rural and regional australia:
change, challenge and capacity

Mission Australia
This is a paper about the ‘value’ we place on the diverse communities in rural and regional Australia. While many non-metropolitan areas have experienced growth and stability, there are still numbers of people living with high levels of disadvantage. How can we bring ‘value’ to their lives?

The paper places this question in a framework of five major ‘capitals’ – that is the environments and circumstances that can be shown to work for people and communities’ advantage. This scheme of arguing leads on to a fascinating examination of the ‘value’ inherent in their natural environment, their networks, their life transformation opportunities, their built environment, and the land and economy that provide their livelihood.

This is a paper of significant social exploration that marks exciting fresh directions for Mission Australia’s social policy research. It is a complex paper that opens up new possibilities about effective service delivery to meet specific needs among disadvantaged people in rural and regional areas.

Once again the report highlights that our work always has to be based on clearly determined data. It demonstrates that we are an intentional community service organisation focussed on client need.

The case studies show the effectiveness of careful scientific scrutiny and research. We live with the evidence of communities of hope. What we are aiming at is to put down deep roots in these communities, whether under our brand or in co-operation with others already committed to regional towns, cities and areas.

This is a key to our work and it is also the mark of what we mean when we say we are a ‘christian’ charity. We are intentional, focussed, interested in people and relationships and committed to what will best support personal and community transformation. We treat others as we ourselves would wish to be treated.

We believe that all people have the capacity to change their lives. But it needs the rest of us to create resources that will give the basis for hope.

Ours is a christianity immersed in the story of our nation. We have been working at this steadily since the mid-19th century and hold the conviction now, as we did then, that ordinary men and women given the chance can make a successful go of their lives. As this report notes we believe that ‘the quality of human capital enables people to innovate, interact and progress ideas’.

We show in this paper how we are committed to building a more equitable nation. With no fanfare about our own achievements, we pledge ourselves to work alongside others engaged in the same task.

Bill Lawton
National Chaplain
Rural and regional communities across Australia have experienced unmatched social, economic and environmental changes over a sustained period of time. Many have shown extraordinary resilience and a capacity to respond to these changes with flexibility, creativity and innovation. But many still lack the necessary resources or ‘capitals’ with which to develop sustainable positive change.

Communities in rural and regional areas are not homogeneous. There are specific groups who continue to live with high levels of disadvantage, others struggling to adapt to rapidly changing environments, as well as groups who are prospering from the on-going structural changes of the past thirty years. Within this very broad and complex topic, this report’s focus is on disadvantaged communities and groups living in these areas.

Using a capitals framework – economic, human, institutional, social and natural capital – the report considers the various resources required to develop functional, resilient communities and the impact of resource or ‘capital’ deficits on the wellbeing of individuals and communities.

Through an analysis of a range of issues including population, health, education and environment, this report identifies and describes some of the major trends and issues in contemporary rural and regional Australia.

But more importantly, it identifies the needs of specific disadvantaged groups within towns and communities. The needs of Indigenous Australians must be prioritised, particularly in the crucial areas of education, health and employment.

Other priority areas identified in this report include:

- **The retention of young people**, particularly young women, in these communities by ensuring the provision of accessible education, training and employment opportunities.

- **Improved access to health services** is a prerequisite for the sustainability and development of many communities in rural and remote areas. A national Rural Mental Health strategy is a priority need, as are additional preventative health services for young people. The stark contrast between the health status of Indigenous and non Indigenous people requires a comprehensive national response that not only addresses health access needs, but also many of the determinants of health such as employment, income and adequate housing.

- **Improved access to services for victims of domestic and family violence**, particularly in rural and remote areas. Sufficient resources are needed to enable services to extend service levels and provide greater outreach support to vulnerable families. In addition, an enhanced focus on prevention and earlier intervention, especially with young people is required.

- **Better access to some essential services via an increased utilisation of mobile and information technology based delivery systems**. Long travelling distances, coupled with poor transport options, contributes to the social and economic exclusion of many residents in rural and remote areas. The potential of mobile and information technology services to address these access issues, across a range of identified needs, should be fully explored.
• Capacity building policies and programs accompanied by macro-economic and social policies that prioritise equitable access to services and opportunities for non-metropolitan communities. In particular, equity of access is required for those groups within communities who are experiencing the highest levels of social exclusion and disadvantage.

• An enhanced role for local government bodies that acknowledges their critical and expanding role in rural and regional communities is strongly encouraged. This tier of government is well positioned to lead the economic and social development of the regions it serves, and directly engage local communities as active citizens in these processes.

• More effective intergovernmental planning and policy development, that directly engages the three tiers of government is needed. Enhanced community outcomes and a reduction in the unintended consequences of policy decisions can be achieved with sufficient forethought and integrated government planning with communities.

Non-metropolitan Australia includes an incredibly complex and varied range of people, communities, industries, opportunities, issues and development needs. This diversity, combined with changing demographics and accelerated internal migration, will require continuing specialised attention at the service delivery, research and policy levels.
Most Australians live in relatively prosperous communities. However access to services and opportunities is affected by many factors, including where people live. In recent years there has been much interest in the issue of locational disadvantage and a growing acknowledgment that access to the benefits and opportunities of our society is often impacted by geographic location.

Rural and regional Australia is brimming with diverse communities, characteristics and issues. Communities and towns in rural and regional areas are not homogeneous; there are specific groups who continue to live with high levels of disadvantage, others struggling to adapt to rapidly changing environments, as well as groups who are prospering from the on-going structural changes of the past thirty years. Within this very broad and complex topic, this report’s focus is on disadvantaged communities and groups.

This report:
• Provides an overview of the major demographics, trends and issues of rural and regional Australians and their communities.
• Identifies the key types and causes of disadvantage.
• Illustrates through practical examples a range of innovative service responses that meet identified community needs.
• Identifies some of the major current and emerging policy issues and informs future policy and service delivery responses.

A ‘capitals’ framework

Our approach to these topics is structured within a ‘capitals’ framework, including economic, social, natural, human and institutional capitals. This publication uses the concept of capitals to refer to the different types of resources required to sustain and develop healthy, functional communities and to explore the deficits that contribute to disadvantage.

A balanced and robust supply of all these capitals can provide people with the ‘ingredients’ to successfully shape their communities and better understand and respond to change. The capitals framework also has the potential to provide a more holistic evidence base to inform governments and non-government agencies in their policy and service delivery responses to the needs of rural and regional communities.

In this report the five major capitals are defined as:
• **Natural or environment capital** is embodied in our land, air, fresh waters, seas, and flora and fauna. Natural or environmental capital refers to the renewable and non-renewable resources which enter the production process and satisfy consumption needs, as well as environmental assets that have amenity and productive use, and are essential for the life support system.
• **Social capital** is embodied in the ways people live together. Social capital refers to the networks, shared norms, values and understanding that facilitate co-operation within and between groups. It is concerned with networks, trust and reciprocity.
• **Human capital** is embodied in the education, knowledge, skills and health of the people within a community. The quality of human capital enables people to innovate, interact and progress ideas.
• **Institutional capital** refers to the three tiers of government, the built environment including public and private infrastructure and assets, educational facilities, banks and hospitals. The non-government not-for-profit sector is also included in this category.
• **Economic capital** includes income, wealth, land and machinery. It also includes produced capital including manufactured goods, communication systems and harvested crops.
The overarching concept of sustainability and the framework of the interconnected capitals have been increasingly adopted in response to the issues and development needs of rural and regional areas (Dibden and Cocklin, 2005) as well as the measurement of Australia’s progress (Australian Bureau of Statistics (ABS), 2004 a).

This framework of capitals is often discussed in relation to the principle of intergenerational equity; that is, decisions taken today should ensure that at least an equivalent set of opportunities for human welfare is available to succeeding generations (Harding, et al 1994).

Not only is it important to ensure a healthy and balanced supply of all the capitals, it is equally necessary to ensure that today’s activities and decisions do not disadvantage future generations.

A number of rural and regional Mission Australia services are featured in this publication to illustrate a variety of local needs and practical responses by the non government sector. Effective service responses could also be illustrated by many of the outstanding community services provided by other agencies in rural and regional areas throughout the country.

Defining rural and regional

Defining regional and rural Australia is not a simple task and there are several classification systems that are commonly used. The material used in this report has been drawn from an extensive range of sources, many of which use different classification systems (see Glossary). In this report, ‘rural and regional’ generally refers to those parts of the country which are outside the capital cities. The term non-metropolitan is also used interchangeably to refer to these areas.

Population: Characteristics and change

One of the defining characteristics of Australia’s population is its spatial distribution, predominately along the coast and in capital cities. In 2001 an estimated 85% of Australians lived within 50 kilometres of the coast (Haberkorn, G et al, 2004) and at June 2003, 12.7 million or 64% of the population were living in capital cities.

This means that 36% of Australians lived outside capital cities. These populations are very diverse and their environments are vastly different, ranging from large regional cities, mining towns to coastal settlements, farms and the outback.

Figure 1: Estimated population distribution, June 2003

Source: Australian Bureau of Statistics (2005 a)

The size and composition of the population of non-metropolitan Australia continues to be influenced by both international and national trends, as well as some more historical patterns.
Growth and decline

Total population growth is affected by natural increase (the number of births minus the number of deaths) and international migration. Australia’s population grew by 1.2% in the 12 months to June 2005 (ABS, 2005 b). Natural increase and net overseas migration contributed 53.6% and 46.4% respectively to Australia’s total population growth in the year ended June 2005.

The rate of natural increase of Australia’s population has generally decreased since 1962, due to both falling fertility rates and the ageing of Australia’s population. In 1971 the rate of natural increase was 12.7 persons per 1,000 populations; by 1981 it had fallen to 8.5 and in 1996 the rate fell below 7.0. However recently natural increase has been on the rise, with the preliminary natural increase for the year to June 2005, 6.8% higher than for the previous twelve months. This is attributed to more births and fewer deaths; total fertility rates increased for the 2004-05 financial year; the second consecutive annual increase.

Some capital cities are still experiencing significant growth; for example Brisbane grew by 1.9% and Perth grew by 1.8% between 2003-2004. The non-metropolitan areas with growing populations tend to be areas surrounding capital cities and those located along the more fertile coastal areas. This includes towns and regions such as the Mid North Coast and Illawarra (NSW), Moreton (QLD), Darwin (NT) and Augusta-Margaret River (WA).

Some areas of capital cities have been experiencing population decline, however the most rapid declines have been in rural areas. Smaller towns, particularly those with a population of 2,000 or less, have been the most affected, often to the benefit of larger nearby regional centres and the detriment of the smaller town.

Table 1 details the local government areas with the fastest growing and fastest decreasing populations across the country between 1998-2003. The latter are all located in rural regions, predominantly in remote and very remote areas of Western Australia.

Table 1: Local government areas (LGAs) with fastest population increases/decreases, 1998 to 2003 *

<table>
<thead>
<tr>
<th>Fastest increases</th>
<th>Fastest decreases</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LGA</strong></td>
<td><strong>Class</strong></td>
</tr>
<tr>
<td>Melton, VIC</td>
<td>Major Cities</td>
</tr>
<tr>
<td>Perth, WA</td>
<td>Major Cities</td>
</tr>
<tr>
<td>Palmerston, NT</td>
<td>Outer Regional</td>
</tr>
<tr>
<td>Melbourne, VIC</td>
<td>Major Cities</td>
</tr>
<tr>
<td>Camden, NSW</td>
<td>Major Cities</td>
</tr>
<tr>
<td>Wanneroo, WA</td>
<td>Major Cities</td>
</tr>
<tr>
<td>Broome, WA</td>
<td>Remote</td>
</tr>
<tr>
<td>Sydney, NSW</td>
<td>Major Cities</td>
</tr>
<tr>
<td>Capel, WA</td>
<td>Inner Regional</td>
</tr>
<tr>
<td>Casey, VIC</td>
<td>Major Cities</td>
</tr>
</tbody>
</table>

* Uses ARIA Remoteness Index (see Glossary)

Source: Department of Transport and Regional Services (2004)

During 2003-2004 several regional centres across the country continued to gain population including:

- New South Wales: Maitland, Greater Queanbeyan, Albury-Wodonga
- Victoria: Greater Geelong, Greater Bendigo and Ballarat
- Queensland: Toowoomba, Cairns, and Townsville
- South Australia: Port Lincoln
Internal migration

Within a relatively stable national population base, internal migration between and within the various states and territories is having the most impact on the size and composition of non-metropolitan areas.

Net migration loss is the major factor contributing to the population decline in many rural areas. This occurs when the number of people moving out of an area exceeds the number moving into it. In some ways this pattern is part of a historical trend in country areas, but in the last thirty years it has been exacerbated by many of the macro economic and social changes that have occurred in Australia over this period.

Table 2: Shifts in the Australian population over the 20th century

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beginning of 20th century</th>
<th>End of 20th century</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage living in capital cities</td>
<td>32</td>
<td>64</td>
<td>100.0</td>
</tr>
<tr>
<td>Percentage living in coastal cities</td>
<td>7</td>
<td>19</td>
<td>171.4</td>
</tr>
<tr>
<td>Percentage living in ‘the bush’</td>
<td>61</td>
<td>17</td>
<td>-72.1</td>
</tr>
</tbody>
</table>

Source: Department of Transport and Regional Services (2002)

Key questions when considering internal migration patterns are: who is moving, where to and why? For non-metropolitan Australia, migration patterns are largely determined by a few major factors: proximity to the coast; employment and training opportunities; and the cost of housing. The motivations for relocating can also vary according to age and have a pronounced impact on both the size and composition of the regions people leave and those they move into.

Some non-metropolitan coastal areas have experienced high population growth due to increased internal migration in the last few years. In the year prior to the 2001 Census, the vast majority (78%) of residents who moved to high growth coastal regions moved from within their own state or territory and two thirds of them came from non-metropolitan areas (ABS, 2004b). The towns of Derby and Broome in Western Australia are examples of this trend.

Recent research has found that a ‘geographical mismatch’ between where housing is affordable and jobs are located, has a significant impact on welfare recipients’ relocating to metropolitan and non-metropolitan areas (Australian Housing and Urban Research Institute, 2005). The major findings of the research are:

- The most common reason for welfare recipients relocating from metropolitan to non-metropolitan areas was housing affordability.
- The most common reason for relocating from non-metropolitan to metropolitan areas was employment opportunities.
- Across Australia in 2000 about 9,500 more welfare recipients moved from metropolitan areas than moved into them.

In terms of interstate migration, Queensland has been the preferred destination with more people moving into Queensland in 2002-03 than any other state. During this period, New South Wales had the largest net outflow of residents. Australia’s population patterns are also being significantly affected by our ageing population and the redistribution of various age groups through internal migration has implications for service provision and policy responses.

Job Network, Hervey Bay, Queensland

Hervey Bay, in the Wide Bay region of Queensland, is one of the main access points to Fraser Island and other regional tourist attractions. The area attracts thousands of backpackers and whale watchers each year and has become a popular location for retirees. The population has grown substantially, increasing from 30,000 in 1999 to 50,000 in 2005.

Like Job Network providers across the country, the Mission Australia service at Hervey Bay assists unemployed job seekers to gain employment. The service does this via a range of programs including training, Work for the Dole, vocational profiles and customised assistance for long-term unemployed people.

Many of those seeking work are older unemployed people, including some who are semi retired. Young people who have not completed Year 10 are also a significant client group. The limited job market tends to rely on tourism especially during the whale season, the seafood industry, hospitality, aged care and construction.
Some of the major barriers to gaining full time employment include:

- A highly casualised and seasonal tourism-based job market with very few full time jobs.
- Young people who have not completed Year 10 and are not eligible for many traineeship and apprenticeship opportunities.
- Many long term unemployed labourers who are no longer considered ‘employable’ by local builders due to age and physical limitations.
- Jobseekers with literacy barriers which make retraining difficult.
- A lot of ‘cash in hand’ work in hospitality, cleaning and construction.
- A high proportion of job seekers without a driver’s licence and poor public transport provision.

‘As our city grows we need to have resources that grow with it and that is not happening’ (Hervey Bay resident).

Hervey Bay has experienced exceptional population growth in recent years, mostly from net migration and trends indicate this will continue. The rate of unemployment (10.3% in March 2005) is but one indicator of a town experiencing considerable change. The older profile of the town is creating strong demand for aged care services and there is also a range of other emerging infrastructure and community service needs.

Age, gender and location

Like many western countries Australia’s population is ageing, and while fertility rates impact on this, it is increased life expectancy that appears to be having the major impact.

Between June 1984 and June 2004 the proportion of Australia’s population aged 15-64 years remained fairly constant, at around two-thirds of the total population, while the proportion of people aged 65 years and over increased from 10.1% to 13.0% and the proportion of people aged under 15 years decreased from 24% to 19.8%.

Graph 1: Population, age and sex, 1984 and 2004

At the 2001 Census there were 9.6 million females living in Australia, of whom 12 percent lived in rural Australia. While women outnumber men in Australia’s urban areas, men outnumber women in rural areas.

Graph 2 is based on 2001 Census data and illustrates the ratio of men to women by geographic areas using the Australian Standard Geographic Classification. The rural areas, consisting of bounded localities with population clusters of 200-999 and rural balance areas with populations of less than 200 people, both had a higher ratio of men to women, and this was particularly pronounced in the rural balance areas.
On current trends it is anticipated that some parts of Australia will age more rapidly than others. South Australia and Tasmania are likely to have the highest relative proportion of older people in forty years time, while the Northern Territory is likely to have the lowest proportion. The high proportion of Indigenous people living in the Territory is a determining factor in this equation. The life expectancy of Indigenous people is twenty years lower than that of the non-Indigenous population. Indigenous Australians also have much higher infant mortality rates than non-Indigenous Australians.

Internal migration has a large impact on the age structure of regions outside capital cities, with parts of non-metropolitan Australia ageing faster either because of the movement of young people out of these areas (out migration) and/or the movement in (in migration) of older people.

The out migration of young people (15 to 24 years) from rural to metropolitan areas has been a familiar trend in Australia; however the extent of it has varied. Between August 1996 and August 2001 almost three times the number of young people migrated out of country areas than moved into them, and the majority (approximately two thirds) moved to capital cities. During the same period large population centres in regional areas also experienced a net gain of young people, mainly from smaller towns and communities.

It tends to be young men who remain in many rural towns. Various factors may contribute to this dynamic, including fewer employment and apprenticeship opportunities for young women in rural areas and a culture that often reinforces traditional gender roles within the family and broader community. In a 2001 report, young women reported leaving because of the lack of employment opportunities, the need to access higher education and the need to escape the masculine culture evident in the sporting profile, power structures and employment opportunities that restrict their choices (Alston and Kent, 2001).

Conversely there are increasing numbers of older (over 65 years) people living outside metropolitan areas, particularly in the densely populated coastal areas and regional cities with a population of 100,000 or more. Some coastal areas, in particular those that already have fairly high concentrations of older people, are projected to age more rapidly.

While older retirees are major contributors to the growth of coastal populations, more recently a younger profile of new arrivals has also emerged. Housing affordability and a range of lifestyle factors appear to be the major prompts for these younger arrivals relocating, with a significant number having low incomes and/or being in receipt of government benefits. These demographic shifts are likely to have a considerable impact on local infrastructure and service demand, with specific implications for local government.

In terms of the total population, only a small proportion of older people tend to live in remote areas. This can be partly attributed to the lower life expectancy of the high proportion of Indigenous people living in these areas. Factors such as the type of employment available (predominately mining and grazing), as well as poor access to medical facilities have also been cited for the low number of older people in remote parts of the country.
Indigenous Australians, location and age

A significant proportion of Indigenous Australians lived in major cities (31%) in 2001, however almost half (49%) lived in the outer regional, remote and very remote areas combined, compared with 13% of the total Australian population. (ABS, 2003 a).

Unlike non-Indigenous Australians, the majority (68.9%) of Indigenous people live outside the capital cities and, whilst comprising 2.2 percent of the population, Indigenous Australians account for 4.3 percent of Australia’s non-metropolitan population. In general Indigenous Australians also tend to be more evenly settled across different areas of non-metropolitan Australia including country towns, remote and very remote areas.

Indigenous Australians are generally younger than the total population; as at 2001 the proportion of the Indigenous population aged 14 years and under was 19% higher than the rest of the Australian population.

Graph 3: Age of Indigenous and non-Indigenous populations, 2001

Source: Australian Bureau of Statistics (2003 a)

The significantly lower socio-economic status of Indigenous Australians tends to have a pronounced impact on the characteristics of particular areas. In several non-metropolitan areas, the higher the proportion of Indigenous people, the higher the level of disadvantage.

Overseas born residents

In 2001, 81% of Australians born overseas were living in capital cities, with slightly more than half of all overseas born people living in either Sydney or Melbourne. The settlement trends of overseas born Australians tend to reflect the patterns of those born in Australia, with most living in the more populous states of New South Wales and Victoria. However the percentage of overseas born living in Queensland increased six per cent between 1971 and 2001.

This group also tends to be less mobile than the Australian born population and less likely to move out of capital cities into rural or regional areas. Younger people born overseas are more likely to live in capital cities than older migrants, with 90% of overseas born people aged 15-24 years living in the capital cities. However this figure includes university students staying in Australia for more than 12 months as they are considered part of the resident population in the census count.

Overseas born Australians from Asia tend to be the most urbanised, with those least likely to live in regional and rural areas being people born in Vietnam or China.
Summary

The redistribution of Australia’s non-metropolitan population, principally via internal migration, is creating:

• The growth of several larger regional centres in both rural areas and areas surrounding the capital cities.

• Substantial growth in some coastal areas (east, south west and west) with high proportions of older, often retired people and younger people on low incomes.

• Many ageing rural communities as a result of the growing exodus of young people (particularly young women) out of these areas, mainly to capital cities.

• The rapid decline of smaller rural towns, particularly those with under 2,000 inhabitants.

• Increased proportions of younger Indigenous people living in smaller towns and remote areas often with lower standards of living and fewer opportunities.

These shifting demographics reflect a highly mobile population responding to a range of triggers including employment opportunities, housing costs and lifestyle preferences.

These trends also suggest some major challenges for policy and service provision in regional educational and employment opportunities for young people, Indigenous social and economic inclusion and aged care.
Economic capital

Economic capital includes income, wealth, land and machinery. It also includes produced capital including manufactured goods, communication systems and harvested crops.

Changing economies

The traditional economic base of rural and regional Australia has been primary industry, including agriculture, forestry, mining and fishing, with the economies of rural towns and communities essentially service centres for these industries. Consequently, many of the recent structural changes to primary industries have impacted on the functions and employment opportunities in rural communities.

The relative importance of agriculture to the national economy has declined significantly in the last half century despite increasing agricultural output. This is largely because of growth in other areas in a more diversified economy. In particular, manufacturing, service industries and construction have outstripped agriculture in relative importance to the economy.

In the early 1950s agriculture contributed 10-15% to Australia’s Gross Domestic Product (GDP); by the mid 1990s it was closer to 3% and this has remained around the average in recent years. Similarly, during the 1950s, agriculture accounted for 10% of Australia’s employment and by 2002 it accounted for less than 5%.

While the overall significance of this sector has declined, its contribution to the economy, using the measure of gross value of agricultural production, grew steadily between 1996-2002.

Table 3: Total agricultural commodities produced, gross value

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<tbody>
<tr>
<td>$</td>
<td>28,130.8</td>
<td>28,258.0</td>
<td>28,893.9</td>
<td>30,212.0</td>
<td>34,236.7</td>
<td>39,587.9</td>
</tr>
</tbody>
</table>

* Current prices in millions of dollars
Source: Australian Bureau of Statistics (2004 d)

Several economic changes during the last thirty years have transformed many aspects of non-metropolitan Australia. These have included the restructuring of the national economy and industries and some significant policy shifts in response to a more globalised economy. These broad factors have impacted on local and regional economic relationships and had flow-on affects on employment opportunities and population trends.

Rural and regional areas that have been traditionally reliant on agriculture as their employment and income base have faced extraordinary levels of change. Structural changes have been key drivers contributing both to the growth of some non-metropolitan areas, such as regional centres, and the decline of many small towns. Periods of prolonged drought and environmental degradation have also taken their toll.

These factors have had a profound impact on farming families, the traditional primary economic unit of the rural landscape; between 1986 and 2001 the number of farming families decreased by 22 per cent.

Changes within the farming economy impacts on the financial viability of rural communities, with farming expenditure continuing to have a considerable bearing on rural towns particularly in relation to employment and population.
The 2001 Australian Farms Survey report found that in 1998-99:

- Most farm expenditure occurred in larger towns; centres with over 20,000 people attracted over half of broadacre farmers’ expenditure.

- Although the proportion of total expenditure by farmers in small towns, (under 2,000 people) was only 15%, the economies of these small towns were highly dependent on this expenditure.

- The greater the reliance of a town’s economy on expenditure by farmers, the lower the population growth.

- The demand for farm services has not kept pace with the growth in other services like tourism and hospitality.

- Some small towns may diversify their service base but many residents will continue to face ongoing pressures to shift to regional and metropolitan centres (Levantis, 2001).

The size and number of farms across Australia has also changed significantly in recent years. The Productivity Commission (2005) noted:

“Consistent with global trends, farm numbers in Australia declined by around one-quarter (or almost 46,000 farms) over the twenty years to 2002-03. Accompanying this decline has been a reduction in the area of land in agricultural production and an increase in the average size of farms. Over the twenty years to 2002-03:

- The area of land under agricultural production declined by around 9%.

- The average farm increased in size from 2,720 hectares to 3,340 hectares – a 23% increase.

- The proportion of farms in the ‘small’ farm size category declined, while the share of medium sized farms increased” (p xxii).

**Technology**

Improved transport and technology have altered many economic relationships between farmers and rural towns. In 1999, 18.5% of Australian farms were connected to the internet compared with 16.6% of Australian households outside capital cities. Farms nowadays are often large scale and interact with a range of businesses outside the local area. In 2002-2003, 46% of those farms with an estimated value of agricultural operations of over $5,000 had used the internet for business purposes in the preceding 12 months (ABS, 2003 b).

**Table 4: Farm use of computers and the internet by farm size, June 2003**

<table>
<thead>
<tr>
<th>Farm size (Estimated Value of Agricultural Operations)</th>
<th>Farms using a computer for business operations %</th>
<th>Farms using the internet for business operations %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $50,000</td>
<td>38</td>
<td>30</td>
</tr>
<tr>
<td>$50,000-$149,999</td>
<td>49</td>
<td>40</td>
</tr>
<tr>
<td>$150,000-$249,999</td>
<td>61</td>
<td>50</td>
</tr>
<tr>
<td>$250,000-$499,999</td>
<td>72</td>
<td>62</td>
</tr>
<tr>
<td>$500,000-$999,999</td>
<td>80</td>
<td>73</td>
</tr>
<tr>
<td>$1 million or more</td>
<td>85</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54</strong></td>
<td><strong>46</strong></td>
</tr>
</tbody>
</table>

* Proportions are of all farms with an estimated value of agricultural operations (EVAO) of $5,000 or more in each EVAO category.

Source: Australian Bureau of Statistics (2003 b)

As shown in Table 4, larger scale farms are more likely to use information technology than smaller farms. Some of the commercial arrangements that the uptake of information technology has enabled have directly impacted on business and employment opportunities in rural towns.
Employment and unemployment

The overall trend for non-metropolitan areas is towards service industries and manufacturing and away from agricultural industries. In this sense many of these areas are developing a similar employment structure to metropolitan areas. Such a trend provides opportunities for a broader variety of occupations requiring different skill-sets to those traditionally associated with regional areas.

As the dominance of primary industries has declined in non-metropolitan areas, there has been accompanying growth in retail, business, tourism, transport and property services and thus different types of employment options. The major employment options by industry type vary across regions, and while agriculture is less significant in non-metropolitan Australia than it was twenty years ago, it remains an important source of employment in many regions. Mining is also a significant employer in non-metropolitan areas, particularly in more remote areas.

### Table 5: Employment by industry sectors and remoteness, 2001

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Major Cities %</th>
<th>Inner Regional %</th>
<th>Outer Regional %</th>
<th>Remote %</th>
<th>Very Remote %</th>
<th>Australia %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture/Mining</td>
<td>1</td>
<td>8</td>
<td>19</td>
<td>31</td>
<td>27</td>
<td>5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>13</td>
<td>12</td>
<td>9</td>
<td>5</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>14</td>
<td>14</td>
<td>13</td>
<td>12</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Govt &amp; defence</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>Health/Education</td>
<td>17</td>
<td>19</td>
<td>16</td>
<td>14</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>Private services</td>
<td>50</td>
<td>43</td>
<td>38</td>
<td>32</td>
<td>26</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Note: Infrastructure sector includes construction, communications, transport, electricity, gas & water. Private services sector includes wholesale, retail, accommodation cafes & restaurants, property & business, finance & insurance, cultural & recreational, personal & other services.

Source: Department of Transport and Regional Services (2004)

Table 5, based on 2001 Census data, reflects the importance of both agriculture/mining and the private service sector to the employment profile of non-metropolitan regions. The areas of government and defence also comprise a significant proportion of the employment opportunities in very remote parts of the country.

Increased mobility, particularly in regional areas adjacent to major cities, has seen more people working in a metropolitan area and living outside it. The commuter belts around the east and south-east coastal areas are examples of this trend. These include the Central Coast and Illawarra regions of New South Wales and the Gold and Sunshine Coasts of Queensland. Commuter belts have also developed between some inland towns such as Ballarat and Bendigo, and Melbourne in Victoria.

But for much of non-metropolitan Australia, the net number of jobs lost and gained has resulted in higher unemployment. The ‘geography of disadvantage’ has been a consistent theme in much recent research and locational poverty is often a function of the distribution of jobs within regions. It is also fairly common for a mismatch between available jobs and the local skills base to be a barrier to labour market participation.

The withdrawal or ‘reduction to outreach’ of many essential government and private services such as banks, schools and hospitals (also known as institutional capital) has tended to impede rural communities trying to adapt to multiple changes. These reductions can act as a disincentive for new investment and the inward migration of skilled professions.
Rates of unemployment have been declining nationally with rates outside capital cites generally higher, as is evident from the labour force status data in Table 6.

Table 6: Unemployment rates 15 years of age and over, by state/territory, August 2005*

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Unemployment rate (%)</th>
<th>Capital City</th>
<th>Unemployment rate (%)</th>
<th>Balance of State</th>
<th>Unemployment rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>4.6</td>
<td>Sydney</td>
<td>3.8</td>
<td>NSW</td>
<td>6.2</td>
</tr>
<tr>
<td>Victoria</td>
<td>5.1</td>
<td>Melbourne</td>
<td>4.8</td>
<td>VIC</td>
<td>6.1</td>
</tr>
<tr>
<td>Queensland</td>
<td>5.0</td>
<td>Brisbane</td>
<td>4.5</td>
<td>QLD</td>
<td>5.5</td>
</tr>
<tr>
<td>South Australia</td>
<td>4.8</td>
<td>Adelaide</td>
<td>5.3</td>
<td>SA</td>
<td>3.5</td>
</tr>
<tr>
<td>Western Australia</td>
<td>4.3</td>
<td>Perth</td>
<td>4.0</td>
<td>WA</td>
<td>5.1</td>
</tr>
<tr>
<td>Tasmania</td>
<td>6.0</td>
<td>Hobart</td>
<td>5.6</td>
<td>TAS</td>
<td>6.4</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>3.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>2.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The unemployment rate refers to the proportion of people aged 15 years and over in the labour force who are unemployed. The Balance of State category is not practically applicable to the Australian Territories.

Source: Australian Bureau of Statistics (2005 c)
**Youth unemployment**

While the national youth (15-24 years) unemployment rate has fallen from 18.9% in 1992 to 9.8% in 2005, the rate as at August 2005 was still more than double that for the total population (see Table 7). The unemployment rate is particularly high for those aged 15-19 years.

Generally the rates of youth unemployment are higher in non-metropolitan areas (identified as Balance of State in Table 7), with the exceptions being South Australia and Tasmania.

Table 7: Youth unemployment rates, metropolitan and non-metropolitan areas, August 2005

<table>
<thead>
<tr>
<th></th>
<th>Young people 15-19 years</th>
<th>Young people 20-24 years</th>
<th>Total young people 15-24 years</th>
<th>Total persons 15 years and over</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unemployment rate (%)</td>
<td>Unemployment rate (%)</td>
<td>Unemployment rate (%)</td>
<td>Unemployment rate (%)</td>
</tr>
<tr>
<td>NEW SOUTH WALES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sydney</td>
<td>13.6</td>
<td>6.0</td>
<td>9.0</td>
<td>4.6</td>
</tr>
<tr>
<td>Balance of State</td>
<td>16.1</td>
<td>9.3</td>
<td>12.5</td>
<td>6.2</td>
</tr>
<tr>
<td>VICTORIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Melbourne</td>
<td>16.4</td>
<td>8.1</td>
<td>11.3</td>
<td>5.1</td>
</tr>
<tr>
<td>Balance of State</td>
<td>17.7</td>
<td>9.6</td>
<td>13.3</td>
<td>6.1</td>
</tr>
<tr>
<td>QUEENSLAND</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brisbane</td>
<td>13.0</td>
<td>6.0</td>
<td>9.1</td>
<td>5.0</td>
</tr>
<tr>
<td>Balance of State</td>
<td>14.7</td>
<td>6.4</td>
<td>10.2</td>
<td>5.5</td>
</tr>
<tr>
<td>SOUTH AUSTRALIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adelaide</td>
<td>17.2</td>
<td>4.9</td>
<td>10.0</td>
<td>4.8</td>
</tr>
<tr>
<td>Balance of State</td>
<td>11.6</td>
<td>6.0</td>
<td>8.6</td>
<td>3.5</td>
</tr>
<tr>
<td>WESTERN AUSTRALIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perth</td>
<td>13.5</td>
<td>7.7</td>
<td>10.2</td>
<td>4.3</td>
</tr>
<tr>
<td>Balance of State</td>
<td>13.9</td>
<td>11.8</td>
<td>12.8</td>
<td>5.1</td>
</tr>
<tr>
<td>TASMANIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hobart</td>
<td>15.1</td>
<td>10.3</td>
<td>12.4</td>
<td>6.0</td>
</tr>
<tr>
<td>Balance of State</td>
<td>13.3</td>
<td>10.0</td>
<td>11.4</td>
<td>6.4</td>
</tr>
<tr>
<td>NORTHERN TERRITORY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11.9</td>
<td>7.3</td>
<td>9.4</td>
<td>3.5</td>
</tr>
<tr>
<td>AUSTRALIAN CAPITAL TERRITORY</td>
<td>9.9</td>
<td>4.3</td>
<td>6.3</td>
<td>2.9</td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td>14.3</td>
<td>6.7</td>
<td>9.8</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics (2005 c)

The employment outlook for young people who remain in rural and regional areas is varied. Like their city counterparts, young people without an academic credential can generally expect to have greater difficulty finding sustained, secure work. However, young people in non-metropolitan areas face compounding issues: there are less employment opportunities and if work is available they may not have access to regular public transport or lack the finances to own a car.
**Job Placement, Employment and Training Program, Whyalla and Port Augusta, South Australia**

Mission Australia’s Job Placement, Employment and Training program (JPET), based in Whyalla and Port Augusta supports young people aged 15-21 who are homeless or at risk of homelessness. The service is a stepping stone to enable these young people to re-engage with education or make the transition to employment assistance programs like Job Network.

Comparative unemployment rates for the December quarter 2004

<table>
<thead>
<tr>
<th>Area</th>
<th>% of unemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Augusta</td>
<td>8.7</td>
</tr>
<tr>
<td>Whyalla</td>
<td>9.8</td>
</tr>
<tr>
<td>South Australia</td>
<td>6.1</td>
</tr>
<tr>
<td>Adelaide</td>
<td>6.4</td>
</tr>
<tr>
<td>National</td>
<td>5.5</td>
</tr>
</tbody>
</table>

Situated approximately 400 kilometres north of Adelaide these services cover an extensive area including Whyalla, Franklin Harbour, Port Augusta, Roxby Downs, Cowell, Kimba, Coober Pedy and the Finders Ranges.

The most common barriers and problems faced by participants include:

- Poor education
- Domestic violence
- Inadequate income
- Legal and financial issues
- Lack of local employment opportunities
- Lack of stable and affordable accommodation
- Mental health issues and anger management

The multiskilled JPET staff provide an exceptionally broad range of supports including individual counselling, group activities, relationship education, and advocacy in the areas of housing and income support, while building on-going relationships with the young people, their families and communities.

Distance and the spread of young people across this area of South Australia create particular challenges. Consequently outreach is a significant component of delivering services to these regions to ensure access to those young people in the more remote areas of the region.

Mission Australia expects to launch additional services for young unemployed people in this region during 2006.

**Female unemployment**

Female labour force participation rates increased across all areas in the ten years prior to 2001, but there was considerable variation in female unemployment rates for locations outside the capital cities.

Table 8: Female unemployment rates by non-metropolitan location, 2001

<table>
<thead>
<tr>
<th>Rural areas (population, 200-999)</th>
<th>5.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small townships (population, 1,000-19,999)</td>
<td>7.8%</td>
</tr>
<tr>
<td>Medium townships (population, 20,000-99,999)</td>
<td>8.2%</td>
</tr>
<tr>
<td>National</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics (2001 b)
While women in rural areas (towns with a population less than 999) were the least likely to be unemployed, they were also the most likely to be self-employed, with almost half working in agriculture.

The highest proportions of women in part-time employment were also located in rural areas and small towns. Since the 1980s the economic contribution of off-farm work to farm household income has grown substantially and this often involves women working in part time positions outside the farm.

In 2001:

- Townships with a population of between 1,000 and 20,000 had the highest proportion of part-time employed women (54.3%) compared with 46.5% in major urban centres with over 100,000 people.
- The proportion of self-employed women in rural areas (25.3%) was more than double the proportion in major urban centres (10.2%).
- One quarter of employed women in major urban centres had a university degree compared with around 17% for rural areas and 15.7% in small townships.

**Indigenous unemployment**

The unemployment rate of Indigenous Australians as at June 2001, was approximately three times higher than for non-Indigenous Australians, with rates higher for men (22%) than women (18%). The proportion of unemployed Indigenous people significantly increases with the degree of remoteness. This trend is similar for many other groups, although their rate of unemployment tends to be far less than it is for Indigenous people.

Many Indigenous Australians living in remote and very remote areas work in the Community Development Employment Program (CDEP) which is designed to create local employment opportunities. Participants are considered employed, although CDEP wages are usually only a little higher than welfare payments. One of the consequences of this is that the unemployment rates for Indigenous people living in remote areas are often artificially low because of their high level of participation in the CDEP scheme. There were 17,800 Indigenous people participating in CDEP in 2001 (ABS, 2004 e).

The main occupation group for Indigenous people employed outside the CDEP scheme in 2001 was Labourers and Related Workers (24%), with the proportion of those employed in these roles increasing substantially with remoteness, peaking at 47% in very remote areas.

**Youth Services, Dubbo, New South Wales**

Mission Australia provides a varied range of services in Dubbo for young people (mainly aged 14-18 years) who are unemployed, have been juvenile offenders or are at risk of disengaging from the education system. It is not unusual for some young people to fit all these categories. Many young Indigenous people access this service, with all programs designed to be flexible and culturally aware.

Partnerships with other local services, a flexible approach to meeting the needs of young people, and young people’s active involvement in developing the options they want from the service, are the cornerstones of Mission Australia’s approach.

Major issues for their clients include:

- Unemployment
- Domestic violence
- Poor literacy
- Drug and alcohol abuse
- Boredom
- Disengagement from school
- Hidden homelessness
- Racism
- Lack of transport
- Working with local schools to support students to complete Year 8 and hopefully go on to complete Year 10.
Mixed unemployment trends in high need communities

Unemployment trends in non-metropolitan areas can vary considerably. The five non-metropolitan Statistical Local Areas (SLAs) with the highest rates of unemployment in the March quarter 2002 were Tanami in the Northern Territory, Derby-West Kimberley in Western Australia, Eurobodalla and Byron Bay in New South Wales, and Hervey Bay and Marsden in Queensland.

Between 2002 and 2004, four of these areas experienced a reduction in the unemployment rate and in some instances the improvement was quite remarkable (see Table 9). However rates remained high in Hervey Bay and Byron Bay, and Tanami experienced an increase in its rate.

Table 9: Statistical Local Areas with the highest rates of unemployment, 2002-2004

<table>
<thead>
<tr>
<th>Statistical Local Area</th>
<th>Unemployment rate March quarter 2002 (%)</th>
<th>Unemployment rate March quarter 2004 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanami</td>
<td>24.7</td>
<td>26.5</td>
</tr>
<tr>
<td>Derby-West Kimberley</td>
<td>18.3</td>
<td>5.0</td>
</tr>
<tr>
<td>Eurobodalla</td>
<td>15.5</td>
<td>8.7</td>
</tr>
<tr>
<td>Byron Bay</td>
<td>15.1</td>
<td>11.7</td>
</tr>
<tr>
<td>Hervey Bay</td>
<td>15.4</td>
<td>12.5</td>
</tr>
</tbody>
</table>

Source: Department of Employment and Workplace Relations (2002, 2004a)

Income: The highs and lows

Income levels in metropolitan areas are generally higher than those in non-metropolitan areas. In 2001, 16.3% of non-metropolitan households were considered low income (a weekly household income of $300 or less) compared to 12.8% of metropolitan households.

The highest concentrations of people on low incomes tend to be in the drought affected broadacre farming regions, those coastal areas with high numbers of retirees and remote regions with high proportions of Indigenous residents.
While income levels are generally higher in metropolitan Australia, some households in more remote areas earn weekly incomes equivalent to high income households (more than $1,200 per week) in major cities. At the same time there are numerous other remote areas, particularly those with a high proportion of Indigenous residents, where income levels are very low.

Indigenous Australians are over represented nationally in the lowest income brackets. In 2001, 72.4% of Indigenous Australians received an annual individual income of $20,748 or less. The median weekly gross individual income for Indigenous Australians in 2001 was $226 (a $36 or 19% increase from the 1996 rate). This compares to $380 for non Indigenous Australians in 2001 (an $84 or 28.4% increase from the 1996 rate) (Human Rights and Equal Opportunity Commission, 2005).

**Government benefit recipients**

As much recent research on locational disadvantage has shown, poverty is often concentrated in specific areas or postcodes, and relatively high levels of disadvantage are frequently located outside the major capital cities.

**Table 10: Recipients of selected government benefits by remoteness class, September Quarter 2001**

<table>
<thead>
<tr>
<th>Benefit recipients as share of remoteness class population (%)</th>
<th>Major Cities</th>
<th>Inner Regional</th>
<th>Outer Regional</th>
<th>Remote</th>
<th>Very Remote</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Pension</td>
<td>8.8</td>
<td>10.5</td>
<td>9.4</td>
<td>6.1</td>
<td>4.1</td>
<td>9.1</td>
</tr>
<tr>
<td>Disability Support Pension</td>
<td>3.1</td>
<td>4.0</td>
<td>4.0</td>
<td>3.3</td>
<td>2.9</td>
<td>3.4</td>
</tr>
<tr>
<td>Parenting Payment Single</td>
<td>2.0</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>3.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Parenting Payment Partnered</td>
<td>0.9</td>
<td>1.2</td>
<td>1.3</td>
<td>1.3</td>
<td>2.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Family Tax Benefit A</td>
<td>8.6</td>
<td>10.3</td>
<td>10.3</td>
<td>9.6</td>
<td>10.7</td>
<td>9.1</td>
</tr>
<tr>
<td>Family Tax Benefit B</td>
<td>5.9</td>
<td>6.9</td>
<td>6.9</td>
<td>6.7</td>
<td>7.7</td>
<td>6.3</td>
</tr>
<tr>
<td>Carer Allowance</td>
<td>1.4</td>
<td>1.7</td>
<td>1.5</td>
<td>1.1</td>
<td>0.7</td>
<td>1.4</td>
</tr>
<tr>
<td>Carer Payment</td>
<td>0.3</td>
<td>0.5</td>
<td>0.6</td>
<td>0.7</td>
<td>0.5</td>
<td>0.4</td>
</tr>
<tr>
<td>AUSTUDY</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Youth Allowance</td>
<td>2.1</td>
<td>2.3</td>
<td>2.0</td>
<td>1.4</td>
<td>1.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Newstart Allowance</td>
<td>1.4</td>
<td>2.4</td>
<td>2.6</td>
<td>2.9</td>
<td>1.7</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Note: Explanations of the different payment types can be found at http://www.centrelink.gov.au

Source: Department of Transport and Regional Services (2004)

In 2001, the highest rates of recipients of government benefits were those in receipt of the Age Pension and Family Tax Benefit A and B. There were some notable variations in the major types of government benefits by location including:

- Higher rates of Parenting Payment (Single and Partnered) outside the Major Cities and increasing with remoteness.
- Higher rates of Newstart Allowance in the rural areas of Outer Regional and Remote.
- Substantially higher rates of Aged Pension in the Major Cities compared with the rate in Very Remote areas, reflecting the age profile of these areas.
- Higher rates of Disability Support Pension in the Inner and Outer Regional areas and then decreasing with remoteness.
Summary

With the declining importance of primary industry, service industries have emerged as the dominant employers and growth industries in non-metropolitan areas. For many rural areas this transformation has resulted in a net loss of employment opportunities, requiring different sorts of skills and jobs that are often part-time.

Regional economies, employment options and incomes vary considerably and the major patterns are:

- The closure of small businesses together with public sector services, and relocation to larger regional centres. As a result, there has been a contraction and centralising of jobs.
- A decrease in the number of farms but an increase in farm sizes and level of mechanisation, and a decline in the demand for ‘traditional’ types of labour.
- Higher unemployment levels in the rural and regional areas of the most populous states and lower incomes in non-metropolitan areas compared with metropolitan areas. Levels of unemployment increase with remoteness and the most disadvantaged within the labour market in non-metropolitan areas are Indigenous people.
- The growth of service sector jobs, particularly in the areas of retail, tourism, transport and property services has replaced many of the traditional primary industry jobs and is contributing to steady growth in many of the larger regional centres.
- While still much higher than the rates for the total population, the unemployment rates for young people (15-24 years) outside of the metropolitan areas vary across the country. Unemployment rates are higher for women living in medium sized townships and they are also more likely to be self employed and working part-time.
- Rural and regional areas have higher proportions of people in receipt of government pensions and benefits.

Illawarra Big Heart Enterprise, Wollongong, New South Wales

Established in the Illawarra region of NSW fifteen years ago, Big Heart Enterprises has evolved into a classic example of a service with a practical triple bottom line approach. The service provides quality clothing at affordable prices, training, volunteer and employment opportunities and recycling programs.

From its primary role of recycling second hand clothing, it has developed three retail outlets located in Dapto, Warilla and the Wollongong CBD and a factory warehouse that includes a sales outlet and provides accredited training in forklift and truck driving. Work for the Dole participants are also trained in all aspects of retail operation.

All the profits from the retail outlets are used to support unfunded local Mission Australia community projects.

Through its various activities Big Heart:

- Ships around 290 tonnes of second hand clothing to overseas markets in Asia, Africa and India each year.
- Provides free quality clothing and furniture to local families and individuals in need.
- Directly involves (at any time) approximately 130 volunteers and up to 30 Work for the Dole participants in all aspects of its operations. Many of the paid staff at the service began as volunteers.
- Runs accredited courses to skill up and promote the employability of all participants.
- Repairs and recycles approximately 160 discarded computers for use or distribution by non profit organisations each year.
- Reduces landfill from discarded clothes and furniture by over 800 tones per year.
Institutional capital

Institutional capital refers to the three tiers of government including the built environment, public and private infrastructure and assets, educational facilities, banks and hospitals. The non-government, not-for-profit sector is also included in this category.

Institutional capital encompasses a broad range of structures and mechanisms and according to Dibden et al. (2005, p 5) there are three major types of structures in this category:

• The public sector made up of the institutions and agencies of federal, state and local government.

• The private enterprise sector, comprising non-government enterprises producing goods and services for profit, together with the market mechanisms through which goods and services are exchanged.

• The ‘third’ sector made up of non-government, not-for-profit organisations and institutions.

Public sector

Public sector institutions are an important part of the fabric of all Australian communities and they become particularly significant in the less populated areas outside the capital cities.

Services and jobs

Government agencies in rural and regional areas not only enable access to essential services such as health, transport and education, they also generate much needed employment opportunities and training sites for young people. In addition, expenditure by government departments often makes a critical contribution to local economies.

There are many robust private sector businesses and economies in rural and regional areas but they are on a scale and level of complexity very different from metropolitan areas. Consequently, in terms of employment opportunities, public sector jobs tend to be an important part of the jobs market in these areas. This also means that when government services are reduced it can have a disproportionate impact on rural communities compared with the same scenario in a metropolitan community.

Over the past two decades many government agencies have been rationalised or centralised and “much of rural Australia has experienced the loss or rationalisation of key services such as hospitals, schools, police stations and welfare services” (Tonts, 2005 p 197). This trend in service provision has been noted for many years; a National Farmers’ Federation report in 1997 stated that government “are increasingly locating services in areas of greatest population demand. This strategy is having an increasingly detrimental effect on the local delivery of services in small towns in rural communities” (Harrison, 1997 p viii).

Public housing

Public housing is an important component of institutional capital. Its provision ensures residents on low incomes and with specific housing needs, have access to secure and affordable housing. However in many rural and regional areas, there is insufficient housing stock to meet demand and the evidence of escalating need is growing.

Housing affordability and Tasmania

The big picture

The recent housing boom has been of real financial benefit for many Australians and contributed to significant economic growth. The impact has also been detrimental for many low income people struggling to live in the private rental market and the upward pressure on rental costs has not been limited to the capital cities.

Tasmania: The housing boom and low income people

• Nationally, Tasmania has the highest proportion of people who receive income support, the lowest average wages and highest proportion of people who are long-term unemployed.

• In 2004, 82,194 households (42 percent of all households) were considered to be low income households.
• Tasmania also has Australia’s highest proportion of people receiving a Disability Support Pension.

• Housing affordability in Tasmania has declined at a greater pace than any other state or territory.

• Medium house prices in Hobart have increased by 233 percent in the past four years.

• The rise in house prices has not been matched by an equivalent rise in average wages.

• As at June 2005 it was estimated that 21,370 Tasmanian households were in housing stress; recent projections predict this number will have increased to 26,851 households by 2020 (Housing Tasmania, 2005).

According to the National Centre for Social and Economic Modeling, a household is experiencing housing stress when it is both in the bottom 40 per cent of the income distribution and spending more than 30 per cent of its disposable income on housing costs. Research by Anglicare Tasmania (Wilson, 2005) found that the housing boom has seriously impacted on the private rental market in the non-metropolitan north and north west of Tasmania. Their analysis of the clients accessing the Anglicare Private Rental Support Service between 1998-2004 found:

• On average during the second half of 2004, clients were spending 39 percent of their household income on rent.

• During this same period, clients reliant on Youth Allowance as their main source of income spent an average of 60 percent of household income on rent.

• The private rental market is unable to meet the needs of low income people and a lack of public housing means this more affordable option is not available to many people experiencing on-going housing stress.

The Mission Australia Personal Support Program (PSP) in Hobart has daily contact with many of those affected by rising rental costs. It supports people, many of them from the regional areas outside the city, in addressing their non-vocational barriers to greater social and economic participation in their communities. The barriers are varied and may include poor literacy, mental health or drug and alcohol issues and lack of housing. In recent years the last has become an increasingly common problem for many clients of the service.

### Sharon’s story

Sharon is twenty four, single and looking for a place to live. She has put in applications for over thirty private rental houses and units. Essentially homeless, she has been sleeping on friend’s couches for months and trying to maintain her attendance at the local TAFE where she is studying part time. She wants to be an engineer.

Although she has applied for public housing Sharon is not considered a high priority as she has ‘somewhere to stay’; she is unlikely to be offered public housing within the next eighteen months. Her Newstart allowance only goes so far and has to cover the costs of her travel, food which consists mainly of things she can pick up and take to the next friend’s house, (non-perishables or take aways) and books for her study. At the same time she is trying to save for a bond and rent in advance. Sharon regularly checks the newspapers, community notice boards and is registered with all the real estate agents. Her initial hope that she would be able to complete her study is fading, she finds it hard to study in various ‘temporary places’ and this is negatively impacting on Sharon’s motivation.

Mission Australia provides Sharon with on-going counselling and support as well as practical help with bus fares, fresh fruit and assistance with house hunting and applications.

Public housing is an important component of institutional capital. Secure and affordable housing is a basic requirement; without it, furthering educational and employment plans can be extremely difficult to realise.
Transport and social exclusion

Transport, and the lack of it, is a common theme reiterated in almost every needs analysis and inquiry concerned with rural and remote areas of the country. Lack of transport options impact on most areas of life, including work, education, health and social networks.

Accessibility issues are often more pronounced in smaller rural and regional towns. These communities often lack the same level of services such as banking and health facilities, which are available in the larger centres. Consequently, residents of these communities often have to travel considerable distances to access essential services.

Public transport services are also an important contributor to local economies and the sustainability of these communities. Businesses and residents often rely on public transport to facilitate the production and consumption of goods and services (Bureau of Transport and Regional Economies, 2003), and without this infrastructure, economic growth can be stifled.

For many rural and regional communities, access to services and jobs means travelling considerable distances and a high reliance on transport. Safe roads, as well as regular and strategically linked public transport systems, provide critically important infrastructure for the flow of people and goods.

Lack of transport can also be a major barrier to gaining employment. Such barriers often entrench the social exclusion of individuals and groups in these communities. Young people in particular, with limited or no access to a vehicle, often have restricted access to economic and social opportunities.

Figure 2: Relationship between transport, rural characteristics and social exclusion

Source: Currie et al. (2005)

Figure 2 illustrates the pivotal role inadequate transport services can play in contributing to the social exclusion of young people in rural and regional communities. While the location of services is a significant factor in this equation, mobile outreach services can be appropriate in some instances, as a way of addressing the interrelated issues of access, distance and lack of transport.

Local government

Local government, as the level of government closest to the community, is strategically placed and at “the forefront of efforts to maintain the economic, social and ecological viability of rural areas” (Tonts, 2005 p 208). Like other government institutions, local government not only provides essential services, it is also a significant source of employment opportunities and local expenditure.

The traditional role of local government has expanded and changed over the past decade, partly in response to the devolution of responsibilities from the other tiers of government, as well as the impacts of internal migration and ageing patterns. Local government is also often the most accessible level of representative democracy in non-metropolitan regions and this aspect of institutional capital has real capacity to encourage active citizenship and participation in addressing local needs. In this respect, the institutional capital of local government has significant intersections with social capital.

Many rural and regional local governments however, lack sufficient resources to adequately fund devolved responsibilities and planning between the three tiers of government at the regional level is often fragmented.
Private sector

Within the private sector, bank closures and the resulting loss of financial services and jobs in rural and regional areas, has often impacted negatively on these communities. Some areas have been more affected than others; for example in 2002, one major national bank announced its intention to close 56 local branches, of which 28 were located in Victorian rural towns (Victoria Farmers Federation, 2002).

The Victorian Parliament’s Economic Development Committee identified several negative impacts of branch closures on small and medium sized rural communities, individuals and businesses including:

• In many cases people and businesses are forced to travel significant distances to undertake deposit and withdrawal transactions.
• For individuals, reduced savings, increased size of cash withdrawals, reduced investment income, reduced access to and increased cost of finance and reduced access to financial planning advice.
• For businesses, increase in cheque cashing, loss of cash sales, accumulation of excess cash, delays in depositing cheques and an increase in bad debts. Also added community expectations for businesses to offer cash handling, cash withdrawal and credit services.
• Loss of community confidence.
• Decreases in turnover for remaining local businesses.
• Shift in expenditure to a town where there are banking facilities.
• Loss of former bank employees and their families from the community, including a loss of social and intellectual capital.
• Reduced access to a bank manager for the purpose of discussing loan applications, and a reliance on branch staff to accurately convey the customers’ needs to the bank manager.

(Economic Development Committee, 2002)

The introduction of electronic, telephone and internet banking services has introduced some benefits for many rural people but for many others the associated costs, barriers to, and limitations of these methods often fail to compensate for the loss of face to face service and jobs in their town.

For some rural communities there may also be some resistance to using electronic banking because of the potential impact this will have on their local branch, their relationship with their bank and employment opportunities for young people (Harrison, 1997).

Area Consultative Committees and Rural Transaction Centres

Area Consultative Committees (ACCs) and Rural Transaction Centres (RTCs) both play an important role in improving access to services and enhancing the development of rural and regional communities. Area Consultative Committees (ACCS) are non-profit, community based organisations funded by the Australian Government under the Regional Partnerships Program. One of the major roles of the national network of fifty-six ACCs is to bring together community stakeholders, including community and business groups, to work in partnership to address local needs. Through regional networks and planning processes, ACCs work with local government, the private sector and community organisations to enable a coordinated approach to regional development. ACCs also play an important communication role in disseminating information about government programs and facilitating the development of project proposals determined by the community.

Rural Transaction Centres are locally controlled centres in small communities, which are funded by the Commonwealth Government to improve access to services. They provide a range of services including space for government services (often on a part-time basis), such as Medicare and Centrelink, financial, postal and telecommunications services, and facilities for visiting professionals. In some instances they also provide incubator space for local businesses such as insurance, tourism or secretarial services.
Ti Tree Rural Transaction Centre, Northern Territory

Ti Tree, located in central Australia between Tennant Creek and Alice Springs, recently secured funding to establish a Rural Transaction Centre for the people of the Anmatjere region.

Rural Transaction Centres, typically provide a range of services in rural and regional communities such as:

- Bank/ATM
- Centrelink
- Post office
- Motor vehicle registration
- Tax help centre
- Client meeting / conference facilities
- Training rooms
- Office services
- Tourist information
- Internet / video conferencing

With the assistance of the Northern Territory Area Consultative Committee, the Anmatjere Council successfully submitted in May 2004 for funding for an RTC, through the federal Regional Partnerships program.

The Anmatjere region

The region is home to around 7,000 people and approximately 60% of the population speak ‘Anmatjere’ as their first language. Horticulture and Indigenous arts are the major industries, with several medium to large scale grape farms, as well as the Department of Primary Industries, Mining and Fishing’s horticultural research farm, located close to Ti Tree.

The Ti Tree RTC is expected to be open for business by March 2006 and will provide essential services for a number of communities, including:

- Ti Tree, with a population of approximately 150, including the surrounding “creek camps”.
- Nturiya, with a population of approximately 100, located 17 kilometres west of Ti Tree.
- Pmara Jutunta, with a population of approximately 300, located 10 kilometres south of Ti Tree.

On a seasonal basis, the RTC will also provide services to around 400 people who live in the region during times of peak horticultural employment.

The future

The Anmatjere Council are the administrators of the RTC project and are currently tendering to provide ATM services at the RTC. At present, most members of the community do not have bank accounts. It is envisaged that the establishment of a local ‘bank’ facility at the RTC will encourage the use of bank accounts and make it easier for those in receipt of Centrelink and CDEP payments to manage their income. Apart from a range of banking services, the RTC intends to provide a base for Centrelink services and has many plans for additional facilities.

Third sector or non government sector

The third sector, also known as the non government sector, includes a variety of services, programs and activities ranging from service and sporting clubs to arts councils and community services. The focus of this section is on the community services component of the third sector, which provides a wide range of essential human services within rural and regional Australia.

National information on the demand and provision of community services in rural and regional areas is difficult to access. However, trends and issues across some national program areas can provide an indication of some of the major issues and trends.

Legal services

People in rural and remote regions do not have the same level of access to legal and family services as those located in metropolitan areas (Australian Law Reform Commission, 2003). The availability of community legal services affects the use, cost and duration of cases for many people in need of legal services in these areas. Rural women in particular, often have very limited access to services, especially in the high demand area of family law.
**Supported accommodation services**

There is a serious shortage of crisis accommodation in many rural areas (Australian Housing and Urban Research Institute, 2003). The Supported Accommodation Assistance Program (SAAP) provides residential and outreach assistance to people who are homeless or at risk of homelessness, including women and children escaping domestic violence. SAAP clients tend to have a range of complex needs that require support and interventions from a variety of service types and the levels of unmet need for specific services are often higher in rural and remote areas. Table 11 reveals the level of unmet need for domestic violence clients of rural and remote services, particularly in the areas of short term accommodation, counselling and disability and interpreting services.

Table 11: SAAP Unmet need in percentages for female victims of domestic violence, 2003-04

<table>
<thead>
<tr>
<th>Unmet Need</th>
<th>Remote</th>
<th>Other rural area</th>
<th>Large rural centre</th>
<th>Other metro centre</th>
<th>Capital city</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance to obtain/maintain short term accommodation</td>
<td>11.2</td>
<td>6.3</td>
<td>22.3</td>
<td>7.4</td>
<td>11.0</td>
</tr>
<tr>
<td>Domestic violence counselling</td>
<td>2.7</td>
<td>11.6</td>
<td>33.6</td>
<td>6.5</td>
<td>15.3</td>
</tr>
<tr>
<td>Physical disability services</td>
<td>34.2</td>
<td>15.7</td>
<td>21.8</td>
<td>24.7</td>
<td>16.5</td>
</tr>
<tr>
<td>Interpreter services</td>
<td>4.5</td>
<td>20.0</td>
<td>21.7</td>
<td>12.2</td>
<td>7.9</td>
</tr>
</tbody>
</table>

Source: Australian Institute of Health and Welfare (2005 a)

State level research undertaken by the New South Wales Council of Social Service (NCOSS, 2004) explored the current provision of social infrastructure in rural NSW, and in particular, considered the impacts of existing patterns of social infrastructure and human services provision against demand. In terms of the supply and demand of human services across both government and non-government agencies, the study considered the following human services:

- Accommodation and housing
- Community support services
- Emergency services
- Financial and communication services
- Legal and violence prevention services
- Transport
- Children and young people's services
- Education
- Employment and training
- Health services
- Services for people with disability, older people and carers

Through an analysis of public and community sector institutional capital, the study identified the following trends across rural NSW:

- In towns where main industries have closed down and no major economic activity has replaced the jobs lost, the lack of counselling and support services is leading to entrenched social problems. This is particularly the case for older men who are dealing with economic restructure and unemployment, Aboriginal communities and young people.
- Significant reported rates of decreases, delays and withdrawal of key infrastructure or capital.
- A significant correlation between the decreasing human service provision over the last five years and increasing demand for non-government services.
- State agency restructures are felt significantly on the ground by rural communities and often result in a critical mass loss of human services policy expertise at a local level. This has both an economic and social impact on the towns affected.

**Summary**

Institutional capital is critical to the sustainability and growth of rural and regional communities and equity of access for those living outside of metropolitan areas.

Several factors impact on the availability of institutional capital which in turn impacts on quality of life, access and opportunities:

- Government policies of centralising and rationalising services has had a disproportionately negative impact in many rural and regional areas.
• There are direct links between the reduction or loss of public services and employment and training opportunities in these communities.

• Reduction or loss of private sector services such as banks can have many negative repercussions for both individuals and business activity.

• Declining levels of government human services provision are occurring in some rural communities at the same time as demand is growing. This trend can have a serious impact on demand for non-government organisations’ services.

• Local government is critically important in rural and regional areas, not only in terms of its services but also its capacity to generate social capital through participatory democracy. Its ability to meet growing devolved responsibilities and local needs is often constrained by its resource base and fragmented intergovernmental planning processes.

Social capital

Social capital is embodied in the ways people live together. Social capital refers to the networks, shared norms, values and understanding that facilitate co-operation within and between groups. It is concerned with networks, trust and reciprocity.

There is general agreement that social capital is the raw material or ‘glue’ that holds communities together through participation in networks, reciprocity, trust, and social norms. Social capital, while often less tangible than other resources, is considered a necessary prerequisite for building the capacity of communities to address local needs and issues. In this respect it has much in common with the notions of self help and resilience.

According to Leonard et al (2004, p 2), the essential characteristics of social capital are that it is:

• A resource created through numerous connections between members of a group.

• Belongs to the collective (group or society) rather than the individual.

• Involves co-operation gained through informal constraints such as social norms and voluntary participation based on mutual interest.

• Involves high levels of trust.

• Has the capacity to translate into tangible outcomes.

It is often assumed that those communities situated outside the ‘big cities’ and particularly those located in rural areas, have higher levels of social capital. Alston (2002) notes the strong fibre of rural community networks, particularly evident during crises such as floods and bush fires. Evidence of the strength of social capital in non-metropolitan communities is also reflected through participation in local clubs and organisations such as the Country Women’s Association and Landcare groups.

While this may certainly be the case for many rural communities, those towns experiencing population decline and loss of young people, often struggle to maintain such crucial networks. There are also different degrees and types of social capital, not all of which possess the same utility in contributing to capacity building.

In much of the social capital literature, networks are discussed in terms of their ability to mobilise groups to address local social and economic issues, as well as provide opportunities through new and varied connections.

Recent research indicates that the type and level of social capital in non-metropolitan communities differs from metropolitan communities in some significant ways, that is, “people’s participation in community networks varies across geographical location” (Healy, et al 2003, p 34).

Healy’s three year study comparing social capital and capacity building in four diverse geographical locations, found considerable variations between urban and rural communities, particularly in the area of intra-community networks (based on geographical proximity; that is, neighbourhood ties) and inter-community networks (ties across the borders of local communities).

Some of the differences included:

• Intra-community networks were an important component of quality of life for rural and regional respondents.

• Rural and regional respondents reported much higher levels of intra-community bridging (neighbourliness or a sense of belonging).

• Local community networks were stronger in rural and regional areas than metropolitan areas.
The findings of this research confirmed other studies that rural and regional communities have higher levels of intra-community social capital than metropolitan communities, but lower levels of inter-community social capital. The latter refers to networks across the borders of local communities and plays a major role in facilitating access to resources and opportunities such as education and employment.

It was also found that the rich source of intra-community networks in rural and regional communities provided valuable low level support, such as supporting older people and promoting quality of life. However these sorts of local networks were “limited in their capacity to provide resources to enable people to get by and to get ahead” (Healy et al 2003, p 38).

Healy concludes that a continuing focus on intra-community social capital is unlikely, in isolation, to assist communities faced with on-going and rapid change. Such communities are often characterised by poor access to financial and material resources and their networks, unlike metropolitan networks, rarely connect with educational and employment opportunities. The findings both value the important role of intra-community networks and acknowledge the need for greater non local or inter-community institutional networks including government, business and non government.

“… Community networks cannot provide some of the critical resources community members need to get by and to get ahead. Non local networks such as networks facilitated by the institutions of government, business, and non government services, including community services, have a vital role to play in assisting communities to respond to rapid social and economic change” (Healy, p 39).

Government policies can have a direct positive or negative impact on social capital; for example policies that favour the reduction and centralisation of government services in non-metropolitan areas, not only reduce the institutional capital of a given area, it can also impact on levels of community trust in government.

Social cohesion and resilience

The concept of social capital has a particular relationship to levels of social cohesion and resilience. Those communities with strong networks are likely to be more cohesive and thus better able to ‘bounce back’ from adversity (resilience). These characteristics are considered important and favourable to building the capacity of communities.

A Victorian study of disadvantaged localities (Vinson, 2004) found significant variations in the levels of social cohesion between rural and urban postcodes. Social cohesion in this context is defined as a close knit and trusting neighbourhood that is willing to work towards the best interest of the community. Vinson’s research found that rural communities exhibited much higher levels of social cohesion. While not wishing to minimise “the importance of macroeconomic factors to the economic and social health of a neighbourhood”, the study concluded that social cohesion could provide a formidable ally to community renewal projects.

In a New South Wales report, specifically focused on the social impacts of the drought, Alston (2004) found there was diminished social capital and networking as a direct result of prolonged drought. Although rural communities usually tend to have strong local networks, the high levels of stress and overwork associated with the drought have resulted in many people withdrawing from local community involvement because of a lack of money and time. This report also highlighted diminishing levels of vertical capital; this refers to the ties that link citizens to leaders and decision makers and provides the opportunity for social change through law and policy innovation. “What is clear is that declining levels of vertical capital is being quite seriously eroded as community members view government and state instrumentalities with suspicion and mistrust” (Alston, p 101).

Communities for Children

An innovative model for rural and regional communities

The national program Communities for Children, funded by the Commonwealth Department of Family and Community Services, takes a collaborative, community development approach to achieving better outcomes for children aged 0-5 years and their families.

Communities for Children initiatives take an early intervention and prevention approach to improving the health, development and wellbeing of children aged 0-5 years and their families, by focusing on local needs and community participation. Under this program, non government organisations are funded as ’facilitating partners’ in 45 community sites around Australia, to develop and implement a collaborative and grassroots approach to supporting early childhood development. A number of the sites are in rural and regional communities.

The program works with local communities and agencies to deliver a range of family centred activities including:

• Home visiting
• Early learning and literacy programme
• Early development of social and communication skills
• Parenting and family support programmes
• Child nutrition
• Community events to celebrate the importance of children, families and the early years.

Enhanced participation in broader social networks and the development of child friendly communities are cornerstones of Communities for Children's approach to supporting families and improving the wellbeing of children in disadvantaged areas. This model has the potential to provide a valuable structure for community capacity building, particularly in those communities located in rural and regional area and may have applicability for other areas of service delivery.

Summary

Social capital is a significant and complex factor in any community, and needs to be considered with specific sensitivity in rural and regional communities, particularly those experiencing social and economic disadvantage.

Recent research in rural and regional areas has substantially refined our understanding of this valuable resource and some of the key findings include:

• Local networks in rural and regional areas tend to have a high level of the type of social capital (intra-community) that supports quality of life and provides significant support at the neighbourhood, club and community levels.

• These sorts of local networks are less equipped to respond to higher need situations. In short the high levels of intra-community social capital found in many of these areas is well equipped to meet low level personal needs but not to address structural needs.

• All levels of government as well as non government institutions and business are part of the social capital equation and have a pivotal role in strengthening local community capacity.

• Government policy has the capacity to have a significant positive or negative impact on local social capital.

• Social capital generation and maintenance is impacted by many variables including population decline and prolonged drought.

• Policy makers and service providers need to be realistic about the capacity and limitations of social capital in addressing structural needs such as access to employment, education and health.

Human capital

Human capital is embodied in the education, knowledge, skills and health of the people within a community. The quality of human capital enables people to innovate, interact and progress ideas.

Health

Access to health services is very much inhibited by distance and this has some serious implications for the health status of many people living outside the capital cities.

Australians living in non-metropolitan areas suffer from higher rates of injury, mortality, homicide, suicide, diabetes and coronary heart disease. They also have less access to specialised medical services including obstetric and mental health services. Some aspects of a rural lifestyle are likely to promote good health such as lower air pollution; however other realities such as some physically dangerous primary industry occupations and long driving distances present particular locational risks in country areas.

Lifestyle factors also have a tangible impact on health status. People living outside metropolitan areas generally have higher levels of health risk factors, including smoking and drinking alcohol in unsafe quantities. The rate of alcohol-attributable death among young people living in non-metropolitan areas is 1.7 times greater than for their metropolitan counterparts (Chikritzhs and Pascal 2004).

Many of the pre-conditions for good health are unavailable to Indigenous people, particularly those in remote areas. Overcrowded and poor quality housing, as well as inadequate sewerage and unreliable water supplies, often characterise Indigenous communities in remote parts of the country.
Health inequalities

A recent publication (Draper, et al 2004) highlights health inequalities across Australia using data from 1998-2000:

- The life expectancy at birth for males born in remote and very remote areas was considerably lower than for males born in highly accessible areas. A similar trend emerged for females.
- For both males and females in all age groups, all-cause death rates were significantly higher for residents in remote/very remote areas than for those living in highly accessible areas.
- The relative difference in the death rates between remote and highly accessible areas was highest for adolescents and young adults (15-24 years) of both genders.
- Children aged less than one year from remote and very remote areas experienced significantly higher all-cause mortality rates than their counterparts from highly accessible areas.
- Compared with highly accessible areas, mortality rates among all males were 30% higher in accessible areas, 35% higher in moderately accessible areas, and 86% higher in remote/very remote areas.

The fact that the health of Indigenous Australians is much poorer than non Indigenous Australians, and they comprise a high proportion of the population in remote and very remote areas, considerably influences the high rates of mortality in these areas. For example, babies born to Indigenous mothers are nearly twice as likely to be stillborn and almost three times more likely to die within their first 28 days, than those born to non Indigenous mothers. Consequently those rural and remote areas with higher proportions of Indigenous people are likely to reflect higher rates of infant mortality.

However, when a range of health indicators are considered including morbidity, hospitalisation rates, risk factor behaviour, and health service provision and utilisation, it appears that the health of people, both Indigenous and non Indigenous living in rural and remote regions of Australia, is generally worse than those living in metropolitan regions.

Access to services

Poor access to health services often means long travelling distances and waiting times, both of which can inhibit early diagnosis and treatment. Without timely treatment, common health problems may accelerate to major health threats. This issue is particularly significant given the high number of potentially preventable deaths from coronary heart disease and diabetes in non-metropolitan areas.

There have been a number of strategies aimed at increasing the number of full time General Practitioners in rural and remote regions and in the five years to 2003-04 there was a slight increase in the overall numbers.

Graph 4: Availability of GPs (Full time workload equivalent (FEW), by region*}

* The Rural, Remote and Metropolitan Areas (RRMA) classification (see Glossary)
Source: Productivity Commission (2005 b)

Access to services is particularly acute for some Indigenous communities, with 78% of discreet Indigenous communities located 50 kilometres or more from the nearest hospital in 2001.
Medical Transport Service, Coconut Grove, Northern Territory

The Medical Transport Service based in Coconut Grove, Darwin in the Northern Territory, provides health related transport services to communities in Darwin, Palmerston and the surrounding rural areas.

There are a high proportion of financially disadvantaged people in this region and approximately 80% of the service's clients are Indigenous. Most of its non Indigenous clients tend to be older people. Many of these residents could not access health services without the Medical Transport Service. This service has been provided by Mission Australia since 2001 and provides a vital link between health services, its clients and their carers.

The major groups regularly accessing the service include:

- Renal patients travelling for dialysis treatment
- Aerial medical patients
- Home and Community Care clients (older people/people with disabilities)
- Rehabilitation clients.

As renal health problems are common amongst the Indigenous community, many of the regular clients travel for dialysis treatment at the Palmerston, Nightcliff and Royal Darwin Hospitals.

Clients are referred from a broad range of health and social services including the Department of Health, hospitals and renal units, Aboriginal hostels, rehabilitation services, Home and Community Care and local community services.

The Medical Transport Service does more than pick people up and drop them off. All of the nine regular drivers, seven of whom are Indigenous, are trained in cultural awareness and take the time to support their passengers.

Young people

A 2003 study (Quine et al, 2003) comparing the health needs and issues of young people aged 12-17 years in New South Wales, identified some common concerns as well as striking locational differences. Common health concerns to young people across the state included drug and alcohol use, safety, body image, sexual health and depression.

Depression was a concern identified more often by young people in rural areas and issues raised almost exclusively by rural young people were youth suicide and teenage pregnancy. Youth suicide was considered a major problem for young males in rural areas and the respondents identified a link between depression and suicide. Teenage pregnancy was articulated as a major health concern for young females in rural areas.

Structural issues were also raised as health concerns, particularly for young females. The lack of female doctors, confidentiality issues, as well as a lack of transport and bulk billing doctors, all tend to act as health care barriers. Young rural people were also more likely than their urban counterparts to raise concerns regarding limited employment and educational opportunities. It was also found that these factors impact adversely on health outcomes, particularly mental health outcomes and contribute to risk-taking behaviour.
Mental health

The recent accelerated economic and social change in rural and regional Australia, coupled with the loss of essential services and a series of recent major droughts, has deeply impacted on many communities. Stress, depression and unsafe consumption of alcohol often accompany major changes and upheavals in the lives of individuals and communities. When these variables mix with poor access to preventative and primary mental health care services, it can have devastating results.

The Centre for Rural and Remote Mental Health (Rajkumar et al 2004) identified some key issues within rural and remote communities including:

- The occurrence of more than one disorder at the same time (comorbidity) particularly mental illness and substance abuse, predominately involving simultaneously depression, anxiety and alcohol misuse.
- Suicide rates, particularly amongst young males.
- Indigenous mental health and the need for culturally appropriate interventions.
- Farming communities and families affected by high and unaddressed levels of stress, compounded by isolation.
- Recruiting and retaining adequate numbers of mental health professionals in rural areas is an ongoing challenge.

Personal Support Program (PSP), Geraldton, Western Australia

Geraldton is situated 423 kilometres north of Perth in the mid-west region of Western Australia. It has a population of 19,200 and is located in the Shire of Greenough. Geraldton’s major industries are cray fishing, agriculture and mining. Secondary industries include tourism which is a significant source of local employment and to a lesser extent the building and retail industries.

The Mission Australia Personal Support Program (PSP) assists people with multiple non-vocational barriers to improve their social and economic wellbeing. Some of the most common non-vocational barriers for clients at Geraldton PSP include:

- Poor literacy/numeracy skill levels
- Lack of education
- Lack of employment opportunities
- Addiction (mainly drugs & alcohol)
- Intergenerational unemployment
- Mental health issues.

Most of the clients are males between 18-45 years and 20% of them are Indigenous Australians. A central role of the service is the coordination of all relevant services to support the clients in reaching their goals.

Trevor, a client of the service, has serious addiction issues that were destroying his health, his relationship with his family and opportunities to improve his employment prospects. The service is gradually supporting Trevor to address these problems, through referring him to:

- A drug and alcohol minimisation program
- A local housing service
- Centrelink for income support
- A psychologist for anger management, counselling and family related matters
- A financial counsellor to assist with debt issues.

Apart from providing a coordinating role, the PSP workers provide Trevor with on-going counselling and emotional support. At a later date, and in consultation with the other agencies involved, options to gain employment, education or training will be explored. Once the major non-vocational barriers impeding Trevor’s chances of improving his life options have been adequately addressed, he will be in a much better position to look for work or undertake education or training.

Even with the most efficient coordination of available resources, providing essential services to PSP clients is often a difficult challenge for staff in rural services. Local resources are limited and waiting lists are often long. If a client requires regular on-going specialist medical consultations, they are often required to travel to Perth, and the cost and distance can be major barriers for the client.
Domestic and family violence

Rates of violent crime, including homicide, assault and sexual assault, are higher in rural areas and domestic violence is a serious problem in many rural and remote areas. Even with the recognised level of underreporting of this crime, the level of violence perpetrated against women living outside metropolitan areas is consistently higher across all states and territories and increases with remoteness.

Table 12 uses the ARIA Remoteness Index classification system in relation to the number of periods of domestic violence support provided to clients of the Supported Accommodation Assistance Program (SAAP). In 2003-04, SAAP services provided 52,450 periods of domestic violence related support, more than 50% of them outside Major Cities.

Table 12: Domestic violence related support periods SAAP, 2003-2004

<table>
<thead>
<tr>
<th>Remoteness</th>
<th>(SAAP periods per 1,000 population)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Remote Australia</td>
<td>17.0</td>
</tr>
<tr>
<td>Remote Australia</td>
<td>11.8</td>
</tr>
<tr>
<td>Outer Regional</td>
<td>3.7</td>
</tr>
<tr>
<td>Inner Regional</td>
<td>2.6</td>
</tr>
<tr>
<td>Major Cities</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Source: Department of Transport and Regional Services (2005)

Rates of violence against Indigenous women are the highest of all categories of victims of domestic violence. Aboriginal women living in rural and remote areas are one and a half times more likely to be victims of domestic violence than Aboriginal women living in metropolitan areas and forty five times more likely to be victims of domestic violence than the non Aboriginal population (Ferrante et al 1996).

Children from both Indigenous and non Indigenous families who are living with domestic violence are also victims and the frequent coexistence of domestic violence and child abuse is now well acknowledged by child protection agencies.

Suicide

The death of far too many young Australians by suicide is not restricted to non-metropolitan areas; in 2002 suicide was the second leading cause of death for people aged 15-24 years and the vast majority were male.

However the suicide rate for this age group is generally higher in rural areas and is considerably higher for Indigenous males. These figures are an unfortunate indicator of the level of mental health needs in some rural areas, as well as a range of compounding factors that are likely to include alcohol misuse, social isolation and inadequate access to preventive and support services. Within this scenario, the high level of gun ownership in rural areas is likely to contribute to the lethality of suicide attempts.
Summary

At the aggregate level, people living outside metropolitan areas have poorer health than those in capital cities, and the degree of variation tends to increase with remoteness. These variations are very much influenced by the lack of access to health care services, the proportion of Indigenous people and a range of socio-economic determinants of wellbeing. These determinants include factors such as education levels, meaningful work and safe, stable home environments.

The key areas of health disadvantage for people living in rural, regional and remote areas of the country include:

- Higher mortality rates for both men and women in non-metropolitan areas which become significantly higher with increased remoteness.
- People living in rural and remote locations suffer from higher instances of injury, mortality, homicide, suicide, diabetes and coronary heart disease.
- Less access to both generalist and specialised services. Access also tends to be inhibited by lack of transport, bulk billing and confidentiality issues, particularly for young people in smaller communities. They also have less access to preventive and primary health care services.
- Suicide rates are much higher in rural areas, particularly amongst young males, with the worst rates being those of Indigenous males. Similarly, rates of alcohol related deaths are higher outside metropolitan areas.
- Domestic violence rates are significantly higher in rural areas and increase with remoteness. Indigenous women in particular, experience very high rates of domestic violence.
- Indigenous people in rural areas experience significant health inequalities compared to the total rural population including much lower life expectancies and much higher infant mortality rates.

Education

Levels of education play a crucial role in the life opportunities of people and a healthy supply of human capital within regional populations is essential for economic growth and diversification.

Higher levels of education provide people with a much improved likelihood of gaining employment, even if they live outside of a capital city. The Australian Bureau of Statistics compared rates of unemployment in 2001 and found that labour force participants without a post school qualification, were twice as likely to be unemployed as those who did possess these qualifications, irrespective of where they lived (ABS, 2003c).

School completion rates

Many of the identified barriers to education faced by rural children and young people are location based and school retention rates decrease with distance from the metropolitan areas.

While national completion rates for Year 12 students (those who gained a Year 12 Certificate) have increased from 67% in 2000 to 69% in 2002 (Department of Education, Science and Training, 2004), these improvements tend to decrease with remoteness. The proportion of urban and rural students gaining a Year 12 Certificate rose between one and two percentage points while that of remote students decreased by the same amount.

Within the total population, students are less likely to complete Year 12 the further they live from a metropolitan centre. In 2001 approximately 40% of Indigenous youth aged 15-19 years in remote areas left school before completing Year 10.

Regular attendance at school and thus completion rates are strongly influenced by access issues in rural and remote areas. Fewer schools in rural and remote areas results in long travelling distances, which can be a disincentive to the regular attendance required to complete Year 10. Without this attainment there are very few educational options available to young people living in these areas.

The trend of school completion rates decreasing with distance from metropolitan areas is reiterated in Table 13, from a recent Productivity Commission report (2005).
Table 13: Estimated Year 12 completion rates, by locality and gender, 2003* (percent)

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
<th>TAS</th>
<th>ACT</th>
<th>NT</th>
<th>Aust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metropolitan zone</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>67</td>
<td>68</td>
<td>71</td>
<td>63</td>
<td>62</td>
<td>73</td>
<td>78</td>
<td>N/A</td>
<td>67</td>
</tr>
<tr>
<td>Female</td>
<td>75</td>
<td>79</td>
<td>76</td>
<td>70</td>
<td>80</td>
<td>85</td>
<td>82</td>
<td>N/A</td>
<td>76</td>
</tr>
<tr>
<td>All students</td>
<td>70</td>
<td>74</td>
<td>73</td>
<td>66</td>
<td>71</td>
<td>79</td>
<td>80</td>
<td>N/A</td>
<td>72</td>
</tr>
<tr>
<td><strong>Provincial cities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Male</td>
<td>54</td>
<td>58</td>
<td>67</td>
<td>57</td>
<td>N/A</td>
<td>52</td>
<td>N/A</td>
<td>34</td>
<td>58</td>
</tr>
<tr>
<td>Female</td>
<td>63</td>
<td>72</td>
<td>70</td>
<td>63</td>
<td>N/A</td>
<td>61</td>
<td>N/A</td>
<td>43</td>
<td>66</td>
</tr>
<tr>
<td>All students</td>
<td>59</td>
<td>65</td>
<td>68</td>
<td>60</td>
<td>N/A</td>
<td>56</td>
<td>N/A</td>
<td>39</td>
<td>62</td>
</tr>
<tr>
<td><strong>Other provincial and remote</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Male</td>
<td>58</td>
<td>58</td>
<td>69</td>
<td>65</td>
<td>52</td>
<td>47</td>
<td>N/A</td>
<td>32</td>
<td>60</td>
</tr>
<tr>
<td>Female</td>
<td>74</td>
<td>82</td>
<td>85</td>
<td>78</td>
<td>81</td>
<td>70</td>
<td>N/A</td>
<td>41</td>
<td>78</td>
</tr>
<tr>
<td>All students</td>
<td>66</td>
<td>70</td>
<td>76</td>
<td>71</td>
<td>66</td>
<td>58</td>
<td>N/A</td>
<td>36</td>
<td>69</td>
</tr>
<tr>
<td><strong>Very remote</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>44</td>
<td>N/A</td>
<td>56</td>
<td>28</td>
<td>35</td>
<td>N/A</td>
<td>N/A</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Female</td>
<td>60</td>
<td>N/A</td>
<td>76</td>
<td>34</td>
<td>48</td>
<td>N/A</td>
<td>N/A</td>
<td>6</td>
<td>38</td>
</tr>
<tr>
<td>All students</td>
<td>51</td>
<td>N/A</td>
<td>65</td>
<td>31</td>
<td>41</td>
<td>N/A</td>
<td>N/A</td>
<td>6</td>
<td>34</td>
</tr>
<tr>
<td><strong>All areas</strong></td>
<td></td>
<td></td>
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<tr>
<td>Male</td>
<td>62</td>
<td>65</td>
<td>69</td>
<td>62</td>
<td>59</td>
<td>61</td>
<td>78</td>
<td>26</td>
<td>64</td>
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<td>Female</td>
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<tr>
<td>All students</td>
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<td>72</td>
<td>72</td>
<td>66</td>
<td>69</td>
<td>67</td>
<td>80</td>
<td>29</td>
<td>69</td>
</tr>
</tbody>
</table>

N/A: Not Applicable
* Based on the MCEETYA Geographic Location Classification system (see Glossary)
Source: Productivity Commission (2005)

Female students have consistently higher completion rates across all locations from metropolitan to very remote, however like their male counterparts, completion rates tend to drop in the very remote locations. It is worth noting however, that the highest Year 12 completion rate for females in 2003 was 78%, in other provincial and remote areas. It appears that remoteness from metropolitan areas impacts far more on the completion rates of male students than female students.

Much of the recent data on school completion rates indicates that young males 15-19 years, living in rural and remote communities, are much less likely to complete Year 12 than the total student population, and within this group it is Indigenous young males who are most at risk.
Graph 5: Proportion of Indigenous and non Indigenous 15-19 year olds with educational attainment below Year 10, by locality, 2001

Graph 6: Proportion of Indigenous and non Indigenous 15-19 year olds with educational attainment of Year 12, by locality, 2001


Graphs 5 and 6 illustrate the impacts of both non-completion of Year 10 and remoteness on Indigenous students. Overall Indigenous students’ completion rates are much lower than non Indigenous students and this rate decreases considerably in more remote areas.

In a recent paper on Indigenous educational participation (Biddle et al, 2004) the serious impact of geographical isolation on Indigenous educational outcomes is explored, as are a number of other contributing factors including:

- The presence of primary schools in or near Indigenous communities is fairly common but there are very few secondary schools within a reasonable distance.
- Indigenous students are less likely to have access to the internet at home. A range of factors are likely to contribute to this including limited infrastructure in remote areas, overcrowded housing and poverty.
- As the vast majority of Indigenous students attend public schools they tend to be disproportionately affected by any reallocation of resources between the public and private school systems.

An educated and skilled population are significant factors in the future development of rural Australia. Attention to the human capital issues of retaining and attracting back young people and providing ready access to tertiary education for rural people are critical factors in sustaining rural communities (Alston, 2002).
Further education

In 2001 the proportion of the population with tertiary qualifications, including TAFE qualifications, was much higher in metropolitan areas (15.5%) than in non-metropolitan areas (8.4%).

The lower rate of post-school qualifications in non-metropolitan areas partly reflects the lack of tertiary education opportunities available in these areas and also the trend of out-migration of young people to access these facilities in metropolitan areas.

The inadequacy of tertiary allowances has also been cited as a barrier to tertiary education for those living outside metropolitan areas. While the same eligibility criteria applies to all students, it tends to impact more adversely on rural students who must live away from home in order to take up higher education, thus requiring a significant additional economic commitment from families (Alston and Kent, 2001).

Vocational education and training (VET) (predominantly TAFE) is of particular importance to people in non-metropolitan areas, as it is often the only post-school option. For many rural students the option of a VET program provides a practical transition from school to employment and the participation of students in VET programs is considerably higher in rural and remote regions of the country.

Graph 7: Vocational education and training (VET) Participation Rates

In 2004 the VET participation rate was higher in rural (10.6%) and remote (11.7%) areas than in capital cities (7.2%) and other metropolitan areas (7.7%). Further education via the TAFE system is often a preferred option for people living in non-metropolitan areas, partly because it is more accessible than most universities and enables them to stay in their local community.

Summary

While there have been some steady improvements in national school completion rates, the rates remain lower for those students living outside of urban areas.

- School completion rates (Years 10 and 12) decrease with levels of remoteness. The highest rates of non-completion are for Indigenous students.
- Completion rates are strongly influenced by attendance and these are affected by distance and access in remote communities.
- Females are more likely to complete Year 12 than males across all locations, however completion rates drop with remoteness for this group as well.
- Within the male student population, it is Indigenous males who have the highest rates of non-completion.
- The highest rates of tertiary qualification are in metropolitan areas and degrees become less common with remoteness. There are higher rates of student participation in vocational education and training (TAFE) and other training courses in rural areas and these are often the only post-school option.
Natural capital

Natural capital is embodied in our land, air, fresh waters, seas, and flora and fauna. Natural or environmental capital refers to the renewable and non-renewable resources which enter the production process and satisfy consumption needs, as well as environmental assets that have amenity and productive use, and are essential for the life support system.

Rural and regional Australia covers a great diversity of physical environments, including coastal, rainforests, tablelands, grasslands and deserts. Many of Australia’s environmentally significant sites are in non-metropolitan areas; however the stewardship of Australia’s environment is a national collective responsibility.

The impact of human activities on the natural world and the growing implications for global wellbeing is a key issue for Australia. Apart from Antarctica, Australia is the world’s driest continent; approximately one third of the continent is arid (average annual rainfall of less than 250 mm) and another third is semi-arid (between 250-500 mm annually). As a dry continent with limited fresh water options, the prevailing and anticipated climate changes are matters of real and immediate concern.

Australia’s environmental performance

- Land degradation
  In 2000, about 5.7 million hectares of land were affected by, or at high risk of developing, dryland salinity, a widespread form of land degradation.

- Biodiversity
  Between 1994-2004 the number of terrestrial bird and mammal species assessed as extinct or vulnerable rose 39% from 120 to 167.

- Land clearance
  The annual rate of natural vegetation cleared between 1991-1999 rose by 40%. Land clearance can have a serious impact on biodiversity as it destroys local ecosystems.

- Air quality
  Our air remains relatively clean by the standards of other developed nations.

- Inland waters
  In 2000, about a quarter of Australia’s surface water management areas were classed as highly used or overused.

- Greenhouse gas emissions
  Increased in Australia by 17 percent between 1990 and 1999. Australia has some of the highest per capita emissions in the world, in part because of our heavy reliance on fossil fuel burning and also because of the structure of the Australian economy.
  (ABS, 2002 a, 2005 d).

The agricultural sector is absolutely dependent on the natural capital of the country, with the quality of the soil and availability of water largely determining the suitability of various types of farming, as well as levels of productivity.

Agriculture consumes 70% of stored water and accounts for 60% of Australian land use. Livestock grazing accounts for the largest area of land use in agriculture with over 75% of all agricultural land, being used for this activity. Given the inherent dryness of the land, combined with a series of recent droughts, many forms of agricultural production are highly dependent on irrigation to address the increasing variability in rainfall.

Rural areas generally, and many non coastal regional areas, have typically lower levels of rainfall than metropolitan areas and fairly strict water restrictions are now common in most local government areas. The impact of drought on farmers and agricultural productivity invariably also impact on rural and regional communities.

While many rural economies are continuing to diversify, direct and significant economic linkages remain between farm expenditure and rural towns. Consequently there is often a direct equation between drought, reduced productivity-income-spending and employment.
Regional Environmental Employment Program (REEP), Victoria

The Regional Environmental Employment Program is a practical traineeship that combines employment and training with environmental and conservation management for young people.

It currently operates in Bendigo and Shepparton in rural Victoria, and is an employment program that provides training opportunities for young people (15-24 years) while addressing local environmental issues.

The program’s major goals are to:

- Assist young people in their transition to employment, education and training.
- Build community capacity through the provision of opportunities for participants to be involved in the program within their community.

Over a 12 month period nine trainees in each area undertake a structured work and learning program. A typical working week for the selected trainees includes:

- Group conservation work – team work on community land care projects through sponsored works with local authorities (2 days).
- Host employment – a supporting agency sponsors the employment of a trainee(s) within their organisation to broaden the skills and experience available to trainees. Host employers range from local governments to Catchment Management Authority (2 days).

Most of the participants are unemployed before joining the program and have either limited or a negative experience of education and employment. Of those who completed these nationally accredited traineeships last year, the majority progressed to further employment. Likewise Indigenous participants have also found positions as Cultural Officers within environmental agencies.

With the growing demand for environmental workers, REEP is able to equip these young people for future jobs, while supporting rural communities in their efforts to address the multiple impacts of land degradation.

Partnerships and local management

The REEP Programs are managed by Mission Australia, who auspice Steering Committees comprised of representatives from local government, environment, training and youth groups, business as well as state government authorities. Some of these agencies are also significant host employers, providing valuable work experience to REEP participants.

The partnerships formed with training providers such as TAFE and other agencies are key to the success and sustainability of the program. The proactive development of a region’s capacity to form networks to solve local problems through joint ventures is an important characteristic of REEP.
Salination is destroying valuable farmland at an increasing rate, with very serious impacts in parts of the Western Australian wheat belt and farming areas of the Murray-Darling basin. This problem not only degrades land; it is also a major threat to water supplies.

Table 14: Areas of high risk or hazard of dryland salinity by state, 2000 to 2050

<table>
<thead>
<tr>
<th></th>
<th>Hectares at high risk or hazard 2000</th>
<th>Projected hectares at high risk or hazard 2020</th>
<th>Projected hectares at high risk or hazard 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>181,000</td>
<td>579,000</td>
<td>1,300,000</td>
</tr>
<tr>
<td>VIC</td>
<td>670,000</td>
<td>1,310,000</td>
<td>3,110,000</td>
</tr>
<tr>
<td>QLD</td>
<td>Not assessed</td>
<td>Not assessed</td>
<td>3,100,000</td>
</tr>
<tr>
<td>SA</td>
<td>390,000</td>
<td>495,000</td>
<td>600,000</td>
</tr>
<tr>
<td>WA</td>
<td>4,363,000</td>
<td>5,230,000</td>
<td>8,800,000</td>
</tr>
<tr>
<td>TAS</td>
<td>54,000</td>
<td>70,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Australia</td>
<td>5,658,000</td>
<td>7,684,000</td>
<td>16,900,000</td>
</tr>
</tbody>
</table>

Source: Department of Transport and Regional Services (2004)

The mining industry also has both a significant dependence and impact on the environment in rural and regional Australia. In 2003 it employed over 60,000 people and accounted for 46% of exports. However, mining and mineral processing also have several negative impacts on the environment, including erosion from land clearing surfaces and sediment loadings from waste dumped in nearby water sources.

Both awareness and levels of direct action to address these environmental concerns have been growing for some time. Landcare groups grew considerably during the 1990s developing new attitudes and practices to land management, and at a greater rate in rural areas. A substantial amount of research continues to be undertaken on environmental sustainability, with an increasing awareness of the nexus with social sustainability, particularly within rural regions.

As the Australian State of the Environment Committee (2001) noted:

"Indigenous Australians learnt over thousands of years to live in a sustainable and spiritual relationship with this distinctive environment. There is a growing recognition that this knowledge, attitudes and experiences can inform present day land management. Nonetheless, where Indigenous peoples are responsible for control and management of extensive land areas, poor living conditions, health and lack of educational opportunities are often seen as hampering their ability to exercise effective land management practices".

Summary

- Land and water degradation, combined with climate change, are serious issues for all Australians irrespective of where they live.
- Given the characteristics of our environment, many of our historical land use patterns since European settlement have created long term and serious environmental problems.
- The direct economic and social impact in non-metropolitan areas is profound and relates to the highly interdependent relationship between primary industries and the environment.
Non-metropolitan Australia faces many of the same social, economic and environmental challenges as the capital cities. Conversations about our ageing population, skills and infrastructure shortages and severe water shortages are as likely in Gunnedah as they are in Brisbane. But much of rural and regional Australia is far more exposed to the problems by virtue of the inter-related realities of distance, access and opportunities.

However there are also many larger regional towns in rural and regional areas that are thriving; much of this recent growth has been attributed to the influx of ‘sea’ and ‘tree changers’ moving from metropolitan areas for lifestyle reasons. Improved transport and telecommunications infrastructure have substantially contributed to much of this growth, particularly in satellite towns within a reasonable distance of a larger centre.

At a locational level it is those towns in the wheat-sheep zones that are experiencing both population decline and increasing disadvantage. Those parts of rural Australia affected by the recent series of droughts continue to face multiple and related challenges that severely impact on their economies, communities and families. When considering the issue of relative disadvantage outside the capital cities it is important to consider the many variations between areas and between groups in the same area.

**Locational disadvantage**

For many parts of non-metropolitan Australia there is a strong relationship between where people live and levels of disadvantage, as these factors are closely associated with lack of access and opportunities, particularly access to educational and employment opportunities.

Tony Vinson’s work on locational disadvantage (1999, 2004) identified those postcode areas in two states with the highest levels of disadvantage. In 2003 in New South Wales, fourteen of the twenty highest ranked disadvantaged postcodes were located in rural areas; in Victoria thirteen were located in rural areas.

Likewise if we consider the Australian Bureau of Statistics’ Statistical Local Areas (SLAs) across the country and grade them according to the level of measured disadvantage1 for the area, a clear pattern emerges. For example in New South Wales seven of the ten most disadvantaged SLAs are located in rural areas. In Victoria nine of the ten most disadvantaged SLAs are located outside the metropolitan area, while in South Australia half are located in rural and regional areas.

**Non-metropolitan Indigenous disadvantage**

Indigenous Australians experience serious disadvantage across most indicators of wellbeing and this is magnified with degrees of remoteness. Nationally, the proportion of the population that is Indigenous is not the only determinant of disadvantage, however in non-metropolitan areas there is often a strong correlation between disadvantage and the proportion of Indigenous people.

Table 15 lists SLAs with the highest levels of measured disadvantaged in South Australia and New South Wales and identifies the percentage of Indigenous people living in each of these areas. Those locations in bold are non-metropolitan.

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1 The measurement of disadvantage is based on the averaged Socio-Economic Indicators For Areas (SEIFA) disadvantage index score for each area as measured in the 2001 Census.
Table 15: Most disadvantaged SLAs and percentage of Indigenous population in 2001*

<table>
<thead>
<tr>
<th>a) South Australia</th>
<th>% of population Indigenous</th>
<th>b) New South Wales</th>
<th>% of population Indigenous</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Riverland</td>
<td>65.8</td>
<td>1. Brewarrina</td>
<td>53.5</td>
</tr>
<tr>
<td>2. Playford – West Central</td>
<td>3.8</td>
<td>2. Fairfield</td>
<td>0.6</td>
</tr>
<tr>
<td>3. Port Adelaide, Enfield Port</td>
<td>2.6</td>
<td>3. Central Darling</td>
<td>28.5</td>
</tr>
<tr>
<td>5. Far North</td>
<td>34.7</td>
<td>5. Blacktown</td>
<td>2.3</td>
</tr>
<tr>
<td>6. West Coast</td>
<td>33.3</td>
<td>6. Richmond Valley</td>
<td>5.5</td>
</tr>
<tr>
<td>7. Port Adelaide, Enfield Inner</td>
<td>2.4</td>
<td>7. Auburn</td>
<td>0.8</td>
</tr>
<tr>
<td>8. Salisbury Inner North</td>
<td>2.0</td>
<td>8. Pristine Waters</td>
<td>2.9</td>
</tr>
<tr>
<td>10. Salisbury Central</td>
<td>1.8</td>
<td>10. Coonamble</td>
<td>20.9</td>
</tr>
</tbody>
</table>

* Remote is defined as a location at least 100 kilometres from a TAFE college.

Source: Australian Bureau of Statistics (2002 b)

Some significant patterns emerge from this data including:

- The most disadvantaged SLAs in both states are located in rural areas and have the highest proportion of Indigenous people.

- Those SLAs with the very high proportions of Indigenous people (over 20%) are all located in rural and remote areas.

Recent analysis (Hunter, 2005) of data from the two National Aboriginal and Torres Strait Islander Social Surveys (NATSISS, 1994, 2002) reflect changes in the status of Aboriginal and Torres Strait Islander people across a range of social indicators during this eight year period, in remote and non remote areas of the country (refer to Table 16).
Table 16: Indigenous persons aged 15 years or over, selected characteristics by remoteness*, Australia, 1994 and 2002

<table>
<thead>
<tr>
<th>Social Indicator</th>
<th>Remote 1994 (%)</th>
<th>Remote 2002 (%)</th>
<th>Non remote 1994 (%)</th>
<th>Non remote 2002 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-assessed health status excellent/very good</td>
<td>46.5</td>
<td>44.2</td>
<td>45.5</td>
<td>44.0</td>
</tr>
<tr>
<td>Self-assessed health status good</td>
<td>42.9</td>
<td>35.1</td>
<td>36.1</td>
<td>31.4</td>
</tr>
<tr>
<td>Self-assessed health status fair/poor</td>
<td>10.4</td>
<td>20.0</td>
<td>18.3</td>
<td>24.5</td>
</tr>
<tr>
<td>Currently smokes cigarettes</td>
<td>50.3</td>
<td>50.4</td>
<td>52.4</td>
<td>48.0</td>
</tr>
<tr>
<td>Has not drunk alcohol in last 12 months</td>
<td>44.0</td>
<td>46.4</td>
<td>30.9</td>
<td>24.7</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor degree or above</td>
<td>1.9</td>
<td>1.4</td>
<td>1.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Certificate or diploma</td>
<td>4.5</td>
<td>13.8</td>
<td>11.4</td>
<td>24.6</td>
</tr>
<tr>
<td>Total with non-school qualification</td>
<td>7.8</td>
<td>17.2</td>
<td>19.5</td>
<td>29.4</td>
</tr>
<tr>
<td><strong>Labour force status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDEP scheme employed</td>
<td>27.9</td>
<td>32.5</td>
<td>5.6</td>
<td>4.5</td>
</tr>
<tr>
<td>Non-CDEP employed</td>
<td>13.0</td>
<td>19.2</td>
<td>29.8</td>
<td>39.7</td>
</tr>
<tr>
<td>Unemployed less than 1 year</td>
<td>7.0</td>
<td>3.5</td>
<td>12.1</td>
<td>12.0</td>
</tr>
<tr>
<td>Unemployed 1 year or more</td>
<td>4.5</td>
<td>2.0</td>
<td>12.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Not in the labour force</td>
<td>47.6</td>
<td>42.5</td>
<td>40.0</td>
<td>39.1</td>
</tr>
<tr>
<td><strong>Law and justice</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrested once</td>
<td>9.1</td>
<td>7.8</td>
<td>9.0</td>
<td>6.5</td>
</tr>
<tr>
<td>Arrested more than once</td>
<td>9.5</td>
<td>8.7</td>
<td>11.4</td>
<td>9.4</td>
</tr>
<tr>
<td>Total arrested in last 5 years</td>
<td>19.3</td>
<td>16.9</td>
<td>20.7</td>
<td>16.2</td>
</tr>
</tbody>
</table>

* Remote is defined as a location at least 100 kilometres from a TAFE college.

Source: Hunter (2005)

The NATISIS survey findings in table 16 illustrate:

- A significant decline in self-assessed health status in remote and non remote areas. Health status assessed as fair or poor almost doubled in remote areas, from 10.4% in 1994 to 20.0% in 2002.
- A significant increase in the proportion of those living in non remote areas who had drunk alcohol in the last 12 months.
- The incidence of cigarette smoking remained fairly stable in all areas.
- An increase in non-school qualification rates in remote and non remote areas, with a significant increase in completion of certificates and diplomas in both areas.
• The percentage of adults employed by the CDEP scheme remained fairly stable in remote and non-remote areas and non-CDEP employment increased in all areas.

• A reduction in the rate of long-term unemployment in both remote and non-remote areas, with a significant decrease in non-remote areas.

• Slight declines in the arrest rates in both remote and non-remote areas.

Taken together, these findings suggest that while geographic location impacts across many key variables for Indigenous Australians, it is not the only factor that contributes to their social exclusion and disadvantage. Given the encouraging improvements in educational outcomes, it is vital that there are employment opportunities for Indigenous people and proactive policies to support their inclusion in the workforce.

As stated earlier in this report, government agencies are an important source of employment in rural and regional areas but there has also been a recent decline in the Indigenous proportion of overall employment in the Australian public service. Hunter (2005, p 6) remarks that it has “stalled, but it is at serious risk of longer term decline from the high of 2.7% in 1999” (the figure was 2.3% in 2004).
Past and future

Some of the major trends that have had a negative impact on many non-metropolitan areas have been with us for a very long time; for example the flow of young rural people to the cities commenced in the first couple of decades of the 20th century, and farming communities have always been impacted by environmental changes and climatic conditions. However there are now several changes in the type and degree of issues in these regions, as well as an increased awareness of the needs of specific groups within our communities, notably Indigenous Australians and young people.

Government policy responses have always played a critically important role in the wellbeing of non-metropolitan communities. Historically some of the key policy approaches have been substantially informed by two central themes:

- Social equity: policies aimed at ensuring people living outside the major cities have equitable access to essential services such as hospitals, schools and banks. A recent example of this position is in relation to the provision of telecommunication services in rural and remote areas.
- Decentralisation: policy incentives to encourage people, services and businesses to relocate to non-metropolitan areas. Previous decentralisation programs have included the Commonwealth Soldier Settlement Scheme and the development of Albury-Wodonga on the New South Wales/Victorian border.

Levels of government support, including forms of protection and subsidised infrastructure, incrementally declined during the 1970s and 1980s with the growing adoption of economic rationalist policies by governments (Davison, 2005) which favour smaller and less interventionist government and adaptation to market forces. This substantial policy shift, combined with the multiple other external variables already outlined, have transformed many parts of non-metropolitan Australia.

However more recently, the broad concept of sustainability, incorporating the interconnected framework of capitals used throughout this publication, is gaining increasing interest within policy and service delivery domains, particularly in relation to rural and regional needs. This shift has the potential to introduce some much needed balance into the public policy focus and both revalue and restore levels of service provision, attention to environmental concerns and community wellbeing.

As Tonts, (2005, p 211) notes: “The importance of maintaining social, human, institutional and economic capital is slowly being accepted as an essential component in ensuring the sustainability of rural communities”.

In addition there is an increasing awareness that a narrow focus on economic efficiency, at the expense of social and environmental considerations, generates false economies and notions of ‘progress’. Inequity, lack of opportunities, disaffection, land use degradation and salination are costly issues and contrary to the notion of intergenerational equity.

While a capitals framework can provide a comprehensive analytical tool, one of its primary strengths is that it offers a relational and interconnected model for needs and impact assessment, as well as policy development and program evaluation. At a practical level this means that an analysis of the individual capitals is ultimately insufficient. This framework is conceptually useful as long as there is a recognition that the demarcations between the various capitals are not precise and a focus on the dynamics between them is critical.

As Dibden et al, (2005, p 5) notes: “The distinction between social capital and institutional capital is often blurred in practice, since the effective functioning of social institutions also depends, to some extent, on the existence of relationships of trust, co-operation and reciprocity, although these are generally less personal in nature”.

Building ‘capacity’ and service provision in rural and regional Australia

Rural and regional communities across Australia have experienced unmatched social, economic and environmental changes over a sustained period of time. Many have shown extraordinary resilience and a capacity to respond to these changes with flexibility, creativity and innovation.

There are now several interrelated concepts that refer to the practice of working with communities to support them to further develop their capacity, skills, confidence and networks to respond to new and ongoing issues. Some of these concepts include capacity building, resilience and social capital and all of them have an intrinsic relationship to the practice of community development.

For capacity building policies and programs to effectively address areas and issues of disadvantage in rural and regional areas, it is necessary that they are accompanied by macro economic and social policies that prioritise equitable access to services and opportunities for non-metropolitan communities. In particular, equity of access to services is paramount for those groups within communities who are experiencing the highest levels of social exclusion and disadvantage.

The much lower school completion rates of Indigenous young people in rural and remote areas illustrates one required intersection. The provision of educational opportunities (institutional capital) in their communities will promote higher levels of school participation and completion (human capital). This is turn will “promote the capacity of residents in Indigenous communities to be active Australian citizens who can take responsibility for their own health and wellbeing” (social capital) (Beddie, et al 2004).

Capacity building programs must be accompanied by the necessary human, institutional, natural, economic and social capital with which to develop opportunities and affect change. For example “not all rural towns will possess these capacities, since one of the outcomes of the withdrawal of services over recent decades has been depletion of their economic and human capital” (Dibden et al, 2005 p 225).

In terms of the provision of adequate community services, it is important that government funding agencies make long term commitments to community service delivery in rural and regional areas. While valuable, short to medium term capacity building and pilot projects alone, cannot deliver the sustainable outcomes required in many communities.

Capacity building programs need to be sensitive to the community or group they aim to support. In some communities it may be necessary for service providers and governments to take one step back and address the issue of the preconditions for participation. A major inhibitor to participation is economic disadvantage. In addition to a lack of economic capital in impoverished communities, members are often almost entirely focused on providing themselves and their families with the basic necessities of life. The resources needed for community capacity building must be provided to ensure community members are able to develop their communities effectively (Mission Australia, 2002).

Summary

Non-metropolitan Australia includes an incredibly complex and varied range of people, communities, industries, opportunities, issues and development needs. This diversity, combined with changing demographics and accelerated internal migration, will require continuing specialised attention at the service delivery, research and policy levels.

During the last three decades, significant restructuring to create an internationally competitive economy has transformed rural and regional Australia in ways that are often unclear to those who live in capital cities. These massive structural changes, combined with the stark realities of environmental degradation, have left many non-metropolitan communities with a sense of loss and alienation.

To ensure that policy and service delivery responses are relevant to the needs and aspirations of non-metropolitan communities it is essential that they are developed with the direct engagement of the people who live there and avoid citycentric ways of organising and notions of success.

It is also clear from this report that not all communities and groups within communities are experiencing levels of disadvantage. However some, notably Indigenous Australians, must be prioritised, particularly in the crucial areas of education, health and employment.
5. Recommendations

Economic Capital

Employment and training
The development and implementation of a national Local Needs, Local Jobs scheme to train young rural Indigenous people to work in the mainstream economy as mental health, maternity and aged care nurses and aids, as well as teachers, teachers aids and environmental /cultural officers. It is envisaged that such a scheme could assist in addressing clearly defined rural skills shortages, as well as employment and training needs of young Indigenous people living in rural and remote communities.

Develop and implement a specific Rural Girls Apprenticeship program that provides training and local career development opportunities for young women living in regional and rural areas.

Institutional Capital

Local and regional planning and infrastructure
An enhanced role for local government bodies that acknowledges its critical role in local needs analysis, community mobilisation and service provision. These changes need to be sufficiently resourced to enable local government to proactively advance regional economic development, meet the changing needs of their communities, and as a major employer in many rural and regional communities, provide additional local job opportunities, apprenticeships and career pathways.

Whole of Governments’ sustainability policy and delivery framework
Enhanced assessment and planning policies and processes that integrate federal and state agencies with local government. All tiers of government and government agencies need to work together more effectively at the regional level, using a sustainability framework, to implement holistic policies that meet the needs of rural and regional communities.

Enhanced targeted support for farming families
Additional resources to increase the number and skills base of existing rural assistance programs (eg Rural Financial Counsellors and Drought Support Workers programs) to enable these services to more effectively meet the needs of farming families experiencing high levels of stress. Consideration should also be given to the inclusion of additional qualified counsellors in these programs, particularly in the areas of domestic violence, gambling and men’s health.

Access, social exclusion and the potential of mobile outreach services
Greater use of mobile outreach and information technology based service delivery should be encouraged to reduce the level of social exclusion, particularly for small rural towns and remote communities.

Social Capital

The social impacts of policy
Given the interrelated and often unintended impacts that government policy decisions have on rural and regional communities, more strategic, robust and comprehensive impact assessments are required as part of the policy development process. In particular, policy formulation needs to be informed of the potential consequences on access to education and employment opportunities as well as population size and composition.
**Capacity building and all sectors**
There is a significant role for state, federal and local governments and agencies as well as non-government organisations and business to actively support capacity building in rural and regional communities. The development of intercommunity networks should be prioritised as a way of increasing access to non-local resources and networks, particularly in the areas of employment and education.

**Capacity building and service delivery models**
Consideration should be given to extending the Communities for Children’s community capacity building model to other areas of service delivery.

**Human Capital**

**Health**
The provision of additional resources to meet the growing health access needs of rural communities is a key priority. Targeted additional resources and initiatives should be directed to the following priority areas:

- The development and implementation of a national Rural Mental Health Strategy.
- The mental and sexual health needs of young rural people, with a particular focus on early intervention.
- The child and maternal health needs of Indigenous rural people.
- Drug and alcohol abuse prevention specifically targeted at young rural men.

**Domestic and family violence**
Enhanced core funding for existing services for victims of domestic and family violence in rural and remote areas. Sufficient resources are needed to acknowledge the additional costs associated with the long distances travelled, isolation and coverage of extensive geographic areas. A stronger focus on prevention and early intervention is also needed to address family violence and more effectively protect women and children.

**Education: Improved access and delivery innovations**

- Expand mobile educational outreach services that fully utilise the potential of information/satellite technology and mobile teaching unit services to improve educational outcomes for young Indigenous people living in rural and remote areas.
- Review current eligibility for Youth Allowance and Austudy to ensure equitable access to higher education for young people living in rural and regional areas. Consideration should be given to the impact of the inclusion of farm assets on eligibility for this allowance.
- Introduce greater flexibility to the minimum number of students required for TAFE course approvals in non-metropolitan areas.
- Introduce greater flexibility to the current number of students required to maintain a teaching position in a rural school.

**Natural capital**

**Sustainable rural assistance**
Expand rural assistance initiatives for farmers, linked to sustainable agricultural practices and environmental protection, as well as initiatives for rural businesses and communities that actively support the development of more diversified and ‘green’ rural economies.
Glossary of Classifications

1. The Australian Standard Geographical Classification (ASGC)

   Designed and maintained by the Australian Bureau of Statistics, the ASGC is a complex system used to collect and distribute data on a geographical basis. It divides Australia up into different size areas from Collector Districts (CD’s) which are the smallest, to Australia (largest).

   The various geographical areas, or spatial units, which build the different classification structures are:
   1. Census Collection District (CD)
   2. Statistical Local Area (SLA)
   3. Statistical Subdivision (SSD)
   4. Statistical Division (SD)
   5. State and Territory (S/T)
   6. Statistical District (S Dist)
   7. Local Government Area (LGA)
   8. Major Statistical Region Sector (SRS)
   9. Statistical Region (SR)
   10. Major Statistical Region (MSR)
   11. Urban Centre/Locality (UC/L)
   12. Section(s) of State (SOS)
   13. Remoteness Area (RA)

   During Population Census years, the smallest spatial unit is the CD. It is the basic building block of the classification structures. Between censuses, the smallest spatial unit used is the SLA which is based on the administrative areas of local governments.

2. Section of State (SOS)

   The SOS is kept as a separate system of the ASGC because of its incompatibility with other classification systems. The SOS classification system divides areas into urban or rural areas according to population density.
   1. Major Urban: This category provides for a further three categories of urban areas and is based upon population ranges of 1,000,000 or more; 250,000 to 999,999; and 100,000 to 249,999.
   2. Other Urban: This category is based upon population ranges of 50,000 to 99,999; 20,000 to 49,999; 10,000 to 19,999; 5,000 to 9,999; and 1,000 to 4,999.
   3. Bounded Locality: This category uses areas with a population of 500 to 999 and 200 to 499.
   4. Rural Balance: The remainder of the State.
   5. Migratory: Areas that are composed of off-shore, shipping and migratory Collection Districts.

3. The Rural, Remote and Metropolitan Areas (RRMA) classification

   This system was developed in 1994 by the Department of Primary Industries and Energy and the then Department of Human Services and Health and has been widely used. The RRMA is based on 1991 Population Census and Statistical Local Area (SLA) boundaries and uses a combination of distance and population density to classify SLAs into three zones: metropolitan, rural and remote. These three zones are then broken down by the largest population zone in every one of the SLA’s they encompass, to give an RRMA score of 1-7.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Classification</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan</td>
<td>1</td>
<td>Capital Cities</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Other metropolitan centres (urban centre population &gt; 100,000)</td>
</tr>
<tr>
<td>Rural</td>
<td>3</td>
<td>Large rural centres with population 25,000 - 99,000</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Small rural centres with population 10,000 - 24,999</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Other rural areas with population &lt; 10,000</td>
</tr>
<tr>
<td>Remote</td>
<td>6</td>
<td>Remote centres with population &gt; 5,000</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>Other remote areas with population &lt; 5,000</td>
</tr>
</tbody>
</table>
4. **Accessibility/Remoteness Index of Australia (ARIA)**

The Remoteness Structure was added to the Australian Standard Geographical Classification in 2001 in order to provide a standard geographical structure describing Australia in terms of a measurement of remoteness or distance from services and as an improvement on the Rural, Remote and Metropolitan Areas (RRMA) structure. It is designed to allow quantitative comparisons between ‘city’ and ‘country’ Australia and is used in relation to employment and regional population growth in this report.

The Remoteness Structure is based upon the Accessibility/Remoteness Index of Australia (ARIA). ARIA measures the remoteness of a point based on the road distances to the nearest town (service centre) in each of five population size classes. The basic premises of ARIA are that there are more services available in larger towns than small towns and that remoteness is a factor of the relative distance one must travel to access a full range of services.

The Remoteness Structure contains the following categories which provide a measurement of whether geographic distances impose restrictions on the availability of a range of goods, services and opportunities for social interaction:

- **Major Cities of Australia** – imposes minimal restriction
  eg Sydney (including Newcastle and Wollongong), Melbourne (including Geelong).
- **Inner Regional Australia** – imposes some restriction
  eg Hobart and Launceston (Tasmania), Bunbury (Western Australia).
- **Outer Regional Australia** – imposes moderate restriction
  eg Darwin (Northern Territory), Roma, Cairns (Queensland), Mount Gambier (South Australia).
- **Remote Australia** – imposes high restriction
  eg Cobar (New South Wales), the Kalgoorlie gold-fields (Western Australia).
- **Very Remote Australia** – imposes highest restriction
  eg The far west parts of New South Wales and Queensland, northern South Australia and Western Australia, most of the Northern Territory and Flinders and King Islands in Bass Strait (Tasmania).

5. **Capital City and Balance of State**

This classification system divides each state into two parts by combining the Statistical Local Areas (SLAs) which define a capital city into one geographic area, while the remaining SLAs combined define the Balance of State. This system does not include the territories.

This system is useful for broad comparisons between metropolitan and non metropolitan regions of the country and is used in relation to unemployment in this report.

6. **The Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) Geographic Location Classification system**

This system is used in the education section of this report. At the highest level it divides Australia into three zones (metropolitan, provincial and remote zones). A further disaggregation comprises five categories with the metropolitan and provincial zones each subdivided into two categories, plus the remote zone. Further subdivisions of the two provincial zone categories and the remote zone category provide additional more detailed classification options. When data permit, a separate very remote zone can be reported along with the metropolitan, provincial and remote zones, as follows.

A. **Metropolitan zone**
   2. Major urban statistical districts (100,000 or more population):
      - ACT-Queanbeyan, Cairns, Gold Coast-Tweed, Geelong, Hobart, Newcastle, Sunshine Coast, Townsville, Wollongong.

B. **Provincial zone (non-remote)**
   3. Provincial city statistical districts plus Darwin statistical division:
      - Provincial city statistical districts and Darwin statistical division (50,000-99,999 population): Albury-Wodonga, Ballarat, Bathurst-Orange, Burnie-Devonport, Bundaberg, Bendigo, Darwin, Launceston, La Trobe Valley, Mackay, Rockhampton, Toowoomba, Wagga Wagga.
      - Provincial City Statistical Districts (25,000-49,999 population):

C. **Remote zone**
   4. Other provincial areas (CD ARIA Plus score < 5.92):
      - Inner provincial areas (CD ARIA Plus score < 2.4)
      - Outer provincial areas (CD ARIA Plus score > 2.4 and < 5.92).

   5. Remote areas (CD ARIA Plus score ≥ 5.92):
      - Remote areas (CD ARIA Plus score ≥ 5.92 and < 10.53)
      - Very remote areas (CD ARIA Plus score ≥ 10.53).
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About Mission Australia

Mission Australia is a non-denominational Christian organisation with a vision to spread the love of God as revealed in Jesus Christ and meet human need.

It has a network of 326 services throughout metropolitan, rural and regional Australia. Our programs include:

- Family support initiatives for families and children in need.
- Youth initiatives for disadvantaged and marginalised young people.
- Adult initiatives to help people get back on their feet and lead fulfilling lives.
- Employment and training initiatives to assist unemployed people and those seeking to re-enter the workforce.
- Community building initiatives that help strengthen and empower entire communities.

For more than 140 years, Mission Australia’s vision has been helping the nation’s most disadvantaged individuals and communities out of crisis and into security.

Our goal is to help people get back on their feet.

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Macquarie Bank, Australia’s largest independent investment bank, provides community support to a wide range of organisations through the Macquarie Bank Foundation. The Foundation has formed a major partnership with Mission Australia, to enhance its research into key social issues. This research guides Mission Australia’s policy development and advocacy ensuring its employment programs and community services continue to deliver to those most in need.