Job Zones and the New Poverty

For Ken O'Hara and Kevin Brennan

Abstract

"A rising tide no longer lifts all boats". Across the board income and taxation policies provide important recipes for creating economic growth but, as the past few decades have demonstrated, economic growth does not create opportunities for all communities. In this respect both neo-classical and Keynesian economic strategies with their emphasis on global macro-economic policy have been found wanting. This paper puts a case for regionally based strategies that target the most needy zones of poverty and inequality in Australia. The proposal is for the nation, and particularly middle Australia, to back the creation of "job zones" which involve a multi-faceted and customised approach to employment creation in urban and regional areas. By basing our policies on regional inequality there is a risk that mobile populations will take advantage of particular regional responses, however, by carefully targeting urban, inland and coastal community employment needs, it is argued that a more nuanced employment strategy and regional policy can anticipate and create positive outcomes from possible migration effects. The regional focus should also be the basis for more expansionary economic strategy as well as supply side adjustments.

I

In 1962 Michael Harrington wrote of 'an invisible land': "There is a familiar America. …It has the highest mass standard of living the world has ever known. … [But there exists] another America. In it dwelt somewhere between 40,000,000 and 50,000,000 citizens... They were poor. They still are. … The American poor are pessimistic and defeated, and they are victimized by mental suffering to a degree unknown in Suburbia." (Harrington 1963, pp. 9-10) Equally surprising perhaps, in the prosperous Australia of the 2000s, after a period of record breaking economic growth for successive years, there is an ominous and looming "other Australia". But it is not like the kind of poverty or inequality that we have seen before. It is a new "invisible land".

This "other Australia" may not live in an economic ghetto like that of a US inner city. Its members may well live across the road or down a suburban cul de sac from a house that is worth a half a million dollars. They may sleep on the beaches, which in the day time are the playground of rich tourists or affluent Australians. Or they may exist in a fibro cottage in a small town full of ghosts and no people in rural Australia.

Michael Harrington's famous first documentation of the US underclass was the identification of a phenomena that has become synonomous with our conception of modern poverty. Forty years later Michael Harrington's foreboding continent is hardly invisible. It defines the way we see poverty. It is largely about the

measurement of income, its lack or its excess. It is about finding ghettos of people living in substandard housing with below average income levels.

We know from a series of Australian studies that really embody Harrington's thesis that we have a widening divide between the rich and the poor in Australia. Gradually the income and welfare measures that protected the Australian poor have given way and in 2002 Australia is becoming a divided society. But the problem is that this analysis entreats us to look for ghettos of inequality that Harrington suggested were overlooked in1960s America because of the general affluence and economic growth of the period. Surely we can find new suburbs of inequality amidst the miracle of a resilient Australian economy, but my contention is that the problems are different from those of the 1960s and different from those of the great American divides. They are also more profound and arguably more difficult.

In their pathbreaking 1995 paper on Australian urban inequality, Gregory and Hunter argued that in 1976 a person living in the bottom 10 per cent of urban households by income could catch up to the median household income in Australia by taking a part time job for 9 hours a week at $12 per hour. However, by 1991 it was necessary to find an extra 19 hours work a week for the poorest households to catch up to the median level. (Gregory and Hunter 1995, p.5) In 1998-99 the bottom 10 per cent of households would have to increase their weekly income by 110% to catch up to the median household income each week. This would involve taking an extra job for 37.5 hours a week at Gregory's $12 an hour. (Harding and Greenwell 2002, p. 4)

Over the period between 1976 and 1991 male workers in the poorest household suffered income drops, while income levels in the richest households increased rapidly. The key factor in the decline of income in the poorest households was unemployment. Whereas 80 per cent of men in the bottom four tiers of households by income had jobs in 1976, by 1991 the ratio of men in jobs had declined to between 45 and 55 per cent. In their important historical paper, Gregory and Hunter started to theorise about the spatial mismatches between the location of populations and the location of jobs. Further undermining the disparity in household incomes working women in the richest households entered the workforce in increasing numbers, while women in the poorest households were laid off as the manufacturing industry contracted. (Gregory and Hunter 1995, p.21)

It was Gregory's depressing conclusion in 1999, that young people entering the labour market would have to draw greater levels of income from government and family sources in order to maintain their living standards. (Gregory and Hunter 1995, p.14) In a rebuff to the human capital school, which argues that education and training is a way of increasing income and employment prospects, this study also found that higher levels of participation in university and training had not altered falling relative wages and employment for males 25-34 years old. Gregory found that between 1976 and 1997 the weekly per capita income for 15-19 year olds had fallen from $169 to $90, for 20-24 year olds from $475 to $354 and for 25-34 year olds from $658 to $483. In addition there were similar falls for 55-59 year olds from $573 to $523 and for 60-64 year old males from $375 to $304. (Gregory and Australian National University. Centre for Economic Policy Research. 1999, p.12)

Gregory and Hunter's early plots of an upwards trend in inequality in Australia are confirmed by the recent NATSEM analysis of income inequality which shows that

over the period from 1984 to 1988/89 income for the richest 10 per cent of household increased by 1.3 per cent while the income for the poorest households fell by 14.7 per cent and the middle 20 per cent by 1.2 per cent. The weekly income of a household in the bottom 10 per cent rose from $382 in 1984 to $410 in 1998/99, while the income of a household in the top 10 per cent of households rose from $1788 to $2103. (Harding and Greenwell 2002, p.4)

II

Beneath these hints at an ominous economic divide is a new geography of poverty in the 2000s and a new series of divides in our society. They are as profound as Michael Harrington's discovery of "The Other America" in the 1950s. I suspect that economic analysis of aggregate incomes blinds us to their potency. These divides may occur across a surburban street as much as across a city and the success of an elite worker across a cul de sac or suburb disguises the growing incapacity of another in his or her locality.

In the Australia of the 2000s it is very possible that an elite blue collar worker earning $100,000 per annum lives across the street or around the corner in Sydney's South West or Brisbane's West or Melbourne's North from a person who lives in technical poverty. It is depressing and probably misleading to rehash debates about who is, and who isn't, living in poverty. The worlds of the poorest and the richest inter-connect in the strangest ways.

The money measurement of poverty is only an indicator for a series of more profound problems. Despite the extremes of the early 21st century, lack of money, however real and de-habilitating, is not a real indication of the depth of our new poverty. A journey through the regional areas and outer suburbs of our cities tells us that a diminishment of our renowned individual capacity for self reliance and independence is what is causing our real poverty. In that respect a new kind of poverty of incapacity is deepening and becoming more concentrated and entrenched and it is harder for individuals to fight their way through the multiple psychological and economic barriers which retard their progress.

The dusty shiralee of yesteryear would never have encountered the caravan parks that have become a permanent home for those who have given up the search for employment. The indigenous stockman of the 1950s would never have encountered grandmothers and elders horribly addicted to grog, nor foetal alchohol syndrome.

In our suburbs today, the figures of Bill Haley's black board jungle look quaint against packs of young men who turn housing estates like Miller near Liverpool into ghost towns on weekends. The notorious figures of Palmer St, Darlinghurst or Gertrude St, Fitzroy in the 1930s would never have encountered a 14 year old couple hopelessly addicted to heroin with a baby. There was never a grandfather, father and mother, daughter and son in one family who had never worked.

All of the things that go into the creation of wealth, skills and independence are bypassing particular communities and individuals in our Australia of today. Giving more sit down money or welfare will not solve the problem. But neither is the market economy creating the opportunities for those who have fallen well and truly outside of not only the labour market, but common standards of social independence and capacity.

The challenge for a new coalition of industry and welfare to work together to create working opportunities, where there are currently none, for Australians who have become profoundly unemployable, is enormous. In a number of dormitory suburbs in our urban and regional cities there are simply two industries, the welfare industry and supermarkets. The dole provides enough for the fortnightly shopping trip to Woolworths or Coles, there is usually a social work compound, open from 9am to 3pm, comprising all of the social services, surrounded by a high wire fence.

The dormitory suburbs of outer urban areas were designed to accompany large scale industrial estates. The industrial estates are there but the large employers like Qantas or Holden or Ford or Arnotts or Clyde Engineering are few and far between. Now one and two man owner operator factories are a norm and twenty to fifty employees is a relatively large workplace. The skills that are needed in these places are either highly intensive or highly changeable and opportunities flow on to family members or relatives or friends. Most of these workplaces have never been and never will be unionised. They are new, isolated guild like structures working to supply niche market products or manufactures.

The task is to give life to the dormitory suburbs, regions and country towns that have lost their purpose. The task is to create a social wealth creation cycle that makes opportunities for people in their own communities and not across the other side of town. It is about emptying the new 'hungry miles', the freeways of despair, that flow from the outer fringes of cities by creating jobs in neighbourhoods. It is about turning social welfare into social capital. It is about encouraging the business community to invest in enterprises that are sited in the middle of the lost suburbs not the inner city. And most importantly it is about teaching the massive social work industry and government bureaucracy, from police to speech therapists, that their interests are not in the creation of yet another enormous, closed, compound of professional band-aid workers, but in giving back control and power to people and communities to solve their own problems.

The irony is that the solutions in many of theses communities have become the problems. The multi-million dollar welfare industry sucks in responsibility for problems that it is really up to individuals and families to solve for themselves. People need to be at the centre of their own solutions if Australians are to regain that proud sense of independence and capacity that was once our proudest attribute.

We need to be auditing social work compounds, hospitals and schools for their ability to community capacity build and match up the wasted investments with private investments in new firms and sources of employment in the places they are needed.

III

Because the depth and quality of Australia's new poverty has yet to be conceptualised or understood, the policy responses to Australia's new poverty have been disappointing. Even the strongest advocates of the last decade or more of neo-classical economics, that is of a deregulated financial, international exchange, industrial relations and labour market system, concede that these policies have had no impact on even the most obvious cause of the problem: sustained, high levels of unemployment in Australia. Even those who are sympathetic to the general directions of these ideas are wary. Bob Gregory has asked: "Have these politics been successful? They have certainly achieved many of their intermediate targets. Unions

are weaker, enterprise bargaining is more common and centralised wage fixing has been abandoned, except for safety net adjustments. … But it is clear that the rewards of higher productivity have been primarily to directed to towards real wage increases rather than employment growth".(Gregory 2000, p.16) There is some argument by economists that national policy should move to a new level of radicalism to mirror American settings particularly in relation to lowering wages. In a bid to find a way of the bottom end of the labour market more attractive, the so-called five economists Professors Dawkins, Freebairn, Garnaut, Keating and Richardson have argued for an earned income tax credit for low wage earners in low income families that would effectively create greater incentives to enter the labour market. (Dawkins 1998)

Patricia Apps has argued that the Earned Income Tax Credit strategy is simply more of the same, a further targeting of welfare benefits particularly at the expense of double income working families. (Apps 2002, p.5) Apps shows that for a double income family earning a combined income of $51,300, the effect of the earned income tax credit is to reduce the second income earners pay by $12,252 per annum and increases her overall tax rate to 53c in the dollar. (Apps 2002, p.10) As can be surmised this would not be a popular outcome with the nation's working women and it draws attention to a particular problem of general across the board income and tax strategies and that is that they are very much a scatter gun approach with unintended consequences. Apps shows that when "an EITC is combined with a freeze on award wages, many dual income families, on low wages and working long hours to avoid poverty, are uncompensated for the wage cut they face." (Apps 2002, p.19)

The feedback from those who are unemployed is that the tax incentive measures introduced by the Howard government under the Australians Working Together umbrella only apply to the first job, and that they should apply to the second and third jobs that are often needed to make a living.[1]

Given the relative decline in the income levels of the poorest households in Australia it can be argued that a real problem of the five economists plan is that it could produce a race to the bottom with no necessary employment effect. However, as is argued below, if wage subsidy or tax credit strategies are targeted to create guaranteed employment effects in areas of concentrated unemployment and declining employment such as service industries in inland communities then the problems outlined by Apps, and the problem of a race to the bottom in areas with strong labour market demand, may be avoided. But the real problem of this solution whether at a macro or regional level is that it does not address the profound problem of incapacity that is at the heart of the problem of Australia's current levels of inequality.

Equally disappointing has been the response of Keynesian economists to the problems of inequality and poverty. Catherine Mc Donald and William Mitchell have raised criticisms of the so-called "third way", social entrepreneurship and what they argue is a neo-liberal economic strategy. The essential argument they make is that the third way is about "full employability" not "full employment" as a lynchpin for social democracy.(McDonald and Mitchell 2000, p. 3)

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[1] Kevin Brennan, UNEMPA, 2002.

Full employment and full employability are not things that should be dissociated in an environment where many households have not maintained a relationship with what Noel Pearson has called "the real economy" for decades. There is a certain blindness in Keynesian and neo-classical economics to the entrenched problem of unemployment. The idea that expansionary fiscal and/or monetary policy will cure the problems of chronic unemployment despite the fact that we face a unique historical situation in which skills, experience and a range of other social skills have been systematically lost by many people in concentrated regions within our community over a twenty five year period is uniquely naïve.

The strongest arguments of the Keynesians are that piecemeal solutions are not enough to create the pathways back to work for the hundreds of thousands of unemployed Australians who remain locked out of the labour market. Professor Mitchell's work at the University of Newcastle is without parallel in documenting the hidden continent of unemployment. But it is naïve to overlook, and fail to even acknowledge other than as some form of political corruption, the difficulties of dramatically increasing public spending and taxation that is the essence of a Keynesian solution. It is also debateable whether a fully fledged Keynesian economic strategy would penetrate the areas of concentrated unemployment that have arisen over the past twenty five years.

Even after strong periods of economic growth and more expansionary European national settings the problem of chronic unemployment and/or the problems of inadequate welfare provision persist. The politics of the new divides in our society are also what makes a Keynesian solution increasingly difficult. Perhaps because it is not so collectively threatening, the widening inequality gap is coming to be accepted as a norm in a number of Western contexts. Middle Australia is learning to live with its poor neighbours. This is exemplified in the contradictory emergence of a new middle ground politics which accepts neo-liberal fiscal austerity combined with what Noel Pearson calls "progressivism" in relation to issues such as drugs and alchohol epidemics (Pearson 2002), but also some genuinely liberal policies in relation to women's work and multiculturalism.(Judis and Texiera 2002) In other words, the worrying trend is for middle Australia to accept and suggest only tepid interventions into the most entrenched of our problems of inequality and social disadvantage.

Perhaps even more disturbing is that the new poor are more accepting, and have become unconscious of their overall position within the scheme of things. They often internalise and use the discourses of social do gooders for minor advantages and benefits, and many material possessions especially those transmitted or electronic have become cheaper and more accessible to them. It is possible to imagine a riot over access to Gameboy but not over access to food or shelter. The concept of rights and individual capacity that was still with the unemployed man of the 1930s is no longer with the unemployed young men and women of the 2000s.

In this context, it is unhelpful to posture around impractical and or unattainable theoretical goals. The point is to change and challenge governments, and private and welfare institutions so that they respond to current problems as well as to advocate for more expansionary fiscal and monetary policy that is targeted to where it is most needed. New alliances between business and community groups are also needed, as are alliances across the traditional divide of politics.(Botsman 2002) Above all it is

necessary to get to work at the heart of the problem of unemployment and that is in the regions and communities in which it is most concentrated.

III

To understand the new poverty requires an understanding of the different qualities of the geography of unemployment in the regions in inland and coastal areas of Australia.

Australia's 1,337 Statistical Local Areas are a useful place to start.[2] A clue is that often the areas of highest employment are also the areas of the highest unemployment. The regions along the coast of Australia in all States had employment growth between 1986 and 1996, but these same regions had relatively high unemployment compared to the rest of the country. ((Lawson and Dwyer 2002), p. 7-10) So, for example, the entire east coast of Australia from the Victorian border to Bundaberg has experienced high rates of employment growth and high levels of unemployment, while most inland areas of Victoria, South Australia, New South Wales and Queensland had falling employment rates but relatively low unemployment. Inland areas of Australia adjusted to changes in their employment and industry base through out-migration and falling participation rates. (Lawson, 2002)

One of the most significant trends of the past decade is that regions with high unemployment, a young population, low access to markets, low skill levels and unremarkable physical and cultural environments were likely to experience an out-migration of residents. In this respect, "inter-regional migration has emerged as an important channel through which regions adjust to shocks". (Lawson, 2002), p. 28)

In attempting to come up with solutions to the new poverty, this balancing act between inland and coastal Australia, and across cities is something that has to be taken into account in employment policy. In inland Australia, regions that have created employment growth against the general trend are those that have been able to diversify their economies away from a reliance on agriculture and have built up a more diversified economy involving a stronger services sector. They are also more appealing places to live and have multiple life opportunities. Tellingly Lawson and Dwyer argue that as a region's share of agricultural employment increases "so to did the probability that a region experienced an employment contraction between 1986 and 1996". (Lawson, 2002, p.21)

Within urban areas of Australia, the balancing act is more complex. The rich work, life opportunities, infrastructure, institutions, public options of the inner city, or the affluent suburb, contrast with the often wasteland like qualities of outer unemployment suburbs. Being able to live near, to have transport access to, or employment access to such zones of opportunity becomes an important means of

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[2] I agree with Lawson and Dwyer's view in this respect although I find the amalgamation of urban SLAs in the Lawson and Dwyer paper to be somewhat problematical in that it does not allow for the obvious differences between urban pockets of inequality and social exclusion. So I would prefer to work with the unfettered 1,337 SLAs rather than try to amalgamate them. (See [Jeremy Lawson, 2002 #44], p. 5)

access to wealth and capacity. If you have access to the wealth and work zones of cities then the chances are you can live like a king or queen relative to your neighbours in the outer suburbs. But in the 2000s the large suburban castle may be less important than the retro-fitted inner city Federation house with access to a high speed telecommunications cable.

In coastal towns and regions the demography revolves around the extremes of life: young and old. In the most successful coastal centres: the gold and sunshine coasts of Queensland, Cairns, Margaret River, W.A. you can see a combination of the life opportunities and wealth creation of the urban inner centres. In many cases there has been an export of capacity from the inner and affluent parts of Australian cities to the most attractive zones of the coast. In the poorest parts of the coast Coffs Harbour, Hervey Bay, Shoalhaven, Wollongong, Newcastle, Mackay the radical changes to the pastoral, timber, mining and manufacturing industries make it hard to sustain life opportunities for both the young and the old. In these areas the new poverty develops at a pace that is comparable to that of the outer suburbs of the big cities.

IV

At the heart of the new poverty are two things: lack of mobility and lack of capacity. This needs to be understood as something distinct from the shift of population from inland to coastal cities and towns noted above and documented by many economic geographers in Australia. The exodus of many from rural centres either to more prosperous rural centres or to cities is a response that should be associated with the first flight towards employment from those who are threatened with unemployment. Where unemployment is concentrated there is a strong lack of mobility and capacity.

This flight from rural centres is understandable when we look at small local areas by unemployment rate. As Figure 1 shows the highest rates of local area employment are in rural areas of Australia. Queensland, the Northern Territory,and to a lesser extent Western Australia, dominate the top 50 areas of unemployment as a percentage of the labour force. The areas range from Melbourne's outer suburb Melton East with 35 per cent unemployment to Queensland's Miriam Vale with 14 per cent. Of the top fifty small local areas by unemployment rate, 21 are in Queensland and 14 are in the Northern Territory. The total number of unemployed people across these 21 areas in Queensland is 10,878 and for the 14 areas of the Northern Territory the sum is 3,013 people. Over half of the top unemployment regions by unemployment rate are in rural and remote areas, another 30 per cent are in the outer suburbs of Australia's second tier cities Brisbane and Adelaide.

The characteristic feature of remote areas is a small labour forces and relatively small numbers of people who are unemployed. Once you lose a job it is clear that in these areas another job is unlikely to emerge. Under these circumstances mobility becomes a matter of some urgency. To be restricted in movement either because of family or lack of capacity is a major disadvantage. Obviously the longer the duration of unemployment, the more mobility becomes a problem.

Lack of mobility and capacity are however the keys to understanding why it is possible to have Australia's most concentrated unemployment suburbs only forty minutes away from Australia's biggest post war infrastructure projects at Homebush Bay and within an hour of Australia's most affluent employment areas. Figure 2 charts local areas by concentration of numbers of people unemployed. The highest

areas of concentrated unemployment in Australia range from Campbelltown in south west Sydney with 8,539 unemployed people to Cockburn in Western Australia with nearly 2,500. 12 outer urban areas of Sydney have a concentration of over 60,000 unemployed people. The Bankstown, Liverpool and Campbelltown triangle of south west Sydney is home to over 40,000 unemployed people and their families.

204,236 unemployed people or a third of Australia's total unemployed population live in the fifty most concentrated unemployment localities unable to take advantage of the fact that in many cases the highest areas of job growth and the strongest levels of employment are occurring all around them.

In essence tackling unemployment in Australia in the 2000s is about three things.

1. Creating pathways back to work and a greater diversity of opportunity in our capital cities.

2. Creating a greater diversity of opportunity in our coastal cities and towns.

3. Creating a greater diversity of opportunity in our rural and regional small towns and cities.

At the heart of these three tasks and at the heart of the fight against unemployment is lack of mobility and capacity across the spectrum of rural and remote communities, coastal towns and cities and our highly urbanised capital centres. Implicit in this work is ensuring there are enough opportunities nation wide to meet labour market demand.

V

In effect Australia has a number of zones of unemployment which require tailored job creation and economic development strategies. The first are in the highly concentrated urban areas. The second lies in the coastal towns and regions. The third is in the inland cities and towns. Strategies attacking unemployment in each area have to be put in place for the other zonal job stagies to work. If the zonal strategies are not put in place together, then the success of one strategy may undermine the prospects of reducing unemployment in another region. For example, a successful coastal unemployment strategy may actually increase unemployment in coastal towns if there is a net migration of unemployed people to new jobs in coastal areas. So the work across the zones reinforces the success in other zones of employment and opportunity.

Figure 3 sets out Job Zone 1 representing predominantly urban areas of unemployment in Australia. Job Zone 1 consists of 36 local areas of unemployment with a combined population of over 158,981 unemployed people in the June quarter of 2002. This zone consists of local areas of unemployment of over 6% and with a population of unemployment ranging from 8,500 to 2,500. The level of concentration of unemployment ranges from 8539 unemployed people in South West Sydney's Campbelltown to 2525 in the Moonee Valley/Essendon local area of Melbourne. It is notable that the big six areas of concentrated unemployment : Campbelltown, Fairfield, Lake Macquarie/Newcastle, Blacktown, Wollongong, Newcastle and Bankstown all lie in NSW in Sydney's outer suburbs or in the neighbouring regional cities of Wollongong and Newcastle. As Figure 4 indicates the states of NSW (53% -

83,340 people) and Victoria (24% - 38,412 people) dominate this job zone with over 77 per cent of the most concentrated urban areas of unemployment in the country.

It is a characteristic of the top areas of concentrated unemployment in Australia that they represent the most affordable housing areas on the fringes of Australia's largest cities. In a sense they represent encampments alongside the potentially high areas of job growth and employment. Fairfield and Campbelltown have high concentrations of public housing, as do Brimbank/Sunshine and Broadmeadows in Victoria. South West Sydney is also an area which has a high level of new immigrants to Australia. Of the smaller states the pattern is replicated in the northern suburbs of Perth (Stirling), and the northern (Salisbury) and southern suburbs (Noarlunga) of Adelaide and the western suburbs of Brisbane (Ipswich).   The stereotype of these areas is then the public housing, dormitory suburb at the end of the freeway and the failing regional industrial city. We can also build a thesis about the type of job seeker in these communities. We can surmise that many job seekers in these areas are people who have fallen out of employment in manufacturing and light industry and who want to remain in proximity to any potential jobs of this kind. We may also surmise that a second and third generation of unemployment is concentrated in these areas as manufacturing and light industrial jobs did not emerge to meet labour market demands. The areas of highest concentrations of unemployment are predominantly Labor areas. However there is also a strong potential for voters in many of these areas to swing towards right wing nationalism.

The other feature of the areas of highest concentrated unemployment in job zone 1 is are regional cities with previously high level of manufacturing or primary processing employment that have been progressively de-industrialised over the past twenty years. The cities of Wollongong, Newcastle, Dandenong, Mackay and Rockhampton all share these characteristics.

In Job Zone 2 are 70 local areas with concentrations of 2500 and 1000 unemployed people making up a total of 114,287 people. Queensland dominates this zone with 28,779 unemployed people in 21 local areas consisting of 25 per cent of the total unemployment of this zone. Coastal cities, particularly in Queensland, start to emerge in this division. The prospects of developing tourist or services based employment in many of these centres are quite positive. It is notable that 60 per cent or 20,000 unemployed people within this division reside in the coastal towns and cities from Kempsey to Maryborough.

In Job Zone 3 183 local areas with unemployment of over 7% and concentrations of between 1000 and 350 people unemployed. This represents about 82,873 unemployed people. Queensland again dominates this division of unemployment with 56 per cent of total unemployment in 79 local areas. This divison is made up of coastal areas and a large number of the outer suburbs of Brisbane. This division is one of the most worrying divisions of unemployment because in a number of towns and suburbs it is difficult to see how employment will grow. Even though the unemployment numbers are smaller than in divisions one and two, in many cases there is not likely to be the conventional industrial development capable of absorbing people who are unemployed in these towns and areas. Resistance to industrial development in coastal areas is also a factor here. It seems clear that new jobs, industries and economies will have to be created in these areas, or alternatively, migration to where jobs are will be a factor to be considered.

Based on these broad national patterns of unemployment it is possible to develop employment creating policy and activity that can be tailored to and applied in the country's most unemployment intensive regions with variations based on meeting inland and coastal needs. In general terms the strategy is to create a series of "job zones" across the length and bredth of Australia that are centred on the demographic characteristics of unemployment. These concepts do not always fit the specific characteristics of the localities of unemployment that fall within their boundaries, however, when we consider the effects of the Federal Government's Regional Assistance Program and the application of community grants, it is important for each region to maximise its resources and to direct them to the issues and opportunities that will make a difference in that community. By breaking down the problem of unemployment into job zones will also hopefully encourage regional policy and funding arenas to cooperate beyond state and regional boundaries to problem solve common problems and to move beyond the idea of creating job ready trainees to being actively involved in the creation of jobs.

V

Job Zone 1: Cities within Cities and Social Business

The most urgent areas of job creation are in the cities and to make a serious dent in the current areas of unemployment concentration would require us to create at least 75,000 new jobs a year in disadvantaged urban regions in NSW, Victoria and South Australia. There are currently fourteen localities in Australia with and between 4,000 and 8,500 unemployed people living in their midst set out in the table below. These communities need to be revived by a triple strategy of attracting the most innovative industries nearby, refocusing community and city planning and creating social businesses and an intermediate labour market on a large scale.

Locality	Unemployment June Quarter 2002
Campbelltown -NSW	8,539
Fairfield -NSW	8,178
Lake Macquarie -NSW	8,138
Blacktown -NSW	7,964
Wollongong -NSW	7,625
Newcastle - Remainder-NSW	7,412
Bankstown -NSW	5,337
Brimbank - Sunshine-Vic	5,331
Wyong -NSW	4,938
Stirling - Central-WA	4,758
Salisbury -SA	4,709
Liverpool -NSW	4,593
Hume - Broadmeadows-Vic	4,279
Noarlunga -SA	4,030

Most important here are partnerships between Federal, State and local government and third sector organisations to create an intermediate labour market as a pathway back to work for many who risk falling out of contact with the real economy and social businesses that create real ongoing jobs from the implicit social needs of the community.

Australia's urban areas of unemployment and regional city unemployment border the traditional manufacturing strongholds of the country. Manufacturing is more likely than any other industry to be innovative, and for unemployment regions this means that jobs of tomorrow not yesterday will be created. However every region requires its own stocktake of possible areas of development. Brisbane, Melbourne and Adelaide are at the forefront of biotechnology in Australia. Sydney has a focus on telecommunications. The car industry also remains an important industry for the Hume-Broadmeadows area of Melbourne and the Salisbury area of Adelaide.

The creation of industry clusters and value chains of manufacturing production in these areas is an all important means of creating new jobs and building on old skills that are still part and parcel of many outer suburban communities. The so-called Strategic Partnership Industry Development Agreements at work through the Western Sydney's Grow Employment Council are an example of a major priority for linking small and medium sized enterprises around new information technology arenas that create opportunities and jobs.(2002) Senator Campbell's recent argument for the formation of a national development authority, a ministry of manufacturing and a manufacturing council would be a welcome initiative here. (Campbell 2002) It is something of an irony that one of Prime Minister Keating last cabinet decisions in 1996 was to support such an initiative supported by research centres in Wollongong and Newcastle, regions which now have the most concentrated areas of unemployment in Australia.

Federal and State governments need to combine to create the equivalent of free trade zones within the most concentrated regions of unemployment in our cities. Special taxation status cannot be given on a regional basis for constitutional reasons, however federal and state grants can be given to firms investing in and beginning enterprises in particular regions. Australia's under-investment in research and development is also a serious impediment to the development of world competitive industry and the focus again needs to be in our outlying suburbs and regions. Local government can also play a role by creating incentives for firms to invest in targeted industrial estates. It is essential that a proportion of these new jobs in new manufacturing industries have to go to those who are out of work and not just to those who are already "job rich". Federal, State and local incentives must come with the condition of creating jobs for those who are not currently in the workforce and who live within the region.

The five economists plan for tax credits needs some extensive renovation to take into account the demands of manufacturing industry for part time and short term jobs. When people have to stitch together four and five part time jobs to create the equivalent of one full time median wage, then for people who are unemployed the taxation credit should apply to all of the part time jobs and the income they derive from them on an aggregate basis and not just the first job they are able to get.

Targeted manufacturing traineeships in innovative firms and industries for people who are unemployed are an essential pathway into these working environments. Job Network agencies need to be given new freedom to create the pathways back to work for people who are unemployed in the most concentrated urban regions. The ability to make grants of funding available to solve transport and training needs to be tailored to particular job opportunities. Case workers would work with people who are long term unemployed to develop investments that would make the greatest difference in the shortest time to get a job. If transport was a key problem then a case worker should be

empowered to help a candidate for a job to buy a car with an advance of social security payments.

Transport for people who are unemployed is a particularly important problem outer suburban regions. It requires a broad social and economic solution, however, for individuals looking for work now the task must be to tailor make individual solutions that meet their needs. (Mees 2000) To give some insight into the urgency of the issue for people who are unemployed, in Sydney the proportion of households with no motor vehicles decreased by 4 per cent between 1981 and 1996, however in the unemployment intensive areas of Blacktown, Liverpool, Campbelltown and Penrith the proportion of households without a motor vehicle increased by 61 per cent over this same period.(Gleeson and Randolph, 2002, p. 20) In other parts of Australia the problem is equally profound in the large geographically dispersed city of Brisbane, unemployed people carry no subsidy on public transport. [Botsman, 2000 #66] Job Network agencies have a real role to play in helping individuals find solutions to profound supply side problems that continually restrict the ability of people who are unemployed to link back into employment.

The 2001 **Pathways to Work** paper offers some broad ideas about creating customised packages of assistance that help long term unemployed people to link back to the world of work. (Group 2001) But the next step is to more actively link Job Network agencies as brokers of current positions available especially in manufacturing areas where there is a demand for part time contract employment. Employment agencies also need to be a part of and link to the creation of job cooperatives that can join up part time and contract work opportunities in manufacturing industries and people who are unemployed. These job cooperatives need to be the new guilds of innovative industry, creating opportunities and better income levels from the opportunities for contract work in manufacturing and related industries.

There is nothing new about any of the above as a basis for urban planning and development. On its own the plans above might create opportunities for 10 per cent of those who are currently out of work. To make real inroads into the concentrated unemployment in our cities will require a strong public investment in social business and the creation of a large intermediate labour market.

In general terms the strategy must be to create an intermediate labour market and job opportunities through social businesses that train and employ unemployed people in jobs such as at retro-fitting public housing, making areas safe for residents, creating recycling services, and landscaping businesses. The typical unemployment suburb is one in which industry circles a public or private housing estate with a Woolworths or Coles store providing provisions to the residents. There is now an array of enterprises that can be developed in these areas that provide a link to the real economy and create opportunities and enterprise diversity in suburbs of despair.

The concept of the intermediate labour market is that after a period of training of eight to twelve weeks, unemployed people are employed from 40 to 44 weeks. For the period of employment all employees are paid an agreed rate for the job. The employees utilise the skills they have learned to deliver meaningful social products and services which are paid for by a local authority or other contracting agency.

The idea of the intermediate labour market was invented by Glasgow's Wise Group of companies. Wise was set up in 1984 because there were two fundamental issues facing the city of Glasgow. The first was that hard-core, long term unemployment was becoming a serious issue. The second was that the quality of the housing stock was very poor. Glasgow City Council owned 200,000 individual dwellings and many of them were damp, difficult and expensive to heat. As Simon Rennie has argued "… entire families were living in single rooms over winter. That was the only way they could afford to keep their living space warm. By making homes warmer and more energy efficient, we helped a substantial lifestyle transformation and a major improvement in families' quality of life."

The original idea was to enable long-term unemployed people to improve the quality of the housing stock in which they were living through a program of energy enhancement. The local authority provided the housing stock to work on and the money to pay for the work to be done. The trade union movement established an agreed rate for the job. The Wise group would provide the training and expertise to ensure that people who were unemployed could do the job.

Central to everything was a focus on job outcomes. " Our goal is to ensure that unemployed people deliver very, very good work. Quality will only be an issue if it is not properly supervised and it is not properly managed. Unemployed people can rebuild communities and backyards and they can do it extremely well."

The great lesson of Glasgow is that the intermediate labour market has to be created on a large scale. The Wise Group's current goal is to get 5,000 people a year into a job and this involved creating a business with a 50 million pound turnover. This is not a job for amateur managers but for very strong business minded social entrepreneurs. In effect the skill of the Wise management team is "to negotiate a complicated cocktail of funds, any one element of which would actually buy a pretty lousy program, but if you pool them all together, you then start to create sums of money that are big enough to pay for something that is worthwhile. If we look at, for instance, the old training for work program in UK, that gave us about 40 pounds a week - nothing in reality. If, however, you can use that along with a whole lot of other funds you create a substantial financial package and you can make it stand up. So it is our ability to manage a cocktail of funds that makes our business stand up."

In Australia's urban job zones one of the challenges is to identify the opportunities and agencies that can deliver an intermediate labour market. This is clearly a state and local government challenge. Local authorities in the United Kingdom have responsibilities and a taxation base that is equivalent to Australia's State governments and Glasgow City Council was a consistent financial supporter of the Wise Group. This was mutually beneficial. Wise activities had a positive effect on the city. But the Wise Group itself brought something unique to the task as a third sector organisation. It brought independence of thought, an ability to innovate and do things in a different way, and to draw funding in a way that other agencies couldn't.

A clue to social business development is the planning imperatives of the urban fringe. "Cities within Cities" is the slogan of how our middle and outer suburbs of our biggest cities must be re-developed. More opportunities need to be created for work closer to where people live. It is ironical that Western Sydney, with its concentration of Australia's unemployment, was once at the forefront of national regional strategy.

A new wave of thinking is needed that combines innovative industry development, social business, renewed, appropriate public infrastructure and the creation of jobs.

VI

Job Zone 2: Coastal Strategy: Building An Environmental Enterprise Culture

A modest national goal in relation to Job Zone 2 would be to create 55,000 new jobs per annum. When we consider the top fifty communities with unemployment of between 2500 and 1500 people, coastal towns and inland cities emerge. Areas like Launceston, the Shoalhaven, Hervey Bay, Bundaberg, Mandurah, Lismore, Hastings, Byron, Taree, the Tweed, Southport lie in this category. These coastal towns share unemployment problems that are the same in size and nature as a number of bigger inland town areas like Armadale, Cessnock, Corio and Glenorchy. There are a few metropolitan areas such as Ipswich, Woodridge, Darebin/Northcote and Elizabeth that also have unemployment problems of a similar size.

The size of these communities ranges from coastal towns like the Nowra/Shoalhaven area of NSW with a labour force of 30,000 to small coastal towns like Nambucca Heads with a labour force of only 6,000. The average size of the labour force of these regions of unemployment is 16,500. The impact of social businesses and small businesses can be considerable in these communities. Creating enterprises and social businesses on a smaller scale can have a significant impact on local unemployment and morale in these areas so there is much that can be done with even local government funds to make a difference.

The idea of learning companies has been around for some time. But the idea of learning towns and regions is a newer concept. The OECD's centre for Educational Research and Innovation has promoted this concept for the last five years and has featured a number of different learning cities and regions around the world. The concept has emerged as companies and regions try to pool their resources, expertise and learning strategies in the context of globalisation. Research is indicating that the highest levels of technological innovation are coming from areas in which firms are clustered together around related products and ideas. Famous regions such as Silicon Valley, Route 128 in Massachusetts in the US and the Emilia-Romagna region in Italy have created models for industries to emulate. However in the most recent research social capital and the kind of entrepreneurial ingredients that have been identified above, are critical factors for the success of regions and towns.[3]

It is possible to identify a number of potential coastal learning regions and towns. South West Western Australia is most obviously emerging as a place for the development of cultural tourism around festivals and farm field days for people making a transition to country living. The Maleny area of Queensland is a centre for cooperatives, alternative finance institutions and permaculture. Cape York Peninsula is emerging as an innovative social policy zone for the development of indigenous enterprise. Other towns are networking themselves to coordinate town events and promotions.

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[3] David A.Wolfe, "Social Capital and Cluster Development in Learning Regions", Paper presented to the XVIII World Congress of the International Political Science Association, Quebec City, Quebec, August 5, 2000s unpublished paper.

The area for developing social business along the lines of Britain's Furniture Resource Centre in Australian coastal towns is recycling. Some community recycling businesses have been operating throughout Australia and New Zealand for 25 years. There are many communities exploring the setting up of a recycling business to recover resources, to create jobs, and to relieve the problems associated with land fill. It is important to formalise the ideas and possibilities around coastal communities where environment and employment are major community concerns. There are a number of models. The Eaglehawk Recovery and Sales Yard in Bendigo was started in 1994 as a project of Future Employment Oportunities. It provides an alternative to land fill, recovers resources that would otherwise be lost to the community, gives the community a practical way to recycle goods and creates new jobs. The salesyard sells an enormous variety of material, is self funding and employs 12 people. Tasmania's Resource Work Co-operative was formed in 1993 to reduce waste, educate & create employment. Today, it employs sixteen people and has two retail outlets, the Tip Shop which sells a prolific range of reusable items at affordable prices and Resource Collectibles, specialising in antiques and collectibles.

An important step in developing a coastal recycling strategy would be for all Australian coastal towns to adopt a zero waste goal. New Zealand's Zero Waste Trust is a model for Australia to create a network of coastal communities involved in diverting waste and resource recovery. The New Zealand Trust holds a national Waste Festival and gives awards for the most innovative use of waste, the most artistic use of waste and a garden art award for waste materials! [4] Examples of local New Zealand communities involved in zero waste include the Ashburton Resource Recovery Park and the Waste Busters Revolve Education and Worm Farm at Canterbury New Zealand.

To make a coastal recycling strategy work, coastal towns should have a goal of attaining zero waste by 2015. Each city should create their own resource recovery unit and targeted business and residential users as well as schools to use the unit.[5] It is estimated that 2000 new jobs could be created from a coastal recycling strategy over a two year period from such an initiative. This could reduce unemployment in Australian coastal towns by 2 per cent.

Regional markets with self employed traders have sprung up in the hinterland of many coastal cities from Byron Bay to Cairns to Noosa Heads. The era of unemployment has created a level of entrepreneurship amongst many residents that is creating an alternative arts and crafts economy in many coastal areas. It is important to take advantage of these native economic spirits and to foster them. Job Network agencies should actively foster small business skills and local councils should create incentives for local markets and to cross subsidise their development. It is estimated that there are approximately 40,000 people currently self employed in coastal areas relying on regional markets. This is a natural way of taking advantage of regional and international tourism to the coast and there is the prospect that with stronger support and infrastructure the number of self employed people in coastal areas could easily

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[4] Zero Waste New Zealand Trust, PO Box 331695, New Zealand

[5] Andrew Jackson, Central Otago Wastebusters, PO Box 375, Alexandra, email: wastebusters@xtra.co.nz

double. Hinterland arts and crafts districts with a permanent pathway for tourists would be one way of increasing the productivity of regional markets.

The advent of largescale coastal enterprise such as the surf industry in the Geelong/Bells Beach area of Victoria and the Billabong garment industry on the Gold Coast create natural building blocks for these creative hinterland areas. Sensitively planned market and creative zones of activity behind coastal centres would create a much needed band of de-centralisation away from the foreshore.

At a recent regional arts conference Donald Horne disparaged the tendency to value the economic rather than the cultural and intrinsic value of the arts.[6] In my view the arts community do not make enough of their economic power. Arts and crafts can revive a local economy. In 1995 Deloraine, Tasmania created the Artwork in Silk project, a magnificent portrayal of the Meander Valley on a 57 square metre hanging. It was the recipient of a State award project, it involved 300 local people contributing 10,000 voluntary hours. Besides being a major community project it taught many new skills to local residents. It is now a major tourist attraction, open to the public through the efforts of 40 volunteers. At Lockhart River on the east coast of Cape York, a unique art cooperative entitled "The Lockhart River Art Gang" has been formed. It has revived the economic, cultural and social spirit of the community in a way that few other enterprises could have. Rosella Namok one of the wonderful new painters from the area recently won the Lin Onus Youth Award for her painting *Kungkay and Yipay – in Salmon Season* which tells a story of the river leading down to Quintal Beach at Lockhart River. Rosella has won a string of awards for her work and her paintings hang in the National Gallery of Australia and a string of other major galleries round the country. But Lockhart River is about a collective culture. The Gang as a whole won a special Community Endeavour prize in the Fourth National Indigenous Heritage Art Awards. But there is a long way still to go for the community. At the Premiers Economic Summit at Weipa in 2000, Lockhart River Arts and Cultural Centre Manager, Rosie Lloyd-Giblett said: " Our artists have great talent and in the last three years have had many successes, but we need to go further. **… [we want to develop] further by studying at University or working with established artists**. This kind of initiative is going to assist the Lockhart River Art Gang to reach their full potential." (Emphasis added.) Queensland Rail began supporting the Lockhart River community by providing two five year scholarships worth $10,000 per annum for artists in the community. Rosella's paintings are now selling for about that amount.

How can local communities foster the arts? The Nelson Bay Arts Marketing Network, NZ is a charitable trust that was set up to create opportunities for the arts to flourish in the Nelson Bay region. The Network creates a guidebook to arts in the area and through a partnership with local tertiary institution the Nelson Marlborough Institute of Technology, students lead guided tours of the arts community throughout the region. It is an example of learning by doing and creating a link between education and cultural tourism. Dunedin Small Business Enterprise Centre runs a four day "Be Your Own Boss" course for artists that helps the creative spirit merge with a commercial edge. It trains artists in the commercial arts of keeping financial records,

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[6] Joyce Morgan, "Arts Scene plagued by its own drought", Sydney Morning Herald, Monday October 14, 2002, p. 19

costing and pricing invidivual art works, marketing, and other taxation dimensions of self employment.[7]

It is important for coastal towns to capture and harness their own economic and social power to create opportunities for environmental improvement, business development and employment. The Maleny system of financial and commercial cooperatives is a model for other towns to create local enterprises that employ local people and add social and economic value to the community.

Fostering outstanding businesses can be a magnet for wealth creation and employment. Tom O'Tooles Bakery at Beechworth, Victoria, population 20,000,has the highest retail turnover of any bakery in Australia involving 675,000 customers with an annual turnover of $3 million. The famous Robertson Pie Shop frequently has motorists driving miles out of their way down the Illawarra Highway to buy a fruit slice or cake. It is important for local chambers of commerce and industry to recognise the importance of these enterprises and to foster networks of flow on business in coastal towns and cities. Too often coastal regions do not take advantage of local innovators and fail to see how much inovative businesses make and create opportunities for local economic prosperity.

An array of case studies is emerging that are often borne out of crisis. Forming a local employment and enterprise group is the first step that a coastal town can take towards creating a small enterprise culture within the town. He Iwi Kotahi Tatou Trust community development worker Ngahau Davis says that the town of Moerwa was once a place "Where you hoped to God you never broke down or ran out of petrol. There was a lot of crime, drugs and alchohol abuse". Today the main stream is adorned with traditional carvings, plant boxes and the community supports an array of Maori-owned businesses including a clothing design shop, hairdresser, web design studio, weaving and craft center, and a very good café. Ngahau says the town development process moved through a nobody, somebody, everybody stage. The first move was to create public spaces and amenities and gradually the community got behind the progress, today everybody in the community is working together. It began by fixing toilets and public spaces on the main street.[8] The demography of coastal towns is a potential opportunity as retirees have skills such as accountancy, carpentry, business management and advice that can be shared with young people wanting to start their own project. The second step is to create common infrastructure for supporting small enterprises such as the creation of a telecommunications or internet hub that can be used by community businesses. A third step might be to identify under-utilised town assets such as buildings that are not being used to form a basis for enterprise development. A fourth step would be to enlist the support of local educational institutions to support the "learning by doing" needs of new enterprises in the town. The Central Tasmanian Community College represents an example of how

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[7] "Art and Business Not to be Feared", **Employment Matters,** te ahu tangata, New Zealand, September 2000, Vol 11, No. 8, p. 4

[8] "Nobody, Somebody, Everybody", **Employment Matters**, September 2001, Vol 12, no. 9, p. 1-2

a local college can make a difference by offering training for wool classing, identified as a business opportunity for the region. [9]

Creating a pathway for young people into market enterprises refocuses youth energy in coastal towns. Cairns' *Boys from the Bush* strategy of teaching young indigenous men how to run their own business enterprises is a way of breaking the cycle of policing and prison and turning back the tide of negative expectations of young offenders.

Milton James, Family Service Officer with Queensland Department of Families and Community Care takes young men who have been before the courts into the bush. He teaches them how to distill and sell eucalyptus and melaleuca oils at community markets in Cairns and other North Queensland towns and cities. In one great creative leap Milton has solved many of the issues that lead to youth offending in the first place such as poverty, boredom, unemployment, limited life skills, poor education, poor social control, peer pressure, drugs and alcohol abuse. Boys from the Bush connects people with the land and gives young people an enterprise that provides them with income, work, confidence, self esteem, creativity and confidence.

Boys from the Bush is an example of taking passive welfare dollars and turning them into an enterprising solution to social problems.

In coastal communties like Coffs Harbour, many young people drift from house to house without permanent accommodation. The cost of housing is one of the most significant obstacles facing young people. Housing is also one of the traditional ways in which Australian families have built up wealth. One of the most interesting strategies for inland towns and coastal cities to investigate is the creation of owner-builder centres for young people.

The owner-builder industry is a multi-million dollar industry that is part of every major coastal town and country region. Creating opportunities for young people to build their own homes creates multiple economic benefits for small towns and cities. John Collins of Opotiki Trade Training in New Zealand has developed a sophisticated model for community development through what he calls "sweat equity". By creating training and developing specialised workshops for mudbricking and cabinet making, Collins has created the environment for a family or a young person to build their own home and create equity of up to $20,000 through their own sweat over the course of a year's building.

This is an important strategy for building economic and social wealth as well as skills in communities with high youth unemployment. However there must be support for the sweat, John's sophisticated strategy has evolved since 1989 from a trade training course. It involves creating a community trust, obtaining land grants, the development of brick making technology, creating a joinery workshop, establishing an owner builder club, an investment trust to raise capital for housing, best practice eco-house designs, housing surveys and strategies for creating healthier homes. John argues: "The long term goal has been to develop a develop a model that encourages community to take responsibility for their own futures. This would include the idea of

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[9] For more on the Central Tasmanian Community College see www.tased.edu.au/schools/oatlands or phone Sally Isles, College Manager, 03-6254-1014.

having much more input into housing, mortgage finance, skill development and employment".[10]

In Opotiki the owner builder strategy has spun off into a major project to create healthier homes through retrofitting and re-insulating 1500 homes. It is not hard to imagine how such a process could also complement the intermediate labour market strategy outline above for urban areas.

To get started on this road small towns and communities should create Owner Builder Trust Funds for Young People. This is needed to set up infrastructure and training, purchase suitable land and to establish the management of the enterprise. The end results are considerable and include high quality, affordable housing for vulnerable communities, personal, building and managerial skills, maintenance skills and the creation of a cluster of housing related work including the capacity to renovate, retrofit and upgrade existing housing stock in the community.

VII

Job Zone 3: Small Town Entrepreneurship

The employment target for job zone 3 is to create 40,000 new jobs a year. Another important goal here is to attract population flow from the coast to the inland. Australian communities that have between 1000 and 350 unemployed people living in them in Australia are generally small towns. The average labour force of these communities is 6,000. At the top of the spectrum Beaudesert and Nerang have labor forces of 12,000 with an unemployment rate of 8 per cent while at the bottom end, Hope Island in Queensland and East Arnhem Land in the Northern Territory have a labor force of about 1700 and unemployment rates of 20 per cent.

There are many fight back towns that have pulled themselves from the brink of economic destruction. Generally an action group is formed, work such as streetscaping, town promotions to attract new residents and the formation of information technology hubs are started and new enterprise develops.[11] Donald, Victoria is on the edge of the Wimmera, its population is 1800. When the Meatworks closed many in the town thought it could be the end, with 60 families losing their jobs. At the same time Donald lost 50 jobs on the railways due to a general rationalization of the State rail system. The strategy people in Donald adopted was to try to import people and jobs. Through land incentives and business supports they have attracted 23 new business and created 100 new jobs to the town.

Amongst the successful Donald strategies was a Special Building Incentive Package in which any new building is entitled to a three-year rate free package if built by a contractor and two years if owner built. They also recently had a competition offering $1,500 for the next family house to be built to lock up stage in the townsite.

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[10] John Collins and Kay Saville-Smith, CRESA, "Building Sustainable, Low Cost Housing Solutions: Group Self-Building in Opotiki", Social Entrepreneurs Conference, Wellington, New Zealand, November 2001

[11] Tumby Bay in South Australia is an example, see www.tumbybay.aust.com.

The town of Gulargambone NSW population 500, it lost a range of services from the local butcher to two stock and station agents between 1970 to 1990. It decided to get the bit between its teeth by setting up a rural transaction center that linked a post office, credit union, Centrelink agency, Medicare Easyclaim, a gift shop/postshop, an internet centre (with four terminals), a signpost for ATO BAS, a giropost facility, and a fax and photocopying service. The rural transaction centre is arguably more efficient and effective than anything that preceded it. What is more it makes possible new business, social and cultural activities.

For many small inland towns the issue is to create visitors through the creation of festivals and tourist attractions. From the giant Woodford Folk Festival to the Balingup Festival to Crocfest to the traditional country show, the role of festivals and events in diversifying, improving and sustaining small town rural and regional economic cultures is becoming increasingly important. It is possible to visualise festival routes through South-West Western Australia and Southern Queensland and for small towns to plan their festivals and shows so they can maximise their audience sizes and flow on benefits.

While the Hawkesbury region of Western Sydney does not share the characteristics of many small towns in job zone 3, the Hawkesbury Harvest strategy is an example for small towns of how to combine a traditional strength, agriculture, with tourist potential. A regional assistance programme grant enabled the development of a multidimensional harvest trail to the farm gate. Consumers could buy produce directly from producers and know when fruit and vegetable were in season. This involved the creation of seasonal maps, a visitor register, a quarterly newsletter, a promotion at the Sydney show and the formation of a Hawkesbury brand name. A second part of the strategy is due to begin in 2002 that will promote the region as Sydney's "fresh food destination".(2002, p. 4-5)

Balingup, South Western Western Australia suffered from a net outmigration and the demise of the timber and dairy industry in the 1980s and 1990s. Local ideas person Ros Benson got the idea of creating a festival that would attract people from Perth and other regional centres to come to the town. Balingup's Maedival Afayre now generates half a million dollars in trading over what used to be their deadest winter month. In a town of 525 people 400 people are involved in the creation of Maedival Afayre which brings over 5000 people to the community.

The Medieval Afayre has transformed August, previously Balingup's slowest economic month of the year, into Balingup's best month of the year in more ways than one. It involves the social capital of the community, the business and employment needs of the local economy and a touch of creativity and entrepreneurship that benefits all and enables a small town to survive and thrive into the future. In addition to the extra trade generated, visitors pay a small fee for the Festival which generates about $15,000 in direct income for the community chest.

There is often architecture and heritage in small country towns that can form a lightning rod for visitors and tourism. Burra in South Australia, population 980, recognized that the preservation of its town scape was of enormous significance for the future heritage of Australia. The Burra Charter is now the internationally recognized standard for the preservation of 18th and 19th century buildings. Hyden, W.A. created a unique tourist strategy around a unique geological formation that was

recognized by local farmers, they've called it Wave Rock. The people of Kulin decided that the Kulin Bush Race was one way to revive the town. The event is now the WA version of the Birdsville Races. It involves a gymkhana, art and craft show, food hall, wine bar, kids activity area, sheep, camel and dog racing, two up, cowpat lotto, Mc Donalds farm and the Great Aussie Revival Breakfast. All over Australia arts and crafts schools and town museums that were formed at the turn of the century are in need of a revival, networking and development. Small towns can create their own tourist pathways that get people off the freeways to come and learn about the heritage of regional Australia. Harrow, Victoria has only 90 residents. However the formation of the community owned Harrow Sound and Light show has attracted over $200,000 in annual extra income. As the local residents explain it, Harrow had a cemetery of good stories to trade on and they put in place a strategy to recapture them in a way that would attract visitors.

Indigenous communities have many possibilities for raising income and creating employment from cultural and artistic activities. A marae is a place of culture and spiritual roots for New Zealand's Maori people. At Te Rangimarie Marea near Palmerston North in New Zealand the community has focused on the traditional art of story telling. Now ten employment positions have been created and the marae hosts visits from schools, business, overseas visitors and other iwi or Maori families from around the country. There is a lot to be learned from New Zealand about how culture and employment can be merged together in a strong and rewarding way. [12]

VIII

It used to be thought that unemployment had one political colour, red. As Australia's demography of unemployment indicates, the new poverty and unemployment covers all of the hues of the political spectrum, but it is particularly concentrated in Labor and National Party seats. However, the problems do overflow even into affluent areas of our cities and our regions. *If the Liberal Party is the party of Australia's middle class it too has an interest in solving a problem that grows closer each year.* Accordingly we need an all party political consensus that makes unemployment the top priority of national government over a fifteen year period. A mutually reinforcing regional policy on unemployment creates a long term platform from which all political parties should benefit. Certainly the creativity of urban and regional policy may change depending on the party in office, but Australia desperately needs a consensus about the way forward. It was a tragedy that at the last election, the Labor Party had mooted the disbandment of the Australians Working Together and Regional Assistance Program that could be the backbone of many iniatives and ideas mentioned above. It is a recurring tragedy that the Liberal-National Coalition have abandoned Labor's innovative traineeship program that created many job

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[12] Karen Matenga, Te Rangimarie Marae, RD7, Palmerston North, New Zealand, email: e-kmartenga@xtra.co.nz

opportunities for Australian young people in the mid 1990s. Job zones provide some coherence and finesse about the way job training, creation and enterprise development occur for all sides of politics. We should hold the political parties and our successive governments to these targets and to the challenges they throw up for all of us.

Figure 1: Top 50 Regions by Unemployment Rate showing numbers of people unemployed
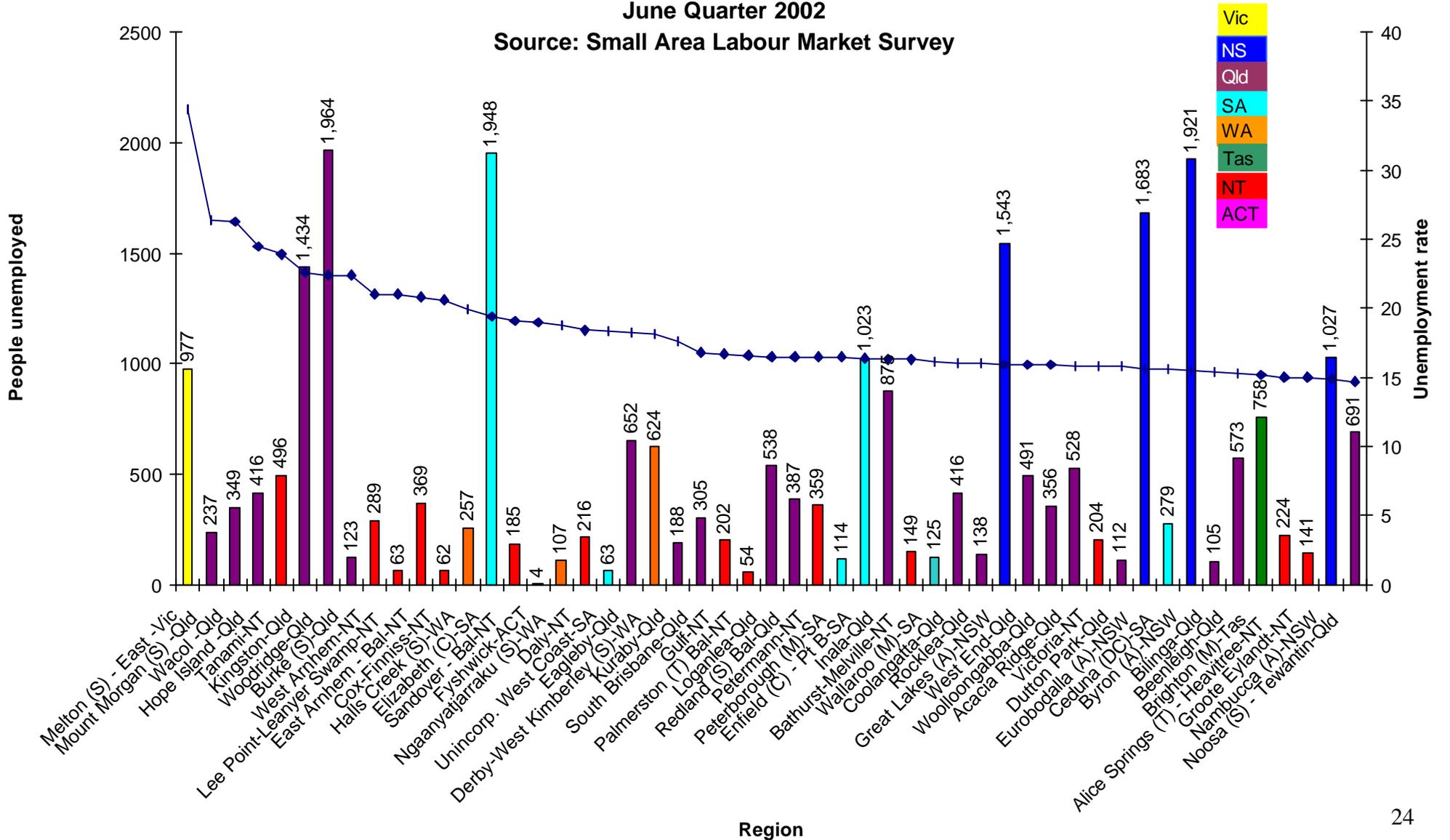
Peter Botsman,
June Quarter 2002
Source: Small Area Labour Market Survey

Figure 2: Top 50 Local Areas of Unemployment by number of people unemployed Australia 2002

Peter Botsman,
June Quarter
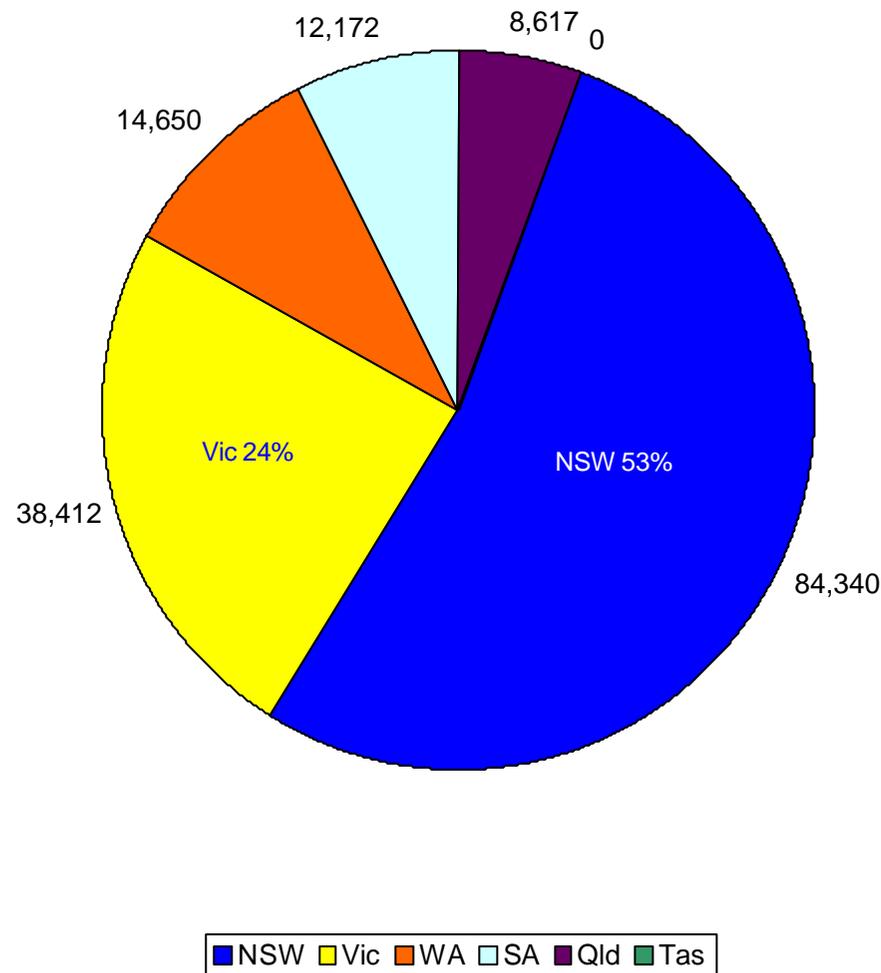Source: Small Area Labour Market Survey, DEWR

25
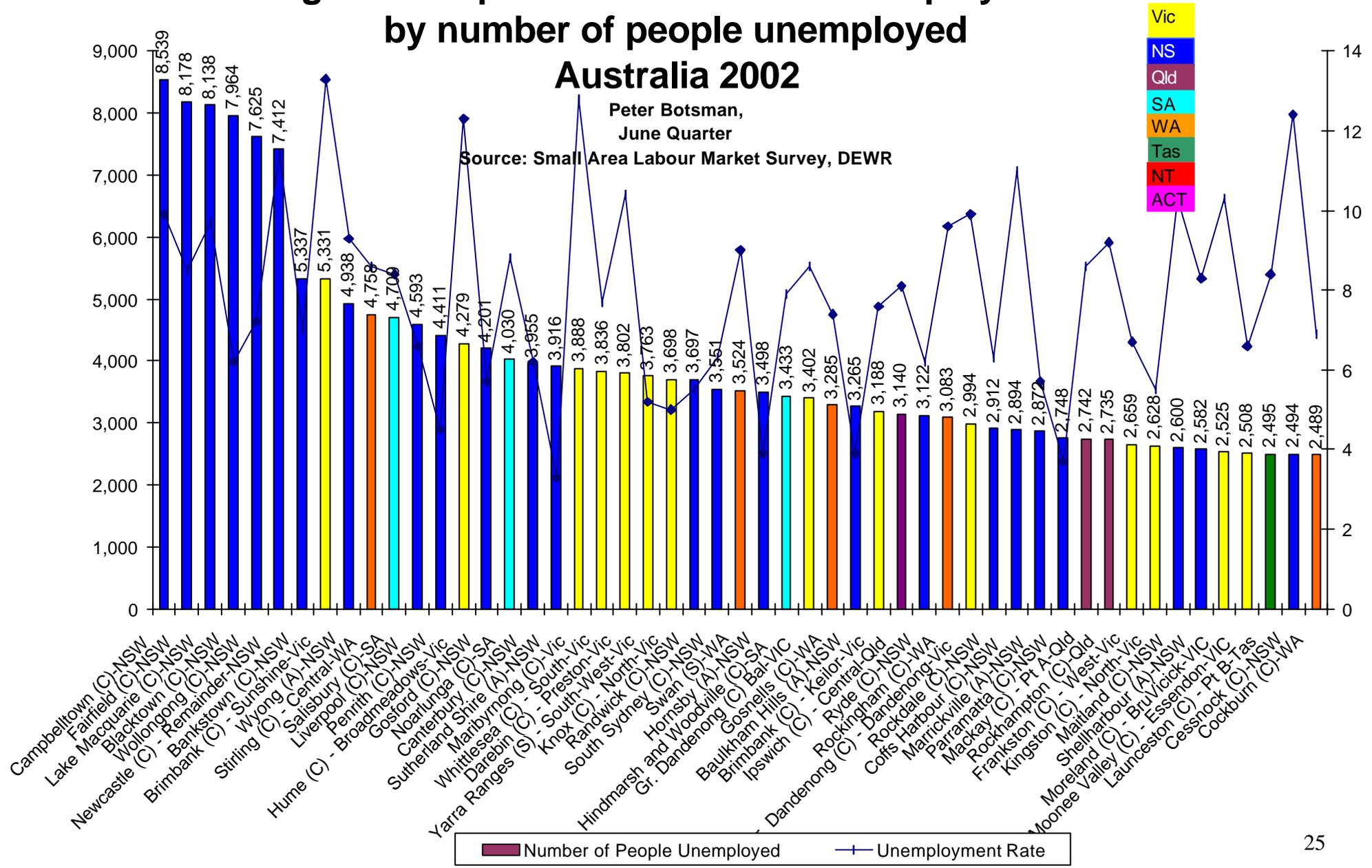
Figure 3: Job Zone 1: Local Areas with unemployment of over 6% with 8,500-2500 people unemployed

Total: 158,191 in 36 Areas

Peter Botsman,
Source: June Quarter 2002, Small Area Labour Market Survey, DEWR
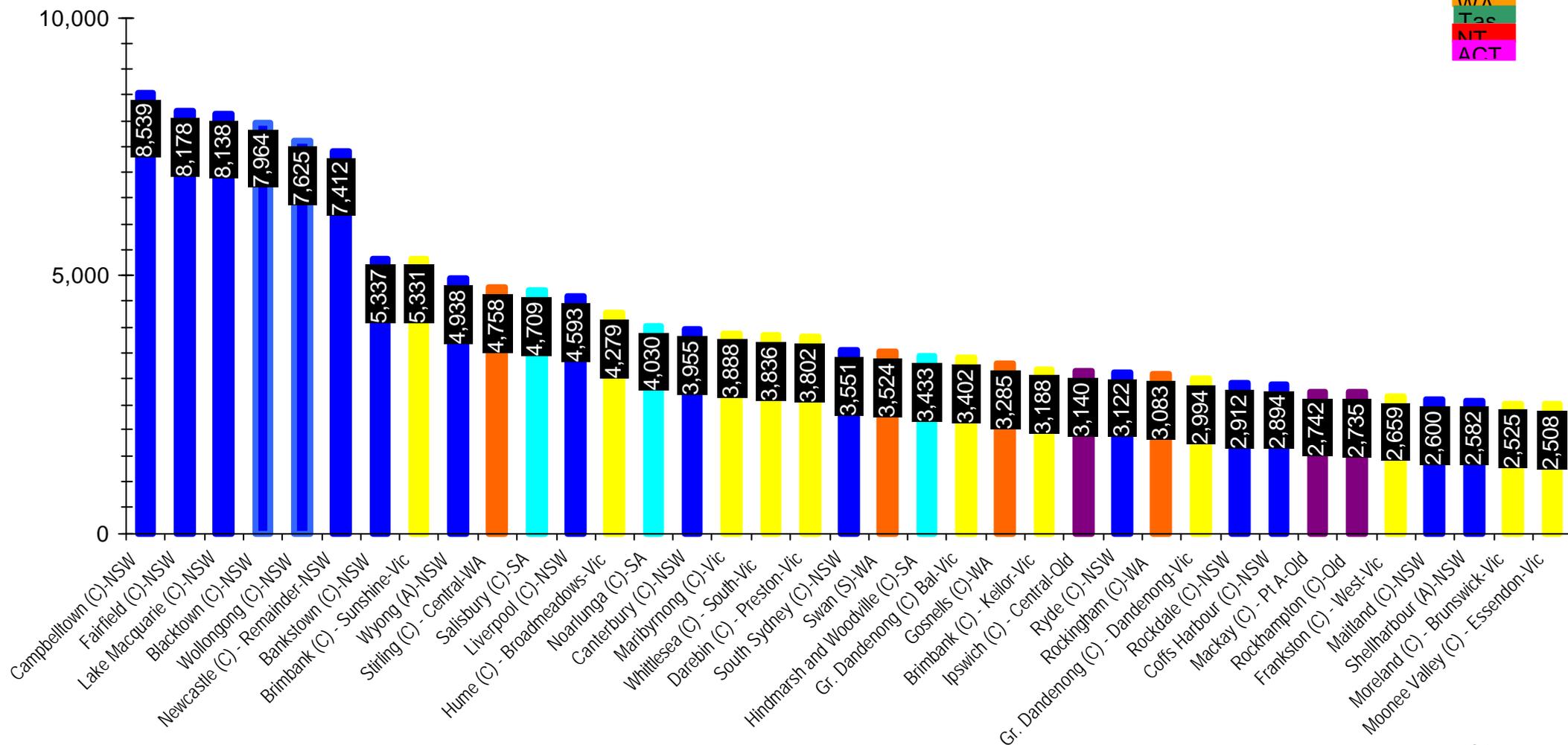
Figure 4: Job Zone 1: Local Areas of above 6% unemployment with 8500-2500 unemployed people by State

31% or 50,282 unemployed people in outer metropolitan areas of Melbourne and Sydney

Figure 5: Job Zone 2: Local Areas with unemployment of over 7% with 2500-1000 people unemployed

Total: 114,287 in 70 Areas

Peter Botsman,
Source: June Quarter 2002, Small Area Labour Market Survey, DEWR
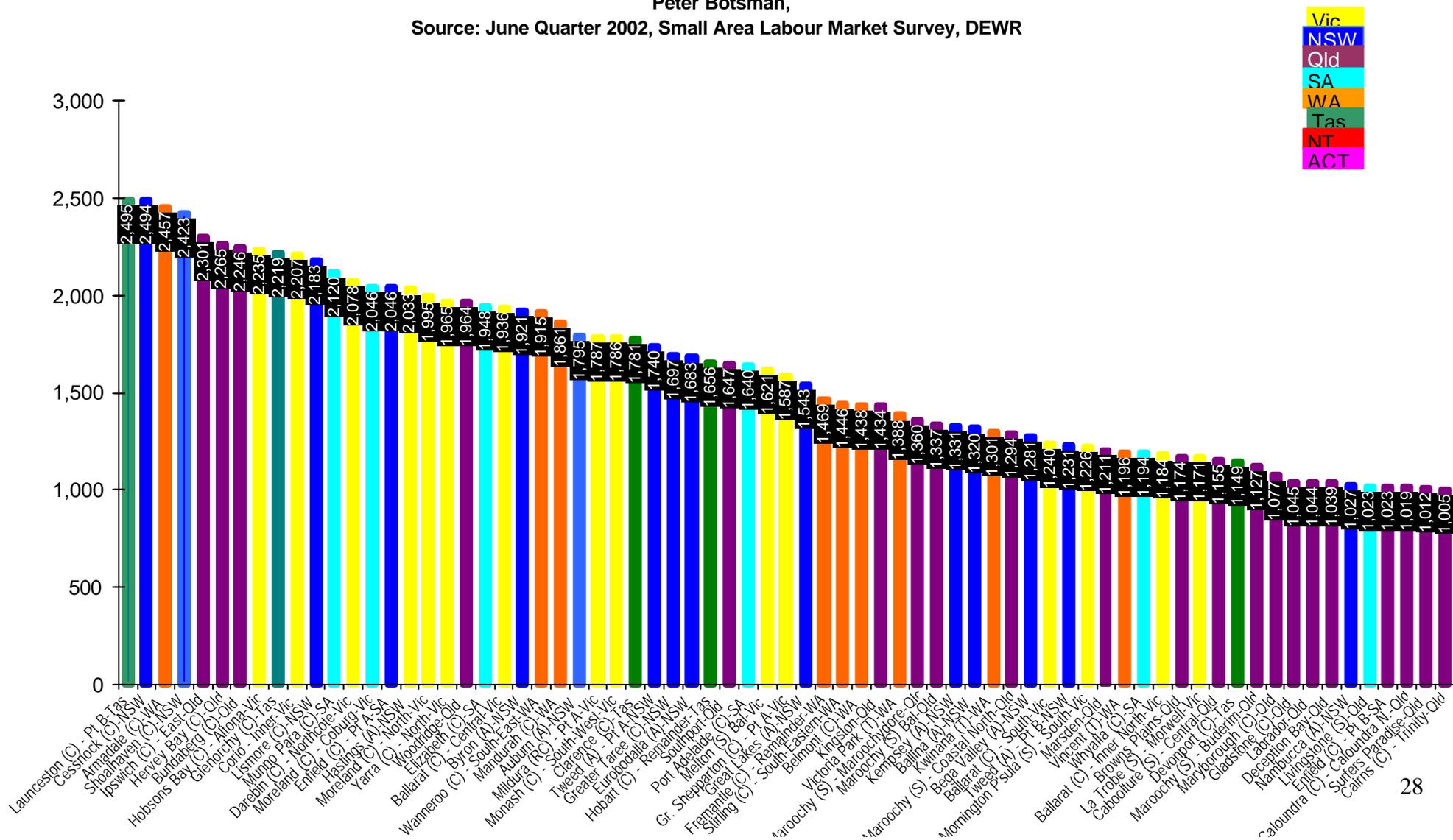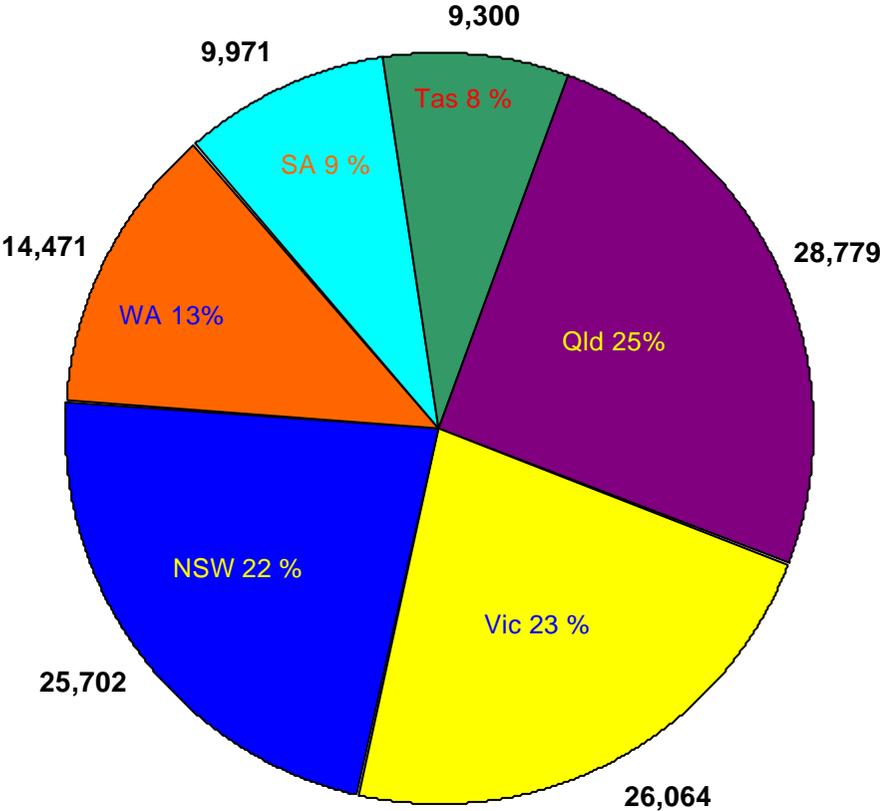
Figure 6: Job Zone 2: Local Areas of above 7% unemployment with 2500-1000 unemployed people by State

29% or 33,327 unemployed people in coastal towns of SE Australia

Figure 7: Job Zone 3: Local Areas of Unemployment over 7% with between 1000-350 unemployed people
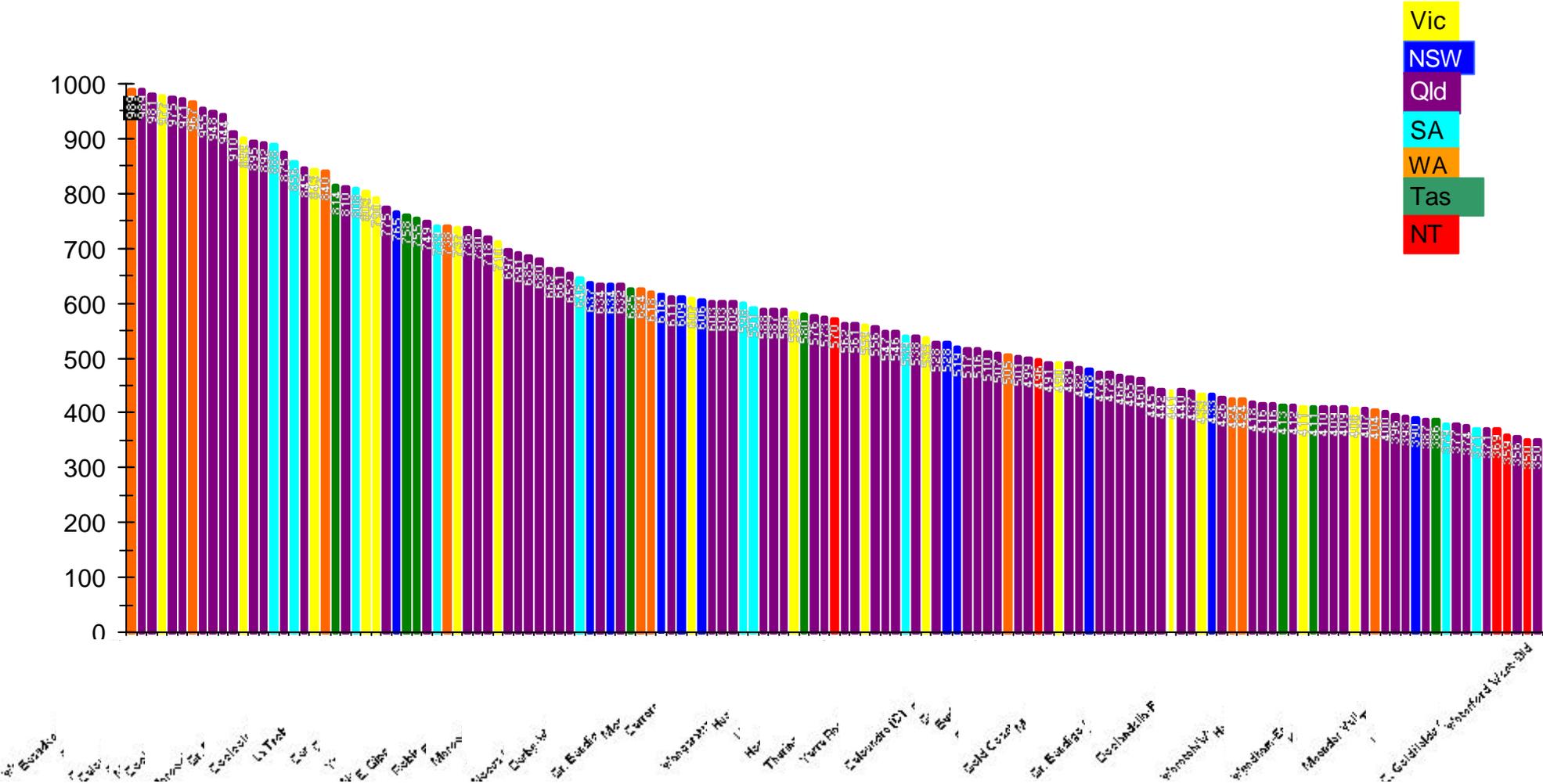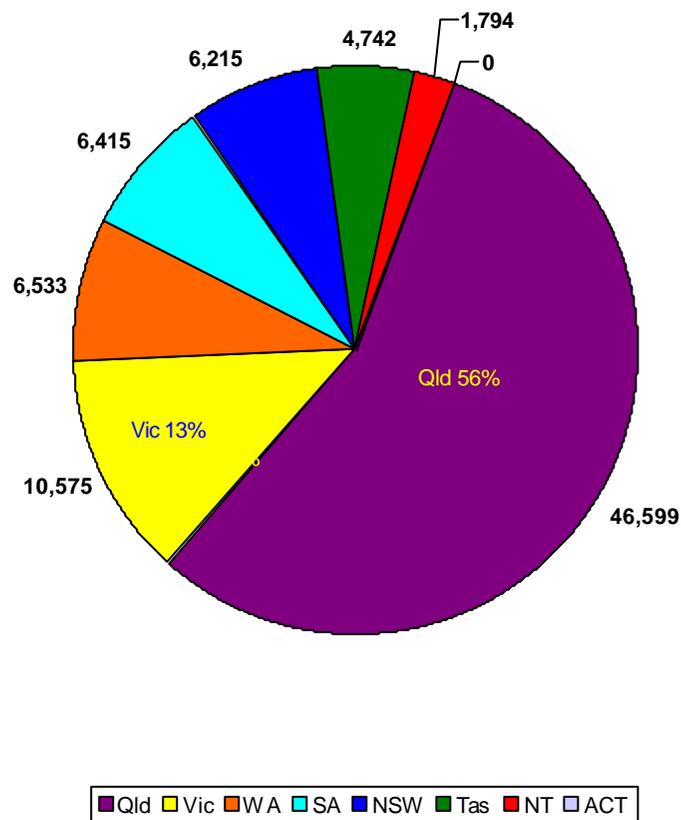
Total 82783 in 141 local areas

Figure 8: Job Zone 3: Local Areas of above 7% unemployment with 1000-350 unemployed people by State

56% or 46,599 unemployed people in coastal and inland towns of Qld

Qld 56%

Vic 13%

46,599

10,575

6,533

6,415

6,215

4,742

1,794

0

Legend: Qld | Vic | W A | SA | NSW | Tas | NT | ACT

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