

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Rochester – 12 September 2001

Members

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

Mr N. B. Lucas
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Mr T. C. Theophanous

Chairman: Mr N. B. Lucas
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Executive Officer: Mr R. Willis
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Witness

Mr P. McKenzie, Manager, Aged Care and Disability Services, Campaspe Shire Council.

The CHAIRMAN — I declare open this hearing of the Economic Development Committee. I welcome and recognise the Honourable Bill Baxter, who is in the audience. It is good to see him here taking an interest in the proceedings of our committee. We welcome also Mr Paul McKenzie, manager, aged care and disability services, for the Campaspe Shire Council. Thank you for coming to this hearing.

The Economic Development Committee is an all-party investigatory committee of the Legislative Council. It is hearing evidence in relation to its inquiry into structural changes in the Victorian economy. I advise all present at this hearing that all evidence taken by the committee, including submissions, is subject to parliamentary privilege and is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act. Mr McKenzie, if you would like to make an opening statement, we will then ask you some questions.

Mr McKENZIE — I am not particularly familiar with the format, but I suppose the main thrust of the paper I have delivered to you is that local government has in fact borne a lot of the cost of the structural changes, and there has been a significant amount of responsibility laid on local government because of our contact and close proximity to our communities. That is my starting point, I would say. Everybody will have read the paper.

The CHAIRMAN — Absolutely. Thank you for making that submission to us.

Mr McKENZIE — I have some examples of some of the statements that I have made in the paper. Is it appropriate that I go through those?

The CHAIRMAN — Absolutely.

Mr McKENZIE — I think the first thing is that there have been many changes in the manufacturing industry, in the decline in the commodity-based markets. The example that I gave was the dairy industry. We have a number of large operators in our shire. We have Bonlac, Nestles and Murray Goulburn factories in some of our smaller towns of Stanhope, Tongala and here in Rochester as well. They have produced fantastic employment opportunities. I think I have also stated that there have been significant benefits through the changes, but there have also been some downsides. Those have been, in this case, the increased road use by heavy vehicles. With the introduction of B-doubles likely to occur, for example, for the dairy industry, that is going to have a severe impact on our local roads. They are all gravel roads. They are going out to farms, trying to pick up milk, and every time they turn a corner, with these B-doubles, they keep pushing the side of the road out. That is a significant cost on local government's roads budgets. You can say that we complain. Once again that is a cost because we are always planning all the time, so there are increased planning loads trying to rediscover new routes that will make it better, limiting trucks to the one set of road uses, et cetera. But then you get intensive agricultural produce like tomatoes, which only stay in one area for a year or so, then they shift, so you cannot develop a road network to service those particular farms as you can with the viticulture industry, which is permanent. Heaps of road improvements are necessary. Also, with these large companies and large intensive farming operations, there is a lot of community and environmental concern, which once again places enormous pressure on local government to hold community consultation, to provide planners and to provide education to the public. It always falls back to the local government to produce the goods and to mediate between the parties.

The next issue that I came up with is one that is probably dear to my heart, which is the significant moving from the land of a lot of population retiring into regional centres. That leaves a significant change in the population mix. Our smaller communities now are completely isolated. They have public transport, you might say. Well, a bus running through of a morning and coming back of an evening is not appropriate for a 70 or 80-year-old lady to get on to come and do her shopping in Echuca. She cannot even stand that long; being on her feet for an 8 or 10-hour day is absolutely beyond the pale. It is the same with youth. If they are to go into a town to attend the pictures, for example, you have lost them for the entire day. They leave at 8 o'clock in the morning and do not get home until 7 o'clock at night. So the supervision requirements stop most parents from sending their kids in.

What happens because of that? Of course local government has to provide community transport. Once again the communities are screaming out at us through our community advisory groups to come up with different ways to entertain our youth populations in these smaller towns. I know it is an issue right across Australia, but we are the ones closest to local government. We are the ones with the blow torch applied to us. We have one youth worker for the entire shire. The Freeza program, which has been an outstanding success with the alcohol-free entertainment, has had its funding cut in half. We now have what was once an inadequate service, of having entertainment once a month, now down to a couple every year, and that is about it. Not only is the funding for the youth falling, but with the aged care, there have been heaps of increases in cost of aged care in isolated rural communities.

With the family moving away to the centres to get jobs, we are often left with older people without family support. It falls back on local government now to provide extra home care, et cetera. You may say that is funded. Well, in the next meeting I have after this one, I am about to present to the aged and disability advisory group in the department that council's contribution to the aged and disability budget has risen from 34.9 per cent in the 1999-2000 budget to 48.1 per cent of the budget in this current financial year.

Mr CRAIGE — In dollar terms?

Mr McKENZIE — From \$335 000 contribution to \$574 000. Even then the actual levels of service are going down, because our costs are increasing with the distances, with the lack of public transport, with the increases in Workcover premiums and the pressure to have trained staff. We have 75 cents a kilometre that we are charged now. We cannot use the old casual labour forces. The younger people in these communities are not around now who used to be there to do this type of aged care work. We have to have specialist personal carers, et cetera. They come from the regional centres or from the smaller towns to go out into the rural areas, and it costs us a hell of a lot of money to get them out there. It costs us a hell of a lot of money to train them. Those costs are ever increasing.

I suppose the isolation and transport issues are the major ones I can point out. With the moving of the population we have also had the closing of football clubs — that will be close to Ron's heart. Clubs like the Bamawm and Extension football clubs have closed down and amalgamated with Lockington. There is still a footy club there, but it is not in the close local community and close enough to ride a bike to. They are not there any more, and players have to be transported there by parents, or whoever. Once again there is more pressure on local government to come up with sporting programs — with youth groups, et cetera — to entertain the kids.

Council amalgamations and competitive tendering have had an impact. Our depots have been consolidated in key centres like Tongala. That is great for Tongala; that is not really great for Rochester. Rochester has lost a lot of the workers who used to be based here. Some towns have gained, but other towns have lost a hell of a lot.

Pre-amalgamation there were five service centres — there still are. It is good that they are all open; however, the staff mix has changed. Once there were 10 people or more working in the Rushworth office full-time; now there are two. The fact of those staff shifting out has caused some significant economic problems to businesses. Ten families shifting away from Rushworth could be in the range of, if there were three in each family, 30 people. Economically that is very hard on those businesses.

Something that has not been looked at a lot is that community leadership has really suffered from the flattening of organisational structures. Now the Bonlacs are consolidating and a lot of the council management staff are all in Echuca and Rochester. When you tell the communities they have a problem with their banks having closed down and all the bank managers having moved away, they say, 'Well, let us get a community bank going'. Then they look for somebody to push the process through, but the academic and intellectual capacity is no longer there. Who does that then? They say, 'Well, let's go to the local government', and we have to provide somebody again. If we do not, we are leaving our communities at a real loss.

The burden of disease statistics and lower socioeconomic status is an established fact. People living in rural areas have lower than average incomes and lower health outcomes. It is made even more difficult for these people with their isolation, their lack of transport and their lack of GPs. As the communities have shifted away, so have the doctors; they are consolidated in towns. That makes it difficult for people to see them. We try to get our bus runs to pick up people from, for example, Lockington on a Tuesday so they can visit the doctors, and the doctors try to schedule them in for the Tuesday morning so the bus can take them back at lunchtime. It sometimes works; it sometimes does not. Doctors are private businesses; they have long waiting lists, there is a shortage of doctors everywhere, and they can also charge a premium price. There is very little bulk billing in the country; you always pay the premium price.

The final thing I will refer to is the telecommunications infrastructure. Although there is plenty of publicity about it improving, there are still major problems with that, particularly with the mobile coverage, which affects us greatly. If the infrastructure is not kept up to speed — the answer to all this isolation was that we would have great information technology and computers downloading very quickly. Well, that is just not happening, and it is quite difficult. It has cost quite a lot just for me in Echuca, and the speed with which we access the Internet is quite slow.

Summing it all up, I say that most of the time it is left to local government to push these issues. We are the ones who are dealing with them and who are on these committees. We spend a lot of resources out there in the community listening to community concern, and have not had much funding provided to do anything about it.

The CHAIRMAN — Thank you, Mr McKenzie. As an aside, I assume you had something to do with the submission made by the shire?

Mr McKENZIE — Yes.

The CHAIRMAN — I thought it was spot on in terms of raising the issues. What we have already found out in other areas across Victoria has again been brought up in your submission. Thank you for that; it was well done.

Mr McKENZIE — Thank you.

The CHAIRMAN — Towards the end of the submission you state that structural change within the Victorian economy has been essential, and at the start of the submission you state that significant change at the macro level has produced benefits. Would you like to elaborate on the benefit side of it? It is important that we hear about issues of concern, but I am also interested in hearing what you consider to be the benefits at the macro level as a result of restructure in rural areas.

Mr McKENZIE — I think the benefits have been that a lot of factories or big businesses have consolidated in areas close to where they produce their goods. The Shire of Campaspe is in a great position for that to happen. I am only coming from the Shire of Campaspe's position, because I know that a lot of other shires may have missed out on this growth. But we have had the likes of Heinz, Nestle, Sedenco, Bonlac and Murray Goulburn — all of those factories coming into this area and there being significant economic growth. It has become centralised in the major population centres. There have been great advantages for the population in places like Rochester, which has a good advantage here with Murray Goulburn, and particularly Echuca, which I think a lot of other people have missed out on.

The CHAIRMAN — The last statement in your submission suggests that it is essential that state and federal governments work with local government to provide resources and to plan and implement programs in local communities to address and/or soften the blow of continuing change. Would you like to elaborate on that for us?

Mr McKENZIE — Yes; that is fairly close to my heart, actually. Because of the aged care issues and disability funding issues there seems to be a significant amount of cost shifting. Everybody claims that they fund a particular section or project, but what really happens is that they underfund it. Yes, they are putting some money into these areas, but they are not putting the whole cost or the true cost. That is particularly apparent in aged care, where the commonwealth funds some and the state funds some through the home and community care program, but where in fact you get funded at a unit cost. It is far, far less than what it actually costs to deliver an hour of service. Local government then has to chip in the rest.

Local councils are very well known to their communities. They are easy to complain to. Someone can walk through the front door and have a go at their councillor or council officer, and you cannot get away from that. State and federal members are a little bit further removed than that. People see that they can get the most impact by getting in and talking personally to somebody they actually know.

That leaves us in the unenviable position of having to continue to put money into these types of programs. We are happy to assist as local government. We are very happy to do that on behalf of our communities, but we are not happy that we have to bear the cost of providing those programs. We want to be involved. We think we know the issues, but we need assistance from state and federal governments to implement those programs.

Mr BEST — You spoke about infrastructure, which is something that interests me. I have from Bendigo looked at the growth that has occurred, particularly in Echuca with manufacturing, with a lot of envy. But how does a town like Rochester in your shire compete against Echuca? How do you stop the seepage of people leaving Rochester to either shop in Echuca or Bendigo and the transport linkages that are associated with all that?

Mr McKENZIE — I think the lack of transport linkages — and you picked that straightaway — and the fact that people cannot get to the major centres means that if they are isolated they will shift so that they can get access to the things that they require, whether it be entertainment for their children or sporting facilities, educational or manufacturing and job opportunities. I do not think there is any simple answer. If there was a better transport system, by God it would cost a lot of money.

Mr BEST — Can you tease that out a bit and tell us what the transport linkages are? You said you have one bus service.

Mr McKENZIE — There are bus services. Bus services are really inappropriate for a large group of people, if you are older or if you are younger, to be using.

Mr BEST — Do they need to be more frequent?

Mr McKENZIE — They need to be more frequent because you are just left waiting for up to 8 hours. Rochester might have two runs a day, but if you move out to Colbinabbin, Rushworth or Stanhope you have a bus that goes through once per day. In fact in some of those areas it does not come back through there until the next day. So even just to visit an elderly relative in an aged care facility becomes impossible to do. Therefore, you must shift away from your local town if you need to be near those services.

Mr BEST — Are the demographics within each shire changing and people are regionalising, or what is happening?

Mr McKENZIE — They definitely are. We have a large amount of older people who are moving to Echuca to retire on the river.

Mr BEST — It is a pretty attractive place.

Mr McKENZIE — Very attractive. The only unfortunate thing is they do not have any carers or children that come with them, so when they get older and need support, there are no family members to provide that support, so once again the shire picks up the home care or the monitoring role in that.

Mrs COOTE — I found that very interesting. With your aged care hat on, can you talk a little about how elderly people around here access post office services and the new services they are giving with the electronic mechanisms that are now being used? I notice you still have banks. You spoke about a community bank.

Mr McKENZIE — Yes.

Mrs COOTE — What about electronic banking for the elderly here? How are they adapting to those newer types of services?

Mr McKENZIE — Phone banking is an absolute disaster to the older person. They cannot hear and they are not usually quick enough to respond to that. They have not been brought up with that type of technology. There is not a lot of electronic banking in the smaller towns. Where they have banks, they still have face-to-face branches in those, or they have not got a bank, or they use the post office Commonwealth Bank facility. As I said, phone banking has been a disaster for older people, but with face to face through the post office, I think that has worked quite well.

Mrs COOTE — Is your post office open on a Saturday morning?

Mr McKENZIE — I do not know whether it is, in Rochester.

The CHAIRMAN — We believe it might not be.

Mrs COOTE — Are they concerned about banking? Is it a big issue?

Mr McKENZIE — It depends on where you are situated. If you are in Rushworth, it is becoming a bigger and bigger issue. The National bank has now closed except for two days a week. In Tongala it has closed completely and they have had to open the community bank office there to facilitate that. Yes, it is a big issue, and the smaller the town, the bigger the issue it is.

Mr CRAIGE — If I gave you a bucket of money, that would not necessarily solve the problem, would it?

Mr McKENZIE — Not at all.

Mr CRAIGE — What you have illustrated to us is that whatever services you deliver, there has to be an effort between federal, state and local government?

Mr McKENZIE — Yes.

Mr CRAIGE — I feel a bit gloomy, following your presentation here this morning, that there is no hope, but I hope that is not what you meant to be putting over, that the local government has invariably taken on all the

burden. One of our terms of reference is to assess the impact of the withdrawal of some services. I notice you said Freeza was cut.

Mr McKENZIE — Yes.

Mr CRAIGE — Won't that have an absolutely dramatic effect here then?

Mr McKENZIE — It has had an enormous effect. If anything, we had been hoping that was going to be doubled or tripled, because it had been such a fantastic initiative. It was so well supported here. I think they had four or five functions where they had a full house. You could not get any more people in the biggest nightclub in Echuca. It was an absolutely fantastic success and now it has basically gone. That was really disappointing.

Mr CRAIGE — Did you have to put an application in and was that rejected, or has the funding just been cut?

Mr McKENZIE — The funding has just been cut across the board. It has been cut in half, and you will get basically half of what you got last year.

Mr BEST — What was your previous funding, and what is it now?

Mr McKENZIE — I have not got the specifics on that. I know it has been cut in half. They had been hoping, because it had been such a success, that they could possibly double or triple the number of functions, and now they are halving it.

I hope I have not put too much gloom and doom on it. I think I should probably be saying that a lot of these things are inevitable — the shifting of populations, the high costs of delivery of service in these areas — but I think I should be putting forward that it is a matter of federal and state governments supporting communities through this time of change. At the moment it does not appear as if communities are getting a very sympathetic ear to some of their problems. It is not going to last forever. Many of these communities will slowly wither away whether we assist them or not, but it would be really nice if we were able to support them through that time of change as families grow up and shift away over the next 20 or 30 years.

The CHAIRMAN — When you are saying it is inevitable that communities will wither away, are you talking about smaller towns?

Mr McKENZIE — Very small towns, yes. You can see it happening with some of the large farming movements with the dairy industry, for example. Instead of having a small property — and there was so much soldier settlement across the Kyabram-Tongala area — those farms are now being blocked up bigger and bigger as it has become essential that those farms are two, three, four times as big to operate. They are now working 24 hours a day, with three milkings a day, et cetera. That means that the workers that are required do not own the land, they usually do not live on the land, and they travel out from those regional centres.

The CHAIRMAN — So whatever happens, your future scenario is that there will be many small country towns that just disappear?

Mr McKENZIE — They will be retained, but not in the form they are now. For example, Rushworth will be an historic tourist-type area. They are changing slowly to focus on that tourist area, to focus on the market of other people coming in and bringing money to the town. But as for their farming the old way, it is going to change.

Mr CRAIGE — Swimming pools — how important they are to rural towns! As a rural member, we have a lack of recognition by our city colleagues as to how important a rural swimming pool is, not only for the young, but also for many other reasons. It is a real issue. Have you heard that the Better Pools program could be halved, or there could be a reduction in funding?

Mr McKENZIE — I had heard that there was some pressure on that. Council has just put \$200 000 into its pools budget out of its own resources. If those pools closed down, that is just another one of those youth-related and family-related activities that will disappear.

Mr CRAIGE — It really would be devastating.

Mr McKENZIE — It would be exactly the same as the football and netball teams closing down; in fact, it would probably have more of an impact because so many younger children and families use those facilities.

Mr BEST — Paul, have you done an audit of any sort to identify in dollar terms what sort of money has been cut from state funding over the past two years?

Mr McKENZIE — No. I am sorry, I have no idea.

Mr BEST — Is it an interesting — — ?

Mr McKENZIE — One of the things, particularly in my area of aged and disability services, is that the funding has increased; however, the need has increased faster than the funding and the cost has increased faster than the funding. The delivery of services now is just so expensive for local government. Recently there was a Workcover accident where a subcontractor's subcontractor's subcontractor fell through the roof. Although we were not found to be negligent in any way, Workcover came in and basically put the fear of God into everybody about what would happen if systems were not up to scratch. They specifically told us, 'Look, government agencies and local government are the first point of call', before they were moving into the broader community in a big way.

Our costs, just in training for our staff, have increased by \$30 000, just for our small aged care service. We now have to annually train people in occupational health and safety issues that will never go away. These types of increases in professionalism and safety come at a cost. The state and federal governments have not recognised that in the delivery of service and through their funding models.

The CHAIRMAN — Mr McKenzie, we may send a letter to you asking you to get some information together on when various facilities were here and when they closed. The third paragraph of page 2 of your submission refers to the closure of a number of things. It would be interesting to find out where those facilities were in the Campaspe shire and what has happened in a time sequence.

Mr McKENZIE — Yes.

The CHAIRMAN — Thank you for coming along. The Shire of Campaspe should be very pleased that it has an officer on its staff with the ability to articulate so clearly what the issues of the day are and who has his head around the important issues we are looking at. Congratulations on doing it so well.

Mr McKENZIE — Thank you.

The CHAIRMAN — Thank you for your time. We will send you a copy of the *Hansard* transcript for you to look at.

Witness withdrew.

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Mr B. Holschier, Stanhope Chamber of Commerce and Industry.

The CHAIRMAN — I welcome Mr Bob Holschier. I am Neil Lucas, the Chairman, and I introduce the other committee members.

Mr HOLSCHIER — I have a submission to submit to you outlining what I want to talk about. I provide each committee member with a copy.

The CHAIRMAN — Thank you. I advise all present at this hearing that all evidence taken by the committee, including submissions, is subject to parliamentary privilege and is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act. Mr Holschier, you hold the position of?

Mr HOLSCHIER — I do not hold any position, actually; I am here just as a spokesperson.

The CHAIRMAN — A spokesperson for the Stanhope Chamber of Commerce and Industry. We welcome you. You may make an opening submission, after which we will ask you some questions. We have just under 20 minutes for that to be done.

Mr HOLSCHIER — Thank you. Firstly, thank you, Mr Chairman, for giving me the opportunity to come along and speak to you today. Secondly, driving over here this morning I thought, 'Compared to what has happened in the world today, it is rather insignificant to be sitting here talking about problems in a small country town'. But at the same time, the fact that we are having an inquiry like this is really what keeps this place probably the best place in the world. Having said that, I would like to tell you a little bit about Stanhope.

Stanhope is a pretty small town. It is one of the smallest towns in the Shire of Campaspe — not the smallest, but one of the smallest. It has a population of only 600 people. At the same time, it is a very active type of town and it has just about all the amenities that larger towns have. Consequently, a great deal of extra burden, you might say, is put upon those 600 people to keep the town in the condition and the situation it is in.

The reason I am here speaking on behalf of the Stanhope Chamber of Commerce, of which I am a member — and was past president some time ago — is that I seem to cop all this sort of stuff. Everyone else is busy and I am supposed to be not busy. But I think I am probably one of the busiest.

The town over there of Stanhope is around about half an hour from here. It is more or less a service town to the local dairy farmers, which it is surrounded by. When I say a service town, I mean that it has become that. In the 37 years I have been in the town or the area it has deteriorated considerably as far as services are concerned. We have a very big Bonlac milk factory there, and that is really the centre of the town; the town revolves around that. At the same time we have some problems. I would like to go through the things you have asked us to refer to, if I may.

I refer to banking. To sum up banking I say that I suppose we are reasonably well off. We lost a Commonwealth Bank back in 1994. We were very perturbed about that, because we had two banks — the National Australia Bank and the Commonwealth Bank. We held a public meeting, which I chaired, at a hall nearly as big as this one, and it was packed. I think about 400 of the 600 people were there. Representatives of the Commonwealth Bank were there, but it was like bashing your head against a brick wall; it was just a waste of time. We did not get anywhere.

The National Australia Bank has reduced its hours considerably, but at the same time it is reasonably convenient there now compared to some other towns. The Commonwealth Bank has branches at the post office, and the Bendigo Bank has not a branch but an agency at the local newsagency.

Generally speaking, we do not have a lot of complaints about banking facilities in Stanhope. If we lost the National Australia Bank it would be a different story altogether. One of the biggest problems is of course for the businesspeople, home owners, or anybody like that. If they want to speak to anybody above the local tellers of the National Australia Bank they have to travel to Shepparton or Kyabram, and that can be a problem. But generally speaking, I do not think there are too many complaints in Stanhope with regard to the banking facilities.

As to postal and communications, the post office there is as good as any post office in a small country town. It offers just about every service you could think of. They are on a smaller scale when compared to those in larger towns, but generally speaking it supplies all the services.

With regard to phone and Internet services, the phone service is adequate, but because we live where we live, we can only contact Shepparton as a local call. Anywhere else, including here, is an STD call. Places like Bendigo or Echuca, which are our nearest major centres, are all STD calls, which does not really encourage people to set up

business in a small town like Stanhope if they have to rely a certain amount on the phone. And of course Melbourne is an STD call as well.

I suppose our biggest problem with communications is with the Internet. I have been involved with the Internet now for about seven years. We have the problem that because of this local call business, we are locked into Shepparton as far as Internet service providers (ISPs) are concerned. If we are not satisfied with an ISP in Shepparton we cannot go anywhere else because of the fact of this local call set-up. There are more now than there used to be, but a couple of years ago there were only about two ISPs available to us, and so they virtually had a bit of a monopoly and could charge considerably more than, say, for example, if we had been in Melbourne or if we lived in a larger centre. Now, there is a bit more competition than there used to be. The communication services are reasonably good except for the Internet thing that I have just mentioned.

Our major problem in Stanhope is our municipal services. If I could, I might just read through this.

The CHAIRMAN — We are going to run out of time if we are not careful; that is our problem.

Mr HOLSCHIER — It is reasonably significant because one of our problems is that we feel that because we are situated some 45 kilometres from Echuca, which is the headquarters of the shire, we are rather neglected and do not feel that we know it. Since the amalgamation of councils, the services in Stanhope have deteriorated considerably. If it was not for the volunteers that do most of the work around town it would be a pretty horrible sort of town, to be quite frank with you, because we have people that almost work full time as volunteers doing jobs which everybody regards as council jobs.

The other problem we have with regard to local government is representation. We now have one councillor for an area which is equal to the old Waranga shire, which we were formerly in, and that area of that ward is around about 1700 square kilometres. It is now represented by one person. We feel that even though the population might be equal to, say, that of Echuca or something like that, or to a ward within Echuca, we feel that the area that one councillor has to represent is far too big and needs to be addressed. The other thing we are concerned about is that by only having one representative, if we get a dud councillor, we cannot do much about it for three years. You blokes know all about that.

Mr CRAIGE — We do not have many duds.

Mr HOLSCHIER — I won't debate that with you. But it is a fact of life. It is one of the problems we have. We cannot really do anything about it. We are saying that maybe there should be some change to the legislation which allows either more representation within an area, rather than based on population, or that we should have the opportunity to elect or re-elect, or throw them out, or whatever, more often than every three years. That is really one of our main problems at the moment.

The other thing we are concerned about over there — and it has been a bit of a sore for a long time — is that we are surrounded by dairy farmers, and they do not like subdividing bits of their dairy farms to extend the town. It might sound stupid, but we are surrounded by all this vacant land but we have not got any vacant land for expansion of the town. However, back in the early 1980s the railway closed, and we have a 4 to 5-hectare lump of ground in the middle of town, virtually, and all efforts by our chamber of commerce and others, including the council and the previous council, to get their hands on that land have failed. It seems to get shuffled from one department to another. We just have not been able to get anywhere, but it is prime land as far as subdivision is concerned, and it would help the further extension of the town if we could get hold of that land. The last time we did get hold of it, we had the Minister for Housing come to Stanhope to have a look at it. The Minister for Housing in those days was a bloke called Jeff Kennett. That is how long ago it is since we had any action. I sort of led the deputation to him then, too, so I have been doing this for a while.

The CHAIRMAN — I am keen to get on to some questions, but I do not want to cut you off if there is another important point you want to finish up with.

Mr HOLSCHIER — There are probably a number of points.

The CHAIRMAN — I have been glancing at that as you have been going along.

Mr HOLSCHIER — The other thing that we have a problem with, being a small town and only having a population of 600 people, is we do not have a range of people who can write submissions. We have not got any professional people at all, to be quite frank with you. We do not have solicitors, accountants or bank managers any

more. So whenever we have to apply for a grant, which nowadays you have to do — you have to write submissions to everybody to get any money — we do not have people with the know-how.

Mr CRAIGE — Whoever wrote this was obviously very good at putting submissions together.

Mr HOLSCHIER — That is apart from the point. I have not got time to be writing all these submissions. I am all sorts of things, but I am trying to retire, too. It is a very difficult job. But at the same time it is a problem that we do face. I think that maybe there should be some service somewhere to assist small towns to write submissions and even make us aware of what sorts of grants are around, because that is one of the problems that we have; being a little bit isolated, we do not really know what grants there are for different things, and that has always been a problem.

The CHAIRMAN — I think we had better get on to some questions.

Mr CRAIGE — This is the first time we have had a graph like that provided to us, which is very helpful. Could you just reflect on government services and whether you have had any services that were government services in the town that have closed and moved?

Mr HOLSCHIER — Not really, no.

Mr CRAIGE — Have you had any move in?

Mr HOLSCHIER — No.

Mr CRAIGE — So you had none move out and none move in?

Mr HOLSCHIER — No, because this being a small town, a post office is about the only thing that is semi-government.

Mr CRAIGE — Before the shire council amalgamations, what council was Stanhope in?

Mr HOLSCHIER — Waranga shire, which was based at Rushworth.

Mr CRAIGE — So it was Rushworth, Stanhope — —

Mr HOLSCHIER — Rushworth, Stanhope, Murchison, Colbinabbin, Toolleen — almost identical to what the southern ward of the Shire of Campaspe is now. We lost Murchison to Shepparton, but we picked up Girgarre, which was part of the old Deakin shire.

The area is almost identical to what the old Waranga shire was. As I have said, it is around 1700 square kilometres, which is a pretty big lump of country to cover.

Mr CRAIGE — I will ask one final question. Is one of the biggest issues for you and the Stanhope community the issue of local government representation?

Mr HOLSCHIER — Yes.

Mr BEST — We have heard a submission from the Shire of Campaspe. There are a range of different-sized towns in the shire. As far as Stanhope is concerned, how do you rate the shire's performance in delivering services?

Mr HOLSCHIER — Average, if there is such a thing as average.

Mr BEST — Out of 10?

Mr HOLSCHIER — Out of 10, about 6. There are a lot of personal political problems in the area. If you can read between the lines of what I have said about representation you might be able to work out what the problem is.

Mr BEST — One of the issues I find interesting is that one out of 18 families in the town is involved in a voluntary capacity as a serving committee member.

Mr HOLSCHIER — That is what the ratio works out at, but at the same time that is not quite accurate, because lots of us are involved in umpteen committees. If it were not for those voluntary committees we would not exist, virtually, because we would not operate. You can talk about the federal government, the state government and the local government, but without those voluntary committees the town just would not operate.

Mr BEST — Have you ever considered putting up a candidate from the chamber of commerce and industry?

Mr HOLSCHIER — For the council?

Mr BEST — For local government?

Mr HOLSCHIER — It is rather difficult, because most of the people involved in the chamber of commerce are businesspeople, and they really do not have the time to cover an area of 1700 square kilometres, let alone to get involved in council.

Mr BEST — You are getting onto my hobbyhorse, because apathy is one of our greatest problems.

Mr HOLSCHIER — You do not have to tell me anything about apathy.

Mr BEST — You are a community leader and are obviously doing a great job, but somewhere along the line leadership programs for some young up-and-comers need to be provided so they can take the next step up through local government.

Mr HOLSCHIER — Yes, well, one of the problems — as I said before, I have been in Stanhope for 37 years. I came out of Melbourne. I have been in business nearly all my life. For all sorts of reasons I came to Stanhope. I have found that the apathy has really bugged me for probably those 37 years. I find it becoming worse and worse. One of the reasons is, I think, that the younger people — here am I well past retiring age; I should be sitting back and taking it easy, but I seem to be getting involved all the time — look at what you have to do to be involved in the community now and be involved in a committee. You have all these problems. You have insurance problems, you have GST problems, you have incorporation problems — who the hell would want to be a volunteer? Only us old geezers who have been working our way through it for years and years. It is not very encouraging to be a volunteer any more.

Mr BEST — One of the things we have found most evident from the people who have appeared before us is that towns that are vibrant have a vibrant local community and people at the front driving them.

Mr HOLSCHIER — Yes, absolutely.

Mrs COOTE — I agree with Geoff Craige about the table. The table of comparison is terrific; thank you very much. I am interested that the population was the same in the 1970s as it is now.

Mr HOLSCHIER — Yes, probably a bit more, actually.

Mrs COOTE — Of 600 people. You said before that the rail line closed in the 1980s. Did that have an impact on the population number — obviously not — or the type of people who were in the town at that time? What sort of impact did the railway closure have?

Mr HOLSCHIER — It had some impact. I would not say it had a great impact, but it had some impact. It was a bit of a shock to our system when it actually happened, because everything changed from rail to road. We lost a way of life in some ways, because we had always had the railway there and people who were employed on the railway. I think there were two full-time employees at the railway station. We always had trains coming in and people unloading them and loading them, and so on and so forth. But all of a sudden that just stopped. Occasionally we used to send a trainload of kids off on an excursion to Melbourne or something like that, which was the highlight of the year. But now nothing like that happens at all.

Mrs COOTE — Although you have a daily coach service?

Mr HOLSCHIER — We have a daily coach service.

Mrs COOTE — You do not send the children on the coach?

Mr HOLSCHIER — Not so much, no; not that way. A whole school or a couple of schools used to be able to go on a train, whereas that cannot be done on a coach, unless there is a convoy of coaches.

The CHAIRMAN — Mr Holschier, thank you very much. We have enjoyed and have learnt from your submission and what you have told us today. It is important to speak to people from small towns, and with 600 people I suppose Stanhope could be called a small town. It is important that we find out what people from such areas think on the issues. Thank you for your submission and for coming along today to speak to the committee. We will send to you a copy of the *Hansard* transcript of our discussions. Thank you.

Mr HOLSCHIER — Thank you very much.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Rochester – 12 September 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. Hodson, Owner/Manager, Jbek Employment.

The CHAIRMAN — I welcome Mr Paul Hodson. I am Neil Lucas, the Chairman, and I introduce the other committee members, whose names are before them. Thank you for coming. All the 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.

We invite you to make an opening statement, after which we will ask some questions. We have about 20 minutes to do that.

Mr HODSON — Exactly what do you need to know? About the business of the town, I guess.

The CHAIRMAN — Could you start off by telling us your position, what your business is, where the business is located, what it does and how you see the changes that have occurred in the area where you work.

Mr HODSON — We moved to this area from the Gippsland area in 1963. I have a farming background. My brother is still on farms out in Nanneella, about 10 kilometres out of town.

I moved away for a while. I was in the armed services and came back again. From when I was about seven years old I worked not only on the farm; our father would send us out tomato picking and things like that. When I came out of the army we stayed over Tatura way for a fair while. I worked in the building industry for about 20 years, but every chance I had, on weekends or whatever, I would go to work picking fruit — tomatoes, or whatever. We came back home here mainly to bring the kids up, because it is such a nice little town. We just felt a lot better about bringing our children up here. They went to the Catholic school down here. I am not Catholic but my wife's family are, and we felt that that was the best education we could give our kids. It is a great school with great people and a great community behind it.

I still had my own business in the building industry, and whenever I had the chance I worked on a local tomato farm and ended up running its tomato and paddock operations. From when I was a young person right through I could see the shortage of labour. Every year there was such a big shortage of labour, and for years we thought, 'We have to do something about it'.

We reinvented the wheel, I guess, and set up a labour hire company. At the time I did not know there were any others in Australia or anywhere. I just thought it was something we had thought of and were doing. After we got started we found out there were thousands of them.

We are actually in a government building, a local council building, next door to the shire offices; it was the old SEC building before they left the town. We employ, I guess, over a season or a year well over 1000 people. Most of those are casuals, and a lot may only be employed for one day. We have about 70 people who are basically full-time casual workers. We are one of the biggest employers in Rochester, and are very proud of it. We have settled, at the last count, something like 12 families and about 8 or 9 single people in the town, simply for work.

When we first started, as with all small towns I think people were a bit sceptical. We had the backing of the farmers. Some of the farmers I grew up with and knew. We pretty well had the backing, mainly because farmers could not get workers. In the tomato industry, particularly with the mechanical or factory tomato, not so much the hand picking, they might have had about four to half a dozen workers who had been going back to each farm for years but were really not up to standard. The farmers knew it and could do nothing about it. They had no choice. When we came along, we sat down in meetings similar to this and explained to the farmers what we had in mind, what we wanted to do and how we wanted to go about it. Nothing was left up in the air as far down as paying the dollars, and everything else was discussed. What the farmers did was agree that the ones that had workers who had been working with them for a while would become core workers for that farmer. So we would bring in whatever labour they needed, and those few workers they already had would come on to our books, and they would go back there. Out of the original core of probably 40-odd workers, I think we have two still working for us. Farmers were being ripped off something shocking. People were taking an hour for smoko and things like that. It was just disgusting the way the farmers were treated, and they knew it, but they put up with it because they could not get people.

We brought people in from other areas because we could not get locals to work here. There probably would not be six people from Rochester who actually work with us. So everyone that we do have working with us are people we have brought in. It is a situation you will find everywhere. We have people from Mildura here — local people that have settled here. You tend to find that in a local area they won't work in a local industry because when they were growing up, they might have picked tomatoes one day and found it very hard, so as they are growing up, they say, 'Look, I won't do that work. It is too damn hard'. So you tend to have to bring people out of other areas to do the

work in your area. It is a funny one, actually, because there are a lot of good local people who are damn good workers who won't work in that industry because they had that impression; yet those same people will go up and work picking oranges, which is twice as hard. We come across all those things.

As far as government and infrastructure and things like that go in a small town like Rochester, it is imperative. If we did not have a post office and the Commonwealth Bank here, we would not have come, even though we live in Rochie; we would have opened in Echuca. It does not really matter whether it was the Commonwealth or ANZ, but we settled with the Commonwealth Bank because they had a branch in Rochester and because they were Australia-wide.

There were other reasons we settled on them; superannuation is a good example. When we were setting up and the bank started to realise the amount of money that was going to be going through, they agreed. What happened in the industry is you would get a lot of people who would have a \$100 superannuation plan and a \$200 one; from different farms everyone used different super companies and never really gave the workers an option of topping up their own super. When we were with the Commonwealth, and we still are with them, we explained all this to them and they have agreed, and still do, to roll any small supers over at no cost to the worker. So that was another reason we went with the Commonwealth there.

The CHAIRMAN — I think we had better get to some questions. We have to relate where you are and what you are doing to our inquiry, which I think is important.

Mrs COOTE — I am very interested in the profile of the people, the families particularly, that you have brought here to relocate, and one hopes you believe you will bring more similar families into this region. First of all, the profile of the 12 families that you have relocated here, could you give me some understanding of where they have come from, are they still here and will you be able to attract some people such as those?

Mr HODSON — We most definitely will be attracting more people. We have some crews at the moment that are interstate and are coming back here. We have just had another family move into the caravan park two days ago with two young children. He is an ex-banker who had just had enough of the stress and now goes out and picks tomatoes, or whatever. He is a very upstanding young person with a young family. He is looking for a house at the moment. Most of the families we have brought into the area are younger people with young families going to school or even before school age. In most cases either the husband or the wife, not so much both of them, work with us. We do have some cases where they both work. They bring in very, very big dollars to the town. Between them they can clear easily over \$1000 a week. If they want to get out and work, they can make really good money.

Mrs COOTE — They are staying here?

Mr HODSON — They stay here. They are renting houses. We have two young couples at the moment — neither has children — who have just bought flats here. Most of them rent property in the town, if they can get it. There is always a shortage of rental properties.

Mrs COOTE — Where have those people come from?

Mr HODSON — They pretty well come from everywhere. We have three people who are very good friends from Tasmania who have come over. They came over separately and met each other, not even knowing the other one was working here. They all live in a house up near the hospital. So we have people from Tasmania and from the Northern Territory. We send crews up to the Northern Territory to do hay for export and things like that. And people hear about us, and they come back. This family that has just settled in the caravan park is from Mildura. Originally they were from Charters Towers. We have a lady about 60 who works with us every tomato harvest season. Her sister is a farm person from Bamawm, and she was talking to them and told them about us, so they have come and settled here now.

The CHAIRMAN — If you come to live in this town or you have lived here for years and you do not have a job, do you provide an employment service for people that want to work on farms?

Mr HODSON — Yes.

The CHAIRMAN — What if you do not want to work on a farm? Where would you have to go to an employment service?

Mr HODSON — You would have to go to Echuca. That is the closest employment or job network. We are not a part of the job network. We specialise in the rural type of work because that is what I know. That is what I have done all my life.

The CHAIRMAN — So in terms of the CES, have there ever been any job services in this town, other than yours?

Mr HODSON — Yes, Central Victorian Group Training (CVGT) rented a room from us for a while, and it did not work. People from Rochester would still travel to Echuca because they would go there and do their shopping at the same time. They did not support CVGT having an office here.

Mr BEST — Central Victoria training group?

The CHAIRMAN — It is an apprenticeship scheme.

Mr HODSON — They do job matching and everything. They do the lot. We did work quite closely with them. We do not work really that well with them at the moment. He is doing a government survey. The job network does not work. I think it is a great idea. I think going private is really the only way to go with it. The reason it does not work is it is a structured tier. The longer a person is out of employment, the more money they are worth, and that is exactly why it does not work. I know first hand of a situation. My son-in-law is an accountant who was working for Swan Hill Chemicals; he came to Bendigo, where he comes from, and he wanted to come back here because we were here and his family is in Bendigo. He went into a job network in Bendigo that had an accountant's job advertised. He asked for it. They told him to fill the forms out. They said, 'How long have you been unemployed?'. He said, 'I'm still working'. Straightaway they said, 'Sorry, the job is filled'. Two weeks later he went back and the job was on the board again. He did the same thing, and again they said it was filled. So he walked to every single accounting firm in Bendigo, got a job on the spot, found the exact job that was on that board. It was not filled. The reason they would not give him that job is because there was nothing in it for them.

I know first hand people who have worked with us have gone into job networks and said, 'I am looking for a job. Is there anything going?'. They say, 'What are you doing?'. 'Milking cows at the moment'. 'No, nothing.' Yet the same day in one case we rang them and told them we were desperately looking for people. We were specifically looking for tractor drivers, which this bloke had done with us for two years, and they told him there were no jobs because he was still working. He rang me and asked me, and I said, 'Such and such in Echuca has got the job. We just put it on with them this morning'. He said, 'I was in there 5 minutes ago and they told me there were no jobs'. The same person told him that I was talking to, so he knew.

Mr BEST — You spoke about bringing people to town and about having them in the caravan park.

Mr HODSON — Yes.

Mr BEST — What is housing and infrastructure like?

Mr HODSON — There is a fair shortage of rental properties in Rochester, like with most small country towns. The caravan park is a really nice place. A lot of people stay there for fairly extended periods until they get houses. Mick over there really looks after them. If there is any drinking or anything like that at night, he kicks them out. He is very strict. It is a very nice park. A family with young kids can go there and feel quite safe and comfortable. They will stay there until they get a property. Sometimes they may be lucky and get a property fairly quickly, but there is definitely a shortage of accommodation, private and government sector.

Mr BEST — Are there many public housing units here?

Mr HODSON — As in housing commission?

Mr BEST — Yes, public housing?

Mr HODSON — I think we have a fairly big area of housing commission-type housing pro rata the population. I have found that in Rochester a lot of people tend to be in there very long term. I know of other areas — Eaglehawk, for example, where I have workers — where they do not tend to stay there. We have had people from those areas. If you ring them two weeks later you find they have moved on. But in Rochester they tend to stay in those houses a lot longer.

Mr CRAIGE — Has your company been involved with any government services? Have you ever worked on any of the employment programs?

Mr HODSON — We have never been invited to, to be honest. This is the first time we have ever been invited to anything by the government. A really good example of what you may be touching on is the harvest trail. We got a letter about that two weeks after the meetings were held. We went crook about that, but it was our own fault; everyone knows who runs the harvest office in Echuca.

Mr CRAIGE — It seems that your labour hire company provides a really important network of jobs and opportunities and that you have your finger on the pulse.

Mr HODSON — Yes.

Mr CRAIGE — Yet you do not seem to be in the loop when it comes to a lot of these other things.

Mr HODSON — We have been left right out of the loop. I think it is probably my fault a bit. If I ask for people and I know that people are not being supplied to us, I will let the people know that they are not doing their job. I feel very strongly about the job network. We will try to become a member of that in the future. We will run it as two separate entities.

There are a few reasons we will do that. One is so that we can tap into some of the finances the government offers. In our business it is extremely important to do that. We average 19 hours a day, both of us, and the money for the hours is a pittance. We are looking at about \$6 an hour. So we need to tap in. The other reason is that the only way to assure us that we will get the workers we want is by being in the job network side of it. Then if we are looking for workers we can get straight onto the computers and pull them off ourselves. There are a couple that we work with. One is Maets in Bendigo, which we find very good to deal with. Geoff down there — I will not say his surname — is a terrific bloke and tries really hard. Alan Bolton of Employment Innovations in Echuca is another one who tries very hard. The rest are a waste of time as far as I am concerned.

Mr CRAIGE — On the one hand you said that the way the system is now working is the way to go.

Mr HODSON — No, I said that going private with the system is definitely the way to go. I really believe that.

Mr CRAIGE — But then you gave it a couple of kicks on the way through.

Mr HODSON — The structure of it at the moment is not right. There could be the difference of, say, \$200 for a person who has been out of work for a couple of hours and \$12 000 for someone who has been out of work for 12 months.

Mr CRAIGE — They will spend the rest of their time as long-term unemployed?

Mr HODSON — Exactly, and they will send you long-term unemployed. They know that they will not stay at the job, but they will send them anyway. Even if you say, 'Listen, this farmer has been upset and there have been a few people he has not liked; we really want someone who will work', you will get someone who has been unemployed for five years. They will walk out on the paddock and say, 'Stuff this' and sit down and expect you to pay them. The job network knows that. That is where the problem is. It is in the structure of the payment.

Mr CRAIGE — If you could solve that issue, that would be a real goer?

Mr HODSON — Most definitely; I really believe that is the way to go. They should just give a flat rate right across the board and say, 'If you have been out of work for one hour or even for 12 months you still get \$500'. That would definitely solve it.

The CHAIRMAN — Mr Hodson, thank you for coming along today. We are seeing a cross-section of people from a diverse set of backgrounds. It is interesting. We wish we were here longer, but we have to go all over the place to speak to people. We will send to you a copy of the *Hansard* transcript of our discussions for you to look at to make sure we have asked all the right things. Thank you for coming along today.

Mr HODSON — Thank you for coming to a small town like Rochester. It was much appreciated by the people here.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Rochester – 12 September 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

Ms S. Curtis, Secretary, Tongala and District Advisory Group.

The CHAIRMAN — I declare the hearing reopened and welcome Ms Sue Curtis, secretary, Tongala and District Advisory Group. 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. Ms Curtis, I invite you to make an opening statement. Then we will ask you some questions.

Ms CURTIS — Very briefly, for those who are not aware, a citizens advisory group is a local government section 86 subcommittee of council. As such it works as a liaison between the community and council and vice versa.

We were instigated or put together in 1995 shortly after amalgamation. We have representatives from the various little areas around Tongala — from Koyuga, Ky Valley, Wyuna, Wyuna East to Yambuna. We have a representative from the local aged care complex, which is our biggest employer; a local representative from senior citizens; a representative from the traders association, which is a chamber of commerce-type thing; and also a shire councillor on our committee. We currently have a vacant position for a youth representative. Unfortunately he has gone off to university and can no longer attend.

I am also involved in the Tongala community centre, which is a volunteer organisation community house, or whatever you would like to define it as. We offer, most importantly, adult education programs to the community. We offer occasional child care — we are the only service in Tongala — and recreational activities, and are a referral service for people in distress. That is basically where I am and where I come from.

I am investigating the effects of the withdrawal of services and shire amalgamations. I have found that it has been perceived by the community that a lot of factors have played a part in the economic effect on our district.

Some of them were things like petrol prices, GST — and it is a good one for GST, by the way — Telstra coverage, our CDMA coverage, our Internet access, dairy deregulation, which I do not pretend to know anything about; the small farmers who are selling out, the small farms being integrated into bigger farms, thus requiring bigger, heavier, more transport which is already affecting our very fragile road infrastructure. Farmers leaving the industry are looking to turn their hands to something else to provide for their families, basically starting off on a new road, which is where the little community houses that offer adult education come very much into effect. Tongala is the only small town in the Shire of Campaspe to experience any growth whatsoever. We are very proud of that fact. We are a very positive community. We are a town of 1200 people.

We service a far larger community culturally, socially and economically. Tongala has the only land in the shire zoned as offensive industry. As such, we have four very large employers in that industrial area.

The areas of concern mostly expressed by the community are lack of medical assistance of any kind and the focus of the shire on Echuca. Being the seat of government, we have a new word. It is called 'Echucacentric', and I am getting sick of hearing it. We have scant public transport. We have very limited public transport and lack of services — not so much lack of services but lack of choice of services.

If we go back to medical assistance, our hospital was closed in 1990. Our local GP passed on. The community put together a committee and we were lucky enough to attract a GP from overseas and his wife, and offered employment for both. Unfortunately, that GP was not actually refused access to facilities at both Echuca and Kyabram hospitals but was in fact given such limited access as to be negligible and consequently he moved on, so we now have no medical assistance in town. A little prior to the closing of the hospital the community gathered together and put their heads together, and we now have one of the finest aged care facilities in north central Victoria, all through the efforts of the people of Tongala. Most of the funds were raised by them — and credit for all the effort of putting it together, designing it, having it implemented, and it is now there, goes to the community of Tongala.

A lot of little local schools were closed not terribly long ago. Undaunted, the little Ky Valley school was closed. It was a lovely little school in a treed setting, and everything else. They turned it into a children's recreation area, and it is still maintained by the community of Ky Valley as a recreation area for children.

The Commonwealth Bank closed its doors. The National Australia Bank drastically reduced its hours. The community voted in favour of a community bank. You are going to talk to the president of that bank that opened its doors in December, this morning. We do not muck around in Tongie. Tongala senior citizens wanted a home of their own. The Shire of Deakin under the old system offered great support. Deakin was one of the few shires to operate in the black, and in fact had reserved funds; not so much the Shire of Campaspe. Deakin funds were amalgamated and disappeared, as did the support for senior citizens. Despite great difficulties, the senior citizens

got to work, purchased a building, refurbished it, and it was opened officially by Jeanette Powell on 4 September. They now have their own home.

The Shire of Campaspe has maintained all municipal outlets as service centres, due mainly to the pressure of the community. This does help to negate the apparent 'Echucacentric' attitude of council and is considered by a lot of folk to ease the thoughts of 'them up there in Echuca'.

Lack of public transport and the high cost of petrol have placed an enormous burden on fixed-income recipients, mostly elderly people on pensions or self-superannuated people. The last passenger train left Tongala in 1981. According to the local history people, thieves in the night took the station away in 1987. In order for people to attend medical, legal, dental and optical appointments, the only transport is the V/Line bus. It leaves early in the morning and comes back late in the afternoon, but you cannot buy a ticket for a V/Line bus in Tongala, which is a little difficult. You can pay the driver if you have the correct money, if you happen to know what the correct fare is, or you can go to Echuca or Kyabram to buy a ticket to go on the bus. It does not make sense.

District nursing from both Echuca and Kyabram hospitals only covers a radius of 20 kilometres, which not only leaves out a lot of outlying districts but also leaves out some of the town. They really will not bend those rules unless you are darn near dying and should be in hospital anyway.

I quote these few examples in an attempt to communicate to you the positive spirit in Tongala. As to your terms of reference to assess the impact of all those things listed, to a great extent, in my opinion, the impact is totally relevant to the attitude and determination of the community. A positive community will grow no matter what you throw against it.

When I was speaking to Tanya she asked me for some positive solutions to our little problems. A lot of it is quite simple. If somehow — I do not know whether it be state government or federal government — someone could supply funding for a health worker, a nurse practitioner, whatever name you want to put on that person, who could take over the minor duties of a GP, that would be helpful. It does work; we do have models in Mortlake and Cobden where it works. The funding cannot be relied on from the community. We already put an awful lot of our time, efforts and energies into our communities. We need funding for an appointment at shire level.

The Shire of Campaspe did have at one stage one such person. She has since left the shire and her job has been dissipated amongst several other people and lost. I have written down the words 'community assistant'. I do not know if that is the correct title, but the position was that at Koyuga hall; they wanted to put a fence around the playground to stop the kids running out under cars, so they went to this lady, and she said, 'Okay. You can apply through this, you can apply through that'. She knew. Her job was to find out whether funding was available, whether it be through government — local, state or federal — whether it be through a philanthropic society, or whatever; her job was to know whether those moneys were available. She would then say to the Koyuga recreation reserve committee, 'Okay, this is what you have to do. Can you find \$1000? They will give you \$2000', et cetera.

That sort of community support, particularly for small communities where they may not necessarily have the brains — and I am not being nasty to anybody; they just may not have that knowledge of where to even start looking for funds — so if there is a possibility that a position such as that in local government, in rural local government, particularly, could be financed, it would be absolutely wonderful. It would be such a godsend to so many community organisations.

We need greater support for community education facilities. I am not talking about the dirty great big TAFE colleges; I am talking about the little community centres that offer adult, community and further education (ACFE). The ACFE board is currently negotiating to have the student contact hours rate to small centres increased. It would be an enormous boon. We currently get \$5.25 per hour. We are allowed to charge \$1 per student extra over and above that. If you only have four or five people, which can often happen in a small centre, to run a course, and you are already paying your tutor \$40 an hour, plus travel, because we are isolated and they ask for travel, you are going to run into the situation where we cannot afford to run the course. There is a great limit put on us, and very little help given to us.

The other thing that I feel really needs addressing is that the town was approached by V/Line to become a vendor to sell its tickets. That is fine, but the incentive to do so and the requirements of V/Line just do not add up. Basically it was asking for an 80-hour week for 5 per cent of ticket sales. We just cannot do it, particularly the little local milk bar. It cannot afford to spend two or three hours a day mucking around because Mrs Bloggs wants to go to Shepparton to see her daughter. That is the way it happens. If any of those little pieces of positive action could ever take place, I would be grateful, and so would the town of Tongala.

The CHAIRMAN — Thank you. We will now ask you a few questions.

Mrs COOTE — That was terrific. I am pleased to see the spirit that is here, which is really heartening. You said the population has grown to 1200. Over what time period was the major growth? Was it over, say, the last five years?

Ms CURTIS — I should say that that 1200 is actually 1164, and that was the last ABS statistic in 1996. I do not have the exact figures, but since then we have experienced growth with new families because of the new industries that have come to our area. The four large, offensive industries employ a very large staff, which is grand. We are equal distance between Kyabram, which is a fairly large centre, and Echuca, which is even larger. Our land and home values are probably 60 per cent of what you would pay for an equivalent home in either Echuca or Kyabram. So the young people are finding that they can get jobs in Echuca or Kyabram, and they can get jobs in Tongala, but that it is much cheaper to live in Tongala, particularly for young families. This is where we have got our growth from.

Mrs COOTE — I have a question about aged care. How far does the service of the aged care facility that has been put in extend? Is it just for your own — —

Ms CURTIS — No. Actually we had as our guest speaker at our community centre annual general meeting last week the nursing director. They are getting applications from places as far away as Shepparton, which is — —

Mrs COOTE — Which is a growth area as well because of the excellent service you provide?

Ms CURTIS — Yes.

Mrs COOTE — Thank you. That was very interesting.

Mr BEST — Sue, congratulations; you might have been here when I made the statement to an earlier witness that those towns that are progressing are led by positive people. The evidence you have given today is testimony to that fact. Congratulations to you and your committee. The question I ask is: is there an influx of people who are looking for housing but who are not able to get it? Or is there a balance between the provision of housing and the demand?

Ms CURTIS — We are very fortunate in one way, and it is probably a double-headed coin here. Until the past two or three years a lot of our population were elderly people, people coming in off the farms — widows, retirees; natural attrition, if you like. We are not short on housing. The population is pretty static, except when people get to an age where they go into our aged care complex. We also have units specifically for people who are of an age that they can still look after themselves but who no longer want to have a huge house. So properties have probably been changing hands more often over the past two or three years than previously. We still have plenty of zoned housing residential land available. As I say, it is very inexpensive to live in Tongala.

Mr BEST — You spoke about the council being Echucacentric. What other infrastructure do you feel could be provided by either federal, state or local government?

Ms CURTIS — I do not believe it would matter what you provided or how much money you put in, you would not change that opinion. You have to remember that the former Shire of Deakin, as we remember it, was a small and affluent shire. We had our own nine councillors and we lived among them. Now you have Echuca and the seat of government is up there, et cetera, and you will never change the idea of them up there in Echuca. You will ease the burden, but you will not change it. I believe that local government needs a great deal of support to maintain its little shire offices, like in Rochester here.

I think those service centres, as we call them, are vital to not the survival of the town but the ownership of the shire. If all these little service centres were closed people would say, 'Oh, I am not going to talk to the shire', because they are Echucacentric, or appear to be — I should not say they are. The seat of our local government is Echuca; the biggest city in our shire is Echuca; so we have to expect the greater percentage of the budget to be spent in Echuca, but there are a lot of people who cannot see that.

Mr BEST — Finally, one of the important aspects of a vibrant community is whether people shop locally and how viable the businesses within that community are. Do most of the people support Tongala businesses, or is there a leakage to Shepparton and Echuca?

Ms CURTIS — There is a definite leakage. Recently we were fortunate to have a young man with a vision. We had two supermarkets, both of which you would not bother to go into to shop. If you could buy one or two things you wanted, you were lucky. A young man with a vision came in and bought one of those supermarkets. He has built it up into a magnificent trading centre. He has put an automatic teller machine in the town, which we never had; he is the agent for the Telstra country link, the Telstra facility; and he has a liquor licence. He has really lifted the whole town. Because of that the traders have been given a bit of a kick in the backside. That is a great thing, because people are now starting to remain to shop in Tongala. The only thing we really do not have is a gift shop. But, hey, we have a newsagent that sells books and things, so if you are really stuck for a kid's birthday present you can just duck down to the newsagent.

I shop in Echuca, I have to admit that. I lived in Echuca for some years and my doctor is in Echuca and my bank is in Echuca, et cetera. No, I do not use the local bank, but that is just me. But, yes, there is a leakage to either Echuca or Kyabram, but it is slowly being plugged; it is slowly but surely coming back.

Mr BEST — Terrific.

The CHAIRMAN — I will finish up by asking a couple of questions. A number of people have said to us that people who actually do things in local communities are generally older people who have grown up as participants in community activities, and that the younger ones have gone off to town. The older ones are getting older and are thinking, 'Where are the young ones to come through to take on these roles as community leaders?'. Has that situation occurred in Tongala?

Ms CURTIS — I am afraid that I am a person who does not like negative thoughts. Have you ever heard of the buddy system? There are your volunteers of tomorrow. It starts at the beginning. People keep looking at all the people sitting on committees, like me, and say, 'She is a great-grandmother, what is she doing up there?'. Where are these people coming from? I believe in natural progression. When your kids are at school, what do you volunteer at? You volunteer at school. When your kids grow up and go to guides or play footy, what do you volunteer at next? Footy! It is only when you get to my age — a lot of them are a lot younger than me, I should not say that — that you start sitting on committees that are more senior community minded, if you like. But if you start off looking after the bubs and little kids in grades 5 and 6 of primary school, that is volunteerism. It is not dead, although a lot of people try to tell me that it is.

The CHAIRMAN — So it is not in Tongala?

Ms CURTIS — I do not believe it is anywhere.

The CHAIRMAN — That is good news. Could you put your mind to giving us some dates or times for what has occurred in Tongala in terms of either closures or openings? From what you told us today there have been more openings than closures, which is good news. Would it be possible for you to give us a time scale — over the last, say, 10 or 20 years — of the developments or closures in Tongala?

Ms CURTIS — Easily.

The CHAIRMAN — Although we are looking specifically at the past five or six years, Tongala tells an interesting story. We would appreciate getting that from you, if it is something you would be willing to do.

Ms CURTIS — That is easy.

The CHAIRMAN — Any last questions? I think we have run out of time. Thank you very much for the time you have given us and the trouble you have gone to in preparing your submission. You will receive a copy of the transcript from Hansard for your information. We appreciate your submission to us.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Rochester – 12 September 2001

Members

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

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

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

Staff

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

Witnesses

Ms C. Pearson; and
Ms K. Hall, Corop Community Action Group.

Ms PEARSON — I would to introduce Katrina Hall. We had another member of our community, Bob Bartlett, who was intending to be here. Because we have come together and are trying to be really involved in our community to get back together again we felt this was our best way to go.

The CHAIRMAN — Welcome. All evidence given to 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 like to make an opening statement to us, we might ask some questions. You have about 20 minutes to do that. If your colleague arrives while we are hard at it, we will welcome him also.

Ms PEARSON — We are a very small community, and when first approached I felt that we did not really perhaps fit within the terms of reference, but I was encouraged to come and I am glad, really.

Corop is a very small community of people. In fact we gathered some numbers, and in total we are 102 adults and 57 children. In our little township there are 24 adults and 12 children, and then on the surrounding farms and land holdings there are 78 adults and 45 children. We were a bit surprised ourselves to come up with that number of children, and we would see that as a very significant asset.

I will come back to what has happened in the community, but first of all I indicate that Corop is an Aboriginal word for the call of the brolga. The brolga was a native bird that abounded in that area. At the moment there is a big focus because we still have a significant brolga population in our part of the world, and they are not very evident in many places in Australia, so we are very happy about that. We are situated on the Midland Highway about 18 kilometres south of here, in between Stanhope and Elmore, about the midpoint between Shepparton and Bendigo, so that gives you an idea. We think it is a very beautiful part of the world.

Mr CRAIGE — The best part of the world!

Ms PEARSON — It really is, and I am sorry you will not be going that way to Echuca, because you possibly will head back on the highway. We are situated in a very fertile valley to the east of the Mount Camel range, and across on the eastern border of Corop there is a whole string of swamps and wetlands that geographically and environmentally are very significant. They take up the far eastern side of Corop.

Traditionally from the mid-1800s Corop was an important cropping and grazing area. Over the past three decades or more it has been a very significant tomato producing area. The really fertile soils in the valley have proven to be very helpful for all types of farming and, more recently, interestingly, viticulture has returned to the area. I say 'returned' because amongst the very early settlers in about the 1840s were German settlers in Corop, who came mostly from the goldfields around Bendigo. About half a dozen descendants of those original families are still in the area, more at the Colbinabbin end, but of course they set up vineyards, and then across the years all of those disappeared. It is very interesting to see that eastern side of the range, all the way in from Heathcote, but certainly up our end, being clothed in vines again, because the old people always talked about what had happened there.

In terms of our own place, our only public building left is our little tennis pavilion which doubles as our meeting place. I guess across the years as the population has dwindled and the facilities and the services have gradually gone things have changed a lot in our area. With the closure of the local school about 15 years ago, I think that really sounded the death knell in terms of the dispersal of our community. Obviously, depending on where you lived, your children went to school mostly in Rochester, but some went to Elmore, Rushworth, Stanhope and Colbinabbin. Once that happens, life starts to be lived for families in those other places, with the children's sporting facilities, et cetera. So gradually Corop became quieter and quieter. Katrina might like to say something about the effects on our community of that dispersal of people. I think it has been quite dramatic.

Ms HALL — I have an interest in community development. I am a fairly newcomer to Corop, but I can see that without that sense of community people do not feel a sense of belonging. There is concern about feeling isolated, and things like the higher, well-known suicide rate in rural areas and depression is of concern to us, so we are really trying to focus on rebuilding a sense of community in Corop so people do feel that sense of belonging. Because we now have no public services to bring people together we are trying to find other ways to bring the community together.

Mrs COOTE — Have you had a number of suicides there? Is your concern about suicide a local issue or right across the state? You have not had a lot of suicides?

Mr HALL — Not specifically, no.

The CHAIRMAN — We are keen to ask some questions, but we have a time element in all this; I do not want to cut you off either.

Ms PEARSON — Just a couple of things, if I might. I just wanted to say that what we have been doing there, having been in this very fragmented state for a long time, 12 months ago we decided to take some action. We decided we did not want to disappear. We wanted to keep going. We wanted to realise the potential that we believed was there. So we held a series of consultations at local level, tried to bring people in. Out of that, we formed a local action group and identified the areas we would like to focus on. I will leave you with some of those basic sorts of things that you can look at. We have continued to meet together on a regular basis and tried to work on that local action plan. I think people are feeling we really have succeeded with a great deal in 12 months, but we are grinding to a halt really because of lack of funds. We have had some help, but really in the overall scheme of things it is very minimal help from the shire. I guess this was one reason why we were happy to come before this hearing, because I think very small towns like ours are very much at risk. We are so small that we do not fit into the criteria of many things that happen for places that are a bit bigger than us, so we constantly miss out. I look at what local people have been doing over this 12 months, physically trying to rehabilitate and revegetate the local landscape, because a lot of it is in very poor condition. There is quite a large area of wasteland to the south of the township, and most of that is Crown land.

I think it is symptomatic of the neglect that has been allowed to occur over a long period of time that that is in such poor state. One of our big projects is to set about reclaiming that wasteland and getting rid of the boxthorn, the briar — all the rubbish that is there.

The town is situated on Lake Cooper. At the time of the early part of the settlement of the place, Lake Cooper had a thriving red gum forest surrounding it. That has all gone. So we have begun our revegetation program, certainly for this northern end, which is the town end of Lake Cooper. We are trying to open it up and make a walking track so that local people can actually have access. We have been physically doing this ourselves. The men come in from the farms with their own machinery, and we prepare the land and get whatever help we can and plant.

We believe very strongly that we have certainly shown that we are willing to work and are serious about what we are doing. I believe we need more recognition in terms of support and funding. Funding remains a very vexed question. We are continually told that there are funds available, but so many of them mean dollar for dollar, and there is a limit to what we can do with that.

We want to say here that for a place like us council amalgamation does not appear to be working. Some good things happen, and we certainly keep up a very constant communication. I would like to think that strategies could be put in place so that places like ours do not fall through the net but are helped to keep going and to prosper and to do the very real and basic things that we are attempting to do.

The CHAIRMAN — Could you describe what Corop was like at its real height? What was there in the year you believe it reached its peak?

Ms PEARSON — Because I was not there then, I am not too sure whether it could be called a peak. But when my great-grandparents came there were lots of small farms.

The CHAIRMAN — In the town were there a lot of shops and a hotel or a post office?

Ms PEARSON — There were six or seven hotels — that is what we boast of — a saddlery, a creamery, a butter factory, a police station and several schools, those sorts of things.

The CHAIRMAN — A bank?

Ms PEARSON — One bank, yes; it was a long time ago.

Mr BEST — At the turn of the century?

Ms PEARSON — Yes.

The CHAIRMAN — Are all those buildings still there?

Ms PEARSON — No; there is just about nothing left.

Ms HALL — There are two churches left, but they are now privately owned, and the school is now privately owned.

Ms PEARSON — That was not the old school.

Mr BEST — The store is still operating though, is not?

Ms PEARSON — The store is very important in the life of Corop, yes.

Ms HALL — It is our way of communicating within the community.

Mr CRAIGE — The buildings have gone, though?

Ms PEARSON — The buildings have gone — the hall, the library and all those.

The CHAIRMAN — It is fair so say that you accept it will never get back to what it was like then?

Ms PEARSON — Yes.

The CHAIRMAN — But you are saying to us, as I see it, that it is important for those who now live with the new arrangement in this part of the world — whether it be bigger farms, more mechanisation, et cetera — to have a sense of community and have a centre in which to get together to do things that are important for the area?

Ms PEARSON — Yes.

The CHAIRMAN — And you need support to do that in the new context you live in now compared to that in which those who preceded you lived in?

Ms PEARSON — Yes.

Mrs COOTE — Katrina, you are relatively new to the area?

Ms HALL — Yes, I am.

Mrs COOTE — Why did you come?

Ms HALL — My husband is a teacher here in Rochester; he has been here for about 10 years. We wanted to live out on the land and we got a place with just 6 acres.

Mrs COOTE — So it is a lifestyle decision to be somewhere like that?

Ms HALL — Yes.

Mrs COOTE — You said before that it is a surprise that there are as many children around as there are. Obviously there are some young families there. Are they recent arrivals, or have they been there for a long time? Are they having a lifestyle change, such as yourself?

Ms PEARSON — Both, but more probably a lot of them would be families who have been in the district for a long time — but not all; there are people coming in, probably like Katrina did.

Mrs COOTE — Into the future those children will grow up and become teenagers, and right across the state we have seen a lack of transport and 16-year-olds, particularly, find it really difficult to get around. Is your proximity to both of the more major areas an attractive proposition or another drawback for them? Is being so close to both Kyabram and Echuca a help or a hindrance? Do people just decide they will live there and commute, and the kids think, 'Our parents will take us'? What do they feel?

Ms PEARSON — The majority of those children are out on farms. I suppose that is their lifestyle and that is where they live.

Mrs COOTE — What sort of facilities are there for those children? Where do they have to go to play sport or do other things?

Ms PEARSON — Usually their school. For the majority it would be Rochester, but if they live out in the east of Corop they would be more likely to first go to school at Rushworth and then to secondary school at Shepparton. That is what really fragments the community.

Mrs COOTE — Is there a school bus for those children?

Ms PEARSON — Yes.

Mrs COOTE — Sue Curtis spoke about having someone, or a signpost, to tell you where to go for opportunities for fundraising or where to go to for written submissions or to find funds that are available. Would that sort of thing be useful for your community as well?

Ms PEARSON — Absolutely.

Mrs COOTE — She was speaking about a person who would be there. That is the sort of thing that would be useful for you?

Ms PEARSON — Yes, that would be very helpful.

Ms HALL — Carmel was trying to say that the shire should understand and that there should be more support from them for the philosophy of trying to support small towns like us that just want to build a sense of community and empowerment. They are the ones who can help provide the resources and things we need to do what we want to do within the community.

Mrs COOTE — Thank you.

Mr BEST — Does the shire have a small-town strategy that you know of?

Ms PEARSON — Yes, but we were too small for that.

Mr CRAIGE — I suppose we should not laugh.

Ms PEARSON — No, we did not laugh either at the time; that is really frustrating. Even in the last 12 months we rather naively believed, 'If we were show that we were serious about what we are doing' — and a big focus of what we are trying to do has to do with environmental matters, because that is the fact of our place; we want to establish a return of pride in the place — 'it would be evident that we were worthy of further help'. But we are realising that it does not actually work quite like that.

I think that says something about the underlying philosophy and attitude of any local government — of the leadership and decision makers. Unless they have an attitude of understanding of what is needed, unless there really is some belief — like we believe there should be access and equity for all people within the shire — —

It does not matter what sized place you come from. We should have something. But to actually not even, like this year, feature in the budget at all is pretty devastating. We have to protect our own people and make sure that we do not work in a way that will physically exhaust people to the point where they will bail out. So we are all the time trying to juggle.

Mr BEST — Because you have Lake Cooper and Green Lake. Have you worked on the theme of trying to attract tourists there, being the home of the brolga, or some signs at the end of town that say, 'Home of the brolga. Stop and see'?

Ms PEARSON — We did have that on our town signs on the highway, but then new signs came into the shire, and they feature an ibis. It looked a bit ridiculous with an ibis flying and our 'Call of the brolga' under it, so I think that was removed.

Mr CRAIGE — On this issue of local government and how you feel now, was it any different in reality prior to amalgamation? Did you get any budgeted money for Corop? Was there a sense of belonging and that there were people interested; has it changed?

Ms PEARSON — I would find it personally difficult to make that comparison. What I hear from people is it was easier in terms that people were closer.

Mr CRAIGE — That did not lead to outcomes, necessarily, just because they were closer.

Ms PEARSON — It did, because I mean closer in every way, not just geographically closer, but closer in terms of knowing the people. I think it was different, so that is one of the reasons I find it difficult to answer that question.

The CHAIRMAN — We have run out of time, unfortunately. This happens all the time. Thank you very much for coming along. You have a document that you are going to leave with us. We look forward to reading that. On our way to Heathcote we will go through Corop.

Ms PEARSON — Well done.

The CHAIRMAN — We will be outside the general store at about 10 minutes past 12.

Mr CRAIGE — We will have a look at it.

Ms PEARSON — Thank you very much for the opportunity.

Witnesses withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Rochester – 12 September 2001

Members

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

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

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

Staff

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

Witnesses

Mr P. Anderson, Rochester Chamber of Commerce and Industry;
Ms T. Shearer, Elmore Probus Association; and
Ms J. Pellas, Rochester and Elmore District Health Service.

Mr ANDERSON — I have with me Judith Pellas from the Rochester and Elmore District Health Service and Thelma Shearer from the Elmore community.

The CHAIRMAN — All evidence taken by this committee is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act and is subject to parliamentary privilege. Welcome. I invite you to make an opening submission, and then we might ask you some questions.

Mr ANDERSON — It looks a bit like a football tribunal with Ron Best up there! My name is Peter Anderson and I am representing the Rochester Chamber of Commerce and Industry and also the interests of the Elmore community, and that is why Thelma is also here. Rochester's immediate population is approximately 3000 people, whereas Elmore is about 700 people. Rochester's main industry base is centred around Murray Goulburn Cooperative — and I assume you would have seen that at the end of Moore Street — and its associated dairy products et cetera. Murray Goulburn employs up to 300 people during their peak period, which is over the summer months. Tomato, cereal, sheep, beef and grape growing also play an important part in the Rochester economy; grape growing obviously is starting to come on very fast. I assume that the people from Corop indicated that, and I think that is an important industry for that district.

Other major employers here in Rochester are Nelson Silos, CSR Humes and the Rochester and Elmore District Health Service, and that is why these ladies are here with me. The Rochester Secondary College currently has 465 students and employs over 40 teaching staff. Rochester is very fortunate to have a very low unemployment rate — one of the lowest in Australia, by the way.

As to the terms of reference, on looking at the information before me, I think the two things I would like to talk about are probably more on banking and municipal services. With banking, because Rochester has a low unemployment rate and because it is fairly well off in terms of the way the economy runs year in, year out, we have been very fortunate; we still have four mainstream banks and two other financial institutions in Rochester. Whereas before with the four mainstream banks we had bank managers living in town, either on the premises or in bank-owned houses in Rochester, that does not really exist any more. We have one bank manager living in Rochester. In Elmore they have lost two major full-time banks, in Westpac and the Commonwealth, and with a downgrade of the National Australia Bank to a part-time service of 10.5 hours per week. This has had a detrimental effect on business in Elmore. People are forced to travel to another town to do their banking and naturally do some of their shopping in that town. I think Elmore has been more affected by bank closures than Rochester. I know that Lockington has. I know Lockington people are not here to speak, but I think they are trying to get a regional bank in Lockington. I think there is going to be a submission sent to you later on.

The impact of bank closures and downsizing of banks in Elmore has led to several businesses closing — namely, the hardware store, a bed and breakfast, a service station and mechanical workshop, and a TAB. So that is four very important businesses out of Elmore. If you look at the banks closing, obviously the people in Elmore then had to go somewhere else to do their banking. So I suppose you could say that Rochester is fortunate that the people from Elmore have to come here. That is looking at it on the Rochester side of things.

We now talk to the major regional centres for your banks. I bank with the Commonwealth. We talk to Shepparton. Some of the guys talk to Bendigo. Someone was telling me the other day that the main person they talk to is in Ballarat. That is a good 2 hours away from here. In other words, if you have to do any major financial transactions and talking to the banks, you have to either go to these places or get them to come here. You have not got your own bank manager here to relate to.

I will move on now to municipal services. We used to have Powercor, Rural Water Commission, Coliban Water Board, V/Line and the Rochester Shire Council. They have all been relocated from Rochester over the past 10 years or so.

As to shire amalgamation, I think there are lots of things that people can say about shire amalgamation. A couple of things that tend to stand out when you are talking to people are the maintenance of rural roads, particularly roads west of Rochester, if you like to call them remote areas. I do not think they are that remote, but they are remote enough to some of the road maintenance people who do not seem to get out there. A lot of farmers are concerned about the state of the roads out there. Maintenance work now lacks supervision and skill since the professional engineering employees has been relocated to Echuca. This tends to lead to no face-to-face contact with shire engineers and local communities. Thelma was telling me the other day that recently in Elmore they came and fixed the road. The only trouble was they fixed the wrong part of the road. That was pretty bright. She just hopes that part of the road needed fixing as well. Over the years you used to be able to deal with the local engineer and local

contractors and mention to them that there was a problem on a particular part of the road, and that seemed to be either looked at fairly favourably or the area was fixed up fairly quickly. Previously Shire of Rochester employees, with their local knowledge and pride in their town, ensured that some of the small jobs that were not under contract would also be completed when brought to their attention by the local community.

Centralisation of all the engineering and planning departments has led to a high percentage of these professional people living in Echuca, and I will touch on that in a minute. The loss of these families from our town has seen a loss of numbers attending our schools, sporting clubs and service organisations. Some of the local businesses in Rochester have pointed out to me that they do not get any more sales of stationery and clothing, such as uniforms and work wear, for shire employees, and that the contracts for car and truck tyres for the local shire vehicles have now gone out of town. Some of the businesses, I must admit, have done all right out of the shire amalgamation in getting contracts, because the Shire of Campaspe is now bigger. But it has tended to lead to a lot of smaller businesses missing out on stationery and things like that.

In reference to the hospital and health services, with the loss of Elmore's hospital, which was the biggest employer in town — wasn't it, Thelma?

Ms SHEARER — Yes.

Mr ANDERSON — It is vitally important that the Rochester and Elmore District Health Service is maintained at its present level, or hopefully expanded in the coming years. Government support in maintaining and constantly upgrading medical facilities and equipment is essential for our community to encourage medical practitioners to come to rural areas such as Rochester and Elmore.

I know that there is a scheme in place, because recently my wife and I had the pleasure of looking after student doctors who are now coming to country areas. I am not quite sure whether that is a Victorian government or a federal government scheme, or whether it is just to do with the universities, but it is a fantastic idea. Judy and I have had six student doctors, and there were a couple here last week. When those young doctors fill out their forms at the end of the week they say that at the start of the week they had not had any thought about coming and working in a country town but that at the end of the week they thought they would seriously look at doing that.

Mr BEST — Are the students from Shepparton, through Melbourne University?

Mr ANDERSON — Yes, Melbourne University and — —

Ms PELLAS — And also Monash. We have two lots.

Mr BEST — But they are not both located at Shepparton, are they?

Ms PELLAS — No.

Mr BEST — Monash is at Bendigo, is it not?

Ms PELLAS — Monash will be at Bendigo; a rural arm is developing there.

Mr ANDERSON — Those student doctors have worked in Shepparton, Bendigo and Ballarat, but they are also out in the small country towns. I think that is a great way for these student doctors to see what the country is all about. I suppose that if you look after them and they enjoy themselves they will come back. Not only that, they enjoy working with the hospital staff there. All of them said that when you are in a big hospital you do not get hands-on experience. Here there are not 20 people students standing around, there are only 2, and they are with the local doctor. They found that fantastic. That should certainly be encouraged. I do not know whether it is for us to comment on that, but I think it is important that we make that comment.

The loss of employment opportunities in our town to attract trained and skilled professionals needs to be halted, and this brain drain is something of which we ought to be well aware. It is not just the families here in Rochester; it is the executive people who used to hold all these positions. It tends to show up in the small communities, because the drain on the executive has had an impact on leadership positions in voluntary committees and organisations. Most service organisations rely on skilled people to hold such positions, such as treasurers and secretaries, with various groups from the local scouts and sporting clubs to boards of management on things such as the schools and the hospital. Obviously there is only a limited number of so-called top-flight people in small country towns who can only go on so many committees. If you go from one committee to another you see the same faces on the other committee.

From the chamber of commerce and industry's perspective the reduction in executive positions — that is, high-income earners — has certainly seen a direct economic impact on local spending. These people are high wage-earners, and that obviously affects us.

The centralisation of services in larger towns also means that many other skills are being lost to small and medium-sized communities. Private sector investment in Rochester, such as Murray Goulburn's recent \$40 million factory upgrade and expansions and relocations to bigger premises of several other businesses, has meant that Rochester has suffered less than some other rural areas in recent times. Sadly, towns such as Lockington and Elmore, with populations of less than 1000, are becoming more reliant on towns such as Rochester for services they no longer have.

In summary, I think Rochester is going along okay. But obviously there are certain things that people are concerned about. You tend to have to go to Echuca to do certain business, with the shire and things like that. But I think I am realistic enough to realise that Rochester is fortunate enough — it is not that far down the road, but it does affect a lot of people. I think the hands-on face-to-face contact is what we have been missing out on.

Mrs COOTE — What does the chamber of commerce have in the way of ongoing plans for positioning Rochester? It was important to hear about the doctors coming in and being nice to them so they will come back. What other programs have you thought about taking into the future to encourage people to come here?

Mr ANDERSON — It is a very big agricultural base here. If Murray Goulburn did not expand here in the last 18 months — it looked like it was heading towards Cobram, and a lot of people fought to get that here in Rochester. I suppose we are based around the dairy industry, and the dairy industry is changing. I think the dairy deregulation here in Rochester has helped the situation.

You can look at the grape growing — and if you are not aware of the grape growing I encourage you to go home the back way to Heathcote where you will certainly see what is happening out there. So that part of Rochester, the agricultural side of things, is really going to be a boon for this area.

Mrs COOTE — I can remember cheese being made here.

Mr ANDERSON — With cheese I have not got — —

Mrs COOTE — Are there any opportunities, like what has been done in Gippsland or on King Island, for smaller cottage industries with specialties? Is that an option around here, given the dairy basis?

Mr ANDERSON — The cheese that is made here is in fact exported — I think 80 per cent of it, although I am not quite sure of the exact figure. Someone else is probably in a better position to tell you about that. The cheese is exported, and I do not know of any other value-added products we can get onto. But there are certainly a lot of other industries that relate to the dairy industry around here. There is a heck of a lot of them.

Mrs COOTE — I was just thinking that the more people you get, the more schools you can have, and on it goes.

Mr CRAIGE — I want to get an understanding of the two ladies from Kilmore and their input today. Does the chamber of commerce represent the community of Elmore, and if so, what is the position there? Corop does not have a school; do kids travel to Elmore to school?

Ms SHEARER — Some do, yes.

Mr CRAIGE — And do kids travel from Elmore to Rochester to school?

Ms SHEARER — Yes, and to Bendigo.

Mr CRAIGE — So it is a pretty mixed thing. One of the things we have heard about on this trip is leadership and the loss of leadership. Peter, the thing with losing middle management, such as the bank manager here, is that you have lost a lot of leadership as well, as no doubt places like Elmore would have too. Were you going to talk to us about Elmore?

Ms SHEARER — I can, if you wish. Judy is actually with the health service.

Mr ANDERSON — Judy is with the health service; that is why I brought her along. She is concerned about the way the hospital has been affected with shire amalgamations and other aspects.

The CHAIRMAN — Given the time, we should try to deal with that quick smart and put it on the record.

Ms PELLAS — I will be very succinct. I need to state for the record that Elmore has been really affected by the loss of its inpatient health services. However, I think the redevelopment of the busy medical practice has to some extent saved further community dissatisfaction. Thelma may speak more on that, but I really believe as the Rochester and Elmore District Health Service we do not need to centralise any more services here by taking away from Elmore as such. I think we really need to concentrate on building up some further primary health care services there.

I suppose the health service employs around about 150 people, just to advise you, and we have had some funding restructure which has resulted in some loss of our effective full-time positions. But that is happening everywhere. I am not saying that did not have to happen. Hospitals all the time are looking at economic rationalisation et cetera. Since I have been appointed here as a director of nursing and clinical services and at the moment acting CEO — I travel from Bendigo each day — the thing that I have been concerned most about is that we need to provide the most appropriate services in the appropriate setting here. I think a lot of services are not recognised, or a lot of gaps in services are not recognised. I suppose my main aim since I have been here is furiously looking at initiative funding. At the moment I have funding to do a needs analysis for counselling services, because there is none provided through funding.

The other thing we need to be aware of is that we do have a drug problem here. We are providing at the hospital — I suppose I can say this — a methadone service, because these people cannot travel to Echuca or Bendigo to get their drugs. A lot of people prefer to, but that impacts again because we have a transport problem. So I suppose I notice that; with the lower socioeconomic group there is a huge transport problem. Again I keep tying that in and threading that back to counselling services, because when people are in crisis they need a counsellor today or tomorrow, and the wait is three weeks to get into Bendigo. I do not want to go on.

Centralisation of services to larger centres often results in local staff moving away to places like Echuca, Bendigo and Kyabram. That has happened because we are downsizing in some areas of service, which may again be necessary. I think as a health service we have to look at flexible funding arrangements. We may have a different focus of service provision in the future, and I think we are very willing to do that as long as we can retain the funding and perhaps provide other services with that funding. Does that encapsulate it?

The CHAIRMAN — Yes, that is good.

Mr BEST — Peter, I know how parochial Rochester is, so you do not have to revisit that issue with me. One of the lovely things about Rochester is it has always been a fairly strong and cohesive town. You do not have an unemployment problem. In fact, you have an employment problem with difficulties in attracting staff to particularly service the agricultural sector. How is your building industry? We hear that there are housing opportunities here, because people move into caravan parks until they can get accommodation. Do you have a strong building sector?

Mr ANDERSON — Yes, we have. I suppose if you look at the business side of things first — and I will talk on that — over the last year to two years the Shamrock Hotel has been upgraded. I suppose you have noticed that if you have driven through Rochester. I think that seemed to put a spark to a lot of people to really get going and do something. That really was a focus of Rochester when you turned around that corner and saw the Shamrock Hotel. We were lucky enough that Bruce McMaster, the chap who bought that, had a great grandfather or a relation who was one of the people who built the place. He was also lucky enough that he had the money to spend on it. That seemed to do something to Rochester.

Then with Murray Goulburn spending, as I said, over \$40 million, that meant that other places relocated or upgraded. One was Rochester Tyres. The other one was Rochester Motor Cycles, and there were a couple of other places I cannot remember at the moment. They have relocated into brand new buildings. They have built brand new buildings, so therefore the structure of the actual centre of Rochester and the business side of things has increased and is quite vibrant at the moment. That seems to be an ongoing thing. But if Murray Goulburn had not done that we would have been sitting here really saying different words to those we are now.

In reference to the building and housing side of things, as you asked, yes, that is going along quite well. I think the builders in Rochester are doing okay. They tend to be a bit behind at the moment, but that is, I suppose, fine.

Mr BEST — A good barometer of any town is how the pubs are going and how many pubs are in town.

Mr ANDERSON — Okay, the old pubs — —

Mr BEST — Some 10 years or 15 years ago how many pubs did you have? And the same in Elmore, as a comparison?

Mr ANDERSON — One pub has closed down. We have always had four hotels in Rochester. One has closed down. But to be quite honest with you, I think we are probably a three-pub town, because the bowling club, the football club, the golf club which I am involved in, have all got licences for people to drink there. One of the best things is there are no poker machines. I think that is fantastic. I do not want to see them here ever. They are only up the road if you want to go there. We are all aware of these figures on the money that is spent; they are quite horrendous. I think that is another good thing for Rochester — that poker machines are not here. As I said, the banks and the pubs seem to be going pretty well.

Mr BEST — What is Elmore's hotel situation?

Ms SHEARER — We had four. I would say we have one that is going okay, and two that are struggling.

The CHAIRMAN — Is there anything else you wanted to add, because I want to give you the opportunity to say what you came to say?

Ms SHEARER — We sort of started off as a service town, and we have changed over the years. We were a retirement town where people in Melbourne would sell up the house they had lived in and had enough money to buy a nice house and a brand new car and settle in Elmore. Once we lost our hospital inpatient services you could not sell a house. It has dropped. We have not got those people coming to retire now.

We have a severe unemployment problem. We do not have a generation of young parents between 20 and 30 years. I would not say we have got very many at all, unless they work for the family on the farm, or something like that.

There are two suggestions perhaps, or three. One is that we have difficulty with writing submissions. Everything has to be done by submission. I have been told that I do not do it right. I have had two lessons. They seem to make a game of it, where you have to use the current buzz word or they do not read it, and all that sort of thing. One of the people who had given us some money told me that because the job was going to take \$9000 and I put in a submission for about \$7000 and we got \$3000 I should have applied for \$45 000 and would have got \$9000. I still cannot quite figure that one out. I think we need someone to do that.

The other thing we would really like is natural gas. If you could run a pipeline down that would then attract some kind of industry or something. We are sort of stuck between.

Another of my favourite hobbyhorses is a commuter train between Bendigo and Echuca, five days a week. I know we have buses, but I would like to have a full-time job where I could get to Bendigo at 11 o'clock, come home at 4 o'clock and get well paid for it. It would be wonderful. Even though the buses are there, they are not appropriate for workers. If we want to become a dormitory town for Bendigo, Echuca and Rochester, which is our only other hope, we need some kind of transport. There are also the children going to university in Bendigo. Their parents have to set them up in a flat or buy them a car. Then you have the road toll, and everything else. So I think those two or three things would be very helpful to us. We have tried to be proactive ourselves and meet most of the changes. We have town consultative meetings, and we come up with all these ideas. We have built the Campaspe Run H. P. McKay Rural Discovery Centre as a tourist complex. That is doing okay.

The town runs on worker volunteers. We have field days in the first week of October, which has put us on the map. Now we need the other 11 months of the year for something to happen.

The CHAIRMAN — We have run out of time. I thank each of you for coming along and telling us your part of the story. The story is getting more interesting for us as we go around Victoria. Our role is to report back to the Parliament on some initiatives that we think the government should take up. It is good to have the evidence you have given to us, and that includes some ideas. Thank you very much. We will send a copy of the transcript to you.

Ms SHEARER — Could I say one more thing?

The CHAIRMAN — Yes.

Ms SHEARER — Elmore is actually included in the City of Greater Bendigo.

The CHAIRMAN — Thank you.

Witnesses withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Rochester – 12 September 2001

Members

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

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

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

Staff

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

Witness

Mr R. Herbert, President, Tongala Community Bank.

The CHAIRMAN — I welcome Mr Herbert. 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. We know that you are the president of the Tongala Community Bank.

Mr HERBERT — Correct.

The CHAIRMAN — Which is under the Bendigo Bank. We have heard some interesting stories about that and are really keen to hear yours.

Mr HERBERT — I just pulled out some figures this morning. I run Tongala Hot Bread, a small bakery in Tongala. I pulled out a few figures from the computer. Prior to the bank opening in December my figures were actually down. I believe the town has been on a downturn since one major bank went to part time and one shut. Since the community bank opened I am up 14 per cent on comparable months of the year before. I am very happy with that. Banking in general makes me very bitter.

Mr BEST — You do not like to hear from them?

Mr HERBERT — No, when they deserted us I can remember that my first opinion was, 'Who would buy a house or a business in Tongala now without a bank here?'. I assumed that everybody else had that same opinion, because we immediately got a steering committee together and went through the long process of establishing a community bank. I think we have been drastically let down by the banks. I do not know what the state government can do. However, since the bank opened I believe everything in the town has sparked up. The only figures I can quote you are my own, and I have had a 14 per cent increase in turnover.

Mr BEST — Have you noticed more traffic in the street?

Mr HERBERT — Yes, you actually have trouble getting a park now on some days. The shire is looking at extending our car parking arrangement.

Mrs COOTE — How many people does the bank employ?

Mr HERBERT — Only three people.

Mrs COOTE — They all live in the town?

Mr HERBERT — No. One is in the immediate area, one is in town, one is from Echuca and one is from Shepparton. There are actually four. There are three full-time jobs though; two share a job.

The only thing I have thought about after I agreed to come here after I was very nicely asked is this. I was looking at it from a government point of view. Smaller towns that may never get a community bank and have no banking facilities are setting up rural transaction centres. This point came up when I was at a bank conference in Wentworth just after Christmas. One of the community banks was struggling and was relying on a town very close, a rural transaction centre was put in, and the banking services — I do not know how they work even — within that rural transaction centre were given to one of the major banks that had pulled out 12 months earlier. I feel there is something wrong there. I do know of two other small towns whose banking services have gone to the nearest community bank. I think that should be almost — —

Mr BEST — Par for the course?

Mr HERBERT — Yes, I believe so, if the big banks are going to pull out of these small towns. I think it is devastating. If you lose your banks, where does it go from there? What is next? I would not buy a business in a town without a bank. That was my immediate thought. I thought, 'Therefore, my business is not for sale'. It was not put on the market anyway, but it was virtually unsaleable. And what happens to the house prices? The town would have just died. Not only do we have banking services back, but hopefully in the next 12 months we will start having some money to put back into community projects.

Mr BEST — So you did not have very many problems in getting a group of shareholders together to get up the required capital?

Mr HERBERT — Yes, \$330 000. It took a little bit, yes.

Mr BEST — I know that is a significant amount of money that you needed to raise. What sort of difficulty did you have in raising that money?

Mr HERBERT — The difficulty was that people needed to be spoken to one on one. We formed a steering committee of nine people, and they really wanted to talk. Yes, everyone agreed with it, but not really with anything until we spoke one on one. We finished up with 290 shareholders. That was 290 conversations you had to have — or probably each one was two conversations. So it was a lot of work, and there was a lot of difficulty. I can only remember one person saying to me, ‘No, you will never get it off the ground’. But other than that it was great, and community support, although it was dragged out, was very strong and good.

Mr BEST — We were in Lancefield yesterday. They have taken the longest to get their community bank off the ground.

Mr HERBERT — Yes, I think we started the process in the same week. We thought we took a long time, but they were another six months behind us.

Mr BEST — Are you getting more and more support through the door from people now?

Mr HERBERT — Yes, definitely. We had a bit of a lull there. Our manager was hijacked, I liked to call it. We were a couple of months down the track and he got a good job offered to him. We went for two, nearly three, months without a manager. But we are back on track, so to speak, now.

Mrs COOTE — Who was the other group? There is usually a group within community banks which is a driving force. Were they farmers or local businesspeople? Who was the core group that got —

Mr HERBERT — We have a board of eight people: two are shop owners — myself and another one; a couple are from industrial businesses — small; and a couple of farmers. Yes, there are three farmers, three businesspeople and two shop owners, also business people.

Mrs COOTE — So you have a spectrum?

Mr HERBERT — Yes.

Mr CRAIGE — Richard, I am interested in community banking from a lot of points of view. How much banking does the Shire of Campaspe do with your bank at Tongala?

Mr HERBERT — The Shire of Campaspe does no banking and gave us no help in any way whatsoever.

Mr CRAIGE — An interesting concept has come out of Western Australia: councils in certain areas do their banking, not necessarily all of it, with community banks. A little bit would help your bank, no doubt?

Mr HERBERT — It would be very nice.

Mr CRAIGE — But a decision has been made in some councils in Western Australia to actually support community banking. One of the ways they are going about it is to share rather than just having one bank. We have already heard today about the Echucentric nature of the council. I assume that most of its banking is done in Echuca?

Mr HERBERT — Yes. In fairness to the Campaspe shire, it struck — I do not know how much or what it was — some sort of a deal with the National Australia Bank to keep a branch open at least part time where it —

Mr CRAIGE — Where it is, yes. But can I just say that community banking in Victoria should pursue the activities that have occurred in Western Australia. Local government also has a role to play because a lot of times it is the major business in a lot of these places. So I would encourage you, through your community bank and certainly through your network, to use your best endeavours to make sure that the councils see that they can actually give some degree of assistance by using your community bank.

Mr HERBERT — Yes. I think councils, everywhere there is an endeavour to start up a community bank, should do that. At one stage we had a meeting where it was said that if we went any further we would have had to find \$10 000 before we started raising any money to have a feasibility study. It would have been nice if the shire had said, ‘We will give you’ — or ‘lend you’ — ‘the \$10 000; if you get off the ground, pay us back’. That would have been nice. But the nine of us agreed that we would put in \$1100 each, so to speak, if we had to, and if the

result of the feasibility study was, 'No, you are not going to have a community bank in Tongala' we would have been out of pocket. But we were prepared; we were committed.

Mr CRAIGE — We have heard that about Tongala people today, and how committed you are.

Mr HERBERT — It is that sort of town. I went there 14 and a half years ago. I left the bakery here in Rochester and went to Tongala. It was, in my plans, a three-year commitment, and I am still there. I have no intention of ever leaving Tongala. It is a brilliant place. I believe it has a lot going for it. There is a lot of future. I did have doubts two years ago when the Commonwealth Bank closed. I was not all that happy. Then I thought, no, there is a way around this. I believe things are looking good in Tongala.

I heard employment mentioned; we are very similar. In a town of 1100 people, we have 915 jobs. We import a lot of workers. I believe, because of the cutting off and because of shire amalgamations, people are hesitant to buy in Tongala, thinking it is cheap, but how long is it going to be there. We have got major employment, I feel, for a town of 1100 people. Nine hundred jobs is a lot.

The CHAIRMAN — Well done.

Mr HERBERT — We are pretty happy. I think in the next two years we could get into a profit situation. I know smaller towns than Tongala that have already put \$100 000-odd back into their communities, and I do not see how you ever go back.

The CHAIRMAN — Thank you for coming along. In closing the hearing I thank all concerned with establishing the hall facilities for us today. It is much appreciated. We have heard some interesting and worthwhile comments from all of the witnesses. Interestingly and importantly, we have heard about the use of initiatives in a number of areas which have made a real difference to rural communities, and those people should be congratulated and encouraged in their work. I think they really deserve a pat on the back for what they are doing in their local communities. We have learnt a lot from this and we will be reporting to the Parliament in due course. The hearing is now closed.

Witness withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Heathcote – 12 September 2001

Members

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

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

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

Staff

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

Witnesses

Mr P. Virgona, Heathcote Tourism and Development; and
Mr J. Hicks, Visitor Information Centre.

The CHAIRMAN — I welcome Mr Peter Virgona and Mr John Hicks. 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. I welcome you to the structural change inquiry. We will give you the opportunity to make an opening submission, after which we will ask you some questions.

Mr VIRGONA — First of all, as president of Heathcote Tourism and Development, I welcome you all to our town. Our committee represents 65 per cent of all businesses in the town, which is reflected as 87 per cent of the town's population.

We undertook a study at short notice of the meeting today with regard to banking, postal, municipal, transport and employment services. As we see it from a tourism and development situation, the modernisation of the bank is a push-button application. That is why it will remain. Telephoning is becoming a push-button request arrangement. Applications, jobs, entertainment — you can access anything now on the Internet. The town is reliant on communications. Over the past 150 years it was reliant on face communications. With the advent of modern technology, that has gone by the wayside. As you can appreciate, the banking, postal and also council requirements have been cut back, thus demanding more modern technology. Therefore, the town has to redevelop itself with a new form of technology.

As Heathcote is virtually in the centre or the heartland of Victoria, we have found that Heathcote has suffered severely by the reduction of banking, postal and communication services. That is not because these services are not available; we can all go to a hole in the wall and withdraw or deposit money, and we can ring up on the telephone and find out — but it is the education about these facilities. Because we are a small town, not many businesses are on the Internet and not many businesses have computers. Therefore, the major resource we have found was not the lack of these businesses — the town did have three banks and it now has only one — and those banks disappearing, but a lack of education of the community. Heathcote suffers a lot from unemployment. The main employment for the town is from the dining houses, the wood industry and the hospital. There is no other industry in town that employs any more than those.

Through our efforts with tourism we are hoping — and we have had some encouraging news today from Parks Victoria — to start developing Heathcote as a major tourist zone for Victoria. Being in the centre and the heartland of Victoria, it has a golden opportunity in that it is only 1 hour and 15 minutes away from Melbourne. It has the closest powder magazine to Melbourne, it has the old jail, which is behind us here and which is still in its original format, and it also has Pink Cliffs. This year we had a major launch for a postcard interpretation of the celebration of Federation. It is also accessible to Lake Eppalock for water sports. Due to the good rains in November last year that lake is just about full.

As we see it, the major drawback we have as a small community is the funding criterion. The City of Greater Bendigo tries its best, but it relies on funding as well. We have been told by council to put in applications and to hope for the best.

I run The Bank restaurant next door. I can give you some details on my personal — —

Mr CRAIGE — We had your sandwiches today, did we not?

Mr VIRGONA — Yes, you did.

Mr CRAIGE — You were not open today, but you still made us sandwiches.

Mr VIRGONA — Yes, out of hours.

Mr CRAIGE — Well done.

Mr VIRGONA — My wife made them. She is the expert. Four days of the week I am in Melbourne. I do renovations and shop fitouts and what not. The rest of the time I am up here in Heathcote trying to start a business. Twenty-five years ago I bought some land in Heathcote and four years ago I moved the family up here. I have a young family aged from 14 to 9 years. The wife said, 'I am sick of being up here by myself; we have to get something going in the town'.

Mr BEST — So you — —

Mr VIRGONA — But it does not work. We started the business. It was great for the first few months. But then the GST and everything else came in. Just being in the centre of Victoria is hard. It is a real battle. We cannot survive as a private entity in this town without me working in Melbourne.

You probably have not been through it, but The Bank has a lot of historical memorabilia. It is a historical building. We also do bus tours. In June this year something like 15 buses came through. That is a reflection on the business we have to bring to the town. Anything the town can gain is from how the town generates itself and influences people to it.

Unfortunately, because of the economy at the moment the dollar is pretty stretched. Our dollar is stretched, and so are the businesses in town. What I am saying is that if there is anything that can come out of this meeting today it is that — as John and I discussed earlier this morning — what the town needs is an information centre or a drop-in centre so that people in the town can come and say, ‘Okay, I do not know anything about the Internet; I am having troubles with my communications, with my computer’, or ‘I do not know how to fill out an application for a passport’, or something like that. That is what the town is missing. It is just that little infrastructure, a drop-in centre. We can live with the banking and postal effects.

Apart from the information centre or drop-in resource centre that the townspeople can access and learn from, or can be directed in the right way from, the only other major thing would be a youth program in the town. Most kids have to travel to Bendigo or Melbourne for sport. Most kids, for higher education, have to travel to Bendigo or to Kilmore. Families cannot afford to transport them backwards and forwards; the income is not there. Therefore, the family moves out of the town.

What I suggest is that maybe we could organise, through state, federal and local government, a bus line that travels on the weekends. There is a daily bus which goes backwards and forwards to Bendigo, but the weekends are a real battle. Apart from car pooling or something like that, there is no other requirement, is there?

Mr HICKS — No.

Mr VIRGONA — There is only V/Line, which goes back to Melbourne. So the whole community is at the moment stagnating. The general feeling of people we speak to is, ‘Okay, Heathcote is out of sight, so therefore it is out of mind’. By us starting a business here and being involved in tourism we hope to turn that attitude around. But we need big help.

Mr BEST — Peter, may I ask you a question. It was in this very room that I chaired a meeting to look at the future of leaseholders at Eppalock and to get security of tenure out there, which we were successful in. But at that time the City of Greater Bendigo said it was looking at a recreational strategy for Eppalock. In my mind surely Heathcote would be the gateway to Eppalock and the gateway to Bendigo, and that would be very fertile ground for an opportunity to get a visitors information centre which would be of assistance to the City of Greater Bendigo.

Mr VIRGONA — We have a visitors information centre across the road, which Bendigo funds to the tune of \$5000 a year.

Mr BEST — But you need extra services, though?

Mr VIRGONA — We need extra services, yes. It is like when the state government introduced Visit Victoria on the Web. Our centre is run by volunteers. Most of them are retired people, and they do not have the expertise or the computer skills to make themselves au fait with the Internet. We have had to withdraw from being part of Visit Victoria because of that. We did not have enough support from our staff.

The CHAIRMAN — Mr Hicks, I am keen for you to make a statement too, because time always disappears on us on these occasions.

Mr HICKS — All I can say, as the manager of the information centre, is that I agree wholeheartedly with what Peter has said and endorse his remarks. I am possibly one of the lucky ones because I was born and bred in the town. I left here, and I have seen the town come and go. I even started to work when I left school in the Commercial Banking Company of Sydney over here. I left that and then later came back to the town. I have seen businesses come to Heathcote. I have seen businesses go from Heathcote. As Peter said, whether they had been helped or not, or their foresight was not quite right, I have seen them come and I have seen them go — the post office is one, and the four banks.

The three banks were here, then it became two banks, then it became one bank. We are down to the point now we have got only one private bank and the Commonwealth Bank, and that is only a subagency. If you want to do business banking or company banking you have to go to Bendigo, or go to the National Australia Bank and get charged a transfer fee. I know that because my wife has a business, and if a cheque is written out to the business name she cannot bank it here in Heathcote, she has to go Bendigo and bank it. So that is one of the drawbacks.

Then at the information centre, particularly at weekends and outside banking hours, we are always being asked, 'Can you tell us where there are any bank services?'. It was only 12 or 18 months ago that automatic teller machines were brought into Heathcote, and now there are five or six of them. There is the post office, of course. At the information centre, as Peter said, as far as training is concerned, especially with the technology side of it, we have not got any place here to go. I am not a computer wizard myself, but if I get into trouble it is a matter of picking up the phone and saying, 'Listen, what do I do here?' — either that or I have to go to Bendigo and learn all these technical sides of life.

Getting to the last bit, the funds and grants, as Peter said, we are a town that is sitting very idle at the moment. We want things to be done. We have been lucky; we got one grant through. We want to update and fix up the old police station. There are many old buildings around the town that have a history that are just slipping by the wayside, and I am afraid if we do not do something they are going to slip a little bit further. That can be only because of the fault of the people that have bought them and looked after them in later years. But I would like to endorse what Peter said.

Mr CRAIGE — Peter, you said there were three industries — the hospital, the wood industry and, what was it?

Mr VIRGONA — Catering.

Mr CRAIGE — How is this town going to be affected if the government goes ahead on the decision on the box-ironbark issue, and the wood cutting industry is put out of business?

Mr VIRGONA — I have been talking to Parks Victoria this morning, and the feeling there is it is all positive. Now as to the situation with the cutting of the timber, it is not my department, I am not an expert on that. But what Parks Victoria was saying today is that the actual timber industry has been aware of that for over six years. There will still be culling involved, but not to the degree it is at the moment. It is hard for me to make a call on this because I wear two hats. I have to represent the tourism side of things, and the business, so if I say it is a great thing for tourism, which it will be, I am going to offend another industry.

Mr BEST — How do you quantify that?

Mr VIRGONA — I cannot make an accurate comment because I am not an expert on national parks; I am not an expert on the timber industry. From what I have read so far, I cannot justify in my mind saying, 'Okay, we go this way or that way'.

Mr BEST — It is always a contentious point with towns and with the Department of Natural Resources and Environment that they identify figures of ecotourism that sound very, very good and positive. I will give you an example. When they extended Wyperfeld they said there would be 50 000 extra ecotourists per year. Now I say pigs fly. I do not know whether they are quoting the same numbers to you, but to me there is no hard data to quantify the statements they make, which makes it very subjective then as to the impact on industry and the loss of jobs versus the additional tourism numbers that are coming. That is where I was coming from.

Mr VIRGONA — So one side of the fence should — —

Mr BEST — That is an interesting thing.

Mr CRAIGE — Can I go back, though? I understand that Parks Victoria is saying to you, and from a tourism point of view are putting the point that in fact, yes, you will pick up a lot of these other tourist dollars. The reality is that even though they have told you it is six years in coming and all this sort of thing, it still affects a lot of families in the region — —

Mr VIRGONA — Absolutely.

Mr CRAIGE — Who are putting money into the economy right now. They are actually delivering dollars into this economy. Their kids play footy. They are involved in activities that occur in the town. The difference

between that and the tourist dollar is that the majority of them do not actually live in the town. You do not get that many people working out of it. While I hear what they are saying — and I can relate to what Ron is saying as well, having many national parks in my electorate, and this may be another one — I always have this hesitation, based on history and the number of jobs that are actually lost, that they are actually doing something currently.

One of them in this area is the wood industry. The other is the beekeepers, and the honey industry as well, which is affected. The other thing is, let us take your tourist dollar, and this important for the town. Currently CAMS, the Confederation of Australian Motor Sport, comes through this town, and those drivers spend a bit of money here already. If in fact that park is locked up, CAMS is not going to be able to use that area for their rally car driving training. I can hear what you say. If you put your tourist hat on, absolutely, I hear what you are saying, but on the other side, I say, ‘What about the other things that affect this town currently which are really here now, which we actually have in our hand?’. We actually have that, and it really is an important issue for me. So you named only three — the hospital as a major employer and industry, and the catering industry. Are they basically what it is? Is there any movement in the vineyards around the area?

Mr VIRGONA — The vineyards are seasonal. Isn’t that right, John?

Mr HICKS — That is right.

Mr VIRGONA — You can argue, ‘Okay, there is terrific growth in vineyards’, but look at Yarra Glen and other areas; all that dollar stays there. They will bring tourism, they will bring everything else, but they build their own restaurants and accommodation houses, and therefore it is on site. It is virtually like Crown Casino, everything is on site. But locking up the forest, or whatever they like to term it is a great idea, it is going to be terrific for ecotourism, but we have not got the infrastructure here.

We have had inquiries from Ford Australia. We have had inquiries from the wheat board and GMH to bring up corporate bus loads for management meetings up here at The Bank. We can do the meeting, we have the facility upstairs to show Powerpoint, DVD, or whatever they want, but we cannot offer them middle management accommodation. We have not got a 40-room accommodation house, and they do not want to be spread all around the town, but that is something we hope to address somehow. Last weekend I hired a metal detector looking for gold.

Mr CRAIGE — How did you go?

Mr VIRGONA — I found an old hammerhead, wire, nails and bullets.

Mrs COOTE — They found the Hand of Faith out here, so keep it up.

Mr BEST — What is the City of Greater Bendigo doing? You know I live in Bendigo, but this, like Elmore and Marong and the other parts of the municipality, is an important component of the total City of Greater Bendigo. What are they doing to help you? Since amalgamation, has it performed?

Mr VIRGONA — Is this off the record?

Mr BEST — No, this is on the record. We provide you with parliamentary privilege so that you can say — —

Mr VIRGONA — I will tell you that it has done bugger-all. Since I have been president of Heathcote Tourism and Development and since I started a business in the town I feel that its input to us has been absolutely next to zero. It is like the old adage I used before: out of sight, out of mind. I had a strategy meeting with the then mayor, Laurie Whelan. I asked for the CEO, and a couple of other representatives came down. As you would know, a few buildings along from here is the old mechanics institute. Part of it has been stripped off. That started a week before Christmas. That is as far as it has gone.

I asked for in excess of a \$1.25 million grant to the town of Heathcote to upgrade the signage for entrances to the town, to spend some money on the old jail and courts here and to extend the footpaths in the town, and an increase in the grant facility for the information centre. I got an acknowledgment of that letter from the CEO. I sent copies to the mayor, every council representative and every department head I knew. That was in April. Up to this date I have not received any acknowledgment from any of those departments. I plan on going up to Bendigo in the next week or so and having an off-the-record meeting with them.

Mr BEST — No, you should make it on the record.

Mr VIRGONA — My idea is that, okay, I will give them one more chance. If they do not start producing or come down to see us and let us get some things happening, we will make it public. We will go to the papers and push the issue.

Mr BEST — Who is your local ward councillor?

Mr VIRGONA — Laurie Whelan. Laurie was great when he was there, but he has just dropped out of sight. Ben Hardman has been terrific. But people are busy, aren't they? I am talking about a community of 3000 people, which increases to about 7000 during the warmer season. We will either survive or go down the tube.

Mrs COOTE — People know that the box-ironbark forest is here. How many have come to the information centre seeking information on when you are going to develop ecotourism-type opportunities?

Mr HICKS — Would you like me to answer that truthfully?

Mrs COOTE — Yes.

Mr HICKS — The most we get asked about any forests, whether it be box-ironbark or whatever, is zilch. The only thing they ask for is walking tracks. I am like Peter. As I said, I was born and bred in the town. In a small town like Heathcote you have to stand on toes to get somewhere. As far as the box-ironbark forest is concerned, the Dargile one is only advertised in Victoria and in one place — that is, in the South Australian and West Australian motor homes publications. As soon as you see a motor home pull up outside the information centre, you know they will ask, 'Righto, girls, where is Dargile State Forest?', because it is self-contained. It has a rotunda, barbecue facilities, toilets, and fresh water. That is the only time we get asked. But as far as the closing of it goes, we do not get any inquiries at all.

Mrs COOTE — Thank you very much. Personally I do not know how many times I would like to go back and look at box-ironbark forests, because there is only so much you can see.

Mr BEST — Do you mean you are not a tree hugger?

Mrs COOTE — I was on the board of Parks Victoria. Peter, you spoke about the tourist buses and opportunities for some of the vineyards. We have just been out to see the Turleys; what a terrific set-up they have there. Obviously a lot of other vineyards are starting up. I noticed down the street the Heathcote winery. Is there an opportunity to value add to things to make this into a food produce street? It has such attractive buildings and so many terrific things. Is there an opportunity to take that and grow it as a speciality? For example, you mentioned the Yarra Valley. If you look at Yarra Glen you will see how effectively it has been done there. Is there an opportunity here? Do you think there is the will or the way?

Mr VIRGONA — The opportunity is here. The more you read about Heathcote the more opportunity you can see. The potential is unlimited — it has the history, the powder magazine, the old jail, Pink Cliffs, the vineyards, and probably the best red in the country at the moment.

Mr BEST — Jasper Hill?

Mr VIRGONA — Yes.

Mr BEST — I can't afford a bottle!

Mr VIRGONA — But we do not have the money. These businesses are struggling. We have now introduced a new spring menu and we are incorporating that with a bus tour of the vineyard up at the Heathcote winery, after which people come back to The Bank for their lunch. I think probably half a dozen are booked in so far.

Mrs COOTE — Where are you marketing this to, Melbourne?

Mr VIRGONA — Melbourne, yes.

Mrs COOTE — Any particular groups?

Mr VIRGONA — Any type of social group, but mainly groups like Probus — the bigger groups.

Mr BEST — Have you logged in with Tourism Victoria at all?

Mr VIRGONA — As a — —

Mr BEST — As an operator?

Mr VIRGONA — No. But where do you spend your money? Do you spend it here or do you spend it on advertising? There is only so much I can earn, and I had to sell three houses to come up here. But that was the chance we took. But eventually it will pay off. It needs only a few more businesses. But as I said, the only way we can get ready dollars, as Geoff mentioned — they have only got so much money to spend.

Like with the wood man; if the wood man decides he will not cut wood any more, what will he do? He does not have computers and Internet facilities and all that. If he had an information technology centre, funded by the state government, he could access something like that and he could learn something by himself. Okay, we have the library, but that is a limited facility.

Mr BEST — Finally, I will ask a question on the accommodation here. What are housing prices like? Fairly cheap or dear?

Mr VIRGONA — A two-bedroom ranges from about \$70 000 up to about \$120 000.

Mr BEST — Do you have people coming into the community from Melbourne?

Mr VIRGONA — Yes, we do. But on that, Bendigo has just issued a new — I cannot remember what it is called.

Mr BEST — A new policy?

Mr VIRGONA — A new policy — I think you guys would know — restricting the growth of the town and also subdivision growth.

Mrs COOTE — The growth of Heathcote or Bendigo?

Mr VIRGONA — Of Heathcote. I was interested in buying a property of 16 acres just south of Heathcote. I rang the subdivision manager in Bendigo and said, 'I am interested in buying this property; it is 16 acres. What are the chances of subdividing?'. He said, 'You've got Buckley's'. I said, 'I beg your pardon?'. He replied, 'You are wasting your time and you are wasting my time'. I said, 'You cannot say that; you are an employee'. He said, 'Look, I have been here for 20 years; Heathcote will not go anywhere, so you are wasting your time'. I asked, 'What do I have to do if I want to apply for a subdivision?'. He said, 'Well, it will cost you \$700, and you probably will not get anywhere anyway' — that is just two streets away from the main street.

Mr BEST — The point I am getting at is whether people who are relocating here are value-adding to your communities, or whether, as we have found from other evidence that has been provided to the committee, they are coming into the town after selling a place in Melbourne and buying a cheaper place here and having some money in the bank, but are welfare dependent and so are not actually adding to your town but are basically looking for a range of services that are just not here.

Mr VIRGONA — Yes. There is that element as well, and it is a high unemployment area. But we employed a lot of unemployed people to renovate The Bank. But in the last two or three years it was too easy just to collect the dole payments. But also Heathcote is, I think, listed as the 25th preferred retirement area in Australia. So there are a few retirement-aged people coming here.

Frequently I speak with the real estate agent, as he is trying to sell me real estate — he must think that because I own The Bank I have plenty of money — and he says, 'Look, there is plenty of demand for weekenders up here'. They will come up and spend money at the supermarket, and the supermarket will spend money on its staff and what not. There is that dollar and, okay, we can add value to it. But it needs a lot more. As I said, there needs to be an information centre. Plus, the government will not say, 'Okay, we will build you a 40-roomed motel', will it?

The CHAIRMAN — John, given your history in the area would it be possible for you to send us a list of what was here, say, 10 years ago and of what has happened in the past 10 years in terms of new things and things that have gone, like banks, in a time sequence?

Mr HICKS — A time sequence, yes.

The CHAIRMAN — We would appreciate that. We have seen that documented for a couple of other places we have visited. It is interesting for us to see the changes that have occurred. You can seek advice from anybody in putting that together. Mr Willis will give you his card with an address. Mr Craige, a final question?

Mr CRAIGE — Remember going back a bit, in particular — —

Mr HICKS — Don't go back too far.

Mr CRAIGE — You will remember this. I remember it from when I was the Minister for Roads. The City of Bendigo came about doing works on the road there, and I can remember Vicroads being involved with the City of Bendigo and the community on the road. I clearly recall that that was fitting in with what Ron said before, that there was some strategy, and I believed, as the minister at that time, that what we were doing out there was fitting in with this strategy for Heathcote. You are smiling, Peter.

Mr VIRGONA — They are still using that same strategy.

Mr CRAIGE — It has not gone anywhere?

Mr VIRGONA — The mayor then, Laurie Whelan, said they spent \$250 000 on the road. I said, 'I have got a property in Abbotsford. They spend \$300 000 on a back lane'. That is their argument. 'Don't bore me with me figures, Laurie'.

Mr CRAIGE — So you have a real problem there, by the looks of it.

Mr VIRGONA — We have.

Mr HICKS — I also add to that that when the road was done like that, it was liked by Heathcote; it was hated by Heathcote; it was disliked by Heathcote. Yes, it brightened the town up a little bit. One thing it did do was stop semitrailers from ripping through the town. Bendigo City Council was going to spend \$30 000 to beautify the median strip in the middle. Where in the name of fortune are they going to spend \$30 000, and in what way? That is what came out in their budget.

Mr BEST — Have you got a section 86 advisory committee at all?

Mr VIRGONA — In the town?

Mr BEST — Yes.

Mr VIRGONA — This is it. We are it.

Mr VIRGONA — for John. John has to earn a living. So do I. We have not got unlimited funds that we can concentrate on developing Heathcote. I did that to start with and suffered the consequences. Now I have to spend more time down in Melbourne. But we are prepared. We have a great working committee, but they are all retired people or housewives. We need some professional people up here. We need some assistance from you guys.

Mr BEST — Give us a yell.

The CHAIRMAN — Mr Hicks and Mr Virgona, thank you very much for coming along. We appreciate the time you have given us. We will send you a copy of the transcript for you to have a look at. Thank you very much for coming.

Witnesses withdrew.

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into structural changes in Victorian economy

Heathcote – 12 September 2001

Members

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

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

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

Staff

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

Witness

Mr J. Marshall, Bus Proprietor, Heathcote.

The CHAIRMAN — We welcome Mr Jim Marshall, the local bus proprietor. I have to say that 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 give us your views, then we might ask you a few questions.

Mr MARSHALL — What do you actually require?

The CHAIRMAN — I suppose what we would be interested to hear about is public transport. If one lives in Heathcote, what availability is there for public transport? When does it operate? How do you get to where you want to go? Where can you actually go by public transport?

Mr MARSHALL — As far as my run is concerned, it is only to Bendigo. There are three V/Line buses going through here — the daily service to Melbourne. There is the airport bus, a service that leaves here at 10 to 8 a.m. and returns at 6 o'clock at night, which only the elderly people that have no other option actually use. They are quite happy with the 10 a.m. service from here that returns here at 4.30 p.m..

The CHAIRMAN — That is the one you run?

Mr MARSHALL — That is the one I run.

The CHAIRMAN — How many days does it run?

Mr MARSHALL — One day a week.

The CHAIRMAN — Which day?

Mr MARSHALL — Thursday.

The CHAIRMAN — What is the reason it only runs one day a week?

Mr MARSHALL — We have not got the patronage.

The CHAIRMAN — Have you chosen that day on the basis that — —

Mr MARSHALL — No, the Thursday has been the service for over 13 years.

The CHAIRMAN — If you pulled up there on this Thursday, how many people would get on the bus, on average?

Mr MARSHALL — We might pick up six one week; we might get up to 11 the following week. If it is an off-pension week, veteran affairs week, some days you are down to six. I spoke to Alan Gladman and said, 'The rate things are going, it looks like I might have to go for a subsidy'. Like only six, that is putting me in the red. But then somehow or other, it seemed to pick up, but there is no guarantee of it. Some of them were looking for a Tuesday and a Thursday service, but we find out that you are robbing Peter to pay Paul.

The CHAIRMAN — They will still only go once a week?

Mr MARSHALL — Yes. So then if that did happen, it would be costing you more money, because I would have to look for a subsidy there. It would not be worthwhile, especially with the new conditions now. Every three months I am up to the garage for an inspection. That is about \$150. Then you get your 12-monthly bus proprietor's inspection, which is about \$180-odd, and registration and insurance. But I am quite happy to jog along the way I am going. If you want to put an extra service on five days a week, I will do it for you, but it will cost you a lot of money.

The CHAIRMAN — Just to clarify: the V/Line bus goes three times a day to Melbourne?

Mr MARSHALL — No, three buses go to Melbourne. They are great big 40-odd seaters with about three passengers on them.

The CHAIRMAN — All V/Line?

Mr MARSHALL — Yes.

The CHAIRMAN — What time do they stop here?

Mr MARSHALL — Ten to 10 in the morning. The three of them meet here. Anybody that wants to go to the airport gets on to one of them, and they sort of swap or change over. Anybody who wants to go direct to Melbourne, they get out of the one that is going to Tullamarine, sort of business.

The CHAIRMAN — So the three all arrive at the one time, swap around passengers, and head off to Melbourne?

Mr MARSHALL — Melbourne, but then they come back at different times. One leaves at 4.30 p.m. and one leaves at 6.30 p.m. or something, and the other one goes via Tullamarine.

Mr BEST — I think you need to explain the origin of the coaches that meet here at 10 o'clock. One comes from Echuca?

Mr MARSHALL — One is from Deniliquin, Barham and Echuca, I think it is.

The CHAIRMAN — That is one?

Mr MARSHALL — That is the three of them.

The CHAIRMAN — From Deniliquin?

Mr MARSHALL — Yes, Deniliquin, Echuca and Barham. They all meet here.

The CHAIRMAN — Right.

Mrs COOTE — Do the people who get onto them tend to be more elderly or young people?

Mr MARSHALL — More in between. Not too many young ones travel once their friends get cars. It was the same with the Bendigo service. At school holiday times a lot of children wanted to go to Bendigo, but once they grew up and got cars I lost all of them. I have not seen them at all this year. It is a funny sort of a situation actually. They grizzle if they do not have a service, but then I will go to Bendigo and see Mrs Bourke over there, and when I ask, 'How did you come over?' — —

The CHAIRMAN — She got a lift with someone?

Mr MARSHALL — She got a lift with someone. This is mainly a farming town. I see a lot of my farming mates over there. I said, 'Look, a luxury bus comes over', and they said, 'It is all right if we are just going into Bendigo itself', but they have to go out to Epsom and to — what is that new place in Golden Square where all the factories are?

Mr BEST — Allingham Street.

Mr MARSHALL — Allingham Street. They have to go to different areas, so it does not suit them.

The CHAIRMAN — If you had been sitting where you are now five or six years ago and we asked, 'What is the public transport situation in Heathcote?', what would you have told us at that time?

Mr MARSHALL — Well, last year it was going like a bomb. I was getting a taxi to take the overload.

The CHAIRMAN — Last year?

Mr MARSHALL — Last year, yes, I was getting overloaded. It holds 19, and I was getting overloaded all the time with people wanting to go over there.

The CHAIRMAN — How many trips a week were you doing last year?

Mr MARSHALL — Only one; it has only been the one.

The CHAIRMAN — Why has it gone from overloading the 19 and having to use taxis to between 6 and 11?

Mr MARSHALL — Well, some are up on the hill and some have gone down — do you know where the hill is?

The CHAIRMAN — The jail?

Mrs COOTE — The cemetery?

Mr MARSHALL — Yes, some have gone to the cemetery, some have moved on, and others have bought themselves a car, which they should not be driving. They frighten the Moses out of you when you go to Bendigo on a Thursday. As I said, they are buying cars, getting lifts, and what have you. I have got real regulars; every Thursday I just about know who will be on that vehicle.

The CHAIRMAN — Would you say that the demand for public transport has reduced in the past 12 months?

Mr MARSHALL — Well, it is really going down to town. This is not a young town, and the middle-aged people have their own vehicles. It is more or less just catering for the over 60s and 70s. One lady who goes over every week is 90-odd.

Mrs COOTE — How much is a return ticket?

Mr MARSHALL — It is \$7.70 return. That is on the pension rate.

The CHAIRMAN — What was the situation with public transport going back five or six years?

Mr MARSHALL — Pretty well the same as what it is now.

The CHAIRMAN — Was there V/Line?

Mr MARSHALL — Yes. V/Line has been going through here for donkeys years — or Dysons has — ever since I was a young bloke.

The CHAIRMAN — So a public transport bus service has been coming through here for years and years?

Mr MARSHALL — Yes.

The CHAIRMAN — And your service has been going once a week for how many years?

Mr MARSHALL — It would be about 15 — yes, it would be a good 15 years, roughly.

The CHAIRMAN — The demand for public transport is going down?

Mr MARSHALL — Yes.

The CHAIRMAN — What about taxi services?

Mr MARSHALL — The taxi goes to Bendigo every day. But you have to travel in with invalid people and children and that sort of business.

Mr BEST — Kids with disabilities?

Mr MARSHALL — Yes, that is right. You are right up with it, Ron.

The CHAIRMAN — Is that a taxi based here?

Mr MARSHALL — Yes, there is a taxi based here. If you wish you can go over on it. But of course you have the little kid there who is wobbling around, and some of them get a bit frightened.

The CHAIRMAN — And if you want to use a train service?

Mr MARSHALL — You either go to Bendigo, to Seymour or down to Kilmore. There is a V/Line bus.

The CHAIRMAN — If you want to catch a train do you get on at Seymour or at Bendigo?

Mr MARSHALL — Yes.

Mr CRAIGE — There would not be too many people going from here to Seymour for business, would there? People do not go to Seymour for business and then come back on buses, do they?

Mr MARSHALL — No, if anyone wants to go to Seymour they either have to get a — what do you call it? — a car, use a car or something — —

Mr CRAIGE — The V/Line buses do not — —

Mr MARSHALL — No, they go straight through to Kilmore.

The CHAIRMAN — So is there a connection to a train by bus from here? The answer to that is yes, but you have to go in the opposite direction to Melbourne to go to Bendigo?

Mr MARSHALL — If you want to go the long way round you can go with me, sort of business, and catch a train down to Melbourne. It all depends how long — —

Mr CRAIGE — But there is no bus linking in with the trains to Seymour?

Mr MARSHALL — No.

Mrs COOTE — How much is it by taxi into Bendigo?

Mr MARSHALL — I think she gives them a bit of a deal. If they have the taxi card they get it very reasonably, and I think if they go with her with the disabled kids she cuts it down a bit.

Mr CRAIGE — Jim, we have heard a lot about Heathcote today. You have been around. If you could change anything in Heathcote, would one of the issues you could point to that you reckon would give it a real shot in the arm be improving the public transport access to Bendigo or to Melbourne?

Mr MARSHALL — Actually Melbourne is very well catered for.

Mr CRAIGE — Already?

Mr MARSHALL — Yes. As I said, there are three vehicles.

Mr CRAIGE — Three buses?

Mr MARSHALL — Three buses.

Mr CRAIGE — A day?

Mr MARSHALL — A day. The three of them meet here and go together because they change themselves over. If somebody comes from Barham and wants to go to Tullamarine, they can hop out, and the others who do not want to go to Tullamarine can hop out and get in the other one.

Mr CRAIGE — I will make you the mayor for a day. I will give you the job here. What would you do here in respect of infrastructure? What do you think the town needs?

Mr MARSHALL — Well you can give the town a lot. But they will patronise it for a while and then it will just go back to — half the time you will be going over with nothing or something like that. At the present moment one day a week seems to be suiting them.

The CHAIRMAN — What about the V/Line service? In your view are the numbers patronising those three buses going up or down?

Mr MARSHALL — Do I get anyone?

The CHAIRMAN — No, are the numbers using the three V/Line buses out of this town going up or down?

Mr MARSHALL — Lately I have seen them there, and it is going up.

Mrs COOTE — How much does the bus to Melbourne cost?

Mr MARSHALL — I have no idea.

Mrs COOTE — How long does it take on the bus?

Mr MARSHALL — To Melbourne?

Mrs COOTE — Yes.

Mr MARSHALL — Roughly 2 hours.

Mrs COOTE — How long does it take on the bus to Bendigo?

Mr MARSHALL — It takes 40 minutes — providing you do not strike any Ron Bests on the road driving slowly.

Mr BEST — You have been here a fair while. What sort of job do you think the City of Greater Bendigo has done since amalgamation?

Mr MARSHALL — Well — —

Mr CRAIGE — You can tell us.

Mr BEST — You are covered by parliamentary privilege, so you can swear or do anything you like.

Mr MARSHALL — At the moment they seem to be doing a good job and that. There do not seem to be any worries there.

Mr BEST — Have you noticed any change — —

Mr MARSHALL — You cannot please everybody. It does not matter who comes out or who comes in, you cannot please everybody.

Mr BEST — Have you noticed whether there has been any change in the types of passengers that you carry to Bendigo? One of the problems we have seen in other towns is that, with cheaper housing, we have attracted people from the metropolitan area who expect the range of services. Are you seeing any of those people in this town?

Mr MARSHALL — To go over and change their Centrelink arrangements, you will probably see them twice, and then about two or three times you might strike them. Next thing, they have got a car. That Centrelink is a good place.

Mrs COOTE — I want to ask you something not so much on transport, but on this town. We had someone in today who said they had been here for a long time and had seen the town have its peaks and troughs, and they feel at the moment it is okay. Do you feel it is on a peak or a trough? Where on the scale do you think it might be?

Mr MARSHALL — It is a revolving town. It goes up. Next minute, with me running around the town with the bus of a night, coming back from Bendigo, they get a delivery service to their door. I do that, because if you drop them here at the post office they have to walk halfway up to south Heathcote, about 3 kilometres, so I throw that in.

Mr BEST — Country service.

Mr MARSHALL — Yes, country service. We take them to the pokies once a month. Some of them like to go to the RSL club up there. We come home. We have a big spotlight with us in the dark and wait till they open the door and inside. But other than that — you can read my book here — it is just about the same people every Thursday. But this town is a revolving town. They are in. The same as the underprivileged, or whatever they call themselves — they come up from Melbourne, they are here for a while, and then they disappear, or they finish up with a vehicle. It is revolving all the time. If you want to buy a house at Heathcote, there are always half a dozen or more.

Mrs COOTE — So it is pretty much the same?

Mr MARSHALL — Yes.

The CHAIRMAN — Thanks for coming along today.

Mr MARSHALL — I hope it has been some help to you.

The CHAIRMAN — It is good to hear from people who are living in the local town.

Mr MARSHALL — It is the only hope we have got.

The CHAIRMAN — We wanted to go to smaller towns and hear from real people. That is what we have done here. Thank you very much for coming along.

Mr BEST — It would be very handy to get some figures. How many years have you been running the service — 10 or 12?

Mr MARSHALL — I have been running it for about six.

Mr BEST — Could we get those figures over the past six years as far as patronage goes?

The CHAIRMAN — I will get Mr Willis to have a chat to you before you go. Thank you very much. The hearing is now closed.

Committee adjourned.