

# **ENVIRONMENT, NATURAL RESOURCES AND REGIONAL DEVELOPMENT COMMITTEE**

## **Inquiry into the sustainability and operational challenges of Victoria's rural and regional councils**

Kerang — 13 October 2017

### Members

Mr Josh Bull — Chair

Mr Simon Ramsay — Deputy Chair

Ms Bronwyn Halfpenny

Mr Luke O'Sullivan

Mr Tim Richardson

Mr Richard Riordan

Mr Daniel Young

### Witnesses

Mr Kelvin Burt, President, and

Ms Irene Ayres, Vice-President, Kerang Progress Association.

**The CHAIR** — Good morning, and welcome to the Environment, Natural Resources and Regional Development Committee's public hearing in relation to the inquiry into the sustainability and operational challenges of Victoria's rural and regional councils. Can I extend a warm welcome to members of the public and members of the media, if present. Can I also welcome the local member, the member for Murray Plains and the former Minister for Water, for being here as well. The committee is hearing evidence today in relation to the inquiry into the sustainability and operational challenges of Victoria's rural and regional councils, and evidence is being recorded. All evidence taken today is protected by parliamentary privilege. Therefore you are protected for what you say here today, but if you go outside and repeat those same things those comments may not be protected by such privilege. You will be provided with proof versions of the transcripts at the earliest opportunity. Transcripts will ultimately be made public and posted on the committee's website.

Shortly I will invite you to make an opening statement, somewhere around 5 minutes, which will be followed by questions from members of the committee. I now ask you to state your name and role for the record, and then proceed with your opening statement.

**Mr BURT** — Thank you. I am Kelvin Burt, and I am the president of the Kerang Progress Association. To my right is Irene Ayres, our vice-president, who has been a hard worked in our community for a number of years. Thank you again for inviting us here. I think this is a good thing that needs to probably happen a bit more. First of all, I think we have to keep councils, because if we do not have our local council Spring Street is going to be making too many decisions on our behalf. There is not the understanding from a city country person and what happens in the city. There is too much lost in between.

Basically I will go on to some subjects you want us to talk about. Weed control — I think our council here does a pretty good job on weed control. Our problem with weed control started with a parliamentary decision to sell water off our land. When we sold the water off our land, allowed farmers to sell their land — we devalued our whole shire. Farmers were selling their water because it was worth more to them than the price of their land. They walked off that land. There is a very good example right on the edge of our town. A farm there was a productive dairy farm for hundreds of years here, and now that is covered in weeds. Every year the town gets covered in roly-polys and things like this. This is all because of a decision to sell water off our land. The water was given to this land. It should never have been able to be taken away. That has devalued our shire heaps, which was mentioned in the council comments. With that devaluation it is not irrigated land now, so you are not getting the same rates off it.

And then we come to flooding. Once again we got hit by the floods this year, as in 2010. A number of farms are now just covered in weeds because of those floods. This is also because they had water sold off the land. Then it comes back to another decision from years ago — getting rid of our lands department. Now we have got this little department called DPI or some sort of thing like that, where you have got half a dozen blokes sitting in chairs in an office and two blokes running around maybe building a bit of fence around a weed in a paddock somewhere, saying, 'Oh, that is native'. They are not out there meeting the farmers who have got these lands sitting there just idle now covered in boxthorns, covered in weeds. It makes our shire look bad. It is the cost of taking the money away from our departments here that is really hurting us. We have got empty government buildings sitting up here only half full, and yet we have only got a couple of people out in the field doing the work. It is the costing of all that which is hurting.

Again we had the floods this year. In 2010–11 the government made the decision to buy up a heap of land out here at Benjeroop. That land has been their farm for years. We are going to have floods; it is a natural thing. But they bought up the land and farmers have all left our area now and those farms are just growing weeds again. So it all comes back to these silly little decisions getting made, really, that are hurting us in this shire, and which is devaluing our shire all along. They built a new bridge out there this year on one of our major rivers which holds up so much water. Local farmers and community groups out there tried to get that bridge, when it was rebuilt, raised. They could not get it done. But no, we buy up all the land around it and close the land down. There is not enough communication with the local people and the decision-makers. There are people stamping their feet out there trying to get their point across and you just cannot get it across.

Another thing is the CEO. I know it is hard to get a CEO to come to a town like Kerang and that to work in our council, but we are of the strong belief that they should live within our council. If you are going to hire a CEO, if he is going to be passionate about your area, he needs to live here. I will hand over to Irene for a few things.

**Ms AYERS** — I wanted to make some comments on (d), which is the capacity for rural and regional councils to meet responsibilities for flood planning and preparation and the maintenance of flood mitigation infrastructure. Kelvin has a couple of times now mentioned our floods and some of the consequences. I originally came from Sydney, and the floods at the end of 2010 and then in January 2011 were a real eye-opener. We were worried because levee banks had been put up after the previous floods, but we have a wonderful, wonderful population of rabbits who think that digging into levee banks is the best thing possible. We had one levee bank that was very much rabbit-ridden, but they managed to fix that one up and it was strong.

I do not know whether you were aware of the substation as you came into Kerang — there is an electricity substation which is owned by a Singaporean company. If that had gone down, Kerang would have been without electricity — so would part of Horsham, so would part of Mildura — yet we had to fight the fight and the CEO at the time had to fight to get permission from the company to build a levee bank around it so that we would have electricity. We also had to rip up one of the roads into Kerang — the one road leading from Cohuna — because it was the lowest point, and if they had not ripped that one up, the water would have got into Kerang, into the town. As it was, they decided to rip the road up, and the road was ripped up and turned into a levee bank and it saved the town as well.

When it was all over the road had to be rebuilt of course, and the requirement from the council was, ‘Could VicRoads please raise the level of that road while they were at it because they had to repair the road anyway?’, and they countered our request with the statement that they build roads, not levee banks. This is where we have to have cooperation between government officials and government bodies — if there are locals who know the situation, who lived through it and lived through the threat, that they take a little bit more notice and maybe meet us halfway. They are the things that I feel that maybe a group like yours can make sure that we do in future — that little local councils like us are heard and that it is not just a bland statement as a result but we actually get things done which will benefit us in the future. Kerang was dry, but we could not go to Barham, we could not do anything. Our airport was open, fortunately, and that was a big plus. Our council does a great job with the airport, because we do need it for ambulances and all sorts of things. That was under (d), which I think is very important, because the council does know what is going on. We do have people in town who have experienced floods before. Why are these people who know what goes on not consulted a little bit more by Spring Street as well as in our council? But I think our council did a great job in the 2011 floods.

The other thing I wanted to talk about was the fairness, equity and adequacy of rating systems. It is almost a bland statement to say that everyone should pay the same rates. For those of us who live in town our livelihood does not depend on where we live. We go out to work or we are retired or whatever. Farmers in this area, especially dryland farmers, depend on their land for their income. There is a big difference there, and I think that has got to be noted in connection with rate capping and the rating system. I just wish that we would listen to each other more because people in the country do have a lot of experience in what it is like and what is needed here.

I notice that this morning we have been talking about the fact that Gannawarra is a small council and there is not an invitation to join us with another council. As Mr Walsh knows, he has got an awful lot of travelling to do. He has got a bigger area because of the amalgamation of his spheres of influence. I am not saying the smaller the better, but I am saying that Gannawarra has a lot that is favourable to a small group. We feel we know our neighbours, we work with our neighbours, and when it becomes too big you may need only one CEO for a bigger area, but at the same time that is not necessarily a good thing. I would like to stress that, please. I think that is probably all I have got to say at the moment. I back up everything Kelvin said.

**The CHAIR** — Thank you both very much for your opening statements. There was a view put forward to the committee yesterday in relation to running local events and some of the red tape or hurdles that are —

**Ms AYRES** — Excuse me, I am not understanding you. Could you speak into your microphone, please?

**The CHAIR** — Sure. Thanks, Irene.

**Ms AYRES** — Thank you.

**The CHAIR** — There was a view put forward yesterday in relation to running local events and getting through some of the red tape that is required, whether it is hosting a local event on the main street et cetera.

From my notes I can see that the Kerang Progress Association has been involved in running some local events. Is it your view that this happens quite well in conjunction with council and the local community?

**Mr BURT** — Well, it does and it does not. In the last three years we have started up a New Year's Eve carnival again. Some of the by-laws and the rubbish you have got to go through to keep holding the same event each year — you have got to go back and redo everything again. There are silly little laws, like we have it in the park over here and up until 9 o'clock at night we are allowed to have people here and have their alcohol and drink and everything but after 9 o'clock I have got to get a permit off the council for the rest of the night. That is a silly by-law. Why are we having these little hurdles that we have to jump through? Every year we have got to go and redraw a plan and show them how we are going to do it. It is the same thing each year. Why do we have to jump through so many hoops each time? That is a bit of a problem. It is the same with hiring the hall here. Every time it is a hurdle. Getting the keys and getting this — it is, 'Oh, you can't have this key, you can't have that key'. It is an event we keep doing and doing and doing and we keep having to jump through hurdles to try and get it through. You cannot get the right person to just answer the question and say, 'Yes, they have done this every year, they get the key'. They need a note there to say, 'Right, we give them all the keys to the toilets, we give them this, we give them that'. But it does not happen.

**The CHAIR** — Just by way of supplementary, Irene, you spoke about a local community knowing itself effectively and being of a size where people know their neighbours. Can you give the committee your thoughts on any key structural reforms you think would be beneficial to your community that the committee could take forward in its deliberations? What we are obviously grappling with is vast areas of land with small population bases. I take your point about communities knowing themselves, and if I heard you correctly I think you were advocating for the municipality staying as it is. Can you share your view on that for me?

**Ms AYRES** — While you were speaking I was thinking about the fact that maybe councils and areas like ours — not councils; 'shires' is the word I am looking for — are a little bit like streets. In some streets in town everybody is a neighbour, everybody gets on well, they think of themselves as a mini community, and on other streets they hardly know each other because you have got somebody who keeps to themselves and does not share. I think that in some ways shires are possibly a little bit like that, and I think that having rules or suggestions for them —

As I said, it is a bit like neighbourhoods. You cannot really tell people how to behave. You cannot really say, 'You've got to work together'. You just have to hope that you have got enough people in your area that are supportive of each other, think of themselves not just as 'me, me, me', which is one of the things we do these days, but as part of a group where everyone cooperates and everyone tries to look to see what their neighbours need and pitch in and help. I do not think I can make any suggestion except: 'Can you behave like good neighbours?'.

**The CHAIR** — I second that.

**Ms AYRES** — But you cannot tell people. People have got to have that within themselves.

**Mr RAMSAY** — Thank you both very much for your time this morning. The question I wanted to pose was an issue raised around the impacts of basically the unbundling of water and farmers being able to sell that as a quantity in its own right, which in effect has had some impact on some of the irrigated farmers that are now dryland farmers. Unfortunately I ran out of time for Tom, and given Eric Braslis is not here, I was going to ask him, but I will ask you if you do not mind, because you have raised it: 34 per cent of total rate revenue comes from farmers in the Gannawarra shire, and we have been given information to suggest that a budget might be proposed for a 15 per cent increase over four years, which is well in excess of the current 2 per cent within the rate cap. I suspect that 34 per cent of farmers are going to bear a significant financial burden if in fact there is a 4 per cent annual increase every year over the next four years, if that indeed is what the strategy of the council is. In the same breath they have indicated they are going to reduce the farm rate differential for dryland farmers and have some sort of even spread of differential. I am still not quite clear about that, but it would appear that farmers are going to be the losers in any change in differential. How do you see that as being long-term sustainable for funding for this shire, if indeed the reliance is so heavy on the farming income for rate revenue, given the population growth here — I am not sure what it is in fact — I suspect has probably plateaued, to inject some new wealth and rate revenue generation into the shire? Do you have some theories about that?

**Mr BURT** — Actually our shire grew last year by 33, was it? We actually grew last year in figures. With the impact of the rate rise on farmers, I think there is going to be a massive fight there. The farmers are not going to just take that; they are going to fight that all the way. I know they have got money already there to fight that. But what we need to help the shire here is probably to move some government organisations into our town. We have got plenty of empty office space. Our water commission head offices are only half full. Our state offices here are only half full. If we could move a couple of government organisations out of the city to here so that they could understand and work with the country community better, that would bring families into our town and hopefully push us along a little bit. That would be a way of looking at maybe getting more rates and that out of our community, by making it grow through moving other departments here.

**Mr RAMSAY** — Irene, do you have some thoughts on what the long-term —

**Ms AYRES** — It is not an area that I have ever explored myself. I know that we have increased in population and I know that there is an area being opened and most of the blocks have been sold off the page. I do not know whether they are retirees or whether they are businesspeople. We do not have many empty shops in Kerang at all, which is a big plus. I do not know if you have been to Swan Hill, but they got have a lot more. Well, they are bigger than we are, but they also have a lot more shops empty, and I do not know what they are doing about it. I would like to see a lot more tourism and I think that would help things. I honestly do not know that we can do it on our own. The idea with rates and things — that is normally something that I let people who know about numbers work with that. I am not answering your question, and I know that.

**Mr RAMSAY** — My other supplementary question is: are you involved in the regional living expo, which helps market the regions? It was very successful, as I understand it. It was held at least on one occasion that I am aware of at the exhibition centre in Melbourne to have rural councils market their business potential and opportunities for tourism. Now that this current government has decided not to pursue that any further, do you still see merit in having a vehicle like that — like the living expo — to market regions like Gannawarra for people to come and live and work and recreate?

**Ms AYRES** — We would certainly welcome them if they came.

**Mr RAMSAY** — But the actual concept of the living expo?

**Mr BURT** — Yes, I think the concept of the expo is really good. The shire represents us pretty well there each year. Before the progress association started up it was the Kerang business council, and they used to support that fully.

**Ms AYRES** — Absolutely.

**Mr BURT** — But when they folded we went in a different direction. We back the shire with everything they do and support them in that wholly. It is a great idea.

**Mr O'SULLIVAN** — Thank you for coming in today to provide us with your views on things locally. I just want to follow up on where the Chair went when we were talking about festivals and events, because we were over in Wycheproof yesterday and we heard about some of the benefits that they are seeing, particularly with Lake Tyrrell up at Sea Lake with tourists going through. In Wycheproof they were saying that a lot of people stop at all the towns on the way through up to Lake Tyrrell, and over a bit further they have got the silo art trail, which has been very good at attracting people up to those parts of the world. Obviously Echuca does well with its festivals and so forth over there. Is the progress association working with council to try and find something locally that will attract people from down south to come up here and spend a weekend, stay at the hotels and motels, spend money in all the shops and so forth?

We went and had a tour out at Gunbower forest yesterday, and that seems like something, with all the environmental water that is going in there, that could be a natural feature that could attract people to come up this way. Is that something that you are working with the council on to try and make this place attractive, this region attractive, for people to come up and spend their money up here? Because I see that as a start — getting people to come here. If people come up here and like it, they might decide they want to come over and spend more time and eventually maybe live up here, and obviously more activity creates more jobs and more economic activity, more revenue for the council.

**Mr BURT** — Yes, we have been working with council. We have got one councillor who is very active within our group, and with him we have been pretty active with the council there. Our local silo is here, and there is a great big grain shed right next door. We have been in the process of approaching them at the moment to try and get the shed, because our local show society had a shed burn down and we thought, ‘It’s right next to our showgrounds. We can incorporate that into our showgrounds and it will become a multifunction building that other people can use’. Plus with the silos we have looked at the avenue of joining them up, maybe putting a flash restaurant there and painting it with deco artwork like they are doing on some of these other silos to create a look, to get people here, and then they will go visit our surrounding areas. That is an ongoing thing at the moment. Eric has been working with the wheat board or whoever it is who owns the shed. We are still waiting to find out about that one.

We are involved with three pretty major events now. We have the New Year’s Eve thing, and a toy run, which is all our toys and works through our whole shire. Motorbikes and cars do a run collecting toys. That is another thing we are heavily involved in. That has become very successful and has been a big eye-opener for our town. People have thought, ‘This won’t work’, but it is getting bigger and bigger every year. The third one we have just done is Show and Shine. We are into our third year this year of that. It has been a major success for this town. We have been drawing people from everywhere to come to our Show and Shine within two years. We are working with the council and the council are cooperating very well with us on those things. We held our first Show and Shine at the showgrounds. In the second year we got rained out and we could not have it there so on a Saturday night we had to ring the council and ask them if we could have it at the local park here. They helped us totally, and now this year they are backing us 100 per cent to go back down there and do it again.

We are working with major projects and doing things like that with the council all the time to try and get this town going, but the problem is that we have got Kerang, Koondrook and Cohuna and we are all sort of fighting against each other in a way: ‘Why have you got this? Why have you got that?’. That is the problem that the council have got here. They mentioned the swimming pools. We got a big upgrade of our swimming pool and now Cohuna is saying, ‘We want our swimming pool done’. It is sort of a hard situation to explain, but there is a lot of give and take between our three little towns in spending the money around there and working together. We would like to think we could all work together and promote our area better, but everybody is saying, ‘We want’, and that is a bit of a problem here.

**Ms AYRES** — It is a work in progress.

**Mr YOUNG** — Given that we are running short of time, I would just give you a quick opportunity to tell us anything unique about this shire that might be an issue, because we are having these hearings across the whole state and there are obviously a lot of issues that are the same issues for many different areas. Is there anything in particular in this area that you think we might want to know about that we could focus on?

**Ms AYRES** — Money.

**Mr BURT** — Yes. All shires and councils are screaming for more money, but there are some councils sitting down there in the city with millions of dollars in the bank and they are still getting grants and funding. Why can you not stop their funding for a while and spend a bit more of that money out in the country communities? There are very rich councils down there with millions and millions in the bank, and they are still applying for grants and doing this. They are just getting richer and richer. Our poor old council is just surviving. No cuts from us would probably be the biggest ask. Do not cut us back any more. We are only just surviving now, and it is tough enough. They do a pretty good job with the money they put around. That would be the biggest: no more cuts.

**Mr RIORDAN** — Finally, one of the points you made earlier was about organising community events and the streamlining of that and the difficulty you have with small councils having poor time and resources. I see that small businesspeople and community volunteers are trying to organise many of these festivals that the communities hang their hat on. Have you sometimes found that the organising of your events gets a bit marginal wanting to do that event with the red tape and bureaucracy? I know in my own area where I have got six shires there are requirements for portable toilets and fencing and safety and food and health checks — it goes on and on and on. Do you find that sometimes your volunteer groups and people who are working with you get really quite exhausted by that process?

**Mr BURT** — You do. They are going back and jumping through hoops every year to do the same old thing. It is like there is someone in that office up there just trying to make a job for themselves, making it a little bit harder on you. They are trying to make it like, ‘This is my job. I’ll make you work for it’. It should be streamlined a bit more. Eric, our local CEO, is trying to do that a bit. He is very approachable and he is good to work with.

**Mr RIORDAN** — I am sure the councils say they have to do it because the state has told them they have to do it.

**Mr BURT** — Basically, yes. ‘It is our by-law, it is this or it is that’. They are looking at all their by-laws at the moment, which hopefully will clean things up and make things a little bit better for us.

**The CHAIR** — Kelvin and Irene, can we thank you for your time and for answering questions from committee members. I am sure that all members of the committee will agree that your work is extremely well valued and makes Kerang a better place. Thank you very much for your time today.

**Mr BURT** — Thank you for the opportunity to speak to you.

**Ms AYRES** — Thank you.

**Witnesses withdrew.**