

INQUIRY INTO PUBLIC DISTURBANCES AT MACQUARIE FIELDS

Organisation:

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Theme:

Summary

SUBMISSION TO THE NSW LEGISLATIVE &
STANDING COMMITTEE ON SOCIAL ISSUES

THE PUBLIC DISTURBANCES AT MACQUARIE FIELDS IN FEB 2005

The Committee's Inquiry has already awaited the operational review into the police response conducted by the NSW Police, and also the investigations oversights by the NSW Ombudsman into the Macq. Fields (MF) emergency call response.

Since these reports will enable the Committee to address the Committee's Terms of Reference 1 to 4, this writer's submission will be confined to:

Ref 5: "The underlying causes and problems which may have contributed to individual and collective acts of violence and social disorder".

MF is an outlying Sydney suburb situated roughly half-way between Liverpool and Campbelltown and relatively disadvantaged in terms of incomes and access to community facilities and services.

The "underlying causes and problems" of the MF disturbances may be categorised under three aspects of social and economic distress and discrimination:

A The adverse Unemployment situation

B The excessive cost and indebtedness of Tertiary Education

C Housing Unaffordability through a defective Monetary Policy, causing an anti-social deterrent to family formation.

Community attitudes and govt. policies and practices shape Employment, Tertiary Education and Monetary Policy

Inadequacies in the above features lead directly to social disturbances such as occurred at MF.

Re-shaping anti-social aspects of policies and facilities could modify the likelihood of violence and disorder.

It is the role of the community and of govt. to continually seek changes of likely benefit for present and future generations.

A The adverse Unemployment situation

Historically, younger people have always been at a disadvantage. "Full Employment" has passed them by. Limited time for this submission has precluded the writer from completing a full statistical picture but the following data from the Aust Bureau of Stats. is sufficiently indicative of the excessive unemployment of younger people, particularly in areas such as MF

% UNEMPLOYMENT RATES

Looking for Full-T Work	June 1995	June 2001 NSW F+PT	Aug 04 NSW F+PT
Males 15-19 yrs	24.5	16.5	
20 on	8.0		
Sub-T	8.7	6.0	5.3
Females 15-19 yrs	33.2	15.8	
20 on	7.8		
Sub-T	9.2	5.5	5.5
Persons 15-19 yrs	27.8	16.2	
20 on	7.9		
Sub-T	8.9(NSW 7.9)		
Full + P-Time	8.4 (7.3)	5.8	5.4(5.0Aust 05)

Rec 1: Special and additional efforts are warranted (A) to encourage employers to offer greater employment to younger persons; and (B) to assist the latter in gaining suitable employment.

Rec 2: MF may be amongst the localities for which specific wage subsidies and incentives for the employment of younger people are warranted, funded from payroll tax or other identified revenue sources

B The excessive cost and indebtedness of Tertiary Education.

Younger persons with obviously limited earning capacity and in process of family formation, have been the unfortunate target during the past two decades, of this particular user-pay concept. Consideration of the national interest has been overlooked in requiring younger generations to pay heavily for an appropriate skills and knowledge base. The formerly less-wealthy Australian society was content to provide tertiary education services free. To date the principle has not been applied to primary and secondary education but regression into these areas may only be a matter of time.

The result in Tertiary Education has been to burden the younger community with excessive tertiary costs and indebtedness, of a magnitude which is anti-social and destructive of motivation. Abundant Govt revenue has been enabled to flow in tax relief and other benefits to middle and higher income earners.

Rising tertiary costs and debt have been accompanied by waves of tightening of administrative curbs on social security benefits for younger people, including harsh penalties for perceived breaches.

Sydney, NSW and Newcastle universities for example, are reported (SMH 1.11.05) to be in process of setting \$31,600-36,000 pa as the fees for medical undergraduate programs, with the UWS likely to charge full-fee local students \$160,000 over their degree period at current rates.

Student debt is massive and much is reported to be uncollectible. Its accumulation is accentuated by a harsh penalty interest rate effective from debt incurrence date instead of a fairer date when the income threshold for repayment is reached.

Rec 3: the endeavours of the NSW Govt should be used to modify and abandon the crippling tertiary cost and debt impediments on younger people which discourage family formation and social order. In the meantime, the authorities should adopt a fairer interest rate of about 1% pa (which is about the 12-mth rate on a term deposit offered by major banks) and apply such a rate in accord with commercial practice, only from the dates when repayment is required.

C Housing Unaffordability through a defective Monetary Policy

The Reserve Bank of Aust (RBA) has the responsibility for employing Monetary Policy for the benefit of the people of Australia.

The RBA has shirked this duty.

The RBA has failed to stabilise the use of funds for the housing industry over the past 10 years in particular.

The result has been an escalation of real estate prices to the point where "home affordability" as statistically measured, is at its lowest point

The high cost of a home is a major deterrent for family formation.

Instead of employing sensible means of encouraging monetary stability, the RBA has relied on an occasional variation of its cash rate, to magically induce some stability in the economy. It has not, and will not work..

The Australian community has enlarged its burden of debt to the point where even the occasional flick of the RBA's cash rate might do irreparable damage to the economy, despite any desperate need for stabilising measures.

The RBA promotes the thought instead that this occasional flick of its cash rate somehow curbs CPI-inflation to within an acceptable 2-3% range

In reality the RBA has nil or negligible influence, because wage rates and the state of employment are the major determinants *and are outside RBA control.*

The RBA follows its fancy, whilst simultaneously overlooking the splurge of monetary volumes flowing into housing, bidding up real estate prices and hampering family formation and home security for younger generations of Australians.

The Board of the RBA is drawn from most states and ought to be encouraged to consider alternatives.

Rec 4. Views along these lines ought to be conveyed to the RBA and consideration given to NSW initiatives to ensure adequate avenues of housing and of finance for younger generations in process of family formation.

Rec 5. The NSW Govt should appoint a Commissioner for Young Adults.

It is well recognised that the above sketches only a sample of the social issues confronting today's society, others being eg, the lack of facilities for the mentally ill, the plight of the 34,000 children whose neglect in some form is reported annually, the unwarranted imprisonment of asylum-seekers, the poor living conditions of much of the aboriginal population, and so on. Many of these issues are interwoven.

J P McAuley 3.11.05

