

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Warracknabeal – 29 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
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Staff

Executive Officer: Mr R. Willis
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Witnesses

Cr D. Bell, Mayor;
Cr K. Sleep; and
Ms J. Tod, Chief Executive Officer, Shire of Yarriambiack.

The CHAIRMAN — I declare open the Warracknabeal hearings 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. Today the committee is hearing evidence on its references into structural change in the Victorian economy and exports.

I thank the Shire of Yarriambiack for making the facilities available for the hearings. I welcome the mayor, Cr Bell, Cr Sleep and Ms Tod, the chief executive officer of the shire. The committee appreciates being here and looks forward to hearing from the council and other members of the community in Warracknabeal. Would you care to make an opening statement?

Cr BELL — The Shire of Yarriambiack is a big shire and covers 200 kilometres from one end to the other, with 13 small towns. In the past few years we have seen a dramatic decrease in the population. We also have had a lot of people move from other areas to live into the small towns of the shire. The amalgamation of the three shires — Dunmunkle, Karkaroc and Warracknabeal — into the one shire has caused a number of problems. In addressing some of those problems Cr Sleep, who represents the Hopetoun area, will talk about municipal services.

Cr SLEEP — The Karkaroc shire was set up in 1896 and was amalgamated into the Shire of Yarriambiack in 1995. At that time the Karkaroc shire was served by 12 councillors; now it is served by one, who now covers three times the area. Along with the merger there was an economic downturn in the rural industry — cropping and so forth. The merger resulted in a loss of 30 part-time and full-time jobs in the Hopetoun area. That loss flowed on to schools through the loss of students from those affected families, a reduction in the number of teachers needed, the loss of business to the community and a loss of voluntary contributions from the community as people left the area; that put pressure on the remaining members of the community to meet the need for volunteers. Also, a reduction in banking facilities reduced the financial basis of the community.

The feeling in the community about the council amalgamations ranges from self-satisfaction through to apathy, despair, isolation and ongoing threats to livelihoods for the people remaining on the council. It led to an ongoing threat to the maintenance of the infrastructure within the community and a sense perceived by the residents of any future change affecting their viability. We are going through a major refocusing of services with the local health service. There is much concern about that. The critical point is a feeling of no trust of outside agencies and the threat of continual change — that is, taking them out of their comfort zone and putting other stresses on the community.

In relation to the banking issue, a number of small communities no longer have a facility or have only a small postal and Commonwealth Bank agency. Those communities also have people migrating into the communities to take advantage of cheap accommodation. That is happening at such places as Beulah, Patchewollock, Hopetoun and, to an extent, Warracknabeal.

Ms TOD — I shall refer to a couple of matters raised in our submission. We made the point about a desperate need for public transport in this particular municipality. I am sure the same need applies in other rural municipalities. We have some public transport, but it does not focus on the major regional centre, which, for the majority of our municipality, is Horsham. I have made reference in our submission to vocational education and training (VET) students and the difficulties in arranging transport for them to attend training placements each week. I stress that we need regular, ongoing public transport to solve the issue. We were lucky to obtain some funding to provide buses for the VET students across the region. Yarriambiack Shire Council administers the funding. We have had to cancel that project because the parents had such an intricate network of transport arrangements that they did not want to give that up if the funding was to be for only one term because it would be hard to re-establish their network afterwards.

The establishment of trial or short-term solutions is a difficult way to solve the problem because it is such a difficult task for parents to make the arrangements. It relies on somebody travelling from, say, Hopetoun to Warracknabeal to provide a regular ride; or somebody going from Warracknabeal to another town. People worry that those arrangements will be upset for only a short period and that they will lose what they have relied on so strongly. While it was disappointing to cancel the project, it shows that a short-term trial is not the solution to the problem.

Mr CRAIGE — Would the council support other submissions we have had — that is, where the VET program is expanding there should be a rural student driving licence that allows the students to drive, as happens in South Australia? The police have a contrary view on that to a lot of other people. It is a challenge for the communities, as it is in South Australia where young students can drive at 16 years of ages; yet, less than

10 kilometres across the border young Victorians cannot drive at that age. It has been strongly put to the committee that consideration should be given, due to the tyranny of distance and other issues including population, to a rural student driving licence in the areas where it would apply to expanding programs.

Cr BELL — The council considered the issue. The council believed that 18 years of age was young enough to have a driving licence, mainly because of the safety issues, but I do not know that we considered a category of rural student licence.

Ms TOD — We did consider that category. Safety was one issue and liability was another. One of the problems with car pooling was parents accepting liability for other students. I wonder how they would feel if they were putting students with other young children who were allowed to drive.

The issue of postal communications is linked with the banking issue. Many of our towns' post offices have Commonwealth Bank agencies. The post offices in Woomelang, Patchewollock and Hopetoun have been privatised; you could say that all those post offices are currently for sale. In Patchewollock not only is the post office for sale but the local store is also for sale. There are no banking facilities in Patchewollock, which is about 2 hours drive north of Warracknabeal. In Patchewollock we are now dealing with a community that is facing the loss of many basic services. If those two businesses close you will not be able to post a letter; I presume Australia Post would arrange mail deliveries. You would not be able to buy a newspaper, milk, bread or basic foodstuffs. People travelling through to, say, Wyperfeld National Park would not be able to buy petrol or drinks for the family. That makes the present situation at Patchewollock desperate.

We highlighted in our submission that there would be a deferred impact from those structural changes associated with the privatisation of postal services. I wanted to point out to the committee that we are now starting to see that deferred change happen where there are postal businesses which are not saleable. The communities are now dealing with the issues of buying those services themselves. Certainly there is the rural transaction centre funding, and Patchewollock is seriously looking at that because it has the potential to offer postal and basic services to their community.

I would like to point out to the committee that it is very interesting sitting in with that community and dealing with the issue. One of the concerns that the committee has is this threat — I will put it as a threat — of the viability of that rural transaction centre. I find it very interesting that this concept of viability is now put upon the community if it is to get the funding for this centre. It has to identify that it will be viable in three or five years' time, and of course they do not know that. The point that I wanted to make is it is happening: what we said was going to happen is happening now, and those businesses are not saleable. The community is now working out ways in which they can take over the businesses to continue to provide what we would term a very basic need in our community.

Mr BEST — I would like to make a point there. Those of us who have seen the television would remember TGP — Tempy, Goya and Patchewollock — as the football club. We remember the history of what has happened to that area as far as holdings are concerned and the football league and the club. This is a perfect example of where holdings have gotten bigger, families have bought adjoining properties and people have moved out of the area. Tempy was a football club, Goya was a football club and Patchewollock was a football club and because of loss of population they joined together. Then Tempy-Goya-Patchewollock joined with Ouyen United and now they are at Ouyen. I think the football league has gone now and become part of another league.

Cr SLEEP — It is now the Mallee Football League. A section of the Tyrrell league, the Southern Mallee and the Mallee league all merged.

Mr BEST — Then you look at the community of Patchewollock and what has happened to the school. Half of the parents who had children at the Patchewollock school are taking them down to Hopetoun. It caused enormous problems for us as members of Parliament in trying to placate both sides, one of whom would not support the local school.

Ms TOD — Your reference to the Tempy-Goya-Patchewollock footy club came up at the rural transaction centre meeting. Ron Jackson raised it. Approximately 10 years ago, because I do not think they have played football there for about five years, they obtained funding from the then Department of Sport and Recreation to renovate their facilities there on the condition that they remained viable for six years. Communities have very responsible people in them and Ron was so concerned that that football club would not survive for the six years because of that condition of viability that had been imposed upon them. They made it for the six years and Ron raised it as being something quite important to the community, that they comply with the conditions that the government is putting on them.

I suggest that if there is going to be funding in the future that helps communities solve their own problems, perhaps some of the conditions and standards could be more flexible and perhaps governments could leave it to the communities to decide whether it will be the right thing for them. It is only a community that can decide whether it has the wherewithal to pursue something like a rural transaction centre. Many of the communities are often coming out of crisis, and I agree that Patchewollock has probably been in crisis. The school was certainly probably bottom of the bottom, and the proposed sale and now closure of the local store because they cannot sell it is probably right at the crux of the crisis. A sign on the front door of the Patchewollock store asked if there was a future for Patchewollock in talking about their annual sports. They continued with their annual sports and that was almost a turning point for that community.

They have wherewithal. This year they joined together as growers and managed to get a third or fourth bunker for their grain there. Because they did not have to pay the cartage across to Tempy or Speed and because they were a united group and negotiated they managed to get another \$5.50 a tonne for their grain, which effectively put \$20 000 back into that community. They have the wherewithal to do things. I would like to suggest that perhaps with funding there is some flexibility to be able to leave it to the communities to determine whether they have the wherewithal to run things rather than set standards and impose conditions with regard to population numbers.

The CHAIRMAN — Does that conclude your submission?

Cr BELL — Yes, it does.

The CHAIRMAN — We might get into some questions. Our responsibility is to report to the Parliament the sum total of our views, having gone around rural areas throughout Victoria, and we are doing that. We are heading in every direction; we are not just going to regional centres but also to smaller communities. We recommend to the Parliament what should happen in relation to issues raised with us and the Parliament in turn passes our recommendations on to the government. The question I would put to the shire is: what are the solutions that you think the government should consider in relation to these issues that you are raising with us? At the moment we have the rural transaction centre initiative of the federal government, and there is a raft of different programs under both the federal and state governments. If what is happening is happening in spite of all those programs, the question I ask is: what new initiatives would you as a shire be looking to solve what you are putting to us as your concerns?

While you are thinking about that, the changes that have occurred in rural Victoria which we are hearing about are very real changes and they affect people. The facts are that there are now bigger holdings, people working on those holdings, more mechanisation, and we are in the computer age. There are a whole lot of things we are not going to take away; we can never go back. What are the things that you are looking for from governments to try to address the issues you have raised with us? I know that is a difficult question, but we have to come up with some recommendations so we look to the people who really know what is going on in rural areas, you people, to give us a bit of a lead in that regard.

Cr BELL — Information technology is my immediate answer. As a shire we are sort of heading that way. We have 13 small towns in the shire and that is pretty hard to manage. We are trying to get each of the towns to work on themselves, have plans and see where they are going in the future, and we are going to try to support that and bring it together as a shire. I see information technology as one of the main ways to increase communications. We were talking about Patchewollock and the availability of the Internet there is very, very ordinary, to say the least. If you are trying to do banking on it, it will drop out on you. It is very difficult. I think most of the towns will have very aged people. I think Warracknabeal is an example: there are so many houses with just one widow living in them. They cannot move around in a lot of cases, and that is why I think the availability of the Internet is something for the older people to be able to communicate with the world and their families and somehow we have to make it available to them. I do not know how.

The CHAIRMAN — You are absolutely consistent with what we have heard in other places about the availability of the Internet and just the lines to plug into to stay plugged in when you get on. The ability to get on in the first place is a heck of a problem. You are absolutely spot on there.

Ms TOD — From an IT perspective, certainly broadband and the extra band width is something we will desperately need to provide services to rural areas. As rural and remote communities we are extremely innovative. If we could have access to broadband at a reasonable cost — and I know that Telstra is a private enterprise but it will always say that it is there in the ground — but it must be affordable as well. Access to affordable broadband is not available in this municipality.

We have a pharmacist who would like to consider remote dispensing. At the moment a person drives 30 miles to their local doctor at Minyip, for example, gets their script and then the script has to come up here to Warracknabeal to be filled out and taken back down to Minyip, and the person comes in the next day to pick up the script, but only if the pharmacy has been able to get it down there. If we could have the broadband to facilitate the development of remote dispensing it would make life in those communities far more livable. It is such a simple thing. The pharmacist could have somebody trained to dispense — I understand that is 12 months training — and all of a sudden it would be so much easier to provide pharmaceutical services to many of our small towns.

Videoconferencing is something we will start to use up here. The new community banks in Minyip and Rupanyup put in videoconferencing facilities, recognising that those branches would probably not have access to a manager or financial advice on a regular basis. Naturally they thought that videoconferencing would solve that, but people find it easier to drive to Bendigo than to sit trying to catch the voice and the face in a discussion because we do not have sufficient broadband. The service is sitting and waiting, but we do not have sufficient broadband frequency to use it.

Mr BEST — Do you think that is a problem? I know one person at Patchewollock who cannot even get the ABC signal correctly. It is not only an issue of telephone lines, coaxial cabling and broadbanding, but it is the signal for television, which, you would think, in today's society would be readily available.

Cr SLEEP — The other issue about information technology is that it would open up a new era for farmers. They could order machinery parts or chemicals and access weather reports, and so on. We struggle to get what metropolitan people consider as basic everyday things. The small community I live in at Yaapect is lucky if it gets any television; you may be okay if you have a 60-foot aerial, but we go without because the facilities are not available.

Mr THEOPHANOUS — Thank you for your comments because, as the Chairman said, they are consistent with what we have heard elsewhere. Information technology is an important new infrastructure that needs to be delivered to country Victoria. Part of our reference is also to report to the government on the impact of what has taken place already so solutions can be found. The entire solution is not simply in the provision of information technology.

I notice in your submission that you refer to the report by Deakin University outlining some of the issues and problems that have arisen here. It talks about the effects of the council amalgamations and the loss of jobs. It uses words such as apathy, despair and isolation that resulted from the amalgamation. You refer in your submission to the downgrading of public utilities such as water and electricity. Victoria has had a downgrading of water; the privatisation of the electricity industry; schools have been downgraded, according to the report; the amalgamation has led to feelings of despair and isolation; and public transport has been downgraded. All those things occurred in the past eight years or so directly as a result of actions by the state government. Do you agree with the comments made by Deakin University in relation to the effects on this community?

Cr SLEEP — It has had a major impact and the actual impact is still being felt now. For example, health services have gone through an amalgamation process. There is a strong feeling in the northern community that services that are taken for granted in other communities will be lost. There is a major concern about obstetrics and theatre facilities, but it goes further than that. You have to get back to having the qualified staff to deal with the risk management within that facility. Those restrictions have flowed into Warracknabeal, although it may not be able to provide that service because the service does not have those trained people coming through. It is not able to meet the risk management and provide that service. It seems to be very difficult to attract those sorts of people into the shire and into other rural areas of Victoria. I know the health services advertised for a number of weeks to get staff to fill positions, but it has not been successful.

To return to your question about the feeling within the community — it is there. I was at a meeting last night. The people still have those concerns, but there is also — —

Mr BEST — If I may stop you there so I can explain to Mr Theophanous what his government is doing to the hospital in Hopetoun — —

Mr THEOPHANOUS — I am more interested in the response of Cr Sleep about the things your government did, Mr Best, in closing the public transport system, schools and hospitals, and about amalgamations and so on. I have asked the question; you will get your turn in a minute, Mr Best.

The CHAIRMAN — Maybe we will let Cr Sleep continue for the minute.

Cr SLEEP — There is still that feeling in the community. The fear is probably coming through from the older members of the community, and it will take another generation before we can see any major changes. Our services are being threatened and removed. The younger generation is taking it on board and saying, 'Let's build the community, let's get out and do things and try to solve some of the problems ourselves. Let's access some of the grants available from the state government to build the community'. For example, the Woomelang community has got together and devised a strategy to help that community survive. The Hopetoun community did the same thing two years ago. The small community of Yaapect got together and put a strategy in place for its survival. They need the support to run and maybe to have removed the restrictions imposed on the grants to justify everything. Then they can access the money that they have probably paid in taxes, anyway. That would allow them to balance the grants in kind rather than going out to a small community base and trying to get funding through raffles and so on. They should be given the opportunity to grow.

There is probably the perception in the community that they are not getting a fair go, and there is also concern that we do not get the basics — that we cannot turn the television on and pick up SBS or the ABC, which our neighbours in the metropolitan area or large regional centres can do. Mildura, with a population of 45 000, struggles to get all the television channels. They have to go through a different network to pick them up, yet the technology is available. We can put a disc on the roof at Yaapect and pick up 30 channels of pay television, but we cannot get free-to-air television.

Mr THEOPHANOUS — I take you back to the fundamental question. Are you asking for the committee to recommend actions that would bring back infrastructure into this region? When you talk about infrastructure you talk about schools, hospitals, public transport — they are the real infrastructure items. Are you asking for those that have somehow disappeared over time? Is action along those lines what you want, or is it action to try to get free-to-air television and information technology into the area?

Cr SLEEP — It is a combination of everything. The people in Yarriambiack shire and probably the people throughout north-western, western and even the Gippsland areas of Victoria deserve to have those services available. I know it would involve a large cost to the government to provide that infrastructure for rural areas but the people are there, they have their livelihoods and you must have the rural community to provide the grains, the wool and those sorts of things. They deserve the right to have day-to-day requirements; bringing some of the infrastructure back into the community would help — for example, it would help our community if people could get onto the Internet. It would bring the world a bit closer and people could see some of the issues we face. We live in a rural area because of choice, and we enjoy it. It has other benefits to offer, but we should not be deprived of basic infrastructure and needs that other people have and take for granted.

Mr THEOPHANOUS — I agree with you about information technology and other services that essentially are provided at the federal level. It is important that they be expanded into rural Victoria. As to what the state does, Victoria is capable of assisting in areas such as public transport and putting pressure on the electricity providers, although the industry is now privatised, to provide proper services; and in trying to provide proper schooling. Those are the sorts of things the committee can recommend. The last aspect I want you to comment on is how we can help the community to develop for itself a strategic plan that allows it to develop a way of doing the things you have been talking about — that is, attracting people back into the region and so on. Which of those other sorts of things do you want the committee to try to pursue?

Cr BELL — If we are to develop in this area it will be through economic development. It will be through growing our own small businesses, which is what council is looking at now. The Wimmera Development Association has a strategic plan to develop the region, and the council will be part of that. To do that we need the infrastructure such as roads. The commonwealth funding for roads has saved the shire's roads. We need that to be ongoing, as we need to attract industry and service the freight needs of industry here. We have lost middle management in towns the like of Warracknabeal. We still have banks but we no longer have the accountants and managers we used to have. They are missing. Warracknabeal has its strategic plan, and we are soon to appoint somebody to run that plan. All those things are in place. We need encouragement for people to return to the area, but they need the facilities we had previously.

Ms TOD — To pick up on that point, at the moment we are experiencing a changing demographic and social profile in our communities. I am not sure whether what we had before will be right for our communities in the future. We are having people moving into our towns for the cheap housing; they can get the \$7000 or \$14 000 first home buyers grant on the houses they are sometimes purchasing for \$15 000 or \$20 000.

Mr THEOPHANOUS — Would they not be young people generally?

Ms TOD — Not necessarily. It is changing the social structure of our communities. One thing we find is that perhaps the people moving here do not do their homework before they arrive here. They are not aware of the lack of services or the different way the services are provided. Public transport comes up as an issue for them. Some do not have cars. They arrive in some of the smaller towns particularly and have to use our stretched volunteer transport that is often run by old people so they can access places like Centrelink in some larger regional centres. The structure of our communities is changing with the introduction of a completely new group of people into them. We continually get back to the issue of people not being able to get to where they want to go to access key services that they had around the corner in the city. Public transport is a major issue of concern. We need to work together on the solution of how to provide those services more flexibly.

On the comment about the strategic plan for communities, they are great. Access to the funding for those is great but they need to be owned by the communities. We are having quite a bit of success with those plans where the communities realise that they want to do them. It cannot be something that is imposed upon them.

Mr BEST — I want to congratulate Jennifer for the submission, particularly the issue that we are suffering from here where people are selling their properties up in Melbourne, coming here and having some equity but then having an expectation of the types of services they want which is unreal in a rural setting. It concerns me that in your submission you refer to the Office of Housing relocating a single mother from Maryborough to Rupanyup when she did not have a car. Is that an isolated incident or are people being relocated to available housing regardless of the social consequences on them?

Ms TOD — That one incident highlighted the problem to the Office of Housing and we are not having that experience where people are being sent inappropriately to towns where there is no public transport. The issue now is people taking the opportunity to buy the cheap house or get the cheap rental, getting out here and not even having the commonsense to fill their cars up with petrol before travelling 30 kilometres out to their farmhouses, rather than getting out there and realising that they do not have any petrol in the car. These are the issues we are dealing with now. Fortunately the Office of Housing has taken heed of our advice there.

Mr BEST — I want to raise an issue which will be fundamental in the future. I attended a meeting in Hopetoun where the Department of Human Services has made a decision to cease the provision of theatre services and obstetrics from the Hopetoun campus of Rural North-west Health. The meeting of the board on Monday night agreed to adopt a new service plan which will identify all the services to be delivered in the future from the campuses at Beulah, Hopetoun and Warracknabeal. The concern I have is that there is a feeling in Hopetoun that there has been a lack of consultation and that the board of management, at the direction of the Department of Human Services and to ensure that it does not get it offside, has come up with a new plan even though we did one in 1998 which gave each of the campuses an identification of what services they would have so that they might join together and amalgamate. What position is the shire going to take in assisting those people in Hopetoun who are dissatisfied with the direction of the service removal from Hopetoun?

Cr SLEEP — A very good question. You are probably asking the wrong person because I am a member of the board until 1 September. In saying that, I do not believe the community has been kept out of it. The community is well represented by the board members in that community and the community has had access to those board members and has spoken to them over a period of time. Yes, the board has been under confidentiality restrictions in relation to this service plan, but the service plan in itself will depend on how the health service can be staffed with qualified nursing staff to reduce the risks that I mentioned earlier. The service plan provides a blueprint to develop the health service; it has not restricted it. It provides a blueprint to develop the health service and it is how we implement that blueprint which will determine the services to be provided to the community.

The CHAIRMAN — Time is on the wing.

Mr CRAIGE — I just wanted to refer to the issue of public transport in particular and your comment in the submission about the withdrawal of public transport. Part of our inquiry is to assess the impact of the withdrawal of services. Going back five or so years what services have been withdrawn, or are you really saying that it was never any good anyway and you need more?

Ms TOD — Passenger trains.

Mr CRAIGE — When did they last run through this shire?

Cr SLEEP — Early 1990s through Woomelang.

Mr CRAIGE — It is important from my point of view. Are you saying to us that public transport is an issue simply because of the changes that are occurring in the demographics, the population mix and what is happening and therefore there needs to be a more realistic look at the service requirements of public transport?

Ms TOD — That would be the outcome we would like to come from this particular committee. The services before probably were not appropriate because obviously people did not use them and therefore they were not necessarily viable. Apart from the access to the passenger rail at Woomelang there was access at Murtoa which a lot of our communities up here used. That was not adequate either and that is why I was making the point before that I believe we need to look at how we can provide public transport for the future, picking up on the change in our communities and in a more flexible mode to suit our communities as well.

Mr CRAIGE — I understand the Department of Infrastructure is currently conducting a survey on bus public transport needs to try to complement the reintroduction of rail to Ararat. I encourage the shire to ensure that it contacts the department and is a part of that current review.

The CHAIRMAN — We have run out of time. We want to thank you for coming here today and enlarging on the submission the council has sent to us. I acknowledge that a number of councillors are here supporting their representatives; we appreciate the interest they have shown in coming along. Thank you for making your facilities available to us.

Witnesses withdrew.

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Witness

Mr D. Chesterfield, Manager, Rupanyup/Minyip Community Bank.

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. We welcome you. We have been really keen to meet you and talk with you because the organisation that you represent is famous. We have heard a bit about it and we are looking forward to hearing more from you. If you would like to make an opening statement we will then ask some questions

Mr CHESTERFIELD — I have been working in the Rupanyup Community Bank for about three years since it opened. Before that I worked in the ANZ for about 14 years so I have a few years banking knowledge. What I have provided the committee with today is some background on the community bank, nothing too dramatic but just to give you an idea of what we have done and what we hope to achieve over the next however many years. I suppose the community banks have been one of the good news stories in the district. They have certainly been the impetus for the Bendigo Bank to now have nearly 50 community branches around Australia, but we will always be the first — they cannot take that away from us. We will not be the biggest because some of the ones on the fringes of Melbourne and Sydney are enormous places generating profits of up to \$200 000 a year. They have been very successful and we can only dream of those figures because we deal in a limited market; nonetheless we are very proud of what we have in achieved so far.

The CHAIRMAN — In terms of establishing your organisation how much reliance was there on the community really getting behind it and making it a goer? Would you like to talk about that issue?

Mr CHESTERFIELD — I think it comes back to having leaders in the town for a start to get the ball rolling. You would have heard of David Matthews in Rupanyup. He is a passionate person for Rupanyup and he was the main focus of getting things going. I do not think it would have gotten off the ground without having the leaders there to get other people involved. The leadership in Minyip is not quite as strong. The people who are leaders there are getting a little bit older and are not as enthusiastic but they are very important as well. However, I would say that without people it would not happen and whether it succeeds depends on whether people really want it.

Mr CRAIGE — In the early stages, back in 1998, obviously you had to get community support to start it. Was that just done out of leadership within the towns and taken from there? One of the things we have identified is there has been a movement of the middle management, the people who were the leaders — the school teachers, the banks, the police and the council officers. I had to say that for the Chairman's sake, being a local government guy he would not let me get away with it. The issue there is to find those leaders to ensure that you can progress those things. Sometimes that is now harder to identify in the smaller towns with populations of 200 and 400 people.

Mr CHESTERFIELD — It is.

Mr CRAIGE — You actually had those leaders within those communities?

Mr CHESTERFIELD — Looking specifically at Rupanyup there are quite a few people who fit that mould. Rupanyup is the most successful of the two: it provides probably 80 per cent of the profit for the community bank. Minyip is probably lacking a bit in leadership and is the minor partner to the community bank. I suppose it just goes back to lots of difference. Rupanyup is a wealthier town than Minyip, despite Minyip covering a bigger area. Rupanyup's location, the type of soil in the district and everything like that means it is just stronger economically.

Mr THEOPHANOUS — I think this is something which all members of the community would want to congratulate you on. Trying to get the banks to do the right thing is something governments of both persuasions have tried to do. It is good to see the Bendigo Bank making this kind of arrangement. I know that you have some figures here which show you are now turning over a profit and so forth. What is the impact of the bank? This is really about having people use the bank. That is one issue, but the other issue in terms of banking is the role that the bank can play in generating new businesses, new industries, investment and so forth in getting loans going for people in the area. Can you give the committee an overview of what you have done in that area in that role?

Mr CHESTERFIELD — The people contributed about \$270 000 to open the bank. We are about eight months away from all the accumulated profits being used to pay back the contributors. Once we reach that stage the profits will be used as the community sees fit. The board of management is firm that the profits will not be used, for example, to water the football oval and so on but to see capital used and to encourage new services or investments that the towns do not now have. That is the aim. At the moment we have encouraged new businesses to develop.

One new grain cleaning plant opened at Minyip at an investment cost of about \$500 000 to \$600 000. Had a bank not been in the town that investment may have gone to, perhaps, Murtoa. You must have access to some sort of financial service.

Mr THEOPHANOUS — Do you process the applications for loans through the Bendigo Bank?

Mr CHESTERFIELD — Yes. Because I am not a direct employee of the Bendigo Bank and work for the local community bank the Australian Prudential Regulatory Authority would not allow Bendigo Bank to give lending discretions to somebody who is not a direct employee. I prepare the applications and submit them to Bendigo Bank, where they are either approved or rejected. They carry the risk of the loan going bad; if that happens, the community bank does not suffer.

Mr THEOPHANOUS — They become your client?

Mr CHESTERFIELD — Yes.

Mr THEOPHANOUS — How many of those would you have dealt with over the last 12 months or so?

Mr CHESTERFIELD — Developing businesses?

Mr THEOPHANOUS — Yes, and in helping get their loans for them?

Mr CHESTERFIELD — It may be five, but it would not be a large figure.

Mr THEOPHANOUS — That may be five businesses that would not have otherwise got off the ground?

Mr CHESTERFIELD — That is right.

Mr THEOPHANOUS — Keep up the good work.

The CHAIRMAN — Would most of the 50 per cent of the community that considers the community bank to be the main bank do all their banking with you?

Mr CHESTERFIELD — Yes.

The CHAIRMAN — But some may have an account somewhere else?

Mr CHESTERFIELD — Some have banking at other places because it costs them too much to change banks. They may have fixed rate loans locked in for five years or whatever.

Mr CRAIGE — They will wait until that is over and then might move?

Mr CHESTERFIELD — Yes. If you go back a couple of years, to 1998, to when crops were damaged by frost some people would not change banks because they have been with the existing bank for 20 to 30 years. It is hard to leave history behind, especially during lean times. Times have been hard up here. They have not had the best of seasons since the bank opened here.

The CHAIRMAN — Would you see a business volume that has gone from 16 to 24 to 31 to 35 continuing on an upward trend?

Mr CHESTERFIELD — I think it will probably plateau at about \$40 million. That would be a good solid base on which to make profits of around \$100 000 a year.

Mr BEST — I have no question, but I totally support the concept and congratulate the people involved. It is fantastic, and demonstrates that the major banks underestimate the power of the local communities and the dollars associated with local banking.

Mr CRAIGE — Talking about leadership and people in local communities, obviously you have a leadership role to play in an important enterprise. May I remove you from the bank, put you into the community and talk to you as a member of the community about restructuring? What is your opinion about the way the shire here operates and your relationship with council?

Mr CHESTERFIELD — Being in the southern part of the district we do not have a lot to do with the shire. They gave us \$2000 to help establish, but we have never received any kind of business from the shire. We have not pursued it significantly, basically because we are conscious of Warracknabeal being the base. Three major banks are located here. The National Australia Bank has been here for about the past 10 years. I am conscious they would want to support their town. We seem to be surviving okay without the shire's assistance, although I am aware that in Western Australia local councils have gone over the top to help their community banks establish, put in lots of money and encourage them to get into it.

Mr CRAIGE — The issues of rural transaction centres and post offices being closed, privatisation and shops have been raised with us. Apparently there is a reluctance because you do not want to do the wrong thing by your neighbour and other businesses in the town — it is a trait of country people. It has been put to us that there is a hesitancy to go in and put any other existing business under threat by coming into an area. That is a real issue for the committee to take on board when we deliberate. What about such things as public transport and other services?

Mr CHESTERFIELD — The previous witnesses from the shire talked about the influx of low-income earners coming into towns for the cheap housing.

Mr CRAIGE — Are you seeing that?

Mr CHESTERFIELD — Yes. I will be honest: the long-term residents of our towns do not find that particularly acceptable. It was not said before, but I believe that is the way it is viewed because the people moving generally are on welfare. Some of them will become involved in the community, some will not. The people who do not get involved are seen as something of a drain on the community.

Mr CRAIGE — And on services?

Mr CHESTERFIELD — Yes, that is the way I see it, anyway. I think that is fair comment.

The CHAIRMAN — What we have heard today has confirmed the positive feelings we had about what has happened with community banking. We are pleased to say you are the first such representative we have met. We thank you for attending. We will send you a copy of the transcript.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Warracknabeal – 29 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

Mrs J. Crow, Joint Proprietor, Warrack Taxis.

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 welcome Mrs Crow. Thank you for making the submission that the committee will read later. Would you like to make an opening statement?

Mrs CROW — Thank you for the opportunity to appear before the committee today. I have always wanted to have my say. My husband Russell and I operate Warrack Taxis and have been doing so for about two years. We took over from a service that folded and we feel proud that we have built the service up from one taxi and now have a hire-car. I think everybody would agree — and we feel — we are doing a good job. It is hard work but we enjoy it. We were known in the town before we came back, and that helped the business. We lived here originally and have been away from it for a while. Do you want to know about other public transport?

The CHAIRMAN — Yes.

Mrs CROW — Ours is the only taxi service within 40–60 kilometres of Horsham. We have a V/Line bus that operates six days a week. I do not know whether any of the committee has travelled on bus services lately, but they are not the best option. The service may be great and the drivers are good, but the buses are not user friendly. You have to tackle four or five steep steps to get into the bus, which usually has a narrow aisle; they are not so comfortable for a lot of elderly people and those not so thin. It is not the best option.

People from Ouyen, which is the start of the service, get moving early each morning because the bus gets here at about 8.30 a.m. The bus arrives at Ballarat at about 11.45 a.m. and passengers transfer to a train to Melbourne. You get to Melbourne at about 2.00 p.m. if the train happens to be on time. You do not have a lot of time to do things in Melbourne. Then you have to stay there because the return trip service would have already left before you are ready to return.

You can travel about 60 kilometres to Horsham to catch the *Overland* train. It gets in at 2.40 a.m. on the return trip. I think the daylight trains now travel down in the afternoon. It is a long way for people to have friends or relatives drive them to Horsham or for them to catch a taxi. We do not mind if we go over in the middle of the night, but it is not good for the elderly. The railway stations are not manned at night; it is not a pleasant experience, particularly if you are waiting to be collected from the station.

A bus service operates from Horsham to Mildura, but it is primarily for parcels. The other day I took a 90-year-old lady to catch the bus to Horsham. The bus stops at the hardware store. The owner said, 'Bring her in by about 12.10 or 12.15 p.m. because if the bus is early the driver does not wait; passengers are not his priority'. I sat the lady in the chair in the store where she could see through the window when the bus arrived. It was not until after 1.00 p.m. that the bus drove into the main street, but the driver still had parcels to deliver. That is not a good option for people.

The other day I got a phone call from Beulah because some people demanded a taxi. I said I could not come. They had gone to catch the bus, but it was early so they missed it. One had to be in Horsham to see a solicitor. I thought, 'I wonder how often that happens?' because they were my two experiences in the past month with that bus; neither was good. That is about the extent of our public transport. Our business tries to look after people and for most of them we do not charge the telephone fee. We went away for a couple of days and when we returned we had customers tell us that the relief driver charged a lot more than we do. He was doing it for double the price. He would have added the telephone booking fee; if the fare was \$5.70 he would have charged that amount, but Russ and I will charge, say, \$5. We are trying to build the business or service. The people are starting to use our taxis.

Mr THEOPHANOUS — In your submission you are not very kind to your council.

Mrs CROW — That is not my personal view. I clarified that.

Mr THEOPHANOUS — That's fine, we do not represent the council. I notice you say that the general consensus in Warracknabeal about the local council is one of frustration. You say:

Many do not believe they are being served well. Their main bone of contention is they are being governed by outsiders, many of whom do not even live in the shire.

Is that the case?

Mrs CROW — There are a number of people who do not live in our shire.

Mr THEOPHANOUS — Who are councillors?

Mrs CROW — Not so much councillors as workers. I think the councillors do; I think they have to.

Mr THEOPHANOUS — The submission says ‘governed by outsiders’.

Mrs CROW — But that would cover councillors out of the shire, workers and probably the man who sweeps the street. It is our government, too; it is our local government.

Mr THEOPHANOUS — I just wanted to check what you meant by that. I am really interested in public transport and want to ask you a question about that. Under the previous government a number of passenger rail services were shut down. There is a proposal by the current government to extend that rail service to Ararat. Are you able to tell us what you think the impact of the closure of those services was in the first place and what effect you think the reopening of those services will have?

Mrs CROW — To be honest, we were living in Horsham so I cannot give a very good impression of what happened here. I know a lot of them were upset that the trains stopped. Personally, I grew up in Ouyen and the Mildura train was our lifeline. You travelled all night and it may not have been the most comfortable — I have mentioned that — but you had a day in Melbourne and you could even go out to dinner as long as you caught the train at 9 o’clock and you travelled all night. You had to sleep somewhere so it may as well have been on the train. It was only one day away whereas here we are up to two. We cannot go down and back in the one day.

Mr THEOPHANOUS — And you did not have to change from buses.

Mrs CROW — No, you went there and you woke up and you were in Melbourne. That was a wonderful service. I thought it was just brilliant when I read that that was coming back; it really was needed. Now they go through Swan Hill and people from Ouyen had no bus until just over 12 months ago; they would have gone to Mildura or Swan Hill or down to Hopetoun to catch a bus.

Mr THEOPHANOUS — In terms of this community, which new service would be most helpful for them, the one reopening to Mildura or Ararat?

Mrs CROW — Ararat will only mean a difference of them having to travel by bus to Ararat and then go by train. It takes an hour or so off the bus trip and trains are far better because you can get up and walk around and they tend to be a bit more comfortable than the bus services. We are only 50 kilometres from Watchem, and the Mildura train does go through there. Whether it will stop I do not know. It used to stop and you could catch it around 11 or 12 o’clock and get off at 3 o’clock in the morning, so you needed someone there to pick you up. I do not know whether they will go that way or keep going to Horsham.

Mr THEOPHANOUS — In terms of a recommendation from this committee on public transport what you would be looking to us to recommend is that where the extensions will take place to the rail service there also be buses and feeder services available to take people to those locations.

Mrs CROW — Yes, the trains they get down there but they definitely make it difficult for people when they cannot go down and back in one day. If you have to pay accommodation plus your meals it adds up. A lot of them are lost in Melbourne if they do not like to go out; it is not good for an old couple without family and support in Melbourne or Ballarat. They talk about preferring not to stop there and a lot of the time they do not feel safe when they are not in their own backyards. In fact, they do not feel safe in their own backyards at the moment.

Mr THEOPHANOUS — There is a debate taking place at the moment and the Department of Infrastructure and the present government are looking at returning a lot of these services to rural Victoria, and the way they are returned will depend on what the rural communities say they want. I encourage you and all other members of this community to make it clear what sorts of services you think are most appropriate for this region.

Mrs CROW — I can ask my customers because I take some to Dimboola to catch buses and things like that. When I got this notice the other week I wrote out a list offering people the opportunity to tell me what they wanted me to say, because I am only one voice and we always say we do not see politicians. As I have said, I was amazed that people said, ‘What good would it do?’. That was my summary of the council and its views on that — they felt it was too damn late. One chap said he felt the country was defeated and what was the good of saying much.

The CHAIRMAN — In our opinion we have to keep trying.

Mr CRAIGE — I wanted to continue with the issue of public transport particularly. Why do you think the Ararat and Mildura trains ceased?

Mrs CROW — Because it probably did not get — I do not know, I always thought Mildura would have been viable, but probably the Ararat service may not have been viable.

Mr CRAIGE — You were going to say something before you interrupted yourself.

Mrs CROW — I said I do not suppose the Ararat one was viable.

Mr CRAIGE — And that people were not using it?

Mrs CROW — I presume that is why it was taken off.

Mr CRAIGE — If and when the train is reintroduced to both Mildura and Ararat and there are not many people using it, do you believe the government should subsidise the continual operation of those trains no matter what the patronage is?

Mrs CROW — I think you have to have a huge publicity campaign to get people back using them. They cannot be expensive. If it is too expensive, people will not use them.

Mr CRAIGE — So it cannot be too expensive for them to buy a ticket or they will not use them at all.

Mrs CROW — They do not if they cannot afford them. I think having gone without the trains for so long we will be in the same situation as when we came back here. They had not had a taxi service for seven or eight months and they were rapt, but at first they had gotten out of the way of using it and would still ring the neighbour next door, or the son had to come from work and pick them up. It has taken us two years but they are finally starting to think of ringing the taxi first. That is great, but we had to do a lot of work, and it will probably be the same for public transport. It is terrific and exactly what we want, but because they have gotten into another mode of transport they may not be there. They also have to get to it.

Mr BEST — I am an old Fitzroy supporter, by the way. You said that people do not feel safe in their own community.

Mrs CROW — At the moment we have had an escalation of crime. I have mentioned at the end that I felt it is this population growth that is coming. You only have to speak to people. One lady was out mowing her lawns, which we have done all our lives, and she was robbed of her jewellery.

Mr BEST — Is this people coming into town?

Mrs CROW — I suppose there may have been criminals who think this is a great opportunity now that someone else might take the blame. It has increased and they do not feel safe.

Mr BEST — You say it is not locals but people who have been imported from the metropolitan area.

Mrs CROW — I presume most of them are coming from that way. Look, there are a lot of people who rightly or wrongly are being blamed because they are different, they think differently, they do not really fit in, to be honest.

Mr BEST — Do you think the culture of small country towns is changing?

Mrs CROW — It has almost gone in a lot of towns.

Mr THEOPHANOUS — Would you prefer not to have them here?

Mrs CROW — That is an awful question to answer. We need more people in the community. I do not think a lot of them are very prepared to adjust to country life. They have always had services and they do not realise that when you come into a small country town we had to fight for what we have. You have to join committees, you have to go on things and do everything literally for yourself and keep them going. If you want a kindergarten you have to be on the committee, you have to cook, you have to come and take your turn at the committee. This does not happen in a lot of those places and the people who are getting out of the cities probably in a lot of cases are

unemployed. They should have the time to do these things but they do not realise that that is one of the most important parts of country living.

The CHAIRMAN — On that note, because of the time we will have to say thank you very much for coming along today. We appreciate the effort you have put into preparing a submission for us and we will have a close look at it. Well done! We will send you a copy of the Hansard record of our discussion for your information.

Mrs CROW — Thank you. I would like to thank Jennifer for recommending I come.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Warracknabeal – 29 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

Witness

Mr P. Haney.

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. If you would like to make an opening statement to us and we might then ask some questions. We have about 15 minutes to do that.

Mr HANEY — Thank you for the opportunity to address the committee. Because of the time constraints I was advised of if you do not mind I will read my address to you and then take any questions. Please do not think me rude because I am not looking at you. Although like many people in small towns I am a member of several community organisations, I appear before you today as a proud and probably a little bit parochial individual home owner and member of the community of Minyip. Attachment 1, although written in 1992, provides an insight into the town.

No doubt during the various hearings you will be receiving suggestions on what the government needs to do for small towns. I prefer to address my remarks to what we have done to overcome some of the problems we have encountered in the hope that others may benefit from our experience. Naturally we still have several areas where we need help, especially regarding infrastructure. For example, we are reliant on bottled LPG, which costs about three times the price of natural gas in Melbourne. Attachment 2 illustrates this point. Adjusted to current charges the annual bill for the average house in the example is about \$1300 as opposed to about \$400 in Melbourne.

For over 20 years we have been trying to get sewerage for the town. Three years ago we thought we had finally won our long fight after a series of public meetings established beyond doubt the need for sewerage. However, that was all stopped with the change of government. We have a severe mosquito problem in summer which used to be controlled by a state government-funded spraying program supplied by the local council, but this has been stopped in the last couple of years due to the withdrawal of government support. To make matters worse, the local council was forced to spend over \$20 000, as detailed in attachment 3, on a survey to determine what we already knew — that is, that we desperately need sewerage. We still have our mosquitoes, and to date there has been no commitment on the sewerage proposal.

Our local tip was freely accessible to all and had a reputation as one of the best-run tips in the state, with designated areas for green, metal, industrial, farm and general waste. It was fired on a programmed basis which reduced volumes of waste and virtually eliminated rats. The Environment Protection Authority rules have wiped out these benefits. The tip access is now restricted, locals have to pay to dispose of their rubbish and burning has been banned. The end result of these changes, which I believe were made by people with no local knowledge, is that access to the tip is restricted, locals now have to pay to use the tip, the rat problem is back and the risk of illegal dumping, especially of green waste, has increased.

The CHAIRMAN — I think we are going to run out of time if we keep doing it this way. Given that our terms of reference particularly look at the issues of banking, post, municipal services and employment, can you take it that we are going to read what you have sent to us and maybe move down to deal with the issues that are particularly on our agenda? Have you referred to postal services?

Mr HANEY — I have not.

The CHAIRMAN — The council, public transport?

Mr HANEY — The only public transport we have, if you can call it that, is a bus that goes through town and down to Ballarat once a day. Otherwise we do not have public transport.

The CHAIRMAN — Right.

Mr CRAIGE — That has been like that for years.

Mr HANEY — The train used to stop at Murtoa but now you have to go to Horsham for the *Overlander*. We have no public transport. I refer to the second-last paragraph on page 2 of my submission:

Following our success with the bank —

as you heard earlier —

we succeeded in gaining one of only six IT centres to be set up in 1999, and although we are the smallest town to have such a facility, the Minyip Community Enterprise Centre ... is reputed to be the most successful.

Probably the one area I would like to concentrate on now is the excellent health system, which involves cooperation between the Shire of Yarriambiack, Dunmunkle Health Services, Wimmera Health Care Group — which includes the hospital — and Dunmunkle Lodge.

I will try to skip over much of my submission in the interests of time. We have a cradle-to-grave health system. A lot of the information may be useful to you; it sets out further details. We provide for infant welfare, children and toddler training, programs for preschoolers, primary schoolers, adolescents and the elderly. The health service has preventive medicine programs, gutbuster programs and healthy living-style programs right through to the elderly citizens at Dunmunkle Lodge and the nursing home at Rupanyup.

I have written a couple of letters, one entitled 'Simply the best', which is an attachment to my submission. Another is an article by Dr Best. Both give a fair insight into the system here. It is a model that I believe could and should be duplicated around the country. It does not cost much. The community owns the service. We employ the doctors and nurses, so the doctors do not have to cover all the overheads and be on call all the time. We have three doctors for 2100 people. Only one doctor needs to be on duty outside normal hours. We have highly professional trained medical staff. I believe we have the best health system in the state. I have lived in Melbourne, Sydney and the Northern Territory. There is no better health system.

Mr BEST — It is part of the north-west health service?

Mr HANEY — Dunmunkle Health Services was created because we lost the hospital in about 1985 under the Cain government. We lost the building, so we could not reopen a hospital. We combined with Murtoa and Rupanyup. My main focus in my address is how cooperation can achieve wonders. Our working with Murtoa and Rupanyup achieved the Dunmunkle Health Services, and by working with Rupanyup we got the bank. By working with Murtoa we saved our footy team and won the next three premierships. By working with the council and the health services we ended up with a fantastic health service. You have to think outside your own town.

Mr BEST — When Dunmunkle Health Services was put together, bearing in mind the success it has been able to achieve, it became the catalyst for other models being put together throughout the area.

Mr HANEY — I am not aware of anything like we have, where the three towns combined to have one service and three doctors service three towns. It is a fantastic model. The same applies to the bank and to Emma's Internet Cafe. In small towns it is difficult for an enterprise to operate on a stand-alone basis because there is not the volume. We have a number of people who have multiple enterprises on one site. The classic example is our newsagent, who is also our hardware store, haberdashery, souvenir store, stationery supplier and giftware store. We have five or six businesses on one site. Suddenly it becomes viable. A lot of small towns say, 'We cannot afford to have this or that business', but if they are combined into one enterprise, suddenly you have one enterprise.

Mr BEST — We heard yesterday from a council about a number of businesses that had stood alone coming together and forming one business. It has resulted in a more successful business and has stopped people shopping away from the town.

Mr HANEY — You can also have a situation of having seven separate businesses in a town; you need one person to operate each business, equalling seven operators. If you combine the businesses onto one site, you would have maybe two people operating the whole show.

Mr BEST — And you are providing a service, also.

Mr HANEY — Yes.

Mr THEOPHANOUS — Thank you for your submission. The cost of running a business and maintaining a community is important. You highlight some of those factors in your submission. The cost of liquefied petroleum gas, which, you indicate, has tripled, is partly an outcome of the sale of the Heatane gas division of the Gas and Fuel Corporation by the former government to its major competitor. Is there much more we can do about that, short of bringing in more competition that was lost because of that sale?

Mr HANEY — It is probably too late now, but when the pipeline was brought across from Carisbrook, had a line been taken along the main route the pipe would have come through here just north of Rupanyup; all the road reservations were in place. The local people put a submission to have the natural gas line brought across, with a spur down to Stawell and back to Ararat, and have a junction just north of Rupanyup, which, in future, would

have meant the pipe could have been laid through Minyip and Warracknabeal to Dimboola, Hopetoun and all over the place.

Mr THEOPHANOUS — When did that happen?

Mr HANEY — I tried to find it, but I think in about 1996. I could not find a copy of it in my files, so I did not refer to it in my submission.

Mr THEOPHANOUS — By then the Gas and Fuel Corporation had been sold, so there was no longer any public enterprise to do that.

Mr HANEY — It was when submissions were being received as to whether a pipeline would be constructed. Opportunities have been lost, but now that is history. We have to look forward.

Mr THEOPHANOUS — The opening of the Mildura rail line was mentioned earlier. Do you support the re-opening of that line and the one to Ararat? Do you think it will be a good thing?

Mr HANEY — I do not know how much it will affect us. Both lines will be quite some distance from Minyip. The closest point for us would be at Murtoa. There would be more value to us if the *Overlander* train that used to stop at Murtoa again stopped at Murtoa instead of our having to travel to Horsham or Stawell. Our focus would probably be more on getting the standard gauge line right through so we could have freight and rail transport all the way down to Melbourne and to the ports.

Mr THEOPHANOUS — It would be good if the local community could support it and it would be even better if you could get your local members from the opposition parties, who closed it in the first place, to support it.

Mr HANEY — I do not think the train stopped at Minyip; it used to go to Hopetoun. I think the train last stopped at Minyip in 1991 or 1992.

Mr BEST — One issue raised is the influx of people who have sought cheaper housing but who may not be contributing to the community in the same way locals have contributed over the years — and I congratulate you because you are a good example of that. Have you had any experience of that in your home town?

Mr HANEY — It is a two-way street. The people who have been established for a long time tend to think that the people coming into the town should show their community spirit before you rush out and welcome them with open arms. I moved here in 1993 and one of the first things I did was find out about the local associations and whether they needed any volunteers. Early on I attended a meeting of the local progress association. Then I got involved in the Australia Day committee and other groups. As soon as the townspeople determined that I was prepared to put into the community — although I will never be considered as a local — I was accepted as a member of the community. We have to find ways of encouraging new people who come into the town to get involved in the community because voluntary work makes the community run.

People who have children have a big advantage because as soon as you have children at the school, you find a warm welcome is created by the people at the school. You become virtually enfolded by the school and you cannot help but get involved. Single people who come up here and do not have that connection find it more difficult. They should do what I did — that is, find out what local organisations need help and if you are young get involved with the CFA, for example.

Mr CRAIGE — I have a letter about the Minyip sewerage debate, when the former Kennett government committed \$497 640 for that project. Has that been built?

Mr HANEY — We do not know. We are waiting on the minister to make a decision.

Mr CRAIGE — On what?

Mr HANEY — On whether it will go ahead. I have had talks at the last meeting of Grampians Water at Minyip about two weeks ago. The proposals were still being laid out. I was advised by Grampians Water at that stage that they are still in planning work and waiting on a decision by the minister.

Mr CRAIGE — It is a vital infrastructure project for Minyip.

Mr HANEY — Yes. Go to Minyip and see what is running down the gutters, then tell me we do not have a problem!

The CHAIRMAN — Thank you for your attendance. We appreciate very much the trouble you have gone to in putting your extensive submission together. We appreciate your coming to meet the committee. We will send you a copy of the transcript.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Warracknabeal – 29 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

Ms S. Farnham, Manager, Workco Ltd.

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.

Ms FARNHAM — I know that John Ackland from Workco at Horsham has met the committee. I want to focus on a different concept in a smaller town; he was talking about Horsham. The problems we are having in the smaller towns in this and other shires, for that matter, are not so much about employment but underemployment. Mention has been made about the skills shortage issue, but it has now turned into a labour shortage issue. It is not just a matter of skilled people being needed, because we are looking for all sorts of people. We need people coming to the community.

The employment services now being offered are far better than they were previously. The range of services coming to Warracknabeal now has greatly improved, particularly the service we offer through Workco. We think of ourselves as a one-stop shop. We bring services to the country so that people do not need to come to the regional centres. When I talk about a one-stop shop, we have several services that people can now access that were not available previously, such as employment, apprenticeships and traineeships, career pathways for the kids and the jobs pathway program. We go into the schools to guide them down the pathway maze and get them into employment.

I will pick up on a couple of points already made. Attracting people to any of the small regional towns has been a huge issue. The Wimmera Development Association and Workco have been working hard to arrive at ways to overcome that problem. We have been running a few forums and have broken them into specific areas. We have had a local government forum, an industry forum, a community forum and a skills forum. We see attracting people to the region as being not one issue but involving a range of issues. When you say to somebody, ‘Come to Warracknabeal’ the response generally is, ‘Do you have a job for my partner? What about transport, entertainment for the kids, university and the availability of schools?’. It is not just a matter of offering a person a job here, it is all the other things such as infrastructure that go with it. Public transport is a huge issue for employment considerations.

Earlier I heard reference to new people coming to the town. They could quite possibly find work, if not in Warracknabeal certainly in Horsham, but the cost of fuel and the non-existence of public transport means getting to and from work becomes difficult and almost an impossible situation.

A few years ago a bus ran from Warracknabeal to Horsham on a daily basis to bring workers to Horsham, but I do not think that service exists now. Actually getting to a place of employment is a real problem. Some of the jobs that we have on our books at the moment are very good jobs: we are not talking mickey mouse jobs. There is the community coordinator job that we are trying to fill, and jobs such as mechanical fitters, high-class welders and even a school principal for the local Christian school. They are trying to recruit from South Africa, which indicates how bizarre the situation is. Yesterday we had a forum with the industry training bodies in Horsham. The 12 industry training bodies came to Horsham to look at the skills issue and the labour shortage. All these things were again raised as issues — transport, infrastructure things, low wages in the country compared with the city, and the fact that opportunities in the country are perhaps limited in terms of career paths — country placements are often seen as a stepping stone to the next point of employment. The retention is difficult, too.

With the internal migration, as I call it, here there are things that could be put in place to alleviate some of that. In terms of actual paid employment, while there are positions there for skilled people and other people as well, perhaps the linkages between the people coming here and the types of jobs available are not that strong. I believe something like the Work for the Dole project could be used in a more refined way with perhaps money going into the community so people could go and work on a particular project and feel part of the community. I have been hearing that people are not being welcomed into the community or there is nothing for them to engage in when they get here. Perhaps if there are some sort of community-based projects going on, things that the little towns need like refurbishing the halls or schools, that would be a project for newcomers with perhaps lesser skills to engage in.

The CHAIRMAN — We are just about out of time. We might ask some questions.

Mr THEOPHANOUS — One of the positive things I would say about the previous government is it actually supported bringing skilled migrants from overseas. It created a lot of problems in country Victoria in terms of services, but one of the things the previous government supported was more skilled migrants coming from overseas. The present government also supports that but unfortunately that program has been cut back severely by

the federal government. Do you think there is a role for some sort of program which says we will bring skilled people into Victoria from overseas as long as they are prepared to stay in regional places where they are required for those jobs as per the South African model? Is that preferable to having a situation at the moment where welfare-dependent people are coming up and buying houses and not really contributing to the community?

Ms FARNHAM — I think that would be an excellent thing. It is happening already in Nhill.

Mr THEOPHANOUS — I asked the question because I think it is important. There is a political perception and a perception in Melbourne and other places that people in country Victoria are not as tolerant of migrants coming from overseas and skilled migrants and so forth. I do not accept that view; I think it is wrong and it is certainly not what I have seen from going around. It would be important if this committee could report that the idea of bringing in more people, especially skilled migrants, to take up positions that other Australians are not prepared to take up in rural and regional Victoria is a positive thing and should be pursued.

Ms FARNHAM — I have certainly found no evidence of skilled migrants not being accepted into the community. I do not think that is the issue; it is perhaps the people who are coming up and not contributing to the community. I believe anyone who contributes to the community is readily accepted. On that point I think it is not only skilled migrants who could be encouraged to come into the community by way of some sort of cadetship or arrangement whereby they stay in the rural community for a length of time, it could also apply to young university students whom we could attract. Obviously it would be seen as a stepping stone, but often kids will go away to university and then 10 years later when they are thinking of having families or they have married the girlfriend who has been a local they will come back to the rural areas to seek employment and we have to find employment for that level. We have top-level employment and we have lower-level employment, but with the reduction in infrastructure this middle group is missing out and we have nothing to offer them.

Mr THEOPHANOUS — You are saying that even some semiskilled or unskilled people who are prepared to do the hard jobs around the place are probably needed as well?

Ms FARNHAM — Yes, the types of people we are looking for are across the board.

Mr THEOPHANOUS — It is really people who want to work.

Ms FARNHAM — Yes.

The CHAIRMAN — Thank you very much for coming along. We appreciate the fact that you have shown this initiative to appear before us and give us your views. We will send you a copy of the Hansard record. Thank you very much for your time. In declaring the hearing closed I again thank the Shire of Yarriambiack for its hospitality in looking after us.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Avoca – 29 August 2001

Members

Mr R. A. Best
Mrs A. Coote
Mr G. R. Craige
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Mr J. M. McQuilten
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Chairman: Mr N. B. Lucas
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Staff

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

Witnesses

Mr S. Cornish, Chief Executive Officer; and
Mr G. Gray, Economic Development and Tourism Officer, Shire of Pyrenees.

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 welcome Mr Gray and Mr Cornish. Do you wish to make an opening statement?

Mr CORNISH — We would like to comment on the two aspects of your inquiry dealing with banking services and municipal services. I will hand over to Mr Gray, the shire's economic development officer, shortly. I hand up a written submission and other submissions regarding rural transaction centres developed in Lexton and Avoca, as well as a copy of our good corporate plan and our involvement in the regional development board. The banking issue is critical for rural areas. I also emphasise what we regard as the strong community service we have provided to our residents in the past two to three years.

Mr GRAY — I do not want to reiterate what has been in the press in the past couple of years regarding bank closures. The closures are a reality in terms of the corporate objectives of the big banks. The local communities have tried to come to terms with that.

At the outset I must say that the manner in which they go about closing their banks has been deceptive, to say the least. We had assurances about the Beaufort bank. When I use the word 'deceptive', I mean they placed a document in the bank window to indicate that an automatic teller machine (ATM) would be installed in the Beaufort branch. I understand each ATM installed costs between \$250 000 and \$300 000. One could reasonably assume that if the Commonwealth Bank were to invest \$250 000 in an ATM, there would be some longevity associated with the bank's building; yet, about three weeks later the staff were called in and told the building was to close. The bank held no community consultation.

People's traditional banking is being done over the counter. The area has an ageing population, which will probably be reflected in the next Australian Bureau of Statistics data. The aged population like that style of banking. In other regions when the banks have shut people have travelled to other areas to do their banking. The premise that the banks use, and have continually used, is the online approach — that is, they like people to use Bpay and similar facilities. The model the bank has used, which would be applicable in a capital city or a major regional centre, is fine; in those circumstances the associated information technology infrastructure is in place. Unfortunately, in our area we have a poor penetration rate of personal computers, and the inability of people to use them will lead us to work through that problem.

If I could encapsulate that aspect, there should be some type of community consultation process prior to a bank closing because a closure has significant social and economic impacts on the local community and local employment opportunities. We then turned around and said, 'We take this as an opportunity and will move forward'. Mr Moser, who is due to appear before the committee later, is with the Bendigo Bank and will explain that. We see the bank closure as an opportunity to build the community, which is reflected in the work to establish community banks done by Rob Hunt from the Bendigo Bank. The Beaufort bank has shut. They are in the stage of constructing or commencing a community bank there. We have taken a positive view from the bank closure. However, I repeat that a bank closure has an adverse economic and social impact on local communities. Do you have questions regarding that?

The CHAIRMAN — Do you want to talk about other matters?

Mr CORNISH — Yes, on municipal services. My understanding of your brief is that it is to examine the impact of the potential reduction in the number of municipal outlets due to municipal restructuring. We have attempted to concentrate on that in our submission.

The former shires that combined to form the Shire of Pyrenees were Ripon, Lexton and Avoca. Each had an administration centre and major works depots located in their primary towns; minor works depots were located in Snake Valley and Landsborough. The shire has looked at consolidating our whole organisation in Beaufort, with a customer service centre in Avoca. We retain major works depots in Beaufort and Avoca.

The services issue at Avoca has been dealt with by council being proactive and, with community support, looking at establishing a one-stop shop outlet; that is now located in this building. That has consolidated library, visitor information and customer services as well as serving as a community enterprise centre and community meeting rooms. This has been achieved through a partnership approach with federal and state government funding, but also a partnership with the regional connectivity project with the information technology centre. That expands to additional services we are providing. Council has looked at that same partnership in Beaufort with consolidation

into a new building covering library services, visitor information, community enterprise centre, employment agency and a Beaufort learning and leisure centre. That proactive approach in Beaufort has also allowed us to provide installation of online and Internet services in Lexton and Snake Valley; those services had not been provided previously. A knowledge navigator will be employed in Beaufort to assist the community of Lexton and Snake Valley to ensure training opportunities carry through. That is similar to what Mr Gray said earlier about the banks — that they say access is available through the Internet but if people are not trained and able to use the service, they cannot tap into those facilities.

Finally, the shire's commitment to projects such as the Municipal Association of Victoria online project and VEEM — —

The CHAIRMAN — Which is?

Mr CORNISH — It means Victorian e-commerce early movers project. It is a federally funded project through councils to ensure portables are set up, and that sort of work. The MAV online project will ensure rate payments can be made over the Internet. It will provide application forms online and planning permit submissions using e-commerce technology. We have dealt with the aspect of shopfronts, which was one of your prime areas of concern. With community support we have set up the shopfront service to service our ratepayers.

Dealing specifically with services, historically councils have looked at servicing areas with infrastructure maintenance renewal, planning and building, customer service, environmental health, human services and tourism centres in an advisory role only. Pyrenees shire has expanded its customer service base to include economic development and tourism, and, with the employment of a tourism and economic development officer, quality assurance, risk management, contract management, visitor information centres at Beaufort and Avoca, service reviews, information technology training partnerships with the regional connectivity project and regional economic development boards.

We have set up with Northern Grampians and Ararat shires a regional economic development board and the charter for that board, which has just come into play, is one of the attachments I have provided to you. The shire realises that the competitive tendering process we went through allowed it to better understand its service levels and costs. It did have a disadvantage in that some local businesses were disadvantaged by not being able to be accepted as lowest tenderers. On that basis, the best-value legislation introduced in December 1999 has placed greater emphasis on community consultation while still delivering quality services that are affordable and in the most cost-effective manner. Best value has allowed the council to take on board opportunities for local employment growth and retention.

In summary, council would like to indicate that it is working proactively to allow access to its expanded services. We are open to questions at this stage.

The CHAIRMAN — To clarify the issue, prior to local government reform there was a shire office in each of Avoca, Lexton and Beaufort?

Mr CORNISH — Yes.

The CHAIRMAN — Now you have a physical, on-the-ground presence in those three centres plus in Snake Valley?

Mr CORNISH — We have expanded with the funding from the federal Networking the Nation program. We will be looking at setting up two personal computers and a knowledge navigator to service Snake Valley, which is a positive.

The CHAIRMAN — That will make a fourth physical presence. Are there others?

Mr CORNISH — Not at this stage.

The CHAIRMAN — You have gone from three to four?

Mr CORNISH — Not through shopfront facilities but via access to Internet facilities being available in Snake Valley and Lexton. Lexton is the critical one. Previously it had an administrative office and a works depot. Both disappeared through the consolidation of services, but we are looking to providing or returning to those people with Internet access. The critical thing is training for those people to be able to use those facilities and gain access to our services; also, potentially job creation networks and potential job creation will come from it.

The CHAIRMAN — Is it fair to say that prior to the reform and the establishment of the new shire there was no economic development initiative in a big way by any of the three shires? Is that correct?

Mr CORNISH — It was rather ad hoc. The old Shire of Avoca operated a culvert works, which was probably at that stage entrepreneurial but other than that, the municipalities did not have a defined role to follow. They were reactive rather than proactive in a lot of those areas. If an opportunity came along they were always reacting to the needs and trying to ensure that economic development and tourism were sustained. An example is the Avoca tourist information centre, which is the building we are in now. The Avoca shire set up that centre in about 1993, but the operation was ad hoc and accreditation was never achieved for the centre. In the past two years we have taken the situation of the Avoca information and resource centre in hand. That centre now has full level 2 accreditation. It is networking with other information centres but it is also linking into the regional resource centre that is operating through regional connectivity and library facilities. We are offering a one-stop shop with a lot of services in a main street facility.

The CHAIRMAN — I gather there has been considerable development in the areas you are talking about in terms of economic development, promotion of tourism, availability of information on computer networks, and that sort of thing. That has been an initiative of the new shire?

Mr CORNISH — Yes. We have looked at partnerships with regional connectivity for the centre based here, which is aimed at training and enhancing people's skills so they can look at employment within the region. That is an issue. There was a void in this area, particularly in IT training and computer skills. In the past if you wanted to do that you had to go to Maryborough or Ballarat, and anyone leaving secondary schools had to look at going to those centres for additional training. We have tried to tap into that and also provide Internet access so that if anyone wants to start up a business in Avoca using the Internet or videoconferencing, having this centre here does not preclude them doing that, whereas previously they could not do it. Blue Pyrenees Estate currently uses our videoconferencing facilities here to contact Sydney. They are finding that an advantage to them; there is no need to travel to Sydney to carry out those conferences. The regional connectivity project which the council has been involved in has been a major plus for the Avoca region. That was an initiative through the state and federal governments and also of this shire in tapping into it.

The CHAIRMAN — If I owned a house in the former shire of Lexton or a farm in the former shire of Avoca how would I see my rate bill payable to your shire compared with what I paid to those former shires in 1994–95?

Mr CORNISH — I do not have the figures here; they were in one of our newsletters, but with the reduction required by the former government it is probably an equivalent figure. With the capping of rates for the first three years and the reductions required by the former government the actual rate level paid for a residence would be of an equivalent value.

The CHAIRMAN — If I was a resident in a little township in the former shire of Lexton I would have saved a lot of money in the past six years.

Mr CORNISH — We had a revaluation 12 months ago as part of the state government's requirement for best value in valuations. That looked at the valuation across the whole shire. I guess it comes back to how that valuer views the valuation of that property. It is based on market sales in the area, so in that respect it should be a similar valuation.

The CHAIRMAN — You have just said that the rates are much the same now as they were six years ago.

Mr CORNISH — The rates themselves. The valuation determines the rate, and we have had a revaluation that looks at the base level to determine what the rates are. I can give you those figures: the last newsletter contains a graph that shows that if the rates were to increase by CPI in the former shires they would still be above the level we are charging now for equivalent rates.

The CHAIRMAN — They have certainly saved a lot of money, then.

Mr CRAIGE — Could you tell me the towns the shire covers? Snake Valley, Beaufort, Lexton?

Mr CORNISH — They are listed in the front of our submission. It covers the major towns of Avoca and Beaufort but also Landsborough, Amphitheatre, Lexton, Moonambel, Snake Valley and Waubra. There is a little map in the submission which does indicate the boundaries of the municipality.

The CHAIRMAN — Dunolly?

Mr CORNISH — No, Dunolly is in Central Goldfields.

Mr CRAIGE — You said you were looking at rural transaction centres (RTCs) for Lexton and Avoca. How far down the line are you?

Mr CORNISH — The submission has been completed by the consultant and a copy is included in those documents. They have recognised a lot of issues, including automatic teller machines and the need for other services that could be incorporated into the town. They have also benchmarked the costing to incorporate those services within current buildings.

Mr CRAIGE — Are you aware of the benefits felt by towns which have RTCs? Are there any in the shire?

Mr CORNISH — We do not have any at this stage; we are hopeful that Lexton will achieve one and that for Avoca the study will recognise the issues. Medicare machines and Centrelink facilities are not available in the town at the moment, and they would be incorporated into this building. Banking is currently being dealt with by the Bendigo Bank and the National Australia Bank, and RTCs cannot cut across services currently being provided. However, we still feel that there will be a benefit from doing the study on RTCs for Avoca and recognising peripheral services that can be incorporated into a building such as this, particularly Centrelink and Medicare and the other services for which people have to travel to Maryborough at the moment.

Mr CRAIGE — I want to ask you a question about employment. We have heard over the past three days that there is not an unemployment problem in small rural towns but there is an employment problem with getting skilled people and with getting people to fill jobs in a lot of the areas. If we look at this region, it has a certain flavour to it, so to speak. Are the vineyards and businesses associated with them having difficulty getting labour?

Mr GRAY — We have been working proactively on it. Getting skilled staff to relocate is a problem when you have the proximity of a lot of wineries around Melbourne and the Yarra Valley, the Hunter Valley and Midland in Western Australia. What has happened is when they take people on and train them up they get headhunted to other wineries. We have recently received funding through the federal government to do a study on the wine industry here and to look at wet waste disposal.

That is one issue we looked at to determine whether there might be some job opportunities, but in terms of straightforward horticulture training we have liaised with two service providers and the federal government to start skilling up the horticultural-based people who come in and do the rudimentary work of pruning and picking and whatever. Most of them come from a very unskilled base level, and the reality is, given what is happening with Workcover and occupational health and safety, there is an expectation that before you employ anyone they have to have some degree of skill or level of training or have attained some level of education as such so that you provide a safe workplace and they are safe workers. The problem that we have is more of a bureaucratic one because they come along in blocks. Under the current requirements they have to work a minimum of 15 hours per week and because they work in a block that comes to about six to eight months. We are trying to arrange it so the federal government will run a pilot project here whereby we can offer a certificate in horticulture for that level of skilling over two years. When we move up to the next level of warehousing and tourism hospitality we will be going along the same line and working in with the wineries. The other thing we are looking at is through our IT area here providing access online to tertiary courses, whether they be TAFE courses or winemaking courses or whatever. That is in the evolutionary stage. However, getting skilled people into the area is a major problem.

Mr CRAIGE — You said you have attacked it. Has it been a community/industry-driven project? If you get them into town they do the unskilled tasks, but there is nowhere to stay and if there is somewhere it is probably not what they want to do and they may not be able to afford a house. How do you overcome those issues? You are not unique in that respect in small rural areas. Are you saying to us that by providing a proper training program where you will help people go on and do that with the business, you are trying to lead them up the chain?

Mr GRAY — If you know this area you would know that there has been a massive expansion of plantings. I am talking thousands of acres. We are trying to attract investment in this area, investment equating into jobs. When we go out and attract investment we are trying to say that people are not being disadvantaged by coming here because we have a trained accessible work force for them. That is at the one level. At the other level you are quite right, for a lot of the people who are sent up to do the basic work it is a case of turn up or have their benefits cut off. They are unmotivated, they are there by default and a lot of them should not be there. In a lot of

cases employers train them up and they just do not turn up. We recognise that there are people with no skill base. If we can train them and give them a career it gives them a reason to stay in the area and get off some type of government benefit.

Mr CORNISH — We should be able link into the Ararat training facility which is about to be commenced with vigneron and, I think, horticulture in general. I think they are looking at a training facility at Aradale.

Mr BEST — Do you have an excess of housing in which these people can be accommodated or do you have housing needs?

Mr GRAY — On the latest figures I am aware of there is really not that much available in the area. The federal government's first home buyers grant of \$7000 or \$14 000 has impacted substantially not only in the Pyrenees but right through the Central Goldfields and in country areas. I do not know whether that is people relocating for whatever reasons; I do not think there has been any work done on the people buying these places as to whether they are local or they have been dispossessed from the city or whatever. There is really not an abundance of accommodation.

Mr BEST — It is a mix of problems across the state. There are areas where there is excess housing and people are coming in and buying cheap housing, and there are areas where there is a captive work force looking for accommodation. Robinvale is an area of mine where we just cannot get enough housing. I was curious as to the balance here.

Mr GRAY — I really cannot give you firm figures on that. I only look at what comes up, what is available and any type of market movements increasing value of properties.

Mr BEST — Have values gone up?

Mr GRAY — Not really.

Mr CORNISH — Not substantially, and that has been shown in our revaluation. I guess the positive aspect of that is there is substantial land available in the residential zonings in the town which is fairly low value and could be purchased. With the government's assistance to new home builders that could be accommodated.

Mr BEST — As far as infrastructure is concerned — sewerage, roads, transport, those types of things — how is each of your towns situated?

Mr CORNISH — Avoca is currently serviced by a new sewerage system, Beaufort is sewered and the other towns are serviced by reticulated water but no sewerage systems. We are currently looking at concerns about effluent disposal from septic tanks in a number of our small towns. We are doing a pilot study with the Municipal Association of Victoria on that. The major towns have all services except natural gas, which we are trying to tap into.

Mr BEST — You spoke about economic development partnerships. Is that a regional thing where a number of shires are getting together?

Mr CORNISH — It is a regional economic development board which the Northern Grampians Shire, the Rural City of Ararat and ourselves have initiated. We see ourselves as being on the periphery of other areas' area consultative committees at the moment. There are the Greater Green Triangle and Central Highlands area consultative committees, and we feel that we can perhaps market ourselves better with an independent subregional board.

Mr BEST — I have Ballarat and Maryborough down here, and you are just outside one major regional centre in particular.

Mr CORNISH — The Pyrenees shire is actually a member of the Central Highlands area consultative committee, which includes the City of Ballarat and Moorabool and Hepburn shires, but we feel we can market ourselves better and brand the region, which takes in Northern Grampians and Ararat with the vigneron development and other like interests and we can achieve that with greater certainty through our own individual subregional economic development board. The state government has supported that board being set up.

Mr BEST — I do not know whether the Chairman is going to ask this, but one of the things this committee is required to do is provide a range of recommendations to government. Being king for a day, what is it that your municipality needs most of all? You are asking the government for something, and remember that we only make recommendations; they have to pick them up and run with them if they see fit.

Mr CRAIGE — You can ask for whatever you like; there is no money attached.

Mr CORNISH — The provision of natural gas to Avoca and Beaufort would be a major service requirement. It would be a major plus for those centres which are struggling with the cost of bottled gas or other means of cooking and heating.

Mr GRAY — We recently lost an investment opportunity here that went to our brother shire.

Mr BEST — What was it?

Mr GRAY — An investment to manufacture stock feed. The biggest requirement was natural gas.

Mr BEST — Where did it go to?

Mr GRAY — Carisbrook.

The CHAIRMAN — Where is the closest availability that you would want to tap into?

Mr CORNISH — There is a main that runs through Lamplough, which is just south of Avoca. I believe it runs up to service Ararat. We had initial discussions three or four years ago with one of the providers, but at that stage the cost benefits were not coming together. We need to revisit that with new industries in the towns and see if we can achieve some outcomes.

The CHAIRMAN — How many people live in Avoca?

Mr CORNISH — About 1100. Beaufort is a similar size.

The CHAIRMAN — I have been doing some work on gas in the area.

Mr CORNISH — It comes down to industries in the town. We are looking at expanding the base in Beaufort.

The CHAIRMAN — It is a borderline size, as to whether you have it.

Mr CORNISH — We have major industries in Lyco and treated timber works in Beaufort that use gas. It is getting to the stage where we need to revisit the situation and push that aspect.

Mr BEST — Have you done an audit of the industries?

Mr GRAY — We are in the process of doing that through our regional economic development board. That is one of the first things to be examined — that is, complete regional industry and skills base audits. That looks at what skills we have if we are to try to attract an information technology company to establish here. A lot of people do not like leaving Melbourne. A lot of people will not relocate.

Mr CRAIGE — Is power an issue?

Mr CORNISH — Power in Beaufort was an issue. We had a lot of ad hoc interruptions to supply during the day, with surges and the like. It has improved.

Mr GRAY — The biggest problem is that when we have an industry that wants to start up — and we have a hay processor in that situation in Avoca at the moment — the cost of three-phase power being connected has been a major disincentive for doing business in the country. Not having that basic infrastructure available is a disincentive. That is the reality of the privatised entities in Victoria: they are bottom-line driven. That is what it is about, but it is a major disincentive and gives us a competitive disadvantage when we are trying to get businesses to Avoca.

Mr CRAIGE — But you have the three-gauge here, though?

Mr GRAY — In the main drag, yes.

The CHAIRMAN — In the last couple of days we have heard about the importance of computer Web connections for just about everybody and for just about every reason you can think of — farmers using it for weather forecasts and market prices and older people using it for email. There are so many reasons why so many people should be connected to the Web. What is the situation here if you happen to live in a town? Similarly, if you live on a farm, what is the situation? Earlier this afternoon I heard that Blue Pyrenees people were coming into this facility to use the computers. What is the availability of Web connections?

Mr CORNISH — Before you go further, the situation with Blue Pyrenees is modem speed. The residents cannot get a reasonable speed to get good connections. They have been talking to Telstra about that. It is a concern in the rural areas and good access to telecommunication connections must be investigated.

Mr GRAY — Looking at the total communications picture, you could start by looking at some of the basic telephone services; cables have not been replaced for years. Mobile phone services are a joke out here. If you are trying to do business you find the line continuously drops out. The regional manager for Telstra came out with the best maps I have ever seen, although they bore no resemblance to reality. If you are having important people come out you find that nowadays they use their cars almost as offices. We are all busy people and we all do it. The drop-out rate for our mobiles is not good for doing business or even for basic emergency communications.

We came to realise the need for information technology centres here and at Beaufort, or wherever. The biggest problem is line speeds; they are basic copper wire. In these areas we call 'www' the 'world wide wait'! We have addressed that and are looking at getting satellite capacity with broadbanding and landline out at both Avoca and Beaufort. It comes down to the level of expertise of the people and the penetration of personal computers. Even though the centres are supposed to be fully self-sustaining I would be happy if, in two years' time, nobody came in here because they had their own personal computers at home and were fully competent and computer literate.

Mr CRAIGE — People will get cheesed off if they cannot get a connection quickly and cannot maintain that connection. There is no point in farmers or businesses being interrupted all the time. Is that not the first thing to have sorted out and start training so people can use the personal computers?

Mr GRAY — I live in the Maryborough area. The service I get there has its peaks and troughs, like most things, but I think most of the drop-outs and low-line speeds are real infrastructure problems. They need to be addressed more at the national level than by a state government. Obviously it is an issue for government, but if I were a farmer looking at a multimillion dollar business in exporting hay I would know the importance of being able to get a four-day weather forecast so I can cut my hay and let it lay on the ground for a certain time. It would be great to be sure of getting that forecast, but if I cannot get that forecast and I cut the hay, only to have it rained on, it becomes class C hay. Then we have a direct economic impact. That is a major problem.

Mr BEST — How does the shire cope with road and rail services?

Mr CORNISH — We are grateful for the reintroduction of the service from Ballarat to Ararat, which will go through Beaufort. We have had a community bus service reintroduced to Avoca. It is a good service and goes through Maryborough to Ballarat. The only area within the shire lacking a good bus service is Snake Valley, which is an area to which a lot of retired people are moving from Ballarat. They have been pushing strongly for the introduction of a community bus service between Snake Valley and Ballarat. The balance of the shire is reasonably well serviced with the reintroduction of the train service.

Mr CRAIGE — That train service will be reintroduced in 2003. Why do you think it was withdrawn from service?

Mr CORNISH — I assume usage and cost benefits were looked at. The reality is that you have to use it to keep it. That is the message that needs to be given to the broader community: use it or lose it.

Mr CRAIGE — If the usage is not up to a level for the service to be sustained, should a state government be responsible for financing the service even if it is not viable?

Mr GRAY — My understanding of the studies done is that there is a subsidy for the service providers.

Mr CRAIGE — There is a subsidy.

Mr GRAY — If I recall correctly, that is diminishing. When they did the costing from Ballarat to Ararat, speaking off the top of my head, I think the subsidy was to only about \$1 million or \$2 million, which was well under a comparable service or facility in Melbourne at the time. But I agree; there is no value in having a big opening unless the service is used or unless we put strategies in place to make it useable. For example, Beaufort could be a commuter town to Ballarat or Ararat. Ballarat is expanding. Why live out in Melbourne's suburbs and travel to Flinders Street or Spencer Street? We could use the same model.

Mr CORNISH — The issue with the Ballarat–Ararat line is that you need to look at the total infrastructure picture of buses servicing Ballarat. You may be running a train from Ballarat to Ararat, but how do you get to Ararat to connect with that service? Are you servicing the whole of western Victoria? The whole infrastructure picture needs to be reviewed.

Mr CRAIGE — The Department of Infrastructure is doing a study. Is it not essential from your point of view that you either use it or lose it, that the service should accommodate a general need — that is, that you do not have trains running to Melbourne and leaving only an hour for people to do things in the city before the train returns? Therefore, the service must be frequent enough and often enough.

Mr CORNISH — Once a day or once a week may not be enough. It should be a greater service level. I am not certain of the commitment of National Express to that service at this stage; it may need to be reviewed.

Mr CRAIGE — The bus network should feed in.

Mr CORNISH — The networking service needs to be reviewed because if you do not have a network servicing the whole area you will not get the people onto the service. The economics are not going to stack up at the end of the day.

Mr BEST — One of the great problems created for all Victorians is mobility through the use of the motor car, particularly your being adjacent to Ballarat. Do your small towns suffer from an exodus of the retail dollar into Ballarat? If so, is there any council strategy to try to bring people back to shopping locally? Sometimes our own people are their own worst enemies.

Mr CRAIGE — Before you answer, on the way here I heard on the radio that Warrnambool people estimate there are so many millions of dollars going from Warrnambool into either Geelong or Melbourne. They were saying, 'We have to do something about it'.

Mr GRAY — If I may respond to that, quite a few studies have been done on that type of leakage. Somebody from Beaufort may go to Ballarat or Ararat to shop mainly because they will find a better range there, and the shopping becomes an event. In addition, people from Ballarat will go to Melbourne to shop because it becomes an event for them; similarly, people from Bendigo will go to Melbourne. We need to sustain our local industries, but people do jump in their cars and go.

The CHAIRMAN — Was either of you working in one of the former shires before council amalgamations?

Mr CORNISH — No.

The CHAIRMAN — Then it may be hard to answer the question, but I will ask it anyway: what do you believe has been the impact of local government reform on this area?

Mr CORNISH — The initial impact at the consolidation stage was the view that services were being lost from our towns, particularly in Lexton and other areas. The equivalent full-time staffing levels from the former organisations went from about 70 or 80 back to 53. The perception was that we had lost the local service available from that corner of the area — for example, the removal of the Snake Valley service depot meant a loss of maintenance of infrastructure. The development of program maintenance servicing, the introduction of centres such as the one we are now in and the ability to tap into computer facilities throughout the shire has meant that the former service level has been retained with potentially a greater service availability.

Mr GRAY — I am an outsider to the whole process as I was in New South Wales when the amalgamation process was undertaken. I have seen more of a cultural shift. The old Shire of Ripon had existed for about 150 years and has now become part of the Shire of Pyrenees. I was not privy to the way the lines on the maps were drawn. In some cases there was no social cohesion between the different parts that made the sum of not only this shire but a

variety of shires. Over time it will be more of a cultural identity, from saying, 'I live in the Shire of Ripon' to, 'I live in the Shire of Pyrenees'. The allegiance factor is worth considering.

Mr CORNISH — These days people recognise Pyrenees shire. In the first few years people talked about Ripon, Lexton and Avoca shires, but it is a settling-in process. At the end of the day it is a more cost-effective organisation which has the capacity to provide relevant services to its customers.

The CHAIRMAN — One point we were talking about earlier was to do with rating and the other point, I assume, was the greater push into economic development, tourism and creating opportunities and economic bases. Obviously the work of the economic development officer is important in that regard.

Today's proceedings have been interesting in that we confirm by travelling to a number of places what the issues are; and they are being confirmed, which is good. Thank you for your time and for your submission. We thank the shires for making the facilities available today.

Witnesses withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Avoca – 29 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
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Staff

Executive Officer: Mr R. Willis
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Witness

Mr J. Moser, Vice-chairman, Bendigo Community Bank, Avoca.

The CHAIRMAN — We welcome Mr John Moser, representing the Bendigo Community Bank at Avoca. All evidence taken by this 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. If you would like to make an opening statement, we might then ask some questions.

Mr MOSER — I was one of the founding members of the community bank in Avoca some time back in June 1998. The National Australia Bank had closed to down to three days per week, and they had closed the Dunolly branch. At that stage I had spoken to a good friend of mine at the bakery, Michael Simms. I said it did not look good for us and that we had better do something about this before we lost the bank altogether. We had heard of the Bendigo Bank at Rupanyup and Minyip so we decided to make contact with the Bendigo Bank and see if it could assist us in some way. This led to several meetings with Russell Jenkins from the community bank network, and we opened in February 1999. It has been fairly successful, with a lot of hard work from a lot of people. We have noticed that it has kept a lot of business in town. I suppose the downside is it is volunteer-based — we are all volunteers. We are busy in our own businesses and we have had to make time to pursue town-saving interests — not only do you have to save your own business but you have to save the town, and we figured that the bank was one of the most important parts of the town. That is basically where we are at the moment.

The CHAIRMAN — What is your position in the bank and how many are there on the board?

Mr MOSER — I am vice-chairman, and there are eight local fellows.

The CHAIRMAN — Do they all live in Avoca or around the area?

Mr MOSER — We tried to get a cross-section because we knew that we could not survive wholly and solely with Avoca people; we needed people from Natte Yallock and Amphitheatre.

The CHAIRMAN — How many employees do you have?

Mr MOSER — We have a manager and 5 customer service officers.

The CHAIRMAN — Are they full time?

Mr MOSER — Three are full time and one is part time.

The CHAIRMAN — Would you say that most of the people in this town bank at your bank?

Mr MOSER — We have about 230 share holders/2000 accounts, which is quite considerable given the number of people around. We still have the National Australia Bank here. Once we opened it seemed they would not go; they seemed to sit fast and would not budge.

The CHAIRMAN — Are they there full time?

Mr MOSER — No.

The CHAIRMAN — How often are they there?

Mr MOSER — Three days a week.

The CHAIRMAN — How often are you there?

Mr MOSER — We are there five days a week, Monday to Friday.

The CHAIRMAN — So it is three days for the National and five days for the Bendigo. What is your biggest challenge at the moment?

Mr MOSER — We are at break-even stage. Our costs and our income might be a little down or up some days, but it is basically fairly even. We would like to get another \$3 million or \$4 million on the books so we could comfortably sit at a meeting and not stress too much about our expenses and the future. I do not know if we have peaked yet. We have an agency in Maryborough and we are in two minds as to whether we would like to make that a full branch. We think people may be more receptive to a full branch in Maryborough rather than just an agency, but then again we would probably have to reopen the shareholding and get more shareholders. To answer the question, the day-to-day survival of the bank is our biggest concern.

The CHAIRMAN — So the graph is still heading up?

Mr MOSER — It is. It has levelled a bit. We had a couple of problems with managers. We lost one and we got another fellow, but he was not quite cut to the chase and only lasted about two months so we had to hire another. We lost a bit of momentum. We are not sure whether we have reached our peak or whether the managerial problems have caused the business to slacken off a bit.

Mr BEST — Did you get support from the Bendigo Bank during that period of upheaval?

Mr MOSER — The Bendigo Bank has been very helpful. Put it this way: if it was not for them we would not have the bank. On the other hand, they still are a business and they have their funny little ways. We hired a manager purely and solely on rural lending because we thought that would be the biggest part of our business here, and it turns out that they are not really excellent in that area and we lost a few deals in rural areas; they are more home lenders. However, since the merger with Elders they have assured us that we can do deals with Elders and still get a deal of half commission. We are yet to really test that out, but they assure us that it will work.

Mr BEST — The area I would like to explore with you is the initial setting up of the community bank and the enthusiasm from the local community. Was it hard to raise the money or to get people interested?

Mr MOSER — No. We found that people had had enough of big banks. We lost the State Bank of Victoria — I am not sure whether it was when it merged with the Commonwealth Bank, but it went fairly quickly — and only two months later the Westpac left. The town went from three majors to one within three months. People had swapped and changed around and they had obviously had enough. When the National Australia Bank was continually downgrading its services that only got people's angst up more. The public meeting was very well supported. I think we had 180 people at the town hall. We asked for pledges on the night and approximately \$75 000 or \$80 000 was pledged on the night by people at the meeting.

Mr BEST — What constitutes a pledge?

Mr MOSER — We had forms asking how much you would be prepared to invest in this bank, and people put down a figure.

Mr BEST — The other thing you said was that it lifted community spirit and that you not only have to think of saving your own business but the town. Can you expand on that?

Mr MOSER — When I first moved to Avoca — —

Mr BEST — From where?

Mr MOSER — From Maryborough. We bought the newsagency and that was our business, we ran the newsagency. It is a seven-day-a-week business, and with a young family there is not a lot of time left over for a lot of other things. The banks ran their businesses; that was their business and they ran them. We just walked through the door, did our banking and walked out and that is all I had to worry about, but now we have a lot of meetings. We have meetings at Bendigo and if something special crops up you have to jump up and go and sort it out. We businesspeople now have a secondary business that we have to look after because it is a domino effect. As I said, if the bank goes you are not silly enough to think that your own business is not going to suffer; you have to spread out.

Mr BEST — You are also an investor in that business as well?

Mr MOSER — Yes.

Mr BEST — The interesting observation for me, driving into town today, is that I drive through here in different directions at different times, and compared to the early 1970s when I was working as a company representative, which is not relevant for a lot of people, the town seems far more vibrant. It seems to me to have a terrific atmosphere about it, much different to what it was 10 or 20 years ago.

Mr MOSER — The local baker and I are pretty good mates and we have led the charge. I do not want to blow our own horn too much but we got involved with the chamber of commerce and we pursued the sewerage very early in the piece. I think we were one of the first rural ones to gain it when the government was giving assistance. We had a lot of committees here and we said the town would be prepared to go with it. We found that the Avoca township was very receptive to sewerage because we realise that you need infrastructure if you are to

have tourism. You cannot have people walking down the streets which stink to high heaven. We had a public meeting for that and people were very receptive. I know in a lot of other areas they copped a lot of criticism and refused to do it. We could see past that and knew that if we could get a few basic services into the town it had potential. It is a very pretty place and it needed the platforms on which to build. One we missed out on is natural gas. Natural gas is only 7 kilometres down the road. Stephen Elder was very helpful; he took us down to Ballarat to meet with the gas people. Unfortunately they are not government owned so they all have a budget and money-making matters to attend to. The bottom line was if we wanted gas in Avoca it would be \$3000 per household and if we did not pay that — do not quote me — the figure was something like \$29 a gigajoule and Maryborough pays \$12. There is a levy they pay and they have to repay the infrastructure within 20 years. We asked if people in Avoca would use natural gas and obviously they would not in that context; they will use bottled gas, which is \$20.

Mr BEST — Again, three or five years down the track it could be looked at again.

Mr MOSER — Perhaps we did not have the infrastructure in place to tease them in here.

Mr BEST — Congratulations. One of the things that we pick up in this committee is where there are young enthusiastic people they drive communities and they bring communities together. That turns what may have been negative views and accepting of what was happening into very positive actions that only benefit the community.

Mr CRAIGE — In Western Australia some local councils have made a decision to support the community banks within their councils — that is, they have made a priority decision in WA and they have been supported by many bodies. I assume the council does not bank with you at the community bank. How would you feel if that was a trend which developed here in Victoria?

Mr MOSER — Councils should be very receptive to these ideas. I do not want to pull names, but when we started we were not assisted by the council. The current council is excellent; we have no problems with them now. They have yet to change their banking over, but the National Australia Bank is still in Beaufort.

Mr CRAIGE — I can understand that, because councils in Western Australia are slightly different to councils in Victoria: they probably have only one dominant town within their rural councils and there is not a lot of competition. You would feel a bit cheesed off if in fact they moved from the National Australia Bank and then the NAB branch in Beaufort closed; you would not be the most popular person in Beaufort.

Mr MOSER — That is right. There are always two sides to the story. The story going around is that if the National Australia Bank goes from Beaufort they will go with Bendigo Bank, from what I have heard. If you were running a business, wouldn't you like to see something grow the area and bring ratepayers into the area?

Mr CRAIGE — When you started did you get the support of the major financial backers in the area?

Mr MOSER — One of the majors was with us. He gave us a lot of advice. He had been, I think, a merchant banker. We had a number of meetings with him. His whole family are shareholders and there are quite a few more businesses we would like to have.

Mr CRAIGE — Do you see that as a way forward?

Mr MOSER — The Bendigo Bank does not have a great history with that type of business. They are basically security lenders and do not have stock loans, or that type of business. With the advent of Elders and if they can be competitive we may stand a fair chance of picking up those businesses.

The CHAIRMAN — Thank you for your time. We will send you a copy of the transcript. Your story is a great one and we are enjoying hearing similar stories from Bendigo Bank representatives as we move around the state. It is great, as Mr Best said, that not only is the service available to the community in the local towns but also the way it encourages communities to get together for the good of their townships is fantastic.

Mr MOSER — It has bonded us together.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Avoca – 29 August 2001

Members

Mr R. A. Best
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Witness

Mr P. McAloon, Executive Officer, Greater Green Triangle Area Consultative 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 welcome Mr McAloon. Would you like to make a comment?

Mr McALOON — I was invited to attend today and I am pleased to be here. I am the executive officer with the Greater Green Triangle Area Consultative Committee. I thought I should tell you that an area consultative committee (ACC) is a non-profit community based organisation funded by the commonwealth government and forming a key regional network for the federal portfolios of employment, workplace relations and small business; education training and youth affairs; and regional services, territories and local government. The Greater Green Triangle ACC is one of 56 in Australia. It covers 29 per cent of Victoria including 12 local government authorities in the south-west over 60 000 square kilometres and 177 000 people. We are funded by the commonwealth government. Our committee comprises honorary members; it includes business and community representatives who basically work towards community-based solutions for job growth, skills development and regional growth. The ACC is also asked to provide advice and feedback to the federal government on regional needs and the delivery of relevant programs.

The CHAIRMAN — Your area goes to Portland and Warrnambool, and across to the outskirts of Geelong, is that right?

Mr McALOON — Yes. I will leave you with a strategic regional plan which shows the area covered.

The CHAIRMAN — You go as far as Apollo Bay and Lorne, then you head north to the west of Ballarat?

Mr McALOON — No. We are based on the local government zones.

The CHAIRMAN — Do you cover the Shire of Yarriambiack, across to the West Wimmera shire and down south to the coast?

Mr McALOON — Yes. In looking at your terms of reference the greatest challenge for our organisation — and we allude to it in our regional plan — is that in this region, 10 of the 12 local government regions are in population decline. The only area that has a positive growth is the city of Warrnambool; the Horsham municipality is just holding ground. It would be fair to say that both of those cities are regarded as sponge cities. We see the population decline in the region to be quite disturbing.

The other area of concern is the loss of young people in the area covered by our ACC; that loss is the greatest of any area of Victoria including Gippsland. I also supply you with a study we did on a Victorian certificate of education vocational education and training (VET) program. It talks about the loss of youth from the region, which certainly creates lots of issues and challenges. It is hard to put a figure on exactly what is causing it although many things are happening, including a lot of dynamic changes to the use of land and agricultural practices. I think such things as the closure of banks and rail passenger services are part of the overall picture. The other aspect that keeps arising as the committee meets the key players is the talk about lack of leadership and lack of leaders. If you scratch the surface it is all tied to an ageing and diminishing population, that the young leaders are not coming through. They are not there. So many of our young people complete year 12 and leave the region; in most cases they do not return. The leaders are getting older and more tired. A lot of our brightest and most intelligent people are leaving. We have a brain drain here.

On the other side of the coin, we are doing a fair bit of work in the Wimmera. They have, perhaps, 70 or 80 job vacancies they cannot fill. I do not think I have much else to say, but I will happily answer questions.

The CHAIRMAN — What do you see as the solution or some solutions, or what can state or federal governments do to address the concerns you have enunciated to us?

Mr McALOON — That is a hard one. At the end of the day there needs to be some tax incentive to live in country areas, something similar to what applies in the Northern Territory. There has to be an angle. It is hard to get professional people to come to the country because a lot of them want employment for their partners. That presents an issue. They also want education facilities, university facilities and the like. For a long time the City of Horsham was trying to employ a professional engineer. They finally thought they had somebody lined up; then he telephoned and said, 'Have you got a swimming pool and is it heated?'. They said, 'We have a swimming pool but it is not heated'. He had a young child who was a good swimmer and was used to going to a heated pool in Melbourne.

The CHAIRMAN — Tell us more about the Northern Territory?

Mr McALOON — I believe they get a taxation zone allowance. I do not know a lot about it; I have only heard about it. There should be some sort of tax incentive to have people live in country areas.

The CHAIRMAN — It would make it easier, and financially beneficial for them, to get people out here?

Mr McALOON — I think so. I live in Ararat and we are excited about the return of the passenger rail service. It is not within the realms of possibility that if we had a very fast train you could live in Ararat and commute to Melbourne for employment. I am amazed when I go to Melbourne and drive past the new suburb of Caroline Springs to see all the new houses being built. I travel the region extensively and I see schools and hospitals that are under-utilised. I see places where water and sewerage systems are in place, yet the new suburbs in Melbourne need the infrastructure of water, sewerage and kindergartens to be installed. Another example is Warracknabeal, which has a beautiful golf course; I was up there with federal Minister Anderson looking at it the other day. You would probably have to stand in a queue for hours to get on a golf course in Melbourne.

Mr BEST — What has been the cost of centralisation!

Mr CRAIGE — Why do you think the train stopped going to Ararat?

Mr McALOON — It was government policy at that stage.

Mr CRAIGE — Do you think it was being well patronised or full every time it was used?

Mr McALOON — I do not know; I do not think trains can run to profit.

Mr CRAIGE — I did not say that. You think there was no reason other than the government made the decision one day to stop the train; you think there was no reason behind that decision?

Mr McALOON — It was probably an economic decision. I do not think trains make money. I believe it was losing money, but if you follow that theory you would close a lot of things in country areas.

Mr CRAIGE — You said it is a good thing that the train is coming back to Ararat; you said you are excited. Do you know why the line was closed in the first place and whether those issues that surrounded the closure of the passenger train service to Ararat will be overcome with all your excitement about the new train returning and whether that excitement can equate to people using it?

Mr McALOON — When the Premier announced it was to return the message was, 'Use it or lose it'. We hope people use it.

Mr CRAIGE — Surely it is important to get people to use the train. You have already said train services do not make money and should be subsidised?

Mr McALOON — No, sorry. I am not an authority, but I do not think many country train services would make money, except perhaps for the Warrnambool one, although I think it is partly subsidised by government

Mr CRAIGE — There should not be any problem with the government subsidising a service such as the train to Ararat?

Mr McALOON — No.

Mr CRAIGE — Previously you talked about VET, the youth and the brain drain. Putting the train back to Ararat will not, in itself, resolve the public transport issue. You would have to have a good bus network to access the train, would you not?

Mr McALOON — I think so, because I think the train is only going to come as far as Ararat, and people in the outer Wimmera in Hopetoun, Warracknabeal and Dimboola will want to access it so there will have to be buses to meet up with the train.

Mr CRAIGE — You said something about leadership, and I do not necessarily disagree with you. We have just heard an exact opposite in the township of Avoca, where we have two young people, one in the newsagency and one in the pie shop, who have shown leadership and helped this community to have a sense of belonging. It has happened and a decision was made here, so maybe we should start using Avoca as one of our

main areas of study to find out why the young guy moved from Maryborough to Avoca and how they captured the hearts and minds of the whole community here to support the community's growth. It is an issue, but it has been reversed here.

Mr McALOON — Avoca is not in my region. The Pyrenees shire is not in our region. I could probably quote some isolated cases of success stories in my regions. I could cite towns that are reinventing themselves.

Mr CRAIGE — Can you name some of those?

Mr McALOON — Dunkeld. We are currently doing a study at Dunkeld because it is one of the towns that is actually showing a positive population growth. The catalyst was a major private sector hotel redevelopment which occurred there. It is an excellent facility and it has turned that whole town around. The other town that interests me is Nhill. Nhill is a fairly vibrant town and, interestingly enough, one of the things they do not have and do not want is poker machines. It has a very vibrant retail sector and a lot of industry; they have been lucky enough to have a large duck-processing industry up there.

Mr CRAIGE — We were there yesterday.

Mr McALOON — I think Nhill is an interesting town. Port Fairy is in our region and it is travelling very well. Casterton and Apollo Bay are further examples. There are some towns which have reinvented themselves.

Mr BEST — It is an interesting conundrum. Where people are motivated it really does lead to community enthusiasm and excitement. The Wimmera Development Association (WDA) is going to adopt a program which originated in Bendigo. It came out of the meetings we had under the former government that put a range of community representatives and businesspeople together. Rob Hunt, who I might say is the chairman of the Bendigo Bank, was very keen on this. He has taken a pivotal role in creating what is called Lead On, a leadership program aimed at getting younger kids in the community who stay at home involved and being community leaders; we accept that there are those who go away to university and so forth. I know that the WDA is going to adopt that program and the government is funding it. It is interesting that while they have defunded Bendigo they will fund the Wimmera, but I do not care because I think it is such an important program. Has your Greater Green Triangle group looked at leadership programs for youth?

Mr McALOON — Not for youth; we funded the WDA under the regional assistance program a couple of years ago. I think the current program they have is probably being funded because of the success of the one we funded. However, it was not specifically aimed at young people.

Mr BEST — One of the things I am very conscious of is as we get older we get less enthusiastic. As community people we have had our time battling away with all the issues and there is a natural attrition rate and a natural tiredness that creeps in and we look for somebody else to start passing the baton to to run hard on behalf of the community. I think it is only fair that our younger people be promoted and be given the opportunity to take some position as a leader or in leadership roles if they are going to be part of that community. I just think that, as Geoff referred to, when you have the enthusiasm of young people in the community it is contagious, it actually does spread. While my glass will always be half full I sometimes think we get too comfortable with saying that our glass is half empty and it might be time to hand the baton to some younger people to run hard and support them and their enthusiasm.

The CHAIRMAN — Thank you very much for your time with us today. We will send you a copy of the Hansard transcript of our discussions. We appreciate your coming to see us. We have a very interesting reference, and by your answer to my question you obviously realise that it is very challenging for us to come up with some good recommendations, but that is what we will try and do.

Mr McALOON — I would like to leave with you a copy of our strategic regional plan for the next three years and a report on VET in VCE. We were asked to pilot this with an area consultative committee based in the western suburbs; there were only two in Victoria. That report looks at VET in VCE in the Wimmera Mallee region. I would also like to leave you one of our business diary and resource books which we have made available to small businesses.

The CHAIRMAN — Thank you very much.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Avoca – 29 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

Witness

Mr A. Gray, Chairman, Dunolly Rural Transaction Centre.

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. You will be talking to us about the Dunolly rural transaction centre (RTC). We have had discussions with a number of people about RTCs and I think I am right in saying you are the first person we have spoken to who is actually involved with one. It is really great to have you here. If you would like to make an opening statement we might then ask some questions.

Mr GRAY — Thank you very much. Today I actually represent the Dunolly rural transaction centre and its parent body, which is the Dunolly gold rush committee. I am also representing the Building a Future for the Country organisation, of which I happen to be the regional chairman. I am also strongly linked with La Trobe University and the Centre for Sustainable Regional Communities.

Before I talk about the rural transaction centre I need to paint a picture of what the scene in Dunolly was like beforehand so we can see the differences. I believe what we need to look at first is what we lost in the amalgamation of the councils, and we certainly lost our council. We lost our buildings, which were sold off; we lost all the properties owned by our council; the Department of Natural Resources and Environment moved out and we became a town with no hope, no spirit and seemingly at that stage no future. The fight to survive over the years has taken a very heavy toll, with empty shops and struggling businesses. As you have already heard today, even the banks deserted us, as they have many other small towns. There is no real transport to commute from Dunolly to anywhere else. Bendigo is the only place you can go to and return on the same day. If you want to go to Ballarat it is an impossibility. House prices were so low 18 months ago that you could almost give houses away, and in the township alone there were more than 50 houses on the market.

Then came the rural transaction centre. I believe that the rural transaction centre has been the catalyst for a lot of change in Dunolly. It consists of the Bendigo Bank, Centrelink, Medicare, Networking the Nation, an optician, an insurance broker, an information centre for rural health, a visitor health centre, and for the next 16 weeks it is a training centre for the community jobs program. If I can go back first of all and talk about some of the things I have just mentioned, I want to talk about the bank. The bank has revolutionised our town in the sense that people no longer have to go to Maryborough or Bendigo or anywhere else to do their banking — they can do it in Dunolly. We have only been going some two and a half months. We opened the centre on 19 May and the bank opened on 21 May. After two and a half months we are now in profit. I want to make that quite clear, we are in profit. That excites us tremendously because it means that the future is starting to look bright. Some 150-plus people have already transferred their normal everyday accounts. Unfortunately I do not have the figure of the loans et cetera but I know we have passed the \$2 million mark in two and a half months.

This has made quite a difference to our town. Sidetracking slightly from the bank before I come back to the centre, because the bank, of course, is offering loans like everybody else, I want to say that the whole of the estate agency business in Dunolly has changed dramatically. Before, as I stated, you could pick up a house and name your own price, but house prices have now started to rise, and boy, that is a change for Dunolly. I sold my house recently: it was on the market two days and I got \$10 000 above what was expected. There is no longer a glut of houses for sale. I believe that our rural transaction centre has helped breed a sense of pride in our town. When we designed and opened our centre we made a deliberate decision to put as many fluorescent lights in the place as we possibly could so that it would stand out like a beacon, and it has become a beacon for our town.

One of the other things that has happened because of our rural transaction centre is that the kids who were drinking, roaming the streets and smoking pot in front of the town hall are now being productively used inside the centre in the Internet cafe. For the month of July, the latest figures I have, we had 245 people register in the Internet cafe for regular use of the computers. It is interesting to note that out of those 245 people 237 are actually on concession cards of some sort or another and they get the cheap rate of \$2 an hour to use the computers. I want to point out that this is something that is radically changing the lives not only of the young but also the old people. If only you could have been with me the other night to see an 80-year-old sitting down in front of the computer and being taught how to use it by a 17-year-old boy! I think it is an amazing story, which shows we are trying to break down some of the generation barriers.

It is important for us to note that the rural transaction centre is controlled and run by local people. We have the say, we decide what is happening, and I believe that that is a very exciting concept. It has created a focal point for the whole district. I also want to mention for a moment the volunteers. Where would we be without volunteers? At this stage we have 35 fully trained volunteers who give their time and effort to help keep our centre open. We open at 10 o'clock every morning and stay open until 8 o'clock every night seven days a week. The idea of that is to be available to the public when we are needed.

Centrelink in itself has been quite remarkable in the sense that we have the Centrelink set-up there. We have an average of 30 people per week using the Centrelink services. I will tell one very quick story of a gentleman who used to ride his bike in from well out of town twice a week to go through the computer and see what jobs were available. The staff noted that he had not turned up for a couple of weeks and were concerned about him. They decided to investigate why the man had suddenly stopped coming. Before they could get out to visit him at his place he sent word to say he had got a job. We put up the flags because it is not often Dunolly can offer employment or get somebody employed. It was a great effort.

We have now arranged for an optician to visit the town regularly. Last week was his first visit; he was due to visit for 4 hours but he ended up working for 6 hours; he has agreed he will visit us on a regular basis in the future. Through the regional transaction centre we have opened an insurance broker. He comes to town every Tuesday afternoon and conducts his business from our centre. We have recently agreed with the federal government to become an information centre for rural health and we will display rural health material. We are also part of the visitor information centre.

We have a community jobs program operating. Our centre is part of the training of one of those participants over the next 16 weeks. That will help us to not only train them but also enable us to tackle new projects and look at new matters. This project only came into being because the government backed the vision of the people. The people of Dunolly do not want handouts; we want to be able to achieve their goals, aims and vision with the government helping us to achieve them.

The CHAIRMAN — When you talk about government, do you mean the federal government?

Mr GRAY — Yes.

The CHAIRMAN — You have sold your house; are you staying in Dunolly?

Mr GRAY — Unfortunately, I am moving.

The CHAIRMAN — My reflection is that the RTC answer to many rural towns issues is a good one. I assume you would agree that the RTC answer is a flexible answer that can be geared to whatever are the needs of the town? There is no one solution for any particular town that relates exactly to another town. The flexibility in gearing it to what you need is a wonderful advantage. It seems that there are probably many towns that either do not know about it or have not given it serious enough consideration. Do you have a comment?

Mr GRAY — I agree with that. In the last 13 weeks I have spoken to at least 20 different towns about rural transaction centres and told them what can be accomplished. I have also spoken to a special group from New South Wales about RTCs. The success of an RTC is that they can do what they want to do. There is no fixed pressure of 'You have to have this or that'. It is all about what you need. When Dunolly went through the process of working out what we wanted to do we made a strong decision about what we would not do.

Mr Best would know that we made a decision that we would have nothing to do with the RTC that would impact on the hospital. We did not want to jeopardise anything that may or may not happen with our hospital, but there are plenty of other towns that I know of and have talked to people where there are no such problems and they need health facilities. I have said, 'Go for it. This is the perfect opportunity for you to bring some of those health services back to your town'. In only the last few days I have spoken to an RTC where they are doing precisely that — they are going out of their way to get health professionals to be part of the centre.

The CHAIRMAN — What number of people do you need to set up an RTC in a town? Is there a set of skills that you need that works through having so many people, or what?

Mr GRAY — Are you talking about inside the RTC?

The CHAIRMAN — No, the group that you need to set it up or to initiate it?

Mr GRAY — Our group was eight people.

The CHAIRMAN — Was there a range of skills in those people?

Mr GRAY — Yes, the majority were business people. We also had a council representative on the committee. The chief executive officer of the Shire of Central Goldfields was on the committee. We also conducted a consultancy beforehand to ensure we could achieve the ends we wanted to achieve. The consultancy certainly

showed that. We had a few difficulties in the sense that, unlike my friend from Avoca, we could not raise the money to have a full community bank in our own right. The town has pledged itself to \$350 000 towards keeping the hospital or the extensions to the hospital. When it came to asking people to dig deep and give another \$400 000, the answer was, 'No, we cannot do it'. To some degree we came through the backdoor to get the bank into our set-up. I understand we were the first RTC to get a Bendigo Bank under the system. I am not sure whether the Bendigo Bank thanks us for that because I believe it has another 27 towns asking it to do for them what it did for us.

Mr BEST — I am well aware of the participation of Mr Gray in the Dunolly community. It is a shame that the fellow who was a witness earlier had not stayed in the room because he has missed the opportunity of hearing about what local people can do in empowering their own communities. If we want to sit here, and look backwards and down, we will never progress. The RTC has been an outstanding success. You are right; whilst this is a low socioeconomic area, the fact is that the range of people now participating were previously wasting away. It is terrific.

The CHAIRMAN — That is a great story, Mr Gray. We wish you well with the next one you may set up. We will send you a copy of the transcript of your evidence. Thank you for your attendance.

Mr GRAY — Thank you. I leave you with two documents that have nothing to do with RTCs but about what you are inquiring into. You may find they are of interest.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Avoca – 29 August 2001

Members

Mr R. A. Best
Mrs A. Coote
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Chairman: Mr N. B. Lucas
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Staff

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Witness

Mr F. Davies, Stoney Creek Oil Products Pty Ltd.

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. We appreciate your attendance, Mr Davies. Would you like to address the committee?

Mr DAVIES — I am pleased that I also have been working with Mr Gray on the federal Better Future for the Country program. I come from Talbot. We have a program of rebuilding there an old building to house our Internet cafe. We have computers from the Networking the Nation program. We should have an opening there in September. We drew some federal funding for it and coupled with more than 50 per cent in-kind and local input we look like opening; and we will open with a lot of community support.

Your committee has been talking about rural rebuilding and decline. Talbot has been declining since about 1869 when everybody started rushing to New Zealand. The only boost the town has had since then was the subdivision of rural lands into hobby farming areas. That increased the number of kids at the school and completely changed the social structure of Talbot from an old rural place with high unemployment to a place with a lot of different social forces in place. The reason I wanted to speak to the committee and to help the Avoca submission is that in 1990, when wool collapsed, out of adversity we commenced value adding on the farm at Talbot; we looked at value adding oil seeds. We went through a structural problem of an investigation in trying to discover what we could do. We went into niche marketing and hit the market in January 1993 with our own brand product.

The CHAIRMAN — What product?

Mr DAVIES — Cold pressed seed oil; it is mainly flax oil. It goes into the market as a replacement for salmon oil. We mainly went into import replacement, but we did forge quite a deal of market of our own. At the moment the only reason we do not have a complete import replacement program in operation is that our main competition imports and packs here. We do not get the opportunity to act as a supply product to them. We have a 100 per cent Australian product. Our factory is on the farm at Talbot. As we have grown we have run into service problems. We have power problems as we are on the end of the S.W.I.R line. In communication with Powercor they suggested \$360 000 was the starting price for three-phase power. We are at the end of 4 kilometres of dirt road and a lot of our delivery people do not want to come there; also, people do not want to come there to collect.

We are on the end of about 12 kilometres of copper wire. I am glad that Telstra has finally put a digital line divider on in recent times, which has improved considerably the speed of our modem and helped us with our emails and Internet work. We have an active web page. We trade internationally via e-commerce and we export from Talbot.

Public transport is virtually nonexistent. We have tried many ways of getting our product out and many ways of getting it in. On the public side of things we use Australia Post and have quite a bit of product going out through the Talbot post office. We mainly use express carriers and air freight. With the express carriers we use a local carrier to get it into Ballarat. We dispatch the express from Ballarat and by doing that we get zone 1 dispatch, which helps us considerably with our freight costs.

The reason for actually being involved with Avoca is the power. The abattoirs up here had been abandoned for 20 years or something and had existing three-phase power, which is advantageous for us. The site is sitting astride two highways, which is also advantageous. We have a proactive municipality, which is very helpful, and we are looking forward to starting. We are just scratching around, but we hope to be in production up here in about 30 days.

Mr BEST — So you are transferring your operation from Talbot to Avoca?

Mr DAVIES — We are transferring production to Avoca because of the power situation. We will maintain warehousing, packaging and dispatch at Talbot for the time being because we have grain storage facilities over there and also a fair-sized warehousing facility. The seed that we use comes from southern Victoria. We have some coming from Tasmania, too, at times but we have a little bit of a problem with moisture from Tasmania. The seed also comes from up as far as Toowoomba so we draw from a fair area. Another thing is that our market is 80 per cent organic and the genetically modified organisms (GMO) situation is not helping us very much because it threatens our organic status if we get crosspollination. If we do get crosspollination 80 per cent of our market will drop out, which would mean we would not be very viable.

The CHAIRMAN — Is 95 per cent the figure you have to achieve for non-genetically modified (GM)?

Mr DAVIES — Non-GM is 100 per cent for organic. For all our by-product going into the dairy industry they are requiring us to give them statutory declarations that the product is GMO-free just to go into stock food.

The CHAIRMAN — In terms of the reforms and changes and all the things that have happened in the past five or six years, you have been here for — —

Mr DAVIES — Ever!

The CHAIRMAN — Do you as a business person have a view on the advantages or disadvantages of local government reform?

Mr DAVIES — Local government has become more accessible to us, that is one thing I would say. However, from my point of view, being on the end of the road, the end of the line and sitting astride the shire boundary is not a very nice spot to be. I do not think we have the support there that we used to have. I think it is because the municipalities now have to be more creative in their funding, and if they are not then we miss out. I think that is basically what it is. There are more funds around now but they do not automatically get so much in the way of road funding and so much in the old municipal assistance plan, which was a slush fund for them which they could use to do local works. I am not up with their funding now.

The CHAIRMAN — It is the grants commission, and they are getting more than they used to. There is additional funding for roads at the moment from the commonwealth government. The funds are still flowing.

Mr CRAIGE — Councils set the priorities. They get more money but make their own decisions where they spend it; it is untied.

The CHAIRMAN — In terms of structural changes, as a business person running a business you have explained the challenges, shall we say, that you have had to get over. Have those challenges increased or decreased over the past five or six years, or has it always been like that?

Mr DAVIES — I have been farming for a long while, but we just started in this business when everything else seemed to be collapsing. As a businessman I am the new kid on the block, but I think we are finding it easier now because we have learnt more about business. The first business training I had was a New Enterprise Incentive Scheme course, so things were fairly low at one stage there. We actually went on to take out the best NEIS national business, so that has gone on well. I think we have become more business wise and we are really not fazed by things now the way we used to be. If we cannot find support in one area, we will look in another area and if we cannot find support at all we find a way around it.

The CHAIRMAN — That concludes the hearings on structural change. We will move on to the export reference.

Committee adjourned.