

ENVIRONMENT, NATURAL RESOURCES AND REGIONAL DEVELOPMENT COMMITTEE

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

Traralgon — 9 October 2017

Members

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Witness

Ms Margaret Guthrie, Vice-President, Churchill and District Community Association.

The CHAIR — 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. I also welcome — or welcome back — members of the public and the media, if present. The committee is hearing evidence today in relation to the inquiry into the sustainability and operational challenges of Victoria’s rural and regional councils. 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 the same comments, those things may not be protected by this privilege. I welcome now Margaret Guthrie. Today’s evidence is being recorded. You will be provided with a proof version of the transcript at the earliest opportunity. Transcripts will ultimately be made public and posted on the committee’s website. I now ask you to state your name and title.

Ms GUTHRIE — My name is Margaret Guthrie, and I am from Churchill and District Community Association. When I accepted this invitation to speak, I was president of CDCA, as we call ourselves; however, I am now vice-president because we like to have a turnover of executive officers in our organisation.

The CHAIR — Thank you, Margaret. I inform you that this committee hearing has 30 minutes allocated for the session. I will ask you to make an opening statement, if you wish, of somewhere between 5 and 10 minutes, and then I will have committee members ask you questions. Over to you, Margaret.

Ms GUTHRIE — Thank you. Churchill and District Community Association is a not-for-profit organisation which has a role largely of advocacy for our town and representation of our residents with the various issues that they bring to the table. Churchill occupies a rather unique position in Latrobe city in that Churchill is not one of the seven minor towns, which are small rural communities, nor is it one of the three major towns — Moe, Morwell and Traralgon — which are located along the highway, have larger populations and have a railway station and all sorts of infrastructure.

Churchill is particularly unique because it was planned by the housing commission back in the 60s as a city of 40 000 people. Currently we have a population of approximately 5000. The housing commission planned a big town, started to build and built lots of houses but did not provide the infrastructure alongside residential development.

We have a long history of advocacy in Churchill because we have needed to get the infrastructure to fill in the gaps. We still have legacy issues, like roads that finish at a roundabout. I can think of one near my place which was to be the major link between Churchill and Traralgon, but instead it is a roundabout that ends in a dead-end. We have a couple of large heaps of dirt on either side of the highway that goes through town because that was going to be the flyover over the freeway and light rail that went south of Morwell through Churchill.

There are lots of legacy issues, and we attempt to fill in the infrastructure and also support planning and development of our town — staged, progressive development — so that we get the infrastructure to accompany the development. It is really important that you maintain your walking tracks, your parks and your facilities and that there are more schools and more shops as the population grows and that sort of thing. That is what we are about. What we often do is respond to the consultation on planning applications, particularly around residential developments or retail developments. We also comment a lot on Latrobe city’s strategic planning issues when they put them out for public consultation.

As I said, one of the things we do is try to address the missing infrastructure. For instance, we have a university in our town, a secondary college with a senior campus next to the university, a state-of-the-art regional synthetic sports field and a terrific leisure centre. The university has been a great impetus for getting facilities in our town. These are all in a particular precinct — you could call it the education precinct — and then most of the residential development has occurred on the western side of town. Would you believe there is no footpath between the western residential side of town and the education precinct? So schoolkids walk through the wet grass in winter to get to the high school, and you often see international students walking home in the dark on the road from the leisure centre.

So off we go to council, and we say, ‘Churchill needs a footpath here’, or we might go and say, ‘We’ve got an unfinished creek crossing. It needs upgrading. We’ve had lots of safety issues where international students have been frightened — perhaps they have been harassed by some of the younger boys in town — so we need better lighting. We need the level raised’. Off we go to talk to council about that.

What we have noticed in the last 12 months in particular is that the first response from council has been, 'You've got to understand with the introduction of rate capping how difficult it is for us to do whatever'. Whether that is a fair response is not for me to say, but certainly that is the response that we are getting every time we go to council to say, 'We believe such and such needs to be done in Churchill'.

The other thing I guess I really wanted to address is what we are seeing as residents. Local government, as you would be aware, has a responsibility to deliver lots of services. They could be meals on wheels, your local library or garbage collection — all of those sorts of things. All the time we are seeing cost-saving measures. For instance, I was surprised recently to be told Latrobe City Council is no longer sending out overdue notices for library books because it is too expensive. They are abolishing fees for late return of library items. That is a good thing, is it not? None of us want to pay \$1 or \$2 because we are late returning our library books. However, it was presented to me by council officers not in terms of, 'We're doing a good thing for the community by abolishing late fees', but rather, 'It's a cost-saving measure because it costs us so much money to post out reminder notices to people that have overdue returns'.

Something else has come along that is perhaps only of small dollar value — but then again I would think across the population of Latrobe city it is another cost-saving measure — and that is the abolition of registration tags when your pet registration renewal comes out. It used to be that every year you got your pet registration notice, and accompanying that was a tag. It is compulsory to put that tag on your animal's collar. Latrobe city no longer issues an annual tag. You keep the tag, you pay your registration and that validates your tag for another 12 months.

If perchance your dog or cat loses their collar and loses their registration tag, you must go and purchase a new tag, which is only \$3.20; however, it means that now for your registration renewal you do not get a tag. As a dog owner I am well aware that every so often a collar breaks, I need a new tag, it gets lost or what have you. So it is another cost on me. One of the larger issues that has come up recently is in terms of waste management. Latrobe City Council used to do a free tip weekend. We do not have hard waste collections off the nature strip. There has been a lot of debate about that. Personally I think it is a good thing; people have to think about recycling and what they do with their rubbish.

However, Latrobe city, up until this year, had two weekends per annum where you could go to the tip and dispose of the majority of your hard waste for free. You still had to pay for things like tyres or asbestos or what have you. There were another two weekends per annum where you could dispose of green waste, and that was particularly important for fire, gardeners and so on. In spring and autumn you want to be able to dispose of your green waste, and quite often people have a trailer load.

Latrobe city have done away with that, and what they have now introduced is a voucher system for ratepayers. If you own your property, you will receive two coupons — not four — for disposal, and you can use those for hard waste and green waste. But they are going to ratepayers. The advice that has been provided by Latrobe city is that if you rent, the expectation from council is that your real estate agent or your landlord will pass that voucher on to you. I do not believe that that is the case. I think if I were a landlord and I owned a rented property, I would sit on my voucher until the property became vacant and then use the free voucher to dispose of any clean-up that was required to be done. I guess it remains to be seen what will happen.

But on the issue of vouchers to ratepayers, vouchers are only being issued to those who are eligible for roadside kerb collection. So if you live out in a rural property where you do not have a rubbish bin collection off your nature strip, you do not get any vouchers, so you are now required to pay at all times. There is no free service for those people. As I said, I believe the notion of only ratepayers receiving these vouchers rather than residents means that there are going to be a lot of people who find themselves in the situation of not having any option other than paid disposal of hard waste.

Despite Latrobe city's claims that this is going to lead to a reduction in illegal dumping, I think it will be quite the opposite. If you think about it, if you are living in a rental property and you have to pay — and it is quite significant what you have to pay at our tip to dispose of rubbish — why would you not just throw it over the fence into the park or take it up to the pine plantations, of which we have many. It is a significant problem already in Latrobe city — the dumping of hard waste. But in my conversation with officers what has come back to me is, 'We're going to save money by doing away with the free hard waste and green waste weekends. We won't have people bringing three trailer loads. We won't have to pay staff to be on the gate on those weekends'.

So again the feedback I am getting from council officers is, 'It's about cost saving', and so often that seems to be the rationale for what I as a resident and other people in Churchill are perceiving as a reduction of service and the option of charging wherever possible. Like I said, \$3.20 for a replacement pet registration tag is not a lot of money, but it is an example of 'Where can we make a couple more dollars?'. If you think about that across the city, that is actually going to be on the balance sheet as income rather than loss. That is the sort of effect that we are finding.

As a final statement I would actually like to say — and this has been discussed by our committee at some length — that it seems to us a real challenge in Latrobe city, where you have rate capping and on top of that major industry closure. You would have heard of course of the closure of Hazelwood power. It is my understanding from talking to the CEO that there will still be some rate revenue from Hazelwood power to Latrobe City Council for at least a couple of years while the remediation is occurring at the site by Engie, but long term that is going to be a significant rate loss to Latrobe City Council. Add to that now that Carter Holt Harvey are packing up and going, and that will be another rate loss to Latrobe city. Every time an industry packs up and leaves, that is less rates for our council.

It is an odd situation to find that one level of government, the state government, can impose on local government, the third tier, if you like, a cap: 'You're not allowed to do any more than this'. It would be a bit like if the federal government said to you, 'Okay, all the state revenue that you raise through things like motor vehicle registration, you are now capped. You are only allowed to increase by, let's say, 2 per cent'. We do not like that sort of interference, whether it is at state level or local level, and it is a very odd situation where the state government can say to local government, 'You're not allowed to do this'. Surely it is up to the voters to say, 'You've raised our rates too much. We're going to do away with our elected representatives. We're going to have a change', because at the end of the day it is our councillors, who we elect, that set the budget.

The CHAIR — Thank you, Margaret, for your opening statement. I commend you on your work with the Churchill and District Community Association. I see here in my notes that you formed in 1995. How many members does the association have?

Ms GUTHRIE — Could I just be so cheeky as to correct you? CDCA, under its current name, formed in 1995, but in fact prior to that we had the Churchill Citizens Association, and that was formed in 1966, which was less than a year after the first house was built in Churchill. So we have had a longstanding role of advocacy, despite a couple of name changes and even a couple of years in recess.

The CHAIR — Thank you for that. That is a very longstanding relationship with the community. I want to ask you: are members of your association supportive of rate capping in the sense of knowing that they have got certainty and surety in terms of their rates notices? Has that been discussed at length with other members of the association?

Ms GUTHRIE — Our association includes local residents and also stakeholder representatives. We have a representative from Federation University and previously from Monash University, and we have a student on our committee — formerly that was someone from the Monash student union, and now it is someone from the Federation student senate. We have a shopping centre manager and we have the local officer in charge of the police station, so it is quite a mix of representatives or stakeholders that sit around the table and discuss these issues.

I guess for people who pay rates — I am trying to think through the conversations that we have had around the table — a number of our committee and members pay rates. Yes, of course they like the certainty. I do not pay rates. I am actually a social housing tenant, and one of the things I love about living in social housing is that I have certainty around how often my rent will go up and what sort of rent increase I can look forward to if indeed the rent is going to increase. That sort of certainty, of course people like it. As human beings we look for safety and we look for certainty. If you do a budget — most of us are in the habit of planning our income and expenditure — of course it is a useful thing to be able to say, 'Yes, my rates won't go up any more than this', just as I would love to be able to say my petrol will not go up any more than this. Unfortunately that is not the case.

Mr RAMSAY — Thank you, Margaret, for your presentation. I am trying to understand the position of your group, in that you have spent some time critiquing the Latrobe City Council in reducing expenditure. You have been critical of the rate capping policy, but you have not made mention of the terms of this reference, which is

about the long-term viability and sustainability of rural and regional local government. If you could give me an indication of whether your organisation supports a user-pays principle, in that, yes, council are looking at reducing costs, but maybe there needs to be some payment for services over and above the expected norm, and also the differentials that councils can use and apply to different sections of their representation, whether it be commercial. I know farming has a differential, as we have heard this morning, but many councils impose a differential on commercial activity or retirement village activity or something else. Can you give us an indication of what your organisation would support in the long-term viability and sustainability of Latrobe city in this case?

Ms GUTHRIE — There was a bit to your comments and questions. First I want to clarify that, whilst I have been critical of Latrobe city in terms of the current scenario and the response that ‘rate capping is hamstringing our ability to do various things’, we actually have a very good working relationship with Latrobe city. As someone who used to live in Melbourne and had dealings with the City of Darebin for instance and lived in various local government areas, I have got to say that Latrobe City Council is the best local council I have ever lived in in terms of their community consultation. And it is genuine consultation; they certainly make every effort to engage with the community. I have not encountered any difficulty in accessing officers or making presentations or getting to councillors, and in fact one of the members of our organisation is our local ward councillor, whom we see at most of our meetings, and that is a very good working relationship.

I do understand also that Latrobe city has a diverse landscape to look after, everything from farming to towns like Traralgon. So it is for council to determine priorities, and sometimes that means that something happens in Traralgon and it does not happen in Churchill, and I would wish of course that Latrobe city had a bigger pot of money to be spending on facilities for the entire council area.

That said, I am not really in a position to be able to comment at any length on the matters you have raised in terms of differentials. I am not coming here as an expert witness. I did look at the terms of reference for this inquiry and thought, ‘I can tell you about service delivery, what we are seeing on the ground and how people view that’. I do not have expertise on things like rate setting and differentials and so on. I believe that that is actually an area for other people to address.

Mr RAMSAY — I see the state government is trying to entice those interested in fishing to get involved in a new barramundi pilot program in one of the waterways around Morwell, but my understanding is it has not gone down quite so well with the changes in temperature of water, but do you see an opportunity for Churchill perhaps to embrace a potential barramundi fishing opportunity?

Ms GUTHRIE — Yes, I can certainly comment on that, because Hazelwood pondage, which is or was the largest warm water open-air pool, if you like, in Victoria, is a feature of Churchill. It is really just down the road from our town. We already have a regional park in Churchill, which is stocked with trout by fisheries, and not only is that somewhere that locals like to go and walk their dog and take their kids to go fishing, it is a regional park and people come from all over the place to go trout fishing in our little lake in Mathison Park, it is called. Hazelwood Pondage has a sailing club, all sorts of water sports. They have events there. There is a caravan park. It is a major recreational facility for all of Latrobe city, but it is on Churchill’s doorstep.

Unfortunately there is a lot of carp in the pondage, just like there is everywhere, but the release of barramundi into what then was a warm water pond, which we believed was suitable for the growth of the fish, the sustainability and that they would breed and so on because of the temperature of the water, that was a fabulous thing for Churchill, because what it meant was that people were coming to fish for barramundi. I know quite a few fishermen in Melbourne who were really excited, and down they came to Churchill towing their caravans for a weekend — you know, four mates in a car.

Mr RAMSAY — I think they were dying though, weren’t they, as we sort of —

Ms GUTHRIE — Not initially, because when the barramundi went in we had Hazelwood power still operating, and the word that the community got from Hazelwood power is — this is from local management for Hazelwood power — that they were committed to staying as long as they could. I have a daughter-in-law who happened to be working at Hazelwood power at the time, who quietly said to me, ‘Yes, well, long-term they’re going to have to go because it’s just so old it’s not sustainable, but the plan that we are working on is that in 2018 one chimney will be shut down, and it’ll be staged, progressive, and it’ll be several years before the

closure'. I thought, 'That's good, because meantime we've got all of these barramundi fishermen coming down'.

In our shopping centre you would see it, because they would come and get petrol, they would come and buy hot chickens for lunch, and that sort of thing. It brought economic activity into our town, because we were just down the road from the pondage. It is where you go, you know? It has been very sad. First of all we got the closure of Hazelwood, and that decision was made offshore — it was not made by local Engie employees; it was made offshore — and suddenly the temperature started to drop. Unless you had a crystal ball and knew the future, you could not predict that it was going to end with fisheries having to come in and clean up some dead barramundi. There are still barramundi there, because there are warm pockets and fisheries have done things like push them that way and get the dead ones out and so on, and I know people that are planning to come down on cup weekend to go to those pockets and see if they can pull out some good-sized barramundi.

So it is not done yet, but in Churchill we viewed the pondage as being a real asset to our town. So the fact that the government decided to put barramundi in there and trial that, that was a real winner for us, and no-one knew that Hazelwood was just going to pack up shop and go all of a sudden like that.

The CHAIR — Thanks, Margaret, for coming in. I had occasion to look at the *Latrobe Valley Express*, and I saw your comment back in 2014 that Churchill is a lovely place to live. I think that is apt and reflects your passion for and description of Churchill today.

I am interested in a couple of things. One is: what could councils be doing better to represent the interests of their ratepayers? Secondly — and this is, I guess, a hypothetical — but for Federation University being based in Churchill, where would the town be? Is that a real linchpin in your community for attracting that investment and that funding? I am sure a lot of towns would crave something like a Federation University. Is that a matter of trying to get services to link in more broadly to get those economies of scale? So it is a two-pronged question, and I know we are running out of time, but what could Latrobe city be doing better to represent the needs of ratepayers, and where would Churchill be without Federation University?

Ms GUTHRIE — One of the other things that I am involved with — I have just completed a term as a member of the community consultative committee for Gippsland Water. One of the exercises that we undertook there was a fairly large interaction or consultation via a number of mechanisms, so there were one-on-one conversations, there were study groups and there was quite a broad internet interaction, if you like, over a period of two weeks. We looked at what do people value about Gippsland Water, what would they be prepared to pay and how do you balance those things.

It was very interesting to find that the things that people value with their water, like clean water coming out of the tap, they are happy to pay for. They are also happy to pay for something like — if there is going to be a water outage, they want notice. If they are guaranteed 24 hours notice of 'Your water is going to be turned off', or, even better, guaranteed a week's notice of 'Your water is going to be turned off because we have to do essential maintenance of pipes', they are willing to accept that, if there is a penalty, if you like, for Gippsland Water not abiding by the promise they have made. So if the promise they have made is for giving notice and they do not give the required notice for maintenance works, then Gippsland Water will pay a penalty of credit on your water rates. There was lots of interaction like that, and it was very interesting to see that people are quite comfortable to pay for good service if they get the service that they expect and are quite content with the thought that, 'If you make a promise on the things that I value and then you don't deliver, you'll pay a penalty to me; I'll be the beneficiary of you stuffing up basically'.

Gippsland Water are actually looking at what to do with the information they have now got, and that is forming part of their basis for some increases — you are perhaps aware that water authorities have to do a presentation to the Essential Services Commission to get increases and so on. But they are looking at: what is it that people value and what works as a penalty, if you like? And I believe that Latrobe city could actually do that sort of exercise with the residents of Latrobe city: what is it that residents value about local government, what promises can local government make to residents and what would be appropriate penalties?

One of the things that Gippsland Water is looking at doing is if there is a sewage leak, apart from complying with regulations — you know, reporting to the EPA and so on — they will make a significant donation to community groups in the town. It is not even about individual people benefiting; it is about the community benefiting where something went wrong with Gippsland Water. So that is a possibility for something that local

government could actually do: look at what is it that residents value, what promises can we make about service delivery and what penalties will we pay? And I am sure that most ratepayers would say, ‘Well, if you promise me you can deliver on these things, I’m willing to pay for that’ — you know, you get what you pay for. Most people are willing to pay for a good deal, particularly if the safety net is actually there: ‘If we don’t deliver on the services that we promise we are going to deliver, there will be a penalty which will benefit you’. I think that is a really good model that local government could look at, Latrobe city included.

The second part of your question — Federation University. Churchill has always benefited from having a tertiary campus. Initially it was the Gippsland Institute of Advanced Education, then it was Monash University, now it is Federation University. It brings people, it brings business, it brings events and so on. It is part of our economic landscape, but it also means that they invest. The reason we have a state-of-the-art regional synthetic sports field, the reason we have a golf course, an indoor heated swimming pool is because the universities have invested in the town. Because, like the residents, the university wants good facilities to make it attractive to students, and I think that Latrobe city could continue to work with the university campus. From my perspective, the council always has worked with the university campus, and so it is really about the continuation of a relationship.

The CHAIR — Margaret, thank you for being here today to answer our questions. I am sure the residents of Churchill benefit from your hard work and your passion for the community, so the committee thanks you for your time.

Ms GUTHRIE — Thanks for the invitation.

Witness withdrew.