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Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON EMPLOYMENT AND
WORKPLACE RELATIONS

Reference: Employment: increasing participation in paid work

WEDNESDAY, 2 JUNE 2004

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT & WORKPLACE RELATIONS

Wednesday, 2 June 2004

Members: Mr Barresi (*Chair*), Mr Dutton, Ms Hall, Mr Hartsuyker, Mr Lloyd, Mr B.P.J O'Connor, Ms Panopoulos, Mr Randall, Ms Vamvakinou and Mr Wilkie

Members in attendance: Mr Barresi, Mr Dutton, Ms Hall, Mr Hartsuyker, Mr O'Connor, Ms Panopoulos and Mr Wilkie

Terms of reference for the inquiry:

To inquire into and report on:

Employment issues in both rural/regional and urban and outer suburban areas, with particular reference to:

- Measures that can be implemented to increase the level of participation in paid work in Australia; and
- How a balance of assistance, incentives and obligations can increase participation, for income support recipients

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Committee met at 11.28 a.m.**KEY, Ms Wendi, Assistant Secretary, Operations, Department of Transport and Regional Services****OWEN, Mr Daniel, Assistant Secretary, Regional Policy, Department of Transport and Regional Services**

CHAIR—I declare open this public hearing of the inquiry into employment: increasing participation in paid work. I would like to welcome Ms Key and Mr Owen from the Department of Transport and Regional Services. The proceedings today are formal proceedings of the parliament and, although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of the parliament and warrant the same respect as the proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee prefers that all evidence be given in public but if, at any stage, you should wish to give evidence in private please ask to do so and we will consider your request. You may like to make some preliminary comments about the issues you think are important to this inquiry and then we will move to questions and discussion.

Mr Owen—Thank you, Chair. I work on the regional policy side of the department and Ms Key works on its regional programs side. We intend to talk briefly about both aspects, both of our areas of interest, and then we can field some questions about the broader activities of the Department of Transport and Regional Services. This is just to let you know that we are more on the regional services side of the department. In terms of this inquiry, DOTARS has a two-legged role. One is in relation to transport and improving transport services, and with regional development our role is ensuring there is better recognition of and also opportunities for regional communities, territory communities and local communities. Our particular interest in the activity of this committee is participation in regional Australia. That reflects our broader interest in the differential impact of change, policy and programs in different spaces across Australia; it is a spatial differential of impact.

I have seen, from the submissions that have been provided by the Department of Family and Community Services and the Department of Employment and Workplace Relations, that there has been some statistical data supplied on the differential levels of participation across Australia, particularly as to that geographic differential, and that, despite significant jobs having been created across Australia since 1996, Australians living in some regional communities are still experiencing joblessness and entrenched welfare dependency. Unemployment tends to be higher on average outside metropolitan centres and, with a lesser role than that of those other departments, we have been playing some role under the Australians Working Together framework in particularly ensuring that there is a focus on some of the particular barriers to participation that are in regional Australia and that are perhaps not as intensely felt in some other areas. Some of those barriers include things like poor access to transport and housing; the limited availability of child care, which can restrict the ability to participate; health care, which can have an impact; and lower levels of education and skills training primarily due to lower levels of access. One of our key messages within government is always that not one size fits all, and there are differential impacts that some places experience that are not generally characteristic of the difference between metropolitan and non-metropolitan centres.

The government, more broadly under the AWT framework, has a range of programs and initiatives designed to improve the economic, social and environmental sustainability of regions and their communities. It is in that context that we have been coming to the table with these other agencies. We generally have a methodology, besides our own programs that we administer directly, of seeking to influence other program agencies and broader policy to make sure that there is reality, in terms of differential impacts, reflected in how things are delivered and what policy stances are adopted. We try to do that through all of our work, and that can traverse all of the major program areas.

We also—and I have seen some of the messages coming out of the other submissions—are about flexibility and working more flexibly in the ways that we deliver our programs and in the policy positions that we adopt. We certainly are very keen on that as well. For instance, we have an involvement in some activities, which Ms Key will talk about, where we have identified specific areas in Australia which are disadvantaged and, through the Sustainable Regions Program, we bring a locational, whole-of-government approach to bear. We are also involved more broadly in the Council of Australian Governments Indigenous service delivery trials, which you might have heard something about. Under the COAG framework, eight Indigenous communities around Australia have been identified in the trials and there is an attempt to test those flexibilities and work out how we, across the Australian government and also with other levels of government, can produce better outcomes by being more flexible and by better targeting what we do. Ms Key will talk more about sustainable regions in particular.

One of the reflections I had when I was looking at the terms of reference for the committee was that the committee is focused around economic participation—jobs, formal training and things like that. Through our research with communities we have reflected on the roles that social participation activities such as volunteering, less formal education and government sponsored training programs can play, particularly in areas where the job market is very thin or nonexistent and economic participation in that formal sense is perhaps not realistic straight off. As a pathway to economic participation we have sought to influence the broader policy to make sure it reflects that there is a bit of a continuum there and that some of those things can lead to very positive outcomes and contribute to economic participation over time.

In that vein, under the auspices of the Regional Women's Advisory Council, which advises the government from a regional perspective on broader issues that impact on regional Australia, we conducted some research the year before last that was called 'The Success Factors: Managing Change in Rural and Regional Australia'. That very much brought out the point that the communities that were seen to be successful with positive drivers for social and economic advancement were those with high levels of volunteering and high levels of community participation. That is the sort of information on which we base the claim that there is a good stream of focus on social participation that can be very valid in this work as well.

I could go on and talk a little bit about the Welfare Reform Task Force, which is a Commonwealth wide task force led by FaCS and DEWR that we have been participating in. We have been participating not so much in their broader work but mainly in their work specifically on barriers to participation. There are some trial activities that FaCS and DEWR are conducting, where they are again looking at a geographic space and doing some intensive work there. Of two trials that are proceeding there, Family and Community Services is leading a trial on the far north coast of New South Wales area. Both of those departments have specifically agreed to do

those trials in areas where we have an active program under the Sustainable Regions Program so that there are some tools to work with, if you like.

CHAIR—Are they general community programs or Indigenous programs?

Mr Owen—Both of those are general community programs.

Ms HALL—Can you give us a bit of detail about those?

Mr Owen—I will give you a summary here and we can provide some detail later. They are picked up a little bit in the other submissions as well. We are a bit of a part player in this, but we feel it is very important. The other project is one that the Department of Employment and Workplace Relations is leading, which is in the Latrobe Valley region of Victoria. Again, that coincides with a geographic space that we are working with through our Sustainable Regions Program. What we are doing there is trying to clarify and identify better the sorts of barriers that people are experiencing to participation and looking at issues related to how sustainable some of the interventions that are being brought to bear there may be. We are trying very much to adopt a framework built around a partnership and self-reliance and for those communities to maintain that activity as part of that sustainability. We are looking at partnerships with business as well as communities and maximising the impact of existing programs, so it is very much attuned to what your committee is looking at. We can provide some further details on that afterwards, if you would like. I am conscious of not taking up too much time.

To summarise all that, it is all very consistent with the government's current policy in relation to regional services and regional development, which is set out in the 2001 Stronger Regions: A Stronger Australia statement. Basically the themes coming out of that are self-reliance, partnerships, locational approaches and focusing on areas where there is strong evidence there can be a good impact through a whole-of-government approach being brought to bear.

Ms Key—As Daniel said, the 'Stronger Regions: A Stronger Australia' statement provides a framework for the two main regionally oriented programs in our portfolio. Sustainable Regions, which is a pilot program in eight areas throughout Australia, has a \$100 million budget and finishes at the end of the 2005-06 financial year. That program is based on a partnership approach with local advisory committees that provide a set of strategic directions for their region on how to take it forward. These strategic directions often include job retention, keeping young people in their region and employment pathways—what happens between school and work. Almost all of the regions have a focus around those kinds of issues.

In some of the outer metropolitan regions in the program—in Playford-Salisbury in outer Adelaide, for example—intergenerational unemployment is a key issue. Playford-Salisbury also has a large resident population that is not employed; it is one of the highest rates in South Australia. The industries that are there, the electronics industry, automotive manufacturing and some of the high-tech security industries, tend to draw their employees from outside that region. What the Sustainable Regions committee has focused on in that region in particular is how to build up the skills base within the region.

They have recommended a project to the minister, which has now been approved and which came from the electronics institute in that area, to build some pathways between schools and the

major employers in the region—into Holden, BAE Systems and companies like that. Generally the kids who were retained to year 12 were still not seeing how they might tap into those sectors. Similarly, the companies that are based there are very keen to have people working in their industries who are locally based. That project has been funded to put in place a structure that intervenes in the schools to give the kids some experience in the industries and with the local TAFE to get that program going.

Sustainable Regions has an economic, social and environmental focus. A number of the projects that are funded, while they might not have an explicit employment focus, will still be jobs-generating in regional Australia. It is all about lifting the game for the types of jobs that are available in regional Australia as well. There is a focus in one or two of the regions on creating what they call 21st century jobs. It is about how we diversify out of some of the conventional agricultural or fisheries related jobs in our regions and build newer industries that are going to be sustainable into the future.

Our other program, Regional Partnerships, was launched by the government on 1 July 2003, and again that builds on the statement. I have copies of that for you, plus short summaries of Regional Partnerships and Sustainable Regions for the committee. I can table them so you can have a look at them. Regional Partnerships again relies very much on local communities to provide advice on what they see as important for their region and what goes up to the minister for approval. It operates through the government's 56 area consultative committees, which cover the whole of Australia. It is not just regional Australia but the capital cities as well. Those committees also go through a process of establishing regional priorities for their patch, essentially, and it is against those priorities that they will recommend projects. This program has only been going for about eight months, but there are a couple of examples of projects that have been funded that I will mention briefly so you can see the diversity of things that we are funding in our portfolio.

One example is the growth and diversification of Port Fairy. The traditional fishing catch has left Port Fairy and gone to Melbourne, so the dividends into that community have not been as good as they could have been. The Regional Partnerships program will refurbish some historic bait sheds right down on the water, install some new fish tanks and train some young people in the tourism industry. It will open it up from a tourism point of view but will also keep the fish alive so that they can get better prices and service the local restaurant industry. There are jobs in a variety of areas in that community that have not existed before that are going to be generated from a small project of about \$54,000.

A bigger project—again this is in the fishing industry, but not intentionally so—is the Whyalla Aquaculture Infrastructure project. Again, that is about shoring up the future viability of that industry in Fitzgerald Bay in South Australia. They estimate that there will be a significant increase in tonnages there and that the project will generate full-time equivalent employment of about 67 people in that community. I could give you more examples, but I thought I would start with just a quick outline.

CHAIR—Are other examples contained in your material?

Ms Key—I have a table of projects funded under Sustainable Regions which I could give to you.

CHAIR—If you could provide that to us, we would be grateful—it may cover some of the areas that members here are interested in.

Ms Key—Both the Sustainable Regions and Regional Partnerships web sites publish approved projects, so you could always go in there and see what is happening.

Ms HALL—Could we have the approved projects for the Regional Partnership program as well? That was a question I had down to ask you.

Ms Key—Yes, certainly.

CHAIR—Have you finished your introduction?

Ms Key—Yes.

CHAIR—Thank you very much, Ms Key. Certainly the Regional Partnership initiative is an area that we want to explore. How long has the program been running?

Ms Key—Regional Partnerships started on 1 July 2003.

CHAIR—Is it still early days in terms of you getting a picture of what the employment outcomes will be?

Ms Key—It is still early days.

CHAIR—You mentioned 67 jobs as a projected figure for one of these communities.

Mr HARTSUYKER—That followed on pretty much from Regional Solutions.

Ms Key—Yes. For the benefit of the committee I should explain that we did have the Regional Assistance Program, the Regional Solutions Program, the Dairy Regional Assistance Program as well as a couple of other smaller structural adjustment programs. These have all been amalgamated, effectively, into Regional Partnerships, but there are many, many projects under RAP and RSP which are still coming to fruition. The employment outcomes from RAP, in particular, which had a clear employment focus, as you will be aware, are quite significant. There is an evaluation report currently being finalised, but I can tell you that at this stage it has generated at least three to four jobs per \$50,000. These have ranged, as you probably know, from community and more socially oriented interventions right through to very strictly targeted employment.

Ms HALL—Do you have a similar overview for the Regional Solutions Program that you do for RAP?

Ms Key—There has not been a formal evaluation of RSP at this point.

Ms HALL—Is there going to be?

CHAIR—It is less than 12 months, but will there be one?

Ms HALL—No, it is closed.

Ms Key—Not necessarily, it is closed. I have a couple of case studies in RSP of some particularly successful projects, but I do not have an overall picture of outcomes that I could give you.

Mr Owen—It was not just on employment.

Ms Key—Employment was not its key focus.

CHAIR—A number of witnesses who have come to us have spoken about a whole-of-government approach in trying to get programs up. We have heard various ideas and submissions, one of which I will talk about in a moment. The general question I want to ask is: in the whole-of-government approach to the delivery of services that you have been involved in, what are some of the barriers that you have come across that have prevented that from neatly working together for the good of the community?

Mr Owen—Interestingly, Ms Key and I attended a presentation this morning by the Public Service Commission on a report that has been put together by the Management Advisory Committee, which is a group of secretaries of departments. They have had some work done specifically about the barriers that have been observed, and Sustainable Regions was one of the case studies, as was AWT. The report identified a range of barriers.

Ms Key—Basically, the findings of that report encapsulated our complete experience in Sustainable Regions I think. I am sure you can imagine that, when you are running a program and trying to partner with another Commonwealth agency, they might have all the best will in the world to do that but their legislation or the closing date in their program might simply mean that they do not have any money available to them to partner. There are some administrative hurdles in place—even the way the budget is structured perhaps. We are not making the most of the opportunities that we have to partner with other agencies. There are these practical hurdles that get in the way. The budget cycle itself sets up a number of obligations and commitments that we have to meet.

CHAIR—Is the key to making it work to have a non-government lead agency responsible for it?

Ms Key—One of the findings of the report is that you need commitment from the top for whole-of-government to work. You need the most senior level of leadership to bring the various players together, whether that needs to be independent or not is not something that that *Connecting government* report necessarily focused on. But without the drive that you have in the COAG approach, where you have all levels of government committed to doing something different and fresh, it is a difficult issue to make significant inroads on.

CHAIR—The Brotherhood of St Laurence runs a program in Victoria where they bring various agencies and departments together, and it seems to be working quite well. It is done under their auspice. We heard that the Logan City Council wants to bring together DIMIA,

DEWR and a number of other players such as businesses, councils and the area consultative committees to run a program. How realistic is it? When you bring whole-of-government to these projects are we talking about barriers that are insurmountable, about simply the inertia of some departments or about proprietary territorial arguments that take place?

Ms Key—The environment has changed in the last couple of years. I think you will find when you talk to agencies these days that the net impact of doing whole-of-government is recognised now. If you are talking about outcomes for communities, there are so many benefits in knowing what each other is doing. For example, in Transport and Regional Services we can fund infrastructure costs of things like day care centres. Some of the other portfolios can only fund operating costs. We can partner with FaCS or someone else to put in place a day care centre for a remote community now because we have realised that we can complement each other properly.

In terms of setting up an independent group, in the Campbelltown-Camden sustainable region we funded the Macarthur Youth Commitment. It is an umbrella organisation of 50 organisations, including Australian, state and local government organisations as well as charitable organisations. That is very much focused on children at risk in year 10 essentially and keeping them at school. It is working in a much more integrated way. There are 70 partners there. The Commonwealth is putting \$904,000 into that project.

CHAIR—That is interesting.

Ms Key—It is a very ambitious project, as I am sure you will appreciate, but it is the first time all that environmental stuff has operated to enable that to happen. From having been involved in Sustainable Regions for a couple of years now I can see a shift to it being much more an accepted way of doing things.

Mr WILKIE—You were talking about that program and how you funded it. How was that need identified?

Ms Key—It is a Sustainable Regions project. The Campbelltown-Camden committee held a series of public consultations in the region. Out of that series of consultations, the issues of school-to-work transition and keeping employment in the region for young people came up as priorities for them. After they consolidated this list of issues in which they were particularly interested, they went back to the public and general community with a call for expressions of interest.

They received a number of submissions against those priorities. The Macarthur Youth Commitment project took a little while to evolve. As you can imagine, these committees get flooded with hundreds of applications. One of their roles is to put together similar projects. If half a dozen people come individually with a project in the same area, the role of the committee is to say, 'Wouldn't you have a better regional impact or better outcomes if you joined forces?' That is the approach taken in the program. Macarthur came out of that kind of approach. As I said, it took a while to evolve for all the players. There was co-funding involved as well. It took quite a few months to put the project together but that was its genesis.

Ms PANOPOULOS—Having a rural electorate, I am particularly interested in the changes to visas encouraging skilled migrants to settle in non-metropolitan areas. This operates in

conjunction with state governments. One of my concerns—and it was raised at one of the policy forums in Parliament House a couple of months ago—was that the objectives of the program are being seriously compromised by the fact that Melbourne has been defined by the Victorian state government as a region. Can you please comment on, firstly, the interaction of the federal and state governments with this program and, secondly, how far the Commonwealth responsibilities and jurisdiction extend in being able to assist with this program? If defining Melbourne as a region is maintained—which is a joke, an absolute disgrace and an abuse of the whole policy—what can we do to remedy that?

Mr Owen—The administration of that program is run by the Department of Immigration and Multicultural and Indigenous Affairs.

CHAIR—We are seeing them next.

Mr Owen—Good; okay. It would be most appropriate for the question to be directed to them. In terms of the interaction between federal and state governments, there is a ministerial council on migration. That is probably not the right name for it; it probably has a better name than that. We have an equivalent council called the regional development council. Under the auspices of our council we have been working with the immigration department and the state development departments which are on our committee to look at how best to implement that program—how to look at some of those issues of giving best effect when there is an interaction of jurisdictions. In fact, we are looking at some case studies and small trials to see whether they can have a stronger impact. The issues about the definitions and interpretations would need to be taken up with DIMIA.

Ms PANOPOULOS—I will have to make a request of the chair to put that issue to the next witnesses.

CHAIR—I will not do it with such passion, though.

Ms PANOPOULOS—I thought I was rather dispassionate.

Mr BRENDAN O'CONNOR—The question will not be loaded enough.

Ms PANOPOULOS—You mentioned the need to develop sustainable industries as an alternative to agriculture. I come from an area that has 3.8 per cent unemployment, which is the lowest in rural and regional Australia and lower than the vast majority of metropolitan electorates. There are sustainable industries in agriculture there that are quite innovative, so what is specifically targeted at those particular industries?

Ms Key—Some of the regions have been looking at things like the biomedical or biomass industries, which are emerging aspects in the agricultural sector. I cannot go into depth on any of these but there is recognition that there have been changes in dairying, sugar and tobacco growing, so it is about some of the alternative crops and uses for those crops.

Ms PANOPOULOS—Can I just correct you there? There is no need for an alternative crop for tobacco in my electorate; it is thriving. It is another situation in Queensland.

Ms Key—That is right, but there are some biomass related industries, for example, that tobacco is well suited to. In the Atherton Tablelands region, which is another sustainable region, there are some things. There is even hemp for Wide Bay-Burnett. It is about thinking laterally. It is not saying that people should not continue to work in the agricultural sector, rather it is asking what are the growth areas in that sector or new jobs possibilities.

Ms PANOPOULOS—What about existing agricultural industries that are successful?

Ms Key—I can give you some examples. The minister announced this week a Web based supply logistics project for the horticulture industry in the Wide Bay-Burnett region. How you can capitalise on your very successful vegetable and fruit growing—by getting it to market more quickly and in a better condition and by working collaboratively across the region? We are all about those regional impacts, not necessarily in a particular location. They are the kinds of things we are looking at and funding under the program. For example, the supply logistics project is funded through a collective of those horticulture industries. They have formed an association to work together to implement this new approach for them.

Ms HALL—You talked about social participation and working with employers in regional areas; are there any incentives included in the Sustainable Regions Program or in the other programs to encourage employers to relocate to regions with assistance from government?

Mr Owen—That is generally not an area that Australian government is engaged in.

Ms HALL—Can you send the committee details about the COAG Indigenous trials and other trials that you mentioned? I think they would be interesting for us to have a look at. With the details for RAP and the Regional Solutions Program could we have details of the measured outcomes and the evaluation you have done of RAP? Could we have details of what has been funded under the Regional Solutions Program, any evaluations that have been done and how they are folded in with the new program?

Ms Key—You will find some of that is already covered in your information.

Ms HALL—Yes, I have had a look at it and it will be useful.

Ms Key—I can table for you today a list of all the approved and announced projects in the Sustainable Regions Program. We can get the Regional Partnerships off the Web for you and make it available to the secretariat.

Ms HALL—What about the Regional Solutions Program?

Ms Key—There are over 700 projects for the Regional Solutions Program. Do you want a list or do you have a particular interest?

Ms HALL—I would like a list.

Ms Key—Do you want just titles?

Ms HALL—Titles and regions.

Ms Key—Would you like them by state or something like that?

Ms HALL—I am particularly interested in New South Wales but I am sure other members would be interested in their states. We have a Victorian and a Western Australian here. I am sure they would be as interested as I am.

Ms Key—We can do that.

Mr WILKIE—We had a submission from the National Farmers Federation some months ago suggesting that there should be tax incentives given for people who work in regional areas, not just for those who are employed there but also for farmers and businesses. Has the department got any views on that?

Mr Owen—We have not. There is an existing system of zonal tax rebates. That was touched on by a review of regional business development, which was conducted under the auspices of our department about a year ago. There were some recommendations that are with the government at the moment in relation to some changes to that zonal tax rebate system.

Mr BRENDAN O'CONNOR—With respect to the Sustainable Regions Program, the question I am interested in having answered is what happens—for example in my own region, when Ansett collapsed and there was massive loss of employment. There were attempts to discuss with the local advisory committees—I think they may be ACCs but we have here local advisory committees—ways in which to mitigate the adverse effects of the employment losses. I found that the catchment area where there had been most devastation in my electorate and in neighbouring electorates went across a number of these advisory committees. How do they then coordinate any action if indeed it cuts across the whole area? What I found was that there would be some problems and tensions, as to which group would determine decisions. There never seemed to be an attempt to resolve which one, for example, might have been the lead advisory committee. What mechanism does the department use to have one committee prevail over the other or indeed to have a way in which all committees that may be impacted upon work through those problems of authority?

Ms Key—You will appreciate that ACCs came into the department only a couple of years ago, but what we have in place now is regional meetings of those ACCs so that they do get together. For example, they get together on water related issues on the Murray. So that is a new mechanism that we have. We also have what we call a chair's reference group, so there is a group of between 10 and 12 chairs that represents all interests of the 56 ACCs and comes together quite regularly to discuss common issues and key themes that might be emerging and how to deal with those on a more collective basis.

Mr BRENDAN O'CONNOR—Finally, if it does cover more than one committee who determines which committee should deal with it primarily?

Ms Key—I think in that case it would be iterative. Generally, they would engage in a conversation with the department and there is an opportunity for them to come together in a more strategic way to apply for funding. They do not have to be necessarily limited by the fact that they may only be able to do something in their own area. They can certainly join together as a group and then put in an application together for funding.

Proceedings suspended from 12.09 p.m. to 12.19 p.m.

CHAIR—I have a couple of questions before we release you back into the wide world. Page 91 of DOTARS's annual report talks about the Commonwealth-state working party on skilled migration. We will have a chance to talk to DIMIA about migration issues shortly but the department identified mechanisms to facilitate greater dispersal of migrants and humanitarian entrants throughout regional Australia. Can you give us an outline of what those mechanisms are and what success you have had to date.

Mr Owen—Our role in that has been in terms of our networks into regional Australia and awareness and information raising more than anything else. There was, as we discovered through our ministerial council, the Regional Development Council, a very poor awareness amongst the agencies and networks that state government in particular had in some areas of the opportunities that the regional migration program presented. So what we have done over the last year or so with the Department of Immigration and Multicultural and Indigenous Affairs is provide a lot more of that information out to the ACC network that covers all of Australia as well as the sustainable regions network. We have also got our own regional offices. It has been essentially that but also linking to the state equivalent agencies where they have regional development boards or commissions. That has been the prime engagement. As to the success, I think the latest announcements about changes to that scheme are yet to flow through. I will leave that for DIMIA colleagues to comment on.

CHAIR—Do you monitor skills shortages across the regions? How do you do it?

Mr Owen—We do not. The Department of Employment and Workplace Relations certainly comes to the table with that information when we engage with them.

CHAIR—I remember years ago that the ACC that covers my patch—the eastern suburbs of Melbourne—did a very extensive skills analysis of the region, which is still a landmark piece of research. I think it might have used RAP funding for that. Is that left up to individual ACCs to do rather than being a departmental policy?

Mr Owen—It is, to an extent, because skills shortages are so different in different places. Ms Panopoulos's experience is very different.

CHAIR—You mentioned in your opening comments economic participation versus social participation, but you have not really made any comment about some of the social participation programs. Can you give us a brief outline of what some of those are.

Mr Owen—Some are the ones that have been touched on in the Family and Community Services submission mainly—certainly the ones around volunteering and the education, science and training programs where they are providing more non-vocational education opportunities. Those are the main tools, I suppose. But it is really the targeting of them and making sure that they are reflecting where skills opportunities and participation opportunities might be.

Ms HALL—By deciding to go down a non-vocational track, is that an acceptance that you have to live with the high levels of unemployment in those regional areas?

Mr Owen—Not at all. I think it is really that there is an ongoing effort at addressing that employment outcome but it is really a belief about what might get you onto a pathway that could end up in economic participation.

Ms HALL—So it is staged from non-vocational to vocational and then to employment?

Mr Owen—It is, but if you reflect on some very remote Indigenous communities, there are very different realities there in terms of opportunity. We still work on those but there is no question—

Ms HALL—I noticed that when you made your presentation, you said ‘in high levels of unemployment’ as opposed to ‘in a regional area that has got employment opportunities’; you addressed it more to the employment opportunities of the area rather than the employability of the person.

Mr Owen—Yes, I did.

CHAIR—How do you communicate with the community you are working with regarding the various funding mechanisms available? You touched on the fact that you can provide infrastructure funding to set up a child-care centre somewhere. How many people would know that? For example, the Logan City Council is trying to put together a program and it is trying to work out where it will get money from. There would be lots of organisations around the regions, including some urban based regions, that would have some great ideas, but it is knowing who to go to that is always the biggest problem. It is hard enough for us. They come to us and say, ‘Which doors can you open?’ and we have to search and sift through the information.

Mr Owen—It certainly is a challenge, and I guess we do all we can to make sure that there is a knowledge of the program availability and other aspects of government activity as close as it can be to where it will hit the ground. That is really where our ACCs come in, particularly with their broadened role since they have come into this department. They have a broader charter now as opposed to the specific focus they had on employment when they were with DEWR. We see them as a key source of information. We have weekly emails traversing a whole range of things that are going on across the Commonwealth, so information on things like the regional migration activities goes out weekly. That is something that has started in only the last few months as we are getting better at targeting their needs for information to better serve their communities. We have a regional network of offices as well. We have the sustainable regions committees, which operate as well as the ACCs in certain areas, which have been identified for some focused activity. We use other networks. We use the state and regional development networks now, and that is a very productive relationship these days. Do you have any other ideas?

Ms Key—It is essentially the ACCs who do the promotion, but our regional offices will also talk to communities.

CHAIR—That really depends on each individual ACC.

Ms Key—It does.

CHAIR—There are some good ones and there are some that are simply holding down a seat, which brings me to this point. When was the last time a full evaluation of the ACCs was done? How often would you do performance checks on various ACCs?

Ms Key—There is a lot happening with ACCs at the moment, including introducing new key performance indicators for them and getting them all harmonised along those kinds of lines. They do get together a couple of times a year in a conference to share ideas as well. I cannot tell you explicitly about an evaluation, I am afraid. Does that ring any bells with you?

Mr Owen—It does not. Neither Ms Key nor I actually run the network.

CHAIR—I have been disappointed in the ACC in my area. I believe it used to be one of the premier ACCs but, with change of staff, change of management and all of that sort of stuff, all of a sudden the initiative has dried up. I am wondering what kind of monitoring process is in place in the department.

Ms Key—They all have to submit their annual business plans and their regional strategic plans to the department for approval, so we do have a number of checks and balances like that in place. With regional partnerships, we are doing a lot of education of ACCs on what the program rules are and how it operates. This is a new program that is run through an online application system as well, which ACCs have a role in promoting too. I suppose we are also trying to get messages out through the Web in a more systematic way than we would have in the past.

Mr Owen—There is one other that is worth mentioning too, and that is the *Commonwealth Regional Information Directory*—which was called in a past life the *Rural Book*. It is a summary of all services available from the Australian government. It identifies a phone number as well that you can ring—as we have a phone centre down in Cooma—which steers people to all of the programs available. There is also something called GrantsLINK, which is a web portal that you can go through as well. It is always going to be a struggle.

CHAIR—We thank you for coming in and having a chat with us. If we need to get back to you with any further questions, the secretariat will contact you. Some information has been requested of you, and we look forward to receiving that in due course. Thank you.

Mr Owen—Thank you.

Ms Key—Thanks.

[12.29 p.m.]

BRYANT, Ms Jennifer, Senior Assistant Secretary, Settlement Branch, Department of Immigration and Multicultural and Indigenous Affairs

McIVER, Ms Glenys, Senior Adviser, Social Programs and Reconciliation Branch, Office of Aboriginal and Torres Strait Islander Affairs, Department of Immigration and Multicultural and Indigenous Affairs

MULLENGER, Mr Neil, Acting Assistant Secretary, Migration Branch, Department of Immigration and Multicultural and Indigenous Affairs

RIZVI, Mr Abul, PSM, First Assistant Secretary, Migration and Temporary Entry Division, Department of Immigration and Multicultural and Indigenous Affairs

CHAIR—Welcome. The proceedings today are formal proceedings of the parliament and, although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of the parliament and warrant the same respect as the proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. We prefer that all evidence be given in public but if, at any stage, you wish to give evidence in private, please ask to do so and we will consider your request. Would you like to make some opening comments?

Mr Rizvi—Yes, thank you, Chair. I have some opening comments covering issues such as population and economic benefits, the size of the programs, labour market outcomes, regional migration, the role of DIMIA funded settlement services, migrants in the Australian community and Indigenous Australians. However, given the time, would you like me to read them out or not?

CHAIR—Just a quick overview, please.

Mr Rizvi—I will give you a few quick points. In terms of population, I think it is worth noting that without immigration Australia's population would probably go into absolute decline in about 30 years. With current immigration levels it will keep growing for most of this century. Without immigration the number of people of work force age would go into absolute decline in about 10 to 15 years. With the current levels and age composition of immigration, the number of people of work force age will keep growing past the middle of this century. The economic benefits of immigration are well known. A point worth noting is that over the last three censuses migrants in Australia have steadily improved their employment performance. In every census that has got better over the last three censuses. This is the reverse of the situation in Canada, where every new cohort of migrants appears to be doing steadily worse than the ones before them.

CHAIR—So this is despite the changing structure and nature of work as well. So, compared to the low skilled permanent employment opportunities that were available in the fifties, sixties and seventies from high school, we are still seeing an improvement, which is great.

Mr Rizvi—That is right. I think that does highlight the importance of high selection standards. Skilled stream migrants are now achieving, within 18 months of arrival, unemployment levels less than the national average and income levels well above the national average. It is worth noting that, as for the labour market outcomes of immigrants, all of our research shows quite unequivocally that one of the most important factors in migrants getting a job is English language ability. The government funds English language classes to an extensive degree and in the most recent budget has announced additional funding in that regard particularly to target humanitarian entrants aged 16 to 24 with low levels of schooling.

The committee would be aware of the range of regional migration mechanisms that the government has introduced. We are happy to take questions on those. You would probably be aware of the very extensive funding for additional settlement services that the government announced in the budget. Ms Bryant can talk to those. One of the things that I would like to stress and that we would like to emphasise in that context is that, whilst the government has significantly increased its funding for DIMIA based settlement services as well as settlement services in other departments, it is important that the role of mainstream organisations who have a responsibility to provide appropriate services for both new arrivals and longer term residents should not be underestimated and it is important that DIMIA not be viewed as the backstop. We think that is not the right way to go. The mainstream providers have really got to be brought up to the mark in doing their job, particularly in terms of newly arrived migrants. I also have extensive information here about the various initiatives the government has taken in the area of Indigenous Australians. Ms McIver is able to talk about those.

CHAIR—Thank you, Mr Rizvi. The data you have just presented on increased participation sounds very heartening but I have here OECD data actually indicating that the Australian migrant labour force participation rate is lower than that for Australians. Furthermore, Australia's migrant employment participation rates are lower than those of other countries such as Austria, Spain, Switzerland and the USA. I am trying to marry that information with what you have presented.

Mr Rizvi—It is certainly true that the unemployment rate for migrants as a whole is higher than the Australian average, but only marginally higher. However, that hides a number of very significant issues. Australia operates, for very good reasons, a substantial humanitarian program. As we have a very substantial migrant community, we also have a substantial family stream—and we have those for very good reasons. However, the reasons we have those do not relate to employment and all of our research shows that unemployment rates amongst those groups is quite considerably higher than for skilled stream migrants. It is for that reason that the settlement services funding that the government announced in the recent budget really does seek to target those two particular groups.

CHAIR—What are some of the settlement programs that are designed to increase work force participation amongst the migrant groups? Perhaps you can also look at that in terms of the refugees who are coming and those who are coming in through the humanitarian program. Can you point to some particular settlement programs that are targeted towards that?

Ms Bryant—It is not the objective of settlement programs in particular to increase work force participation. We have five settlement services. To the extent that English is fundamental to success in the labour market, the Adult Migrant English Program is clearly something that we

put a great deal of emphasis on. We have very high participation and retention rates in the AMEP, which facilitates entry to specific labour force participation English language tuition such as the Department of Education, Science and Training's program of language, literacy and numeracy, so there is a flow-on into that program. The Translating and Interpreting Service is a general safety net in the community, but not a specific labour force participation program. The objectives of migrant resource centres and the Community Settlement Services Scheme are not specifically to do with work force participation. They are about support, information and referral connection to mainstream services but not primarily about work force participation. Again, the Integrated Humanitarian Settlement Strategy, which is the fifth settlement service, is primarily about supporting humanitarian entrants in their initial period of arrival. It assists them to enrol in Medicare, to open bank accounts and it gives them a basic package of household goods. Again, it is not specifically about work force participation. In a sense, the only one that is directly relevant to that is perhaps the Adult Migrant English Program.

CHAIR—Why couldn't they? We have heard from DOTARS and a few other organisations this morning that take a whole-of-government approach to helping various communities, particularly those with high levels of unemployment, to come together to work towards getting people into work. What would prevent DIMIA, DEWR, perhaps even DEST or anyone else from coming together under the auspices of either a migrant resource centre or some other agency, which may be an NGO, to work together towards that?

Ms Bryant—We do work collegially in that fashion—indeed, we do work jointly with DEWR. An example of that is some joint work that we have been doing in Queensland with the Sudanese community. Again, our expertise is not in delivering employment services. We contribute our knowledge of the communities, our understanding of their experiences and the difficulties that confront them, but assisting them into employment is the expertise of the Department of Employment and Workplace Relations.

CHAIR—There is one area you could assist in—I guess I am talking from a city base, but I am sure it is just as relevant in regional areas—and that is the fact that there are stereotypes and barriers for these people getting into the work force. The barrier can be the English language and cultural understanding for newly arrived migrants, but the barrier can also be the prospective employer. We know that is the case. Otherwise, why would there be a high level of skilled migrants who still do not have jobs?

Mr BRENDAN O'CONNOR—Where there is demand for those sorts of jobs.

CHAIR—Yes, where there is demand. You have stereotypes. Does not DIMIA have a role in breaking down some of those barriers?

Ms Bryant—We have our multicultural affairs programs. We have several key initiatives that seek to build community harmony and to increase understanding and so on. We have the productive diversity strategy where we seek to increase the awareness of business and employers of the benefits of taking advantage of the skills and experienced contacts overseas and so on to help build business and employment in Australia. We endeavour to build that base of broad community harmony and understanding that makes the community accepting of new arrivals and so on. Programs that are targeted at employers—

CHAIR—You do that with the community, but employer groups are what I am after.

Ms Bryant—Programs that deal with employers in particular are something that the Department of Employment and Workplace Relations works on. There has been a series of initiatives, but I am not expert in them. Following the Nelson inquiry some years ago there were a number of initiatives to target employers and their attitudes to both older workers and new arrivals which were discussed in that context. But that is something that is more the responsibility of employment and workplace relations.

Ms HALL—In your presentation you talked quite a bit about mainstreaming. Would I be right in assuming that there has been a move towards mainstreaming most programs these days—be it employment or be it a number of the support programs—and DIMIA's programs are a backstop? You said you did not want to see them as the backstop, but as the last port of call?

Mr Rizvi—We feel there are specific roles for DIMIA settlement services. They focus on new arrivals, particularly the humanitarian stream, and getting them settled on initial arrival. However, it is important that migrants are not seen as different. The objective of our settlement programs and of our migration program is that they be absorbed into the community to the maximum extent possible. In that sense we believe it is much more important that organisations that have a responsibility for all Australians, in areas such as employment for example, take that forward.

Ms HALL—Years ago I used to work in the more general employment area and there were specific programs and specific employment initiatives for migrants. It seems to me that, from listening to you, it is now all mainstreamed.

Ms Bryant—No, if I can put it—

Ms HALL—You are putting it more into the hands of DEWR.

Ms Bryant—But the point we are making is that if you take an employment program like the Job Network, it has a range of clients—some of whom are Indigenous, some of whom are from non-English-speaking backgrounds, some of whom are Australian born. It has to have strategies which enable it to deal with all of its clients. The strategies will potentially vary for the different groups it has to deal with. When we talk about mainstreaming, we say that DEWR should be dealing with all of its client groups. If it needs strategies for people of non-English-speaking backgrounds that include specialist Job Network providers who are expert in dealing with newly arrived communities and so on, then it should adopt those strategies. If it needs a different strategy to work with Indigenous communities, then it should adopt them.

CHAIR—That sounds appropriate in theory, but we do make a distinction in our employment assistance between those with disability and those without disability. FaCS runs a separate system, so there is that distinction already in place between two departments—FaCS and DEWR. I was going to ask a similar question: is the Job Network system responding appropriately to newly arrived migrants?

Ms HALL—You can add to that what was said a little bit earlier by Brendan and Phil. You have these highly skilled new—and sometimes not so new—arrivals who cannot access

employment. I remember in the days when I used to work in that area that there were very targeted programs.

Ms Bryant—It is also the case that skilled migrants are not eligible for Job Network services. They are eligible to access the job-matching, self-help type facilities in the Job Network, but my understanding is that skilled migrants in their first two years in Australia are not eligible for income support and are therefore not eligible for intensive assistance and those sorts of things through the Job Network.

Ms HALL—My concern with mainstreaming goes to Indigenous Australians just as much as it does to new arrivals, particularly when we are looking at mainstreaming more Indigenous programs.

Ms McIver—In the employment programs run by DEWR, there are two strands in terms of Indigenous clientele. There are specific strategies within the Job Network services, which ensure that the additional employment disadvantage faced by Indigenous people is recognised. There is also the Indigenous Employment Policy and programs under that which are even more targeted to the specific issues faced by Indigenous clients, particularly those living in rural and remote areas who may experience multiple disadvantage.

Ms HALL—I would like to say one final thing. My concern is the employment outcomes and the fact they are still appalling. They are definitely no better. Looking at figures I have looked at in last 24 hours, they are actually not quite so good in comparison to the rest of the nation.

Ms Bryant—I have two comments on that. In terms of whether the Job Network does a good job with people of migrant communities, DEWR data suggests that the outcomes for people from non-English-speaking backgrounds are as good as for other unemployed people. The settlement services review did comment on that issue and suggested that perhaps the data collections of agencies such as DEWR were not adequate to disaggregate the performance of some subsets of newly arrived people. The outcomes are probably very good for skilled migrants. As our data suggests, they may be less satisfactory for family stream entrants on the evidence we have and less satisfactory again for humanitarian entrants, who really face very significant challenges. I would also comment that, if we were correctly providing employment services—which we do not, because it is not our area of expertise—it is not necessarily the case that we could deliver better outcomes, because the challenges are also very real.

Mr BRENDAN O'CONNOR—We have been speaking about some of the barriers for migrants attempting to find employment. There was mention of more money spent on English skills and we have spoken about trying to overcome any particular employer prejudice that may be in the community. One of the things that I wanted to touch upon was recognising overseas skills or qualifications and the whole notion of prior learning. We have talked about employer prejudice but in particular, I was concerned about worker prejudice or prejudice by professional organisations—I will stick to that for the moment. You would think better, perhaps, of these enlightened professions but quite often you find professional organisations, effectively unions for doctors and lawyers, being quite oppositional to the intake of skilled migrants who may have comparable qualifications.

I know that in a number of electorates and regions in the country there are shortages of doctors. Could you reflect upon any resistance you find with the AMA in accepting doctors from certain countries who have comparable knowledge and skills in their degrees, and whether, in fact, the prime purpose of resisting recognising those qualifications is more to do with maintaining a closed shop for the local doctors than any questions about the quality of the degree? I know that we see overseas doctors in some ways as below the par of a doctor who was trained here or in certain other countries. Can anyone enlighten me about any problems in that area?

Mr Rizvi—The doctors issue is an extraordinarily complex and difficult one. It is probably fair to say that through most of the nineties there was a view that in metropolitan Australia we were oversupplied with doctors and that in regional Australia we were undersupplied with doctors. More recently, the view has been that we are undersupplied with doctors—full stop. Against that background, we have seen a gradual shifting of the attitudes of the royal colleges, the Australian Medical Council and the state medical registration bodies in respect of the registration and recognition of doctors and their skills.

The system that exists today is probably significantly more flexible than it was during the nineties. Previously most of the state medical registration boards would not consider registration of doctors who had not been through the entire Australian Medical Council process, which is an extraordinarily difficult process even for very good doctors. Since then, over recent years, they have started to look much more at using provisional and conditional registration arrangements whereby a doctor is recognised on a limited basis and they are able to work under supervision. Over a period of time, they reach a point where they can be fully recognised. Through the use of those mechanisms, the number of doctors coming into Australia has steadily increased. For example, at the moment, we would have in the order of 2,000 to 3,000 temporary resident doctors in Australia on conditional registration arrangements predominantly in regional Australia. There are more measures in train to improve that situation. I would say that it is not ideal but I do think we have moved on and it is a bit more flexible than it was in the nineties.

CHAIR—Ms Panopoulos, if she were here would have asked this question—I am not sure I am going to do justice to it. Have you already heard it—were you sitting in here?

Mr Rizvi—We were outside, but I have had the question put to me before.

CHAIR—Can you answer it? It is something to do with why Melbourne is included in the region because it distorts the outcomes.

Mr Rizvi—I am glad the issue has been raised because it is an important one. I would start by saying that there is a range of mechanisms to assist different parts of Australia to acquire the skilled migrants that they need. There are probably half a dozen. Melbourne is designated to benefit from one of those mechanisms—not all of them, just one. The approach that the government has taken is that where a wider definition of regionality can be used for a particular mechanism, without negatively impacting on regions which we would all regard as truly regional, then the government has done so.

For example, where you can designate Melbourne to benefit without negatively impacting on Ballarat and if the Victorian government says, ‘We want more skilled migrants and we don’t

mind if they come to Melbourne,' it makes sense to include Melbourne. Where the mechanism would involve a negative impact, say, on Ballarat not being able to compete with Melbourne then obviously you should not, and that is what we have done. So Melbourne is designated for one mechanism which requires the skilled migrants to have a close relative living in Melbourne. We believe that for that mechanism designating Melbourne does not hurt Ballarat, because presumably the same migrant will not have relatives in Ballarat as well—even if they did, there is no guarantee that the person who enters would live in Ballarat if they had another relative in Melbourne.

That is the only mechanism where Melbourne is designated. We believe if you look at it objectively, there is no negative impact on regional Australia. If the Victorian government wants more skilled migrants, why don't we cooperatively work with them to help them get that?

CHAIR—What success has there been in placing migrants into regional Australia? I know they are there for three years if they do go. What has been the success of that program to date?

Mr Rizvi—In measuring the success of that program I guess the first thing you look at is the quantum and the second thing you look at is—and, as I said, there are a range of mechanisms—how each mechanism is progressing and how successful each mechanism has been. In terms of the total quantum, certainly the numbers of migrants entering through the range of mechanisms is rising rapidly. By the end of this year for 2003-04 we expect to visa in the order of 12,000 migrants under those mechanisms—12,000 out of 70,000 is a sizeable percentage. Our estimates suggest that for next year we are looking at something like 23,000 out of 77,000. So the proportion of migrants entering through these mechanisms is steadily rising.

The specific mechanism you mentioned, Chair, is the one that will start on 1 July this year, so it is not in place yet. Whilst we have indicators of success for that developed and we are planning evaluation mechanisms, we cannot report on those. We work very closely with the state and territory governments to monitor the ones that are already in place on a day-to-day basis. Certainly the feedback we are getting from state and territory governments and regional authorities is that those mechanisms are meeting with a high degree of success. We do have separately planned a number of surveys which we are conducting at the moment which will get us more data on how those mechanisms are going, particularly in terms of the questions: have the people been successful and have they stayed?

CHAIR—I am going to leave you with two questions on which I would like you to get back to us because we are not going to have time to go through them. First of all, can you provide us with the discussion paper that was put together of the key recommendations of the May 2003 DIMIA *Report on the review of settlement services for migrants and humanitarian entrants* and a discussion paper in response to that circulated in March 2004—recommendation 25 in particular states that a needs based planning process supports the direction of humanitarian entrants to regional locations offering appropriate employment opportunities and access to specialist and mainstream services? I would like you to have a look at that.

The second one is, under the Regional Established Business in Australia program, businesspeople in Australia on long-stay business visas can gain permanent residence. I would like to know what the incentives are for businesses to go into regional areas, how many

businesses have been established, what proportion are still in business and how much employment has been created as a result.

Mr Rizvi—We will take both those on.

CHAIR—If you could get back to us on that, that would be great. Ms McIver, I am sorry we did not get to ask many questions on Indigenous employment. It is certainly not due to lack of interest. We have had an opportunity to raise those questions with other witnesses as well. Mr Mullenger, thank you also for coming in. I would like to thank the witnesses.

Resolved (on motion by **Ms Hall**):

That the committee authorises the publication of evidence given before it at public hearing this day.

Committee adjourned at 12.59 p.m.