



Regional Inequality in Australia Submission 19 November 2019

Submitted by:

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Representatives:

Key Points Summary

- *Regional inequality impacts liveability, forcing more and more people, particularly youth and aged to gravitate towards the city.*
- *Investment in locally based services strengthens regional communities and has a multiplier effect in the local economy.*
- *Government policies and programs should address forced leakage of regional funds into cities to access services.*
- *Importance of organisations like UCSA being supported to stay in the region as 'anchor institutions' providing stability thorough local employment, service access and contribution to community life.*
- *Barriers to employment in the regions are lack of child-care and access to qualifications – tertiary studies and further education and training.*
- *Skills shortages for regional industries could be addressed by investing in local acquisition of skills and qualifications for jobs in the future and fast tracking accreditation of skilled migrants.*

Investment in Locally Based Services Strengthens Regional Communities and the Economy.

Uniting Country SA Ltd. Is the largest provider of Non-Government social and community services in regional, rural and remote South Australia. As a local organisation, we employ local people to provide services to local people. We know our communities and strengthen them socially and economically by:

- Employing 281 employees (86 full-time; 117 part-time; 78 casual);
- Providing a range of opportunities for 161 volunteers to contribute to their communities;
- Operating from 27 premises owned or leased;
- Delivering 55 different contracted services primarily for State Government and Australian Government Departments;
- Covering over 90,000 square kilometres approximately the Federal Electorate of Grey.

The University of South Australia's Australian Alliance for Social Enterprise in partnership with Uniting Country SA and Centacare Catholic Country SA published a research paper in July 2019 titled "The Social and Economic Value of Country-based Community Service Organisations" Dr Catherine Mackenzie et al. The research identified the non-government community services sector as a major source of employment in regional South Australia and a significant contributor to the social and economic fabric of country communities. The paper provides estimates of the social, civic and economic value of country NGOs to their local communities, beyond that directly associated with



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service provision. The research calculated the multiplier effect of having an NGO presence in the country *“Every dollar spent locally by the NGO’s returns 2.3 times the dollar value into the local economy.”*

“This study indicates that supporting country-based community services should be recognised as being integral to regional development and economies. We suggest, based on indicative findings of this study, that locally established, country-based community service organisations are emerging as vital contemporary anchor institutions, mitigating some of the effects of precarity.” Mackenzie et al

The finding supports the argument that stopping the leakage of local money out of regions to the gravitational pull of the cities is a viable strategy to invigorate regional development, along with regenerating economies through new investment.

To reverse population-drain, Government could make long term investment in campaigns to promote country SA for a ‘tree and sea change’ to change the perception of city people about regional areas.

Access to services - Local money ‘leaks’ to Adelaide e.g. for medical appointments.

Uniting Country SA operates a Micro Credit no interest loan scheme, whereby people on a low income typically receiving Centrelink payments can borrow money for a variety of reasons – white goods, school uniforms, medical, dental, sports equipment, vehicle repairs, new tyres etc. The easily accessed loans offer the benefit of income soothing and avoiding the use of pay day lenders.

In late October UCSA’s Microfinance Program wrote it’s 10,000th loan. The recipient of this loan, utilised the funds to purchase a set of hearing aids locally, which she would not otherwise have been able to afford.

Since the inception of UCSA’s Microcredit Loan Scheme in 2004 the original \$40,000 of seed capital has generated over \$3.8million worth of loans. In 2018 Nyrstar donated \$20,000 to our capital pool which means we can assist a much greater number of people. The average loan is \$380 and they are typically repaid at \$40 per fortnight through Centrepay. Microcredit loans not only support people to access essential goods and service but also contribute to the local economy as nearly all items are sourced from local businesses. The money circulates primarily in the local economy, but an increasing trend is people borrowing \$300 for medical appointments in Adelaide to cover travel, accommodation and up-front specialist fees.

In 2018-2019 \$67,430 has been provided through UCSA Micro Credit loans for over 240 out of town trips for medical reasons, in a total of \$91,000 worth of loans for all medical, optical and dental related loans. The need to travel for medical appointments creates a financial drain on the individuals and the leakage of significant funds from the local economy.

Transport, Affordability and Access to Public Transport

People without a private vehicle and/or without a Driver’s License, those who are aged or have a disability are highly disadvantaged in the regions. In Grey in 2016 Census 7.5% of dwellings had no vehicle. Whilst this is the same percentage across Australia, the issue for our people is the lack of



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public transport. Only 1.5% of workers used public transport to get to work in Grey whereas 11.5% commuted to work on public transport across Australia.

The cost of transport in relationship to fuel costs and distance required to travel to access services in the regions is a greater burden on weekly income and the median weekly income of households in Grey in the 2016 Census was \$997 compared to \$1,438 across Australia. 30% of households had an income less than \$650 per week compared to 20% across Australia.

The width, safety and quality of roads in regional South Australia is also an issue, with more and more heavy Road Trains and B Doubles using the local road network. More investment in sealing rubble roads would also make travel safer for people living in rural areas who are forced to travel to access services.

Ageing Regional Populations, IT Access and Liveability of Smaller Towns

In the electorate of Grey (UCSA's service footprint) 20.7% of the population are over 65 compared to 15.8% across Australia and the median age is 44 compared to 38.

Aging residents in our region have poor access to the 'digital economy' and digital networks. E.g. the small township of Koolunga midway between Clare and Port Pirie (hardly isolated) has a very weak and most often no Telstra mobile phone signal. The Koolunga Development Association was recently advised that the community would have to pay for a tower if they wanted a signal as it was not financially viable for Telstra to construct a tower. In the mean-time emergency services that rely on Telstra mobile phones and GPS navigation are unable to find homes of seriously ill people and are unable to communicate.

In the electorate of Grey in the 2016 Census the internet was not accessed from 25% of the dwellings whereas it was accessed in all but 14.1% of dwellings across Australia. With one quarter of all dwellings in this region having no connectivity at home, the promise of the NBN has not been delivered in regional South Australia AND the increasing trend for Government Departments and banks to require people to use the internet for information or to access services excludes vulnerable people without access to the internet.

Lack of access to reliable, fast internet is also impacting the viability of businesses in regional locations and stops some people being able to access tertiary studies on-line.

Aging residents are being forced from small rural communities as the liveability decreases due to lack of services including public transport, access to medical services, internet access, no local shop to purchase a newspaper or loaf of bread, no garage to purchase fuel, no banks or post offices or automatic teller machines and the closure of sporting and recreational facilities.

A person living in Snowtown has a minimum 90 – 110 km round trip to Kadina, Clare, Balaklava or Crystal Brook to access an ATM. Access to cash is further away in the country but is required more than in the city, as some small businesses and most community clubs in rural towns do not have EFTPOS facilities as their small turnover does not make EFTPOS financially viable.



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Smaller communities are struggling financially to keep their bowls club, golf course, tennis facilities and ovals maintained and playable. Annual sports club fees include a large amount that goes to centralised administration where little benefit returns to the country. Membership numbers are dwindling in most sports that older residents typically participate in and sustainability is a real concern as the cost of insurance, power and water is escalating. Whilst some Govt. grants are available to upgrade sporting facilities, these tend not to be available for normal operating costs. The income of small rural clubs has changed dramatically over the past 10 years with much less income coming from bar sales as there is no public transport or taxi services to take patrons home.

Lack of investment in these facilities and their closure will further detract, rather than attract people to move from the cities where these lifestyle facilities are taken for granted, to live in the regions.

UCSA suggests that the Government may need to change the criteria for grants to perhaps cover insurance and water costs to keep sporting clubs open in small communities.

Regional Liveability – Access to Health Services.

UCSA is a strong advocate for Government and Private investment in medical services such as local hospitals; GP's and specialists to keep regional communities strong and healthy. Locally employed professionals in health, education, social and community services sectors add leadership to build the capacity and viability of smaller communities.

Health and hospital services currently have hub and spoke type models which require adequate resources in the hubs and a reasonable commutable distance or reliable public transport links from the spokes to the Hub

There is a need for increased mental health services in the regional hubs as currently patients with severe mental health conditions are taken to Adelaide, then sent home where there are very few support services to keep people well. Psych link is beneficial but face to face support is also required.

To increase the availability of medical professionals in regional areas, the onerous process for overseas health professionals to have their qualifications recognised in Australia needs to be improved.

Cultural isolation and loneliness are big factors which see overseas people leave for the city after a short time in regional areas. Investment is required in grass roots community development workers who can build the capacity of regional communities to embrace cultural diversity.

Regional Disadvantage - Access to Education, University or Technical and Further Education

In Grey when the 2016 Census data was collected, only 9.4% of the population was attending University of Technical or Further education. This is significantly below the 22.0% attending from across Australia. Further evidence of the lack of access to higher education is demonstrated by the level of qualifications - in the 2016 Census 17.3% of people over 15 years of age in the Grey Electorate had Certificate 4 or higher compared to 31.8% across Australia.

Improved investment by State and Australian Governments in Technical and Further Education and University Hubs is required to change this regional inequality.



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Young people stay in regional communities if they feel valued, have a voice in activities of interest to them, have strong family and peer support, can get a job and have access to local tertiary education (in whatever form) or training eg Uni Hub, TAFE

Analysis of future workforce requirements in Grey have identified mining, metal processing, NDIS and Aged Care as regional employers in the future. Plans should be developed to train locally at TAFE and the Uni-Hubs and Whyalla Uni Campus in the skills required: Engineers, Metallurgists, Heavy machinery operators, Mechanics, Occupational Therapists, Physio's, Psychologists, Social Workers etc. to support workers and use TAFE and Uni Hub to tailor to these needs

Supporting the Uni Hub (currently no support from state government)– enables young people to stay in their communities to study and then they are more likely to stay in the area and work e.g. Many small to medium businesses in Port Pirie are operated by members of the Italian and Greek community and they pro-actively employ younger members to keep them in the community.

We also urge the Government to provide extra resources to retain schools in small communities where they contribute to a feeling of community cohesion and hope for the future. A school in a small rural community such as Koolunga keeps families with young children in the district, becoming the next generation of farmers and community leaders as members of the local Development Association and School Council. A local school also keeps local sporting clubs viable with juniors living at home, being coached during the week and participating on weekends.

Child Care in the Regions

Child Care in the region is critically short and accessibility is an issue in smaller communities, which is keeping people, predominantly women, from returning to work either at all or in a reduced capacity or forcing 'professional drift' as parents with required skills and qualifications move from smaller country towns to where Child Care is available. The availability of Out of School Hours Care (OSHC) places also impacts parents' ability to fully contribute to the workforce.

Crystal Brook Case Study. A person working in Crystal Brook needing Child Care must drive their child/ren to Port Pirie to drop off at the nearest Child Care Centre and return to Crystal Brook to work, a 60km round trip twice each day eroding almost 2 hours of family time each working day.

Flow-on impacts include the loss of 3 children in the local Crystal Brook Primary School as a school teacher working in Port Pirie takes their children to a school in Port Pirie because there are no before and after school Child Care or OSHC options available to the family in Crystal Brook. The partner's employment as a SA Police Officer requires flexible hours and they cannot be reliably available every school day.

Lack of Child Care is also impacting the availability of nurses and doctors at the Crystal Brook Hospital and Medical Centre. Four pregnant nurses are unable to consider returning to full-time work as there are no Child Care options available. A Doctor is only working part-time as she has no access to Child Care and a married Doctor couple are considering their future options which may include moving when they plan to start their family.



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One of the barriers to Child Care availability in the country is the stringent requirements to register Family Day Care providers and their facilities. Whilst we support the need for training and Working With Children Clearances, and an interest in child development, the safety requirements of the home should be those required in any safe, comfortable home.

Both the cost and the availability of Child Care are contributing to 'aged contributor drain' from regional communities to the city. We are aware of several newly retired couples who have left regional areas to move to Adelaide to provide Child Care for their grand-children. Their children are residing and working in the city and they move to provide care for their grandchildren before and after school. They become the essential pick up and drop off transport service to enable participation in afterschool sports and recreational pursuits. Every time this happens, the region loses the many years of contribution retirees give to our communities, contributing to the economy, keeping sporting clubs viable and volunteering their skills to community organisations such as Uniting Country SA that rely heavily on volunteers.

More affordable Child Care places and OSHC places should be funded as a Government priority.

Affordable Housing Options in the Regions

Government investment is urgently required to provide affordable, good quality housing to provide options for people coming into the region and for people in relatively high cost, low amenity housing. The use of local contractors would also stimulate the economy.

The Stimulus Housing Package of several years ago could be re-visited to boost regional economies and provide much needed quality, affordable community housing, designed particularly for larger families and for people with disabilities.

Regional Enablers - Government and Private Investment

Governments are encouraged to look at who they are contracting to deliver services in the regions – is the organisation invested in the region? Are their management salaries and purchasing power used to invest locally and contribute to community longevity and health?

When new investment is made in large projects, create a 'local employment' requirement to ensure that developers don't just bring in their own workforce and contribute nothing to the local economy. Employing or sub-contracting local tradies and purchasing local supplies where possible contribute to regional sustainability and boost community morale. The multiplier effect also impacts the viability of small businesses in the community.

Conclusion

We thank the Senate Economics Committee for the opportunity to make a submission into the Inquiry into Regional Inequality