

**SUBMISSION TO THE**

**HOUSE OF REPRESENTATIVES**

**STANDING COMMITTEE ON**

**EMPLOYMENT**

**REGARDING**

**ISSUES SPECIFIC TO WORKERS**

**OVER 45 YEARS OF AGE SEEKING**

**EMPLOYMENT,**

**OR**

**ESTABLISHING A BUSINESS**

**FOLLOWING UNEMPLOYMENT**

*PREPARED BY*  
*ALBURY WODONGA AREA CONSULTATIVE COMMITTEE*

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## **SUMMARY OF ISSUES**

### **A. TERMS OF REFERENCE**

- *The Albury Wodonga Area Consultative Committee believes that the major problem facing mature age workers who do not have employment is a cultural one – that employers do not regard them as employable.*
- *Such inflexible attitudes indicate that a major educational programme is necessary.*
- *The AWACC is determined to accelerate programmes to assist the re-employment /setting up in business of mature age people, as it regards them as a valuable resource. These will be developed over the next few months – but will not usually have immediate effects.*
- *The AWACC also recognises that many older workers have commitments in the form of mortgages and education in particular which limit their mobility in seeking alternative employment - especially in non-metropolitan areas. Mobility is observed to decrease as age increases.*
- *Farmers are a special case – they tend to be older again and find it difficult to be viable in the light of variable demand and invariably – lower prices. Often they have significant mortgages, whose repayments they find difficult to cover.*
- *Empirically, the worth of NEIS or AusIndustry standard type schemes should be extended. Many people may be able to rejoin the workforce with retraining: or if seeking to be self employed – from a training programme evaluating an idea, with the compulsory Business Plan to ensure the idea is sustainable.*
- *Past research indicates less-skilled, older workers are those greatest at risk as information technology changes the structure of Australian industry.*

### **B. ISSUES INVOLVED - AN ALBURY-WODONGA PERSPECTIVE**

1. *Albury-Wodonga has long been at the forefront of regional development, and is unique in having to cope with so many levels and agencies of government. It must always be remembered that the Albury-Wodonga Statistical District has a population approaching 100,000 persons which places it as about 18th in size in Australia. More importantly, it should be seen in perspective by states -*
  - *in New South Wales - the fourth largest centre;*
  - *in Victoria - third largest;*
  - *in Queensland - sixth largest;*
  - *in South Australia - second largest;*
  - *in Western Australia - second largest;*
  - *in Tasmania - third largest;*
  - *in Northern Territory - largest.*
2. *Its strategic location, its past and likely future growth, and its diverse range of economic activity, indicate that Albury-Wodonga's prospects are to consolidate or improve this relative position.*

*In inland Australia, the region is second after Canberra.*

3. *Whilst the area is clearly close to self-sufficiency in many respects, it requires support at least equal to that given by governments to other centres in the highly-competitive arena of economic development and growth. We do not believe that we receive equal treatment at present. We prefer to see the Murray River as a backbone, rather than a division – as is the case at present.*
4. *Also, as we have indicated in numerous submissions to the Industry Commission, there is little doubt that infrastructure can be provided much more cheaply in non-metropolitan areas. We also believe that, in an overall sense, non-metropolitan Australia subsidises capital cities - not the other way around. Efficiency in this context may well mean fewer jobs.*

*Thus it is to governments' advantage to look more deeply at non-metropolitan Australia for these reasons alone - irrespective of factors such as lifestyle, ease of access, lack of congestion and less pollution.*

5. *There is plentiful anecdotal evidence to support these comments. The following beliefs are listed -*
  - *the deregulation of finance, of the banking industry, and reduced protection made it more difficult for non-metropolitan Australia. Many organisations tend to rely on technology and less on face-to-face contact to transact business. This leads to alienation of people in less-populous areas, to reduced employment and investment and to consequent adverse multiplier effects.*

*We also understand that much income generated at regional level finds its way back to investment activity in capital cities. Investments made in provincial centres require a higher rate of return than in capital cities. Understandable as this may be, it is an inhibiting factor, especially when compounded by the \$80 m a year lost in superannuation payments. Obviously investment in regional areas could be expected to generate greater activity – hopefully for older workers as employees or as small business proprietors.*

*Many manufacturing plants were set up in regional areas. As ever they have been the first casualties where companies had to restrict their activities. This is unfortunate, as they have found Albury-Wodonga to be a high-productivity area, with good industrial relations, 50 successful exporters, in an environment of steady growth. As noted in the text, workers in manufacturing were most affected by redundancies.*

- *the “managing director’s wife syndrome”. Simply put, personal reasons/lifestyle considerations have prevented otherwise sound investment decisions to locate in non-metropolitan areas to just not happen;*
- *tertiary education is not as widespread as it should be. Albury-Wodonga is well-catered for, (with some exceptions), but not relatively large cities nearby. There are limits to the use of technology to overcome the tyranny of distance;*
- *governments inevitably look at their costs in providing services, and not their intrinsic value to users. Thus they tend to limit grass-roots’ facilities;*

- *regional centres which have lost major value-adding activities have sought to offset this by boosting tourism. It may be necessary to do so, but the usual consequence is to lose skills, full-time jobs and thus relatively-high levels of income;*
  - *the attitudes of people in capital cities. A prime example was that of the NSW department which “decentralised” - from central Sydney to Parramatta!*
6. *Investment Albury Wodonga is in the process of developing a strategy to maximise growth, value-adding and infrastructure. It is seeking to build on Albury-Wodonga’s substantial existing resources.*

*Likewise the AWACC is investing in a number of diverse projects to provide job growth, including the small business incubator project, and a specific programme to market mature age workers.*

7. *Whilst Albury-Wodonga is prepared to lobby where necessary to enhance its region as regional development, as with national development, requires longer-term vision. However, governments operate within political environments where four years (at the most) represent a political lifetime. We would point out that this makes it difficult to prepare and implement longer-term strategies.*
8. *The realities of three long-standing tiers of government have been complicated in the recent past by a fourth level. We believe a region with true community of interest and with proper community involvement, cannot be more than an hour’s drive away for most of its residents, and that concentration of effort by governments should be at that level.*

*Albury-Wodonga, with its national and international reputation for regional development and coordination of a myriad of levels of government and their agencies, as well as the community, is a logical place for any testing of future structures.*

# **DETAILED REPORT**

## **A. INTRODUCTION**

The Albury-Wodonga Area Consultative Committee (AWACC) is pleased that the issue of the employment of older workers is being canvassed by a key committee in the Australian political system – especially in the International Year for Older Persons.

The AWACC is grateful for the extension of time granted. A small committee has been combining its experiences anecdotal data and employment statistics for the Albury-Wodonga area. Some of the issues were also presented nearly a year ago to a Senate enquiry into regional employment and unemployment. By and large, the findings provided then have been shown here – little has changed over the last twelve months.

We provide a socio-economic profile of the AWACC region of ten municipalities, and follow this by covering issues of relevance emanating from experiences in the region.

The prospects for mature-age workers are usually worse in smaller-scale regions than in capitals; as they are locked into mortgages, schooling and similar serious factors and alternatives are not great.

Needless to say, we would be pleased to present our views to your committee, and recommend strongly that you visit Albury-Wodonga to see for yourselves.

## **B. ROLE OF THE ALBURY-WODONGA AREA CONSULTATIVE COMMITTEE**

The Albury-Wodonga Area Consultative Committee (AWACC) is one of 58 such organisations originally set up throughout Australia in 1994 to enhance employment growth by both reducing or eliminating impediments to jobs growth and by facilitating employment-generating projects.

The AWACC covers ten municipalities in the Albury-Wodonga area, and seeks maximum employment growth by cooperating with the community, the business sector and government agencies.

The AWACC has a Committee of 14 persons who all bring a wide range of backgrounds, expertise and experience, from business, government, educators and job providers. It has a budget of \$340,000 a year available for projects, under the Regional Assistance Programme (RAP). In recent times funds have been outlaid on information booklets; on feasibility studies for key industries; on joint major projects with neighbouring ACCs; and on export development and enhancement.

All of these RAP projects are aimed at maximising knowledge and opportunities. Particular emphasis is made in respect of youth, mature-age and indigenous categories – especially in respect of unemployment, under the Regional Assistance Programme.

Community people therefore provide a local perspective in seeking to maximise jobs in the Albury-Wodonga region.

One of the Albury-Wodonga Area Consultative Committee's major roles is that of maintaining and nurturing regional economic development and infrastructure. A key area in developing employment growth activities of the Job Network Providers. Efficient operation of Job Network Providers as a group is crucial to maximising employment growth in the region.

The Albury-Wodonga Area Consultative Committee is very conscious of its two-way brokering role with these providers.

As is the case elsewhere in Australia the Albury Wodonga Area Consultative Committee has a region whose boundaries differ from those used by other agencies. It is especially hampered by the variable treatment of Indigo Shire. This Shire was created in 1994 from the bulk of four previous municipalities. Its proximity to, and close links with Wodonga make it a logical part of the Albury-Wodonga Area Consultative committee area. We have treated it as such – but then have to adjust Australian Bureau of Statistics and Department of Employment, Workplace Relations and Small Business data.

In addition, the level of relevant information varies.

As one moves further and further out from Albury and Wodonga cities, the level of data decreases. Also “regions” vary with the organisation. We illustrate these differences below;

**Table 1**

**VARIOUS “REGIONS”**

<b>Municipalities</b>	<b>Albury-Wodonga</b>	<b>Albury-Wodonga Statistical District</b>	<b>AWACC Area <sup>(2)</sup></b>	<b>Centrelink Area <sup>(3)</sup></b>
Albury City	√	√	√	√
Wodonga City	√	√	√	√
Hume Shire		√	√	√
Corowa Shire			√	Most
Urana Shire			√	√
Culcairn Shire			√	√
Holbrook Shire			√	√
Tumbarumba Shire			√	Khancoban
Indigo Shire		√	√	Some
Towong Shire		Part (A) <sup>(1)</sup>	√	√
<b>Population</b>	<b>72,950</b>	<b>96,830</b>	<b>120,911</b>	<b>106,100</b>

**Notes -**

- (1) The western end of the shire around Tallangatta and the Bethanga Peninsula.
- (2) “AWACC” = Albury-Wodonga Area Consultative Committee.
- (3) “Centrelink Area” = area covered by Albury office. Wagga Wagga data also provided, but excluded from our review.
  - Mulwala excluded from Corowa Shire; (1,800 population).
  - Khancoban - the only part of Tumbarumba Shire included by Centrelink; (400 population).
  - Indigo Shire -
    - included - eastern part - Yackandandah area;
    - excluded - western parts - Rutherglen, Chiltern and Beechworth (about 10,000 persons).

It is important to appreciate these different definitions, as comments later will refer to all of them in varying degrees of confusion – caused by the adequacy or otherwise of the data. The attached map may provide perspective.



## ALBURY-WODONGA AREA CONSULTATIVE COMMITTEE PROJECTS

Since the October 1998 election, ACCs have been moved from the former Department of Employment, Education, Training and Youth Affairs (DEETYA) to the department of Employment, Workplace Relations and Small Business (DEWRSB). At the same time, Government policy has switched radically towards more immediate outcomes (in terms of jobs) as well as/instead of longer term feasibility studies.

As present, the Albury-Wodonga Area Consultative Committee is monitoring a number of projects reflecting its region and its several roles.

These projects are classified into broad groups-

	<u>Funding (\$)</u>
Improving skills-	
• Metal Trades Apprenticeship Promotion	10,000
• Winning Edge – supporting young people in job interviews	4,950
• Pilot programme to improve links between Dairy Industry and Career Counsellors	5,500
• Publicity for Joint Network Providers	<u>10,000</u>
<b>Total</b>	<b><u>30,450</u></b>

Promotional Material-

• Metal Industry Capability Register	4,000
• Post-Secondary Education and Training booklet	15,000
• Regional Attraction Guide	<u>6,000</u>
<b>Total</b>	<b><u>25,000</u></b>

Projects to generate jobs through value-adding-

• Facilitation of E-Commerce and Internet Use by regional small/medium firms	37,700
• Securing a vital livestock processing market	32,000
• Technical development of selected agricultural industries	45,000
• Developing opportunities in information technology	60,000
• Gateway Island – tourism precinct – to develop water/aboriginal culture/regional produce opportunities	<u>20,000</u>
<b>Total</b>	<b><u>194,700</u></b>

Special Sectoral Programmes-

• Marketing Mature Age Workers	15,000
• Dairy Labour Market Projects- With three other ACCs- Total cost of \$75,000 – AWACC's share	25,000
• Model for providing services for regional Australia's small business	<u>20,000</u>
<b>Total</b>	<b><u>60,000</u></b>

**Overall Total** **310,150**

In addition, the Albury-Wodonga Area Consultative Committee has been involved in the establishment of a business incubator sponsored by the Albury-Wodonga Business Enterprise Centre. Funding totalled \$656,000 – of which DEETYA provided \$500,000, and local councils and business groups the balance. The project took four years to come to fruition, and the Albury-Wodonga Area Consultative Committee provided local support and a brokering role as and when needed.

The Albury-Wodonga Area Consultative Committee's Regional Strategy and Business Plans will be reviewed shortly. They will clearly take into account the outcomes-orientated policies now emanating from Canberra, and will also include a thrust towards the outlying Shires. Albury and Wodonga cities account for 60% of the Albury-Wodonga Area Consultative Committee's regional population; whilst the eight surrounding shires, with a combined 40% share, have quite diverse economic profiles which offer wonderful opportunities for value adding.

The Albury-Wodonga Area Consultative committee is mindful of the need for adequate development of the rich resources in its region, and for maximising value adding to build on Albury-Wodonga's strong growth and sheer diversity.

## C. ALBURY-WODONGA REGION'S SOCIO-ECONOMIC PROFILE

### 1. POPULATION

#### a. Trends 1986 – 1996

Table 2 gives details of population changes between the 1986 and 1996 Censuses for each municipality. The more rural shires suffered population losses or had only nominal growth. Albury, with its dormitory shire of Hume; Wodonga and Indigo; and Corowa all recorded good growth. Wodonga, with 25% of the regional population; accounted for nearly half of the population growth.

Corowa has enjoyed strong growth due to its tourism focus and nearby major processing facilities.

**Table 2** POPULATION TRENDS

	1986		1996		Change		
	Persons	% Share	Persons	% Share	Persons	As %	% Share
Albury	39160	36.3	42322	35.0	3162	+8.1	24.4
Hume	5690	5.3	7037	5.8	1347	+23.7	10.4
Corowa	7240	6.7	8384	6.9	1144	+15.8	8.8
Culcairn	4420	4.1	4281	3.5	-139	-3.1	-1.1
Holbrook	2590	2.4	2634	2.2	44	+1.7	0.3
Tumbarumba	4000	3.7	3793	3.2	-207	-5.2	-1.6
Urana	1800	1.7	1598	1.3	-202	-11.2	-1.5
<b>NSW Side</b>	<b>64900</b>	<b>60.1</b>	<b>70049</b>	<b>57.9</b>	<b>5149</b>	<b>+7.9</b>	<b>39.7</b>
Wodonga	24007	22.3	30200	25.0	6193	+25.8	47.8
Indigo	12422	11.5	14163	11.7	1741	+14.0	13.4
Towong	6620	6.1	6499	5.4	-121	-1.8	-0.9
<b>Victorian Side</b>	<b>43029</b>	<b>39.9</b>	<b>50862</b>	<b>42.1</b>	<b>7813</b>	<b>+18.1</b>	<b>60.3</b>
<b>Total AWACC Region</b>	<b>107949</b>	<b>100.0</b>	<b>120911</b>	<b>100.0</b>	<b>12962</b>	<b>+12.0</b>	<b>100.0</b>

Source ABS

#### b. Current Population by Sizes of Towns by Distance

The AWACC region of 121,000 people has been further analysed by cross-tabulating the 29 towns of any size with their distances from Albury (Table 3). In all ten categories were developed - nine with towns/settlements' populations of 100 person or more, the tenth being the residue beyond identified towns.

In all, 60% of people were found in Albury or Wodonga, whilst the next eleven towns (of 1,000 persons or more) accounted for another 18%. A further 16 centres (100 - 1,000 persons) represented only 5% of the total, with the rural population being 15%. It is in these centres that many of the reductions in services are occurring.

A similar 62% were found close to Albury, with most of the balance 26 - 50 km away. Only three towns of consequence were within 25 km; and the proliferation of smaller centres further out is evident from both Table 3 and the attached map. It is in these centres that many of the reductions in services are occurring, and existing employment problems are being accentuated.

Table 3

**SIZE OF TOWNS**

Category	Persons	0 - 10 km	11 - 25 km	26 -50 km	51 -75 km	> 75 km	Total	% Share Down
1	Over 40,000	1 @ 42,382	-	-	-	-	1 @ 42,382	35.9
2	20,0001-40,000	1 @ 30,562	-	-	-	-	1 @ 30,562	25.9
	Cumulative 10,001-20,000	2 @ 72,944	-	-	-	-	2 @ 72,944	61.8
		-	-	-	-	-	-	-
3	Cumulative 5,001-10,000	2 @ 72,944	-	-	-	-	2 @ 72,944	61.8
		-	-	-	1 @ 5,100	-	1 @ 5,100	4.3
4	Cumulative 2,501-5,000	2 @ 72,944	-	-	1 @ 5,100	-	3 @ 78,044	66.1
		-	-	1 @ 3,300	-	-	1 @ 3,300	2.8
5	Cumulative 1,251-2,500	2 @ 72,944	-	1 @ 3,300	1 @ 5,100	-	4 @ 81,344	68.9
		-	-	2 @ 3,750	1 @ 1,350	1 @ 1,800	4 @ 6,900	5.9
6	Cumulative 1,001-1,250	2 @ 72,944	-	3 @ 7,050	2 @ 6,450	1 @ 1,800	8 @ 88,244	74.8
		-	1 @ 1,000	3 @ 3,400	-	1 @ 1,200	5 @ 5,600	4.7
7	Cumulative 501-1,000	2 @ 72,944	1 @ 1,000	6 @ 10,450	2 @ 6,450	2 @ 3,000	13 @ 93,844	79.5
		-	-	2 @ 1,450	2 @ 1,550	-	4 @ 3,000	2.5
8	Cumulative 251-500	2 @ 72,944	1 @ 1,000	8 @ 11,900	4 @ 8,000	2 @ 3,000	17 @ 96,844	82.0
		-	2 @ 700	1 @ 350	-	3 @ 1,080	6 @ 2,130	1.8
9	Cumulative 101-250	2 @ 72,944	3 @ 1,700	9 @ 12,250	4 @ 8,000	5 @ 4,080	23 @ 98,974	83.8
		-	-	-	-	6 @ 800	6 @ 800	0.7
	Cumulative	2 @ 72,944	3 @ 1,700	9 @ 12,250	4 @ 8,000	11 @ 4,880	29 @ 99,774	84.5
<b>% Share Across</b>		<b>(61.8)</b>	<b>(1.4)</b>	<b>(10.4)</b>	<b>6.8</b>	<b>4.1</b>	<b>84.5</b>	
10	Plus – Balance of population outside Nominated Towns						18,253	15.5
<b>Total Population</b>							118,027	100.0

## **2. WORKFORCE**

### **a. Employment Analysis**

Much of the perspective of the AWACC's workforce structure can be found in Investment Albury-Wodonga's analyses (see Appendix II) – which, although relating to Albury-Wodonga and to its immediate Statistical District; can be taken to broadly reflect the wider ACC area.

Again, we are hesitant to use official statistics to any depth; as we have the Albury-Wodonga annual employment census – which of necessity has to be more accurate than household-based data emanating from the Australian Bureau of Statistics. Where these series differ, we prefer our home-grown data for the last 22 years.

Unfortunately, we are limited, as age analyses are difficult to obtain, due to our deliberately limiting questions to ensure our 98% co-operation rate is continued.

So, briefly, we took out 1996 Census data for the ten municipalities in the AWACC. To summarise – for the mature age workforce (45 years and over), we found that they represented almost one-third of the total. The respective shares are shown below (as percentages).

	<u>Males(%)</u>	<u>Females(%)</u>	<u>Total (%)</u>
Of - Fulltime jobs	15.6	6.7	22.4
- Part-time jobs	3.8	6.1	9.9
<hr/>			
- All jobs	19.5	12.8	32.3
<hr/>			
All unemployed	23.2	15.8	20.2
<hr/>			
- Labour Force	33.1	28.6	31.2
<hr/>			
Of – Population – as Participation Rate	56.6	34.4	45.1
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### **b. Trends in Government Employment - Albury and Wodonga**

The Committee should be very concerned about public sector activities in regional development. Accordingly, we have reviewed trends in public sector jobs in urban Albury-Wodonga, as we have a long history enabling trends to be clearly identified.

Over the nine years to the end of 1997 (see Table 4), public sector jobs in the cities of Albury and Wodonga fell by 541 positions. In only four of the 14 industry categories was there growth. The major decreases were in transport (the decimation of the two state rail workforces); and in the defence area, as privatisation of many activities began.

We separated the primary/secondary education group from post-secondary categories to highlight the very different trends - the former losing growth, the other growing very rapidly, (as a new TAFE college and university campus augmented two existing campuses).

These figures only show overall job movements. They do not clearly identify loss of autonomy, losses of regional headquarters, and the down-grading or abolition of services. They also do not reflect the centralising effect - especially from smaller communities to Albury or Wodonga (or to

capital cities). This small-scale drift has helped the two major centres in this region to slightly offset obvious trends.

Albury-Wodonga has a “mixed bag” of results. Many major regional facilities have at least remained steady - for example - the regional Tax Office. However, we have lost the regional headquarters of the NSW Police (to Wagga Wagga), NSW Health (to Wagga Wagga), and Great Southern Energy (to Queanbeyan).

Many facilities have never been located in Albury-Wodonga because of the “360° syndrome”. Thus, in a sense, the decrease has not been as marked as it could have been.

The privatisation of some defence activities has resulted in a partial recovery of some of the jobs lost. However the region has lost a large number of jobs, and many, many skills. This downgrading has also led to a reduction in courses held in the area, with the consequent loss of regional income.

*Table 4*

**ALBURY AND WODONGA CITIES**  
**-TRENDS IN GOVERNMENT EMPLOYMENT**

Category	1988		1997		Change	
	Agencies	Jobs	Agencies	Jobs	Agencies	Jobs
Agriculture	6	123	5	101	-1	-22
Manufacturing	2	119	2	78	-	41
Utilities	9	237	6	337	-3	100
Construction	9	438	8	308	-1	-130
Retailing	2	15	1	4	-1	-11
Transport	14	438	7	67	-7	-371
Communication	11	338	10	298	-1	-40
Finance	10	180	10	119	-	-61
Business Services	10	116	12	165	2	49
Admin/Defence	29	3559	31	2475	2	-1084
Education-						
. Primary/Secondary	35	1001	38	988	3	-13
. Post-Secondary	13	408	111	1098	-2	690
<b>. Total</b>	<b>48</b>	<b>1409</b>	<b>49</b>	<b>2086</b>	<b>1</b>	<b>677</b>
Health	50	1621	53	2165	3	544
Cultural	13	286	13	145	-	-141
Personal Services	15	262	16	252	1	-10
<b>Total</b>	<b>228</b>	<b>9141</b>	<b>223</b>	<b>8600</b>	<b>-5</b>	<b>-541</b>

**c. Regional Unemployment**

We received current unemployment data from Centrelink about the ages of those in the NSA and YAL schemes for the Albury-Wodonga region. These figures were incomplete and can only be regarded as indicative. The differences between this series and national patterns are significant for both age groups and by time out of work.

Also data from Centrelink for the Albury-Wodonga region differ slightly from those for the Area Consultative Committee. The major difference is that the western part of Indigo Shire (covering Rutherglen/Wahgunyah, Chiltern and Beechworth) is excluded by Centrelink. Otherwise the areas are comparable.

Thus we believe that the following analysis (Table 5) only broadly reflects the Albury-Wodonga Area Consultative Committee's area of responsibility. It does differ significantly from national patterns in the younger age groups in particular. We believe much of this is also due to the fact that many older people do not bother to register in our region or are prevented from doing so due to unspent redundancy packages. We have made comments on these matters in Section D1 below.

*Table 5*

**ALL PERSONS - UNEMPLOYMENT ANALYSES**  
**- BY AGE AND DURATION OF UNEMPLOYMENT**

<b>Category</b>	<b>Albury-Wodonga</b>	<b>Australia</b>
	<b>% Share</b>	<b>% Share</b>
<b>Age Groups (Years)</b>		
15-19	28.6	20.5
20-24	27.9	17.8
25-34	17.4	22.4
35-44	12.3	18.5
45-54	10.2	14.0
55 & over	3.7	6.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>Time Unemployed (Weeks)</b>		
To 25 weeks	29.9	47.7
26-51 weeks	38.3	18.6
52 weeks and over	31.7	33.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

*Sources – Centrelink, A.B.S.*

Generally speaking it is difficult to obtain comparable data for our region. We understand that there are about 5,000 registered unemployed in the AWACC area. This estimate excludes those who do not bother to register or are disqualified – two factors which particularly affect older workers.

We have noted the findings of an ABS survey of relevance – “Retrenchment and Redundancy – July 1997 – No. 6266.0”. For the July 1994 to July 1997 period, a survey found that retrenched peoples profile was –

- 7% of those who held a job over that period had been retrenched;
- 68% of those were males (compared with 57% of the total workforce);
- those retrenched were particularly found in the 18-24; and 55 and over sectors;
- 71% had permanent status – in fact 84% were full-time;
- manufacturing (24% share); retailing (12%) and construction (9%) were the major problem areas. However, as these three sectors only accounted for 45% of all retrenchments; it is obvious that the practice is across all sectors;
- most jobless had low or medium skills; and
- 55% had found another job since (i.e.: 45% did not – or 308,000 were not working over the survey period).

These findings indicate what it means to lose a job at a mature age – especially when in what could be assumed take a permanent, fulltime position; and with no better than medium skills.

In Albury-Wodonga we have noticed a trend in accordance with that occurring in Australia as a whole – a move from fulltime jobs to part-time, and from males to females. In 1977, males had two-thirds of all jobs; in 1997 – 55%; fulltime jobs fell from 89% to 68%. As a result, fulltime jobs for males fell from a 63% share in 1977 to 45% currently. Many of these jobs have been held by mature-age people – especially men.

At almost a 63% share discouraged jobseekers in Australia in late 1996 who were 45 years of age or more, were double their overall share of the workforce. This is perhaps a more eloquent fact than other comparisons. It tends to be magnified in non-metropolitan areas where alternatives are fewer.

At the time of the 1996 Census, those officially unemployed were –

<u>(%)</u>	<u>AWACC Area (%)</u>	<u>Australia</u>
• 15-24 years	19.6	17.5
• 25-44 years	7.7	7.4
• 45 years and over	<u>6.1</u>	<u>6.7</u>
<b>Total:</b>	<b><u>9.4</u></b>	<b><u>9.5</u></b>

Generally proportions were similar. Our problem is that those older workers who do no longer wish to register, or cannot do so because of unspent redundancy payments, are not in these figures. The very similarity of these percentages suggest that this is a national problem. Other data in Albury-Wodonga indicate that a significant number of part-time jobs – particularly those held by males, actually are hidden under-employment.

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## **D. ISSUES RELATING TO MATURE-AGED WORKERS**

### **1. SOCIAL, ECONOMIC AND INDUSTRIAL ISSUES**

In addressing the three areas designated in the Media Release of 19 March 1999, the AWACC offers the following information. The three social, economic and industrial factors have been widely researched by various groups over recent years and their findings are mirrored in the facts associated with local unemployed mature age people. Our comments in each of the areas asked for are as follows.

#### **Social Issues:**

Ten years ago when redundancies started to occur in the Public Service, there was a stigma attached to anyone who had been retrenched similar to those who had been divorced. There was a feeling within society that the person retrenched, was obviously not effective in his/her job and in many cases, people who had been retrenched, were seen to be similar to a person who had been sacked. With the passage of time the community has now accepted that redundancies (and divorces) will occur and consequently restructures, downsizing, rightsizing or just plain organisation consolidation is now accepted as a fact of our working life.

Employees in general, are now aware that they no longer had a "job for life" and that a change of employer, and therefore employment opportunities, is something they need to come to terms with.

Consultations with approximately 3500 mature age clients over the last six years and through networking with other Employment Officers dealing with a similar client base, have produced substantial evidence of the social effects that unemployment brings to mature aged people.

#### **Males:**

Those on the wrong side of 50 years of age are, in most cases, devastated when they are made redundant. They have been banking on working until they reach 65 and now find that their opportunities to "save" during the eventide of their working life have been taken away from them. A feeling of depression sets in and they tend to display a lot of anger towards society. Wives, partners and families are left to cope with a "changed person". Recent research indicates that the cause of a substantial number of divorces and relationship breakups in the 40 and over age group can be traced back to the male losing his job and his perceived role as the main provider for the family. The domino effect that follows the breakup is reflected in anti-social behaviour and a family dependency on government welfare.

#### **It needs to be emphasised that Redundancy is an unplanned early retirement for most people.**

"Redundancy Packages" usually have to be rolled over and unless employment can be found very quickly that portion that did not have to be rolled over starts to diminish. Most had expectations of a retirement on "the pension", subsidised by their personal superannuation benefits and money in the bank for a rainy day.

An example of an unfair redundancy offer: A V/Line employee for 30 years has been offered \$57,000 if he accepts voluntary redundancy or \$37,000 if he declines and is a targeted redundancy. The opportunities for a 47-year old with only skills acquired in V/Line are limited.

A greater social responsibility has to be accepted by government departments. It is immoral for any employer to take the best years of an employee and then cast him/her on social welfare. At the present interest rates, a 55-year old would need in excess of \$300,000 to invest to maintain his/her current life style

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The lack of employment by the male in the family can cause the female to seek part-time employment to help the family income. This can have a detrimental effect on the relationship and a subsequent breakup of the relationship and maybe a reliance on government assistance.

### **Females:**

A large majority of female clients seen over the past six years are “single parents” who are either divorced or separated. Many have moved into the area seeking employment opportunities, a better life style and in many cases to distance themselves from their “Ex”. Their goal is to obtain part-time work which will coincide with the needs of their children. The economic conditions prevailing in rural Australia at present however do not provide them with the employment opportunities they seek. They are therefore forced to seek employment in capital cities.

There is also that group of women who have been raising a family for the last 15 to 20 years and now wish to supplement the family income and/or to obtain some financial independence. On seeking employment they find their skills are some what dated and although they are willing to have a go at ‘anything’, find that the competition for vacancies is extremely high.

### **Economic Issues:**

The rise in the number of unemployed naturally raises concern to the amount of disposable income available within the community. The main streets of Albury and Wodonga have a number of vacant premises which have closed their doors because of the lack of adequate purchasers of their products, poor management and/or lack of a Business Plan. Whilst some have moved to other premises where rents are cheaper, or now work from home, the vacant premises have remained vacant. Major retail outlets have either not renewed their leases or have drastically reduced the hours of both permanent and casual staff further reducing employment opportunities. Rents and the conditions applied to business premises within a Shopping Centre tend to restrict expansion of small businesses. This of course does not only apply to rural towns.

When even a major development takes place within Albury-Wodonga the contracts usually go to tenderers from the capital cities who bring their sub-contractors with them – eg. The Court House, the Police Station, the new Base Hospital and the SS & A extensions. As a result most of the money for the project does not stay in town.

### **Industrial Issues:**

The “overnight” shrinkage of the number of mature age employees in commerce and industry through whatever means, can have a detrimental effect on an organisation because it denudes the organisation of staff who can play a role of mentor to new or younger staff.

Many employers seem to be reluctant to employ a mature age person who has had previous employment that required higher skills than the position currently being applied for. The perception that the person still wants a “challenge and responsibility” becomes a barrier to a mature age applicant obtaining work in a position that does not fit that particular criterion. Many clients who have had 10 to 20 years of senior responsibility have stated that all they want is a job and income to help restore their own self esteem. They are also seen by some current incumbents of supervisory/management positions as a threat to that person’s continued employment.

There is a definite need for an outplacement service to be a necessary part of the redundancy process so that those affected are made aware of the measures necessary to regain employment – eg. resumes, application letters, interview skills, recognition of existing skills (RPL), self promotion etc. Not many State funded programs have a ‘Work Experience’ component such as that included in the NSW Mature Workers Program which covers a client in the event of a claim for Work Care or Public Liability. This component has enabled a number of clients in this age group to display their skills and attitude to many prospective employers. Employers are also able to assess the ability of a prospective new employee. Work for the Dole schemes have very limited value for most mature people.

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To reduce the belief that some employees do not have up to date skills, more organisations, both small and large, need to become professional in their approach to identifying training needs of staff and in implementing training programs designed to meet those identified needs. Many mature age employees occupy positions within the community – eg. local government, office bearers in sporting and community groups, where their responsibilities and skill application far exceed their day to day responsibilities for their employer.

The perception in society that people over 45 are set in their ways and therefore not willing to learn new skills does not apply to everybody in that age group. That particular age group has gone through more changes than any other generation in history. Such changes as metric conversion, decimal currency, computer technology, automatic motor vehicles and industrial robots. They have also had to come to terms with changes in society such as the questioning of people in authority, the feminist movement, political correctness, the “coming out” of homosexuality and the wide ranging consequences of these social changes within the workplace.

*Employment Victoria*, a Victorian Government 45 Plus Skills Initiative, believe that Victorian employers can benefit from experienced workers and cite a number of organisations whose businesses have profited by having a balance of 45 plus and younger in their workforce. A number of local hospitality organisations prefer mature age staff because of their reliability to attend work in an environment that is staff predominantly by casuals. Our local major retail outlet prefers mature age staff because they are able to relate to the needs of the customer base which is mostly 35 plus. This is not to say that younger staff can not provide a good customer service, on the contrary, they can match and excel some mature age staff, but mature age staff have, in the main, a reputation for limited absenteeism, an ability to work unsupervised, a history of duration of employment and are able to stay motivated.

#### **Establishing a Business:**

Education in the handling of large sums of money is an obvious need amongst mature aged employees who have been made redundant or for that matter who are retiring from the workforce.

The perception amongst people who have never been in business that “it’s a piece of cake” to run your own business, has to be widely publicised as a myth. A number of clients have a desire to purchase the proverbial coffee shop gold mine with their redundancy money and create their own ‘superannuation’ over say, a three year period. As a result of inadequate research and planning or no research or planning at all, some clients want to venture into a business that they have no idea about. Retail outlets require people skills and many mature age people have good hands on skills but few business management skills.

The NEIS scheme is an excellent program for those wishing to start up a **new** business but many people who wish to attend a NEIS course are prevented from doing so because they may be on superannuation – eg. ex-Army personnel, or anybody who is not in receipt of a Centrelink pension. If necessary a person may purchase a place on a NEIS course at a cost of \$3000 (conditions exist).

Whilst the NEIS scheme provides six weeks free training for people with an ‘idea’ there is a shortage of government funded training for people who want to commence their own business. Some organisations, such as BECs in some areas, conduct Small Business Seminar Series at a cost of around \$240. Proper training and maybe some volunteer work experience in a business that is similar to the one they wish to open could reduce the number of misplacements and subsequent bankruptcies and business failures. Small business is touted as the biggest employer of staff in Australia but locally we have a success rate of around 33% of small businesses surviving the first 12 months. A University of New England study found that around fifty-one percent of business failures were because of lack of the appropriate management skills needed for the business. These data need to be addressed so that specific training can be developed and made available to

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encourage people to become entrepreneurial and possibly create employment opportunities for others at some later stage.

Organisations like the Business Enterprise Centres need to be continually funded to provide this training to potential business owners as the funding would be returned threefold in economical benefits to the local community and society in general.

Some of this information has been provided by the Albury-Wodonga Business Enterprise Centre, which has been advising and training both existing and intending small business operators for over 15 years in the Albury-Wodonga area.

Over that time (and increasingly so in recent years) the AWBEC has noticed that there has been a relatively large number of people wishing to set up a business, as they have a retrenchment package (or, in some cases, have retired). In fact, since 1985 (when detailed figures were first kept), there have been almost 9,000 enquiries by intenders; compared with 6,000 by existing firms. The rate of enquiry has accelerated markedly as the 1990s progressed for both categories.

Most requests for advice were from those involved in, or interested in retailing (23%), tourism (14%), manufacturing (11%), and "service" (29%). Requests for starting-up information (33%), marketing (19%), sounding out ideas (16%), course information (10%); were predominant reasons for contacting the AWBEC. Surprisingly legal and financial issues represented only 17% between them.

Over the 12 years that the AWBEC has run courses, some 12,000 enrolments were recorded for 600 sessions.

These statistics should be compared with the numbers of new firms starting up between 1985 and 1998 of about 3,800, and those 2,500 firms in existence in 1985. Some 6,300 establishments – 95% of which were small businesses, using the AWBEC at the rate of at least two enquiries on average.

Historically, as noted above, the AWBEC has offered its services to people intending to start businesses. In many cases, the counsellors have felt that individuals may not be suited to running their own businesses, and have sought to discourage them; or at least recommended that they undertake training courses.

Some have taken their advice, some have not. Some may have realised their limitations, or the limitations of their ideas; and decided not to proceed. Others have ploughed on, with or without any further training or advice – they have the highest failure rate.

Some years ago the AWBEC roughly estimated that a failed business cost the community perhaps \$250,000 – in the forms of - a mortgaged home or other premises; of bad debts and of the general adverse multiplier effects. In Albury-Wodonga's case, this would be equivalent of \$50 m a year.

Albury-Wodonga has enjoyed the benefits of the New Enterprise Incentive Scheme (NEIS) for the last decade. The AWBEC has run many such six-week courses with a Business Plan required for long-term unemployed in particular. It has been a resounding success.

Recent NEIS courses have been attended by 73 people, some 21 (20%) were over 45 years of age, and another 20 (27%) were at least 36 years.

A recent intenders' night showed that 15 (42%) of the 36 participants were 45 years or more: and the other 12 (33%) were at least 36 years.

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These data indicate that older people are seriously looking at re-entering employment, and are prepared to undergo appropriate training. In these two samples (which the AWBEC believe are typical of each group), one-third were of mature age.

**Summary:**

As most employers tend to seek financial rewards for compliance with government initiatives, maybe consideration could be given to the provision of a subsidy to those organisations who maintain a balance of mature and younger employees within their workforce.

## **2. REGIONAL PERSPECTIVE**

Regional development is influenced by many factors. It is not possible to definitively apportion blame to each factor. Much depends on each region's size, structure and location. Much depends on the measure used. The universal measure is that of jobs.

It is possible to identify a hierarchy of influences, along these lines -

- global conditions (especially amongst exporters and the tourism industry);
- national conditions -
  - economic development policies;
  - general economic trends and patterns;
- regional (ie, non-metropolitan) aspects generally;
- individual regions -
  - structure;
  - size:
    - \* large towns/cities;
    - \* smaller centres;
    - \* rural areas/hamlets;
  - location;
  - comparative advantage.

It is Albury-Wodonga's experience that national conditions/policy decisions play a major role. The devastating, lingering effects of the 1991 recession changed structures and growth trends markedly. For example, urban Albury-Wodonga's job growth between 1977 and 1988 averaged 4.3% pa; since then only 0.5% pa. In the first period, the average annual increase was 1,120; in the second only 180 jobs. The underlying level of investment dropped away also in the 1990s until very recently.

Historically, government departments such as V/Line, SRA, Australia Post, Gas & Fuel Corporation and the Victorian SEC used to take on a number of apprentices each year to compensate for the retirement of tradesmen from each of these departments. Approximately 80% to 90% of these apprentices eventually left their government jobs and were employed by the private sector or in lots of cases, commenced their own businesses where they created employment opportunities for other people. Government ministers of the day had no qualms with them leaving to go to the private sector as it was seen as a good policy that assisted both government and the private sector. This avenue of creating jobs is no longer available, not is the supply of well-trained tradesmen to the private sector.

A recent briefing at our local Australian Tax Office, verified that some bureaucrats are out of touch with reality as to the local job market. Those attending the briefing were asked to tender for the supply of casual labour. We were expected to be able to supply, on call, up to 50 touch typists with high skills, at a week's notice. These could be for a 4-hour shift commencing at 6am, 10am,

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2pm, 6pm or 10pm. Historically the local casual job market for this skill is dominated by mothers who prefer a 10 to 2 shift so as they can drop off and pick up their children from school. Discussions with network providers before the rosters were determined, would have brought to light this local concern.

We are also aware that Australia's Balance of Payments is adversely affected by a \$2,000 m pa deficit on timber and wood products and furniture; and yet there is great potential in rural Australia to offset this shortfall. Policies are woefully deficient.

Regional centres (especially those away from the coast) have not done as well in recent times as have metropolitan cities. There is an ever-accelerating trend of retreat to the next-sized population centre, or even more drastically, to capital cities. This is happening in both the private and public sectors.

Juxtaposition with larger centres is increasingly being seen as fatal to smaller centres. There seems to be a substantial abandonment of services in small towns. The Albury-Wodonga region is a good example. Whether the cause was cost-cutting exercises by unsympathetic governments, or increasing use of technology; small centres are losing ground rapidly. In our region, we have seen Albury and Wodonga cities acting as magnets for people in surrounding shires. As a result, unemployment in nearby shires appears to be low - the reality is that Albury and Wodonga provide job opportunities or post-secondary educational courses for these people. In addition, Albury-Wodonga provide off-farm work for struggling, but highly-skilled, farmers.

Unemployed people in outlying areas such as Culcairn and Henty in NSW and Yackandandah, Tallangatta and Mt Beauty in Victoria lack an adequate public transport system into Albury/Wodonga that allows them to obtain assistance in seeking employment and to be able to travel to and from employment.

These movements may help nearby shires' unemployment rates, but not employment - and income-generating opportunities. Beechworth, although relatively large at 3,300 people, has lost 1,000 jobs - mostly in state community services in the last few years. In all cases, local communities and politicians have reviewed the issues and sought to reverse adverse decisions and to develop alternatives. Beechworth has done well with its thriving tourist industry, and is holding its own. However, part-time jobs are not necessarily a substitute for highly-skilled, well-paid, usually full-time employment.

Albury-Wodonga (and other regions), face several problems - some real, some perceived.

The major issue is that, in many cases, business investment decisions are made elsewhere. In addition, anecdotal evidence indicates that there is a net outflow of funds from the region - for superannuation alone - perhaps as high as \$80 m a year; let alone repatriation of profits.

The ownership issue not only intrudes in terms of decision making, but also in terms of skills - especially of management. Again, purchasing decisions are usually made on a national basis, and local firms rarely have an opportunity to quote for supplies or work carried out locally. The same, of course, applies to decisions about which facility to close.

Governments in general have behaved erratically so that there is no certainty for planning. Programmes change or are cancelled; criteria are altered; and public sector jobs often reduced, with consequent losses of skills, of perceived commitment and of funding.

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Examples are -

- closure of regional development offices of the Department of Transport and Regional Development;
- privatisation of much of the defence forces;
- increasing regions' sizes and often changing the location of the regional headquarters;
- funding projects rather than positions. There is a need in regional communities for people with the appropriate skills to prepare submissions - without these skills the projects are unlikely to happen;
- seeking to make Australian industry more competitive but imposing a revenue levy on imports of at least 3% ad valorem - not for protection, but for revenue;
- payroll tax is a tax on jobs, but has been handed to the States as a revenue earner. It is illogical.

Perceptions are important. Albury-Wodonga has found that transport costs may be dearer, than say for a competing metropolitan location; and this overrides all other considerations - including the fact that the overall cost to make and sell may well be less in Albury-Wodonga.

Communications' costs have been barriers in the past. We believe most people now recognise that these vary little between centres (except perhaps for help-desk services).

Post-secondary education is now recognised here as generally adequate. Deficiencies are in specialised university courses in the main. The TAFE colleges are more than holding their own and, like the two university campuses, are operating off-shore in an increasing way.

### **3. LABOUR MOBILITY**

Our experience is that mobility is quite limited, and decreases with the age of the individual. There is no doubt that the following factors are paramount in a provincial centre like Albury-Wodonga -

- age and marital status. Young, single people are much more prepared to move to other locations for employment - the older, more committed, people with children, less so;
- employment status of spouse. A further consideration often is that both partners have jobs. A shift elsewhere may mean that a second income is not available;
- commitments - particularly house mortgages, and children in secondary education. It may not be possible for a family to shift for these reasons - and it may be that a job may be available in a capital city or other location where housing is significantly dearer. Thus a family would face a higher mortgage situation;
- preferred lifestyle. Many people have strong views about where they want to live for a variety of social reasons - availability of services, climate, physical environment, community involvement, nearness to friends and/or extended family. These factors often weigh more than financial influences, and unless Government introduces regulation or legislation to force individuals to move to suitable employment; will reduce mobility markedly.

Perhaps Albury-Wodonga could serve as an example. It has most services available to it commensurate with a region of 100,000 people, it has an excellent climate, its economic growth has been strong and diversified, (with good increases in jobs numbers and in skills required), and it now has two TAFE colleges and two university campuses providing a wide range of courses. Virtually no part of the urban area of Albury-Wodonga is further away than half-an-hour's travelling time, and many sporting and recreational facilities are close by. To the next-sized hierarchy of city - Sydney, Melbourne (or even Canberra), there are regular airflights as well as rail and road services. Melbourne is 3½ hours away by road. There is also a high degree of

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stability - many families have been in the area for several generations - with consequent close, extended family links. Accordingly people are unwilling to be shifted around like pieces on a chess-board. When people have experienced the regional lifestyle for a few years, they rarely want to return to capital cities.

We have not found any more recent, thorough, study than that prepared by the then Victorian Chamber of Manufactures in 1981 on "The Labour Market Experience of a Group of Employees in Albury-Wodonga". The factors seem to be unchanged.

#### **4. PLANT CLOSURES**

Plant closures create a number of problems for regional communities - loss of jobs/skills/income; loss of confidence in communities; leading to an adverse multiplier effect (including the ultimate likely loss of physical and social infrastructure). The one redeeming feature may be that an often attractive building becomes available for another project/other uses.

Closures become a major problem if the area is declining. They are not easy to overcome even in a growing region such as Albury-Wodonga.

Albury-Wodonga has found that firms tend to close plants not juxtaposed with head offices or major offices first. This applies equally to staff reductions.

We have had several instances where operations (particularly manufacturing and wholesaling) have closed for reasons other than their locations - specifically policy, reduced demand (from both the recession and from reduced protection) and changes in the company's orientation.

We have always had a large overseas-controlled manufacturing sector. Whilst most of these firms continue to operate and have expanded in terms of total jobs, of skills, and in technology; the more spectacular closures or reductions have been by overseas-controlled firms. Two closed because the particular Albury-Wodonga operation became incompatible with the world-wide operations of the group; although competitive in their own rights. And others closed due to consolidation of activity in the home country; yet another due to the 1991 recession.

Reduction of workforce by two firms, and one closure, were due to the combined effects of the recession and reduced protection on available markets. The two instances of job reduction involved consolidation of activity back to a plant next to the head office.

These were all situations beyond Albury-Wodonga's control. Controversy would no doubt arise as to the extent of Government influence in terms of economic conditions and protection levels.

#### **5. FINANCE AVAILABILITY AND VALUES**

There is little doubt that funds generated by economic activity in regional areas have been diverted to projects in capital cities via banks, other financial institutions and from regional plants and facilities back to head offices - including those overseas.

However, there is no way currently of fully evaluating this flow. It has been a bone of contention in Albury-Wodonga for many years. It is little wonder that investment and infrastructure have been deficient in non-metropolitan areas.

Generally, investors appear to require a higher rate of return on projects in non-metropolitan areas with smaller populations - the conventional figure is for an extra two percent.

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Also, housing is usually cheaper in non-metropolitan regions. This is a bonus when buying, but of little use in a forced sale, when facing possibly a need to buy property in a capital city. People are unwilling to leave an area where they have a suitable house (invariably with a mortgage), children at school, and an acceptable lifestyle - often including a second job. Disruption of this nature cannot be overcome easily.

Business investment is obviously affected by existing asset values and trends. Any recession depresses most assets and reduced valuations against which the relatively few likely developments could borrow. This observation is not confined to declining regions.

One area where we can make tentative estimates about outflow of funds is superannuation. At present, 6% of ordinary time earnings before tax are required to be lodged into superannuation funds (this percentage will rise shortly to 7% for 1998-99).

In 1997, the estimated wages and salaries paid (before tax) totalled some \$918 m in the Albury-Wodonga Statistical District. On this basis, the total wages bill for the AWACC region would be \$1,214 m. Six per cent of this represents \$73 m, nearly all of which would be repatriated elsewhere. Add to this investment by self-employed people in superannuation funds controlled outside the region; and on the same basis, probably another \$10 m is lost to the region.

It would be of great value to regions for some of these outflows to be used here for venture capital, even if higher returns are sought by investors. It would be difficult to implement, but could offer a major source of local funding.

## **6. INFRASTRUCTURE**

“Infrastructure” has two dimensions - physical (roads, water, sewerage, power - ie, physical items usually supplied by Government); and social (services, such as pre-school centres, libraries, education, advice, police) - as provided by all tiers of Government.

Infrastructure is important to any regional centre. The level of assets and of services provided (in effect by Government), does have quite an influence on potential investors.

Investors tend to regard provision of roads, water, sewerage, gas and power, as being automatically in place. Many want a variety of further services, with tertiary education at the fore; as well as an assurance of sophisticated health services; and adequate transport and communications' links.

In terms of promotion of a region, a maximum of “shop-front” services are needed. It has always been ludicrous to those living in non-metropolitan areas to see how Governments react to pressure by withdrawing from the community interface level back to head office - rather than the reverse.

In addition, there are many “foot-loose” agencies which could be located effectively in non-metropolitan areas, where they would provide employment opportunities and have good multiplier effects; and thereby be useful augmentation to development policies.

Generally speaking infrastructure is important to investors more in terms of its availability than its costs. As noted earlier there is an expectation that “normal” services will be in place; and that tertiary education, health and regular, reliable transport systems are available. Without these “basic” services and facilities, a region cannot compete. Albury-Wodonga is fortunate in its location, its size and the extent of its infrastructure - although from time to time, its two-states' dimension can lead to shortfalls in provision.

Fiscal equalisation tends to affect New South Wales and Victoria more or less equally - thus Albury-Wodonga does not unduly suffer between these two states. However, the area must lose

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by not gaining access to those funds diverted to other states. We do not believe that fiscal equalisation is a factor of any consequence in location decisions.

As noted earlier, Governments in general tend to withdraw social infrastructure (in particular), from the shop-front, (in the region), back to headquarters. Physical infrastructure tends to be less mobile, so its supply is usually less than needed, rather than more.

It is impossible to conclude in general terms, as to whether existing infrastructure in any region is adequate to attract replacement industries - so much depends on past needs compared with perceived future needs.

By and large, Albury-Wodonga has a reasonable supply of infrastructure.

## **7. BORDER ANOMALIES**

A most valuable report for the Murray Region Development Board on border anomalies identified a border anomaly as the “..... difference between New South Wales and Victoria in legislation, agencies or services which acts as an impediment to business and the community”.

There are very many of these anomalies, despite considerable improvements over the years.

The estimates of additional costs on business caused by these anomalies in the Albury-Wodonga region and along the Murray River; and can also be applied to the north-eastern New South Wales/southern Queensland corner. Seventy forms of anomalies were identified.

The cost of compliance for a small business in our area has been estimated as being 75% above overall national costs. Industry sectors with relatively-high cost impacts are real estate agencies, lawyers, accountants, business consultants, petrol distributors, and in health - and most anomalies were related to employment administration.

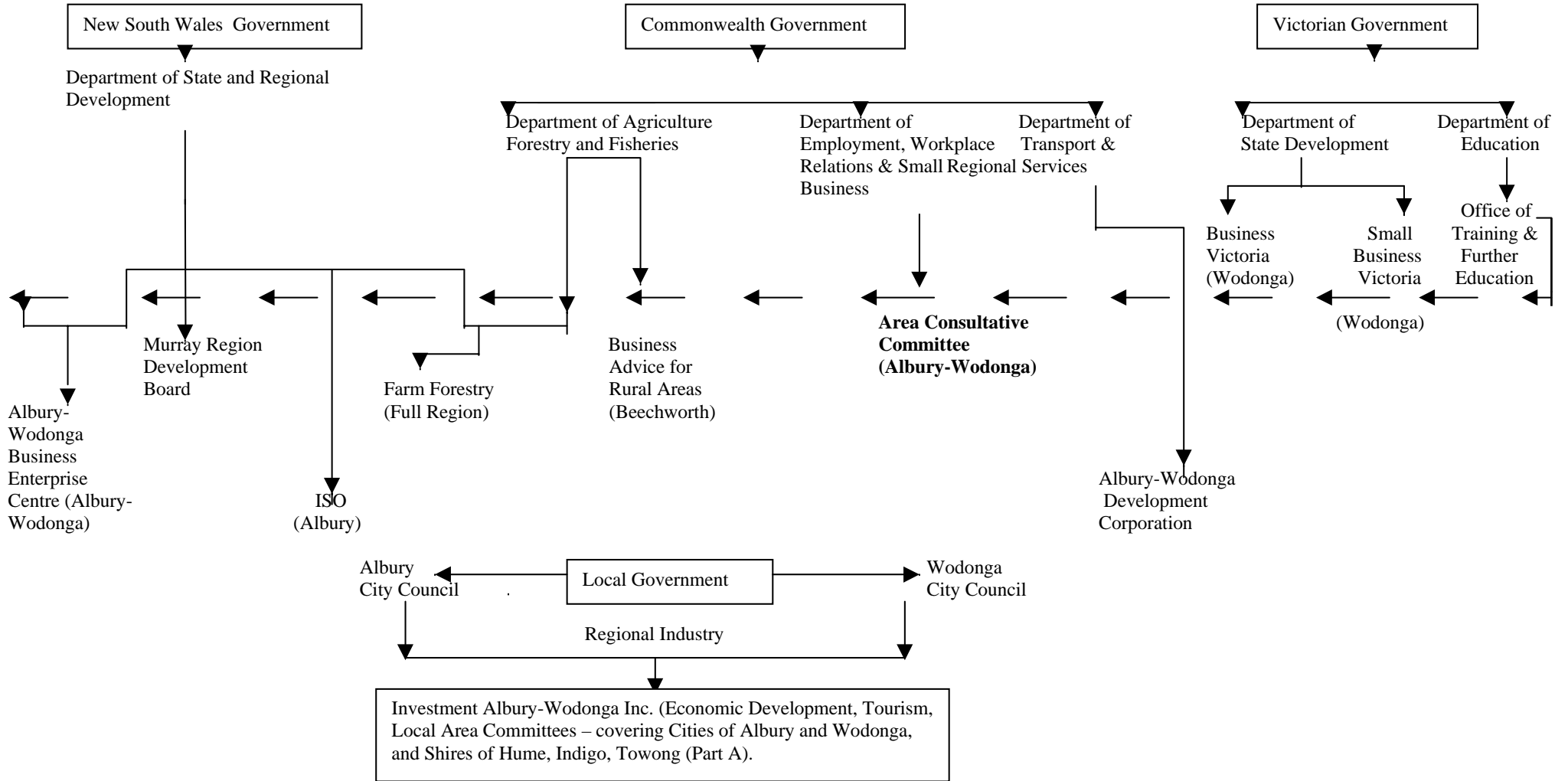
The sample survey indicated that at least half of firms experience some extra costs. A weighted estimate indicates 1.5% of total costs. Applied to Albury-Wodonga's 4,500 firms, we estimate perhaps \$1.5 m pa of extra costs are due to border anomalies - perhaps not an enormous impost; but one which is all of unnecessary, irritating and time-consuming.

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## APPENDICES

- | <b>I.</b>   | <b>ALBURY-WODONGA AREA</b>  | <b>CONSULTATIVE</b> | <b>COMMITTEE:</b>  |
|-------------|---|---------------------|--|
|             | <b>Ulf Ericson (Chairman)</b><br>Price Waterhouse Coopers                       |                     | <b>Peter Lamb</b><br>Head of School of Business<br>La Trobe University |
|             | <b>Grant Hall</b><br>Chief Executive Officer<br>Investment Albury Wodonga Ltd   |                     | <b>Graeme Patterson</b><br>Manager<br>Employment National              |
|             | <b>Peter McCloskey (Deputy Chairman)</b><br>General Manager<br>Aware Industries |                     | <b>Graeme Scott</b><br>Training Consultant                             |
|             | <b>Wayne Harris</b><br>Centre Manager<br>Lavington Shopping Centre              |                     | <b>Jenny Butler</b><br>Riverina Institute of TAFE                      |
|             | <b>Les Langford</b><br>Albury City Council                                      |                     | <b>Matthew Papp</b><br>Manager<br>Murray Goulburn Co-Op                |
|             | <b>Trish Jamieson</b><br>Manager<br>Continuing Education Centre                 |                     | <b>Graham Oke</b><br>Economist   |
|             | <b>Richard Kennedy</b><br>Indigenous Network Officer<br>Centrelink              |                     | <b>Neville Clow</b><br>Regional Skills Inc.                            |
| <b>II.</b>  | <b>“ECONOMIC INDICATORS” – SEPTEMBER 1998 – INVESTMENT ALBURY WODONGA</b>       |                     |  |
| <b>III.</b> | <b>DEVELOPMENT ORGANISATIONS IN AND/OR RELEVANT TO ALBURY-WODONGA-</b>          |                     |  |
|             | - <b>As At Mid - 1996</b>   |                     |  |
|             | - <b>As At Mid - 1999.</b>  |                     |  |
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**DEVELOPMENT ORGANISATIONS IN AND/OR RELEVANT TO ALBURY-WODONGA AS AT MID-1999**



Other Organisations of Relevance

- Juxtaposed Shire Councils – Hume, Indigo, Towong
- Albury-Wodonga Festival of Sport
- Australian Industry Group
- Australian Business Chamber of New South Wales
- Albury-Wodonga Regional Arts Board



