



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

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

Reference: Impact of the global financial crisis on regional Australia

TUESDAY, 7 JULY 2009

BROKEN HILL NSW

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

Tuesday, 7 July 2009

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

Members in attendance: Ms King, Mr Neville and Mr Sullivan

Supplementary members: Mr Oakeshott and Ms Parke

Terms of reference for the inquiry:

To inquire into and report on:

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

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

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Committee met at 8.59 am

CHAIR (Ms King)—I declare open this public hearing of the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government for its inquiry into the impact of the global financial crisis on regional Australia. This is our ninth public hearing into this issue and we wanted to make sure that in the midst of the global financial crisis regional concerns were heard certainly by the parliament and certainly by government. Today we are in Broken Hill to discuss this issue with the community here and in particular we will hear from Broken Hill City Council, Business Broken Hill, the local regional development board and associations representing the Labor movement and pastoralists. The committee will also be speaking with legal aid representatives in the area. I thank the city for its hospitality last night as well.

Whilst the committee does not require you to give evidence under oath, I do need to remind you that these are formal proceedings of the parliament and as such warrant the same respect as proceedings of the House. It is customary to me to remind witnesses that giving false or misleading evidence before a committee is regarded as a serious matter and could be regarded as a contempt of parliament.

[9.00 am]

BILSKE, Mr Desmond John, Group Manager Governance and Community, Acting General Manager, Broken Hill City Council

CHAIR—Welcome. Thank you very much for attending this morning.. We are looking forward to hearing what is happening in your district and certainly we welcome the submission you have provided to us. If you would you like to make an opening statement, we would welcome that.

Mr Bilske—Thank you. The Broken Hill City Council's concerns in general terms have been associated with a significant downturn financially and economically through the region. There has been a significant impact associated with the world reduction in metalliferous prices. This has had a major effect on our mining industry. Unfortunately, Broken Hill has been significantly dependent on the mining industry over the years. This has forced the council and the community generally to review the way they are operating and the way we need to go forward to try to ensure that any future downturns, especially in the mining industry, will not impact the community as badly as they have this time.

The major impacts have been a reduction of around 50 positions, including direct employees and contractors, in the CBH mine and 440 in the Perilya mine. They are the two major mines in town. That is around a 30 per cent decrease in employment across all of Broken Hill. Those sorts of reductions as a result of economic downturn are quite significant and very hard to manage. Looking within the council, we have around a \$28 million a year budget, so trying to manage the downturn within that is quite significant.

CHAIR—Thanks very much for that opening statement. I just want to ask some preliminary things. What proportion of the population of the Broken Hill area is employed in mining?

Mr Bilske—My understanding is that the total left in mining and directly related industries at the moment is still around another third of the population.

CHAIR—What are other sources of employment and major areas of the economy?

Mr Bilske—The other major employers in Broken Hill are: the Greater Western Area Health Service and their associated industries; council, which has around 230 full-time equivalent employees; Country Energy; Country Water; and Consolidated Plant And Quarries. The number of large-scale employers beyond that starts to diminish very rapidly.

CHAIR—Are there any lessons from previous mining downturns that the council have learnt and things you are doing differently this time around?

Mr Bilske—This time around we have, I suppose, taken on board the fact that we cannot rely on collection of council rates from mining companies. This time around we have put into place a long-term financial strategy for the next 10 years, which has capped the mine rates at a level that was established in 2005. We have capped it at the rate of just on \$3.29 million for the next five

years, increasing the residential and business rates to cover the shortfall that we will have in mining rates into the future. That is one of the key financial strategies.

The other one is that, as there has been the downturn in the mines, council has been involved significantly more in support arrangements to try to help the staff that have been retrenched through that period. We have provided some space for counselling services and job application assistance, resume writing and things like that, for the retrenched employees. We have been trying to help and assist in that regard.

CHAIR—Are the majority of the people who have lost work Broken Hill residents or are they people who flew in and out or who have left the area pretty quickly to seek other jobs in mining?

Mr Bilske—The greater majority are Broken Hill residents or people who relocated to Broken Hill. A very small number fly in and fly out—they are usually employees with specialist skills. So losing those jobs tends to have a major impact on the population reasonably quickly because the people that are, I suppose, well versed in the mining industry tend to relocate to other mines. We have lost a lot of residents to Queensland, Gladstone and Mount Isa, and to Western Australia, Karratha, Dampier and places like that.

CHAIR—I note from your submission that the population in Broken Hill did go through a period of decline but has stabilised of late. Do you know the reasons for that?

Mr Bilske—Part of the stability was the stabilisation of the mining industry. It got to a point where the mines appeared to be running economically and employment had stabilised—mines are notorious for the fluctuations in employment growth and employment downturn.

CHAIR—In your submission you have talked about going back and looking at the outback strategy and trying to do some planning around that. We are interested in hearing what sorts of things you are planning to do in the future, with the potential that mining may be slow to pick up again, if at all. I note, I think again from your submission, that you have talked a little bit about tourism being one of the areas in which you see some potential—not a huge amount, but certainly some.

Mr Bilske—Yes. Tourism is one of the major industries, in general terms, in Broken Hill. We have 37 art galleries in Broken Hill at the moment, and Mr Gasmier will be able to tell you the actual number of accommodation beds we have in Broken Hill—it is quite significant. I suppose as an industry tourism would be second to mining in Broken Hill. Our strategy is to try to build on that. The film industry help with tourism, so we are building on those opportunities. The nearby township of Silverton has featured quite heavily in lots of films in the past and will continue to feature in films in the future.

There are other areas where we are trying to attract investment, such as education. We have been trying to establish a minerals and mining school here through different groups that have been involved in mining training. We have lots of expertise, of course, locally, and if we can utilise whatever expertise is available for that industry it would be great. We are also looking at other industries that are either value-added by or can use the facilities that we offer. Broken Hill being the centre of a regional transport network, we are reasonably central to most states and we

have pretty good distribution networks here, either road or rail, right through New South Wales and into South Australia, Western Australia and the Northern Territory.

Mr NEVILLE—Mr Bilske, could I say your submission is very clear and easy to read and it is not padded out; it just states the facts.

Mr Bilske—Thank you.

Mr NEVILLE—I love submissions like this because you can take them in fairly quickly and effectively. You say the population is around 20,000. What was it at its peak?

Mr Bilske—The population here in 1971, to my understanding, was just over 30,000. Again, Mr Gasmier may be able to tell you the exact figure, but I believe that it peaked at around 38,000 through the major mining boom in the seventies.

Mr NEVILLE—Perilya—

Mr Bilske—Perilya is the major mining company at the moment.

Mr NEVILLE—and CBH cut back, you say, 440 and 50 employees. In what year was that?

Mr Bilske—In 2008 there were reductions in both of those companies.

Mr NEVILLE—I see, so you have suffered that downturn. Did most of those people stay in town or have they moved on?

Mr Bilske—There were a number that stayed in town and took early retirement options, but quite a number moved on. Some of them took some time to do that. I suppose evaluated all of their options before they made a decision where to go because they were trying to stabilise a little bit and get out of the issues of mining upturns and downturns, because they start to impact on families after a while.

Mr NEVILLE—Coming back to the purpose of our inquiry, have there been effects other than internal from the economic downturn—external effects?

Mr Bilske—The external effects have been felt right through every industry, not just mining and places like council. There has been a major downturn in industries. Again, I think the development board will be able to tell you the exact number of businesses that have ceased trading or reduced their trading impacts and the employment losses through related industries.

Mr NEVILLE—Is there much agriculture? I suppose there is a bit of grazing, but is there other agriculture at all?

Mr Bilske—The great majority of agriculture in Broken Hill is grazing, understanding that Broken Hill City Council is virtually the city limits. We have four farmland properties in our council area only. So fortunately we do not have that direct impact on council in rating terms. But of course Broken Hill services the wider community. There is very little cropping. The

nearest cropping is probably in Menindee Lakes, and most of that is stone fruit, vines and nuts and some market-gardening produce.

Mr NEVILLE—Is this the distribution centre for that or do they just go directly from farms?

Mr Bilske—They tend to actually come via Broken Hill because of the bitumen road links into Broken Hill. They then distribute from Broken Hill south to Mildura. The only bitumen road link into any major centre is directly to Broken Hill from Menindee.

Mr NEVILLE—Thank you.

Mr SULLIVAN—Mr Bilske, I have one question that the council is probably uniquely placed to answer, and that is: what effects are you seeing through increases in residential rate arrears?

Mr Bilske—There are a number of areas where even the Perilya mining company has requested a deferral of rates payments, which council had approved. So we deferred their rating payment from March and May through initially until 30 June and then, on request, to 2 July to allow them to meet those payments. In the residential area it tends to be about the same as it has been in the past. We have not seen a major impact in the residential area but there has been a significant impact on businesses, where the number of businesses that we have entered into payment plans with, in an attempt to ensure that they do not go too far into arrears, has increased quite substantially.

Mr SULLIVAN—So essentially you are not seeing the effects so much in households as in enterprises. People might still be working and drawing a wage but the businesses are finding it more difficult to pay that wage.

Mr Bilske—That is correct. There is an understanding, of course, that Broken Hill residential rates, compared to a group of comparable councils, is below average in the amount of rates that is levied on residential properties. That has been the case historically. Therefore the greater majority of residents can meet their rate burden.

CHAIR—We are asking some councils—and it is difficult; you may not want to talk about this—about investment strategies. Has council had any impact from the global financial crisis on its investments?

Mr Bilske—Beyond the collateralised debt obligations, not really. Currently, council has around about \$6.65 million in long-term investments. With all of that tied up in either floating rate note securities or the \$4.45 million invested through the Grange Securities-cum-Lehman Brothers investment portfolios. So we have received a significant impact from the downturn in market value of those.

CHAIR—Are there any comments that you want to make on advice that councils should be given around those sorts of investment strategies? Obviously everyone thought Lehman Brothers was okay. A number of councils have been pretty exposed as a result of what has happened. I do not know what advice you were given around those investments or whether there are things we should look at to assist councils to make different decisions about investments. If you would like to make any comments about that we are certainly having a look at that area.

Mr Bilske—The only comment I could make is that I believe that councils as elected bodies should pay particular attention to the professional staff and the professional staff advice—especially in establishment of policy around finances and long-term financial investments, because in the majority of cases the staff were advising against the investments because they did not understand them. I suppose it is always a good policy, if you do not understand the investment product, not to invest in it until such time as you have clarity of exactly what it is you are investing in. I believe that probably if people had read the 50 to 100 pages of information that was provided behind each of the investment products, there would have been some concerns, generally, from staff in their advice to take on the higher-rate return on investments.

Mr NEVILLE—But you would hardly pick Lehman Brothers. I think lots of councils could not be blamed for thinking that was pretty secure.

Mr Bilske—Yes; understanding that Lehman Brothers was only the vehicle. The products were debt. And in a lot of cases it was actually commodity debt behind those products.

Mr NEVILLE—I see. Yes.

Mr Bilske—And that went right down to Bankcard and Visa card debts beyond that. Investing in those sorts of products is pretty risky, from my point of view.

CHAIR—Have you got an estimate of what sort of loss of income councils experienced directly as a result of the global financial crisis from that component?

Mr Bilske—We have been fortunate in having only three products at this stage that have not been returning their coupon interest payments. The remainder of them have been returning their coupon payments. But the concern is writing down face value if there are continuing defaults on the individual products. We have had to write down our investments in the last financial year by just over \$2 million. There is a probability that this financial year we will need to write down the face value of our investments in financial statements by another \$1½ million to \$2 million.

CHAIR—Given that you have a \$28 million budget, that is a quite a substantial proportion for a small council.

Mr Bilske—Yes. That is correct.

CHAIR—What does that mean for your provision? Obviously you have had that happen at the same time you have had redundancies in your district and you are being asked to do more. What impact has that had on what you do?

Mr Bilske—The impact it has had is that we have had to defer some of our capital programs. We have set ourselves a long-term capital expenditure level of just over \$5.6 million, whereas last year and this year we spent or are aiming to spend over \$7.6 million. We have had to wind that back significantly for the future based on our ability to finance the works. That will allow council by 2018 to get close to a point of breaking even.

CHAIR—Have you had to lay off any staff?

Mr Bilske—No, we have not laid off any staff. The policy of council is not to create any redundancies. However, we have predicted in our management plan a reduction of three per cent in employee costs. So we critically review every natural vacancy as it occurs.

CHAIR—Obviously the Commonwealth through the Black Spots program, Roads to Recovery and the regional and local community infrastructure fund—I do not know if you have been successful in getting one of the strategic projects out of that fund—has put some money in and also allows you to bring forward some money as well. Has that been of assistance, and what else would you like to see in the area?

Mr Bilske—That was definitely of assistance. Unfortunately, we have not been successful in receiving any of the special project funding.

CHAIR—What did you put in for?

Mr Bilske—We put in for stage two of an aquatic centre. We have only just completed stage one, virtually fully funded by council at \$4½ million. We received just on \$200,000 from the state government in assistance for that project, but the rest was funded by council. Stage two was a redevelopment of the existing pool areas and allowing for additional facilities like turnstiles and changing rooms and some ancillary works around the pool area. That is the only aquatic centre we have in Broken Hill. The second aquatic centre we had has been closed and that site is being demolished this financial year. That was one project.

Another project we put in for was redevelopment of our storage area in the Broken Hill art gallery, because at the moment a significant amount of our collection is stored within the entertainment centre we have here locally. Of course, that is not ideal storage for all of the art works we have. We do have a substantial collection of art, having had some reasonably good quality artists locally.

CHAIR—I assume you will put in for some of those projects in the next round of strategic projects—

Mr Bilske—That is correct.

CHAIR—if you have not already through the jobs fund as well.

Mr NEVILLE—How much did you say you got in the first round?

Mr Bilske—The first round was the \$560,000-odd—just over \$560,000.

CHAIR—And that has been on community infrastructure throughout the region?

Mr Bilske—Sorry; I am dyslexic. It was just over \$650,000 and the second round was \$220,000-odd—\$221,000, I think.

Mr NEVILLE—How do you find road works? For example, are you on any major Commonwealth funded highways?

Mr Bilske—No, we are not on Commonwealth funded highways. We are on the Roads and Traffic Authority highway, the Barrier Highway. That is the link between Sydney and Adelaide, which comes through here, and also the Silver City Highway, which is from Broken Hill to Wentworth in the south. They are the main roads in and out of here. As I said, they are state funded roads. The rest of the roads are all local roads and are funded by council.

Mr NEVILLE—Do you feel you get your fair share of that? A lot of western towns are always complaining—my knowledge is of Queensland, of course—that they do not get a fair slice of the cake. Is there a similar experience here?

Mr Bilske—In a sense we are very fortunate in only having the local streets. They are easier to maintain than the unsealed country roads that most councils have to maintain.

Mr NEVILLE—Yes.

Mr Bilske—But within our local streets we have major issues associated with significant rain events and being unable to cater for that with underground drainage. So the greater majority of our roads also act as drains. They are above-ground drains as well as roads.

Mr NEVILLE—Are those the dips you see at the intersections?

Mr Bilske—That is correct; yes. You will see that in Broken Hill the kerbing is very high in lots of places, and that is to hold the stormwater in the road area rather than having flooded business and residential premises.

Mr NEVILLE—What proportion—perhaps I should be directing this to your development board—of the rail traffic from Sydney to Perth comes through here and what proportion goes through Melbourne?

Mr Bilske—All rail traffic from Sydney to Perth would probably come through here. My understanding is that we are on the direct Indian-Pacific link.

Mr NEVILLE—Do you have passenger rail services to Sydney?

Mr Bilske—There are passenger rail services to Sydney, again as part of the normal Perth and Adelaide services.

Mr NEVILLE—You do not have an XPT as well?

Mr Bilske—No.

Mr NEVILLE—I was going to ask you about level crossings, but it would be worth more than my life!

CHAIR—We have just finished an inquiry into those.

Mr NEVILLE—We have just looked into level crossings.

Mr SULLIVAN—Mr Bilske, in the final request of the committee about what we should consider, the report writer—your general manger—mentioned the Broken Hill Community Foundation. Can you just give us a bit of an idea about how that operates?

Mr Bilske—There is an appointed board that manages the funds of the foundation. Industries and community groups make application with specific projects that are community based and offer employment opportunities and ongoing sustainable projects. Funds are allocated based on the benefit that can be derived from the particular projects that are put forward at any time. The projects are usually related to significant employment outcomes locally and to sustainability.

Mr SULLIVAN—What is the source of the funds that the foundation administers?

Mr Bilske—The funds were resourced initially from the mining companies, council and the state government, I believe. But, again, the development board can probably give you a little more detail on that because the establishment of the foundation was prior to my term in Broken Hill.

Mr SULLIVAN—Is it a case of where there is an amount that is invested and the proceeds of that investment are distributed?

Mr Bilske—That is correct, yes.

Mr SULLIVAN—Can you give us an idea of a particular job they may have done recently or may have funded recently?

Mr Bilske—One of the areas that they assisted in funding was the development of the Broken Hill racecourse into an event centre. That has been developed with the erection of a major building that I believe will house up to 200 people for major events. It was something that was lacking locally, so that has been established and will continue to be marketed as an area for Broken Hill to grow in?

Mr SULLIVAN—Social infrastructure is a good thing.

Mr Bilske—Yes.

Mr SULLIVAN—Who appoints the board?

Mr Bilske—I am not aware of who actually appoints the board. I know at the moment that the administrator of council, Mr Ken Boyle, is one of the members of the board. But I am not aware of who actually appoints the board and their terms of appointment.

Mr SULLIVAN—I am quite interested because it does sound like a good local vehicle that the government could assist with. I would like that recommendation. I am not sure how many like organisations there might be around the country—

CHAIR—They are growing.

Mr SULLIVAN—but it does seem to be fairly targeted and focused.

CHAIR—On that point, just as a matter of interest, one of the things the government has tried to do through the regional and local community infrastructure fund is just that—channel funding through council, as an elected body. Some councils have chosen to use that funding to fund not-for-profit and community organisation projects in their areas, others have focused solely on council owned assets. What would be the attraction of the foundation—I have one in my electorate as well, but it is not doing such large-scale projects; it has not quite reached that amount of money yet—versus it being directed through council, which has been the government's preference? Why would council not be a vehicle for federal or state governments to direct money through instead of the foundation?

Mr Bilske—Directing the funds through council is quite good in the sense that it does allow generally for community desired activities. The foundation creates a further independence, even from the elected bodies. It gets away from any political aspects associated with the decisions around what projects are invested in, whereas councils can sometimes be politically motivated towards some of the projects. It also gets it away from the operational aspects, because a lot of the operational ongoing recurrent expenditure priorities in councils can sometimes sway the decisions on where funding should go.

CHAIR—This might be a question better asked of the development board but I will ask you too. There are two issues I want to raise. One is: what sort of opportunities are there for retraining for any of the workers who have recently been made redundant here in Broken Hill?

Mr Bilske—We have two universities with a presence here. We have the University of Sydney, with a focus on health education, here. We also have a TAFE presence, and they have a range of industry training areas, including mining, business and nursing. We also have the Robinson community college, where they are currently undertaking a significant range of operator type training. One of the issues identified with the redundant employees was the fact that all of their training had been undertaken in the mines and their accreditation was not suitable for working in other industries, so their skills have had to be upgraded. Their operating certificates for particular pieces of machinery have been updated by Robinson College, TAFE or one of the other independent training providers around town.

CHAIR—In terms of federal agency presence—we will ask the later witnesses about the move towards RDA, Regional Development Australia—obviously there have been quite a few changes in funding, as would be expected with a new government on board. How are you accessing and getting information about government programs?

Mr Bilske—We utilise technology to its fullest. Probably the earliest we can get access to lots of things is through media releases, and we are on early warning for most of the media issued from the political arenas. We also use the development boards, as they were, and the people within them and we use council's connections. The normal general manager of council, Mr Zaknich, has been a member or observer on those boards for some period of time, so we use that connection for funding that may be available. Also, we now have long-term plans for particular projects and are being very specific about targeting the projects that we seek funding for. Rather than just trying to identify grant opportunities and then developing a projects around those, we have been identifying the projects and then looking for the funding to match those projects.

Mr NEVILLE—Following up on a question Mr Sullivan asked, having regard for the economic downturn, I will just ask one other question. Did Perilya attribute their downturn to the economic downturn or just to the vagaries of the particular markets they were selling to at that time?

Mr Bilske—The downturn was attributed to the sustainability of operations. At the moment Perilya indicate that they have been operating at a loss for the last six years and therefore they have needed to rationalise some of their cost structures.

Mr NEVILLE—Having regard for everything we have heard this morning, if we were looking to do something—Mr Sullivan sort of asked this but I am not sure that you have answered it—what would you recommend we recommend to government for communities like Broken Hill? Is there any assistance we could give in seeing you through this time?

Mr Bilske—I suppose what we are really looking for is streamlining of the processes of distribution of moneys that become available. From council's perspective, we have considered even further streamlining the regional development boards and distributing the regional development funds through councils themselves. They are pretty well geared to identify what is happening in the community, they are involved in that either through economic development or through community development and they have the wherewithal to distribute funds because they do that with council funds for particular projects. We have also considered channelling some funds through things like the Broken Hill foundation. It is a very effective way of making funds available to projects that are delivering to the community, are sustainable and can hold jobs within the community.

Mr SULLIVAN—I am interested, Mr Bilske, that you wrapped the Broken Hill foundation into that answer because at the beginning of the hearing you were saying the council is a good vehicle, and I am wondering why we have the Broken Hill Foundation. There is a level of independence through RDA that I think would assist the government to ensure that councils were not being selfish in the distribution of funds. I know that the first round of \$500 million was oversubscribed by council seeking about \$1.3 billion, which just means there are plenty of jobs out there to be done but not enough money to pay for them all. I just wondered about the independence that we would get across the country if we went that way. My colleagues are probably shaking their heads because I went out in the previous report defending councils to the utmost, but I think that something needs to sit between council and government, beyond the elected representatives, despite the close relationships that are being forged at the moment, that can speak for the region. I just wondered about that.

Mr Bilske—Yes, and it does create points of discussion everywhere. We have had very close relationships with the Far Western Regional Development Board and OACC, and this is no reflection on their ability to do the work, but one of the considerations made by council was that we could reduce administrative costs in the distribution of funding by distributing funding for particular purposes through councils. If there is a particular purpose tag associated with the funds there is no reason why that could not be done through councils as effectively as through the regional development boards.

Mr NEVILLE—On that point, I grew up in the development board and regional development areas so I am prejudiced to a point, but, for every one of those advantages you have just named, I

have found that with councils—and this is not to be pejorative of councils widely—that there is a lot more red tape. There is the assessment of various council departments and oftentimes the alteration of plans or planning. When a project goes out, whether it is a playground or a community hall or something like that, and council is handling it, it is costed out at the cubic rate of concrete, and yet, when a community organisation or development board goes directly to the architect or builder, you sometimes find quite considerable savings.

Mr Bilske—It is a point that, when anyone tenders to a government organisation, they generally add a third to the costs. I suppose over history you need to be able to identify where there are cost savings either by controlling the work internally, within council, or by using contractors that are efficient in the supply of services and do not overstate their costs or tend to have very high profit margins.

Mr NEVILLE—I had a constituent call me up just the other day to query the cost of a piece of concrete on her footpath. It would not have been that long—I suppose about 1½ to 2 metres—and not quite as wide. It was \$500 and she complained to me as the local member. I got one of the council executives to come out and have a look at it with me. He said, ‘Yes, I know it is very expensive but that is the way we cost our concrete.’ If she had got a private contractor she might have got it done for \$150 or \$200. Do you know what I am saying?

Mr Bilske—I appreciate what you are saying.

Mr NEVILLE—And when you translate that down to a playground, community hall or barbecue area, where you can have that direct link to government money—and it is never lavish for those things; it is helpful and it sometimes brings projects forward three, four or five years—I think that you seem to get a better bang for the buck. When we had the committee in my area I showed them a hall that we did up under the previous program for \$29,000. I am absolutely certain that if the council had done that it would have cost \$100,000 or \$120,000. That direct contact with the person who restumped it, the person who painted it and the person who put the safety ramps onto it meant that the whole thing was done for \$30,000. I think that sometimes in government we overcomplicate the processes and we do not adapt them to the size of the project. Does a council need to be involved with the layout of a playground, for example?

Mr Bilske—I take your point. It is an issue of how people recover overheads and the administrative costs of those particular projects. The development boards, of course, are directly funded and do not recover their costs through the projects themselves. If we are talking about distribution of funding we are not saying that council would necessarily be the body that would do all of the work. We are saying that council would be the point of distribution of the funding and could do that generally within the current administrative processes that we have in place, without additional admin support.

CHAIR—Thank you for that. We have canvassed that fairly extensively in previous inquiries, as well. I just have one brief question; we are a bit over time. In relation to the stimulus packages that are going into the large-scale infrastructure at primary schools and some of the secondary schools across the country, have you got any information you can provide us with as to how that is rolling out here? Is council involved in terms of any of the community access structures that may be being built at primary schools?

Mr Bilske—Council generally has not been involved, in Broken Hill. In discussion with principals of the schools in the area I have found that they are extremely thrilled by the assistance that they are receiving. They have all allocated the funds to projects that have been on their books for quite some time.

CHAIR—Thank you. Thanks very much for providing your submission and your evidence today, and also for allowing us to use council facilities. It is extremely handy to be able to do that in each of the areas we visit. So please extend to your staff our thanks for hosting us here today. If we have any further questions the secretariat will write to you and ask for some further information. You will also receive a transcript of the *Hansard* evidence, to which you can make some editorial changes if we have spelt your name incorrectly, et cetera. Again, thank you very much for taking the time to present for us here today.

[9.49 am]

EDGECEUMBE, Mr Robin Dale, President, Business Broken Hill

CHAIR—I welcome Business Broken Hill. Mr Neville has moved that the information for the hearing provided by Business Broken Hill be accepted as a submission. Although we do not require you to give evidence under oath, I do need to remind you that these are formal proceedings of the parliament and as such should be treated with the same respect as proceedings of the House. It is customary for me to remind witnesses that the giving of false or misleading evidence can be regarded as a serious matter and could be regarded as a contempt of parliament. That being said, please do not feel constrained in providing evidence to us today.

Mr Edgecumbe—I am the President of Business Broken Hill, aka the Broken Hill Chamber of Commerce. Perhaps I will read through my submission and talk about the situation in Broken Hill from a business point of view. We have actually suffered from a double whammy because in September last year Perilya Limited, in response to the global situation where the price of zinc tumbled due to the global downturn, retrenched 400 people. That was about seven per cent of Broken Hill's total workforce. Obviously that had a knock-on effect pretty well everywhere. Many businesses and the community in general suffered as a result of that. In fact many people actually left the town to seek employment elsewhere because it was perceived, and quite correctly, that this was not a short-term problem.

What has happened since then is that Business Broken Hill and a number of partner organisations, including the Broken Hill City Council, the Outback NSW Area Consultative Committee and the Far Western Regional Development Board, have embarked on a number of strategies to try, first of all, to identify where the major impacts were going to be felt and how best we could work on strategies to overcome those problems. Over the last six months we have been working closely with our members and with our partner organisations to gather information about where the effects are being felt—in which particular business sectors, how it is being felt and scratching our heads as to what we can do to overcome this. One of the general things that came up across business sectors was worsening cash flow problems. Being a business owner myself, I can attest to that.

CHAIR—What sort of business do you run?

Mr Edgecumbe—I run an IT consulting firm employing eight people. We work closely with businesses. We are not a shopfront. We have noticed the impact throughout all business sectors and through all of our customers. I would say that that kind of organisation probably has not felt the impact as much as retail. Retail has been hit heavily, especially in the discretionary spending areas. I will just read through some of the dot points that I have here. I was talking about the worsening cash flow problems. I would say that most people who would have had a 45-day accounts payable arrangement are now probably closer to 90 days. That has been exacerbated by the fact that the banks are loath to increase overdraft limits and the difficulty of obtaining funds for business investment. I will come back to that a little later because this has been a real shock treatment for many of our members. They realise that they need to improve their systems, their

policies and their processes et cetera to be able to sustain this impact but they have neither the cash, and the banks will not lend them the cash, nor the help to be able to do this.

CHAIR—We had some evidence yesterday which I was interested in from the New South Wales business council, and I might have wrong.

Mr NEVILLE—They would be the peak body.

CHAIR—Yes, and a lot of their members had not experienced a downturn before. They had worked and managed in good times and had never had to actually manage through something like this before. So the skill base of dealing with some of those issues may not necessarily have been there for some of them. Would that be true of your membership as well?

Mr Edgcombe—No, we are good at it. We are in the mining industry and probably since the early 1970s we have been on a rollercoaster ride of a decade-cycle type process. So our businesses will probably be more resilient than businesses in cities and many other regional areas. Even so, this has been, as I said, a double whammy: we have not only a downturn in the mining industry but also a downturn in the world economy. So it has affected us more than previously and it has tested the ability of our members, even though many of them have been through this lesser cycle on a number of occasions.

Previously when we have been through these experiences before it has not affected the financial institutions—they have always been willing to see businesses through by extending their overdrafts and things like that because they know that, in a cycle of about five years or so, the zinc and lead prices will go through their normal cycle and people will be able to repay their commitments. But this time it is more than that and financial institutions are very reluctant to come to the aid of businesses.

The other thing we have found is that, because of where we are and the fact that the vast majority of our goods are imported, the cost of freight has skyrocketed; it has doubled. This has placed immense pressure upon our members to be able to maintain business locally. People immediately start making comparisons—they can buy the same item in Sydney, Adelaide or Mildura at a much lower price because businesses there are not being burdened with that additional freight cost. They can drive there, make a little holiday of it, put the stuff in their car boot and then bring it home.

As I said, retail has been affected worse than any other sector. I have a number of dot points here which are direct responses from some of our members. Consumer confidence has declined. Each spend is smaller even though the frequency of the visit remains similar. There is a fear that the effects may really become evident next Christmas. This is a big concern—many of the retailers go through this mid-part of the year relying on the Christmas spend to get them into the next year. Spending has become more conservative. Lower cost options are selected more often or almost every time. Necessities are being purchased but the ‘want item’ sales have declined. The workload has not changed even though there are fewer customers. That is because it is harder to make a sale so they have to do whatever they can to either do additional work themselves for less income or maintain their existing workforce at a much-reduced profit margin. The tax rebates on purchases have meant more work. The stimulus package spending is slowing but there has been no need to reduce staff numbers. Pretty much everybody said, ‘Who

knows what is going to happen?' There has been less traffic, less browsing and more window shopping. Occasional wear sales remain constant but impulse buying is now rare. I guess people who understand the retail industry would understand what these things mean.

I have some comments from the hospitality industry which have come back from a number of hotels. One of the people who responded is part of their industry advisory board. They said that a lot of discretionary expenditure has been withheld. Customers are coming in less and the resultant impact has been that trade is down about 30 per cent compared to this time last year for comparable hospitality trade businesses. There was also an almost universal comment that one of the worst affected industry sectors was the motor industry. It seems as though, again, that has been true here. It has been worsened by the fact that if people here are in desperate need of a vehicle then instead of shopping locally, because they would have to pay freight costs—and this was a common response—they are ringing around cities all around Australia and buying vehicles outside of the town.

The traders are telling me that these vehicles are being sold under cost just to get the turnover up for those city franchises. They also indicated that the industry seems to be somewhat in a state of confusion in that the dealers stopped ordering stock in 2008 and the projected sales were lowered but then the stimulus package came along with money and the vehicles were not available. So it was a bit of a catch-22 situation.

Dealers have major wholesale finance problems, with some companies withdrawing from the market entirely, I am told. Dealers have to spend a great deal of time searching for replacement finance. Dealers were referred directly to finance companies—this was to do with the government's SPV plan. A pretty common comment is that information released by the government on this subject is not easily understood. Dealers are now finding that their wholesale and retail finance figures have skyrocketed.

I also contacted one of the leading real estate agents. They have kindly given me some comparative figures.

Mr NEVILLE—They are very dramatic, aren't they?

CHAIR—Yes.

Mr Edgecumbe—As you can see, to date in 2009 there have been 33 sales made. This real estate agent amongst four in Broken Hill has made 54 per cent of those sales, so the others would be recording a much more significant downturn. There is also a common belief that the property valuation has decreased from 20 to 10 per cent over that period of time.

Something I alluded to earlier is that many businesses realise they need to improve their systems and technology to counteract the downturn but they do not have the funds, resources or assistance to help them. It is truly a catch-22 situation. A little later when I am reiterating on responses to this I will refer to that in particular.

On the other side of the ledger, our tourism numbers are up on the comparable period last year. The belief is that people are shortening their trips. Where they would normally transit through

Broken Hill to Alice Springs and other places, they are actually staying here. That in some way has balanced things. Again, I will refer to that later.

That is most of the business feedback that I have. I was just going to talk about some of the things we have talked about in our boardroom about what we can do to respond to that. There are some actions that we think can provide some relief to Broken Hill—and I guess many of these things would be true of regional cities—and that is to encourage government departments to use local suppliers wherever possible. That is not new; it has been a catch-cry for a lot of years. We were pleased to see that under the BER program Laing O'Rourke have indicated that they are going to give the vast majority of the work to local contractors. I understand it is not altruistic; they just have not got enough people to do it themselves.

CHAIR—I think that is certainly true. The scale of the spend is just massive.

Mr Edgecumbe—They called a meeting here last Thursday. We expected that meeting would be reasonably well attended, but it was just overwhelming. The room was packed out. There would have been 70 or 80 people there. I think that gives an indication of the hunger of the business community especially in building and construction.

Other strategies we have considered include encouraging contractors on government projects to use local suppliers and labour wherever possible, which is a slightly different slant on the previous one. Something I referred to earlier was that many businesses have asked Business Broken Hill as their representative business body to help them improve their systems and technology so that they can get through this period and be in a better position in the future. While we understand very well what is required to help the businesses and they want us to help them, we just do not have the resources to do that. We believe that one strategy that would help greatly in this, if we had the funds, would be to employ a business project officer who could go to these businesses and help them identify the problems they have, give them advice about how to make their businesses more efficient and effective, provide a channel to funding bodies, mentor them and direct them to other organisations that could help them. There are other organisations here such as DSRD and OACC/RDA et cetera who are in that game, but we have nobody there that is part of the business community that could provide this on-the-doorstep help in direct linkages, coordination and mentoring with all these other organisations. We think that for a relatively small amount of money we could make a really big impact on businesses surviving through this period and being more resilient in the face of future problems.

CHAIR—Do you know whether any of your members are utilising Enterprise Connect at all?

Mr Edgecumbe—Possibly. I think they probably are, but most at this stage are just sort of wheel spinning, trying to get traction with what is going on. They are really finding it difficult to get their heads above the parapet to cope with what is happening. They are desperately trying to keep their employees in work. I know that there are a number of semicompetitive organisations working cooperatively in tendering for available projects to try to keep their businesses afloat. We feel sure that, if we had a small amount of money to fund a project officer for a 12-month period, we could attract somebody with the right experience, skills and enthusiasm to get out there into the business community, roll their sleeves up and say: 'Look, I've been here before, mate; I know what's going on. I can help you. You can't see the wood for the trees. Here are the

problems, here are the people who can help you and here is a conduit to some funding. This will get you through the next phase of the development of your business.’

The other strategy that we have talked about, as the tourism numbers have shown a positive trend—that is a little ray of success—is making that business sector even stronger, because sooner or later there is going to be nothing to come up the shaft. Ten-plus years would be considered a very optimistic estimate of the lives of the mines here.

That brings me on to the next point. Again, there has been a lot of talk in the business community here about positioning Broken Hill as a recycling centre for Australia. I know there have been talks about it recently. There is a project mooted to set up a clothing recycling plant and to have one of the charitable organisations bring here clothing that is left in bins or whatever from all around Australia. We know that the major cities have problems with the cost of landfill and the lack of ability to open new landfill areas. Broken Hill is already a grey environment, if I could use that term. This is a long-term strategy. We are looking ahead 10 years time, when there will be no mines. We are a rail hub. Rail from every capital city in Australia comes through here one way or another, along with pretty well every major highway.

CHAIR—Thanks very much for that really comprehensive overview from your members as to what is happening in each of the different sectors of the business community—that is really helpful for us—and for some of your suggestions.

I guess I want to ask you this: you said at the start of your evidence that the development board, RDA, the council and yourselves have been working to look at the long-term strategy for the area. Certainly one of the things that we have noticed is that in areas that experienced significant down-turn through the nineties recession, and which have now diversified their economy, they are claiming that they have been a bit more robust in this recession. This time around they have had job losses but they are not reliant on just one component of the economy.

Broken Hill is a mining town. It has been a mining town for a long period of time but slowly you seem to be changing a bit. What sorts of things are you looking at and what assistance do you need in order to look at how you might diversify your economy? I am particularly thinking of what assistance government can give you to do that?

Mr Edgecumbe—Has anybody mentioned the ODF the Outback Development Forum?

CHAIR—A little bit. I am a bit confused as to who spits where. I am just slowly starting to get that picture.

Mr Edgecumbe—This is an initiative that was started some years ago through the local ACC, the regional development board, Broken Hill City Council and the Central Darling Shire Council as a spear head of this. And then, underneath that, we have all the stakeholders in the development and community of Broken Hill—both business and other. That organisation took some time to develop but is now a really meaningful organisation. Within the confines of that we discuss strategies. Business Broken Hill is also a constituent member. We talk about strategies and we share ideas, not only about how to respond to the current-day things but also about the future—the five- or ten-year horizons. We have worked very cooperatively with all the major developments here—the mining companies, the wind-farm people and all of those sorts of

people, to talk about their plans into the future and what we can do to enable their plans to come to fruition earlier. Then we put our thinking caps on and think about how we can attract other businesses and other activities that may piggyback on the resources that have been deployed to get those things up and running.

These are not pie-in-the-sky, wish-list things. They are real. We are talking to the managing directors of these companies and actively seeking ways we can use that as encouragement to other organisations to bring their businesses to this region.

Mr NEVILLE—You have given us a very comprehensive picture of your community and your business community. As the chair just said, your opportunities are limited to some extent by distance and to another extent by your single-industry background—that being mining. The other thing that is difficult, I suppose, is to bring people out to an area like this to set up an industry. Unless it particularly needs something like a dry climate, flat terrain or things like that you are at a disadvantage, as well. So I think you are doing particularly well. You certainly have your fingers on the pulse of where the soft spots are in the community. I think those real estate figures are quite—

Mr Edgecumbe—They are alarming, aren't they?

Mr NEVILLE—You would be flat out running two real estate offices on that—if that many.

Mr Edgecumbe—There are four.

Mr NEVILLE—Four! So they would be having a real struggle. I suppose the other thing is to be creative. I notice here that you talk about a transport hub. There is going to be a lot of movement in the next five years in the rerouting of train lines. I think we will see a train line from Melbourne to Brisbane, but there are probably opportunities to link into that, because the Sydney-Broken Hill line will cut that line somewhere, so that gives you another link—a better link than the coastal link—into the north-south railway. I asked earlier about the roads because I think road projects are important in getting people to an area. We took evidence at Launceston, and despite this downturn over the last 12 months or so their tourism is up 20 per cent because they put a lot of effort into their airport and attracting airlines there. Are your air services solely with Rex?

Mr Edgecumbe—Yes, from a commercial point of view they are. Tourism has been on a growth path here for 20 years. It is now our second biggest industry. We had a submission in to upgrade the airport through the Sustainable Regions program three years ago but it did not get a guernsey. We see that as one of the key things to helping the business community here to grow and to attract new investors. One of the other major industries here is the art industry, and it is really an industry now. So we are diversifying and we are putting a focus on those softer areas wherever possible. But nothing in terms of natural growth is going to take the place of 400 or 500 jobs in the mining industry.

Mr NEVILLE—We stayed in a hotel last night which is a country pub which has been renovated. That is the best renovation I have seen of that type anywhere in Australia. You often do see old pubs done up but that one was particularly well done.

Mr Edgecumbe—Was that the Imperial?

CHAIR—No, it was the Astra.

Mr Edgecumbe—There are three which are similar.

Mr NEVILLE—That is a good way of utilising existing assets, isn't it?

Mr Edgecumbe—Yes, it is. That was a basket case before that renovation.

Mr NEVILLE—As I was reading through this submission I thought to myself that all communities go through slumps. You probably go through more than most because, as you say, of the volatility of the mining industry—it is up one decade and down the next. Have you thought about a re-imagining of the area? You talked about the four groups you have got together. They could all sit down together, get in some experts and look at not what you are comfortable with out here but rather how the name Broken Hill projects into Sydney, Melbourne or Brisbane—how it resonates with people. Having built that new image—and I have been through this and it does work; there is not a shadow of doubt about that—you find a great deal of interest from people like the Tourism Australia, the media, the airlines and all sorts of people. Have you thought of something along those lines?

Mr Edgecumbe—Yes, and in fact various organisations, well supported by the Broken Hill City Council, have been pursuing that. Broken Hill has a thriving film industry. Film Broken Hill is an organisation in its own right. For example, all of the Mad Max films were shot here. Hardly a week goes by when there is not some commercial or other film being shot here.

Mr NEVILLE—I think *The Proposition* was shot here too, wasn't it?

Mr Edgecumbe—I don't know about that one. *Golden Soak* was, and a number of other films. Some scenes of *Mission: Impossible* were shot here. The film industry is quite dynamic. On the latest figures tourism last year injected \$80 million into the local community. It is a big industry. There were some 250,000 tourist nights last year. So it is huge. We have some really experienced and dynamic people continuing the development of that. We also have smaller initiatives of a totally different nature being pursued by different entrepreneurs.

Mr NEVILLE—Coming back to the original purpose of our inquiry—that is, what we take out Broken Hill in terms of recommendation to government—what would your suggestions be to us about where we could be of most assistance to you?

Mr Edgecumbe—I go back to the one I spoke about first of all—that is, we have to try and put a finger in the dyke right now if we can. We think we can do that with not a lot of money spent. If we can get a good bloke, who is well resourced, on the road and out there helping Broken Hill businesses survive through this initial phase then that would be excellent. The other thing I think we need to look at, referring back to something you said, Mr Neville, is the regional assets. We need to put them into an asset package and then go to government departments and commercial operators and say, 'Look, we have lots of open space. We have lots of sunshine—which is why the film industry is here. We have lots of relatively cheap land. We are a transport hub for both air, rail and road.' If you want to look at it from a different point of view for other

industries, we have a relatively grey environment. We are not a national park although there are lots of national parks around the place. I think we probably need to do that. I know that within the Outback Development Forum we have done that. But we have not got the resources or power to take that to the right places so that we can put that up as 'here we are; come and get us' sort of thing.

We also need some political assistance to help us with the various government departments to get our story to the right people and to the right funding bodies. If we can get all the right linkages in place, I think we have a lot of assets here—apart from the obvious ones—where we can build industries into the future.

CHAIR—It is difficult with these things, but I note that you have seen a growth of tourism. I was not aware of the number of galleries that are here. You have some extraordinary beautiful buildings, which you may not notice. When you come into town you do notice those beautiful old stone pubs that you have. They are gorgeous. You are not actually that far away if people do want an outback experience but do not want to travel right the way up to the far north of the country. You are pretty close in terms of seeing that sort of thing. I guess there is a tension between, as you say, potential development in terms of the grey environment and redevelopment versus the tourism industry. I suspect that is a tension that will only grow within your community, certainly as your tourism operators start to get more savvy about what their product is and what people are looking for.

Mr Edgecumbe—We are seeing that with the wind farm development at the moment. Whereas many people think it is tremendous there are some people saying it is visual pollution et cetera. So everybody has to be mindful of the two contentions.

CHAIR—I guess the difficulty is that you have to look at where your potential growth is, where the jobs are going to be and what that is going mean. That is the hard thing. It good that you have a forum in which to actually do that. Hopefully the new RDA will help—we are certainly seeing it from the federal level as a much stronger conduit to assist local communities into those pathways, certainly at federal and state level, in terms of where they need to go to actually pitch their message for various projects. You need to be in a position to say, 'This is what we actually need'. That is an important component. I think those communities that are well placed to do that will be better at attracting funding from governments.

Mr SULLIVAN—I have three very quick questions. I have been very interested listening to you talk. First of all right at the beginning you talked about bank overdraft facilities and funds for business investment. We had the Australian Bankers Association put their hand on their heart when they appeared in front of us yesterday and say that banks are still lending and they are still in the business. We would be grateful for any specifics that any of your members might be able to pass on to us—not necessarily in public hearing but as a sort of private contribution. The second thing is that you talked about people hopping in their car and driving to Mildura to go shopping. Is there a seriously large amount of outbound retail tourism in a place like Broken Hill? Should we be digging up the bitumen roads!

Mr Edgecumbe—Do you mean shopping tourism?

Mr SULLIVAN—Yes.

Mr Edgecumbe—Yes, it has been somewhat of a tradition. There is a new shopping plaza being developed here. I think they are going to turn ground within the next three months.

Mr SULLIVAN—Who is investing in that?

Mr Edgecumbe—It is a Leasecorp development. I think Coles and somebody else are the primary tenants. They are going to have tenants that are going to have goods lines that currently are not available here. They are suggesting that 70-odd per cent of their turnover is going to come from repairing the leakage that is going out of the community at the moment.

Mr SULLIVAN—I wonder how they are planning to overcome the freight impost that is penalising local businesses currently—but that is something for them. The third thing that I want to query is this: are there any major events that underpin the tourism industry here? Is there something of the nature of the Birdsville races or something like that that brings in a lot of people in one hit?

Mr Edgecumbe—Yes. The St Patrick's race meeting is the biggest regional race meeting in Australia. We would regularly get 10,000 visitors to Broken Hill on that weekend and 10,000 to 15,000 actually attend the race course. It is a full weekend from Friday through to Sunday. That is a major attraction. We have bush food festivals and we have—I think it is biennially now—a jazz festival. It is a music festival, where I think this year they have some real name performers coming. That brings people from away to here. We have vintage car rallies and the Ulysses Club has an annual event here.

Mr SULLIVAN—I saw that the pub has a sign up.

Mr Edgecumbe—Yes. You noticed they have wider doors to get their fat guts through!

Mr SULLIVAN—That is the pub for me! The fourth thing was something you just mentioned: wind farms. Anybody who has any negative views about wind farms ought to head off to Palmerston North in New Zealand, where from virtually anywhere in the city you can see them on the ridges. The state-run electricity corporation is going to double the size of that because nobody is concerned about them any more. In fact, at Palmerston North you can buy a little lapel pin of a wind turbine generator. So they do become a point of tourism interest.

Mr Edgecumbe—One of the counter arguments or points put to the people who are saying that Silverton is one of our major tourist attractions and that visually there is going to be a negative impact on it is similar to yours. Techno-tourism is a new tourism that develops around those areas. People go to look at massive bridges, big buildings or towers and stuff like that. This is going to be awesome, with 500-plus turbines operating in a pretty small area.

Mr SULLIVAN—There is a big overseas market for reef, rock and Opera House. One of them is built.

Mr Edgecumbe—Yes.

Mr SULLIVAN—Thank you very much. As Mr Neville has said, I appreciated the way you laid out your submission. I think you have served your membership very well and given this committee a lot of good information. Thank you very much.

Mr Edgecumbe—If you need any more information we will do whatever we can to help you help us.

CHAIR—I just have one more brief question following up on Mr Sullivan's point. There is a hotline that has been established directly within the office of the Minister for Small Business, Independent Contractors and the Service Economy, and if any small businesses are experiencing credit difficulties or difficulties accessing finance through the banks, their inquiry goes directly through the minister's office and then goes through the Australian Bankers' Association to someone fairly high up in the bank to be resolved.

Mr Edgecumbe—Right.

CHAIR—The Australian Bankers' Association was reporting yesterday that across the country there has only been some 60 enquiries through that line, which indicates either that it is not well known or that—as the Australian Bankers' Association were trying to claim—it is not a major issue. I would certainly encourage you, if you do have members that have difficulties and think that their banks are behaving completely unreasonably, to contact the small business minister's office and access that hotline that is available. It is being treated very seriously so I would certainly encourage your members to do that.

I just wanted to check, because I know that the federal government has funded some business enterprise centres, whether there is one in Broken Hill.

Mr Edgecumbe—There is a BEC here.

CHAIR—Okay. How is that going and how is it working with your organisation?

Mr Edgecumbe—That works in really well with the ACC/RDA, Business Broken Hill, the community foundation and the other partnering organisations. Very often we will partner to hold a business development forum. Recently, we partnered together to put on a presentation by WHK Thomsons, the accountants, about the very things we have been talking about—how businesses can improve their internal systems and the tools to help businesses do that. We came together with those organisations under a letterhead with all of our logos on it and we promoted and ran that forum. We have done that on a number of occasions.

CHAIR—But that is not quite covering the issue that—

Mr Edgecumbe—It is not the direct linkage into business that we think we need.

CHAIR—Obviously there is not a lot of money around at the moment—there is for some things—but I know there is mentoring available through the business enterprise centres and they have funds to access those sorts of services. I wonder whether, perhaps, a closer partnership between your organisation and the BEC may resolve the particular problem that you are raising, as opposed to waiting for government to fund a 12-month position. Is there any room for—

Mr Edgecumbe—There is, and we do exploit whatever assets and opportunities we have with the organisations. The BEC does a really good job in helping new businesses get into business.

CHAIR—But you are a bit concerned about existing businesses.

Mr Edgecumbe—Yes, or little businesses. Some of these businesses have 20 or 30 employees. The BEC has limited resources and basically they are an offshoot of a government department. They do everything that is expected of them under their charter but this is not in it.

CHAIR—Thanks very much for presenting today, and also for the submission that you presented. It was extremely useful to have that wide-ranging submission from the business community here. The secretariat, if we have any further questions, will write to you. You will also receive a proof transcript of the *Hansard* to which you can make some editorial changes if we have your name spelt wrongly or if you see that any of the figures you have quoted are not quite correct. Thank you very much for presenting today.

Mr Edgecumbe—Thanks very much for your help. Please call on us if we can help you to help us.

Proceedings suspended from 10.32 am to 10.40 am

HOWE, Mr Scott Wesley, Acting CEO, Outback NSW Area Consultative Committee on behalf of Regional Development Australia—Far West Outback

CHAIR—Although the committee does not require you to give evidence under oath, I do need to remind you that these are formal proceedings of the parliament and should be treated with respect. It is customary for me to remind witnesses that giving false or misleading evidence is a serious matter and may be considered a contempt of parliament. That being said, with the scary bit over, welcome. We do not have a submission from you but I do understand there has been quite a transition around this area. We would be very pleased to hear from you. You have obviously been here for other witnesses as well, so you will have heard the particular interests and questions we have. Would you like to make an introductory statement?

Mr Howe—Thank you. Just for clarification for members of the committee who may not be aware, RDA or Regional Development Australia—Far West Outback was formed as of 1 July. It is basically an amalgamation of the resources of the former area consultative committee, which was Outback New South Wales ACC, and the Far Western Regional Development Board, who were the New South Wales government's development organisation. Essentially, I am representing those two organisations, which have now merged. There was a submission put in by my former colleague from the Far Western Regional Development Board Ms Eleanor Day. She has moved on now, so I will be representing those views as well. I did work on that submission.

CHAIR—Do you have a copy of that, because we do not seem to have that for some reason?

Mr Howe—I do have a copy. It was on the website, so I assume it is on the public record.

CHAIR—Our secretariat will have to chase that up. We unfortunately do not have that in our papers, and I absolutely might find use for that.

Mr Howe—Bearing that in mind, I will try to speak to the main topics that are in it. It is fairly to the point. It is only about four or five pages long.

CHAIR—Thank you.

Mr Howe—In terms of opening comments, I would just like to support some of the comments of other speakers who have preceded me. Certainly in terms of detail I refer to the submissions of the Broken Hill City Council, Business Broken Hill, the Far Western Regional Development Board and the Central Darling Shire, who are the other local government area that are covered in our region by Outback New South Wales, along with the unincorporated area, which is a fairly significant area but does not have any local government representation.

In summary, the global financial crisis has had a significant effect on this region, and it had an early impact. We have collected some primary data, to follow up Mr Edgecumbe's evidence. We have collected some information over the last 12 to 15 months that would probably give you a clear indication of the change in business confidence. In April-May 2008 as part of some of the community consultation that our former organisation, Outback New South Wales ACC, did towards the formation of RDA some of the questions we asked were about what the confidence

in the community was going forward five years in terms of business, the economy, jobs and that sort of thing. At that stage we had over 100 respondents to a survey, of which 50 per cent were local business owners, and over 60 per cent indicated that the economy was booming and it would stay that way for the next two or three years.

In March 2009 another survey was done as a prelude to the submissions for this. Again, there was a small sample of local businesses—over 30. Seventy-five per cent indicated that they had felt negative effects from the global financial crisis. So what we are seeing is a significant shift in business confidence. I think it is also worth pointing out that we were hit early by the global financial crisis because we are a mining town. The mining sector was hit early. We lost 490 jobs in total in August last year. Balanced with that, as you would have seen, is some of the work done by the Outback Development Forum, which is essentially a coalition of all the major development organisations in town and in the region. Over the next two to three years there is forecasted opportunities for growth and stabilisation.

A summary of what I want to talk about today is: how do we manage and survive the next one to two years? How do we make sure that we are in a position to take advantage of opportunities? And how do we do that with government? In regional Australia—as I think a number of members have pointed out—there are fewer opportunities, and we need to be in a position to take advantage of them when they come up, because they do not pass by us every day. That would be the strength of our submission. I have some recommendations around that as well.

CHAIR—Thank you. That is extremely helpful. We have had a pretty extensive look at the changes to the area consultative committees and the RDA. That is one of the premises that the changes have been built on and that this committee has looked at. For a while, there has been a gap between some of the strategic planning work and access to government advocacy in regional development. That is not to denigrate the great work that the ACCs did in providing access to government funds and also in recommending some terrific community projects, but it is important to actually assist local communities, particularly when they are challenged, and to work out where their growth is. This is a significant role that RDA will play. I am very pleased to see how advanced you are on these issues. It is only seven days since the official body came into existence, but you have been thinking about what you are going to do—and I know that there is a lot of work to be done. What are the growth potentials here? And what do you need from government to help those to be realised?

Mr Howe—I will deal with the growth potential first. I think we need to be honest: we are a mining town. So we will rely on the mining sector to a certain degree. As previous witnesses have indicated, that will not last forever. However, we need to maximise what we have got now and what we will have over the next 10 or 15 years. From my perspective, you do not grow new industries overnight. If you want to grow a new industry—be it tourism, be it arts or be it alternative energy via wind farms and those sorts of things—that development and that sort of growth, especially if you are starting from a very low base, can take some time. So we have to maximise the potential of what we have now: the mining industry and the industries that support it—manufacturing of specialised machinery and all that sort of thing—can provide us an opportunity to go forward.

The other thing that should be recognised about our mining base is that Broken Hill has traditionally mined for lead, zinc and other base metals. But if you have a look at the information

in the Outback Development Forum growth and investment strategy and the mining opportunities, which are in the major projects table, you will see that we now have gold and other alternatives to the traditional metals. We have B-Max operating in the region, which is a mineral sands based company. So if you think back to 20 years ago, even the mining industry in this region has diversified. We talk about diversifying the economic base. One of our major industries has diversified from a base of solely lead, zinc and a little silver, which is essentially a by-product. That is important. To be really honest, I think we need to take those bigger employers, those bigger turnover industries—and tourism is moving that way—and see what we can do to build around them as well. Alternative energy through the wind farms is now another opportunity where we can potentially anchor some of our smaller businesses to those larger businesses on a more diversified base.

What do we need from government? There are essentially a couple of levels—macro and micro. The macro businesses in Broken Hill cannot control the exchange rate. We cannot control mineral prices; we cannot control the price of wool. They are affected by global market forces. We accept that we cannot do that. Government can help to support business in Australia and try to make the conditions as good as it possibly can. In terms of this region, the stimulus via local community and business infrastructure that is currently underway needs to be continued. It is about building that critical business and community infrastructure to make sure that we have a base to work from. We need government to support other nation-building type infrastructure such as telecommunications. I am sure the committee is aware of the recent announcement about broadband. We lobbied very hard for the broadband backhaul link. That is an example of important infrastructure that government can do. The local community cannot do that sort of thing. It does not have the capacity to do that.

At a micro level—as Mr Edgecumbe from Business Broken Hill probably alluded to—it is the support and mentoring mechanisms that can be put into play over the next couple of years in a direct sense, and it is also other services that are ongoing, such as the business enterprise centres. Their funding support needs to be maintained so as to make sure that their services are available not only now but into the future. There are a number of other examples, including payroll tax and other concessions on business taxation. They are direct incentives for business. I have already mentioned increasing the resources for on-the-ground advice and mentoring and other support services. That is particularly important now. Mr Edgecumbe alluded to the fact that there are services here. We are aware of a lot of the funding programs and we are very good at maximising them. But, in a crisis situation, that is probably where we need to the stimulus hit, along with some additional resources for a period of time.

Improved access to finance through mainstream lenders has been pointed to. A local initiative, the Broken Hill Community Foundation, is certainly looking at providing some sort of support funding for small business start-ups and development. I have been involved with this organisation since it was first mooted. It has a view on developing a revolving loan fund. This is not just about hand-outs but also about access to alternative finance outside the mainstream market when people are trying to grow their business and they have perhaps maximised what they can get from mainstream lenders.

CHAIR—That is through your foundation?

Mr Howe—Yes, the Broken Hill Community Foundation. It is a project that we have been running for about seven or eight years, because we saw this issue early and the global financial crisis has just emphasised it for everybody.

In terms of direct support for business, a number of businesses have indicated to me that they are trying to maintain their employee and skills base. They would like to have another apprentice but, at the moment, it is very tight and very difficult for them. Perhaps some of the financial incentives around those employment based things could be looked at and increased and also made easier to obtain. I am talking about day-to-day things that could be done that could help people. Perhaps those things will help businesses maintain their current employees or give them the opportunity to take on another employee if they have the confidence to do so. I have some other recommendations but we can move to this those later.

CHAIR—Mr Neville, do you have a question or would you like the witness to talk about some of the other recommendations?

Mr NEVILLE—Go on a little bit further.

Mr Howe—Sure. My former organisation, ACC Outback New South Wales, put together some information as part of a tendering process for additional small business services. I think that information still holds true. It was written in December. Essentially, we are quite aware of what our local business community looks like and how it is structured. We are quite aware that in 2008 alone there were 255 new ABN business registrations in this region, and that is by postcode. We have the detail; we are down to the street level. Of those 255, 158 were new individual or small sole traders. And also of those 255, 75 registered for GST. That indicates that they are full-time operating businesses. They are now probably the danger section of the market, as Mr Edgecumbe alluded to. They are the new ones who have built up on the boom times over the last couple of years. They are the ones who are in danger of falling over and going under in the next 12 or 18 months. Some of the older and more established businesses who have built up capital resources may be able to ride the boom and bust cycle, as they have done before. But we certainly see a danger for some of these new entrepreneurs that government and others have encouraged into business on the back of a range of programs. They probably need our support now to make sure that they make it through.

The reason that we need to support this base through this period is that, yes, we are a mining town and the up-cycle will come again if you listen to the analysts talk about green shoots and that sort of thing. I will wait to see it. The problem that we were facing 12 or 18 months ago was the skills shortage. We could not gear up quickly enough to take advantage of the opportunities. If we hollow out our capital base and our skills base over the next two years—that has been happening off and on in this town over the last 20 years—then it is about not being in the position to take up the opportunities in perhaps a couple of years, when things start to swing back up. That is a really important point. That is what all those recommendations are about. They are about apprentices and supporting those businesses now to make sure that we maintain our capital and skills base to support those opportunities.

CHAIR—You had some 400 redundancies in August and September last year. I am assuming some of those did leave town?

Mr Howe—Yes.

CHAIR—What have you done to retain some of those people? Has there been any uptake of any of the training opportunities that are available to them or have any new courses started for that group?

Mr Howe—A number of training providers have responded to those opportunities, as I think representatives from council indicated. Some of that 440 were probably close to retirement and took the opportunity to leave the workforce. Speaking from personal and work experience, a number of people and families did not want to move so they have become fly-in fly-out. I do not think we have seen the final result of that. They are six months into that, and that puts a lot of pressure on families, so we may see some negative downturn from that. People may make the decision that they need to move on even though they have delayed moving out of town.

CHAIR—That it is just too hard, yes.

Mr Howe—There are some people who have found re-employment in other industries. We were facing skill shortages, and that shook down to the support and retail businesses, because everybody was drawn to the money in the mining industry. So suddenly there was a greater pool, and some people filled some of their opportunities from that. Some people, particularly the younger age group, up to 30, have probably taken the opportunity to go to WA or other places where the industry is still going. So, yes, there is retraining. Some people have taken early retirement. Some people are doing the fly-in fly-out.

Particularly in the data that we collected in the last three months, the December quarter, of 2008, we saw a small drop in the unemployment level. We think there will be a significant lag between the 440 people being retrenched in August and when we will actually see the growth in the unemployment queue because all those things have happened—people are still living on their retrenchments, people have found alternative work and people have become fly-in fly-out. We think there is still a core of those 440 that probably want work and do not have it but have not appeared on the official figures. We think that will probably happen in the next couple of months.

We are certainly diversifying the economy. We are trying to grow the tourism industry. We are encouraging our small manufacturing base here to look at the opportunities with the wind farm—and they are significant—civil construction and potentially maintenance manufacturing opportunities. Some of the skill bases that come out of the mine will transfer to that manufacturing base, but we are trying to encourage them to look at alternative sources of income other than their mine income. I am aware that that one business in town has asked two of its apprentices to take leave for a couple of weeks while they wait for some more work to, hopefully, come through in the next couple of weeks. Everybody is trying to do their bit to keep it rolling along.

CHAIR—Thank you.

Mr NEVILLE—You talked about the fly-in fly-out people—how many of those would there be?

Mr Howe—In terms of Broken Hill residents who wish to stay and are using it as an alternative?

Mr NEVILLE—Yes.

Mr Howe—I do not know; I do not have an accurate number. There could be 50 or 60 people, but that may not be accurate.

Mr NEVILLE—Would most of those would be the ones who were retrenched, or was that well-established before the retrenchments?

Mr Howe—I would think that would be ones who were retrenched. Probably 12 or 18 months ago, before the effects started to hit, we had a fly-in fly-out workforce who were contractors et cetera working on the mines here. If you talk to the real estate agents, rentals were quite strong on the basis there were a number of contractors living in town. We had not reached the extremes of Mount Isa et cetera, where it cost an exorbitant amount of money just to roll out a swag in the caravan park, but there was certainly some pressure on the rental market. That is probably relieved. Some of those contractors who were flying in and out of Broken Hill have probably dispersed. But there was not a massive group of Broken Hill resident—

Mr NEVILLE—And where do they go to from here?

Mr Howe—One example is Roxby Downs in northern South Australia—I am aware of a couple of people who are flying in and out of there.

Mr NEVILLE—Do they fly out of here directly or do they go through the truck system?

Mr Howe—They fly from here to Adelaide and then they make connections.

Mr NEVILLE—I see.

Mr Howe—Talking about ‘fly-in fly-out’, some people are moving in and out of Broken Hill. I am aware of a number of people who are working in some small mines just out of Adelaide and living in the outer suburbs of Adelaide, probably spending four to five weeks in Adelaide, building up some time, and coming back to Broken Hill for a week or 10 days. I do not think there are a lot of fly-in fly-out people going into Western Australia—it is just that the transport routes do not work with rosters—and it would be the same for Queensland. They are certainly going to South Australia and northern Victoria. There are a number of small mines that are still building up here: the Mineral Sands mine to the south owned by BMAX is trucking people in and out, and the honeymoon uranium mine, about 120 kilometres out of town, into northern South Australia, will be bussing people in and out of Broken Hill. So there are opportunities there, and, yes, there is a cultural change in that we have always been a strong residential mining workforce but we will probably have an element of people that are fly-in fly-out—

Mr NEVILLE—It is not too bad if your people are going out from here rather than coming in. When they are coming in they leave very little—

Mr Howe—Exactly. If you spoke to the people in Mount Isa I am sure they would tell you the horrendous outcomes of having a major fly-in fly-out workforce living on the coast and flying in and out of those communities and what it has done to their community base.

Mr NEVILLE—Yes. Making yourself the base is probably a plus rather than the minus.

Mr Howe—And that is the attempt we are making. It is about thinking smarter—‘Okay, we have resources, we have skills and we have knowledge built up over years in the mining industry: how do we export that to some of these remote communities?’

Mr NEVILLE—Exactly, yes.

Mr Howe—And that is probably an example for the question of what we are trying to do to broaden the base. We are reversing it—‘How do we think about moving our expertise and technology out to the more remote areas that do not run residential type workforces?’

Mr NEVILLE—Linked to that is training. You have a good TAFE college here. What does it specialise in?

Mr Howe—They have broadened their base, particularly over the last 20 years, but they had a very strong history in the trades, the mechanical trades and so on, which support the mining industry. The TAFE here has good facilities et cetera. It is always a struggle in terms of funding for running courses et cetera. TAFE is part of state government. I would not say that they are fleet of foot in terms of being responsive to changes. As part of the work that we do in town, especially around the planning, in the growth and investment strategy—which we started about three years ago and we now update each six months—we try to give everybody up-to-date data on what is happening in the workforce, where people are moving, where the economy is going and where the opportunities are. Part of the problem is that people do not move quickly enough when the opportunities appear, and government are included in that; they cannot move quickly enough unless we give them the data to show that this is solid, this is happening and it is happening now.

Mr NEVILLE—Do they teach the traditional trades as well—carpentry, plumbing and so on?

Mr Howe—Yes, they do—carpentry and construction. In the construction industry 12 or 18 months ago, they were running pre-apprenticeship courses for kids who had slipped through the cracks, who did not pick up the job straight away when they came out of school and were looking for another opportunity. I know some of the teachers would have employers ringing them up and saying, ‘Tell me who the best ones in the class are; I’ll have them next week.’ That has turned around now because it has gone quieter. But, as we hear about stimulus packages, there is probably an opportunity in the construction industry for jobs and more training opportunities to make sure we do not hollow out our skills base again, like we did in the nineties.

Mr NEVILLE—Finally, in terms of utilising services, you are a bit of a health centre out here, aren’t you?

Mr Howe—We certainly are. Greater Western Area Health Service Broken Hill is one of the major service centres. That runs all the way back to Dubbo, and certainly in the western part of New South Wales, up to Bourke and Wilcannia.

Mr NEVILLE—And you have a linkage with the University of Sydney—is that right?

Mr Howe—Yes, very strong linkages in terms of health, and that has been really good, again.

Mr NEVILLE—Can you do nurse training here? Is it is a campus as well?

Mr Howe—They have been developing that.

Mr NEVILLE—To enrolled nurse or trained nurse standard?

Mr Howe—I think there is an element of both. They are trying to develop some programs where the university has a presence so a lot of the training can be delivered here rather than having to send people to live in Dubbo, for example, for long periods of time and before doing some placement here. They are trying to reverse that. They are working through that at the moment. There is a mixture of both. That is one of the things that probably five years ago was a real problem. We are moving towards changing that, with the university and with the health service, to ensure that there is more localised training and a supply of professionals in that area.

Mr NEVILLE—Thank you.

Mr SULLIVAN—I have been listening with a great deal of interest. Could you rank your top five industries in this area fairly easily? Obviously one is mining.

Mr Howe—We will cherry pick the easy one. I am ranking these in terms of jobs, paid jobs and turnover for the economy. First is mining, because of the big-ticket items and big turnover. Close behind are the retail sector and tourism; I am not sure which are two and three. I have some employment numbers. If you are talking straight employment numbers, the retail trade has about 1,600 or 1,700 direct employees. The tourism sector employs about 700 or 800 directly. Then you drop back to health, community services and government agencies, because Broken Hill is a major service centre for all those things. Then we drop down to manufacturing, building trades and that sort of thing. So it is mining, followed by retail and tourism, followed by the government sector and then probably an amalgamation of the manufacturing and construction sectors.

Mr NEVILLE—Do you include local government with ‘government’?

Mr Howe—Yes. You have local government, you have Country Energy and Country Water—who are the water and electricity authority—health service and education. We are the regional centre for all those major things.

Mr SULLIVAN—So diversifying the local income base is not a really easy thing to do; government services and retail exist to the extent that the community requires them.

Mr Howe—Certainly that is true, and that has been looked at a lot over the last 20 years. I think—and this is a personal observation from the data that has been collected, my 15 or 20 years around this sort of work and my being in business in and around Broken Hill since the late eighties in a whole range of things on both sides of the fence—population in Broken Hill is probably set at around the 20,000 mark. If you think about all the services that a population of about 20,000 needs for health, education, retail and all those sorts of things, some of that is self-sustaining on the basis that there are no towns 50 or 100 kilometres for here. We are not like Tamworth or Wagga Wagga in New South Wales. I lived in Wagga for a period of time. There might only be 50,000 people who live in Wagga, but there are another 50,000 who live within 100 kilometres of that town. You do not have that in this geographic location, so the 20,000 self-sustains those sectors. Obviously, the mining sector, tourism and, hopefully, now alternative energy production will top that up and help to grow the economy.

Mr SULLIVAN—Earlier, we heard some information about the delight of the film and television industry in coming to this area to make products. Are there any figures on how that is working for the local economy?

Mr Howe—I do not have any direct figures. Certainly the indications are that there is growth in the film and television industry. Again, it is a high-profile type of industry. You probably think of major motion pictures. What is a natural asset for us? It is the light, the outback scenery and that sort of thing. You pick up any glossy magazine and a new Toyota release or that sort of thing, if they are shot in an outback scene, there is every chance they were shot here. That is for print media or the television commercial. That is the real strength of the film and television industry. Major motion pictures are the cherries on top of the pie. There is a very strong week-in, week-out presence from the commercial print and television industry in terms of commercials.

Mr SULLIVAN—Music video clips are important, too.

Mr Howe—Yes; there are a whole range of things.

Mr NEVILLE—Is it the quality of the light that attracts them?

Mr Howe—Yes. I am not a technical person on this, but I am told that it is the issue. If you bring a producer and a technical person out here, when they get the light and the scene they go, ‘This is perfect because we can shoot for longer and the clarity of the final product will be excellent.’ As long as they have an open scene, they can digitally add the little bits and pieces that they cannot get, but it is the light, the open spaces and the location. It is natural ability. We are talking about diversifying. We have to build on our natural assets. I think this was touched on earlier. I do not think any of the leading development organisations have any views about flying the next big factory in here or anything like that. That is old-school thinking and I do not think any of us think that way at all. We do not have any views about how we are going to land the next Microsoft in Broken Hill. That is the reality.

Mr SULLIVAN—I was having a word to the secretariat earlier, and it seems to me that there is an industry that likes this area and is attracted to it. I was wondering if when somebody decides to come here they had a wish list of things that would be here if those boxes got ticked—is there a catering van that can go out on site and do all that sort of stuff?

Mr Howe—Yes. There are caterers who deal with the film industry here. There are niche business opportunities around the film industry and they are being developed at the moment. It is about ticking those boxes.

CHAIR—Obviously there are things with the new RDA, but you are a fair way more advanced than other states in terms of where the agreement between state and federal government has come. Are there lessons that you have learnt from your experience of regional development and what is happening here and in towns that do not necessarily have a hugely diverse economy but are seeking that? Are there lessons that you think can be lifted from here up to the federal government and that you would like us to consider as part of this inquiry? That might assist other towns and communities that are experiencing the same thing.

Mr Howe—Certainly. I think that with regional development as a general term—Mr Neville touched on this—you really have to understand your economy, your community, your natural assets et cetera. You have to be able to vision that out over 10 or 15 years, and government has not always wanted to do that. ‘Let’s do a strategic plan for three or five years.’ That is not quite long enough to develop an alternative or broaden your economic base. You would need some resources. I think those are the important elements. We have tried to do that here. In terms of lessons learnt, we do not have a massive amount of opportunities but we have really tried to focus in on what we have, whether it be mining, alternative energy now, film industry, tourism industry, the arts and those sorts of things. If you look at those as being your pillars then how do we build things around those pillars that make sure we maximise the gross regional product? It is maximising what opportunities we have rather than going out and shopping ourselves to the world, saying, ‘You could bring in any industry here.’ We understand that we cannot compete with other regions for particular industries, because we do not have any natural advantage for that. It is focusing in on what our natural advantages and opportunities are and how we build those.

CHAIR—How can government assist you to do that?

Mr Howe—At two levels. At a macro level it is about making sure the infrastructure opportunities—road, rail, telecommunications and those sorts of things—are right. Because we are not a major population base, I think we sometimes get lower on the list. But that infrastructure is just as critical if you want to maintain an economic base. On the next level down, it is making available those types of funding and resource programs which allow us to get on with it. We understand our local community. We have done the research and background work; I can give you a list now of every business here by street address, zip code and everything you like. We understand what the opportunities are. Give us the resources to let us get on with the job. I understand why some of the programs have to be set this way and that there have to be guidelines. Just allow us to get on; trust in the local knowledge and ability of the community to do that. I think that is where we get caught. It is between the policy idea and the implementation that it often fails. I think Mr Edgecumbe from Business Broken Hill was trying to allude to that. We understand what will work best here, what will stimulate and what will help. Let us get on with it and let us implement it.

You could use RDA or any example. There have been problems with implementation. We understand our community. We know what we need. We know how we can get the best result for ourselves and government. Just listen to what we are saying and give us the opportunity to get on

with it. We need it in a timely fashion, too. In 12 months, the opportunities could be gone. If we need it, we need it now. As long as our plans are well researched and thought out, we can give you something that will work for everybody.

CHAIR—Thank you. I am conscious of the time. We have our next witnesses here as well. My apologies again that we do not have your submission in front of us. I have read it, but we now have some 150-plus submissions, so recalling individual ones is becoming a little bit tricky at this point. Thank you for appearing before us today. The secretariat will write to you if there are any further questions that we have. If there is anything further that you wish to let us know about then please feel free to write.

Mr Howe—Thank you.

[11.15 am]

O'CONNOR, Mr Daniel Francis, President, Barrier Industrial Council Broken Hill

CHAIR—Welcome. Thank you very much for appearing before us. Please state the capacity in which you appear?

Mr O'Connor—I am the president of the council, which is the peak union body for Broken Hill.

CHAIR—Whilst we do not require you to give evidence under oath, I do need to remind you that these are formal proceedings of the parliament and as such warrant the same respect as proceedings in the House of Representatives. It is also customary from me to remind witnesses that giving false or misleading evidence is a serious matter and may be considered a contempt of parliament. That being said, you are most welcome. We have not received a submission from you, but we have asked you here because we are particularly interested, from the perspective of the labour movement, in what is happening in the town, what your members are experiencing and what ideas you may have for training and capacity building in the local community. I invite you to provide some introductory comments and then we will ask you some questions.

Mr O'Connor—I would just like to say—and I have been saying this for quite a few years now—that, while Broken Hill has traditionally been a mining town, over the last few years, and of course with mining over generations, it has been an up-and-down process. What has happened here recently, with the loss of 400 jobs, just emphasises that, when the so-called experts were predicting that we could expect another 11 years of prosperity. That soon turned around, within six months. It is just history repeating itself. I agree with previous witnesses: diversification is the name of the game. The people of Broken Hill have proved that they are a very resilient mob. What I really want to talk about today is not so much the past but certainly going ahead into the future.

Regarding this diversification—and I know Scott Howe; I was a member of OACC at one stage—having been on some of these committees, what disappointed me about the whole process was that there is not enough confidence and not enough empowerment for local people to judge where money being applied for should go. I am not saying that about all the money, but I am saying it about a certain amount of it—whether it be \$100,000 or \$200,000 out of the budgets that is given to these different organisations, as with OACC. It has to be left to the people on the boards themselves to determine these matters. They can still put the reports in and say why they have spent it where they have. I feel we have to get away from the element of fear of failure. Things can go wrong, but with a certain amount of money those matters can be easily rectified. We are not talking about millions of dollars here. You soon discover which organisations are handling their money better than others. That is the best way of going about it. Trying to determine what is going to happen from, say, Canberra just does not work. It does not matter what government is in power; you know nothing about the area you are trying to administer.

As I have seen in the past, who gets the money and who does not get the money could be political—I think we have to be honest about that—and I think that takes a lot out of it. Yes, the bigger projects have to go through quite a rigorous process, but, for a lot of the smaller projects, if an organisation is given money up to a certain amount, the people feel empowered. They feel as if they are really doing something for their community. I am sure there are lots of other communities that feel the same way. They do not want to waste the money—they are not into that type of thing; they are into surviving.

That is my first point out of the way. Having said that, how do we go ahead in the future? I have always been a strong advocate for diversification within the Broken Hill region. Quite a few things cross my desk, and I think one project that has come across your desk before is the transcontinental rail link. I know government is looking at rail versus road and what the advantages are. We are talking here about joining up the rail from just east of Menindee through to Mildura. What would that mean? It would get a lot of the B-doubles off the roads, so there would be less maintenance of roads needed but also less CO2 plus fewer accidents, particularly on country roads with people trying to overtake B-doubles. There are a lot of those types of things. There are industries along that line, like Bemax.

Another thing that could be done relates to cities and their waste product situation, with less landfill becoming available. We have all the land in the world out here. There is no reason why a waste depot, the largest in the world, could not be built along that line at some stage. What are the advantages? Obviously, they are political and also there is the prospect of having the waste go somewhere. Waste is like death and taxes, I am afraid—you will always have it. It eventually has to go somewhere, so where is it going to go? With a rail link in that area we could do that. There would be offshoots from that. We have vermiculture, worm farms, becoming a very big project here in Broken Hill. That type of situation could be put. There is no reason why recycled products could not be transported up here and then transported out by rail. Again, there would be less by road and less land would have to be used up within the cities.

Jobs are what we look at. How many jobs are there going to be? We do not know. They are saying that with the wind farm there will be 700 jobs, which is fantastic. Is it actually going to be 700? Well, we always like to go to the top end of the scale when we want to build up something. But it does not matter if it is 100 or 200 jobs; it is still 100 or 200 jobs that will be instigated here.

Building a waste depot out there is something that has to be looked at, obviously; I am not saying it has to go ahead. It is a question of thinking outside the square and saying, 'How are we going to look into the future?' This would be an advantage for governments from both sides. You would have renewable energy through the methane gas situation. You have the mining expertise here for building in those areas and you have a lot of ground that is away from populations. How do people get there? If you had the rail line, you could transport them by rail. They could come from either Broken Hill, Mildura or Menindee, it would not matter, and there could be a train service set up, a bit like in the city, to take you to your station, which allows for that type of thing.

That is one part of it, and I hope it is closely looked at. For the sake of something like \$360 million, which is really a drop in the bucket when you talk about spending money and what you are doing for the future, it would be a fantastic thing. As I see it, it would take the pressure off

other railway lines. Though the railway line goes between Adelaide and Melbourne, for instance, you would still have this other line coming through. It would connect up all of Australia. There would be tourism involved in it. I know from reading that report that the former operator of the Transalpine was interested in the tourism aspect of being able to get people right around Australia, and a lot quicker. You have that type of aspect. The armed services being able to transport their heavy vehicles is another thing that could be done quite easily without actually going through populated areas.

Of course, it connects up to Geelong and Ballarat as well. You have smelters down there that want to get rid of their waste product; why not bring it up here? It creates jobs up here, but it also gets the stench or whatever it is away from those areas—and it would be away from the town of Broken Hill as well. It is in the never-never, so to speak.

On the other issues, with mining there has been talk of setting up a mining university here because our mining engineers and people like that have often been regarded as the best in the world. We have had heads of BHP, and Rio Tinto also began here. They tend to pinch the best. When they hear they come from Broken Hill they certainly want to grab them, and that goes for other mining centres as well. Having spoken to the second in charge at Roxby Downs, he has nothing but praise for the miners of Broken Hill and how they go about things. So, yes, a mining university is something that really has to be set up. We have the facilities out here to do that. You have on-the-job training with the mines here. It is no use training miners at the University of New South Wales or Sydney or Melbourne universities; they really have to get hands-on experience and they have to see exactly what they are doing. It is no use going by slides. So I would like to see that happen.

I know that issue has been touched on with apprentices. The problem with apprentices is the distance involved. There is a rule—I call it a crazy rule, and it is usually brought in by government so that they do not have to supply teachers—that you have to have X number of people before you can actually have a class. So these young apprentices are being asked to travel to Mildura, which is three hours away, or Dubbo, which is nine hours away, to do their university courses. That costs industry here money for the time they are away because they have to travel there and be put up in accommodation and there are travel expenses as well. We have the facilities here with the TAFE to do it. With the federal government's stimulus packages, maybe they can help to pay for apprentices to do their TAFE study within this place. As previous witnesses have said, we are not 50 kilometres from another town; Broken Hill is in isolation.

CHAIR—Thank you very much. You have provided us with food for thought with the three areas you have spoken about. I need to mention that Southern Cross wish to do some filming of the hearing. Do you have any objection to that?

Mr O'Connor—Well, I do not have any make-up on!

CHAIR—You might want someone in the background to do your hair! That is fine then—the committee is comfortable with that. Moving on, I assume a large proportion of the 400 workers who were made redundant would have been members of a trade union and, hopefully, have stayed in touch with the council. I do not know; I am making some assumptions there. Do you know what happened to those workers?

Mr O'Connor—Some of them went fly in, fly out. Some went to places as far away as Mount Isa. They went up there, got jobs and got put off within a month. These people—and this is what we have to realise—are human beings. They give their heart and soul to their work and they have expertise. They are in an industry that they realise is an up-and-down affair. And they do not want to leave this town. You ask them: 99 per cent of them do not want to leave town. So it would be great if we had some alternative employment for them until the mining activities increase again. We could still put the kids through some sort of trade or business or other diversification.

CHAIR—Do you know how many have taken up training opportunities or whether they have been offered training opportunities?

Mr O'Connor—No, I would not know.

CHAIR—I am just interested, with the skill base and capacity and trying to retain people, what has happened with the 400 workers.

Mr O'Connor—Because of the isolation, we do tend to battle here with government bureaucracies. They do not really know where Broken Hill is, so in some regards they think we are a suburb of Sydney. We might be Baulkham Hills one day. And sometimes politicians—you want the truth so I will give you the truth—look at who has the seat and whether it is a swinging seat. We have to get away from that. We are very happy here, from a union point of view, with the government's stimulus packages and what they have tried to do. We believe they are on the right track in trying to do these types of things. But it has to be continued. It cannot be something that is done for a year and then forgotten about. If infrastructure is put in place for towns to look after themselves, that is fantastic.

Here is another way of thinking outside the square. We talk about water, but I have always strongly believed that each town should be recycling its water so it does not go to waste. That still creates jobs and would help in, as we were talking about, drought.

CHAIR—The government, through its stimulus packages, has done a couple of things. With the primary schools program and the regional and local Community Infrastructure Fund it has made sure that every region gets money. That is not dependent on projects; if you have a primary school, depending on the enrolments, it gets money. Depending on population size and some growth factors, councils have all got money. From the evidence of a couple of the witnesses—and I could be completely wrong here—there seems to be a bit of a disconnect between what council does, what is happening in other sectors and the development board. A lot of money has gone through local government, and it has been done deliberately by government to say, 'We don't want to make the decisions about local projects; we want your elected representatives to do that'—and I understand some issues are in here. That is what we have done, yet people keep saying, 'That aside, we want money to go through the foundation or through the old area consultative committees.' Council seems to be separate to that. Am I reading that correctly, or is it that people have not quite seen council as a body that distributes funding to projects other than council projects?

Mr O'Connor—When I was on OACC, if council had projects they would come through OACC. Now what you are saying is: 'We are going to give council the money and tell them to go ahead with those projects.'

CHAIR—That is what has been happening.

Mr O'Connor—To a degree, that is very good for certain projects. But for other projects it should be outside of council's hands. It is not really for them to decide on those.

CHAIR—Why not? That is what I am asking. These are your elected representatives. The community has said these are the people they want to represent them. They are accountable to electorates.

Mr O'Connor—I think with organisations like OACC—I will use OACC as an example—where you have unions, businesspeople and even government representatives coming in, you have a true cross-section. A lot of people who stand for council, as you know, are doing it for certain reasons. Some do it because they believe in the process, others because they think, 'How far can I go with it?' Whereas I know that when I was on those boards—and I know it was the same for a lot of other people on those boards—they were for the interests of the town. I am not saying that council is not, but that to me was a true indication of what they were trying to do.

I am not saying that money going through council is a bad thing but I think that, when you are going to have these other organisations still running and there have just been elections for them, some sort of money and empowerment has to go to those people so that they can then dish out. We are not talking millions of dollars, but if you are going to empower these people to do things then give them X amount of money and say, 'Let's see how good you are at doing these types of things.' I believe it is much better to have two organisations working together to give out money than to give it just to one.

CHAIR—I am conscious of the time. Do members have any questions?

Mr NEVILLE—I have a couple of quick ones. Mr O'Connor, you are a man after my own heart. I believe in the diversity of local control. I think that is very important. But we will not debate that today. I am the rail freak of the committee as well.

CHAIR—Yes, he is.

Mr NEVILLE—I would be interested in the Minindi train line that you talked about. If you have any data on that, could you send it to us?

Mr O'Connor—I have some data but I have only got a small section of it. It was presented to, I think, the standing committee—

CHAIR—It might have been Infrastructure Australia. That group has presented there and has certainly presented to the parliamentary secretary. But I do not think they have presented to us previously.

Mr O'Connor—I think it is very important. For a small outlay, its potential into the future is fantastic.

Mr NEVILLE—The report that we will write is also an opportunity, even if it is just commented on briefly, to build up recognition of the project.

Mr O'Connor—Would you like me to get you a copy?

Mr NEVILLE—Yes. If you could send it to the secretariat, we would be most grateful.

Mr O'Connor—If I can get the details I will forward it on myself.

CHAIR—Thank you.

Mr SULLIVAN—Thank you, Mr O'Connor. I am very pleased to meet you. I have grown up as a young fellow admiring the Barrier Industrial Council. I understand that it has always had the best interests of the town and the people in the town at heart. Is your organisation aware of any anecdotal stories about the effects of the economic downturn on people?

Mr O'Connor—You get to believe what you read in the papers and hear on the news—good or bad. We go through downturns in mining, so I suppose we are conditioned to a degree. As to this economic downturn, we all heard about it. When that package came out it was of course debated whether it was right or wrong or whatever, but as far as I can see—and I only speak from a personal point of view here—this town seems to have weathered the storm. I think some of that is because of the resilience of the town and some of it is, as I said, because of past history with the downturn in mining and people's attitude of getting on with the job. I think country people tend to be that way anyway. They tend to say, 'It's happened but this is what we've got to do.' The news coming out about the stimulus package and also about the wind farms from the state government has been fantastic for this town. It is all about uplifting people and making them feel that they do not have to leave. If people leave town they have to go somewhere. If they go to the city, then there is overcrowding. So there are problems associated with that as well.

Mr SULLIVAN—If they all come to South-East Queensland, we will have to find hospitals for them.

CHAIR—Mr O'Connor, thank you very much for presenting before us today. The secretariat will seek some further information from you and the proponents of the transcontinental rail project. If there are any additional things that you feel you have not covered in your evidence here today, please feel free to write to us about them. Hansard will give you a proof transcript of your evidence. You can make editorial changes only. I would certainly like to thank you for presenting before us today and giving us some challenging issues to look at. I am very pleased that you were able to focus on some of the future growth opportunities as you see them for Broken Hill.

Mr O'Connor—Thank you.

ANDREWS, Mrs Susan, Vice President, Pastoralists Association of West Darling

CHAIR—Welcome. Whilst we are not requiring you to give evidence under oath, I do need to remind you that these are formal proceedings of the parliament and, as such, should be treated with the same respect as proceedings of the House of Representatives. It is also customary for me to remind witnesses that giving false or misleading evidence before a committee is regarded as a serious matter and may be regarded as a contempt of parliament. With that nasty bit over, you are most welcome and we are very keen to hear about what is happening across your membership in the agricultural sector. Obviously, we understand that there has been not only a global financial crisis but also a prolonged drought that your members have been battling through. Would you like to make some introductory comments?

Mrs Andrews—I have written them down. I will just read them, if that is all right.

CHAIR—Yes, of course you may.

Mrs Andrews—The Pastoralists Association of West Darling has been operating for over 101 years in this area. We are based in Broken Hill and represent the special interests of our members who operate small businesses, which are grazing properties in the far west of New South Wales. Over the past 15 years, we have been in a state of almost continuous drought, which has seen us become very innovative operators, using all our resources to their maximum potential.

The current economic downturn has meant that the prices of our commodities such as wool, cattle and goats have been greatly affected by the export dollar drying up. The sheep meat markets are still holding up but only because of the supply and demand situation. Sheep numbers in Australia are very low at present, and that makes the market more buoyant. A lot of our members are on EC payments, and the recession plus the drought make their situation a lot worse. Although the interest rates have fallen for some parts of the community, the interest rates for our small businesses are still between six and eight per cent, which makes it pretty difficult. This situation combined with the low prices is hurting many of our graziers.

The infrastructure in our area needs a major capital inflow. The major roads in the area are receiving only enough funding to maintain them, while upgrading them should be a priority. If the Tipaburra Road was in Sydney, it would have been finished years ago; instead, it is like a checker board. You just jump from gravel to bitumen and then back to gravel. Unsealed roads can cause isolation when they become wet and also have the potential to cause major accidents, especially when maintenance of these roads is not kept up. The sealing of our roads would also encourage more tourists into the area.

Another infrastructure issue is the lack of a transshipping spelling yard in the Broken Hill area. This has caused endless problems for the grazing community and has raised animal welfare issues. There are new regulations for the transport of stock, the time allowed for animals to be kept on trucks, emergency vet requirements and the closure of unsealed roads. The spelling yard could be a good project for regional development funding. It would give locals work erecting the yards and it would fill a community need. As the majority of our members reside in the unincorporated area of New South Wales, we do not have a local government as such and feel

that the funding should be made available to us, with the assistance of an impartial funding board, or . we should be given the chance to have a partnership agreement with local councils so that we can obtain funding for projects such as the long awaited transshipping spelling yard. It is important that we know how to access such funding and where to access the funding.

CHAIR—Thank you. Just as a follow-on to that last issue: have any costings been done on the transshipping yard?

Mrs Andrews—Yes, a complete costing has been done, but I have not got it with me.

Mr NEVILLE—Can you describe the project to us?

Mrs Andrews—Originally, there was set a set of yards which the local stock agents were responsible for. It became unviable so they took them down. They gave those yards to the grazing community. The yards are now sitting somewhere, gathering dust.

CHAIR—Where were they located? Were they just outside Broken Hill?

Mrs Andrews—They were in the industrial area of Broken Hill, near Kanandah Road. As soon as they were taken down, there was nowhere for anything to be put. With the shipping of the sheep, you have to spell the sheep. If someone brought rams to Broken Hill, there was nowhere to leave them for people to come and get them—things like that. Then the Rural Lands Protection Board took up the job of trying to get funding to relocate the yards, but the board has been taken over and is no longer doing that for us.

CHAIR—The graziers own the land that they are on?

Mrs Andrews—We do not own anything.

CHAIR—Who owns it?

Mrs Andrews—The land that the yards were on was council land.

CHAIR—And it still remains council land today?

Mrs Andrews—As far as I know, yes—but the yards had to be removed. They removed the yards, so there are no yards there at all.

CHAIR—So it is just a vacant block, basically.

Mrs Andrews—Yes. And now, if anyone has any trouble, if there are roads washed out or whatever, they usually just go to the closest property to Broken Hill and use their yards, which is not really a convenient thing to do.

CHAIR—Thank you for letting us know about that particular project. In Sydney yesterday we heard evidence from the Australian Banking Association which noted an increase in rural indebtedness across the country. That is not unexpected, given the level of drought, but the ABA were arguing that a lot of that indebtedness had not necessarily been as a result of agribusinesses

needing to refinance; in fact they were buying more stuff—buying more land and a little bit of equipment as well. I must admit that evidence seemed a bit strange to me. Is that what has happened with your members or are they basically just holding their own?

Mrs Andrews—I think a lot of us are just holding our own. When you get a situation in this area, a lot of the properties do not change hands very readily. We, for instance, bought the property next door nine years ago. We bought it when the wool floor price dropped out. Luckily, we have a very good bank. Now we are on top of it. I think that if you see that opportunity you have to take it.

CHAIR—Thank you.

Mr NEVILLE—How many graziers do you have in this area? We have evidence that there are only four in the municipality of Broken Hill, but how many do you have in the general area?

Mrs Andrews—I heard a quote the other day saying 300, but I know that we represent about 90.

Mr NEVILLE—Have you ever heard a benchmark figure suggesting what it would cost to do these yards? Are we talking hundreds of thousands, millions or what?

Mrs Andrews—No, no. Maybe \$250,000.

Mr NEVILLE—Is that all? That would then be a spelling yard where transit firms going through could pay a small fee and rest their cattle?

Mrs Andrews—Yes.

Mr NEVILLE—Or, as you say, if graziers have to come and pick up cattle they could be deposited there?

Mrs Andrews—Yes.

Mr NEVILLE—Do you have auctions and cattle sales here?

Mrs Andrews—No.

Mr NEVILLE—What is the nearest sales area?

Mrs Andrews—It would be Yelta.

Mr NEVILLE—In South Australia?

Mrs Andrews—No, just out of Mildura, Victoria.

Mr NEVILLE—That far down?

Mrs Andrews—Yes. In South Australia there are Burra and Jamestown.

Mr NEVILLE—Do you use rail for transportation of cattle?

Mrs Andrews—No.

Mr NEVILLE—Would you if it were available?

Mrs Andrews—I think they did in the past.

Mr NEVILLE—But it has not been done in recent times?

Mrs Andrews—No.

Mr NEVILLE—Do you have a view on this train line from Menindee to the south?

Mrs Andrews—I could see the benefit for the mining industry.

Mr NEVILLE—To change focus a bit, how far out are you for a start?

Mrs Andrews—I am only 34 kilometres out.

Mr NEVILLE—How do the graziers relate to Broken Hill? Do they see it as their service centre?

Mrs Andrews—In the main, I think we do. I think the majority of us do all our food shopping in Broken Hill.

Mr NEVILLE—The kids go to school here?

Mrs Andrews—Some of them do. Most of them who are out on the properties do school of the air. Then you get to the point where they go to high school. A lot of the kids come to a high school in Broken Hill or go away to boarding school. There is only one facility for boarding in Broken Hill, so if they do not have a place there then there is no alternative, if there are no relatives in town, but to send them away.

Mr NEVILLE—Regarding us helping you, what recommendations would you make to us to see you through this economic downturn? What are the things that your industry needs that might be unique that we should mention in our report? You obviously wished to get some message across to us today. What is that message?

Mrs Andrews—Probably that we need assistance for the yards, which we have been after for quite a few years. The stimulus packages have helped to a certain degree already. The main thing with drought is that the EC funding and so on does not get to everyone because we are not all eligible. Things like having our rates paid and dog fence rates paid are across the board, which helps everyone. I think that is a much fairer system. Funding for the transportation of stock is very good too.

Mr NEVILLE—Thank you.

CHAIR—We focused a bit on the spelling yards because it is an interesting, tangible project. Councils have received funding from the federal government for regional and local community infrastructure. Across the country, whether councils have funded projects that they have ownership and management of or sent them to community organisations has varied. Has your group put to council that maybe they could have looked at spending that infrastructure funding on those spelling yards?

Mrs Andrews—We probably were not told of the infrastructure funding.

CHAIR—So it is about knowing that the money is around. I do not know the amount—I doubt that it would be in the area of \$250K—but the council have just received further funding. I do not know what the council are proposing to spend that on; it is a matter for them, but certainly they have recently, within the last two weeks, been informed of some additional infrastructure funding. As a short-term project, with people spelling their stock here, I would imagine they would be doing their shopping or eating here or staying overnight, which would be a boost to the economy although a small one. It would certainly be worth talking to council about that.

Mrs Andrews—I think the grazing industry in the west Darling contributes quite a lot to the incomes in Broken Hill.

CHAIR—I just meant that the spelling yards may boost the economy somewhat—if you have truck drivers stopping over—so it might be a good selling point to council. Is there any further information you wish to provide to the committee?

Mrs Andrews—No, I do not think so.

CHAIR—The secretariat will write to you if there is any additional information that we require. Thank you for taking the time to present before us today.

Mrs Andrews—Thank you.

[11.53 am]

GASMIER, Mr Neville, Coordinator, Far West Community Legal Centre

KELLY, Ms Meg, Tenant Advocate, New England and Western Tenants Advice and Advocacy Service

McILVEEN, Ms Rebecca Ann, Principal Solicitor, Far West Community Legal Centre; Broken Hill Aboriginal Family Violence Prevention Legal Service

WILKINS, Mrs Sherrie, Financial Counsellor, Far West Credit Counselling Service

CHAIR—The committee does not require you to give evidence under oath, but I do need to advise you that this hearing is a formal proceeding of the parliament and as such should be treated with the same respect as proceedings of the House of Representatives. It is also customary for me to remind witnesses that providing false or misleading evidence is considered a serious matter and may be regarded a contempt of parliament. That being said, you are most welcome. Thank you very much for appearing before us today. We heard from the New South Wales Legal Assistance Forum yesterday about some of the issues that community legal services are experiencing across New South Wales, so we are keen to get a view about what is actually occurring on the ground and what your experiences have been across this district. Have you got a brief introductory statement that you would like to make?

Mr Gasmier—On behalf of the New South Wales Legal Assistance Forum and the Far West Community Legal Centre, I thank the committee for the opportunity to give evidence today. The New South Wales Legal Assistance Forum is a CEO-level forum which works to coordinate the development and delivery of legal services to socially and economically disadvantaged people. NLAF works across New South Wales, including rural, remote and regional areas. The Far West Community Legal Centre is a grassroots, not-for-profit organisation that provides legal advice and advocacy services, dealing with the legal issues of people in the far west of New South Wales. We are a Commonwealth funded organisation and provide legal advice and information, provide legal prevention in the form of community legal education and lobby for law reform.

On 30 June, the Attorney-General, Mr Robert McClelland, was quoted in a press release as saying:

Legal assistance services are critical to effective early intervention by helping people resolve problems before they escalate and lead to entrenched disadvantage.

The Far West Community Legal Centre supports the following point of the NLAF submission to the inquiry. Legal problems if not addressed at an early stage can all too easily spiral out of control and have a devastating impact on people who are already socially, geographically and economically disadvantaged. The submission sets out a number of reasons for this being the case. Firstly, certain legal events tend to co-occur. They form either as one issue or lead to another problem—for example, credit and debt issues arising from loss of employment. Some disadvantaged people have an increased vulnerability to certain legal issues—for example,

tenancy and consumer issues. As problems cluster, they of course become more complex and are therefore more difficult and costly to resolve. Secondly, there is a clear link between legal problems and health, including mental health issues. Unresolved legal problems lead to health problems and therefore to increased pressure on public services and cost to government. As a result of the global financial crisis, public legal assistance providers are being confronted with a marked increase in both the prevalence and complexity of legal problems.

The areas in which demand is increasing most significantly include employment law, credit debt and family law. Addressing this need is a particular challenge for the service providers in areas such as Broken Hill, Wilcannia and Menindee, which are characterised by high levels of disadvantage anyway which flows on to the far west of New South Wales. Some of the issues are legal services either do not exist at all in some areas or, if they do, lack capacity both to meet the rising demand for their services and to carry out preventative work through, for example, community legal education, which is relevant for perpetrators of domestic violence.

Legal services in some areas struggle to attract and retain lawyers. The reasons include that the salaries are too low or that there is a lack of infrastructure—for example, education and health facilities—to meet the needs of their families. This is a direct result of centralisation. In fact, well-published American author Richard Florida talks of the reasons behind people relocating to another community and, in part, it is around the infrastructure that supports the lifestyle of the family relocating. Distance, transport and socioeconomic factors can prevent persons accessing assistance. This may mean that outreach clinics or other solutions are needed to reach those people. The recent broadband announcement by the Commonwealth government that includes Broken Hill in the initial stages is a step in the right direction, but there is still more work to be done.

Many disadvantaged people do not know where to seek assistance and often turn to non-legal service providers, such as their doctors, for help. This suggests a need for legal services to partner with health and social service agencies to reach people in need. This is likely to be an especially important issue in remote, rural and regional areas, where non-legal service providers are often a key catalyst for legal information and advice.

We would like to work with the Commonwealth to better address these issues. By working together we can tackle the legal issues that are developing as a result of the global financial crisis at an early stage. We can even prevent some legal issues from occurring in the first place through targeted information delivery to vulnerable persons and to their non-legal service providers. This is particularly the case in remote, rural and regional areas. If this is not done, the end cost to government will be much greater in the long run due to the health implications and social issues; for example, the breakdown of the family structure which can result from unresolved legal issues. The end costs to individuals are likely to be more severe legal problems and more entrenched experiences of disadvantage.

We are legal financial service providers working in Broken Hill. I am the coordinator of the Far West Community Legal Centre in Broken Hill, as I said earlier, and I am joined today by the Principal Solicitor of the Broken Hill Aboriginal Family Violence Prevention Legal Service, Ms Rebecca McIlveen; Ms Margaret Kelly from the New England and Western Tenants Advice and Advocacy Service; and Lifeline counsellor Mrs Sherrie Wilkins. We are seeing the impact of the

global financial crisis in our work every day and we welcome the opportunity to describe to you the issues facing our clients.

CHAIR—Thank you very much for those introductory statements. I would be interested to hear what you are seeing come through your door.

Ms McIlveen—Chair, I have prepared a rough speech. Thank you to the committee for the opportunity to speak. As indicated, I am the Principal Solicitor of the Family Violence Prevention Legal Service, which deals with Aboriginal women with regard to domestic violence. However, for a period of time, for reasons which I will make apparent to the committee, I have also been filling in as the principal solicitor in the community legal centre. My submission to the committee would be that this is as a direct result of the inability of the area to attract suitably qualified solicitors. As such, both of the services have been receiving half the attention and supervision of the principal solicitor that they ought to have been.

In relation to the community legal centre, I have done a review of the statistical information and data there. I can indicate that the community legal centre has witnessed, over the past 12 months, a staggering increase in demand for the provision of legal services and legal advice. The statistical total for the advices pertaining to the broader issues of credit and debt alone provided in the period 1 June 2008 to 30 June 2008 was 57. For the period 1 June 2009 to 30 June 2009, this figure increased to a total of 117 advices provided. That was on credit, debt and related issues only. With regard to that, the centre is staffed by two solicitors, and I am sure the committee can appreciate that that is a significant amount of work for two solicitors.

The credit and debt advices and the financial issues sought to be resolved by these lawyers include repossessions by financiers and abandonment of mortgaged premises by the registered proprietor. We have seen several persons actually just leave premises with chattels still inside the property and we have been unable to contact them to seek further instructions as to what to do. We have had a significant increase in the number of inquiries regarding the rights of individuals to access early superannuation entitlements due to financial hardship. We have seen a significant increase in the number of matters listed in the Sydney Supreme Court possession list, being financier repossessions usually of family residential properties.

We see many clients presenting with legal matters arising out of market decrease in regional and rural property values, in particular in the Broken Hill areas. Many of these clients refinanced and remortgaged when employed, substantially in mining activities, only to be faced with a sharp decrease in the value of their mortgage property, unanticipated unemployment when there were recent closures in the mines, and the consequent inability to service those mortgages. Forced repossession by the financiers has been the result and/or the inability to sell the mortgage property for an amount equal to the mortgage liabilities. In the majority of cases the forced sale has realised a figure substantially less than the amount of the liability. I have also seen, of course, as a direct result of that, an increased amount of enquiries as to personal bankruptcy.

The closure of the Broken Hill CDEP project recently has compounded Aboriginal financial disadvantage and hardship in the area. This has been significantly exacerbated by the difficulty in accessing social security payments due to the lack of knowledge of waiting periods and entitlements. In the Far West region—and that includes the areas that we service, which are Broken Hill and as far as Tibooburra, Wilcannia and Wentworth—there has been a noticeable

increase in inquiries regarding unfair dismissal, workers compensation rights and Work Choices legislation generally. The uncertainty regarding these areas remains significant.

Unemployment rates have risen significantly due to the recent mine redundancies, as previously mentioned, and by the shrinkage of services contingent on mine workers accessing loans. One significant employer in the Broken Hill region has been subject to Workplace Authority investigation for employment contracts—I am talking about individual transitional employment agreements—which did not pass the no disadvantage test under the former government. Those former employees affected have been advised by the government that they will receive compensation and back payments but to date this is pending referral from the Australian government Workplace Authority to the Workplace Ombudsman. One particular case involves an employee whose ITEA did not pass the no disadvantage test and who was then dismissed from employment for taking three consecutive sick days.

The resolution of many legal matters in the area is hampered due to the inaccessibility of specialist services which in non remote areas would run alongside legal service providers. This necessitates travel of clients to intrastate areas—most notably in our case to Adelaide and/or Mildura—of Victoria and South Australia. This necessitates the travel of clients, who often cannot afford it, in order to access complementary services such as medical specialist appointments, insurance and financial advice and non-public legal advice. I am afraid that it is the case in terms of our family law issues that the statistics are not in. But anecdotally, at the end of financial year, I can indicate that there has been at least a 100 per cent rise in terms of public advice and casework handled by the Broken Hill Aboriginal Family Violence Prevention Legal Service. I think that has been necessitated by an increase in domestic violence in terms of the Aboriginal public housing situation and, as I indicated before, the closure of the CDEP.

My real concern is that the inability to attract and retain sufficient solicitors and legal advisers means that there is a real and significant risk of the rule of law being eroded and I have been witness to the extent of social disintegration. It is my personal evidence that I have had clients say to me that they would prefer to be in jail—it is almost considered as a rehabilitation or a time out period—than be in certain areas in the Broken Hill area. That has happened on more than one occasion. Thank you; those are my submissions.

CHAIR—Thank you for providing a detailed snapshot of what is happening to your client base. Obviously we are looking specifically at the impact of the global financial crisis, and some of the issues you have raised, I suspect, are as a result of other issues that are going on—but certainly some are not. Evidence that we had yesterday—and from our own experience of having people come through our electorate offices—is that often people will leave it very late before they seek assistance, certainly if they have found that they cannot meet their mortgage repayments. They battle along and often better outcomes could have been achieved if assistance had been received early. Some negotiation can then happen with the lender if that is at all possible rather than a forced sale. The outcomes are better, hopefully, if that is the case. Is that the experience that you are seeing? Are you seeing people late in the process? What can we do to try and encourage people to seek assistance earlier?

Ms McIlveen—I think that, ideally, the community legal centre would like to be able to provide the public with community legal education to ward off the dire circumstances that we then have to spend a lot more time trying to sort out, as you have indicated. But, because of the

increased demand for services and the lack of ability to retain legal staff, we simply do not have the resources to educate the community as to possible ways to stave off inevitable financial disaster.

CHAIR—Yesterday Genworth Financial, who provide the mortgage insurance for a large proportion of the lending market, appeared before the committee and informed us that they have been exploring the possibility of an industry funded mortgage crisis assistance line. I have some issues with an industry funded service around independence and consumer advocacy, but, having said that, they were talking quite seriously about putting \$1 million or so on the table to provide that. Do you have any views about that?

Ms McIlveen—I think that advice lines are limited in terms of the services that they can provide to our clients. I find that our clients need to be able to discuss their issues with and trust the provider of the service, and to do so on a face-to-face basis. Certainly it is better than nothing, but I would not suggest it is ideal. As I indicated, they would only deal with one part of the issues, but we are seeing social disintegration, family disintegration and mental health issues. If we can assist them with their mortgage on a crisis helpline or the like, it is better than nothing, but it is certainly not going to resolve the totality of the problems that impact these families.

CHAIR—Do other witnesses want to talk about what they are seeing in their services?

Mrs Wilkins—I can just talk about my clients. I am a financial counsellor, so I am the one who sees them when they have hit the wall. They do not pop in before then, usually. I have some stats. In the last six months my case load has gone up 56 per cent. Employed clients have gone up 33 per cent. I usually do not see a lot of employed clients. The number of clients with large utility bills—electricity and gas bills over \$1,000 or \$2,000—has doubled because they are paying their rent before they pay for their utilities. I help with bankruptcy also. Bankruptcy is up 25 per cent and the trend is increasing. I have had five new clients this month and of those four are seeking bankruptcy, so I have one client who thinks there is a way out of their situation.

Clients with mortgage stress have increased by 60 per cent. I have had three clients unable to sell their homes. They have been in debt, but they have had plenty of equity in their homes had they sold them to pay all their debts out. Those three people ended up going bankrupt—there was nothing else they could do. They were lucky. Most mortgage payments in Broken Hill are less than rent. But once you are in arrears with your mortgage you have nowhere to go. I work with it and we try very hard to keep their houses because they are better off keeping their house than going out and renting.

The client base has shifted from being almost totally welfare recipients. The number people who have never approached welfare before is increasing. They have been working in the mine and have never had to approach welfare. They have never known how to go about it and they come in very ashamed and very embarrassed. It is very demeaning for them to come in and get help. My clients have been made redundant from the mine, which you hear over and over again, I am sorry. I have been sitting on a few files and issues and I have heard it.

CHAIR—No, that is fine.

Mrs Wilkins—The options my clients have had include leaving Broken Hill to find work, but they cannot sell their houses. I have known clients who have actually walked away from their houses. Getting a job flying in and flying out is an option but it is also very hard on the family unit, because you can guarantee that when dad flies out something will go wrong. Another option is to stay and seek employment here, but if they stay here they go on Newstart and it does not cover their mortgage payments.

I have also seen an increase in unskilled labourers who work for businesses outside the mine that had subcontracts with the mine and there was not enough work to keep them on. They are the ones to go—not the skilled workers; the unskilled workers. These tend to be younger people between 18 and 25 years old. Most of them have credit card debts and usually a car loan, because that is the age group that has those kinds of things. It is getting harder for my clients as the cost of rent, food, petrol, electricity and essential services is rising. By the time someone on Newstart pays rent, electricity and phone and runs their car, which they feel they need to go job hunting, there is very little money left for food.

I am now facing—and this has been in the last 12 months—clients I cannot help. Their income will not support their outgoings—and they are not wasting money. I have examples to show you just how good people are at making ends meet. I have a client who eats every second day. I have a client who goes to the local clubs here and plays free bingo because she gets nuts and biscuits—while they play, she feeds. Also they win vouchers at the local supermarkets, so there she buys the shampoo and all the flash stuff for her young children, who do not know mum does this.

I have many clients who only eat one meal a day. I have clients who do not go to the doctor because they do not have the money to pay upfront and not all doctors here bulk-bill. They will not or cannot sit for hours at a casualty department at the hospital or they cannot afford the taxi to go to the doctor who does bulk-bill.

I have clients who go to bed at four o'clock in the afternoon in winter to save heating costs, and there is a trend towards people driving around in unregistered cars because if they have been employed, had a car, have lost their job and are on Newstart they get no help with registration and no benefits. They say to me, 'Either I drive a car and look for a job or I can't get a job.' The cycle they are in is that they need the car for employment but they need the employment to pay for the car. Some just take the risk and drive the car unregistered. That is a continuing trend that I am seeing. Of course, I have to advise my clients that it is illegal and that the fine and everything that goes with it is worse than not driving the car, but they have to make these decisions. They have children to get to school or whatever.

My clients suffer depression, stress, marriage breakdowns and violence and these things directly relate back to the financial problems. This is what they tell me, not what I judge from them.

To conclude, in my experience the flow-on effect of the global financial crisis on local families at family level is stress. They are trying to make ends meet. It leads to fear of losing their home, whether it be owned or rented, and fear of having the electricity disconnected. I have people ringing me and crying all the time about this. It is affecting the children, because the first thing mums do is cut the ballet lessons or the piano lessons. They say, 'No, mate, you can't go to

cricket because mum can't afford the uniform.' The children are not playing team sports outside of schools; they are not doing extracurricular stuff that costs mum and dad money. It is really affecting the children in that department, as far as I can see.

There is denial. Parents are going without so that the kids do not know that there are money problems in the family. There is hopelessness. I have people who have never been unemployed and they do not know what to do. They are battling self-esteem issues. They have always worked on the mine, their dad always worked on the mine. They say, 'This is unheard of. I've always supported by family. What do I do now?' And there is anger. I often get: 'How the hell am I supposed to manage on \$400 or so a fortnight?' It is always my fault because I do not give them more than their \$400 a fortnight. There is a lot of anger out there because they just do not know what to do.

That is all doom and gloom but that is how the people are feeling. At the grassroots level of people coming to me, that is what they are going through.

CHAIR—Thanks, Mrs Wilkins.

Ms Kelly—I am Meg Kelly from the New England and Western Tenants Advice and Advocacy Service. Our organisation services the majority of the far western area of New South Wales, encompassing Broken Hill. Late in 2008, 440 employees were retrenched from the mining industry in Broken Hill. A fair percentage of these people had lived in Broken Hill for a number of years and owned their own homes. Broken Hill is unique, as in early boom years most people bought or built their own homes. Outside contractors came to town and bought homes to entice employees to the remote areas. As people integrated with the community, a lot chose to stay, which required them to buy or rent homes. Landlords, on the other hand, juggled the rate rises. A glut of empty houses, once these people had been retrenched from the mine—there was a retrenchment in 1994 and 2008—meant mortgagees' interest went down but the rents stayed the same or rose.

Outside investors from the capital cities came to town and expected the same return in rent for their houses. A three-bedroom house in Melbourne or Sydney would fetch \$400 or \$500. In Broken Hill they were lucky to get \$250 per week. Not many people can afford \$500 per fortnight from their wage before putting food on the table.

Two of the five real estate agents I contacted today have an average of 180 houses for sale around the \$200,000 mark. Twenty-five per cent of these are dual listed with other agents. They have an average of 35 rental houses at around \$170 per week and they are constantly chasing rent arrears. We have one social housing provider, it being Compass Housing Services, and at the moment they manage 105 houses in Broken Hill. They have 16 Aboriginal houses and lease 40 houses through real estate agents.

Compass have 180 people on the waiting list, and the majority of the people on the list are single parents with three or more children, so they require a three- or four-bedroom house. Today Compass has available one three-bedroom house in Wilcannia, one three-bedroom house in Broken Hill and three bedsits in Broken Hill. That is for the 180 people on the waiting list. The average rent for a three-bedroom house through social housing is \$125, while in the private sector rent for the same house would fetch at least \$250, and up to \$380 depending on the

quality of the house. The local Aboriginal land council has 20 properties and manages a further 30 properties in the Broken Hill area. Those properties average \$130 in rent, and they have 60 families on the waiting list.

Broken Hill is a close community, but many tenants are aware that if they fall into arrears they can be black-listed on the tenant database. There is a national list of tenants who have fallen into arrears. Tenants who damage property, are taken to the Consumer, Trader and Tenancy Tribunal and fail to obey the orders can be listed, and—

CHAIR—Ms Kelly, can I interrupt you there. I am just really conscious of the time. We really only have another five minutes and I know that a couple of members have questions.

Ms Kelly—Okay.

CHAIR—Are you able to summarise what you have rather than just read it? It would also be perfectly possible for us to accept your written statement as a formal submission.

Ms Kelly—In Broken Hill people fall behind in their rent all the time. They are always falling behind because they are used to having the mining industry and being employed all the time. All of a sudden they are cut down and are unemployed, but they still have their rent. They fall into arrears and they have trouble catching up on the rent. They need financial counselling and we need more social housing and things like that out here in Broken Hill. There are 180 people on the waiting list.

CHAIR—Obviously the federal government has put some money into social housing. We know there is a massive shortage in terms of properties but we have started to try and put some money in. In my own district some 35 new social-housing homes are being built. There is also a scheme for trying to attract investors to look at building low-cost private rentals. Have any been attracted here, to Broken Hill?

Ms Kelly—Not as far as I know. I have found that social housing in Broken Hill has been going through the real estates because there are not enough properties available. Compass Housing Services is renting out properties through a real estate and a landlord, so repairs or anything else that needs to be done is not being done straight away. Some of these houses are uninhabitable and should not have people living in them. But Compass housing has to go to the real estate, who has to then go to the landlord, to initiate the repairs and get them done.

CHAIR—Thank you. We will look at the figures. Some of the programs, though, are being rolled out across the country, so I would be surprised if there were not any being built here. But it is only a small number.

Mr NEVILLE—I will direct my questions to the lawyers. Do you have a resident magistrate?

Ms McIlveen—Yes, we do.

Mr NEVILLE—Does the District Court meet here?

Ms McIlveen—Yes, it does, and circuit—

Mr NEVILLE—Circuit court, yes. How often?

Ms McIlveen—Usually tri-monthly.

Mr NEVILLE—Does the Supreme Court come here?

Ms McIlveen—No, the Supreme Court does not come here.

Mr NEVILLE—The Family Court?

Ms McIlveen—The Federal Magistrates Court comes from Adelaide.

Mr NEVILLE—Doing actual work or just issuing interim orders?

Ms McIlveen—We do a lot of telephone preliminary matters. Hearings and interim orders can be done here but most of our family law applications are by phone.

Mr NEVILLE—Would the social tension be eased if there were regular visits by the Family Court? In other words, there are probably people who are living under stress and in unhappy arrangements who cannot do anything about it because they cannot afford to travel to Dubbo, Mildura, Adelaide or wherever to have a hearing.

Ms McIlveen—Yes.

Mr NEVILLE—The Family Court does not meet here to hear actual actions?

Ms McIlveen—No. I have a 10-day hearing in the Family Court in Sydney. I cannot get my client there; she cannot afford to attend. So it would assist in that case.

Mr NEVILLE—Do you have one of the new family relationship centres here?

Ms McIlveen—No.

Mr NEVILLE—Have you applied for one?

Mr Gasmier—No. In the initial rollout there was one for Mildura, which is three hours away from Broken Hill.

Mr NEVILLE—I would have thought that, for a hub city like this, it would be almost a given that you would have one here.

Mr Gasmier—I agree, but I raised these issues when the initial rollout was happening and—

Mr NEVILLE—You might argue that there might not be enough work here for a contact centre, but there would certainly be enough for a family relationship centre.

Mr Gasmier—There is a mediation service here that has just been refunded.

Mr NEVILLE—Finally, you mentioned in your evidence about the CDEP that the closure of that service will mean less money in the community. But won't those people go onto normal unemployment benefit?

Ms McIlveen—Some of those persons—certainly this is what I have heard from my clients—were employed through the provisions of the CDEP. It was an unexpected and unanticipated closure. That then caused some difficulty with clients accessing immediate social security benefits. They had to prove past hours worked, et cetera.

Mr NEVILLE—So, some people are in that grey area at present?

Ms McIlveen—Yes. It was actually disadvantageous for them to have part-time employment whilst on the CDEP because in the wash-up of its closure they were not able to immediately access social security services.

Mr Gasmier—I just need to highlight, for the record, that I am not a qualified solicitor.

CHAIR—Thanks, Mr Gasmier.

Mr NEVILLE—Thank you. Because of the shortness of time—I want to confirm what the chair said—I think we should get an individual 2- or 3-page submission from each of you. There is obviously some social disconnect here on a fairly heavy scale. We need to refer to that in our report but in the half hour that we have had it is not enough time to get to the root causes of that. So I would confirm what the chair has said—we should ask each of you to put in a submission—or put in a collective submission with four sections to it—so that we can get a bit of a feel for the problem here.

CHAIR—Certainly, if you wanted to save yourself some work, you have presented your written statements, which we have in *Hansard* but if you want to put those to us as submissions we can accept those now. The secretariat will come around and collect those.

Mr SULLIVAN—I have one question, which I am addressing to Mrs Wilkins and Ms Kelly. If we had been here 15 months ago, how different would your stories have been?

Ms Kelly—Before the closure or the retrenchments in the mine?

Mr SULLIVAN—Yes.

Ms Kelly—It would be a very different story. People lived within their means. When they were in the mine—and they were getting a nice amount of money—people lived within their means. They were renting houses that were worth \$350 a week and things like this. When Perilya took over the mine it brought in outside contractors and some of the young people in town were stood down and then put back on in the mine. They were given the assurance that this was a long-term thing. Twenty-five years ago people were saying, 'The mine's going to close.' Last year when the mines did close some of these people had committed to leases for \$350 a week rent. Then they were unemployed and they terminated leases or got out of leases early on the grounds of hardship. They do not have the security that the mines used to offer.

Mrs Wilkins—Fifteen months ago I very rarely got a client come through the door who was not employed. They could manage their money; they were employed. Now I have them coming through the door employed but they just cannot manage.

CHAIR—Has there been a significant downturn in the number of hours that people are working? If you are still seeing people who are employed, presumably they have had a cut in their income.

Mrs Wilkins—Yes, but I had people who were employed but were either put off or cut back; they had huge debts that match it. It is nothing to have \$30,000, \$40,000 or \$50,000 credit card debts. They were managing until times changed and their hours got cut back or whatever. So that would be the difference. The main difference in my clients—what I see day to day—would literally be that I am now seeing employed people struggling, and 15 months ago it was usually welfare recipients who came to see me.

Mr SULLIVAN—When you say you are seeing employed people, would they be underemployed? Are they people who have got not as much work as they want?

Ms McIlveen—Yes, absolutely. They are underemployed.

CHAIR—I am sorry that we do not have as much time with you as we would have liked. Thank you for providing more in-depth detail to the submission that we received from the New South Wales Legal Assistance Forum yesterday. It is actually very helpful to have evidence on the ground about what is happening. I think the range of people that we have had before us today have provided us with a pretty detailed picture of what is happening in Broken Hill. It has certainly given us lots of food for thought in terms of what we may recommend overall.

Because we are not able to visit every single region in the country, we are not making specific recommendations about Broken Hill or about every region we go to; we want to make recommendations that government can implement that hopefully will be of assistance across regions. I thank you for providing the evidence that you have today. Did you want to provide the written statements that you have or would you like to formalise them in a submission and send them to us later?

Mr Gasmier—I am happy to provide the written statement I have. In closing, thank you for the opportunity. I am mindful of the time. In support of what Sherrie has said, I know that we have spoken about medical care and how that is out of people's reach, but dental is just way out there. Forget dental. People are sitting at home, waiting for their teeth to fall out, because they cannot afford it. By the time they save the money to go see a dentist, the deterioration in their dental hygiene is worse and they cannot afford it anyway.

I have known a person to be employed and to have to drive unregistered the car that she needed for work, because she could not get a registration for three months. She was not eligible. She could not get any assistance from Centrelink, because she was ineligible. She could not get a loan from a bank, because she had not worked for six months or whatever it is to build up a credit rating or a savings history. She was then left to drive her car unregistered. This caused her anguish and stress every time a police car went past or someone came up behind her, but she needed it for her employment. It was a requirement for her employment. That is the reality of it.

CHAIR—Thank you for those examples. We will need to formally move those submissions. We can accept them later—we do not have to accept them now—but can I have a member move that the submissions from the Far West Credit Counselling Service, Meg Kelly and Neville Gasmier be accepted?

Mr NEVILLE—I so move.

CHAIR—Thank you, Mr Neville. We will accept them as exhibits for now. The secretariat will give you the contact details. Please email those to him and we will formalise them as submissions later. Mr Neville has moved that they be accepted.

Mr NEVILLE—If you have a recommendation, would you put what your recommendation is on the end of them? We have not had time to engage with you on what the answers might be. You have given a very good description of the situation.

CHAIR—We have certainly noted the issue that was raised with us yesterday about the need for funding for community legal aid services and for the attraction of solicitors. Thank you very much for providing evidence for us today. The secretariat will be on contact with you with regard to receiving a formal submission from all of you. Thank you for taking the time today.

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

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

Committee adjourned at 12.33 pm