



COMMONWEALTH OF AUSTRALIA

SENATE

Official Committee Hansard

EMPLOYMENT, EDUCATION AND TRAINING REFERENCES
COMMITTEE

Reference: Regional employment and unemployment

THURSDAY, 30 APRIL 1998

BROKEN HILL

BY AUTHORITY OF THE SENATE
CANBERRA 1997

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

SENATE

EMPLOYMENT, EDUCATION AND TRAINING REFERENCES COMMITTEE

Thursday, 30 April 1998

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

Substitute members: Senators Carr and Mackay

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

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

Terms of reference for the inquiry:

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

WITNESSES

BARCLAY, Mrs Diane Joy, Committee Member, Broken Hill Regional Consultative Committee, PO Box 1010, Broken Hill, New South Wales 2880 234

BLACK, Mr Peter Laurence, Mayor, Broken Hill City Council, PO Box 448, Broken Hill, New South Wales 2880 245

HOCKING, Mrs Sharon Lesley, Vice-President, Broken Hill Chamber of Commerce Inc, Argent Street, Broken Hill, New South Wales 257

KING, Mr Robert John, Councillor Mayor, Central Darling Shire, Reid Street, Wilcannia, New South Wales 2836 264

PARKINSON, Mr James, Executive Officer, Far Western Regional Development

Board, 3/142 Argent Street, Broken, New South Wales 2880	219
SIMONS, Mr William, Chairman, Far Western Regional Development Board, Globe Building, Argent Street, Broken Hill, New South Wales 2880	219
THWAITES, Ms Jennifer Langley, Integrated Local Area Planning Officer, Central Darling Shire Council, Reid Street, Wilcannia, New South Wales 2836	264

Committee met at 10.39 a.m.

PARKINSON, Mr James, Executive Officer, Far Western Regional Development Board, 3/142 Argent Street, Broken, New South Wales 2880

SIMONS, Mr William, Chairman, Far Western Regional Development Board, Globe Building, Argent Street, Broken Hill, New South Wales 2880

CHAIR—The committee prefers all evidence to be given in public, but should you at any time wish to give your evidence, part of your evidence or answers to specific questions in camera, you may ask to do so and the committee will consider your request. I point out, however, that evidence taken in camera may subsequently be made public by order of the Senate as has happened in recent years. Do we have a submission? I would like to ask you now to make an opening statement, preferably briefer rather than longer so that we can then have time to ask your questions. Thank you very much.

Mr Simons—Thank you, Senator Crowley. I welcome all the other senators to Broken Hill today. I was fortunate to listen to you being interviewed on the ABC this morning very briefly. Obviously, like everyone sitting in this room, we are all well aware of the problems in regard to unemployment in regional areas. It is not a thing that we do not know about. Everyone in Australia knows about it, but the big question it is: what are we going to do about it? We are willing enough to try to do something about it, but we cannot do it by ourselves. We need governments to support us in our role; not so much give us things, but support us in our role.

I have been involved in local government for 10 years and I have been chairman of the Far Western Regional Development Board for the last three years. I must say it has been a very frustrating time, particularly as chairman of the Far Western Regional Development Board, when one talks to governments about the problems we have. It is not so much a lack of cooperation, but you get only lip service from governments and no action.

We know the problems, but are we going to do something about it or let regional Australia die? Are we all going to live on the coast? Perhaps the best thing for us all to do in regional Australia would be to say, 'Well, the quicker we get on the pension the better. Then the government will have to shift us to the coast and we will live there as pensioners and be the responsibility of the government.' Governments will spend fortunes developing infrastructure on the coast to support this expansion, but spend very little indeed on development in regional Australia where there is huge potential if given assistance by the government. My executive officer has a written submission and he will present that. Thank you for this opportunity.

CHAIR—Thank you. Before we go to Mr Parkinson, you said that you meet governments and they are always good at talking but very bad at delivering. What is the worst thing they do? Do you mean they do not take you seriously; they let things lie on the shelves; they do not give you the money? What is it?

Mr Simons—If you are asking me for a frank opinion on that, I think governments only pay lip service to regional development. I do not think governments are serious about

regional development from a political angle. You all know that the votes are in other places; they are not in regional Australia. This is my own personal view. I do not think governments are serious enough about regional development. I do not have any political party mind there.

CHAIR—The votes are in other places, are they, Mr Simons? It would be a very good line to our inquiry.

Mr Parkinson—There has been a lot said over recent years regarding the problems of the bush, particularly about employment and unemployment in the rural communities. Your Senate committee will no doubt hear a lot about that as you travel around Australia.

We have had so many schemes in the past and they have all been aimed at addressing that high level of unemployment in regional Australia. They have been clouded one way or another with secular interests and political point scoring. In the final analysis, few permanent jobs have been left behind with them. We have trained many people and we have motivated them and in the end there is no job for them. We would like to suggest that that is a cruel deception.

There can be no doubt that we do need labour market programs. We have almost a generation of people in Broken Hill who have lost the skills, but most sadly they have lost the work ethic and the confidence that is required to cut it in the working world today. Labour market programs may create excellent community infrastructure, and they are good for training people, but they rarely leave behind a full-time job. Please do not misunderstand us; we do need the labour market programs to get our long-term unemployed trained and get them back into the way of working, but we have to leave them with a permanent job.

The jobs that we offer them have to be within reasonable striking distance from what they call home. Everybody agrees that, if a person cannot get a job in Bankstown, that they should be expected to go to Parramatta or vice versa. It could easily be argued that they should perhaps go further, but surely people are entitled to work within a reasonable striking distance of their home, particularly where the travel costs are small relative to the earnings that they might make.

Even if it was argued that people should relocate for employment—and I could certainly support that if that was necessary—they should not be forced to relocate to what is more than a day's drive away from their extended family on a day's return trip.

Now Broken Hill has been a remote community and it has been established for 115 years. Broken Hill families represent in some cases six generations, so it really is a close knit community of remoteness. Our closest major community is Mildura, which is a 600-kilometre round trip from here; Wentworth, which is on the way, is still a 520-kilometre round trip; Cobar is a 900-kilometre round trip; Dubbo is a 1,500-kilometre round trip; Sydney is a 2,500-kilometre round trip; and our closest capital city, Adelaide, is a 1,020-kilometre round trip. We have those problems. By the way, those trips are hardly what we would call a day's drive. So we have to be able to create the jobs in Broken Hill or somewhere around near Broken Hill.

I want to talk today about slightly more structural matters than those. We believe strongly in a very simple principle and that is that, if our regional economy starts working, then the population will grow and the jobs will follow. There are a number of realities in this world that are a little akin to the strong getting stronger and the weak getting weaker, or the rich getting richer and the poor getting poorer. Our governments quite logically enact laws that create an acceptable balance in that struggle. We have tax laws and trade practices laws that try to get some equity back into what is happening within those pressures. They make those laws as strong as is necessary to achieve the result.

Centralisation is another one of those realities. It is like getting bigger in a community sense. It is like gravity; it just happens. It does not require any input. It just happens, because when a community has a small population it can support fewer community facilities and when a community has a large population they can support more community facilities. For that reason people want to go where there are community facilities. So as it gets bigger, then naturally there is a tendency for the population to go there.

The economic rationalist theory is that in the name of equity we should spend the same amount of money per head of population in the smaller communities as is spent in the larger areas. They recognise that, because of the leverage of economies of scale, the money spent in the larger areas will achieve a much better result. 'Too bad,' says the economic rationalist, 'It is only fair that if they cannot support themselves, let them die. So be it.' They have heard it all before. The larger communities are getting larger at the expense of the smaller communities. There are no laws or programs to prevent that from happening in the way that we have tax laws to stop the rich from getting too rich and get this balance together. There is nothing to stop this centralisation.

As John said earlier on, we are walking away from valuable infrastructure in Australia. Sydney is growing at the rate of nearly two Broken Hills every year. We are spending community money to build infrastructure for them, but we are walking away from very valuable infrastructure within the regional area.

I certainly want to reiterate what John said before, that only lip service is being given. The reasons are pretty obvious; there are more votes in capital cities than there are in rural Australia, and particularly in remote rural Australia. Money spent in capital cities is electorally leveraged to produce an optimum electoral result. Unless the governments of Australia address this very serious problem of population drift from regional Australia to the major cities, then it is easy to forecast that eventually all the people will live in the major cities. I do not believe, and the Far Western Regional Development Board does not believe, that that is what most Australians really want.

If our country is going to be economically rational rather than economically rationalist, then we are going to have to look at the much longer term. If the same economic rationalist test were placed on the building of Australia's railway system at the turn of the century, we probably would not have one railway in Australia today. Thank goodness our forefathers had the commonsense to put that infrastructure into place.

As politicians, you are well accustomed to spending our money where the votes are. We understand that what we are asking for is really quite complex; we are asking you to spend

some of the money where the votes are not. We do not think that we are asking for an awful lot. We want support that is effective. We want support that will achieve the desired results. It must be effective, regardless of the understandable higher costs due to our remoteness and our smaller communities. In many cases this support does not require substantial funding. In many cases all we ask is that you allow us to do what we do well without undue regulatory or political interference.

There are many examples in our region where development has been delayed or even stopped in the name of cultural or conservation principles. We do not argue about that *per se*; indeed we fully support the absolute imperative for a community to be and to remain just, culturally fair and ecologically sustainable. We do, however, believe there to be many examples where extremist elements have hijacked the debates, the discussions have become focused on the wrong issues and as a consequence delays are caused that eventually hinder or stop development.

If we can achieve realistic sustainable growth in our regional economy our population will grow and the jobs will follow. We are talking about fairness here; we are talking about the right to the same opportunities that are enjoyed by our brothers and sisters in the major cities. If you agree with us that we should have those rights then you will have to accept the higher cost of bringing those rights to us out in regional Australia.

What can we do? We could spend the same amount of money per head of population knowing that it will be totally ineffective and will accelerate the demise of remote communities—but we could justify it by quoting economic equity. We could spend a little more per head in the bush, recognising all the time that it still will not be totally effective but will probably be enough to keep us happy in the short term. This approach will still head us towards economic oblivion; we will just get there a little slower—and this, I suggest, is the current practice. Or we could spend enough to achieve the result. We think that would be a pretty novel sort of idea. If you are serious about decentralisation then you will have to put sufficient resources into it to achieve the result. If you are not serious about decentralisation then we want you to tell us so we can consider what we have to do from there.

We would like to take this opportunity to thank you for coming to Broken Hill to listen to us. We wish you luck in your deliberations. But mostly, we want you to have the wisdom to reach the sound decisions and the courage to act quickly in a bipartisan way to arrest this dreadful blight of unemployment in Australia, particularly rural Australia. Thank you very much.

CHAIR—Thank you, Mr Parkinson.

Senator GEORGE CAMPBELL—You are right, we are not here to discuss what the problems are; we are trying to find some solutions to deal with those problems. From what we have heard in the hearings so far, the problems in regional Australia seem to be remarkably similar. What is also emerging is that the solutions seem to be remarkably similar.

This is a town that was built essentially on the mine. The mine was the driving force for the development of the town and the surrounding location. The mine has reached the end of its life. What other driving forces are there in the region that you believe can sustain

development in this area and that would warrant government funding going into the area? In other words, are there any projects that the board has examined, done feasibility studies on and costed which you are able to put before the committee and say, 'If these things were funded they would lead to sustainability in employment and more jobs?'

Mr Parkinson—We have identified two prime areas. We recognise that the two traditional activities of pastoral activities and mining, even if they do have a resurgence, will never bring the sort of wealth back to the far west of New South Wales and the region that they have in the past. As both of those industries become more and more capital intensive and less and less labour intensive they will not bring the jobs, which is where the wealth comes from. We recognise two opportunities: tourism and horticulture on the Darling River, which is only 110 kilometres away.

With tourism we have a unique advantage in that we are the closest part of the outback to the demographic centre of Australia. We wonder why we only get about one-eighth of the tourists here that the centre gets. A lot of that is about spending money on promoting the place. A lot of people think that Broken Hill is in the outback and that there is nothing here; it is just a backwater. I can assure you there is a lot out here. The only thing we do not have is Ayers Rock. We recognise that as an icon and we cannot compete with that but we have some magnificent national parks—we have four national parks. We have mining heritage and we have art out here. We understand there are more artists making a full-time living in Broken Hill than there are in the city of Adelaide. We have some magnificent products to offer.

We need more money spent on promoting the region as a serious tourism place. We recognise that that would only be a kick-start to get that going. I am a firm believer that the beneficiaries of good tourism—the operators—ought to be the people who should pay for it. We need something done about roads. Our internal road system is absolutely horrible. There are people who cannot—

CHAIR—What do you mean by the 'internal road system'?

Mr Parkinson—I am not talking about the roads to and from Broken Hill. We have a sealed road from Sydney, a sealed road from Mildura which comes up from Melbourne and a sealed road that comes in from Adelaide. But the road north that heads into the Sturt National Park and up to the corner country is only half sealed and the rest of it is pretty well abysmal. Small cars cannot get across because the creek crossings are too steep. A lot of people do not want to drive on unsealed roads. We have no loops; tourists do not like going one way and then coming back the same way. They like to go one way and come back a different way. We have no sealed loops to be able to get to these places. If it rains you cannot get to Mootwingee National Park for another two days because the roads are washed out or impassable. We have enormous difficulties getting a good road system and getting that part of the infrastructure going.

We need promotion, we need roads and we need money spent on private infrastructure, which we realise is not a government responsibility—it is not government's job to build hotels but we will not get that until such time as we can get the road system improved and the internal access part done. By the way, tourism produces about 1,000 jobs in the far

western region. If we could get only 13 per cent of the outback product that goes to central Australia we could double tourism here. It would be a brave person who would extrapolate that to another 1,000 jobs but it is a fairly labour intensive activity and it might create another 600 or 700 or maybe 800 jobs.

Horticulture is the next activity. We have some very good horticulture activity happening around the Menindee area. We cannot expand it because we cannot get sufficient water. Everybody says it is a common problem and we totally agree with that. However, we have a fix for that. We do not want more water; we have a way of being able to save water from evaporation. We could give half that saved water to the environment so there would be more environmental flows. The other half we could sell to the irrigators and that would pay for the cost of putting up the infrastructure. Yet we have continued difficulties not just within the state government of New South Wales but within the Murray-Darling Basin Commission and the whole conservation lobby that seems to be working against us to slow it up. We are working our way through that. I do not want to create the wrong impression. We think we are moving in the right direction but this proposal has been known about for about eight to 10 years and yet nothing has really happened about it. Horticulture could produce another 1,000 jobs in the Menindee area.

CHAIR—Growing what?

Mr Parkinson—Picking grapes, picking apples—the whole lot. Tandou, which is the major irrigator within the area, has produced a report from a very highly regarded economist, Dr Roy Powell, a man who is experienced in doing a wide range of studies on smaller communities, on the economic impact as a result of the growth that might come. He has predicted that if Tandou's developments alone go ahead another 500 jobs will be created. They will do that with 10,000 megalitres of water, and we are talking about saving 60,000 to 70,000 megalitres of water. If we use half of that, we would still have more water than Tandou has.

Senator GEORGE CAMPBELL—I do not want to sound derogatory but, on this question of tourism, everywhere we have gone the regions that we have talked to have said that tourism is a key issue for getting them out of the mess. I wonder where we are going to get all of the tourists from who are going visit all of these various centres around the country. I am just wondering whether or not there has to be a more realistic assessment made in the totality of things—I am not just talking about Broken Hill, but all the regions—about what the realistic expectation from tourism is?

Mr Simons—There are organisations in Broken Hill that have been working towards the closure of the mine for quite a number of years. The Broken Hill City Council has been extremely active in promoting tourism. It employs tourist development officers and quite a substantial amount of the council budget each year goes into promoting tourism. I know where you are coming from—whether there are going be enough tourists around to go to all these places.

One of the things we have been working on at the moment is a wildlife sanctuary here. I do not know whether you have heard about that, but we have done a lot of work with Taronga Park Zoo and Western Plains Zoo at Dubbo on having a wildlife sanctuary here out

at the living desert site. We believe that we have something unique to offer tourists that other places do not have, such as the ecotourism out in this area. For example, Sturt National Park has the biggest congregation of wild animals, if you call a kangaroo a wild animal, in the world and a huge variety of kangaroos. So we have been lobbying extensively with the New South Wales government for funding for the wildlife sanctuary. We have been successful in obtaining some funding under the national heritage funding for a fence around our wildlife sanctuary here to restore native animals that were here prior to European settlement. We have been successful in getting funding for the fence. We have an application in now for funding under the Federation Fund. I believe we have been short-listed with that with the national mining museum; we have a national mining museum application in for federation funding. I believe that both of those have been short-listed with the Prime Minister and it may be that we will have it.

Tourism is not going to replace a mining industry which had the richest line of lode in the world. It was labour intensive and machinery is now taking labour's place. We also have some problems in the biggest mine here. Pasminco are establishing Century Mine in Queensland, which will be the biggest open-cut zinc mine in the world. We all know the exercise in regards to open-cut mines as against underground mining. In the very short term, not the long term, I would see a switch of Pasminco's operation to Century Mine in Queensland.

So we have not got too many straws to clutch onto or too many life rafts to grab. The only thing we have got that other people have not got is the ecotourism side where the wildlife is here in a very small area, whether it be Kinchega National Park at Menindee, the wildlife sanctuary here, Mootwingee, Fowlers Gap or whatever. I believe that we have a unique product that other destinations cannot offer from a tourism point of view. Like Jim has said, it needs to be marketed. Another point we need to make very strongly is that you people are not about hand-outs; it is about the systems or partnerships.

Senator GEORGE CAMPBELL—What type of assistance do you see governments providing or do you believe is necessary from governments to assist you to get a growth environment going in Broken Hill? Is it infrastructure?

Mr Simons—Yes.

Senator GEORGE CAMPBELL—Is it direct grants, is it seed funding; what is it?

Mr Simons—From where we sit it is pretty simple, but from where other people sit it is probably not so. Here you had the richest mine in the world, the richest line of lode in the world, and that put a lot of wealth back in. I know it is history and it is not much good dwelling on it, but that is going. I think it is the government's role to recognise that that is happening. What are they going to do about the region? In Broken Hill today, if you drive around—

CHAIR—Mr Simons, Senator Campbell's question was: what do you want government to do? Do you want them to help job creation, do you want them to seal the roads?

Senator GEORGE CAMPBELL—What I am trying to get to is what sort of assistance do you want? What do you think the responsibility of government is in terms of its input into these regions? What sort of assistance do you think government ought to be providing: public infrastructure, roads, water, rail, seed funding or grants?

Mr Simons—Seed funding would probably be a better way of doing it. I would go along with that. It needs to be a partnership arrangement, but the government needs to understand where there is potential and to seed fund that potential to get it going. This wildlife sanctuary has been one hell of a battle to try and get money here. If we were to get that going tomorrow we would qualify for unemployment benefits, and people could go to Dubbo to get accreditation, where they would be trained under existing schemes, to take the place of where people used to be in the mining industry. They are going to move into tourism, but you need to have some starting point and some seed funding for that to create employment.

Mr Parkinson—If I might add to that: I have a background in the tourism industry. I have had a very, very close look at this region and it is a very unique region. Despite the fact that everybody thinks it is remote in terms of being an outback area, it is actually quite close. Our proximity to that demographic centre and to those two major international gateways is so very important.

CHAIR—I like the line, Mr Parkinson. It is a long way from here to Sydney for you, but it is not far from Sydney to here for them?

Mr Parkinson—Precisely, and it is half as far as going to Alice Springs.

CHAIR—Good line, Mr Parkinson.

Mr Parkinson—Our capital city, the capital city we look to mostly, is Adelaide because it is only 500 kilometres away. The product is definitely unique, there is no question about it. It offers not just the outback but also art, tourism, Aboriginal culture, wetlands, bird life, wildlife and a wide range of products that cannot be competed with in almost every other area. There are people, in answer to your question, Senator, who say, 'Tourism is going to be the saviour.' We do need seed funding on a couple of issues and we certainly need some infrastructure assistance with roads; there is no question about that. But more than anything else we need recognition that we are sitting on a very good tourism product.

Senator GEORGE CAMPBELL—How important is communications, for example? How do you view the prospective privatisation of Telstra and the potential decline in services to an area like this?

Mr Parkinson—Personally, I do not know that there is going to be a decline in services. I am yet to be convinced of that point. I recognise the potential for a decline in services but I do not accept that that is going to happen at this point in time. Certainly, communication is important.

Senator GEORGE CAMPBELL—Are you happy with the level of communications at the moment?

Mr Parkinson—No, I am not; definitely not. We do not have access to all of the high technology that will come through to the regions. We actually have places where it takes forever to get a fax through, because the lines just do not have sufficient quality within them, let alone people wanting to use the Internet. We have people, not just in Sydney but in closer regional areas, who are using the Internet very successfully with electronic trading houses, but we just cannot get access to that sort of thing.

Senator GEORGE CAMPBELL—I will just finish on this point, because I am interested in what your assessment of it is. In talking to some of the other regional development boards around South Australia, what became clear was that they are a very clear example of market failure. The reality is that for most of those towns that we visited, unless there is direct government involvement in those towns, whether it be in government services, public sector jobs, infrastructure or in funding, those towns are going to die. Is that the same sort of scenario for Broken Hill?

Mr Simons—Yes. Like I said, from my mining background, as a community the uncertainty is always there to a great degree. We are trying desperately to establish other industries, but we cannot do that by ourselves. Like I told you, we have an application in for funding for the wildlife sanctuary from the federal government. If we do not receive that funding, that is another good idea and an idea with merit that is going nowhere. The sad part about it is that we hear today about unemployment. Employment opportunities could be presented to those people. The moment that sanctuary gets some sort of green light there will be people out there putting up the fence, there will be people in Dubbo employed—

CHAIR—Mr Simons, I beg your pardon but we are desperately pressed for time. We want to hear as much as we can from Broken Hill. I also apologise because we started a bit late. Could I ask you to really keep your answers as short as possible because the other senators are all waiting to ask questions too. I am going to have to tell them any minute now they will not get a chance.

Mr Simons—I am sorry.

CHAIR—Not at all. Senator Campbell, does that finish your questions?

Senator GEORGE CAMPBELL—I just wanted to reiterate that you have got that list of projects and could you let us have a copy of that please.

Mr Simons—Yes.

CHAIR—Thank you very much.

Senator TIERNEY—My mother-in-law and sister-in-law chose to come to Broken Hill for their holiday this year. They had a great time. I wish my mother-in-law had kept travelling west, actually, but anyway.

CHAIR—That is on the *Hansard* record, Senator. We will see that she gets a copy.

Senator TIERNEY—My mother-in-law does not read *Hansard*. To see the wildlife at the parks off the west, of course.

With regard to the Far Western Regional Development Board, could you just describe very briefly the area you cover, the sorts of things you do and whether there are any other regional organisations or city organisations that are promoting the development of the region as well and, if so, what the relationship is between your organisations.

Mr Parkinson—We cover an area of about 150,000 square kilometres. It encompasses the Queensland border and the South Australian border. It goes down almost to Wentworth, which from the Queensland border down to the end of our region is about 500 kilometres, and it goes about 300 kilometres across. It encompasses Ivanhoe, Wilcannia and Menindee, and it goes up to Hungerford on the Queensland border.

Senator TIERNEY—So, basically, the Western Division?

Mr Parkinson—It is not the whole of the Western Division. The Western Division incorporates other areas. Yes, there are other organisations in Broken Hill: the Area Consultative Council, which has responsibility for regional development. We have a REDO in Broken Hill which is also responsible for regional development. We work as closely as we can together. We do become frustrated with the duplications that occur from time to time.

Senator TIERNEY—That is what I was getting at.

Mr Parkinson—But we do do our best to work together.

Senator TIERNEY—I was wondering what your mechanisms were for doing that. In the Hunter we do not do it very well. On the Central Coast they do it particularly well in terms of making sure they have a central thrust. Do you have any formal mechanism or informal mechanism where all the people who are involved in promoting the region through the HURDO or your board or the chamber of commerce actually get together, particularly if there some issue that is coming up like the loss of jobs or some particular opportunity? You mentioned the wildlife centre, for example.

Mr Parkinson—Yes, we have informal mechanisms to do that. More particularly, we have informal mechanisms or probably slightly even more formal mechanisms to incorporate other regions as well, including Orana in the central west of New South Wales. In fact, we are having a meeting here next week to try to get some unification and some coordinated activity going on and to try to stop some of that duplication that is happening interregionally.

Mr Simons—We are very a close-knit community. Most of the people you will be interviewing today are, in some form or another, involved in the other organisation. So there is very close communication.

Senator TIERNEY—You mentioned that ecotourism is one of your central thrusts. In terms of the way you promote that to people on the coast or just across Australia, what have you got set up so that people know what is out here in terms of tourism?

Mr Parkinson—Very little at this point in time because all we have is the natural product. Very little of it has been developed. We are talking about the wildlife sanctuary. We have some plans, albeit quite embryonic at this stage, to develop some wetlands touring options down on the Menindee Lake system. But, at this point in time, probably the one thing that attracts people to come to the far west is ecotourism already in that people know they will get kangaroos and emus out here.

Senator TIERNEY—If I can use as a benchmark what happens in the Hunter and the Central Coast, they have a promotional video, an excellent one in terms of both areas. Have you got something like that? Are you up to that sort of point?

Mr Parkinson—Yes, we do have promotional videos on tourism and so forth.

Senator TIERNEY—Where do they actually go to so people can find out what there is out here?

Mr Parkinson—The problem is the cost of advertising. We can send them out to other regional development organisations but we would like them to be played on prime time television in Melbourne, Sydney, Brisbane and Adelaide. That was where we would get most of it. But, when you are operating on a budget that does not allow you to buy one thirty-second grab for two or three nights in the whole of those major areas, you just cannot get that. We tried to do magazine coverage. It was \$100,000 to get good magazine coverage on the outback product, which we did last year. But trying to get onto prime time television is very expensive indeed.

Senator TIERNEY—Could I suggest you get in touch with Hunter Valley Tourism at some point—the whole way they are doing it, the way they do training and the way they do promotion.

Mr Simons—I have probably been dwelling too much on this wildlife sanctuary because it is a very passionate thing as far as I am concerned. From the point of view of the Far West Regional Board, we are staying with Broken Hill because we consider Broken Hill to be the regional centre. Our board has regular meetings in other places within the region to identify those regions—what is associated with that. We have had board meetings at Tibooburra, we have had board meetings at White Cliffs, we have been to Ivanhoe, we have been to Menindee and we have been to the other towns in our region to assist them to promote, as well as just Broken Hill and the wildlife sanctuary.

Senator TIERNEY—Okay. You did mention that one of the frustrations, in terms of developing ecotourism, was the lack of sealed roads and the loops. What progress have you made with other authorities, who of course normally build these things for you, in getting that done? Is there any plan to actually do it or any time frame?

Mr Parkinson—We are trying to find out what the 20-year plan might be. That is pretty difficult given the way in which governments are funded because they are really funded on a one-year basis and they are reluctant to even go to three years. But they do have some ideas and the New South Wales government is preparing some advanced plans.

We are trying to get a strategy going. We are assuming that the roads will all be built within 20 years. We want to find out what will be the real cost is, after you add interest on, of perhaps borrowing money and after you save money by not having to maintain a sealed road. What would be the real cost of accelerating that program from 20 years down to maybe eight or 10 years?

Senator TIERNEY—Are you getting a sympathetic hearing on that idea?

Mr Parkinson—We spoke to the New South Wales minister about that quite recently and he asked us to put together some proposals on it. It was a new approach to him; he had not thought of it like that—what is the cost of accelerating it. We are working on that at this point in time, along with a number of other things.

CHAIR—Very quickly. Last few questions, Senator Tierney.

Senator TIERNEY—I want equal time on this. I have a few more questions to ask.

CHAIR—It is not equal, Senator.

Senator TIERNEY—We always made it that way on the previous one.

CHAIR—We cannot have a fight, Senator Tierney. I am trying to give you a hearing.

Senator TIERNEY—I appreciate that.

CHAIR—But we are behind time and wasting it.

Senator TIERNEY—But if the Labor senator asked questions for 15 minutes, I would like to have similar time. How much has been built, in the last three years, of those ecotourism roads?

Mr Parkinson—I could not give you a specific answer on that.

Senator TIERNEY—Is it under way at all?

Mr Parkinson—Yes, it is under way. There is something happening on almost all of those roads at this point in time.

Senator TIERNEY—But it is too long a time frame, as you see it at the moment. With the North Mine shut down in 1993, 500 jobs were lost at that time.

Mr Simons—Disastrous.

Senator TIERNEY—Could you describe what government response was to that at that time? What were the programs that were handling the terrific loss of jobs for this regional economy?

Mr Simons—That is a difficult one to answer, Senator.

Mr Parkinson—I cannot answer that because I was not here at the time.

CHAIR—Would you take that on notice? Would the lady behind like to write that down, and maybe you can make a comment when we call you? Thank you. If you would like to take any question on notice and provide us with any answer or information later, we would be happy to allow that.

Mr Simons—Thank you, Senator.

Senator TIERNEY—Mr Parkinson, you mentioned that a lot of job schemes were set up over the years. The expression you used was, ‘They were a cruel deception.’ Could you just explain what you meant by that?

Mr Parkinson—We think that to train somebody and then to not give them a job at the end elevates their expectations, and we think that, at the end of it all, if there is no job, that is a cruel deception. I need to be careful here because I had a brief from the Far Western Regional Development Board to talk to the document which I addressed. To some extent, even though I use those words in there, that is perhaps my own opinion and maybe I should separate those from the board’s opinion.

CHAIR—You have covered the answer, Mr Parkinson, and you made it very clear: if you create expectation of a job and there is not one there, that is a cruel deception.

Mr Parkinson—Yes.

Senator TIERNEY—In terms of the Department of State and Regional Development—and, of course, regional development is largely a state function—what sort of programs has that department got here for decentralisation or assistance for jobs in any way?

Mr Parkinson—A wide range of programs are operated by the Department of State and Regional Development, most of them based on the regional development funding program. A lot of that was assisted by AusIndustry, which was a federally funded program, and we have received advice of recent times that the AusIndustry program is being stopped. I would have to say that we have not used much of the AusIndustry—

Senator GEORGE CAMPBELL—Through funding?

Mr Parkinson—Yes, through funding. It has been stopped through funding from the federal government. We did not use a lot of the AusIndustry programs out here, but that does not mean that we did not intend to use some of them. It is just another vehicle for funding that we will not be able to use as these opportunities come up.

Senator TIERNEY—You mentioned that there were a number of programs operating under the state—

Mr Parkinson—There is the resources for regional development, which is state funded. I just cannot think of the acronyms at the moment; I cannot even think of the names of them. Essentially, they are programs to either kick-start industry or businesses into the region, and

either they are based on individual assistance given to businesses or they are to create small infrastructure like a small road into an area where three or four businesses might open up. Most of those are state funded, I understand.

Senator TIERNEY—What has been spent in this region on those programs? Have you got those figures? You might want to take that on notice.

Mr Parkinson—If I can take that on notice. The main funding, of course, comes through the money which is paid by the state government to the Far Western Regional Development Board, and we spend that as wisely as we can. We try to spend as little as possible on administration and as much as possible on programs.

Senator TIERNEY—If you could just give me a breakdown by year and amount and the type of expenditure—what is actually spent.

Mr Simons—Senator, to answer your question fairly, you really should have the federal scene involved as well as the state.

CHAIR—If these figures you can get would assist us, Mr Simons, that would be really helpful. Maybe other witnesses can give us more information, and we can certainly seek some from the department. I would just like to hurry along and ask Senator Mackay if she would like to ask one question. I think Senator Carr does too.

Senator MACKAY—We have a submission here from the Broken Hill City Council which indicates that they are very concerned about cutbacks to services in Broken Hill. In relation to employment particularly, in their submission—I will talk to them a bit more—they have said:

. . . recurrent employment subsidies for various positions have also resulted in detrimental impacts on employment.

I hear today that the Skillshare office is closing here, and also that the CES, which Employment National will run, has been cut back from something like 18 people to three or four and that its management will be run out of Mildura. I understand other people in the town regard this as a fairly drastic move and are very concerned about both the social impact and the employment impact. Do you have any views with regard to that?

Mr Simons—I think it is a very important issue, Senator. The cutback in funding—and I am not being political in saying this—has been mainly in the federal government arena. Those things you have spoken about are federal government cuts to this region. The New South Wales government have not cut back in any way, shape or form to what the federal government have. That is an excellent submission by the Broken Hill City Council. Clearly, your views and mine and those of the whole community are being left for dead—if you want to put it in those terms—and that is by the federal government.

Senator MACKAY—Thank you.

Senator CARR—I have listened carefully to your submissions today, and I note that you have not referred to education and the role of education, and particularly what action the

federal government can take to assist the region by direct intervention. I note in the submission we have here that only 20 per cent of the population—this is in the case of Menindee but I presume it has broader application—was qualified in any way. Do you regard education as being an important consideration in these issues and that the Commonwealth could do more to assist people by providing educational facilities?

Mr Simons—I am sorry, I would start off by creating the jobs. The paramount thing is to create jobs. Education is important. I was in Sydney last week at a seminar on training of young people. We are not training young people in Australia any more. Apprentices are not being trained. It is a very sad day indeed for Australia. Education is tremendously important, particularly in today's climate.

We spoke about the horticulture development at Menindee, which is a high-tech industry today. Gone are the days when you planted a tree and hoped that things happened. You have computer technology there. The people that need to be trained there are no longer itinerant workers. They need some sort of TAFE training into pruning the trees or cultivating the plants. Education and training is an extremely important issue, but it is after creating the employment.

CHAIR—I thank my colleagues very much, and I also appreciate that we do not do justice to any of our witnesses since we have to just take the cream off the top. Thank you very much indeed for giving us your contribution this morning. If there is anything further, apart from the questions that we have asked, if you would like to drop us a line, we would be very pleased to get it, but we do not want to put you to the burden of a thesis. Dot points on a piece of paper would be fine. I understand you are going to leave us some work that you have got, Mr Parkinson.

Mr Parkinson—Yes, I have what I presented to you. I actually have that which I can give to you.

CHAIR—That would be excellent.

Mr Parkinson—I was not early enough to give you a written submission beforehand.

CHAIR—That is fine. We are ahead of the closing date. We have jumped the gun in starting our public hearings, because we knew that time would get away from us, and it is so important. Thank you very much indeed.

[11.28 a.m.]

BARCLAY, Mrs Diane Joy, Committee Member, Broken Hill Regional Consultative Committee, PO Box 1010, Broken Hill, New South Wales 2880

CHAIR—I welcome Mrs Diane Barclay. The committee prefers all evidence to be given in public, but should you at any time wish to give your evidence, part of your evidence or answers to specific questions in camera you may ask the committee and the committee will give consideration to your request. I point out, however, that evidence taken in camera may subsequently be made public by order of the Senate, as has happened in recent years. The committee has before it submission No. 29 dated 21 April 1998. Are there any alterations or additions you would like to make to that submission?

Mrs Barclay—No.

CHAIR—Is it the wish of the committee that this submission be received? There being no objection, it is so ordered. Would you now like to make an opening statement and then we will field questions.

Mrs Barclay—Given the change of order of presentation, quite apart from the information that I would have given you, I may have pre-empted some of the questions. So, rather than go back over that ground, I will give you my particular background in contributing to this. That will perhaps allow you to ask questions about matters that may have been dealt with briefly by the previous people who were speaking.

Until two weeks ago, I was the regional manager of the Department of Employment, Education, Training and Youth Affairs for the Broken Hill region. I was involved in the intrinsic plan involved with employment development for this region and labour market adjustment following major retrenchments and, in particular, in leading in and preparing the Commonwealth Employment Service for closure and movement into the private market. Briefly, I will pick up the point that Senator Tierney raised before. That was the major retrenchments in 1993 with the closure of the North Mine.

Senator TIERNEY—I was going to ask you about that. Could you explain it to us?

Mrs Barclay—Yes, because from that point onwards we have the development of our employment development strategy in the formal sense. The then government's response at the time to the 1993 retrenchments was instant, very responsive and very good. We became a major OLMA region and a recipient of that funding. That included the formation of the Future of Broken Hill Task Force to oversee and develop a regional development strategy. That task force had operated successfully with a variety of projects for a number of years until last year when there was the formation of the regional consultative committee and the suggested amalgamation occurred between the two bodies.

We are also very fortunate that we have had the regional economic development organisation formed and that our city council and the Central Darling Shire Council are both actively involved and supportive of regional development. Most recently, Pasmenco has indicated its willingness to become involved in that process and we certainly have a large

number of committed and passionate community members and individuals prepared to have an input into that process. The result is that there is a very specific aim, certainly by the regional consultative committee, that there will be unified efforts from the peak bodies in town so that we are not working against each other. We certainly have some success with that in terms of regular meetings of the executive officers of all of those committees. Specifically, we wish to diversify and expand industry in the region and also to develop value adding, manufacturing and export industries. Following that, we need to educate and train the work force to meet those needs as they occur.

As for specifically addressing the terms of reference of your inquiry with some comments on the effectiveness of LMPs as they have traditionally been delivered in the community in the past and have been particularly involved with the OLMA programs and the long-term strategic development, we have had high levels of effective usage of the mainstream and smaller labour market programs linked to infrastructure and long-term development and, very particularly, in the social and community sense as most of those projects have been based within non-profit making organisations.

I think at this point of time it is sensible to refer to Senator Mackay's comments with regard to community services and social impacts and to draw the differences between the measurement of outcomes of labour market programs in capital cities and in rural and regional Australia. When you have a very restricted and a continually contracting labour market, the requirement to measure program outcomes in terms of real measurable jobs is not realistic. We do not have the ability to have a dynamic labour market. We can only take a mid- to long-term view. Labour market program dollars that are measured on short-term outcomes and results will traditionally be deemed to be ineffective in remote areas and localities. The issues that need to be addressed very specifically in the measurement of program dollars for regions such as ours are in fact the broader issues of social impact and bringing people back within a community framework.

The isolation experienced by the unemployed, particularly long-term unemployed people, is very well measured and established under social impact studies. All too frequently it is not considered when measuring outcomes of programs. Senator Mackay had a short discussion with Pam Clark from Skillshare, and Pam obviously strongly reiterated to you that the biggest outcome that we are able to achieve is social reintegration under those programs. Whilst that is not measurable in a physical job outcome, it is certainly measurable—if one chooses to measure it—under reduced costs with issues such as domestic violence, crime and substance abuse. We have a specific example cited in the paper submitted as part of our submission from Central Darling Shire in the Wilcannia area.

On the broader issue of government funding of regional job creation, I would say the previous funding levels have been good. I would suggest that a lot of that is due to the tenacity of the people who are committed and passionate in lobbying, harassing and being extremely persistent with the person who is controlling that funding and then gaining a lion's share of it. The format is not always appropriate to the mid- to long-term view necessary for regional development and we believe that the need for higher levels of regional input and control of where those program dollars are going is quite critical. In particular, the one—and this once again alludes to the social impact—that was most successful under previous programs was new work opportunity and associated work for the dole ones.

The levels of current regional government funding are inadequate. It cannot be put more bluntly than that. Part of the reason for that and for government cutbacks may well be the hiatus between announced changes and the implementation of changes. In effect, we have been without regional development and program funding on any major level since the January preceding the last election. It is only just beginning to come on stream. That is not good enough for continuity. That is one of the major problems under regional development funding whether it be under this government, the next government, any change of government or any major change of policy.

CHAIR—Have you almost concluded? Would it be possible to interrupt you now and call the senators for questions so that you could perhaps give the rest of your points in answer to questions?

Mrs Barclay—Certainly.

Senator MACKAY—Can I be absolutely clear about that last point. Are you saying there has not been any regional development funding since the January before the last election?

Mrs Barclay—I am saying there has been a severe curtailment, a ‘wait and see’, a delay and a putting off. We had two projects in particular that had been given verbal approval prior to the last election. One was the development of the Broken Hill Enterprise Development Centre and Business Incubator and the other one was the Broken Hill regional bush tucker project. Those two projects have been caught up in the process of government change and have only very recently come on stream and been able to start again.

Senator MACKAY—One would have thought that 2½ years is adequate time for government change to kick in.

Mrs Barclay—One would have thought so; yes.

Senator MACKAY—Particularly with those two projects. I read about the bush tucker one. That sounds great but the incubators are an absolute boon to regional Australia: they have been an extremely effective program. Are both of those being funded?

Mrs Barclay—They are now being funded in the primary sense and they are certainly two projects that need ongoing funding.

Senator MACKAY—You said initially you were the previous regional DEETYA manager. Why are you not still the regional manager?

Mrs Barclay—We do not have regional managers anymore.

Senator MACKAY—There is no regional manager here at all for DEETYA?

Mrs Barclay—No, and that is part of the resourcing and servicing issue. You are quite correct: from a staff of 20, servicing an area of some 120,000 square kilometres and 2½ thousand unemployed persons, the level of service that is now available to Broken Hill

unemployed persons is three people outsourced from Mildura and no remote area servicing to the high Aboriginal populations, and the service contract that has been awarded to Broken Hill covers only some 16 per cent of unemployed people. That is contrary to the announced changes, which primarily said that there would be an expected 600,000 people Australia-wide serviced under the new employment services market tenders which, in ballpark figures, is 60 per cent of the roughly million people unemployed. That would mean that there should be much higher levels of servicing in the Broken Hill region.

Senator MACKAY—How do you determine that only 16 per cent of unemployed people will be serviced under the new regime?

Mrs Barclay—Because under the three levels of employment services market business awarded to Broken Hill there are only some 400 units of business being awarded.

Senator MACKAY—So in terms of FLEX 1 and 3—

Mrs Barclay—FLEX 1, 2 and 3.

Senator MACKAY—So you are including 2 in that?

Mrs Barclay—Yes.

Senator MACKAY—So there are 400 FLEX allocations?

Mrs Barclay—Yes.

Senator MACKAY—How many FLEX 3 allocations?

Mrs Barclay—In ballpark figures, given that I have been removed from that role for the last couple of months, I believe they are around the 200 or 300 mark.

Senator MACKAY—So you have got an unemployment pool of how many?

Mrs Barclay—Two and a half thousand.

Senator MACKAY—That is absolutely appalling.

Mrs Barclay—It is appalling, and one of the traditional questions that we ask in regional Australia is the equity issue in the allocation of government services. The other major factor that that hinges on is the actual measurement of the rate of unemployment, and it is a well known fact, from the ABS through to the Labour Analysis Branch within our department, that the statistical model that is used for calculating unemployment does not hold up for remote, rural and isolated population areas.

Senator MACKAY—Do you think that the change in the access in the new employment services market whereby, in order to qualify for, say, FLEX 3, you have to be registered for unemployment benefit through Centrelink, whereas previously you registered with the CES and then you came on line with regard to access to case management and so on, is going to

have much of an impact in this area? A lot of concern has been expressed about that elsewhere.

Mrs Barclay—I do not think so.

Senator MACKAY—I suppose you have got an access problem to kick off with because you have just lost 17 people out of the CES, for a start, and Skillshare. I am sorry, keep going.

Mrs Barclay—I guess the biggest worry that we have in this cutback of service gets back to the social impact and the very clear links that have been established through every study that you could possibly do that link social problems with unemployment and lack of productivity and self-esteem which goes along with that. Unless you have experienced that and sat down with a Broken Hill miner who has worked for 32 years and been retrenched who says, 'If I had known the job wasn't going to be permanent I wouldn't have started with it,' it is a sad start.

CHAIR—I am sorry to interrupt you, but I have noticed that people are craning to hear us and you. I believe this is the case. I have so far met nobody who can really hear. I wonder whether I could ask you to raise your voice a little. You can feel free to shout. There is no need to get closer to the microphone, but perhaps we could all remember to be a little clearer. People are not able to see our lips, so they cannot back up with lip reading. I am sorry to put that extra burden on you, but I put that on all our witnesses.

Senator MACKAY—In relation to your previous incarnation as the regional manager for DEETYA, what functions were being undertaken that will not now be undertaken as a result of that position going? In other areas, in South Australia, great concerns have been raised. I do not want to lead you, but I am just warning you that a number of people have indicated concern about the abolition of regional manager positions and the downsizing of DEETYA generally. So what sort of things were being done that will now not be able to be done?

Mrs Barclay—One of the primary purposes of that role was labour market adjustment, and certainly that has been the role within our branches of the department for many, many years. Labour market adjustment is quite a critical issue in matching the industries to your work force and vice versa. It is a role in which we have taken a very, very high profile in this region in our ability to gather intelligence at a hands-on level that is particularly relevant and correct. It is not being gathered by once-removed statistical methods that are being extended, it is physically measurable, and our involvement in the community as a whole is that we are able to bring an overview to link our remote towns and our Aboriginal problems with unemployment and the social impact of those issues.

We know our regions intimately. By removing many of the functions, and they are just functions, to Centrelink, which is not labour market orientated and they will not be labour market orientated—one of the things that the regional consultative committees have been asked to do is provide feedback to the government on those types of issues—whilst they have a very talented group of people involved in their communities, the ability to measure the very specific labour market and labour force orientated issues that DEETYA in that original role had no longer exists.

Senator MACKAY—DEETYA had a kind of overarching role in terms of the employment policy as it relates to industry policy, social policy, et cetera?

Mrs Barclay—Yes, and very specifically how they were impacting.

Senator TIERNEY—The briefing notes mention that the unemployment rate out here is eight per cent.

Mrs Barclay—That is a joke.

Senator TIERNEY—I have got the September 1997 unemployment rate as 8 per cent.

Mrs Barclay—That is a joke.

Senator TIERNEY—Well, tell me what the unemployment rate is. I assume that is the official rate.

Mrs Barclay—Yes.

Senator TIERNEY—We all know, on top of the official rate, people are underemployed and drop out of the work force, but I am just confirming that it is slightly under the national average.

Mrs Barclay—I have no argument with the statistical model that is used worldwide, and in fact nationally in Australia, in terms of its definition of what is unemployment. That is the same anywhere, and whilst we will all sit down and state that being employed for one to three hours does not define being employed—

Senator TIERNEY—That applies region to region.

Mrs Barclay—That is right, that is the same everywhere.

Senator TIERNEY—Yes, it is the same everywhere.

Mrs Barclay—I have had long and ongoing discussions with the Labour Economics Branch out of my department. In particular, they develop regional profiles based on the ABS statistical figures. I have seen physical charts on the same page used to define our figures where the number of people in receipt of unemployment benefit and registered as unemployed is twice as high as the statistical figure used to calculate our unemployment rate.

Senator TIERNEY—I realise that. That is a fairly well-established fact. On the briefing notes, the population for Broken Hill at the moment is fairly stable at about 24,000. Given that there are other regions with official unemployment rates a lot higher, I am just asking whether the eight per cent rate is due perhaps to depopulation of the area. Is that because people are moving out of the west?

Mrs Barclay—No. Directly following the 1993 closure of the North Mine, we had quite a number of people leave Broken Hill to seek work elsewhere. We have had a slow increase

in fact since that peak down at some 21,000. I think it is now back up to just under 24,000. The latest population estimates are that that will very slowly grow towards the turn of the century and beyond.

Senator TIERNEY—Could you tell me a little more about the North Mine closure and what happened with the 500? In Newcastle, as you are probably aware, we have BHP downsizing; 2,500 go. At the moment about two-thirds of those have been case managed through to a positive outcome and about a third have not. In terms of the 500 here, and the programs that came into place, could you give us a thumbnail sketch of a profile of what happened to those people?

Mrs Barclay—The immediate profile was that quite a number of the younger retrenchees, that would be the mid-30s and below, those that were able and sufficiently skilled, were relocated. But the general profile of the retrenchees showed a mean age of approximately 40 and it is extremely difficult to place persons in that age group in employment. A few, and I can only say a few, of the number that were retrenched endeavoured to start their own businesses. By and large, a large proportion of them would still be unemployed.

Senator TIERNEY—With the labour market programs at that time of the 1993 closure and what followed in the following year, what sort of job outcomes were you getting?

Mrs Barclay—Not good. You have to consider the whole situation in Broken Hill and the region. The shock of the North Mine closure, and it was an extreme shock, had an extremely severe effect on associated support industry businesses, which contracted likewise, and many persons in those industries also were retrenched.

Senator TIERNEY—I appreciate that. You were the regional manager at that time?

Mrs Barclay—Yes.

Senator TIERNEY—You would have had to report back to DEETYA what the figures were?

Mrs Barclay—Yes.

Senator TIERNEY—What were the figures for the outcomes of the labour market programs that followed that closure?

Mrs Barclay—I cannot remember specifics.

Senator TIERNEY—Can you provide those on notice?

Mrs Barclay—I am no longer in a position to get the material from my department.

Senator TIERNEY—I know, but surely it is etched on your mind?

Mrs Barclay—There has been a lot of water under the bridge since then.

Senator TIERNEY—You do not have any idea?

Mrs Barclay—I can only say to you that, during the first 18 months that followed that closure, the whole of the labour market was severely depressed. It was extremely difficult to obtain outcomes in terms of measurable jobs. Certainly, there were many training or retraining outcomes. By the end of that 18-month period the task force on the future of Broken Hill and Working Nation had come into place. Working Nation, because of the dearth and nature of the funding, enabled us to generate many outcomes. We had a period of some recovery—almost buoyancy—where there was an excess of \$10 million injected into the town over an 18-month period through program funding.

Senator TIERNEY—In terms of the job outcome from that, can you give us just a ballpark figure? Was it under 50 per cent, under 20 per cent, under 10 per cent?

Mrs Barclay—It would be well under 50 per cent; probably under 20 per cent.

Senator TIERNEY—Under 10 per cent?

Mrs Barclay—I cannot give you that level of accuracy.

Senator TIERNEY—What about specific programs like new work opportunities? After people had finished the program, what was the placement rate here?

Mrs Barclay—I will give you an example that is also included in the material. We ran a job skills program for some 90 people in Wilcannia, which is one of our remote towns with a very large Aboriginal population. Placement at the end of that period would have been three permanent and two or three part-time jobs, which we consider is a magnificent outcome, given the location and the level of the labour market.

But more specifically, and once again this gets back to the issue of what is a legitimate outcome in a rural and remote area, prior to the program being placed in Wilcannia the crime rate was extraordinarily high with the court hearing some 100 cases a month, enormous recidivism and arrest rates, to the point—and there is a letter from the magistrate included in the submission—where at the end of the program, which was spread over a period of some 18 months—

Senator TIERNEY—How many were on that program?

Mrs Barclay—Ninety—they were considering closing the police station because there was not enough business to keep them going up there.

CHAIR—I wondered, Mrs Barclay, whether you would be able to provide any slightly more detailed description of that by way of notice to the committee?

Mrs Barclay—I believe there is a submission from the magistrate in our material and I believe there is additional comment made on it with the submission from Central Darling Shire.

CHAIR—Thank you.

Senator CARR—Mrs Barclay, I noticed in the material here that a very large number of people in the region, in fact above the national average, do not have qualifications of any kind. Is it the case that the Commonwealth could do more in terms of its education policies to ensure that there were greater facilities made available?

Mrs Barclay—Yes.

Senator CARR—What sort of things are required?

Mrs Barclay—One of the issues of contraction was the removal of the university facility here, in particular, for mining, geology and metallurgy. We have facilities, expertise and a very, very unique environment for that training, and it had been done here for many years. One of the measurement factors for economic wellbeing is linked to education and the ability to deliver education. In very recent years we have had a small success in drawing back tertiary education to Broken Hill, but certainly not at the level, nor utilising the expertise and the facilities, that we have available.

Senator CARR—Is the same sort of pattern in the TAFE area? Are you noticing waiting lists for people to get into TAFE college here?

Mrs Barclay—The traditional problem that we have with TAFE is that, because we often have smaller numbers, they are severely restricted with the curriculum that they are able to offer. One particular area has been in trades in recent years. We have had a contracting number of apprenticeships available and it has become increasingly difficult for TAFE to offer the relevant courses, many times resulting in apprentices having to study outside Broken Hill.

Senator CARR—Are you noticing any change in terms of retention rates at schools?

Mrs Barclay—Traditionally, retention rates, in particular for Aboriginal students, have been appalling. Whilst we have a number of programs, or have had a number of programs, available endeavouring to address those issues, I believe that the schools suffer the same problems that all of us in rural centres have and that is one of resourcing: consistency of resourcing, the ability to attract relevant committed teaching staff.

Senator CARR—In regard to adult community education, particularly for mature aged people, can more be done there through the Australian National Training Authority, for instance? Is it possible the Commonwealth could encourage more assistance in that area?

Mrs Barclay—We have done a lot to try to attract and encourage and we certainly would welcome any additional levels of funding. We have been very fortunate that we have an adult education centre and a skillshare centre, both of which have been primary in adult education. As you would be aware, the skillshare centre is no longer available; that is a resource that has disappeared as of to date, and they have full VETAB accreditation for delivery of adult education.

Senator CARR—It seems to me that in terms of the social misery index you are painting a very bleak picture for the region. I have no doubt that it is accurate, but I am wondering, if that is the case, what responsibility the government has to assist at a broader level? Is it your experience that governments are not fulfilling their obligations in that regard?

Mrs Barclay—My experience is that the government traditionally tends to isolate the social issues from unemployment. Those of us who are experienced and see it on the ground realise that they are very, very intrinsically linked and that a dollar saved in terms of employment is probably \$10 spent in terms of social bandaging.

Senator CARR—Which university was it that withdrew the—

Mrs Barclay—That was the University of New South Wales.

Senator CARR—Why did they withdraw those particular courses from the region?

Mrs Barclay—I cannot give you that information; perhaps Peter could give you the specific details.

Senator GEORGE CAMPBELL—Mrs Barclay, earlier on in your contribution—I think it was when you were talking about the effectiveness of the REDO—you said you were looking at the development of manufacturing activities, value adding and export industries. Have you identified what those activities are, what those industries are and where the potential is?

Mrs Barclay—We have identified some and we are certainly open to identifying as many as we can as time goes forward. One of the vehicles that we are using quite successfully for that identification and nurturing process is the Enterprise Development Centre and now the incubator as it has come on stream. One of the projects that has commenced at long last is our regional bush tucker project. We have very high hopes for that in terms of value adding and exports, and we have many contacts already within the first three months. We have other projects that we are looking at, such as the mineral and souvenirs project, with a potential to look at development of bullion production and export as well.

There are a number of small industries that have been identified by the Enterprise Development Centre. There is a gentleman who is manufacturing specialist parts for motorcycles, which will never make money if he sells them in Broken Hill but there is a huge market in America for them. It is a case of being on the lookout for those projects.

Senator GEORGE CAMPBELL—Are you getting any government assistance in these areas from organisations like Austrade, AusIndustry or the Department of Industry, Science and Technology?

Mrs Barclay—We are certainly looking at accessing those avenues. We have recognised that the need to cross-fund is there, and our experience is that if you can obtain one small leg of the funding you can attract the second which attracts the third and so on. The bush

tucker project and projects which have been studied and are not yet on line are relatively new. Staff commenced work on the bush tucker project in the last week of January this year.

Senator GEORGE CAMPBELL—But that seems to me a project for which Austrade would be useful in identifying international opportunities.

Mrs Barclay—Yes. One of our very early links with that project was through the New South Wales Chamber of Manufacturers and we have established those linkages, including the central economic zone, in terms of establishing those export outlets.

CHAIR—I have got the job of pushing people along, so I will resist any questions at all. Thank you very much indeed, Mrs Barclay. I think there is some information that we have sought from you and, if anything else occurs that you think the committee should know, we would be very pleased to accept it from you.

[12.05 p.m.]

BLACK, Mr Peter Laurence, Mayor, Broken Hill City Council, PO Box 448, Broken Hill, New South Wales 2880

CHAIR—The committee prefers all evidence to be given in public, but should you at any time wish to give your evidence, part of your evidence or answers to specific questions in camera you may ask to do so and the committee will give consideration to your request. I point out, however, that evidence taken in camera may subsequently be made public by order of the Senate, as has happened in recent years. The committee has before it submission No. 25 dated 16 April 1998. Are there any additions or alterations you would like to make to that?

Mayor Black—No, but I will speak on other matters.

CHAIR—Is it the wish of the committee that the submission be received? If there is no objection, it is so ordered. Fire away, Mr Mayor.

Mayor Black—Firstly, welcome back to Broken Hill. It is always pleasing to see you here. I should also acknowledge John Carter: welcome back to Broken Hill, John. John and I taught together at the old high school way back in the halcyon days of the 1970s when we had 2,300 students. I was the co-federation representative in those days with David Sibbens. He represented the Right and I represented something Left. John was there and they were great times. We were the biggest high school in the Southern Hemisphere, with 2,300 kids.

CHAIR—Mr Mayor, not only is this committee most appreciative of the hospitality of your town and the council but we also very much appreciate your being bothered to come before the committee and give us your own submission and thoughts. That, I think, indicates just how serious this problem is for the local community, and the Senate committee thanks you very much.

Mayor Black—Thank you. Many issues which I would have covered have been covered by others, so I intend to touch on those issues only briefly, if at all. At the outset, let me say that it is a bleak day for Broken Hill. You have covered the issues of Skillshare and the CES. At one time, Skillshare employed 107 people, including part-timers, and was recognised as a lighthouse Skillshare by all sorts of authorities. It has now been reduced to three, as from today. Its programs are therefore much reduced, educational opportunities are lost and, on top of that, the Skillshare personnel remaining have been gagged so they cannot say anything publicly about anything that is happening up there.

The CES has been mentioned. I am informed the CES is going to be moved around to a hole in the wall at the town square. This morning I heard reference to it being run from Mildura. That was my earlier advice, but it is now my understanding that it is going to be operated from Bendigo in Victoria. As well as Broken Hill, the Bendigo office is apparently going to operate Tasmania and 30 old regions in Victoria. So I am not quite sure what sort of access to services the people—especially the unemployed people—of Broken Hill are going to have. Suffice to say it is a bitter blow to the city and it is one that will not be forgotten.

This city, as you are all aware, is a very proud city. We were, for many years, the third city of New South Wales. We go back a long way in history, to 1915. We had a population of 33,000 when Wollongong had a population of five. The fact of the matter is that the A-groupers of Broken Hill are very proud of their birthright and, over the years, they have been more than determined to stand on their own two feet.

CHAIR—Mr Mayor, may I interrupt you for one minute. I just need to get the authority of the committee to allow the television to both photograph and record. I understand there are no objections from the committee. Thank you.

Mayor Black—The subject of the closure of the North Mine has been touched on. There were 503 jobs lost on that terrible day. Three women were included on top of the 500 men to make it gender equal I think, but one never knows what went on there.

Reference has been made to the task force that was established at the time to facilitate events; the transition of the city away from the mining base and into something else. I was fortunate to be the chairman of the task force for the years that it existed. I can assure you that the task force had a lot of runs on the board. You have heard of those runs from Di Barclay, and I do not propose to go over those again.

Suffice to say that my disappointment in Amanda Vanstone's decision not to keep that task force going remains very much in my heart. The task force was a peak organisation of the people of Broken Hill. As well as representatives from the city council, we had representatives on it from the Barrier Industrial Council, the Chamber of Commerce, pastoralists and so on. It was a peak organisation and today we do not have one. The loss was of the then executive officer of the task force, Chris Ellis, who has since been poached by Pasminco. The facts are that her funding was cut off by Senator Vanstone. Again, I would emphasise my disappointment in that terrible decision.

The advice concerning the future of the task force from Amanda Vanstone's office was to somehow amalgamate with the RCC. They have also addressed the hearing this morning. We did try to form some sort of amalgamation, but in simple terms that is an organisation that is primarily involved in education, training and similar things whereas the task force was very much involved in issues relating to infrastructure, the development of alternative real job opportunities and so on.

This morning reference has also been made to population. I agree with Senator Tierney's briefing notes that the population has stabilised at about 24,000. Since I became mayor, I have lost about 4,800, but I think they were all National Party voters, so that does not matter.

Senator TIERNEY—Over what period is that loss?

Mayor Black—From 1980.

Senator TIERNEY—Since 1980?

Mayor Black—Yes. One of the problems that arose out of this was with the New South Wales Department of Planning. I do not wish to say anything adverse about Robert Webster, because we do form funny friendships in the real world and I would regard Robert as one of mine, but his Department of Planning at the time of that North Mine closure came out with a figure that was tragic for Broken Hill. It affected the confidence of the city and it certainly affected investment. One example would be the delay in the construction of Hungry Jack's in Broken Hill.

His Department of Planning came out with a figure of 14,000 people. He came to Broken Hill wearing his mantle of Minister for Planning and Housing. I said to him, 'Do you believe in that figure?' He said no. I gave him one Broken Hill glass and said, 'You go back and get another revision and you will get another glass.' He came back and the Department of Planning came out with a figure of 17,000 by the year 2000, so he got a second glass. Unfortunately, he retired from politics after the result of the last state election, so he still has not got a full set.

But the figure has stabilised at 24,000 and enormous damage was done through those projections, up to and including state government decisions with respect to our hospital, for example. The hospital that is being built today is a brand new hospital for Broken Hill and will be, obviously and pragmatically, inadequate. Under the Greiner regime we had 330 beds at our existing hospital, which included 60 for geriatrics. The geriatric ward beds went down to 270 and at the time of the last state election the number proposed for our hospital was 99. That is one hell of a loss of beds in our local hospital and, again, it is something that was predicated upon that belief as to what the future population of Broken Hill would be.

In terms of the losses that have accrued, reference is made in the submission to those losses. I heard part of what you had to say on the ABC this morning when you were speaking from Port Pirie. I thought to myself that it would be lovely to go back to the old days where I could just pick up the phone, ring our flight services, find out what time your plane was landing and away we go. Of course, we have no flight services. They went to Adelaide and subsequently they were withdrawn from Adelaide to Melbourne.

We lost our electoral offices. I have mentioned the loss in hospital beds. We had three court houses close in the district, enormous losses in the railways and enormous losses when DMR became the RTA. One of the last acts of the previous state government was to close the EPA office in Broken Hill that was manned by one and to operate it out of the Wentworth Shire. This was always a very strange decision to me, because it was proposed that the officer concerned spend two days travelling up to Broken Hill and back down there again, which would leave only three days working.

We had to fight very hard to keep our gaol. Our gaol is fundamentally a facility for Aboriginals which normally runs with about 70 per cent Aboriginals. It caters for Aboriginals as far east as Lake Cargelligo and it is something that we are very proud of. We had to fight for it because it was proposed that it should be closed. You were involved at the time of the campaign for the Budd cars, which was a tragic loss for Broken Hill with pokey trains and similar. That was a decision that should never had been made, but we have lost them and they have never been replaced.

There was mention this morning of the loss of regional development funding. The REDO that was proposed became the ORDO and provided funding for an executive officer but very little funding to do anything else. Perhaps that might be our fault for getting in late and not getting in early under the pre-existing government. Again, it is a fundamental disappointment to me that the regional development funding went, along with the Department of Regional Development. It was something that we had our hats very well hung on.

Small matters like the withdrawal of funds for the dental schemes for our pensioners and so on are a problem. The whole cutbacks in medical funding is a problem for Broken Hill. I notice that members of the Central Darling Shire Council are sitting behind me today, so I will not go into CDEP, except to say that it is not enough to put people in CDEP; you have to have something for infrastructure and supervision to make it work. If you want to make it work as it formerly did, those things have to be put back in.

Last week Nick Minchin sat here discussing the Wik decision. It is funny how things go, because his second cousin, Eric Minchin, was one of my political mentors, if you like. Can I put forward the Wik decision as one example? Last Friday one of our solicitors in town advised a pastoralist not to allow filming to proceed on a particular property. I am totally aghast about this. The Wik decision or lack thereof has meant that we have lost a quarter of a million dollar film proposal near the pinnacles for Broken Hill. It appears that the current film is now in abeyance.

Eight points that were agreed were not passed and it was withdrawn by the federal government. We were simply told that under the legislation the lease in perpetuity is for grazing only and any other use is not to be approved until something happens with a test case at some time, in some place in what will probably be the distant future.

We have had something like 60 major proposals held up in the western division. I can speak as the senior vice-president of the western division. One example is a \$4 million development in grapes at Balranald just walked across a river into Victoria because of the Wik decision. Massive losses like that to the western division really cannot be sustained and everything is being held up until there is some sort of test case about these leases in perpetuity and, in particular, about the change of use of leases in perpetuity in western New South Wales.

They do not have the problem across the border which is why, under the Broken Hill exploration initiative—which has been absolutely marvellous for Broken Hill—there is not one drilling rig on a lease in perpetuity on this side of the border, but in South Australia it is proceeding apace. You will see that there has been enormous public support and interest in the media. There have been articles concerning the Portia and other similar vines across the other side of the border.

Again we find under the Wik decision that mining exploration leases taken out since 1993 have now not been validated. That advice came in part from Justice French before he retired from that position. It is something of huge concern to the community of Broken Hill and the community of the western division generally. I know you are short of time, so I will try and go through things very quickly.

CHAIR—Can I just ask you to back up and give us a little further clarification of what you have just been saying about the impact of the Wik legislation.

Mayor Black—The Wik or the lack thereof. It has been disastrous for us.

CHAIR—So it is the lack of clarification?

Mayor Black—We have had a shotgun club which has operated for many, many years very successfully, but it is on a lease in perpetuity block and that is on the Wentworth Road. You cannot go and shoot your shotguns out there any more—a quite extraordinary thing.

CHAIR—Who has told you you cannot go and shoot out there?

Mayor Black—Government departments of all persuasions, because now the situation is they are leases in perpetuity for grazing. You have the situation at Cobar where an archery club has been closed down, mostly youngsters, because it is on a lease in perpetuity, not on freehold.

CHAIR—It is a question of who is making these decisions. I do not understand—

Mayor Black—To stop these things proceeding?

CHAIR—Yes. Did you raise these with Senator Minchin?

Mayor Black—Yes, indeed.

CHAIR—And he says that is right?

Mayor Black—I do not say that he says it is right. He is blaming the Senate for obstructing the legislation, which he claims would do all sorts of things. He said it here in this chamber in his concluding remarks last week.

Senator CARR—I do not recall any resolution in the Senate to close the archery club down the road.

Mayor Black—I totally agree with you, but departmental people at state government level are saying that these things cannot proceed whilst a decision has not been put in place to validate these things.

Senator CARR—We would appreciate any advice you can give us on that matter to support those issues.

Mayor Black—It is a really terrible and alarming situation.

Senator CARR—Are you able to provide us with any advice, perhaps on notice, as to who has provided you with that advice?

CHAIR—That would be useful.

Mayor Black—We have had meetings in this chamber with the relevant people through the unincorporated area discussions and similar, and the advice in particular is being provided by Mr Peter Walker, who is the Western Lands Commissioner based at Dubbo. I am sure that if the committee was to pursue this matter Peter Walker would provide you with the information about why all these disasters are occurring under the lack of clarity, call it what you will, of the Wik decision.

CHAIR—Mr Mayor, have you almost finished your contribution? I know the senators have got a lot of questions.

Mayor Black—I will just wind up. On the subject of education, one of the best things that the Australian government could do for Broken Hill is to give us back our Skillshare. That is a very simple proposition: just give us back our Skillshare. Why is it that in this day and age, where technology is being spoken about, job generation is being spoken about, they want to virtually gut our Skillshare? It is beyond me. The subject of the university college was raised, and Di Barclay indicated that I might answer the question. On that one, that was 1976-1978 triennium funding; it was Wal Fife, who was the then federal minister for education, who cut back university funding across Australia. Laurie Brereton, who sat on the Kensington University Council at that time, voted to close us down. There was less money for the University of New South Wales, so they voted to close this one down and not really affect Kensington.

That net effect was very interesting because, as Di indicated, and I will just add a bit, the college was basically—I got my degree there—about geology, hard rock mining engineering, hard rock metallurgy and similar. There were only three colleges at that time teaching these things in Australia, and that was Kalgoorlie, Ballarat and Broken Hill. Within two years of the decision to close this college down, the immigration restrictions on those categories were completely lifted because Australia just was not training them any more. It was a nonsense decision.

This college had the highest publication rate per capita of any college in Australia. We had the highest rate of post degrees, if you like, to first degrees of any college in Australia. We had enormous access to local talent that was brought up in the mining tradition and would go on in the mining tradition. Not only did we lose that but we lost another major thing. The college was fundamentally about training men, but we lost registered nurse education as well. We are told we might get it back, hospital based as it was, with the opening of the new hospital.

But I make this point in so far as education is concerned: that hospital represented virtually the only avenue for professional training of women in Broken Hill. We are running out of nurses. We have got nurses today working double shifts and the Lord only knows what else because, simply put, our local girls are not being given the opportunity locally to go into registered nurse education. It is a damning indictment of the system, I believe.

The other area that was mentioned was TAFE. I will just give you one simple example as to what is happening with TAFE. TAFE funds have been squeezed very hard, and the example I am going to give you is hairdressing. We have trained our hairdressers for years here in Broken Hill, but the squeeze has meant that it is now block release to either Adelaide

or Mildura. Of course, people do not have an interest in that sort of thing, so it is not happening.

In so far as what the government could do for Broken Hill, could I just mention four things in terms of infrastructure? We do not beg, we are a very proud city, but these are the ones that I will list for you. The first one is the Outback Mining Hall of Fame. I think that was mentioned in my absence earlier today. Pasmaico is very keen to see this develop. We are very keen to see Centenary of Federation or other funding go into this particular proposition. Last night the city council voted \$50,000 for the estimates of expenditure for the forthcoming financial year as a corporate sponsor of the proposal. I believe that we will have something that will be equal to or better than the Longreach Stockmen's Hall of Fame with this Outback Mining Hall of Fame, celebrating the history of Australia and its mining development, having a focus on Broken Hill as the city that took Australia into the industrial nation that it is today.

The North Common Sanctuary has been mentioned. Suffice to say that that has enormous local support. I do not know that the north-south highway was mentioned. A fortnight ago I was in Canberra, the meeting was actually held in Tim Fischer's office, and I have to say that Tim Fischer on this issue gave me a very good hearing. I believe that with Tim Fischer and Mark Vaile we will get some funding towards this proposal.

You were talking about roads earlier on in this chamber. We have got just over 50 per cent of the road sealed to Tibooburra now. That is state government money largely that is going in. We recognise that in the first year of the Howard government we lost \$150 million from regional road funding, and that hurt the bush quite severely. I could put on my hat as a Local Government Association of New South Wales executive member and a member of the roads and transport committee to discuss what happened to that funding. Suffice to say that the black spot funding at that stage was not new money; it was just syphoned from one bucket into another. The proposal now is to build the next link, if you like, on the north-south highway, which is two bridges across the Diamantina. Bob Brown gave us \$1 million, the Queensland government gave us \$600,000 to put the bridge at Conrick's Crossing across the Cooper at Nappamerrie. That is the proposition now before the federal government, and we would hope that there would be some support for that.

The Coffee scheme is the fourth and the last thing I will specifically mention to the Senate inquiry. The Coffee scheme has been on the board for a long, long time. It is the diversion of surplus Clarence River waters into the Darling. The Broken Hill City Council is totally supporting it, the Western Division totally supports it, successive governments have all said, 'Yes, what a brilliant idea, let's bring out an EIS or something.' There is one particular nervous Nelly that is up there, and his name is Causley, that does want to hear about it because of all the greenies in his backyard.

With respect to private enterprise in Broken Hill, a month ago I was in Taixing in China, which is some three hours, in one of those black cars that travel 160 kilometres, west of Shanghai. We have proposed a lot of joint ventures, and I believe that the entrepreneurs of Broken Hill will be looking at these joint ventures which will, for the first time in Broken Hill's history other than the war years when bombs and bullets were made here at the annexe, provide Broken Hill with a manufacturing base.

A question was asked about the population. When John was teaching in Broken Hill and we had 2,300 kids at the old high school, the nought to 19 brigade by census was 11,400. That has now diminished to 5,800 in 1996. In other words, it was an all but drop of 50 per cent in that age range. There are reasons for it: the big families just do not occur any more and young women are putting off having children in order to buy a mortgage on a house or something instead. It is of concern that that population is dropping. Although the population has stabilised, the only growth area we have in Broken Hill is in the plus 75-year-old brigade.

Finally, a question was asked about Telstra. One of the most outrageous decisions that has been taken by the federal government in communications in recent times is in the digital area. With analog, we can get out 35k, or whatever it is, depending on the hills and so on. With digital, we will be going half that distance. I cannot believe that we have an argument that the technology which is going to be introduced is going to give us a poorer service. That is the upshot of that decision. For the bush it is an outrageous decision. I do not know what that has to do with this particular committee because it is really a communications issue. We would hope that some pressure would be put on to keep the analog system in place as long as possible.

CHAIR—I am not sure that we even need to ask any questions, but my colleagues tell me that there are a few things we need to tidy up.

Senator MACKAY—I only have one. I was about to have a heart attack at the beginning because you said you had recently learnt that Employment National, in relation to the office that will be here, will be managed out of Bendigo.

Mayor Black—That is right. That information has been given to me by our local media and it is one area that I would trust totally as being right. The initial advice that I was given, which was Mildura, is now Bendigo.

Senator MACKAY—You also said that Employment National is going to manage Tasmania out of Bendigo. I am a Tasmanian senator and that is also news to me.

Mayor Black—That is very good. I am pleased to welcome you back to Australia.

Senator MACKAY—We feel a bit like that too. That is why I started this inquiry. You said that Bendigo is going to manage Broken Hill, Tasmania—

Mayor Black—And 30 of the old divisions in Victoria, I am told. I could ask the reporter concerned who has given me that material. He was in the chamber earlier on and I have no doubt he will be back. I will ask him if he could address you privately on the matter.

Senator MACKAY—Thank you very much. That would be great.

Senator TIERNEY—You mentioned on page 1 of your submission the fact that the city is underutilised in terms of the infrastructure and that it could take another 10,000, but in Sydney they keep adding people.

Mayor Black—We are the only place in New South Wales that has no chance of water restrictions. I can promise you that.

Senator TIERNEY—In the Hunter we recently tried to attract an industry out of North Sydney to the Hunter, a distance of two hours away.

Mayor Black—Does anything good come out of the North Shore?

Senator TIERNEY—We are hoping this actual industry would have come to the Hunter but when the business sat down and did the sums on it, there was absolutely no way it would add up for two hours away. I appreciate your sentiments but you face an enormous difficulty.

Mayor Black—There is an argument for the second airport to be built at the Hunter and I think that will become very shortly the policy of the LGA for New South Wales.

Senator TIERNEY—The question then relates to the industries that you are generating yourself in this area, particularly in tourism. A number have been alluded to this morning. Could you give me some idea of how many actual jobs have been created in recent times?

Mayor Black—In tourism officially, I do not know where they get their figures from. I sometimes question the Australian Tourist Commission. Officially, we are getting something like 240,000 tourists annually. The census will tell us that we have 1,100 employed in tourism.

Senator TIERNEY—There are 1,100 direct employees—equivalent full-time employees.

Mayor Black—Yes, equivalent full-time employees. We have 1,100 in tourism as a major industry. We have about 650 left on the line of load, which we are told will diminish to about 600 by the end of next year.

Senator TIERNEY—Could you give us some sense of how that is shifting over time? Obviously, you probably did not have a tourism industry 20 years ago. When did it start and how fast has it grown?

Mayor Black—At the time of the Justice Fisher decision of 1986 there were 4,600 breadwinners on the line of load; today there are 650. In 1986 they produced 2.2 million tonnes of concentrate and last year they produced 2.7 tonnes. That is the influence of technology, computers and all those things that put good workers out of work.

By contrast, in tourism in 1980-83 we were running at 30,000 per year. I was very fortunate to be the chairman of the centenary committee at Broken Hill that worked for three years towards the centenary of Broken Hill in 1983. We managed to get the figure up from 30,000 in 1980 to 100,000 in 1983, a big jump. There was a lot of debate within the community as to whether we wanted tourists or not. Then, of course, subsequently there has been continual slow growth.

Senator TIERNEY—At the end of your submission when you talk about labour market programs you say that the majority of those who participated in labour market programs managed by the council received outcomes associated with raised self-esteem, social interaction et cetera. With the labour market programs of the council, what was the job outcome?

Mayor Black—We ended up taking a few of them on ourselves. I cannot give you a figure. The acting general manager is sitting there behind me. He might be able to supply them to you.

Senator TIERNEY—Could you take that on notice and provide us with those figures, perhaps over the last three years?

CHAIR—You might also look at dot point 7, Senator.

Senator TIERNEY—I will be getting to dot point seven in a minute because that refers to a particular program. That was my next question. With respect to new work opportunities, you had 120 and your figures seem to indicate that you had three full-time, five part-time/casual. Was that employment from the council or was that the total employment outcome for those 120?

Mayor Black—I did not write the submission. Which one are you talking about?

Senator TIERNEY—Point 7, which is half way down page 2.

Mayor Black—Yes, we took on three of them full-time, and five of them part-time.

Senator TIERNEY—Apart from that, did any of the others out of that 120 get jobs elsewhere?

Mayor Black—Yes. I think it is a matter of fact that employers tend to employ people who have a track record of doing something. Whilst there were not necessarily any more jobs created, the people who did participate in those new work opportunities tended to gravitate towards the front of the queue. We did not sack very many of those people employed in new work opportunities and we got some fantastic outcomes, including, for the first ever time, a proper drain in Argent Street. It does not rain very often in Broken Hill but, when it does, it comes down in buckets. So we got an underground drain out of them in Broken Hill.

Senator TIERNEY—Is that when they were working on the program, which was for about six months?

Mayor Black—Yes.

Senator TIERNEY—In total, were there three full-time and five part-time?

Mayor Black—Taken on by the council itself.

Senator TIERNEY—Taken on by the council. None of the others got jobs?

Mayor Black—They would get jobs elsewhere.

Senator MACKAY—It is about the number of participants who gained employment.

Senator TIERNEY—That is what I am trying to ask. What was the number?

CHAIR—I think Mayor Black has explained that he does not have those figures at his fingertips, but he will be able to find them.

Senator TIERNEY—Has someone got it?

Mayor Black—I hope that there would be.

Senator TIERNEY—We do not know what a ‘number of participant’ means. Does it mean two, three, four, five?

CHAIR—If there is any further data that you could provide to the committee, that would be very useful.

Mayor Black—Yes, certainly.

Senator TIERNEY—Yes, if you could provide that.

CHAIR—We are chasing time, so we do need to wind up. That has been of very good assistance to the committee. In particular, I thank you for giving us what you reckon is your rank ordering of high priority government investment. You have heard the questions from Senator Campbell—in particular, earlier—which said, ‘Okay, we see the difficulties, but how can this government or this committee be advised of what is of best assistance to this town—public sector investment in infrastructure and programs so that the private sector can come in on top?’

Mayor Black—I mentioned the infrastructure and I mentioned the educational opportunities.

CHAIR—Yes, you have just done it ping, ping, ping, so we do not even have to ask you any questions.

Senator GEORGE CAMPBELL—If you have some specific projects, we would like to hear about those.

Mayor Black—I will mention those as well.

CHAIR—If there is anything further in that piece of paper you are reading from or the list that you were giving us of jobs or projects that have all closed et cetera, we would welcome any of that further information. We hope we will be able to have your company at lunch.

Mayor Black—I hope I can have yours.

CHAIR—Thank you very much.

[12.40 p.m.]

HOCKING, Mrs Sharon Lesley, Vice-President, Broken Hill Chamber of Commerce Inc, Argent Street, Broken Hill, New South Wales

CHAIR—Welcome. So far everything has been located in Argent Street, Broken Hill, so it sounds like the place to go. The committee prefers all evidence to be given in public but should you at any time request your evidence, part of your evidence or answers to specific questions be given in camera you may ask to do so and the committee will consider your request. I point out, however, that evidence taken in camera may subsequently be made public by order of the Senate, as has happened in recent years.

Would you like to make an opening statement and then we will ask some questions? We are behind time and if you can make that brief rather than longer we would appreciate that.

Mrs Hocking—The people whom I have heard speak before me have covered a lot of the points and they have demonstrated to you what we have to offer in Broken Hill. I am the owner of a small business in Broken Hill and I am here on behalf of the business people of Broken Hill to submit our views to the committee on the issues relating to regional employment and unemployment.

I surveyed a number of the members of the Chamber of Commerce who were host employers for the SES program. I have given you details of that program. It was a pilot program run in Broken Hill. I want to provide you with a summary of their opinions, comments and views on each of the four issues as listed in the documents I present.

There are 240 members of our Chamber of Commerce and there were 47 participants in that program who went to private businesses in Broken Hill. The outcomes are written there. There are various government funded organisations working to promote new industry in our region and there are many businesses working to establish themselves. Both have potential to create more employment in our region. We need to work together, we need government assistance and we need the bucket of money allocated to this region to be topped up to meet the needs of the diverse industries and projects being undertaken to promote employment and the inevitable re-growth of our region. I am saying in my submission that if we do not have business we do not have anyone to provide jobs for Australians. We want the government to help business in Australia and help business in this region.

CHAIR—How do you want government to help business?

Mrs Hocking—By giving us better roads; by helping us with what we have just talked about with the tourism—funding for promotion and advertising. You just heard from the mayor that 240 visitors a year are coming now. We need a lot of funding to help us promote what we have to offer in the future. We need changes to the existing acts, laws and rules and regulations to assist business and help business grow in this region. The one thing that I have commented on here is the fishing. I have a picture that was in the paper of the fishing—the carp. We need the rules and laws changed to enable that to happen in Broken Hill more effectively.

John talked about network contacts. We are unique in Broken Hill. We do not want to compare with what other regions are doing. We know we have a unique product to offer to Australia and the rest of the world and we want to be able to market that to the world to promote our region.

I have asked people from our business community—people who had SES participants work in their business—about the reasons for the high levels of unemployment in regional Australia. I have jotted down the points that the people made.

Senator GEORGE CAMPBELL—Are you actually saying in your submission that you do not want labour market programs of any form?

Mrs Hocking—No, I am not saying that. I am saying that that is what some people said. What I said when I started was that I surveyed a number of members of the Chamber of Commerce who were host employers for the SES program that we ran and these are the comments that they made.

Senator GEORGE CAMPBELL—So this list of items under ‘Possible remedial strategies’ may not necessarily have majority support?

Mrs Hocking—No. That is why I thought, after I had been listening to the other speakers, was it an appropriate document to present to this committee?

Senator MACKAY—Absolutely.

Senator GEORGE CAMPBELL—I do not know, it is very difficult.

CHAIR—This committee is not—

Senator GEORGE CAMPBELL—It is very difficult to get an assessment of what the feeling of the local business community is if we are not too sure whether some of these points have majority support or minority support.

CHAIR—If you were able to provide that for us, Mrs Hocking, that would really be very useful. One thing that is very good about a committee like this is that the wider the feedback we get and the broader the range of problems and solutions that are provided to us the better. We do not expect people to give us only things where everyone agrees. Indeed, it is probably much better when we have some, as they call it, lively debate, but different perspectives.

Can I just ask: of the businesses that you have asked questions of, what sort of size are we talking about: people employing one to three; four to five; up to 10; or any larger than that?

Mrs Hocking—Larger than that as well—a cross-section. I think the list is provided of the businesses who actually took SES participants on.

CHAIR—How many of those businesses would be paying payroll tax?

Mrs Hocking—Of the people whom I interviewed, not a lot, no.

CHAIR—It is one of the things I am interested in. Payroll tax is always listed as one of the big negatives for small business, the majority of whom do not pay it. So I think it is important that we get clear that it is certainly seen as a disincentive for businesses once they get above that size, but for lots of small businesses it is not.

Mrs Hocking—There were people who pay payroll tax on that list, so that is why that comment is there.

Senator GEORGE CAMPBELL—You also have to understand that this is a difficulty in not being able to identify the level of support for these views. What you say is right: payroll tax, award conditions—

Mrs Hocking—They are individual views.

Senator GEORGE CAMPBELL—and unfair dismissal laws are understood to be state controlled, but you then go on to say that they are contributing to high levels of unemployment in regional Australia. Those things have been in existence for a very long time.

Mrs Hocking—I know and I want change.

Senator GEORGE CAMPBELL—But 10, 15, 20 years ago they were not an impediment to employment in regional Australia. Nobody complained in the seventies, for example, when all those three things were in existence.

Mrs Hocking—There was not as much unemployment then though, was there, and there was more money to go around and times have changed, therefore the rules have to change.

Senator GEORGE CAMPBELL—That is exactly the point I am making. In the seventies, those three items existed but no-one said they were an impediment to employment in regional Australia.

Mrs Hocking—But now they are because there is not enough money now and there is not enough profit being made, so you have to cut out the things that are taking the profit so that you can create employment.

Senator GEORGE CAMPBELL—But are they the things that are taking the profit?

Mrs Hocking—People believe that, yes, and that is why it is written there.

Senator GEORGE CAMPBELL—But how many people believe it?

Mrs Hocking—Individuals in our community.

Senator GEORGE CAMPBELL—They are individuals in your community?

Mrs Hocking—Yes I said that. These are individual comments.

CHAIR—Is that your view too, Mrs Hocking?

Mrs Hocking—Yes, it is my view.

Senator GEORGE CAMPBELL—Do you have many practical examples in the town of Broken Hill, for example, where unfair dismissal laws have been a major problem?

Mrs Hocking—Yes; cases that have been a major problem to employment?

Senator GEORGE CAMPBELL—Yes.

Mrs Hocking—Yes, I have examples.

Senator GEORGE CAMPBELL—How many cases have there been in Broken Hill, for example, over the past couple of years relating to unfair dismissal?

Mrs Hocking—I have not been to the courthouse but there are always claims up in front of the courts.

Senator GEORGE CAMPBELL—But you cannot tell us how many?

Mrs Hocking—No, I am not in a position to tell you that. You would like to know that?

Senator GEORGE CAMPBELL—Yes.

Mrs Hocking—I can find that out.

Senator GEORGE CAMPBELL—Right, can you find that information?

Senator MACKAY—Also, whether in the last year there have been many, because nationally there has been a huge drop in the number of unfair dismissal claims in the last year. I am just curious to know whether there is a trend there.

Mrs Hocking—In Broken Hill there are a lot of cases going on right now with Pasminco mining.

Senator MACKAY—So it might be related to that.

Mrs Hocking—It is local, regional—

Senator CARR—You say here that you think that award structures are unable to compete; but what level of wages do you think would make our businesses competitive with, for instance, Asia? What level of wages?

Mrs Hocking—That was not one of the comments that I believed in. We have to have wages but when you are going to compete against—

Senator CARR—That is a big advance!

Mrs Hocking—No, sorry, we have to have awards. Wages too! Yes we have to have awards in place and there are awards in place. The person who made that comment was talking about importing and exporting that makes it difficult.

Senator CARR—The point being that wages in some countries are so low that, surely, if you were going to use that as a criterion we would never be able to compete.

Mrs Hocking—I did not use that as a criterion, I have used it as a comment that somebody made in that response to the question.

Senator MACKAY—In relation to your comments on the CES and the restructuring, you have made a number of points about employers using the CES, et cetera. The CES and skillshare close today in the town and are replaced with, I think, substantially diminished services. How do you think the chamber feels about that? Is it a good thing. Because access to employment services is being severely truncated now.

Mrs Hocking—I believe there are other things that will take their place and there are other things in place. I may have to state what my business is; I am a private employment agent and we have a private employment agency in Broken Hill. I have been in business for 2½ years.

Senator MACKAY—Have you just got funding in the recent tender round?

Mrs Hocking—Yes, we received funding from the NEIS program, which is small business and establishment.

Senator MACKAY—But you do not have FLEX 1, 2 or 3?

Mrs Hocking—No.

Senator MACKAY—The gap may be plugged in relation to NEIS, but it sounds like there is going to be a major cutback with regard to FLEX 1, 2 and 3, all services previously provided by CES and private case managers. Do you have any comment to make with regard to that?

Mrs Hocking—I said in there that 20 per cent of people use the CES to find their employees.

Senator MACKAY—That is in Broken Hill, I assume, is it?

Mrs Hocking—No, that is not in Broken Hill; that was quoted in a NEIS document that I received.

Senator MACKAY—What was it in Broken Hill?

Mrs Hocking—I do not know; Diane Barclay gave you the answers to things like that.

Senator MACKAY—We did not ask her that question—we were probably a bit remiss.

Mrs Hocking—That is who would be able to give you the answers to questions like that.

Senator MACKAY—Traditionally in country towns it is substantially higher than 20 per cent. That is a national figure that has been around. In country towns, where the CES is kind of ‘it’, it is substantially higher generally. You do not know the answer to that?

Mrs Hocking—No.

CHAIR—I really very much appreciate your being bothered to do this and to see what small business can say, because there is no doubt at all that small business provides a very large part of employment Australia-wide. It is interesting because, as I understand it, you are agreeing with what a lot of other people have said earlier today, that for small business to prosper in this town you also appreciate the need for government—state and federal—infrastructure spending and that the government cuts in funding and the removal of lots of services and providers of services does nothing to help this region.

Mrs Hocking—It does absolutely nothing to help this region if you take those things away.

CHAIR—So there is a very large similarity between you from the small business or chamber of commerce area and earlier witnesses who come from a more public area. You are of a similar view. You want to create job opportunities. Before our hearing you actually went to the bother of seeing what people had to say and you got something like a 25 per cent response. Did you say something like 40-plus out of 240?

Mrs Hocking—No, 47 participants in the SES program. I am sorry, I did not make that clear. Forty-seven employers was all I went to.

CHAIR—Out of how many?

Mrs Hocking—We have 240 businesses in our chamber of commerce but they did not all take on participants in the SES program.

CHAIR—I beg your pardon, I am glad I got that clear. Still, this is very useful for us because it is interesting to have a look at a report from both sides on the effectiveness. We have had some people tell us already that some of the work for the dole schemes in this town have been very, very successful. That is quite interesting because some of the other evidence in some of the other parts of South Australia yesterday suggested that not all work for the dole schemes have worked at all. In fact, they have been so bad that they just put them aside and went straight to the job creation programs, although in some funny ways that is what you almost said, is it not? Work for the dole has worked very well indeed and there has been a very big response.

Mrs Hocking—It can work. We are an isolated community in Broken Hill and that is why we all work together. As we said before, we do all work together because we are all here to achieve the same end. We all want our town to prosper and grow, and our region to grow and be the economic capital of Australia maybe one day, especially with the change with mining.

CHAIR—It is interesting to read—as I think the Mayor told us—that something like another 10,000 people could come into this city as is because the infrastructure is already there: the power will flow, the water will flow, the sewerage system can cope and you do not need to spend a dollar.

Mrs Hocking—That is right.

CHAIR—You could welcome 10,000 extra people, as I understand it.

Mrs Hocking—Wouldn't it be wonderful.

CHAIR—The other thing that I got from all of the witnesses in Broken Hill, and which was said to us by one of the earliest witnesses, was that committed and passionate community members are working for the local region. That is a pretty good message to take from Broken Hill—not that some of us needed to be told, but we are very pleased to hear it again. Thank you very much indeed. If there is anything further, the committee would be very pleased to receive it. If it is not a major impediment to your business life to produce some of those answers, that would be very helpful for us. I must receive your submission as an official document. Is it the wish of the committee that the document be received? There being no objection, it is so ordered.

[12.56 p.m.]

KING, Mr Robert John, Councillor Mayor, Central Darling Shire, Reid Street, Wilcannia, New South Wales 2836

THWAITES, Ms Jennifer Langley, Integrated Local Area Planning Officer, Central Darling Shire Council, Reid Street, Wilcannia, New South Wales 2836

Mr King—I have an apology from Councillor Bates, who was scheduled to appear. Councillor Bates is also a deputy chairperson of the Murdi Parki ATSI Regional Council. He is the chairperson of the housing part of the Murdi Parki council. Instead of Councillor Bates, we have Ms Jenny Thwaites, who is council's ILAP coordinator and who was also a part of the jobskills program that we ran in Central Darling.

CHAIR—Thank you very much. I welcome the witnesses, Councillor Mayor Robert King and Ms Jenny Thwaites. The committee prefers all evidence to be given in public, but should you at any time wish to give your evidence, part of your evidence or answers to specific questions in camera you may ask to do so and the committee will consider your request. I have to point out, though, that evidence taken in camera may subsequently be made public by order of the Senate, as has happened in recent years. We have not got a submission from you.

Mr King—No.

CHAIR—Not at this time anyhow. I invite you to make an opening statement. I would ask you also, particularly in the name of your patience for waiting so long, if that could be brief and then senators could put questions.

Ms Thwaites—A lot of what Peter Black and Di Barclay have said has covered some of the aspects for Wilcannia, but we are from a very small isolated community.

CHAIR—Could you just prove one thing for me, Ms Thwaites. You are coming here from the Central Darling Shire Council centred around Wilcannia.

Mr King—Yes.

CHAIR—How far north, south, east and west?

Mr King—The shire is roughly 53,000 square kilometres and covers six communities. Ivanhoe, Menindee, White Cliffs, Wilcannia and Tilpa are the villages in our shire.

CHAIR—Thank you. Somewhere halfway down the road to Broken Hill?

Ms Thwaites—It is 200 kilometres east of Broken Hill.

CHAIR—That is where you are. How far from Wilcannia, back on the road to Broken Hill, does your shire go?

Mr King—Sixty-seven kilometres. Then you move into the unincorporated area.

CHAIR—I am getting a map, but I am just trying to put a wall around the shire. It is big, centred on Wilcannia. Thank you, away you go.

Ms Thwaites—We have a population of about 850 and 70 per cent of our population are Aboriginal from the Baakantji people. Our unemployment rate is around 65 per cent. What Wilcannia or the Central Darling Shire experience can offer here is the social impact that has already been stressed of employment and unemployment.

In relation to your terms of reference, we ran a jobskills program across the Central Darling Shire—and Di Barclay has already referred to this—which employed 90 people. It employed 90 people across the shire, but in Wilcannia we employed 43. As I am sure you are aware, those programs had very large training components and education components in them. They also had the funding to provide an administrative support structure, and that was essential to the program that the shire took on.

I will only concentrate on Wilcannia, because of the time, but we ran projects in permaculture, horticulture, building repairs and maintenance, small business, tour guides and general town maintenance. All of those projects had specific aims to train people for skills that could either be used in employment or around their houses and to hopefully provide them with some sort of skills in self-sustainability. The program that Di referred to had a major impact on the justice system, the legal system, the police, the courts, health and education. The charge rate over a month went from about 100 a month to 10 a month, which has been documented by the then local magistrate. The hospital records show that the health problems related particularly to alcohol abuse dropped. General admissions dropped; school attendance went up. DOCS, from their limited access to the figures, demonstrated that there were less problems with petrol sniffing and family violence. So the overall social impact on our community of just an additional 43 people being employed was staggering. That is in the short term.

I went down to the court to speak to the magistrate about it and there were about five of the people that I had had working for me in jobskills, who said, 'If I was still working, I wouldn't be here.' So they wanted to keep working. There was some scepticism in the first place about whether our community members wanted to work. It was amply demonstrated that they did, and when they did, as I say, all those social benefits were there. I think one of the things that is often not looked at is the cost reduction in that. You have got a federal government that provides the programs, but the state government gets the cost benefits. I think another one of the strongest comments is that we have got a very high number of police. If we can reduce the need for those police, then there is money that can be going into our education system; there is money that can be going into our health system. They are some of the short-term benefits.

In the long term, obviously those sorts of programs cannot continue ad infinitum. What we get out of it is small groups of people with a variety of skills who can look at small business. We are talking about different sorts of small business to Broken Hill, obviously. But now we have a number of people who could set up their own small businesses that would provide probably minimal income but enough to keep them going, and they could

gradually start building on that and possibly then start encouraging some sort of investment from outside sources.

I would like to say that the current work for the dole scheme, as far as I am concerned, having done some work on it for the council, offers nothing compared with what the labour market programs offered. The same sort of funding levels for support structures are not there. The same sort of compulsory training is not there. The thought of three days a fortnight just does not allow for any continuity for people. People see it simply as, 'Oh well, they'll have me digging a hole up one end of town and filling in one down the other end of town.' It does not give people the same sort of increase in their self-esteem that something like jobskills gave. People still look around town and see the walkway they built on the river or the toilets they built out at the cemetery and know they did something that actually benefited their community as well as themselves.

I think another thing I need to cover is that because of our high Aboriginal population we do get substantial amounts of money through ATSIC, through the land council and particularly through the community development employment program. The cuts to ATSIC funding have affected the community development employment program, in spite of what Senator Herron may have said. They have particularly affected the money that can be provided again for recurrent and capital resources to support the actual CDEP places that are there. That has had a marked effect on our community. People who were very proud of the CDEP and the work that it did just sort of feel like they are genuinely now Aboriginal work for the dole participants. It has been difficult to maintain a lot of the pride that people took in what they were doing. Cuts in those areas have a fairly high impact on a community like ours. The same thing applies to the land council, although they are not as directly involved with employment.

Apart from land council and CDEP, the majority of the employers in our community would be government agencies or organisations. You have got the local government, you have got the school, you have got the hospital and health services and DOCS, and you have got the police. So cuts in funding there, as other people have pointed out, do have, again, a direct impact, both directly and indirectly, on the community. Obviously services are cut but also you are losing incomes and you are losing the possibility for people to have their input into the private businesses. It depends on how much time I have, but I could follow through on some of the areas like education and the lack of services that we have. We do not have years 11 and 12.

CHAIR—It may be that, if you would like to conclude your remarks now, senators can ask questions and maybe the information can come forward in answers to questions.

Ms Thwaites—Certainly. We would also probably like the opportunity to supplement it by some written material.

CHAIR—That would be excellent and very welcome.

Senator MACKAY—I just want to clarify something. You said the unemployment rate was 65 per cent.

Mr King—That is in Wilcannia.

Ms Thwaites—Yes, sorry, that is not across the shire.

Senator MACKAY—The unemployment rate in Wilcannia is 65 per cent?

Mr King—It is probably as high as 85 or 90 per cent in the Aboriginal community.

Senator MACKAY—You had the jobskills program. Presumably the funding has gone for that?

Mr King—That was under the previous federal Labor government.

Senator MACKAY—What is there now in Wilcannia?

Mr King—Nothing.

Senator MACKAY—So you have got 65 per cent unemployment and nothing?

Mr King—Nothing.

Ms Thwaites—Currently that is true, other than, as I mentioned, the government organisations and a number of small businesses. A combination of the federal government, ATSI and state government are actually putting money into a coordinated health care trial and redesigning the hospital and the housing infrastructure project. That will be over the next three years, I think, about \$4 million. Again, a large component of those programs will be employing and training local people. But, again, that is going to provide us with an increased pool of people with some skills and nowhere for them to go at the end of those programs.

Senator MACKAY—I spoke earlier about the cut-backs to employment services in Broken Hill as a result of the decisions that are made. How on earth is Wilcannia going to be able to access the diminished services that Broken Hill is going to have difficulty getting hold of? What is there for you? CES presumably provided some services previously.

Ms Thwaites—We have always been covered out of Broken Hill, so that wonderful—

Senator MACKAY—So you are going to be really badly affected.

Ms Thwaites—It is a joke. This whole issue of all the wonderful advertising that is going on at the moment about how the new strategies are going to provide competition and more effective job placement—we have got one person in the CES in Broken Hill to cover an area the size of Tasmania.

Senator MACKAY—So there is one person in the CES in Wilcannia?

Ms Thwaites—No, in Broken Hill.

Mr King—No, they operate out of Broken Hill. They come to Wilcannia two days a fortnight.

Senator MACKAY—That person, presumably, will no longer be going to Wilcannia, with the cut-backs today.

Mr King—It is my expectation that they certainly would need to come to Wilcannia the two days a fortnight for the people to fill in their forms that they need to fill in to claim their social benefits that they currently reside on.

Ms Thwaites—That is the Centrelink people. But the actual CES or Employment National, who used to have a lot of contact, as I say, it was cut from 17 to three covering that area.

Senator MACKAY—Run out of Bendigo. Bendigo and Wilcannia are a long way apart.

Ms Thwaites—Yes.

Senator MACKAY—That is just outrageous.

Senator CARR—Ms Thwaites, you indicated that there was no year 11 or 12 in the town. Is that the case?

Mr King—There is currently year 11 in a cluster, that is, Menindee, Wilcannia and Ivanhoe. The year 11 students currently do telemetrics, that is, they go through the television system. They have a teacher in one community. In mathematics, it is the teacher in Wilcannia and she teaches telemetrics with the kids in Ivanhoe and Menindee. The kids get together about once every eight or 10 weeks in a community so that they can have community interaction.

In the case of Wilcannia, there are only two students doing year 11. Last year, there was only one student, out of a class of 10, who finished year 10 and has gone on to year 11. He is not finding it so difficult this year. I can speak personally of this because last year my eldest lad did year 11 and pulled the pin because he was on his own. This year, my youngest son is doing year 11—he is one of the two students. There is no year 12 in Wilcannia yet. It is hopeful that Warren will go on and do year 12, but I have my doubts as whether he will or not.

Senator CARR—This is perhaps a partial explanation for why only 20 per cent of the population have any qualifications at all. Has this always been the case? Was there a time in the past when educational services were available for years 11 and 12?

Mr King—No.

Senator CARR—You have never had years 11 and 12?

Mr King—No, it only ever went to year 10. I have been in Wilcannia for over 20 years, and it only ever went to year 10. It has only been in the last three or four years that they

have endeavoured to go back as far as year 7 and educate the kids to go on from year 10. I am only talking about Wilcannia, not Ivanhoe or Menindee, because some of their children have gone on to Broken Hill and then done university studies. Once the kids in Wilcannia reach 14½ or 15, their drop-out rate at school is close to 100 per cent.

Senator CARR—One hundred per cent?

Mr King—Yes. The kids see no reason to go to school when they do not get a job.

Senator CARR—How do you measure this? It is an extraordinary proposition you are putting to us. Do you think it would be of any benefit to provide year 11 and 12 to the town?

Mr King—Certainly, my lad and the lass that are doing year 11 this year seem to be going quite okay. They have interaction with the kids from Ivanhoe and Menindee. The kids in Ivanhoe and Menindee at year 11—

Senator CARR—Ivanhoe is 186 kilometres away.

Mr King—And it is 160-odd to Menindee. They sit in a little room that is about the size of a shoe box with a television and a telephone. They talk to one another and the teacher teaches them. That is the way the kids here get their education. It is either that or pick the kids up and bring them into Broken Hill. The end result of that is that the kids do not come back to the communities. Once they go to a major city—whether it is Dubbo, Broken Hill or Mildura—that is where they stay. They do not want to come back to a remote rural community.

The current federal government has this work for the dole scheme. Our council, through its initiation with Bourke Shire, has got together with a whole range of other shires, including Moree Plains, Walgett, Brewarrina, Bourke and Central Darling. We call ourselves the Barwon-Darling Alliance. It covers a huge area.

When the government called for submissions from people on the work for the dole scheme, we estimated originally that we could fill 750 places in the Barwon-Darling alliance. We then cut that back to 500 so that we could make sure that the program was successful. We originally got 50 places. It was an absolute joke. We were asked by the federal government to substantiate the claims for 500 people.

All of these communities and shires have high Aboriginal unemployment. We cannot get Wentworth to join, which still has a high population of Aboriginal people. They are not interested in being a part of it as we are. We thought we justified it quite well. They increased the places from 50 to 100. It was still a joke. The alliance then said that 50 places could go to Brewarrina Shire and 50 to Central Darling. But the way the whole thing has changed now, we will be flat out filling those 50 places.

Because the accent is on people from 18 to 24, we just do not have those people in the community. When a kid gets to 18 or 19 and he wants to go and do an apprenticeship or he wants to get a job in a bank or do something different, he leaves these remote communities.

It is not just in Wilcannia; it is in Ivanhoe, Menindee and White Cliffs as well. They leave those remote communities and go to the cities where these programs are in place. They may well get into a program there or go to TAFE or go on to college or other things but they do not come back to the remote communities.

You end up with a group of people aged between 24 and 36 who are unemployable and they still cannot get on the programs because they are not a part of the guidelines that the federal government has set out. Our argument has been that the guidelines need to be relaxed for remote communities. They may well work perfectly in Dubbo, Broken Hill, Port Augusta, Port Adelaide and Mildura, but they will not work in places like Wilcannia, White Cliffs, Menindee and Ivanhoe.

I am just centering on our town. Remote communities in South Australia obviously have the same problem as we do—you just cannot get the people. The people want to work. I live in the middle of Reid Street in Wilcannia; I walk everywhere. People are always stopping me and saying, ‘When are you going to get another job program so that I can go back to work? I don’t want to sit on the corner boozing. I need some money in my pocket and I just want to get up and go to work each day.’

Ms Thwaites—I really do think that we exemplify the issues of employment and education. Robert has covered fairly effectively the employment side. Regarding the education issues, I used to work in a disadvantaged schools program before I came to Wilcannia so I am well aware of the equity programs that used to be run, which are no longer run, on a federal level. At the state level, we very much face the situation that if your school is not hitting the headlines they do not care. The school system needs restructuring to meet the needs of communities like Wilcannia. Year 11 and 12 would be of some benefit but we are looking at the whole educational issue. We have a large number of Aboriginal kids; we have an education system that was initially designed for white middle-class kids by white middle-class people and that has not changed.

I realise that that is a state issue rather than a federal issue but again I am talking about the equity programs that were cut—not only the disadvantaged schools program but the country areas program and recently the national schools network, which was one of the few remaining reform processes in education in the country. Until those things are actually looked at community by community and the schools are designed to meet the needs of those communities that is going to continue.

CHAIR—We are coming to the end of our time. This committee has been much assisted by your being bothered to come. We have had before us as witnesses a number of mayors and it says a whole lot about how you value your community and the importance you place on the question of unemployment that you, Mr Mayor, and Ms Thwaites should both come.

The story you tell from Wilcannia is probably unlike anywhere else in Australia; it is very, very different. The story of what happens when people can be gainfully employed, offsetting costs of police and everything else, really needs to be shouted in capital letters. A lot of people will say, ‘We know that,’ but if you do know it then why is it that we cannot get the political will to see that happening in the larger story? Over a wide area, it also puts paid to a number of, I suppose you might say, stereotype views that people have about

certain communities. The committee is very appreciative of your being bothered to come today and the evidence that you have given us.

You also could say, 'Well, that's really very nice, Senator, and thank you very much for saying nice things about us but what on earth are we going to do when we go home with the same unemployment and the same challenges facing us?' I would like to assure you that the committee will be looking very hard at that. What is clear to us, and I think it is beyond dispute, is the pain of unemployment, particularly in regional areas, and that each community needs a different perspective in terms of solutions. We will certainly be taking account of what you are saying. Thank you very much indeed for your contribution.

Ms Thwaites, you said that you may want to put some more words on paper and provide them to the committee; we would appreciate that. If the committee can ever assist you in anyway please contact us and I can assure you that we would like to do that for you.

Senator MACKAY—When that information is being put together could you provide us with a bit more information about the cut-backs to CDEP? Could you also tell us how you felt about how the CDEP program works and whether you think there could be any changes or whatever?

Ms Thwaites—Yes, I can do that willingly. I did work for CDEP for a while. In spite of what sounds like doom and gloom the majority of the community actually really do love their town and want to do something. So it is not a case of 'Hey, we just hate the place.' That is why we put so much effort into it.

CHAIR—That is one of the other very strong messages that is coming through to this committee in the very short time we have been having public hearings. People are committed and passionate members of their community. Nobody is coming along here to say, 'Look, we'd strongly recommend wiping out Broken Hill,' or 'We recommend that Wilcannia should be abolished.' Absolutely nobody is saying that; there is a kind of passionate commitment to their local community for all sorts of reasons. They are all very reasonable reasons and this committee is very aware of the significance of regional Australia. So once again we thank you.

Mr King—When the Barwon-Darling Alliance was putting its submission together, and we got all the submissions from all the councils, we made representations to Senator Vanstone's office. We went to Canberra. I did not go, but some of the other mayors did and the senior staff were at the Friday conference, and that is when we got to see them. The level of what people think about country people was clearly demonstrated when one of Senator Vanstone's staffers said, 'To get people trained, you take them out of the remote community, you put them in Dubbo and train them, and then you send them back to the remote community.' The people said, 'You are stupid.' He said, 'I know about this, I lived in Brewarrina for six months.' The bloke would not even know where the post office was in six months. That is coming from Canberra. People in Australia say, 'That mob in Canberra, they live under a bubble and they don't know what the real people are about.'

CHAIR—That is about the kindest description of what they say about people in Canberra, Mr Mayor. They certainly say a few other things too. What you have just said,

even in that little extra bit, is almost the flavour of what this committee is about and I do thank you very much. I hope you can stay and join us for somebody else's sandwiches. There are a few people here, I believe, who wish to come and speak. Does the gentleman from TAFE wish to come and speak?

Mr Kiddy—My name is Brian Kiddy. I am employed by the Western Institute of TAFE, West Cluster, Broken Hill College, as the campus manager.

Mr Butcher—My name is Linden Butcher. I am a truck driver with the New South Wales Roads and Traffic Authority.

Mr Wakely—My name is John Wakely. I am from Queensland and passing through, but I have just done a big tour through all the states and I can talk first-hand about some of these problems.

Mr Kiddy—I have not prepared a submission for the committee, but I would like to indicate TAFE's involvement in the far western area. We cover from the South Australian border to approximately 100 kilometres east of Wilcannia, and from Queensland just about to Dareton on the Victorian border. We are delivering programs in Broken Hill as well as all these areas currently: Menindie, Pooncarie, Wilcannia, Tibooburra, Tilpa, Louth and Ivanhoe; Louth is on a weekly basis.

We have a joint schools TAFE program, a JST program—which the mayor, Mr King from Wilcannia, is aware of—doing hospitality and automotive programs with the schools. Menindie was mentioned earlier in relation to training programs. Viticulture is a booming industry in Menindie and Menindie Central School is teaching with TAFE viticulture as part of its year 10 and 11 programs. Ivanhoe Central School is doing automotive programs, which have suited their needs, and there is a wide variety of programs for years 11 and 12 in Broken Hill itself. Automotive, office administration, child care and hospitality are the main issues in that school.

The TAFE itself has approximately 1,200 students per week attending in a wide variety of areas. Trades are on the downturn in Broken Hill. There are only about two trade classes with approximately 14 or 15 trades being taught in Broken Hill at the present moment in the heavy vehicle/automotive and in electrical/electronic trade areas.

I will make myself available if anybody has any questions they would like to ask on TAFE. That is just a brief rundown. We have about 17 full-time teaching staff and approximately 60 part-time staff plus administration and support staff.

CHAIR—That is really very useful. I will ask each of the other two people to make some comments. Maybe we might even have to challenge you to write a submission for us about some of it, although we are not holding you to that.

Mr Butcher—Firstly, I would like to say that I do not represent or belong to a union. This is a personal dispute between myself and the RTA. On Monday, 20 April—a week and a half ago—I was informed by my works supervisor that, out of the blue, I would be starting an hour earlier than my normal working time and I would be travelling on the Tibooburra

Road—the mayor has recently mentioned the North-South Highway, and how it is approximately 50 per cent sealed and 50 per cent gravel. I was informed that I would travel to Tibooburra for the first two hours outside of working hours and while not being paid.

On the Tibooburra Road in recent times—I would say in the last two or three years—four RTA people have lost their lives in truck crashes, not counting the general public, and on that particular Monday there was rain in the area, and it is continuing now. So I explained to my works supervisor that I felt it was a dangerous situation: that I did not want to put my health and safety in that situation outside of working hours, particularly while not getting paid for it, and that this was not the general rule. We usually start at 7 o'clock in the Broken Hill RTA yard and then travel out to the job, wherever the job may be, but they, in their wisdom, decided to go beyond these rules. I am a truck driver, as I said, but they made me leave my truck and travel as a passenger.

CHAIR—What happened?

Mr Butcher—I have been stood down without pay. This dispute has been going for a week and a half now.

CHAIR—RTA stands for?

Mr Butcher—Roads and Traffic Authority.

CHAIR—Is that the New South Wales one?

Mr Butcher—The New South Wales Roads and Traffic Authority.

CHAIR—So you have actually got a nice, little, old industrial dispute going with the state road transport people?

Mr Butcher—No, I do not have anything to do with the union. This is strictly between myself and the RTA staff salary—

CHAIR—Isn't that called an industrial dispute?

Mr Butcher—Yes, it is. I am sorry to be correcting you.

CHAIR—Not at all. You are quite right in some ways to suggest that perhaps this is not the appropriate place in which to be hearing it, but I still think that if you want to put that on the record that is fine. What you are saying confirms what the mayor said earlier: that some of the jobs you can get around here are tough jobs. As for driving to Tibooburra on an unmade road, how far is it?

Mr Butcher—Approximately 340 kilometres.

CHAIR—There?

Mr Butcher—To Tibooburra; yes.

CHAIR—Do you stay over or do you come back straightaway?

Mr Butcher—Lately we have been taking our caravan there on the Monday and camping during the week, because the areas are so large around here and the job requires that we tow a caravan to the area. We camp from Monday till Friday and then we travel back. This normally happens all during working hours. We start Monday morning at 7 o'clock, then we travel—

CHAIR—It would be inappropriate for us to involve ourselves in your dispute with your employer. That properly belongs between you and the employer.

Senator CARR—Would it be a good idea for your union?

Mr Butcher—I did want to join the union when I first was employed by the RTA, but I was denied the right to be a union member in Broken Hill, to join a Broken Hill union. I was informed that the only union I could join was in Tamworth—I am not sure of exactly the area. Because I was denied the right to join a Broken Hill union, I did not join a union.

CHAIR—Mr Butcher, that certainly does not sound easy for you. As I have said, though, I think it is not appropriate to take any further discussion on that dispute that you have with your employer.

Senator GEORGE CAMPBELL—That sounds extraordinary.

CHAIR—But I also think that your contribution is welcome, particularly in terms of the tough nature of some of the jobs around here. Thank you for that. If I can ask you, Mr Wakely, to speak—in three minutes.

Mr Wakely—Thank you for allowing me to appear. I have a very broad background of interest in public affairs, social security, social welfare, the environment, Aboriginal reconciliation, national trust and much more. Having said that, I have visited right across the board these sorts of things and I do speak for senior citizens also.

For example, at Mildura I looked at their homestead, looking from the National Trust history point of view, and then I observed the wood carvers there and talked with them. That is what I do. I talk with people who run these places. I observe closely. This is the message. With these fellows, all older guys like me, the story is that one after the other, when you go into museums and all sorts of places, they are voluntary workers. They have great skills. They are maintaining the things that are proudly called the tourist industry that brings a quarter of a million people into an area that makes Mildura a much more affluent place, and so it goes on for very small towns and places.

The message that I would like to say is that there are jobs for the young people here. The skills of these old people are going to be totally lost. I say that this is where the government is remiss. You talk about training schemes. I am well aware of these training schemes. They tend to be useless. They are jobs of short term. I am talking about forever and I am talking about sustainability. What I am suggesting is that these people who work in these areas demonstrating the skills—I have not been to Swan Hill this trip but I have in the past, and

you would go to the foundry and you would learn what the blacksmith does. But you go to another little town and you have got a wonderful display but there is nobody working in the blacksmith's shop.

What I am saying is that this is where young people could be taught by mature people who have got those skills and it should be done on a permanent basis. I say the government should get behind that. In that way they would be supporting the lady who talked from small business that this could be small business, teach them the skills. The skills will be kept. The old people there should be given some sort of pay. It is quite ridiculous. Incidentally, I helped set up the welfare rights centre in Brisbane; and when I make that point, one of the first points I made was that volunteers do not all come from the upper middle class. I came from the bottom of the barrel like the lady over here talking about Aborigines. I know them well. I have worked for the largest organisations in Australia and the three levels of government. I worked in responsible positions and I even got up to university standard and some university study. So I am well qualified.

CHAIR—Your point is a very interesting one indeed. Maybe you should take lunch with Mr Kiddy and talk about it. Sometimes we have the opportunity to put people together who otherwise do not get together and do not have the opportunity to share. We have heard a lot about youth unemployment and it is shockingly high. A concern for the committee is that, if people at the age of 15 through 25 or so, never have work experience, then they are actually set back by a very significant amount for the rest of their lives.

We have also heard about people around 45 or 50 who are losing their jobs and are not in the habit of being trained; they have not gone through a training program when they went into the work force. It is tough on them because they need to be retrained to new work that is out there. Many of them, of course, are left on the scrap heap from 45 on. We have also heard about many older people, older than 45, who have a large corporate experience, a lot of life experience, a lot of skills to pass on, but there is no real opportunity for many of them to participate or feel as though they are contributing.

The points you make are really very humanising, very important and very telling. I rather like your suggesting to us not to think that volunteers only come from the middle class. There are volunteers from every level of society, and people who have battled to make it in this world have still got a lot to offer in the volunteer way.

I thank you all very much for your contribution to our public forum today. This committee now should stand adjourned. I am not sure whether I am entitled to ask you all to enjoin us for lunch, but why not. Thank you very much, Hansard.

Committee adjourned at 1.35 p.m.