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EMPLOYMENT, EDUCATION AND TRAINING REFERENCES
COMMITTEE

Reference: Regional employment and unemployment

TUESDAY, 4 AUGUST 1998

ROCKHAMPTON

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SENATE
EMPLOYMENT, EDUCATION AND TRAINING REFERENCES COMMITTEE

Tuesday, 4 August 1998

Members: Senator Crowley (*Chair*), Senator Tierney (*Deputy Chair*), Senators George Campbell, Carr, Denman, Ferris, Stott Despoja and Synon

Substitute member: Senator Mackay

Participating members: Senators Abetz, Allison, Bolkus, Brown, Colston, Crossin, Forshaw, Mackay and Margetts

Senators in attendance: Senators George Campbell, Crowley, Mackay and Tierney

Terms of reference for the inquiry:

- (1) An assessment of the factors that contribute to the disparity in employment levels between different regions and also between regions and capital cities, as well as the continuing high levels of regional unemployment, with particular reference to:
 - (a) the impact on job opportunities as a consequence of increases or decreases in the level of federal, state and local government funding and services;
 - (b) the direct and indirect loss of income to regional communities;
 - (c) its impact on the level of private sector investment and activity in regional communities;
 - (d) the effectiveness of labour market programs and vocational education and training on job creation in regional areas; and
 - (e) assessment of the effectiveness of current and previous governments' funding and program delivery in promoting regional job creation.
- (2) an examination of remedial strategies that have or can contribute to reducing regional unemployment, including any overseas experiences.

WITNESSES

BRAZIER, Mrs Joan Lynette, Executive Officer, Wide Bay Burnett Area Consultative Committee, The Globe, 190 Cheapside Street, Maryborough, Queensland 4650 1182

BROWN, Councillor Alan, Mayor, Maryborough City Council, PO Box 110, Maryborough, Queensland 4650 1182

COWAN, Mr Adrian Gerarde, Committee Member and Chairperson, Training and Skills Development Subcommittee, Mackay Area Consultative Committee, Jobsnet Association Mackay Inc., PO Box 1659, Mackay, Queensland 4740 . . . 1147

HORNAGOLD, Mrs Margaret, Community Development Officer, Capricornia Aboriginal and Islander Tertiary Education Centre, Building 31, Central Queensland University, Yaamba Road, North Rockhampton, Queensland 4701 1099

JACOBS, Mr Neil, Group Manager, Governance and Strategy, Rockhampton City Council, Bolsover Street, Rockhampton, Queensland 4700	1133
KEENE, Mr Peter Frederick, General Manager, Capricornia Training Company Ltd, Foundation House, GPO Box 1252, Rockhampton, Queensland 4700	1158
KENNY, Mr Michael John, Executive Officer, Mackay Area Consultative Committee, Jobsnet Association Mackay Inc., PO Box 1659, Mackay, Queensland 4740	1147
McRUVIE, Mrs Jean, Chief Executive Officer, Cattlemen’s Union of Australia, PO Box 1324, Rockhampton, Queensland 4700	1218
MERRY, Mr Gregory John, Group Manager, Client Services, Rockhampton City Council, PO Box 243, Rockhampton, Queensland 4700	1133
MOBBS, Mr Kym Ashley, Chairman, Central Queensland Area Consultative Committee, 130 Victoria Parade, Rockhampton, Queensland	1117
WEASE, Mr Grahame Gregory, President, Rockhampton Chamber of Commerce, PO Box 58, Rockhampton, Queensland 4700	1209
WORMALD, Mr Kevin Brian, Chief Executive Officer, Gladstone City Council, PO Box 29, Gladstone, Queensland 4680	1200
WRAGG, Mr James Rowland, Executive Committee, Local Aboriginal Employment Promotion Committee, Unit 2, Gladstone Regional Enterprise Centre, Beckinsdale Street, Gladstone, Queensland 4680	1099
ZENTVELD, Miss Elisa Rose, Economic Development Manager, Gladstone Area Promotion and Development Bureau, PO Box 5186, Gladstone, Queensland 4680	1200

Subcommittee met at 8.36 a.m.

HORNAGOLD, Mrs Margaret, Community Development Officer, Capricornia Aboriginal and Islander Tertiary Education Centre, Building 31, Central Queensland University, Yaamba Road, North Rockhampton, Queensland 4701

WRAGG, Mr James Rowland, Executive Committee, Local Aboriginal Employment Promotion Committee, Unit 2, Gladstone Regional Enterprise Centre, Beckinsdale Street, Gladstone, Queensland 4680

CHAIR—Welcome everybody. I am happy to declare open this public hearing of the Senate Employment, Education and Training References Committee. Today's hearing at the Capricornia Trading Company in Rockhampton is part of the committee's inquiry into regional employment and unemployment. The committee prefers all evidence to be given in public but should you wish to give your evidence, part of your evidence or answers to specific questions in camera or in private, you can ask to do so and the committee will give consideration to your request. I point out, however, that evidence taken in camera may subsequently be made public by order of the Senate, as has happened in recent years. If you would like to make an opening statement, senators will then put questions to you.

Mrs Hornagold—I am here primarily as a representative of CAITEC within the Central Queensland University. I will also be raising issues in relation to Aboriginal and Torres Strait Islander employment as a whole throughout central Queensland as I know it and that will be the basis from which I come. I will be focusing on Aboriginal and Torres Strait Islander students and employment issues for those people. I would like to cover a number of other areas in central Queensland as well.

Mr Wragg—I have been put in a fairly difficult situation, inasmuch as I was asked to appear on very short notice. Mr Ingra, who is negotiating with some people in Brisbane on employment issues today, asked me on Friday afternoon if I would appear. Essentially, LAEPC was established to further the employment opportunities of Aboriginal people throughout Australia. The Gladstone LAEPC committee was established 2½ years ago to focus on furthering employment opportunities for Aboriginal people within Gladstone, Rockhampton and regions west of Gladstone. I will be looking at those issues during this committee hearing this morning.

CHAIR—Perhaps you should each give us a five-minute summary of the main issues and then we will ask questions to tease out some further information. What you can do is give the committee information that you know would be useful to us in terms of our concerns about regional development and regional unemployment and anything further.

Mrs Hornagold—I might go backwards and forwards, too, with LAEPC, because I have a little bit of knowledge about the Gladstone LAEPC as well.

In terms of employment for Aboriginal and Torres Strait Islander people here in central Queensland, I worked for the CES a number of years ago, and I am somewhat concerned about the changes that have come about because of the new situation with the removal of the CES and the establishment of the private provider system. I know it is still early days yet,

and there are still a lot of teething problems to get through, but, just from talking to people—particularly around Rockhampton and some of the centres close by to Rockhampton—it still seems, particularly for indigenous people, that the information about the changes and the new way in which they have to do business to acquire employment or to find out about training opportunities is still very slow in getting out to people.

Everyone here would be familiar with a lot of the social indicators for indigenous people, and unemployment is particularly high as one of those. There are high levels of unemployment. For indigenous people it has taken a fair while to get comfortable with the CES system, and now that system has gone. Even speaking from my knowledge of the role of the Aboriginal employment training branch—and I worked in that branch, which was once a part of the CES—at that time they had the role of canvassing vacancies, of making the CES a more user-friendly place for indigenous people, and that certainly went a very long way here in central Queensland towards encouraging people to come in and use those facilities.

There are between nine and 11 private providers here in Rockhampton, say, now that it is split up. People have to feel comfortable about which ones they can access. I know there is one in particular that indigenous people tend to go to more regularly than perhaps they go to other providers, only because of the people who run that agency. This group I am talking about is also a FLEX 3 provider which would incorporate a number of the long-term unemployed indigenous people anyway.

It seems that there is a breakdown in communication and with the information that is getting out. We have all heard about the long queues of people going to Centrelink to register. The system seems to be not operating there at the moment. I have talked, as well, to people who have worked within Centrelink, and it is a very traumatic time for people who are employed there, too, as they have to deal with the impact of these new changes.

One of the other issues that did come up was the rolling in, I suppose, of Austudy and Abstudy to Centrelink as opposed to when they had their own office and people went there for that type of benefit. Now they have to go to Centrelink. Somebody said to me that if people want to remove this image of a welfare system they did not do it too well by placing it all back in Centrelink again, because the image in the community is that that is where you go to get your dole. So you have people who are students, who are accustomed to Austudy or Abstudy, who now have to get in line with people who are unemployment benefit recipients or pension recipients. And there is the waiting period that that takes as well to be considered. Once upon a time there was an office and people ducking in pretty quickly to get their business done, but it is now a matter of taking your place in the queue.

Accessing Centrelink at the moment is an awkward situation. The university here is a little way out of town and people, if they are wanting to do anything about their Abstudy, have to come in. It usually means you have to put a whole day aside to do your Abstudy business whereas, once upon a time, it may have been that you could duck into the office in town and complete your business fairly quickly. You went to that place where there were people who knew what your business was because Abstudy payments were their responsibility. Now you may go into Centrelink where you may see a few different people before you finally get to the one who is more familiar with your case.

With the queues, with the delays, people with children have to wait enormous hours in lines at times for service. It is starting to turn people off. People are just giving up and not going there.

The other situation that really has raised its head in Rockhampton—and I guess it has happened in other places—relates to those people who are not unemployment benefit recipients. They are in the wilderness. I have raised this a couple of times in other forums I have been at. They are not on any benefit therefore they do not attract any dollars for private providers even if they look at taking them on. So what happens for those people? As I said, they are in a wilderness; there is nothing there for them.

Being privatised is all about dollars, about getting money to place people on, and about employers getting some money as well, but these people do not attract anything. But they could be people who are very job ready with very marketable skills. So where do they go? In the old days with the CES self-service procedure, the ones who were comfortable with that could come in and use that quite quickly to get out and find work. As it is now, they just seem to be a lost cause.

The other thing I wanted to touch on briefly is that, with the removal of the CES, particularly for indigenous people, there does not seem to be a central point of focus where people can go and where there can be a compilation of any statistics in relation to the elevation or lowering of unemployment levels. I am a bit worried about that, because anything could be said to you about the situation being fine, and so on, but you know from your own home town that unemployment could be growing. You see a lot of people out there who are not doing anything and not even receiving any benefits; and yet there are no statistics to alert government to that fact. I do not know what the central collection agency will be, under this new private provider arrangement, for compiling statistics to give you monthly or quarterly figures on the employment trends in this region. That is another concern, as well.

CHAIR—If you would like to leave it there, we can put questions. Maybe we can hear from Mr Wragg now and then come back to you. I give notice that I would like to ask you some questions about the Aboriginal students at the university: what sort of courses they are doing and so on, and numbers, et cetera. We will hear from Mr Wragg first.

Mr Wragg—I have a background similar to Margaret's, inasmuch as I was the regional manager with the CES in Gladstone until I retired last year. The LAEPC committee in Gladstone is currently funded, albeit on a very small basis, through DEETYA, and that is just administrative money to pay the running costs of the organisation. All of the people who work with LAEPC currently do so on a voluntary basis.

LAEPC Gladstone is trying to bridge the gap between what the CES used to provide through their Aboriginal employment offices—particularly for the FLEX 3 clients in a number of private employment agencies that are now coming into play in Gladstone—by providing a service on a fee-for-service basis to gather together enough money so that we can start paying people to become mentors: I suppose 'mentors' is the best word to describe them. There is a considerable gap between employers and people within the Aboriginal community. You are talking about two completely different cultures here, and there needs to

be cultural awareness training, not just for the white side of the community but also for the other side as well: there needs to be an understanding in the workplace that people do come from different backgrounds and that they have different needs.

A lot of the difficulty we have in placing Aboriginal people in employment is because employers do not understand some of the special needs—perhaps special training needs—that have to be taken into consideration. LAEPC's role is to get out into the business community and explain these differences, provide cross-cultural awareness training and provide a mentor service to employees. But we are finding it extremely difficult, as I said, because most people who are doing it are doing it on a voluntary basis in their spare time or, if they are unemployed or senior members of the Aboriginal community, they do it because they want to see people advanced, and not simply staying on benefit. That is essentially where LAEPC is coming from.

Our concern is that a lot of people are put into jobs because there is an unemployed person and a job vacancy. There is no consideration taken of the ability of that person to do the job or of the training needs or any other special needs that that person may have. Invariably, in those situations, the person fails and is branded a no-hoper. That is completely wrong. It is through no fault of their own that they have actually failed in the position that they have been put into.

CHAIR—If you think of other things, please add them, otherwise I will now ask my colleagues for questions.

Mrs Hornagold—Could I just say before we move on, regarding LAEPC, a LAEPC has been trialled in Rockhampton as well, but it has not had the success that Gladstone's seems to have. I attended a function in Gladstone about a month and a half ago, with all the private employment providers and other captains of industry down there. It was an excellent two days that they ran, and it was good to see the support that came from the business, mining and indigenous communities in Gladstone for LAEPC. I have heard that LAEPC Gladstone may go regional: if other places cannot get their own LAEPC up and running, Gladstone will take over the role of the regional LAEPCs. It is doing quite a good job down there. They have placed about 132 people already in positions.

Mr Wragg—In 12 months.

Senator GEORGE CAMPBELL—What is the level of unemployment amongst the Aboriginal community in this region?

Mr Wragg—It is about 32 per cent.

Senator GEORGE CAMPBELL—Where are the job opportunities for indigenous people in this area?

Mr Wragg—Traditionally they have been at the lower end of the employment scale, in labouring and non-technical areas. We are trying to raise their opportunities further up the scale by either reskilling people or training them so that they become better equipped to be able to sustain full-time employment in the more technical areas of the workplace. Most of

the employment opportunities are in the mining industry or within councils, but they are at the lower end of the employment scale.

Senator GEORGE CAMPBELL—But it is within general industry, as opposed to farming, cattle ranching, and so on?

Mr Wragg—That is right.

Senator GEORGE CAMPBELL—Through the groups that you both belong to, were you able to access the labour market programs under Working Nation? Will they have any impact amongst the Aboriginal community, particularly in providing training programs?

Mr Wragg—The only way we could access them was when the person was eligible for benefit under the guidelines for the program and we could place them through what used to be the CES. We did have some success. There was a joint venture with Minenco and the Gladstone Institute of TAFE, where the CES actually brokered a training program to train people before they went on to the expansion site. That was for the \$2 billion expansion of the Boyne Island smelter. The agreement was that a percentage of the people who were actually put onto those courses would be from the Aboriginal and Torres Strait Islander community. We actually brokered that in to the agreement. It was very successful.

We are trying to do a similar thing now with the Stewart Shale Oil project, which is a similar project to the north of Gladstone, where the training will actually be conducted before people go onto site. Once again, the funding is now no longer available. There used to be funding under TAP. We do still use the major employment strategy, the A20 strategy, for funding, where it is available. But once again, we have got a very good working relationship with Noel Goetz, who is the manager from Townsville. Noel is a very good friend of mine. He is always open to suggestions and always looks at ways that he can help us: rather than put up barriers by saying, 'We cannot do this,' he says, 'Let's give it a go, and here's what we will do.'

Senator GEORGE CAMPBELL—Who is funding the current training programs you have in place?

Mr Wragg—They are usually funded now through the mining companies.

Senator GEORGE CAMPBELL—The mining companies fund them directly?

Mr Wragg—That is right—unless there is a specific project that we can identify and approach DEETYA to fund through A20 as a major employment initiative.

Senator GEORGE CAMPBELL—Do you have any strategies for ongoing skills development for the indigenous people in this area?

Mr Wragg—I have just finished working on a report for the community development plan, which has identified a need to do a skills audit for all of the people within the Aboriginal community who are willing and able to work, so that we can then address the

needs and put in place a strategy to develop some training programs that will actually help people move from a situation of being unemployed to one of being ready for employment.

Senator GEORGE CAMPBELL—When do you expect to have that document completed?

Mr Wragg—The document is in its draft stage at the moment. It is going to a board meeting this month, hopefully. Once the board has had a look at it, we will be putting in place an action plan, which will have key dates and key people responsible for actually managing the various tasks within that program.

Senator GEORGE CAMPBELL—Could a copy of that be made available to this committee?

Mr Wragg—Yes, it can.

Senator GEORGE CAMPBELL—We would like to look at the sorts of issues that you address within that strategic action plan.

Mrs Hornagold—Could I just raise in response to that question the fact that it shows an example of what is coming out of Gladstone with LAEPC, because there is nothing of that quality here in Rockhampton. That issue of finding out what skills are there in the community has actually been raised by a number of indigenous organisations, for a start. We had some workshops with them and that came up. It then comes back to the fact that our core business, at the moment, is tertiary education—and its resourcing and funding—to try to get in there—not for us, but for whoever it might be—to start doing those skills audits.

Again, as Jim just said, the mining companies seem to be the ones who are driving a lot of this at the moment. We have Western Resources here with the nickel mine. They are looking at some kind of educational employment package. There is also the Chevron gas pipeline. They are probably two of the major players, in terms of indigenous communities around here anyway.

Senator GEORGE CAMPBELL—Is that being driven on a needs basis by those companies?

Mrs Hornagold—Yes. They would not come our way if they did not want something.

Senator GEORGE CAMPBELL—I am sure; it is not benevolence.

Mr Wragg—I think Margaret raised a very interesting issue. I can remember, when I was at the CES, suggesting that we were going to establish the LAEPC in Gladstone, and I was told it would not work. The reason that the Gladstone LAEPC has been so successful is the fact that there are a number of dedicated people who have been prepared to make it work. It is very easy to just turn your back on it and say that it is too hard, it is just too much trouble and we are not going to get involved.

Wally Ingra is one of the main people behind having it work and he has had a lot of support from within the community. I know for a fact that the local mayor, plus most of the industry leaders, are behind LAEPC because of its integrity and the fact that we have actually been able to deliver. We have said that we are going to do something and we have come through with the goods. We have not said that we are going to do all these wonderful things and then walked away from it hoping that it is going to happen. We have actually followed them through to the end. I think that is the major difference between Gladstone LAEPC and the other LAEPC committees that have been established.

CHAIR—What does ‘following it through mean’, Mr Wragg? Tell us a little of the detail; sketch it out for us.

Mr Wragg—If we say that we are going to provide a mentor support to industry, it does not mean that, for the first couple of days, if there is a problem, there is going to be somebody there. It means there is going to be somebody allocated who is going to be available on a 24-hour basis, because most of the jobs in Gladstone are on shift work. If there is a problem with an employee or if somebody does not turn up to work, the mentor can be contacted. It is not a matter of saying, ‘It is 11 o’clock at night; it is too late; do not worry me at home.’ It is a matter of saying, ‘Yes, I will get on the phone; I’ll get the person to work.’ There is a dedication from the mentors to actually follow through to ensure that there is a commitment, not from the LAEPC committee, because that is just a committee; it is just a name. It is dedication from the people who work on the committee to ensure that it succeeds.

The other thing that we have done in Gladstone is to make sure that all of the senior positions on the executive committee are filled by indigenous people. I have been asked if I would take up a senior position on the committee and I have said that I would prefer to give advice, to be an executive member but not to hold a committee person’s role.

CHAIR—Has the word gone out amongst the Aboriginal people?

Mr Wragg—Yes, it has.

CHAIR—Do you reckon that they have got the message that, if they really want to take up this offer, there are going to be people there who will back them, and it makes a difference?

Mr Wragg—That is right, it does, indeed. We have had a lot of knockers. We have also had a lot of people from as far away as Melbourne saying, ‘Why is your LAEPC committee so successful? Can you come down and show us what to do?’ We say, ‘Yes, we can if you will pay our way.’ Then it falls in a heap because obviously there is not enough funding within community based organisations to pay for our people to spend maybe two or three weeks at another site just to pass on our experiences and to tell them what we have actually done to make our committee successful.

CHAIR—The Aboriginal families, the parents of these young people—I am presuming they are young; am I wrong? What age are these people who are going to work?

Mr Wragg—You are looking at people from young teenagers still in school, through to mature people in their late forties and early fifties. We cover a whole range of people.

CHAIR—Is the family support also pleased with the outcome here?

Mr Wragg—They are, because it is not just unemployment that we are looking at, there are social impacts as well. If you can get people into employment, it then removes them from a social situation where they are tempted to get into things that are not as desirable within the community, such as crime and drugs. The other thing that we have looked at is trying to encourage the students at school to look at a career path from around about grade 8, because it is no good going along at school studying in an academic form if you want to become a blue-collar worker. It is really trying to encourage them to select what they want to do early on in school life, so they can choose the subjects that are going to be appropriate to their career further down the track.

Mrs Hornagold—One thing I have noticed with the Gladstone LAEPC, and also in other areas where it seems to be picking up with work for indigenous people and good links, is the role of the local shire council, mayors and councillors. As Jim said, the Mayor of Gladstone and councillors have been right behind that project. I certainly see those people as key features within any employment things that might happen in a region.

Senator GEORGE CAMPBELL—You mentioned earlier the skills audit. Are you aware of any group in this community that is doing a skills audit of the community?

Mrs Hornagold—Not at this point in time.

Senator MACKAY—Can you give us a bit of a picture of what there was under the old system and what there is now under the new system? We have a list in front of us of four providers, but they exclude Employment National, for example. Employment National is the old CES. I think the old CES would have a fit if anybody said that to them these days.

CHAIR—I do not know whether the CES would, but Employment National would, wouldn't it?

Senator MACKAY—The people who worked in the CES are very unhappy about Employment National, as you know, Senator. Can you just give us a picture about what there was and what there is now in terms of the employment services market here?

Mr Wragg—My perception is—and I still try to keep a finger on the pulse, so it is possibly fairly accurate—that in the old CES days if somebody came into the office it did not matter whether they were unemployed, on benefit or five years unemployed; we still gave them the same service.

Senator MACKAY—I am sorry, I did not make myself clear. I am aware of that. In terms of providers, how many were there in the CES? How many were there in terms of the old contract case management provision, and what is there now?

Mr Wragg—In Gladstone there were two providers in the old days, and now there are five.

Senator MACKAY—Who were the two providers under the old system?

Mr Wragg—There was the CES and a contracted case manager in town through the state department of education.

Senator MACKAY—How many were in the old CES here?

Mr Wragg—Number of staff?

Senator MACKAY—Yes.

Mr Wragg—It started with 26 when I took over, and dropped down to 12, and now there are four.

Senator MACKAY—So it started at 26 and presumably the four that are left are Employment National.

Mr Wragg—They are, yes.

Senator MACKAY—There was one contracted case manager through the state department, did you say?

Mr Wragg—That is right. They had three case managers.

Senator MACKAY—Plus support staff presumably, of some description. Now there are five. Is this Minniecon & Burke Pty Ltd, Employment North Limited, Concept Human Resources Pty Ltd and Job Find? Are they the four, plus Employment National?

Mr Wragg—There is another one at the Enterprise Centre. I just cannot think of its name.

Senator MACKAY—So there is another one here. We will get a bit more information. Have there been any cut backs in terms of service provision?

Mr Wragg—I do not know whether there have been any cut backs. The comment that we are getting through the community is that it is a little bit more difficult to actually get a service now if you are an Aboriginal or Torres Strait Islander person. It appears that a majority of them are now classified as FLEX 3. There just does not seem to be the infrastructure to deal with people who are needing help that are not on either FLEX 1, FLEX 2 or FLEX 3. There is just not the facility there to help them any more.

Senator MACKAY—In relation to the previous comments you were making about Centrelink, presumably they are being referred all right because they would be FLEX 3 eligible and therefore quite attractive to the agencies. They are being referred quite speedily,

they are being registered with the agencies, but then not much is happening from there. Is that how it is?

Mr Wragg—That is right. The other comment that I have heard—and I do not know how true this is—is that because the FLEX 3 people are very attractive dollarwise to these providers, and it is now a business to make money, minimal services are being provided to extract the maximum amount of benefit for the provider, not for the participant.

Senator MACKAY—You get \$1,500 up front, as you know, simply for registering them.

Mr Wragg—That's right.

Senator MACKAY—Once they are registered, what is happening, in general? Is there the full plethora of training services and so on being provided?

Mr Wragg—Not from what I have heard, no. It is just a minimal resume, and that is it.

Senator MACKAY—Just getting them on the books is what you are saying.

Mr Wragg—That's right.

Mrs Hornagold—The provider in Rockhampton is the one that is most well known to the indigenous people here, and also provides the FLEX 3. They are saying that they are inundated because not only are they getting the FLEX 3 referrals but everybody else who has come to their office first then goes across to Centrelink. If they are given a list of providers from Centrelink then they know the name and they will go there. They are getting inundated by a lot of these people who are not on benefits but who want to find work. It is a real dilemma for them to know what to do because there is a group there whom they do get money for but there is a bigger group who may not get any dollars.

Senator MACKAY—Are they helping them? Are they still continuing to provide them with assistance?

Mrs Hornagold—I believe so.

Senator MACKAY—It is just unbelievable. All around Australia we have heard the same stories.

Mrs Hornagold—In a small town, if people know a provider that they are happy with then they know they will get good service because the provider has a good track record over a number of years. They know that from the things that the provider may have done. People are very comfortable going there and registering, but then it puts an ever increasing load on that provider. I would be interested to know how many of the other providers in Rockhampton pick up indigenous clients, apart from this one.

CHAIR—Would you like to give some thought as to whether or not you would like to give us the name of that organisation? I do not want to ask you to do that if you are not quite sure.

Mrs Hornagold—I would rather not. I think they are the only FLEX 3 provider.

Senator MACKAY—We can do it by deduction.

CHAIR—It is a very good point because not only are we writing a report that will have recommendations that will address a lot of these things, but it is also sometimes useful for us to have that information so we can follow it up directly through the parliament or with the minister's office.

Mrs Hornagold—If one provider is trying to cope with a whole range of FLEX 1 to FLEX 3 and neither and they are getting inundated, they do have other things that they still have to do, and take on non-indigenous clients as well. It is all going to cave in again.

Senator MACKAY—Senator Campbell and I are members of the Senate Economics Committee that went to New Zealand recently. One of the things that we discovered there was the fact that the statistics in many areas were simply not kept any more. It was very hard for us to get a picture of what was going on in New Zealand in both a social and economic sense.

Mrs Hornagold—That is my concern. If statistics are not kept then that impacts on a lot of other indigenous programs. For example, we do not know where Abstudy is going to end up yet. While you have statistics you have a basis upon which you can continue things. If there are no statistics it is very easy to take those things away.

Senator MACKAY—Have you inquired as to what is going to happen with regard to the statistics area?

Mrs Hornagold—No, I have not yet.

Senator MACKAY—That is an interesting point. We might follow that through.

Senator GEORGE CAMPBELL—As Senator Mackay said about New Zealand, it is more than them not keeping the statistics, they deliberately set out to destroy the statistical data so that there would be no comparisons kept. There are some indications that the same thing is happening here so that we are never going to be able to compare apples with apples in the future.

Senator MACKAY—In terms of the allocation of FLEX 3—to use the shorthand term—for indigenous people, have you been able to do any comparisons as to what was available previously in contracted case management services and the number of FLEX 3 positions allocated for the area now?

Mrs Hornagold—No, I have not.

Mr Wragg—I have in a roundabout way. It is about half in Gladstone.

Senator MACKAY—Down 50 per cent?

Mr Wragg—Yes. I mentioned earlier what LAEPC has tried to do: we have been around to all of the FLEX 3 providers in Gladstone and offered LAEPC service on a fee for service basis to manage their FLEX 3 clients, because LAEPC are experts—or we would like to think we are experts—in dealing with members of the Aboriginal community and we are prepared to put in the time, on a fee for service basis, but give more than what a normal organisation who is running on a profit basis can do. We have had positive results from everybody we have approached.

Senator MACKAY—Did you tender yourselves?

Mr Wragg—No. I was asked by LAEPC to do a cost assessment on the process. After doing the numbers, I decided it was not cost effective for LAEPC as an organisation to lodge the tender.

Senator MACKAY—Just as well, I suppose, considering what seems to have happened.

Mr Wragg—Being involved in the original tender documents when I was working within the CES and knowing how the structure of it worked—

Senator MACKAY—You could see it coming?

Mr Wragg—Yes. I had some inside information, I suppose, which I used. In retrospect, it was the best decision, because we did not have the money behind us to do the job. I suggested that perhaps the best way for us to go was to provide a secondary service once the tenders had been let.

Senator MACKAY—That is going quite successfully, is it?

Mr Wragg—We are still negotiating with people, but we are in a catch-22 situation: we do not have funding to put people on board and we will not get paid for the services we are providing, so we are really doing it on a shoestring with the people we are trying to look after.

CHAIR—Can you tell us a little about the university, particularly the number of Aboriginal students—how many, what sort of areas of study, and are the numbers growing?

Mrs Hornagold—I will just explain this to you. Where I am at CAITEC—that is the Aboriginal support unit within Central Queensland University—we look at people who come through on alternative entry: people can come in with just an OP, through the high school system, and they can be indigenous people. We may not necessarily see those people at CAITEC. They are more than welcome to be there if they want to come and use what services we provide. But we strongly recruit and look after those people who come through on alternative entry. They are people who maybe do not have an OP; mature age students; people who may be coming through the STEPS program, which is like an introduction to tertiary—there are indigenous people doing that.

At the moment, just within CAITEC's structure, we have approximately 220 students that come and use the centre there. Those students are doing what we call mainstream courses;

they are doing degree courses, diploma courses, within the body of the university itself. But what we are moving into more and more is looking at developing programs ourselves that will be run within the university and that both indigenous and non-indigenous people can enrol in.

One of the other things that we are looking at is pre-tertiary skills, because we are finding a number of people are coming in and, for whatever reason, their literacy and numeracy is not crash hot, even if they are coming from grade 12. There is really a need to be developing some kind of pre-tertiary for those people to ease them into the university lifestyle.

Another thing we are looking at is cross-cultural training across the university and doing work with lecturers there. We are going to target the education faculty as a first-off. We have been out doing schools recruitment at the moment and an issue that has come up with most of the schools that we have spoken to is some kind of in-servicing for teachers within schools who will be working with indigenous students.

One of the other things that has come up as well is responding to the needs of indigenous communities. We are really trying to develop that more and more. People are saying to us, 'These are the programs we want. This is where we feel the work opportunities might be.' One of those is in natural cultural resource management. We have just started working on that and we will be talking to the CSIRO about continued funding for that program.

We are looking at a whole range of issues for indigenous people here in CQ, particularly with native title claims and with the mining industry impacting so heavily now upon people, and trying to develop skills within the Murri community so that they can negotiate and deal with the number of stakeholders that are coming in and impacting upon them at this time. We are particularly looking at the Central Queensland and Bowen Basin area.

CHAIR—I will get my map. When people say something like Bowen Basin it probably means something to you; I will just make sure it means the same thing to me.

Mrs Hornagold—Think about where all the major coalfields are.

CHAIR—Can you give us some names? I know where Emerald is.

Mrs Hornagold—There is Central Emerald, you go out to around Mackay as well, Glendon and those coalfields out from Mackay, and it would even take you down around to the Taroom area, too, where the proposed dam is being talked about. There is a whole lot of activity that is going on right throughout there. We have been approached by those people. There could well be people who might come from around the Bundaberg area, because that is in our catchment. We have not heard too much from people there yet. It has been particularly from around that Emerald-Central Highlands area—

CHAIR—As far out as Longreach?

Mrs Hornagold—Yes, that is within our catchment area.

CHAIR—What would be the size, roughly, of the Aboriginal community?

Mrs Hornagold—I am just thinking about the last census that was taken out there. Do you have that?

Mr Wragg—Not offhand, no.

CHAIR—If you do not have that, is that something you could provide for us?

Mrs Hornagold—Yes, I could provide that.

CHAIR—That would be really helpful. How many different peoples are you talking about?

Mrs Hornagold—Quite a number, and there are more every day. As people are finding out more about their history and where they come from, and as things are getting a little bit easier in extracting information about those issues, more and more people are reclaiming the country. It may not be native title stuff, but people are renewing acquaintances, if you like, with the country that their parents or grandparents may have come from.

CHAIR—How many Aboriginal languages?

Mrs Hornagold—Again, quite a lot.

CHAIR—But do most Aboriginal people understand other Aboriginal people if they are not speaking English?

Mrs Hornagold—There are particular languages or dialects for particular groups. I know the Gurang Gurang people from down around Bundaberg and up to Gladstone have been quite active in resurrecting a lot of their language, and I believe also the Windana and Badtjala people, again from around the Bundaberg area, the Biaili people from Gladstone, and the Darumbal people from here, around Rockhampton.

CHAIR—That information is very useful on the record. If you could give us any more detail about that, a kind of Aboriginal map, it would be very helpful.

Mrs Hornagold—Yes.

CHAIR—How many of those people speak English at home?

Mrs Hornagold—I would say close to 95 per cent would have English as their first language.

CHAIR—That is interesting, because when we were in the Northern Territory on a previous inquiry we were told there that many of the people spoke nine languages and English was the 10th.

Mrs Hornagold—Here, because of the whole history of settlement, colonisation and dispersal—

CHAIR—So most of them are English-speaking people first up?

Mrs Hornagold—Yes.

CHAIR—That makes it easier.

Mrs Hornagold—But they are trying to re-identify and relearn a lot of the words that they can still find or if there are old people they know who still have the dialect and know the way in which those words can be spoken.

CHAIR—Is there a history of much brutality or herding people into reservations?

Mrs Hornagold—Particularly around the Central Queensland area, yes, because this is the area that was opened up for pastoral leases. There has been a whole history of people being moved from particular areas. We have Woorabinda, which is 2½ hours west of Rockhampton. It is an Aboriginal settlement. The people were moved to Cherbourg, they were moved to Palm Island, not once, but several times, backwards and forwards all over the place. That is part of what has made it so difficult for people to be able to retrace histories and retrace where they come from.

I must say that is a depressing thing. But, on the other hand, there have been really positive things that have come out of central Queensland as well, such as a lot of the reconciliation efforts and a lot of the work that has been happening between indigenous people and particularly pastoralists that does not get heard about too much. There are some really positive things coming forward.

CHAIR—If there is anything that you could provide for the committee it would be very useful. When you look at something like employment, just about all of these factors impinge one way or another. Have you any data on, for example, how many Aboriginal people would still be working in a rural area, particularly to do with stock? Certainly we know that is an area of employment for Aboriginal people in the Territory and WA. Is it the case here, too?

Mrs Hornagold—Not so much so. But I think it is starting maybe to turn the corner again. I think with a lot of the programs that people are putting together for young people everyone is saying they should return to the bush, go back out, work in the bush and learn about horses and cattle, and that is the thrust of some of the programs that are being developed. As I said, with this reconciliation that is happening between pastoralists and indigenous people here, more and more people are finding their way back. Now there are thoughts of utilising the Indigenous Land Corporation to purchase properties and people actually going back and working on those properties and creating employment opportunities for their families as well, or for their clan groups.

CHAIR—What will that do to education?

Mrs Hornagold—I believe it will give some purpose to young people in terms of education so that they do have something to look forward to at the end. You could build a whole scenario around that of starting from this point: you need these skills and this is where you will end up and that is a guarantee; which I think a lot of young people, black or white, do not have these days.

CHAIR—Do the Aboriginal people live more in their own communities or in the general community around this area?

Mrs Hornagold—When you say in their own communities, really the only thing that we can relate to that here is Woorabinda which is a deed of grant in trust community through the state government. There is a population that fluctuates between 1,600 and 2,000 people there so, when you say do they stick to their community, that is what I would say Woorabinda is.

CHAIR—So that is a kind of Aboriginal community?

Mrs Hornagold—Yes. It is a mission reserve.

CHAIR—How many Aboriginal people live in Rocky?

Mrs Hornagold—They are spread right throughout Rockhampton. Maybe Mackay and Bundaberg might have the bigger population figures and also Gladstone to a slightly lesser extent. There are pockets of people right throughout and you really cannot ignore those people in those smaller rural areas as well. Part of what we are trying to do with our recruitment staff at the moment is to touch base with people in Blackall, Barcaldine and Longreach.

CHAIR—What is their participation in local sport?

Mrs Hornagold—Quite good.

CHAIR—Tell us what that means.

Mrs Hornagold—I think people have found that sport is one way of breaking down barriers and a lot of indigenous people's sporting skills are very strong. That is one way of acceptance into a community and some kind of status and recognition. The introduction of the indigenous sport and recreation officers within the State Department of Sport and Recreation has helped in opening that up a lot more.

CHAIR—What sports are they mainly focusing on?

Mrs Hornagold—I suppose rugby league has been traditionally one of the stronger ones. But people are starting to make their way through a number of other smaller sports as well, across the board—swimming, cricket, rugby league, netball and whatever is available in those communities where they live.

CHAIR—What is basketball like up here?

Mrs Hornagold—It has had a strong tradition here in Rockhampton. In terms of the numbers of indigenous people there are probably not as many now playing as there once were.

CHAIR—As a South Australian, it is a good question for me to ask this year. We just wiped the floor with everybody else this year, didn't we?

Mrs Hornagold—Yes.

CHAIR—I try to keep a bit of an eye on sport because it is, as you say, a lovely alternative pathway for a lot of people into the community, in a different kind of way. Is there any active recruiting of Aboriginal people into sporting teams like netball or rugger?

Mrs Hornagold—There were some programs that came out, like the find the tiger program—that came up from Sydney—after Tiger Woods; it was a golfing thing. That came up from David Liddiard in the sports foundation in New South Wales with Charles Perkins and people like that. I think they have always had a thing with soccer and trying to find and identify talent in soccer.

I must say that one of the things I found here was that ATSIC, as a funding body, does provide, I would think, the bulk of funding to indigenous organisations to promote sport and provide opportunities for sport. That bucket is a very small bucket. I would like to see more funds directed from, say, the Australian Sports Commission back into regional areas, because what we are finding here is that the money becomes available once they reach that high level nationally or internationally but, as everyone appreciates, there is a long haul between the regional level and the national level.

There are people in the regions who have the talent and the capacity to get there. I really think there needs to be more work and more money put into regional sport to develop people's self-confidence by mentors or whatever, so that they will continue on to state, national and international levels.

CHAIR—Or, as you say, to be gainfully distracted on a Saturday afternoon.

Mrs Hornagold—Yes. An interesting point is that we are working on a 'networking the nation' proposal at the university at the moment. We are still in our second phase stage but, as part of that, we will be doing community consultations right throughout our catchment area. An interesting point came through from one of the seminars that was held out at Blackall, where they now have a cyber cafe. They found that that has reduced the level of crime in Blackall, because many young people are in there using the Net, rather than running around the community doing other things. I thought that was a very interesting point to take into account as well.

CHAIR—Absolutely. We have to finish there. Thank you very much, indeed, both of you, and particularly at short notice. There are a whole lot of questions we would like to ask, but we must try to stop. We would be very pleased to get the information that you agreed that you would provide. You will be getting a copy of the *Hansard* and it will have your agreed promises and the secretariat will contact you.

If there is anything else and you have a profile of the local area, or you could tell us about, for example, the last little anecdotal bit on the cyber cafe providing something constructive for kids, let us know. And give us anything further about the Gladstone project that has worked so well.

I cannot remember where but, somewhere else in our hearings, we have had this notion of the mentor being brought to our attention. Sometimes I think it was related, not to Aboriginal people but, perhaps, to long-term unemployed people. There is a hump that people have to get over to get engaged in the world in an employment situation, if you have been out of work for a long time. Somebody else mentioned a mentor and I have asked the secretariat to check it out for us because, again, they had the same kind of success. It is very demanding but it makes a difference in the longer term. That might be something that we should also put into our thinking, in terms of future policy recommendations. Thank you both very much, indeed, for your contribution. We would welcome anything further.

Senator MACKAY—Chair, while the witness is coming to the table, can I ask, given that there are no coalition members here, whether this is legally constituted?

CHAIR—Yes, it is. We had a phone hook-up and put a special motion to make this a legally constituted committee so that we could start and get all today's witnesses attended to. Senator Tierney will be here at some time today.

For the *Hansard* record, just before we hear from Mr Mobbs, this is a duly constituted subcommittee and will continue to be a subcommittee, legitimately, properly taking evidence in a subcommittee capacity until such time as we give instructions otherwise.

[9.30 a.m.]

MOBBS, Mr Kym Ashley, Chairman, Central Queensland Area Consultative Committee, 130 Victoria Parade, Rockhampton, Queensland

CHAIR—The committee prefers all evidence to be given in public but should you at any time wish to give your evidence, part of your evidence or answers to specific questions in camera, you may ask to do so and the committee will give consideration to that request. I do have to point out, however, that evidence taken in camera may subsequently be made public by order of the Senate, as has happened in recent years. If you would like to make a small opening statement, then we will field questions.

Mr Mobbs—Firstly, welcome to Queensland. It is winter in the south still, and nice and warm up here in Queensland.

CHAIR—Is this what you call nice and warm, Mr Mobbs?

Mr Mobbs—Yes. You are probably aware of area consultative committees. I do say that we run ours slightly differently from a number of others that are constituted. You have in front of you this document here on the structure of the area consultative committee. If you hold the next map showing the area we cover, you will find we cover a very large portion of Queensland in respect of geographical area. As to population, there are approximately 196,000 people.

We have structured it in a way to represent right to the west, being the South Australian-Northern Territory border; basically the Boulia area in the north to the Barcoo shire in the south, which is around Windorah. We have a main board, as you can see by that statement there, made up of the five sub-regional areas. They are unofficial areas but generally based on community interest within that area, as are areas based on the central west which is again on the town of Longreach; Gladstone, which is based in the Gladstone area and Calliope shire, and Miriam Vale is in that area.

We have the Banana Shire, which is the Callide Dawson area. I do not know if you want me to point to these to show where they are. Also, there is the central highlands, which is based on the town of Emerald, and a number of shires around there, and also the Rockhampton area, which is again based on the four shires here in Rockhampton.

Those subcommittees are made up of general interest groups. There are no stiff guidelines to what forms those groups, but generally they are people within those communities who are interested in youth, unemployment, business possibilities for the area, and also, in this area of Rockhampton, the universities as well.

They then elect a person or a sub-chair to attend the main board. The main board only consists of five people, which is the head of each of those areas, and that represents the main board. This is different from a lot of other ACCs. It was instigated when I became the chair in June last year as representation was felt generally to be too concentrated on the coast, so we changed that method. It does not mean a case gets any less representation; what it means is we have coherence in our general, all-over area.

CHAIR—While you are on that first map, where is the population?

Mr Mobbs—The population generally is coastal. You are looking as far away as Emerald. You have Fitzroy, Livingstone, Rockhampton, Duaringa areas, where there is about two-thirds of the general population of about 192,000 people. Gladstone is the next biggest, followed by Emerald, then closely by the Banana and central west based on Longreach. In geographical area, the largest area has the smallest population. It is very diverse, from very heavy, concentrated interest in Gladstone to having major power production in this area; from coal mining in central Queensland, to the far west where they simply do not even have power.

CHAIR—Where is the power produced?

Mr Mobbs—Generally in Rockhampton. Stanwell Corporation has a coal-fired power station. We have NRG at Gladstone, which is a very major unit. We also have CS Energy at Biloela, which is based on Banana Shire. Those are the major coal-fired production powerhouses.

CHAIR—Is the power then carried due west? Is that what you are saying?

Mr Mobbs—It is carried virtually to the rest of the state, up and down the coast, in the power link—major, steel-powered power lines.

CHAIR—This is the main power producing area of Queensland?

Mr Mobbs—Of Queensland.

CHAIR—I see.

Mr Mobbs—When we do get to the west, the powerlines thin out at Longreach. It is a real issue coming forth in our strategies that, even though they are not big in numbers, people in the west are saying, ‘We want power; we want to turn that light switch on.’ At the moment, if you want to start your washing machine, you go out and start the diesel motor in those areas to get the washing machine going. That is an issue for areas out west.

CHAIR—Would you like to stop there, Mr Mobbs, and take questions?

Mr Mobbs—I am here to answer your questions, rather than you to hear me so much.

Senator MACKAY—What is the current funding level for the ACC?

Mr Mobbs—In this area the current funding level was approximately \$105,000 for administration, with \$120,000 for actual seed funding projects. We got that increased to \$140,000 for administration which, I dare say, coming from private enterprise, made the actual money for investment into seed funding projects look smaller than the administration.

The sheer fact is that to cover an area that big, which is over 40 per cent of the state, we have to do it by aircraft. That is a costly exercise, not only in just getting me out into areas

but in getting the other chairs to a meeting and so forth. We have been able to secure a further nearly quarter of a million dollars worth of funding through DEETYA by putting up projects where in other areas the money had not been spent. I gave them a good run down of how we could spend it for them and I gave them outcomes. So we are able to secure more funding.

Senator MACKAY—The securing of more funding, is this through the regional assistance program?

Mr Mobbs—Yes.

Senator MACKAY—It is through the increase in funding to RAP?

Mr Mobbs—Yes.

Senator MACKAY—So you got an extra quarter of a million from RAP funding?

Mr Mobbs—That was for Queensland.

Senator MACKAY—That was entirely for Queensland?

Mr Mobbs—Yes.

Senator MACKAY—What proportion did this ACC get of that increased RAP funding?

Mr Mobbs—I honestly could not give you a figure in percentage terms. There are 13 ACCs in Queensland all up, with a fair concentration of course in the bigger populated areas. I have not got my calculator on me. If you divide 13 into \$4 million for Queensland, that will give you some idea. And then your administration and so forth has to come out of that.

Senator MACKAY—So you have got an increase in your budget of about a quarter of a million?

Mr Mobbs—Yes. That was only for this year that has just passed.

Senator MACKAY—Okay.

Mr Mobbs—It was not an increase as in this coming year. It was a case of there was money there not spent by other ACCs. I put up cases and said, 'This is how I can make the dollar go a bit further for you and these are the projects.'

Senator MACKAY—Presumably the money that was spent in terms of the last financial year is reflected in these documents here?

Mr Mobbs—Yes.

Senator MACKAY—In terms of the coming financial year or the year we are in, have you got an increase in terms of the—

Mr Mobbs—There has been an increase we know overall from \$20 million to \$33 million but, as to our share of that, we are into strategies and business plans at the moment to show what we require and within the next couple of months we will be given a figure and then we can argue whether we think we can do it or we cannot do it.

Senator MACKAY—Have you been told by DEETYA a deadline for getting your wish list up?

Mr Mobbs—Yes, it had to be in by 24 July. We have got five weeks of a consultant going over them in Brisbane. They are employing him to look at those to see if there are any holes in them or whether they come up to scratch.

Senator MACKAY—Your deadline was 24 July and then presumably in five weeks time there will be some indication from DEETYA—

Mr Mobbs—Yes.

Senator MACKAY—as to who is successful and who is not in terms of what projects have been successful?

Mr Mobbs—No, not in what projects have been successful; what the allocation funding for each area would be actually given.

Senator MACKAY—So they have not determined that yet?

Mr Mobbs—Not as to individual ACCs for this new financial year, not at this point. The overall has been given but not the individual amount to ACCs of what they will get.

Senator MACKAY—It would be pretty hard to work out—to put bids in, if you like—without knowing what your budget bottom line is in terms of the increase, I would have thought.

Mr Mobbs—I think coming from the business sector you can generally look at what you need for an area and then ascertain what you will probably get. I do not see that as a problem.

Senator GEORGE CAMPBELL—Have you applied for funding for all these projects under investigation? You gave us a list of projects under investigation.

Mr Mobbs—The projects that are actually written in there in funding figures are actually funded.

Senator GEORGE CAMPBELL—You have given us two lists, right?

Mr Mobbs—Yes.

Senator GEORGE CAMPBELL—You have given us a list of projects on the go which have funding beside them?

Mr Mobbs—Yes.

Senator GEORGE CAMPBELL—And then you have a list of projects under investigation.

Mr Mobbs—Yes.

Senator GEORGE CAMPBELL—In terms of the current bid that you have made, is that for these projects under investigation or is that to continue funding the projects on the go?

Mr Mobbs—Sorry, which page are you looking at?

Senator GEORGE CAMPBELL—There are two documents.

Mr Mobbs—That one there?

Senator GEORGE CAMPBELL—There are two documents. One is headed 'Projects under investigation' and the other one is headed 'Projects on the go'.

Mr Mobbs—Yes. These projects under investigation are not funded at this stage. What we have had to do is come up with virtually three years of possibly what we want to look at. So that is that document.

Senator GEORGE CAMPBELL—Presumably you have put in a bid for three years funding from RAP for your ACC.

Mr Mobbs—Yes.

Senator GEORGE CAMPBELL—Is the funding that you have bid for to cover these projects?

Mr Mobbs—It is to cover these projects, yes.

Senator GEORGE CAMPBELL—These projects are already funded?

Mr Mobbs—These projects are already happening.

Senator GEORGE CAMPBELL—They are already funded?

Mr Mobbs—Yes.

Senator MACKAY—So are the projects under investigation costed?

Mr Mobbs—They are costed to the best of our capability for up to three years out.

Senator GEORGE CAMPBELL—Do you have a value on them?

Mr Mobbs—I can only use ballpark figures. It comes to about \$2.1 million.

Senator GEORGE CAMPBELL—Over the three-year period?

Mr Mobbs—Yes.

Senator MACKAY—So the costing is about \$2.1 million over three years. You are pretty confident that that pretty much reflects the increase that you are going to get for this ACC area?

Mr Mobbs—No, I did not say that.

Senator MACKAY—No, but what you said to me earlier was that coming from the private sector you did not think there would be much of a problem in terms of determining how much money—

Mr Mobbs—Coming from the private sector you realise you do not get all you ask for.

Senator GEORGE CAMPBELL—There is a bit of ambit in it.

Mr Mobbs—All those claims are what it would cost. In reality, like everything else, we will not get all we ask for so, therefore, we will have to look at some of these projects. We might have asked for \$60,000 for some project. We may have to come back and say, ‘You might have to do that for \$40,000 and you will just have to make it work for \$40,000.’

Senator MACKAY—It just strikes me as being the wrong way around, frankly, from DEETYA’s perspective to actually ask you to put in bids for an unspecified amount of money. It would be better, presumably, to give you some ballpark in terms of what you had available.

Mr Mobbs—I suppose, first of all, they want to know within an area what the possibilities are. I do not know whether \$2.1 million is going over the top. Other ACC areas could be asking for more or could be asking for less, but at least they have got something to work with. I do not see any problems with how the structure has been put in place. I think you will find it is general business practices.

Senator MACKAY—We might have an argument about that, but the funding is \$2.1 million. This is the total funding for these projects. This presumably is what you submitted to DEETYA on 24 July?

Mr Mobbs—Yes.

Senator MACKAY—What indication have you got from DEETYA as to what is going to happen with this bid?

Mr Mobbs—They are being investigated—

Senator MACKAY—By DEETYA?

Mr Mobbs—By DEETYA, but they are hiring a consultant. There are two documents: there is strategy for the area and the business plan. These costings come out of the business plan. The strategy looks at the overall situation of an area. So, therefore, those consultants will look at that strategy and business plan and say, ‘Yes, we think you are on the right track,’ or ‘No, we think you are wrong in this area.’ Your guidelines are given to you but everybody can read something differently. So it is a case of trying to get some kind of uniform benchmarking across ACCs. It is like any organisation.

Senator MACKAY—I appreciate that. Are the consultants Queensland specific or are they consultants that have been hired centrally?

Mr Mobbs—I cannot answer this with full knowledge. I do believe that the consultants that have been hired are only for Queensland, but I must say that is only what I think. They are Queensland consultants as far as I am aware.

Senator MACKAY—Okay. And they will be assessing all the various bids of the ACCs?

Mr Mobbs—Yes.

Senator MACKAY—And in about five weeks time you will be advised about how much money you have got?

Mr Mobbs—We will be advised if there are any problems within that area, whether there has to be some correction and whether they feel we have gone off on a different tangent and it is a bit loopy or something.

Senator MACKAY—Would you be able to provide us with the ballpark figures you have got for each of these projects?

Mr Mobbs—I could not at this moment. I could from the office, but I cannot give it to you now.

Senator MACKAY—I appreciate you cannot right now, but you could get that to us?

Mr Mobbs—Yes.

Senator MACKAY—Good.

Senator GEORGE CAMPBELL—In the projects that you have listed, I notice in the ‘Projects on the go’ that a lot of those are employment related in some form or another.

Mr Mobbs—Yes.

Senator GEORGE CAMPBELL—Under ‘Projects under investigation’ there are some that relate to industry development projects.

Mr Mobbs—You have been given a charter by the minister of what ACC is all about. The bottom line of ACC, as I interpret it, is simply to find sustainable job creation projects.

Senator GEORGE CAMPBELL—That was not my question.

Mr Mobbs—I misread you.

Senator GEORGE CAMPBELL—A number of the projects are industry development related projects which, of their very nature, if they get off the ground will create employment opportunities.

Mr Mobbs—That is correct.

Senator GEORGE CAMPBELL—When you have gone through the process of identifying those projects, putting in the industry development officer or what have you and determining whether the project has potentially got successful merits or not, what do you do from that point onwards?

Mr Mobbs—Firstly, under the structure, those projects are identified within their subregions. So that comes out of the subcommittees. Each subcommittee actually brings forth what they feel are the projects they require in their area or want to see the development happen in their area. The main board then would discuss the funding proposals, but the main board does not actually pick off the projects from each area.

Senator GEORGE CAMPBELL—You misunderstood my question. My question was that, once you have gone through the development phase and you have put in place the development officer or what have you and you have determined that a project has the potential to be successful, where do you go from there? Do you just leave it to the people who are promoting the project to try to raise capital to get it off the ground?

Mr Mobbs—We try to make an awareness campaign. For example, I am just dealing with one now—a bridge project that was funded for the Curtis Island and Gladstone area. In sheer simple fact, we generally know possibly who would have to build that bridge. It is common knowledge in the area that the Gladstone Harbour Board would be looked upon to build that bridge. What we have to do is give them some funding to do the feasibility into it, to put it to the community of the area that yes, they will accept the bridge being built. We do not need any more South Australian bridges up this way.

CHAIR—I thought you might have referred to *Sea Change*.

Mr Mobbs—Therefore, the community has to accept it and then there is the lobbying of organisations or private investment to proceed with those projects.

Senator GEORGE CAMPBELL—Where would you endeavour to try to raise that private investment—locally?

Mr Mobbs—In that situation, I would say they have a very strong port authority, which is quite capable. Gladstone is a heavy industry area. It is a very nice city, but it has no

beachfront. Not everybody wants to live on a hill or inland. Some prefer living near the sea. Therefore, this can create huge job opportunities in respect of Curtis Island being opened up for residential use, taking into account the environmental problems and so forth, creating large-scale real estate development in the area but also creating somewhere where people want to live—near the sea. So you can take your choice. If you want to live and work around the 24-hour a day shifts, you can decide to drive inland to your house or you can decide to drive to the coastal area where you live.

Senator GEORGE CAMPBELL—On the projects under investigation, there is one that refers to forestry.

Mr Mobbs—Yes, that is the silviculture.

Senator GEORGE CAMPBELL—It identifies an industry that could be developed in the Jericho and Bauhinia shires. To take that as an example, if that is identified as being a viable project, what would you do in terms of assisting people to raise the capital to get that project up and running? Do you have a role in that or not?

Mr Mobbs—Not in the major. All we can do is assist in the seed funding and say, ‘This is a viable situation.’ We can pay for the coordinator to be in there to show it can be viable. Then it is a matter of networking with a number of contacts—we are talking about overseas companies and Australian companies—putting these proposals to them and saying, ‘You can make a dollar out of this if these projects go ahead.’

Senator GEORGE CAMPBELL—Do you see that as a role for the ACC, or is that a role for the companies or individuals who are promoting the forestry in that area?

Mr Mobbs—Up to the first level, the ACC has a definite role, as long as it creates sustainable job creation in the long term. We have had to show that we can create continuous jobs and not just jobs that last two months because the government pays for them and then they disappear.

Senator GEORGE CAMPBELL—Where would you go to try to raise those funds and try to interest companies in investing in those kinds of projects?

Mr Mobbs—It depends on the project. For example, you only have to look at the situation with the Nathan Gorge Dam, which is going to be built by private enterprise. There are a lot of companies throughout the world that have big bucks in their pockets. They want somewhere to invest them, as long as they can get a return.

Senator GEORGE CAMPBELL—Do you have direct contact into those companies?

Mr Mobbs—I think you would find we have reasonable contact. If it is not me, personally, it would be other members on the board.

Senator GEORGE CAMPBELL—I understand. Do you have reasonable contact with the financial markets in Brisbane?

Mr Mobbs—Not just Brisbane alone. I am attending a seminar in Gladstone, put together by the state development board, where we will be meeting with a number of the big financiers.

Senator GEORGE CAMPBELL—So would you operate through the state development board?

Mr Mobbs—Just let me go around a circle a little here to answer that question. The thing about ACC is that, even though we are federally funded, we have a very good relationship with the states. For example, there is a downsizing of Moura mine, which is out from Biloela and down from Emerald. Nearly 180 people are going to be losing their jobs there and there are already 40 gone.

We have pulled together the new Labor Party government in Queensland to work with a conservative government federally. I suppose I put it on the line and said simply, 'Are we going to work together, or are we going to go our separate ways?' The agreement was that we would work together.

We have funding of approximately \$60,000 coming from the state government now for this retraining project and approximately \$80,000 coming from the federal government. That is \$140,000. There is about \$30,000 put in by the community—BHP, as in office space, phones, cranes and so forth. TAFE is putting in projects. We have one window to enter that project and that is for federal and state. I think that will give you an idea of how state and federal work together in this area.

Senator GEORGE CAMPBELL—On the projects on the go, you undertook a number of projects in relation to Job Network, a lot of which goes to advertising the new jobs network in the area. What has been your experience with Job Network in the area?

Mr Mobbs—We are making Job Network work in this area. Our situation here was a case of our getting out to promote the private providers. We were given a small amount of funding to make people aware about how to access job providers and how to access Centrelink. One of the problems from that, which I would be the first to admit, is that the phone systems of Centrelink and the job provider networks were not up to speed, therefore a lot of people could not get those phone numbers. I have been assured that this is being addressed at this very moment. You could say to someone that possibly they should have foreseen that those phones would not cope.

CHAIR—I will ask you to tell us about your business experience. Would you imagine running a business when you depended on referrals from a certain organisation whose phones were out of action for eight weeks?

Mr Mobbs—As I said, there has been a problem.

CHAIR—A major problem, wouldn't you say?

Mr Mobbs—I helped to address that in this area by large advertising in Job Network week where three quarters of the population in this area were thrown open to television and

the paper media. For example, there was an eight-page lift-out in the morning bulletin for this area with all the job providers in it and television ran all about job providers. The awareness for this area in the last couple of weeks is probably a bit different to other areas. We have gone out admitting there was a problem and got into it and made the people aware how to get to those job providers.

Senator GEORGE CAMPBELL—What has been the consequence of that? Are you saying that the people in this area are not experienced in the same difficulties that they are elsewhere with Job Network.

Mr Mobbs—I would say that they certainly are with the telephones. But now they are more aware who the job providers are and what their telephone numbers are.

Senator GEORGE CAMPBELL—Is the fact that they are more aware leading to a better outcome in this area?

Mr Mobbs—I think it is too early at this stage to be able to judge that. I would not be able to judge that and I doubt whether anybody else could. At this stage it is a whole new ball game. There are no ifs or buts about that. The situation in this area is that we are starting to cope better with it. Once their phone system catches up, we certainly shall be quite aware in this area.

CHAIR—What has been the reaction of business? We have had a number of business and other people in our hearings around the country telling us business are mightily unhappy at having to pay \$250 a throw for something they previously did not have to pay anything for. Has that been the experience here?

Mr Mobbs—I would say there certainly is that inkling. Though businesses have been quite willing to get behind, for example, that Job Network week. We put through the ACC funds and directly spent around \$8,000 on that project. We had something like \$60,000 worth of sponsorship from the business sector for that. For \$8,000 investment, we received another \$60,000 worth of sponsorship to open it up. It is very positive in this area. We are not just doing what Rockhampton and Gladstone will be working on shortly in the same situation. Emerald will be doing the same. Longreach is already into it. Where I come from in the Callide Dawson, in the next couple of weeks it will also be done the same. So the awareness campaign will be quite substantial.

CHAIR—What is your business background, Mr Mobbs?

Mr Mobbs—My business background is probably business of hard knocks for starters.

CHAIR—Do you have a PhD in that?

Mr Mobbs—No, I have not got any letters after my name.

CHAIR—A lot of experience of hard knocks is all I meant. Tell us the story.

Mr Mobbs—I am in the steel retailing industry. We have a number of branches here in central Queensland. We are the biggest privately owned steel company in retail left in Queensland. All the rest have gone public. I am not saying that we have increased to that size. It is simply that the others have been swallowed up. We are the last of the major private ones. If you go back a bit further, I used to own four hair salons as well, so that was a little different.

CHAIR—That is a good range. I was interested in your line you said before and I wrote it down: ‘Those of us who are in business can have a look and see what the needs are and see roughly what sort of money we are likely to get.’ That is a brave claim, Mr Mobbs. Do you think we should have that worked in cross-stitch from your *Hansard* quote?

Mr Mobbs—The situation with private enterprise generally is that we were talking about the business plan and so forth from that area. When we have to do up our business plan, we cannot expect to get that full figure for the ACC in this area. I would love to but in reality we will not get that high. If I was misinterpreted, I would like that corrected. Thank you.

CHAIR—I am glad we got that clear. There are a couple of projects here that absolutely fascinate me. Why would you be wanting to remove showgrounds and railway yards?

Mr Mobbs—The situation here in Rockhampton is that the showground is in need of repair. It is in the middle of town, which is possibly not the best location for it now. We are not just looking at it as a showground. It will be used for Beef 2000, which is to be held here, as you are aware, and is becoming a huge event. The job spin-off from that is humungous. Also, in the area, we have the largest cattle selling centre. That is an area that could be developed as well. We do not just want to shift the showground; we want to create a development in the area where not only Beef 2000 can be held in Rockhampton, but, for example—and I am only using these privately as possibilities—equestrian and other types of events relating to cattle and so forth can be held.

CHAIR—How many meetings have you had with Job Network members?

Mr Mobbs—Actually, here they introduced a Job Network club. I cannot give you exact dates of meetings; my executive officer attends those meetings. In the last couple of weeks they have been meeting nearly every few days because of the Job Network week, but generally they would meet once a fortnight.

CHAIR—What staff assists you in your ACC work?

Mr Mobbs—Staff that are dedicated and work 14 hours a day.

CHAIR—How many? Did you say one person?

Mr Mobbs—I have two staff members. The executive officer, unofficially, probably does 14 hours a day.

CHAIR—The executive officer is one of those two staff?

Mr Mobbs—Yes.

CHAIR—Have you yet reported to the minister on what you described as admitting there was a problem with Job Network?

Mr Mobbs—I have been in constant communication. I was probably one of the earlier ones to bring it forth. I have given possible ways to fix those problems, and yes, the reaction to things I bring forth has been very good.

CHAIR—How has it changed as a result of talking to the minister?

Mr Mobbs—Again, I will have to talk in round figures. They are employing an extra 350 staff in Centrelink to cope with the phone calls. I cannot give you a date when they will start, but when you pull that many people in you do not get it in place in 24 hours, I know that for sure.

CHAIR—Do you remember, or can you say roughly, when you would have put that point to the minister?

Mr Mobbs—To his department, it would have been, I would say—again I will have to use ballpark figures—within about seven to 10 days after the project started, which was on 1 July.

Senator MACKAY—Is that 350 staff for which area?

Mr Mobbs—That is for Australia.

CHAIR—From the words here it seems you have a bit of responsibility for this. You said earlier in answer to questions that it is a bit hard to see the impact of the advertising project that you have taken up. How are you watching it? Presumably, you are going to be watching it because you are going to be ringing the department or the minister's office to say that you spent that money on advertising. Was that money \$8,000, by the way?

Mr Mobbs—The \$8,000 that I referred to was for the Rockhampton area only.

CHAIR—So it is \$26,000—

Mr Mobbs—The funding that was given to us to work with that was \$20,000. I would have to refer to the other \$6,000. I cannot—

CHAIR—I will come back to the feedback question in a minute. Was that an extra allocation to advertise in the face of things not going well?

Mr Mobbs—It was in place before that happened.

CHAIR—The \$20,000 was?

Mr Mobbs—Yes.

CHAIR—So that money was there for you to advertise—

Mr Mobbs—That was part of the overall project that was being initiated. It was not reaction-type money. It was actually in place so that, as the program came into place, we were given instructions to help with the awareness campaign.

CHAIR—So, Mr Mobbs, do you think it was timely to have an awareness campaign eight weeks down the track? Or have I misunderstood you?

Mr Mobbs—You are saying from 1 July. What you will find is the situation that lots of the Job Networks that were here—two-thirds of the population—took nearly four weeks to actually get together. It grew bigger. We set the dates. And you can say, possibly, that the dates may have been too far apart. That would fall back onto my shoulders. But, in defence, I would say we were expecting to spend \$8,000 to get \$8,000 worth of advertising and so forth. But \$8,000 grew into \$60,000-plus, so it takes a little bit of swallowing when you are not expecting that sort of response from the community, especially the business houses.

CHAIR—I think that is certainly a pretty encouraging response from the business end. How is it going at the other end for unemployed people?

Mr Mobbs—Unemployed people are keen to get into the new system and see how it works. They do not understand it totally yet. One of the things—and again I have pointed this out to the department—is that a lot of people are fairly loyal. They may register with one organisation and feel that that organisation will totally look after them and therefore they do not have to look at any other organisation, but I think, over time, they will find that it is like going to the banks these days. They will find they will not look after you so they will try another one and see if it looks after them. Therefore, as the unemployed person, you are in the driver's seat when it comes to actually being able to choose who is going to better look after your interests.

CHAIR—What has been your understanding of those unemployed people who are not eligible?

Mr Mobbs—I have personal experience of that with coal miners, for example, who have quite a lot of money in the bank. This was in the first week and a half. They would ring Centrelink and, when they got through, Centrelink would say, 'Oh, sorry; we cannot give you the name of the job providers because you won't be eligible for entitlements.' Therefore, there was a problem there. Again, we were right onto the department and they took that on board very quickly to communicate to their Centrelink people that that was not the case, that those people still should be referred to the phone numbers for those job providers.

CHAIR—Do you know whether that has been satisfactorily resolved in this area?

Mr Mobbs—In this area I cannot say 100 per cent. People I have spoken to in the phone calls that I have made had trouble but are now able to actually get that response.

CHAIR—What is the organisation saying now that they have people coming to them for whom they will be entitled to no assistance?

Mr Mobbs—I suppose that is where organisations will have to make their own business decisions. I have heard from some of the organisations that they will still help those people so they can build up their database. Some of them are saying, 'No, we cannot help.' And I suppose it will be time that tells. Again, we will have to watch what develops in that area.

CHAIR—What sort of data collection are you doing and what kind of watching of outcomes are you doing?

Mr Mobbs—We are looking at the impacts of Job Network within the central Queensland area. The simple fact is it is the good old grapevine: you talk to people and you ask them straight out what do they think, where is it going wrong. And we have a number of people within the community that we will be making phone calls to. And we have already been making those phone calls. We get a feeling, very quickly, whether it is working or not working. At this stage the ones that we have been talking to are saying—so far as being able to get those job providers now—that they are able to get that information.

CHAIR—Are any of the organisations on the verge of going out of business in this area?

Mr Mobbs—I would not be privy to that information.

CHAIR—Is there nobody on your grapevine or network who has said to you that they are in big trouble? They may be putting it more colloquially, but is that the message?

Mr Mobbs—There are possibilities, but I would not like to speculate.

CHAIR—I am not asking you to speculate. We are here for hard data off the grapevine.

Mr Mobbs—I can say that, at the moment, I do not know of any in this area; but again, in reality, there is a possibility that that will come forth.

CHAIR—Of your ACC core functions, I note that we have talked about the Job Network and your bringing together of the members. Have you had some meetings with them?

Mr Mobbs—Yes.

CHAIR—And you are promoting it to employers and advising the minister. How about the work for the dole initiatives around here?

Mr Mobbs—We were given another eight work for the dole initiatives. I cannot think of them straight off. I think Central Queensland has done fairly well out of that situation and I would say again that in Central Queensland most people do not grizzle about why something will not work. It is a case of getting in there and making it work, and making it work to the advantage of Central Queensland.

CHAIR—I have one last question. Going back to projects under investigation, could you remind us how this list came to be? Who put all these projects together?

Mr Mobbs—As I said, the ACC area is split into five subregional areas, unofficially. The groups from those communities actually sit on that subcommittee and bring forth the projects, whether from individuals or development groups and so forth, from that area. That all comes together from that area. Then all five areas come together and they put them into one grouping.

CHAIR—Are they supposed to be mainly focused on creating employment or getting people and the region working?

Mr Mobbs—Yes.

CHAIR—If you were casting your cold eye down the list, it might make you raise your eyebrows, mightn't it? Take for instance 'Encouraging the aged to maintain and to aim for a healthy life'.

Mr Mobbs—In that one, in Central Queensland we are looking at putting a mardi gras in Rockhampton. Again, I relate this one to Rockhampton: instead of having a 'gay' mardi gras, it will be a 'grey' mardi gras.

CHAIR—I can only say that I am very glad I asked. This ought to be something that captures international television attention. Is this proposed to create employment for some months, to prepare for the grey mardi gras each year?

Mr Mobbs—What is happening—and we all know it—is that we are getting an ageing population. Grey power will increase in strength, and it will also increase the requirement for services to cater for that market. We are getting in on the early boat in respect of catering for a potential market which will create large employment in that area.

CHAIR—Finally, in terms of unemployment in this area, which age bracket is worse affected: 15 to 24, or over 45?

Mr Mobbs—You would have to break it up within the actual sub-areas. You can take it over all, but it varies within each. I would not be able to give you that information here. We would have it, but I would have to supply it later.

CHAIR—Could you get that for us?

Mr Mobbs—Yes.

CHAIR—That would be really useful. We have asked you some information on notice, and the committee would appreciate that very much indeed. Thank you.

Proceedings suspended from 10.21 a.m. to 10.39 a.m.

JACOBS, Mr Neil, Group Manager, Governance and Strategy, Rockhampton City Council, Bolsover Street, Rockhampton, Queensland 4700

MERRY, Mr Gregory John, Group Manager, Client Services, Rockhampton City Council, PO Box 243, Rockhampton, Queensland 4700

CHAIR—Welcome, Mr Merry and Mr Jacobs. The committee prefers all evidence to be given in public but should you wish to give your evidence, part of your evidence or answers to specific questions in camera, you may request to do so and the committee will consider your request. However, evidence taken in camera may subsequently be made public by order of the Senate, as has happened in recent years. Would you like to make an opening statement and at the end of that we will put questions to you.

Mr Jacobs—Thank you. Firstly, we would like to welcome the committee to Rockhampton and the Capricorn region. I would like to express apologies on behalf of Mayor Jim McRae and the Chief Executive Office, Gary Stevenson, who unfortunately had urgent unavoidable business elsewhere this morning.

Before taking up this position eight months ago I was an economic and business development management with a Victorian council. There I served on the board of the OLMA committee and with the regional tourism organisation.

In five minutes I would like to outline some key statistics and give my observations on the role of local government and on a number of programs. To introduce the city and district, Rockhampton has a population of slightly less than 60,000. The adjacent shire of Livingstone has slightly less than 24,000, Fitzroy has slightly less than 10,000, and Mount Morgan has 2,900. The Fitzroy statistical district has a population slightly less than 180,000. Unemployment, from the 1996 census, was 10.6 per cent in Rockhampton, little changed little over the previous 10 years, but one to 1½ percentage points above the regional and state averages. Mount Morgan is the aberration on the map with an unemployment rate of 23 per cent.

Rockhampton and its hinterland share many of the problems of regional Australia—a reliance on commodities, principally coal and beef, which are traded in competitive and troubled markets. The city and region have been adversely affected by the downsizing of the public sector. For example, the number of Queensland Rail jobs has declined by 22 per cent in Rockhampton over the past five years. As a regional centre, Rockhampton has traditionally been a public sector town and downsizing in a range of departments and services has had an unfortunate direct and indirect effect.

On the role of local government, the Rockhampton City Council is considering a new role beyond the traditional role of roads, parks, rates and rubbish to having a greater awareness of its significance in economic development and the provision of social and physical infrastructure, and hence the creation of investment-ready conditions.

Local government can have a positive or negative impact on local business in many ways including the quality of goods supplied to the community; the costs imposed on business and

ratepayers through rates and charges; and its laws, regulations, planning schemes, attitudes and the timeliness of its processes to approve new investment.

The council is seeking to define its role and strategies in economic development and business attraction and facilitation and this will be fleshed out over the next year. As a contrast to my previous experience, the role of local government in economic development in Victoria was very clear and explicit. My observation is that perhaps local government in Queensland needs a mandated role in local economic development.

In terms of looking at the 1996 census data and job gains and losses over a five and 10-year period, over a 10-year period it highlights a decline in jobs held by residents in Rockhampton, Fitzroy and Livingstone. Over 1,500 jobs have been lost in the transport and storage industries, and over 500 jobs have been lost in agricultural industries over 10 years. But surprisingly there have been some gains, particularly in this community, which is a university town. Over 1,500 jobs have been created in the education sector over the period 1986 to 1996. The stars are the services—property, business, education and tourism-related industries—and those in decline are transport and storage, agriculture, utilities and communications.

The area, unfortunately, has a lower median household weekly income than the statistical district or the state. There has been also an increase in casualisation and in part-time employment over the past 10 years. The industry base for the region is dominated by mining, manufacturing and the service sector.

In terms of assistance for employment which could be provided, we have some difficulty in measuring success, failure or the rate of change. The provision of ABS data for smaller areas than the statistical district would be helpful. For example, I have just paid \$18 for a wonderful ABS publication which tells me that in May 1998 the unemployment rate for the Mackay, Fitzroy and the central region was 8.6 per cent. But that area comprises about a third of the state, and so the unemployment figure covers a very large area.

In terms of initiatives which have recently occurred, during June a Future Opportunities Workshop was held in Rockhampton and it attracted over 90 people who volunteered their time over the 1½ days. It aimed to develop strategies to lift the economic performance of the region. It was organised by a volunteer group, of which I was a member. The keynote speaker was Chris Pickrill, the CEO of the Canterbury Development Corporation in New Zealand, a region which has moved from the worst to the second best economic performer. He certainly had a wonderful tale to tell. If the committee has got any time for international travel, certainly the Canterbury area of New Zealand would be highly recommended.

Community economic development involves communities realising that the troops and the dollars are not going to necessarily arrive from Canberra and Brisbane to save the day. Communities have to help themselves. They do have an inherent capacity and opportunity to influence their own future.

A range of actions were identified at the workshop and they are being farmed out to community and business based teams. There are many agencies involved in assisting

businesses but there are issues of turf protection and complacency and, from a part-time base, it is a considerable and challenging task.

Another initiative in the city is the so-called 'smart city' concept which the council supports. That is an initiative of the Central Queensland University which partly involves moving a faculty of the university and learning opportunities into vacant buildings in the inner city of Rockhampton, the encouragement of communications technology and electronic business opportunities, and a search for a capacity and a competence in the goods and services area which will be in demand in the next century. This initiative will require federal and state support.

In terms of personal experience, I had a very positive experience with a streetlife or main street program in another state. I also had a very positive experience as a member of an OLMA board which had an employment arm which placed 650 people per annum. It had also a school to work bridging program. It conducted an import replacement warehouse, it conducted programs such as small business growth through quality, and it had industry clustering.

CHAIR—Can you tell us where that was?

Mr Jacobs—That was the Jobs for South East Taskforce based in Dandenong in the south-east metropolitan area of Melbourne.

Finally, in a community and region of this size, given that most jobs are created in small and medium enterprises, I consider a one stop shop for specifically targeting small business would be a welcome addition. It could be a worthwhile joint program between the federal government, state government and local governments and it would collocate a range of programs under the one roof. It would be more than just shared office accommodation, it would have people out there door knocking small and medium enterprises with digestible information on what is available to help them.

CHAIR—Thank you. Mr Merry, do you wish to add anything at this time?

Mr Merry—Yes, I have some information I would like to add. Prior to a restructure I was the chief environmental health officer with the Rockhampton City Council and so some of the information I will give comes from that health background. As Neil has mentioned, there has been downsizing in the mining area and there is a depressed rural sector. We have lost core skills in the railway downsizing and in the meatworks with the beef industry slump. Of course, the industry that is increasing is the university sector and that helps with some of the associated businesses.

The major scheme historically that has had an effect on Rockhampton City Council was the RED scheme some time ago. It was a great opportunity for the community and there was a lot of development work done that Rockhampton City Council could not afford to generally do on its own. There was a lot of work completed. It identified one of the main things as the willing and capable workers within our community that did not have a job at the time. It also gave employers the opportunity to keep these people in mind when a position did become available and also did stir the minds of some of the employers as well.

There have been similar schemes and probably the latest one was the work for the dole scheme. That has been heavily endorsed with the heritage village in Rockhampton. One of the initiatives that I was involved in was the problem with homelessness and alcoholism, not only with the youth but in traditional areas, mainly focused on the Aboriginal community.

The Murray Gundu group were the people I worked with. They were very keen to move out of the deep hole they had got themselves into and one of the things that they were looking at was trying to encourage the young not to follow the same footsteps that they did and trying to build up their self-esteem. One of the problems was that the youth had nothing to do. These people identified that they should keep the youth busy, teach them some of the traditional skills and involve them in some of the things like sports where they have skills. They were very keen to see that these people who you would normally think had given up on life actually had a spark to try to help the future of their youth.

CHAIR—Very useful. Thank you very much. Who chose the quotes for the back of the book?

Mr Jacobs—I did, Senator.

CHAIR—Did you, Mr Jacobs? Well, well, that is a king hit score. This means that you are widely read: Proverbs, Eisenhower and unknown, often known in the trade as ‘anon’. Is that right? I think they are very useful quotes indeed. It caught my eye, anyhow.

Senator TIERNEY—I was very interested in your smart city concept, Mr Jacobs. I had a look in the UK at what they call learning cities. The idea is they put together all of the cultural attributes of the city and link them up. That is often led in the UK by the councils. Is the smart city concept related to that? They were usually applying them in the UK to the very large cities. I was just wondering with smaller cities how such a concept develops.

Mr Jacobs—Rockhampton is uniquely placed in regional Australia in being a university town and it will hopefully be a great partnership between the university, the council, business enterprises and the community.

Senator TIERNEY—Armidale in northern New South Wales would dispute that claim. Another university town in Ballarat in Victoria is similar. You raise an interesting link which I want to explore in a minute. Just back to my original question: is it driven solely from the university, is it a university project in the city or is it a partnership of a council, in other words? How does that work?

Mr Jacobs—My opinion is the university is the catalyst, initiator and driver; but it will be an ongoing partnership.

Senator TIERNEY—You indicated they were moving things into the city—aspects of their operations, I assume. What are they actually moving into the city?

Mr Jacobs—It is proposed to move one faculty which I believe is the arts faculty. There are many vacant buildings in the traditional High Street strip shopping centre in the middle of Rockhampton. Retailing has moved to a mega airconditioned complex in the north of

town. This prospect of having students studying hard in the middle of the city has great prospects to rejuvenate the centre of the city.

Senator TIERNEY—They did a similar thing in Armidale. The students bought one of the pubs out of their student fund. They really made it a cultural centre in their area. I take your point on rejuvenation. The 1,500 employed by the university, is that in Rockhampton or is that university wide with the subsidiary campuses as well?

Mr Jacobs—That is a figure from the census, which is the number of people employed in education in the city of Rockhampton.

Senator TIERNEY—In total?

Mr Jacobs—Yes. It would include all educational sectors.

Senator TIERNEY—Do you know the number for the university?

Mr Jacobs—No, I do not.

Senator TIERNEY—Could you provide that for us, if that is possible?

Mr Jacobs—Yes.

Senator TIERNEY—While you are at it, also the numbers that the Central Queensland University employ in Rockhampton, the numbers they employ in nearby campuses and the numbers they employ in their far flung campuses. My colleagues might be interested that the Central Queensland University has a campus in the centre of Sydney and in Melbourne—it is a very entrepreneurial university. Have you done any studies on the impact on the city in terms of the dollars that the campus brings in and spends here?

Mr Jacobs—We believe there is a direct spend of between \$1 million and \$2 million per week in the city.

Senator TIERNEY—So \$50 million to \$100 million—something like that—and then a secondary job generation beyond that.

Mr Jacobs—Exactly.

Senator TIERNEY—You are indeed blessed because, where we find in regional Australia there are universities, they tend to act as main springs of growth and attractors for development. Have you had a look at any cities overseas that are in a similar situation to yours where the university is a very important part?

Mr Jacobs—No, I have not.

Senator TIERNEY—I would recommend North Carolina—Raleigh Durham, for example.

Mr Jacobs—The research triangle.

Senator TIERNEY—Yes. Out of the university it generated an enormous amount of industry over a period of 50 years. Could you give us an indication, in terms of regional development, the relationship between your council and nearby councils? Do you tend to work as isolated units or do you work in combination in a regional organisation of councils on some matters?

Mr Jacobs—There is a regional organisation of councils and there is a close and ongoing interaction between the chief executives, professional officers and councillors of the Central Queensland councils.

Senator TIERNEY—You mentioned the term cargo cult and you were not expecting Brisbane or Canberra necessarily to give a total rescue for different situations. A lot of the research shows that 70 per cent of investment in regional areas is local any way. What sort of measures are you undertaking to encourage growing of local businesses to create employment?

Mr Jacobs—They are the essential elements of the community economic development model. As you say, studies have demonstrated that a significant amount of new investment comes from existing enterprises. Unfortunately, government programs come and go; and some are successful and some are failures. It is undoubtedly of assistance trying to encourage the local leadership. I believe that the McKinsey report extensively commented on the need for these sorts of initiatives at a local and regional level.

Senator TIERNEY—Did you have a look at that study on Glasgow in the McKinsey report?

Mr Jacobs—No.

Senator TIERNEY—It considered itself greatly neglected, particularly by Edinburgh, and lifted itself by its boot straps, set itself a new mission and achieved great things from the local level. It would be an interesting one to have a look at. Mr Merry, you mentioned work for the dole projects. I believe there are two operating and eight currently approved new ones. Does the council have any involvement in any of those 10 projects?

Mr Merry—Yes. The Rockhampton Heritage Village is the main one. I think there are something like 100 people involved in the work for the dole. It is on the outskirts of the city, and it is in the development of a heritage village, teaching them new skills and helping in the development of the village itself.

Senator TIERNEY—Is that one currently under way or is that one of the new ones?

Mr Merry—No, it has been going for approximately eight to 12 months, from memory.

Senator TIERNEY—There are seven new ones. There are about another 140 people going to get work under the seven new projects which your local member, Paul Marek, has

been enthusiastically pursuing, I believe. Do you have an understanding of what those seven projects are about?

Mr Merry—No, I am sorry, Senator.

Senator TIERNEY—Who, out of our list of people who have come to the town, would know that? It is probably the ACC people, who were before morning tea, so I have missed my chance to ask them. I will find someone else a little later on to do that with. Thank you very much.

CHAIR—In evidence at a hearing we had in Lismore, one of the lines that really stuck in my brain was from the organiser of the ACC, I think, or the regional development person, who said he had no idea what went on in the university until 12 months before. He actually made a very constructive point. He said that for all of them it was an astounding thing to discover what happened in universities. Indeed, the university in the area, the Southern Cross University, is basically behind two of the potential job creation initiatives, tea-tree oil and natural therapy, alternative medicines and proper research.

What he said was that business did not know what universities did. And universities, I might say, in answer to questions, admitted that they probably did not know what business did. That is changing in lots of places. Is that the story you would tell here or is this community, and this business community in particular, much more aware of what is going down at the university, and vice versa?

Mr Jacobs—I think the university is demonstrating that it has a commitment to open up. The very move of moving from an isolated campus in a corner of the city to want to participate in the life and culture of main street and draw together other educational providers, such as the TAFE college, and have solid business links demonstrates that there is an existing and increasing openness and participation.

CHAIR—So what you are saying is that, yes, it is happening, but it is newish, that maybe 10 years ago universities had their walls around themselves and business had their walls around themselves?

Mr Merry—Probably I might be able to speak on that from the traditional side. Central Queensland University was semi-isolated, I suppose, from the community. It has been through a number of restructures and the focus is coming back to linking completely with the community and also forging some great links with Rockhampton City Council. There has been quite a number of projects that Rockhampton City Council has taken on with CQU. I think there is a great partnership there. It has been more of a new event and it mushroomed, rather than being a gradual role.

CHAIR—Thank you. I think it was you, Mr Jacobs, who gave me another reason to leap for my pen. ‘Government programs come and go.’ I thought they were here forever. Please explain?

Mr Jacobs—I think public servants are here forever, Senator. For example, the REDO organisations have basically disappeared from the map, and there are the programs that have

come and gone before. At the moment, ACCs are the prime, federally funded agency on the ground, but history demonstrates that the program deliverers change.

CHAIR—You are just observing that, rather than being for it or against it?

Mr Jacobs—I think it is a fact in an increasingly volatile electorate and with changing of governments that, despite programs coming and going, there is a need to build up the capacity in the local community and harness the information networks and the expertise that is there.

CHAIR—Except that the evidence we have been getting a whole lot is that while the previous Working Nation clearly had some things that needed to be revised or removed or reformed, a lot of it was very good and all of that is gone, particularly a lot of the expertise in the community. We have now got a new system that is not providing the same kind of support. There is a lot of energy and network at the community level that is lost each time we change. Would you agree with that?

Mr Jacobs—That demonstrates the need to build up the capacity in the community, in that programs will continue to come and go but the community is left holding the can at the end of the program. So there has got to be an investment in community expertise.

CHAIR—You can tell me later how many times you can do that without breaking the hearts of people to the point where they are not able to rise again. You explained that you have managed a streetlife mainstream program in a mixed urban-rural municipality. Where was that?

Mr Jacobs—In the shire of Cardinia, which is based on a town called Pakenham. The shire had a population of 42,000.

CHAIR—All I know about Pakenham is pears. Am I in the right Pakenham? Which Pakenham?

Mr Jacobs—Pakenham is approximately 20 minutes east of Dandenong, in the outer south-east of Melbourne.

Senator GEORGE CAMPBELL—They train good horses.

CHAIR—What do you mean by starting a strip retail? What did you do—set up main street or reawakened it?

Mr Jacobs—There are similar programs in New South Wales called main street. The program in Victoria, state funded, was called streetlife and it enabled the council to appoint a coordinator to work with retailers. The evidence is on the ground in regional cities all over Australia that the traditional high street shopping centre is disappearing and this town is a case in point. The retail heart has moved to a mega, airconditioned shopping complex out of the centre of the city. That creates a challenge: what do you do with the former high street? The tenants in the shopping centres pay high rents but have the benefits of professional marketing coordinators, very stringent rental policies, filling the right niches and making sure

that the marketing mix is right in the shopping centre, whereas the traditional strips do not have that.

My direct experience was that the appointment of a person to work with the traditional high street retailers was very successful in organising joint marketing efforts and redressing some of the imbalance between the small 'mum and dad' types of retailers versus the larger franchised outfits that you typically see in the larger shopping centre. There is probably a greater employment density in the individual small traders in your traditional high street.

CHAIR—What was the outcome? Did it work?

Mr Jacobs—It was very successful. I cannot quote the exact statistics but there was a reduction in the vacancy rate, there was an increase in employment and the program was renewed for another 12 months.

CHAIR—A lot of people have been telling us stories such as that they much prefer main street to huge, super-duper, airconditioned shopping centres where the rents are high and small shopkeepers have to battle like blazes to stay afloat. Is that the story you know about here, or is it all too new?

Mr Jacobs—My direct observation is there is an extraordinary number of vacancies in the traditional high street shopping settings and that the mega, airconditioned complex seems to have a high level of occupancy and a lot of people in it.

CHAIR—Do you know what the rents are?

Mr Jacobs—No, I do not.

CHAIR—May I suggest that you make it your business to find out?

Senator MACKAY—There were a couple of interesting comments in the submission that I would like to follow through. The first one is your observation that local government in Queensland may need a mandated role in local economic development. As we have been going around Australia, everybody has been saying that the delivery in terms of industry development programs should be much more coalfaced than it is now, and even more so than three years ago. They, the local community, know what is best for the local region. I do not dispute that. I think that is correct.

When I was in La Trobe Valley last week, I said to Gippsland Group Training, 'You think you know the best for the La Trobe Valley.' They said, 'Yes.' I said, 'All right, I'm on this regional unemployment inquiry. Everywhere I go, people say, "Give me \$20 million and I will fix unemployment in X." I'm from Tasmania, which is a very depressed region. Why should La Trobe Valley get \$20 million? Who makes the final determination?'

It is a very interesting question. Firstly, what is your observation of the balance between a centralised model where a portion is the funds. What criteria would be used to determine that? Secondly, what is the most appropriate structure at the local level to deliver services or industry development projects? You say the REDOs have disappeared. They may have in

Queensland, but they have not in other states. In some areas, the REDOs are stronger than the ACCs. There seems to be a huge disparity across Australia in project delivery and what the coalface looks like. I am interested in your comments.

Mr Jacobs—There are 800 local governments still in existence in Australia, although the number may keep reducing, particularly in Tasmania of late. There is a great disparity in some ways in effectiveness and ability. I am not saying that local government is the panacea. If you look at some of the tasks local government is charged with, such as infrastructure provision, land use policies, speed of approving applications to create new business and new employment, local government does have charge of a number of significant levers.

Local governments may be very good at making roads and collecting dog registrations but, unless they have regard to the importance of increasing employment and investment in their area, their rate base keeps declining. They worry about declines in federal road funding. They worry about declines in FAG grants and local road grants, whereas if they focus on creating the right conditions for new investment and new employment, that has some ability to augment their rate base and hence their financial self-sufficiency. So I think local government in many places—not all—can be a partner with the state and the federal governments in delivering programs and putting a local slant on program delivery.

Senator MACKAY—Would you see that local government would be a more appropriate tier of government than, say, REDOs or ACCs, or these sorts of structures that you rightly point out come and go or are emphasised more or less, depending on the complexity of the government?

Mr Jacobs—No, I cannot say that because of the diversity in size and effectiveness of the 800-odd local governments across Australia. I saw in Tasmania that there is a new southern council and that must cover a significant portion of the state. That is probably an amalgamation of three or four local governments. That sort of organisation with a regional focus may have a brand-new capacity to deliver some of these programs. If you looked at the economies of scale created in that new organisation, you might say, ‘Does there need to be an ACC or a REDO besides that?’ But elsewhere in Australia, where you looked at very small local governments, you would say, ‘That may not be the right model for program delivery.’

Senator MACKAY—To ask you a much more direct question: what involvement do you have with the ACC then?

Mr Jacobs—Just a consultative role. In a town this size we run across each other’s path very regularly and meet on specific issues.

Senator MACKAY—But is there a systemic approach to involving local government in the ACC? For example, with the proposed projects under investigation that we were told about earlier, were you consulted about the Rockhampton ones?

Mr Jacobs—Yes, we are aware of them. We will have a great involvement in some and a minimum involvement in some. If that list of projects was rewritten today, ‘smart city’

might appear on the list as something in which the ACC would have a significant interest. That was probably produced for a deadline some time ago.

Senator MACKAY—It is still current. You can still get your bid in if you want.

Mr Jacobs—Okay. There were initiatives that came out of the future opportunities workshop. The group organising the future opportunities workshop will be making a presentation to the ACC on some things which were suggested.

Senator MACKAY—You made the point earlier that Rockhampton was essentially very strong in the public sector and you talked about rail specifically. What is the quantum in terms of downsizing in the public sector over the last 10 years in Rockhampton? Do you know?

Mr Jacobs—No, I am not aware of any reliable statistics on which I could give such an answer. It is all anecdotal.

Senator MACKAY—Yes. We can certainly talk about that with rail.

Mr Jacobs—But the railway figure is directly sourced from the local Rockhampton Queensland railway. That is reliable; that is why I gave it.

Senator MACKAY—I have just one final question. SMEs are obviously the driver of most job growth. You said perceived complexity of administration of labour programs is a concern and the provision of information about programs for SMEs is uneven. Then you went on to talk about a first place or one-stop shop type concept. What led you to put that in the submission?

Mr Jacobs—In a council role, I was involved in a traineeship program. From my observation, it was a very successful labour market program in terms of the people finishing their 12 months and then having a recent employment history and a reference. They were job ready. But the paperwork that surrounded that scheme did not engender participation again. As the purse strings become tighter on the public sector, they are less inclined to become involved in those sorts of schemes. There is a great rate of downsizing and outsourcing in large enterprises, so if you want to encourage every retailer out there to put on another person in their premises, you have to have a scheme which is very appealing to that small business operator.

Senator MACKAY—What about the issue that was raised with us earlier about the new jobs network? We were advised that the complexity is a difficulty. The referrals from Centrelink are a difficulty and the charging of businesses is creating a difficulty. What involvement is the council having in advising people about the new system?

Mr Jacobs—I am not aware of any direct involvement and I have no direct experience with the new employment provider arrangements.

Senator MACKAY—But, presumably, those comments you make would include information about the Job Network, for example.

Mr Jacobs—I am referring to previous employment schemes which I have been directly involved with.

Senator MACKAY—Which no longer are there. Presumably that concept would have to include the current system, wouldn't it?

Mr Jacobs—Again, I have no direct knowledge of the day-to-day workings of the new employment placement agencies.

Senator MACKAY—But it would make sense if you were going to disseminate information about what was available in terms of job providers and so on.

Mr Jacobs—You would think there would be a significant interest in involving small business in those arrangements.

Senator MACKAY—The point you are making is, in terms of the old labour market programs, that you thought that whilst they were—

Mr Jacobs—Worthwhile outcomes, but the paperwork was horrendous.

Senator MACKAY—That is a fair enough comment.

Senator GEORGE CAMPBELL—Mr Jacobs, I want to go back to an earlier question from Senator Mackay. As we have moved about the country, what has become apparent in a number of areas where we have held these hearings is a fair degree of support for a bottom up approach to regional development—in other words, the development of the ideas out of the region by using community resources or whatever. I must say that, in a number of those regions, a lot of good ideas were put on the table from various groups. They had potential for developing businesses, industries, jobs and what have you.

However, the thing that has troubled me in moving around is trying to actually get a definition of what is a region when you are looking at the issue of regional development. I do not know whether you have a view on this. Should we be looking to define it in terms of economic regions, or should we be looking to define it in terms of geographical regions? What are the sorts of synergies that we ought to be looking at in terms of drawing a circle on the map and saying, 'That is a region for the purposes of regional development'?

Mr Jacobs—My personal preference would be for the economic region in that you can demonstrate the linkages between firms and transport corridors, looking at such sources as the production of water, electricity, capital, and build the strategies around that natural economic zone.

Senator GEORGE CAMPBELL—Are there any sorts of synergies that we ought to be looking at in the context of defining that? You seem to be saying it should be based essentially around infrastructure.

Mr Jacobs—And the natural business linkages. For example, in this area, my perception is that there is a triangle between Gladstone, Emerald and Rockhampton. The public sector

has traditionally been housed in Rockhampton. There is a great deal of mining and coal, citrus and agricultural production around Emerald, and the transport corridors for coal are to Gladstone. There is a strong industry base of national significance developing in Gladstone, and a huge port, but the largest airport is at Rockhampton.

ACTING CHAIR (Senator Tierney)—What is the distance between those centres?

Mr Jacobs—Given that I am a newcomer, it is an hour to Gladstone, or 100 kilometres. It seems to be about three hours in the car to Emerald, so about 270-odd kilometres.

Senator GEORGE CAMPBELL—You say in your submission that the region is reliant on commodities, principally coal and beef. Have there been any discussions, to your knowledge, in the region, or through the council, with the coal or beef producers, about any downstream processing activities that could be engaged in in this region, or any value added activities that could be engaged in that would provide or develop secondary industries to those primary industries?

Mr Jacobs—I am sure discussions have taken place in the past, and I am aware of more recent discussions with regard to the troubles in the coal industry which have been raised at the regional organisation of councils. It is hard to know what to do with value adding of coal, but beef, I think, is an area for the future, given that, apart from government, this area has three meatworks which are major employers. They are facing difficult times with the commodity they produce and with troubles in their key markets. Undoubtedly, that is one area which, in the future, will be trying to capture any opportunities in this area.

Senator GEORGE CAMPBELL—What was the simple message that Mr Pickrill from the Canterbury Development Corporation was giving you in that seminar, given that we will not be travelling to Canterbury?

Mr Jacobs—It was one model of an organisation which had a very strong leadership role in its region. It appeared to be well respected and was operating on many fronts in terms of coordinating tourism events, providing umpteen programs to small and medium enterprises and encouraging leadership in the region: tall poppy days; a myriad of programs designed to increase self-reliance and self-respect and some of the intangibles of economic development. They had a suite of Canterbury performance indicators so it was not just a matter of talk. They were able to show you the hard numbers. Obviously there was some success if they had gone from the worst performing region in that country to the second best.

Senator GEORGE CAMPBELL—Is there any sort of an equivalent type structure here? Have we had any equivalent structures that you would say are comparable to what they were doing there?

Mr Jacobs—No, not from what I have observed. With the federal and local model, obviously there is some scope for a regional agency.

Senator GEORGE CAMPBELL—In the job statistics you give us, there are four which stand out. The loss of 20 per cent in communications jobs: what is that through—Telstra downsizing?

Mr Jacobs—I would imagine Telstra falls into that bracket.

Senator GEORGE CAMPBELL—And the utilities, 23 per cent.

Mr Jacobs—I would imagine it would be the electricity industry.

Senator GEORGE CAMPBELL—I assume that transport and storage is the railway workshops?

Mr Jacobs—Yes, but undoubtedly a vast range of other commercial enterprises are caught in that classification as well.

Senator GEORGE CAMPBELL—Sure, I understand that. I was assuming a central feature there would have been the decline in the railway workshops.

The smart city concept you talk about—communications, technology, electronic business—does that incorporate Internet cafes into that concept or is it essentially just education?

Mr Jacobs—I think the use of the Internet by small business is essential and I think the more we do to encourage small businesses to grasp that technology the better.

ACTING CHAIR—There being no more questions, I thank the representatives of Rockhampton Council for appearing today.

[11.28 a.m.]

COWAN, Mr Adrian Gerarde, Committee Member and Chairperson, Training and Skills Development Subcommittee, Mackay Area Consultative Committee, Jobsnet Association Mackay Inc., PO Box 1659, Mackay, Queensland 4740

KENNY, Mr Michael John, Executive Officer, Mackay Area Consultative Committee, Jobsnet Association Mackay Inc., PO Box 1659, Mackay, Queensland 4740

ACTING CHAIR—I welcome Mr Kenny and Mr Adrian Cowan. The committee prefers all evidence to be given in public. If at any time you wish to give any evidence, part of evidence or answers to any questions in camera, you may make the request and the committee will consider the request. Such evidence may subsequently be made public by order of the Senate. The committee has before it submission No. 184, dated 4 June 1998. Are there any alterations or additions you wish to make to that written submission at this stage?

Mr Kenny—Not specifically, no.

ACTING CHAIR—If you would like, you may give us a brief opening statement and then we will go to questions.

Mr Kenny—From the Mackay region's point of view on regional employment and unemployment, there are a lot of issues from an international and national perspective which are happening right across the world—the Asian economic crisis, reduction in trade barriers, continuing globalisation, the change in technologies, particularly the information technology, shorter product development cycles and fundamental market shifts and change in consumer demands. They are impacting right across Australia and also within the Mackay region.

However, within our region, we are also having some specific regional impacts relating to structural changes in our major industries, particularly in the mining and meat industries. We are looking at changes as far as our commodities based economy is concerned. Even though it is a rather diverse economy, it is still very much a commodities based economy. We do not currently have any great value adding industries.

We really do not have a lot of regional coordination, as such. We do not have recognition of the Mackay region as a region at government levels or, in a lot of cases, at industry level. We get lumped into either Central Queensland or North Queensland, which we feel is impacting on our opportunities to maximise employment opportunities.

The level of infrastructure, hard and soft, is also a bit disparate from where we should be looking to put that infrastructure now and maybe into the future, particularly in regard to water, which I suppose you hear about around Australia. The lack of water supply is a major issue, long term. That basically sums it up as an overview.

Senator GEORGE CAMPBELL—Mr Kenny, you heard my questions to the previous witnesses about the definition of a region and how to define a region. Would you agree with

their comments that we ought to be looking to define it in an economic sense rather than a geographical sense?

Mr Kenny—A region should definitely be looked at from an economic point of view rather than an historical or geographic point of view.

Senator GEORGE CAMPBELL—I noticed your comments about the narrow focus of some regions. You talk about your own being based on a major industry, for example, coal and sugar. Again, have there been any discussions in your area about value adding or downstream processing activities that can be undertaken with these industries that would give you a more diversified economic base?

Mr Kenny—I actually mentioned that it was the economy in certain areas within regions that have a narrow focus. As one of the strategies over the next three years, the ACC, as part of its plan in conjunction with the Queensland government department of state development, is looking at a Mackay regional industries strategy 2020. All our major industry sectors with industry people will look at opportunities to do exactly that. They will look at market opportunities, diversification, expansion and opportunities for clustering. So, the answer is yes.

Senator GEORGE CAMPBELL—Do you have any feel for what is the best structure that could be put in place to assist in regional development?

Mr Kenny—I do not think there is one structure that will suit all cases. I know there are a lot of things that are happening within our region that are suiting various areas of our region, which are having great success. We have got the community builders program which is going on in some of the rural areas. That is working quite well. It is helping to generate a lot of ideas and opportunities and it is making sure that the ownership is retained at the local level. Whatever model comes up, the big issue is to make sure that ownership remains at the local level and the drivers are identified very early in the piece.

There are a lot of other programs that are very similar to that—more of a bottom up sort of approach. I think the answer is not always funding. In a lot of cases, it is access to expertise, that initial kick start or catalyst and working with the people to give the local people and the local communities the confidence to keep going.

One of the big issues is that we are very complacent as a race and, when things are going very well, we tend to think they will go that way forever. So we do not plan on changing things and that has particular implications, especially for our region, with the smaller mining towns in the western areas. It is already happening to places—for instance, in the Bowen Shire with Collinsville.

Senator GEORGE CAMPBELL—I have some concerns in developing a series of regions. Whilst they have an economic or geographical base and they are regional development, as such, if we try to drive the agenda from the bottom up, as you have expressed, a lesson has come through from all of the hearings all around the country—and I think it is a correct lesson from which to draw. One of the things that concerns me is that we do not get into the type of situation that we had in this country—and still have to some degree—and

that is, bidding wars between regions. We have had it between states. We have had the example of states going overseas and bidding against each other with, for example, the submarine program. As a consequence, the states have actually bid down the value of the project. What do we do to stop the same sort of thing occurring if we start to look at development on a regional basis? For example, how do we stop Mackay bidding against another town or a town bidding against Rockhampton, and bidding down the value of projects that might be available? Have you given any sort of consideration as to how that type of thing might be managed?

Mr Kenny—It is going to be very difficult, bearing in mind the very parochial nature of the regions, especially when you start to get up into North Queensland. The opportunities, I think, to reduce that related back to providing the tools to the local people to ensure that they are driving their own future and it has no bearing on what is happening in the bigger picture to a certain degree. Normally, when a bidding war is started, it involves funding. There is a limited amount of funding to be had and everyone wants to put their hands out for funding. There is now a general sort of acknowledgment within the Mackay region that the days of government hand-outs are long gone and, if we want things to happen, we are going to have to find our own investment and our own projects to develop. Basically, I think the incentives that government can provide are still that initial up-front catalyst with the expertise and maybe some seed funding. That stops the bidding to a certain degree.

Senator GEORGE CAMPBELL—What do you define as tools?

Mr Kenny—Tools can comprise a whole range of things. For example, people can be brought in from outside with expertise to work with local community people to give the local community people the skills to drive projects themselves—basically, to go through and show the people processes that can be followed to develop projects from ideas to physical infrastructure on the ground.

Senator GEORGE CAMPBELL—Are you talking about financial expertise here?

Mr Kenny—Basically the tools, I would say, would be more resource type of tools. It can be people. It can be access to documentation, mechanisms and programs that have worked elsewhere, for example in Nebraska. It can be things like that—not necessarily always money. It involves being able to make different sorts of expertise or resources available to different communities, depending on the project and what the requirements are. In some cases, it may be dollars. The main thing is: do not reinvent the wheel.

Senator TIERNEY—At the bottom of page 4 of your submission, you talk about the work of the ACC and that a good starting point might be the launch of local initiatives aimed at reducing unemployment. All the studies show that 70 per cent is going to be generated in the local area anyway. So obviously it is on the right track. How far are you from developing actual strategies that will generate jobs?

Mr Kenny—We have just completed preparing a three-year strategic plan for the period 1998 to the year 2001. That is currently with the Department of Employment, Education and Training and Youth Affairs for their endorsement.

Once we have that endorsement the plan will be distributed throughout the region to all our stakeholders and hopefully we will be able to get their support. There are also other strategic planning activities under way in the Mackay region. The Queensland government, under the auspices of the Department of Local Government and Planning, is doing a Whitsunday and Mackay strategic plan. The department is looking at a range of economic, cultural, environmental and social strategies for the whole of the Mackay region. We believe our strategic plan, even though it is ahead of that, will fit in nicely with it.

As an area consultative committee, under our charter we can get to the water's edge but not get our toes wet. We do not compete with any of the local organisations and so that gives us a credibility factor that various other organisations did not have, including existing regional development bureaus and various other local community organisations that are out there competing for these project dollars to survive. Our outcomes are simply the outcomes of the project and we do not need the dollars to physically do the projects because we do not do them. It gives us a credibility factor because we are not in competition.

Senator TIERNEY—In terms of economic activity for the Mackay area, what do you see as the main opportunities for job growth?

Mr Kenny—Our major opportunities for employment are definitely the tourism industry, the hospitality area, and value adding to our existing industry base. We also have something like 19 new mines coming on stream in the Bowen basin over the next 20 years, and they will generate opportunities as well. There is no value adding in these areas at the moment. There are other organisations that are working conjointly with us as an ACC to look at opportunities to actually value add.

Senator TIERNEY—Looking at the location of Mackay on the map in relation to Rockhampton and Townsville, it seems to sit about half-way between those two cities. What sorts of special problems does that create for you?

Mr Kenny—As I mentioned earlier, one of the major issues we have is a lack of recognition as a region in our own economic right. We get lumped in with Central Queensland or North Queensland, which is either Townsville or Rockhampton. There was an audit done of the Mackay region back in 1995 by the Centre for Applied Economic Research Analysis, a unit of the James Cook University of North Queensland, and it clearly showed that as a region we have very few linkages to either Townsville or Rockhampton. Our linkages are further south, mainly through our mining areas and our sugar industries, or further north with our tourism type industries.

Senator TIERNEY—In terms of the area that you are working in as an ACC, how far north and south of Mackay would you extend? I assume Proserpine is included.

Mr Kenny—It extends from Airlie Beach down to St Lawrence and out to Clermont, which is the Mackay statistical division.

Senator TIERNEY—Within that area, how much cooperation is there between the local councils in terms of trying to develop something on a regional strategy basis? From what you are saying, Mackay is a separate region from Rockhampton and Townsville.

Mr Kenny—The local authorities for the Mackay statistical division, plus the council at Bowen, have had a regional organisation of councils for quite some time. They have been working cooperatively together. However, whilst they have been working cooperatively together they are still a little reluctant to work in the wider community area. They tend to do their own thing, to a certain degree, as a group of councils. The other economic development organisations, social organisations and ourselves, tend to find out about their initiatives in the press rather than be involved in an ongoing way.

Senator TIERNEY—Does that broader region of councils include Rockhampton and Townsville?

Mr Kenny—No.

Senator TIERNEY—It stops well short of that.

Mr Kenny—It is the Mackay statistical division, which is the seven shires plus Bowen shire.

Senator TIERNEY—Are there any strategies to work more as an integrated regional unit, particularly in terms of attracting state and federal dollars for things like tourism, or any other projects you might think of?

Mr Kenny—Yes. The two major tourism bodies in the region—the Mackay Tourism Development Bureau and the Whitsunday Business and Promotion Bureau—are currently working on strategies whereby they can have closer linkages together. As I mentioned before, the Whitsunday hinterland and Mackay 2020 strategy from the Queensland government initiative will also provide more regional coordination and linkages between various stakeholders.

Senator TIERNEY—Can you explain briefly what the 2020 strategy is?

Mr Kenny—It is a regional planning study done by the Queensland government, similar to the SEQ 2005, which you may have heard of. It looks at all of the issues relating to a region, based on identification of its strengths, weaknesses, et cetera at the front, and at economic, employment, environmental, social and cultural issues, and then comes up with strategies to maximise the opportunities for the region in those areas, whilst still maintaining the qualities of life and lifestyle that the regional residents wish to keep.

Senator TIERNEY—That is driven from the Queensland government, is it?

Mr Kenny—Yes, through the Department of Local Government and Planning.

Senator TIERNEY—Are they treating you as a discrete region in terms of that exercise, as opposed to Rockhampton and Townsville?

Mr Kenny—Yes. It is the Mackay statistical division plus Bowen.

CHAIR—I thought your submission was a good read. I have got very big marks down the side saying, ‘Hear, hear.’ In particular, I like the point you make in your comment that lots and lots of people—and it confirms the evidence we have heard from other places—do not like ringing 1300 numbers and speaking to someone in what is near enough to being another country, when they are really looking for local knowledge. It might be okay for booking plane tickets, but it is not very good for helping people with, for instance, getting employment. Is that what you were particularly referring to with regard to specific reduction of government services?

Mr Kenny—That is one area. It has to do with the actual fact that you dial a 1300 number and you end up with someone in Melbourne who does not even know where Mackay is, let alone what sort of things you need. They look at a map and say, ‘You can just go down the road to Rockhampton. Just jump in a cab.’ They do not realise it is 400 kilometres and an hour in a plane.

But another big issue is the physical loss of government services, say, from a town like Moranbah, which is three hours from Mackay, back into Mackay. If you do not have a vehicle, you cannot access the physical sort of services where you need to talk face-to-face with somebody or to investigate something.

CHAIR—We also found the same thing in other parts of our regional hearing: if you have to take a bus for 100 kilometres to get to your listed Job Network agency, you might as well not have it, because lots and lots of people cannot even afford the bus fare, much less the time out to do that kind of travel. But Queensland does do distance with its own particular flavour. There are other parts of Australia that have to travel as far, but I think you have got more people spread more widely than has anywhere else in Australia. Is that a fair comment?

Mr Kenny—Yes, I would say so.

CHAIR—I thought you were going to say that one of the problems of being in Mackay was that you did not have an international airport. You can laugh at that, Mr Kenny. Thank you.

Mr Kenny—Is that before or after Proserpine?

CHAIR—I think Townsville people are still complaining about having theirs largely closed, aren’t they? Can you tell me about the future search and community builders programs? Are they two state programs?

Mr Kenny—The future search program used to be a Queensland government program, and the community builders program was borrowed from Nebraska in the United States. It is currently being funded in two areas of the Mackay region, through the Mackay Regional Council for Social Development and through the Department of Primary Industries and Energy rural access program. They are basically very similar in content, except that the community builders program is spread over a longer period of time and involves going out into the community, identifying some local community drivers or champions and then

holding a series of community workshops to identify economic opportunities, focused normally on smaller opportunities which can be driven locally and retained locally.

The future search program basically involved an initial scoping demographic study of the region—a full one-day workshop, out of which you ended up with a series of local action planning groups. There was some funding provided by the government to appoint a part-time coordinator for a period of normally six to 12 months, to help community groups follow through with those projects.

CHAIR—Can you tell us about the state of the Job Network in your area?

Mr Kenny—Which part of the area? This is one of the issues we have, with not being a region. In Mackay city, we have a group of service providers. If you go over the range to the mining towns, the service providers are actually in Emerald. If you come down south, to about halfway down our region, a lot of the service providers are in Rockhampton. If you go to Airlie Beach, we have different ones again.

The ones in Mackay are very aggressive in the market. They are not all gloom and doom as per the article in the weekend paper. They are out there really going for it, and some of them are getting some very good successes. It is a very competitive market. One of the things that we will be doing as an ACC with those members, as part of our Job Network members club, is actually going to focus on a campaign on employers. We are finding that there is a lot of confusion with the smaller employers. The major employers are either aware of it or have dedicated HR people who are very aware of it. Smaller employers are very confused, especially with some of the charges that are being levied on them now, where once they used to get a free service.

Again, they also are not getting the best service from the old 1300 number. When they dial the number to get on to the national database, I think they are finding that a little bit dramatic. We are finding that a lot more signs are going into front windows of shops, including at Woolworths, advertising for staff. I believe that, in the long term, it will even out a bit. At the moment in the Mackay region, we have the situation where most of the service providers have more unemployed people on their books than they have jobs.

CHAIR—Have they complained about any difficulty with the referrals from Centrelink?

Mr Kenny—Not so much with the referrals from Centrelink. Our Centrelink office in Mackay has been one of the better offices around town—from the anecdotal evidence we have received. Not only were they on their targets but they were a little ahead of them. That may have been because they may have had a greater number of ex-CES employees who actually moved over into Centrelink. The couple of complaints we have had mainly related to the IES interface computer system.

CHAIR—We have consistently had stories all the way from total chaos to utter disaster to ‘It’s just not going too terribly well.’ One of the things that you said confirms a lot of other evidence that employers are not amused at \$250 or any fee for what they previously did not have to pay for. A lot of employers have also seen it as unjust that if you are, for example, using seasonal workers you might have to advertise three or four times per year, in

comparison with somebody who might only have to advertise once for a longer-term job. Have you had any complaints of that sort vis-a-vis seasonal work?

Mr Kenny—Not so much with the seasonal work as yet; but, with the casual work, we have had some smaller truck-driving operations looking for a casual driver for one or two days work. Before, they used to go to the CES and get somebody for free, and now they are saying that they are not going to put anyone on.

The other issue is with the apprentices and trainees. We are finding that people say, ‘Why should I pay to advertise for that? I may as well just go down the road to one of the hire companies and negotiate a fee, and that way I won’t have to worry about the training as well.’ Again, a lot of this is as a result of the government’s initial campaign, which has been very much focused on the unemployed. There has not been a great focus up to this time on the employer. However, that is changing with the strategies that are coming into place now. I think it is just a matter of time. It is a matter of education for the employers. Also, a lot of the other smaller employers, regardless of what information you give them and how much you try to educate them, really do not listen. They are not interested until such time as they are ready to employ somebody and then they are interested.

CHAIR—I would be interested in your opinion, Mr Kenny, on how persuasive any kind of campaign will be to encourage people to pay \$250 for what they previously paid nothing for.

Mr Kenny—We do not tell them they have to pay \$250. Not all of our service providers in Mackay charge; some are free. We tell the employers that it is up to them to negotiate the best deal they can. They do not have to accept what the service providers offer.

CHAIR—That runs a little counter to what the government might be suggesting, though. I think you highlight a confusion in the program: would you agree with that?

Mr Kenny—Yes, I suppose there is; but the government has never said in any of its marketing material or any of the information I have seen that employers would have to pay to register jobs with any of the service providers. I have yet to see that in black and white. It was a commercial decision taken by some of the service providers and, if they can justify that cost to an employer and the employer sees there is value in it, then that employer will pay it. Obviously, it must be working, or else they would not be still charging them. I know there are a number of employers who are paying it and are quite happy to pay it.

CHAIR—And there are lots of advertisements in windows.

Mr Kenny—True. For the smaller operators, it is a big hassle. For panel beating shops and little corner shops, it is an issue. The whole idea of privatising the employment services market was to let market forces dictate. As I have said, not all the service providers in the Mackay region are charging. Some of them are actually using the fact that those services are free as their market niche and are doing well.

CHAIR—If you are around at lunchtime I will have a chat to you about market forces, Mr Kenny. You might persuade me of their unlimited virtue. We have had difficulty with

employers who do not find it easy to have to pay for what they did not previously have to pay for. We have had providers of the Job Network being very pressured: they are not getting the referrals and they have not been getting any funding coming through. If you have got FLEX 3, that is one thing; but, if you are providing FLEX 1 and 2, it is very problematic. Of course, the unemployed people, who seem to be the last to be considered, are now sometimes finding that they have to travel considerable distances to reach services that previously were nearby. If that is not happening in Mackay, that is all to the good; that is a different story. You seem to suggest that outside of Mackay it is, for example, a long way to Emerald.

Mr Kenny—It is four hours by road. As well as that, there is confusion out there with the unemployed people, as well as the fact that the CES does not exist and they have got to make a decision to go to the service providers of various other areas. Also, the change in the government policy that means that some people who were eligible for benefits are no longer is also having a bit of an impact. I think a lot of it is getting all rolled up into one. Perhaps, in hindsight, the timing might have been a little better to look at those issues.

CHAIR—You have anticipated my next question. The last group of complaints we have heard have to do with people who are not eligible, since they are not on a pension or unemployment benefits, being told, 'Tough.' These people are as genuinely looking for a job as anybody else, and it is pretty depressing for them. Previous witnesses have told us that, in some cases around here, you would have a lot of those people who might be unemployed, for example, as a result of a mine closure. They are all people who are very pleased to go on working and put in their pennyworth in society, as most people would like to be, but they are not going to get much assistance now.

Mr Kenny—That is correct. Not only do they not get any assistance that way, but we believe that some of the actual allocations of numbers of certain services available are just basically ridiculous. There are lots of opportunities, particularly with the new enterprise incentive scheme, for self-employment. We have got people coming in from the mines who have got a reasonable amount of money and are cashed up. Also we have people coming in from the islands: most of the specialist people on the island resorts are actually employed from down south through their head offices. When their term is up, or they go troppo on the islands, they come over to the mainland to Airlie Beach and go on the dole.

These people are qualified chefs who have experience in all the aspects of tourism and hospitality. They would be ideally situated to start up their businesses along Airlie Beach and the hinterland areas. It is the same thing with the miners not even coming into the Mackay area, as I alluded to in our submission. There are opportunities for some of those miners to remain in those mining towns and start up business there to try and access some of the outsourcing opportunities that will come from the mines. They will not be able to do it on-site because of their reduced numbers.

Senator MACKAY—The Central Queensland ACC gave us a list of projects on the go that had been funded in the allocation of the last financial year and a list of projects under investigation which they developed in terms of the funding for the prospective financial year. You do not have something similar for us, do you?

Mr Kenny—Not on hand. I can provide that for you if you wish.

Senator MACKAY—They also indicated that projects under investigation, which is the wish list, added up to about \$2.1 million in additional funding. What have you done in terms of forward bids to DEETYA?

Mr Kenny—At the moment we have not prepared our 12-month business plan because we have not got our three-year strategic plan endorsed. My committee decided that there is no point starting one before the other one is endorsed. We would rather wait and see what comes out of that. We have already identified some projects that we will be working on for this current financial year, and perhaps even next year, but certainly nowhere near \$2 million worth.

Senator MACKAY—I have to say that I think that approach makes a bit more sense. Basically, you find out what you have and then you start developing the projects within that in terms of limited resources. But they have taken a different path. Could you give us what you have got on the go, rather than what the bids are.

CHAIR—In relation to the public transport system, would Mackay be looking at job creation with a bus link up and down the coast or is this entirely up to the Queensland government? How does that work?

Mr Kenny—There is a bus service along the coastal area but it is mainly between the various towns out west. The service that is provided there is more related to freight. We are not specifically looking at it. It has been looked at in the past by a few organisations. The bottom line is that it is not viable for a bus operation to run on a passenger basis. The inhabitants of the mining towns are usually very well-paid and notorious for being very big spenders. They usually all have two or three four-wheel drives and various other vehicles. That does not become an issue until the services that they want are no longer there. That normally relates to people who are no longer employed and may have retired and be on a pension. Miners do not save money, unfortunately. But it is very good from a regional point of view.

CHAIR—I thought some of them did by investing in rental properties.

Mr Kenny—That is normally to avoid tax.

CHAIR—The reason they do it may be open to question. It is a variety of saving, is it not?

Mr Kenny—It is. Normally they have a high amount of disposable income and they dispose of it quite readily on luxury type items. That can be the simpler things. For example, when they come into Mackay to do some shopping for the weekend with their kids, they will throw the kids on the ferry and take them out to one of the islands for the day, or they go and buy a new vehicle for the young fella.

CHAIR—The thing I am concerned about is that, if there is no public transport and you have not got a car, you are really stuck there. There is a big push for services to be delivered locally.

Mr Kenny—Yes. It is a major issue for young people. If you do not have a licence or a vehicle you cannot get from one town to another to work. In a lot of cases, if you are living in one of those towns, the actual mine site is quite some distance away. In some of the areas you are okay, and you can get lifts out there, but in others you have to make your own way there. However, if you want to go into a trade you normally have to shift from where you are living in town away from your family and into Mackay to get employed through either the group training company or directly with an employer. That is having a bearing on breaking up the social structure of families.

CHAIR—Yes, that is the story we have heard in many places. I think it is a very useful submission but, if there is any data or facts and figures that you think the committee could benefit from hearing, we would be very pleased to get it. I also thank you very much for coming today. Did you fly or drive?

Mr Kenny—We flew down; we were a bit lazy.

CHAIR—How far is it?

Mr Kenny—It is 400 kilometres.

CHAIR—I would have to say that there is nothing if not a realist's approach in your contribution to this committee, Mr Kenny. I think we are appreciative of that. Thank you very much, indeed, and a safe trip back to Mackay.

Mr Kenny—Thank you.

[12.10 p.m.]

KEENE, Mr Peter Frederick, General Manager, Capricornia Training Company Ltd, Foundation House, GPO Box 1252, Rockhampton, Queensland 4700

CHAIR—Welcome, and thank you for your hospitality in providing this venue and for the way you have been looking after us.

The committee prefers all evidence to be given in public but, should you at any time want to give your evidence, part of your evidence, or answers to specific questions in camera, you may ask to do so and the committee will consider your request. I have to point out, however, that evidence taken in camera can subsequently be made public by order of the Senate, as has happened in recent years. If you would like to open the batting, we will then put some questions.

Mr Keene—Firstly, I will quickly talk about the impact that group training companies have on regional employment and unemployment, and move into some areas of demographics on the regions and factors that affect general employment.

Overhead transparencies were then shown—

I will use Capricornia Training Company as an example of a group training company. It is typical of the 110 now across Australia. We are an incorporated company, as any other private enterprise, and we are registered as a not for profit organisation. We are administered by a board of directors who are purely voluntary.

How it basically works is that we become the legal employer of all our apprentices and trainees. They are placed with various host employers for varying periods of time, depending upon what work or training capacity that individual employer may have. The employers decide what they want, whether it be a trainee or a first, second, third or fourth year apprentice, and the company undertakes all administrative arrangements, as per any other employer.

The services provided by this particular company, and it is now becoming fairly common in all group training companies across Australia, mean that we work in a variety of areas within the communities. Our core business currently employs 244 apprentices and trainees. We have a full-time staff of 18 and we cover a region that is equal—I am told—to about 1½ Victorias.

We also run a variety of other services in our attempts to become totally self-sufficient and thus not reliant on government funding at all. You are sitting here now in our vocational skills centre which delivers nationally accredited training across a wide range. We also have a new apprenticeship centre under contract to DEETYA. We have a registered private employment agency. We run a construction training program that specialises in building public housing for the disabled, and this particular area turns over about \$1.2 million each year. We also run a computer services division.

There are many benefits to the general community. It allows the community to respond to specific areas of seasonal demand, for example if there are specific projects in the building industry we can cater for that, and we can also cater for peak periods in the tourism and hospitality area. We inject in excess of \$7 million annually into the region's economy. All the statistics and figures that we will be using today are from the May 1997 ABS Yearbook, which are the last reliable figures produced. The unemployment figure then was 10.9 per cent for the region. If Capricornia Training Company were to close its doors tomorrow, that level would rise to 11.05.

Most employers would like to contribute to helping young people into employment. I think that is a genuine attempt by everybody. If they do it individually, they are only responding to cyclic industry labour demand. If they do it collectively, through someone such as a group training company, they are providing long-term careers for young people.

With respect to the demographics, I have some general figures on the area. The area is basically, for statistical purposes, Fitzroy, Central West and Mackay, and it is approximately half a million square kilometres. The total population for that region is almost the same at roughly half a million people. There are 132,800 employed persons and 16,200 unemployed persons. The unemployment rate is 10.9 per cent and the participation rate is 59.7 per cent.

The region consists of 31 local government authorities. An interesting point, which we will lead to later on, is that the region is serviced by a total of 246 government and non-government schools, four TAFE colleges, two agricultural colleges and a university with a campus in every major city—that is, Mackay, Rockhampton, Gladstone and Emerald. The largest employment sector is the wholesale/retail with 26,700 employees. Next is education, health and community services with 21,000 employees. The region supports 3,300 apprentices and 1,400 trainees.

The report attached with the documentation was produced by the Central Queensland Round Table, which was a state government initiative. That report shows that there is \$250 billion worth of investment planned for the region, virtually in a circumference around the Rockhampton region.

Let us now look at some of the factors that have impacted on our employment levels over recent years, and at the influences internal to the region that have reduced the sustainable work force. One of the things that this particular region was always famous for was its sustainable work force. The downturn in the two major meat processing companies over the last five years has meant a reduction in employees from 1,500 down to approximately 550. Queensland Rail was another major employer with its major workshop facilities here but it has halved its employment. The Capelec supply authority has also gone through the same process.

Couple that with the reduction and the removal of government services from the region. An example I have used there is our taxation office, which closed its office one Friday afternoon. It gave approximately two weeks notice and 20 people were out of work. Our region now is serviced from Townsville. I have put a note at the bottom of that. The reason the region has not been able to adapt to restore its sustainable work force is really due to the speed with which those instances occurred.

If we look at some of the influences external to the region—you may or may not like this first one—indiscriminate and ill-informed totalitarian application of a national competition policy. I think that has been borne out just recently with the little episode that happened in Queensland. I think there was a very clear message sent with what regional Queensland feels about the way the national competition policy is being applied.

With respect to the international economic downturn, if you look at our region, there are three principal exports for Australia: coal, processed meat and sugar. Coal in 1996 represented \$4,481 million to the region. The interesting one there is Japan was \$1,580 million, and we all know what Japan's economy is like at the moment. The meat exports were \$1,300 million, and the sugar exports were \$1,600 million.

Perhaps people like you may be able to help us return the region's sustainable work force. That is the subject that we really need to work on. It is not the project areas; it is the sustainable work force. We need to develop alternative markets for our processed meat and relocate the Enoggera military barracks to the Rockhampton-Shoalwater Bay area. We have the world's finest military exercise training facility just north of Rockhampton. The Enoggera Barracks, for instance, is badly in need of being rebuilt and is in a sad case of disrepair. The problem with it is that it cannot be done in its current location. It is too close to the centre of the city. So it needs to be brought north in line with the defence policy of the second line of defence behind Darwin. So to me it seems fairly obvious to locate it in close proximity to the training facilities.

The other one there is the Sydney Port Wilson military armoury. At the moment, the ships carrying explosives come in from overseas and their first port of call is our own Port Alma, just south of Rockhampton, where a considerable amount of explosives are unloaded. The second port is Port Wilson. If a ship came in fully loaded at Port Wilson, it could not berth because Port Wilson is not a deep water berth. The only problem there is that the cost of actually deepening Port Wilson to a deep water berth is roughly equivalent to what it would cost to ship the facility to Port Alma. So I think if we couple the whole process together we are starting to establish a very viable second line of defence for Australia.

Part of that could be the establishment of the technology research area in conjunction with our own local university. That could be spun off into the areas of health and a whole range of different areas and even coupled with our smart city project that is under way at the moment. Of course, part of that would mean that the Rockhampton airport would need to be upgraded to international capacity to service the international exercises that occur up at Shoalwater Bay and to cater for the mineral and mining sectors. I think the bulk of coal mining in the Bowen Basin is shifting to underground mining, with long wall miners, et cetera. Most of that equipment is manufactured in Germany. If they have down time, they need to urgently fly the equipment in to repair it. If we had the international facilities here in Rockhampton, it could be airlifted directly into Rockhampton and reduce a lot of the wastage.

There is emerging industry in Central Queensland in fresh flowers, citrus and live seafood exports. We have one of the largest citrus plantations based in Emerald. Again, all of those products could be backloaded for any international flights. That obviously then leads to an aircraft maintenance facility. One area we were talking about, with the existing

infrastructure for education and training within the region, it is vital that we actually do a lot of work in establishing our international competitiveness in that area.

I have some quick comments on this area. The *Changing world at work and emerging vocations* is saying that re-employment and relocational courses are now almost vital for young people. That transition from work into the work force is now becoming too large. We are seeing that almost daily here in our skill centre. It does raise a concern as to who pays, and obviously there is a cost attached to that. We believe that all vocational training should be linked to nationally accredited outcomes so that it becomes totally transportable, and we agree with the philosophy of Australia wide. There is anecdotal evidence that suggests a generic re-employment program is required. I guess that leads to a suggestion of year 13. Again, there is a lot of work to be done in establishing just where that actually lies.

Supporting that is the current legislation requirements—for example, workplace health and safety requires that any new employee undertake quite an extensive induction and a lot of pre-training before they are allowed on a work site, be it in a vocational area or now, in a lot of cases, very much in the administrative areas. This then says, ‘Where is this training coming from?’ Without being too parochial, at least under Working Nation there was provision for that to occur and that does not occur at the moment.

With respect to funding regional job creation, we have made a comment there that the new Job Network has drastically reduced the availability and priority of training as the vehicle for that to occur. That is just a follow-on comment from what we were talking about. The New Work Opportunities program, as an example, was extremely effective in terms of skills development. I do not say it was an absolute roaring success in terms of job creation but it certainly was successful in preparing people for the world of work and giving them skills that they did not have before the programs.

We make the comment there that we felt it was probably too closely aligned to apprenticeship and traineeship outcomes, and that that may have been one of the downfalls of it. I am trying not to be political, but current government funding of program delivery is certainly not effective and is almost non-existent in the regions. We are certainly seeing no effect of it.

We believe alternative funding should be made available to capitalise on one-off projects—for example, the Marlborough Nickel project that has been undertaken north of Rockhampton has the potential to establish a major training facility in the short-term. The type of construction techniques that will be used are actually foreign to Australia and, rather than having to send to Canada to bring the people out to undertake those tasks, we could actually be training our own people to be world leaders in that area while that company is here. We need to use joint partnerships with industry, such as power station refurbishment, constructions and so on, to generate the opportunities for all of those things to occur. That is the final sales pitch.

CHAIR—Thank you. Is the data on all of those slides available to the committee?

Mr Keene—There are three copies available.

CHAIR—Excellent.

Mr Keene—With that, there is the report on the round table that identified the \$250 million worth of projects.

Senator MACKAY—I was privileged enough to spend a couple of hours at Gippsland Group Training last week. I do not know if you are aware of the work that they are doing, but it is very impressive, as is the work here. They in fact employ apprentices for a four-year period. They essentially get an income irrespective of whether they are placed on a piece-meal basis. Do you work under the same service system?

Mr Keene—Very much so. In Queensland there is a piece of legislation called the Vocational Education and Training Act 1991. Under that, all apprentices must be paid continuously whether or not they are working. Our company has provision for what we call down-time. If they are not placed with a host employer, we will either slot them back into training programs, off the job training or even give them to an employer and say, ‘They are short in these skills. Can you please take them in until we can find somewhere to place them? See if you can upgrade their skills in that area.’

Senator MACKAY—That is legislated for in Queensland?

Mr Keene—Yes.

Senator MACKAY—It clearly is not in Victoria.

Mr Keene—No.

Senator MACKAY—It is interesting. I did not realise that.

Mr Keene—Queensland is the only state that carries that formal legislation.

Senator MACKAY—Okay. That is very interesting. One of the things that they did very actively was consult with local employers as to prospective demand and emergent industry needs. What sort of work do you do in that area?

Mr Keene—That is a day-to-day happening. In trying to identify new opportunities for young people or jobs where we can tap into, I have five field officers who are out on the road every day of the week. Their sole role—their reason for being—is to source and identify new opportunities for young people, plus be the mentor and the father and, as the boys put it, kick backsides and wipe noses.

Senator MACKAY—Of the areas where they did disagree, first of all, was that I got exactly the same attitude towards national competition policy.

Mr Keene—Strange!

Senator MACKAY—Obviously it is a nation-wide phenomenon. But it is interesting that they have spent the same amount of time with the same emphasis as you. However, they

were not keen on nationally accredited outcomes. They were saying that there were exigencies within their own area and they were the ones who understood what the prospective needs were in terms of industry, et cetera. When I actually talked it through with them, I think that we ended up agreeing that that was probably the only way to go. I just wonder whether there are any differences of opinion with regard to other group training projects.

Mr Keene—Where that was particularly concerned, my only suggestion to them would be, ‘Why isn’t it nationally accredited?’ All it needs is to be structured correctly. Under the current system that has emerged, things are still fairly messy but the facilities are available to get virtually almost any training accredited to a level, provided it is structured correctly. It takes a bit of work but it is possible.

Senator MACKAY—I think their concern was that it may be too generic for their purposes, but the flexibility exists, as you say.

Mr Keene—The big benefit is that it enables the person who has achieved that level of competence to be able to carry it anywhere throughout Australia and be recognised by any employer for having that level of competence.

Senator GEORGE CAMPBELL—This is a big issue at the moment in terms of training overall.

Mr Keene—Yes.

Senator GEORGE CAMPBELL—A lot of companies are prepared to invest in industry or company specific training but not in generic training. The mobility of the labour force is becoming more and more restricted.

Mr Keene—Yes.

Senator MACKAY—That is exactly right and I put that to them.

Senator GEORGE CAMPBELL—One of the benefits of group training schemes is that the training is generic.

Mr Keene—Do not misinterpret me, I do not have a problem with non-accredited training. In our own particular organisation here, every Tuesday night we run two hours of training for staff. They decide what training they want and I pay for it. But that does not have to be nationally accredited. They choose what they want. The range of things is quite interesting. It has been diverse. We had a situation here with one of our trainers a while back who had an experience with cancer and the staff decided at their morning tea that they wanted someone to come in and do a session with them on recognising breast cancer and symptoms, et cetera. It was interesting. We had a 100 per cent roll-up from our staff plus their partners.

They decide what training they want and whatever skills they want. I do not have a problem with that not being nationally accredited because it is developing the people as much as it is their skills base. However, if it is going to be work skills, I think there is a lot

of support for the fact that, if it is valuable to the workplace, then why is it not nationally accredited?

Senator MACKAY—Thank you. Just one final point. You were very concerned about the lack of funding into the regions at the moment. We had a fairly rosy picture painted by the local ACC in terms of projects that have been funded and are likely to be funded. Clearly you have a different perspective with regard to it. What led you to make that comment in the overhead?

Mr Keene—I guess from the purely vocational area that I am referring to, which is mainly the apprenticeship and traineeship area—that is our core business area—it is just non-existent.

Senator MACKAY—So what has happened?

Mr Keene—I guess Working Nation had its share of warts but, at the end of the day, it was effective. Without getting on a hobby horse, I still believe our own training system for apprenticeships and traineeships that we did have did not need to be pulled apart and totally rebuilt. It just needed some maintenance. I think that is the message that we are getting from the people that we deal with, and that is some 300 odd employers. They are having so much trouble keeping up with the changes and trying to adapt to it. They are saying, ‘Look, I really didn’t want it changed in the first place. I was happy with it. I just wanted some maintenance on the system, get it brought up to date. I didn’t want you to totally pull it apart and reassemble it.’

Senator GEORGE CAMPBELL—Have you done a skills audit in the area?

Mr Keene—No. Give me the resources and we will do it for you.

Senator GEORGE CAMPBELL—I just wondered. It is particularly relevant to you in terms of pre-planning for the future.

Mr Keene—It is sadly lacking and unfortunately it does cost money and we just do not have the resources to do it.

Senator GEORGE CAMPBELL—You talked about \$250 billion worth of investment for this region. Over what period of time are you talking about there?

Mr Keene—The terms of reference that we used to produce that report was over the next five years, and we looked at preferably projects, initially, that were over \$1 million. However, halfway through the research, we decided it was more appropriate that we considered every major project.

Senator GEORGE CAMPBELL—Is that referred to in the document?

Mr Keene—Yes, there is a full copy of the report in there with all of the projects identified, their value, and where we have been able to identify their construction work force

and then their operational work force requirements after that. The actual report is targeting part of our planning program for the vocational training system in Queensland.

Senator GEORGE CAMPBELL—It is a bit of a skills audit.

Mr Keene—It is, really. It is the first stage. But, to bring it together into something that is genuinely a skills audit, there is another follow-up process that is required.

CHAIR—First of all, I have to ask you, is this in effect a submission to the committee, or is it a document you use in other places?

Mr Keene—The letter I got said we should provide three clean copies for *Hansard*. So we did three clean copies.

CHAIR—And they are submissions?

Mr Keene—Yes.

CHAIR—Is it the wish of the committee that the document be received? There being no objection, it is so ordered.

The other question I wanted to ask you about was the Capricornia Training Company Limited. Do you actually employ people, and they are on your books? They are effectively working for you, but then you will find their job for them out there?

Mr Keene—Yes. We accept total responsibility for maintaining their employment for the full time of their training contract.

CHAIR—Do you also cover things like insurance, occupational health and safety?

Mr Keene—Yes. Every responsibility that any other employers—

CHAIR—All of the on-costs that you would expect in any business?

Mr Keene—Yes.

CHAIR—Do they also feature as part of the training—for instance, the on-costs of any good business like insurance or occupational health and safety?

Mr Keene—Yes, very much so.

CHAIR—Are the training students also introduced to those concepts?

Mr Keene—Yes. Basically, the way we operate is we look at the total cost of employing the apprentice for a 12-month period. We look at the number of weeks that they are actually on the job and employable so that we can recover those costs. We simply divide the annual total cost of employing the person by the number of weeks that they are employed, which we then pass back to the employers.

CHAIR—Do you get any government assistance?

Mr Keene—We do. Under a joint policy, last year, for our total operation, we received \$154,000 from joint state and federal government support which represented 0.8 of one per cent of our annual turnover.

CHAIR—Some of the income you get would be a payment by the employers or the people who are—

Mr Keene—Very much so.

CHAIR—So they are paying for the salary of those people, effectively, and an increment to support this organisation?

Mr Keene—Yes. That is one of the reasons we run so many other projects—to raise the capital so that we can try and contain the cost factors for the apprentices.

CHAIR—Of the people who are doing training courses here, are they actually in the one training program for the year, or do you have, as we have been introduced to in other organisations, unemployed people? They are actually not unemployed if they are employed by you, but are there people between jobs, let us call them, on your books who may indeed be placed in three different part-time jobs at the one time?

Mr Keene—Not internally with ourselves, no. But there are certainly a lot of instances of that occurring at the moment.

CHAIR—In this area?

Mr Keene—Yes. My own son has three different part-time jobs.

CHAIR—But is he employed by a company that is paying his superannuation and stuff—

Mr Keene—No.

CHAIR—He has just got three for himself?

Mr Keene—He has three different employers.

CHAIR—I have just mentioned some organisations in other parts of the country, one very large organisation in Victoria. It has a contract recently acquired, I believe, to provide all the employment for the casino, which is 9,000 people when it is fully operational. Some of those people are in hospitality, some are waiting on tables, some are making beds, some are doing roulette tables, some are doing whatever—theatres, cinemas, the whole deal. What they might do is have on their books people who will do half a day on hospitality and half a day on casino.

Mr Keene—Yes. We do have that through our registered private employment agency.

CHAIR—You do the same.

Mr Keene—Be it part-time placement or full-time placement facilities.

CHAIR—I think we should perhaps conclude there. There are many questions, but thank you very much indeed for that contribution.

Is it the wish of the committee that the overheads be incorporated in *Hansard*? There being no objection, it is so ordered.

The overheads transparencies read as follows—

Proceedings suspended from 12.37 p.m. to 1.35 p.m.

BRAZIER, Mrs Joan Lynette, Executive Officer, Wide Bay Burnett Area Consultative Committee, The Globe, 190 Cheapside Street, Maryborough, Queensland 4650

BROWN, Councillor Alan, Mayor, Maryborough City Council, PO Box 110, Maryborough, Queensland 4650

CHAIR—Welcome. The committee prefers that all evidence be given in public but, should you at any stage wish to give your evidence, part of your evidence or answers to specific questions in camera, you may ask to do so and the committee will give consideration to your request. I have to point out, however, that evidence taken in camera may subsequently be made public by order of the Senate, as has happened in recent years.

The committee has before it submissions No. 84 and No. 152, received in May and April. Are there any alterations or additions you would like to make to those submissions?

Councillor Brown—Not from the Maryborough City Council.

Mrs Brazier—I have some more supporting information that I would like to leave with you.

CHAIR—We will accept that shortly. Is it the wish of the committee that the submissions be received and published in a separate volume? There being no objection, it is so ordered. Mrs Brazier is also going to provide further material. It is over to you now, Councillor Brown. Thank you very much for coming.

Councillor Brown—Briefly, Maryborough is one of the oldest cities in Queensland. Its economy is based on heavy engineering, sugar growing and milling and timber growing and saw milling. The industries that are associated with Maryborough are affected by things such as drought and world commodity prices which do, from time to time, have an effect on the local economy.

Maryborough is unique, as far as its position on the Fraser coast is concerned. It is only 20 minutes away from the fast growing area of Hervey Bay. Maryborough has a population of about 26,000 and Hervey Bay has about 40,000. It is unique to have two cities so close together: it does not happen very often in other areas in Australia. The population of Maryborough has stayed stable over a number of years, but Hervey Bay has been a very fast growth area. That seems to have created a situation where population growth has outstripped the economy's ability to provide for a diverse range of employment to meet the demand. We find that a lot of people who came to live in Hervey Bay have actually sought employment in Maryborough.

As a council and as a community, we are certainly concerned with the high level of unemployment that exists in our area. We have actively participated in a number of groups that have been formed to look at economic growth and development within our area. We are still part of one of the few surviving REDOs in Australia and we do network very closely with the other three local authorities in our area that are looking at our regional development. In all of the development strategies that we have done, water and transport have been

identified as the top priorities. If they were areas that government could address, I am sure that would certainly help our situation.

One of the unemployment concerns that we have as a council and as a community is with what we have classed as a work culture that seems to have crept in. We are now in a situation where we have a third generation of unemployed people within the community. They know no different. As long as they can remember, their grandfathers have not worked and their parents have not worked, and they seem to feel that that is the way the system goes. There is a strong feeling that we do need to return to the family unit and that there needs to be parental training whereby people must be taught at a young age that it is their responsibility in life to find a job and to work and be self-supporting.

I recognise that I grew up in possibly the best times that Australia ever had, when it was not hard to get a job; but in the times that we grew up in, particularly if you grew up on the land, as I did, at the age of 10 or 11 you were expected to work. You were taught to work at an early age. That culture has been lost, and I believe that that is something that governments need to address.

We do have some problems with the existing approach to unemployment and work for the dole schemes and with some of the other projects that have been put on line where people, even though they are employed for short terms, are only employed for two or three days per week. I do not believe that that teaches people how to work and that their responsibility in life is that they need to work at least five days per week to be able to support themselves and their families. The costs of unemployment have a severe social effect on local communities. There is a lot of personal boredom within youth, which I believe is leading to crime and certainly a loss of self-esteem. Unfortunately, those sorts of things do end up reflecting back into the community. Instead of a community having pride in what it does, that pride is lost.

To talk about the brighter points of Maryborough, we have a very skilled work force. Our engineering firm of Walkers Ltd is at present working on the tilt train project for the Queensland government, which involves the construction of the first tilt train in Queensland and, in fact, in Australia. The technology involved in that is world class, and people in Maryborough have been able to adapt themselves to it and manufacture those projects. Our sawmilling and sugar industries also involve world-class technology, and a lot of that technology has been developed in Maryborough. So we certainly have the skilled work force to be able to undertake major work and the ability to train people in the future.

CHAIR—Thank you very much, Councillor Brown.

Mrs Brazier—The additional submissions that I have here are also from some of the local government regions throughout Wide Bay, and a couple of things that Mayor Brown touched on are certainly also issues for our area, with the third-generation unemployment in our rural areas and the lack of a work ethic. One of the other issues is that there is very little public transport to offer opportunities for these young people to travel from one regional centre to another in order to access work opportunities. Rural industries are not creating the employment they used to, and there do not seem to be enough incentives for employment creating industries to decentralise. The population seems to be decentralising, but not so the

spread of industries. Vocational education in high school curriculum subjects, with education directed to employment preparedness, is another issue that has been raised.

The Biggenden Shire Council submitted that, with regard to the first question about the impact on job opportunities as a consequence of increases or decreases in funding, this matter always affects a small council. Any decrease in any level of funding has a flow-on effect in the community. In many small country communities, the council is the principal employer. Increases in funding to councils enable increased employment opportunities—and Biggenden council has a wealth of expertise available to train people—which would also enable trained, experienced workers to seek employment in the community. Private sector investment also should be encouraged by making financial assistance available, by way of grants or low interest loans.

There is more in the submission on labour market programs and the idea that funds should be allocated more towards the short-term unemployed, where there is a better possibility of effective training to allow them to re-enter the work force. The rationale behind that is that, in a lot of our communities, especially where there are work for the dole projects, a lot of long-term unemployed people do not fall within the eligibility criteria, because of the stringency of those criteria. Some of the rural shires that could well benefit from work for the dole are having trouble finding enough eligible people within their communities. Tiaro was an example of that, wasn't it, Alan, where they had to find 15, but they could only find eight eligible people? Even though there was a huge body of unemployed people, for one reason or another they seemed to fall outside the eligibility criteria.

On remedial strategies, a suggestion from one of the councils was that unemployment grants to council to assist in employing more people would be one of the more effective ways of reducing unemployment in small rural communities, in particular. The supervision structure is already in place in small councils, and the additional works that would be carried out could only be of benefit to the area, and there would be something to be seen after the unemployment schemes were completed. That is basically a quick synopsis of the things that were not attached to the original submissions.

With regard to some of the issues directly associated with the area consultative committee's view of what is going on in Wide Bay, it is well known that we do have high unemployment: it was 17.8 per cent, according to the DEETYA figures for the monthly statistics of March. One of the issues that we have been looking at is that the ACC vision embraces a view that the level of unemployment is unacceptably high and that there should be no reason for any region to accept a higher level than the state average.

Positive policy advice specific to Wide Bay and Burnett is needed by all levels of government, business and the general community in order to reduce unemployment to the state average. If that is to happen within two years, the enormity of the vision can be translated by some figures that a consultant put together for us. To achieve this vision, you need to have a minimum of 52 additional jobs every week, for 52 weeks of the year for two years, in order to even bring us back into balance with the state average. On sheer numbers, that is a fairly enormous prospect.

The situation analysis in Wide Bay is that, for many years, it has been identified as one of the most socially disadvantaged regions in Australia. Coupling that with the high levels of unemployment and also the low level of income in the region—the median household income in Wide Bay is \$300 to \$400, as opposed to the median household income in Queensland of \$500 to \$699—you can see that there is comparatively less disposable income in the region to start with.

Another issue is that Wide Bay has no central, dominant city in the region and so there is competition internally between six subregions, each of similar size, for scarce resources. These different economies each have their own characteristics for employment growth and decline. We really need to look closely at maximising the impact of networking between the subregions, to make sure that the best use is made of the dollars available.

The Wide Bay-Burnett regions face an influx of in-migration without corresponding jobs growth. Average annual growth rate in Hervey Bay, for instance, has been approximately eight per cent for the past 10 years. Reliance on natural growth alone will not address Wide Bay's unemployment problems.

One of the other issues that we feel has impacted is that Queensland was slower to feel the effects of the recession in general and, as a result, is slower to benefit in the recovery phase, so whereas some of the southern capitals—I think Alan would agree—were showing marked upswings in their economies, at that stage Wide Bay-Burnett was probably going into the lowest part of its recessionary trend.

Another issue with Wide Bay is the fact that 90 per cent of businesses employ between zero and four staff, so we have a huge dependence on small business. It is often seen that the small business sector is going to be the one to relieve the current unemployment crisis in Wide Bay. This is probably not realistic from the point of view that business confidence is low; it is uncertain of government direction. The cost structure of small business is changing. We feel that big businesses are better placed to absorb costs and the new changes. Your big business like Walkers, as we spoke about before, has in place HR managers. They have workplace health and safety officers, who are all experts in their field. Our small businesses are running with probably one or two people who are the owners. They are left to cope with the same level of paperwork and red tape as your large business is. That certainly is one of the issues that they are really finding very difficult.

They are quite frightened of it actually. A lady in Bundaberg made the comment one day at one of our focus group meetings that her biggest fear is that there is something that she has not got to, sitting in the bottom of her in-tray, that will one day have some serious impact and she just has not recognised that it was something that needed to be done. All those things reflect on the employment potential in the region.

I think the rapid changes have left small business struggling. The lack of vision on part of governments does not allow long-term strategy planning. Planning is geared to three-year phases in line with budgets and that does not allow for continuity of planning. There are changing markets, especially with the South-East Asian issues, where the import price structure has changed dramatically. Community spending patterns have changed. A lot of that money is now spent on recreation and services rather than commodities and I think it is

quite clearly documented that the retailers are suffering. The lack of job security in the changing patterns from full-time to part-time work is impacting strongly on people's confidence and their spending patterns.

CHAIR—Are you getting towards the end?

Mrs Brazier—Yes, that is okay. I just wanted to get that small business bit in, because I felt that that is a very—

CHAIR—It is unlike what we have had before, so I am very pleased that you have put it in. We do not want to cut you off, but I do want to encourage you.

Mrs Brazier—I have probably got three very quick things.

CHAIR—That is fine.

Mrs Brazier—I think the employment situation is hampered by the lack of transport facilities to support rural industry. In Wide Bay you will find that to the south of us we have an economic zone that is covered by airports and major road and rail structures. To the north of us again in Rockhampton, we have the same thing, whereas Wide Bay is interlinked by smaller rural roads. We have a port in Bundaberg, but apart from that, no international access to the rest of the world.

The lack of regional higher education facilities—to coin a phrase—precipitates a brain drain from the rural areas of 18- to 25-year-olds and the lack of regional employment opportunities also precipitates a drift of young people from the rural areas. I guess that is not only young people, but people in general.

I guess the thing that we are saying is that, with all of those things, to address issues like transport and community infrastructure, it again comes back to that question of increased infrastructure spending, combined with the wisdom of what is already there in the region.

CHAIR—Thank you very much.

Councillor Brown—Could I just add a little bit more. One is the effect of government policy decisions on employment. Here I am referring to rationalisation and centralisation of activities such as Telstra, where Maryborough was a big employer of people in that area. It is now basically being serviced out of vans.

The CES and Queensland railways employed about 600 people 20 or 25 years ago. Now there are probably fewer than 100. That all gets back to a feeling of insecurity, a lack of job opportunity. People are not sure whether they have a job into the future. The things that Joan is talking about mean that people do not spend money; they keep it just in case they do need it. They were the sorts of things I spoke to the Prime Minister about when he visited our area recently. I had tried for 18 months to get him to come and visit us during our sesqui-centennial but he was always too busy. Two weeks after the Queensland elections he visited Wondai, Hervey Bay and Maryborough. It may have been a coincidence that One Nation candidates won those three seats.

I really believe that if we are going to do anything about our problems in regional Australia, governments and politicians need to listen and take notice of what the community believe they need and not think they know what the community needs.

CHAIR—Thank you very much, Councillor, for probably one of the best pieces of understatement this committee has been gifted to receive.

Senator TIERNEY—In your paper you refer to the Wide Bay twenty-twenty growth strategy of state government initiative. We heard a little bit about this this morning in other areas, so what is happening in the Maryborough area?

Councillor Brown—The growth management framework has been completed. I am not sure whether you have a copy of it, but I will certainly leave a copy with you. It involved 11 local authorities along the coastal strip. All of the things we talk about here have been identified within this document. It is not so much about economic planning, but regional planning, as far as land uses and infrastructure that are necessary for the future.

Mrs Brazier—It is one of the biggest exercises in community consultation that you could ever have wished to see.

Senator TIERNEY—Having not seen it, I assume it has something to do with identifying the potential areas for growth in your economy. What do you see those, in a nutshell, as being in the Maryborough area?

Councillor Brown—As I mentioned previously, two things that are likely to be identified there as infrastructure required for future development and economic growth are water and transport infrastructure: an upgrade in our roads and highways so there is better access from the hinterland to the coast; better rail services and certainly work has started on that; and water so that primary producers, particularly those in agriculture, have the opportunity of a guaranteed income. We now have a situation where, in the Bundaberg-Childers area which is just to the north of Maryborough, in drought conditions when those cane farmers need water, they only get a very small part of their allocations. The Maryborough sugar mill area can have a greater potential if more area is irrigated. That depends on irrigation infrastructure on the Mary River and the program that our council is working on now, where we will use sewage effluent as a medium of irrigating sugar cane.

Senator TIERNEY—What you have pointed to so far are things that will make the economy, as it has existed, work better—more water, better roads. What about new directions for the economy in your area? Are there any identifiable emerging industries to absorb that high level of unemployment?

Councillor Brown—I believe that if governments are realistic about unemployment in regional areas, they will look very closely at their structures. In my view, and certainly the view of many other people, there is no reason whatsoever why government departments have to be located in capital cities. Government departments could be located in regional cities in Queensland; it could happen right throughout Australia.

With modern technology—e-mail, fax, all of the other technology that is available with communication today—communications between Brisbane and Cairns, Cairns and Rockhampton or Rockhampton and Maryborough—wherever you would like to go—is just as easy using that technology as it is from one side of George Street in Brisbane to the other. It seems to me and it seems to a lot of other people that there is a culture in Queensland that Queensland ends north of the Pine River and that is something that has to be addressed in the future.

CHAIR—It is true, though, Councillor, isn't it, that that is only a view held by people north of the Pine River?

Councillor Brown—I think it is a view south of the Pine River, too.

Senator TIERNEY—In that sort of context, you refer at the bottom of the first page of your comments on term of reference No. 2 to the initiative of Telstra to establish call centres, or something along the lines of what you have just been discussing. Have any call centres been established in your area by Telstra?

Mrs Brazier—There has been a submission prepared by the Department of Economic Development and Trade, looking at the coastal regions of Queensland, that has identified that coastal Queensland is a pleasant place for people to live. So, basically, it would be attractive for companies to set up call centres in that area, because you have education facilities, you have lifestyle and you have accessibility to the capital cities. We assisted in the preparation of those sorts of documents.

Senator TIERNEY—We were down in Launceston recently and Ansett has set up their call centre there, so there is that sort of approach. But you have not got any private industries nibbling at this idea to come to your area?

Councillor Brown—Not really. From time to time, you look at opportunities, but they do not seem to arise. I think a lot of that relates to transport.

Senator TIERNEY—You mentioned the tilt trains. These are being built in Maryborough, I take it?

Councillor Brown—Yes.

Senator TIERNEY—I am from Newcastle and, of course, we have to get in on this area—we are going to be rivals, in that sense.

Councillor Brown—I believe we are partners now.

Senator TIERNEY—Partners? That is excellent.

Councillor Brown—We are partners at present for some very major contracts in China.

Senator TIERNEY—Could you briefly describe that work in the train industry that is coming out of Maryborough?

Councillor Brown—Walkers has had a very long involvement with rail, not only in Queensland but right throughout Australia, from the steam era through diesel electrics to the modern electric locomotives. Walkers were fortunate enough to gain the first contract for the electrification of rail in Brisbane. The standard of workmanship has been such that they have been able to continue winning those contracts and, in fact, have supplied all of those railcars.

They have also been involved with Clyde in mainline locomotives, electric locomotives. There is a considerable number of those that run in this area on the coal trains. The tilt train is looking at fast passenger transport between Rockhampton and Brisbane. There are two sets of that train to be commissioned in October. That will make a fair reduction in the time associated with travel from Rockhampton to Brisbane and places in between.

Senator TIERNEY—How many people are employed in that train construction industry in Maryborough?

Councillor Brown—In the train construction, probably upwards to about 300. Because of a number of contracts that were running concurrently in Walkers recently they had over 800 people, but that involved the tilt train contract for Queensland Rail, more suburban units, a Westrail contract and also a contract for Kuala Lumpur.

Senator TIERNEY—Was that to do with the Commonwealth Games?

Councillor Brown—Yes.

Senator TIERNEY—It is a monorail system, isn't it?

Councillor Brown—It is less than three foot six gauge, I think, but it runs on a side trolley, not overhead trolleys.

Senator TIERNEY—So Walkers are constructing those trains?

Councillor Brown—That contract is just about completed. In the tilt train contract, they are working very closely with Hitachi. In the other Queensland government contracts, they worked with Ad Trans, which is an adjunct of ASEA Brown Boveri.

Senator TIERNEY—What is happening in China—what sort of project is that?

Councillor Brown—I understand that Walkers and Goninan's are looking at a joint venture where there are some very significant contracts in China worth several hundred million dollars. As a joint venture, Walkers and Goninan's are working towards maybe achieving those contracts.

Senator TIERNEY—Newcastle and Maryborough combining.

Councillor Brown—Traditionally, they have been industrial cities all their lives. I think it is great if that can happen.

Senator TIERNEY—You just cannot beat us at football.

Councillor Brown—I don't know—we did not do too badly in the State of Origin.

Senator TIERNEY—I was thinking of the grand final last year. You mentioned in relation to this 2020 project that you had 11 councils cooperating in the preparation of that.

Councillor Brown—Yes.

Senator TIERNEY—Are the 11 councils cooperating in any other way in a regional operating sense to try and help boost the region or get extra projects for the region?

Councillor Brown—Probably as subregions. In the four local authorities in our area, which is Maryborough, Hervey Bay, Tiaro and Woocoo, we have a group which meets regularly, and as councils we meet regularly, looking at things that are best for our area and being able to become a network that would be supportive of development that could come anywhere within those four local authority areas—in other words, getting rid of some of that parochialism that does tend to exist. If we believe that one of those local authority areas has an opportunity for some particular development, as opposed to Townsville, we are better able to support the local one, because even if you only get a few crumbs that is something you will not get if it goes out of your region.

Senator TIERNEY—Thanks very much.

Mrs Brazier—I would like to make an additional comment. From the point of view of councils cooperating, in Wide Bay there has been a huge lift in the level of cooperation, probably generated initially through the Wide Bay 2020 strategy. Alan, would you agree?

Councillor Brown—Yes.

Mrs Brazier—So you have cooperation going north and south and you have cooperation going east and west, because there is a variety of organisations. You have the North Burnett Local Government Association and the South Burnett Local Government Association, which divides the regions by north and south. They have been operating for some time and operating very effectively. With the Wide Bay 2020 study, you have the 10 or 11 coastal shires. Then, as a result of that, the hinterland shires felt that they were probably being overlooked. They have just set up their own structure, called the Burnett Inland Regional Economic Development Association, and the ACC has been following the development of that. That is probably one of their first community driven structures that has evolved because of community demand.

It has been a case of them getting themselves together and deciding that, yes, they think this organisation is important and then looking for some support to put together strategic plans and the usual things that have to happen. It was not a case of waiting for the money to come and then thinking, 'Yes, we believe that that should happen.' So I think there is a high level of local government cooperation within the region.

Senator MACKAY—I have questions for both of you, perhaps for the mayor first. I wanted to explore this notion of politicians listening. I think we can all agree that there has not been enough listening over the last while and that politicians do need to listen more to

people and so on. However, there is the question of how we actually structure regional development programs. It has been a bit of a recurring theme in this committee. For example, when we were in Port Pirie, one of the local government people said to us, 'You give me \$20 million and I will fix the unemployment problem in Port Pirie.' In Burnie, in north-west Tasmania, where I come from, the mayor there would say the same thing. Then we come here and you would probably say the same thing. It is an interesting thing because obviously we would like to ensure, as much as we can, that local community people are not only involved in making the decisions but that they are making the decisions as they are the ones who actually know the local scene better. But how do you ensure that?

This is something that Senator Campbell and I have been interested in. Given that you have only got a predetermined cake and you do not want, as he was saying, this competition between regions to the point where you actually lower the price of a project because you have got regions or states competing, what sort of structure do you have that allows that local empowerment, that local decision-making process, but at the same time ensures equity across regions? What criteria would you think would be reasonable to determine which region ought to get a bigger slice of the cake? Obviously, unemployment would be one. I am interested in that. Everybody says we should be listening and everybody says local organisations should have more say. That is correct. It is our job to look at the big picture, to use one of those awful phrases. What do you think?

Councillor Brown—Firstly, I do not believe that money solves the problem if it is not sustainable. An injection of money into an area if it is not sustainable just prolongs the agony. Too much of that has happened in the past; there has been money thrown around and it is really not achieving anything. With some of the employment programs, at the end of the day, the communities have benefited very little. I certainly believe that is something that has to be looked at regionally; it has to be looked at within individual communities. Those communities have certainly got to be a very integral part of how the matter is addressed. We need to be able to do things where people within communities feel that they do have job security and job opportunities in the future. So money being thrown in has to have that sort of an outcome.

Senator MACKAY—What would those figures be?

Councillor Brown—Infrastructure that is going to bring about a sustainable boost to the economy—and I get back to water again.

Mrs Brazier—Certainly water and transport again, because—

Councillor Brown—With everything we do in strategic planning, those are the two factors that come up.

Senator MACKAY—They inhibit your economic growth in the area?

Councillor Brown—Yes, whatever money is put into those centres, those two items have to be given priority because they are the things that will create sustainability.

Senator GEORGE CAMPBELL—On water, what is the issue? Is the issue rainfall in the area or is the issue inadequate catchment facilities?

Councillor Brown—Inadequate storage.

Mrs Brazier—And in one instance the project was being built basically back to front. One dam was built, which was meant to be the holding dam, whereas the catchment dam was not built. The project did not come to fruition; that was on the Burnett River.

Senator GEORGE CAMPBELL—Are there development plans available? Has there been any development work done in relation to this particular issue?

Mrs Brazier—The Queensland government have had a huge water infrastructure task force and recommendations have been made. It now just depends on what the policy of the incoming government is.

Senator MACKAY—We are talking about millions and millions of dollars, are we, in terms of sorting out something like water?

Mrs Brazier—Realistically, yes. Again, that in turn would probably bring about millions in return because you have got the issue of diversity. Senator Tierney mentioned before what things were in place to diversify. There is an enormous variety in agriculture projects. For instance in the South Burnett you have got an emerging wine industry, you have got olives and you have got aquaculture.

Senator GEORGE CAMPBELL—Is it any good?

Mrs Brazier—Yes, it is. In North Burnett, around the Bundaberg area, you have got emerging tree crops—avocados, macadamias—and all the niche market or boutique industries that have started. It takes seven to 10 years for those industries to come to fruition. If, as it looked like at the end of last year, the water supply had basically failed, those industries probably would have been set back by that length of time, because if there had been water and then severe drought, they are issues that are very difficult to deal with.

Senator GEORGE CAMPBELL—How many millions are we talking about?

Mrs Brazier—I need the chair of the ACC here because I am not sure of that, to be quite honest. It probably would be billions.

Councillor Brown—The one on the Mary is about \$47 million to lift the wall of an existing dam. They have gone through an intermediate process of lifting it by two metres but, in total, it needs to be lifted 20 metres. The amount of water that will then be stored should be sufficient to meet the irrigation requirements of the whole of the Mary Valley and allow for agriculture, tree crops, vegetables and sugar cane. In that way, people who access it will have a guarantee of income.

Senator GEORGE CAMPBELL—You are saying there is a proposal currently in front of the state government for that project?

Councillor Brown—Yes.

Senator GEORGE CAMPBELL—How long has that proposal been before the government?

Councillor Brown—For several years.

Mrs Brazier—The findings of the study probably were released about 12 months ago. But there are other infrastructure projects that are currently in progress. Alan and I were discussing it before we came in. There is the Surat Dawson Valley coal projects where they are looking at increasing the facilities at the Tarong power station. That will require new rail infrastructure in the region which, if that were to come about, could probably then link into the project that is being floated by Everal Compton for the Melbourne-Darwin rail link. It would be a huge economic boost to this region if we could tap into that. It gives us access to those export markets that everybody is looking for but in a way that has probably never been mooted previously.

CHAIR—Could we go back to Senator Mackay, because we have come to the end of our time?

Senator MACKAY—Perhaps you could get some of those figures for Senator Campbell and the rest of us. That would be very useful in terms of—

Mrs Brazier—I have an outline of the Sudaw proposal, as an example of what the benefits could be of a new economic zone. It has been put together by the Kingaroy Shire Council. When you look at how you decide where this money is spent, if it is spent, I think we are probably reaching a new level of regional maturity from the point of view that you have the organisations starting to work together. I see that as probably an integral role of the area consultative committee.

Our role is mainly one of facilitation and coordination, it is not necessarily a doing, a boots and all, type of organisation. I think there has been plenty of analysis done about what the strengths and weaknesses are in the region, socially, economically and production-wise. If we look at the natural resources and couple that with infrastructure, infrastructure to my way of thinking equates to sustainable jobs. If you develop the capacity for industry to develop then the job opportunities are going to develop with that.

Senator MACKAY—To back to the ACC itself, the Central Queensland ACC provided us with some very useful information with regard to projects that it had on the go—that is, funded from the last financial year—and also a list of projects that it had put in as its DEETYA wish list.

Mrs Brazier—I do not have that with me but I could certainly provide it to you.

Senator MACKAY—Yes, that would be useful. Have you done your wish list yet?

Mrs Brazier—Yes.

Senator MACKAY—Do you have any indication from DEETYA of how much you are likely to get?

Mrs Brazier—They have told us how much money is available to the state.

Senator MACKAY—Which is something like what?

Mrs Brazier—It is in the vicinity of \$3.7 million. If you divvy it up between ACCs—and I am not sure whether there are 11 or 12—it comes out at approximately \$300,000 per ACC.

Senator MACKAY—Yes.

Mrs Brazier—Again, acquiring those funds depends on how we have presented our business plan as a way of achieving our strategic plans.

Senator MACKAY—It is very interesting. We have had three ACCs appear before us today and two of them have made the decision to assume it is around \$300,000, in terms of their share of the cake, and another one said, ‘Hang on, we want DEETYA to approve our three-year business plan first to give us an idea of the dollars.’

Mrs Brazier—That \$300,000 figure arose from the fact that we know what the state allocation is, and previously it has been divided fairly evenly. But we all know that we are competing for the majority of it. The projects that I had on hand just happened to fall into that \$350,00 to \$400,000 range. We have to go back and assess those projects as to their priority in the strategic plan. They all have a place in the strategic plan, but we need to assess their priority.

Senator MACKAY—In terms of time lines, when will DEETYA advise you as to how much you as an ACC have in aggregate in terms of this financial year’s funding?

Mrs Brazier—I do not know that I can answer that because it is such a new process they are going through. I do know that we had to have our plans in by the end of the month. They have a consultant looking at them and reviewing them. We have sent them in for review and then they will come back to be tidied up, if need be.

Senator MACKAY—I presume that could not be too much further into the financial year?

Mrs Brazier—No, I do not think so. I think the minister wants everything in place by the end of August.

Senator MACKAY—I imagine he would. Would you be able to give us that information?

Mrs Brazier—I certainly can.

Senator MACKAY—That would be terrific, thank you.

Councillor Brown—Where would you like that additional information you require forwarded to?

CHAIR—To the secretary of the committee.

Senator GEORGE CAMPBELL—I want to come back to this transport issue, because I am not sure I really understand in depth what it is you are talking about when you talk about transport as an issue. I assume it is about getting goods to market in whatever form.

Mrs Brazier—It is that, but if there were also more money available to local governments to upgrade their roads, that would in turn allow them to keep their work force. It provides continuity of employment, and with continuity of employment that retains those people in the rural areas. The smaller the town, the more important to that town is the local government work force—because, if you lose any of those families out of the region, it has a snowballing effect. There are many figures bandied about concerning that.

Senator GEORGE CAMPBELL—How does that link into transport? Are you talking there about road maintenance?

Mrs Brazier—Road maintenance and road upgrading. It certainly is an issue of being able to get goods to market more efficiently and more cost effectively.

Senator GEORGE CAMPBELL—I thought that was the major issue that you were talking about when you talked about transport as being a problem.

Councillor Brown—It is.

Senator GEORGE CAMPBELL—I cannot pick up from your submission where there is any detailed information about it. Have you got any detailed information?

Councillor Brown—Yes.

Senator GEORGE CAMPBELL—Could you provide it to us so we actually know what we are talking about in that area? Also, in terms of the information in your submission on population growth, there is a contradiction in what you say. You say it is a major economic driver in the area but then you say it is also a major contributor to unemployment in the area. One would have to assume that if you have had major population growth, that in itself is an economic driver, as it would create jobs. What I am trying to find out is whether you have done any statistical analysis of what the net jobs effect has been of population growth?

Mrs Brazier—The net jobs effect of population growth?

Senator GEORGE CAMPBELL—Yes, population growth as opposed to unemployment created because of a range of other factors, such as a downturn in your industries, et cetera.

Councillor Brown—What you are probably getting at there is the fact that because Hervey Bay is such a significant growth area with one of the highest rates in Australia, when

the recession was at its worst in Victoria and New South Wales, people came to Hervey Bay because they thought there were jobs, but those jobs did not exist.

Senator GEORGE CAMPBELL—That is the question that I am raising with you. How many of those people did have an expectation of jobs?

Councillor Brown—I believe the majority did, because they were young people.

Mrs Brazier—I think a fairly high proportion of them did. I had a background in the CES prior to this job and certainly people that you saw on a day-to-day basis, especially in the 45 plus age group, thought similarly to the scenario that you are painting, that high population growth must also equate with jobs growth. But jobs growth did not keep pace with the population growth.

Senator GEORGE CAMPBELL—I suppose it is a fact that a figure you will never be able to determine is the percentage of those people who did move up here who actually had a real expectation about getting employment as opposed to buying themselves into the lifestyle. Certainly, if they can pick up employment, that is a bonus on top. I suppose it is not a measurable figure: that is the real problem with it.

Mrs Brazier—A number of small businesses are evident and have popped up in places like Hervey Bay. People quite openly admit that they have bought themselves a job because they could not find employment. This is an indicator that a lot of people certainly did have some expectation. They may not have wanted full-time work, but I think they thought they would have some sustainable level of income.

Senator GEORGE CAMPBELL—If you have got any statistical information in that area at all—

Mrs Brazier—That probably might be under the community and settlement—

Senator GEORGE CAMPBELL—I would appreciate it if you could provide that to us.

Mrs Brazier—All right.

CHAIR—I have got some things marked too, but we are really out of time.

Mrs Brazier—Is there anything in particular that you wanted us to address?

CHAIR—I see in your report that you have talked about the downsizing of government departments and the effect that has had and I am interested in your knowledge about Job Network.

Mrs Brazier—I probably would be better versed to tell you about Job Network. In our region, Job Network, as a group of people, is operating in a fairly friendly environment. The area consultative committee has undertaken responsibilities to set up the Job Network members club. We have achieved that and probably at the moment we are getting 95 per

cent plus attendance at that. It has been a fairly well-mannered transition period amongst the providers in our region.

CHAIR—Are employers prepared to pay \$250?

Mrs Brazier—Some of them are; some of them are not. But in our region, they do not have to pay that. There are some Job Network providers who are providing service for free. It then depends on what level of service they require. It can start at a base level free service or it can build up to whatever level of service the employer requires.

CHAIR—So, the Centrelink referrals with the Centrelink phones being out of action for up to eight weeks did not actually affect your area?

Mrs Brazier—At our last meeting with the Job Network members, they told us they had had a meeting in the distinct Bundaberg area. They had between 40 per cent and 50 per cent of their tender allocation, whereas it had been promised that they would have full allocations by 1 July. But on the other side of that coin, Centrelink was saying that they had met their contractual agreements with DEETYA, so Centrelink were happy that they were up to speed. In fact, our Maryborough Centrelink office won an award for their efficiency and for being able to cope with the change.

CHAIR—That is really very interesting. We feel pleased that Centrelink felt it was up to scratch. What we have been hearing from people is—

Mrs Brazier—Is that it is not.

CHAIR—That is right. The job providers were in danger of going out of business and some indeed have, because they were getting so few referrals through that they were not making job placements and therefore they were not getting any money.

Mrs Brazier—One of ours in Maryborough certainly told me the other day that they were full, that they had their full allocation of clients. I think it varies from region to region. In Kingaroy, where they had a smaller, newer Centrelink office, they were struggling with the changes. That might have been caused by a lack of staff training and things like that, because they went through a huge culture change in the Centrelink organisation, similar to what others had.

CHAIR—We are heartened to find that there are a few places where it is not dreadful.

Mrs Brazier—I am not saying that there is not a relatively high level of confusion. The ACC has just undertaken to try and address that. We did a series of what we referred to as roadshows around the region over the past few weeks, and we ran a television advertisement.

CHAIR—Which all seem to be about 12 weeks too late, but that is just an irony.

Mrs Brazier—I would probably level that criticism back at DEETYA, because I think their lead-up advertising to the implementation of Job Network was good.

CHAIR—I am not suggesting that you are responsible at all.

Mrs Brazier—I am just saying that it enticed people and it let people know that something new was happening, but the advertising stopped very early in May, and then the changes came into place in the regional areas. I am not sure what the level of advertising in the cities was.

CHAIR—It was the same in the cities.

Mrs Brazier—Therefore, when people really needed to know how to access these people, they did not have the information. They had been told that it was going to change. They were told that it was going to be different, but I do not think there was enough information given on how to do it physically; and this is what we have been trying to address.

CHAIR—That is exactly right. We have talked about the employer difficulties and the provider difficulties. In light of your earlier answers to senators about transport difficulties, one of the other problems we have had raised with us is the other group that this whole set-up is there for: the unemployed. Many unemployed people find they are having to travel what are often great distances. I have discovered that, if 10 is the number anywhere else in Australia, it is probably 100 in Queensland: ten times is the factor, Mr Mayor, would you say? Everything about Queensland is 10 times more, isn't it?

Councillor Brown—It is a long way between waterholes at times.

CHAIR—It is indeed. This is a real difficulty, because we have been told on a few occasions today that there are long distances between one location where there might be employment services being provided and the next. The person who has got to go to one or other to get assistance—particularly those who are FLEX 3, but others besides that—are finding that they cannot afford the bus fares or any other kind of cost.

Mrs Brazier—The service delivery under Job Network in Wide Bay has probably been distributed similarly to the old CES offices. In Monto and Eidsvold, for instance, they did not have CES presences previously, but they had outposted services and that is where they still are. In one place, in Gayndah, we lost a CES agency and, in Kingaroy, where they did not have any CES services previously, they are overwhelmed with services at the moment because everybody saw it as an opportunity.

Senator MACKAY—A niche market.

Mrs Brazier—Yes. There are about five providers operating from there at the moment.

CHAIR—They all tendered and were successful?

Mrs Brazier—Yes.

Senator MACKAY—They will be weeded out soon, won't they?

Mrs Brazier—One good thing is that most of the organisations that are operating in Wide Bay had previously been operating. We have not picked up too many—

Senator MACKAY—So you have not had a major turnover in the job agencies?

Mrs Brazier—No.

Senator MACKAY—That is causing most of the problems elsewhere.

Mrs Brazier—Probably the only new player in our region is the Salvation Army Employment Plus at Hervey Bay, merely by their name and reputation. I do not think that is going to be an issue for them.

CHAIR—We must finish there. Thank you both very much for coming and for assisting us. Mr Mayor, it does mean a lot that you have bothered to go to the effort of preparing a submission and to come along. We have had apologies from other mayors who have been caught up for one reason or another, but the local government representation here today has been very useful. To both of you, the committee passes on our appreciation.

Mrs Brazier—The only reason that you did not have another mayor here was that the chair of the area consultative committee is currently on a tour of North Queensland, looking at sugar mills: he does have a business to run, as well.

CHAIR—Thank you.

[2.37 p.m.]

WORMALD, Mr Kevin Brian, Chief Executive Officer, Gladstone City Council, PO Box 29, Gladstone, Queensland 4680

ZENTVELD, Miss Elisa Rose, Economic Development Manager, Gladstone Area Promotion and Development Bureau, PO Box 5186, Gladstone, Queensland 4680

CHAIR—Welcome. The committee prefers all evidence to be given in public but, should you at any time wish to give your evidence, part of your evidence or answers to specific questions in camera, you may ask to do so and the committee will consider your request. I point out, however, that evidence taken in camera may subsequently be made public by order of the Senate, as has happened in recent years.

The committee has before it your submission, which we have numbered 89, dated 30 April 1998, and later attachments. Are there any further additions or alterations you would like to make at this stage?

Mr Wormald—Not at this stage, thank you.

CHAIR—Is it the wish of the committee that the submission be received? There being no objection, it is so ordered.

Would you like to make a brief opening statement? We are now getting a little behind time, and I apologise for the late start. Could you make your comments three minutes rather than five minutes? Then senators will put questions.

Mr Wormald—Thank you very much. As you said, you have our submission before you. I would just like to add that we are here because Gladstone is a significant region in the Queensland context. It is earmarked for substantial industrial development. Currently, Comalco is looking at Gladstone as one of its favoured sites for a second alumina refinery. The state government is contemplating the setting up of an economic development board specifically for Gladstone. It is meant to be an area where light metals upgrading and value adding will be targeted by the Queensland government. It has the considerable attention of large corporations because of the existing infrastructure in the form of a port, electric rail facilities, the coal in the hinterland, electricity, and a road network—all of which has been put in place over the last 30 years when Gladstone expanded as a significant industrial area in the regional part of Queensland.

The issue of unemployment and employment is very significant to us because of that industrial background in the regional part of Queensland. As a council, the Gladstone City Council, and as our promotional arm, the Gladstone Area Promotion and Development Bureau, which is our economic development body, we are very interested in the impact of employment in our area, since it goes hand in hand with industrial development. We feel we might be able to contribute to your inquiry because of our significance as a regional industrial centre.

CHAIR—Thank you. Miss Zentveld, do you have anything to add at this time or are you happy to field questions?

Miss Zentveld—No. I am happy at the moment, thank you.

Senator GEORGE CAMPBELL—Mr Wormald, on page 2 of your submission, you refer to the *Gladstone Region Economic and Employment Development Strategy (1997)*. Could you make a copy of that available to us?

Mr Wormald—We can certainly send that to you, yes.

Senator GEORGE CAMPBELL—How comprehensive is it? What period does it cover?

Miss Zentveld—It is quite a comprehensive document; it is about 100 pages in total. It really has a 30-year vision. It was the product of intense community consultation through different workshop groups and all the different key stakeholders. It sets a 30-year vision for the Gladstone region, looking at both environmental and industrial visions for the region.

Senator GEORGE CAMPBELL—Does that include specific projects that you have planned for the region?

Miss Zentveld—Yes. It details over 100 projects: some that were being discussed already, as well as some that people in the community raised as being opportunities for the region.

Senator GEORGE CAMPBELL—I would appreciate getting a copy of that. Where do you draw your employment pool from, given that Gladstone has been identified as a major industrial development area? A lot of people have been imports to the region. Are you drawing employees from localities like Hervey Bay, Maryborough, Rockhampton and surrounding areas?

Mr Wormald—Not so much from those areas. Because of the nature of the industries, most of the jobs required are skilled trades jobs or engineering or professional type jobs. Those people are mainly from the capital cities, or other cities where these major companies have been.

In addition to that, because industrial development in Gladstone has been going on since Queensland Alumina started up in 1967 when labour was totally imported, there is now a pool of local expert labour as well. They tend to transfer as each new industry starts up or gets a pilot plant going. Very often those skilled construction personnel and trades personnel will transfer from one industry to another.

When you hear of a new industry starting in Gladstone, you cannot assume there will be hordes of employment coming into the area. Very often it is the same recycled people, if you like, or local people who have been out of work for a while when construction was low but who are coming back into construction again.

Senator GEORGE CAMPBELL—There are two phases: the construction phase and the production phase. Presumably the production labour is new to the area.

Mr Wormald—The skilled production labour is new, yes.

Senator GEORGE CAMPBELL—Given that a lot of it is engineering based, why would it not be attractive for people from Rockhampton, for example, because that is a strong engineering town? There have been a lot of redundancies there in the railways, for example. Why would it not be attractive for them to move to Gladstone? Or is it not attractive for them to move out of the area?

Mr Wormald—That is probably the main reason. Answering your question in another way, a lot of people come to Gladstone in search of work because there is an announcement, but then they do not find it, and that contributes to our pool of unemployed. They are here for a while, hoping and hoping, before they drift away again. I daresay some would come from such regional centres as Rockhampton, but the type of labour that is required, as I said before, comes from the skilled areas where these large industries were, or from similar industries that are not in Rockhampton; or else they are from local or subregional areas around our area.

Senator GEORGE CAMPBELL—Do you see Gladstone as a discrete regional development environment, or do you see it as part of a broader regional area in terms of Central Queensland?

Mr Wormald—It is certainly part of the Central Queensland scene. Gladstone Port makes it that, because products come from Central Queensland through the rail and road system to the port of Gladstone. But Gladstone is significantly different from other regional centres in most of Queensland because it is a regional centre with a heavy industry base, and that is very unusual.

Miss Zentveld—We also fit very much within the Central Queensland region because of our proximity to the natural resources that are located in the hinterland. That is one of the factors combined with our infrastructure. It is the proximity to those valuable natural resources that attracts a lot of the industry to the Gladstone region. We fit very much into that Central Queensland region, and it is very important to Gladstone.

Senator GEORGE CAMPBELL—I thought the main coal port was Hay Point, just out of Mackay.

Mr Wormald—No. They are shared between the two. Hay Point does the northern end of the Bowen Basin coalfields, and Gladstone does the southern end of the Bowen Basin coalfields. They serve the same total Bowen Basin coalfield, but for different parts.

Senator GEORGE CAMPBELL—What about other products of the region? What is the major shipping port for them?

Mr Wormald—Gladstone.

Senator GEORGE CAMPBELL—Gladstone?

Mr Wormald—Through Gladstone, yes.

Senator GEORGE CAMPBELL—Do you have any idea of the volume of traffic that goes through Gladstone Port?

Mr Wormald—We can give you the breakup of those.

Senator GEORGE CAMPBELL—Yes.

Mr Wormald—But it is about 40 million tonnes, of which over 30 million tonnes is coal.

Senator GEORGE CAMPBELL—How does that compare with Brisbane, for example?

Mr Wormald—I am sorry—

Senator GEORGE CAMPBELL—You do not know.

Miss Zentveld—I can say that 34.6 per cent of the state's exports by volume go through Gladstone Port, which equates to 8.6 per cent of Australia's exports by volume. So it is certainly a fair size.

Senator GEORGE CAMPBELL—Are you saying 75 per cent of that is coal?

Mr Wormald—Yes.

Senator MACKAY—I have a couple of queries with regard to your submission. In terms of access to capital with regard to small to medium enterprises and so on, I think you have effectively made the point that an area where government could be useful is by providing some type of seed funding or assistance or whatever. I wonder how would you see that working? Would you agree, firstly, that that is what you have said, or have I misinterpreted it? And, secondly, how would you see that working?

Mr Wormald—That is what we have said; you have interpreted it correctly. Elisa will be able to tell you some of the OLMA projects.

Miss Zentveld—In a smaller community like Gladstone there are lots of opportunities, but it is important to have seed funding to look at the opportunities to get things going. We have accessed a lot of money through the ACC under OLMA for seed funding projects which have been quite successful. Projects included the feasibility of value adding in our seafood industry. We looked into that and were successful in getting funding for that. We had a consultant look at that; it showed that it was viable. Then we approached the local fishers to indicate the opportunities that were there. One ended up running with it, and we now have Pioneer Seafoods that employs about 90 people, mainly women, which is one of our disadvantaged unemployment groups in the region. So now we have an industry. The

construction cost over \$1 million. It is worth a lot to our economy. It generates a lot of jobs—just from a small amount put into a feasibility study.

Senator MACKAY—How much was the initial seed funding?

Miss Zentveld—I think it was \$50,000.

Senator MACKAY—From \$50,000 to \$1 million.

Miss Zentveld—They are the sorts of opportunities that can come to fruition through seed funding for feasibility studies or project managers or other types of opportunities.

Senator MACKAY—What other similar examples of success stories have you got?

Miss Zentveld—There is one which is at a commercially sensitive level at the moment, which is looking at the opportunities for shipbuilding. Again, through seed funding, we are finalising the feasibility study which is looking at having a consortium of Gladstone engineering firms pooling their resources and working with an overseas established shipbuilding firm that is needing to expand but is landlocked—and, therefore, establishing a shipbuilding project in the Gladstone region. We are probably looking at 450 jobs or so, if that comes to fruition. We will be looking at building sizeable general cargo vessels.

Senator MACKAY—So you have really made industry diversification a major focus in terms of your activities, and, clearly, with a level of success as well: would that be fair to say?

Miss Zentveld—Yes. That has been very important. We have a large engineering work force. There are over 30 engineering fabrication workshops in the Gladstone region but, because it is very much living from project to project, there are definitely those highs and lows. By diversifying that economic base, we hope to smooth out some of those highs and lows.

Senator MACKAY—What are those factors that have led, perhaps, to your region being more successful than surrounding regions or areas in this part of Queensland?

Miss Zentveld—When you say ‘more successful’—

Senator MACKAY—More successful in terms of attracting projects. I may be wrong: maybe you are not, but I get the impression that—

Miss Zentveld—That we are attracting industry?

Senator MACKAY—Yes.

Miss Zentveld—I think it is because of our unique combination of infrastructure and the fact that we have a natural deepwater port that can take up to 220,000 deadweight tonnes. It has islands, so it is a natural, protected, all-weather port that is very reliable. That is a critical factor in attracting industry.

We have the infrastructure. Also, being a newer industrial city, we have learned from the mistakes of some of the older ones and we have industrial estates set aside from the community. We have a prevailing south-easterly wind direction, so the industrial estates are located on the west side of Gladstone City, therefore ensuring a clear delineation between the community and the residential growth and the industrial growth. In that way the community are generally supportive of industrial growth, and I think that is very much a key factor because, if the community does not want development, often the community wins. Having the community encouraging further development has certainly been a key factor. There is also the proximity to those natural resources. The economics of it stack up for themselves, really.

Senator MACKAY—Right.

Mr Wormald—We would actually like to emphasise what we call our ‘can do’ attitude. Gladstone is probably different from a number of regional centres in that it actively promotes heavy industry coming to the area. Quite obviously, when that happens, there is an environmental issue that is also raised. We are rather proud of the fact that we can still have that attitude, because the people who live there know what it has done for them, so they are keen to perpetuate it, but with an environmental balance.

The attitude of wanting industry to come sends a very clear message to potential industrialists. They know they are going to be welcomed in Gladstone, which is different from some other places where they have actually been chased away. Having set up the infrastructure ready for it, we are also prepared to say, ‘We’ve done that and we are fair dinkum; here we are.’ We think that psyche is very, very important.

Senator MACKAY—It is interesting because that indigenous industry, that heavy engineering, does lend itself to a plethora of value added industries. Was that fortuitous historical emergence?

Mr Wormald—Yes, because of what has been produced there. Queensland Alumina has 1,100 employees. They refine alumina. Very close, but away on an island, we have the smelter, which has another 1,000-odd employees who actually turn the alumina into aluminium. That in itself is creating light metal, some of which stays in Australia, some of which is exported. But that has enabled other manufacturers dealing in light metals that combine with aluminium to talk about value adding on the spot. Magnesia is one that is currently setting up a pilot plant. The Ford Motor Company is a shareholder in that, because it will make lighter engine components, which is a very valuable incentive to the car industry. After starting off with alumina and with electricity generation, there is also chemicals. With the port industries themselves, they are a natural base for light metals value adding, and that has been recognised by Queensland governments—that is, the previous one and this one.

Senator MACKAY—Can I ask you a final question? I am sorry if you have already been asked this. What is the unemployment rate in Gladstone?

Miss Zentveld—For Gladstone City, it is 10.2 per cent. That figure is for the March quarter of 1998. I would like to add that it has now become next to impossible to get those

up-to-date unemployment figures. We used to be able to get those through the CES so we could see what was happening, but now we are not able to get those figures. So those March 1998 figures are the best that I have been able to get through DEETYA. They no longer track it and Centrelink do not track it. They can only tell you how many people receive unemployment benefits: they cannot tell you the size of the labour force and they cannot tell you the region that that represents. The Gladstone region is not a statistical division. In fact, our region folds into two separate statistical divisions. It is now impossible to see what is going on, in terms of unemployment rates.

Senator MACKAY—That makes it almost impossible to plan, as well, I would have thought. Chair, this has been raised several times with us. If we do not stop it now it is going to become a major problem, and I wonder whether we ought to write to the minister about it as a committee.

CHAIR—I think that would be very useful. Are you aware of the DEETYA labour market data booklet which is out every quarter?

Miss Zentveld—That is the March 1998 figures.

CHAIR—Is that where you got that data from?

Miss Zentveld—Yes.

CHAIR—Senator Mackay, is your concern that the old CES data—

Senator MACKAY—The old CES DEETYA labour force statistics that we used to get will now no longer be available because of the dismantling of the regional DEETYA structure. It is only just emerging in the last month or so that precisely what Miss Zentveld has just said is happening everywhere. I have had trouble, as an MP, getting information.

CHAIR—I think that is a tremendously important point. On the strength of your evidence, the committee will take up Senator Mackay's proposal and write to the minister, saying that this is something that has been raised continually and asking him what is he planning to do about enabling people to get that data.

Senator Mackay has been very civilised and polite about this, but I am very concerned that, on the evidence, Dr Kemp is not minded to release any data that he has at all, to this point. I would hope that he might want to change his mind about the release of data. It would be better to be dealing with facts. Indeed, if he had released the data about how bad Job Network was two months ago and about how good it is now, he might have made his own case; but, as he has released no data, none of us can know that. All we get is the ongoing concern about how bad it is. I am not sure that Dr Kemp is a man who is free with data, but I think we should provoke him to reconsider, particularly about the loss of the CES stuff.

Miss Zentveld—It is a very important piece of information, because we get a lot of inquiries from businesses and investors who are looking at the opportunities in the region. One of the first questions they ask is, 'What is your unemployment rate?' March 1998 is not

too bad, but the longer it gets, the more antiquated the information will be that I am passing on, which is quite useless to them. The ACCs have been set up to fight unemployment but, if they do not understand what their unemployment problem is and in which sectors it is particularly bad, I do not know how they can come up with projects that solve their problems.

Senator MACKAY—An excellent point.

CHAIR—That is a really good point. We have had it said today on a few occasions that the unemployment rate in the central Queensland region is, on average, 8.8 per cent or something of that sort. That simply fails to tell you that in some places it might be as low as five per cent but that in other places it is 30 per cent or 28 per cent. That is a very important point, and it was very powerfully made to us in our hearing in the west Sydney region, when we had a hearing in Parramatta. The unemployment rate in some areas there was down to about four per cent, but just a couple of miles away it was 15 per cent and over 30 per cent. It is very important not to look only at a regional unemployment figure, which is an averaging out and does not take account of the area's very high needs or specific needs and different needs. Your port area and your port provisions are terribly different from those 50 kilometres north or south, in a sense, aren't they?

Mr Wormald—Yes, totally.

Miss Zentveld—That is right. Because of our industrial base, we have very high unemployment in the female sectors, but whether that improves or gets worse will now be harder to tell.

CHAIR—Are those women listed as unemployed?

Miss Zentveld—Would they be listed?

CHAIR—Yes. You say there is high unemployment among women, but are they registered as unemployed?

Miss Zentveld—Yes.

Senator MACKAY—What the senator is referring to is the change in terms of eligibility for Job Network, whereby you have to be on benefit in order to be eligible for assistance. A number of women have fallen foul of that criterion because their partners may work or may work part-time or whatever. They will just disappear through the two apocryphal statistical stalls and you will never hear from them again.

CHAIR—Does that include single women? What makes you say there is high unemployment for women in the area?

Miss Zentveld—Previous statistics have continually highlighted the sectors of women and youth as being traditionally high unemployment levels.

CHAIR—That is very useful indeed.

Senator GEORGE CAMPBELL—What is your population?

Miss Zentveld—It is 27,500.

Mr Wormald—That 27,000 is the Gladstone city figure. The regional population is 40,000.

Miss Zentveld—I will leave you this Gladstone region overview, which has population forecasts, unemployment rates and those sorts of figures in it.

CHAIR—That would be very useful. Thank you.

[3.01 p.m.]

WEASE, Mr Grahame Gregory, President, Rockhampton Chamber of Commerce, PO Box 58, Rockhampton, Queensland 4700

ACTING CHAIR (Senator Mackay)—Welcome. The committee prefers all evidence to be given in public, but you may at any time request that your evidence, part of your evidence, or answers to specific questions be given in camera and the committee will consider any such request. I point out, however, that evidence taken in camera may be subsequently made public by order of the Senate.

I now invite you to make an opening statement. At the conclusion of your remarks, we will ask you a few questions. Perhaps you could give us a run-down of issues that you think we should be aware of, and we will have a dialogue about it.

Mr Wease—As President of the Rockhampton Chamber of Commerce, I have a fairly large advocacy role to represent our local businesses on matters of importance that affect the economic viability of those businesses. This includes matters related to employment and unemployment in our region. The chamber, albeit a city based chamber, is taking on a more regional focus in the way that we look at certain issues—in particular, unemployment.

The chamber has a number of concerns about the government approach to unemployment in our region. While the chamber applauds the various employment placement schemes instigated under the reformed federal government approach to employment services—or, as it is known, Job Network—we believe there is a basic failure to adequately assess the needs of employers in individual regions. The chamber believes that there is a misunderstanding of the employment needs of the region and/or local communities. This failure, we believe, is due to the lack of sufficient research or to misdirected research and consultation with those areas.

This can be highlighted by a number of facts: for instance, there is the letting of trainee contracts for which there is either no or only limited local demand or need, but no offering of traineeships through these new schemes, for which there is an obvious need in individual communities. It also reflects on the contractors themselves, with the contractors not getting paid if a majority of their trainees are not put into traineeships—even though, in a lot of cases, these trainees are actually employed at the end of their training. If that employment does not fit under the traineeship banner, then they do not get paid; and that reflects, as well, and it needs to be addressed. There are many other cases that could be highlighted; those are just a few.

We believe that we can improve the system. The biggest single way of improving it is by consultation, a good level of communication and the establishment of on-demand, industry- and region-driven, vocational and prevocational training at appropriate levels, by which I mean that you do not offer 18 traineeships based on the rural sector when there is only an obvious need for five or six, or two or three people. That does two things: firstly, it gets the hopes up of the people that you are trying to train to get into the rural sector, and research tells us that only a very small number would get positions or traineeships within the industry that they are training for; and, secondly, the contractors will not get paid, because they

would not be able to place sufficient of their trainees in a traineeship at the end of their term.

There needs to be an industry driven employment placement scheme. You need to look at individual industries in individual areas and find out what their employment needs are and then drive your traineeships, your prevocational training and your employment needs according to the demand of particular industries. The government also needs to take a larger role in encouraging and supporting the development of new employment opportunities for regions that are specifically designed to employ our own residents and our own school leavers within each individual region.

You can do that quite simply by encouraging and giving the necessary infrastructure, research ideas and whatever else is needed to place new industries in a region. That is very important and that is probably an area that is overlooked in some cases. The two areas of employment and trying to get employment also go hand in hand with the need to encourage new industry to an area, to enable the employment department to place those employees or the unemployed.

They are our specific concerns. There are a couple of general comments that I would like make about the Rockhampton area itself. There is no doubt at the moment that Rockhampton's regional employment opportunities are declining. There are a couple of reasons for that. There is a well-advertised downturn and restructure of the local mining industry in the Bowen Basin. In the past six months, they have been shedding jobs at the rate of about 150 per month, which takes jobs away from regional areas. There is a downturn in the rail industry. Also, the rural sector is not employing at the levels that it used to employ at.

It is fair to say that Rockhampton, in particular, has an ageing population base. It has a history of being the retirement area for the local country areas, and that continues to be the case. Also, an unfortunate problem that we have in this area is that there is a handout mentality ingrained in a lot of Rockhampton businesses and in the community in general, which needs to be addressed. But that is something that the community itself needs to address.

There are some positives in all this, I am happy to say. The chamber sees that a major positive is the change in attitudes that is beginning to occur, particularly in the urban area of Rockhampton. There is an awakening realisation of our own need to search for new business. Along with that, the realisation that this search for new business has to be largely self-driven and largely reliant on its own funding. It means that we are beginning to say that this handout region and this relying on governments at all levels to build new factories and to spend millions of dollars in the area is not the only way that we can do it—which is good to see.

There are also a number of positive employment opportunities that are hopefully around the corner with the development, or potential development, of some major industries in the area, such as the Marlborough Nickel mines and factory, the possible development of the Queensland Magnesia plant at Stanwell, the potential growth in defence industries, and those sorts of things. There is some light at the end of the tunnel, as far as bulk employers coming

to the region goes, but at the moment there are none of those to sustain the type of employment that we would like to see in the Rockhampton region.

Another very positive plus for us is that we have a strong and well-developed education system at both pre-university and university level, a system that produces well-regarded, well-trained and very employable graduates at the end of that period. It is a big plus in this region to have the quality of education facilities that we have. It is the chamber's belief that, in the past, this asset—and we like to call it an asset—has been underplayed in the employment role in this region.

ACTING CHAIR—Thank you. We will now ask you some questions.

Senator GEORGE CAMPBELL—Mr Wease, you talked in your submission about traineeship and apprenticeship opportunities. What sort of relationship does the chamber of commerce have with Mr Keene's organisation, the Capricornia Training Company?

Mr Wease—We have a fairly loose relationship. It is fair to say that the chamber, certainly in the past, has not seen its role as a voice for employment or unemployment in the region. It has solely had an advocacy role for the economic wellbeing of our members: small business or large business in the area. That role is changing the way that the chamber sees itself, and the issues that we see ourselves having a role in are changing. Part of that is that employment or unemployment in the region is a high priority, which we are going to concentrate on helping and providing a voice for. To do that, we need greater communication at our own level with organisations and employment organisations, and that is also beginning to happen at a larger level.

A number of our management committee members in the chamber are involved in the industry and they are the ones driving the relationship forward. Even though we have not been very vocal on it, we have had a fairly good grasp of the issues that have been involved at that industry level, by virtue of the fact that our management committee members are well known and have a major role in the industry in the region.

Senator GEORGE CAMPBELL—To me, there would be some value in an established relationship between the likes of your organisation and the Capricornia Training Company. Mr Keene, in his submission this morning, was saying that it is very difficult to plan in terms of the training that is carried out in this establishment—whether that be apprenticeships or in whatever field—on the basis that they do not have a skills audit of the area and so they do not really know the level of demand for any particular skill. There is a bit of guesswork involved in it.

Your organisation would be able to very quickly put together a profile of the skill demand or likely demand in this region, which would fit in very well with Mr Keene's planning environment in terms of planning to provide those skills. I would have thought there was a natural synergy that would be beneficial to both parties. I wonder why the relationship is so loose, given that you have got this type of facility sitting right on your doorstep.

Mr Wease—You are right; you are absolutely correct. In fact, we are investigating undertaking that sort of research on it at the moment. There are a couple of reasons that it has been loose. Firstly, I think it is fair to say that we have not been asked for the information; we have not even been asked on a lot of occasions whether we could provide the information or would be willing to do so. So it gets back to communications again.

Secondly, there is the old bugbear that the chamber is totally voluntary and resource time and resource moneys are scant, which makes gathering some of this information difficult at times. The chamber is formulating a restructure to hopefully allow us to employ a full-time research officer and some others in the very near future, to try to address these very issues. So we are moving in the right direction; it is a matter of being able to pull it all together.

In the past, there has been a reluctance on the part of some organisations to seek information from other organisations. I am sure that is not unique to Rockhampton. However, it has been a particularly bad habit of various organisations in Rockhampton to do that. I am happy to say that that is changing and I am also happy to say that it is the newer companies, or the newer organisations that are moving into Rockhampton, which are really the catalysts for some of that change—because of where they have come from or because the directors are not used to working that way. So the change is actually beginning to happen. We have a way to go, but we are breaking those barriers down.

Senator GEORGE CAMPBELL—Do you have a development strategy for the area, or is that something you are proposing?

Mr Wease—No; that is a very good point. The Rockhampton City Council has developed a five-year development strategy.

Senator GEORGE CAMPBELL—Do you support it and agree with it, or do you disagree with it?

Mr Wease—We agree with the majority of it. The chamber has said that in some areas it is fairly short on bulk. We think there are a number of grey areas that are not explained or given the right weighting. We have expressed that. But it is a first step for the council, and they tell us that they are preparing another one that will be available over the next 12 months. They are doing a revamp. As a general region, the ACC has been trying to create a regional development strategy or statement together. It is progressing.

Senator GEORGE CAMPBELL—Is your organisation an active participant in the ACC?

Mr Wease—Yes, we are.

Senator GEORGE CAMPBELL—In your own right as an organisation, rather than as individual employers?

Mr Wease—Yes, we are quite well represented on a number of those top committees. It has been particularly the case in the past 18 or so months.

Senator GEORGE CAMPBELL—I was going to ask you about your involvement with the local community: presumably the bulk of that is through the ACC.

Mr Wease—Yes; we have an active involvement within the region—which is good.

Senator GEORGE CAMPBELL—What has been the reaction and experience of your members to the Job Network and the way in which that is making potential employees available to them?

Mr Wease—It is fair to say that the majority of employees have a fair amount of dissatisfaction with it. I do not know whether that is because they do not understand it properly and how it is meant to work. I know that I have struggled to fully comprehend what it is all about and how it actually works.

Senator GEORGE CAMPBELL—We thought it was just us.

Mr Wease—No, not at all. Some of our members see that there is a problem with it where they are looking at now having to pay for certain services that are available. I know that we are all heading towards a fee-for-service type of society and that it is probably coming at a greater rate of knots than we would like to happen; but there is uncertainty within the Job Network scheme about just what you have to pay for, how much you have to pay for it and why you have to pay for it. When you employed people through the old CES, the only time that you actually paid for their services would have been if you were trying to employ at an executive level and you were getting them to do a lot more of the basic groundwork in interviewing.

The way that the new set-up seems to be structured is that each individual employment contractor can structure, restructure, or set their own fees at different levels. Some do and some do not, at different levels. Some do and some do not, for different services that they offer, from the cost of photocopying to help the unemployed to the cost of \$250 to try to get an employee from their database. That is quite destructive to the program and it is also destructive and disheartening to the employers, particularly in small business, who are trying to employ people.

Senator GEORGE CAMPBELL—Is that because people in small business really do not have the time to go shopping around different employment providers to see which one can provide the best deal?

Mr Wease—That is exactly correct.

Senator GEORGE CAMPBELL—Who charges for what?

Mr Wease—Under the old scheme they rang one phone number that had all the data and information available to them and said, ‘I would like this type of person. Can you send me over 10?’ Or, ‘Is there anybody that you can send over?’ These days, with the plethora of contractors out there that are doing the same job, the majority of whom do not advertise and say they are doing it, they would have no idea, firstly, of whom they have to contact to seek

an employee; secondly, of how they would go about it; and, thirdly, of whether they would pay or not pay.

Senator MACKAY—So there is more red tape from a small business's perspective?

Mr Wease—I think it is certainly perceived to be that way. There is no doubt about it. Whether that is actual fact, I do not know. I suspect that it is. Maybe red tape is not the right word. Maybe it is a carousel that is a longer way of going about employing somebody now. It takes a lot longer to achieve the results—so perhaps it is that, more than red tape. Red tape implies that you are putting governmental obstacles in the way. The process is not well understood and it is an extremely long process.

Senator GEORGE CAMPBELL—How are the employers up here reacting to that? Are they reacting in the same way as are in some other areas, by going out and either advertising in the newspapers or putting signs up in the window of the establishment saying, 'Body wanted,' et cetera?

Mr Wease—Most definitely. There is no doubt that there appear to be a lot more employment advertisements in the paper for minor jobs—the lesser skilled jobs—than there were before. Also, there is a definite return to the signage in the window. Mind you, I do not necessary think that is a bad thing.

Senator GEORGE CAMPBELL—No.

Mr Wease—I think it attracts the people that are out and about looking for a job. Maybe the employers have a chance of getting the better class of employee that is out there actively seeking work. But they should have the opportunity to easily employ people from an agency of some description.

Senator GEORGE CAMPBELL—Yes. At least from a central database.

Mr Wease—Yes. I am sure a lot of them, since they need to pay taxes and payroll taxes and everything else that is heaped upon them, when they get charged by some contractor to employ a gardener, feel they are paying twice for the privilege of employing somebody.

Senator GEORGE CAMPBELL—Thank you.

Senator MACKAY—You made some comments about the failure of research and the fact that there was insufficient research with regard to an adequate needs assessment for businesses in terms of the new Job Network. You also said there were contracts where there was little demand for the services but insufficient contracts or resources where there was more demand. Would you expand on that a little?

Mr Wease—Yes, we have looked at it. The government, when it changed to the new system, had an obligation to look closely at the regions where they base their Centrelink headquarters. That falls into some fairly common regions—the Fitzroy Basin region and all the rest of them. Once they have done that, they then have a responsibility to the unem-

ployed and the employers in that region to seek advice as to what type of employment is needed in the region.

That particular information you can only get from your employers. Go to Gladstone to look at the big industrials and say, 'Where is your greatest demand for new employees? How do we help you?' Then concentrate on getting the skills levels of the unemployed up to the levels that are required for employment. They could come to the meatworks here, go to the railways in Rockhampton or go to the rural areas outside Rockhampton city and say, 'Where is your greatest need? How do we help you to get those employees that you need to do that?' I think there was a failure to even begin to look at that sort of research. I cannot find anywhere where the federal government has done that type of regional research to improve the employment in a particular region.

Instead, they tend to be generic and say, 'We are going to let a traineeship program for the hospitality industry. Over the course of the next 19 months we want 300 traineeships in the Rockhampton region for the hospitality industry.' The fact of the matter is, with a bit of research—and the research in Rockhampton would be only contacting five or six of the major hospitality players in the region—they would say that there is no way in the world that we want to put on 300 traineeships over 19 months. We may be able to take on 12, 20 or 100 traineeships but we cannot do 300. There is just not the places nor the need for that level of traineeship.

Senator MACKAY—I am sorry to interrupt you. With regard to the new Job Network, was there consultation with local business prior to that implementation?

Mr Wease—No, I do not think there was.

Senator MACKAY—It does not seem to have happened anywhere.

Mr Wease—No. I am certainly not aware of it happening in this region to any extent. I can give you an example of this very thing. I was talking to a contractor the other day, who is a member of ours, and they have recently finished a six-week traineeship course for 18 people in the hospitality industry. They have not placed one in a traineeship and yet they have placed four in employment. Employers do not have places for particular traineeships but they said they would employ four people. This particular contractor has not been paid remuneration for that six weeks of training 18 people, because they have not been able to place any of those people in a traineeship. I am saying that maybe a little research at the beginning of this would have said that there is not a need for 18 or more traineeships but that we do have a need for general employment in the same industry.

Senator MACKAY—Yes, I understand.

Mr Wease—If they had found that out they may not have let hospitality contracts for traineeships and concentrated on vocational training for those same 18 people.

Senator MACKAY—Which comes back to Senator Campbell's point about more internal community consultation as well with organisations, as you say.

Mr Wease—That is exactly right. And you can have the reverse: if you were to go up to the Whitsunday group there is a good possibility they could place 600 traineeships a year in the hospitality industry up there and have let only 200 or 300 traineeship positions to contractors. There can be the reverse. Please do not use those figures as gospel; they are just figures I am using off the top of my head. What it really does show is that there was no communication—or I do not believe there was. If it has happened there has been no notice taken of it or the wrong research has been done and it has not been sold to the community.

CHAIR—We are to the edge of our time, unfortunately. I am sorry I was out for much of that, Mr Wease. To what extent do you work closely with the central Queensland area consultative committee?

Mr Wease—We have representation on it.

CHAIR—And do you tick-tack a lot?

Mr Wease—We do. We try to insist that we do. I think it is also fair to say that cross-fertilisation and communications have not been as good as they could have been.

CHAIR—That is interesting. Why?

Mr Wease—The organisations see a different role for each organisation, and maybe the two roles do not meet. I certainly do not believe they do, nor does the chamber. There is also a perception by some members of the chamber that, in the past, certainly, the ACCs and the OLMA committees and the others have just been non functional quangos and do not really affect the average unemployed man and woman on the ground.

A lot of these organisations such as the ACC have not explained their role in the community to any degree at all, and that breeds distrust. I sat for many years on the OLMA committee—I think I spent four years on the OLMA committee—when we gave away a lot of money but in the end saw very little result from it. Some of the moneys that were given away were well publicised to various organisations, and the community then saw that there was very little result for those moneys; and that does not help.

CHAIR—We have got to finish up for two reasons: one, because we are over time; and, two, because the tape has to be changed in about two minutes, which gives me a brief opportunity to say that we have found in other places that people have said that, once they stopped being untrusting of each other or once they were more open about getting on together, things like ACCs were really helpful to chambers of commerce or in job creation. In other areas we heard one of the people saying, ‘Once we discovered what the university did and what research it was doing, we saw that as a great assistance for job creation, because it is a whole new industry that is growing around the university.’ I think it is interesting to see whether there will be a benefit in the future. Do you see that it will improve?

Mr Wease—I certainly do. It is improving now, and that is because—you are right—there has been a recognition, certainly at organisational levels of the chamber, that there are

benefits to each organisation from each other's organisation. It relies on personalities, too, I must say.

CHAIR—I agree with that. That is probably the king hit or the crunch of this research: no matter how good the planning, if you have got difficult people it is not going to work. But it is also true that, with the best will in the world, bad planning can stop good things happening. Mr Wease, I thank you very much for coming along today. If communities have people like the chamber of commerce in the corner barracking for them, that will be good not only for the community but also for the unemployed.

Mr Wease—Thank you. It was a pleasure.

[3.40 p.m.]

McRUVIE, Mrs Jean, Chief Executive Officer, Cattlemen's Union of Australia, PO Box 1324, Rockhampton, Queensland 4700

CHAIR—Welcome, Mrs McRuvie. Do you have any comments to make on the capacity in which you appear?

Mrs McRuvie—I am appearing on behalf of the Cattlemen's Union, the United Graziers Association and the Queensland Graingrowers Association, which are all shortly to be amalgamated into one large superbody.

CHAIR—The committee prefers all evidence to be given in public but, should you at any time wish to give your evidence, part of your evidence or answers to specific questions in camera, you may ask to do so and the committee will consider your request. I point out, however, that evidence taken in camera may subsequently be made public by order of the Senate, as has happened in recent years. I might just ask you whether this is a submission.

Mrs McRuvie—Yes. I was asked to address a few issues and I thought that, if I put them on paper, then I would not have to speak to all of them.

CHAIR—While we have not read it all the way through, I am sure that it would be useful for the committee to now receive this as a submission. There being no objection, it is so ordered. If you would like to make a brief opening statement, we will then have some questions.

Mrs McRuvie—I am here today to represent rural producers. I understand you have already had representation from the mining industry in this region. Although the mining industry provides the largest revenue generation for the area, in fact rural production, agricultural production, will be the sustainer of the area. It certainly does not contribute as much in the short term but, when the miners have packed up and gone home, the rural producers are still here.

The other attribute that the rural producers bring to the area as far as employment generation is concerned is that rural producers will more often invest in their own area and generate investment in their own area than they will invest outside of their own area. For a rural producer, if they live in Clermont or wherever, that is their home town, whereas, for miners and people who come into the area, very often their home is somewhere else and so their investment and their spending is usually outside the area. For a rural producer, where they live and where their property is is their home, and it has usually been their home for generations, and so they are more likely to sustain that than they are to go outside to invest. So, from a job creation point of view, rural producers probably have more to contribute in the long term than many other sectors that you will have heard from today.

However, Central Queensland is a diverse area which is made up of a number of different production areas. But, from a rural producer's point of view, we are a commodity production area. As you know, we have had the Asian meltdown, volatile world prices and all the other things that I have written about. The bottom line of that is that most farm

families now do not employ people in the numbers that they used to; they are doing it themselves. They will bring in casual labour or contract labour. The difficulties with that are obviously that they are not as well trained. There are more problems with safety, skills and equipment. But that is the way it has to be: they just cannot afford to have full-time workers. We also have a lot of foreign exchange students come in and work on farms, and that is a way for them to get another pair of hands.

We also find that, because farm families now cannot afford to sustain the husband and wife, the son and his family and the daughter and her family, you are getting what I call 'youth bleed' from the area. Most rural producers will send their children away for schooling, and they stay away; they just do not come home. By the time they come home, it is usually when the parents are too infirm to look after the property or if the property has been sold.

As well as youth bleed from rural areas, we get retail bleed, because we are finding that government services are being cut back in rural and remote areas, and those services are usually the largest job creators. I used to run the development board out of the Central Highlands and, in all the shires in Central Queensland, in those days—and that was about four years ago—approximately 25 per cent of employment in an area was through the Public Service, in either federal, state or local government. If you reduce that amount of government services into an area, you reduce the amount of employment opportunities. So that is a major problem.

In the beef industry, the meat processing area is an area of concern that we have, simply because most of the investment in meat processing is through foreign companies who do not necessarily have to make a profit. In fact, in Queensland, I understand there are only two processing companies that are actually making a profit. Everybody else is making a loss. So in that sort of situation, the companies will not employ as they would have done in the past. They also are reducing numbers. They will close down for large periods of time. So that is an area that is not being looked into. There is also very little investment in rural and regional areas in value adding of any kind to base commodities. What we do is produce them and send the commodity away, so we do not actually get any employment generation from there.

What else can I tell you without going into great detail? We have had a reduction in other government services, and I heard you talking before about OLMA and ACCs and so on. There also used to be an agribusiness program, which was with DPIE, which was scrapped. We got the Supermarket to Asia instead of that. Supermarket to Asia is useless to small rural and regional areas. It is only catering for the large companies, by and large. Although there were lots of problems with the agribusiness programs, it was the only avenue for people to develop ideas, if you like, to look at new ways of diversification; and that has now gone. We do not have that service anymore; we do not have that facility anymore.

We do have an environment in which more rural producers are being trained, and we are happy with that. You can train people until the training comes out of their ears, but there is an enormous overlap in the training sector for rural producers. Everybody is going out and saying, 'Would you like to get trained?' And there is a limit to that.

FBT is a problem for us because a lot of farm labourers received part of their remuneration by the provision of a house or the use of a car, or whatever. That is more difficult now. With regard to workplace health and safety, whereas we welcome it, it is another prohibitor. Industrial relations concerns have made people nervous about employing people because of the concern, in an industry where there are such large downturns, that they will not be able to get rid of people.

With regard to telecommunications, I have spoken on this to John Anderson last week and I will say it again to you. Putting the provision of up-to-date telecommunication services in rural areas on the premise that Telstra has to be sold first is, we consider, iniquitous. It is just ludicrous. If you live in the city, nobody says, 'Unless we sell Telstra, you can have up-to-date services.' If you have poor telecommunication services in the rural areas, you will not attract investment and you will not attract business, because who is going to develop a business if they are not sure whether their computers can run, whether they cannot get their fax machines to run, whether they are going to have to pay more for their postal delivery, for instance.

I know you have pegged the stamps back to 45c, but that is the only thing. The rest of it is open slather, or will be open slather—which is another prohibitor to investment. Trying to get investment into rural and regional areas is very difficult anyway, and we would just ask you to be more cognisant of that when you make statements as happened over Telstra.

CHAIR—Perhaps you could stop there and we can take some questions. A few of your succinct and pungent points can be—

Mrs McRuvie—I was told to keep it to one page. You got five; so it was not very succinct or pungent.

CHAIR—Fantastic; you make the points very well.

Senator TIERNEY—You referred to an overlap in training in your presentation. Could you expand on what you meant by that, particularly in relation to this region?

Mrs McRuvie—The Cattlemen's Union and in fact the other two organisations employ a future profit person. Their employment is there because of the use of NHT funds, and we are very grateful for that. These people work with our organisations and go out and talk to our members. However, there are other state based training agencies like the Rural Training Industry Council. There are a number of bodies who are offering training to rural producers.

Rural producers have little time and little money. They want a certain kind of training and, although we welcome any training initiative, it needs to be more focused. Certainly, at this state based level, there needs to be a better delineation of who is doing what to whom.

Senator TIERNEY—When you say state based, are you referring basically to TAFE provision or is it wider than that?

Mrs McRuvie—No. There is TAFE provision. There are private providers. There are rural training coordinators which came from the Rural Industries Training Board—those sorts

of things. We are cognisant of it. We are actually getting everybody together on a regular basis to try and stop this, but I think you can go overboard with training. We saw that, not in the last government but in the government before where comments about us having the best trained unemployed in the world were quite common. At that time, I was delivering training myself as part of the role that I had. Skillshare asked me to go and deliver bits of training every now and then. I kept seeing the same people fronting up at these classes that I was giving to such an extent that I actually asked them to leave and go and do something more productive because they had heard it all before. We have not got back to that stage, but I think we just have to be cognisant of the fact that that is a possibility.

Senator TIERNEY—So in the coordination in this area, what mechanism are you doing that through?

Mrs McRuvie—We have a whole state based training body in which we work with the DPI, particularly on rural future profit. We also work with the local coordinators on training. There is a lady who lives out in Clermont; there is one on either side of us. We work with them on delivering specific rural training.

Senator TIERNEY—That coordination in this area would include Rockhampton but how far out would it go?

Mrs McRuvie—It will go over the whole of Central Queensland. It has to because we mostly work outside—

Senator TIERNEY—So you coordinate that to stop the overlap across Central Queensland, do you?

Mrs McRuvie—Yes; because there are very few rural producers in the Rockhampton region.

Senator TIERNEY—You mentioned in relation to post offices that stamps are staying at 45c. Then you said ‘open slather’. What are you basing that on?

Mrs McRuvie—The postage stamp price of 45c has, I understand, been controlled. It has been pegged. But apart from that, all other postal services will be open to commercial tender.

Senator TIERNEY—Perhaps I will save time here. I will send you the document on what the policy is. But it is not ‘open slather’ by any means.

Mrs McRuvie—Thank you. Having said that, the perception is that it is open slather. I will make the point that, if I am wrong, I apologise. But if you are looking to attract investment into an area for people to develop a business, perception is as important as reality.

Senator TIERNEY—I will send you the information.

Mrs McRuvie—Thank you.

CHAIR—In the pursuit of even-handedness, we would like to send you some policies, too, to counter those dreadful messages.

Senator TIERNEY—So the Labor Party has got policies?

Senator GEORGE CAMPBELL—We will send you our policy on Telstra.

Senator TIERNEY—Could you send me the other Labor policies? I would like to see them.

CHAIR—You just do not want to read them, Senator.

Senator MACKAY—They are on the Internet; you just cannot use it.

Senator TIERNEY—I doubt that it is there.

Mrs McRuvie—If we could talk about the Internet, most of my members have trouble getting on the Internet—

Senator MACKAY—Yes, that is dead right.

Mrs McRuvie—because they do not have the computer access; they do not have the stability of access. I want to say here that the Cattlemen's Union and the other two organisations truly are apolitical. We do not care what political party it is; we will just fight for our own concerns. It is not the sale of Telstra. I think people get hung up on the fact that it is the sale of Telstra. We do not care what you do with Telstra.

Senator MACKAY—It is the services.

Mrs McRuvie—It is the services that we are most concerned about. We have members who have waited five weeks to have a phone mended. These people live out on properties. It takes half an hour to drive off the main road to their property. It takes you two hours to drive to them from the main town. If they have an accident or if something happens or if there is an emergency or if they just want to ring up and talk to their kids at school, it is not like being in the city. I have a mobile phone and there are phones everywhere. It is not the same.

CHAIR—Something you said just provoked me but, fortunately perhaps, I have forgotten that. Could you tell me a little bit about the point you made about value added? It is terribly important. Cargills—I do not think I know Cargills—were approached to develop an oil seed processing plant. After consideration, it was concluded by the company that they could transport raw seed cheaper than processed oil. Who would be bothered doing anything? They would say, 'Let us truck the seeds into somewhere else and turn it into oil there.'

In some ways, I feel that is a big heavy weight of dull uncreative thinking. I do not know what the sums are in terms of difference, but presumably transport costs are a bit different. For processed oil presumably you need something different than an open truck or a

big silo or something like that. Once you have processed it into oil, you are going to have to transport it to somewhere else. What was the response to all of that? Somebody has to have done the work, and what they come up with is good reasons for why nothing can change.

Mrs McRuvie—I put that incident in, particularly because I actually tried to negotiate that deal. Prior to the position I have now, I worked for the Queensland Department of Primary Industries. Prior to that, I ran the Regional Development Board in Emerald, which covered the whole of the central highlands. We are a large oil seed producer. So, QED, if we are looking for value adding, we will look at oil seed processing.

Cargills, at that time, had to move because the premises they were in in New South Wales were going to be demolished. They were actively looking for somewhere else. We went out and flew the flag and put up a scenario. They did give it some credence, and they just ran the numbers through. From a bottom line point of view, it was going to make the oil more expensive because of where the markets were for the finished product. It was actually cheaper for them to establish a centre in Moree, which was near another centre they had, and transport our oil seed and then transport the oil down to Sydney, which is where it was further processed and sent overseas, than it was to bring the oil seed plant to the oil seed. It was just pure economics.

CHAIR—Plant meaning something else from what oil seed grows on?

Mrs McRuvie—Yes, a processing plant.

CHAIR—It is a big problem. Well, we do not know that it was really. It is just the decision that company took because that is the way they crunched the figures. For example, for the people you represented, who were seriously trying to do some local value adding and local job creation and local everything else, it was going to be a very good proposal. You would think that once you had the oil containers on the transport system or whatever it was going to be—I do not know the difference from wherever you were to Moree, but it is probably a factor of two, isn't it?

Mrs McRuvie—It was a considerable difference. When you are in a rural and regional area, you have to put up a very good case plus some to encourage people to come out of the major centres. One of the other things that we cannot do a lot about is that, if you settle an industry in a city area, you are more likely to attract staff. There is a concern that if you come to a rural and regional area you will not get the skilled staff that you want, and the skilled professional staff in an industry that you have to have will not move out.

CHAIR—What is that called? We were given the negative term for this. You might remember it, Richard, from our hearings at Nowra. It was called something like the boss's wife will not go or the manager's wife will not go or the bedroom syndrome.

Mrs McRuvie—I am not going near that one.

CHAIR—The cause of everything. In other words, the point you made was spelt out in exactly the same way—that it might be good for the industry to go there, but with family and other community networks and everything else it is not easy to get everyone to move.

Mrs McRuvie—We found that when Gordonstone opened—I was also involved in the opening of the Gordonstone mine and it is probably still the same in the mine—the mines were obliged to employ MUA workers or mining workers who had been made redundant from somewhere else. At that time there were a lot of unemployed miners in Newcastle so they brought them up and offered them the first job opportunities. There were practically no jobs offered to local people. In fact, you could probably count them on the fingers of one hand. They brought in people but a lot of those people left because they lost their family contact. They were in Emerald but their families were in Newcastle. So even in that situation it was still a concern and a problem.

CHAIR—Many of the things you have listed here are terribly important. I would also like to particularly acknowledge your acknowledgment of mature age unemployment as a major factor. This inquiry probably started off with the expectation of high youth unemployment but I think we are not actually measuring the unemployment rate of those aged 45 and over, particularly in certain regions in which it is very high.

Mrs McRuvie—I agree. That has been a concern of mine for a long time. There has been no concentration on that. If you are an 18-year-old and you are unemployed, you do not have the responsibilities that you do as a 45-year-old who has a wife, or a husband, and children and a mortgage and all those sorts of things. There has been no concentration on that area and it concerns me because that area is growing. When you are downsizing or whatever term you want, it is middle management that is being downsized out. It is not the youngsters, it is the middle management. What do you do at that age? Where do you go?

CHAIR—It is very depressing and it is a lot of expertise and skill and experience that is lost to that company, to say nothing of the working community.

I wanted your brief comment, before I hand over to my colleagues, about occupational health and safety. The real tragedy is that these are often seen as oncosts that we can put off until whenever. We say, 'We will not have to worry about safety, we will not have to worry about them. We will be all right, we will avoid the accidents.' Then, of course, you only have to look at the figures with the number of children, for example, who die on farms. And that is the number of family members who die before you get to the OH&S factors for workers. What does your organisation do to encourage farmers into that investment on the grounds that the long-term return is better than one claim that could cripple you?

Mrs McRuvie—We are very involved in a scheme called CattleCare, a quality assurance scheme for cattle management. Included in that are workplace health and safety issues. You have to have those in place as part of your CattleCare management. It is an ongoing process that we have with all our members. They are informed all the time. We run workshops and programs for them.

CHAIR—Does that also cover chemicals as well as the physical hazards of being knocked over by a tractor?

Mrs McRuvie—Yes, particularly chemicals. In fact, we have a campaign going at the moment trying to get a government agency or somebody to take responsibility for out-of-date chemicals. You can get rid of empty drums but you cannot get rid of leftover chemicals.

CHAIR—That is a farce. Can we make a note of that please? I thought the agricultural and veterinary chemicals authority did have some capacity to deal with that. I sat on an inquiry into that. That is a very important point that you raise and we would be pleased to take that up on your behalf.

Mrs McRuvie—Thank you. Very often the chemical company will take the chemical back but you have to transport it. That is obviously difficult because you are transporting it, usually, in a container that has been opened. So the seals are broken and you have got to reseal it and move it. Local authorities will not touch the chemical. They will touch the containers but not the chemical, and that is a concern.

CHAIR—The proper disposal of it is another critical part of the safe handling, isn't it? Many of the agricultural and veterinary chemicals that you use are super dangerous.

Mrs McRuvie—Yes. If disposal is relatively easy, in as much as you do not have to drive 500 kilometres, then farmers would be much more inclined, when they finish it or it gets out of date, to get rid of it. But usually what happens is it lies around the place, and that is always a danger.

Senator GEORGE CAMPBELL—I will give you a copy of our platform! I agree totally with your comments in respect of Telstra. I suggest that you look at what has happened in the United States with the development of the rural telcos there that are servicing rural communities, and doing it very effectively. You may get some very good ideas out of it.

Senator TIERNEY—That is a privatised system, isn't it?

Senator MACKAY—Heavily regulated until the baby bills were created, as you know.

Mrs McRuvie—We truly do not have a problem with a privatised system. The concern is, particularly in Australia where we are like lemmings, that we gravitate towards the coast. If you look at world statistics, we in Australia live around the coast. We are never going to be commercially competitive because we have not got the numbers and we have got the distances and we have got all the problems. Our concern is that if you are not commercially competitive in a commercial world, you are always going to miss out.

Senator GEORGE CAMPBELL—That is very true. There is a very good book on the market at the moment called *Death of Distance* about the telecommunications industry and some of the outrageous rorts that go on and charges that are presumably made because of distance when distance is irrelevant to charging regimes in the 1990s.

Getting away from the Telstra issue to your submission, I have a couple of questions. I got a bit confused with your submission. You tended to be critical of labour market programs in one aspect—I felt the comments were critical—yet a lot of those labour market programs that were in operation were very much about skills and were training related. But, in another part of your submission, I thought you were saying that you desperately needed some skills training for people in the bush, in farm management and those types of things. I

felt that was a bit of a contradiction. Maybe it is not. Maybe I am just misreading the way in which you have put the submission together.

Mrs McRuvie—I suppose when I am talking about labour market programs, I am looking back on the programs where communities had people who were unemployed who were working for them on community projects, which was excellent because it helped the community. I am just not convinced that in the long term we developed any job outcomes. I would like to see fewer people trained but people trained to go into a job.

I do not really mind how you do it. What we are looking for is training that feeds into full-time employment. It concerns me that people are trained and they do short-term work somewhere. You raise their worth ethic; you raise their self esteem; and then it is gone and the opportunity for them to get more work is very difficult. I would rather see fewer of them trained but more of them in jobs.

Senator GEORGE CAMPBELL—I understand that argument but there is another argument which is equally valid, if not more so, that says that the higher you lift the skill level of individuals, the more potential you create for them to get into permanent employment. That does not resolve the issue of there being fewer jobs than there are people chasing them, but the greater the skill level of the individual, the more opportunity they have to obtain permanent employment in the labour market.

Mrs McRuvie—I accept that as an argument.

Senator GEORGE CAMPBELL—You talk about the fly-in, fly-out practices by mining companies providing fewer job opportunities in rural areas. I understand what you are saying there. I did not know that in Queensland terms it was that prevalent. I know about Gordonstone and a few other areas but in a lot of the outback mining areas—presumably that is what you are talking about with the new developments—my experience has been, in travelling around those in my past ventures in employment, that a lot of that community was imported labour anyway. Certainly, an element of it would have come from the local community but a very large proportion of it was imported labour from wherever else in Australia and beyond. I wonder whether the fly-in, fly-out issue has as great an impact on job opportunities in the bush as what you tend to give it? Actually, I am not even sure that you have given it a high priority there.

Mrs McRuvie—Let us take the area I know the best, which is the Central Highlands where we had Gregory, Gordonstone and Ensham. All of them based their people within the area. They built houses for them, people lived there, they went to the schools, they interacted in the community and they spent money in the community. It encouraged business development, it encouraged small business in the area who, as we all know, are the biggest employers of people. If you have fly-in and fly-out, they come in and they live in the single men's quarters. They are fed and clothed and watered, so they do not spend any money, except on phone calls, and they go home again. There is no catalyst offered for small business and job creation.

Senator GEORGE CAMPBELL—Sure, I understand that and there is no catalyst offered for the establishment of new communities in outback Australia; that is true. But there

is also an argument that is run by mining companies that it is better to draw them from larger communities because they do not then import a lot of the social problems that are involved in small isolated communities out in the outback. Again, the argument runs both ways.

I am more interested in the argument about the degree to which it is impacting upon job opportunities in rural Australia for families off the land. I just wondered to what extent it has an impact, given that, even with those communities that have been established, a large section of the work force has been imported labour anyway?

Mrs McRuvie—The mining activity produces very few jobs. As I said before about Gordonstone, they do not employ people from the local area. They just do not. You need to be a member of the union; you need to have skills and local people cannot do that. But they do generate business activity in the rest of the town and they employ local people. The president of the Cattlemen's Union works full-time at being the president during his term of office. His two sons run the property. He has been droughted for five years so one son is now off working somewhere else because there is just not enough revenue to keep both sons there. If they lived close to a town like Emerald, for instance, one son could work in Emerald and the other could work on the property and then they could both work the property at the weekends. That would help to retain that family interest and it would help to retain the employment in the regional area.

Senator GEORGE CAMPBELL—I have always held the view that we sold our leases to the mining companies very cheaply, not just in terms of dollars earned or royalties but in the requirements we have placed upon them in terms of establishing communities and sustaining communities.

Mrs McRuvie—I agree with that.

Senator GEORGE CAMPBELL—Downstream processing, and a whole range of other activities, could have been part of the licensing arrangements but that was never taken into consideration.

Mrs McRuvie—I would agree with that.

Senator GEORGE CAMPBELL—You make a comment on the last page about which I am a bit confused. Perhaps I misunderstood what I read. At the second last dot point you talk about inducements, enticements and encouragement for external investors to spend outside the cities. Are you talking there about foreign investment?

Mrs McRuvie—No, I am talking for anybody who does not live in the community. Internal investment to me is people who live in the community, who invest in the community. Let us take Emerald again, which is a typical example. When I first started in Emerald, I went to the large house builders and asked them would they come and build some spec houses in Emerald because of the mining development. They said, 'Go fly a kite.' So the first spec home builders were local builders. The first large shopping complex that was built, was built by local investment. It was in fact local business people and farmers who went into

a joint venture. That is internal investment. External investment is anybody outside the local area who will invest outside a city, the metropolitan area.

Senator GEORGE CAMPBELL—I understand now what you were talking about.

Mrs McRuvie—I am sorry; I did not explain that.

Senator GEORGE CAMPBELL—It was just that, when you talked about ‘external’ investors, I thought you were talking about foreign investment. The other issue that you raised was the question of seed capital funding. The current government has recently established the IIF, the innovation investment fund, which is a venture capital fund essentially as seed funding and which looks at funding what they call ‘Bankcard capital’—from \$500,000 up to \$3 million—and I understand there have been a number of licences issued.

When we have gone around regional areas on this inquiry, there seems to be an appalling lack of knowledge that this fund has been established. Comments have been made, for example, from some of the ACCs—which are government agencies, in a sense—that they were not even aware of the fund’s establishment. I wonder to what extent there is a knowledge amongst the farming community of the fund. If the information is not getting out there, that will be the least drawn-on fund that has ever been established in this country. They will not have any problems with making bad loans, because they will not be making any, in terms of the knowledge out there. Is your organisation aware of the establishment of the fund?

Mrs McRuvie—No. This is the first time I have heard of it.

Senator GEORGE CAMPBELL—Right. It was part of the industry development statement issued before Christmas. *Investing for growth*, I think it is called. It would be worth your while having a look at that.

Mrs McRuvie—Yes.

Senator GEORGE CAMPBELL—I am not suggesting it will solve your problems, but it is probably worth while having a look at it and testing whether in fact it is applicable to rural communities.

Mrs McRuvie—Yes.

Senator MACKAY—Can I ask a question? I am probably leading with my chin here. You have indicated that one of the things that you want to see is a fairer tax system. I think we all would agree with that. But it is actually a question of what a fairer tax system means, especially if you have got a sector where there is very little disposable income and therefore any dramatic shift in the tax base, indirectly or directly, will have quite substantial effects. Certainly, I come from Tasmania, which is basically a regional microcosm, and we are also in a situation of low wages and very little disposable income, and so a shift from direct to indirect is going to directly affect people who live in Tasmania. I am curious to know whether you think the imposition of a GST, albeit taking into account the diesel fuel excise

issue—which I know is very important up in the bush—is going to be a good thing or a bad thing.

Mrs McRuvie—I think it would depend on what was exempt from the GST. That is really the sixty-four thousand dollar question. Looking at farm inputs, if many of them are exempt, that makes life a lot easier for primary producers because, as you say, they do not have a lot of disposable income; but they do have a lot of expenses in creating that income.

Senator MACKAY—Yes.

Mrs McRuvie—If you can even that out, it makes life a lot easier for them.

Senator MACKAY—So what type of exemption would be required?

Mrs McRuvie—Any sorts of inputs that they have—machinery, fertiliser, seed: all the things that go towards making something else—would be an area where we would welcome one.

Senator MACKAY—I do not think that is going to happen, though, in terms of the reports, is it?

Mrs McRuvie—No, it probably is not going to happen; but that does not mean to say—

Senator MACKAY—It does not mean you cannot lobby for that.

Mrs McRuvie—Yes. The NFF, as you know, has come out with a position on the GST. This sounds a bit wussy, but we really prefer to wait and see what the deal is. We spoke to John Anderson last week, and he would not tell us. We will have to see how it actually impacts on farm families.

Senator GEORGE CAMPBELL—I think that is eminently sensible.

Senator MACKAY—I have a question in relation to the seed capital funding issue, and Senator Campbell touched on this as well. I understand that the incoming state government may have looked at this, although I am not sure. From talking to somebody at lunchtime about it, there seems to be a need for an industry development fund specifically oriented at regional and rural Australia to do exactly what you have suggested here, which is provide seed funding for SMEs. I presume that is what you mean?

Mrs McRuvie—Yes, it is. I honestly think that you will not get substantial investment in rural and regional Australia without some sort of incentive. You have got to have a catalyst or a sprat to encourage people not to look at the easy thing. The chairman said before that people will go the easy way and the way we have always done it. To encourage people to start investing outside the metropolitan areas you need an inducement. Whatever it is, you need some sort of inducement. Quite a while ago now Dubbo had a lot of empty houses and so they had this enormous campaign to encourage businesses to come out and fill the houses. Dubbo offered a rates moratorium and all sorts of come hithers, and it worked.

Senator MACKAY—Yes, that's right.

Mrs McRuvie—It would not have worked without them.

CHAIR—Thank you very much. It is the end of a pretty long day. The trouble is we can never do justice to the witnesses and the evidence but you have given us a bit of energy to wind up on. I thank you for that.

The other thing that also is helpful is some of your past experience, which has informed this submission. That is very useful indeed. We have not got time to stay longer. We should have rung up and said, 'Can we come out and have a look at some of the good cattle properties around.'

Mrs McRuvie—Yes, we could have organised that for you.

Senator MACKAY—That would have been great.

CHAIR—How far would that be?

Mrs McRuvie—Are you leaving tonight?

CHAIR—Yes, we are. As soon as the plugs are pulled out we are on a plane and flying to Cairns. It is a pedal your own plane, so we will be in the air for quite a while.

Senator MACKAY—Maybe next time, that would be really interesting.

CHAIR—Yes, we should have thought about doing that. The other problem is that things like cattle and agriculture are producing fewer and fewer jobs. While they could probably employ some, compared to what was around 50 years ago the jobs are not there because so many other things are doing the work instead.

However, the comments you make about commitment to the local area and investing in the local community are very much the flavour of what many witnesses before this committee have had to say. They have wanted to tell us the difficulties, but they have wanted us to make some recommendations that might resolve some of the problems because most people in rural and regional Australia want to be there and they want to see it working.

Mrs McRuvie—That's right.

CHAIR—Thank you very much for your contribution.

Mrs McRuvie—You are very welcome, thank you for your time.

Committee adjourned at 4.22 p.m.