



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON INFRASTRUCTURE, TRANSPORT,
REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

Reference: Impact of the global financial crisis on regional Australia

FRIDAY, 1 MAY 2009

MANDURAH

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

The internet address is:

<http://www.aph.gov.au/hansard>

To search the parliamentary database, go to:

<http://parlinfoweb.aph.gov.au>

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON
INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT**

Friday, 1 May 2009

Members: Ms King (*Chair*), Mr Neville (*Deputy Chair*), Ms Campbell, Mr Cheeseman, Mr Clare, Mrs Gash, Mr Oakeshott, Ms Parke, Mr Raguse, Mr Randall, Mr Robb and Mr Sullivan

Members in attendance: Ms King, Mr Neville, Ms Parke, Mr Raguse and Mr Randall

Terms of reference for the inquiry:

To inquire into and report on:

The impact of the current global financial crisis on regional Australia and the role of the Commonwealth Government in ensuring that regional Australia is equipped to respond, with particular focus on:

- the encouragement of economic development and employment; and
- the development of sustainable essential services and social infrastructure designed to enhance the liveability of regional Australia.

WITNESSES

ABBISS, Ms Joanne, Chief Executive Officer, Shire of Serpentine Jarrahdale.....	2
ANDERSON, Mr Mark Allan, Chief Executive Officer, Fairbridge Western Australia Inc.....	19
BUCKLEY, Mr Paul Bernard, Chief Executive Officer, Small Business Centre Peel	28
CREEVEY, Ms Patricia, Mayor, City of Mandurah.....	2
CREEVEY, Ms Patricia, Mayor, City of Mandurah.....	40
HILL, Mr Ian, Director Community and Economic Development, City of Mandurah	2
MATTHEW, Mr John Rowland, President, Peel Chamber of Commerce and Industry	28
NEEDHAM, Ms Denyse Lydia, President, Shire of Serpentine Jarrahdale.....	2
NEWMAN, Mr Mark Robert, Chief Executive Officer, City of Mandurah.....	2
SELBY, Ms Donna Lea, Regional Coordinator, Peel Community Development Group	40
THOMPSON, Ms Christine, Acting President, Shire of Murray	2
UNSWORTH, Mr Dean, Chief Executive Officer, Shire of Murray.....	2
YATES, Ms Colleen Michelle, Manager Regional Development, Peel Development Commission	19

Committee met at 9.06 am

CHAIR (Ms King)—I declare open this public hearing of the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government on our inquiry into the impact of the global financial crisis on regional Australia. This is the third and final of the committee's hearings in Western Australia. I certainly thank the City of Mandurah for hosting us here today and other local government representatives for having us in your district. Across the three sites we visited, we have heard from local government representatives, regional development corporations and businesses, so I thank you all here today for appearing. Before I call on the witnesses, I will get a member to move that documents 49, 17 and 36 be approved as submissions and be accepted as evidence and authorised for publication.

Mr NEVILLE—I so move.

CHAIR—Thank you very much. We have just received from the City of Mandurah an exhibit. I also ask Mr Neville to move that we receive it as an exhibit.

Mr NEVILLE—I move that it be taken into the record as an exhibit.

CHAIR—Thank you very much, Mr Neville.

[9.06 am]

CREEVEY, Ms Patricia, Mayor, City of Mandurah

HILL, Mr Ian, Director Community and Economic Development, City of Mandurah

NEWMAN, Mr Mark Robert, Chief Executive Officer, City of Mandurah

ABBISS, Ms Joanne, Chief Executive Officer, Shire of Serpentine Jarrahdale

NEEDHAM, Ms Denyse Lydia, President, Shire of Serpentine Jarrahdale

THOMPSON, Ms Christine, Acting President, Shire of Murray

UNSWORTH, Mr Dean, Chief Executive Officer, Shire of Murray

CHAIR—Welcome. Thank you very much again for having us here. Although the committee does not require you to give evidence under oath, I need to remind you that these are formal proceedings of the parliament and should be treated with the same respect as the House of Representatives. It is customary for me to remind witnesses that giving false or misleading evidence is a serious matter and may be considered as a contempt of parliament. That slightly scary bit having been said at the start, you are most welcome, and I would certainly welcome an introductory statement from each of the shires and local government areas.

Ms Creevey—The City of Mandurah is, as you have seen in our submission, a very fast growing area. We see ourselves very much as part of the Peel region. Although our comments are very much about what is happening within our municipality, I think all the local governments here would also reflect the fact that we very much belong to a regional community.

The issues for us have been outlined in our submission. I will ask the CEO to speak to them. We also welcome the opportunity to make some recommendations about what we feel would help in this situation. Basically, in summary, our community, as a rapidly growing sea change community, had rapid growth on top of very high unemployment and intergenerational poverty and unemployment. We had a very high unemployment rate going back about 10 years. We had a very, very high youth unemployment rate.

One of the issues the CEO will address in more detail is that we have an economic base that is very susceptible to the boom-bust cycle. It has only been in recent years, I think it is fair to say, that we have just begun to have a more diversified economic profile. That has very huge implications for the changing demographic here, which now is that there are many more families and many more young people who will be needing education and training and will be moving into the workforce. So whilst we still have significantly high numbers of people who are self-funded retirees, about which obviously there are implications currently, and people on age pensions, we also have a high number of people in the fly-in fly-out industry who are being adversely impacted. I think we have one of the highest rates of fly-in fly-out residency here.

The other change is, as Don would know, there has been a primary school opened in this community every year for the last five years. So the change in the demographic profile is quite significant. That has very big implications for the employment of those young people if we cannot sustain a different type of economy.

The thing the community has going for it is that we think it is a resilient community. We have a lot of people coming here by choice. At one stage, about 18 months ago, we had something like 30 families a week moving into this community. So that rapid growth and the need for people to have a connection with the community, that social capital kind of infrastructure, if you like, is also a very high priority for the council as well as, obviously, the very important physical infrastructure. Creating community cohesion and the ability to participate as more and more new people come into the community and have significant networks is also important so people have the support to withstand this. I would now like to hand over to our chief executive officer. Thank you.

Mr Newman—I will quickly go through a presentation that we have prepared. Basically, Mandurah's population in 1981 was about 10,000 people. Currently, it is 62,000. We have basically grown by 10,000 people every five years. So there have been 2,000 people coming to Mandurah every five years for the last 25, nearly 30 years. We are forecast to go to in the order of 120,000 people by 2031. So we really have been a changing environment. So those demographic issues that the mayor was talking about, particularly the employment and lifelong learning issues, are really predominant for us.

Back in 1990, when our unemployment rate was around 19 per cent, it was a little scary. Youth unemployment was higher than that. It is fair to say that during the boom we have done significantly well. We got down to about 5½ per cent unemployment, which is only about two per cent above the state average. For Mandurah, that was a significant achievement. But it is fair to say that the recent unemployment data that we are getting is showing a sudden shift upwards at a greater rate than both the state and Australia. That is predominantly because we have a very narrow employment base down here. It is highly dependent, I would have to say, on Alcoa, the tourist industry and the construction industry. I will talk a little about the construction industry in a while. As they have died, so our unemployment will kick up.

The newest issue to our employment profile is that we have the highest proportion of the fly-in fly-out population living in Mandurah. Why would they not? I have to say that as the mining industry declines, I think it will have a new impact. It is fair to say that during boom times we go very well and during bust times we bust long and hard. That is something that we have really been trying to work hard on. Our Southern City strategy was about attracting a diversified employment profile. My director of economics will talk a little about that in a while. Basically, knowing that we have a profile made up of those four major employee types, we want to make this a commercial centre, as are other regional centres in WA. Mandurah traditionally has not been.

One of the sad stories is that, in the last two years, we actually had employed for significant commercial development in our CBD. Guess what has happened to that? It is now on hold, which is a little sad. One of the other major issues for us—that is why we would urge that money be poured into education and training—is that we have traditionally very poor retention rates at school and very low entrances into university.

CHAIR—That gives us a picture of where you are at. I know that members will have lots of questions, which will tease out some more of what you have put in your submission and some of our own observations as well. Do you want your economic development officer to have a brief chat now, or shall we go to one of the other councillors?

Mr Newman—I think if we let one of the other councils have a go.

CHAIR—Perhaps we will go to the Shire of Murray. Who would like to give us a brief introductory statement?

Mr Unsworth—Thanks, Madam Chair and panel. It is great to be here. We appreciate the opportunity to provide some input on a regional level but also on our own level in the Shire of Murray. Just quickly, I have some notes that may be of interest to you. Obviously the global financial crisis is an issue that is a concern to local government and, therefore, the community. In our region, in our shire, we have Alcoa Australia, which employs 1,200 people. That is really the lifeblood of the Shire of Murray and the Peel region. With 1,200 people and the global climate issue, we are very, very concerned. We had a meeting with Alcoa a couple of days ago. What does concern us is a \$480 million loss over the past three months to Alcoa. It sends shockwaves through the region. They have pledged not to cut any staff at this stage, which is pleasing, but 200 contractors have been put off over the past few weeks. They have advised that they will not be spending any more money on community projects or with local governments at this stage. They will honour their commitment, but there is no funding for community projects at this stage. Being an employer of 1,200 people and with significant bags of money, we thought, that has dried up, so that will have an impact on the community.

It may seem small, but our community is suffering because Alcoa have now adopted a 60-day payment schedule where it used to be 30. When you have small businesses that really do need that cash flow coming in, from 30 to 60 days is quite devastating. We are obviously monitoring that and are concerned very much about that. Another issue is Pinjarra's industrial land. Pinjarra is in the centre of the Peel region. Murray is the area where there is land available for industrial development. We released about 30 to 40 lots on the Pinjarra industrial estate a couple of years ago. There was a lot of interest at the time. I can tell you now there are no phone calls. So that is 30 to 40 businesses that we were looking at coming into our shire. There is no movement whatsoever. So that is also a major concern.

The local tourism industry is struggling. While on weekends there seem to be people coming and going, mid week it has virtually stopped. So for small business, with the hit of Alcoa paying slower and the risk of people losing their job at Alcoa, that has also created a concern.

Regarding the Shire of Murray, our rates are being paid a lot slower, obviously. Bank interest has halved. Planning applications are down 10 per cent. Building applications are down 25 per cent. Just with those four issues, we are down probably about \$300,000 in income. We were extremely lucky—we dodged a silver bullet—because of our growth. We had enough interim rates. We budget very conservatively. Our interim rates got us through this year. But those sort of losses, again, are going to hit big time with a lot of our projects and our regional projects. We are looking at doing regional projects with Mandurah and Serpentine Jarrahdale. For example, we are doing planning on large regional sporting facilities. That is going to make it a little more difficult to find the funds to be able to do these plans.

The effects on the Shire of Murray are that less will be spent on tourism and visitor servicing. The Shire of Murray spends about \$160,000 to \$180,000 on visitor servicing. We have adopted a tourism strategic plan. We are having to look at ways of doing that better. But there is a possible effect of spending on tourism. There will be no new staff appointments, even though the shire is deemed hyper growth at this stage. We are growing at significant rates, but we are not in a position to put on any more staff. Our staff taking maternity and long service leave will not be replaced. We are considering a wage freeze for the 2009-10 financial year. Another concern is that there will possibly be less funding for environmental planning. We have a very, very challenging environment in the Peel region. That is going to put pressure on the shire to do quality environmental planning over the next year or two. So they are just a few of the dot points from the Shire of Murray. The federal stimulus grants that local government received were tremendous. However, we felt that we had a lot of projects shovel ready and the timeframes just seemed to be going out and out. We could start projects tomorrow and we still have not got the approval to actually start them.

CHAIR—There is the money that went to local council directly.

Mr Unsworth—Yes.

CHAIR—Have any in WA been announced yet?

Mr RANDALL—Yes, a few.

Mr Unsworth—But, having said that, it was extremely thankful for that handout because it will certainly go to creating jobs in our region. So thank you very much.

CHAIR—Thank you. The Shire of Serpentine and Jarrahdale?

Ms Abbiss—Good morning. Thanks for the opportunity to address you. Serpentine Jarrahdale is a very large shire. We are 905 square kilometres in size located 45 kilometres south of Perth. We have the third highest growth rate in the state at 7.6 per cent. In terms of residential land development activity, we are actually ranked the highest for the number of subdivision applications lodged in the state. In terms of the last four years, we have generated over \$271 million worth of land development activity estimated to generate over 800 direct and 600 indirect jobs. We actually have the highest forecast growth rate for the whole Peel region for the next 10 years. That is based on the state's *WA tomorrow* figures, which estimate that we will grow at 5.2 per cent and 5 per cent for the next two lots of five years. That places a significant need on the shire to plan and build community infrastructure. Likewise, we are similarly grateful for the regional and local community infrastructure program grants that we received. We are also fortunate in that we have the lowest unemployment rate in the entire region at 1.6 per cent.

For us, in terms of the way forward through this global financial crisis, because we are still experiencing high residential land development activity and because we are in the first home buyer market area, what we are finding is that developers are struggling in terms of having access to cash to prefund what is state level infrastructure. They are having to prefund large sewerage pump stations in the order of \$7 million. They are finding their access to credit is drying up. The state, in terms of their bonding policies, are not being very flexible. There is the potential, if that is not relaxed, for this land development to be inhibited. If this particular pump

station had not gone ahead, it would have put development in one of our major cells on hold for the next two to three years. So anything that can be done to assist in that regard would be advantageous.

We also enjoy a mix of urban and rural land. We think there are certainly some opportunities for investment in agribusiness to try to stimulate that rural sector, some incentives for food production industries to locate in the outer metropolitan growth areas as well as obviously trying to get as many jobs locally, particularly knowledge economy jobs, and maybe some move for government services to locate to the regions. Improved public transport would also be of assistance. There is obviously a need to reduce the cost to those families who are experiencing mortgage stress in terms of transport costs and make these areas more attractive for businesses to locate. Obviously as that mortgage stress increases, there should be some consideration of a greater proportion of social housing in those areas.

CHAIR—Thank you all very much for the introductory comments and setting the scene for us as to what is happening. I have a couple of specific questions about the district. Certainly Mandurah looks incredibly prosperous as you drive in. From a country Victorian's perspective, let me say that we have these big old buildings but not lots of huge new development. So it looks extraordinarily prosperous. I suspect there is a very different story happening underneath there at the moment. You say that in 1981 there were 10,000 people here. I also suspect there are some real tensions between the communities that have been here for a very long period of time and some of the newer people moving in. Have you noticed in terms of construction whether people, having purchased large homes, are now trying to get out of contracts and properties are going up for sale? Would you not have expected larger movement in the market or basically people walking away at all, or does it all seem okay at the moment? There is a lot in that. It looks prosperous. What is happening?

Mr Newman—They are very valid points. Mandurah is deceptive. We often talk about ourselves as the tale of two cities. It is unfortunate, in some ways, that most visitors to Mandurah only see the wealthy side because the bypass does tend to be a bit of a split between the city. There are some poorer elements both south and in old Mandurah as well.

On the issues of development, what you are seeing are the remnants of what was approved before the bust. There is basically nothing being approved at the moment. Lot sales have dropped from in the order of 300 a quarter down to about 70 to 80 a quarter. They have picked up in the last quarter, I might add, but it has been very much the fact that land values have dropped and we have at long last come back into the affordability market. We had basically exited the affordability market in Mandurah. The Shire of Murray probably picked up much of that.

In terms of the issue of sales falling through, at the top end, that is absolutely true. As you will see, there are some high rise developments going around, much of which were bought off spec on the plan. I do not know the numbers because you do not get them, but there have been anecdotally sales falling through, where people have just been forfeiting their deposits, basically, because the bank will not lend them the money. There have been significant reductions in values. It is fair to say that this is not all about the economic crisis. Mandurah had become overpriced. We had boomed way too high. In Mandurah's case, the real estate slide actually happened probably nine months prior to the meltdown. So we were already in a state of decline. One

interesting statistic is the number of real estate agents in Mandurah, which dropped from 280 to 80.

CHAIR—There still seems to be a lot, from what we could see walking around yesterday.

Ms Creevey—One of the impacts that will be explained when the Peel community development group gives their evidence is that the rents are still high even though people have reduced hours and a lot of redundancies. Joanne talked about mortgage stress. It is certainly a big factor.

CHAIR—I will be interested to see if people are having to access emergency relief or those sorts of things, so thank you for pointing them in our direction as well. In terms of how people are employed in the area, the City of Mandurah has said that Alcoa is critically important to the area. I am interested in tourism. Construction has obviously been a big issue and the fly-in fly-out. Not knowing the area particularly well, is it a commutable distance to Perth for work? Do many people leave the district for the day to work outside, other than the fly-in fly-out people?

Ms Needham—It is a very large region that you are talking about. In Serpentine Jarrahdale, yes, we are adjoined by the Tonkin Highway and the Kwinana Freeway, which go past our shire and into our shire. So people do commute along the Tonkin Highway out to Welshpool and those sorts of areas and to the CBD via the Kwinana Freeway. People pick up the Mandurah line on the way at Wellard or Kwinana and the Armadale line. So we do have a number of people that work in the CBD.

CHAIR—In terms of the diversity of the economy, is it Alcoa, tourism, construction and the mining fly-in fly-out? What proportion would the retail sector be in the area? Is it a big component or not particularly?

Mr Hill—No.

Ms Creevey—What we do know is that a recent study was carried out on small business. I think there are 4,500 businesses in the region. I think the figures showed that a very high proportion of them have two, three or four people in the business. The feedback that we are getting from those businesses is that they are struggling. A lot of the businesses tell us that they are down 30 or 40 per cent. A number of businesses are telling us that they are on a month by month basis. These are small businesses talking about putting one or two staff off. So we are starting to see that trend of those businesses who were traditionally in retail feeling the impact.

CHAIR—I think as a city borough you are the first local government area that has given us evidence about the impact directly on your council in terms of a reduction in revenues and what that means in terms of your own hiring policies. Are any of the other councils having to adapt in that way as well?

Mr Newman—It is significant. In fact, it is probably 10 times the numbers in Dean's area because at least in Dean's area there is still some subdivision activity occurring. Our interim rating number, which was normally about \$2 million a year, has dropped to about \$500,000 a year this year. I suspect it will drop even further next year. Our building application fees are about \$1.8 million a year. They have dropped to about half a million dollars a year. Our planning

fees were about \$800,000 a year previously. They have dropped to about \$400,000 a year, although that one can fluctuate, because you are still getting the feelers there. Some of the developers are actually seeing the opportunity to get their planning in order. This is a classic we have. At an inert waste disposal site, which takes just building rubble, where we were getting \$600,000 a year in revenue from it, we are getting about \$150,000 this year. So that is an indicator, again, of the lack of building activity that is occurring. Probably this financial year, there will be about a \$3 million impact on 2008-09. We suspect it will be \$4 million or \$5 million next year. We are doing the same thing. There will be no new jobs next year. In fact, we have an enterprise agreement that was locked in two years ago which is starting to worry me.

Ms Abbiss—We are not anticipating any new staff this year. We still have a fairly high level of activity not only in the residential development market but also in the strategic area. Like Mandurah, a lot of the developers are now preparing all of their long-term plans and getting their structure plans underway. So our strategic planning section is extremely busy because they all just want to be ready to go when the market starts to improve.

Mr NEVILLE—I must admit that I was not going to ask this question until you started to say it, but you talked about your building fees being down from what?

Mr Newman—\$1.8 million.

Mr NEVILLE—Those sort of fees are supposed to be a reflection of the services that you offer. While there would be short-term deployment problems with staff, you should not be looking to those to be any more a source of revenue than the cost of the services that you deliver. So are you actually making a profit on those services?

Mr Newman—With the building service fee, you are absolutely right. We have let go staff in that area. We are actually redeploying staff in the area to things like contract management for some of the projects we are getting. I will grant that that is the one area. But what you have to understand is that, with the majority of council's operations, it does not change. So planning and building are about the only two areas where it does change.

Mr NEVILLE—If you do not monitor that closely, you end up with what we have in metropolitan Sydney now, where in a half a million-dollar house you have \$150,000 of government charges.

Mr Newman—We do not have that situation.

Mr NEVILLE—I know. But it becomes a self-crippling thing if you are not careful with it. I just make that as an observation.

Mr Newman—I grant that those two fees—planning and building fees—to some extent dictate the workload and are the two areas where we have actually let staff go. They were mainly contract staff. We were trying to keep up with the boom. So they were not permanent positions, in the main. Some of them we redeployed. But the other issues, such as the forgone interest, which I did not mention, the inert waste, where we were making a profit—there is no doubt about that—and the interim rating, were very much offsetting our general operating costs. The

rest of our activities actually do not change. In fact, in some areas, in a time of trouble, the community looks upon us to do more things, not fewer.

Mr NEVILLE—Could you just explain briefly a couple of points in this exhibit this morning. On the third page, in that triangular representation, just explain briefly what you are trying to tell us there.

Mr Newman—It is an interesting one. This is about our Southern City strategy. The Southern City strategy is actually about us trying to over the next 30 years achieve an extra 40,000 jobs in Mandurah and the Peel above what would have come normally.

Mr NEVILLE—I can pick that up from the next graph.

Mr Newman—So this was showing that, in 2001, our self-employment ratio was 61 per cent. So for the people that need jobs, there is 61 per cent available in Mandurah. There are obviously some going in both directions. That is indicating that there is a net 40 per cent leaving Mandurah to work elsewhere. The numbers I had about five years ago said that about 42 per cent were going up the highway. What we are seeing is that, without intervention, that will drop to about 47 per cent.

Mr NEVILLE—I have got you.

Mr Newman—And we are aiming for 100 per cent. Now, that will not be 100 per cent of locals employed locally. That will be some going up the highway and, hopefully for us, others coming from the south.

Mr NEVILLE—What are your stimulus strategies, then?

Mr Newman—It is actually about trying to build our CBD as a vibrant commercial centre as a competitor to Perth, I have to say. Very much as the Gold Coast is a competitor to Brisbane, we are identical distances from the capital city—65 kilometres as the crow flies each.

Mr NEVILLE—Obviously, if you go to your next graph, it shows that you are very much a branch office for many things because you are not attracting a very high number of managers and administrators.

Mr Newman—That is spot on.

Mr NEVILLE—And then at the other end of the scale you have a higher proportion of the lower socioeconomic group. So you really have a challenge to find—

Mr Newman—Professional and managerial jobs. You have actually nailed the strategy in one. That is exactly what it is, and we can only do that by building a CBD and making it attractive to commerce.

Mr NEVILLE—What about industry? I know that Mandurah is a lifestyle city so you do not want a lot of smelly factories. I understand that. But you have to have manufacturing of certain

sorts, be it high tech or IT or whatever. What are your strategies there to bring employment into the place?

Mr Newman—They are twofold. Again, recognise that Mandurah is not the be-all and end-all. We are a region that fits pretty well together. In fact, you would not really know Mandurah's and Murray's boundary. At the moment, we are not going to get any industrial land in Mandurah; you are quite right. We have been working together for five to seven years to try to get a major industrial area at Nambelup on the Lakes Road to the east. It remains one of our key regional strategies. But you are absolutely right; high tech, educational and health based industries are three of our targets. We have identified land that is available in Mandurah for that close to the CBD.

CHAIR—On that point, I am conscious that you have had a change in state government fairly recently. Does the state government have any policy of relocating? For example, both in Geelong and Ballarat, the State Revenue Office was relocated out of Melbourne into Ballarat and the Traffic Accident Corporation was located out of Melbourne into the City of Geelong. That has generated—it is only a small issue—quite a lot of those sort of top-end jobs in our two regions. Has that happened at all in Western Australia?

Mr Newman—Only once.

CHAIR—There are tales of disasters all over the place when governments do this, but it can work.

Mr Newman—The Department of Land Administration was relocated to Midland 15 years ago.

CHAIR—Has that worked?

Mr Newman—I think so. I will say this: people want to work in places that have amenity. We believe we have the amenity.

CHAIR—You would be a perfect target for something like that, I imagine.

Mr NEVILLE—On that point, a lot of government departments have to be at the centre of the capital city for obvious reasons. But others, the more passive ones—the lands department, perhaps or Surveyor-General, those sort of things—could be just put out anywhere, could they not?

Mr Newman—Agriculture. They have a lot of branch offices, yes.

CHAIR—And, for us, the State Revenue Office identified high-speed broadband as an issue. It did not matter where it operated from.

Mr NEVILLE—Going on to this second last graph, what are you saying if there is not intervention?

Mr Newman—That slide is saying basically by the year 2031, if there is not intervention, there will be a shortfall of 40,000 jobs in Mandurah alone. This is a Mandurah slide. This is not the region, which is far worse than that.

Mr NEVILLE—In the City of Mandurah alone?

Mr Newman—Yes.

Mr NEVILLE—So with the shires in it, it would be even worse?

Mr Newman—Yes. We have another slide of the region. We believe for Mandurah, if the Southern City strategy were implemented correctly, we could actually have 100 per cent self-sufficiency and be a minor net importer of jobs. If that does not happen for the region, we will remain a net exporter.

Mr NEVILLE—You seem to have a unique problem here. It would be interesting for you to tell us what you think we should be recommending. You are quite unique in the sense that you have the capacity to take all these things on but it is just not happening. Do state or federal governments recognise that? That is the first question. The second is: are there any state funds available to encourage you to correct some of these problems?

Mr Newman—They are two very good questions. Have we won the state government over on this strategy? Not completely. They certainly recognise in some documentation that we are a strategic growth centre, but maybe not to the extent that we are talking about as a rival city to Perth. So, no, not to the extent that we would like to capture their imagination, although I know they are doing some significant planning work at the moment that is on the way.

Mr NEVILLE—What sort of propositions have you put to them?

Mr Newman—At this stage?

Mr NEVILLE—Yes. There are not many parallels. These sort of shoulder cities like Geelong and the Gold Coast and, I suppose Ipswich and Redcliffe near Brisbane and a few like that, there are not many of them. What propositions have you put to the government?

Mr Newman—To be fair, the strategy is brand new. So we are really at the beginning. We only launched it in November or December last year.

Mr NEVILLE—And the shire is part of this too?

Mr Newman—We have engaged the other councils with us, including our neighbour to the north, which probably is our largest competitor for this sort of activity. That is Rockingham, which is also identified as a strategic regional centre. Our documentation that we have done in the full plan identifies that they too will grow by 40,000 jobs.

Mr NEVILLE—I would have thought the state government, both the previous one and the new one, would be pretty happy with Western Australia. We noticed when we came around here about three years ago when we were doing the ports inquiry that the standard of provincial city

in Western Australia is amongst the best in Australia. I think what has happened in provincial cities here in the last 15 years is quite outstanding. Coastal Queensland and New South Wales probably think they have it all. What is even more interesting than yours is with things like a railway line and planning for a lifestyle city like this, you are decentralising in a totally different way from the other states. I would have thought governments would want to engage with that as a way of stopping Perth becoming the great sprawler, as Brisbane, Sydney and Melbourne have become. I wish you well with the strategy. I think you have done well.

Mr Newman—Thank you. It is early days.

Ms PARKE—Thank you all for coming to give evidence today to the committee. I would like to hear from the City of Mandurah and from the Shire of Murray and Serpentine Jarrahdale what specific recommendations you would like to see this committee make to the federal government.

Ms Abbiss—Certainly for us it would be an increased investment in public transport to the outer metropolitan growth areas; an increase in incentives for the knowledge economy; jobs in those areas; as mentioned, the opportunity potentially for some government services to relocate their offices into those areas; ensuring that there is a fair share of public housing; assistance to companies in general to locate or expand; and, as I mentioned, an investment in agribusiness and food processing for us. That would probably be the summation of our recommendations.

Ms Needham—If I may add, one of the things that we struggle with and will struggle with is the ability to build the infrastructure that is required by these growing communities. The developers mainly come in and build houses. The shires have to pick up the infrastructure—the community centres, the sports and recreation centres, the footy clubs and all those sorts of things. The developers contribute to them, but they cost many millions of dollars. That is where we will struggle in the future. We have a community services and facilities plan out to 2020. That identifies major gaps in areas where the council will never be able to fund what the growing communities will require.

Mr Unsworth—From the Shire of Murray's point of view, infrastructure is very important. We want to get people to Murray. We have the land. We need Mandurah and Mandurah need us. We are forging a very, very good partnership. But we need to get some infrastructure in our shire. We are only 14,000, but we are growing quickly. We need some support for things like a bypass around the Pinjarra town site. We get about 460 heavy trucks a day. It is a death trap. It discourages people coming into town. There are pensioners who will not come into town at all. So we need some regional infrastructure quite urgently in this area and support for industrial development and businesses who want to set up industries. The Shire of Murray has the land and we are doing significant planning, but we would like to see some federal support for businesses that are interested in developing industrial businesses to help set up, cut through the red tape and maybe offer some cash incentives to assist them on the way. We are ready and open for business and we need industrial development. I think in the next five years that those people thinking about that would need some financial support.

Ms Creevey—I will come in on one aspect and then let Mark talk about the other. One of the things that underpins the economic wellbeing of this community is the health of the waterways. I hope you get a chance to see the huge waterways—

CHAIR—Yes, we have.

Ms Creevey—and the rivers. That underpins the economic base. That is why people often come to live here. It affects all the shires in the region. We need significant leadership from the federal government on climate change issues so that we have some certainty about how we should go forward. But we really need funding to ensure that we have people on the ground who can really work with that environment to ensure that, as more people come, as they will, what really sustains the region—the beauty of the environment—does not collapse. We have come perilously close in the past to that estuary collapsing. That is why the Dawesville Cut was put through. There are very high nutrient loads. I will not go on about that. But it is not just an environmental issue; it is a very critical economic issue.

Mr Newman—I wonder, Mayor Creevey, whether you would like to talk about some of the social issues before I go to the nominal infrastructure ones.

Ms Creevey—On the social side, coming back to the point about building jobs for the future, one of the critical things is education and training. We really need to see that lifelong learning and all those factors we put forward before are there. Another thing that we need to see is a better understanding of what the community is now experiencing in terms of how people are going to manage. In the past, there were programs like Community Builders. They are the kinds of things that local governments do not really have the capacity to do. But unless you have people working with newly forming communities, you are just adding a recipe for more social dislocation, which then will cost more money. So even though it is tough economic times, we would really encourage some of those community building and community capacity building programs. They are not soft programs; they actually do deliver important social infrastructure into the community.

Ms PARKE—Could you also tell us about the educational institutions available in Mandurah.

Ms Creevey—The council has been very involved in the education campus that houses Challenger TAFE, a campus of Murdoch University and a senior college. We really have been working closely to try to get more university programs here. We certainly want to see a greater development of the TAFE site, which does take its courses out to other areas in the region. I declare that I am on the governing council of Challenger. But the council really sees a strong education at all levels as vital to the city being able to reach its potential, really. People need to be trained and educated. That has been a big thing to overcome. People thought they would never get jobs so questioned the use of training. You had that kind of culture. There is still a lot of work to do in that area. We really need responsive programs and programs that will enable people to take those first steps. We are not a community where people are used to going to university or even used to going to training. It is changing slowly, but we need getting ready for study type programs.

Mr Newman—This is probably strange because we have been planting the negative side of the situation. But the one positive that has really come out has actually been the federal money that has come to local governments over the last couple of years, I have to say.

Mr NEVILLE—What sort of programs?

Mr Newman—I will just go through them. We have been pleading our case to both sides of politics for six or seven years about the community infrastructure backlog we had because of our growth. I have a slide I have shown all around Australia that shows the problem of rapidly growing councils. I know these two to my right are about to suffer it. What we have done very successfully is have our plans in place. As an example, over the last two years to now, we have \$32 million worth of recreation projects, eight projects, for which we have attracted \$20 million worth of funding. So money has come from Royalties for Regions—we have been very thankful for the state-wide basis for it—and obviously money has come through the recent federal government releases. Prior to that, it had come through the Regional Partnerships Program, which we had been very successful at. I think that is the one shining light we have had. The difficulty we have at the moment is matching it. Putting our funds in is actually the difficulty. But we have caught up very much with the community infrastructure project, I am really pleased to say. The big projects that are coming for us are a major regional recreational space, which Dean spoke about earlier, and a couple of major traffic issues. That is the two bridges. I do not know whether you have had a look. Our bridge here has about four years life in it. Unfortunately, a decision the council made in 1987 to accept responsibility for that bridge from the state government was a pretty poor one.

Ms Creevey—We were not here.

Mr Newman—So we are very much looking at state and federal governments to help us fund it, which will be in the order of \$30 million. That is probably three years away. The second one after that will be the duplication of the major Mandurah distributor. What you need to understand with Mandurah is that, even though we have the deviation which will open in June-July, which will take a lot of the heavy traffic, our own local traffic is intense now. We really only have the one north-south route. We have a problem—we had one 12 months ago—when we have a major crash. There is no escape. So we need that bridge duplicated. I suspect that will be in the next five to six years. They are our major infrastructure issues. The next one is a major aquatic facility of some sort, either locally or for the region.

Ms PARKE—Does Mr Hill have anything to add?

Mr Hill—I think our CEO has covered it very well indeed. Economically, I guess, we have covered most of the points. We would like to submit, if we could, copies of our strategy. Although it has an economic development focus, it closely embraces both social and community elements—

CHAIR—Can someone move that we accept that as an exhibit? So moved.

Mr Hill—and the environment as well. We have put quite a focus through our discussion on the various points on the checklist, which are on the insert. Looking at the time, I probably should not dwell on them too much. I guess an analogy for us is that this is the blueprint for an economic development bandwagon. The city recognises that within its own context and within the region it needs to drive fairly substantially itself. Governments will tend to come on board when they see activity and action and things happening and the potential for success. The CEO has indicated some of the areas where governments have had the confidence to invest in us because they can see that we have done the front end planning and we have an economic development blueprint which will give us the guidelines. Balanced with that, the mayor has

talked about the social and community context. There was a very good report done in 2001 called *Peel away the mask*, which actually exposed this issue of the tale of two cities. We are very much aware that a lot of people passing through do see the affluence, the coastal development, the development around canals and so on. But, as we have said, we very much here and into the region have more than our share of struggle streets as well.

Mr NEVILLE—You have your submissions to government almost ready when a program is announced. That is one of the great failings of local authorities, especially in Queensland. The government announces a program and there is no base material and there are no writers within the council. Then they go and buy people in for \$50,000 or \$100,000 to write the submission. You seem to have a very well honed internal mechanism. More strength to your arm. I would refine that. If you can get applications in quickly when the government announces a program, you will always be at the front of the queue.

Mr Hill—This is where quite a lot of our resources are going at the moment. You said earlier that the downturn, in a sense, might give us some savings in staffing areas and so on. But I think we have indicated—and certainly it is the measure overseas—that local governments have to work harder in these downturn times and be proactive on behalf of their communities and their business community, where there is some real pressure at the moment.

CHAIR—In terms of the strategy you have in place, what recommendations would you make to us as to how government can assist you to realise them? Obviously there are issues around funding. Federal governments, and state governments particularly, make the policy settings that enable some of this. It strikes me that one tension you have here is that on the one hand we have the government pursuing the CPRS, the carbon pollution reduction strategy, which obviously in terms of Alcoa will potentially have an impact. On the other hand, you have a highly sensitive environmental coastal community. If you believe, as most of us do, that human activity affects climate change, we have to do something. So your shires, in fact, represent a fundamental federal policy tension that we are trying to find a balance on. Obviously the government thinks it has. I am interested if there are broad-scale recommendations that you think we should be making around not necessarily the CPRS scheme but the sort of policy settings that the federal government can make that will assist you to realise the plans you have in place.

Ms Creevey—I will maybe have the first attempt and then ask my colleagues. It is a very hackneyed phrase, but the joined up solution is really critical. You cannot separate the environment from what is happening to the community, small business and industry—the economic. As Dean and Denyse pointed out, there is a need for that community infrastructure. So my ideal would be to have a contact point within government that really had the capacity to look across the major areas. It is very difficult when things are happening in silos because communities do not operate like that. We have done a lot of work as a region to bring a lot of those things together. We manage to do a lot of joint work. But you still find difficulties. One arm will be talking about something and the other does not take it into account. So my plea would be that, as we have to change how we do things, the federal government bureaucracy makes some real changes to look at more joined up solutions so there is that interplay between what is going to happen on the environmental side and in the community, as in the huge stuff that is happening in Centrelink. It does not help when there are queues out the door after five o'clock and people cannot get paid. You cannot detract that from what is going on at the moment. So you really need that joined up. That is my view.

CHAIR—Thank you. That is extremely helpful.

Mr Unsworth—I think local government and federal government have a very good relationship. I think if the federal government wants things to happen quickly, a continued dialogue with local government is the way to go. It is very healthy. For example, with the federal stimulus package, if you want to hit the economy quickly, I think directing it straight to local government is a very good way to go. So we welcome that. May that continue.

CHAIR—Thank you.

Mr RANDALL—We are getting towards the end of the session. I thought I would raise a few issues that have not been mentioned. Realistically, the councils here before my colleagues on the inquiry all represent outer urban areas, obviously. The challenges that an outer urban local government authority face are quite unique. Some of them have been mentioned but others have not. For example, you have not mentioned broadband. I would like you to bring up how it affects your business. You have some massive transport needs in the region. The mayor mentioned Centrelink a moment ago. It is true that, because of the downturn in this region, my office gets an enormous amount of contact from people who are trying to access Centrelink services as a one stop shop. To that extent, we had to have the state manager of Centrelink in the other day to find out what we can do to get the business happening in a more prioritised sort of way. So that is the social impact of the downturn in this area. I would like any of the three councils in conclusion to talk about the unique challenges of outer urban councils and the infrastructure needs that you are not getting or that you are getting but would like enhanced.

CHAIR—I am sorry. I apologise. I understand you wanted to answer the previous question. So if you want to do that first as well, please feel free.

Ms Abbiss—I will respond to your question. We have done the analysis of our community infrastructure needs to the year 2020. Because of the rate of our growth and our financial capacity—we are growing at a rapid rate—we understand that there is going to be a \$52 million gap between all of the possible revenue that we can acquire and the infrastructure that we need to provide. So I think we need the continued recognition by both federal and state governments of the unique needs of growth councils. I know certainly at a federal level we have banded together and formed the National Growth Areas Alliance. That group has made a submission to this inquiry, so I would certainly direct you to that submission as being probably the most articulate and well-researched reflection of growth issues. I am sure you have a copy of it. The fact is that, in the long term, you will have the financial capacity to pay, but the short-term needs exceed your capacity. So there is a cash flow issue for growth councils.

Ms Creevey—We could provide material in answer to Mr Randall's question. Both Serpentine Jarrahdale and the City of Mandurah are in a policy forum of outer metropolitan growth councils. They have done a significant amount of analysis. We would be very happy to provide further information to the inquiry on some of those issues that Mr Randall has raised.

Mr NEVILLE—Is broadband a part of that?

Ms Creevey—I cannot answer that. Mark, is broadband is part of that?

Mr Newman—Broadband is a huge issue.

Mr NEVILLE—But is it part of that study?

Mr Newman—No. It is not, no.

Mr NEVILLE—I think you should have it as part of it.

Mr RANDALL—One unique issue involving broadband in this region is that a lot of people do operate from home in terms of their businesses.

Ms Creevey—Yes.

Mr RANDALL—The capacity constraints that they face, even in Mandurah, I suspect, are not good. For example, it is only of recent times that the people in Halls Head, which is just across the estuary from here, could access decent broadband because it was more than three kilometres from the exchange but it happened to be underwater. So they had real problems in getting decent access to broadband. You then go to the smaller towns like Jarrahdale and Dwellingup, where there is an inability to get even decent phone coverage into that area let alone broadband. They are going to be some of the towns that will be left out, as has been mentioned recently, in the new rollout. So they are some of the challenges in the area. There is education as well, because it affects education. We continually get representation through my office. I have to say that Telstra has not been that helpful. A lot of the issues surrounding Telstra's relationship with government have made it difficult for us to get the infrastructure needs met from a communication point of view. If you have anything to add, I think it is a good time now to make sure that this committee hears any shortfalls in terms of infrastructure needs in your regions.

Mr Unsworth—We would like to back up Jo's comments about the infrastructure backlog. All the councils here have good plans and we are ready to go with them, but we do need a leg up. If we get a leg up, we will flourish. So the infrastructure backlog is one that is critical. For example, we have been pushing our Pinjarra bypass for many years. That will generate significant benefits to the entire region. We have had state funding—

Mr RANDALL—Just on that, you said 4,500 trucks go through the centre of the town a day. How many vehicles in total?

Mr Unsworth—We get 460 heavy vehicles. We get about 9,000 a day through. It is the biggest mismatch of—

Mr NEVILLE—Which town is this?

Mr Unsworth—Pinjarra. That will significantly help us. We have had state funding available when the federal government have said, 'No, we haven't.' The federal government is quite keen when the state says no. I think getting all parties together is our biggest issue. If we could get that happening now, that would make a massive difference to us.

Mr RANDALL—I think the people of Jarrahdale are looking for a bypass because the main traffic goes through their main street as well. So they are some of the infrastructure needs. They

are a big first home buyer area yet the major highway finishes at an arterial road. It needs to be expanded and that sort of stuff.

Mr Unsworth—Yes.

Mr RANDALL—So there are quite a few issues.

Mr Newman—And while it is not a federal issue—it is a state issue—bus services through the region are pretty deplorable.

Mr NEVILLE—We are talking a lot about projects. We have heard how Mandurah has this project ready status by having the internal submission writing and so on ready to fire off at any time. How do the shires with fewer resources handle that? How do you get yourselves project ready to take advantages of grants? Have you found yourselves at a disadvantage or have lost grants as a result of not having that ready status internally?

Ms Needham—We have a major problem with our Centrals Football Club, for example. It needed a major upgrade. The sport and recreation grants that are supplied by the states require a third, a third, a third. That is a third from the council, a third from the community and a third from the grant funding. It is a major upgrade for Centrals because it has not been upgraded since the 1960s. It required about \$1 million because they needed a whole new ablutions block. The community football club had absolutely no chance of raising \$300,000. The shire also had no chance of raising \$300,000 for one project. So that was rather a dilemma. We have been able to turn the Royalties for Regions funding into that project and another project, because it was a substantial amount of money. As Dean is saying, some of these projects just need a leg up to get going and then we can turn them into something really good.

Ms Abbiss—In terms of the overall planning, council has recently signed off on our long-term community infrastructure plan. We have just employed a community planning officer whose task will be to do all of the feasibility studies and engage the preliminary design work so that we can then take advantage of funding programs as they become available. So I guess in terms of our growth, we are really at the cusp of it. Our first step was to get the plan in place. We now have the resources in place. So in 12 months we will be able to be much more responsive than we currently are. If I may, my answer to your previous question—it has not really been mentioned—is whether the federal government can be supportive of the overall national local government push for constitutional recognition of local government.

CHAIR—Thank you very much. We might finish on that note. I am conscious of the time. I thank all of the local government representatives for taking the time to present for us here today and the City of Mandurah for your written submission. If any of you, once you get the proof transcript of evidence, would like to make any further submission, we certainly would welcome that. If you write to the secretariat, we will receive it. If we have any further questions of you on the basis of that or the evidence you have given, we will also write to you. Thank you very much. I also thank the City of Mandurah and your staff for looking after us here today. They have done a terrific job.

Ms Creevey—Thank you.

[10.11 am]

ANDERSON, Mr Mark Allan, Chief Executive Officer, Fairbridge Western Australia Inc.

YATES, Ms Colleen Michelle, Manager Regional Development, Peel Development Commission

CHAIR—Welcome. Thank you very much for appearing before us. You will bring a good perspective to this inquiry. We are not requiring you to give evidence under oath, but I do need to remind you that these are formal proceedings of the House of Representatives and should be treated with the same respect. It is customary for me to remind witnesses that providing false or misleading evidence is regarded as a serious matter and may be regarded as a contempt of parliament. That being said, you are most welcome and we are looking forward to hearing the evidence that you have to provide us here today. Do you wish to make an introductory statement?

Ms Yates—Yes. I notice that there were three local governments here. The Peel region covers five local government areas, which are the City of Mandurah, the Shire of Murray, the Shire of SJ, the Shire of Waroona and the Shire of Boddington. We are the third largest mineral producing region in the state. We work quite closely with our local governments as well as with our key community groups, which are the Peel Community Development Group, the Peel Harbour Catchment Council and PEDU, which is the Peel Economic Development Unit. Our submission is pretty much an overview of all that.

Mr Anderson—In my role as the CEO of Fairbridge Western Australia Incorporated, we are the only charity, as far as we are aware, in Australia that owns a whole town site, Fairbridge Village, which has some 66 buildings on about 30 hectares. We have over a quarter of a million people who access the village each year. In the region, we are the largest employer of indigenous young people in a whole range of different areas and quite a significant trainer in that area. We are the largest conference and venues facility in the Peel region. Probably with some of the redevelopments that we have planned, we will become the largest in the south-west. We attract both national and international events into the region. While being a major charity, we have a range of income generating activities, which is tourism, corporate training, day trips, coach tours, festivals, events and functions. That generates an income which assists in our work with young people. Because we are a registered training organisation, the same as a TAFE, while we are doing our business, we are providing live training to a whole range of different young people. Our particular focus is youth at risk. We have very strong programs not only in the disability areas but also in the indigenous area, the refugee area and things like that. From a purely economic perspective, in the last four years we have contributed about \$15 million to the local economy in the Peel region.

CHAIR—Thank you. Where are you physically located?

Mr Anderson—We are on the north side of Pinjarra, about five kilometres to the north side of Pinjarra.

Mr NEVILLE—Is it a convention centre?

Mr Anderson—No. It is an historic listed village, Fairbridge Village, that has been around since the early 1900s. It was the first—

Mr RANDALL—You have convention facilities?

Mr Anderson—Yes. We have large convention facilities. We have accommodation, where we can accommodate up to 400 people. A couple of weekends ago, we had 6,500 people accommodated and another 11,000 came through the gate on a big national event that we ran.

CHAIR—By way of setting the scene, from the development commission's perspective and from the RDA's perspective, what have you seen happening in terms of the economy of the region? What are some of the strategies that you have in place to try to deal with those issues?

Ms Yates—From the commission's perspective, we had spoken with Mark Penigerts in local government. While the statistics do not quite reflect it, we have quite a bit of anecdotal evidence that is showing there is an increase of people going to Centrelink. It has increased by about 19 per cent. What seems to be happening is that while there is not a major shift in the labour force, there is an increase in retired people who are going to Centrelink because their superannuation has dropped. A number of youth are also approaching Centrelink. Economically, from that perspective, there is a bit of that impact. From the business perspective, the feedback is that a lot of the media that has been out has had a negative impact on business. So that is not completely reflected within business itself. There has been a bit of a drop in tourism. While we had a skills shortage initially, a number of businesses have been able to retain staff and give that employment.

Mr Anderson—I certainly think, being on the Peel Area Consultative Committee and now RDA, one of the benefits of this region and the strengths—I think you have possibly heard it from the local councils—is a very strong partnership approach across the whole region. One of the things that we were pleased about at a community level, looking at federal government and recommending federal government funding, is the community being willing to say, 'Well, in your area, this is actually a higher priority for funding so we will as a whole region back that.' The work that Peel Development Commission has done in that area has been very, very beneficial. I think that is one of the strengths of this region and something that I think we need to continue as a region to solidify. From what you have heard just before, it is certainly a very strong strength.

I will talk about from what we have seen at a regional level. From an economic perspective, we have certainly been seeing—there has been a slight delay in this region from an employment perspective—in the last few weeks young people losing their jobs. We have come across some young people that we have placed from Fairbridge into the region who have now been terminated in the last two weeks. I think that will continue for a period of time, particularly in the resource sector and the supporting sectors that sit around the resource sector.

We are finding, though, that resource companies and businesses are wanting to look at more innovative ways of being able to go about retaining staff, doing business or keeping staff as best as possible. At Alcoa, one of their positions has become redundant. We have been able to turn

that into six traineeship positions for long-term unemployed young people and youth at risk. So it is the same pool of funding but using that pool of funding in a slightly different way. We have been able to partner with that project with STEP funding through the federal government and through some of the training subsidies that we can get through the state government. I think in a time of economic downturn we need to be looking at more innovative approaches. I think being able to partner with state, federal, corporate and community sectors means that you can end up with far more positions with the same amount of dollars but you are doing it a bit more innovatively. If that is something in these economic times we can focus on, that is a really important area.

From a small business perspective—I agree with Don’s point before about infrastructure, particularly telecommunications in the area—we are five kilometres out of Pinjarra and 20 minutes from Mandurah and there is no broadband access bar satellite at the moment. But other than that, there is no access. We cannot even get mobiles to work in buildings. We attract close to a quarter of a million people into the region who spend a significant amount of money. If we are wanting to attract more international clients, national clients and local corporates to access our facilities and if they cannot get basic requirements met like having their mobile phone work or accessing broadband externally, that becomes an issue. In January, we had 1,200 young people from around the world based at Fairbridge for 14 days. We were producing 3,600 meals a day. Those young people want to be able to access their communities. If you do not have proper phone linkage and you do not have good strong broadband, that becomes an issue for us. If that can be resolved, that will have a very significant impact from here.

Ms PARKE—What about transportation to your area?

Mr Anderson—There is no transportation, so we run our own bus fleet. We have four buses that we run. We bring young people from Kwinana, Rockingham, Dwellingup, North Dandalup, Armadale, Waroona, Dandalup and further down south. Those young people from Kwinana and Rockingham can catch a train into Mandurah. We will then pick them up via bus from the bus transport area. But there is no transport at all. If we did not provide it, it would not occur.

CHAIR—You were here for the evidence from the three local government areas. Obviously we do not have the five that cover the development commission’s area. But it seems as though some areas are doing a little better than others, although across the region there are obviously unique issues. Can you identify for the committee what you think are some of the factors for the regions that are doing well?

Ms Yates—I believe that, of those regions and local government areas that are doing better, one of them which kind of goes against the current trend is the shire of Boddington. That is primarily because of the recent commissioning of the Boddington goldmine, which is soon to be opening up. They are having a rapid increase in population. We have been working quite closely with them to ensure that they have housing available and the necessary infrastructure. But that also does have a negative impact, for instance, as the Shire of Murray was saying, in terms of road infrastructure going through Dwellingup. A lot of those trucks will increase once the goldmine is opened, as those trucks will need to go through Pinjarra in order to get to the port of Bunbury.

Mr RANDALL—Colleen, can you explain to the committee what Boddington is going to economically inject into the region and do regarding the expansion at Wagerup?

Ms Yates—These happen to be probably the good news stories for the state. The Boddington goldmine project is a US\$2.7 billion project. They are looking at providing to the state about \$770 million per annum and into the Peel, I believe, \$440 million per annum. The Peel Development Commission chairs the infrastructure group for Boddington or for this project. We work very closely with the Boddington goldmine to ensure that things do flow on. We have been working with getting affordable housing up there because rentals are just like up north in Port Hedland and in other areas, where rent is running at around \$700 per week and there are no houses available up there. We have worked quite closely with the federal government in terms of looking at some of that social housing issue and trying to get that addressed. Boddington goldmine is also looking at having operational staff here by the end of the financial year. There will be 650 permanent employees. That has a multiplier effect of 1.7 million for the shire. So it is quite a growth area, but it does have an impact on other parts of the region.

Mr Anderson—Just following your question, I think the point that Paul made before, which was a question to the different councils, and just from my perspective, being on the Peel ACC, now RDA and in my role as the CEO of Fairbridge, some of the shires do very well, such as the City of Mandurah, because they have the personnel and expertise in place to be able to ready, to be able to do the planning and to get it all in place and things like that. The shires that have struggled are more the outer shires. They have fewer internal resources. In a previous time they could not actually employ staff—they could not access staff because they had all been taken by the mining sector—and they were not able to be ready. I think that has given places like the City of Mandurah an advantage over some of the other areas in terms of planning and regional development.

Another challenge in the region we see that is quite significant, in looking at the Boddington mine developments, the Pinjarra refinery and the Alcoa refinery upgrades, is accommodation for contractors and subcontractors. Currently they are being bussed from Perth. They are staying in hotels in Perth and being bussed into the region. They are losing time being transported in—an hour and a half. They then hit morning tea break as they arrive. So their 12-hour days are cut right back. It means that that money is not coming into the regional community. It is actually going into the city. It is still benefiting WA as a whole, but from a regional perspective, it is not the most cost effective way of doing business for the miners or for the community.

CHAIR—Obviously you have a focus on youth and youth unemployment. What sort of strategies are you putting in place for the workforce of the future in the Peel region? Is there any portability in the skills that some of these young people have? Are they being redeployed in the resources sector, if that is the area that is booming at the moment? Is there work being done that looks at the whole skill set of the region? We heard from council before about their aim to try to increase the number of professional people in the district.

Mr Anderson—I think, from Fairbridge's perspective, the young people we work with have failed in the formal education system. By owning a whole town site that has 220,000 young people coming through, we do everything from conservation and land management, administration, tourism training and hospitality catering right the way through to building and construction. We just launched last week with the state minister a national pilot program in

building maintenance. There is no building maintenance program in Australia. We have just launched a national pilot as an indigenous traineeship program at Fairbridge. But some of our young people who have gone into the resource sector have actually started up in conservation and land management. We have then been able, through that process, to place them into the resource sector. They have been able to obtain their mark star, which is some of the requirements for the resource sector. By providing that type of process, they have been able to successfully move into the resource sector.

You try to start young people who are long-term unemployed or who come from two or three generations unemployed. About four years ago, one of our partners, United Group Resources, had eight positions available. We involved 32 young people. Thirty-one of those young people failed the drug test.

Mr NEVILLE—How many?

Mr Anderson—Thirty-one of 32. So we have a very defined process where we work with the kids for one to two years, sometimes three and sometimes four years. We had our first indigenous tradesman roll out last year. But by following that process, most of the young people who we move from Fairbridge out into industry are now being employed direct into industry and are continuing on. We have young people in Westpac bank. So you are talking about being able to look at all the different areas. People like the regional banks are wanting to take young people on. So you can actually get young people job ready in a whole range of areas. As long as you meet those base requirements and get them used to being employed, handling money, living independently and those things, it works.

Mr NEVILLE—I would not mind seeing this village. We cannot drive back that way, can we?

CHAIR—Not and make the plane in time, I suspect.

Mr NEVILLE—Not necessarily go through it.

Mr RANDALL—Come back another time.

Mr NEVILLE—We have commentated a lot on the situation here. Give us your take on what the government could be doing in both your fields. What sort of projects and what sort of programs would you like us to recommend to the government in our report? You have seen the terms of reference and you know what we are on about. We are trying to ameliorate the effects of the downturn on provincial cities and communities. What are your recommendations? What things are deficient in the system that you think ought be corrected?

Mr Anderson—It was interesting when we were dealing with the last government. We worked with the Prime Minister's office to take a cross-governmental approach to some of the funding. Because Fairbridge owns a whole town, we have a very strong focus on heritage, because it is a heritage listed site, on youth development and on environment and things like that. We were working with the past Prime Minister's office to take a cross-governmental funding approach. They wanted to use Fairbridge as an example. It failed dismally. There was an assessment done on it.

Mr NEVILLE—What—Fairbridge failed or the system failed?

Mr Anderson—The system failed. Basically, when you are trying to bring money in—I think the mayor, Paddi Creevey, made this point—from the environmental area, the heritage area or the jobs area et cetera, you are dealing with three or four different government departments who all have different funding requirements and who all have different reporting processes. It creates a very interesting challenge in being able to manage that process, particularly in regional areas. In the city, you might have some agencies just dealing with the specific area, but in regional areas often you are dealing across all of those areas. All of those areas have an immediate impact.

A really good example right now is the Jobs Fund and the \$650 million that has just been announced. That is divided into three funding areas and being handled by three different departments. Your approaches have to be to three different areas. So Environment and Heritage are handling heritage and Job Futures is going to be handled by someone else. Again, that is another example of having to go through that process. I think if there could be a whole-of-government approach or a point where you could work with an organisation within the federal government to do that, that would be far more effective. The other challenge, then, is trying to match all that funding with corporate funding, which we access a lot, but also state government funding and trying to get the timing right between the state, federal and corporate areas because often they do not match.

Mr NEVILLE—This has cropped up a few times in this inquiry and it has cropped up in our previous inquiry largely into the Regional Partnerships Program. What organisation needs to be the centre point—

Mr RANDALL—The coordinator.

Mr NEVILLE—or coordinator to bring a project to the focus of the state and federal governments, corporate industry and local government? Lots of projects, for example, in my electorate have three-way splits. The ACC did a lot of that both in community and in business.

Mr Anderson—Yes.

Mr NEVILLE—Who do you think should be the organisation charged with pulling those things together?

Mr Anderson—I think your biggest challenge is state and federal politics. It depends on who is in government at a state level and at a local level. I know the regional development authorities in other states sit within the development commissions and there is a partnership approach. The challenge with that is when you have different politics at the state and federal levels. I found the process that we had with the ACC seemed to work reasonably well, particularly in this level. I am aware that Peel ACC was seen as quite positive for money coming into the region and having a partnership approach. But the ACC worked in partnership with Peel Development Commission in doing that.

I am not sure how you deal between the state and federal governments. But certainly have on the ACC—I do not know what the new RDA will look like in this region—and the RDA all your

key players. We had people from Alcoa who sat on it. We had representatives from local government who sat on it. We had representatives from the community who sat on it. Local business sat on it. It gave a very good coordinated approach and a way that the federal government could certainly feed back into that. That seemed to work effectively at that point in time. But the integration, then, with Peel Development Commission was absolutely critical.

Ms Yates—I feel that, in a coordinating role, the commissions are actually quite capable. We have quite a unique network model. As mentioned earlier, we do work with the local governments but we also have a strong partnership with key community groups. I agree with what Mark has said and what has been reflected in some of the local governments. In terms of environment, heritage and planning and a range of those things, there probably does need to be a little more coordination at the federal level in order to be able to deliver some of those things more equitably across the region.

Mr NEVILLE—So what is your recommendation, then?

Ms Yates—Well, I think the commissions are well placed in terms of being able to work across community, government and industry and probably would benefit quite well from developing more collaborative relationships with the various federal departments.

Mr Anderson—In my opinion, you need a one stop shop. I am not sure how you can do that across departmental guidelines. I know it has been tried before and it has not worked. Each of them have different requirements, different reporting requirements and different funding. I certainly think it is something that does need to be tackled. But it is a policy level issue to start with to then be an organisational process.

CHAIR—I want to pick up a point from the development commission's submission. One of the recommendations you have is that training be provided to Centrelink staff to enable appropriate and empathic responses for those affected by the crisis and to support staff to manage increased workloads. Have you noticed a problem?

Ms Yates—Anecdotal evidence that has come back to us when we were asking about the global financial crisis is that, because there has been an increase of people applying to Centrelink, the staff within Centrelink may need a bit of assistance to deal with the type of inquiries that are coming through and to cope with elevated emotions that some people are finding themselves having.

Mr RANDALL—You might have heard my statement previously about Mandurah Centrelink. My understanding is that Mandurah, as the main provider in the region, has satellite deliverers, for want of a better word, in Waroona, in Boddington and in other agencies around the region. The problem, just to outline the challenge, is that for an older person coming from Waroona or a jobless person coming from Waroona, there is no transport link that is suitable. There is one bus a day. We have the anecdote in my office where this person caught the bus to Mandurah to then be told to stand in a queue. The person that they were to talk to was busy. By the time they got near the counter, it was the person's lunch break. Then they were unable to see them. They had to then go and catch their bus so they did not miss their bus back to Waroona. Then the response was, 'Well, get on the phone and talk to the call centre.' The call centre was less than helpful and they got cut off several times. So these are some of the challenges about

delivery to the increasing number of people on Newstart. Because quite a demographic is receiving stimulus moneys and some are missing out and some are querying it, Centrelink has a real challenge in this region delivering to the demographic that need their help. That supports what Colleen is saying.

Ms Yates—Yes.

CHAIR—Thank you. We will certainly provide that feedback directly to the minister in relation to that. We were at one point having Centrelink officers travel around with us, but we have not done that for these hearings. Thank you. Do you have any concluding comments that you would like to make?

Mr Anderson—There are several other points that I would like to highlight. In terms of infrastructure funding, what we have been able to successfully do at Fairbridge and when I was involved in the north-west in Halls Creek and Kununurra is infrastructure funding. Instead of looking at having it tendered out to a whole range of businesses, begin to explore the option of running the infrastructure funding as training employment programs. At Fairbridge we employ our own builder, carpenter and painter and they are all trainers. We have been able to negotiate with both the federal and state governments that when they give funding to us, we do not tender it out and we run all the infrastructure projects as training and employment programs. That has been able to help industry. We deal with a lot of major builders in the state. Industry focuses on building buildings, but they have a shortage of fully qualified people. Look at the building industry and look at the average age of tradesmen at the moment. There is going to be a significant drop-off and there is still not enough people coming into the industry. What we are able to do is provide a whole range of mentoring and use infrastructure funding to roll out tradesmen, who are then moving straight into the industry. I think if there can be some look at still providing infrastructure funding but maybe doing it slightly differently, that has some real advantage.

CHAIR—Yes. I think that is what the Jobs Fund is attempting to do.

Mr Anderson—Yes.

CHAIR—But there are some challenges.

Mr Anderson—Another one is moving into this whole training area. There were announcements recently in relation to training and wanting to have all young people involved in education. I know in the Peel region schools are struggling. There is legislative change in Western Australia that you have to be in school until you are 17. Schools are struggling keeping 15-year-olds at school who do not want to be there, so how do they keep 16-year-olds and 17-year-olds in school? Many, many years ago when Labor was in power, they used to run REEP and LEEP programs, which were 12-month paid traineeship programs. I found in the north-west that process to be quite a successful way of doing business and enabling training organisations and employment organisations, in partnership with state and federal governments and the local community, to train up young people, get them used to earning a wage and get them used to actions and consequences. In education, if a young person does not turn up to be educated, they do not lose any money. There is no real consequence. At Fairbridge, if you do not turn up, you do not get paid. So those learnings actually impact and bring about sustainable change.

So if we are looking at the whole area of the engagement of long-term unemployed young people, we find that certainly the 12-month paid traineeship is a far more effective process. Employers will more than likely look at people have been in a paid traineeship than someone who has been in a Work for the Dole program who has just been, from the employer's perspective, filling in time. So if we are going to have people available, I think we need to look at those types of things.

CHAIR—Thank you. Do you have any concluding remarks?

Ms Yates—I want to say one thing about development across the region. I am not quite sure what can be done about this. Some of the feedback that we have got is that there are a lot of developments that are planned for the region. A lot of them are residential. Developers are looking at their long-term planning and trying to progress some of this. With the financial institutions and where they are at right now, oftentimes for people outside the metropolitan area, determining whether or not a proponent receives a loan is based on postcode. We have had quite a significant drop in the number of our developers who are wanting to put money in and move forward in a number of areas. They are not able to access the finance to do it. This is being seen as a bit of impediment to development in the region. I just want to put that on the table because it is an issue. Looking at how development can work with the financial institutions and restructuring that a little better would be great.

CHAIR—I thank you both for providing evidence before us today. I also thank you both for the written submissions from your organisations. If on the basis of the proof *Hansard* there are additional things you would like to add, please feel free to put in a further submission. If we have some further questions, the secretariat will also write to you about them. I thank you both again for appearing before us this morning.

Proceedings suspended from 10.46 am to 11.06 am

BUCKLEY, Mr Paul Bernard, Chief Executive Officer, Small Business Centre Peel**MATTHEW, Mr John Rowland, President, Peel Chamber of Commerce and Industry**

CHAIR—Welcome. Whilst you are not required to give evidence under oath, these are formal proceedings of the House and should be treated with the same respect. It is customary for me to remind witnesses that giving false or misleading evidence before the committee is a serious matter and may be regarded as a contempt of parliament. That being said, you are most welcome. We are very keen to hear what you are experiencing and what your members are experiencing on the ground, what assistance is being given to them and what sorts of things you think this committee should be recommending to the federal government. Do you have a brief introductory statement that you would like to make?

Mr Matthew—My brief introductory statement is really a summary of all of the information that I have been able to gather. The information that must be said is anecdotal. We attempted to get some empirical evidence a couple of months ago. It must be said that the response to a questionnaire we sent out was disappointing, which meant that any empirical evidence that came as a result of that is meaningless. As a result of that, we have anecdotal evidence which can be summarised as follows. The Peel Chamber of Commerce and Industry represents 300-odd businesses in the Peel region. We have a retail subcommittee which is headed by Mr Nigel Haines, who manages Centro Properties. He receives reports from various retail traders within its centres. Therefore, that evidence is real.

Specifically, he has reported that up until March there has been no real change. The fashion industry turnover appears to be down slightly whereas home wares, majors, discount department areas, jewellery and takeaway have received no drop-off at this point. He tells me there is a theory that the stimulus package might have resulted in spending having been brought forward and that the effects may begin to be realised in the April-May figures, which of course are yet to be reported. I have gained further evidence talking to our members from the restaurant area. They are reporting a substantial downturn. Typically, there is around a 20 per cent reduction in turnover. They are closing on certain nights to reduce costs. There is a 10 to 20 per cent reduction of staff.

Some businesses in this sector that have commenced over recent years have, in the commencement of their business, expended considerable capital on their business enterprises but they have not been operating long enough to become established. Therefore, they are finding particular difficulty. The larger retail sector showed that while its turnover is on a par with previous years, the cost of goods has increased. They have not been able to pass on this because of an increase in the competitive marketplace. Therefore, their profitability is lower. The inevitable consequence of that is going to be cost cutting and the potential for staff reductions.

The hardware sector appears to be steady or even up slightly. In particular, there are increases in the garden and interior decor centre, which they are reading as people staying put, staying at home and spending money there. Decreases are felt in the trade based arena. Housing starts, of course, are down substantially, which you would know about. The downturn in production from some of our larger industrial companies such as Alcoa has had an extremely detrimental effect

on the subcontract business that relied on contracts through these larger producers. That, of course, is having a flow-on effect for suppliers to these subcontract businesses. As far as recommendations, it appears that any support for the employment or the retention of staff for small businesses is the prime concern.

CHAIR—Thank you for those introductory comments. Mr Buckley, do you wish to add anything?

Mr Buckley—A lot of what John has touched on is a very similar situation from our perspective. I will endeavour to just broaden perhaps a little more. With employees, their hours are being wound back. This is for a number of reasons. There is a downturn. We have also noticed some businesses doing that to reduce their overheads so they can spread the job sharing over two or three people and subsequently cut their expenses such as SGC super and so on. So there is probably a bit of smart thinking there.

On the flipside of that, the employers now have a far better pool to choose from compared to what they had before. Without being cruel, probably in the last couple of years, what they were looking at were people who probably would not even get on the shortlist and they were having to engage them because that was it; that was all they had. Now they are getting a far better choice. Probably the whole thing has taken a flip.

There is major concern within commerce right across the board that interest rates are not being passed on to commercial borrowers. They have concerns. That is the thing that is burning them.

CHAIR—Obviously that is the case. I will ask you some questions on credit. If you have any cases of problems accessing credit or any of your small business operators who believe their banks are operating unreasonably, we would certainly be very interested in hearing about them as well.

Mr Buckley—Absolutely, yes.

Mr NEVILLE—The minister has offered to look at them personally, so it is quite a good offer.

Mr Buckley—Well, I can give you two or three names, yes, absolutely. I am sure John is probably in a similar scenario in that we speak to these people constantly. It is one of their bigger issues. They roll the dice, as we all know in business, and they are just getting hammered. They are not being given any resources. They have to be very diplomatic about the way they go about it. You go to your bank. Let us face facts: they hand umbrellas out when it is sunny and fine and when it gets a little bit tough—it starts to drizzle—they want them back. I am sorry. I shoot it pretty straight. That is how I am.

CHAIR—I think that is good. That is exactly what you are saying.

Mr Buckley—People come to us for direction in council. We endeavour to give that to the very point. Small trade based handyman maintenance businesses and all that are being hard hit as well because people are doing a lot of it themselves. As John touched on, the spin to the other side of that is the nurseries and the home wares type stores are starting to see an uplift because

people are buying it and doing it themselves. They are saying, 'Okay, if we're going to spend more time at home, let's make it a little more appeaseable.' There is some reduction in restaurants. Fewer are dining out or they are spending less. What we are finding is that the restaurateurs are actually modifying their menus to cater for that. That is interesting.

With the reduction in particular along the main strip here in Mandurah Terrace, one of the issues that we need to address is that we had the train come to town in December 2007 and we saw a significant uplift of anywhere between 20 and 40 per cent in turnover along that strip. Subsequently, now, there are three issues. There is the global financial crisis. Another is a change of direction in road, which some people like and others do not, so there is a split scenario there. The jury is still out on that one. The other is the fact that we had the train come to town. The joy of jumping on the train and coming to Mandurah for the day maybe has lost its soul so we need to now reinvigorate that. So there are those three issues. It is hard to determine what is the cause of it—which one of those three issues is causing the main concern.

Some takeaway stores are seeing a significant lift in business as fewer people dine out. It is the same with gourmet type shops, where people will go and splurge and take it home and enjoy it at home. Hairdressers and beauticians are down significantly. However, if you look at cabling companies and these type of things, people are now taking Fox on. Again, they are entertaining at home. There is the Internet and advertising in press and radio—speaking with all those people. We have been doing press advertising ourselves. They do not seem to have been impacted because people are starting to look at those issues to try to get their business out there. They have to be educated in going about it the right way, obviously, to make sure they get maximum coverage.

Personal home scenarios, such as gardening, as I said before, landscaping, ironing and cleaning, are down. People are doing it themselves. Child care is up because people are now looking for work. We all know the issues with child care. I do not have to tell you people. You are at the coalface with it all.

With financial services, such as accounting, some areas are slowing but other areas that are convincing clients and are proactive with their client base have increasing fees because they are trying to help people through it. There are a lot of people in recession. I have come from 30 years in financial planning and running my own financial planning practice. If you do not educate clients, they go to ground and subsequently make silly decisions like sell and so on like that. You have to educate them, so those practices that are educating their clientele are seeing a good upswing. Secretarial services, though, are significantly down. We have an organisation in town that does a lot of structuring of companies and all that. He used to do it—still does, but there is a business downturn—nationally for a lot of the bigger companies and he has seen a significant downturn. They are restructuring. In a lot of cases, they are trying to restructure purely to protect their position or their assets or whatever.

Among the over-55s, a lot more are looking for part-time work. Within the Peel region, we have some interesting demographics. In three areas we have the highest percentage in the state of over-55s and zero to 19-year-olds. The third one has popped out of my mind. It will come to me. The other is fly-in fly-out, of course. Those three things can have quite a big impact. Our unemployment is one per cent higher than the state average, so we have some issues with what

we are trying to do. In a lot of cases, people come to Peel for lifestyle rather than work and they do not want to work.

But the fly-in fly-out could have a major impact if they continue to wind back. A lot of the people here are employed by Rio and BHP. Rio has not done anything here state-wise yet, but I believe the head honcho was here two or three weeks ago. Who knows? Maybe they are sharpening the axe. You do not know until it happens.

But we are looking now at a lot of over-55s coming back into the marketplace and the workforce for two reasons. Before the change in the global position, it was because of boredom. There is only so much golf, fishing and crabbing and whatever else they can do. So they were looking to supplement their lifestyle and put something back into the community, which is great. What we see now is a lot of them have had a downturn in their portfolios. Therefore, they are concerned about the longevity of their income. So there has been an upswing—it has no doubt been covered by other parties that have been here today or may come—in registration for unemployment or job search or something like that.

We have a very, very strong program of NIES, the New Enterprise Incentive Scheme, which is reengaging people back into the workforce. We currently have close to 60 participants in that at different levels. We are strong promoters of it. We think it is a good process. We are fairly stringent about how we run it, though. We really tighten up on it. We are not there to carry them. They have to sort of step up. We teach them it is a big, vicious world out there and they have to be aware of that.

John touched on subcontractors with our major stakeholders. They are the ones who are being impacted because Alcoa and so forth have wound back in Worsley and Boddington. But if we look at what is happening in Boddington, there is tremendous opportunity there if people want to take it. There is a huge opportunity. There is a lot of infrastructure there, and if people really want to roll the dice and go out, they can set themselves up.

CHAIR—Thank you very much for that. That is a great overview, actually, in terms of the sector from both of you. I have to say that has given us a really good picture. I want to ask about the restaurants. Certainly in my own district one of the representations I have had by one of the more established restaurants in the area is that what potentially for regional areas happens is restaurants either cut back on their menus, cut back on their ordering or in fact close. In terms of the supply chain of the quality of goods that they are after, it creates a lot of difficulty getting access to, in our area, decent breads and fruit and vegetables and those sorts of things because suppliers will not drive up from Melbourne or other districts just for one restaurant. They will for several. Do you have similar sorts of experiences here, or is most of the produce that restaurants use sourced from the local area? It is probably something that I need to ask two questions about.

Mr Buckley—I will use one restaurant in particular. May I use names? Is that acceptable?

CHAIR—Yes.

Mr Buckley—I believe you dined there last night—Pronto. Kerry has actually started to introduce into his menu a lot of local produce for that very reason—because it can cut down his

costs logistically getting it in. From my experience, most of the produce that is sourced is by local suppliers. However, they may source it out of the region. Subsequently there is a knock-on effect with cost and the logistics of getting it there. I think most of the better restaurants are sourcing it as close as they can to town and supplementing the industries in town in the region. John, you may have a different scenario.

Mr Matthew—No. I do not have anything different from that.

CHAIR—Thanks.

Mr Buckley—They are thinking smart.

CHAIR—It is something that has come up in my own electorate and I wondered if it had in other areas. We have had some evidence about the pressure on Centrelink and what is occurring there, but we have not had a lot of evidence about over-55s trying to re-enter the workforce, so thank you very much for that. Do you know what sort of sectors? It strikes me that you have had large sea change growth in Mandurah. One of the things that the council talked about is attempting to get more professional type work here as one of the growth strategies for the region. What sorts of areas are the over-55s looking for work in?

Mr Buckley—A lot of them are professionals and/or businesspeople. We have a tale of two cities within Peel, if we call it Peel or Mandurah. We have people from a lower socioeconomic area, but then a lot of people have come down here for lifestyle and have sold their businesses and/or retired or semiretired. So from our perspective—I talk purely from the small business centre—we look to get those people as mentors.

CHAIR—I was going to say that you would have a great skill base to draw from, I imagine.

Mr Buckley—Absolutely. And pull from, and we then hand that back. There is no payment arrangement to the mentors, although we have recently received \$75,000 funding through the federal government to our centre. Part of that is for mentoring. So we do now have a small pool to be able to give them. Hopefully we can develop that. I am trying to work a system out where we can fund that, be it federally and/or by the state or a combination of them. Most of these people are not looking for big dollar returns. It is to give back to the community. You need to cover their fuel costs. The problem we have is that Mandurah is only one area. The Peel region is 5,634 square kilometres. We go from Serpentine Jarrahdale, Byford out to Boddington, Waroona and back here and then Murray in the middle. So there is a fair distance to cover and there are costs involved. We also obviously have a duty of care if we are engaging someone. There are fairly dangerous roads out to Boddington, for instance. There are a lot of log trucks and all trucks running up and down there now. The roads are good, but they are quite narrow. So we have those issues. We need to be able to give them some sort of return. Otherwise it is costing them money and it is not what they need. But they are across the board. A lot of them are professionals. A lot of them are businesspeople, so they have the business smarts.

Mr NEVILLE—Thank you both, because I think it is a very good summation of the area. I suppose the thing that we are looking for are recommendations from both of you. What should we as a committee be recommending to the government? We have been asked to plumb the effects of the economic downturn on provincial cities and regions. So what government

initiatives do you think we should be recommending specifically to get regional areas out of this hole?

Mr Matthew—I think from our point of view, what this comes down to—this has been touched on briefly—is the economic base of the region. Paul touched on this a moment ago. You have two distinct areas. You have some industry and some mining in the form of Boddington and Alcoa, which are substantial. On the other hand, within Mandurah itself, where by far the majority of the population base is, there is a very, very limited economic base. In fact, you would probably say the growth in retail in the area has been based on the incredible amount of housing starts over the last five years in addition to the self-funded retirees that we were talking about and people who do not have that large excess income or available income, which has been lost to them over the last 12 months. So you have this strange dynamic where you have strong economic growth and industry on the one hand and yet where your large population is here in Mandurah, which supports a lot of the business, you have a very, very narrow economic base. Any initiative that will help bring commerce from the St George's Terrace side of business in Perth into central Mandurah is the sort of initiative that I think should be encouraged. They are the areas that have potential for growth for central Mandurah and the flow-on effect.

Mr NEVILLE—We got an earlier submission that shows you are very light on with managers and administration and some clerical areas. You have your share of professionals but not to the same extent as Perth and Subiaco and those places.

Mr Matthew—Is this in terms of people who are available in the workforce or businesses?

CHAIR—Where people are occupied. What they have been doing.

Mr Matthew—Okay.

Mr NEVILLE—It deals with about 10 subsets. I imagine that would be largely influenced by the state government. When we are talking about Canberra, what sort of programs do you need to fire up the possibility of industry? I am not talking about the smokestack industry. I am talking about—

Mr Buckley—Professionals. How do we fill that gap?

Mr NEVILLE—It could be IT, it could be light fabrication and all sorts of things like that. What recommendation would you have us make to the federal government?

Mr Matthew—Well, I think a lot of it is, as you pointed out a moment ago, working with the state government. It is a state issue, but it also would have greater support if it were supported by Canberra.

Mr NEVILLE—Mr Buckley, you said there are a lot of people out there willing to roll the dice. Both as an observer of the region and a small business adviser, what sort of programs or subsidies or seed funding programs do you need to get industry, including medium sized industry, off the ground?

Mr Buckley—I will just wind back slightly to what we were talking about a moment ago in trying to fill the gap with administration and executives.

Mr NEVILLE—I will let you deal with this business of getting some—

Mr RANDALL—On that, can I just get you, Paul, to explain your business incubator.

Mr Buckley—Yes. We have 16 units. We were given the land for 10 years by the City of Mandurah. We are over in what would be called the light industrial area towards Bunnings and Reserve Drive. We have 16 units. Three we have retained for our own operation and the other 13 are tenanted out under a licence agreement so we avoid the tenancy act. If there are issues, nine-tenths of the law is possession and so forth. We have a conference room there. We actively promote that to generate businesses out of perhaps the ute and/or the front lounge room. The businesses that are there are across the board. We have security, we have psychological counselling and we have human public relations and health care, where they engage part-time nurses and doctors and so on like that. So there is a fair diversification there. We only have four units that are unoccupied at the moment, but we are talking with people. So we envisage by 30 June that we probably will have a full book. We have only been there just over 12 months and we have already moved through about three or four businesses that have grown. They have a maximum of three years they can stay there. Their tenancy arrangement is month by month. We can either terminate their arrangement or they can terminate it with us if they choose to move on. So they are not having to sign long-term leases. So there are issues like that.

We believe there could be a small light industrial one done very similar to what was done in Rockingham. I am sure there are others throughout the state. They might be cooking manufacturers, where they can move in. Obviously that is going to clash with a professional. We could get another incubator to handle that. There is plenty of room out the back where we are to develop that. I am sure there could be a technology park with something like that grown to generate that. If you go through the marina there, outside of, say, Christmas, Easter and any long weekend and any public holiday, it is a ghost town. Subsequently, the spin-off from that is that the restaurants and all the other people are not being subsidised—the Bunnings and the hardware stores and whatever else—because they are not here. They are only here on a holiday and then they are gone. Most of those people are professionals. I think we could develop that professional hub. I know the City of Mandurah has been working very, very hard to get, say, a Myer or a DJ here for some time and technology back-up and so on like that. We have been trying to get banks here to put their decentralisation systems and processes here.

CHAIR—So, from a federal perspective, what sort of recommendations could we make that would assist that to happen? Are there tax incentives for companies to move into regional areas or to have their operations? I was talking to some of the witnesses before. One of the very successful examples that the Victorian state government has done is that it has taken all its state revenue—so all its taxing—body out of the Melbourne metropolitan area and put it in my seat in the city of Ballarat. The Traffic Accident Corporation in Victoria—you have an equivalent here—has gone out to Geelong. It has worked, unlike other areas. It has brought really high quality jobs into a district that may not necessarily have had them. What sorts of incentives can we put in place or things could we do that might help that dream that you have? You seem really well placed, both physically and in your proximity to Perth, to be able to do.

Mr Matthew—I think that Commonwealth departments and Commonwealth agencies being located in the area would be a certain boost. It is one of the things that I was talking about earlier. Providing incentives to light manufacturing and things like that is all well and good, but there has to be a demand for their services to start off with. So it comes back to that economic base again. There is no point giving someone a subsidy to set up a business for which there is little demand. So there has to be an underlying demand for that to start off with. As Paul said, there is a shortage of industrial land in the area. Industrial land is an issue. Again, it comes back to working with the state. A lot of these things are going to come back to the same thing. It is not a federal or state issue necessarily. What we think probably here is that it is a planning issue which covers all tiers.

Ms PARKE—Is the Shire of Murray on that?

Mr Matthew—Absolutely.

Ms PARKE—Because they have plenty of industrial land, they were telling us today.

Mr Matthew—They have more industrial land, yes, by all means. It is a local government issue, and it is a state and federal issue.

Mr RANDALL—On that, John, I understand from real-time news that as a result of today's meeting, the local government authorities have been talking about the Nambeelup industrial estate. When you put a coordinated approach like that together, and with the Perth to Bunbury Highway and then the Forrest Highway, do you see that now Perth will only be three-quarters of an hour at most—as you know, it takes sometimes more than an hour to drive across Perth—to your business here, where land is cheaper? Would that not be an incentive to come and locate here?

Mr Matthew—Absolutely. I keep telling people living in Pinjarra that I have two sets of traffic lights before I get to St George's Terrace. Yes, absolutely. I think that is a double-edged sword. The Forrest Highway is going to be excellent. For a lot of years we have complained in Mandurah about the traffic congestion during peak times. The Forrest Highway will be a magnificent facility for getting rid of that congestion. The other side of the coin is that a lot of retail businesses—it gets back to these foodies that we were talking about earlier—have relied on passing trade. People going from the city down to the south-west have called into Mandurah. This is an effect that we are yet to feel. There is going to be some negative effect come out of that for a certain sector of the industry for a number of years. That is going to be real. Again, it is an incentive to help the local authority promote this region to get people calling in and not bypassing it. So there is a double-edged sword there. On the positive side, getting back to what you were saying, the opportunity for industry to be located in the Peel region and close to the Pinjarra is definitely going to be a real incentive and that we have better access to the city, by all means.

Mr RANDALL—Further to that, my understanding, however, is that having this access through, as you say, is a double-edged sword. When I told a cynic in Canberra at a tourism forum that I was from the Peel region, somebody from Queensland piped up and said, 'Oh, that's the area you drive through to get to Margaret River.' Have you got any strategies from a local

tourism point of view, given your magnificent waterways and beachside location, to get people to stop and not go straight through?

Mr Matthew—We are actually setting up a group within the chamber of commerce to look at this very issue. Hitting on an earlier topic, it is making use of the array of wealth of experience and business knowledge there is that has retired into that area. We want to tap into that to try to get some ideas and some strategies forward to help promote this region. I think one of the downsides in the past is that it has tended to be promoted from a Mandurah perspective and then wider Peel rather than it being a coordinated strategy. I think all the help that can be given to that joint promotion will definitely benefit. In terms of specific strategies to this point, no, but it is being looked at.

Mr Buckley—Small Business Centre, Peel and the City of Mandurah are doing a joint venture with advertisements in the paper. They contact our centre. You then email a survey form on what they feel the impact is likely to be—are they totally reliant on drive-by traffic and so on like that? So it is interactive. If they answer any question yes, it brings up an alert. They send that back to us. We in turn arrange to go out and do what we call a business health check. Part of that is through state government funding. We also have part of the federal funding that we have received to enable us to do that. Then we can build strategies. We are meeting with Dean Unsworth from the Shire of Murray to do a joint scenario. I think those two will probably be the most immediately impacted. Bear in mind that at the moment some people may divert, go through Murray or Pinjarra and then on to Waroona, so they could be impacted as well. So it is early days, but we are working on that now.

Ms PARKE—Following on from Don's question about tourism, we note from submissions that Mandurah and the wider region benefits from intrastate tourism—people coming from Perth to spend time down here because it is accessible. With this global financial crisis, we can expect that people will do more of that—holiday at home. What is the accommodation situation here in this region for tourism? We heard in Geraldton, for example, on Wednesday that that is a real issue there. They do not have enough tourism accommodation there. What is the situation here?

Mr Buckley—We have quite a bit of new accommodation here that has been put forward. It has been absorbed fairly heavily at the moment with permanent residents right from Seashells to South Yunderup. There are a couple of places out there and a number of other areas in here where the permanent accommodation has been taken up ongoing by Boddington goldmine because of accommodation issues with their contractors. However, with them winding back their construction mode and now moving to production, that will wind back significantly and hopefully free up that accommodation. But there is quite a bit of accommodation within the Peel region. At this point, the Small Business Centre have not identified any major issues ongoing. In fact, it will improve when the construction of Boddington finishes and those contractors move on. That will free a lot of that up.

We are also working on a number of projects with a number of different major stakeholders in the region to make Mandurah a destination rather than, as one of Don's colleagues in Canberra said, a place you drive through to go to Margaret River. Well, that is fine, but maybe it is the place you stop at when going there or stop when coming back. That is what we need to do. We need to make it a drawcard. There is a convention centre. We have great facilities here. We and the Peel Development Commission have a strategy called the Pinjarra-Brunswick Sustainability

Strategy. It is funding to do business health checks, to do financial plans, business and marketing plans and so on like that. It is also to encourage tourism people. There is another project where we try to get manufacturers to try to cluster together and do packages. It is a hard task. You really have to grind away at it. I think we started, with tourism as an example, with something like 40-plus interested businesses. By the time we got to the final post, I think there might have been 15 to 20, of which I think only about two or three have moved forward on that. So it is very difficult. Clustering might be a bus tour and then onto a charter boat to go for a tour and then to a restaurant for lunch or dinner or out to a major sightseeing scenario in the region.

Ms PARKE—We heard evidence earlier about problems with broadband access and transport infrastructure. Has that been your experience as well?

Mr Matthew—We were asked this question not that long ago and made some inquiry of our members. It has not come up as an issue as far as our members are concerned. I will just backtrack a moment with regard to the accommodation. Neither have we been aware that the accommodation shortage for tourism is an issue. There is the new development run by Mirvac Finney. I am trying to think of who the lessee is. That has not come on board, but it is imminent.

Mr RANDALL—It is a first-class development.

CHAIR—Thanks for putting that on the *Hansard*, Don. We did get lost in the marina.

Mr Matthew—It is due to come on stream. I think that will certainly take up some if there is a shortage. Again, we are not aware of there being a shortage.

Mr RANDALL—I will finish on this. It needs to be said that there has been an amount of funds put into the local tourism information facilities just up the road from here. I would have thought that, given the highway, places like Serpentine Jarrahdale, Murray and even Dwellingup lend themselves to day trips rather than accommodation. That is an area that I know has been promoted but could be further promoted in terms of the regional foods and restaurants and visual amenity, given the great waterways that are here in the region. Is that something that you think is a bit underdone? How would you respond?

Mr Matthew—I think it is definitely underdone. I think it underscores the importance of a regional approach to tourism. The percentage here, I think you would find, is very much Mandurah based rather than Peel based. I think there is definitely a lack of a coordinated approach to attract to the total Peel region. Mandurah has obvious attractions in terms of the facilities and amenities that are here and the coastal area whereas the inner Peel region, with regard to other waterways and the hills regions, has its own attraction. I do not believe, and I think it is fairly well accepted, that the approach has not been coordinated as a whole-of-Peel approach sufficiently to date.

Mr Buckley—It is not very collaborative. They are very focused on their own little individual area. With respect to the LGAs, they have budgeting constraints. A lot of the visitor centres are combined telecentres; it is a whole mix rolled in together. They have to fund by the Pareto principle, I suppose. For 80 per cent of their income, they focus on where it comes from. That is what they focus on. It is tourism bookings or something like that or a commission. A lot of the smaller businesses are not in a position to be able to pay that so they do not register and become

a member. The telecentres and/or visitor centres do not have a regular cash flow income, so they focus on what they make money out of. We, along with the chamber, are working with those groups to try to change their thinking and try to look for alternative funding. We try to help them, develop them and have them all work on a collaborative basis. Everybody talks about Margaret River. When you go there speak to someone, they refer you to the next business.

Mr NEVILLE—The starting point, of course, is to have some iconic thing that attracts the tourist. In the case of Margaret River, it is the wine and the various things that spin about wine. I notice you have a sailing museum.

Mr Buckley—Rolly Tasker.

Mr NEVILLE—Yes. Things like that. As I was listening to you, I was thinking how you could take people down to it. I was thinking of my own experience in Bundaberg. We have this big Bert Hinkler Museum and Hinkler House. We have the Bundaberg Rum distillery with the tourist centre and the Bundaberg Ginger Beer factory and its tourist centre. There are a lot of things people will do if they come for a day. One of the things to do might be to try to have a workshop in something. For example, one thing that no-one in Australia has done—it always amuses me; you have rail museums and that sort of museum, aviation museums and car museums—is a diesel museum. There are diesel trains and diesel trucks. You could make a stunning museum. No-one in Australia has done it.

CHAIR—We are going to move on. Mr Raguse has a final question. I am just conscious of the time.

Mr RAGUSE—Contrary to popular belief, we did not get lost in the city last night. A small delegation went and walked through the marina area. The council gave some good evidence before about building activity. Mandurah is a beautiful city. There were comparisons with the Gold Coast and the hinterland I come from and this region. It is very true. I have a concern about overcapitalisation. There are lots and lots of buildings and infrastructure there that was in preparation or was part of that growth. The same thing happened on the Gold Coast 20-odd years ago. There were similar issues. It caused the city great grief in terms of maintaining facilities and public amenity during that time. It was probably 10 or 11 years before that space was fully utilised. The councils today gave us some very good evidence about where they are placed and how they are managing that. I guess from a strategic business perspective, given the fact that that infrastructure is already built and while it is going to be difficult for the city for some period of time, there is a legacy that has been built now that the city can move towards greater growth. What are your comments based on that? As a business community, what is the opportunity that exists at the moment? It is probably fairly tough for the city to deal with that lack of utilisation.

Mr Matthew—I think that is a real issue. There are some sections of Mandurah where people have purchased what they might call their beach house. It looks a lot better than a beach house to a lot of us, but it is their home away from home, if you like. The result of that is that, in some of these select areas, up to 80 per cent of those places are unoccupied for most of the time. So those particular areas become soulless. That lack of soul, if you like, in these clustered areas leads on to having, of course, a flow-on effect. There is not the same sense of community. Therefore, there is not the same flow-on from a normal suburban scenario, which would flow on to retail businesses and the like. You are so right. That is a real issue. I do think that we are possibly the

same sort of timeframe away. We may be 10, 15 or 20 years from the time when those places will be more like 80 per cent occupied rather than 80 per cent unoccupied, which will have those effects. In the meantime, yes, it is a real issue.

Mr Buckley—I think we were saying before—these all fit like a hand in a glove—that we need to work on making Peel the convention centre of WA. So people come to town. Rather than individually try to target families to come, go to where the source is. So if you are going to hunt ducks, you go to where the ducks are. You bring people together as a collective. If you can get 100 or 200 people here and they are all delegates and they see what WA is about or what Mandurah is all about—even local businesses—they come down and go, ‘Gee, it’s very close. We can jump on the train and fly down there or do whatever or we can drive.’ They come for the day. Then they want to come for the week. Potentially they may want to relocate here individually or personally and/or relocate part of their business or their business in total. I think it becomes a whole marketing thing because then you have the roll-on effect to all the other businesses. Subsequently, infrastructure can then grow and be fulfilled as that is in demand. But at the moment, in a lot of cases, as we have seen, there are huge amounts of capital being tied up over there and it is hardly ever being utilised really, in essence.

CHAIR—I thank you for providing evidence to us today. I am just conscious of the time. If, on the basis of today’s proof *Hansard*, you wish to make any further comments to the committee, please do so via the secretariat in writing. We certainly welcome any submission that you have to make. Obviously there are time factors. As we go around, things are changing quickly in some areas and slower in other areas. You may find that over time there are some additional things that you want to let us know about, so please do so. If we have any further questions, we will write to you. I thank you both again for providing evidence to us today.

[11.56 am]

CREEVEY, Ms Patricia, Mayor, City of Mandurah

SELBY, Ms Donna Lea, Regional Coordinator, Peel Community Development Group

CHAIR—Welcome and please forgive me. I have to leave exactly on 12 o'clock, as I think does Mr Randall. Mr Neville will take over from me.

Ms Creevey—Thanks for taking this at late notice. In summary, the Peel Community Development Group is a not-for-profit organisation. It has one staff person, Donna. It has managed to do a range of things that we will provide information to you about. Its role is really to be a peak organisation for community development in the region. Donna has been able to talk to a number of agencies who are working with people affected by the economic downturn. She is going to speak very briefly to the process that she went through and then make a couple of recommendations, so we will only take a few minutes of your time. We ask permission for our submission to be accepted.

CHAIR—I will get Mr Neville or Mr Raguse to move that we accept the submission that has just been provided before us.

Ms Creevey—I will hand over to Donna, Madam Chair.

Ms Selby—Thank you very much for the opportunity to present the submission today, especially on short notice. The Peel Community Development Group, often referred to as the PCDG, has compiled this document on behalf of many of the welfare organisations of the Peel. We attempt to be their mouthpiece with regard to some very real issues and ramifications surrounding the global financial crisis. I thank Mayor Paddi Creevey for being here as chair of PCDG and supporting this application as well as assisting me in answering any questions that you might have.

What we found when we did some investigation in the Peel region—this is very scant, very brief, very much an overview; often you will find that beneath what is happening on the surface there is a much deeper problem, so we felt it was right to bring it to your attention—was some very real trends emerging in the welfare sector. There is a marked increase in what would be considered very normal families now approaching welfare organisations for assistance. We have a couple of examples in our submission. The Salvation Army in Mandurah is saying that they are seeing in excess of 12 new families per week. That is new. That is not existing clients or clients that they have seen a year ago or two years ago. That is new. On one day, a Thursday, a day that they would normally be closed, they actually had 14 calls before midday. So there is a very real impact happening out there in the community.

There are some comments that are similar across the board. Again, that is a reason we thought it was important to bring it to your attention. One is with regard to redundancies. Apparently what is happening is that many people receiving a redundancy package do not actually want to approach Centrelink for assistance until the very last moment. They stand in their place of pride

and go out and try to find work before they go down that road. They then find that when they do get to the point of absolute desperation and go to Centrelink, they have a very onerous process they have to go through. We have had reports of up to six weeks waiting time for people in this situation. They then have to wait.

There is also the case of those people that do go to Centrelink. When they get their redundancy package, apparently the system in place at Centrelink at the moment is that they actually have to spend their holiday pay and their redundancy package before they can start to get Centrelink benefits. So we are seeing people that are selling off their hard-earned assets that they have worked for as a family. That has huge ramifications.

CHAIR—That has been the case for a long period of time but it is not often widely known. Certainly in my own district we are seeing people who have never experienced unemployment before. They are unaware of the rules. One of the things we have been doing is trying to get people information very, very quickly. Certainly we have had experiences of people putting their redundancy package straight into their mortgage and then realising that there is a waiting period for Newstart allowance and there is an expectation that redundancy would support them financially until Newstart would start. We have experienced mass redundancies in my own district, so it is actually easier to get on site into a workplace and do that. If there is one person or things like that, it is a bit harder. Is Centrelink getting in early to provide that information so people can make decisions about what their financial future might be?

Ms Creevey—No. I think the problem is that as unemployment went down, the staff were cut. The staff are very overwhelmed. There are long queues. Previously Centrelink would go to places where redundancies were happening and provide that information. That is not happening now. I think that is because of the staffing and the pressures that Centrelink are under. It is not the individual staff. The system is slow to respond.

CHAIR—Thank you.

Ms Creevey—There is not the information in the public domain. There is not press releases about when you should go and what you should do. These are families who have never been in that system before.

CHAIR—Thank you. Sorry to interrupt your evidence.

Ms Selby—That is fine. So we are seeing that problem a lot in our local community. I am just trying to pick up the pieces here. Some of the statements commonly reported to the welfare agencies are exactly as Mayor Creevey has said. Centrelink staff seem to be overwhelmed and under-resourced for the workload. It can take up to six weeks for clients to be granted an interview. There are long queues. As Mayor Creevey has just referred to, there is a lack of information in the public domain.

We are also seeing in Mandurah a similar case with regard to migrants. We are having an increase in migrants in the area seeking assistance. A lot of those migrants have come from the east or from some other area, where they have received their benefits, and they cannot access them here. So they are being quite hard hit. All of this then puts increased pressure on the

welfare organisations themselves. So you can imagine that they are struggling under the strain of this extra burden at the moment and their resources are finite as well.

There is another impact—again, it is a response that we had across the board—of the increase in unemployment, the lack of finances in the family unit and the increase in rents that is putting a huge amount of pressure on our area. The fact is that Mandurah does not have the crisis accommodation and affordable housing accommodation that we really need to be able to support what is happening out there in our community at the moment. Again, that is a comment from across the board. Mandurah is in dire need of help with that sort of accommodation.

We have tried very much to make this submission have some positive aspects. We did not want to dwell on the negative but actually feed into the process some possible parts of a solution package, if you like. We have dot pointed them as lifestyle courses. This was one of the suggestions from both St Vincent de Paul and the Salvation Army. People need arenas where they can be taught how to budget. That knowledge just is not there in our community today. It was something I was discussing with somebody not long ago. My parents' generation was the generation that was born after the Depression. They learnt to be frugal. Our generation was born at a different time, when we were given a lot more. We have not got that same knowledge of how to be frugal. I think our children know even less. Really we need to get back to basics and get back to grassroots and start teaching people the skills of how to survive on less.

With regard to community promotion, let us have our community get a win out of this situation. If there are people who are working part time instead of full time or are not working at all, let us encourage those people and give them incentives to become volunteers in the community, to start giving back. If they are working with organisations that are dealing with the effects of the global financial crisis, they are part of the solution package while being a part of the impact, so to speak. That is another point.

Promote the need to access Centrelink immediately. We are putting out a media release today as a result of this submission to try to increase people's knowledge of the steps they need to take and when they need to take them. Assistance with that would be very much appreciated. We also need to look at the effects that this is having on our welfare agencies. We already know that volunteers suffer a great amount of burnout, especially volunteers that work in this sort of domain, where there is so much pressure on them emotionally from the work that they do. So I think that as part of a solution package we need to look at supporting the welfare organisations and supporting the volunteers that work within them. Thank you for your time.

Ms Creevey—Acting Chair, that really is the basis of our submission.

ACTING CHAIR (Mr Neville)—Yes. I was just looking at it. It is quite good. You outline very clearly the problem areas and the queues, the fact that Centrelink staff seem to be overwhelmed and so on. Then you put your four solutions down at the end of the submission. So there is really not much more.

Mr RAGUSE—I think it is very impressive the fact that you have a mayor that chairs up an organisation like this. I think that is so important for the community. Being in a position to be able to make decisions at another level, I think, is very important. In every community, even before the global issues we are experiencing, community organisations had to provide services

or outreach on the ground and coordinate them at the local level. Having elected representatives aware of the activities involved is very difficult. As a member of parliament, I know that. I want to ask a question about your organisation. Is yours a coordinating role?

Ms Creevey—Yes. I have to be frank with you. We are trying to source funding to employ a coordinator to do that work. Everything is done in projects, as you know, these days. So it has been a very interesting several year period. This organisation grew out of the *Peel away the mask* report that Ian Hill mentioned earlier. That was a landmark report for this region because it spelt out why the organisations were under so much pressure. It benchmarked us to some of the United Nations criteria of what makes a healthy community. It showed up some of the real gaps.

A lot of things have improved since then. As a result of that, we have tried to find solutions. It was the Regional Solutions funding that gave us our start. Our constitution requires that we have representations not just from the local governments but from all the regions. We have a very strong relationship with the Peel Development Commission. They are our host in terms of where Donna actually sits. There are representatives from every local government on the board as well as community members. So it is very much linked in. We play a role with the Peel Development Commission. When the commission is working out regional priorities, we put forward what we think, after consultation with the groups on our database, are the social priorities that should go forward for state funding to the budget. So we have those links. We make sure we work them very well. Trying to find the fund for a coordinator is probably our biggest challenge. Having said that, we know that unless there is a coordination, you will get duplication and you will get people in sole jobs who will just burn out unless they have a framework or a network to relate to.

Ms PARKE—In relation to the issue of social housing and affordable housing, is there an effort underway for the region to access the programs that the federal government has set up in terms of the National Rental Affordability Scheme to get private investors interested in building affordable housing? Under the economic stimulus package, we are seeing \$6 billion being put into 20,000 new social housing units.

Ms Creevey—Yes. Part of what Donna does is disseminate information to all the small, not-for-profit organisations so that they are aware of that. Some of our groups have met with developers, who have a number of options going. We have sort of facilitated some discussions. So our understanding is that both on the affordable housing for key worker accommodation but also on the social and community housing, submissions have gone forward to really try to address the issue. As Donna pointed out, one of the problems that we have has been the lack of crisis housing in the area. As Mark outlined earlier, the affordability problem has just meant that we do not have boarding houses. The caravan parks that are in private use have been sold for development, as is happening all around the country. We have been addressing this. We contributed to the Peel affordable housing taskforce that went to the state government. So the group has been very proactive in trying to facilitate the groups getting together to put those submissions in.

Mr RAGUSE—I notice that you home in on a number of points. In terms of the employment and training programs that we are putting forward as a federal government, and the ability to access that sort of funding, have you any specific plans of what those programs might entail? Generally, yes, there are ones about lifestyle. They are all important. But in terms of future

planning and future jobs, is there something that your organisation would be directing in one particular area?

Ms Creevey—Our role would be working with probably the local governments. There are a few scenarios that are coming forward. We will be part of a group that is being convened within a month following the Prime Minister's visit to the City of Cockburn. This southern sector, as you know, is one of those areas. Melissa was at that meeting. So we will be involved in that. Our role, given our solitary resource, will be to try to fit people together and look for where partnerships can develop. That is something that we are working on. That meeting is being convened in the next week or so. We have a commitment to try to get the first meeting within the month of the announcement. So our job is really more of the facilitating, bringing the ideas together, letting people know about it and making sure that they come to those critical meetings.

Ms Selby—I think that having the TAFE has been a real bonus and boon to the city. I am only six weeks into this position. Paddi has been an absolute fountain of information. From what I have heard and definitely from the charter and strategic meeting that was held, the emphasis is to expand the TAFE premises and to expand the university so there are more courses to be operated from this area.

Ms Creevey—Yes. There is a big push in that area. I think under some of the packages, there is a big development submission has gone in for just that—to expand the kinds of courses that are relevant to this region.

ACTING CHAIR—You have compiled a lot of very good raw data. You can really see where the hot spots are from that data.

Ms Creevey—From the agencies—Donna just had very short notice—we were able to get some figures, but we could not get that fully compiled. The agencies have been so snowed under trying to get that kind of information. But we have a close enough relationship with them that we have already been aware of this. They are able to give us some figures.

Ms Selby—Fran from St Vincent de Paul actually has a letter in draft that she was planning to send to MP Gary Gray, so we would be more than happy to feed that into this process as well, if you would like.

ACTING CHAIR—Rather than send a copy of a ministerial letter, it might be better if she put her thoughts on paper to the committee.

Ms Creevey—Yes. We will follow up with the other agencies as well.

ACTING CHAIR—Send it in as a submission.

Ms Creevey—Thank you. We appreciate that advice.

ACTING CHAIR—Sophie can give you the address and everything.

Ms Creevey—Thank you.

ACTING CHAIR—I would like to thank you, Councillor Creevey and Ms Selby, for your evidence. You put another perspective. Probably of all the places we have been, you have put that human dimension on the sort of work we have been doing. That helps fill in a lot of gaps. At the end of the day, we are in this business to deliver a better lifestyle and to ameliorate the effects of the economic downturn on people. While I still have you at the table, I would like to once again, on behalf of the committee, thank you for your hospitality and generosity in allowing us to use these chambers today. Let me say how obliging your staff are as well.

Ms Creevey—We will pass that on. I thank you most sincerely. You have no idea what it means to the groups that have had the opportunity to speak to you face to face. We do feel we are a long way from where a lot of decisions are made. Though we have very good representation, especially locally with Mr Randall and Mr Gray, to have access to you as a national body is just fantastic. For a community organisation to actually see they can present information directly to the parliament, that is a great privilege for us. Thank you very much.

ACTING CHAIR—As you know, if you have any supplementary material, please send it in. If we need to come back to you, we trust that we can come back to you for any additional information that might be required. If you could stay at the table for a few minutes, I have a few formalities. I would also like to thank our staff from Canberra, Sound and Vision and Hansard for their services and for making our lives a lot easier for being here and by creating a definitive record of our activities. In your case, as we said before, you will receive a copy of the *Hansard* draft transcript to which you are entitled to make editorial corrections, not corrections in meaning.

Resolved (on motion by **Mr Raguse**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 12.18 pm