The Indicators of, and Impact of, Regional Inequality in Australia: A Submission to the Senate Economics References Committee, Parliament of Australia

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Dr Gerald Onsando has conducted research and published widely about resettlement of culturally diverse communities in Australia. Dr Onsando managed one of the first Australian empirical longitudinal research project that compared resettlement outcomes between a cohort of culturally diverse migrants living in urban and regional areas.[1] [2]

1. Executive summary

Issues of regional inequality in Australia cannot be fully addressed without acknowledging the significant socioeconomic benefits culturally diverse migrants bring into these areas. However, these migrants face many challenges when resettling in regional Australia.

This submission has responded to Terms of Reference a) fiscal policies at federal, state and local government levels (section 3); b) improved co-ordination of federal, state and local government policies (section 4); e) education (section 5); f) building human capital; g) enhancing local workforce skills; and h) employment arrangements (section 6). In summary, this submission recommends the following:

- 1: The federal government review its fiscal policies in relation to funding at local government level to better support resettlement of culturally diverse communities in regional Australia.

- 2: Guided by the *National Settlement Framework*, federal, state and local government improve co-ordination of their resettlement policies in regional Australia with increased recognition of the important role that local governments play.

- 3: Educational institutions be better supported and adequately resourced to improve educational outcomes for culturally diverse communities living in regional Australia.

- 4: Local governments in regional Australia be adequately resourced to build human capital and create meaningful employment opportunities for culturally diverse migrants.

2. Culturally diverse migrants and regional Australia

The latest Census of Population and Housing[3] statistics showed that 26 per cent (6,163,667 people) of Australia's population (23,401,892 people) were born overseas.

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[1] Correa-Velez, I. and Onsando, G., 2009, 'Educational and Occupational Outcomes Amongst African Men from Refugee Backgrounds Living in Urban and Regional Southeast Queensland', The Australasian Review of African Studies, 30(2), pp.114-127.

[2] Correa-Velez, I. and Onsando, G., 2013, 'Longitudinal Evidence on Educational and Occupational Outcomes Amongst South Sudanese Men from Refugee Backgrounds Living in Urban and Regional Southeast Queensland'. In South Sudanese Diaspora in Australia and New Zealand: Reconciling the Past with the Present (pp. 129-143). Cambridge Scholars Publishing.

[3] Australian Bureau of Statistics, 2017, 'Census of Population and Housing: Reflecting Australia - Stories from the Census, 2016 - Cultural diversity in Australia' (cat. no. 2071.0). Commonwealth of Australia, Canberra, ACT.

The population of culturally diverse migrants most of whom were born overseas is growing, including in many regional areas of Australia. This submission therefore focuses on regional inequality in Australia from a culturally diverse migrant perspective. Here, the term 'regional' refers to all towns, small cities and areas that lie beyond the major capital cities of Sydney, Melbourne, Brisbane, Perth, Adelaide, and Canberra.[4] Most of the essential infrastructure and services are concentrated in these major capital cities. For these reasons many Australians, including migrants, prefer living in major cities therefore adding to environmental and service delivery pressures on cities.

The availability of basic infrastructure and appropriate services, for example nearby educational institutions, health facilities, affordable housing, are important factors that attract and retain migrants in regional areas.[5] While availability of basic infrastructure and services is an important factor for everyone living in regional areas, culturally diverse communities may have specific needs that would assist their resettlement. For example, some new migrants may need English language support services while others may require specialised health services. Provision of these essential services requires effective fiscal policies and enhanced co-ordination at federal, state, and local government levels.

3. Fiscal policies at federal, state and local government levels

Successful migrant resettlement in regional Australia depends on the effectiveness of fiscal policies at federal, state, and local government levels. However, some federal fiscal policies like cost shifting[6] [7] have adversely affected local governments' capacity to provide essential services to communities. Local governments (also known as local councils) need to be adequately funded through progressive federal and state fiscal policies because the councils play a critical role in migrant resettlement processes.

A recent joint Treasury-Home Affairs analysis reported that migrants bring significant socioeconomic benefits to Australia.[8] The *Guide to Supporting Settlement in Regional Australia* report[9] described the extensive positive effects of migration on the economy, particularly regional Australia economies. Culturally diverse migrants add to regional economic activities by:

- increasing demand for products and services

- bringing in new skills, knowledge, capital investment

- offering innovative work and business practices

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[4] Regional Australia Institute, 2017, 'What is Regional Australia?', accessed 28 March 2018, <http://www.regionalaustralia.org.au/home/what-is-regional-australia/>.

[5] Department of Immigration and Border Protection, 2014, 'Regional Retention of Migrants: Critical Success Factors', Commonwealth of Australia, Canberra, ACT.

[6] The *Local Government NSW* describes 'cost shifting' as a situation where the responsibility and costs of providing services are 'shifted' from a higher level of government on to a lower level of government without providing corresponding funding.

[7] Municipal Association of Victoria, 2017, 'Federal Budget Restores Vital Grants Indexation', accessed 28 March 2018, <http://www.mav.asn.au/news/Pages/federal-budget-restores-vital-grants-indexation-10may17.aspx>.

[8] The Treasury and The Department of Home Affairs, 2018, 'Shaping a Nation: Population Growth and Immigration Over Time', Commonwealth of Australia, Canberra, ACT.

[9] Department of Social Services, 2017, 'Guide to Supporting Settlement in Regional Australia', Commonwealth of Australia, Canberra, ACT.

- socially strengthening local communities

- contributing to increases in production and improvements in productivity.

For these reasons, fiscal policies developed at federal, state, and local government levels should be reviewed to prioritise better support for culturally diverse communities resettling in regional Australia.

- **Recommendation 1**: The federal government review its fiscal policies in relation to funding at local government level to better support resettlement of culturally diverse communities in regional Australia.

4. Improved co-ordination of federal, state and local government policies

Improved co-ordination of federal, state and local government policies is critical in ensuring that communities in regional Australia to enjoy socioeconomic growth. The *National Settlement Framework*[10] recommends that the responsibility for the resettlement of newly arrived migrants in Australia be shared between the federal, state, and local governments. New migrants, need to feel socially secure with a sense of belonging to society[11] therefore local governments should be adequately consulted and funded for the important task of resettling culturally diverse communities in regional Australia.[12] Lack of effective co-ordination of federal, state and local government policies adversely affects implementation of projects that are meant to assist resettlement of culturally diverse communities in regional areas.

For many culturally diverse migrants, having access to suitable affordable housing, attending English language tuition classes, and having a supportive family in an inclusive society is important to their resettlement in regional Australia.[13] Indeed, family connections and social networks play a very important role in attracting and retaining culturally diverse communities in regional areas.[14] These connections assist new migrants in socialising, seeking employment as well as engaging in other socioeconomic activities in regional areas. Federal, state, and local government policies should consider allocating adequate funding that offer opportunities for culturally diverse communities to achieve family and social connections in regional Australia.

- **Recommendation 2:** Guided by the *National Settlement Framework*, federal, state and local government improve co-ordination of their resettlement policies in regional Australia with increased recognition of the important role that local governments play.

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[10] The National Settlement Framework is a high level structural blueprint for Commonwealth, State and Territory and Local Government, to work in partnership to effectively plan and deliver services that support the settlement of migrants and new arrivals in Australia.

[11] Department of Immigration and Border Protection, 2014, 'Regional Retention of Migrants: Critical Success Factors', Commonwealth of Australia, Canberra, ACT.

[12] Boese, M. and Phillips, M., 2017, 'The Role of Local Government in Migrant and Refugee Settlement in Regional and Rural Australia', Australian Journal of Social Issues, 52(4), pp.388-404.

[13] Regional Australia Institute, 2016, 'Talking Point: The Missing Migrants', Regional Australia Institute, Barton, ACT.

[14] Department of Immigration and Border Protection, 2014, 'Regional Retention of Migrants: Critical Success Factors', Commonwealth of Australia, Canberra, ACT.

5. Improving educational outcomes

The lack of adequate infrastructure and services in regional areas often means that residents must travel long distances to get to educational institutions. Additionally, the expense associated with recruiting and retaining quality educators and other staff in regional Australia requires significant financial and time resources.[15] The Correa-Velez and Onsando study[16] [17] analysed educational outcomes of culturally diverse migrant participants based on place of resettlement. Compared to participants living in a metropolitan city, participants resettling in regional areas were:

- significantly less likely to have completed an overseas college, trade or university degree

- more likely to be attending a college, trade or a university course in Australia

- significantly more likely to have had mostly negative educational experiences while studying in Australia.

Similarly, Joyce and Liamputtong[18] identified difficulties of accessing further education as one of the acculturation stress for young migrants living in regional areas. This is an indication that, despite facing significant challenges, culturally diverse communities in regional areas are keen to improve their educational outcomes. It is therefore necessary to support and adequately resource learning institutions that cater for culturally diverse communities in regional Australia.

- **Recommendation 3:** Educational institutions be better supported and adequately resourced to improve educational outcomes for culturally diverse communities living in regional Australia.

6. Building human capital and creating employment opportunities

Several small towns in regional areas are struggling to attract and retain the workforce they need to support their local economy and sustain communities. Migrants offer many advantages to growing regional communities and those at risk of population decline by contributing to regional economies, stabilising population size, and helping to socially strengthen local communities.[19] Communities from culturally diverse backgrounds however require dedicated support from the local host community to assist them in developing social networks and connections in regional areas. This will increase human

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[15] Independent Schools Council of Australia, 2017, 'Independent Review into Regional, Rural, and Remote Education', accessed 28 March 2018, <http://isca.edu.au/wp-content/uploads/2017/11/2017-08-29-ISCA-submission-Rural-Regional-Remote-Education.pdf>.

[16] Correa-Velez, I. and Onsando, G., 2009, 'Educational and Occupational Outcomes Amongst African Men from Refugee Backgrounds Living in Urban and Regional Southeast Queensland', The Australasian Review of African Studies, 30(2), pp.114-127.

[17] Correa-Velez, I. and Onsando, G., 2013, 'Longitudinal Evidence on Educational and Occupational Outcomes Amongst South Sudanese Men from Refugee Backgrounds Living in Urban and Regional Southeast Queensland'. In South Sudanese Diaspora in Australia and New Zealand: Reconciling the Past with the Present (pp. 129-143). Cambridge Scholars Publishing.

[18] Joyce, L. and Liamputtong, P., 2017, 'Acculturation Stress and Social Support for Young Refugees in Regional Areas', Children and Youth Services Review, 77, pp.18-26.

[19] Regional Australia Institute, 2016, 'Talking Point: The Missing Migrants', Regional Australia Institute, Barton, ACT.

capital in regional areas and can be achieved through social programs and activities organised by local governments.

Meaningful employment should meet an individual's occupational and socioeconomic needs and is a key enabler of participation in society. However, many individuals from culturally diverse communities are often unemployed or find employment in low-skilled, low-status jobs.[20] [21] The Correa-Velez and Onsando study[22] [23] assessed employment outcomes of culturally diverse migrant participants based on place of resettlement. Compared to participants living in a metropolitan city, participants resettling in regional areas:

- were significantly more likely to be underemployed

- were more dissatisfied with their employment

- had experienced more serious difficulties finding work in Australia

- had experienced more discrimination while finding work or working in Australia

- were less likely to have their previous qualifications recognised in Australia.

Furthermore, according to Joyce and Liamputtong,[24] young migrants in regional areas lacked opportunities to secure satisfying employment. This is an indication that, culturally diverse migrants in regional Australia face significant employment challenges that can only be addressed by having meaningful employment. It is evident that having meaningful employment is critical to the successful attraction and retention of culturally diverse workers in regional areas of Australia.[25]

The Victorian regional township of Nhill is a good example of successful regional resettlement of culturally diverse migrants. The township of Nhill offered worthwhile employment opportunities to migrants which resulted in significant socioeconomic benefits for the migrants and the broader community.[26] Other examples of relatively successful regional resettlement for cultural diverse communities include Sunraysia in regional Victoria and New South Wales (see Case Study 1, Appendix) and the Shire of Dalwallinu in regional Western Australia (see Case Study 2, Appendix).

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[20] Kosny, A., Santos, I. and Reid, A., 2017. 'Employment in a "Land of Opportunity?" Immigrants' Experiences of Racism and Discrimination in the Australian Workplace', Journal of International Migration and Integration, 18(2), pp.483-497.

[21] Ressia, S., Strachan, G. and Bailey, J., 2017. 'Going Up or Going Down? Occupational Mobility of Skilled Migrants in Australia', Asia Pacific Journal of Human Resources, 55(1), pp.64-85.

[22] Correa-Velez, I. and Onsando, G., 2009, 'Educational and Occupational Outcomes Amongst African Men from Refugee Backgrounds Living in Urban and Regional Southeast Queensland', The Australasian Review of African Studies, 30(2), pp.114-127.

[23] Correa-Velez, I. and Onsando, G., 2013, 'Longitudinal Evidence on Educational and Occupational Outcomes Amongst South Sudanese Men from Refugee Backgrounds Living in Urban and Regional Southeast Queensland'. In South Sudanese Diaspora in Australia and New Zealand: Reconciling the Past with the Present (pp. 129-143). Cambridge Scholars Publishing.

[24] Joyce, L. and Liamputtong, P., 2017, 'Acculturation Stress and Social Support for Young Refugees in Regional Areas', Children and Youth Services Review, 77, pp.18-26.

[25] Department of Immigration and Border Protection, 2014, 'Regional Retention of Migrants: Critical Success Factors', Commonwealth of Australia, Canberra, ACT.

[26] AMES Australia and Deloitte Access Economics, 2015, 'Small Towns Big Returns: Economic and Social Impact of the Karen Resettlement in Nhill', AMES Research and Policy and Deloitte Access Economics, Melbourne, VIC.

- **Recommendation 4:** Local governments in regional Australia be adequately resourced to build human capital and create meaningful employment opportunities for culturally diverse migrants.

7. Appendix

Case Study 1: Sunraysia, Victoria and New South Wales[27]

This resettlement initiative involves Burundian immigrants who were engaged in horticultural activities in the Sunraysia region located in north western Victoria and south western New South Wales. The resettlement project was supported by the Sunraysia Mallee Ethnic Community Council who assisted Burundian immigrants acquire blocks of land for farming and settlement. The new migrants introduced their indigenous farming practices and foods and shared their agricultural knowledge with local farmers. The regional settlement of the Burundian migrants in Sunraysia was deemed a success because many were actively involved in productive farming activities and reported being happier compared to when they were living in cities like Melbourne and Sydney.

Case Study 2: Dalwallinu, Western Australia[28]

The Shire of Dalwallinu in regional Western Australia was once facing decline because of underutilisation of infrastructure and a declining population. The community reversed this decline in just a few years through the Regional Repopulation Pilot Project that involved initiatives such as the running of English classes and hosting various community events to support culturally diverse communities. In this initiative, approximately 200 new culturally diverse residents moved to live and work in the area contributing to the population and socioeconomic growth of the Shire of Dalwallinu.

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[27] University of Wollongong, 2018, 'A Garden to Call Home: The Story of an Empty Block, a Team of Researchers, and a Community of Farmers in Search of a Farm.', accessed 28 March 2018, <http://stand.uow.edu.au/a-garden-to-call-home/>.

[28] Regional Australia Institute, 2016, 'Talking Point: The Missing Migrants', Regional Australia Institute, Barton, ACT.