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SENATE

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EMPLOYMENT, EDUCATION AND TRAINING REFERENCES COMMITTEE

Reference: Regional employment and unemployment

TUESDAY, 18 AUGUST 1998

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SENATE

EMPLOYMENT, EDUCATION AND TRAINING REFERENCES COMMITTEE

Tuesday, 18 August 1998

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

Substitute members: Senator Mackay

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

Senators in attendance: Senators George Campbell, Crowley, Stott Despoja, Synon 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

BLECHYNDEN, Mr Kenneth John, Consultant, Albany Employment Development Committee, Frederick House, Frederick Street, Albany, Western Australia 6330 1433

DINNIE, Mrs Barbara M., Past State President, Country Women's Association of WA (Inc.), 1174 Hay Street, West Perth, Western Australia 6005 1488

DOCKERY, Mr Alfred Michael, Consultant, South Metropolitan Development Organisation, PO Box 1251, South Perth, Western Australia 6151 1405

FRY, Mr Shon Richard, Manager, Armadale Kelmscott Job Link, 5/112 Forrest Road, Armadale, Western Australia 1423

GETHING, Mrs Joan Anne, State Finance Officer and Rural Information Service Coordinator, Country Women's Association of WA (Inc.), 1174 Hay Street, West Perth, Western Australia 6005 1488

GLASS, Mr Geoffrey, Executive Officer, South Metropolitan Development Organisation, PO Box 1251, South Perth, Western Australia 6151 1405

HILLMAN, Ms Louise, Member, Albany Employment Development Committee, Frederick House, Frederick Street, Albany, Western Australia 6330 1433

HITCHINS, Ms Kerry, Regional Employment Development Officer, Western Australian Department of Training, 11 Pinjarra Road, Mandurah, Western Australia 6210 1453

JONES, Mr Christopher Robert, Manager, Regional Development Branch, Western Australian Department of Training, 151 Royal Street, East Perth, Western Australia 6004 1453

KENYON, Professor Peter Damian, Director, Curtin University Institute for Research into International Competitiveness, on behalf of the South Metropolitan Perth Regional Employment Organisation, PO Box U1987, Perth, Western Australia 6845 1405

KIESEY, Ms Anne Marie, Regional Employment Development Officer, Western Australian Department of Training, PO Box 863, Karratha, Western Australia 6714 1453

McMAHON, Mr Barrie Horten, Manager, Vocational Education and Training in Schools, Education Department of Western Australia, 151 Royal Street, East Perth, Western Australia 6004 1480

NICHOLAS, Mr Craig James, Regional Employment Development Officer, Western Australian Department of Training, 47 McDonald Street, Kalgoorlie, Western Australia 6430 1453

THORN, Mr Michael Thomas, Executive Officer, South East Metropolitan Area Consultative Committee, Suite 7, 1919 Albany Highway, Maddington, Western Australia 6109 1469

van der WAAG, Mr Leonardus Cornelis, Member, Albany Employment Development Committee, Frederick House, Frederick Street, Albany, Western Australia 6330 1433

WILSON, Mr Ian Wesley, Chairman, Albany Employment Development Committee, Frederick House, Frederick Street, Albany, Western Australia 6330 1433

WORTH, Ms Kerry, Regional Employment Development Officer, Western Australian Department of Training, PO Box 131, Kununurra, Western Australia 6743 1453

ZELONES, Mr Henry, Chairman, South Metropolitan Development Organisation, PO Box 1251, South Perth, Western Australia 6151 1405

Committee met at 9.10 a.m.

ZELONES, Mr Henry, Chairman, South Metropolitan Development Organisation, PO Box 1251, South Perth, Western Australia 6151

GLASS, Mr Geoffrey, Executive Officer, South Metropolitan Development Organisation, PO Box 1251, South Perth, Western Australia 6151

DOCKERY, Mr Alfred Michael, Consultant, South Metropolitan Development Organisation, PO Box 1251, South Perth, Western Australia 6151

KENYON, Professor Peter Damian, Director, Curtin University Institute for Research into International Competitiveness, on behalf of the South Metropolitan Perth Regional Employment Organisation, PO Box U1987, Perth, Western Australia 6845

CHAIR—I declare open this public hearing of the Senate Employment, Education and Training References Committee. The hearing today is at the Commonwealth offices in Perth, and it is part of the committee's inquiry into regional employment and unemployment. We have an apology from our colleague Senator Synon, who is unwell and unable to be here today. I welcome our first group of witnesses. The committee prefers all its evidence to be given in public but I understand you have all been given a card to read about the nature of evidence. Do I understand that you have all, for the record, read and understood those words?

Mr Zelones—Yes.

Mr Dockery—Yes.

Prof. Kenyon—Yes.

Mr Glass—Yes.

CHAIR—Thank you. The committee has received your submission, which has been numbered 110, dated 1 May 1998. Are there any alterations or additions you would like to make to the submission at this stage?

Mr Zelones—No.

CHAIR—Would you care to make an opening statement and then field questions, thank you.

Mr Zelones—Thank you, Senator. I am a self-employed businessman and have been for 28 years, and it is in that capacity and with that interest and knowledge that I wish to speak to you this morning. The purpose of the development organisation's submission is to give credence and credibility to the argument that regions with metropolitan areas do exist and require attention from governments, state and federal. The evidence that we have produced in our submission justifies that fact, but I would like to show a few overheads, if you like, to

demonstrate that visually. The information I present is available in the Perth Social Atlas which is produced by the Bureau of Census and Statistics.

Overhead transparencies were then shown—

Mr Zelones—Our argument is that there are regions within the metropolitan area, and they suffer as greatly as rural regions do in terms of unemployment and other infrastructure facilities. These statistics come from DEETYA and indicate that within the cities of Armadale and Gosnells and in the towns of Kwinana and Rockingham the sector suffers higher unemployment than other regions within the metropolitan area, and perhaps similar to that of rural regional areas. These visual statistics hopefully will give you an indication of the differences between those regions. This particular one is an example of people who work within the CBD. As you can see, in the south-western and the south-eastern corner for some strange reason not many of our work force work in the CBD. However if you care to look at the northern-eastern leg, a strong work force works in the Perth CBD.

That can further be illustrated by this overhead in terms of unemployment by collected district. As you can see, both in the south-eastern and south-western legs there is a higher level of unemployment as compared to the north-eastern area. The eastern or the Midland area is probably very similar to the south-western leg, but it also demonstrates that that is in itself a regional zone.

This overhead is one that I always find rather interesting because I think it does illustrate the difference between the work forces north and south of the river in particular. Managers, administrators and professionals for some reason choose to live north of the river, except for a very small hilly sector in the Armadale area where there is another pocket, if you like, of professionals. These arguments of course do impact on the regions in terms of what these professionals can contribute to that region, either in voluntary or other capacities—on local councils, et cetera.

The final illustration I want to show you refers to people with a university qualification or degree. Again, you can see the south-eastern and the south-western sectors are almost totally devoid of them—it is a very small percentage of our population. This is not because they are an inferior population. I believe it is because of a lack of infrastructure over many years. There are many residents, I believe, south of the river who are envious of what both the state and federal governments have done, for instance in the Joondalup area north of the river, where they have been force fed, if you like, with a lot of infrastructure. We always consider it an artificial community created for whatever purposes, whereas the old established areas in Armadale, Kelmscott, Gosnells, Kwinana, Cockburn and these areas have been established, particularly in Kelmscott's case, since 1830. They are old communities established with old infrastructure, and in some cases that is what we feel is causing part of the problem.

Communities north of the river are served very well by infrastructure in terms of transport, health, hospitals, schools, universities, TAFE centres and so on. We are, particularly in the transport area, which is being studied across the southern region, very much affected by the lack of that infrastructural support. It is the basis probably for the situation we find ourselves in. I have worked and lived in this area now for almost 30 years and I

have gone through the lows and highs of the economic cycle and changes but, for whatever reason, when we go low we go lower than everybody else, and when we go high we do not quite make it. Hence it never seems to be a gain; it seems just to be a keeping pace, if you like.

Our belief is that in the next 20 years, as the population of the Perth metropolitan area grows, this disadvantage will increase. There will be an increased disequilibrium and you could probably easily compare that with any of the rural regional areas that the government does have great concern about even now.

CHAIR—Mr Zelones, is that picture of where managers live or where they were born?

Mr Zelones—Where they live.

CHAIR—I thought that was what you had told me. Do you have evidence, or do you ever get it, on where they were born?

Mr Zelones—No, the information is purely produced in this social atlas—it is interesting to note that that is what it is called—by the bureau of stats. We are using that in arguments in other cases for other reasons as well.

Senator GEORGE CAMPBELL—But is it not true to say, Mr Zelones, that if you put a map up of any of the major cities you would get a similar style profile emerging?

Mr Zelones—You might do, but I am personally not well informed on the other cities. Probably it is quite evident around the world where you have those pockets, but they are regions within the metropolitan area, which is what I am trying to say. They need to be treated with some sympathy as compared to other regions. I am arguing the case that they should also be assisted.

CHAIR—We should perhaps let you continue with your presentation. Does anybody else wish at this stage to make some comments to the committee?

Prof. Kenyon—The main point I think we are trying to make is that in Australia, for reasons which we do not fully understand, the term 'regional' has come to represent in a sense 'rural' and our reading of the international literature on regional development, as it were, has a different slant. That is, 'regional' does not mean 'rural' in other countries, and nor do we believe that it should mean 'rural' in Australia. What we are pointing out here is that regional differences exist within metropolitan areas as much as they exist outside of metropolitan areas. So Senator Campbell's point is quite correct, that in Melbourne, Sydney, Adelaide, et cetera, we would get similar social atlas type data which would point out regions of relative deprivation. I guess the point is general across all cities.

Mr Zelones—I have made a few dot points that I would like to close my comments on. Metropolitan regions are a fact and we can demonstrate that. Regional disparities and unemployment are as relevant to metropolitan regions as they are to non-metropolitan regions. I believe that unemployment in metropolitan regions probably can have a greater impact on the social cohesion of a metropolitan community than in rural communities,

because in rural communities, from my observation, there is a greater support structure. A lot of these people grow up together, know each other and live together, and there is just that general feeling in rural communities that varies greatly, in my opinion, from metropolitan communities, which in some cases comprise a lot of strangers just grouped in a suburb and doing the best they can.

There is also the other impact, I think, that cannot be argued, and that is that the rising crime rates can be directly attributed to high unemployment. If you look at the sectors, particularly in Perth, it is a hot issue in terms of crime and how they fight it. These areas have a serious problem and all you have to do is go back over the last two weeks and read the papers and you will find the hot spots are in the areas which we just pointed out. Thank you.

CHAIR—I shall open the batting with one small question. Do you have data on youth suicide in Western Australia? My understanding is that that might be the one statistic that suggests living in the country is not all light and harmony. I understood youth suicide was much higher outside of metropolitan Australia.

Mr Zelones—I cannot say I have that evidence. I am an ex-councillor of the city of Armadale, and I know that during my term there we set up resources to address that issue in my community. We set up a halfway house to help people to deal with the problem. Mind you, it is not just youth; it is across a wide range of ages, I feel.

CHAIR—I am going to call on Senator Tierney now, but if any of you wish to add something, do not wait to be asked. If you would just like to signal, I will try and keep an eye on you.

Prof. Kenyon—I have one small matter. I guess that ultimately people will want solutions to what they perceive to be regional disparities and regional problems. What I want to add is actually taken from box 6.1 in our report, so it is before the committee in the submission. This emphasises some of the policy implications we believe should be stressed. I guess our number one policy recommendation would be that simply throwing money at what are perceived to be relatively deprived regions is, we think, not a very good idea. Policy needs to be a bit more structured than that. I guess the old idea of getting the fundamentals right is a major message of our submission.

Within that, however, things need to be done for particular regions. What we are saying there is that assistance programs, be they direct or indirect, should address the sorts of issues which Henry was suggesting in his address, such as infrastructure and training—the sorts of things that governments can do, and can do well, and which the private sector by and large does not do. This is where governments should be directing their energy, rather than trying to pick out particular groups or particular firms or particular industries and attracting, say, headquarters or firms to regions. We think that that sort of thing is not a very good idea from the perspective of government policy.

What is a good idea from the perspective of government policy is providing training infrastructure, educational infrastructure, the construction of both human and then physical capital, transport—the things that government does well. In essence, that is what our policy

guidelines suggest. I will not go through them one by one because they are in the report, and unless the senators wish to address any particular point I will leave it at that.

CHAIR—I am not sure whether we have copies of the maps, but would the slides used by both of you be available to the committee at some stage? Thank you very much. We might want to come back to that and maybe people can ask to have them put up again.

Senator TIERNEY—As a rural based senator can I just act as devil's advocate on some of the things you have said. Governments always have limited money, and if we are making choices, why should we put the focus particularly on capital cities? For example, Launceston, which had a real competitive advantage, because of cheap power, with aluminium and textiles, has totally lost that now. There is assistance going into that sort of area, because if you are in Launceston where are you going to go for a job? It is a long way to Hobart. You have pointed out the regional differences within Perth north to south, and I realise it is difficult to get transport from the south to the north, but it is a lot easier than from Launceston to Hobart. What is the case for a focus on capital cities, which are generating and regenerating all the time—particularly ones like Perth that are doing relatively quite well—as opposed to other areas of regional Australia that are not doing very well and are in decline because the economic imperatives that had driven them originally have disappeared?

Mr Dockery—If you look across regions some areas have economically a comparative advantage and others do not. Over time this changes with world economic changes and other things, factor prices and so on. For example, as the information economy becomes more important the city centre will be having a more important economic advantage over the country areas. You might have areas like Launceston that are disadvantaged and you are saying we should be assisting them. The point we are making is not that we should concentrate on capital cities but that we need a clear rule as to why we help some areas and why we do not. That rule needs to be based on either equity or efficiency.

If you are going to be diverting resources towards an area which no longer has a comparative advantage then basically you are reducing the welfare and efficiency of the overall economy and its ability to compete globally. You are going to get an overall net welfare loss, albeit to the benefit of some people in that area. Then there is a further question of what this is going to do in the long run. If an area is in decline and losing its basic advantage, ideally you want resources to shift out of that area, not resources to shift back in. We are not saying we should concentrate on metropolitan areas. We are saying that resources should be directed to where they are most efficiently located.

Senator TIERNEY—Capital cities are always going to have comparative advantage. A.D. Hope described Australia's capitals as six 'teeming sores'—your vision would actually accentuate that. I am not saying that you would go into regional areas and prop up old industries that no longer have economic relevance but, if we can stick with the example of Launceston, there have been moves in new technology helping to establish that. For example, Ansett have their call centre there. If you ring Ansett for a booking you will be put through to Launceston and they will make that booking. That is where the centre is. I thought the government perhaps should be focusing on providing its part of infrastructure that is necessary to help generate the next wave of development. As we are moving from an industrial to an information economy, the government really has some role in doing that and

I would suggest in areas more like Launceston than Perth, which could look after itself a lot better, I would have thought. I am acting as devil's advocate.

Mr Dockery—Sure. What is your objective in regional policy? Is it to help regions or is it to help people? You have got to ask that. Sure, we can prop up Launceston, but you have to look at what you put into it: 'Unemployment is perhaps a major cause of social inequality. Of the alternative policies, which are going to get the most people jobs?' We would argue that directing resources into the growing and economically prosperous areas or the ones that have the greatest future are where you are going to generate the most jobs and therefore assist the most people. Helping Launceston might prop up Launceston. You can see which people in Launceston it assists and overall you prop up the region but you are not doing the most to create jobs and to reduce inequality across the economy.

Senator TIERNEY—You are using a pejorative term like 'prop up'. I would like to put it more in terms that you are helping it through to the next phase of development.

Mr Glass—Just to give a different slant, as someone who was born and raised in the wheat belt of Western Australia and understands the restructuring that is happening across the country, and as someone who has lived and worked for some time on Christmas Island, I certainly have an appreciation of what it is to be remote. In a sense I wonder whether the question is a fair question, although I recognise government has to make choices about where the cake is cut up. Certainly a person, from my experience, would not want to be arguing that there should be less given to the rural and remote areas. But I would be arguing that the question is, 'What constitutes regional and who decides what is regional?' There is a view from Western Australia that although it is one-third of the geography of the continent it is 'out of sight out of mind.'

To give a specific example, we have made application under the regional telecommunications infrastructure fund for projects in what we would call the extreme urban fringe, extending to the rural communities of Serpentine, Jarrahdale and Rockingham, which are subject to STD rates for example. But we have been told that they are not eligible for the regional telecommunications infrastructure fund because they are regarded as metropolitan. In standing where we do, we consider those to be regional but somebody in Canberra, Sydney or Melbourne declares that they are not regional. I do not want to be arguing to take away from one but rather would be arguing, as Henry has said, that there should be recognition of regional differences within cities.

In particular in our case the community that has missed out is that extreme urban rural fringe which, by all criteria of accessibility to services—and we are doing some work in terms of transport in Perth—the Rockingham, Armadale, Serpentine, Jarrahdale and Kwinana communities are deemed to be amongst the worst locations as far as access to a whole range of services. It is on that basis we are arguing there should be some consideration for those localities.

Prof. Kenyon—The argument we are trying to make is that there should be ground rules which all regions are judged by rather than special consideration being given to particular regions just because they happen to be, let us say rural or outer metropolitan. There should

be a common set of ground rules which should apply to all regions. On the comment you made that Perth can look after itself, Senator, one of the points we wish to make—

Senator TIERNEY—More than regional areas can.

Prof. Kenyon—Yes, but Perth is not homogenous. The south of Perth is a very different beast to the north of Perth. Similarly the west of Perth is a little bit different again—the Armadale-Guildford area. What we are really saying, to reinforce Mike's point, is that where unemployment is concentrated that is the greatest cause of social deprivation and that is where perhaps policy should be directed, no matter where it is located.

Senator TIERNEY—You reinforce your problem in the cities by taking that approach because in some rural areas the unemployment rate is deceptively low. The reason for it being deceptively low is that people just leave. Where do they go? They come to those areas and they do not have much money so they settle in and accelerate the problem you have got in, for example, your southern Perth areas or your western Sydney areas. I would still put this point to you: there are enormous amounts of capital infrastructure that go into cities to support a lot of economic activity that happens in the capital cities. The most extreme example of it is Sydney at the moment with the Olympics and the amount of capital that is going into Sydney. If you look at what is being put into Sydney airport and the road systems that are leading up to and away from it there are huge amounts of capital already. If government has a huge emphasis on the capitals at the moment—I am still acting as devil's advocate—surely if we have a limited regional focus it perhaps should be on areas outside the capitals.

Mr Zelones—We know Western Australia as a whole, compared with the rest of the nation, has relatively low unemployment—I think it is probably the best rate in the country. It is close to eight per cent. My concern, of course, is that when you look at those two communities there marked red they are suffering with unemployment rates of over 12 per cent. If you were to just say, 'Perth is fine, it's got low unemployment. Why aren't these people employed?'—you are not going to get employment. I suppose looking into the future concerns me. This matter may get worse and we may get more red down there. My view of the reason we have those red patches—and they have been that way for a long time—is because nobody wants to do anything about it.

We were fortunate enough some years ago when the OMA funding came out where some moneys did come into the area and we tried to get business incubators started. We tried to put it, at least in my community, into areas which we thought would have long-term benefits. But as governments change and policies change you have this opening and closing of the floodgates, so to speak, and nothing can be carried on. All the good work that has been done for five or six years some three or four years later has evaporated and we are back to square one again. We need long-term and sustained assistance. I am not talking about buckets of money but about recognition that we have issues down there.

One of the largest employment areas is on the west coast in the Kwinana strip and yet my people cannot get to it because there is no transport infrastructure. We are going through that study and hopefully they will do something about it, but the fact is that those are some of the root causes. There is that social dislocation which will make matters worse. Land

values will drop. There are people who now may become prosperous or may move up in the world: where will they move? They will move out of that area and that will further, I believe, drop values and engulf it further. It just perpetuates the situation. There are many issues like that. At least seven high schools in the Perth metropolitan area failed to reach standards which the government considered to be the minimum. Five of them are in my region.

Why is that? Fortunately they are going to close only one of them, but I think you have to start saying, 'We are starting with the youth and they are going to be stuck in this hole.' A proportion of them are not going to get out and I suspect that is the reason why this continues. Somewhere along the line the guillotine has to come down and say, 'That is enough, we are going to address this issue.' They did it north of the river. They force-fed it: look at it. They had infrastructure there before they had people. We had people and still we do not have infrastructure.

CHAIR—I am going to ask all of you to confine your remarks. If you can make your answers just a bit briefer then maybe we can get some more questions.

Mr Zelones—I am finished, Senator.

Senator TIERNEY—To define the issue I am talking about clearly, you talk about the social and economic disadvantage of the red areas, and that is true and that is also true in rural and regional Australia. The significant difference is that if in some way they can get themselves in a position to get a job the jobs are nearby. The jobs are not nearby in rural and regional Australia. That is the significant division that I want to emphasise, that is all.

Senator GEORGE CAMPBELL—I want to come back to this discussion about what constitutes a region for the purposes of regional development. It is probably a misnomer to say that we have focused purely on that being related to the rural. Certainly a lot of the material my own party has put out in recent times has referred to both regional and rural development issues. Is there a set of criteria, or do you have a set of criteria in mind, which you can apply and say, 'If an area meets this criteria that can constitute a region'? Do we look at it in geographic terms? Do we look at it on economic terms? Are there other synergies that we ought to be looking for in terms of trying to define what is a region?

I will give you an example. We were up in Lismore a couple of weeks ago and had a hearing there. Lismore and surrounds were defined as a region. They had a regional development organisation and they had an ACC et cetera. What they said I thought was interesting, given that it was a rural provincial city: there were a number of subareas within that region where there were natural economic synergies and that they ought to be concentrating their activities in building on those synergies rather than trying to cover all of the region. Everywhere we have gone in terms of this inquiry I have asked this question and I have not yet, I must say, been given a satisfactory or detailed answer. Maybe people simply have not applied their minds to trying to identify what all the components are.

I am really posing the question to you as to whether or not you have looked at this in detail and whether you have got a set of criteria that you could apply to say that if you

overlaid that over an area that is what constitutes a region, or you can maybe identify several regions within an area where it could apply.

Mr Zelones—Senator, I believe one of the problems with defining regions is that it changes depending on how you speak of it. If you take an activity like tourism you might want to define that as a separate region. In the past and in recent times various communities got together, whether they be winegrowing or farming or rural undertakings of some sort, and they decided that together they could work as a region, they exchange socially as a region, et cetera. But in terms of the metropolitan area, regions can constantly change as conditions vary. They may be economic. Homeswest may, for instance, come in there and buy hundreds of thousands of acres of land with an idea that they are going to develop that. All of a sudden that region might change. It might just change the whole profile that way.

The rural decline in the hills, which is part of my community, with a lot of orcharding and market gardens, has changed. It is rural one minute and then suddenly the pressure of the city is forcing it into something else. I do not think you can necessarily fix a region in all terms and in all respects to suit a purpose. It varies. In terms of economics you define a region in that way. If it is tourism or other bases you can define a region in that way. In our case here I am looking at the people—I am not looking at the land, although the infrastructure that has been placed in there has caused these people actually to move or not move into those areas, and hence it is behind that background—and that is why I wanted to show those overheads—that we have grouped people now over many years.

If you want to classify them or put them into a social order or class system, that is what has happened. We know what happens when people get a view that they are worth somewhat less than in other areas, and it just continues to perpetrate itself. That has been my observation, having lived in this community for almost 30 years. I add that I used to live north of the river, and it has a different look, it has a different feel, and it has a different level of confidence. There are many measures and benchmarks I think you can use for that. In this particular one the way we would like to approach this is that we are classifying these regions as regions of disadvantage in terms of opportunity, of social infrastructure—and, I suppose, of long term disadvantage.

The outer metropolitan area I suppose is one other thing. The whole country is ageing. We know that. But as the rural community ages we have an influx of those people into the city for a number of reasons: better health services and to be near their children where a lot of them have fled to over the recent years. But a lot of them are coming in to those outer metropolitan areas, so when you look at the profile you find that you have a high youth and a higher elderly component and then you dip down into this middle area. This is the area which I believe gives you the vibrancy and wealth of the community, because those people are not only working at their jobs but also are working in other voluntary groups, social infrastructure groups and so on, to assist that community.

Senator GEORGE CAMPBELL—There is an interesting phenomenon that seems to me to be coming out of the all of the areas that we have visited so far. It is that there is very strong support for a bottom-up approach in trying to deal with this issue of regional development—in other words, allowing the ideas to germinate within the community. I must say, on the way around a lot of the things that we have heard from various groups seem to

be very good ideas. I do not have the ability to assess whether or not you can take them to fruition, to reality, where they can become an economically viable proposition. What did strike me in a number of areas was neither did the people in those regions have the ability to make that assessment.

There seemed to be a disconnection between the people in the regions who had a commitment to the region, who were developing the ideas—a lot of them sounded like good ideas—and mainstream economic activity; in other words, the people who run the finance sectors, the investors, the institutional investors, AMP, the superannuation trusts, whatever. There just did not seem to be any connection. There did not seem to be an understanding from a lot of people in the regions of how to get there, how to actually get to the big end of town, to be able to put their ideas to try and get the investment, to attract the interest into their area. In fact, in a number of areas I actually asked some people whether they had heard of certain government programs, and these were people who were running government organisations. They had not even heard of the government funding that was available in some of the areas.

So it seems there is also a substantial communications issue there in terms of how you actually can integrate regional Australia, whether they were talking about a section of Perth or Lismore or whatever, into an economic infrastructure. I think there are some issues like that which become important when we talk about infrastructure, quite apart from physical issues like transport and so forth. I was wondering whether or not you had had any experiences like this in the area you were in. Was there a sense of no connection into the financial community? Were you able to get the investment dollars to get those ideas into fruition? It may not be as big an issue for a region of a capital city as it is for some of the bush towns.

Mr Zelones—From my perspective I have been involved with a number of regional groups. I am currently the president of the regional Chamber of Commerce and chairman of the local Chamber of Commerce. The business community down there finds itself with the same difficulties in terms of trying to put value back into our communities to make it obviously better for ourselves, as for our own community. The fact of it is, particularly in the south-east corner, we are devoid of large companies and large businesses who can afford the time. I work for myself. Whenever I leave my front door to come to places like this, I do so at my own expense and time. The larger companies, when they send their representatives in, whether it be for the GST tax or whatever, I bet you they are paid when they walk through your doors. I am not.

Our difficulty is in finding sufficient people within our community to work together in this regard to try and improve it. Unless we can make that connection with government to understand where we are coming from, we are going to continue to face that difficulty. The south-west group, which is a VROC of councils, and Heritage Country Development Agency, which is funded by local government in my region, have been working very hard to try to address at least some of the issues. But we are limited in resources, we are limited in the number of people who can be involved. I believe the best way that this can be addressed is if more of the community does get involved with it but when you are out there just trying to survive it becomes difficult. So we use what we have and deal with it with what we have got.

Senator GEORGE CAMPBELL—I have talked to a lot of people in the investment community . I had lunch with some people a couple of weeks ago and they were saying there is no shortage of dollars in this country. They are actually running around looking for projects to invest their money in. But their network is very narrow. It does not go beyond three or four streets in a section of Sydney and if they do not pick up the information in that network it just does not happen.

Prof. Kenyon—I did a study about three years ago now where the brief was to look at new and emerging areas of employment. The sectors designated to be studied were the environment and the community sector, and by the community sector they meant this local, regional kind of development sector. We did a series of case studies which were absolutely fascinating, and I will use an example from Perth, because that was one of the case studies that was done, although we had case studies from all around Australia. It was the Midland Enterprise Centre, and it is a very fascinating organisation which attempts to essentially get people with ideas going by providing them with business infrastructure.

First of all, they get some very basic premises at low rent. They have to contribute their expertise to the running of the centre. From that, the people who run the business enterprise centre have tied in various banks, finance houses, et cetera—all sorts of services which can assist these small business people basically to get their new mousetrap into production. That seems to be working very well.

On that study we visited lots of these little exercises around the regions. Good examples are those that came out of some of the employment schemes, either the newstart arrangements or various other kinds of active labour market policy schemes, where the direction of the effort was put into training and getting people started in their own businesses. These seem to work best, actually, in rural areas. The Midland one is in the city but they tend to be on the fringe of the cities rather than in the CBD.

People on St Georges Terrace know where to go. When we go out to beyond Midland it is a lot more difficult and that is where these sorts of operations tend to work. So the creation of networks I think is very important.

Senator STOTT DESPOJA—I would like to go back to some of your comments, Mr Zelones, about youth unemployment. I noticed on the screen it mentioned something along the lines of the consequence of youth unemployment was that they were getting aggressive and taking this out on the communities and themselves. Could you expand a little on what the young people are doing in the region? How are they coping? Are they leaving? Do they stay in the situation you describe where perhaps they may be looking after parents or extended family? Have we got more on benefits? What jobs are they getting when they do get jobs, et cetera? I am very curious also on how that ties in with the new employment and income experiences that we are looking at.

Mr Zelones—I think those questions are for the state general manager of DEETYA perhaps but I might say that in the social atlas we do produce a graph which shows what the youth unemployment is. In the 15- to 25-year group it is very high, particularly in the south-eastern leg, and in the areas of Rockingham, Kwinana and so on as well; again, much more so than in the northern suburbs, for whatever reasons. I base this on perhaps educational

qualifications when you start looking at that. I consider it interesting to note, because I was involved with it, that after the change of government in 1996 the local skillshare was closed down, within about three months of the government coming into place. So not only has the city of Armadale no CES office any more, but I believe the DSS has gone. They have all been shifted some considerable distance.

If you look again at this social atlas and look at the people who are without private transport, why is it they took out these resources in a community which has to rely greatly on public transport, and public transport is basically along the railway line? You can get to Perth in 30 minutes—I did it this morning—but it may take you an hour to get to the railway station from one of the southern ends of Armadale, for instance. How are they to access some of these services? So hence they just sit there. Obviously the youth that are unemployed will do what they can, I suppose, to get to those jobs but when those infrastructure elements are so poor and lacking, I guess there comes a point in time where you just give up.

As I said, read the papers of the last few weeks—I think the police would like to deny it—but a lot of the social organisations which are dealing with the consequence of this will tell you that there is an increasing crime level in Perth. There is a different level of reporting that so it may be a lot higher than what it seems to be now. You might just come to these conclusions by analysis—I do not know what the professionals have done with it—but it does concern me that as one goes up so does, it seem, the others. The local councils, et cetera, have extreme difficulty in dealing with it.

I might make a comment: why does Armadale at the southern end of the south-east quarter have the highest council rates in all of the metropolitan area? Why is that? In a community that has high unemployment, in a community that has to give rate-free property for these community organisations to deal with the problem, they keep on exacerbating the situation by continually narrowing their income base. They do not have a large industrial sector and, as you see from the population figure there, they do not have a large wealthy sector that they can draw on—in other words, by a differential rating system. They get less support from government—I think that has been pretty obvious with roads grants and all sorts of other things—so they have to continually find the resource within their own community. Hence they have the highest rates in all of Perth and yet it is one of the most disadvantaged. It just does not seem right to me that that should occur.

Senator STOTT DESPOJA—I do not think it seems right to us either. I am very curious about the impact on the region of the things you describe, like cuts to skillshare and the movement of a CES office. I think they are some of the things that we perhaps need to get down to. We have had a sort of overview in the last day as well. I think, Professor, you may have some ideas too in relation to the labour market programs. I notice that you cite in the submission—I am assuming 'IC' is an Industry Commission report, I am not sure—as to the way that government assistance, in particular in relation to labour market programs, should be specific to the region. You have talked about that sort of thing—regional specific—but what kinds of things should we be doing with labour market programs or other government assistance in a region like this? I know you have touched on infrastructure and transport has come through in the last two days as an obvious area for a start.

Prof. Kenyon—I think unfortunately in Australia we had the opportunity for a really interesting experiment a few years ago when a package of labour market programs came out under the Working Nation banner. Some of those programs may have turned out to be terrible, some of them may have turned out to be fantastic, but the fact is that we will never know. My colleague Michael Dockery is doing a PhD thesis on the evaluation of labour market programs, using the limited amount of data we have from the Working Nation experiment. I will leave it to him to assess where he has got to on that if he wishes to. My understanding is that some of the programs were working and working well, and were actually dealing with what I perceive to be the major social problem we have got, and that is unemployment.

I think what we have got to realise in Australia is that unemployment is now very different from what it was back in the 1970s and certainly different from what it was in the 1930s. For the first time ever in Australia—and our data supports this a little bit—not only is unemployment sticking in regions, however you define them, but it is now becoming intergenerational. That is the first time, to my knowledge, that research is now showing that for Australia. Traditionally in Australia unemployment was not intergenerational. Basically the fact that fathers or mothers were unemployed did not affect the employment experience of their children. That is now changing. Evidence is now starting to come out that we are getting intergenerational unemployment and that is very serious. I wish I could answer your question a bit more effusively about what programs were successful or not but unfortunately the experiment just did not run long enough. Mike might be able to help here.

Mr Dockery—Yes. The studies we have done show, as DEETYA's own evaluation shows, the wage subsidy programs worked very well and were a quite cost-effective way of getting people into employment and helping disadvantaged people. Where our research departs from DEETYA is with the programs that were targeted at the most disadvantaged people in the labour market. That was mainly the guaranteed job compact placements and things like New Work Opportunities. DEETYA's evaluation showed that they were very expensive and had very poor outcomes. If you actually looked at the dollars you put in per successful outcome it was five times higher than the wage subsidy or the jobstart program.

Our research, based on the ABS survey, shows that in fact these hard-core programs are actually far more successful when you allow for the characteristics of the people that are in the programs than DEETYA's evaluations were showing. We are working with DEETYA trying to work out how our methodology gives different results. The basic feeling I am getting—just a personal feeling from the research—is that there really is not a substitute for that sort of costly intervention to help the disadvantaged into employment and out of the welfare and long-term unemployment trap.

Senator STOTT DESPOJA—Would you agree with the professor's comments that some of these programs or this experiment was perhaps cut short a little too soon for the purposes of research and proper evaluation?

Mr Dockery—The best way we had of evaluating these programs was a longitudinal survey that the Australian Bureau of Statistics was doing and that ended. It was already due to end and it was not refunded, irrespective of the ends of the program. I do not think it has

affected the capacity to evaluate them. Whether the programs should have been cut off or not is a different question.

Senator STOTT DESPOJA—Fair enough.

Mr Dockery—In some ways, the way they are moving now, if we talk about the regional specifics, they may be more effective in that you have got individual providers who will know the characteristics of their own regions in trying to get people in to work—and they get paid, I assume, after a successful outcome. I guess they can tailor programs more specifically to their regions than perhaps something that is centrally organised. Whether there is sufficient money or funding going in to really help the disadvantaged is a different question. There is probably a trade-off between more efficient market clearing among the unemployed, if you like, and perhaps more of the hard-core cases slipping through the net.

Senator STOTT DESPOJA—Would anyone else like to comment on the newly privatised job market that we are dealing with and how that may be assisting this region in terms of matching people to jobs? My attention was being drawn to this in Armadale where there is Job Futures providing only FLEX 1—the basic job training. I am not sure what that means in terms of the provision of intensive assistance.

Mr Zelones—Senator, I have only just recently been invited to the ACC for that particular region so I am not terribly familiar with how the whole new system works. I find it terribly confusing. I have never been unemployed and I do not know a great deal currently about how people go about getting jobs and finding their way through it. It struck me that the old way—if you are unemployed you go to the unemployment office—was quite simple. Now it seems to be more complicated and what I am hearing from people is that you may go into one and then be referred to another and another. There is emphasis on longer-term unemployed because there is more money in it. As a businessman some of these things do concern me but I have to admit I simply do not understand them.

Senator STOTT DESPOJA—When you say feedback, can I just clarify that? As a development organisation are you speaking to employers, agencies or unemployed people? Are you actually getting feedback about levels of confusion or otherwise?

Mr Zelones—Yes. The South-East Metropolitan Area Consultative Committee are looking at these issues. They are mainly looking at a lot of the programs that have been put in place. We have one of the area managers for DEETYA there who is assisting us with that information. They are making those evaluations, I understand, even now because there is supposed to be feedback. Because I am involved in technology they want to, in fact, establish a webpage where they can actually show the results of their efforts and explain what is going on in their own region. As I say, I have not been there long enough to understand where that is coming from. Yes, they are gathering that data. At the last meeting I attended there was a concern as to how this system is working. As I said, unfortunately I am not the best to argue that because I do not really understand it myself and maybe it is because I have no need to.

Mr Dockery—I do have a real concern in that we are getting almost no information as to how this is going to be evaluated. I am not a fan of the new changes but I would say it is

very easy to look at something and tear it down and bring up very bad examples of where it has gone wrong. If you think back a few years ago the CES were copping the sort of flak that the new service is now copping. It is easy to find a job seeker who is very disgruntled because he got put on a cricket umpiring course or went off to a radio station and they got him a job in five minutes when with the CES he was there for a year. It is very easy to knock these things. Unless you have a clear and properly thought out evaluation, you really do not know. What we are seeing in the press is all the very bad cases lumped together. You know how the press works.

Senator STOTT DESPOJA—Yes.

Mr Dockery—I do not think it is right to confuse the philosophy of the changes with the teething problems and the organisational problems. They are two different aspects.

Senator STOTT DESPOJA—Yes. I am curious to find out what are the intrinsic problems with the system as opposed to some of those administrative and perhaps more superficial ones.

Prof. Kenyon—Could I add one further point about this evaluation strategy? One thing which Australia does not do—and I believe the United States does and does it well, and increasingly European countries are doing this—is that when we change policy we believe that it has to be universal: it has to happen everywhere in the country all at the one time, et cetera. We are not very prepared to engage in little social experiments where we try a policy in a particular area and treat it as an experiment to see how it goes. In the United States there are a lot of famous experiments, like the New Jersey income maintenance experiment, et cetera. There are lots of little examples where government will concentrate a policy change in an area and see how it goes, evaluate it formally, properly and independently and then, without having spent a great deal of money, perhaps find out which policies work well and which ones do not, and then generalise to the wider community. We do not do that.

Senator STOTT DESPOJA—Why do we not do it? Is it jurisdictional?

Prof. Kenyon—I think it is political. I took part in some of the debates concerning how the evaluation of the Working Nation program was to take place with representatives from DEETYA. It was actually a DEETYA evaluation strategy but ABS were involved as well. Their argument all the time was that we cannot do something in a particular region because if it goes bad the political fallout is enormous, and if it really works well we are depriving all of these other people and only concentrating the benefits in this one little area. I think in the long run that is a bad way of refining social policy because we never really find out what works properly. I do not think the idea of quarantining a region for a policy experiment is a problem ethically or practically. It is something which we should think a little bit more about. I would suggest other countries are being a bit more sophisticated about it than we are.

Senator GEORGE CAMPBELL—Other businesses do that all the time.

CHAIR—Last question, Senator.

Senator STOTT DESPOJA—I will lodge some questions on notice in relation to education and training.

CHAIR—We have gone way over time and the reason is because it has been such a constructive and challenging contribution to our hearings. I thank you very much for it.

Senator GEORGE CAMPBELL—Could I ask for one piece of information. Professor, was the material you put up about the OECD a recent study?

Prof. Kenyon—The date of the study was 1995. It is referenced in our report.

CHAIR—We had evidence in Parramatta or western Sydney that made very similar points, not only that metropolitan regions have to be considered as regions and not blanketed under everything in Sydney, but that even within that region—for example, depending on postcode—unemployment could be three per cent in one place and a kilometre down the road it could be 13 per cent. It is perfectly silly to talk about the western region even having an average figure of unemployment. We need to get much more sophisticated. Your submission has gone a long way in helping us in that direction. I have to also say on behalf of the committee that it is an excellent submission and we very much appreciate that kind of input into this inquiry. People have asked whether we are not doing something that has been done before, and how many more inquiries do we want into unemployment? I believe we need as many as it takes, on and on, until we solve the problem.

The thing that is very interesting this time—and I think this is Senator Campbell's point—is that there is so much information to know and so many people who need to know it and do not even know it is there to know. So we do need to start looking at how the left hand and the right hand are talking to each other and not just in planning. For example, say you overlay a social map on an economic map, or have some kind of industrial design that says everybody shall catch a bus and be moved 50 kilometres somewhere else, that may be very good for their income but it may be shocking for social reasons, for the maintenance of a family, or for any of those kinds of things. I know that the North West Shelf people have actually spent quite a lot of time working out how it is best to deal with married men on the platforms because of the strain on their relationships. I think they are probably still doing further work on the best way of dealing with that. We need to get some of this material together and we need to get people understanding that it is there and to get together. We do need to start overlaying these maps.

Secondly, your question about, 'Why not our region?'—what did you call it, Mr Glass? I have written down here 'extreme urban rural fringe'? Is that what you called it? I have grown up with 'extreme unction' but I am going to work on 'extreme urban'. That has got something going for it really. I mean that seriously. I coined a neat expression there. I think the worst thing we can do is get into what we have been doing for the last 100 years saying, 'My region is more deserving than your region.' It is not a question of that, except that is often the way we have to argue it because people say there are short dollars. We have had a lot of evidence that collaboration is a much better way to go than down this competition road. In fact, some of the points that you had in your OECD report, probably the first dot point in the second group, referred to something like the competition. Can you read that to me, Professor Kenyon?

Prof. Kenyon—Right. It says that 'It should be integrated with other strategies relating to infrastructure investment in human resources and indirect assistance measures. Direct assistance policies should reflect a concern for economic efficiency and its allocation and should be directed at cases in which there is a clear case of market failure.'

CHAIR—Find the words where it says something about competition, otherwise we will not run through it. It makes the point that this committee has been hearing a little bit about and that is that maybe what we need to look at—and it does not say 'collaboration' or 'cooperation' there—is that the old notion of straight competition is actually not delivering the goods, and that in many areas it is better that the councils cooperate, or that the city and the regional metropolitan areas start getting together, as I think you are doing under this kind of title.

The next question is: where do you get the clout to make sure that, for instance, you do get a transport corridor? If we also did a social history of the establishment of Perth circa 1860, every single thing we are saying here would have been said then: 'We cannot afford to move the sewerage system. Where on earth will we get the money for the water? We have to have a proper transport corridor to take the cars across the river. Let's replace a ferry with a bridge.'

I have read the social history of the establishment of Adelaide. It is exactly the same kind of thing. The dollars are bigger, the distances are further and the numbers are larger, but what we have to do is recognise a lot of the points that you make here. We cannot go on wasting humans. We cannot go on letting people feel as though they are alienated, flipped off to one side and lost. In the end what they do is get very angry and turn on themselves or turn on society. If we are supposed to be a caring and compassionate mob then maybe we have to look at the best ways we can use these scarce resources to make sure those are the outcomes.

I have done a bit of preaching but I do not want to ask a thing. I do want to say it is the sort of thing here that is very useful indeed, because we now have so much information but we do not have the right amount of information in the right hands. We also do not have the kind of information you can answer in one very quick question: tell me about Telstra infrastructure down your neck of the woods.

Mr Zelones—We have in fact just completed a study on telecommunications infrastructure.

CHAIR—Do you have any?

Mr Zelones—Yes, we have some.

CHAIR—Does every telephone work down there?

Mr Zelones—No.

CHAIR—Is everybody who wants it connected to a computer down there?

Mr Zelones—Could I make this comment: it is fine to have a—

CHAIR—In 30 seconds.

Mr Zelones—It is fine to have a telecommunications infrastructure but you have to have the power to power it. What we have in some of our older neighbourhoods—and I live in one of them—is a terribly unreliable power supply. So you can have all the TV, Galaxy, Foxtel and fibre-optic cables in the ground that you like but if you cannot power into them—

CHAIR—I guess the answer is no.

Mr Zelones—No.

CHAIR—But you are quite right to say it is not telecommunications infrastructure so much as it is power infrastructure.

Mr Zelones—Yes, in these older suburbs. It is falling off the poles.

Mr Glass—Of course to ring where you were yesterday is an STD call.

CHAIR—Therefore it is timed and more expensive.

Mr Zelones—Yes.

CHAIR—Yes. But not even in your neck of the woods can everybody who might want to start a small business or hook up to find out some information; they have not necessarily got a line or cannot plug in. What you are saying to me is that the infrastructure in your region could do with a bit of a boost too. We have to finish but I do thank you very much for being what I think is the critical difference about this inquiry: that we are now putting together bits of the equation that previously were not there. I commend institutions like Curtin for actually addressing how you do layer these things together and I commend all of you for having a go at it. Finally what you need—the other point that Senator Campbell raised—is somebody with the oomph, the clout, the energy and the dedication to make it all happen, on which point do not overlook the women of the world. Thank you, gentlemen.

Mr Zelones—We have not, actually.

Senator GEORGE CAMPBELL—We are not allowed to.

CHAIR—Thank you, gentlemen.

[10.16 a.m.]

FRY, Mr Shon Richard, Manager, Armadale Kelmscott Job Link, 5/112 Forrest Road, Armadale, Western Australia

CHAIR—Welcome, Mr Fry. Have you read the card and do you understand what it tells you about evidence given before the committee?

Mr Fry—Yes, thank you.

CHAIR—Would you like now to make an opening statement and then we will put questions to you.

Mr Fry—Armadale Kelmscott Job Link is a state government funded employment agency whose aim is to target clients who miss the federal government funding. They are quite often youth, Aboriginal, women returning to the work force after raising families, and single parents who do not necessarily receive benefits from the Commonwealth government and therefore do not fit the criteria for the new Job Network. There are also other people who are perhaps in part-time work and who therefore do not fit the criteria either and who are looking to change work or to go to full-time work. That is our client group.

You have already heard quite a bit about Armadale so I will not go into the demographics of the area. The main concerns that I would like to raise are the lack of Job Network service provisions in Armadale, the lack of services for young people, and the lack of services for Aboriginal people in Armadale. There is a significant population of unemployed Aboriginal people and unemployed young people. My feeling and experience is that they are not being served by the Job Network system. There is also a lack of education and training opportunities in the region. As was previously mentioned, the skillshare was closed recently so they are missing out on that. It is a long way to the nearest tertiary institution. The nearest TAFE college, apart from a small TAFE annexe in Armadale, is in Thornlie, which is a considerable way up the railway track.

In terms of education and training opportunities, the loss of labour market programs under the Working Nation package has impacted quite significantly upon the Armadale region. They are really the main points I would like to make.

CHAIR—That is very useful, Mr Fry. Would you give us a thumbnail sketch of some of those demographics which in the interests of time you have skipped over. We have heard a lot about the broad demographics but you are actually sketching a picture in terms of particularly a population of single parents and perhaps people who were previously provided with some kind of infrastructure through either Social Security or the CES and who are now not getting it. Can you tell us a bit more about unemployment in the area, for example, or who else might be missing out.

Mr Fry—My experience is that the main groups of unemployed people are single parents, young people who are not accessing any other assistance that used to be there in the form of labour market programs, and particularly Aboriginal people. Armadale has a high population of Aboriginal people. We at Armadale Kelmscott Job Link have one part-time

Aboriginal employment officer whose brief under the Department of Training is to service the entire south-east metropolitan corridor. On 30 hours a week, as you can imagine, that is a rather difficult mission so she is a bit overworked in that area. The only other agency that caters for Aboriginal people is one of the Job Network providers. It does have the specific Aboriginal case management brief, but it is about half an hour on the train and then about a 20-minute walk to actually get there from Armadale—and it is even further from outlying regions.

Senator STOTT DESPOJA—Mr Fry, you may have heard some of my questions to the earlier witnesses along the lines of how the new Job Network program was operating. I am happy not only for you to elaborate on your views but also, if you have spoken to other agencies and other people about how they are finding the system, what is the problem? Is the problem a shortage of referrals? Is it a lack of facilities, as you mentioned in your opening submission? Is it that lack of intensive assistance? Also you mentioned the people who are falling through the cracks. This is obviously a personal reflection but there seems to be an increasing number since the changes came in on 1 May. Who are the people and how are we going to look after them? What are they doing? How are they coping?

Mr Fry—That is quite a big question.

Senator STOTT DESPOJA—Yes, lots of questions there, so you take your time.

Mr Fry—I will start with the intensive employment assistance. That is the FLEX 3 category of the Job Network program. Intensive employment assistance is allocated on a points system where people, depending upon various sets of disadvantages, are allocated places in intensive employment assistance. I was speaking to a case manager from Communicare and he told me that most of the referrals he has had have been men over 55. Essentially the points system is inadequate for referring the right people. Young people are marginalised, so although they might be in great need of intensive employment assistance to actually acquire the skills needed to look for work and to have perhaps referrals given to them and so on, they are missing out.

Most of the people who are actually being referred for that are, as I said, men in their late 50s. Although those people certainly do need that assistance in some cases, in some cases they are people who are simply waiting to retire and do not really want to be hassled by a case manager every two weeks for the next 12 months, whereas the young people might really benefit from that. It occurred to me that when he is released from gaol Alan Bond might well qualify for intensive employment assistance, whereas a young person who left school 12 months ago might not because one of the criteria for intensive employment assistance is being an ex-offender. That struck me as quite bizarre.

CHAIR—We welcome black assistance to our meditations, Mr Fry. Thank you.

Senator STOTT DESPOJA—We worked out it is not really funny but it is sad.

CHAIR—As in black humour, yes.

Senator STOTT DESPOJA—It is a bit of pathos.

Mr Fry—As far as the FLEX service provision goes, in Armadale there is one FLEX 1 provider, which is Job Futures, as you have already heard. About two months ago we were concerned that our clients who were under case management were having to travel to Cannington to Communicare to receive that assistance so we arranged for a person from Communicare to come down to Armadale for one morning a week, working out of our offices, to provide that case management. That is not really adequate for an area that has such high unemployment but that is all that we could arrange at the time. Communicare is not actually getting any more funding for that but they have decided they are going to spend a little bit of their money to come down and provide that service.

Senator STOTT DESPOJA—Are there other difficulties or feedback you have had from other providers?

Mr Fry—I think a major concern for Armadale people is actually accessing those services. Mostly they are based in Cannington and Maddington, which are quite a way up the railway track. As I think one of the previous people commented, although it is only a 20-minute ride on the train you still have to spend half an hour walking to the railway station. There are hardly any buses in Armadale so that sort of transport infrastructure is a significant impediment. Often the people we are talking about are not necessarily highly motivated to actually take that half-hour journey in the mornings to get to the train to travel up to Cannington. There is also the expense of making that journey every day. If they are really serious about it they really want to be there every day checking out the touch screens from the national vacancy database and so on to try to find out where the vacancies are. So one agency, one person operating in Armadale, really is not adequate to service the entire area.

There are also two towns within about half an hour of Armadale. There is Serpentine-Jarrahdale, which has one of the highest unemployment rates in Australia, and Byford, which is not far behind it. I think there is one bus down there in the morning and one bus back in the afternoon, so if you live in either of those two areas you need to catch that bus to Armadale and then get on the train to Cannington to actually access these services, so that transport is a significant impediment.

Senator GEORGE CAMPBELL—What is the unemployment level in Cannington?

Mr Fry—I do not know.

Senator GEORGE CAMPBELL—Why would you situate the jobs provider in Cannington rather than Armadale?

Mr Fry—My suspicion would be that most of the tenders that came in were aimed to be based in Cannington because it is less distance to travel to Armadale for people working there. It is probably easier to find office infrastructure and that kind of thing. I think it is essentially the cost factor as far as the providers are concerned.

Senator GEORGE CAMPBELL—Was there a CES office in Armadale?

Mr Fry—There was.

Senator GEORGE CAMPBELL—And that has subsequently closed?

Mr Fry—That has gone, yes. Essentially you have had 10 people providing these services reduced to one in Armadale.

Senator STOTT DESPOJA—You referred to a lack of facilities for young people. By that I am assuming you mean young people generally and those in crisis, so assistance in terms of people who are homeless. Or is it entertainment facilities? How broadly are you speaking?

Mr Fry—There are very few entertainment facilities. In fact, one youth reference group that I work with has been looking at trying to establish some basketball rings and that kind of thing that young people can go and use on the weekend and so on when school is closed. That has been exceptionally difficult. We have got some assistance from the council now to do that. There are no cinemas. Generally, skateboarding is frowned upon. If there is a group of more than three young people talking in the shopping centre they tend to be moved on fairly promptly.

Senator STOTT DESPOJA—Are they asked to move on?

Mr Fry—Yes. They have got big security guards who ask them to take off. In that regard, another youth agency has actually set up a youth centre in the shopping centre, with the shopping centre's assistance, so that young people can go there. But there is a significant lack of services for young people, so they tend to get on the train and go into Perth on Friday and Saturday nights, and then there is quite often trouble on the trains as well.

Senator STOTT DESPOJA—Do you have a recommendation as to how money should be targeted or what programs should be available? We have discussed now the fact that education and training qualifications in the area are reasonably low or are difficult to attain for whatever reasons. Certainly there seems to have been quite a negative impact in relation to cuts to labour market programs. What would you suggest would make a difference to the job that you do and to the lives of those unemployed people and, specifically, unemployed young people in the region?

Mr Fry—Things like the LEAP program and New Work Opportunities were quite positive, I thought, in addressing that. I used to work for the Department of Training, which was a LEAP broker, and we ran LEAP projects in Armadale. They seemed to be quite successful. They were certainly quite popular among the young people who participated in them and had very good outcomes as well. I think they were almost 100 per cent outcomes in the programs that ran in Armadale. Yes, I would like to see more access to simple education and training. I am not quite sure how that could be achieved though. The infrastructure is very expensive and the population that would be using it is probably relatively low compared to other areas that might have similar claims.

I would like to see more TAFE courses run down that way. That would be a benefit. Murdoch University was looking at setting up a satellite campus out there as well. I am not sure whether that is going to go ahead, but that kind of service would be useful too.

CHAIR—Would that be extra to a satellite campus of Murdoch down the coastal strip?

Mr Fry—Yes.

Senator STOTT DESPOJA—You mentioned LEAP. I am just wondering if you are familiar with Green Corps, which obviously in many ways replaced LEAP and REEP schemes. Have you any knowledge or views on the operation of Green Corps and its merits or otherwise?

Mr Fry—My perception is that Green Corps does not provide the same kind of structured training that LEAP did. People going out and doing voluntary environmental work is a very good thing—I do not have any objection to that per se. But when it is replacing the kind of structured accredited training that was being received by people on LEAP programs, I do not see that it is necessarily enhancing people's employment opportunities.

Senator STOTT DESPOJA—What about work for the dole? Are you familiar with, or are people around you involved in, work for the dole projects or with young people who are on work for the dole?

Mr Fry—Yes. Again, there is a similar concern that they are not receiving adequate training in that sense either. I can see benefits in people getting up in the morning and going off and doing a day's work and getting the experience of that. So if the work for the dole project is developing some skills because they are doing more than picking up rubbish and so forth then I think that is a useful thing. But on the surface of it I do not think it is anywhere near as effective in reducing unemployment and in getting those people into work as were things like New Work Opportunities, Jobskills and LEAP were.

Senator STOTT DESPOJA—Are there work for the dole projects happening around the community that you know of? Something we are also trying to ascertain is the kind of work that people are engaged in for work for the dole as well, whether it may be more structured or more formal or may even lead to more skills.

Mr Fry—In Gosnells, which is a little bit up the railway track from Armadale, there was one. There was another one also planned in Serpentine and Jarrahdale, but the Gosnells one was painting numbers on road verges. The council put this forward. It was derived from a proposition that was put from a small business, suggesting that they be paid by the council to go out and paint these numbers on the verges, and that turned into a work for the dole program, which I thought was rather cynical really.

Senator STOTT DESPOJA—I think you are entitled to think it is rather cynical.

CHAIR—You have given us some very useful information. This committee has been at pains to try and get a comprehensive cover of, for example, any information and evidence about the Job Network, but we do seem to have had to make sure we get information on behalf of the unemployed people. We tend to get information about the insufficiencies or okayness of the Job Network providers and employers but it has been invaluable to get your contribution, because I do not think we can overlook that part of the Job Network. Have you got anything you can tell us about what employers are saying about Job Network?

Mr Fry—Yes. That is another major concern. One of the services that we provide is job matching. It is similar to the FLEX 1. We advertise our services to local employers and tell them that they can save the funds of advertising and so forth. We will find them a group of people, say five, who we can refer to them and sometimes we do short-listing and that kind of thing as well. We have had, I would say, a tripling of our vacancies advertised in the last two months from employers who have tried to contact the Job Network and in some cases have been told that they would need to pay an up-front fee. I think two of the larger providers have been charging fees to employers for that. They are also very confused about it. They do not understand the difference between one agency or another. They used to simply contact the CES and the CES would send them some people.

Now they have got a plethora of organisations to choose from. Quite often they are simply overwhelmed by that and they will just go back to advertising in the newspaper or putting up ads in the shop window, or they will come to us because they have received a brochure from us in the past and they have thought, 'Oh, we'll give these guys a go.'

CHAIR—So the employers are telling you some negative type things, particularly that they do not like paying for what previously they did not have to, and also that there are now many phone calls to make, not one.

Mr Fry—Yes, precisely.

CHAIR—Do you know of any job providers that are struggling to survive or can you tell us anything—if you have got any evidence or anecdotal evidence—about referrals from Centrelink?

Mr Fry—Referrals for positions?

CHAIR—Referrals of names of unemployed people.

Mr Fry—I only have very limited knowledge of that. The main information that has been coming to me has been with regard to the referrals for intensive employment assistance, as I mentioned before.

CHAIR—Do not worry if you have not got anything to add, Mr Fry. It is not a question of any failure. If there is anything you would like to add, please do. We are not here to try and get people to say things they do not want to or that they do not really know about. Do you know of any Job Network people who have mentioned that they might have to close?

Mr Fry—Not at this stage, no.

CHAIR—How much funding do you get from the state government?

Mr Fry—We receive $118,000 a year.

CHAIR—How long have you been in existence and getting that funding?

Mr Fry—It is 11 years now.

CHAIR—And it is entirely state funding?

Mr Fry—Yes. We do apply for and sometimes receive funds for Commonwealth programs and so on. LEAP programs used to be run through our organisation. And we have been doing a little bit of contract work for one of the jobs pathway program providers.

CHAIR—Why were you set up 11 years ago? I am sorry, were you around at that time?

Mr Fry—No.

CHAIR—Were you born then, Mr Fry?

Mr Fry—Good question.

CHAIR—I know about the stuff of youth!

Mr Fry—My understanding is that the organisation was set up because the state government at the time perceived a gap in the CES programs, in the CES assistance. Initially the organisations were set up to fill that gap, to meet the needs of people who were not necessarily receiving assistance from the federal government in terms of unemployment benefits, or whatever it was that became newstart allowance. That was the main focus of it. But our organisation specifically was set up to help women returning to the work force, unemployed youth and Aboriginal people.

CHAIR—How wide is Job Link across Western Australia?

Mr Fry—There are approximately 30 Job Links across Western Australia.

CHAIR—And they all have the same profile?

Mr Fry—They do not have specifically those three target groups. There are some set up to help new migrants. Some are set up to help women specifically. There is one for Vietnam veterans.

CHAIR—How do you report? Which department do you answer to?

Mr Fry—To the Department of Training.

CHAIR—Do they want monthly figures or an annual report?

Mr Fry—We provide them with quarterly statistical reports and then a yearly report as well.

CHAIR—It is a very unfair question, but how do you rate yourself?

Mr Fry—I think, compared to other Job Links at least, we are doing fairly well.

CHAIR—Is that because you are getting people through the system and into work?

Mr Fry—Yes. Our main focus is on employment outcomes.

CHAIR—And what is an employment outcome? Six months later, still working?

Mr Fry—Three months.

CHAIR—Do you follow them six months, 12 months, later?

Mr Fry—We try to. Very often we lose contact with them by then, but I will generally do a three months after follow-up as well, just to see where people are and whether they are still employed or whether they still require assistance.

CHAIR—And what kinds of results do you get? How many people pass the three months use-by date?

Mr Fry—Our target is 70 per cent and we usually find it is about 80 per cent, but that depends on whether they are in full-time work or casual work or part-time work. The full-time work generally tends to last a bit longer.

CHAIR—Does it now? That is interesting.

Mr Fry—The numbers of full-time positions are significantly reducing as time goes by. There is a lot more casual, part-time and temporary work now.

CHAIR—It is an interesting figure. I had not really heard that presented like that before. It is a little counter-intuitive in a sense, that people stick longer in full-time work than they do in casual work. I suppose it is consistent with the message that if you are casual, you matter less.

Mr Fry—I think that there is less full-time work but, where it exists, people do tend to hold on to it as much as they can because they are aware that full-time opportunities are reducing.

CHAIR—We are dealing with, in this inquiry, regional employment and unemployment. We have got to look at a whole lot of things. I was just saying to the previous witnesses that laying the social demographical map on top of the economic industrial one is so important. I think we are still not doing it sufficiently but I think we are assisted by organisations like yours and by other people in the community who, despite the challenges, continue to make sure that there are some support services out there for people. Just a last question, Mr Fry: do you have people coming to you who are ineligible for any assistance through the new system?

Mr Fry—Yes. Most of our clients are ineligible for assistance, including young people who are still eligible for referral for FLEX 1 but find that they are missing out on case management for the reason I outlined before. They are also not receiving the youth allowance any more and that is a major factor in terms of family structures.

CHAIR—What can you tell us about that? What kind of stuff is coming back to you about the youth allowance?

Mr Fry—I see quite a few people who have just lost their benefits and they are looking at going back to live with their parents, which is putting an immense burden on family relationships. They are incredibly frustrated. They have been independent for three or four years and suddenly they are no longer. They might have been working for three years, lost their work six months ago, gone on to newstart allowance while they find more work, and then on 1 May, I think it was, that was entirely cut off. So they are now in a situation where they have to go back to their parents and rely on parents who might have budgeted for their retirement, because they are quite often at that stage of being in the last five years of their working lives, and suddenly all those financial plans are thrown into disarray by having their son or daughter come back to live with them.

CHAIR—Or at least depend on them, yes.

Mr Fry—So that is very frustrating for the young people who have had a significant amount of independence and they are now required to rely on their parents once more. It is frustrating for the families. I have noticed that quite a few people have been coming in to see me and saying, 'Well, what can I do?' I say, 'Well, there's not a lot you can do.' They say, 'Well, should I lie to Centrelink about my circumstances?' I recommend that they do not because obviously they are going to be in trouble if they are found out.

CHAIR—What sorts of lies are you hearing that people who are not encouraged not to are telling? 'Mum and dad pushed me out of home'?

Mr Fry—That kind of thing or saying they are living at another address when they are living with their parents—all kinds of things that really are not going to work and are not going to get past Centrelink. But they are trying desperately to maintain their independence. They are doing some fairly foolish things, I would suggest.

CHAIR—Do you have any capacity to pass any of that information through to the federal departments?

Mr Fry—In terms of this?

CHAIR—If you were getting evidence that lots of people, 10 a week or something like this, are now tearing their hair out because their capacity to survive with some form of income has now gone, do you do anything with that information? Do you ring up the department and pass it through? Do you hit it up to the head of Job Link and ask them to pass it through?

Mr Fry—I generally report it to a regional employment development officer who is the state department person responsible for monitoring our activities, and I think in the head office of the Department of Training they are collating that information and referring it to DEETYA as often as they can.

CHAIR—I am sure that Senator Stott Despoja will agree with me but I am getting a lot of that kind of information into my office. I imagine you would be. I think this is a piece of policy that is going to need some adjustment fairly quickly because it is causing a major upset for lots of families.

Mr Fry—I agree completely.

CHAIR—As you very well said, it is not just the young people being affected; it is actually also now having a very serious effect on families. We have got to leave it there, Mr Fry. Thank you very much indeed for coming here today and giving us some real world and on the ground evidence from that group of people that we must not overlook. Thank you very much.

Mr Fry—You are welcome.

Proceedings suspended from 10.44 a.m. to 10.53 a.m.

BLECHYNDEN, Mr Kenneth John, Consultant, Albany Employment Development Committee, Frederick House, Frederick Street, Albany, Western Australia 6330

HILLMAN, Ms Louise, Member, Albany Employment Development Committee, Frederick House, Frederick Street, Albany, Western Australia 6330

van der WAAG, Mr Leonardus Cornelis, Member, Albany Employment Development Committee, Frederick House, Frederick Street, Albany, Western Australia 6330

WILSON, Mr Ian Wesley, Chairman, Albany Employment Development Committee, Frederick House, Frederick Street, Albany, Western Australia 6330

CHAIR—Before I welcome our next guests, I want to acknowledge in the crowd Mr Brian Dynan from the local DSS office and Mr Chris Harms from the local DEETYA office. I am interested that you are here and probably desperately trying not to say anything. I think it's important to let other people know that you are with us and listening. I appreciate your attendance, thank you.

Thank you and welcome. The committee prefers all of its evidence to be given in public and I believe you have all read the card about choosing to give your evidence in private or in camera. You can ask to do so and the committee would consider your request. As I understand it from the nods, all the witnesses acknowledge that they have read and understood the words. The committee has before it your submission which we have numbered 140 dated 6 May 1998. Are there any alterations or additions you would like to make to the submission at this stage?

Mr Wilson—No.

CHAIR—Is it the wish of the committee that the submission be received? As there is no objection, it is so ordered. If you would like to now address your submission.

Mr Wilson—Good morning. The AEDC is a unique community committee which was incorporated in 1987 in response to community concerns about the level of youth unemployment in the Albany region. The aim of our committee is to facilitate the development of employment opportunities in the southern region of Western Australia. Last year more than 60 community members participated in the management of the AEDC agencies. This high level of community involvement confirms our belief that employment is not just a federal government issue. As a community organisation not dependent on local, state or federal funding, the AEDC provides an adaptable and sustainable forum for the discussion and resolution of regional labour market issues.

Committee membership includes all sectors of the local community, with representations from the Albany Business Centre, the Albany Chamber of Commerce and Industry, Albany Advantage Employment and Training—formerly Albany Skillshare—Albany Port Authority, Adult Work Link, Great Southern Area Consultative Committee, Centrelink, Employment National, Great Southern Development Commission, Great Southern Group Training, Great Southern Regional College of TAFE, Green Skills, Kanwork Options Centre, Regional

Training Services, local government, Police and Citizens Youth Club, Southern Province Projects Group, Western Australia Department of Training and the Western Australian Education Department.

Our region's success in delivering the new Job Network program is due to the result of having such a close networking community. The Albany Employment Development Committee believes this inquiry provides a real opportunity for our region to impact on government decision making. As a result we invested money in a broad consultation process across the entire region to develop our submission. The Great Southern Region encompasses a whole range of community environments from a city through to isolated employment situations. The region has a population of 48,000, a labour force of 22,000 and an unemployment rate of seven per cent. I would now like to introduce Louise Hillman.

Ms Hillman—Thank you, Ian. As I outlined prior to us coming in, Madam Chair, unfortunately I have had to get hard copies of our electronic presentation. I have got two spare copies. In a short time I would like to just highlight some of the points from our paper which we feel may be of interest from a regional perspective to the committee. I would like to look at three of the points from the inquiry. Firstly, point 1A relates to the withdrawal of the public sector funding. In our very broad consultation process the evidence of what impact this has had was quite inconclusive. However, the whole of government contracting has clearly had an impact on regional service providers and, while some levels of government have addressed this by putting a regional purchasing policy in place, the impact at the grassroots is still quite negative.

However, outsourcing of government services is providing jobs for experienced people, and as it is a region where a number of professional people move to, that is quite positive. However, it leaves little progression for careers for those trying to gain skills. Another negative impact of the outsourcing has been that often regionally located businesses do not necessarily win the contracts—they can go to businesses out of town and therefore they do not create jobs for local people. That is of particular concern for both our youth and our indigenous population. On 1C, which was the point which looked at private sector investment in the region, on the left-hand side of your sheet are some of the negative or constraining elements that we are dealing with. Firstly, the existing infrastructure is absolutely critical to attract private investment and not to have good power or good transport links acts as a disincentive for private sector investors. It goes broader than those structures that assist the business directly; it also goes to the social aspects such as universities, et cetera, to attract them so their families will come.

The capacity of the region to develop infrastructure is also quite critical. An example there would be where housing is required to bring new employers into the region. If the land is not zoned accordingly, it is very difficult to attract new buildings in place. Two other negative factors to attract business people into the region have been the withdrawal of services around the isolated towns, particularly the banking. We are finding that private sector investors do not want to go to an isolated town if they have to travel 100 kilometres to do their banking—that is quite a critical factor that came up a lot in our consultation. Then of course there is the reduction in public sector investment. It is seen that if the public sector is pulling out the private sector does not feel as confident about going into some of the rural towns.

However, on a more positive note, a number of people do choose regional areas, and particularly our area, because of the rural environment. There are some benefits there that particularly attract some people and they are willing to give up some of the city lifestyle options accordingly. We also have expanding port and airport facilities in the region and they have both attracted private sector investment recently.

Looking more to the future, our electronic commerce capacity is growing and we do see that some private sector investment will be working accordingly, using electronic commerce to do some of its business. We have tried to focus in the region on value adding to our natural resources and our primary industries, of which we have a lot. Our two most recent notable private sector investors have been an abattoir and a canola crushing plant and they are utilising both the primary industry area and also our export facilities from the region.

I have mentioned availability of labour. That is a bit of a two-edged sword. Of course, the regional areas with high unemployment do have labour available but that is not necessarily skilled in the areas the investors need or they might be setting up shop in a location in the region that is difficult to get to—transport is often a problem.

The third point briefly looks at the assessment of government funding and program delivery. We thought that this morning it would be pertinent to focus on Job Network because it is the most substantial in the employment area. There are some concerns, from our consultation in the region, that the Job Network focuses on outcomes and away from processes. Whilst getting people jobs is a very creditable outcome to focus on, the ability of developing the skills to find your own job and being empowered to do that is a long-term important skill that we can provide to those who are unemployed. Inevitably a job that you match somebody to through Job Network will not last forever and that individual does not want to be reliant on a service; they want to develop skills to be able to look for work themselves. There is actually a disincentive for FLEX 1 providers to empower their clients to find jobs themselves because the providers will lose their outcome payment.

Eligibility also is a problem when it is linked to benefit entitlements. We have many hidden unemployed in the regional areas, especially those in the farming communities, and of course they are often isolated and need services and assistance. We have the lowest per capita income level in the region for the state of just over $15,000. If you are a spouse attached to somebody who is earning, that person in our region is possibly earning a very low wage, and so it seems that there are many people in the category who really need assistance but who are just slipping out of it. On a positive note though, the region is performing particularly well. We attribute some of that to the fact that all of the providers under the contracted services that came into being in May were performing labour market services to unemployed people prior to that date, so they have established networks and skills within the region.

We also have an extremely high level of cooperation and communication and that has been demonstrated by our being here and all the membership of our committee. Also we ran a contracted entry level training agency pilot, the predecessor to a NAC. The key players were brought together through that pilot that the state government ran and they have continued to act cooperatively since that date. That has really assisted. There are numerous

examples of how people who would be competitors are coming together to actually work in harmony.

In summary, our research has identified many of what we believe are important issues. We feel they warrant more detailed study to ensure any remedial strategies in the future really are successful. A lot of comment was literally hearsay, opinion and some facts, but in the time frame we had we felt we could get more tangible evidence to assist in making sure the remedial strategies really work. We also feel that regional input at the policy and program delivery level is critical to make sure the relevance of the programs is retained. I have also a slide which shows our very broad membership of the committee. I would like to thank you for your attention and I apologise that this information was not electronically whizzed on the screen but hopefully at least you have the hard copy.

CHAIR—Thank you. Does anybody else wish to make comment at this time? If not, I will call on my Senate colleagues for questions.

Senator TIERNEY—Our first witnesses today were basically from the southern Perth region arguing that we should focus also on city regions as well as what we more traditionally understand as regional areas. They had some reasonable arguments in some ways, but I would have thought the tyranny of distance should tip the balance to where we focus our efforts towards areas more remote from the capital cities. You probably were not here when they gave that evidence. But would you want to comment at all on that balance of where government should direct its efforts, given the massive difficulties right across the country in all regional areas?

Mr van der Waag—We have conducted another regional consultation process and the message we are getting from the smaller communities is, 'For God's sake, give us the resources to self-manage. We know what we want to improve our employment situation. We know what we want to improve our economic situation. Why can't national programs be devolved to regional centres or regional operations rather than managed from Canberra?' That is a very strong message we got in our consultation process just last month through the area consultative committee.

Senator TIERNEY—Given that regional development has traditionally been a state function, I wonder if you could explain a little further the Western Australia example. We came across this issue yesterday in the south-west Perth region. Regarding what the corporations are doing in the regional areas, does it affect your area? If it does, could you explain where that all fits into the regional development picture?

Ms Hillman—We have a regional development commission, the Great Southern, and they are very proactive in identifying economic development and have more recently taken a focus on trying to attract private investment into the region as they see that can increase both economic and employment opportunities. They have been quite successful in so doing.

Mr van der Waag—To add to that, the development commission has its staff on the members of most peak bodies in the region. Their involvement with economic development with an employment focus was very much enhanced through their being successful in accessing a DEETYA grant to undertake a regional opportunities audit to identify new

economic opportunities that will have significant employment outcomes. That process is being progressed at the moment.

Senator TIERNEY—Your body seems to be acting as a peak body for the region with this constituent membership you have listed here. How is your committee regarded at the next level of government in terms of what teeth it has to actually put forward submissions? Do all submissions that come out of the Albany area go through your body? Could you just explain how that works.

Ms Hillman—We are a separately incorporated association so we are quite independent of government funds. We are a catalyst for employment opportunities but we work very closely with other peak bodies. For example, the area consultative committee has its membership on our committee and likewise we have membership on theirs. So we often work jointly, or we have done in the past, where one body might develop a submission and the other body—if it covers all of the concerns of the other body—would endorse that submission.

Senator TIERNEY—So you are not so much an advocacy group as a coordinating group to make sure everyone is heading down the same path, I assume, and supporting each other in terms of what one group, such as perhaps Great Southern Development Commission, might be proposing for the region. Would that be a fair description?

Mr Wilson—I think the cross-representation, while you might call it duplication, also ensures there is a close network liaising with each other so we are not all going off at tangents. That has been very positive from the business community, local government, state government and DEETYA.

Senator TIERNEY—How far out geographically do the sorts of things you deal with extend? Obviously you cover Albany but how far—

Ms Hillman—We cover about 13 shires within the region.

Senator TIERNEY—I am from New South Wales so I am not sure if you have the same structure as we do. In terms of local government we have peak bodies of the local government groups. Is there a peak body of those 13 shires that represents their voice on your particular body?

Mr Wilson—I think it is now 12 because the former town and shire of Albany formed the city of Albany on 1 July. The closest ones to ours are Denmark and Mount Barker, or Plantagenet Shire and there is the Rainbow Coast Council that governs our south coast region. Then the rest are through the state organisation.

Senator TIERNEY—Do you have bodies like those in my area? For example, there is one called the Hunter Regional Organisation of Councils. All the Hunter Valley councils come together in one—

Mr Wilson—No, we do not, but we have that pocket on the south coast where there are four joining together.

Senator TIERNEY—How do the other councils that are not in the Albany area get involved in this development process or have their voices heard in the more remote areas away from Albany?

Mr van der Waag—In terms of economic development the Great Southern Development Commission is the umbrella organisation that would link all of the shires. We also have a number of other agencies which are peak bodies. There is another very significant one in the Great Southern, which is the South Coast Regional Initiatives Planning Team. That brings together nearly 30 government agencies, organisations, community groups and private individuals as well as private business, in issues that deal with exploitation, management of land and water resources for the region. So that is their focus. We have a series of interlocking peak bodies. This particular committee, the Albany Employment Development Committee, focuses on just that: employment development. The Great Southern Development Commission focuses on economic development. Where there are interlinkages we work together and depending on the outcome required the respective agency takes the lead role. I think that really does describe it.

Senator TIERNEY—I was pleased to hear you indicating that a lot of it has to come out of your own area. Studies have shown that about 70 per cent of investment comes from the region anyway and it is a matter of growing that. Have any of your bodies done a plan for that great southern region area identifying the strengths and what sort of support you need to develop the comparative advantage in various industries the great southern region has?

Mr van der Waag—That is a plan done by the Great Southern Development Commission. They would have a strategic plan in place to address that particular issue. Then the area consultative committee has just completed its strategic plan, looking at the underpinning employment focus. The SCRIPT—the South Coast Regional Initiatives Planning Team—has a strategic plan in place and that is currently being reviewed. Its main focus will then be looking at the sustainability of land use and water use and the resource management in the area. As I said before, where those strategic plans interlink we work together and depending on the outcome the person or the organisation takes that lead agency role. There are those plans in place, yes.

Senator TIERNEY—You mentioned banking as a problem, in the sense of banks disappearing out of smaller centres. I made a start in New South Wales and I wonder if you can just update us on what might be happening in this area. The Colonial State Bank is one that seems to be taking the lead. In the very small town of Tenterville they shut their branch but the next Monday it reopened with trained banking staff, who used to work across the road, in a corner of a hardware store. It was all fully set up and had full management services, the lot. Of course, it was not the big fancy bank that it used to be. Also with banking expertise to the level you normally nowadays have in towns, most of the big decisions are made regionally anyway whether you have a branch or not, so they could offer full banking services. Has there been any move by any bank in your area to move in this direction?

Mr Blechynden—I was contracted to do the consultation phase. There was more a perceived fear of closures. There were threats of closures in many of the towns in the region.

Some have closed and put in agencies. I was led to believe they are not the full agency you were talking about, they are basically just an agency where you can use a credit card arrangement.

Senator TIERNEY—What I am talking about is full banking facilities.

Mr Blechynden—No, these agencies were not able to handle that. I was told the Commonwealth Bank agent, for example, was not allowed to handle small business transactions, which sounded quite strange at the time.

Senator TIERNEY—That is strange. There is a separate parliamentary inquiry into it at the moment which I think is having some effects on the banks, so let us hope some services develop in Western Australia in these areas as well.

Senator STOTT DESPOJA—I was curious about something in your submission in relation to insurance issues and the disincentives associated with work for the dole as a consequence of local governments having to pay about $1,000 per person. Can you expand on that? Perhaps more broadly I am interested in experiences you may know of that people have had with councils or otherwise with projects such as work for the dole.

Mr Blechynden—That came up from one of the local government bodies. They were going to apply for a work for the dole program. When they investigated it seemed that in one of the other south-west regions there was a massive insurance claim and the local government body found it was going to cost another $1,000 per person so they just refused to participate. But I have been led to believe that problem has perhaps been resolved.

Mr van der Waag—It has been resolved, yes. Work for the dole as a program, from feedback I have received, is less attractive. We have had one agency which could have contributed very significantly to some very good projects but has just wiped their hands of the whole concept because it is too difficult to negotiate a satisfactory contract to make it worth their while to be involved in it. That is a disappointment.

Senator STOTT DESPOJA—Can I ask what kind of work that particular organisation would have been involved in? I am also trying to get a sense of the kind of projects being considered or introduced.

Mr van der Waag—It was in the area of landcare.

Senator STOTT DESPOJA—In the area of landcare, moving on to Green Corps and other projects like that, are there any assessments you would like to perhaps give about some of those labour market programs that are operating? Are they useful with good feedback?

Mr Wilson—The Green Corps, through Green Skills in Albany or the south coast as a whole, has very positive results. Due to the high land degradation through the last generations and the repairs under way with tree planting and the like, the twofold impact is that you are employing people to repair the land and once the productivity has increased you are producing more jobs down the track.

Senator STOTT DESPOJA—So people are not only getting some sort of work through a Green Skills project but there is the potential for employment at the end? I notice Ecojobs is something that—

Mr Wilson—That is correct.

Senator STOTT DESPOJA—That is quite positive. Is that something unique to this area or is it operating in other regions?

Ms Hillman—As far as I know Ecojobs is unique. Their head office is in Denmark within our region. That particular part of the business runs out of Fremantle but covers many regions across the state of Western Australia.

Senator STOTT DESPOJA—How many people would we be talking about in terms of participation in something like that? What sort of age range?

Ms Hillman—I could not give you definitive figures but I could say the majority of jobs they are providing people with are contract and short-term jobs because I think that reflects the labour market in the environmental area and predominantly rehabilitation and what I will call dark green jobs at the moment. They are spanning across nine industry sectors. So, for example, mining, personal services, a whole range of sectors, are employing in environmentally related jobs through Ecojobs. The majority of the employees have been in the younger age group rather than older and it has certainly operated as a mechanism for Green Corps graduates to go into work.

Mr Wilson—They launched their sixth program and they had 15 in that intake last week, so you could say roughly 100.

Senator STOTT DESPOJA—Sixth program? Equivalent to how long a period is that? Is that six years or is that six months?

Mr Wilson—The sixth tree planting program was launched last week.

Senator STOTT DESPOJA—I see.

Mr Wilson—And there were 15 in that intake.

Ms Hillman—It has also been quite successful because the environmental traineeships have been utilised as a mechanism to assist people into work, and the state government in this particular area is also providing additional incentives and paying a considerable amount of the wages of the trainees in an effort to get more people actually doing work in the environmental area, because we have so many huge problems with salinity in particular.

Senator STOTT DESPOJA—Excellent. In your opening statement you referred to the new Job Network arrangements. I am happy for you to elaborate on that. I am wondering what problems or what difficulties have been reported to you specifically. Trying to isolate it, are we talking about intrinsic problems with the system that come with a deregulated or privatised system, or are there perhaps surface or superficial issues that can be cleared up,

from computer breakdowns to what have you, or is it things like a shortage of referrals getting to agencies or employers being angry about paying money? We are looking for those kind of specific examples. And, if there are things that are working, what is working well and why?

Mr van der Waag—I have actually summarised that for a media release. In the Great Southern it seems that Job Network is working well. That is mainly a reflection of the allocation of contracts. Every one of the providers that is a Job Network deliverer has had long—probably more than 12 years—experience in the region. We do not have outsiders. We did not get any figures from the national DEETYA office but we were allowed to make the statement that Centrelink's performance in the Great Southern is contributing to the national Centrelink achieving its national performance figures. For example, in the area of new apprenticeships we have the contractor in the Great Southern who has filled the year's quota, 360 plus traineeships, in the first three months.

We have an Albany Job Futures. They have already filled one of their consortium contracts and they are well on the way to completing the other two FLEX contracts. We have a local provider, which is not part of a consortium, which has already completed 50 per cent of one of its contracts. So it is working in the Great Southern because the contractors are all members of the Albany Employment Development Committee and they have worked together for the last 12 years plus. They have got in place arrangements that work to the advantage of the job seeker and that work to ameliorate the process difficulties that employers are finding. They inform each other. They refer to each other. They meet regularly. They meet regularly with the Centrelink manager.

There are a lot of problems with the system and they need to be addressed. There are problems, particularly with FLEX 1. One provider is only getting paid for 25 per cent of its effort in FLEX 1 because either the employee or the job seeker does not report back that they have found work, or the employer who has taken on someone does not want to be bothered because there is so much hassle, there is all the red tape and they just do not report back to that particular agency. So we have got a situation where one agency is being paid for only 25 per cent of the effort.

Senator STOTT DESPOJA—What does that mean for that agency? I imagine it would be very difficult to remain viable in that kind of environment.

Mr van der Waag—It is so. It is fortunate that they also have another contract, but it reflects a real problem with the system.

Senator STOTT DESPOJA—When you say another contract do you mean FLEX 2 or FLEX 3?

Mr van der Waag—Yes, and they also offer other services under contract to the state government.

Senator STOTT DESPOJA—I understand.

Ms Hillman—Going back to the issue in the opening speech to do with empowerment, that particular agency has concerns that its effort in the past has always been to provide the skills to the individual to empower them so that they not only will find one job but, when that job ceases—if it is casual—another job and another job. They are actually stating quite clearly now that there is a disincentive for them to do that. If they take control and match the job seeker to the job, they will guarantee they get their payment if the person is eligible. If they do not do that, then they will not guarantee that. I think that will have a long-term effect on job seekers.

Mr Wilson—There is also the other extreme of the situation where you are actually performing 10 times better than you expected to. That also causes problems in that you might not be resourced so that you are able to provide that service. Certainly DEETYA's backup for that is not in place.

CHAIR—It is not in place?

Mr Wilson—No, we still have employers who have not been paid since 1 May.

Senator STOTT DESPOJA—You have obviously got an emphasis on young people and finding employment opportunities for young people. I was interested to hear the last witness referring to a lack of facilities for young people. Certainly every witness so far and every submission has referred to difficulties with infrastructure, be it provision of education and training institutions or be it public transport. Are there things like that that you would identify and that you would like to see improved or introduced to the region? Also, Ms Hillman, you referred to disincentives. I am curious as to whether education fees and charges and transport difficulties are things that people find difficult in terms of furthering their skills and entering an educational institution.

Ms Hillman—I will start, and I am sure that my colleagues will follow. Certainly one of the issues that has been identified in the region that needs to be addressed is the need to attract a tertiary education facility. We have for a long time of course had the problem that many regions face, and that is that we lose the youth for further tertiary studies. There are steps in place, through the city of Albany and other organisations, to attract a university. We are hoping that will be in place in the next few years.

Distance is a particular problem because a lot of our labour is in the primary industry area which is located outside main population bases. Transport to those jobs is difficult and often counteracts any income earned doing the job. That has been a particular problem not only for the individuals seeking work but also for the industries trying to set up in the region. A classic example is the viticulture area. We have prime grape growing land. We also have a lot of land under timber now. Both those industries, either now or in the future, will have to tackle how to bring labour into the remote areas. That will affect youth and, of course, older people as well.

Mr Wilson—We are attempting to plug that drain of our youth to the cities. We have the lowest population between the ages of 15 and 30 in the state, so that backs up that low income level of the earners and spenders. The attraction of a university, hopefully next year, as an annex for first-year programs will be a huge advantage in maintaining those people

who are staying for education reasons. Also, the development of industries—the woollen mills are opening again and *there is to be a new abattoir—provides another 300 or 400 jobs to keep those people in town.

Senator STOTT DESPOJA—When you say 'the lowest population between 15 and 30', what kind of percentage terms as a proportion of the population in the region are we speaking of? Do you know?

Mr Wilson—I do not know. I am sorry.

Senator STOTT DESPOJA—I can put that on notice or the committee can chase that up. Finally, you referred to consultations with 60 member groups or organisations. Are young people are involved in those consultations and discussions?

Ms Hillman—I think that in this particular instance we mainly interviewed agencies, didn't we, Ken?

Mr Blechynden—To compile this report we mainly dealt with agencies, local government bodies, training providers and the *education department—those sorts of people.

Ms Hillman—However, recently we jointly funded the state Department of Training and the area consultative committee research into youth employment. The research specifically targeted youth and community leaders and looked at the two perspectives of unemployment and how they affect young people. It was pleasantly surprising to see how many young people really wanted to stay in the region. Mainly they only move out of the region for education purposes or for travel. It was quite interesting to hear, 'No, I would rather be in the region and I intend to come back to the region.' So, clearly, if we can find a catalyst or a number of catalysts to keep them here, then I think we will be able to address some of the problems that we have identified.

Mr van der Waag—Further to that, the development commission's position in regard to retaining youth is essentially not to lock in our existing youth but provide facilities to attract youth to the region. We acknowledge that it is very worthwhile for our youth to travel to gain experiences outside. Once they have got their skills and done their thing, we need facilities to bring them back to the Great Southern Region. As Ian said, the fact about this age group 15 to 30 is that they are the spenders, and we need *them back in our community.

Senator STOTT DESPOJA—There was something in your submission in relation to the CDEP and other work for the dole schemes. You said that that actually might operate as a disincentive to pursue other work; that there were some participants in CDEP and comparable projects that—

Mr van der Waag—Yes.

Senator STOTT DESPOJA—Can you explain?

Mr van der Waag—In the Great Southern Region we have 250 people in the CDEP and a waiting list of 150. Some of those people have now been in the CDEP for four years. We

at the ACC have just conducted a snapshot survey, and we got references to 136 Nyungar people. Of that 136, 13 are in mainstream unsubsidised employment and the bulk of those are in fact shearers. The rest of the people—the 136 who are in employment—are in what the Nyungar community calls the 'Aboriginal industry'.

DEETYA has, in fact, recently signed the first Aboriginal employment strategy in the south of this state. It is based around the new meatworks, which is to employ at least 40 Nyungar people. It is not because they are Nyungar people that they are being employed; it is because they meet the recruitment requirements of the company. But, prior to their meeting those requirements, the DEETYA strategy was to provide training and life skills support so that people could apply on an equal playing field for these positions. I think there were 40 people on the first course, nine of whom found jobs. Another seven were able to meet the very strict requirements, other than the fact that they had a physical injury, a football injury, that disqualified them from employment. For those sorts of people who reach that level of employability, DEETYA is now considering either broadening the existing Aboriginal employment strategy or signing a new one so that those people may be placed in retail, Main Roads or local government so that we create a much wider mainstream employment base.

We have been advised by the executive officer of the Southern Aboriginal Corporation that there are changes coming from ATSIC—I think they will start next year—and that people who are on CDEP will be told, 'You have a limited life on CDEP. Either you find work or are willing to accept work during that period of time on CDEP or you'll go back into the mainstream income support system.' That is a carrot and stick type approach, but it cannot be done unless we create real employment opportunities for our Nyungar people. We believe that the Aboriginal employment strategy that DEETYA is funding will provide that opportunity for the first time.

The other area that quite a few of us are working on is the school to work transition project for young Nyungars, firstly, to keep them at school, particularly years 8, 9 and 10, and, secondly, once they are at school, to give support, in year 11 particularly, to take up the option of the part-time school based traineeships. To date, we have a very low participation rate of Nyungar students in the various school to work transition programs.

Senator STOTT DESPOJA—Thank you for that. That was most useful.

Senator GEORGE CAMPBELL—Mr van der Waag, I note from the information we received today that you are the executive officer for Great Southern ACC.

Mr van der Waag—That is correct.

Senator GEORGE CAMPBELL—At another hearing—I think it was in Rockhampton—the ACC gave us a copy of the projects that they currently had under way and a copy of the projects that they had submitted to DEETYA for their three-year RAP funding. Would you have those available for the committee? The reason I ask is that they give a very good overview of the type of projects and investment type activity that people are looking at in the communities.

I agree with your earlier comments; what is coming through in this inquiry everywhere we go is a bottoms-up approach. People are saying that they want to develop the ideas in their communities and they want to have the opportunity to put them in place. I was talking earlier with one of the Perth groups and saying that what appears to be market failure here to a large extent—it has certainly come out of a couple of hearings that we held, particularly in Lismore—is a disconnection between some of the community groups and the projects that they have developed and the ideas they have for the development of the local communities. They are linking into the mainstream economic activity that is occurring in St Georges Terrace or in the middle of Sydney—in other words, a major finance sector—and to a large extent a lot of the projects are not getting fed into that system.

There is no networking taking place in terms of those investors or investor dollars. They are just simply not aware of a lot of these projects and there certainly are some of them I think they would be extremely interested in if they got hold of them. So if you have that material in document form I would appreciate it if you could make it available to the committee, because it gives us a fairly broad overview of the type of employment opportunities and investment opportunities that there are out there, right across the whole of regional Australia. In most of the regions we have been to, people are not without ideas for developing their communities.

CHAIR—Who is going to bat this one?

Mr van der Waag—The reports are available, I know. I do not have them with me, but I can send them to the committee.

CHAIR—Can you tell the committee or do you have in your head a rough idea of the amount of money you were bidding for?

Mr van der Waag—It was $1.2 million for this financial year.

CHAIR—For your ACC?

Senator GEORGE CAMPBELL—Is that just for the ACC or is that for your RAP funding as well?

Mr van der Waag—That is for my RAP funding. My ACC money is roughly $100,000. But for projects to develop the areas of employment opportunity, it was $1.2 million.

Senator GEORGE CAMPBELL—We understood that the RAP funding was on a three-yearly basis.

Mr van der Waag—That is correct, but it is applied for on an annual basis through a business plan.

CHAIR—Ex-Senator Peter Baume, Liberal, New South Wales, used to often say, 'I'm just a simple person,' so I think I will quote him now. What you have just described is also one of the difficulties people have: is it RAP, is it ACC, is this on an annual arrangement, is this on a three-year arrangement, how do you apply for it, and so on. You can or cannot

make a comment about that, but I wanted to open the batting for my questions by first of all saying thank you very much for a very useful submission. The thing that it conveys is that the community is on its toes and doing things so that, no matter what anybody else might want to say about that area of the world, the people who live there say—I can't think of anything elegant—'Knickers! We're going to make sure that our area doesn't fold. We have a commitment to our area and to the people who live there, particularly our youngsters.' So I think you deserve a very big tick for that, and also because you have highlighted some of the difficulties in dealing with local, state and federal government.

My question to you, Mr van der Waag, first of all, is that, when you say, 'Give us the money and we will manage it,' I presume you did not want to say it quite like that but we are here from the government and we are going to have our heads shot off if we cannot account for everything. There are these dreadful opposition colleagues; I thought that would wake you up, Senator! We are the opposition, of course, and he cannot fail to account for every dollar or we will be down on him like a ton of bricks. How do you deal with the balance between having proper accountability of taxpayers' dollars and, at the same time, some kind of flexibility at the local level?

Mr van der Waag—The local community and the local area actually pay the taxpayers' dollars, so they would be far more effective in managing that than I believe—

CHAIR—That is an article of faith, Mr van der Waag. Give me something more to go on than what you believe.

Mr van der Waag—DEETYA's investment through the OLMA program, I understand, represents over the life of DEETYA several million dollars. Because I do not have all that history, I have asked DEETYA for a report on that. DEETYA's comment, I suppose their vote of faith, was the fact that most of the investment has had the outcomes that it was designed to have and has in fact gone further than the original project submissions had outlined, to the extent that just recently the small community of Tambellup—700 people—will be funded to put in place Australia's first agribusiness development centre, an investment by DEETYA of $300,000 in a community of 700, because the community, local government, business and private organisations were able to convince the area consultative committee, in the first instance, and then the state manager of DEETYA, that this community would make it work.

Everything that they have done sets in place all the requirements, the guarantees that DEETYA has against loss. Normally, a community of that size would not get that investment from DEETYA through the regional assistance program. It is part and parcel of, I suppose, the nature—there is something in the air or in the water and maybe we should be bottling that—of the Great Southern. We seem to be able to get things done. I have made a check through the Internet of a number of ACCs, quite a few of them, to find out if there was another Albany Employment Development Committee. There is not. The South Coast Regional Initiatives Planning Team is the model that the federal government would like to see in place for landcare management throughout Australia. The development commission recently won the Prime Minister's award for innovative business approaches or whatever it was. That was the small development commission in the Great Southern area.

CHAIR—You are good, Mr van der Waag, so we will let you have your money, but the blokes next-door are hopeless. How are you going to protect them? You understand this is a hypothetical question and answer session?

Mr van der Waag—I understand that. What I am saying is if it can work in one community, maybe we should be looking at that as a model of best practice and saying, 'Right, if it can work there, these are the structures we need in place for accountability'—and we must be accountable—and then look at how that can be introduced nationally.

CHAIR—How did you persuade DEETYA in letting tenders for Job Network to give them only to people who existed here?

Mr van der Waag—We did not. That was totally fortuitous. DEETYA was very strict. Their probity requirements were so extreme or so severe that as an ACC we were going to discuss the current state of the employment services market so that we could establish where we were at and where we were going to be in May. The state manager advised my chairman that that meeting had to be cancelled because there were probity issues. We were not allowed to be seen to be involved in any way in influencing the decision of the Job Network outcomes.

CHAIR—So did you go down to the pub and have a drink?

Mr van der Waag—No. We found another agenda item and put that on the agenda. We had enough work to do down there.

CHAIR—Thank you very much. This also highlights a bit of the problem, does it not—suddenly, out of the blue, probity issues, definitions and all of those things. It is a big difficulty. You actually have said that one of the reasons you reckon you can tick off some parts of the Job Network is because the people who are providing it were on the ground, knew the people, knew the local area, knew the skills needed and knew the game, if you like.

Ms Hillman—I think another reason for their success is that they are all, bar Employment National, community based agencies and so they are actually managed by a committee of community representatives and volunteers and I think that keeps the grassroots element clearly in focus.

CHAIR—It is interesting. So our questions may have to be to the Department of Employment, Education, Training and Youth Affairs. We have asked them at length and they have answered with not one explanation about why it is that some of the successful tenderers were people who had never done anything in the community before and in some monumentally good cases, which no doubt you have read about, were beyond disasters, they were total incompetents; people who had no capacity at all got tenders. So well done for you there. You did say there were some problems in the system and you did suggest some of those to Senator Stott Despoja. Can you tell me whether you have said all there is to say about the problems in the system or roughly what were they that you have not already told us on the record?

Mr van der Waag—The computer system is one issue.

CHAIR—You mean as in Centrelink not being able to provide the references?

Mr van der Waag—That is correct.

CHAIR—Thank you.

Mr van der Waag—The other is the IES system—or the acronym is. That is the network system, IES.

CHAIR—What did you call it?

Mr van der Waag—The database, yes, the computer system that you lock into.

CHAIR—The database. Thank you.

Mr van der Waag—They seem to be two problems and then the third problem is the fact that employers seem to be having to wait quite a long time for their payments. I am not sure where that problem lies, whether that is at the level of Centrelink and DEETYA, or whether that lies before in terms of processing the paperwork.

CHAIR—What is your understanding about employers having to pay for what previously was a free service? Do you get any response from employers in this area?

Mr Wilson—I have not had any complaints to our Chamber of Commerce, for example, members that are complaining about that fee for service. Two organisations know we do not charge fees for service, and one does, so they have a choice.

CHAIR—And are they exercising it?

Mr Wilson—I think so.

CHAIR—But wouldn't it be nice if we had the data?

Mr Wilson—Exactly.

CHAIR—How many employers in your area are now putting signs in the windows and advertising in the local paper?

Mr Wilson—I think there will be a significant increase in that if the charges are reflective of the level of service you could previously acquire.

CHAIR—So you would get the sense from those answers to my questions that a lot of employers are not happy about having to pay for what previously they did not have to pay for?

Mr Wilson—Yes. I still do not expect a lot of business expect a free lunch either, though. You do not have to use the service.

CHAIR—Yes. I am not sure whether we are talking about free lunches so much as change and the size of the change.

Mr van der Waag—Again the Great Southern Region, because we have one provider who is charging and two who are offering the free service, is not in that predicament where you have to pay. The agency that is charging the fee for its services is arguing that they will provide the employer with a high level of professionalism, they will provide expert staff to fill that position, and their service is being used.

Ms Hillman—And I think it would be fair to say that their service is free for the clients who are Job Network eligible and so their service is only at cost where the client is not Job Network eligible. We have other employment agencies.

CHAIR—What percentage of your people in the Great Southern are people who are ineligible for assistance?

Ms Hillman—Anecdotal evidence would suggest between 40 and 50 per cent at this stage—unless you have had an update?

CHAIR—Don't worry. If you have a figure, that is fine. That is a fairly significant number. We are getting that sort of story. In fact it is a lot of annoyance from people, people who had a job and they get laid off or for whatever reason and they go looking for another job, only to be told, 'Well, we can't help you,' or 'We can, but for a fee.' These people are ineligible to be assisted. The other group of course is the spouse returning to work—usually 'her'.

Ms Hillman—Yes. As we indicated earlier, because we have such a low pick-up to income base, there are actually an awful lot of people who really do need help. I think we are also fortunate that we have a network of state funded agencies, as was indicated with the previous speaker, and we do have three operating within the region who are assisting those who are ineligible. At a recent meeting of this committee the Job Network providers were also saying, 'If somebody knocks on our doors who is ineligible, we can't turn them away. We have to assist all people into employment.'

CHAIR—We are getting that story across the country, too. It is all very well to talk about doing this as an economic venture, but people are actually doing the community thing, which may be in fact relatively disadvantageous to them in terms of their time and their dollar income. I hope DEETYA takes that into account when they decide to have a look at this. Another problem group that has emerged across the country for people who are unemployed—by the way, I am sorry, I did say DEETYA doing a review and I suppose I should more accurately say Minister Kemp. How many people are you picking up who are the hidden unemployed over 45, over 50? If not, that is fine.

Mr van der Waag—No, we have not done any focus on that.

Ms Hillman—We have not done any focus on that.

CHAIR—It does not spring to your mind that you have a significant number of mature aged unemployed?

Ms Hillman—Certainly mature aged men are deemed to be the second-most disadvantaged category in age groups. Obviously there are indigenous populations, et cetera, who are also severely disadvantaged. I think it would be fair to say that in the region we also have a lot of people coming off the land into the towns with a higher population and some of those people are still of working age, and they certainly would fall into that category.

Mr Blechynden—Can I just say it certainly as part of the research became very obvious there was a large percentage of those people you are talking about but there is no evidence to suggest what figure it is.

CHAIR—I was interested to note your concerns about the whole of government purchasing of contracts and your suggestion that this, plus the contracting out of services, affects the local job opportunities and of course that also means local spending in the area, does it not? You mentioned contracting out major roadworks. Is this a problem mainly with bigger job contracts? Is it big projects we are talking about here?

Mr Wilson—Yes. Things have changed since the submission has been done, as soon as state governments relaunched and gave a high profile to the original buying compact which is a 10 per cent preference to regional businesses, and we are making sure they abide by that promise. Regarding transport, for example, previously a roads contract might have been for the mesh reinforcing for the roadworks. That would have been a whole of state tender and there is no way a small regional centre could have picked it up. So we are asking them to break those tenders down to smaller regional sections.

Mr Blechynden—Can I just add that on the regional buying contract, the 10 per cent allocation, I believe there is no extra money actually given to the departments, so they have not had a compensatory 10 per cent increase in their funding allocation.

Mr Wilson—So we might be getting cuts elsewhere that could affect employment.

CHAIR—How many people, plus you, give how many hours per week to make this happen?

Ms Hillman—We would have, I would suggest, two full-time officers working in employment development. We have the area consultative committee executive officer and a state funded regional employment development officer. In addition to that, other people are working with employment development through another focus. For example, the development commission is looking at increasing economic development and a spin-off of that is employment development. We have an Aboriginal corporation which has a focus in encouraging more Aboriginal employment.

Mr van der Waag—They have four staff working.

Ms Hillman—In addition to that we would have numerous staff in the federally funded Job Network agency and we have three Job Link agencies, state funded, who have a number of staff assisting people into jobs. So people are working with a slightly different focus. We have those working at what I would call the sharp end, assisting people into jobs. We have people working at more of a strategic level looking at developing employment opportunities as well.

CHAIR—How many people are working in a voluntary kind of capacity?

Ms Hillman—All of the committee members of the community based agencies are and they do give up quite a number of hours a month, and that varies across committees.

CHAIR—One of the things that has emerged is the huge amount of information that people in the community would benefit from knowing but do not even know they do not know it, much less where to go to find it out. It requires an organisation like yours, in fact, to almost de facto take responsibility for finding it out, of pushing and shoving to see what other rabbit holes there are that might reveal money but might also just reveal very useful information—'How does this department work and why is it different?' How often do you find that you are actually putting federal departments in touch with each other? They do not talk to each other and we have found that evidence on a number of occasions. It is the same with state departments. A lot of this depends on people like yourselves making things happen that lots of people would like to see happen but they do not have the infrastructure to do it. In some ways you are the people who are now pulling a lot of those pieces together. What I am concerned about is your lifetime. How long before burn-out?

Mr Wilson—I would be confident of a positive future. Two areas we had not mentioned were the industry involvement—we are looking at the Great Southern Regional Chamber of Commerce, so all the businesses in town will have a link to identify job opportunities—and also the school system with the VET programs in schools, linking them to the businesses, so there is a transition there, including TAFEs as well.

CHAIR—Do you feel like you are getting a bit of a buzz from the community because of these things that are now beginning to happen?

Mr Wilson—I think our track record is pretty good and we would like to see it improve.

Senator TIERNEY—Chair, I would like to put two questions on notice to Ms Hillman. The first one relates to what you said about industry being as cooperative as it was competitive, just examples of where that cooperation is taking place, and what sort of ways in which they are cooperating. The second thing is, in terms of the plans that have been laid down by these various bodies for the Great Southern Region, what are the local industry strengths that you see developing employment in that region? Could you just take those on notice and provide the information to the committee.

CHAIR—That also means that we do not want a thesis or a PhD essay, just some dot points on half a page would be sufficient. Can I just thank you all very much indeed, if there is nothing else that you absolutely must put on the record. Feel free, of course, if you do

need to contact us and if we need to pursue any ideas with you, we can contact you. Thank you very much. Just to continue your session, if I might, and not to hold you to any figures, can I just put it this way. Please excuse me for being creative here. One of the measures we have of concerns about lack of sufficient infrastructure, support and so on in regional and particularly rural regional Australia has been the youth suicide figure. I was wondering whether you could perhaps take on notice or else make a brief comment now on anything you know about youth suicide in your area.

Mr Wilson—We have a strong group working with the youth in the region—I have forgotten the name of it—through the Agriculture WA Department and the lady responsible for that gave alarming figures to me the other day. I will not be quoted on what they were. I will get them back to you after this meeting.

CHAIR—Thank you.

Mr Wilson—They are significantly high.

CHAIR—There are some places in your area that have got a very high youth suicide?

Mr Wilson—Yes.

CHAIR—It is one of the statistics that comes up from time to time in this inquiry, and if you can provide something to the committee, that would be really very useful.

Mr Wilson—Yes.

CHAIR—Thank you very much. Thanks, Ian. It was really good to get that on the official record.

[12.02 p.m.]

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CHAIR—Welcome to you all. The committee prefers all evidence to be given in public but should you at any time request to make your evidence in camera we will consider that request. I think you would have all seen and read the little card stating this matter. For the *Hansard* record, all the witnesses have nodded assent that they have read and understood that. I now invite you to make an opening statement and then we will have some questions.

Mr Jones—The presentation or the introduction will be via a power point presentation which will go for about five minutes, if that is okay.

CHAIR—That is fantastic. Fire away.

Mr Jones—We are all from the regional employment branch of the Western Australian Department of Training. That branch delivers the department's employment strategies to metropolitan and regional Western Australia. There are 13 regional employment development officers located in eight country and five metropolitan regions. In 1998-99, $8 million will be invested by the state in employment programs. These programs are delivered as a partnership through regional community based agencies. REDOs manage these agencies and we have got 51 SEAS projects, or state employment assistance strategy projects, and 13 joint funded group training schemes spread throughout Western Australia.

Apropos of the previous witness, all of these organisations are community based organisations; that is, they are managed by the community in a voluntary capacity. REDOs also facilitate regional responses to employment opportunities and they develop and implement new initiatives. One of the new initiatives that we are working on at the moment is a program known as the access all areas program, which will target youth unemployment through strategies such as a school leaver program, home based employment, an Aboriginal school based traineeship, a you're the boss program. There is a range of them and I have provided documentation for the committee.

The next part of the presentation will highlight the key points from the written submission. As we know, the provision of services to regional Western Australia is expensive and complex. This is a result of the size of the state, the distances between service centres and the variations between regional labour markets. I would like to concentrate on the variations between regional labour markets. The first one is obviously industry investment. That is the major driver and I am sure that you have had lots of information, and there is a stack of information out there, so I will not concentrate on that.

The second is education infrastructure, both post-compulsory and tertiary. The expenses associated with university studies force many families in regional Western Australia to move to Perth. The result of this is twofold. There is a continual drain of skilled workers from the regions, with a drop in productivity you would assume if you are losing your skilled work force. There is also a loss of skilled and motivated young people who are taken out of the regions to continue their education. It appears unreasonable that country parents are subjected to virtually the same means test for Austudy and Abstudy as their city counterparts but have the additional cost of funding accommodation for their children when they come into the city. It is probably also worth noting that the majority of people who live in regional Western Australia are not farmers and it seems that a lot of the strategies that are developed have the land-holder as their target.

Another driver of regional labour market variation is CDEP participation. That is the community development employment project. There are approximately 9,000 participants in this scheme in Western Australia. That is 28 per cent of the total participants in Australia. Ninety per cent of CDEP participants in Western Australia live outside the metropolitan area. For many years, CDEP has warehoused Aboriginal job seekers and it is only recently that CDEP participants have started to access mainstream labour market services. The numbers of CDEP participants in full- and part-time study and in traineeships, or new apprenticeships if you like, increased markedly as a result of variations to program eligibility guidelines which occurred under working nation. These changes permitted CDEP participants to combine CDEP with other forms of labour market assistance. It is of great concern to us in Western Australia that Commonwealth policies have now been amended to make it difficult for Aborigines to access mainstream services and there are already indications that Aboriginal participation in new apprenticeships and vocational education is dropping.

The final driver of regional labour market variation is lifestyle migration. There are towns in Western Australia that are both attractive and unattractive to an outsider. An example of two attractive towns are Broome, and Denmark on the south coast. What appears to happen is that you have a flow-in of people as skilled migrants to these areas who displace the residents of the town, so what happens in Broome, for example, is that you get marginalisation of the Aboriginal work force. They cannot pick up jobs because they are not competitive. They may have the skills to pick up the job but they are competing against people who are overskilled for the job. If you go down to Denmark, you have the same thing occurring with young people. Young people come into the work force but they are competing with highly skilled migrants into Denmark, who are prepared to take jobs at considerably below their potential because they need an income. It biases the labour markets in those towns.

CHAIR—Are you going to tell us of some unattractive areas of Western Australia?

Mr Jones—Well, I live here, so I do not actually know of any!

CHAIR—You opened the batting by saying there were attractive areas and unattractive areas. I am just demanding equal time for the unattractive areas.

Mr Jones—Well, you could say that the unattractive areas actually bring in their labour markets. If you look at the Laverton-Leonora mining area, the labour market there is brought in. It may be unattractive, so people are choosing not to live there, so you have got the issue of fly-in fly-out in areas that I guess you would say were unattractive for settlement.

CHAIR—We have been hearing a lot of evidence about the southern region, around Kwinana and so on. Would that rate as an unattractive area or are you talking about regional remote?

Mr Jones—In this case, when I talk about lifestyle migration I am talking about towns outside the metropolitan area and Kwinana is actually part of the metropolitan area.

CHAIR—We will come to you, Mr Nicholas, later. I noticed that you were nodding that maybe that is another way of looking at that southern area. Will you please keep going, Mr Jones.

Mr Jones—The final driver of regional labour market variation that we think should be considered is that of government services, both the provision of government services and the withdrawal of government services. This leads me on to the next slide, which is the impact of the Job Network, which is probably the most significant change to government services that I have witnessed since I have worked in Western Australia. I am not going to elaborate on any of the impacts. I am just going to table them and that will be the end of this presentation. The impacts appear to be: confusion amongst employers and job seekers; inadequate levels of servicing; viability concerns for those providers who have actually gained contracts, as well as those key regional organisations that lost contracts and still have a service to provide to the community; loss of remedial strategies; centralisation of decision making.

People tend to think that centralisation of decision making just lies with the Commonwealth corporatised job agency but it is in fact true of several of the non-government agencies. Another impact is a reduction in the efficiency of regional labour markets: I believe that there is an increase in frictional unemployment. Because the situation is in chaos, then the ability of people to move from one job to another is restricted.

CHAIR—Did you call that frictional?

Mr Jones—Frictional unemployment.

CHAIR—Is this a new expression?

Mr Jones—No, it is actually a very old one.

Senator TIERNEY—It is a technical term.

CHAIR—All right. Well, I will find out about it later. It sounds like when one thing rubs against another—'frictional unemployment.' Thank you.

Mr Jones—And the final one, although we do not know what the implications are, is the impact of the youth allowance and mutual obligation. We believe that that will become more apparent next year in regional Western Australia. That is the end of the five-minute formal presentation.

Senator STOTT DESPOJA—I will start where you left off. I understand that it is more a case of anticipation or prediction at the moment in terms of the impact of the common youth allowance, but some other witnesses have suggested that already, since the changes were introduced in July, it has made it difficult for some young people and has increased economic and of course social pressures on their families. I am just wondering how, as a department and certainly as people out there in the region, you are finding its impact already. What confusion still remains? One of the things that I am concerned about is people who are still not really aware of the changes and things like ensuring that they get their applications in on time so that they are not penalised in relation to the benefits that they can receive.

Ms Kiesey—The example I would use would be Tom Price, which is a small remote community up in the Pilbara. Given that their families earn a high income, those young people have now found out that they are not eligible for any benefit at all. Once that happens, they are no longer eligible at a Job Network service, if there was one. They are not eligible for training money. They cannot return to the colleges or to any other form of education in the town unless their parents move them out and pay the associated costs. Okay, yes, they do earn good money, but they may have three or four other children at home and they now have a 16- or 17-year-old who refuses to return to school. What do you do with them? And they are stuck without an income.

Senator STOTT DESPOJA—It is a good question. I am wondering what does happen to them, because obviously the means test means they are not eligible, and when you say education and training, it is either because they do not want to or—

Ms Kiesey—Well, there are limited facilities available in that town anyway for them. They would have to be removed from—

Senator STOTT DESPOJA—And unless they are in full-time education, employment or training, they are doing nothing, at 16 and 17.

Ms Kiesey—They are means tested out, so there are no training dollars for any other organisation to pick them up. The parents have to pay. What we are finding over in Tom Price is that the youth service is being relied on more and more to find something for these young people to do. They have a limited and a very small budget and it appears that the young people are looking at graffiti, and a bit of crime to supplement their income.

Senator STOTT DESPOJA—Something that was considered and allowed for, perhaps not to the degree that was needed, was so-called compensation by the federal government on a state level for institutions, certainly for schools, to deal with the impact of increase. How

do you feel in this state? Has any of that money gone where it needs to go or is it not enough to cover such a broad range of institutions?

Ms Kiesey—I am not aware of any of it being spent in my region by any of the high schools for these young people.

Mr Jones—We will not feel it until next year. The assumption seems to be that 18 and younger is not an issue because they will either go into training or eduction. People choose not to go into training or post-compulsory schooling because they see no point in it. Taking away their income support is just going to force them to chase other forms of income.

Senator STOTT DESPOJA—You are right, there has been an emphasis on 18 and over. It is the 16- and 17-year-olds I am most worried about. I cannot see where they go if they fall through those cracks and what impact that has on the community.

Mr Jones—If you look at the specific issue with Aboriginal young people, what happens to a lot of them is they come out of school, often leaving school before they are entitled to. They hang around until they are eligible for CDEP and then they have some sort of support structure. A prerequisite for going onto CDEP is that you have to be in receipt of some form of income support. In all the changes to the legislation that have come through I have seen nothing to vary that requirement by the Department of Social Security. Unless you are at school you cannot get the common youth allowance if you are 16. If you are at school by definition you are not eligible for CDEP, so you are going to have this cohort of young Aboriginal people who previously have moved into the CDEP and now do not have the access because they have no income support to trade off against the CDEP. That again seems to be very much of a sleeper.

Senator STOTT DESPOJA—That sounds like a flaw in the legislation.

Mr Jones—Yes.

Senator STOTT DESPOJA—I would identify a number of flaws or problems with the legislation but that actually sounds like something that is a genuine loophole. Perhaps it is something we should investigate as a committee. In terms of education and training facilities generally you have talked about the absence or lack of infrastructure especially in the areas you are involved in. What recommendations can you make to overcome or fix some of that? Is it a case of just money to provide the institutions plus the surrounding support services? What is the answer? Do you have one? Could you give us a nice easy answer and we can wrap up this committee and solve all the problems?

Ms Hitchins—I am from the Peel region, just south of Perth. We have a very large population base in Mandurah and there is a very new TAFE facility there. It is an excellent facility but there is no transport to it. If you do not have your own vehicle you cannot get there. It is a very simple issue. People have given thought to it but no-one has come up with a solution to how we can have transport to this facility about five kilometres out of the—

Senator STOTT DESPOJA—Why is that? We have heard this repeatedly. I know perhaps you are in a difficult position in terms of the government department but why isn't

there liaison between departments saying this is a No. 1 difficulty in terms of lack of support services?

Ms Hitchins—The comments that have come back from both the City of Mandurah and the Department of Transport have been that because TAFE is such staggered hours they cannot run a viable service, therefore they will not run a service, so no-one is prepared to run the service and accept that it is a community responsibility.

Senator STOTT DESPOJA—Are there perhaps other disincentives for young people or mature age students to enter into and participate in education in the region? Would you identify other factors or elaborate on your dot point?

Ms Kiesey—I think an issue is culturally appropriate training. A lot of the training I see taking place in the Pilbara looks wonderful on paper in the submissions for tenders to WADOT or whoever but when it has come to being delivered to an Aboriginal community it is not flexible. It has to be delivered in a time frame, it does not have the appropriate trained staff to deal with the cultural issues of dealing with Aboriginal people, so they do not succeed. That is done time and time again.

Ms Worth—It is, yes. Can I add that a lot of the training is provided with an assumption that people have a certain formal educational level. Where I am from that simply does not exist in most cases. I am from the Kimberley and I live 30 kilometres from the Northern Territory border right at the top of the state on the map there. A lot of the people I deal with have never been to school. A lot of them go to school until about year 4, 5 or 6 and then they drop out. The TAFE college provides a fantastic service but the people simply cannot feed into it.

Ms Kiesey—I would also like to point out that public transport in the Pilbara does not exist.

Ms Worth—Nor in the Kimberley.

Ms Kiesey—A young person without access to a vehicle or a licence and a car is disadvantaged to a huge extent. They cannot get the jobs. The distance between South Hedland and Port Hedland is 15 kilometres even though it is one town. If you live in Port Hedland and the job is in South Hedland you cannot get there.

Mr Jones—That raises another issue which was also raised by the REDO at Kwinana. There is no Job Network provider in Kwinana so you actually go to Centrelink and hit the touch screen. There could be three providers of the jobs you are interested in, one at Rockingham, one at Cockburn, one at Fremantle. You then truck out to Cockburn for your interview because they will not give you the details over the phone. They actually want to see you in person because you are a unit of profit sitting out there and they want you in their office. You get there and then you find that the job, if you are referred to it, is another five or 10 kilometres over the other side of town. So to look at three potential jobs you can have six trips to different parts of the metropolitan area if you live in Kwinana. There is not a great public transport system down there. It is not too bad but the time and the cost to a

young person means they are not going to bother. That is a real impact of travel on job seeking for young people under the new system.

Senator STOTT DESPOJA—I will not ask about Job Network because I am sure my colleagues will but I want to ask a final question in relation to mutual obligation, your knowledge of work for the dole projects that may be operating in the region, their success or otherwise and perhaps feedback from the participants as well as those people, councils or organisations that are providing the projects.

Ms Kiesey—One of my projects in Newman was successful in gaining a tender for work for the dole. Unfortunately it never went ahead because it could not be guaranteed the 15 participants to fill the places. Because of the way the hidden unemployed are not on the system they are not eligible to be on work for the dole, therefore they are not counted and cannot be referred. So it actually never went ahead. In the end the money had to be declined because Centrelink or DEETYA could not guarantee the 15 young people for the places.

Senator STOTT DESPOJA—When you refer to the hidden unemployed, where are those young people in the system? Obviously they are not claiming or eligible for benefits and they are not working. How are they surviving?

Ms Worth—They live off their families.

Senator STOTT DESPOJA—So that is an example of one that did not get the numbers to go ahead. Are there other examples of the type of work that work for the dole is doing in the region?

Ms Hitchins—I have a work for the dole project running in my region. It is being run by one of our Job Links and the participants are working on a wild flower farm. That has been an ongoing project which has used labour market programs for about the last four years. It is almost a slick process now. They have it down pat and it works very well but they have taken a very small group. I think they have six out there.

Senator STOTT DESPOJA—What about job opportunities at the end of it or some kind of accredited training as a consequence of that work? Is it something that happens?

Ms Hitchins—They are doing accredited landcare training as part of the process. It is hoped that wild flower farm will become self-supporting within the next couple of years so it will generate employment in its own right.

Senator STOTT DESPOJA—Thank you for that.

CHAIR—Mr Nicholas, do you want to make a comment about that last point or any of the other points pertinent to your region? Where is the Goldfields region?

Mr Nicholas—Goldfields is Kalgoorlie, Esperance and the north-east goldfields central lands as far up as Warburton. In my region I have predominantly assisted Aboriginal people to secure programs, dollars, infrastructure, whatever it is to increase employment and training opportunities. I have worked predominantly in the Laverton-Leonora area because it has the

greatest need in the region as far as I am concerned. With support from mining companies, DEETYA in the early days and the Department of Training we developed a program based on contact with five Aboriginal communities. Purely because of the native title issues the mining industry wanted to work with Aboriginal people, who in turn wanted to work with the mining industry. There was also the fact that colleges would not go up there because it was too expensive for them to provide any services.

What has happened is the committee up there has put in place a training organisation which is funded predominantly from the Department of Training but they are on the verge of signing an agreement with DEETYA to provide some training there as well. They did have a mentoring scheme which was initially through DEETYA, then through the Department of Training and back to DEETYA, who have now canned that. It assisted people going into the mining industry and provided support for them while they were in there. It was a full-on mentoring program linked to a couple of Aboriginal mine training courses funded by the Department of Training. The level of success from that has been extraordinary. There are 25 or 30 people who went through the program and are still employed in the mining industry.

What we are finding now is that because DEETYA did not fund any more programs it started to fall into a hole but with a bit of quick talking by mining executives DEETYA has come to the party again. There has been a bit of an issue due to the fact that when the Job Network was put in place there was a complete cut of basically every funding. TAP funding went and the mentoring program went, as well as a number of other programs. It was an issue for a while but with the constant input from mining executives and the fact that they are drawing some money into the country through their export royalties, I guess government is listening to what is happening up there.

Senator TIERNEY—Mr Jones, as we have moved around regional Australia we have seen a variety of approaches by different states to the regional, rural and remote areas. We heard yesterday about your corporations. I wonder if you could provide in a nutshell what the role and powers of those corporations are.

Mr Jones—By 'corporations' you mean the community labour market organisations?

Senator TIERNEY—They were called corporations yesterday. I am aware of how they work. They seem to be only in regional and rural areas.

Mr Jones—If you are talking about the state employment assistance strategy, it has two streams. It has what is called Job Link and what is called the Aboriginal economic and employment development officer program.

Senator TIERNEY—I thought you had a series of corporations that dealt with regional development.

Mr Jones—Commissions.

Senator TIERNEY—Commissions, not corporations?

Mr Jones—The development commissions.

Senator TIERNEY—Right.

Mr Jones—The development commissions are funded out of the Department of Commerce and Trade. They really focus on the economic development of each region. If you look in regional Western Australia there are nine development commissions including one up at Gascoyne.

Senator TIERNEY—Does that cover every area outside Perth?

Mr Jones—They cover every area outside Perth. They are commissions so they have a board. They are semiautonomous of government. They have a board of directors drawn from key people within the region. Really they take an economic development focus. They try to attract investment into the region. They negotiate or advocate for the region to state and federal government, particularly in terms of what they see as infrastructure impediments to industry locating there. It depends on the structure of the board of the commission whether or not they take a focus on social development issues within the region. Some are stronger on it, some are not so strong.

Senator TIERNEY—I assume there is one in the Great Southern Region, is there?

Mr Jones—There is, yes.

Senator TIERNEY—We had those people in here a little earlier and they had a plethora of different region type organisations. So when you as a state government are dealing with regional development issues, do you deal with your commissions? Is that how the state government delivers regional development services?

Mr Jones—In terms of regional development services you would have to define it according to the service. You are more likely to deal with the commission if it is about economic development than if it is about the delivery of government services.

Senator TIERNEY—That is what I meant. If you are trying to develop new businesses, grow businesses that are there in regional areas, you would work through that body exclusively?

Mr Jones—Not necessarily exclusively. The region employment development officers for the Department of Training—because I can really only talk on behalf of the Department of Training—

Senator TIERNEY—Sure.

Mr Jones—would all have strong links into the development commissions. So we tend to take a regional approach to employment development within the region, so they would work most appropriately with the commission in their region.

Senator TIERNEY—Do you have an officer for each region as a commission?

Mr Jones—Yes.

Senator TIERNEY—How does your officer relate to that commission? I assume they do not sit on the commission.

Mr Jones—No.

Senator TIERNEY—No. How do they relate?

Mr Jones—If you look at the size of the Western Australian regions they are relatively small and it is probably via networking. There are some formal committees where they sit side by side. If you look at the Great Southern Region SCRIPT is something that the Great Southern Development Commission is involved in and also the regional employment development officer. The area consultative committee has a regional employment development officer and the Great Southern Development Commission represented on it. The Local Business Enterprise Centre has the Great Southern Development Commission, and in this case I sit on that committee as well. So there are links through specific committees that are actually looking at a specific objective.

Senator TIERNEY—How long have these commissions existed for? When were they set up?

Mr Jones—I am dragging back now. I think probably 1986.

Senator TIERNEY—From 1986 on. We had evidence first thing this morning from the South Metropolitan Perth Regional Development Organisation who were putting an argument to us that certain parts of metropolitan Perth should also be regarded as regions. You have established a system since 1986 that set up these organisations as non-metropolitan. They are arguing of course that they should have a position in this too. How do you handle Perth in this structure or do you see that as an area that has a fair bit of in-built assistance in terms of the economic drivers that are already in the city? Is your focus on these commissions because that is where you see the greatest disadvantage?

Mr Jones—The regions are often quite defined if you go outside the metropolitan area. If you look at the federal government's regional development initiative where they actually clustered regions together so you actually had regions cutting across states that were put together as one region—

Mr Nicholas—The Goldfields and wheat belt is one Regional Development Organisation region.

Mr Jones—So that is looking at it from an economic development or commonality perspective. If you take that view into the metropolitan area, then you have got a problem. If you sit here and watch the Narrows Bridge, you have got half of the city heading south and half of the city setting sail for the north. So it becomes very hard to actually define why you are going to put a development commission into the city and what its boundaries are. You would have to be very clear about what its functions were. Of course your local government authorities are much more powerful in the metropolitan area. If you go down to the Great Southern again—because you seem to be familiar with that and so am I—there are now 12 local government authorities down there. A development commission can actually sit across

the whole region. Whereas if you go into Wanneroo, that is a huge local government authority. How would you determine the boundaries of responsibility if you put a development commission in there?

Senator TIERNEY—The issue of depopulation of rural regional areas is a major one right across Australia. We have seen deceptively low unemployment figures in some areas, and the reason for that is people cannot get a job and they just move out. How much of that is a problem in Western Australia and what sort of strategies have you developed to counter it?

Mr Jones—Yes, and no.

Senator TIERNEY—Yes, it is a problem and, no, you have not developed any strategies?

Mr Jones—The level of unemployment that you see I do not think is true. There is a lot of hidden unemployment in regional Western Australia, people who just do not show up. For a start we know that the ABS sample is too small to actually throw up anything meaningful for Western Australia. The participation rate is lower. Why? Because unless you have got the infrastructure around a CES office or a labour market service agency, what access is there for you, if you are unemployed, to actively seek employment? Despite my comment about land based businesses such as farms, they actually tend to support more than one person. Everybody works on the farm if you cannot get a job anywhere else. So there is a degree of hidden unemployment.

The development commissions are really the organisation in Western Australia that tend to take a focus on what to do about the depopulation of smaller rural towns. You are not getting the depopulation of the regions, I think that is true to say, or the regions that are increasing their population. What you are doing is you are getting the change in which the population groups are clustered. A hundred years ago or 50 years ago tourism was not so big, so people went to where the agriculture was, if you like. Tourism is now growing rapidly and those types of services are growing, so the population tends to move to those sections of the region that can best support that. It is always a problem because if you live in a small town that is being depopulated you want somebody to do something about it. But if you look at it from a regional perspective, how much effort do you put into Woodanilling, for example, where in fact all the infrastructure that is going to attract industry is sitting 40 kilometres down the road at Katanning.

Senator TIERNEY—You made some comments about the CDEP. You said you had 28 per cent of all the Australian programs.

Mr Jones—Numbers, sorry, not programs.

Senator TIERNEY—A higher proportion than anyone else except the Northern Territory, I would assume. Apart from apprenticeship and traineeship systems, could you just provide us with a bit of a picture of the other CDEP programs that are working in Western Australia?

Ms Hitchins—I have two major projects or mainstreams running in the Peel region; one in Pinjarra, one in Mandurah. The one in Pinjarra works within the Murray Districts Aboriginal Association. They have 11 people and what they do is maintain that association. In Mandurah they have about 40 people. They do a range of tasks but the bulk of them do lawn-mowing and they have got a very successful landscaping, lawn-mowing project running.

Senator TIERNEY—What about ones in remoter spots where presumably those sorts of jobs would not work?

Ms Kiesey—Nullagine and Marble Bar are remote. They are CDEP. Their task is actually maintaining the infrastructure of their towns, so they look after the rubbish collection, essential services, power, water, those types of things.

Senator TIERNEY—Minor repairs to infrastructure, I assume.

CHAIR—What does central services mean in this context?

Mr Nicholas—Essential services, power and water and sewerage.

Ms Worth—It would be the same in the Kimberley in the remote areas. A lot of the Aboriginal communities and Aboriginal stations have a number of CDEP places allocated to them and what they do with those places is really up to them to a certain extent but they would do maintenance of the community. Sometimes they do some station work.

CHAIR—Does it also cover the store, the provisions?

Mr Nicholas—It can do, yes. It would depend on each community.

CHAIR—Does that fit under essential or almost essential?

Mr Nicholas—No, it does not. From my understanding it does not.

Senator GEORGE CAMPBELL—Looking at the Job Network providers for Western Australia there is no provider operating out of Karratha.

Ms Kiesey—That is right.

Senator GEORGE CAMPBELL—That is the biggest town in the region. Who is providing the service for that?

Ms Kiesey—There was one successful tenderer for that region, so they then went back to a fee for service structure in which they gave everyone six weeks to respond to this huge document, asking for a service. They told them how much money they had and they wanted a service around that figure. Since that document they have actually let that fee for service to a provider based in Karratha. They have gone on public record as saying that they are going to provide a mobile service one day a week, every three weeks, to Onslow, Tom Price, Paraburdoo, Roebourne and Wickham, and do it out of Karratha. That was announced about

four weeks ago. To my knowledge they have not visited one of those remote places yet. But as to what sort of service they are going to be providing, it has not been announced.

Senator GEORGE CAMPBELL—Coming back to some of the other issues that have been raised, Mr Jones, this is a state where there is a lot of industry investment of all sorts of mining across the board. In fact I was talking to some people last night and there has been an upsurge in activity over the past 12 to 18 months. Is there any coordination within government departments in terms of commitments sought from these large investors who are investing in the region to providing infrastructure, skilling up for these particular investments and providing local job opportunities? Or is there just simply an acceptance of the dollar and worry about the problems afterwards?

Mr Jones—The contracts are negotiated by the Department of Resources Development and it varies on a case-by-case basis. I think there is an intent to see the training and the local employment content. Sometimes it occurs. It is happening up in Murrin Murrin.

Mr Nicholas—The Murrin Murrin project, yes.

Mr Jones—And sometimes it does not.

Senator GEORGE CAMPBELL—Which would indicate that there is no sort of whole of government approach to this. It relies very much on the individual that happens to be handling the case.

Mr Nicholas—If it is a resource project it would all go through the Department of Resources Development. They are the negotiating arm of government. There should be some consistency within that department. You do not get your licence unless you go through that department and it is the conditions of the licence that are part of the commercially confidential arrangements the company comes to with Western Australia.

Senator GEORGE CAMPBELL—But your answer to my question would tend to indicate that there is no consistent approach taken.

Mr Nicholas—That I cannot answer, because I am not from resources development, I am representing the Western Australian Department of Training.

Senator GEORGE CAMPBELL—The fact that you get different outcomes would tend to indicate that there are different approaches taken to negotiate any agreements.

Mr Nicholas—Yes.

Senator GEORGE CAMPBELL—I have just one general question perhaps to all of you, as you are all in the training area. What has been your general view of the operation of Job Network across Western Australia since its introduction on 1 May?

Mr Nicholas—By and large it has been a disaster.

Senator GEORGE CAMPBELL—That is a pretty uniform experience everywhere.

Ms Kiesey—My area went from approximately 27 DEETYA and CES staff in the Pilbara down to four. I think that explains what sort of service you would get.

Senator GEORGE CAMPBELL—What sorts of responses are you getting from employers?

Mr Nicholas—Total confusion and frustration.

Ms Kiesey—Confusion and frustration.

Mr Jones—And suspicion of the system. The backbone of the system is the job vacancy or the FLEX 1. There are no jobs and nowhere to put job seekers basically. Employers are not sure whether they are going to get charged or not. There is an assumption that they are being charged or, if they are not being charged, then the agency is getting the money from somewhere else as it is a commercial operation. Therefore they have in the back of their mind a bit of suspicion that if somebody is referred to them and they are not paying for them, they may not actually be the best person for the job; they are the person who attracts the fee from the Commonwealth. So you have got problems there. You know what employers or all of us like: if you do not understand the system, you tend to back away from it until you are a bit comfortable with it. So there is confusion meaning that people are backing away from the system.

The other issue is in terms of the viability of the Job Network providers. I was talking to a provider last week and it works out if you have got a hundred people coming in, let's say, unless you can match the person who is FLEX eligible to the job that you have registered on the national vacancy database, you do not get paid for it. What happens is if you refer people who are not actually FLEX eligible to jobs, you do not get paid for it. FLEX 1 eligible clients come through your door and you provide assistance to them. It takes time and effort. They go out and secure a job themselves—because one of the things you tell them is, 'Go and cold canvass, door knock, give out your resumé'—and the provider does not get paid for that because that job is secured before it actually comes on to the national database. The assumption was, from this particular provider, that they are only being paid for 25 per cent of the people to whom they are providing a service.

What that means is that when you actually look at the dollar figure and you amortise it across your organisation, those people who actually need the assistance, whether it is FLEX 1 or FLEX 3 or FLEX 2, are actually cross-subsidising those people who, under the system, should not be receiving the assistance. It does not matter where you are and where you are participating in the system: if you are a provider, you are not doing very well; if you are a job seeker, you are not doing very well; and if you are an employer, you are not doing very well. If you are an industry you are not doing very well either because you would be aware of the issues with skill shortages. Skill shortages were essentially in the skilled trades areas, if you like.

We now have new apprenticeship centres that are paid on signing up. So the emphasis is on marketing short-term easily sold traineeships, not doing the hard miles to get a four-year apprenticeship into place. If you actually look at the registrations for the new apprenticeship

centres, they are actually traineeship heavy but not skilled trades heavy because there is no return for you. It is a commercial decision you make.

Senator GEORGE CAMPBELL—Have you sought to discuss these matters with DEETYA? Have you sought to bring them to their attention? What is your relationship like with DEETYA?

Mr Jones—This is Western Australia.

CHAIR—I should warn you that representatives from Social Security and DEETYA are sitting behind, all ears. Could you please explain, 'This is Western Australia'? What does it mean?

Mr Jones—I think, with the best will in the world, Western Australia has never had a great impact on the policy makers of DEETYA over in east Australia—and even less so now.

CHAIR—The question is: who does? I do not think anybody acknowledges that capacity, so don't feel too badly. Are you suggesting that the policies are made in Canberra and you cannot have any influence on them at all?

Mr Jones—Our avenue to DEETYA is through the ACCs.

CHAIR—Presumably you travel the same road. Do you have yarns; do you chat to these folk?

Mr Jones—Yes, and it is not like I am saying something in this case that ACC executive officers do not agree with. I was at a strategic planning session with them a couple of weeks ago.

CHAIR—Senator Campbell's question is a good one. How do you provide the real on-the-ground absolutely invaluable info through to DEETYA? Do you have to go via Canberra or just through the ACC to the state DEETYA office?

Mr Jones—The employment section of the Department of Training is quite a small section. There is only one person in each of the regions. This is the region, as it were. We have, as I said previously, a network of 63 projects, if you include group training schemes, and we invest $8 million a year into that network. Increasingly we are saying we will do what we think is best with the resources that we have got. Where we can effect change in the way the Commonwealth is doing things and where the Job Network providers are delivering services, then we will attempt to do that.

CHAIR—Would you please excuse me. I am afraid I have to do that terrible thing and go east. I leave you in very good hands. Thank you.

ACTING CHAIR (Senator Tierney)—Any more questions? Thank you very much for appearing today.

Proceedings suspended from 12.51 p.m. to 1.30 p.m.

THORN, Mr Michael Thomas, Executive Officer, South East Metropolitan Area Consultative Committee, Suite 7, 1919 Albany Highway, Maddington, Western Australia 6109

ACTING CHAIR—I now invite you to make an opening statement and at the conclusion of your remarks we will ask questions.

Mr Thorn—Thank you, Senator. I have just a few remarks in opening which my board has asked me to pass on to you. I should say my acting chair, Mr Lyn Metcalf, sends his apologies for his lack of attendance today. He had hoped to be here. Firstly, might I just say that in terms of this committee's operations, we really have piggybacked on the work and efforts of our fellow regional organisation, South Metro Development, who I understand you heard from this morning. That really brings me to my first point, which is to endorse or support the key findings of South Metro Development's submission to you, in particular that the metropolitan area is entitled to see itself as a series of regions which addresses the issue that says that regions really are non-metropolitan Australia.

We believe in this context that regions within metropolitan areas are important for policy and planning purposes. We acknowledge that the metropolitan areas constitute a single labour market and as a consequence it is difficult to configure policies that directly aim at particular parts of the metropolitan area, and I mean by that the general regional initiative approach that might have been pursued by people, by governments, by organisations. However, it is undoubted that disparities with respect to, say, unemployment in this case clearly exist within the metropolitan area at the local level. Although regionally specific policies aimed at overcoming these particular problems may not be very effective we believe that particular programs aimed at the disadvantages that some people might suffer at the local level are nevertheless not pointless and are important particularly for people locked in that cycle of unemployment and welfare.

From SEMACC's point of view we see that regional organisations can play a key role in facilitating regional cooperation and coordination, and I suppose in that regard SEMACC has taken its lead from some of the work that has been done in the past, particularly the work of the McKinsey company which undertook all that work in regard to the role of regions and I suppose even earlier than that the work of the Kelty committee back in the early 1990s. They are our general comments. That is where my ACC has been coming from in recent times. In that regard our second point is that, not surprisingly, we support the continued role of ACCs in addressing or assisting in dealing with issues of regional unemployment, training, education and those sorts of things. We believe that ACCs can provide a regional focus. We believe that ACCs do provide a link between business, community and government for policy and planning purposes. We believe that ACCs can be a vehicle to take a regional position on those policy and planning issues.

A third point I would like to make is regarding the vocational, education and training programs that are now being pursued. We are a strong supporter of vocational programs in schools. The ACC has been funding a pilot training program in the last 18 months and intends to fund some further pilot programs in that area. We believe these programs need to be real and meaningful and aimed at those most in need. Unfortunately we have seen some

evidence that perhaps there has been a bit of fudging of the quality of the work that is being done on that front. Finally, in regard to vocational education, we strongly support partnerships between industry, training organisations and schools in the delivery of vocational programs. They are the three areas that I have been asked to specifically comment on today.

Senator GEORGE CAMPBELL—Mr Thorn, you would have I presume recently made submissions to the federal government for your ongoing RAP funding. Did you submit a series of projects that you anticipated undertaking in your region as part of that application?

Mr Thorn—The process had not finished for us but our strategic regional plan, which is what I think it is going to be called, will relate to some specific projects, yes.

Senator GEORGE CAMPBELL—Have you not yet completed that strategic plan?

Mr Thorn—No. It will be finished within the next few days.

Senator GEORGE CAMPBELL—Is it possible for a copy of that to be made available to the committee?

Mr Thorn—I am sure it can be, yes.

Senator GEORGE CAMPBELL—Thank you. Mr Thorn, what has been the experience of your ACC in your region with Job Network since its introduction in May?

Mr Thorn—It has been an interesting period, it has to be said. The first thing to say about it is that when the successful providers were announced there was concern about the geographic spread of the location of the providers in our region. That was acknowledged right through to the DEETYA level. For whatever reasons we seem to have providers who are congregated around the Cannington area of the region, which is in the middle of the region, and it lies between the two key areas of employment. The industrial areas are to the left and the right of where most of these providers have been placed. The third thing is that there does not seem to be a strong correlation between where the providers are located and where the areas of highest unemployment are. We were not privy to the process.

It was acknowledged from the outset by DEETYA that it was an issue for them and particularly with some of the lesser programs like the NEIS program and new apprenticeships—the ELTS area—that I do not think there are any providers actually based in our region. They are across the river, not far away, but they seem to be CBD bound, it has to be said.

Senator GEORGE CAMPBELL—Is there anything being done to redress that? Are you aware of anything?

Mr Thorn—There have been some steps. One of the providers sought and won approval to effectively operate an out-station, a sub-office on a temporary basis, and they were sharing with one of the state funded Job Links to try and provide services in the Armadale area to address the problem. I understand they have done something similar in the Victoria Park end

of the region. Our region extends from just over the river here in Victoria Park right through to Serpentine-Jarrahdale, which is forest country and rural country.

Senator GEORGE CAMPBELL—What has been the reaction of employers in your area to the Job Network? Have you had any detailed discussions with them as to what their reaction to it generally is?

Mr Thorn—I have not had any. We have not formalised any discussions with business at this stage. Our feedback has come from the Job Network providers who have indicated there is clearly confusion about how the network is to operate. In the end the providers seem to be reasonably comfortable with the flow of employers to the providers in terms of providing places. Anecdotally, though, I am not sure that that is exactly the case. There is no doubt that the decision by Employment National to charge has discouraged people and caused confusion in the marketplace. I think even job seekers thought they were going to have to pay to find a job, too. That is the thing. Obviously Employment National have learnt from that experience and have made some changes but there is no tangible evidence at this stage to say that employers are shying away from the system. I could not point to anything at this time.

Senator GEORGE CAMPBELL—Have there been any increases in employers doing their own advertising? It just seems to have occurred in a whole range of other areas in response to this charging situation, where they have gone out and either put their notices up in the shop window, or advertised in the local newspaper.

Mr Thorn—I will make an observation about that. Let us go back a step. I think the CES had had its day and we had come as far as we were probably going to be able to come and there were a whole lot of changes taking place in the labour market, particularly with regard to recruitment. As I understand from the research that has been done, the majority of people find their way into a job by word of mouth, contact with family and friends and all that sort of thing. That was always the vast majority of the experience of most people finding jobs. As Australia has become bigger, as society has become more complex, that whole experience has grown. What has happened is that you have seen the growth of labour hire companies in one form or another. We have seen all the personnel agencies who may well have, for the last 20 or 30 years largely dealt with, say, secretarial placements, take on all these new areas. They have grown massively in the mining industry, for instance, in this state. The building and construction area now is using more and more of those types of firms to find people.

The other fact is that it is very expensive for employers to place an advertisement in the newspaper and try to recruit somebody. You may get thousands of applications and you then have to spend a lot of time filtering out who you might select for an interview and then you go through the process of wondering whether or not these people will have the right person for the position. I do not think that businesses these days can afford the sort of risks associated with those recruitment practices. That is part of the reason that perhaps businesses found the CES less and less attractive and why perhaps the CES was pushed right down to the bottom end of the marketplace in dealing with unskilled and semi-skilled workers only. It is probably generally accepted that is where the CES was at the end of the day.

I am not sure how the new Job Network is going to unfold. It seems to me that the emphasis amongst the Job Network providers is still at that bottom end of the market. Whether we will see the growth of other private operators doing it on a for-profit basis and circumventing the Job Network process for that job placement—job matching I think they call it, FLEX 1 services—or whether that will expand and we will see less emphasis on that side of the labour market services that are currently provided, the issue is that it does not answer the questions about those who were not equipped to find a job and it does not do anything about people who are long-term unemployed who become a problem in the sense that they have lost the will to work or they have lost the skills to work.

Senator GEORGE CAMPBELL—You said in your opening comments that you supported the submission made this morning by the South Metro Regional Development Organisation, but I detected a slight difference in what you said compared to what they said. They were saying this morning that in fact you could deal with regional areas within metropolitan areas and that we should not simply see 'regional' as being rural or remote, and that you could put in place policies to deal with discrete regional areas within the metropolitan area. I thought you said earlier on that you did not support that view. Maybe I misunderstood what you said. You felt it was a bit more difficult to do?

Mr Thorn—I think perhaps if you are looking at an investment attraction strategy—and perhaps I will use an example which is real in our case. The Belmont area has above average unemployment, about 10 per cent. Armadale has above 10 per cent unemployment. So they are two of the problem areas in our region. When you do a bit of analysis of our region what you find is that the proportion of jobs to the population size runs at a bit over 50 per cent, so for every two people there is one job. Now, that does not reflect itself in the unemployment rates. The regional disparities are quite large. I think the lowest unemployment rate is something under four per cent in the Serpentine-Jarrahdale area and about 11 per cent in Belmont. So obviously people are very mobile. People outside those two locales are getting the jobs that are in those areas.

I suppose what I am saying is that you may well have a policy that is directed at trying to solve the long-term unemployment in Belmont, but what may be happening, and what is happening clearly, is that people from other localities are winning the vast proportion of those jobs. So in that sense I am saying I am not sure that some regional strategies really deal with the particular problems of a particular region or subregion. On the other hand, I believe that you still have to deal with those particular people who suffer as a consequence of their unemployment and that you need to address policies which attend to their need.

Senator GEORGE CAMPBELL—I understand what you are saying. I suppose that argument is just as valid in a remote rural area as well. If you create jobs or create investment in a particular area people will come from surrounding towns seeking those jobs, and all the jobs will not necessarily go to the people in that particular town.

Mr Thorn—There is no better example of that than what has happened with unemployment for Aboriginal people in remote mining areas.

ACTING CHAIR—Thank you. Can I just ask about the assistance needed for metropolitan areas versus rural and regional areas. I am a rural based senator. We saw with

some amazement when the last Labor government set up regional development that it defined all city areas or all country regional areas as being regions whereas our view was that regions were outside the city. Given that cities, particularly capital cities, have a greater capacity to assist themselves in that they are great attractors of economic activity of all descriptions and naturally create huge numbers of jobs, which is not the case in rural and remote areas, could you provide a case for why assistance should be directed away from those areas that cannot assist themselves?

Mr Thorn—I suppose in the first instance if you are going to provide assistance, it certainly should go to those in greatest need.

ACTING CHAIR—Yes.

Mr Thorn—I think, though, that that does not necessarily mean that those in greatest need are necessarily in non-metropolitan Australia. As I indicated, and certainly as South Metro Development's paper suggests, when you look at regional disparities—and I take it we are just talking about unemployment at this stage—the incidence of disadvantage is a diverse one. There are people in metropolitan locales who suffer as much as people in country regions. On the other hand the work that McKinsey did suggests that the regions that have been most successful at growing economically have been the south-west of Western Australia, the Gold Coast and places like that. On the other hand, I acknowledge they found the areas that suffered the greatest were largely rural-based communities in Australia.

If you break the Western Australian scene down, for instance, the wheat belt areas and farming areas by and large have been the areas that have suffered the most. A lot of that is to do with technology. Certainly from my personal experience—my family are farmers in the wheat belt—I know how things have changed over 30 years. So making a case for directing regional investment funds I believe is about firstly what the need is and, secondly, about what your capacity is to actually deliver some fair outcomes, not ones that do not amount to anything in the end.

ACTING CHAIR—Let's come down to the basic difference: in the rural areas and in the urban areas you have got people who are disadvantaged in the job market for whatever reason, with a whole lot of socioeconomic and personal ability factors relating to the fact that they cannot get a job.

Mr Thorn—Yes.

ACTING CHAIR—The difference is that people in a capital city are in close access to the job market so if their particular disadvantage can be overcome in some way they are within a few kilometres of getting a job, whereas in the regional and rural areas if those particular disadvantages were overcome in some way, they are still not within cooee, in terms of distance, of getting to the job. So wouldn't that indicate that if we have very limited resources, as governments always have—I am not saying we should not assist all areas, but shouldn't we be directing the bulk of our assistance to rural, remote, and non-metropolitan regional areas?

Mr Thorn—I suppose all my training suggests that it has to be done on a cost-benefit basis and that may not necessarily always hold. It depends on what you are trying to do, surely. How do you change a culture in farming Western Australia or farming Queensland that sees the young people walking away from the area seeking out jobs in the metropolitan area, or young people that say they are leaving farms to go to university and they never return because there are not the sorts of jobs, and I suppose the nature of our community these days is such that there are powerful incentives for them to stay in the cities. That is a big question that you ask. It seems to me that you are directing it towards a fundamental cultural issue in our community about the role of those particularly rural communities.

In Western Australia I am not sure that what you are saying about the decline of regions is necessarily wholly true. The south-west has been growing population-wise at a much faster rate than the city. The unemployment rates are not what you would call awful by comparison to some other areas. While the north-west has seen many changes in the way the labour market operates, particularly with more emphasis on fly-in, fly-out arrangements and greater use of technology which has seen a downsizing of the work forces, there are still local economies that are growing that still provide opportunities to local people. The secret there has been real work, real jobs, in the end. It has basically been the market that has driven a lot of those things, particularly in the mining sector in the north.

ACTING CHAIR—But if we allow that to continue and particularly if we allow everything to be done on a cost-benefit basis we are going to have everyone ending up living in the capital city circle, or the very high proportion we have now—which is around 80 per cent—will keep growing.

Mr Thorn—That has certainly been the trend. I do not profess to know. I suppose that is the easiest way out of that.

ACTING CHAIR—I would have thought with the opportunities offered by the information economy, particularly in overcoming the tyranny of distance, that if government did focus its limited resources on providing infrastructure—for example, a better optic fibre backbone—it would help businesses to survive and develop in areas outside the capital cities.

Mr Thorn—Yes, but it still has to be directed to a real business. There has to be a real market for any product that might issue from that business.

ACTING CHAIR—It might be more attractive for people who are running products on the Web to do it from the Great Southern region rather than living in Perth if they are connected up properly to the world market via optic fibre.

Mr Thorn—I am not sure that I can comment or speculate.

ACTING CHAIR—Okay. Moving on to the ACC's role, I believe it has had a more beefed-up type of role. You might like to comment on that. Also, how does the ACC in its work in your area relate to REDOs?

Mr Thorn—In our particular case I have been with the ACC since late last year and prior to that I think my board had thought that its days were numbered and as a consequence had by and large wound back its activities. It had taken the resources that it had at its disposal and invested them in this vocational education and training project, and cut back on administration and all those sorts of things. They were saying, 'Okay, we're not going to be around after this year, so let's try and do something tangible so that at least we can say we did that, and we did that well.' That meant a lot of the systems that go to the heart of the effective operation of ACCs in my case had been allowed to wither. So when I came into place the administration system was pretty basic, there was no network with community organisations or with business. They had all been allowed to fall into disrepair.

I have spent the last six months basically trying to reinstate those sorts of things so that we can effectively discharge what is issued as the ACC's charter. I suppose the other thing to do with that has been a matter of trying at board level to get a handle on what we should be doing given the amount of resources that are available, which are not great. I do not expect them to be much more significant than they are, frankly. There has been access to other funds specifically under the regional initiatives component of the RAP program but the truth in our region is for 1997-98 not a single application for funding under that program came up from our region, which is fairly extraordinary, despite our efforts to try and prompt and encourage people to look to the program as a source of funds to pursue inquiries or to pursue particular projects that people had in mind. Again, I think that was a function of the way the ACC had operated—or had not operated, really—and I expect that that will change this year.

I think the other thing about the ACCs is literally trying to get people to understand—and I mean among my own board, for instance—what its role should be and how it should operate. These people come together by and large once a month for a couple of hours to talk about regional issues, and you need a dedicated team of people to get real about these things, to get on with what are the gripes of the community and what sort of things the ACC can actually do to address issues of regional and economic development and unemployment.

I think my board now is pretty happy with the way things are unfolding. It has some reservations about being told, 'This is what you will do,' and certainly there has been some of that in the way that the charter was handed down and the statement of core prior issues and ministerial priorities were issued. But I also understand that perhaps there was a bit of a clarion call amongst many ACCs asking the minister, 'Tell us what you want us to do,' and there was a sense that people were flapping around in the breeze last year saying, 'What exactly is going to happen? What do you want us to do? If we go down this route are we going to be chopped off and there's not going to be any funding?' et cetera. Now it is pretty clear, and I would think that by and large people were fairly happy with it. I think that is my board's position.

The one downside perhaps that has come from it—probably not unexpectedly, perhaps—is the issue of accountability, and that has brought with it a lot more bureaucracy. It means development of strategic regional plans and business plans and marketing plans and all that sort of thing. In my case—I am working part-time, 2½ days a week—it chews up a lot of time fairly quickly. My view is that there is a bit of overkill on the front, and that is largely down to DEETYA, I would have to say. But I have made that clear to DEETYA.

ACTING CHAIR—Right. The other aspect of the question related to your relationship with REDO. We did hear from the South Metropolitan Perth REDO this morning, and you are the South-East Metropolitan ACC. I am not too sure of the geographical boundaries on all this south and south-east. Do they overlap what you are doing? Is there a duplicate structure across southern Perth in relation to REDOs and ACCs?

Mr Thorn—For all intents and purposes, there are two ACCs that cover the same region as the REDO.

ACTING CHAIR—What is the relationship between the two ACCs and the REDO? One would have thought they were doing similar sort of work, I suppose.

Mr Thorn—Yes, they are. Our view is that we play a subservient role to the REDO. I think that is the only way, for efficiency purposes, that we can operate. There is no point in us duplicating the sorts of roles they play. Their primary role is economic development and our primary focus is employment. Employment is a function of economic development, so that is how we see our particular role.

ACTING CHAIR—Sure.

Mr Thorn—On the other hand, both organisations are not heavily resourced. We clearly see economic development as a key function, and because our offices are located in effectively the extreme south-east of the region, we have taken on perhaps a higher profile than perhaps others might have—or may not have done. We have recently invited the chair of the South Metro REDO to join our board to try to get that sort of coordination and discussion going. I understand the executive officer of—I think they call themselves the Coastal ACC—attends the South Metro Development REDO board meetings. So there is a relationship and we will try to work together.

ACTING CHAIR—How does that then all relate to what the state government does on regional development? I notice that in the rural and regional areas outside the capital cities they have got a series of commissions, but how does it operate in the metropolitan areas such as your southern, south-eastern region?

Mr Thorn—I suppose for all intents and purposes it does not. The state government from my perspective doesn't have a regional focus when it comes to the metropolitan area, period. It very much sees regional development as a country issue.

ACTING CHAIR—So they define it purely as country, and I assume they have done so for a very long period of time if the commission started in 1986—

Mr Thorn—Yes.

ACTING CHAIR—and they always set them up outside the metropolitan areas.

Mr Thorn—Yes. I think the first of the country development authorities was set up in Bunbury in the mid-1980s. They tried something similar in Albany and Geraldton. They were probably the precursors to the current structures that are in place. They are well-

resourced, pretty effective organisations from what I can see. They do a lot of good work in research and facilitation, and I am envious of their resourcing, I have to say.

ACTING CHAIR—Right. Let's look at the role of the ACCs across metropolitan Perth. We took evidence in Sydney, and there the ACCs had formed themselves into a city-wide organisation. They were working on three levels. They had a subregional level and then all the ones in south-west Sydney combined at one level, and then the lot combined at a higher level. Is there any such arrangement in Perth? If not, are there any plans to have any such arrangement in Perth? Thirdly, have you had a look at the Sydney model?

Mr Thorn—No, no and no.

ACTING CHAIR—Okay. Would you like to comment on that sort of arrangement?

Mr Thorn—I suppose in my case it has simply been a lack of time to be able to consider those things. The ACCs do meet reasonably regularly, all the ACCs, and there are only nine of us in Western Australia. My board has never raised it. We certainly talk and I talk to my counterparts in coastal and in the north about issues, and we are working together on certain projects. So there is interaction, but it is not formalised in any way at all. Frankly, I am not sure that that is a road down which my board would want to go anyway. There was talk about forming the Perth region into one ACC at one stage and it was resisted most strongly.

ACTING CHAIR—I do not know if they have spoken about that. They have certainly kept their regional and subregional structure. From what we saw, it seemed a reasonable way to go.

Mr Thorn—Yes. We have been through all that, of course, with the government's Parliamentary Advisory Committee. A lot of those things were hammered out and discussed and propositions put, to be accepted or knocked down.

ACTING CHAIR—Okay. Thank you.

Senator GEORGE CAMPBELL—I just wanted to come back to another issue with you that was raised by the other ACC operating in the south-west region, and by the REDO. This was the question of public transport. They all referred to the fact that there was a very poor public transport system in their area. We were given one example where I think someone said it would take half an hour to get to the train station in Armadale to then make the journey to Cannington to visit the local Job Network. But apart from that it also raises implications about the ability of people that you say are locked into the Belmont-Armadale unemployment regions to have the mobility to get across the region to be able to take up job opportunities that are available. Have you got any comments on this question of public transport?

It seemed, from what was said by others in that area, that in fact that could be a major impediment to people being able to access job opportunities. That is an infrastructure issue that is actually within the capacity of state and federal governments to resolve.

Mr Thorn—I do not think there is any doubt that that is an impediment to employment. Even though Perth has pretty amazing car ownership statistics that may reflect, I suppose, the inadequacies of public transport. It also reflects how spread out the city is for population purposes. If you can get yourself to the rail network you can get anywhere very quickly. If you can catch the train in Armadale you can be to a Job Network provider in Joondalup in half an hour. There are Job Network providers there. I am not sure that people do that. But getting to the railway station, no, is undoubtedly difficult.

The transport infrastructure in our region I think goes beyond just the problems for commuters. It is like there is a funnel into which everything goes in the very south-east of our region, and then it sort of filters out again, and in the region, in Canning Vale and in the Kewdale-Welshpool area, which are those two wings, as I said, of dominant areas of employment, we have got the terminus for the interstate rail network, we have got the airport, and practically all the road transport organisations have their terminus in that Kewdale-Canning Vale area. So it becomes a huge issue.

In fact there is a transport study under way at the moment which the state government is funding after pressure from the local councils, particularly Gosnells and Armadale and Serpentine-Jarrahdale, to look at some of those issues, both the problems that commuters face—or those who would like to be commuters, I suppose—and also industry and the impediments that transport is having on their sectors, given that all roads and rails and airlines seem to head to our region before they go off anywhere else. Nobody, as far as I am aware, has really documented what the particular impediments are for a particular unemployed person, though. Then again, that is probably the case in most instances.

Senator GEORGE CAMPBELL—So if I understand what you are saying, it is a dual problem.

Mr Thorn—Yes.

Senator GEORGE CAMPBELL—It is not just getting the individual to the job, it is down in that south-western area moving across rather than north-south. You have got the railway line but if you want to move east-west you have got a problem in terms of transport.

Mr Thorn—Perth has a great radial transport network but its cross-linkages are very poor.

Senator GEORGE CAMPBELL—But I think you are also saying that the way in which the transport network is set up is actually forcing industry location into specific areas that are not well suited.

Mr Thorn—Yes, I think the land use planning has been deficient in Perth in that regard. It has been fine at finding greenfield sites—brownfield sites, for that matter—to locate industry, but when it comes to consideration of both commuter and industrial traffic, I am not sure that we have done a very good job, frankly. To me, where there should be freeways we have only got highways and things like that, so we have got massive road transport having to come to a stop at intersections and those sorts of things. I do not have to tell

someone from Sydney what the implications of that are. I just have a feeling in review that that is the sort of cost to industry that we should not have to bear, and a cost to the community ultimately.

Senator GEORGE CAMPBELL—Yes.

Mr Thorn—There is no doubt that TransPerth has great difficulty providing services into those regions for commuter traffic, which is where the jobs are. If you live in Armadale, unless you have got a car there is no way that you could work in the coastal areas, in Kwinana, for instance; there is just no chance.

ACTING CHAIR—Thank you very much for appearing today.

[2.15 p.m.]

McMAHON, Mr Barrie Horten, Manager, Vocational Education and Training in Schools, Education Department of Western Australia, 151 Royal Street, East Perth, Western Australia 6004

ACTING CHAIR—I invite you now to make an opening statement and then we will ask questions.

Mr McMahon—Thank you, Senator. The area of key concern that I can provide some information about is unemployment of young people because this is an area of great concern and interest to the Education Department. In doing so we will refer to the initiatives that have been taken within the Education Department and indeed across Australia relating to the recent Commonwealth government initiative of new apprenticeships and the work that we are doing responding to that initiative; secondly, the way in which the other government initiative, full service schools, fits into that scenario of unemployment for young people and gives particular attention, as I am doing, to the regional issue that is the centrepiece of this inquiry.

The first component, the new apprenticeships initiative, is a response to ensure that Australia remains internationally competitive with skills. From our perspective it is very apparent that if young people do not have skills these days they do not get jobs. When we look at the unemployment rates of that small cohort of the 15- to 19-year-old age bracket who are in the employment market, those who are unemployed are those without skills. We believe strongly that we can improve the present situation if we can produce youngsters who have some skills that are going to equip them for the workplace. We are looking at reasonably generic skills because these are young people. We are not necessarily going to lock them into a pathway at the age of 14 or 15 that makes them an apprentice in carpentry or any other particular trade, although we do see particular industries as an important learning context for young people.

The program started in 1997 and was funded not only by Commonwealth money but the state government also has contributed equal if not greater resources into the project. It is regarded as a significant initiative by us. We started with a benchmark of 683 students in December 1996 who would have qualified for these programs had they existed. In other words, they met the criteria. The criteria were that you had to be doing some off-the-job training such as national training modules, and you had to be doing some on-the-job learning as well, which we defined as a minimum of 120 hours per student in the workplace learning specific skills which were accredited, not simply work taster, but specific work experience. From the start of 683 students, this year we have about 4,500 students in 85 schools who are undertaking such programs.

We are very pleased not only with the total increase in numbers but with the spread across the state of those students. Schools are currently in the process of developing their plans for 1999 and again the increase will be in the vicinity of 10 or 20 per cent for 1999 and hopefully with a broader spread of industries that the youngsters are going into. On the issue of the spread of industries, schools have little difficulty with the principles of the new apprenticeships funding which we adopted for both the state and the Commonwealth funding

programs in that they were the same sorts of things that schools do anyway. They make sure that they adhere to equity provisions and so on.

The one principle the schools have had difficulty with is the principle that really says schools must respond to industry needs in providing their training. In other words, there is little point in running a fishing program north of Kalgoorlie if there is no industry for the youngsters to go into. This is a bit alien to the traditional culture in schools. How exciting programs have got up in schools in the past is that a faculty or a group of teachers has been terrifically enthusiastic and have persuaded the administration to do something and the youngsters have responded to that enthusiasm by going along that pathway of study. Obviously we are hoping that sort of enthusiasm remains but schools have to adjust to this requirement that they have to respond to industry needs, rather than simply creating what they think might be exciting and interesting.

In the first instance in doing so they have responded by offering what they can do best. Traditionally schools have been able to deliver hospitality industry related subjects because for a long time there have been home economic classes running and that is really the core of a lot of the hospitality work. Similarly, they have been able to offer business studies and they have been able to offer metal related subjects, because of the tradition. There has to be a ceiling on that sort of work, just as there will be a ceiling on other areas which have been aspects of growth for schools but are not necessarily reflected in industry needs. For example, child care is something that schools are very interested in, but it is not a growth industry at the moment, so we really have to say, 'Is there a point in having more and more child-care programs offered in schools if there are not any placements thereafter?' That will be a process of adjustment as schools broaden the offerings that they going to.

There is some evidence that 1999 has a broader degree of offerings particularly where schools are outsourcing the provisions. They contract out to a private provider or a TAFE the off-the-job training components. That is the first thing that I would be keen to respond to any questions on. The second thing is the question: how do full service schools fit into that sort of paradigm? We see the full service schools initiative, which is the return of youngsters who are unemployed back to schools to get some skills, as quite positive. We recognise that they will be mostly second chance people and they will not necessarily be enamoured about going back into a traditional school environment and making sure their socks are pulled up and so on, and therefore the environment may need to be different.

Thirdly, we recognise that although full service schools may fund four or five black spots in youth unemployment in the state, it is going to be necessary to address all the other areas of the state, too, because no part of the state is free from some youth unemployment. As well as responding to the full service schools offer of the Commonwealth we will be providing programs in all of the regions across the state irrespective of whether they have full service funding or not so that all youngsters can access a program that meets their needs. We have a useful precedent to go on in that sense. We have a second chance program, an access and bridging program that we call fast track that is operating in the state. It is for students who are of post-compulsory school age but do not have post-compulsory skills. There were about 800 in 1998 in such programs and the success rate is very high. It is in the mid to high 80 per cent success rate, giving them either another chance at mainstream education or a chance at training or a job. We will be using that as the basis for our

response both to the full service schools program and also to the other students who will not be covered by full service funding. Thank you, Senator.

ACTING CHAIR—Thank you very much. I will just ask about your earlier comments on new apprenticeships. Of course, one of the problems we have had in the country over the last 20 years is the winding back of big providers providing apprenticeship places—the railways, electricity commissions and those sorts of groups. There has been a move to corporatisation right across the country of those sorts of bodies. Do you see any change of heart in these big corporations, given that they have to protect their own skill base over time? I know they did a lot of downsizing, but they must be at a stage now where they need to guarantee a highly skilled work force for their own operations. Is there any sort of move in Western Australia back towards getting more involved with apprenticeships than has been the case in the last decade?

Mr McMahon—I have not seen any indication of a change with traditional apprenticeships, the ones that we have commonly known to be apprenticeships. The interest we have seen is in the version of apprenticeships which we call traineeships. For us that is the pointy end of vocational education and training in schools, in that some of our school students will undertake traineeships while they are still at school. Big companies as well as small ones have been involved in that. For example, in the Kwinana strip there are eight major industries taking on school students as trainees, but it is a small percentage of the total number of students. As I mentioned, about 4,500 students this year are doing vocational education in training in schools. There was the intention at the start of the year from the schools to get up 280 traineeships. Ninety students at the moment have actually signed training agreements. Less than a hundred out of 4,500 is a fairly small percentage.

The interest of large business in that larger cohort is uneven. The best support we have had for our school program, structured work based learning programs, has been from small business, the small employers who have willingly responded to the school pressures and taken on youngsters for 120 hours or multiples of that. We have often asked the question: why have we had less success with the large businesses? Perhaps it is that the decisions are not always made in Western Australia for the large businesses about taking on such people. If we are going to increase the cohort we have just about exhausted small business's goodwill to take up and more and more people. We are going to have to, and we are going to the large businesses saying, 'Can you help us out here?'

ACTING CHAIR—You might be heartened by the example of Junee High School in New South Wales where every business in the town of Junee is involved in a program with year 11 and they all get placements. Every student is involved and every business is involved in the program. One of the interesting outcomes, and you might want to have a look at it because it could have relevance to smaller communities in Western Australia, is that things like vandalism have dropped dramatically across the town because the students are seeing themselves as part of the community under this sort of program. We did see some very heartening evidence in the south-west region when we were down near Rockingham yesterday of those business and school links and developing those workplace programs for high school students. Are there any industries that you are having particular difficulty with in getting involved in those programs; any industrial sectors who perhaps just do not want have anything to do with it? Are there any groups like that?

Mr McMahon—No. I do not think that is the problem. It is not so much resistance but that this is new. New apprenticeship still has the word 'apprenticeship' in it so the mind-set is the traditional apprenticeships. So there is a lot of work being done at the school level to just make industry much more aware. The method of implementation that we have adopted I am hoping will tend to address that, in that we have divided the state up into clusters. There are 16 clusters across the state, largely the school districts of the state, and the decision making group that decides which programs get up in the cluster is made by a cluster management group that comprises not only the principals of the schools but industry representation, training sector representation and key interest groups, in the hope that the management group in itself will be a way of spreading the news about the programs through the community, as has happened in Kwinana, as you mentioned.

ACTING CHAIR—You mentioned the full service schools and the state's extra commitment to making sure there are places for those people. How different do you see that exercise from the one that you obviously went through in the late 1980s and early 1990s when there was a very rapid rise in retention rates in schools, universities and TAFEs? The education sector seemed to cope with that fairly well, that very sudden, rapid rise of retention. Now it is projected through changes to the common youth allowance. You might get not a similar jump, but you will get some sort of a jump. In terms of the Western Australian example, are you reasonably confident that with your extra state commitment you could cope with that possible rise?

Mr McMahon—Yes, with one qualifier, and that is the issue of the youngsters' willingness to become involved. I believe several reasons for the success of the fast track program that I spoke about is that the young person involved went along to the program and said, 'I want to do the program,' and went through an interview process and entered into an agreement with the program itself, upon which there are obligations on both the school and the youngster including, 'Don't bring your drugs onto the school, if that's your problem,' and those sorts of issues. So if the full service school uses that same sort of approach and the young person wants to commit herself or himself to the program then I am quite confident. If it is a matter of coercing youngsters into programs, then I have not yet seen a program anywhere in my education experience that has worked on that basis. So that is my only qualifier on it.

ACTING CHAIR—Surely, though, it is similar in some ways to the situation in the early 1980s and 1990s where it was not so much a matter of coercion, it was a matter of fact that there were no jobs around and that seemed to be, particularly in the early 1990s, in the recession, one of the major driving forces to high retention. It would be more akin to that than the program that you are talking about.

Mr McMahon—Yes. My concern is if young people are simply turning up, signing their names so they can get whatever allowance it is that they are entitled to, and that is the extent of their commitment.

ACTING CHAIR—I was just wondering if you would like to comment on the Western Australian experience with articulation between high schools and TAFEs and TAFEs and universities particularly compared to, say, 10 years ago. How is that all developing?

Mr McMahon—We have got at the upper secondary school level probably one of the most archaic selection processes for university in the country, which probably makes it one of the most archaic in the world, in that the basis of selection to university is very narrowly defined with a few select subjects that are up there. So the consequence of that at the moment is that some young people who are university bound are doing vocational education and training in schools courses, but they do so at an extra workload for themselves. There is currently a review of post-compulsory education under way in Western Australia, and I am quite confident that one of the outcomes of that review will be a reform that will allow multiple pathways for young people that more realistically affect the post-school destinations.

One of our universities has just signed an agreement with a TAFE a month ago, in the metropolitan area, so young people can study both TAFE and university at the same time, so that they will become technically equipped, as well as academically equipped. Now, if that is the real world, we are going to have young people who are in a job who are going to university and are going to TAFE, all three at once, and we have to have those three pathways, options, for them.

ACTING CHAIR—That is quite heartening. I can ask you to comment on an experience of two of my daughters. Two of them are doing bachelor of business in a different time-frame at different universities, and both of them quite independently for different reasons took themselves off to TAFE while they were doing the degree. One did an office management course for six months at TAFE, another did a tourism course at TAFE. But it was made difficult for them because they were doing a university load which they added a TAFE load onto, for which they did not get any credit in the university, even though it was very much a related specific skill study. Do you see us moving to a more integrated approach where, if people did those sorts of things, universities would be more likely to recognise what is done, and vice versa with TAFE?

Mr McMahon—Well, I believe that is the essence of the agreement that has been made between Edith Cowan University and TAFE Joondalup campus, that there will be mutual recognition of the skills that are acquired, and cross-transfer. Therefore I would hope that in our review of post-compulsory education we will have that mutual recognition option open for our young people as well. It makes them very highly employable. Your youngsters are going to have very employable skills. The example that Edith Cowan quotes is, 'You'll have the marine biologist who can actually drive the boat,' or whatever one does with boats. I have a similar example. I know of a person who did hospitality at TAFE and then has switched over, not concurrently but sequentially, to do psychology at university, and evidently that combination makes you very employable, not just as a shrink who can pour a beer, but rather as a psychologist who has a good understanding of human resources in the hospitality industry.

ACTING CHAIR—Yes. What you say I can understand, but surely in terms of course structures there are often difficulties that there are prerequisites. There is a structure for a course, and universities are not very good at recognising sort of add-on bits that do not fit or cannot be recognised somewhere in the structure. There might be an elective strand, for example: some things can be fitted there, not all things can be fitted there, for example. Are

universities getting a little better at recognising that there is a blanket amount and we can call that sort of first year and then go on? Is that getting a little better?

Mr McMahon—I think the Edith Cowan example I quoted is evidence that they are getting better at looking at relevance as a selection criterion rather than simply hoop-jumping—'I passed Latin, therefore I must be a wonderful scholar.' So I am quite heartened by the initiative. We have youngsters at the moment at one mine site, Mount McClure, that are flown from a school into the mine site. They are doing high level chemistry, physics and maths on the mine site in an environment where they can actually see the relevance of their study to what they are doing, and they get VET qualifications in doing so. They get university entrance in doing so. But they are doing it at the moment at a cost to themselves of extra workload. I would like to see them be able to do exactly that sort of thing and have it equally acceptable to university and to further training.

ACTING CHAIR—Thank you.

Senator GEORGE CAMPBELL—I just wondered, Mr McMahon, what sort of synergy is taking place at the state level with the assessment of skills, what potential skill shortages there are in the community, what the requirements of industry are, and then how that links into your school system in the sense of preparing young people or even guiding young people in the direction of where there are potential long-term employment opportunities or better long-term employment opportunities into the future, or whether or not the types of programs that are being delivered through your VET program are really equipping them for employment in the longer term. I know these days we use 'longer term' as a relatively short period of time because of the rapidly changing nature of industry, but to the extent that you can judge what the likely requirements will be into the future.

Mr McMahon—Although I said it was foreign to the schools, and that is true, our task is not quite as difficult as at the higher levels of training because we are talking about Australian qualification framework levels 1 and 2 almost exclusively. There are a couple of exceptions, such as in agricultural schools, where they will do level 3. So at that level, many of the skills tend to be fairly generic, and it is what the employers ask our young people about. How well does this youngster fit into the team? How does she or he cooperate with the others in the team? Do they give the boss feedback when they have problems?—those sorts of generic skills which are quite transferable from industry to industry, so at that level I think our problems are fewer.

However, we still put them in specific industries for their structured work base learning and training. We use the priority skills list that is put out by the West Australian Department of Training. All of our schools have got access to those. The schools also in their clusters attempt to find out what the needs within their own region are. They do that in different ways. They usually employ people to go through sometimes the Australian Bureau of Stats and find out from those what the local needs are. Sometimes they do it direct with the local employers. It is certainly not an exact science and it is one that the schools are progressively taking up. As to the future part of that, what are going to be the skills in 10 years, I have to revert to my first position there and say if we can train the youngsters with good generic skills so that they do not have any fear of learning from technology, if they do develop some good communication skills and so on, I think we are placing them pretty well.

Senator GEORGE CAMPBELL—This whole question of generic skills is a key issue. I have found it interesting that this is an attraction to employers—in the initial stages the fact that the young people you are sending to them have broad generic skills—because what has tended to happen in the past decade or so is that more and more employers are wanting their training programs tailored to suit the needs of their particular enterprise or industry, and in fact we have lost a lot of the generic skills training that took place in the past through the railways or the State Electricity Commission or a lot of government enterprises that existed in that period after the Second World War and beyond it.

As a consequence, instead of having well-rounded tradespeople who have a capacity to move between industries and across industries and meet demands and skills levels as they are required, we are developing tradespeople who are narrowly focused on a particular industry or enterprise who almost require additional retraining when they move on to a different industry or enterprise. Despite the fact they may be classified as an electrician or a boilermaker or a fitter, they are required to undertake additional training to be able to operate in a different industry base. It is intriguing that employers are saying that is something they found attractive at one end of the scale but do not find attractive at the other end. In fact, we were down at one of the aluminium ship builders yesterday afternoon in Kwinana where the manager of that business made exactly that statement, that he was concerned particularly with the adult people that he was getting in, the adult trainees, that he was giving them too many skills that made them attractive to other employers around the place. That is a major problem across the whole of our community.

Mr McMahon—An interesting development in the last four or five months in our programs for 1999 has been the interest of very small business groups, and they have identified a group of young people who when they leave school are not going to get a traineeship or a single job but rather might have three or four part-time jobs, some of it PAYE, some of it self-employed, cleaning up building sites, doing some McDonald's work or whatever. There is an increasing number in this group. The small business people are saying to us, 'If you're looking at a base for training young people to be able to do that so that they can manage some books for themselves, go to an interview and those sort of things'—they actually mention the generic skills that were known as the key competencies—they would tell us, 'Use those key competencies as the basis and build your programs around that and we'll be pretty happy.' Given the large/small business profile of Western Australia that is a pretty encouraging development, I think.

Senator GEORGE CAMPBELL—I think that is true. We had some sittings in Rockhampton a couple of weeks ago and people up there who were running this type of activity said that they had some difficulties with insurance. This may be a uniquely Queensland thing, I do not know, but there were some industries they could not put young people into because they could not get them insured. One example we were given was a shipbuilding industry or a boatbuilding industry; they could not put people in the boatbuilding industry yet they could put them in the construction industry. From my knowledge of industry there are a lot more potentially fatal accidents in the construction industry than there are in the boatbuilding industry. Nevertheless, for some reason or other, boatbuilding was classified as an industry that they were not to be employed in. Do you have a similar problem in this state? Are there industries precluded because of the high risk nature of those industries?

Mr McMahon—Sometimes it is high risk, sometimes it is age. For example, the bartending industry we cannot get involved in. Others, like warehousing, are not very attractive to youngsters unless they start thinking of those forklifts that you drive around and pick up things with but of course there is an age limit for that as well.

Senator GEORGE CAMPBELL—There is usually a governor on them, too.

Mr McMahon—Yes. That seems to them to be rather sexy to be able to drive one of those gadgets around, but I think the age limit on it is 17. There are others where the duty of care comes in. Because we are in new territory here, every time one of them comes up we go to Crown Law and say, 'What's the position on this?' My reading of it is a little like yours: it seems to be a little inconsistent. For example, we have got youngsters building their own aeroplanes and flying them. If I was asked, 'Is that a hazardous industry to be involved in?' I would have said, 'Yes. I am not going to fly in their aeroplanes.' But that is evidently quite legitimate whereas shipbuilding may not be. I have checked our insurance policy, because this has come up in national forums, and am assured by our people here that it is as good as it can possibly be.

ACTING CHAIR—Are there any more questions? Thank you very much, Mr McMahon.

[2.50 p.m.]

DINNIE, Mrs Barbara M., Past State President, Country Women's Association of WA (Inc.), 1174 Hay Street, West Perth, Western Australia 6005

GETHING, Mrs Joan Anne, State Finance Officer and Rural Information Service Coordinator, Country Women's Association of WA (Inc.), 1174 Hay Street, West Perth, Western Australia 6005

ACTING CHAIR—I welcome Mrs Barbara Dinnie and Mrs Anne Gething from the Country Women's Association. You have a card before you which shows the rules of evidence for the Senate. You might like to look at that during the hearing. I now invite you to make a brief opening statement and then we will go to questions.

Mrs Gething—The Country Women's Association represents about 4,000 members who belong to 220 branches which spread from Wyndham to Esperance. Our most eastern branch is Kalgoorlie and we also have some city branches, so we have quite a wide coverage of the state. We were interested to read the guidelines of the review. We would agree with some of the statements that have been made in the press today, that the withdrawal of government services has a major effect on employment in rural and regional areas, but we also believe there are other factors which affect these things, such as the availability of employment and training, which was obviously being spoken of by a previous witness, and also an attitudinal problem which exists when it comes to the desirability of rural and regional areas as being places suitable to be employed. We believe that there are plenty of opportunities in rural areas, opportunities which are not well known, and we also believe that the opportunities for training and assistance for rural and regional employers are also not well known. We believe there is not enough publicity given to those sort of factors.

ACTING CHAIR—Mrs Dinnie, did you want to make a statement?

Mrs Dinnie—While there are the opportunities for training that Anne mentioned, it is finding the jobs afterwards that is often the difficult part for the rural communities. There is no guarantee that there is going to be a job. There is also a lot of hesitancy on behalf of farmers to employ people as they have done in the past. A lot of that relates to safety in the workplace and litigation if there are accidents. I think it is a big problem. A lot of us have experienced trying to train people on the farms where there is no assistance for training. You are still paying them full wages while they are in training and they can create some very significant expenses for farm people when they have accidents like ripping out fences and putting ploughs up on tractor tyres. That there is no facility really to dismiss people who are not satisfactory I think is a big problem. A lot of farming people have gone to bigger machinery and are doing the work themselves rather than employ people who often prove to be unsatisfactory.

Mrs Gething—This is still perhaps to do with training. A lot of small business people, and farmers as well, find it difficult to even think of what is available from the point of view of assistance with training. It might be a small construction industry which has limited machinery in their workshop. They do not realise that there are group training schemes which can allow them to share employees or have a person who is under a traineeship with

them or apprenticed to them but then, through the group training schemes, they can be sent to another location to get the information that they need on those particular machines. I think that part of the problem is a lack of publicity for the sort of schemes that are available. I do not know who should be paying for that publicity. We have not discussed that at all. But obviously there needs to be a more visible scene of what the training schemes are that are available.

The withdrawal of services and bank closures have had a big impact. Banks are one of the major employers in some of our rural areas and in our area, for instance, there is no actual bank building between Dalwallinu and Merredin, which is about 300 kilometres, and so small agencies or banks that used to operate two or three days a week are not employing people. There is also the withdrawal of people like Telstra technicians and their families. They are not there and so therefore those people are not spending their money in the communities and it is a downward spiral. The country people feel as if they are being attacked from all angles, I believe.

Mrs Dinnie—In relation to that one, so many of the people really do not want to take up positions in rural areas, particularly the Telstra technicians that Anne was referring to just now. There is Meekatharra, which is quite a large centre and extends into a huge area. People in that area now have to wait sometimes up to three or four weeks before they can get a technician to fix up a telephone. Even in the inner areas like Merredin and Moora, the technicians are not really happy to stay in those centres, which we consider quite large centres. So it is encouraging people to be in rural areas that is really important and I think probably the government has a part to play in making the rural areas an important focus. There has really got to be a complete change of attitude, I believe, to what the rural areas are. They are not just a holiday place for people; they are where most of the money in Australia comes from.

One other thing perhaps I can say is in relation to housing. It was suggested that although we employ people short term over seasonal work, which is at harvest and seeding time, there is also a need during the year for people to be employed as shearing workers, shed workers, and doing fencing and other things similar to that, but there are not the housing facilities in towns that could perhaps be utilised for a project that someone could supervise in a country town. Just recently, in one of our very small rural towns, there was an appeal for housing. Anything that was available through the Department of Land Administration had the Native Title Act over it and none of those blocks would be available for three years. If people really want to put a house in a town, they do not want to have to wait three years. By that time they will have found accommodation and an interest somewhere else.

ACTING CHAIR—If I could just start with some of the services, with our latest Telstra Bill there is a customer service guarantee where they can be fined up to $10 million if they do not provide services in an appropriate way and time, so that is coming. With post offices, 4,000 outlets in Australia are guaranteed to stay. Banks we do not have such control over, unfortunately. I just wanted to ask, in the areas that you are aware of, if banks are starting to have a change of heart in the sense of not necessarily leaving a full bank structure but leaving a proper bank service. We are striking it in some towns in New South Wales. Colonial State seem to be leading it. They will put a full agency, all the signage, trained

bank staff, in there and they can deliver the services that banks normally deliver. Is any of that happening to your knowledge in Western Australia or hasn't it reached here yet?

Mrs Dinnie—Not a full service. They provide a minor service and play a minor part in some of the towns but certainly not in a major way. I believe possibly that the difference between Western Australia and the eastern states is the population of our towns. I think it is cited that 17,000 may be the population that they are looking at in towns in the eastern states, whereas ours are 2,000 for the whole shire area, and I believe population plays a very big part. Our population is completely different to what it is in the eastern states.

ACTING CHAIR—I was referring to Tenterfield which has a population of 1,600. It is not a huge one but there was a full bank service that was offered.

Mrs Dinnie—So much of ours is telephone banking. We are talking to someone in Brisbane or Melbourne or Sydney and they have no idea of the distances we have to travel. They tell us to go to our nearest bank and our nearest bank might be 100 miles away and they have no appreciation of that.

ACTING CHAIR—You mentioned group training. Could you just expand on that a little further? In what areas is group training occurring in rural areas?

Mrs Gething—I believe it is actually spread across the state. I know of one that is centred at Leeuwin and one that is centred at Northam, which is called the central area training scheme. The idea is that if you think you might like to employ someone under a traineeship or an apprenticeship you ring them and they will try to fit your business into a qualification for the trainee or for the apprentice. The apprentice is apprenticed to the group scheme, not to the person who is actually doing the training, and the wages are all paid directly into the apprentice's bank by the group. The employer is billed fortnightly, I believe, for all the costs. So the employer does not have to worry about the paperwork connected to superannuation, workers compensation, wages, holiday pay and things like that. All the administrative side of having a trainee is organised by the group.

They also come out to the small towns and visit the workplace and visit the trainees to make sure that everyone is happy. The trainees or apprentices still go to the city for their TAFE sections of their courses. When telecentres become more widespread they may not have to do that, possibly, in some instances, so we look forward to the telecentre network.

ACTING CHAIR—How widespread is that sort of thing across Western Australia, in geographic spread?

Mrs Gething—I think it must be quite widespread because I have heard references to it in the city as well as in Geraldton, Northam and down south at Leeuwin, which is right at the southern tip of the state. I do not know whether it is purely a Western Australian initiative.

ACTING CHAIR—I see you are the coordinator of rural information services. Does that have anything to do with information technology?

Mrs Gething—No.

ACTING CHAIR—Is it more to do with information through your CWA networks?

Mrs Gething—No. In 1987, the state government realised that a lot of country areas were not aware of all the benefits and assistance that they could access through the Department of Social Security, community services departments and government and non-government agencies, and there was an advertisement in the West Australian asking for expressions of interest, so CWA applied and were given a grant for three years to set up a scheme whereby we called people in from all over the state and held workshops with representatives of the department so that we had the information of what sorts of things were available. Then we went out and did workshops wherever there was a small branch, basically wherever we were invited.

After the funding was over for the three years, actually there was a small surplus left. We gave that back to the government and now fund it ourselves. It is more a scheme whereby people ring and say they have this sort of problem, where can they go, and information is much more available now. The *White Pages* just did not have the information then that it does now. So it is not a counselling service. If a person rings up who has a problem with an apprentice or with an Austudy student, then I can hopefully point them in the right direction. I do not tell them the answers, I say, 'Go to that department.'

ACTING CHAIR—Where to go, yes.

Mrs Gething—Yes. So it has been quite widely used over the years.

Senator GEORGE CAMPBELL—Maybe the government should run a $10 million advertising campaign with every new initiative it proposes. The message would get out to everyone in the country about what is available under the different programs of the government. Mrs Dinnie, I just want to come back to the issue you raised about the banking services. It seems that a lot of basic banking things can be taken care of through ATMs, through telephone banking, et cetera. What is the key issue in country towns in terms of the banking services? Is it the face-to-face communication with the bank manager who you can talk your problems over with, who you can get advice from in terms of borrowing, in terms of investment advice, et cetera? Is that the component that is missing in terms of the issue of banking in country towns? Apart from the question that you lose the employment opportunity and those families to the community, in terms of the actual banking service itself, what is the key ingredient that people in the country are feeling they are missing out on?

Mrs Dinnie—I think probably in a lot of cases it is education. A lot of older people live in rural areas and they are not able to access the cash that they have got to deal with, because a lot of the country stores do not use a bankcard or do not use a card for transactions. You have got to have the cash for the payments, which makes it very difficult. Also some telephone banking cannot be handled over the telephone, not through the telephone service that we have. You can telephone your own bank and get a service far quicker, or the only way possibly is to telephone your own bank for a transfer, which you cannot do through the telephone banking service, as such.

Senator GEORGE CAMPBELL—And presumably you would be paying STD rates anyway to contact the bank.

Mrs Dinnie—Yes, that is exactly right. The other thing is that people who have stores and have large cash deposits to make find it a little bit insecure if they know that they have got large cash deposits in their buildings, because there have been a terrific lot of robberies.

Senator GEORGE CAMPBELL—Have you kept any figures? Has there been any sort of incidence of growth in the amount of armed robbery in provincial towns and country areas? Do you think there is a correlation between this and the lack of banking activities?

Mrs Dinnie—I do not know. It would be possibly hard to link it, but there has certainly been an increase in our own area. I do not know about generally throughout the state. I do not know whether Anne has got information on that.

Mrs Gething—No, I do not have any official figures on that, but there is the feeling that people are more concerned about security. The other feeling is that the banks went without taking any of the responsibility for these problems. They just closed. One week, at a week's notice, they took their money and ran. So places like small sporting clubs, for instance, who might have a banking deposit of about $6,000 or $7,000 a week, have to pay for their manager to take that money to the bank. It might be 100 kilometres away. To a certain extent, EFTPOS has improved that situation, but then you end up with all your money in your bank and you have got to get your cash back for next week's EFTPOS. So he is either taking the money to the bank or bringing it back from the bank.

The extra cost of having to pay a manager to do that in one small town that I know of is $50 a week, which is an extra $2,500 a year. This is a club, so it is a membership situation, and the bank tells the community that they can use the EFTPOS at that club, but it is meant to be for members only, and the club pays. They pay to have that EFTPOS there. The bank says, 'The facilities are there,' but the businesses still have to pay to have the facilities in place—quite highly. There is a feeling that they have gone and they are not accepting any of the responsibility at all for the problems.

Senator GEORGE CAMPBELL—You had a bank in Western Australia that was essentially a rural bank—Town and Country?

Mrs Gething—Rural and Industries that was, and then it became BankWest and is now privatised, and they are the ones who are running.

Senator GEORGE CAMPBELL—And they are not there?

Mrs Gething—No, they are not.

Senator GEORGE CAMPBELL—That is the question I was about to ask, whether or not they stayed in those communities, but obviously they have taken their money and run.

Mrs Gething—In some of the bigger communities, like Paraburdoo, for instance, the credit unions have gone in and they have set up banking facilities through the credit unions

and they have trained staff in those places. So in some of the bigger centres that has happened.

Senator GEORGE CAMPBELL—What is the experience in Western Australia in the rural areas with young people? Are young people deserting the rural areas? Are they moving into the major cities?

Mrs Gething—It is very difficult for young people. A lot of the young people have to leave home at the end of year 7 to go away for education, and with this middle schooling idea a lot of them will probably find they have to leave a year earlier again. It depends on where you are. The wheat belt area is particularly poorly served from the point of view of the universities and the TAFE colleges. So they tend to go away and stay away. When they do come back, a lot of them just come back and say, 'Well, I'm going to go home and work on the farm,' so they come home without any formal qualifications. It was interesting to see the new rural training package which hopefully will improve that situation, but it is not well known about by the farmers. There is not that much of a life in some of the towns for the young ones, not enough to make football teams, in some instances.

Senator GEORGE CAMPBELL—What are the sort of issues that you think government needs to address to turn that situation around?

Mrs Gething—I do not know.

Mrs Dinnie—Decentralise some of the businesses, perhaps, so that there are employment opportunities for young people, and maybe make it easier for them to be employed on farms.

Mrs Gething—And in the small businesses as well.

Mrs Dinnie—And in small businesses, yes.

Mrs Gething—We have a group of people who came to our town to set up construction businesses because it was cheaper to do that than stay in the city and pay high rates and pay high land prices, but their head charges for water and power are so expensive that they think twice about it. But they are the people who are actually making good use in our area of the group training schemes. There are some, I am sure, who would love to be able to go away for a university education, even if it meant that they were still going to come back home to work on the farms, but the expense of sending children away to university is great. There is a living away from home component, or has been, in Austudy, but if you are just out of that range it is still a huge impost.

We would dearly love to see a tertiary access part of the Austudy allowances, similar to the basic secondary students allowance for isolated children. For those who have to go away to go to university and live away from home, and they are isolated students under the secondary system, it would be terrific if they could have a basic allowance under the tertiary system as well. A lot of families have to buy second homes or even sending a 17-year-old away to live in a university college. It is not cheap to do that, I know from experience.

ACTING CHAIR—Thank you very much for appearing today. That concludes the hearing. Thank you.

Mrs Dinnie—Just before you go, do you know anything about the regional development commissions that are set up in Western Australia?

ACTING CHAIR—Yes. We have asked a number of questions today on that.

Mrs Dinnie—You have. My husband is on one of them and he just said if you would like a folder of information—it is the wheat belt one—that he would—

ACTING CHAIR—Yes, that would be very useful. We will receive that, thank you.

Mrs Dinnie—He suggested I might hand it in to you.

ACTING CHAIR—Yes. Thank you.

Committee adjourned at 3.17 p.m.