

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

Ms 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

Ms Suzanne Pinchen, Secretary-Treasurer, and

Ms Bronwyn Kerr, Vice-President, Traralgon Community Development Association; and

Ms Joanne Campbell, Traralgon Chamber of Commerce and Industry.

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. Can I extend a welcome to members of the public and the media, if present. 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. Today’s evidence is being recorded. You will be provided with proof versions of the transcript at the earliest opportunity. Transcripts will ultimately be made public and posted on the committee’s website. Can I now ask you to each state your name and job title.

Ms PINCHEN — Suzanne Pinchen, secretary-treasurer of the Traralgon Community Development Association.

Ms KERR — And Bronwyn Kerr, vice-president of the Traralgon Community Development Association.

Ms CAMPBELL — Joanne Campbell, white noise to the Latrobe City Council, and I am a member of the Traralgon chamber of commerce.

The CHAIR — Thank you. I will now ask you to address the committee. We have 30 minutes allotted to us. I will ask you to make a brief opening statement, somewhere in the order of 5 minutes, which will be followed by questions from committee members. Thank you once again. Over to you.

Ms PINCHEN — Thank you, Mr Chair, distinguished members of this committee. Thank you very much for the opportunity to address you on what has been a rather vexing topic to residents of Traralgon for the last 15–20 years. My first question: have you all read the submissions that have been made or do you need me to go through those? They have been with you for some time. Could you just advise me if you have actually —

The CHAIR — The committee members have had the opportunity to read the submission, so we are more than happy for you to speak directly to the submission as part of your opening statement.

Ms PINCHEN — Thank you. I think the aims of the Traralgon Community Development Association are laid out fairly clearly on page 1, and our mission is: ‘Helping to protect Traralgon’s heritage as we all work together to build a prosperous future’. To say that it is a very optimistic mission and has proven to be almost unachievable within the context of the current city council is to say the least. What is being looked at next is the fact that this council and this area was a political construct which was designed to bring together three extremely different places with their own histories and cultures, and it has not proven to be the most functional local council in Australia, to say the least. I briefly outline there the background of Traralgon — settled circa 1846, growing and expanding as Gippsland’s regional commercial hub and largest town. Much of the growth in Traralgon is due to private investment expenditure.

Latrobe City Council’s own demographic projections have said that probably by about 2036 the anticipated population of Traralgon will be 37 000, compared with Moe, which has about 16 500, including Newborough, and Morwell, which has been declining, but current projections are for 16 100 by 2036. Most of the growth in that area has been through government expenditure — council offices, Centrelink, health, et cetera.

There was quite a significant IBAC investigation into council some time ago. There was not a great deal of information given to the residents that came out of that, but there certainly was an inquiry. A new CEO was appointed soon after the IBAC inquiry, and there have been minor improvements in accessibility to council since then but little change in expenditure between the disparate townships.

I have outlined a number of issues facing Traralgon, which really just highlights the sorts of arguments, controversies and dissatisfactions. There were divisive arguments over the creative arts precinct. There were over eight years worth of arguments. Finally, we have \$30 million, a contribution by local council, state government and the federal government. There still has not been very much information made available to members of the local area in terms of what is actually happening about this and how it is progressing, but the fights, the arguments and the divisions —

Ms KERR — And the petitions.

Ms PINCHEN — have been particularly unpleasant. My next point there, as Bronwyn has just mentioned, is that trying to achieve any local government funding or any equitable budgetary application requires petitions,

petitions, petitions. Why can we not have a council that genuinely wants to work for the people in this area and that is concerned about growth and infrastructure development? Why do we have to plead, sit out in the cold, petition, petition. We had over 5000 separate petitions just for the creative precinct alone.

Ms CAMPBELL — Six thousand signatures for the Gippsland Regional Aquatic Centre. There have been five petitions for the aquatic centre.

Ms PINCHEN — When you look at the small towns that have been given large aquatic centres, then you look at Traralgon. I remember when it opened in the 60s.

Ms KERR — It was in the 1950s.

Ms PINCHEN — I do not remember that far back.

Ms CAMPBELL — It was 1958.

Ms PINCHEN — That money was taken from wages of local workers. They had a garnishee on their wages of 2 shillings or something from local workers. That is a swimming pool that Traralgon — with our population — still has today.

The courthouse, I have noted there, is the responsibility of Latrobe City Council. That belongs to DELWP or whatever it is. It is owned by one of them. For 15 years, 20 years, the requests: ‘Please look after this important historical asset’, ‘Please stop the rising damp’, ‘Please make use of this wonderful heritage’, ‘Make it available to the community’. It is a beautiful building. Nothing. Finally, we have managed in the last 12 months or so to get some action. Petitions, and lack of transparency. Why is it that so much of what council does is behind closed doors? From about 2014 to 2015, 47 per cent of decisions by Latrobe City Council were in closed sessions. I understand that some need to be, but nearly half? Parking upgrades, excessive red tape, the Traralgon Creek running through our central park choked with weeds and shopping trolleys, public seating in Traralgon CBD, parking, the railway station and so it goes on.

There is just a general query that I know that you cannot answer, but as I have pointed out, there is an eight-year limit to being President of the United States of America; it would be nice if we could have a limit on the time that our councillors have. Some of them treat council like their private fiefdom — they know where the skeletons are hidden and where the money is. I just think that after eight and maybe 12 years at the most, why can't we get new blood?

I want to make reference to the expenditure and revenue sheets. Did you get these ones?

The CHAIR — As additional supplementaries?

Ms PINCHEN — Yes, as additional documents.

The CHAIR — Yes, we did.

Ms PINCHEN — Before I complete and summarise, cumulative revenue from 2011 to 2014: the revenue from Traralgon comprised 48 per cent of council revenue. And cumulative expenditure? Twenty-three per cent. This has been going on for years and years. If you were a ratepayer in Traralgon and you were forced to pay money to subsidise, continually — I am not saying that it should not happen once or twice, but continually — there is that sort of discrepancy in the rates that are paid by Traralgon residents, and they see money being spent elsewhere. They do not have a swimming pool. They do not have decent parking facilities. They do not have decent seating facilities. They do not have a performing arts centre. It goes on and on.

Then there is the viciousness and —

Ms KERR — The political machinations.

Ms PINCHEN — the political machinations in council. I used to go to council meetings quite regularly, but after a while you get sick and tired of the vitriol, and that is just in the public forum.

So in conclusion, not one major capital works program has been undertaken in Traralgon in the 23 years since amalgamation. Fairness? No. Equity? No. Adequacy? No. Is the council meeting the responsibilities of all

residents in the Latrobe City Council political construct? No. Is it a disgrace? Yes. Is it adequately meeting the requirements of this regional area? What is it doing to develop this regional area? What is its vision, a deliberate attempt to reduce growth in Traralgon? Yes, you only have to look at expenditure and revenue to see that.

So we have presented here just a small selection of areas where there is blatant discrimination within this amalgamated city council, and I would really like to see some sort of change. I do not know if you can help to bring that about. I was living on the Gold Coast when the amalgamation for Gold Coast City Council went through. Yes, there were a lot of problems, but boy did those councillors fight for the Gold Coast. I would really like to see Latrobe City Council fighting for the Latrobe city precinct, rather than just fighting with each other. Bronwyn, do you want to say something?

Ms KERR — No, I totally agree. We do have major issues, particularly with the aquatic centre at the moment. There is no information, and what information is leaking out is quite disturbing, but the people are not being told anything. We would just like more transparency from this council. We deserve that. It is not a secret little thing. People vote for them. They deserve to be told what is happening, and that is the main thing we get back. ‘What is going on?’, ‘What is happening with this?’, ‘What is going on with that?’ — we cannot get answers.

Ms PINCHEN — Joanne, do you want to add anything?

Ms CAMPBELL — I do. I am very good at watching the rest of Victoria, especially Sunbury — I watch the group.

The CHAIR — The Sunbury Residents Association?

Ms CAMPBELL — The Sunbury Residents Association. I follow them on Facebook.

The CHAIR — They are very active.

Ms CAMPBELL — They are very active. I have been very proactive in getting funding for the Gippsland Regional Aquatic Centre. It has been a bit of a hard slog over the last two years, going around getting signatures, writing to Daniel Andrews. Then back in March he announced the funding for this. He asked me to come to the preannouncement. I was quite surprised. I was quite shocked. I sat there with no reaction because I just did not think it was true, because we have been waiting for a decent leisure centre in Traralgon for such a long time, but the attitude of the other towns is ‘Traralgon can travel’. It is like we are millionaires, but we all haven’t got big money.

Ms PINCHEN — Not when your rates are \$55 a week.

Ms CAMPBELL — Yes, and our rates are a lot higher than everywhere else in the Latrobe Valley.

There was a remark in the room — and I am surprised that he was not told not to say it — when the Premier announced the \$46 million. The remark in the room from one of the other people who was invited was, ‘It should be built in Morwell’. I was quite surprised and quite taken aback. I thought everyone would be very happy that we have got this great facility coming here that can attract people to come and visit our regional area.

At the moment we have got Ronnie Burns living here in Traralgon. You would know who Ronnie Burns is — the singer. He has shifted here because he can —

Mr RAMSAY — Why would you be asking me that question?

Ms CAMPBELL — Because you look as old as us! These young ones might not know, that is all. He had a song called *Smiley*.

It has been a challenge. There have been changes in Latrobe City Council, but they have not been fast enough.

Ms KERR — One of the things I am really concerned about too is the push by the Committee for Gippsland to bypass Traralgon, which effectively means you bypass the Latrobe Valley. What is the point? If we do not have any major infrastructure and reasons to take people off the highway to come into our area, we may as well

just kiss it goodbye. We need reasons for people to visit. We need a terrific performing arts centre. We need a great aquatic centre that we can hold national events at. We need to get people to leave the highway.

We hear about the arguments for bypassing other regional centres: 'It's been massively successful' and this, that and the other. Of course it is successful for Ballarat, because they have got so much to bring people to it, and for Geelong. But why would people leave a bypass to come into the Latrobe Valley? If these projects do not get up and going and we do not improve the quality of life for residents here and have better infrastructure here, you may as well just kiss the region goodbye.

Ms CAMPBELL — I totally agree with that. The issue is that we have got this funding, and it is fantastic. I have to say the state government has given us this funding. It is time that council now —

Ms KERR — It is taking too long.

Ms CAMPBELL — I am sure the Premier said that in 2018 or 2019 he would like to see these get off the ground. Council has come out and said that they have got no time line to build the aquatic centre — virtually no time line to start — and it is going out for public consultation —

Ms PINCHEN — And consultants —

Ms KERR — Again.

Ms CAMPBELL — Another lot of consultants, yes.

Ms KERR — I have got a book at home from the last working party back in 2011 or 2012. I do not know how much the consultancy cost. The working party, the plans — everything was done. Hundreds of thousands of dollars have already been spent, and we are about to do that again.

Ms PINCHEN — And we might add that Latrobe City Council did not apply for this aquatic centre. We have asked them as an association and asked them. It was an initiative, and then Russell Northe — council refused to even apply for Traralgon to have an aquatic centre. We can just swim in the cold water, and it does not even open in summer, when it is really hot.

Ms CAMPBELL — I screenshot a lot of things. You try to turn off, but there was a remark made by a Morwell resident that Hazelwood pondage is warm and, 'Ha-ha, Traralgon can use that as their heated pool'. This person won an award for citizen of the year, and I thought, 'Come on, guys, you can do better than that. Stop knocking these towns, and we'll eventually have a very good area'. We have got a good area.

Ms PINCHEN — The potential is there.

Ms KERR — There is terrific potential, but not while we sit back and wait.

Ms CAMPBELL — We have not got the right leaders, I feel.

The CHAIR — We might jump into some questions. Thank you for those opening statements. I think we have got a good feel of how things are tracking along and many of the frustrations you have raised. It is probably fair to say that some of the councillors may not be on your Christmas card list.

I wanted to ask you specifically about rate capping. You mentioned earlier that you pay the highest rates —

Ms KERR — I pay \$55 a week for rates.

The CHAIR — You feel you do — or you do — pay the highest rates in the municipality. I wanted to ask you about the impact of rate capping and how you feel about rates that are capped.

Ms KERR — It is probably not my field of expertise.

Ms CAMPBELL — Actually it really has not affected us. It has probably been a good thing for Traralgon. We are not paying as big a rate rise. The thing is that I have read a lot of the financials of Latrobe City Council. Expenses were way out of control compared to other councils — especially the wages. Our wage bill was higher than Goulburn Valley. It was getting up high, like Bendigo and Ballarat, without the services that those

places have got, and you had to question it — ‘Hey, what’s going on?’. Wages were really good this year. They actually were lower at Latrobe City Council than they ever have been. Their forecast was for \$54 million, and it is only \$50 million. I will tell you that there are streets in Traralgon finally getting fixed that have not been fixed for years, and they are in serious need of repair. So rate capping is, in my opinion, probably a good thing. Councils need to be more savvy with their money. They need to watch every penny.

Ms PINCHEN — It is the disparity between the revenue and the expenditure in terms of the source of the revenue and where the expenditure takes place.

The CHAIR — I will just ask a quick supplementary. It was mentioned earlier today, and I actually agree, that the terms of reference for this inquiry are very wide — we are charged with making recommendations and findings around improving or assisting with the operational challenges of our rural and regional councils. It is probably fair to say on the one hand that there are inefficiencies that can be improved for some municipalities, but from what I am hearing from the three of you it sounds like there is a real frustration with a lack of democracy, if you like. We have spoken to other witnesses about improving council laws themselves, whether it is personal development or a range of other things. Have any of you run or decided to run for council?

Ms CAMPBELL — Yes, I have. It was pretty dirty.

Ms KERR — It was very dirty.

Ms CAMPBELL — I was shocked. I have never done anything like that. I did quite well for my very first time. I am 55, and it was a good challenge for me. I did not leave with a sour note. I thought, ‘I got up, and I gave them a bit of a go’. I did not think I would get many votes, but I did. I thought it was a good outcome. But I do like to see things run right. The revenue of the rates compared to the expenses — there was only about that much left. That is a worry. It is a real worry that there is not a lot left for an emergency. What if we have a flood? How is council going to handle it?

Ms PINCHEN — It’s all right, they will just put their hand out.

Mr RAMSAY — I will ask just one question so my colleagues can have one as well in the time allocated. Thank you all very much for your submission. I know it does appear to be a bit of a whingefest against Latrobe city. They defended themselves this morning in relation to their submission. What I did notice, though, and I think it was interesting, was that Ed Gannon wrote a report around the competitiveness of the three towns — Morwell, Moe and Traralgon. He alleges that Latrobe city have told all media outlets not to name the towns individually but to just call them ‘Latrobe Valley’, which pretty much summarises how you have presented it this afternoon. There seems to be this very competitive pull against those three towns.

The pool is an interesting one. I do not think any of us would have been anywhere in our regions without someone wanting a quite large swimming pool, but when the numbers are added up about the operational costs — and I am not sure if the Premier has included operational costs in that \$46 million — you could be left with potentially \$500 000 of operating costs per year. If you put that —

Ms KERR — If it was run properly, they would achieve that.

Mr RAMSAY — If that is the case, that is good, but in many cases some of those larger pools cost council a lot of money.

Ms PINCHEN — We did not ask for a Taj Mahal pool.

Ms KERR — No, that was a shock.

Ms PINCHEN — That was a big shock.

Mr RAMSAY — So at the end of the day you might be wearing the operational costs.

Ms PINCHEN — Yes, we did not want \$46 million.

Mr RAMSAY — The point I want to make, though, is that this is a little bit different from other submissions we have heard because there seems to be quite a competitive pool, as I said, with the different towns in this

particular municipality, as against what we are trying to do, which is have an understanding of and create some findings for, as the Chair said, the greater regional and rural municipalities across Victoria to provide long-term sustainability and viability.

Ms KERR — Can I just say that as a group we are very supportive of things that happen in the other towns. We are very supportive of Old Gippstown, things at Moe racecourse, the Morwell art gallery — we promote that. We do not have the adversarial nature that you may think, but we would like to see fairness for our town.

Ms CAMPBELL — That is all any of us ask.

Ms PINCHEN — Yes, equity.

Ms KERR — That is all we are asking.

Mr RAMSAY — I can understand that, but our remit is to look at long-term funding for regional and rural councils across Victoria, and we need some feedback from you about how you foresee potentially sustainable and viable funding for local councils. Latrobe city, aside from some of the internal issues, would that be a better council if it was more accountable and transparent, if it had a better field of candidates?

Ms KERR — Yes, I think it would be if it was more transparent, more accountable.

Ms PINCHEN — If it were genuinely looking at all components.

Ms KERR — With more of a business attitude.

Ms PINCHEN — Yes, with a vision for the entire area and not just knocking one area, because Traralgon is by far the biggest area and it should be built on for economies of scale infrastructure, future growth and tourism, instead of being deliberately put down by council so often.

Mr RICHARDSON — Thank you very much for coming in today. I have just got a quick question about Latrobe City Council. Going to the point about prioritisation, do you believe that Latrobe City Council has a revenue issue or a revenue shortfall, or is it that they are not prioritising the things councils should focus on?

Ms KERR — I have not really looked at their figures for a while. It has improved.

Ms CAMPBELL — The only thing with prioritisation is that the art gallery was given money and — bang! — it was fixed, done, straightaway, which is good. The building is good, but it got done straightaway when the funding was announced. As you were saying about the regional aquatic centre, I know it is a big expense, but environmentally why if we have got that extra \$10 million more than we should have had, why not put in solar and why not put in battery storage? Why not tap into the hot water under the ground?

Ms KERR — The geothermal.

Ms CAMPBELL — Yes, the geothermal. Why not do all those things that will help the ratepayers long term? I think the building where council is is probably one of the biggest and flashiest in the whole of Victoria. No-one knows how much that building cost to build. What was the benefit to the ratepayers of building a big building on a railway line that is probably going to affect the double lines getting to Melbourne? Where were the economics in that? They are the issues. Money has already been hugely wasted.

Ms PINCHEN — Same with the library in Moe. A lot of Moe residents did not even want that huge thing, like the big one in Melton, and when you look at a population that size — a lot of people did not want it, but, no, that expenditure had to be in Moe, whereas again Traralgon still has the same library we had in 1960.

Ms CAMPBELL — Which is very functional, I might add. A building does not make a community; it is the people in the community. If \$46 million was too much, if there is going to be money under the budget, fantastic. That is my attitude.

Ms PINCHEN — Put it back into the coffers.

Ms CAMPBELL — Put it back in, yes. But in the future for Latrobe, I am not sure. I do not know how they are handling their expenses at the moment, but it was out of control. There was no money to fix anything, and

they did not employ the right people. It has been proven. There are jobs being redone. You have the fountain at Mid Valley at Kernot Hall. They put a drain and they put it down 50 ml less than what it should have been, so the fountain did not work anymore and the reeds grew. So until you fix that problem, you cannot — those sorts of issue.

Ms PINCHEN — And red tape issues too, in terms of trying to utilise some of the facilities available to run events to attract tourism. Do you really need that much red tape in one little area?

Ms CAMPBELL — So with foresight I would like to see our area a bit like your Ballarat, your Bendigo, your Geelong.

The CHAIR — Sunbury?

Ms CAMPBELL — Sunbury. I like Sunbury.

The CHAIR — So do I. I have been there for 30 years.

Ms CAMPBELL — I like it that you have those fairy lights in the main street.

The CHAIR — Yes, the fairy lights. They are very nice, the fairy lights.

Ms CAMPBELL — Yes, it looks good.

The CHAIR — I turned those on, actually.

Ms CAMPBELL — Latrobe City Council has a new CEO. I think he has a big job ahead of him cleaning up. It is going to be a slow process.

Ms PINCHEN — He is not that new, Joanne.

Ms CAMPBELL — He has been here two years. That is new, especially compared to the previous one, who had to go. I do not know if I answered your question.

Mr RICHARDSON — You did, yes.

Mr O'SULLIVAN — Chair, I have one quick question, bearing in mind we are very close to the end of the session, so if you could keep your answers brief. In terms of structural reform and fundamental reform of local councils, who we heard from this morning, what are your views on what we could do if you had a blank piece of paper in terms of starting again with councils?

Ms KERR — Sack the councils.

Ms PINCHEN — Make them all brand new and not allow them to keep repeating. Make them all start from scratch. Transparency is a huge issue, and there is the voting along party lines, which you might agree with but we do not when it comes to local council. The party politics is so prevalent that it is hard to overcome because it is party politics; it is not local government. If one thing could be done it would be to make it local government for the growth of this area, not the petty party politics that keeps cropping up all the time.

Ms KERR — Do you mean in terms of streamlining Latrobe city's operations?

Mr O'SULLIVAN — Or making the whole system better — whichever way you want to do it.

Ms KERR — What did we have? Three separate councils with four hundred and something staff operating three separate councils, and now we have got one council that is supposed to streamline it and there are over 1000 employees. I know that council has been given a lot more responsibility than it used to have. Things have been handballed to local government that they never used to have to deal with, but there often seems to be too many chiefs and not enough Indians and all that type of stuff — so better structure.

Ms CAMPBELL — Streamlined management, I think. There are too many structures in management, especially at Latrobe City Council.

Ms KERR — But it has improved a bit.

Ms CAMPBELL — Not a lot. Also, there seems to be a double-up between local council and state. You have got domestic violence. They are big on that here. They have got three or four employees looking after domestic violence and you have got state government looking after it. You have Natalie Hutchins now as the minister. How many tiers do we need to look after domestic violence? Do not get me wrong. I am an ex —

Ms PINCHEN — You are not trivialising it. Why does local government take on all these things too?

Ms CAMPBELL — I think that is one area that we could improve.

Ms PINCHEN — Just one thing quickly, I have to point out that Dr Gribbin asked me about this being put up in the public domain. I would just like to point out the number of vicious trolling attacks on Facebook and so on. Bronwyn, our vice-president, runs her own business. It got to the stage where some of the threats coming from some of the political affiliations of members of council meant that she was forced to go to the police —

Ms KERR — The staff were terrified.

Ms PINCHEN — Yes, and she had to take out an AVO.

Ms KERR — So I had to apply for an AVO.

Ms PINCHEN — And she felt that for her safety she needed to step down for six months as vice-president of the Traralgon Community Development Association. When it gets to that stage, with that sort of support for council —

The CHAIR — That is due to the online bullying effectively?

Ms PINCHEN — Yes. You know what that is like, Joanne; you understand perfectly.

Ms CAMPBELL — I got told that I belong at the bottom of the Traralgon pool.

Ms PINCHEN — You went to the police, didn't you?

Ms CAMPBELL — Yes, I did on that issue.

Ms PINCHEN — On that issue. We are open to your advice as to how much and what should be put up.

The CHAIR — We have got a committee meeting scheduled at the end of today's hearings, so we might have a discussion about that amongst ourselves and then we can come back to you through the secretariat.

Ms PINCHEN — I am happy for you to get back to me, and I am also concerned about the safety of our members.

The CHAIR — Sure. One of the things that often astounds me is people's ability or inability to conduct themselves in a respectful, decent and kind manner. I think, and all MPs here would be in furious agreement, that a good democracy is where people actually treat each other with respect. You never want to see these issues get to a point where they are personal attacks; that is just not good for anyone. So I am sorry you have had to go through that. We thank you for your time and for answering our questions.

Ms PINCHEN — Thank you for the opportunity.

The CHAIR — Our pleasure.

Witnesses withdrew.