, but that only looks after that particular group of people. In all truthfulness I think the others are all able to drive and do so. I think if you provided a bus it probably would not make much difference, to be quite serious. I think it would be unrealistic to expect to have a bus service.

The CHAIRMAN — If you look back at the last five or six years, what are the changes that have occurred around your town in terms of services that have been introduced or taken away?

Mr HUNT — I do not think there has been much change. The garbage service has changed: instead of having to dump stuff at the tip you now dump it in a bin or they come and collect it. That is a change. I suppose there is a garbage collection service for the town.

Mr CRAIGE — But it was fun going to the tip.

Mr HUNT — It was, and you still go there if you can remember when it is open now.

The CHAIRMAN — What about postal services?

Mr HUNT — I do not think there have been changes to the postal services. The telephone service has improved marginally. You can now get the last number redial facility, which has recently arrived. They used to keep ringing up and saying, 'Use the service', and we would say, 'If we had it, we would use it'. I think the only people who did not know we did not have that facility were at Telstra.

Mrs COOTE — Where would you like Harrow to be in another five years? What would you like to happen to make it the sort of town you would like it to be in the future?

Mr HUNT — We have to carry on and improve tourism. If we are to have people coming to the town and providing the extra boost that the town needs to survive, we are looking at keeping the garage, shop and pub open. That is what it is really all about. We have to make sure there are sufficient people or activities there, directly or indirectly, to keep them viable.

Mrs COOTE — Would you be looking for those tourists to come from Melbourne?

Mr HUNT — We try to join up with the Grampians group, and we advertise with them. We have been looking towards South Australia. We get occasional bus trips from Melbourne and we advertise. The bus companies tend to organise those sorts of trips. The spin-off is that the motel in Edenhope benefits, as do the bus companies. They come from Edenhope. A few B & Bs around the place are used, to some extent. They mostly come by bus, and the bus returns to where it started out.

Mrs COOTE — It was Harrow's initiative to encourage people to come and to do the marketing to welcome people?

Mr HUNT — Yes.

The CHAIRMAN — Ms Watt, do you wish to comment?

Ms WATT — I have been hesitant about saying anything because I have taken on a new role, which is to coordinate the community capacity building initiative between Harrow and Balmoral. In fact, I have done more listening than speaking, but I would like to address several issues.

I support earlier speakers, one being about information technology, which, you have heard consistently, does not exist. I demonstrate that by saying one of the support tools that each of the 11 coordinators across the state, of which I am one, and given that there are 11 small towns in the community capacity building program, was provided with is a mobile phone. I could not help but laugh when only last night my boss in Melbourne was trying to ring me. She eventually got me on the landline and said, 'What is wrong with your mobile phone? Why don't you use it?'. I had been saying to her for a long time that it was useless her providing it because there is no mobile phone service here. We have a better Internet service. I have lived in Balmoral for 35 years, which makes me something of a local. I have a relatively sound Internet service, providing I use the personal computer at home. The minute I take the laptop within the town itself there is no service or it drops out. I confirm that, consistent with what you are hearing, that is a real issue.

I particularly address the issue of public transport, of which there is none in Balmoral. A service runs from Hamilton to Horsham that stops on its way to Balmoral to deliver parcels. It used to take passengers but now does not. There has been a small community bus, and certainly cars that we use for health services and for specific issues of our aged population attending appointments, usually in Horsham or Hamilton. Consistent with what you are hearing, the lack of public transport is a real issue.

The other issue I pick up on is that earlier Mr Craige mentioned leadership in towns as being a key element or resource. I put to you that the very reason so many of the small towns have survived thus far is because of just that — that is, their leadership — but many of those leaders are extremely weary from lack of support. There is a sense of burnout where many of the small country towns have strong leadership, but those who have been asked to lead consistently for a long time appear to be weary. Without support coming from, in some cases local government or state government, they are weary. It is worth my saying that the very fact that this initiative has your

committee coming to the small country towns is such a strong step forward because there has always been an assumption that if we need support we should attend Melbourne, which for many has been unrealistic.

Lastly, Mrs Coote asked how we would like to see our towns in the future versus the past. Most of the rural towns you are visiting come from an agricultural base. Our area, Balmoral, being only an hour to the east of Edenhope, is predominantly a fine wool growing area. I need not explain the decline in the wool industry in the past decade, and we have had strong inputs to government through the Senate review in which we were involved. We have addressed the situations to the best of our ability, but the economic decline has had an enormous impact, particularly on our youth leaving the area.

I could give you many statistics that we drew upon to present information to the Senate inquiry to initiate a case of special circumstances. The simple one is that on our road, which is only 10 kilometres from Balmoral, there was the possibility of 35 young people returning to agriculture, having been trained that way. But at the time we did the statistics only three were at home on their farms. That demonstrates the decline of our youth. Within the program I am now involved in we are trying to say to our communities that we have already shown we have some tenacity and guts. Where would we like to try to be in five years time? We would like to recognise the skills within the communities, certainly to link to leadership, also drawing on youth to lead — in that sense we are tying into our school. We are trying to take a proactive view as to how we would like our towns in Balmoral and Harrow to be in the next five years. We are saying that apart from the environment, which is of great value, we would like our towns to be somewhat more self-sustaining. We do not want to rely on handouts, that is not the nature of the people; rather, we want to look at the skills we have, to further develop and build on them and to be able to be self-sustaining, which in turn would encourage others either to visit our towns as tourists or possibly, as I think the Kaniva representatives said, to get 10 new residents. So far we have 2, but we are working on it.

I thank the committee for the opportunity to make my comments. They are only in support of what has already been said. Finally, we are by nature rural people who are willing to pick up, to lead, to be proactive and to achieve. We have proven that in the past, and we will again, but obviously we will do so in a more positive way with support.

The CHAIRMAN — Thank you. We will send you a copy of the transcript.

Witnesses withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Edenhope – 28 August 2001

Members

Mr R. A. Best
Mrs A. Coote
Mr G. R. Craigie
Ms K. Darveniza

Mr N. B. Lucas
Mr J. M. McQuilten
Mr T. C. Theophanous

Chairman: Mr N. B. Lucas
Deputy Chairman: Mr T. C. Theophanous

Staff

Executive Officer: Mr R. Willis
Research Officer: Ms K. Ellingford

Witness

Mr M. Smith, President, Advance Edenhope.

The CHAIRMAN — This is a hearing of the Economic Development Committee, an all-party investigatory committee of the Legislative Council. All evidence taken by the committee, including submissions, is subject to parliamentary privilege and is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act.

Mr Smith, would you like to make an opening statement?

Mr SMITH — I am thrilled that people have come from so many towns in the West Wimmera shire to address the committee. I am also thrilled that you have taken the time, as has been said, to come to our community and shire to listen to us so that, I hope, we can get something from it. I looked at the terms of reference. I represent Edenhope, my being the president of Advance Edenhope. We are probably better off than other towns in the West Wimmera shire in that the shire has its offices here. The post office provides Giropost services, and we can pay many of our accounts at the post office. The ones we cannot pay there we pay at the shire offices. We have a full-time bank at the moment. We have lost a bank, and we are working to establish a community bank in the town. I hope to take that out to the towns that are now not serviced by banks.

I put your five terms of reference in a different order or different segments. I will be addressing you about Edenhope, not about the entire shire. So far as postal services are concerned, the post is fine; we get a daily service in town. Like all other rural communities, we get a three-day service in the rural centres. That has been going on for years, and we live with it. The issue of communications needs to be addressed dramatically. I hope the government can take it further and go to whoever needs to be involved to address communications in rural Victoria. As you have heard today, even public telephones, let alone mobile phones, drop out. I live 22 kilometres from town at Patyah. Even our landlines occasionally drop out, although that has been happening only since the new service has been attached to the telephone exchange here. It was fine prior to that. Telstra installed a new service, and we started to have problems.

The other thing that most of the rural district around Edenhope has asked me to address about communications is the original situation about the landlines themselves. When they were first installed in the district they allowed for what they thought would be sufficient lines to cope with the farming community. Now when we get into information technology including fax machines a farmer will require an extra line to accommodate the additional service rather than interrupt their home phone line. However, Telstra says there are insufficient lines to provide that service. We have either to wait for a farmer to leave the district and to have the property bought by a neighbour, or to have it disintegrate, before we can grab that phone line and take it into our house to use. The difficulty, I appreciate, is that laying new landlines would involve an astronomical cost and job, but we are in the 21st century and a lot is now done by satellite. That situation should be addressed. I have tried to have an extra line installed because I use a telephone fax machine, but I want to use an extra fax because of my role in the community. But I have been told I have to wait for a phone to drop off the end of the system before I can have an extra line installed.

As far as the municipal services we are provided with here and especially in Edenhope go, we are well looked after. I deal greatly with the councillors and Mary Lu here. Many times we have our little gatherings to get things established within the community and the town here. I have covered banking. We will solve that problem. As you have heard today from all the other people, we just do not have any transport. I say that quite openly, even though we have a bus that comes through of a morning and goes back of a night and makes deliveries in the town bringing stuff from Horsham. It travels to Naracoorte and passes through a couple of the other towns, but that in itself is not what I would classify as a bus service. I feel very concerned that previous governments all the way down the line have taken away services from rural Australia and not just in Victoria. Why? It is a simple question. Honestly, we are not to be forgotten nor should we be forgotten when you consider that most of what we have in this country was built on the sheep's back. It came from rural Australia, yet these days much of what is happening around town and around Victoria is being spent on so-called regional centres as well as the main cities and not on rural Australia.

I have heard you ask many times today whether we are declining. Naturally we are, because you are giving everything to regional and city centres. Where are our youth going to go? Why would they stay here if you are giving it all to there? If you turned it around we would be able to come up with ideas — I am sure you have heard it all today — to keep our youth in these districts and to do things that would take us into the next century rather than sending them away from here. That is where the decline is coming from. We have to have transport back. I do not care how it is done, but somehow it has to be provided to rural Australia. I travel to Melbourne quite often to bring family up here to spend school holidays. I travel down by coach and by train. I have to leave my home at 4 o'clock in the morning, travel into Melbourne, pick up my daughter, and I get back home at 11 o'clock that night by public transport. I spend 6 hours in Melbourne on a train station just twiddling my thumbs because there is no connecting service.

Mrs COOTE — Can you tell me how much that costs?

Mr SMITH — I retired from Melbourne and I came into the country to enjoy myself, but find I am spending more time working than I ever did in Melbourne in my corporate career. It will cost me around \$45 for a return ticket.

Ms MITCHELL — If you have not got a pension card it costs you \$82.

Mr SMITH — You need to address transport somehow. There are no employment services at this stage but we, like Kaniva, are very lucky in that a community enterprise centre (CEC) was established next door to here some 18 months ago. They are looking at being able to set up an office in there that will allow Centrelink at Horsham to come into Edenhope to address what needs Edenhope might have. They are very proactive in trying to set that up, so hopefully we will be able to have that down the track. At the moment we get a visit one day every three months. Anybody who needs to go and talk to Centrelink — not just about employment services but anything in regard to social security, pension problems, disability programs or anything else — has to go to Horsham to do it. That is almost a day trip. As you can appreciate, standing in a Centrelink office — I know you people have not had to do it — can take you half a day to get what you have to do done and finished with, and then you have to turn around and drive back. These things need be addressed. As I said before, I am pleased that you are doing it and listening to us. Hopefully something will come from it, and I will finish by saying that I stand behind all the other people in the towns in this shire. If you are prepared to come and do it here, I hope you keep coming and something can come from it.

Mrs COOTE — I am interested in the Centrelink issue. I think that is really interesting to hear, obviously a lot of people, perhaps not so much in this town but in other places, are not able to have a vehicle and get there. I think that is a very big issue. If you are saying that you cannot have the telecommunications to deal with the Internet, then you are becoming more and more isolated. I can certainly see that. Could you clarify what happens with the post here? If you were to send a letter to Centrelink in Melbourne, how long would that process take? What actually happens?

Mr SMITH — Coming from the rural sector, if you do not come into town and put it in the post office it is picked up three days a week, we have three-day-a-week services — Monday, Wednesday and Friday. When mail is dropped off at a roadside mail box, outgoing mail is picked up from that RMB and brought back here to the postal services. Mail comes into the post office here and is sorted and is then dispatched to meet the transport going out about midday that same day. If you do not get it in by then, it will not go out until midday the following day. It then goes down to Horsham and the regional post office centre where it is re-sorted and dispatched. It has to meet up with transport all the way down the line, either coach or rail transport. If it misses that, it is another day.

Mrs COOTE — In your opinion has the postal service gotten better in the past five years? We dealt with Australia Post at one stage in Sydney, we spoke to them about some of the issues and they gave us the impression that postal services have improved over the past five years. Is that your understanding?

Mr SMITH — No, I have to be honest and say I do not believe so. Do not get me wrong, the set-up of the post offices and what they are trying to provide us with is as good as we are going to get at this point in time. The question you were asking is how long does it take for us to send a letter from here to Melbourne, which is a very simple and easy question to ask. Once you took that main transport system away from us, which was basically rail, mail takes now anything up to three days to get to Melbourne. Rail was always carrying mail bags. It has a cart which was specifically designed to carry mail bags and travelled up and down the line three, four and five times a day, which meant you could post a letter today and it would be in Melbourne tomorrow.

Mrs COOTE — I have been told today that the rail services have not been here for 20 or 30 years. How does that make a difference? I am talking specifically about the past five years.

Mr SMITH — That is just what I said, it travels by road, and if it does not meet that particular delivery it is taking three days to get there. The question is why were services reduced 30 years ago. Some of it goes back 30 years, but over the time it has become closer to this day. I do not believe rail services when totally out of the shire 30 years ago. I would say we still had some sort of services 10 or 5 or 6 years ago. It has reduced slowly; it did not hit us all at once 30 years ago and overnight we lost all our rail services. That was not the case. They started to look at regional lines and ask which was the more profitable to their point of view and dropped them off and drew a line on it. Slowly over the period of 30 years we have lost all of our services.

Mrs COOTE — You spoke before about the post office having Giropost and a whole range of things. Do you think the uptake of those sorts of services is counterbalancing the sending of a letter? Do you think people are comfortable with those new services?

Mr SMITH — No, they can cope with those. That is not changing anything.

Mrs COOTE — They have been introduced within the last seven or eight years.

Mr SMITH — The people who run the post office are not reducing services because they have had other services thrown upon them. We are not saying by any means that they are not getting our mail out in time. In fact, they work specifically to make sure it does happen.

Mrs COOTE — I just mean rather than sending a bill off and it taking three days, you can pay it here and people can therefore use that as a service. Are they embracing that?

Mr SMITH — Of course.

Mr BEST — I just had a couple of questions regarding Internet access, because I think if we are looking to the future Internet access will be vital to all of us. As far as educational providers here are concerned, how do they access their Internet?

Mr SMITH — Since Internet came in those people who wanted to embrace it on the computer went out and physically embraced it. Those who found it a little bit more difficult to play with and became very concerned about what this thing was going to do to their lives and how playing on a keyboard would change them — I am talking about the elderly ones — began to step back from it. Since the CEC was established a lot of people have now looked at a computer and are no longer frightened of it. They are actually picking it up even at the age factors they are — and we are talking about those who are retired — and they are physically using it.

It has been a great innovation by the state government to introduce that kind of system in the rural towns. I hope it continues and remains. One of the things that they are finding very hard to cope with is that as they train somebody to use one those people are going out and buying a PC and taking it home and using it. That means that their rollover from training and other activities is starting to decline. What is concerning us is we could lose that centre. Yes, they are using it, they are embracing it and finding it very helpful, except for things like banking. They are very concerned about passing on their credit number over the web.

Mr BEST — So am I; my wife is not, but I am. Do you have a 5 or 10-year plan as part of Advance Edenhope for where you want to be?

Mr SMITH — Yes, we do.

Mr BEST — Can we have a copy of that?

Mr SMITH — I can get you one. We do have a plan, and there are a number of things we are hoping to do over the next 5 to 10 years. One of the things I am working on with Mary Lu at present is a major festival we want to put on here for three days over the long weekend next March. Tourism is the way we need to go. Let's understand it, we will not attract industry here.

The CHAIRMAN — We are running out of time.

Mr CRAIGE — One of our areas of reference is to assess the impact of the withdrawal of services. When were the RMB deliveries five days a week?

Mr SMITH — That is a good question. I do not think they ever have been.

Mr CRAIGE — They have never been five days a week. Has there been any reduction in post services?

Mr SMITH — No, post is fine.

The CHAIRMAN — Thank you very much for coming along today. We appreciate the time you have given us. We will send you a copy of the Hansard record for you to look at.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Edenhope – 28 August 2001

Members

Mr R. A. Best
Mrs A. Coote
Mr G. R. Craige
Ms K. Darveniza

Mr N. B. Lucas
Mr J. M. McQuilten
Mr T. C. Theophanous

Chairman: Mr N. B. Lucas
Deputy Chairman: Mr T. C. Theophanous

Staff

Executive Officer: Mr R. Willis
Research Officer: Ms K. Ellingford

Witnesses

Ms M. Farrelly, Postmistress; and
Ms K. Rainsford, Veterinarian.

The CHAIRMAN — All evidence given to this committee is subject to parliamentary privilege and is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act. We will have to keep this pretty tight. If someone would like to make a statement to us, we might have time for one question.

Ms FARRELLY — I have been in Apsley for about 30 years. When we came to the post office, which we still own, 33 years ago it was a vibrant little community. We had a hotel, two garages, a fish-and-chip shop, a haberdashery, a butcher shop, a baker, a full-time bank, a dressmaker and probably one or two others I have missed out. Now, due to many things, we are left with a post office, a hotel and a cafe. I suppose if petrol had been \$20 a gallon then we might still have a community, because people would have shopped in their own town. We had a full-time grocery, and when I first came to Apsley I did all my shopping in that little town. We have a wonderful school. It is a great community where people have built up their sporting facilities. There are six tennis courts, a football oval, a golf club and a racecourse, which is now no longer in use because of restrictions and is used as a pony club. I think that says it all. We have a great little primary school. We used to have two buses leaving our door to come to the high school here in Edenhope; the children now struggle to fill one bus.

I do not know where we are going, but we are certainly going backwards. I see the only relief for Apsley is the vines that are coming in in great acres. We have a meatworks across the border which provides employment to most of our people. Whether in time there could be some offshoot I do not know, but we have no power to take industry. Beyond that I do not know, but certainly we have great facilities there. If we had some assistance with housing to establish better housing standards we would probably attract more young people. We own another house, and weekly I have people telephoning me asking if that house could be rented to them. They want to come to live in a small community. The facilities are there, but we do not have enough young people. We have work. The majority of people work on the vines and at the meatworks. We could have more people in the town if we had housing and more attractions for them. The farms no longer employ people. When we first came here people were working on the farms, but that does not seem to happen these days. I suppose it is all about the use of modern technology.

Ms RAINSFORD — Ms Farrelly has summarised it well. I farm in the area and am also a veterinary surgeon. I used to be a practitioner in this area for some time. It is not shown on the list but we do not have a local veterinary service now as I made a choice to have a career change and now travel quite some distances with my work.

Apsley is a small community between Edenhope and Naracoorte, a large South Australian town used frequently by people living along the state border. Apsley is about 30 kilometres from Naracoorte and about 20 kilometres from Edenhope, which has banking and other shopping facilities. Apsley would probably not expect to get a bank, but perhaps banking facilities locally with new information technology services would be very much appreciated. Our postal services are excellent. We want our local postal services to remain as stand-alone services, not to have a complete amalgamation with other business along the way, which seems to be what is generally happening. Every time we have an amalgamation we drop off another home, business or family.

The problem with our communications and information technology is that we have the lines but their servicing causes us concern. I work in Hamilton, which is a choice I made. When travelling to and from work I often pass the Telstra people travelling from Hamilton to service the phones. I have had occasion to call about a phone problem before I left home and would then pass the technician travelling the 150 kilometres from Hamilton to my house. They must do an incredible number of kilometres, imposing great stress on them. Telstra have people charging all around the countryside. They often go backwards and forwards across their tracks; they do not seem to have an efficient system of logging calls. That reduces their ability to service us in the rural communities. It is not a staffing issue, but the problem seems to be at the management level.

We have continually had a problem with electric fences. They interfere with the phone lines, thereby impacting on our ability to download files. That can cause a lot of stress between neighbours; some say, 'Your electric fence is causing us problems'. So you do a check on the fences and turn off the three electric fence boxes. It is becoming more popular to have electric fences, but metropolitan people do not have to deal with such problems. Technically that problem can be dealt with through a buffer system, but I am not sure that there is the money available to do it. The other issue concerns the reduction in the number of technicians, so they are not out and about to check them out properly. We are getting a lot of contracted agisted cattle, commonly known as the bull beef industry. They put them behind a single wire or put hot wires on the existing fences, which were sheep proof but definitely not bull beef proof; the beasts are being grown up to 600 kilograms. They need the electric fences, which, as I said, are having an impact on the telecommunications services.

We rely on the private enterprise buses to service the rural communities, but we need to ensure that they continue and services are improved; that is an acknowledgment of the input of those smaller bus services.

I particularly focus on the future of Apsley. It is a wonderful place to live and such communities should be encouraged to be residential. Some sort of housing program should be introduced to improve the quality there. We are 10 kilometres from the viticulture industry across the border and some vines are now being planted in the west Wimmera. The blue gum industry further down south has led to a major change in land use, but we still have a lot of sheep with the shearing teams obviously visiting the region. We could focus on having more people living permanently in rural communities, such as in Balmoral, Harrow and Edenhope. Although they may not own the land they could be servicing the contract workers on the farms.

People want a higher standard of living and housing. We could have some government project to improve, underwrite or promote living here, with taxation advantages as happens in other communities. I have rental properties. I find they are easier to rent in some towns than in others. People are demanding a higher standard. If Apsley had 10 more homes we could fill them quickly because we have local employment, but we do not have housing available now, so people are not necessarily likely to go out and build spec houses. There has to be a kick-start program.

Rural communities are a great place to live. I have worked locally, having attended the local high school. I have had a very rewarding career locally and I have four children. Even though people sometimes move away, rural communities are healthy and supportive. It is a positive way of living; the people are community focused. I find it is my strength when I go out to work in other areas that I have come from a rural community and a rural background. A rural community is a good investment for the future. There are proactive programs with financial incentives; we can see them in other industries such as the blue gum industry. It can be done overnight. I emphasise we need housing projects.

The CHAIRMAN — Thank for your attendance. We will send you a copy of the transcript.

In the past two years the committee has visited many rural areas. Today has been an absolute highlight of the times the committee has spent in rural Victoria in seeing not only a council that is switched on and knows what it is about but also, and very importantly, a host of community groups from the shire giving the committee its views. We appreciate those views.

The challenge facing the committee is to do something about the information it collects and about the hopes and aspirations that it hears articulated. The committee is due to report to Parliament, which passes our report to the government. Then the government has all the reports to consider. We hope that process, which has been followed by the Victorian Parliament in the past, will result in a real difference for the people of this shire. The challenge for us is to put forward recommendations, but the challenge for the government is to do something about those recommendations. Only time will tell what occurs as result of all this, but certainly what we have heard today has been most positive. You can look on the dark side or on the light side; you have to be aware of where you have come from, but you also must have hopes and desires about where you want to go. There are plenty of those around this room today. I congratulate everybody involved and again thank the mayor and shire for making the facilities available.

That concludes the public hearings at Edenhope and the committee will adjourn for public hearings this afternoon at Nhill.

Witnesses withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Nhill – 28 August 2001

Members

Mr R. A. Best
Mrs A. Coote
Mr G. R. Craigie
Ms K. Darveniza

Mr N. B. Lucas
Mr J. M. McQuilten
Mr T. C. Theophanous

Chairman: Mr N. B. Lucas
Deputy Chairman: Mr T. C. Theophanous

Staff

Executive Officer: Mr R. Willis
Research Officer: Ms K. Ellingford

Witness

Mr G. Ussing, Westprint Maps Pty Ltd.

The CHAIRMAN — I declare open this hearing of the Economic Development Committee, which is an all-party investigatory committee of the Legislative Council. It is hearing evidence today in relation to its inquiry into structural changes in the Victorian economy. I wish to advise all present at this hearing that all evidence taken by the committee, including submissions, is subject to parliamentary privilege and is granted immunity pursuant to the Constitution Act and the Parliamentary Committees Act.

Initially, I wish to thank representatives of the Hindmarsh Shire Council who are here for their hospitality in the way they are looking after us. We are very pleased to be here. I should say that on this occasion we are visiting a number of rural communities in this part of Victoria. We started out in Ararat and have been to Rupanyup, Horsham and Edenhope, and are now here. We will be going to Warracknabeal and Avoca tomorrow. We are seeing and hearing a lot of interesting things. We have with us Mr Graeme Ussing, who will be talking to us about structural reform. How we usually run this is for you to make an opening submission and then we will ask you a few questions.

Mr USSING — I was approached on the basis of the inquiry being aimed at impediments to business growth and development, and these are some of the notes I have scribbled down. That might sound a bit strange in our present circumstance, because we are in the process of buying a second business that we take over next week and I am trying to learn one and continue running another at the moment. Some of our feelings were the things that are impacting on business generally.

The CHAIRMAN — Could you explain your business to us?

Mr USSING — Our current business is Westprint Maps, which is a wholesale and retail mail-order map distribution business. We deal almost exclusively with information related to Central Australia — the exploration, history and development of those areas. We currently produce 25 four-wheel drive tourist maps of Central Australian regions. In addition to our own maps we retail about 150 others and about 550 books and 40 videos related to Central Australian matters.

The CHAIRMAN — Are you a cartographer?

Mr USSING — No. My father-in-law started the business about 16 years ago from a background of being a wheat farmer. He has had no formal qualifications or training in any way, shape or form. We employ a cartographer on a subcontract basis from Adelaide. Our maps are printed and folded in Adelaide as well. Basically it is just the business side of the operation which is run from here — distribution and getting the product from point A to point B. Everything we have in the shop here is shipped in to us and then we ship it out. It was set up as a mail-order business in the first place so that it does not rely on local passing trade or the local population to support it. We deal Australia-wide, and the bulk of our business is in the northern half of Western Australia and the northern parts of South Australia. That would probably account for three-quarters of what we do. From a retail point of view, the bulk of our customer base is in Melbourne and Sydney and surrounding areas, and retail accounts for about a quarter of the overall. That is what we do at the moment.

What we are in the process of buying is the local post office. Because Westprint Maps is a mail-order business we spend something in the region of \$20 000 to \$25 000 a year in postage, and the post office here came up for sale recently so we thought we would expand in that direction. Do you have any questions on what we currently do?

The CHAIRMAN — I think that gives us a good overall view.

Mrs COOTE — You said retail is only a small part of the business. Who do the rest of the maps go to?

Mr USSING — We supply information centres, outback roadhouses, and some shops in various places like newsagencies in Broome and Derby.

Mr CRAIGE — Four-wheel drive clubs?

Mr USSING — We have some dealings with four-wheel drive clubs. We provide them with information more than product a lot of the time; they will source product in their own local area but quite often come to us for the base information on what they want to do.

Mr BEST — Over the past five or six years what have been the impediments for your business in being able to operate in a rural setting?

Mr USSING — The major impediment has been the speed of the Internet connection. We have had a web site for the past four years and to put changes on to that web site is difficult sometimes because of connections. Access to expertise in setting up the web site is probably another area of reasonable concern.

Mr BEST — Is that not only web page design but all the other components that hang off your web page?

Mr USSING — Yes. To make the site work effectively is a problem because there is no-one around here able to teach us or do it.

Mr BEST — Where did you source that service from?

Mr USSING — It has all been by trial and error at this stage, and more error than trial at times. We talk to our service provider but they are as close as we can get in Ballarat, basically, for any reasonable service.

Mr BEST — Is the connection to the Internet via coaxial cable?

Mr USSING — It is by modem over the phone line.

Mr BEST — So it is fairly slow and tedious. What about the schools in the area — are they also on modems or on satellites?

Mr USSING — They are on satellites, as far as I am aware. I do not have a lot to do with the school set-up; our eldest child only started school this year. I have not seen their facilities first-hand but I believe they are microwave.

Mrs COOTE — Do you do all your work here with the maps and then email them straight through to the printers in Adelaide? Were the printers in Adelaide cheaper? Could you not get anything closer?

Mr USSING — They are the best printers for the way we want the maps laid out that we can find. The other side of the coin is that a lot of our work is emailed backwards and forwards between the cartographer and us but when it is nearing completion we will send hard copies back and forth in the mail until we have a finished product that we are happy with. Once it is finished to our satisfaction the cartographer delivers it direct to the printers rather than give it to us and then we give it back to the printer. He delivers it direct to them and we end up with the finished product three or four weeks later.

The CHAIRMAN — You had a submission you wanted to go through.

Mr USSING — Just on some of the areas that we feel are hindering growth in general in rural communities. I will start with the withdrawal of semi-government agencies such as the SEC, Telstra and the water board, and rationalisation of some of the bigger banks. Just as an example, I lived in Nhill 12 years ago and worked for the National Bank here. At that stage there was an SEC office employing around 25 to 30 people and a water board employing roughly 10 people, and the total bank staff population in Nhill at that stage was around 30. Ten or 12 years later there is no SEC office or water board and the bank staff population would be around 12 at the moment, probably not that many. The withdrawal of those services makes it tougher for people living in Nhill, but it is also the loss of the people out of the community; there are not as many people to spend the money. People who have businesses here and are relying on the local area to survive really struggle to come to grips with whether they should upgrade their service and put in new products because it just takes so long to recoup their money.

A couple of other things that we felt hindered businesses were government charges where no service is actually provided: as an example, stamp duty for our purchase of the post office. I cannot honestly see that the government is providing a service such as a situation where we do something and they do something for us. It is purely and simply a charge for no return and it significantly adds to the cost of people buying a business and doing something new.

The other problems are probably localised to Nhill to some degree. For people who have a business and wish to expand there is very little suitable housing in this area, so if they look outside of Nhill to recruit their staff they have nowhere to house them if they get any suitable applicants. There is generally an uncoordinated approach by government departments in respect to programs aimed at assisting rural communities. I am involved with the community enterprise centre here. There is that, the neighbourhood house, and funding for this and that, but there does not seem to be any logical controlling body overseeing the whole works, so it is fairly difficult at times to find out what you are eligible for and what you are not eligible for and to put in a successful application under the guidelines, whatever they may be for any scheme at any given time.

Mrs COOTE — How much would a two-bedroom house here cost?

Mr USSING — If you are looking at an established house that might be 30 or 40 years old in Nhill, two-bedroom, \$40 000 to \$50 000.

Mrs COOTE — And to build one here?

Mr USSING — To build an average house here is probably not much different to any other place, depending on what you want to put into it — in the region of about \$150 000 just for the house.

Mr CRAIGE — I was looking at the real estate agency over the road and it was \$200 000 for a new one and there were a lot of houses around the \$60 000 to \$80 000 mark.

Mr USSING — Some of the \$60 000 to \$80 000 range houses you would barely put your worst enemy's dog in.

Mr CRAIGE — And there is a shortage of rental properties.

Mrs COOTE — You would have to use the \$14 000 first home owners grant.

Mr USSING — There is very little housing between \$80 000 and \$200 000.

The CHAIRMAN — Time is on the wing, and I want to make sure you finish giving us what you had noted down.

Mr USSING — That has basically covered what I had jotted down here.

The CHAIRMAN — You have listed what you consider to be your worst problems: what do you see as the solutions? Obviously to improve the Internet connectivity for residents and businesses?

Mr USSING — The technology exists to improve that, but whether it can be done cost-effectively by anybody is probably the question. Given that the semi-government authorities have been withdrawn, I realise that there is probably not a snowball's chance in hell that they will ever come back again. That is not the answer to the population problem or population decline. I do not know how to answer that.

The CHAIRMAN — We are taking evidence around Victoria and we have to consider what we will come up with by way of recommendations to Parliament. That is a tough one.

Mr USSING — It is a tough one.

Mr BEST — I was going to touch on a couple of components of our inquiry and get an opinion. You have already spoken about banking services: does the Bendigo Bank operate here?

Mr USSING — No. We have a National Bank and a Commonwealth Bank; the Bank of Melbourne is also represented here. While those banks continue here I do not think we will get a Bendigo Bank, but if either of the majors — the National or Commonwealth banks — left Nhill I feel certain the Bendigo Bank would step in.

Mr BEST — Are they providing sufficiently competitive products to meet the local market?

Mr USSING — I do not think the product is the real drama, but it is about the way the banks have structured their operations in that when I worked in the bank here you could go to see the manager and get an answer on most applications. Our submission to the bank to buy the post office ended up in Ballarat because it got out of control here and in Horsham. We had no direct face-to-face contact with the bank when it is that far away.

Mr BEST — You go in and make your submission, then you rely on your bank manager selling a good enough story to his boss in Horsham, then for another boss in Horsham to make an adequate submission on your behalf to his boss in Ballarat to get approval?

Mr USSING — Yes, that is about the way it works.

Mr BEST — Another area that I am conscious of is municipal services. How have council amalgamations gone so far as you are concerned?

Mr USSING — All in all I think Nhill has done reasonably well out of the amalgamations, probably because we have retained the shire base in Nhill. We do not seem to have suffered any lack of services or downgrading of services.

Mr BEST — What about the performance of the council?

Mr USSING — Generally I would say that is satisfactory or better. I think the shire does a reasonably good job.

Mr BEST — What about public transport?

Mr USSING — Zero.

Mr BEST — What improvements should be made?

Mr USSING — We had a taxi service about three or four years ago, but it was not viable. Outside a taxi service there is nothing else that anyone could really contemplate would do the job unless there was a funded community taxi on call when people wanted it and it did not have to pay its own way.

Mr BEST — Sometimes the mobility country people enjoy works to their disadvantage.

Mrs COOTE — Good luck, Mr Ussing, I hope the post office is successful. We have spoken to a number of people in this inquiry, including Australia Post, about postal services. Do you think there is a lot of new direction for post and postal services, for example people paying bills, aside from the traditional postage of letters? Do you think the people of Nhill will embrace that? Is it something they will do? Will they embrace the new technology wholeheartedly or be reticent about it?

Mr USSING — I hope they embrace it wholeheartedly, although that could be a selfish view. I am sure a lot of people in Nhill have no idea that the post office offers the range of services that it does. We will be publicising, once we take over the post office next week, what is available, what we can do and what they are not used to our doing. A lot of people still bundle things in envelopes and send them away or spend a lot of time running around when they do not have to do that running. The post office can help a lot of people in that area.

Mrs COOTE — Will you be open on Saturdays?

Mr USSING — Yes.

The CHAIRMAN — Are you buying it from Australia Post?

Mr USSING — No, it has been a licensed post office for the past four years. The current owner was the postmaster and has been here for about 22 years. Although it has been a licensed post office he has run it as a traditional post office.

The CHAIRMAN — Thank you for attending. We will send you a copy of the transcript. We appreciate your time.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Nhill – 28 August 2001

Members

Mr R. A. Best
Mrs A. Coote
Mr G. R. Craige
Ms K. Darveniza

Mr N. B. Lucas
Mr J. M. McQuilten
Mr T. C. Theophanous

Chairman: Mr N. B. Lucas
Deputy Chairman: Mr T. C. Theophanous

Staff

Executive Officer: Mr R. Willis
Research Officer: Ms K. Ellingford

Witnesses

Mr N. Jacobs, Chief Executive Officer; and
Cr R. Gersch, Shire of Hindmarsh.

The CHAIRMAN — In welcoming the shire's chief executive officer I note the presence in the room of a number of councillors from the shire. We appreciate your presence and thank you for making the facilities available. I also acknowledge the presence at this hearing of the local member, Mr Hugh Delahunty, MLA. The committee appreciates the interest he shows in his community by being present on such occasions.

This inquiry is by the all-party Legislative Council Economic Development Committee. All evidence, including submissions, is protected by parliamentary privilege subject to the provisions of the Parliamentary Committees Act and the Constitution Act. Mr Jacobs, would you like to make a submission?

Mr JACOBS — Thank you, Mr Chairman. On behalf of the Shire of Hindmarsh I extend a sincere welcome to you and the committee. I extend the apologies of the mayor, who is unable to attend today. The council is well represented. The council and the community express their appreciation for the interest of the committee and its user friendliness in coming to this part of western Victoria. Part of our battle is getting organisations to appreciate the tyranny of distance. Anybody who takes the 4 hours to travel here from Melbourne has a greater appreciation of some of the challenges we are facing.

By way of introduction, the Hindmarsh shire covers one of the largest areas in Victoria; it covers more than 7500 square kilometres. It has the fourth-smallest population in Victoria, declining at a significant rate, which is of concern. Our major towns are Nhill, Dimboola, Rainbow and Jeparit. Agriculture is the major industry in the shire. Of note is that we produce 84 per cent of ducks in Victoria, and the general manager of Luv-a-Duck Pty Ltd will address the committee later.

About 10 per cent of our farm production is from wheat, barley, canola and other crops such as oilseed. Major industries include our duck processor, Lowan Foods and the regional base of the health service; also we have grain handling, grain storage and equipment manufacturers. The council is trying to work on improving its tourism product. We are immediately adjacent to the Big Desert and Little Desert national parks. There is much to offer with the wilderness-type four-wheel driving and bush-camping experiences.

Our major concerns revolve around a declining population, but that reflects rising agricultural productivity and means fewer farmers now produce our food. We do not want to return to the situation of people having to carry bags of wheat, but it certainly makes it harder to provide a complete suite of community and social services with an inadequate population base.

To briefly address your major terms of reference, in all our four communities the number of bank branches and bank staff, and key staff such as managers, has been reduced in recent years. As the previous witness said, if any of the major banks further reduce their representation in Nhill moves would be reinitiated within the community to secure a Bendigo Bank here. A feasibility study has already been completed for that purpose. Banks are vital to all our communities. As you have probably heard many times, the closure of banks has a devastating effect on smaller towns. Other businesses find it impossible to travel to larger centres to do their business banking. Other customers also then start to travel to the larger centres, which means a further reduction in retail spending in those smaller centres. Our communities are ageing and, in my experience, by and large people over a particular age are not interested in Internet or telephone banking. They have done their time to society and prefer doing their business face to face. As to the postal systems, we are not aware of any major changes in postal services in the towns.

On the issue of council services, the shire came into being on 20 January 1995 as a result of the amalgamation of Lowan and Dimboola shires. The greatest effect would have been on Jeparit, the former administrative headquarters of the Dimboola shire, as office functions previously undertaken in that community were transferred to Nhill. That involved the loss of 12 white-collar jobs in that community, which has a significant multiplier effect on a community which would have then had 400 to 500 residents. The downstream immediate impacts were the downgrading of service at the banks from full time to three days a week, and the loss of a manager; also an immediate slump in the housing market and loss of specialist retail services.

The community also suffered a loss of key people in the community — that is, the types of people who would be running community and sporting organisations. That was compounded by the general rural restructure and years of drought. The restructure of local government was intended to create stronger units of local government. In my opinion, that has only partially been achieved. The compulsory 20 per cent rate cuts have seriously damaged the capacity of small shires. We are only now, five or six years later, rating at the same dollar level as the former councils were six years ago. That means a loss of our economic capacity, compounded over six years. The effects become quite significant when you take inflation over that period into account.

We have a road network of more than 3000 kilometres. As a comparison, the average resident in the City of Stonnington, I believe, looks after about 3 metres of local road; the average resident in the Shire of Hindmarsh has to pay to look after 500 metres of local road. I suggest there are also other socioeconomic differences in the capacity of those communities.

Mrs COOTE — Our parking fines are worse, though.

Mr JACOBS — It would be nice for this shire to have some revenue from parking fines!

There are many helpful state and federal government programs, but in many cases they require a matching contribution of dollar for dollar; in our situation we do not have our dollar in the cupboard. We are facing a general pattern of cost shifting with our community services. The proportion of the cost of services on councils, such as libraries, home and community care, and kindergartens, which councils collectively are having to pay for out of their own sources of income, is increasing. We are also facing regulation-imposed crises over waste management and the delivery of community services. For example, the shire is trying to establish a new central landfill but it faces horrific regulatory burdens, probably quite sensibly imposed by the Environment Protection Authority, but in practical terms we cannot afford the \$1 million or \$2 million bank guarantees. The communities question us and say, 'Why does it cost so much? In the good old days we used to throw it in the ground but now we have to have leachate controls and clay lining'.

I sense a strong feeling of loss of autonomy across Victoria, that decision making and power has been centralised in some cases. Our council is still dealing with many post-amalgamation issues. It is trying to rationalise and equalise service delivery. I am aware that there are calls for de-amalgamation elsewhere in Victoria. Who, except the economists, would dismiss the communities as being wrong?

As the earlier witness said, we have very little public transport. Bus services, for example, face disadvantages of significant distances, low volume and inadequate timing. The council certainly supports the return of passenger rail to Ararat. It sees that as a positive move, but for that service to demonstrate some viability or sustainability it will have to be supported by a network of rural feeder bus networks. One of our towns, Dimboola, used to have a significant Victorian railways presence, but in the changes and privatisation of the rail system that has been downgraded and fragmented. We have some difficulty understanding which particular corporation or company is responsible for which part of the rail network. Many of our secondary schools are introducing exciting programs to improve the skills of our youth such as the VET in Schools program. Unfortunately because of the complete lack of most public transport services it is difficult for a 17-year-old to get from Nhill to Horsham for work experience other than by mum or dad driving him or her. Public transport, particularly for the youth in terms of their training and work experience needs, is a concern.

In terms of employment services there would be one private training provider with an office in the shire. By and large our unemployment rate is extraordinarily low — about 2.9 per cent according to the most recent small area labour market survey. We put that down to the fact that there are very many industries in this area which have growth potential, particularly seasonal employment during the harvest. There are employment opportunities for anyone who wants to work. If anything our employers face a skill shortage; it is very difficult for local employers to attract tradespeople such as sheet metal workers. If you know anyone who is a plumber or a builder, send them to Nhill and we will find them work straightaway.

Obviously you are not responsible for setting your terms of reference, but they only cover part of the picture. There have been other withdrawals of government services which have been mentioned today such as the former SEC, Telstra, and water and sewerage authorities which have been rolled up and amalgamated. Issues such as telecommunications, the lack of mobile coverage — if you travel 5 kilometres north of Nhill those communities do not have access to mobile phones. We were fortunate in recently securing a networking the nation grant to provide a mobile phone tower for our third-largest town of some 700 people and the council will put in \$10 000. It is strange that local government is called on to put money into mobile phone services but to help that community we will because, as you are aware, it is a basic part of life now and who would condemn anyone to trying to do business without access to modern communications.

In terms of solutions, the shire would like to see a whole-of-government approach from the state government. We have demonstrated that we have competitive advantages in the processing of our local produce — for example, the manufacture of consumer cereals, bread mixes and duck meat — and support services to those agricultural enterprises such as silo and field bin manufacture. In all cases these enterprises were established by local entrepreneurs — the talent has been home grown. There are many helpful government departments out there

knocking on the doors of businesses. There are regional economic development agencies, the federal government's area consultative committees, the Department of Infrastructure has grant programs, the Department of State and Regional Development has regional grant programs, the federal Department of Foreign Affairs and Trade has export programs, and then there are tourism programs and other assistance on offer.

We know our strengths will continue to be in agriculture and it is predominantly small-business based. We know that BHP Billiton is not going to establish a steelworks in the Wimmera. We are looking for growth in our small business sector; that is where the majority of our employment hopes will come from, from those one and two-person businesses gaining enough confidence and income to put on one extra person. In the good old days there were agricultural extension officers who would work with every farmer, who would be out there in the paddock. Those services have disappeared in recent years. We suggest there should be the provision of specialised advice and assistance on the ground to our increasingly aged but very successful farmers, farmers whose families have conquered the driest part of Victoria for 100 years and done it well. There are now very many specialised decisions they have to make about technology, the purchase of equipment and things they need to be attuned to. We strongly support a renewed program of specialised advice and assistance to our farmers. As I said, the success of Nhill in particular has been due to the efforts of local entrepreneurs. What is being done to foster the next generation of entrepreneurs? There are many business training programs but they are predominantly located in the regional centres and metropolitan Melbourne. The characteristics of entrepreneurs suggest they will dislike travelling any time to receive classroom tuition. Again, the courses need to be centralised, put online or whatever but delivered out here.

Beyond the rural sector and particularly probably with the advent of the GST, there were even more friendly government people knocking on the doors of local businesspeople. It would be very desirable if a number of government programs could be rolled together and coordinated so there is cohesive and targeted assistance to a range of small businesses and there were a discreet number of extension officers trying to work with small business. You may have already been briefed on the piping of the channel system for the Wimmera and Mallee. That program is wholeheartedly supported by this shire. Secure and reliable water supplies will make an enormous environmental, economic and social difference to the Wimmera. Our namesake, Lake Hindmarsh — Victoria's largest freshwater lake, larger than Eildon — is completely bone dry at the moment and has been for some 12 months as the Wimmera River has not been flowing.

As I said earlier, we have a niche tourism product. It is about four-wheel driving and bush camping in a sustainable way. We have some difficulties with the attitude of Tourism Victoria. It is quite frank about it — it will work with winners in proven markets. It seems to have an attitude of us and them; if you are not classed as a winner, there is no developmental assistance. We would like to see the creation of enterprise zones for particular parts of rural Victoria. Looking at the population problem and the population loss from the most recent Australian Bureau of Statistics (ABS) statistics, it is clear that the only growth parts of Western Victoria have been Mildura and Swan Hill on the Murray River and Warrnambool. In the most recent 12-month period ended June 2000 the rest of Western Victoria decreased by nearly 3000 people. The same pattern exists in eastern Victoria. There is certainly a ring of growth around Melbourne but there are no benefits to the rural areas. That is making it extraordinarily difficult for us to continue to provide community services, schools and a range of services. Even the latest draft electoral redistribution for the Legislative Assembly will result in a dilution of representation for this part of Victoria.

In the northern part of Australia the federal government offers remote area taxation allowances to individuals. We suggest that the crisis in population loss and loss of community and essential services in Victoria is such that consideration should be given to the creation of enterprise zones, possibly where incentives could be offered in the form of reduced payroll taxes and thresholds, reduced Workcover levies, employment subsidies, special assistance for the delivery of training schemes, dispensation from unfair dismissal laws, freight subsidies, new telecommunications infrastructure, relocation assistance, headworks assistance and a small business outreach advisory service.

The de facto policy for most parts of rural Victoria at the moment would appear to be that they will continue to decline and wither, but if governments wish to stabilise or even support population and some sort of basic level of community for large parts of Victoria we suggest it is not good enough to continue with a de facto policy of allowing everything except for the capital city and the regional centres to wither as appears to be happening according to the ABS statistics. We suggest that a new department of rural development could be established with responsibility for coordinating assistance programs to rural Victoria.

We consider that we have many advantages. We have under-utilised educational, medical and hydraulic services, and we have low crime, no pollution, open space, national parks and friendly and cohesive communities. If rural Victoria is underperforming, Victoria is underperforming. If populations are allowed to continue to decline and property prices continue to collapse in the smaller rural settlements, the only people who will be attracted to those smaller rural settlements will be the people who can receive the \$14 000 first home owners grant and purchase a house. That will serve to create a new rural underclass and pockets of social deprivation which will be extraordinarily expensive for all levels of government to tackle because these people will be remote from established community, health, education and other support services.

Mr THEOPHANOUS — You do not want people to come out and settle using the \$14 000 grant; is that what you are saying?

Mr JACOBS — Not just me but, for example, an academic called Gordon Forth who has received some notoriety. I believe he is the director of regional development at Deakin University. He wrote a piece in a recent publication titled *The Future of Australia's Country Towns*. He is more well-travelled than I am and he states:

Though less apparent than in north central Kansas, the lower cost of rental accommodation in Australia's country towns is providing an attraction to welfare dependent families rather than the working poor due to the general lack of employment opportunities in these towns. In identifying key indicators of rural decline, we need to be aware that the population of certain Australian country towns may stabilise as a result of affordable housing attracting economically disadvantaged families to a particular town. If the gap between urban rich and rural poor in both Australia and the United States continues to widen, a possible albeit unattractive future for country towns would be to provide alternative affordable accommodation but minimal services for a new intergenerational underclass.

Whether we support it or not, it will happen.

Mr THEOPHANOUS — But the people taking up the \$14 000 grants are young people. The families he refers to in the book would not be eligible for such grants because it is a first home buyer grant. I do not see why you are suggesting that the \$14 000 grant would be detrimental unless you are saying you do not want young people to come to the region.

Mr JACOBS — I am saying the creation of a new rural underclass that only comes here because of the availability of cheap housing is not socially desirable.

Mr THEOPHANOUS — That is a different point. I would have thought it should not be linked to the \$14 000 grant.

The CHAIRMAN — Have you finished your submission, Mr Jacobs?

Mr JACOBS — Yes.

The CHAIRMAN — If you look back five or six years, which is prior to or at about the time of council amalgamations — it varies, of course, across Victoria — could you comment on what you believe the situation in this region has been in terms of local government and the rates that somebody living in a house or running a farm in or near Dimboola or Nhill may have paid five or six years ago compared with what they pay now?

Mr JACOBS — As I said, our rate income has only just exceeded the rate income of the former shires before amalgamation. In dollar terms the average ratepayer would be paying just slightly more than they did six years ago.

The CHAIRMAN — The consequence of that is that less money has flowed into municipal coffers than would have been the case had amalgamations not occurred. If you follow that, the people of Hindmarsh shire have saved a lot of money in what they have paid in their rates over that period if you compare that with the rate increases on account of inflation in those five or six years. The question then is: what has been used, in terms of savings, by the council when you compare the number of administrations that were here before? There is now only one administration; before amalgamation you had the shires of Dimboola and Lowan. What sort of savings have been achieved?

Mr JACOBS — I cannot answer that because I am not aware of the financial arrangements and full costs of six years ago. The limited data available to me suggests that the council administration costs less than it did six years ago, and it has had to because it had to wear a 20 per cent income cut from early on.

The CHAIRMAN — If one is needing services and is unemployed, or whatever, where in your shire are Centrelink, or whatever, physically located?

Mr JACOBS — I believe you would have to travel to Horsham, which is about 75 kilometres away.

The CHAIRMAN — There is none in the other towns?

Mr JACOBS — No. There may be a Centrelink telephone-type service at Rainbow; it would be a booth and touch screen-type facility.

The CHAIRMAN — Have any such services ever been physically located within what is now the Shire of Hindmarsh?

Mr JACOBS — I am advised there was one in Nhill.

The CHAIRMAN — A Commonwealth Employment Service (CES)?

Mr JACOBS — There has never been a CES.

Mr BEST — We have heard from other submissions that there has been an influx of people from the metropolitan area who have sold their houses and bought cheaper accommodation in some of our smaller towns. They have moved with the expectation of having a range of services that are not available. Is your municipality experiencing that influx?

Mr JACOBS — I am aware of anecdotal evidence of people moving into particular towns because of cheap housing, but it is only anecdotal. I cannot comment further.

Mr BEST — On the issue of services for your ratepayers, have you had to endure or have you implemented a reduction in services with the constraints you had on your rate base?

Mr JACOBS — Every year our costs of production, such as fuel, machinery and the cost of staff through well negotiated enterprise agreements, increase faster than our ability to secure increased grants or to increase the rates. We are always in a cost-income squeeze. We are continually scrimping, saving and underfunding every service we provide.

Mr BEST — Obviously you would have some projects that council would be hoping the state government or federal government is prepared to assist via a partnership. Can you enlighten the committee on where you have funding applications and what the projects may be?

Mr JACOBS — The council's no. 1 priority at the moment would be to upgrade its visitor information centre in Nhill. The Western Highway is a key transport and tourism corridor; it runs directly through the shire and passes through Nhill. It is not every community that gets to be on a national highway with 4000 vehicles a day passing through it. It is a nice problem to have. As you have seen, Vicroads is doing some traffic management works outside, which is welcomed by the community. We want to improve our visitor amenities because we are roughly halfway between Melbourne and Adelaide. As you can see, between the roadwork barricades we have an attractive median parkland in Nhill, with shady trees, access to banks, automatic teller machines, pie shops and cafes. It is a popular stopping place.

We feel our potential and provision of information could be enhanced through the upgrading of our visitor information centre, which is adjacent to public toilets. Those 40-year-old facilities are not state of the art and do not encourage increased patronage. We have applied to several state programs and federal government programs unsuccessfully for funding on a dollar-for-dollar basis for that project.

Mr BEST — Could the committee have a copy of the submissions or requests made of the government for funding?

Mr JACOBS — Yes.

Mr THEOPHANOUS — You mentioned a rural department, but I did not quite understand what you meant by that. Are you suggesting the creation of a federal rural department, or what?

Mr JACOBS — I am suggesting a state department of rural development.

Mr THEOPHANOUS — But there is already a Department of State and Regional Development under the state government.

Mr JACOBS — The Department of State and Regional Development administers programs in urban centres, regional cities and rural Victoria. We would like the focus to be on rural Victoria.

Mr THEOPHANOUS — I suggest that when the committee visits Victorian centres it finds they tend to fall into a couple of categories: one is those that are taking the initiative and going out there looking for ways of doing things better and attracting investment and other things into their region; and there are others that maybe need some incentive or help in doing that. Which one of those categories would you put your shire in?

Mr JACOBS — I suppose we would put ourselves in the category of western Victoria, where the population has declined by 3000 in the most recent 12-month period. I do not think you could isolate any lack of initiative to any particular communities. It is an entrenched problem across large parts of rural Victoria and rural Australia.

Mr THEOPHANOUS — Are you aware of the Wimmera strategic planning initiative?

Mr JACOBS — Yes.

Mr THEOPHANOUS — Are you part of that?

Mr JACOBS — Yes.

Mr THEOPHANOUS — It is aimed at bringing investment into this regional and rural area. It seems to be a good plan for the region. Are you saying it is not enough or not good enough?

Mr JACOBS — No, we think it is an excellent plan. There have been many plans produced like it but we would like to see a focus on direct assistance to small business and the encouragement of enterprise in what are mostly small rural towns.

Mr THEOPHANOUS — I have a lot of sympathy for what you are saying, but in the overall numbers the amount of investment generated in rural and regional Victoria at the moment is more than it ever has been. The issue you are pointing to is who gets what or which part of regional Victoria gets this or that. Is that what you are referring to?

Mr JACOBS — No. We are saying programs could be applied consistently across the board but with some positive discrimination in favour of the smaller rural centres to encourage small business growth in those smaller rural centres.

Mr THEOPHANOUS — My point is that if you look at the figures in the state budget, something like \$650 million of investment was generated in rural Victoria. There would be an argument to say, 'It is the organisations and the councils that have been out there aggressively helping their areas that have got the lion's share of this extra investment'. What do you say to that?

Mr JACOBS — I would say the council is very supportive of many of the initiatives taken by the Victorian government. The investment in rail infrastructure is particularly welcomed. The government has supported the feasibility study for the piping of the channels, but year by year we are left with a population drift. We are supportive of many of the current state government initiatives, there is no doubt about that, and they have been significant infrastructure investments. But the results in terms of population as measured by the Australian Bureau of Statistics show a decline, and the forecast is for a continued significant decline. I warmly support the current programs of assistance, but could they be improved and could they be targeted? Is it desirable to try to stem some of the population loss in the smaller rural centres? What is the future scenario? Could, for example, the water and waste water systems of Melbourne, Ballarat and Bendigo cope if thousands of extra people moved to those centres?

Mr THEOPHANOUS — I should say that some of those things you mentioned are already available — things such as payroll taxation breaks and so forth for new investments and new industries. It is a question of whether the council can attract new industries in conjunction with the government. I encourage you to try to investigate ways of doing that.

Mrs COOTE — I read with interest the ABS statistics you mentioned in your submission and saw that the shire's median age is 40, and a number of other issues. You have touched on population today. One of the things in the report that Mr Theophanous spoke about is Murtoa, going back to see what happened over the past 10 years to the people who left the town and what they would feel about coming back. I think, as you say in your report,

Luv-A-Duck and Lowan Foods are both showing great local entrepreneurial spirit, and presumably you have exported a number of entrepreneurs as well. Is there any anecdotal or empirical evidence to suggest that people who have been here may come back again, or if there is something specifically you could use to woo them back? I think you said 102 people have left; is there any indication of whether any of them may return?

Mr JACOBS — In the most recent 12-month period the ABS said our population reduced by 156.

Mrs COOTE — Sorry, it is projected to decrease by 1192 between 1999 and 2021 with a negative growth rate of 17 per cent and households are forecast to fall by 102.

Mr JACOBS — If we have thriving local firms with vacancies, and it is an issue of great interest to the council, we believe that many of our young people would return. It is currently the pattern that they reach 17 or 18 years of age, finish their secondary education and of course they go elsewhere to experience the bright lights and to access tertiary education. If there were suitable jobs in our local industry we would have a chance of attracting those people back.

Mrs COOTE — And young families, perhaps, who have moved away and would like to come back and have the lifestyle — is there a proportion of those who may be interested? What would attract them? The same sort of situation with housing?

Mr JACOBS — If they are after cheap housing there will be communities in the shire where they will find cheap housing. We would like to think they will come back for a job opportunity.

Mr CRAIGE — I would like to have a chat about public transport and particularly trains and coaches. I think the last passenger service to Dimboola was 21 August 1993. You said that the council supports the reintroduction of the rail back to Ararat.

Mr JACOBS — Yes.

Mr CRAIGE — Why do you think that closed and why do you think the rail service to Dimboola closed?

Mr JACOBS — I would suspect it had to do with patronage.

Mr CRAIGE — Then let us take this to the next step. I understand the issue of coaches and train versus coach, but it is my understanding that a significant network of coaches is now in place, and if you talk to the people of Rupanyup and some other towns where buses did not go previously, they now have a service they have never had before. One of the things you do not want to do is throw out the baby with the bathwater, and there are services being provided by buses which were not previously provided. I heard you say that one of the important things with the rail to Ararat was the network rural feeder and the bus networks. Will you go to the trenches in ensuring that they do not disappear when the train comes back to Ararat? Do you see it as vital?

Mr JACOBS — The response will be up to the elected council, but if people do not have private transport they will not be able to reach the railhead without a network of feeder coach services.

Mr CRAIGE — So it is just as essential as the rail coming back to Ararat that the bus network is there as well.

Mr JACOBS — If sufficient patronage is going to be attracted on the extended rail services, it is logical that there will have to be a feeder bus network.

Mr CRAIGE — Some work is being done by the Department of Infrastructure. Have you been included in that work looking at the issues of bus feeder networks?

Mr JACOBS — We are aware that some work is going on, but we have not been involved.

Mr CRAIGE — I guess it has to happen soon if we are going to complete the railway line by 2003. Would you ever envisage the train coming back to Dimboola?

Mr JACOBS — Our current mayor is a longstanding former train driver. He is a strong supporter of the extension of rail services, but I would have to take his wise counsel, and he is very satisfied with the return of rail to Ararat.

The CHAIRMAN — You had meetings regarding the future of the preschools in Dimboola, Nhill, Jeparit and Rainbow last week. Can you fill us in on the background to that and where you have got to?

Mr JACOBS — I must have regard for contempt of court laws, but the council is being prosecuted by the Department of Human Services and is facing a number of charges. The council has expressed the view that because we are not in court at all it is an unexpected occurrence and the council has resolved to review its involvement in the provision of preschool services. The response of over 150 people who attended those public meetings was that they were very supportive of the council continuing its involvement in preschools or kindergartens. The council was heartened by that support, but we will still be in court on 11 September facing 12 charges.

The CHAIRMAN — The other thing that I noticed in the local press recently was local football clubs being concerned about the television coverage of AFL games. Do I assume that when this goes ahead we will see a potential further reduction in community life in rural areas as a result of some people staying home to watch the AFL rather than going and supporting the local football or netball or whatever and that the momentum of country football in this region might fall away a bit?

Mr JACOBS — It is my understanding that the football and other sporting activities are the heart and soul of all of our communities, and their experience has been that when there is direct AFL coverage their crowds drop off, which means a loss of income for them. The president of the Nhill Football Club is in the audience and if you had time and it was possible you could direct questions to him on that.

The CHAIRMAN — We will stick with you for the moment and see how the time goes.

Mr THEOPHANOUS — Could you explain the kindergarten issue for some of us who are not aware of it?

Mr JACOBS — Mr Chairman, I am constrained because of the laws of contempt of court. I can give a full briefing, but not on tape.

The CHAIRMAN — I suppose the question is how relevant it is to our inquiry. I saw its relevance because there was some discussion about whether services would be continuing. Given that whether they continue or not may in some way revolve around a court case it seems that maybe we should steer clear of that for a moment. If you would like to have the president of the football club join you we will ask him that question.

The CHAIRMAN — I invite you to answer the question I asked before regarding the potential not just in Nhill but in this region, I suppose.

Cr GERSCH — Just to go back for 2 seconds; I have lived here all my life and when I first started playing football we had 10 teams within a 25-mile radius of Nhill. Now we have none. We have nil! That is caused by a decline in the rural population, but here we have combined the cricket, football and netball clubs to have one board of management because of the lack of numbers. We see it as a major problem if there are direct telecasts. If you had Carlton and Essendon playing on a Saturday afternoon and it was a bit showery the hardened supporter would go to football and the fringe supporter would stay home. We are in a position where we cannot afford to drop any more. There were reports done on the Western Border Football League when the Mount Gambier television stations were taking a direct telecast. The reports were 5 and 10 per cent lack of support, and if you talk to the presidents of the Western Border and the Kowree-Naracoorte-Tatiara Football League, they have many problems with that. They believe it has affected them. We see that as an absolutely catastrophic problem for country football if direct telecasts do come in.

The CHAIRMAN — Do they have country telecasts in Gippsland, and how does that affect their football down there?

Cr GERSCH — I am not sure of that.

The CHAIRMAN — I am aware that they have telecasts in Gippsland on a Saturday, but it is not a regular thing. I would assume that what you are facing here is it becoming a more regular thing on non-pay television in this area.

Cr GERSCH — It is on pay television, Austar, and several weeks ago Channel 7 showed two league games on a Saturday afternoon. We are absolutely on a shoestring as far as finance and support in numbers goes, and we just see that if we do decline to any small percentage it will have an enormous impact.

The CHAIRMAN — Is your gate a considerable part of your income?

Cr GERSCH — No, I do not see it so much as a financial thing because our gates are a very small part of our financial turnover. It is getting your hands dirty with working bees, cutting wood, emptying wheat bunkers and dealing with various other commodities; that is where the fundraising is. It is not so much the gates as the physical support of the personnel. We just do not have the people there to support junior football and junior netball and take the official positions. It is more a hands-on position than a financial position, even though we see the financial as a major concern.

Mr CRAIGE — It is a terrible dilemma for you. On one hand we have heard about communications into rural areas and breaking down the tyranny of distance, with people in country and rural areas wanting to have access to a lot of these things and at the same time it is actually jeopardising the basic fabric of your community, the community spirit which drives these clubs. You know what it is like: once upon a time it was half a dozen but it is still the same half a dozen. What is the answer? I can hear what you are saying, but on the other hand there is such a move and a push for us to be connected with all that activity. I cannot see how you can stop the wave and the demand that is being made by people in rural areas.

Cr GERSCH — The major problem, I believe, is that the corporate dollar is so powerful, and with the 1 or 2 per cent vote — —

Mr CRAIGE — I wonder how we can get some of that for you.

Cr GERSCH — I think it is just the corporate dollar and the big clubs. When we had zoning we were in the Essendon zone, and in 1982, 20 out of the 40 players on the ground came from this Wimmera zone.

Mr CRAIGE — That had a great community feel to it. When the zoning was there it was a great link of rural areas into metropolitan Melbourne. It was a two-way thing.

Mr THEOPHANOUS — Could I just make a comment about this? It is a serious issue, but you will not be able to stop the access to technology of people in rural Victoria, nor would we want that to occur. Could I suggest that what you might have to do is think a bit laterally about how you deal with these issues. You may want to consider whether your timetabling of matches needs to coincide with the telecasting of an Australian Football League match. You may have to address that issue. You may even have to start saying, 'Come to the local match; we will tape the AFL match and you can watch the AFL match on a big screen in the clubrooms immediately after the local match finishes'. That may be a way of attracting people to come and watch the local match, and then you get another benefit afterwards. You may have to start thinking laterally about how you use the technology rather than throwing your hands in the air and saying people will not come because of it.

Mr JACOBS — At the conclusion of today's proceedings we will have a sampling of our local product, which is an olive plantation in Dimboola. That company has just made its second export of olive oil to Italy. It is a case of coals to Newcastle, with some excellent marketing and, I am assured, a very fine product.

The CHAIRMAN — Thank you for your submission to the committee, Mr Jacobs. We appreciate the time you have given and the work you have put into your submission. We will send you and Cr Gersch a copy of the transcript of your evidence.

Witnesses withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Nhill – 28 August 2001

Members

Mr R. A. Best
Mrs A. Coote
Mr G. R. Craigie
Ms K. Darveniza

Mr N. B. Lucas
Mr J. M. McQuilten
Mr T. C. Theophanous

Chairman: Mr N. B. Lucas
Deputy Chairman: Mr T. C. Theophanous

Staff

Executive Officer: Mr R. Willis
Research Officer: Ms K. Ellingford

Witness

Mr A. Graham, Mulhallen and Sons.

The CHAIRMAN — This is a hearing of the Economic Development Committee, an all-party investigatory committee of the Legislative Council. All evidence taken by the committee, including submissions, is subject to parliamentary privilege and is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act. Would you like to make a submission?

Mr GRAHAM — I was contacted through my employer, Don Mulhallen, who unfortunately cannot be here. Our primary focus is banking services. About 12 months ago we took over an in-store branch of the Bank of Melbourne. They decided it was not viable to keep a main branch open here in town. The representatives of the bank contacted Don and Len Mulhallen with a view to forming a partnership whereby the bank relocated into our store. After serious deliberation that occurred in June last year. From that point on the Bank of Melbourne no longer maintained its branch in town. It opened an in-store facility in our shop. The bank lost its staff members, one of whom we re-employed; she principally runs the bank branch on behalf of the business. It is part of J. G. Mulhallen and Sons now, not part of Westpac or the Bank of Melbourne branch system. The facilities we offer are over the counter, which are available in most branches, but do not extend to being able to open accounts, consulting, financial management and those sorts of things. It is purely a transactional base for the community.

The reason Don and Len took it on was to maintain the service within the community as opposed to losing a bank out of the town. J. G. Mulhallen has been operating in the town for about 50 years, principally as a builder and hardware store, and ultimately an electrical retailer. They saw it as another means of providing an additional service to the community. This comes some 12 to 18 months after consideration was given here to a Bendigo Bank community bank, but for whatever reason it did not get off the ground at the time. It was seen as an opportunity to maintain an additional service within the town rather than losing it.

The customers of the Bank of Melbourne offered varying degrees of support. Some said no and moved their accounts, lock, stock and barrel, from the Bank of Melbourne to alternative banks. Some were hesitant and some said, 'It does not worry me where I bank when I want money from the bank'. We had the full gamut. The drop-off rate was significant, although we have not been privy to that detail. In the last couple of months we have seen a slow trickle of customers back to the bank.

We provide banking hours of 9.00 a.m. to 5.00 p.m. during the week and 9.00 a.m. to 12 noon on Saturdays. That is conducted by a woman who came from the Bank of Melbourne and additional staff within our membership. We were trained originally by a business development manager and since that time we have had a full week of a dedicated trainer who was hired by the bank. Our remuneration is based on transaction details — that is, what we do over the counter and what is sent away for processing overnight. From our point of view it has not been quite as profitable as the bank suggested, but Don and Len are maintaining the facility as an ongoing support facility for the community.

The CHAIRMAN — I think we understand some of the downsides. What would you see as additional benefits, if any, to the community as a result of your having the facility in your business compared with what the community had from the bank when it had a branch here?

Mr GRAHAM — The only benefit we provide is the extended hours. The alternative was that had the branch closed here people would have been forced either to migrate to bank accounts at an alternative bank in town or to travel to Horsham to do their banking. The service is maintained. The concern is that there are not a great deal of over-the-counter transactions done in any banking. The banks say about 20 per cent of their transactions are done over the counter. Even in our business we pay the creditors by one instruction to the bank, which is done by head office in Melbourne. We pay our salaries through a bank instruction to a bank in Melbourne. So all those banking transactions that used to be in place — we paid everybody in cash and they went to their banks — have gone. They really push the email and telephone banking. All that diminishes the need for a counter-based structure in the banking industry. By putting it in the store we have removed the bank's overheads of running a business site in town; our company already has that in place. Those overheads can be removed from the bank's equation, although it does not alter our equation to any great deal.

The bank provides the banking chamber and its maintenance. Today a fellow drove from Geelong because one of the security lines did not work. It turned out to be a flat battery, so he replaced two batteries. They support the facility well. The result is that the service in town is retained at a low cost to the Bank of Melbourne and it means the customers retain the option of their long-term association with the bank.

The CHAIRMAN — Do I take it from what you said earlier that the numbers are on the increase? You said some people are returning to the bank?

Mr GRAHAM — Very slowly. We have seen a few people come in. We are not sure why that is — whether they have been to one of the other banks and are not happy with the service or whether they have just been waiting to see how it settled with us.

The CHAIRMAN — Or going to Horsham?

Mr GRAHAM — Yes. I believe Horsham is the closest Bank of Melbourne branch.

Mr CRAIGE — I actually had the pleasure of walking around your store and chatting to the lady behind the counter. You did not mention that your store is not only a True Value hardware store but it acts as a Retravision store and, of course, it has the bank in the one premises. Do you see that as a commercial trend that will occur in more rural centres? Even though the hardware section is by far the most significant section of the store do you see through your economies of scale that you can still provide the service? I understand you can get a loan organised through the bank here.

Mr GRAHAM — The loan has to be organised over the telephone.

Mr CRAIGE — Yes, but she does it through the computer and over the telephone?

Mr GRAHAM — Yes. Diversification is required. Mulhallens was originally a builders supplier; then they opened a paint shop which turned into a hardware shop. About 10 years ago they took over the Retravision side of things when they relocated from one end of town to the other.

Mr CRAIGE — So there had been a separate Retravision store in town?

Mr GRAHAM — Yes. At that stage it was Retravision and it carried homeware such as bedding. The premises were swapped and Mulhallens bought the Retravision shop with the premises and the furniture shop took over the other swapped premises. It went down to the other end of the street and traded as a bedding franchise. As I said, there is a need to diversify within small townships. There are a few empty shops around the place, which is of concern. There are potential gaps in service. The community tries to fill those as best it can. Yes, it is a matter of diversification. There is a building yard out the back of our store.

Mr CRAIGE — It was quite interesting out the back; obviously not too many people go out there. I had a walk out there and found it interesting. You can actually see the way some towns evolved by going into the back streets and seeing the interesting buildings out the back.

Mr GRAHAM — It was originally known as Nhill Stores, a community-based organisation that went down in about 1974.

Mr CRAIGE — In looking at the terms of reference we have to look at services that have been removed and the impact that has had on small and medium-sized towns; it is a matter of, 'They were here, now they have gone'. That impacts on the community, but also a great deal of diversification takes place, which can be positive.

Mr GRAHAM — It can be in that some of the organisations try to pick up the slack that is created by a loss within the community, but as in the case of the bank — it had three or four staff when it had a branch here — we picked up one and covered the balance from within our own organisation. There is that downside that goes with it. The upside is that now I have banking skills as well as my administrative, retail and bookkeeping skills.

Mrs COOTE — I did not get to the back of the shop, but I saw the hospital, with which I was most impressed. I am interested in the banking services offered by the Commonwealth Bank and the National Bank, the other two banks in town. Do they have automatic teller machines (ATMs)?

Mr GRAHAM — The Commonwealth Bank does have an ATM in town.

Mrs COOTE — Has there been talk or have there been rumours that either of those banks may close?

Mr GRAHAM — There was concern some time ago when the National Bank announced it was to close about 100 branches across Australia. It is always in the back of our minds that there could be a reduction in services, especially with the drift towards electronic, telephone and Internet banking. There is always that possibility, given the fact that many organisations use electronic funds transfers rather than doing that over the counter. There is always the possibility that the demand on their over-the-counter services may lag and they may do something similar to what the Bank of Melbourne did.

Mrs COOTE — Given that and the fact that neither of those banks opens on Saturday mornings, does the Saturday morning banking become attractive and result in new clients for you? Is that something the people in the town have been interested in?

Mr GRAHAM — It is very attractive to those who need change, places such as hotels and takeaway food shops, whether they are Bank of Melbourne customers or not.

Mrs COOTE — To build on the question Mr Craige asked, into the future if the other banks were to disappear, presumably the options that you are offering with more flexible hours like Saturday mornings will probably look quite good.

Mr GRAHAM — We have a number who are regulars on Saturday morning because it suits them; either they are not working locally or their hours of work restrain them from getting to a bank during normal hours. We have a few regulars who come in on Saturday because it is convenient to them.

Mr THEOPHANOUS — Is the banking part of your operation making a profit?

Mr GRAHAM — It is very borderline. There has already been one adjustment in fees since we took it over and that has made it borderline now, but it was not when it first started. We are now moving towards a situation where the Bank of Melbourne in stores is going to do some detailed cost modelling to determine how viable it is.

Mr THEOPHANOUS — I am interested in two parts, for you locally, but also is it viable economically? Does it stack up for the Bank of Melbourne? Are you aware of that?

Mr GRAHAM — I am unaware of what the Bank of Melbourne has done in its costings, but considering that it has done away with the need to maintain on-site premises and has reduced its staff quantity I would say it is very attractive to them. To us it is break-even, and we hope that by doing some detailed modelling down the track we can then gain some more margin. The bank is quite happy to talk about a margin of a 10 per cent return on investment. I do not think we are getting that at the moment, but to move towards that they need to do some detailed modelling, and in the next couple of months we will be starting to assist them to do that.

Mr THEOPHANOUS — Based on your experience and on your model, is it possible for some of these banking services to actually go to places where banks might have closed or there might never have been a banking service as such? Is that a possibility?

Mr GRAHAM — Yes. I believe that the Bank of Melbourne has started some greenfield sites with their in-store models: they have gone into places where they have not had banking. It may have been that there was an alternative bank close by which has closed, or there has been no banking in the area. My understanding is that they have opened some greenfield sites.

Mr THEOPHANOUS — That means that what this committee might be able to pursue is a way of government encouraging some of these banks to actually do that. Is that correct? We might have to drag them in, perhaps have the Bank of Melbourne in.

Mr GRAHAM — Maybe the concern from the bank's position is that they may be reluctant to go into a greenfield site unless they have a captive audience. They came here, but they already had a bank branch which they closed and we had customers migrate directly to us. It might be a different story if they are starting from scratch in trying to create a clientele, particularly if there is competition from other banks. However, in a town which has lost all its banking services and is looking for some ray of hope, whether it be St George, Bendigo Bank or a community bank of whatever nature, there may be an opportunity for those to do well.

Mr BEST — Part of your operation is related to the building industry. How is that currently operating in Nhill?

Mr GRAHAM — The building side of the business has been slowly declining. Len has gotten to about 70 years of age and does not have the desire to build as he did originally. He gets very frustrated with the amount of red tape and all the regulations and rules for insurance and that sort of thing. There are a number of other builders in the town so there is still quite a deal of activity, but he has scaled down from 10 years ago when he was doing hospitals and all sorts of things.

Mr BEST — So generally over the whole area that you would supply product to is the building game vibrant or slow, or are there peaks and troughs?

Mr GRAHAM — Very much peaks and troughs. Sometimes you have more work than you can poke a stick at and other days you are looking for something to do, but generally it is fairly constant. There are four or five others, but in the six years I have been here we have seen a couple of plumbers and builders go out of self-employment into paid employment. There is certainly a trend of that nature.

Mr BEST — So you would say the building industry was contracting?

Mr GRAHAM — Yes. We certainly get to see a few more out-of-town builders' vehicles in town these days than we used to.

The CHAIRMAN — Thank you very much for coming along. We appreciate your taking the time to talk to us; it has been very interesting. We will send you a copy of the Hansard record.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Nhill – 28 August 2001

Members

Mr R. A. Best
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Ms K. Darveniza

Mr N. B. Lucas
Mr J. M. McQuilten
Mr T. C. Theophanous

Chairman: Mr N. B. Lucas
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Staff

Executive Officer: Mr R. Willis
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Witness

Mr W. Manton, Small Business Operator.

The CHAIRMAN — I have read the opening statement in your presence regarding the parliamentary privilege, so I invite you to make an opening statement and we will get on with some questions later.

Mr MANTON — I would like to welcome everybody here to the Shire of Hindmarsh. I think what I am going to say is small beer compared to what Mr Millington was talking about. However, I am here representing myself basically as a small business operator in this area. My wife and I own a milk bar/mixed business between us. We did the newsagency and we have farmed in this area. We have just started up a four-wheel drive tour company hoping to expand on the fact that there is a lot of tourist product up here. That is what we decided to do as a future direction. I also represent Hindmarsh because I am a councillor. I am also part of the Jeparit football club and chairman of Hindmarsh tourism, a committee of council which is trying to organise tourism and which produced the brochures you have. I have a fair few hats to wear.

One of the few comments I would like to make is to Mr Theophanous and unfortunately he has gone. I am one of the people who supports the footy club up here and thinks that having direct telecasts into Victoria would be detrimental. We have to travel 200 kilometres each way for a footy game from Jeparit when we go to Manangatang. That is a 400-kilometre round trip. Next Saturday we have a final there and I have to leave at 7.45 a.m. so I can be there for the under 16s and it will be after 8 o'clock when we get home. How I am supposed to watch a game that has been recorded for me to watch after that I really do not know. That is just the way country football works. Half the people in Jeparit will go to Manangatang next Saturday and they think nothing of doing that because they need to support their club. It is a very important part of our social fabric.

The football club is the biggest single thing socially we as a town do consistently. It is a fairly big thing. Being on the committee you get to meet a lot of people and everybody has a bit of a dip. We have had to amalgamate Jeparit and Rainbow footy clubs to survive. We did that to ensure our survival. We were in a league called the Southern Mallee league which was not too bad but then for the league to survive it had to amalgamate with the Mallee league and that is what has caused us to drive 200 kilometres each way to the footy.

The sorts of things we have to put up with include high fuel costs and other things. I take a few kids to the footy because their parents cannot afford to drive their cars that distance. It is that simple. They basically choose not to do it. A larger reduction in fuel and motor registration costs could help this area. I am not talking about discounts for people living 50 kilometres from Melbourne, as I used to get when I lived in Melton, but 200 kilometres distant where people have to travel extraordinary distances just to get to the next town and have a social life. The government could help in that regard, but I do not expect it for people who live only small distances from Melbourne. It would help people living in isolated areas.

Jeparit has been badly affected by the withdrawal of services. Since 1990 there has been a dramatic change. There used to be two full-time bank branches in Jeparit in the early 1990s, but we have lost both and are now back to one part-time branch with two tellers only. The result was that Jeparit lost two bank managers, one accountant and two tellers who lived in the town.

The committee asked about municipal services since council amalgamations. Jeparit lost the headquarters of one shire, which meant the loss of 12 white-collar jobs; they included the shire secretary, shire engineer, some tertiary educated staff and other white-collar workers. The fact they no longer work in the town has had a huge impact on community committees, which now do not have access to a treasurer with some accounting experience or a secretary who is used to knowing what to do on the committees. Now we get farmers or shopkeepers to do those jobs. They may do the jobs, but the problem is they are drowning in the paperwork that continually increases. You start up a Landcare group and find there are huge amounts of paperwork involved. By the time you have done that you lack the dynamism to do something new. The bureaucracy is killing us. The people will not go onto committees because if they do, they will have to somehow cope with all the paperwork and bureaucracy.

Now we need to have insurance. We used to have community working bees; people would bring a truck and a front-end loader, no problems. Recently on one day in Jeparit a working bee shifted more than 1000 tonnes of dirt for the hospital. That was okay because the hospital had the wherewithal to say, 'You are working on a working bee for us, we have the insurance to cover you'. But a bowls club, for example, cannot afford to have that amount of insurance to cover anybody on a working bee, so we cannot do that any more.

Public liability is a big issue. The amount of public liability insurance policy each footy club now needs is ridiculous. I know the government cannot do anything about that, but it may help if every tier of government were to say that solicitors out there who advertise, 'No money, no fee' should be slowed down. They are the ones who

are causing it. Previously you needed to have a good case and a good reason to see a solicitor, but now they take action for the hell of it. I am sorry if I sound so passionate, but I love this place!

We do not have any public transport in Jeparit, so there is no use talking about it; there has been none for a couple of decades. We used to have a train come through Jeparit and the footballers used to travel on the train about 10 kilometres down the track to their matches; there has been no train for about 30 years.

The shire has no employment services. I know some people who have been told they have to show up at Horsham to be paid their benefits, but they do not have a car. How the hell are they going to travel the 78 kilometres to Horsham? Quite often, if they have cars, they may be having trouble and cannot afford to fix them. They are told, 'If you don't come to Horsham, you will lose your money'. I have seen a couple of instances of that, where people become stressed because of that pressure. That is rather hard on the people. That may not be a concern of the Victorian government but it is still a government matter and should be addressed at all tiers. Unemployed people are required to keep diaries and so on, but a lot of unemployed people are not necessarily on unemployment benefits but on invalid pensions and the like. They still need to make representations on the odd occasions to those sorts of government bodies. Time does not matter to those guys because they have heaps of time, but it costs a lot of money for an unemployed person to drive the approximate 160-kilometre trip to and from Horsham. That is a substantial amount out of their weekly allowance — simply to collect that money. I know some travelling allowances are paid, but it is a difficult position.

Postal communications have not changed much; we still get our mail and some deliveries. The role of the post office has increased because of its importance to our towns after we lost the Commonwealth Bank; the post office has a bank agency. A lot of people in Jeparit are aware that you can pay a lot of bills at the post office, unlike the people of Nhill. We use our post office.

The CHAIRMAN — Do you have EFTPOS and Giropost?

Mr MANTON — Yes. The post office is privatised and the owner is trying to make a quid from it. He sells envelopes, greeting cards and so on. He says Giropost is one of the things he is struggling with at the moment. We still have a National Bank on three days a week with two tellers. The post office owner does not want to go for a bigger centre because that could give the National Bank the excuse to pull its banking service from the town. He is negotiating with the National Bank to see if they will guarantee how long they will stay in the town. He does not want to develop his business at the cost of the town losing another banking service. That is typical of country businessmen in smaller towns. They tend to worry about their communities and do not just go out on an ad hoc basis and think, 'I'm in this to make a quid'. People tend to think about their long-term future and the long-term future of the community. Sometimes they will put their ability to make money at risk to ensure the community is helped. I have even done that myself once or twice, silly as I am!

I have heard mention of government policy on small rural towns. You do not appear to have one; you are going to let us disappear by default. That worries me. If you are going to let us die, tell us, then we may be able to do something about it; but don't do it by default. Have policies in place not so much for towns with 500 or less than 1000 people, but for places with 300 or 400 residents. There are a lot more of them than there are big towns; towns such as Jeparit and Beulah are being left out of the equation. We cannot get a mobile phone tower in Jeparit because the town has less than 500 people — how fair is that?

The farmers need that service. A mobile would be handy for a farmer who is working on his header, for him to be able to ring up and say, 'Where can I get the best price for my grain?' because we have several ways of getting rid of our grain now. We can store it on our farms or give it direct to the Australian Wheat Board at Dimboola, which is good for the area, or you can sell it direct to the old Grain Elevators Board. Prices fluctuate daily, particularly the price for canola. Recently the wheat price dropped \$30. You need to make instant decisions when you are talking about selling hundreds of tonnes; you may lose \$30 per tonne simply because you could not contact your agent. That is hardly fair and not good for productivity.

I have heard people talking about how we can stop the decline. People are not building new houses in the area, but that applies more in Rainbow, Jeparit and the smaller towns than it does in Nhill. The building of a new house involves an investment, because if you pay \$150 000 to build a new house you would probably get that amount or a bit more back in a few years time. But if you spent \$150 000 to build a house in Jeparit today you would be lucky to sell it for \$100 000 — more likely, about \$80 000 or \$90 000.

The accountants are telling people not to build houses around here but to go to Horsham to build, where they will end up with an asset. It is hard to go against the accountant's advice. I know of several farmers who have been

told, 'All you are doing in Jeparit is building a liability. It is your kids' money you are spending, why do that? Go to Horsham and at least the house you build there will appreciate in value'. Lots of people are doing that. The guys who sell a farm normally are not short of a quid and they usually want a nice new house; quite often they have lived in old houses all their lives. I do not know what can be done about that. Obviously you need to address the decline in population so the houses in smaller towns are worth some money again. If I had the answer to all these questions, we wouldn't be here today.

There is a need to ensure we do not allow our smaller towns to decline and cause huge social problems down the track. Unfortunately, Mr Theophanous has left the room; I heard him say that we do not want people who can get the \$14 000 first home owners grant coming here. There was a scam where people were buying houses on hire-purchase. They did not own the houses but they signed up and were paying weekly payments. They had hire-purchase contracts but did not own the properties because they could not borrow the money from the banks; they had no money themselves and their incomes were not enough. Also, the banks put a big no-no on borrowing money to buy houses in small towns because they knew they would struggle to get their money back if things went bad. Instead of needing to have 10 per cent — or 15 per cent in Melbourne — deposit you generally need to have 50 per cent deposit to get money from a bank to buy a house in a smaller town, unless you have some good collateral.

It is difficult to believe that people could come here and buy houses on hire-purchase; I know some people who have done that. They get here and are then trapped; they cannot get jobs. They would not be classified as unemployable, but a lot choose not to work or they have come here because they cannot be employed — perhaps they have a slight disability and cannot get a reasonable job. Up here they can afford to buy a house and live because for \$100 a week you can easily get a house on hire-purchase, whereas it would cost \$140 a week in Melbourne.

However, they do not realise that the services up here will not be able to support them. They find they have to travel quite some distance to see, for example, the Workcover bloke. I can tell you about a community or charity worker who brought a bloke up here. He unloaded his ute full of furniture into the house and left him here. He had no backup or outreach workers, and unfortunately did some silly things. He went off his medication and without the outreach workers and support, he ended up being ostracised by the town because he was different. It sounds hard, but that is the way it is — that is life.

We need to develop further the niche export markets for primary produce; that should be of the highest priority. We have several instances of people who are doing value adding; they are storing grain and putting it into containers. It is important to help those people. They get help, I know, but it needs to be continued. Value adding needs to be nurtured. It is important that financial incentives be offered to help business develop in rural areas. Everybody up here, including the shire, is worried about Workcover premiums. Vehicle registration and insurance, payroll tax — they are things that the government can do something about. The government could give rural area assistance.

One of the things that I encourage the government to support and fund is the pipeline. Mr Jacobs spoke earlier about the largest natural freshwater lake being only 4 miles out of Jeparit; it is as dry as a bone. We have more than anecdotal evidence that the lake being dry has cost businesses in Jeparit more than 30 per cent of their overall income in the tourist season. I am one of the businesses, so I know how it has affected me. We used to have 1000 people come to the lake at Christmas and Easter. Not only have we lost that influx, but the locals who would have travelled there for the day are going elsewhere to find the water for fishing and so on. The pipeline would free up 100 000 kilolitres of water; that would fill Lake Hindmarsh every third year — beautiful! It would never be dry again if we could get the pipeline built.

Mr BEST — Do you have evidence that agencies such as those handling disability services or housing are relocating people from other centres to here?

Mr MANTON — I did not say it was them doing it, I said it was a charitable organisation that brought the guy here, but I do not know which charitable organisation helped in the relocation. One night I had to rescue him from the copper!

Mr CRAIGE — Did you have any hassles with the Department of Natural Resources and Environment in setting up your four-wheel drive touring company?

Mr MANTON — Huge problems.

Mr CRAIGE — With DNRE or with Parks Victoria?

Mr MANTON — Parks Victoria. I wanted to get to that with you. The stupid part about it was that I decided to set up a business, so I set out to find out what I needed. You need to have a taxi licence for the vehicle and special doctors certificates to be allowed to drive it. That is fair enough, I have no problem with that, but when it came to Parks Victoria I had to apply for a permit to do business in their parks. That is fair enough; everybody should have to do that. But then they said, 'Where is your public liability insurance?'. I said, 'I've got it all teed up, here's the quote, I will give you my bank account number if you want to see if I have enough money to pay it, but I don't want to pay it until I get a permit. Why should I pay \$1000 when I am not using it?'. They said, 'No, you have to do it'. So I paid the damned thing — and then it took five months to get the permit.

There is half of my public liability gone and I could not operate until I got the permit. I had to renew that permit in the middle of this year. I sent everything to them again, the girl rang up and sent me back a receipt and said everything would be right. I expected to hear from them soon and I still do have not the permit renewal. That is three months. I can be operating now; I am not saying I cannot operate.

Mr CRAIGE — Initially you could not have.

Mr MANTON — No, initially I could not operate in the parks until I had their permit.

Mr CRAIGE — So one thing you would like us to take back is that when those things happen either you do not have to pay it until you get the permit or it should take only two or three weeks to get a permit?

Mr MANTON — It is probably going to take a bit longer than that, but a reasonable period I thought would be a month. Maybe I was not smart enough to put a later date on it, but you have to give them a current certificate from the insurance company. I could not even give them a current postdated certificate, if you know what I mean. That did not impress me greatly, but I am up and running.

The Department of Natural Resources and Environment is very good in this area — it gives the farmers great help. I have been instrumental in setting up a new Landcare group — \$100 000 worth of stuff in three years for the Jeparit area, no problems. Some of those things are excellent.

Mrs COOTE — You have given me a lot of insight into what happens in a small town, particularly things like the volunteers and getting the treasurers and secretaries for clubs, those sorts of issues which are really vital to the lifeblood of small towns. The only question I have is: when was Lake Hindmarsh last full?

Mr MANTON — Last year it was getting low, but it finally dried up in February after we had a very dry year. We have just gone through a five-year drought. It is the driest five years known to white man in this area. We have 10 per cent capacity. In Melbourne they complain when they have 50 per cent of water in the reservoirs and the Wimmera area is running at 10 per cent. Who cares? It was two years ago when it was full.

Mr BEST — I share your concern about the footy, particularly the restructuring of so many of our leagues and the problem we face with telecasts. Hugh Delahunty has been leading the charge for us. It is enormous.

Mr MANTON — Definitely. I congratulate Hugh on his enthusiasm and John Forrest also.

Mr CRAIGE — It is just a pity more people like Mr Best do not go and play football and stay 'best country footballer never to play city football'.

The CHAIRMAN — Thank you very much for your evidence. We will send you a copy of the Hansard record of our discussions.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Nhill – 28 August 2001

Members

Mr R. A. Best
Mrs A. Coote
Mr G. R. Craigie
Ms K. Darveniza

Mr N. B. Lucas
Mr J. M. McQuilten
Mr T. C. Theophanous

Chairman: Mr N. B. Lucas
Deputy Chairman: Mr T. C. Theophanous

Staff

Executive Officer: Mr R. Willis
Research Officer: Ms K. Ellingford

Witness

Mr R. Sherwell, Nhill Traders Association.

The CHAIRMAN — All evidence taken by this committee is subject to parliamentary privilege and is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act. Welcome, you are speaking with us about the structural reform reference.

Mr SHERWELL — I am speaking on behalf of the Nhill traders.

The CHAIRMAN — We will call it structural change.

Mr SHERWELL — I will not keep you long.

The CHAIRMAN — You fire away and then we might ask you some questions.

Mr SHERWELL — These are just a few concerns I noted upon conferring with the other traders, concerns they have had with a few of the services that we have had and lost in the township. Banks seem to be our biggest problem at the moment. A few of the people are worried, the same as the other townships. Even though we have all the banks here, for the in-house banking where you can have your banking needs looked at we are finding that we have to go to Horsham as an outlet which costs us time and money. Being a lot of single-owner operators we are finding that you have to employ someone to take over and if it is a half day out it is an extra cost to business. I think you will find in some of the smaller areas of rural Victoria that we are battling as it is so the less costs we have the better situated we are.

The CHAIRMAN — What is your business?

Mr SHERWELL — I have a little gift shop. I am a single owner operator so I know what it is like. I am fortunate that I bank with the National Bank and it has all the facilities I need here, but a few other members of the traders association have indicated that it is a pain in the backside for them to get someone in to look after the shop and to take a couple of hours to go down and back plus the appointment time. It is not only costing them wages but also fuel. The banks cannot make the loan or guarantee an overdraft because the people who are in the box seat to do that are not here. That is my main concern on the banking. It has had some impact on some businesses.

As far as the shire services go, I am going to include a few others in this. The water board had its own council here at one stage and was self-funded. It has now amalgamated along with the shire as everyone knows. The Telstra depot we had here is now gone, the rail has been lost and the Powercor depot is down to two people. The main problem we are having with this is the amount of people on the ground doing all the service work have been spread out over such a wide area that we are finding we are not getting any service within a certain amount of time unless they happen to be in the area. There was an incident the other day where one of the chaps in the main street had a power problem. It took them 4 hours to come from Horsham to Nhill to press a button. He owns the butcher shop and all his refrigeration was out. If it been in the middle of summer he would have been in trouble. When we had these services in the town it would have been 10 or 15 minutes, half an hour, and they would have been there. I feel they are covering too big an area and they are just not helping. On top of that, with those services going we have lost somewhere in the vicinity of 20 to 30 jobs. That is \$750 000 a year gone out of the community. Those were the concerns raised.

I also spoke to couple of people this morning because I happened to hear on the wireless that Workcover may have been looked at. Two people I spoke to actually said that employing people is a pain in the neck because from last year's premiums Workcover costs have gone up 75 per cent. That is astronomical for one year. That is the local supermarket which employs a lot of people. I feel there should be some concessions if that is at all possible. I do not know how you operate it, but it is something for you to look at. That is probably all I have. The only thing I could suggest is we retain what services we have and hopefully get few back if you can push them back into our area. I think because we are halfway between Melbourne and Adelaide we have a perfect opportunity to have some more industry come into our town. There is plenty of scope there for that plus the industry we have should be supported wholeheartedly.

Mrs COOTE — Are the traders here at the moment optimistic and enthusiastic?

Mr SHERWELL — The biggest problem with them is we are a new group, we have probably only been up and running for about 18 months, and they are taking a bit to come around. However, they are slowly getting more and more to meetings and there is more and more involvement coming now. We run a couple of promotions throughout the year. We are now looking at another one in the early part of next year so we are trying to promote the town and the businesses to get people to come into the town.

Mr CRAIGE — As a trader you must be very happy with the federal government's injection of funding for the highway and all the street work. That must be a positive to you guys. Those are the sorts of things where, while there might be a few hiccups in the short term, you can see the positive effect of the federal government's injection.

Mr SHERWELL — Definitely. That will only benefit the town. All we need now is to get the new toilet facilities up and running. You people ought to be able to help with that.

Mr THEOPHANOUS — I do not know why the council has these stickers about Canberra's road rip-off with what Geoff has just been talking about; I think there is another story there somewhere. You mentioned rail which has gone, and Powercor and electricity which has been privatised, and said that has led to a reduction in the number of people employed in the service centres. The same thing has happened with gas.

Mr SHERWELL — We have never had gas here as such, but you are right in other areas.

Mr THEOPHANOUS — The old Heatane Gas was sold off so you have only one source of LPG. With all of these things and the closure of other facilities that took place it was more or less pretty much a disaster during the Kennett years, was it not?

Mr SHERWELL — I knew you were going to raise that.

Mr THEOPHANOUS — If you are going to talk about the federal government, let us be honest about it.

The CHAIRMAN — Did you have a question?

Mr THEOPHANOUS — We had a councillor here who is one of the government's strong supporters and that is good. Is it not the situation that all of those closures of schools, of facilities in health, power and all of those services over that period, have had an effect on this community?

Mr SHERWELL — Exactly. That is what I just finished saying.

Mr THEOPHANOUS — We are trying to find a way of rebuilding it and part of that involves trying to attract investment into areas like this.

The CHAIRMAN — Your question?

Mr THEOPHANOUS — Are you hopeful that things like the extension of the rail line will help this community?

Mr SHERWELL — I would hope so.

Mr THEOPHANOUS — What else can the state government do to try to repair some of that damage?

Mr SHERWELL — As I said before, I would personally like to see the state government encourage some of the bigger businesses and industrial places to come into town. I think we have room and land available for that. That is my own opinion, I do not know what the shire thinks about it. That creates employment. We have Luv-a-Duck and Lowan Foods which employ quite a lot of people. The only way to get people into a small town of this size is to have more industry. I think we are strategically placed pretty well because we are halfway between Melbourne and Adelaide so they can go to either.

Mr THEOPHANOUS — There is a range of new programs which I am sure you and your members are aware of that are designed to do that. We are happy with any suggestion that you might put to this committee or the government for new programs which might help.

Mr BEST — How did you and your fellow traders view the council amalgamations?

Mr SHERWELL — As I said, they were already amalgamated when we got our traders association up and running. I would say it was probably a bit negative across the board. I managed the Beaurepaires store down there and we looked like losing a few personnel in the town. Everything got spread out and it affected Jeparit and Dimboola and everywhere else. I think the area that the Hindmarsh shire covers is probably too great.

Mr BEST — Did you have a rate reduction?

Mr SHERWELL — I do not think we did. I do not know, I just pay them and that is it. You have to pay rates because you need the services.

Mr BEST — Have do you see the performance of the council now?

Mr SHERWELL — I cannot fault the performance of the council. There is nothing wrong with that. I think maybe there is not enough funding there and the council does not have enough men on the ground to do a few things which maybe could be done. We cannot argue because the Hindmarsh shire is based right here and we are probably better off than Jeparit, Rainbow and Dimboola where shires were taken out.

Mr BEST — Are they supportive of your organisation?

Mr SHERWELL — Yes, we have no problems there. They would be told if we did.

The CHAIRMAN — Thank you for your time with us today. We will send you a copy of the Hansard record. In closing this hearing can I again thank the councillors of the shire who have shown a keen interest in what has been going on today. I thank Mr Neil Jacobs for his assistance in setting the room up for us — we appreciate that very much. We will be reporting to the Parliament in a few months. We face the challenge of making appropriate recommendations which will move the state forward in relation to issues we are looking at.

Committee adjourned.