

# Small towns Big returns

Economic and social impact of  
the Karen resettlement in Nhill

A JOINT AMES AND DELOITTE ACCESS ECONOMICS REPORT

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## ACKNOWLEDGEMENTS

The report is the product of a collaboration between AMES and Deloitte Access Economics. Deloitte Access Economics assessed the economic impact of the Karen on the township of Nhill. AMES managed the primary data collection and evaluated the social impact of the Karen in Nhill. The Karen population in Nhill generously participated in the data collecting interviews. And the Nhill community were equally generous in making time to talk to AMES about their experiences.

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Report prepared by:

- AMES Research and Policy
- Deloitte Access Economics

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Increased resettlement of migrants and refugees in regional Australia has been an on-going focus of the policies of successive governments.

# EXECUTIVE SUMMARY

**Increased resettlement of migrants and refugees in regional Australia has been an on-going focus of the policies of successive governments<sup>1</sup>. One recent regional resettlement experience, initiated at the local level, has yielded significant outcomes for a small regional community and the refugees involved.**

This case study – Small Towns, Big Returns – provides new and important insights into the economic and social value that can accrue through these initiatives, and identifies factors that contribute to their success. These insights can both create the case for, and inform planning of, resettlement in other Australian communities.

Since early 2010, approximately 160 Karen refugees have resettled in Nhill, in north western Victoria.

Nhill is a small, relatively isolated agricultural town in the wheat-belt Wimmera region of Victoria. Like a number of small regional towns, Nhill has faced a declining working-age population, which has had flow-on implications for the economic and social prosperity of the town.

The context of a declining population, combined with very low unemployment, was a key catalyst in this resettlement. In particular there was a need for labour to support expansion of Luv-a-Duck, the largest local commercial business, and driven by a combination of economic and humanitarian motivations, Luv-a-Duck management identified the Karen as potential employees.

Through a staged recruitment and resettlement process, the Karen community now comprises approximately 10% of the Nhill population, including significant numbers of working age adults and families with young children. Furthermore, labour force participation linked to this population increase is high.

Fifty-four Karen are directly employed in Luv-a-Duck, and seven are employed in businesses that supply Luv-a-Duck. Beyond this, the increased population has enabled the creation and filling of additional jobs across a number of broader community businesses and services.

A total of 70.5 Full Time Equivalent (FTE) positions have been added to the regional economy over the five year period of analysis, representing approximately 3% of total employment across Hindmarsh. The economic impact of this increased labour supply, in terms of Gross Regional Product – as modelled by Deloitte Access Economics, is estimated to be **\$41.5 million** in net present value terms.

The wider social impacts of the resettlement of the Karen in Nhill provide the story behind the numbers. In short the Karen resettlement in Nhill has helped to:

- redress population decline for the township
- revitalise local services and attract increased government funding
- increase social capital across both communities

In the words of the Hindmarsh Shire Council CEO:

*The social impact of the Karen settlement is extraordinary. Nhill, a very conservative community, has embraced and opened their minds and hearts to the Karen. This has made Nhill a better place to live.*

The necessary factor in the success of the Karen resettlement has been employment. However, while critical, employment is not of itself sufficient for successful resettlement and a number of other contributing factors have been identified.

These include:

- strong leadership in the host community
- a host community which is well prepared for the new settlers
- initial accommodation for the new arrivals
- support for the new families
- management of the degree and complexity of 'cultural adjustment' on both sides
- strong leadership in the settling community
- potential settlers prepared for the new environment

Of these, strong leadership has been a key contributing factor in this now well-established venture that began as a small idea and has evolved into a revitalised and vibrant small regional community.

<sup>1</sup> DIMIA [Department of Immigration and Multicultural and Indigenous Affairs]. 2003. Report of the Review of Settlement Services for Migrants and Humanitarian Entrants. Canberra: DIMIA.  
Vanstone, A. 2004. New Initiatives to Draw more Migrants to Regional Areas. Media Release, 12 January 2004, Canberra.  
VSPC [Victorian Settlement Planning Committee]. 2005. A Victorian Welcome: A Resource for Settling Migrants and Refugees in Regional and Rural Victoria. Melbourne : Department of Immigration and Multicultural and Indigenous Affairs  
DIAC [Department of Immigration and Citizenship]. 2007a. Fact Sheet 97: Humanitarian Settlement in Regional Australia. Canberra: DIAC

# 1 INTRODUCTION

## 1.1

### PURPOSE

The successful resettlement of the Karen in Nhill has and continues to generate considerable interest across a range of communities and stakeholders. For instance local governments, especially in regional Victoria, have demonstrated interest in exploring opportunities to apply similar approaches to growing their rural communities.

The story has been documented in the media, through a photographic exhibition and through presentations at a number of forums. To date, documentation has focused primarily on the social impacts for both the Karen and the Nhill community. There has been no analysis of the economic impacts of the resettlement for this small rural community, nor has there been an exploration of the factors contributing to the success of this initiative.

To address this gap, this report provides an analysis of the economic impacts for Nhill, contributes a systematic documentation of the headline social impacts and describes the factors that have contributed to the success of the resettlement.

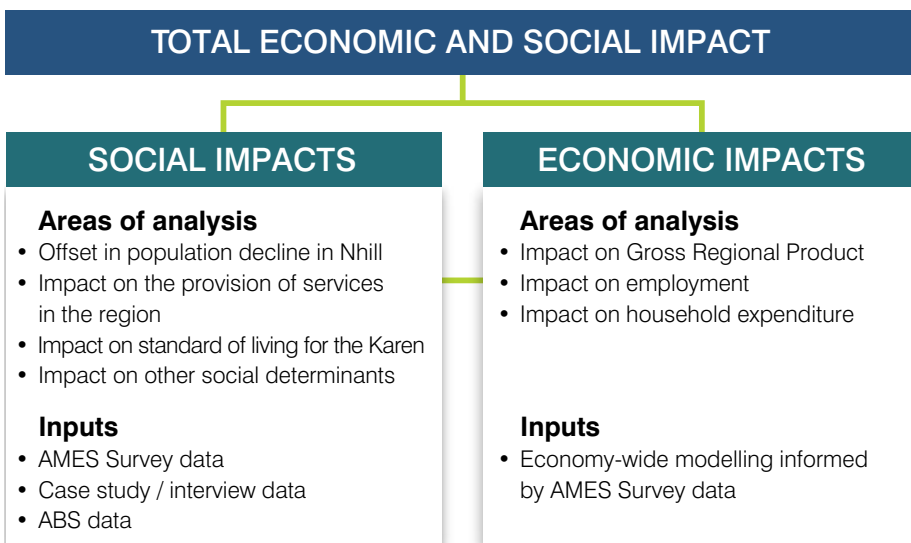
The report is the product of a collaboration between AMES and Deloitte Access Economics.

## 1.2

### IMPACT ASSESSMENT FRAMEWORK

The assessment framework used to determine the impact of the resettlement of the Karen people in the town of Nhill is illustrated in Figure 1.A below.

FIGURE 1.A: IMPACT ASSESSMENT FRAMEWORK



## 1.2.1

### PRIMARY DATA COLLATED

Where possible, quantitative data has been gathered as evidence of the impact of the Karen resettlement, and is augmented by qualitative data. Data has been collected from four main sources:

- **Structured surveys conducted with all Karen families and single adults in Nhill:** Karen people living in Nhill were interviewed using a standardised survey tool. All interviews with the Karen were conducted in the Karen language. This ensured that information collected was comprehensive and accurate. The surveys sought basic demographic profile data, employment data and disposable income data.
- **Interviews with Karen community leaders:** Two members of the Karen living in Nhill who are recognised as leaders by the community were interviewed. A third Karen community leader, based in Melbourne but with continuing involvement in the project, also provided input into the interview process.
- **Interviews with employers, businesses and service providers based in Nhill:** A number of local business and service providers based in Nhill were interviewed. These included the CEO of the Hindmarsh Shire Council, the Manager of the Nhill Neighbourhood House, the Wimmera Development Association Settlement Worker, the Assistant Principal of the Nhill P – 12 College and several small businesses who either had or continued to employ one or more Karen staff.

# 1 INTRODUCTION

- **Interviews with Luv-a-Duck management staff:** The CEO and the Human Resource Manager of Luv-a-Duck also agreed to be interviewed.

John Millington (former General Manager, Luv-a-Duck) and his partner, Margaret Millington, who were both involved in the initial settlement arrangements and continue to play a role in both the Karen and Nhill community, gave time for an extensive interview.

## 1.2.2

### ECONOMIC ANALYSIS

The economic impact has been assessed using the Deloitte Access Economics' Computable General Equilibrium (CGE) modelling capacity. More detail on the approach taken is provided in Appendix A.

## 1.3

### BACKGROUND TO THE RESETTLEMENT INITIATIVE

Over the past four years more than 160 Karen people (from Burma/Myanmar<sup>2</sup>) have settled in Nhill, a small rural town in north west Victoria. This section provides background on the key stakeholders of the resettlement of the Karen community in Nhill, including:

- the Karen people
- the town of Nhill
- Luv-a-Duck
- AMES.



View of Nhill  
Photo supplied by Hindmarsh Shire Council

<sup>2</sup> In 1989, the military government of Burma announced that they wanted foreigners to stop using the words *Burma* and *Burmese*. Instead they wanted the world to use *Myanmar* for the country and its national people, and *Bamar* for the majority ethnic and linguistic group. Thus, members of the ethnic minorities – the Karen, for example – would be *Myanmar* by nationality and *Karen* by ethnicity, ... (Refugees from Burma: Their Backgrounds and Refugee Experiences, Culture Profile No. 21, Published by the Center for Applied Linguistics, Cultural Orientation Resource Center, Washington, DC, June 2007) In this report the term *Burma* has been used to reflect how the Karen involved most commonly refer to their country of origin.

# 1 INTRODUCTION

## 1.3.1

### THE KAREN PEOPLE

More than 140,000 refugees live in refugee camps along the Thai-Burma border; most of whom identify as ethnic minority Karen<sup>3</sup>. In 2005, the United Nations High Commissioner for Refugees (UNHCR) registered asylum seekers living in the Thai-Burma camps and began mass global resettlement. While the majority of Karen were resettled in America, Australia resettled the second highest number (approximately 11%; over 7,000).<sup>4</sup>

From 2008 to September 2013 just over 4,000 Karen refugees from Burma settled in Australia.<sup>5</sup> Like most new arrivals, the majority of the Karen live in metropolitan areas. In Victoria, for example, of the approximate 3,000 Karen language speaking people in the State, around 1,450 were living in the Wyndham Local Government Area (LGA).

The Karen are generally from rural backgrounds and many have not had the opportunity to obtain higher levels of education, having spent many years in refugee camps. As a people they are strongly community oriented and place high importance on family and respect for elders and community leaders<sup>6</sup>. And, significantly for Luv-a-Duck and Nhill, they were attracted to the prospect of moving to a small rural town.

## 1.3.2

### NHILL

Nhill is a small agricultural town in the wheat-belt Wimmera region of Victoria. The township is classified as 'Outer Regional Australia' according to the Accessibility and Remoteness Index of Australia<sup>7</sup>. It is geographically removed from large metropolitan centres, located halfway between Melbourne and Adelaide. The nearest major regional centre is Horsham, just under an hour away by car.

As in many small towns, community services and activities involving schools, hospitals, social and sporting clubs are an important part of the community fabric. Annual town events include a number of Golf Club Tournaments, the Agricultural and Pastoral Society Show and the Boxing Day Races. Another much more recent event, which is attracting a number of visitors to the town, is the annual celebration of Karen New Year.

At the 2006 Census (three years before the Karen community began to move to Nhill) there were only 136 people born overseas living in the township, largely skilled migrants and their families. The resettlement of the Karen has more than doubled that number.

In recent times Nhill has faced a declining population which has had (and continues to have) flow-on implications for the economic and social circumstances of the town. One implication of a declining population is that unemployment remains low. At the time of the 2006 Census, Nhill had an unemployment rate of 2.8%.<sup>8</sup>

By the 2011 Census the unemployment rate had fallen to around 2.2%<sup>9</sup> where it remains today.

An overview of the demographic profile of Nhill and demographic trends is provided in Chapter 2.

## 1.3.3

### LUV-A-DUCK

The resettlement of the Karen in Nhill has been largely driven by one of the larger local employers, Luv-a-Duck, which was seeking a new labour source to support growth of their business.

Family owned and run, Luv-a-Duck is a multi-million dollar Australian business that has been in operation for over 40 years. Luv-a-Duck describes itself as the largest fully integrated duck operation in the Southern Hemisphere; a sales company that owns its own production. Duck products are sold to the food services industry and to retailers, including major supermarket chains.

As the domestic market grows, the company continues to expand its operations and currently employs over 200 people. The processing plant, situated at Nhill, employs around 160 workers directly. Another 40 local people are contracted to supply other services, including breeding and raising thousands of ducks. Today, the Nhill plant processes 20,000 ducks a shift, which grows to in excess of 100,000 a week in peak periods.

<sup>3</sup> UNHCR, 2014 *UNHCR country operations profile – Myanmar and Thailand*, <http://www.unhcr.org/pages/49e487d6.html>

<sup>4</sup> Bird, J., Brough, M., & Cox, L., *Producing solidarity: a settlement strategy of the Karen refugee community in Brisbane*, QUT, 2012

<sup>5</sup> <http://www.immi.gov.au/living-in-australia/delivering-assistance/settlement-reporting-facility/pdf/national-country-of-birth.pdf>, Sourced May 2014

<sup>6</sup> SE Region Migrant Resource Centre, May 2011, *People of Burma in Melbourne: Perspectives of a refugee community*

The National Centre on Cultural and Linguistic Responsiveness, *Bridging Refugee Youth and Children's Services*, ([www.brycs.org](http://www.brycs.org))

Cultural Orientation Resource Center, Center for Applied Linguistics, Washington, Eds: Ranard, Donald A and Barron, Sandy, 2007, *Refugees From Burma: Their Backgrounds and Refugee Experiences*

<sup>7</sup> 2011 Australian Statistical Geography Standard: Remoteness Structure, ABS

<sup>8</sup> Australian Bureau of Statistics, Census of Population and Housing 2001 and 2006. Compiled and presented in *profile.id* by .id, the population experts

<sup>9</sup> Wimmera Development Association Executive Director Jo Bourke suggested low unemployment rates were due in part to diminishing youth populations. "It is in part young people moving away for education and training," she said.

# 1 INTRODUCTION

## Growth

In 2009 a spike in domestic demand for ducks grown and processed in the Wimmera prompted Luv-a-Duck to expand its Nhill operation six years ahead of schedule, and the business was therefore seeking to recruit additional casual labour.<sup>10</sup>

Luv-a-Duck is a strong supporter of the local Nhill community and employs a large number of local people. Management has worked actively to ensure the local population is given the opportunity of employment at Luv-a-Duck before looking to labour sources outside the community. But, in 2009 when the business was expanding rapidly, labour recruitment had exhausted the readily available sources of local labour and with a marginal unemployment rate in a community of just over 2000 people, Luv-a-Duck needed to look outside Nhill.

## 1.3.4

### AMES

In 2009, the then General Manager of Luv-a-Duck operations in Nhill, John Millington, made contact with AMES to identify how best to recruit workers from the Karen community.

AMES works with migrants, refugees and asylum seekers and delivers Job Services Australia Specialist Culturally and Linguistically Diverse (CALD) employment services in a number of regions in Melbourne; Humanitarian Settlement Services across Victoria and the Adult Migrant Education Program, also across most of the State. Through these services AMES established a connection between the employer and the large Karen community in Werribee, in Melbourne's west, who were eager for employment and interested in jobs of this nature. Following this, AMES staff provided assistance in recruitment and the initial stages of relocation and resettlement of the Karen.

As a 'broker' between the employer and the Karen people in Werribee, AMES has continued to assist with recruitment, pre-relocation induction, assistance to relocate for job seekers registered with AMES Employment, liaison with the Local Council in Nhill and support, as required, for other key service providers. AMES maintains close contact with the Karen community in both Melbourne and Nhill through long established relationships with Karen Community Leaders and continues to support the development of the community settled in Nhill (see Chapter 5 for further information on the critical success factors of this initiative).



At work at Luv-a-Duck  
Photo supplied by AMES  
Photographer: Barat Ali Batoor

<sup>10</sup> Information provided in interview with Mr Ron Jenkins, CEO Luv-a-Duck



# 1 INTRODUCTION

## 1.4

### TIMELINE

#### LATE 2009

- Luv-a-Duck General Manager, John Millington, and his wife Marg approach AMES with regards to recruiting workers from the Karen community and present information sessions on Luv-a-Duck and Nhill to the Karen in Werribee.
- John and Marg Millington, AMES and Karen Community Leaders organise an overnight trip to Nhill for 13 Karen to visit the town, tour the Luv-a-Duck processing plant and meet key local community members.

#### EARLY 2010

- Ten members of the Karen community, including three teenagers, move to Nhill.
- Five of the adults start full time employment with Luv-a-Duck immediately while the other adults wait for jobs that are becoming available. The teenagers are enrolled at Nhill College.

#### NOVEMBER 2011

- More than 70 Karen are living in Nhill. In every household a minimum of two people are employed by Luv-a-Duck (where there is a range of work suitable for males, females, younger and older people).
- Three or four people have already bought their own houses.

#### FEBRUARY 2012

- Around 150 Karen have resettled in Nhill and are filling more than 50 positions at the Luv-a-Duck processing plant.

#### JANUARY 2014

- Around 160 Karen are well settled in Nhill, including many families with children. In 2014 there are around 30 Karen children enrolled in the local schools and a small number of other pre-school aged children who attend playgroups with their mothers.
- Nine families have bought their own houses and others are looking to buy.
- 54 Karen are currently employed at Luv-a-Duck (21 of these have worked there for over 3 years). Retention is high. Several younger Karen have left work to return to school, a move that is supported by Luv-a-Duck management.
- A further 15 people are employed by other businesses and service providers. (Another 6 people who are living in Horsham also have jobs.)
- Five people work for a Karen-owned business (collecting ducks from the local contract farmers).
- Others who are not working at the moment have had casual work with different employers during peak periods.
- Employers now have access to, and draw on, a labour pool that did not exist prior to the arrival of the Karen.

## 1.5

### REPORT STRUCTURE

The report proceeds as follows:

- **Chapter 2** provides a regional profile of Nhill and surrounding areas and looks at demographics, the economy and social indicators.
- **Chapter 3** documents the economic impact of the Karen resettlement in Nhill.
- **Chapter 4** discusses the social impact identified for the township of Nhill and for the Karen people.
- **Chapter 5** identifies critical success factors that have contributed to this resettlement and that are instructive for the possible replication of the experience in other locations.

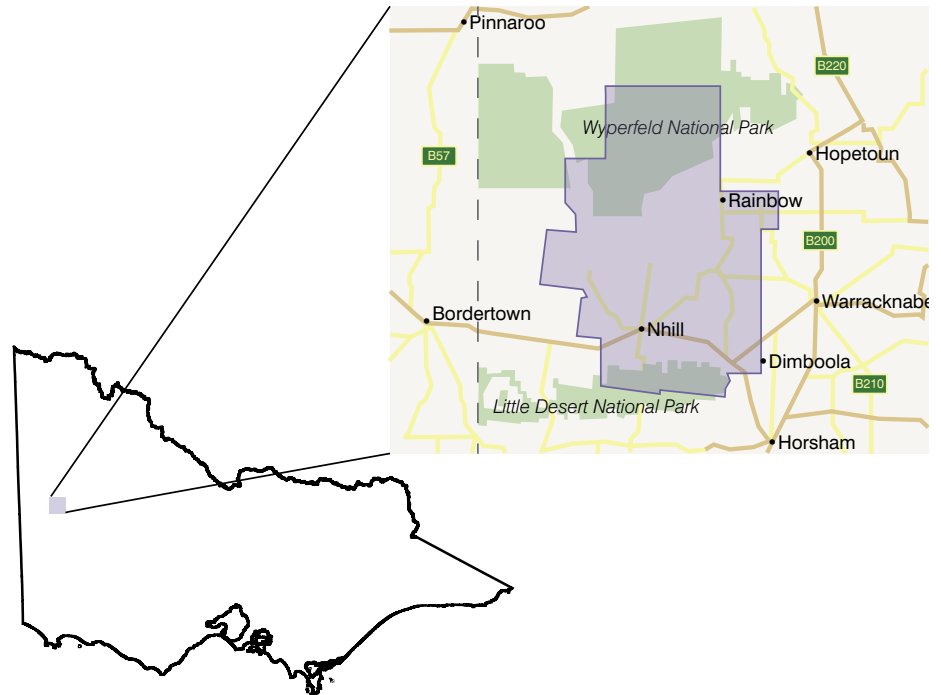
# 2 REGIONAL PROFILE OF NHILL AND SURROUNDING AREAS

**Nhill is located between the smaller centres of Dimboola and Kaniva in the central north west of Victoria. The town is situated within broadacre wheat and sheep country, and is surrounded by a number of state and national parks. Nhill is located within the Local Government Area (LGA) of Hindmarsh Shire.**

Nhill is the largest town within the Shire, with its 2,278 residents comprising 40% of the Shire's total population.<sup>11</sup>

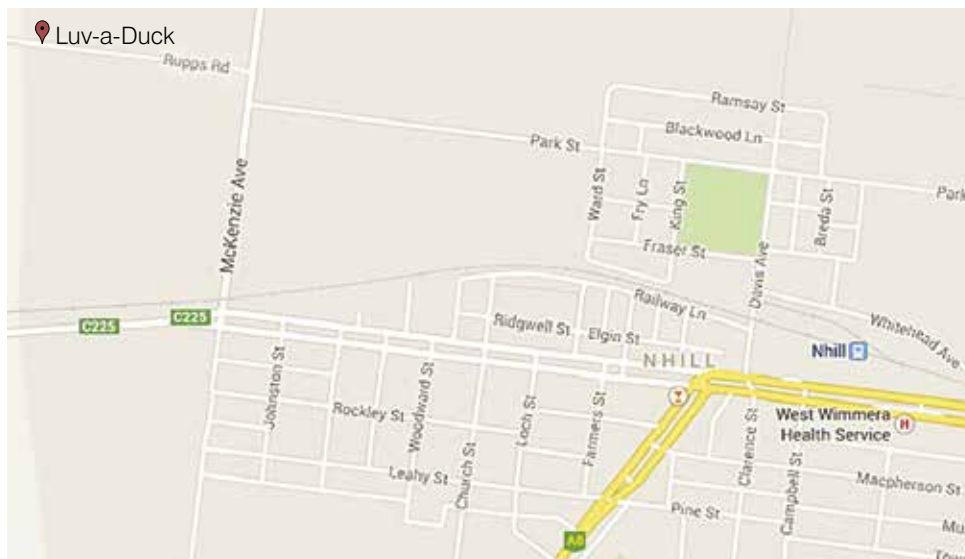
There is one kindergarten, three primary schools and one secondary college in Nhill. The West Wimmera Health Service operates Nhill Hospital. A medical clinic is co-located with the hospital, along with a number of other allied health services. The commercial centre of Nhill stretches along the busy Western Highway which passes through the centre of the town. Luv-a-Duck is located in Rupp's Road on the outskirts of the township (Figure 2.B).

FIGURE 2.A: MAP OF HINDMARSH SHIRE



Source. ABS (2011), [www.censusdata.abs.gov.au/census](http://www.censusdata.abs.gov.au/census)

FIGURE 2.B: MAP OF THE TOWN OF NHILL AND LOCATION OF LUV-A-DUCK



Source: GoogleMaps (2014)

<sup>11</sup> Australian Bureau of Statistics (2011), 'Hindmarsh (Local Government Area) Community Profile', [www.censusdata.abs.gov.au](http://www.censusdata.abs.gov.au), last accessed 20/05/2014

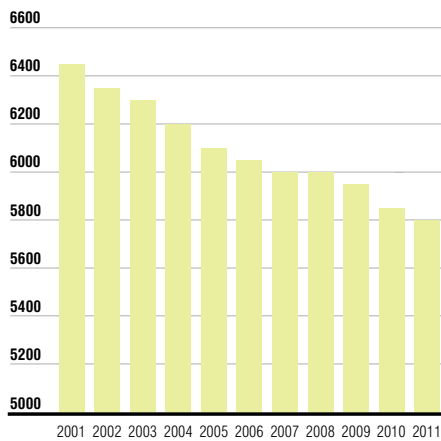
# 2 REGIONAL PROFILE OF NHILL AND SURROUNDING AREAS

## 2.1

### DEMOGRAPHICS

As at the 2011 Census, Hindmarsh had an estimated residential population of 5,798. The population of this region has been in steady decline over the past decade (Figure 2.C) as farms have amalgamated and emerging farming technologies have reduced labour requirements.

**FIGURE 2.C: POPULATION OF HINDMARSH 2001-2011**



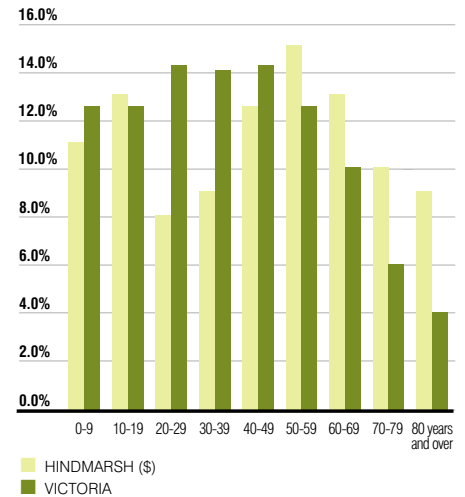
Source: ABS, 2011 Cat 3218.0 – Regional Population Growth, Australia

On the night of the 2011 Census, there were 2,882 males and 2,916 females in the Shire. The median age in the population was 47 years, considerably older than the median age across Australia which is 37 years (Figure 2.D). The median age in the Hindmarsh Shire has been steadily increasing.

This is driven by the fact that the greatest population emigration from the region has occurred for working-aged persons aged between 20 and 44 – a trend which has significant implications for the economy and future of the region. The Shire is concerned about this, stating in its 2012-13 Annual Report that the loss of this ‘prime income producing, spending and wealth creating age group’ has the potential to cycle through the Shire’s economy impacting on business through reduced demand and subsequent reduction in employment opportunities, in turn exacerbating population decline.<sup>12</sup>

**FIGURE 2.D: POPULATION OF HINDMARSH, 2011, BY AGE**

% of total population



Source: ABS, 2011 Census, Basic Community Profile – Hindmarsh (S) LGA 22980

A declining population is also of concern in small townships as it places pressure on the ability of the town to fund and operate community services such as education, health and business support services. As the number of services in a community decreases in response to population decline, the trend has the potential to be reinforced as remaining individuals seek out services in other town centres, first moving their spending and then potentially their residence away from the region.

In 2011, a higher proportion of residents in Hindmarsh had been born in Australia (89%) in comparison to the proportion across Victoria (69%) or Australia (70%). The most commonly spoken language other than English in Hindmarsh was Karen.<sup>13</sup>

The social impact of the Karen settlement is extraordinary. Nhill, a very conservative community, has embraced and opened their minds and hearts to the Karen. This has made Nhill a better place to live.

<sup>12</sup> Hindmarsh Shire Council (2013) ‘Hindmarsh Annual Report, 2012-2013’ www.hindmarsh.vic.gov.au, last accessed 20/05/2014

<sup>13</sup> Australian Bureau of Statistics (2011), ‘Hindmarsh (Local Government Area) Community Profile’, www.censusdata.abs.gov.au, last accessed 20/05/2014

# 2 REGIONAL PROFILE OF NHILL AND SURROUNDING AREAS

## 2.2 ECONOMY

Agricultural land covers a large part of Hindmarsh Shire – predominantly broadacre dry land farming. Major crops include wheat, barley, oats, lupins, field peas, chickpeas, canola, vetches, lentils and faba beans. Nhill is also the administrative headquarters for the Shire of Hindmarsh, and Local Government and the health and education sectors are major employers in the township.

The single largest commercial employer in the town of Nhill is Luv-a-Duck. There is also some light industry, largely related to agricultural equipment, and typical small businesses, shops and services.

The Gross Regional Product (GRP)<sup>14</sup> of Hindmarsh Shire in 2013 was \$275m, accounting for 0.08 per cent of Victoria's total Gross State Product (GSP). The share of GRP attributable to each industry is shown in Table 2.1. The table also denotes employment by industry group.

**TABLE 2.1: CONTRIBUTION TO GRP (CURRENT PRICES, \$M) AND EMPLOYMENT BY INDUSTRY 2012-13**

Industry	Contribution	FTE
Agriculture, Forestry and Fishing	96	754
Mining	-	-
Manufacturing	14	197
Electricity, Gas, Water and Waste Services	3	16
Construction	8	97
Wholesale Trade	5	52
Retail Trade	12	162
Accommodation and Food Services	4	72
Transport, Postal and Warehousing	21	154
Information Media and Telecommunications	-	7
Financial and Insurance Services	2	21
Rental, Hiring and Real Estate Services	-	5
Professional, Scientific and Technical Services	2	29
Administrative and Support Services	2	24
Public Administration and Safety	7	97
Education and Training	17	163
Health Care and Social Assistance	27	347
Arts and Recreation Services	-	4
Other Services	4	61
<b>Total All Industries</b>	<b>223</b>	<b>2,264</b>
Ownership of Dwellings	20	-
Tax Less Subsidies on Production and Imports	32	-
<b>Total GRP</b>	<b>275</b>	<b>2,264</b>

Source. Deloitte Access Economics, ABS Census Data, 2011

In 2011, the median weekly household income across Hindmarsh was \$785 and in Nhill it was \$881. These figures were well below both the Victorian (\$1,216) and Australian weekly household median (\$1,234). Yet the percentage of households experiencing housing stress is much lower in Nhill and Hindmarsh, compared to the state and national average, with households for which rent (Nhill 2.8%, Hindmarsh 2.4%) or mortgage repayments (Nhill 2.9%, Hindmarsh 3.2%) makes up more than 30% of income, well below that for either Victoria (10.4%, 9.1%) or Australia (11.2%, 10.4%).

As noted in the previous section, the unemployment rate in Nhill is significantly lower than the State average (2011 Census: Nhill 2.2%, Victoria 5.5%).<sup>15</sup>

<sup>14</sup> Gross Regional Product is the total level of final goods output produced by factor inputs within a geographic region over the course of a financial year. GRP is measured using imputed methods as it is difficult to accurately allocate factor inputs to specific regions and the ABS does not publish a series on it.

<sup>15</sup> <http://www.abs.gov.au/ausstats/abs@.nsf/> (accessed August 2014)

# 2 REGIONAL PROFILE OF NHILL AND SURROUNDING AREAS

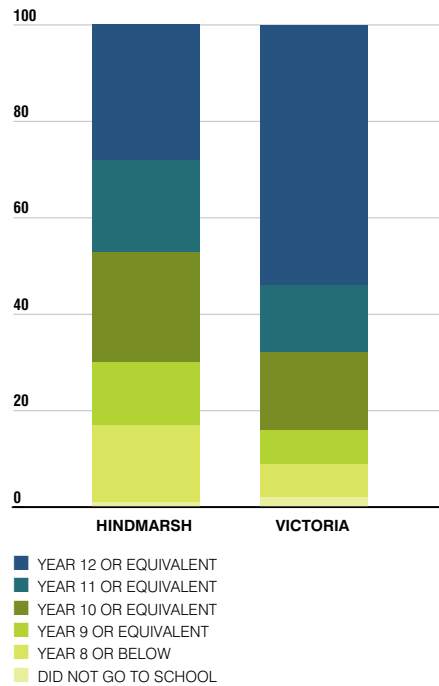
## 2.3

### SOCIAL INDICATORS

The Hindmarsh LGA is classified as 'Outer Regional Australia', and like many more remote areas it experiences high levels of disadvantage relative to the rest of the state. According to the SEIFA Index of Relative Socio-Economic Advantage and Disadvantage, Hindmarsh is among the 10% most disadvantaged LGAs in the state (ranked 6th out of 80), and amongst the top 25% most disadvantaged in the country.<sup>16</sup>

Residents have relatively low educational attainment. Only 28% of Hindmarsh residents have completed a secondary education (relative to 54% across Victoria), while over half left school in year 10 or below (relative to one third across Victoria).<sup>17</sup>

**FIGURE 2.E: SCHOOL ATTAINMENT IN HINDMARSH, 2011**



Source: ABS Census

Based on the 2008 Victorian Population Health Survey, Hindmarsh was found to have a similar health profile to Victoria as a whole.

While Hindmarsh may be experiencing some disadvantage, the community's strength and connection is significantly higher than in other Victorian LGAs. More than half of Hindmarsh residents volunteer more than once per month, compared to only 30% as a Victorian measure (ranking 11th out of 79 municipalities). 66.6% of the population participated in citizen engagement compared to 58.6% Victoria wide.<sup>18</sup>

Hindmarsh also rates highly for people's satisfaction with feeling part of the community (an index score of 82.3 compared to 65.2 for Victoria, ranking Hindmarsh 3rd out of 79 municipalities) and people's perception of safety (86.9% of people feel safe walking alone at night, compared to 78% state wide).<sup>19</sup>

The outputs demonstrate that the resettlement of the Karen people has had a notable impact on the GRP and employment levels in the region. In net present value terms the total economic impact on the regional economy is estimated to be \$41.49 million, and total labour supply of 70.5 FTE.

<sup>16</sup> Australian Bureau of Statistics (2013), 2033.0.55.001 – Socio-economic Indexes for Areas (SEIFA), Australia, 2011, accessed 2/06/2014.

<sup>17</sup> Australian Bureau of Statistics, 2011 Census of Population and Housing, accessed through TableBuilder on 2/06/2014 www.censusdata.abs.gov.au.

<sup>18</sup> 2012 VicHealth Indicators Survey, via <http://www.greaterdandenong.com/document/42/social-statistics>

<sup>19</sup> 2007 - CIV Survey, 2012 VicHealth Indicators Survey, both via <http://www.greaterdandenong.com/document/42/social-statistics>

# 3 ECONOMIC IMPACT

The resettlement of the Karen people to Nhill has had specific and measurable economic impacts in the area. These impacts have been estimated based on survey information collected by AMES, (outlined in Section 1.2.1). In broad terms, the process of estimating the economic impact on Nhill involved:

- collating the data collected by AMES to identify data issues. The approach was refined and alternative data sources were sought (where available) to address data gaps
- identifying information on the direct employment impacts of resettlement for both final reporting purposes and to determine the Computable General Equilibrium (CGE) model inputs ('shocks')
- conducting the CGE modelling and analysing the results
- extracting and presenting model results for incorporation into the report.

This section outlines the modelling approach and data inputs used to estimate the economic impacts of the resettlement, and reports these impacts. Further detail on the modelling approach and inputs has been provided in Appendix A.

The key metrics adopted for this analysis are Gross Regional Product (GRP) and FTE employment. The analysis covers the period between the arrival of the first Karen refugees in the 2009/2010 financial year, up until the last full financial year (2013/2014).

The model output is consistent with the expectation that there was some existing unmet demand for labour in Hindmarsh, driven principally by Luv-a-Duck. The resettlement of the Karen people increased the supply of labour in the region, largely satiating this demand.

The resettlement had a further indirect effect of increasing demand for labour to meet the needs of the growing Karen population. This led to increases in employment in other sectors of the local economy, which was met to a large extent by labour supplied by the Karen community.

Overall, the outputs demonstrate that the resettlement of the Karen people has had a notable impact on the GRP and employment levels in the region. In net present value terms (NPV), the total economic impact on the regional economy is estimated to be **\$41.49 million**, and total labour supply of **70.5 FTE**.

The majority of the estimated impact to employment and GRP is expected to be concentrated in the Hindmarsh Shire and the town of Nhill, where almost all of the employers of the Karen (and their suppliers) are located. Given the size of these regions, the overall economic impact on the economy of the Hindmarsh LGA, and particularly Nhill, is estimated to be relatively significant.

**TABLE 3.1: ECONOMIC MODELLING INPUTS AND OUTPUTS**

	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
<b>MODELLING INPUT</b>					
Labour supply (cumulative FTE)	6.5	32.0	46.5	63.0	70.5
<b>MODELLING IMPACT</b>					
GRP (\$m 2013-14)	0.9	4.7	7.4	10.6	12.0
Employment (cumulative FTE)	6.5	32.0	46.5	63.0	70.5
Household consumption (% increase)	0.05	0.25	0.37	0.50	0.54

Source: Deloitte Access Economics 2014

# 3 ECONOMIC IMPACT

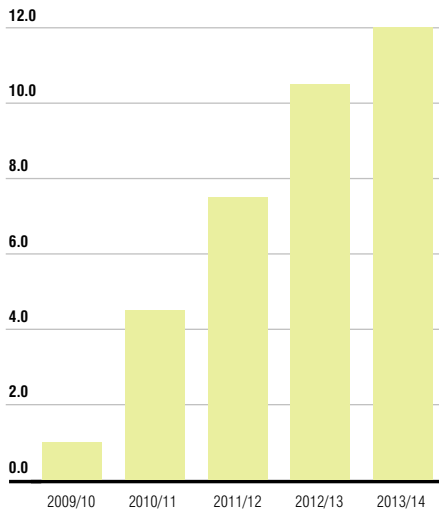
## 3.1

### GROSS REGIONAL PRODUCT

The economic impact on GRP of the resettlement of the Karen people in Nhill (an additional \$41.49 million over the five years of analysis) represents a significant impact in the context of a small regional economy.

The LGA of Hindmarsh, in which Nhill is located, has an estimated GRP of \$275 million, with the manufacturing sector representing \$13.5 million<sup>20</sup>. In the 2013/14 financial year, the resettlement of the Karen added \$12.0 million to the economy, as highlighted in the figure below, which is approximately 4.4% of Hindmarsh GRP.

**FIGURE 3.A: ADDITIONAL GRP BY YEAR (\$M 2013-14)**



Source: Deloitte Access Economics 2014

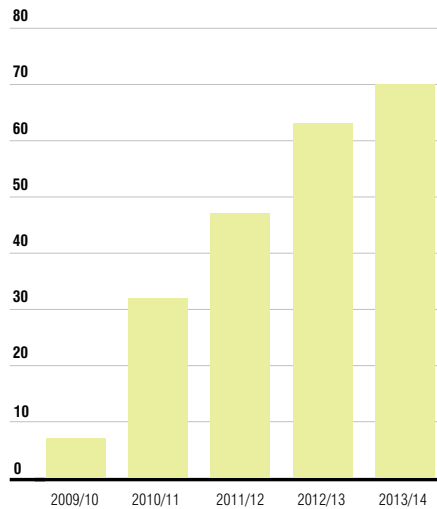
## 3.2

### EMPLOYMENT

Employment in the region increased over the five years of analysis as a result of the Karen relocating to Nhill to take up positions at Luv-a-Duck, which required a greater supply of labour to cater to the growth of the organisation. In addition, the resettlement of the Karen in Nhill had flow-on employment impacts with other local employers.

In total, 70.5 FTE positions were added to the regional economy over the five year period of analysis. This represents about 3% of total employment across Hindmarsh.

**FIGURE 3.B: ADDITIONAL EMPLOYMENT (CUMULATIVE)**



Source: Deloitte Access Economics 2014

The resettlement of the Karen is also expected to have a sustained positive impact on employment in Nhill and the surrounding region due to the age profile of the Karen in Nhill. A large proportion of those who relocated to Nhill did so with their families, adding a total of 65 children to an aging population. Should these children stay within the region when they reach working age, this will further enhance the pool of labour available in a regional community.

### 3.2.1

#### EMPLOYMENT IMPACT ON LUV-A-DUCK

The direct employment impact of the Karen moving to Nhill was the increase in employment at Luv-a-Duck in Nhill, where 69% of the additional employment was concentrated. In the 2011 Census, 197 FTE in the Hindmarsh Shire were employed in the manufacturing sector, of which Karen workers at Luv-a-Duck were likely to represent around 18%.

Luv-a-Duck's absorption of a majority of the additional labour reflects the objective of the resettlement initiative, which was conceived and implemented to address the local labour shortage faced by the company in light of the low level of unemployment in Nhill. Reflecting on the difficulty faced by the company to recruit locally at the time, John Millington noted:

*If we needed five people perhaps we could only get three locals.<sup>21</sup>*

<sup>20</sup> Deloitte Access Economic, *Hindmarsh LGA estimates based on 2011 Census data*, April 2014

<sup>21</sup> ABC TV New, 16 March 2014 (2.28 mins into clip)

# 3 ECONOMIC IMPACT

In 2010, five Karen people were recruited by Luv-a-Duck. The recruitment model continued and as at January 2014, 54 Karen people were employed at the Luv-a-Duck processing plant.<sup>22</sup>

John Millington further noted that the recruitment of Karen employees sped up the growth of the already successful business:

*Luv-a-Duck is and always was a very strong company. It would never have failed. The Karen have made growth happen more quickly.*<sup>23</sup>

The HR Manager at the Luv-a-Duck Head Office in Melbourne confirmed that access to a suitable and available labour force (the Karen willing to move to Nhill) meant that constraints on growth were alleviated:

*There was no local labour readily available in Nhill and it was difficult to find people to work in country towns – especially to find people willing to relocate. Growth would have taken longer without the Karen workforce.*

*Lack of local labour (and difficulty in filling positions as the company was growing) was having a negative impact on the existing workforce in terms of overtime required, and the stress of trying to fill two positions.*<sup>24</sup>

In addition to supplying numbers of workers to augment locally available labour sources, the Karen, according to the employer, have contributed positively to the quality of the workforce:

*As well as providing the needed labour force to allow Luv-a-Duck to grow, the Karen have fitted in well at Luv-a-Duck. They provide a reliable workforce and have introduced a good work ethic as a model for others in the workplace. Further, they have contributed to increased productivity – the Karen mentor/support each other in the workplace. On a social level the Karen contribute to and are involved in the wider Nhill community, including with sporting, social and service organisations.*<sup>25</sup>

## 3.2.2

### EMPLOYMENT IMPACT ON OTHER LOCAL BUSINESSES

While a large part of additional employment was absorbed by Luv-a-Duck, the resettlement of the Karen to Nhill also generated flow-on benefits to other businesses in the region<sup>26</sup>.

As demonstrated in Table 4.2 below, a number of businesses capitalised on the additional labour supply that the Karen have created. These businesses cover a diverse range of sectors including: hospitality, horticulture, construction, education, health and aged care. In some circumstances, new positions were created in response to greater demand for services in Nhill from the growth in the population. In addition, a number of businesses are suppliers to Luv-a-Duck, suggesting that Luv-a-Duck's growth increased their demand on suppliers. Six of the 10 Karen adults living in Horsham are also employed by local businesses (as at January 2014).

Given the size of these regions, the overall economic impact on the economy of the Hindmarsh LGA, and particularly Nhill, is estimated to be relatively significant

<sup>22</sup> AMES Survey of the Karen population in Nhill, December 2013, data updated January 2014

<sup>23</sup> John Millington, retired General Manager, Luv-a-Duck, Nhill, interviewed 22 January 2014

<sup>24</sup> HR Manager Luv-a-Duck Head Office, interviewed 25 February 2014

<sup>25</sup> John Millington, retired General Manager, Luv-a-Duck, Nhill, interviewed 22 January 2014

<sup>26</sup> Due to the comprehensive nature of the survey undertaken, both direct and indirect employment generated through the resettlement of the Karen to Nhill has been captured in the total impact estimates.



# 3 ECONOMIC IMPACT

**TABLE 4.2: KAREN PEOPLE EMPLOYMENT OVERVIEW (HEADCOUNT, INITIAL POSITIONS)**

	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	Total
Luv-a-Duck	5	23	12	8	4	52 <sup>27</sup>
Grain Corp	1				4	5
Housing Contractor	1					1
Kimpton Builders	1					1
Thai Basil Restaurant	1			1		2
Neighbourhood House	1					1
Annalise Café			1			1
Toh Mae Pa			1	3	1	5
Glen Frazer Duck Farm			1	1		2
HalfWay Motors				1		1
Australian Flower Investment Company				1		1
Nhill College				1		1
Ahrens Sherwell				1	1	2
<b>Total</b>	<b>10</b>	<b>23</b>	<b>15</b>	<b>17</b>	<b>10</b>	<b>75</b>

Source: AMES Survey data, initial

To further illustrate the impact on local businesses, the following reports were gathered through interviews with local employers in Nhill:

**Ahrens Sherwell:** Ahrens Sherwell is a company which is engaged in the construction of grain silos. In Nhill, the operation employs 21-22 workers and during peak season (August-December) the company seeks to employ additional staff. The Operations Manager of the company noted that it had been difficult in the past to source staff on account of the already low level of unemployment in the region, competing demands for labour during peak season and the labour intensive nature of the work.

During the peak period in 2013, Ahrens Sherwell employed 10 additional casual workers, four of whom were from the Karen community. Two Karen are currently employed through all seasons at Ahrens Sherwell, one as a sheet metal worker and the other as a painter. The employer has indicated that they would like to employ the painter full-time and offer training in welding for the sheet metal worker and that they would readily re-employ the other two Karen workers when jobs are available.

In interview, the Operations Manager noted the strong work ethic of the Karen people:

*They give it a red hot go; just tremendous*

He also noted that the new community was welcomed by people in Nhill:

*One thing about a small country town is the way it embraces new people.*<sup>28</sup>

**Halfway Motors:** The locally based automotive and mechanical repair operation currently employs five staff including an apprentice from the Karen community. In interview, the owners of the business noted the difficulty of finding skilled labour in Nhill. The owners spoke highly of their Karen apprentice, stating that they would like to offer him a position upon the completion of his apprenticeship. They recounted their first meeting with Hal:

*He came in to see me and had everything organised; he had every document, every certificate he had attained – all very organised and well presented. He showed us he was a ‘special kid’ and ‘the right fit’. We thought – This kid has really got something.*<sup>29</sup>

<sup>27</sup> Two Karen whose initial employment was with other employers in Nhill now work at Luv-a-Duck – making a total of 54 employed by the business

<sup>28</sup> Operations Manager, Ahrens Sherwell Nhill, interviewed 22 January 2014

<sup>29</sup> Owner/Business Manager Halfway Motors, interviewed 22 January 2014

### 3 ECONOMIC IMPACT

As part of his work at Halfway Motors, Hal has joined the RACV response team which is a growing part of the business. Halfway Motors also noted that Hal's presence at the workplace has generated new business:

*We've noticed a big income difference since Hal began working here. The Karen are bringing their cars in for services because Hal works here, because we're the RACV agent and also because Hal can translate. He can speak three languages. At Karen New Year three Karen people from Werribee brought their vehicles in here for work.<sup>30</sup>*

Halfway Motors owners noted in interview that they felt the resettlement of the Karen in their town was significant for the township:

*It's important for Nhill's future. The Karen have bought a new lease of life to the town.<sup>31</sup>*

**Toh Mae Pa:** In 2011, with the support of John and Marg Millington, the Karen set up their own company, Toh Mae Pa, to supply eggs to the Luv-a-Duck Hatchery. In 2013 changes at Luv-a-Duck meant that the supply of eggs from Toh Mae Pa was no longer required and Toh Mae Pa now collects ducks from the farms spread over the Wimmera and South Mallee for processing at the plant in Nhill.

Toh Mae Pa is currently contracted to conduct catch-up work for Luv-a-Duck. The business permanently employs five Karen people and also has a demand for casual labour.

**Local service providers:** Some members of the Karen community are involved in the provision of health and education services to the community. Nhill College employed a Multicultural Liaison Aide from the Karen community at EFT 0.8 to assist Karen children to settle into the school and Hindmarsh Shire plans to employ a Multicultural Liaison Officer if they can raise the required funds<sup>32</sup>. Speaking to the work of the Multicultural Liaison Aide in Nhill College, the Assistant Principal of the College noted:

*The employment of a Multicultural Education Aide to assist students and families with translating and cultural adjustment has been very positive for the college.<sup>33</sup>*

The Nhill Neighborhood House which receives State Government funding to deliver Adult and Community Further Education now employs five part-time workers. A proportion of these positions – including Education Assistants – have been recruited from the Karen community.



Karen apprentice at Halfway Motors  
Photo supplied by Hindmarsh Shire Council  
Photographer: Melissa Powell

(This photograph is part of the *Seeking Refuge in Nhill* exhibition)

<sup>30</sup> Ibid

<sup>31</sup> Ibid

<sup>32</sup> Since the time of the interviews in January 2014, Hindmarsh Shire Council has employed two of the Karen community to work in community liaison positions.

<sup>33</sup> Assistant Principal, Nhill College: interviewed 2 May 2014

# 3 ECONOMIC IMPACT

## 3.3

### HOUSEHOLD CONSUMPTION

The economic impact analysis outputs have signaled that the increase in employment in the region has increased the consumption of goods by households by an average of 0.34% over the five years.

This increase in consumption reflects the spending patterns identified in the AMES Survey of the Karen living in Nhill. Survey participants self-identified that just under 30% of the workers spend up to 50% of their wages locally and over 40% report spending between 50% and 90% of their wages in the local economy (around a third of this latter group are the home-buyers).

Increased spending in the community and increased business turnover is also reported by local businesses. Some examples of increased spending gathered through interviews with the business owners or managers include:

- Halfway Motors, as noted above, has experienced a noticeable increase in business since the arrival of the Karen and, in particular, since they have employed one of the Karen community. In terms of car ownership all families/households and most of the single adults own a car. The majority of vehicles have been purchased second hand but there are at least ten new cars in the community. Some have been bought locally, others in Melbourne, but spending on fuel and maintenance stays largely in the local community.
- The local IGA supermarket has experienced an increase in spending at the supermarket (estimated at around \$5000 a week) and is working with the Karen community to expand their range of stock to include specialty items the Karen go to Melbourne to buy. Once the community has identified what they need/would like to see on the shelves, the Manager plans to stock as many of these items as possible at a price competitive to that of the Melbourne outlets.

In interview, the IGA Manager observed:  
*The Karen make the IGA feel it is a part of their community by shopping at the supermarket. The local community feels that the Karen are part of Nhill (in part because they shop in the town).*<sup>34</sup>

- DMD Stock and Station Real Estate Agents in Nhill noted that the Karen population has had a significant impact on property rentals, estimating that around 20-25% of their properties were rented to the Karen community. In all the Karen community in Nhill occupies 31 houses. The Real Estate Agent stated that vacancy rates were low and that an increase in demand for housing had seen rents rise by \$10 to \$30 a week.

In interview, the agents spoke highly of the Karen as tenants and members of the Nhill community:

*The Karen make an effort to fit in and give back to the community. They are 'the best payers' – and generally like to pay a month in advance. If there is ever an issue the agent contacts the Karen tenants by SMS and they will always respond (often with the kids to interpret). They never ignore a contact or a message.*<sup>35</sup>

Each place, each local community and each community of settlers will have their individual characteristics, needs and constraints. Interestingly, in the case of Nhill, the locals identified the isolation of their town as a significant factor in the success of the Karen resettlement.

<sup>34</sup> Manager, Nhill IGA, interviewed 22 January 2014

<sup>35</sup> DMA Real Estate Agents, Customer Service staff, interviewed 22 January 2014

# 4 SOCIAL IMPACT

**The surveys and interviews conducted by AMES suggested a number of wider social impacts from the resettlement for the township of Nhill. These include redress of the declining population of Nhill; revitalisation of a number of local services; improved standard of living for many Karen families and increased social capital for both the Nhill and Karen communities.**

*[With the arrival of the Karen community] The gain to Nhill has been an increase in population, a reliable workforce, growth in local business and infrastructure and more volunteers in all areas.<sup>36</sup>*

Impacts for both communities (Nhill and the Karen) detailed in the following discussion are:

1. Redress of population decline for the township of Nhill
2. Revitalisation of local services and increased government funding
3. Access to improved standard of living for the Karen population
4. Increased bridging capital across both communities; increased engagement in volunteer work

## 4.1

### REDRESS OF POPULATION DECLINE IN NHILL

As noted in Chapter 2, the population of Nhill and the wider region has faced a trend of steady decline in numbers over the past three decades.

From 2010 to 2014, around 160 people from the Karen community in Melbourne have resettled in Nhill. This represents close to 10% of the 2011 Urban Centre population of Nhill<sup>37</sup>. The addition of such a large proportion of the total population has had a regenerative effect on the area and has acted to partially counter the overall population decline in the region.

In December 2013, a survey considered the profile of the Karen living in Nhill and the likely impact their presence would have on an aging population. The resettlement of the Karen (105 adults in Nhill) has introduced a large number of young adults into the working population, reducing the average age of the Nhill workforce. At the time of survey in each of the 31 households a minimum of one person was in the workforce, with the majority of households having more than one working member.

There were also 49 Karen children living in the Nhill at the time. This has made a significant contribution to the younger population in the town.

While Horsham is a separate Local Government Area, the smaller community of Karen living there (10 adults, of whom six are in the workforce, and 16 children of varying ages) contributes to creating a 'critical mass' of Karen which in turn supports the ongoing and sustainable presence of the minority in the area.

## 4.2

### REVITALISATION OF SERVICES

As well as contributing to population maintenance and providing much needed labour for the local economy, the presence of the Karen in Nhill is generating demand for additional, and different, services from the Council and other service providers in the region.

**Shire Council:** The Shire Council recognises that leadership by councils is critical in raising awareness within local businesses and communities, identifying investment opportunities and advocating priorities to government and investors. The Mayor, the CEO of the Hindmarsh Shire Council and community and economic development staff have all been active in supporting the resettlement of the Karen as well as working with the local community, businesses and service providers on whom the new community has an impact.

The annual Rural Summit which brings together all small rural councils in Victoria provides a good example of leadership in acknowledging the positive impact of the resettlement of the Karen in Nhill for both the Karen and the local communities. The 2014 Rural Summit was hosted by Nhill in April. The theme of the Summit – *Small Communities Big Opportunities: Facing the future and embracing change* – was chosen as reflective of the strong community culture of Hindmarsh Shire Council and the range of communities within the municipality. The program included a session in which the Millingtons shared the story of the economic, community and humanitarian outcomes of the resettlement of the Karen families in Nhill.

<sup>36</sup> John Millington, retired GM Luv-a-Duck Nhill in his address at the Rural Summit – Small Communities, Big Opportunities, held in Nhill on 27th and 28th of March 2014; <http://www.borderonline.com.au/?p=1066>

<sup>37</sup> Based on an analysis of 2011 ABS Census data

## 4 SOCIAL IMPACT

The Council is also developing a specific Karen Community Action Plan 2014 as a separate strategy consistent with the Hindmarsh Shire Council Plan 2013-2017. The plan acknowledges the Karen community's importance in Nhill's cultural diversity, and the role they play in strengthening the local economy. Critically, it represents Council's continuing commitment to assisting the Karen community to make their home in Nhill.<sup>38</sup>

With the assistance of the Multicultural Liaison Officer employed by the Council, Hindmarsh Shire has expanded its range of services to cater for the specific needs of the Karen community. Additional services include interpreter services – for example, assisting local Real Estate Agents to provide information on buying and renting, assisting service providers to use telephone interpreters and working with the local Centrelink Officer to improve access to services for the Karen; and providing funding for significant cultural events such as Karen New Year and Harmony Day.

**Nhill College:** Over the last few years, reflecting the general decline in the population of the township, the number of students attending Nhill College has also dropped slightly. The college enrolment in 2012 was 380<sup>39</sup> and in 2013 there were 362 students enrolled – 151 primary and 211 secondary students.<sup>40</sup>

Declining enrolments impact on a school's budget, and the number of Karen students at Nhill College has contributed to maintaining levels of enrolment and associated funding. Since the arrival of Karen families in Nhill, a total of 31 children have attended Nhill College. In 2013 there were 26 Karen students enrolled across primary and secondary classes and currently, in 2014, there are 22 Karen children attending the College.

In addition to the per capita base funding which each new student attracts, the school receives additional funding to account for the non-English speaking background of the Karen children and the fact that they are providing services to non-English speaking background children in an outer regional area. The school reports receiving an additional \$21,000 per annum for these purposes and uses it to employ a Multicultural Liaison Aide from the Karen community.

In addition, the Assistant Principal reflected that the Karen students have a positive impact on the school environment:

*The cultural diversity aspect of having significant numbers of Karen students at the College is also very positive. There has been a broadening of the perspectives of the other students, who are extremely respectful of their Karen school mates, and interested in both learning about them and teaching them some 'Australian' ways. From the other side, Karen students are now involved in a range of extra-curricular activities including football, netball and tennis.<sup>41</sup>*



Settled into school in Nhill  
Photo supplied by AMES  
Photographer: Barat Ali Batoor

<sup>38</sup> The Hindmarsh Shire Council Karen Community Plan 2014, (launched September 2014)

<sup>39</sup> Nhill College 2012 Annual Report

<sup>40</sup> Nhill College website - <http://www.nhillcollege.vic.edu.au/aboutus.htm>

<sup>41</sup> Assistant Principal, Nhill College, interviewed 2 May 2014

## 4 SOCIAL IMPACT

**Nhill Neighborhood House:** The arrival of the Karen people in Nhill revitalised the local Neighbourhood House. The new arrivals created steep growth in the level of demand for services at the Neighbourhood House, and a significant increase in eligibility for Adult Community and Further Education (ACFE) State Government funding to deliver these services. Where previously the Neighbourhood House had attracted just over \$11,000 of ACFE funding per year and provided some basic IT and craft activities, the arrival of the Karen meant eligibility for funding increased tenfold and the Centre was able to expand its programs to include a number of language and lifestyle classes. AMES assisted in the initial set up of English classes which were later delivered through the ACFE funding.

The Centre provides digital literacy classes; lifestyle classes for women including cooking, shopping and job skills classes; financial literacy classes – in association with local Real Estate Agents, solicitors and banks; and orientation to local facilities, services and resources.<sup>42</sup>

Over 30 Karen now use the Neighbourhood House each week and, as well as the additional paid staff, 15 – 20 volunteers are regularly involved in assisting with classes and activities delivered by the Centre.

Many other local people volunteer and provide mentoring services on an ad hoc basis. In May 2013, the Nhill Neighbourhood House Learning Centre Inc. was awarded the *Celebrating Diversity Award at the Volunteering Recognition Awards* ceremony at the Horsham Town Hall.

**Health services:** There has been an increase in demand for Maternal Child Health Services with nine children born after their families moved to Nhill and another three pre-school aged children in the community. West Wimmera Health Services has now developed a Refugee Plan to assist with service delivery to the Karen community.

West Wimmera Health has contributed to the orientation services provided by the Neighbourhood House. The Dietitian from West Wimmera Health Service facilitated Healthy Eating sessions as part of the Neighbourhood House program of activities, and the hospital staff have organised tours of the Nhill health complex to help the Karen (i) to understand the health system and (ii) to feel comfortable and confident to access the services.

**Wimmera Development Association:**

The Wimmera Development Association, which is based in Horsham, successfully applied for federal Settlement Grants Program (SGP) funding to support the increasing number of Karen settling in the Nhill community. This funding has been used to provide homework groups, breakfast clubs, school holiday programs, youth leadership camps, playgroups, and to fund cultural celebrations. The Settlement Support Worker, funded through the SGP, has also sought a number of other sources of funding for community development activities. These funds have largely been directed towards cultural activities that celebrate the two communities, generate local spending and increase local support for the new residents.



Tutor on Verandah  
Photo supplied by Hindmarsh Shire Council  
Photographer: Melissa Powell

(This photograph is part of the *Seeking Refuge in Nhill* exhibition)

©Hindmarsh Shire Council

<sup>42</sup> Manager and staff, Nhill Neighbourhood House, interviewed 22 January 2014

# 4 SOCIAL IMPACT

## 4.3

### IMPROVED STANDARD OF LIVING

Adequate and affordable housing is critical to successful settlement and to a sense of being part of a community. Finding decent affordable accommodation is always a challenge for newly arrived refugee populations. In Nhill, all the houses rented or owned by the Karen are in good condition, have three or four bedrooms and generous backyards. Rents are affordable: the average rent for a three to four bedroom house in Nhill is between \$130 and \$140 per week. Similar sized houses in the west of Melbourne (where most of the Karen lived prior to moving to Nhill) are rented at between \$280 per week for a three bedroom house and \$310 per week for a four bedroom property.

The Karen people are eager to purchase homes, which they also see as buying land to produce their own food<sup>43</sup>. Nhill, with its low housing prices and large blocks of land, has made this aspiration a reality for a number of Karen families. Affordable prices and regular employment has allowed nine families to date to buy their own houses<sup>44</sup>. A further three families have bought houses in Horsham.

In overall terms the Karen families and individuals who have moved from Melbourne to Nhill have settled in a place where there is steady employment, where they can afford significantly improved standards of living compared to what was/would be available to them in the city, where there is a small and welcoming host community and where, as a largely rural people, they can enjoy returning to a rural environment and lifestyle.

## 4.4

### INCREASED BRIDGING SOCIAL CAPITAL

Bridging in social capital refers to social networks that allow different groups to share and exchange information, ideas and innovation and builds consensus among groups representing diverse interests.<sup>45</sup>

In Nhill bridging social capital has been a significant factor in generating positive impacts for both communities. As well-respected leaders in the community, the Millingtons have been key to building bridges between the Nhill and the Karen communities. Many in the local community were quick to respond and the Shire Council, staff at the Neighbourhood House, local business people, school teachers, volunteers and many others were soon involved in activities to support the Karen. The Karen also cross both communities through work, interaction with the schools and family services, the community garden and through sharing volunteer work with the locals.

*On a social level the Karen contribute to and are involved in the wider Nhill community, including with sporting, social and service organisations.<sup>46</sup>*

*The social impact of the Karen settlement is extraordinary. Nhill, a very conservative community, has embraced and opened their minds and hearts to the Karen. This has made Nhill a better place to live. The community has accepted the Karen magnificently.<sup>47</sup>*

**Children in working families:** Social capital has been directly linked to broader concepts such as social cohesion, democracy, economic wellbeing and sustainability.<sup>48</sup> Research argues that children growing up in working families are much more likely to have better developmental outcomes across learning, social-emotional and physical health domains than children in families where parents/adults do not have a job.<sup>49</sup>

The Karen children in Nhill not only have the advantages of living in a safe and welcoming host community, but are also all growing up in working families, free from poverty.

There are currently 33 Karen families living in Hindmarsh (in Nhill and Horsham) with, amongst them, 65 children under the age of 18. Family sizes range from three (two adults and one child) to seven (two adults and five children). The majority of families have two or three children. In addition to the young children and school aged youth, there are also a number of young adults still living with their immediate families, with extended family or in share houses. These account for another 26 working people (25 single males and one single female) who are part of the Karen community.

<sup>43</sup> Interview with Karen Community Leader, December 2013

<sup>44</sup> AMES Survey of the Karen population in Nhill, December 2013, data updated January 2014

<sup>45</sup> Australian Institute of Family Studies, Stronger Families Learning Exchange Bulletin No.4 Spring/Summer 2003 p.13-16; <http://www.aifs.gov.au/sf/pubs/bull4/ws.html> (accessed 14 August 2014)

<sup>46</sup> John Millington, retired GM Luv-a-Duck, interviewed 22 January 2014

<sup>47</sup> CEO Hindmarsh Shire Council, interviewed 22 January 2014

<sup>48</sup> Australian Institute of Family Studies, *op cit*

<sup>49</sup> *Members of jobless households report worse physical and mental health and lower life satisfaction than members of households where someone is employed* (Heady & Verick 2006). ...Secure employment provides financial stability, self-confidence and social contact for parents, with positive effects flowing on to children. Australian Institute of Health & Wellbeing <http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=6442459937>

## 4 SOCIAL IMPACT

**Volunteering:** One of the better-acknowledged benefits of volunteering is the impact on the community – volunteers are often a critical element in bringing different members of a community together. On the other side, volunteering can also have considerable benefit for the volunteer - allowing people to connect with their community in a way they would not otherwise be able to.

*Volunteers often get as much out of the experience as the communities that they support – learning new skills, extending networks and enjoying a sense of fulfilment through helping others.*

*Regional Victorians contributed approximately \$2 billion dollars to their communities in terms of organised volunteering, which equates to a contribution of approximately \$1,890 per adult.<sup>50</sup>*

The arrival of the large Karen community in Nhill has provided ample opportunity for local residents to assist in the settlement of the new community. Volunteering activity is organised through the Nhill Neighbourhood House, the hospital and other individuals and service providers.

*Volunteering through the Neighbourhood House 'has been amazing'. It has given older people something to do, that is to say a reason to do things.<sup>51</sup>*

*The volunteer mentors at the Nhill Neighbourhood House have bridged connections, most particularly for the Karen refugees of Burma. ...they are to be commended.<sup>52</sup>*

Many others are also 'helping out' on an individual basis where they see the need for support or in response to requests from the Millingtons. Local volunteers and mentors will assist with both transport and translation, especially if one of the Karen needs help to travel to a medical or Centrelink appointment in Horsham (or even in Melbourne).

The Karen, too, are part of the volunteer workforce in Nhill where they are very active in the Community Garden project, regularly take part in environmental regeneration activities (helping locals plant thousands of trees to create safe corridors for wildlife) and have recently worked alongside their Australian born neighbours to help rebuild a historic footbridge.

**Values:** Without exception, all the residents of Nhill interviewed spoke positively of the Karen community's impact on the town in terms of their values and the behaviours they model.

<sup>50</sup> Deputy Premier and Minister for Regional and Rural Development Peter Ryan at the launch of The Economic Value of Volunteering in Victoria research report, Dec 2012 ([www.dpcd.vic.gov.au/communitydevelopment/publications-and-research](http://www.dpcd.vic.gov.au/communitydevelopment/publications-and-research))

<sup>51</sup> Paraphrased from interviews with local service providers and employers, January and May 2014

<sup>52</sup> Nhill Neighbourhood House website - <http://www.nhillnh.org.au/articles> (accessed 10 April 2014)



## 4 SOCIAL IMPACT

According to the Assistant Principal at Nhill College, the young Karen are having a positive impact on both other students and the teaching staff at the College.

*The Karen students at the school are extremely positive and appreciative of any opportunities they are given.*

*They bring a drive to the school that is having an impact on the other students – who are responding by noticeably trying harder at their studies and other school activities.*

*There has been an ‘overwhelmingly positive response from teachers’, who have become more reflective in their practice and responded to the challenge of how best to include the ‘new kids’.*

*This has a positive effect for the local students as well – who benefit from teachers’ reflection on their practice, as well as from responses to questions raised by the Karen students which they may not have been willing to raise themselves.<sup>53</sup>*

Others in the town see the Karen as being important for the future of the town, not only because they have given the town ‘a new lease of life’, but also because of the values they bring with them as a community.

*And Aussies can learn a lot from them and their values. They have strong family values, they’re conscientious, kind, polite, they work hard and they’re happy.<sup>54</sup>*

And the employer who first brought the Karen to Nhill, has noted the positive contribution the Karen have made to the quality of the workforce, their reliability and ability to ‘fit in’ with the local workers. He also credits the Karen with bringing a good work ethic to Luv-a-Duck and contributing to increased productivity.

**‘Win-Win’:** Confirming the impact of the Karen on the social capital as well as the economic health of the Nhill community, a consistent catch phrase throughout discussions and interviews with the Nhill community was ‘win-win’.

*The arrival of the Karen was a win-win situation for us and for them. It saw a massive increase in our activities.<sup>55</sup>*

*We took on ten casuals, four of them Karen, and we plan to put some on as permanents – it’s a win-win situation.<sup>56</sup>*

*A win-win situation which provided potential to assist the Karen to settle in Australia while helping Luv-a-Duck to grow.<sup>57</sup>*



Preparing for a local community event  
Photo supplied by AMES  
Photographer: Barat Ali Batoor

<sup>53</sup> Assistant Principal Nhill College, interviewed 2 May 2014

<sup>54</sup> Owner/Business Manager Halfway Motors Nhill, interviewed 22 January 2014

<sup>55</sup> Manager, Nhill Neighbourhood House, interviewed 22 January 2014

<sup>56</sup> Operation Manager, Ahrens Sherwell Silos, interviewed 22 January 2014

<sup>57</sup> John Millington, retired GM Luv-a-Duck, interviewed 22 January 2014

# 5 SUCCESS FACTORS IN THE RESETTLEMENT OF THE KAREN COMMUNITY IN NHILL

**This economic analysis and evaluation of the social impact of the Karen people settling in Nhill has identified a number of factors critical to the success of the resettlement initiative, from both the perspective of the host community and from that of the new settlers.**

This chapter describes the factors that have contributed to successful resettlement in this instance, while noting that the Nhill experience cannot literally be picked up and applied to all other locations. There is no exact formula for what makes a good resettlement location.

Jobs, affordable accommodation and access to schools, health services and settlement support services if possible, are all important. But there will also be different local characteristics of a community that can unexpectedly contribute to making a place a 'good' location for a new community to settle, or resettle.

Each place, each local community and each community of settlers will have their individual characteristics, needs and constraints. Interestingly, in the case of Nhill, the locals identified the isolation of their town as a significant factor in the success of the Karen resettlement because, in their experience, being geographically 'isolated' means people rely on each other and expect everyone living in the township to contribute to creating a sustainable community.

While each host and settler community will be different, the following provides a guide to some overarching factors that will contribute to the successful resettlement of migrant and/or refugee communities in rural and regional areas.

1. Employment – jobs available for the new settlers
2. Strong leadership in the host community by local champions/ influencers
3. Host community prepared for the new settlers
4. Initial (short term) accommodation
5. Support for families (partners, children, elders)
6. Degree and complexity of 'cultural adjustment' on both sides considered and managed
7. Strong leadership in the resettling community
8. Potential settlers prepared for the new environment

# 5 SUCCESS FACTORS IN THE RESETTLEMENT OF THE KAREN COMMUNITY IN NHILL

## 1

### EMPLOYMENT

Suitable employment for the new community is a necessary condition of successful settlement/resettlement.

- Work provides the income that people need to live satisfying and full lives (including access to good accommodation and opportunities to purchase properties).
- Being part of the working population also links people in a meaningful way to the broader community they have joined.
- When local people see newcomers as contributing to the local community and economy this generates acceptance and respect.

## 2

### LOCAL CHAMPIONS, INFLUENCERS

Strong leadership and support for the new settlers from local champions who have influence within the local community is critical. Local champions:

- need to be people of standing and influence in the local community.<sup>58</sup>
- can advocate with service providers in advance for the types of support new settlers will need.
- can vouch for aptitudes/work ethics of new settlers and advocate with employers to 'give the migrants/refugees a go' when they are recruiting workers.
- provide a first point of call for new settlers needing advice/assistance to manage systems, customs, and services.
- can involve the local community in general.

## 3

### HOST COMMUNITY PREPARED

Small town communities often have limited experience of living closely with other ethnic groups. Preparing the town, service providers and workplaces for the new settlers helps consolidate a positive attitude to 'difference'. This may be undertaken by the local champion/s and others.

- Bringing together local community leaders to meet a group of potential new settlers helps prepare people for a change in the local population profile.
- Providing information ensures local workers in businesses where the new settlers will be employed are prepared for the new workers.<sup>59</sup>
- Ensuring key service providers know about the proposed resettlement prepares them for increased demand for their services.

The single factor necessary to the success of this initiative has been employment for the Karen community. But, while employment is a necessary condition, it is not, by itself, sufficient to have ensured that the Karen resettled successfully.

<sup>58</sup> In Nhill John and Marg Millington provided strong leadership in the community: in interviews conducted by AMES, local people from different sectors of the community expressed a very high level of respect for the couple and responded to their advice and requests to support the Karen community.

<sup>59</sup> In the case of Luv-a-Duck, management provided some background information on the Karens' refugee experience; reassured the community that local Nhill workers would have first option on jobs; included staff in discussions about the proposed resettlement.

# 5 SUCCESS FACTORS IN THE RESETTLEMENT OF THE KAREN COMMUNITY IN NHILL

## 4

### INITIAL ACCOMMODATION

New settlers need somewhere to live that is (i) appropriate for families as well as single workers, (ii) affordable and (iii) in an accessible location.

- Negotiate short term/temporary accommodation for the first wave of settlers.
- Organise sufficient information/ orientation to assist new settlers to find and secure their own longer term accommodation. They will then be able to assist the next wave of arrivals.
- Liaise with real estate agents to provide information on renting, rights, responsibilities and tenancy laws.
- At a later stage the new settlers may need information about purchasing properties - bank loans, contracts, repayments and other relevant legal and financial matters.

## 5

### SUPPORT FOR FAMILIES

People recruited for work will not resettle successfully if their families (partners, children, elders) are not also supported and well settled.

- Provide orientation and information for all – but especially for women and the elderly who are not working and who could be isolated at home.
- Encourage and assist providers such as the Neighbourhood House to provide English classes, volunteers/ mentors, practical social/orientation activities, information sessions.
- Recruit local mentors to watch out for the earlier arrivals: for example - a neighbour; a willing long-term local with time to spare.

## 6

### MANAGE CULTURAL ADJUSTMENT

Minimising the degree of 'cultural adjustment' required of both the local and the resettling communities assists both communities to build bridging social capital more quickly.

- A small local community can find it easier to welcome and get to know people from one cultural group rather than a number of individuals or small groups from different backgrounds.
- Critical mass of one ethnic community provides security for the new settlers as they put down roots and adjust to living with the local community.
- New migrant/refugee communities can struggle to resettle if their values and their lifestyles are not a reasonable fit with the local community.<sup>60</sup>

<sup>60</sup> The profile of the Karen community and their lifestyle indicated that they would fit in well in Nhill. For example, the Karen wanted work, came from rural/farming backgrounds, were family/community oriented, many had lived in small villages before needing to seek refuge and they were keen to try relocating to a rural township – even though Nhill is reasonably remote.

# 5 SUCCESS FACTORS IN THE RESETTLEMENT OF THE KAREN COMMUNITY IN NHILL

## 7 LEADERSHIP WITHIN THE SETTLING COMMUNITY

Strong leadership within the resettling community is needed to manage both work and social relationships with the local community. Recruit Community Leaders in the first wave of settlers/workers who can:

- help recruit the most suitable people from their community to fill employers' labour needs
- liaise with employers re work conditions to meet needs of both employer and employees
- work with local government, education, health and other major service providers to provide multicultural, multilingual liaison with the settling community
- influence the behaviour of the resettling community and provide any necessary discipline from within their own community.<sup>61</sup>

## 8 PREPARE POTENTIAL SETTLERS

To resettle successfully, people need to have sufficient information to make considered and informed decisions about their own futures.

- Establish relationships with an agency who knows/works with any potential settler communities and their leaders.
- Provide detailed information sessions about the work, about the township/resettlement location and about the lifestyle in that part of Australia.
- Organise a physical tour of/visit to the proposed resettlement location and workplace.
- Provide an opportunity for new settlers and local community to meet each other prior to the new community moving.

The single factor necessary to the success of this initiative has been employment for the Karen community. But, while employment is a necessary condition, it is not, by itself, sufficient to have ensured that the Karen resettled successfully and the township of Nhill gained the degree of economic and social benefit that it now enjoys.

The other conditions described here have all been important to the success of the Karen and Nhill story.

Without the right combination of leadership in both communities; careful preparation of both the host and the resettling Karen communities for the changes they were about to experience; consideration of the degree of 'cultural adjustment' that would be required; and attention to practical matters such as accommodation and the availability of a settlement support services, the resettlement of the Karen would not have been the success story that it is today.



Bonds established  
Photo supplied by Hindmarsh Shire Council  
Photographer: Melissa Powell

(This photograph is part of the *Seeking Refuge in Nhill* exhibition)

©Hindmarsh Shire Council

<sup>61</sup> Strong community leaders can help manage sensitive issues and/or the behaviour of members of the settling community if needed where there is potential that an individual's behaviour may jeopardise the reputation of the new community.

# APPENDIX A: DAE-RGEM MODEL

The economic impact of the resettlement of the Karen people to the town of Nhill has been estimated using Deloitte Access Economics' Computable General Equilibrium (CGE) modelling capacity - the Deloitte Access Economics- Regional General Equilibrium Model (DAE-RGEM) model.

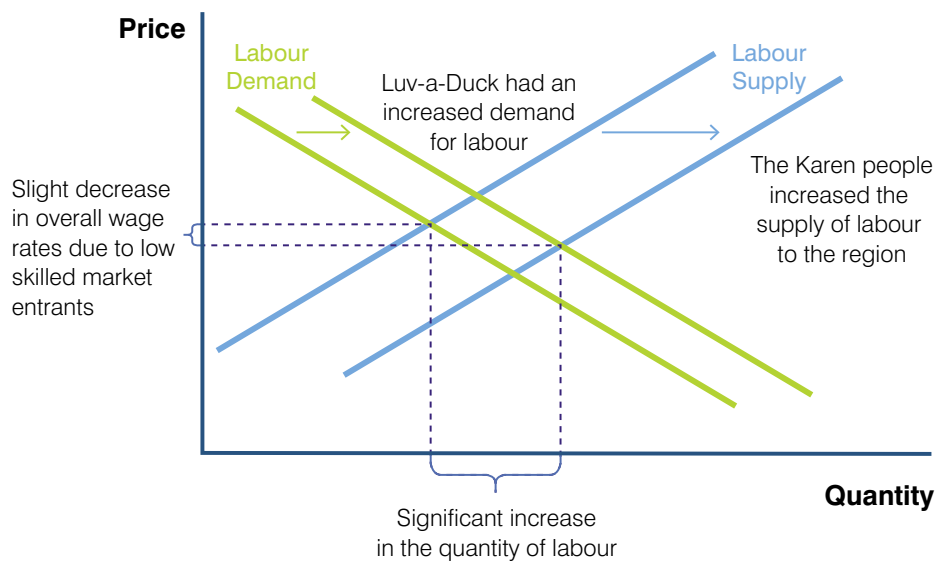
CGE models in general provide a fully integrated framework for analysing policies and initiatives impacting the macro-economy and are regarded by government and their central agencies as the preferred tool of analysis for impact studies such as this. The DAE-RGEM in particular allows for the regional customisation required for this study. The model is based on a substantial body of accepted microeconomic theory. Consistency with the national accounting framework allows analysis of macroeconomic and sectoral impacts. Of course, any economic model is highly dependent on its assumptions, parameters and data. Large scale general equilibrium modelling requires considerable amounts of each.

The CGE model projects changes in macro-economic aggregates such as GDP, employment, investment and private consumption from specified economic 'shocks'. In this case, the specified 'shock' was the resettlement of the Karen people in Nhill. For the purposes of the modelling, the resettlement was translated into both:

- an increase in labour supply, that occurred as a direct result of the resettlement of the Karen people
- an increase in demand for labour, that occurred almost entirely in the manufacturing sector through Luv-a-Duck.

While it is expected that this growth would have eventually occurred apart from the Karen resettlement, the growth may have been delayed, and would have drawn on the labour supply of surrounding regions. Therefore the 'shock' scenario is an estimate of the economic impact of the resettlement of the Karen people to Nhill from both the demand and supply sides, as illustrated in the supply demand curve below.

**FIGURE A.1: SUPPLY DEMAND CURVE**



Drawing on data extracted from survey information collected by AMES, the model was 'shocked' with an increase to both supply and demand in the region to estimate the impacts on size of the economy, wages and household consumption. Subsequently, the model was adjusted to account for unskilled labour, as the entrants to the workforce typically took up positions that are below the average skill level of the region.

# APPENDIX A: DAE-RGEM MODEL

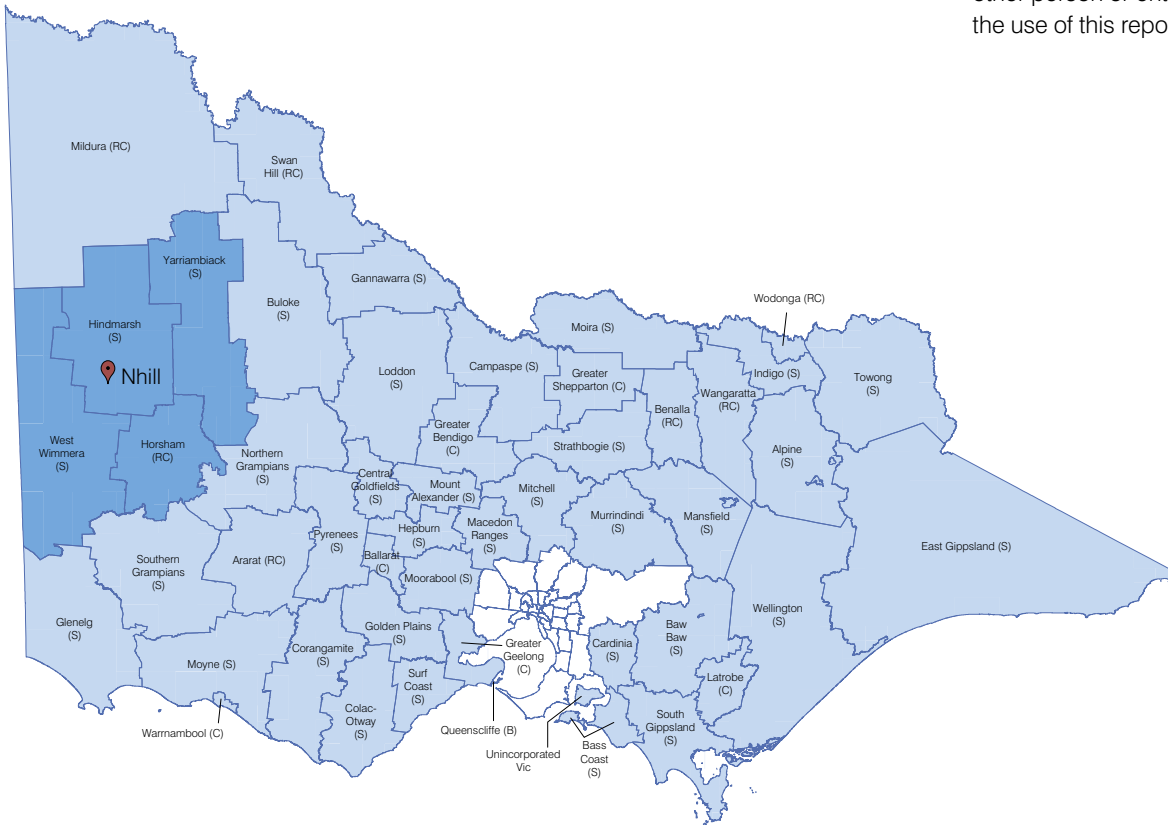
Due to the nature of the model, and the expected expenditure flow-on to neighbouring areas (due to limited provision of goods and services in Nhill), the analysis has included both Nhill and its surrounding Local Government Areas (LGAs). As highlighted in the map below, this includes:

- West Wimmera
- Hindmarsh (which includes the Nhill community)
- Yarriambiack
- Horsham.

## LIMITATION OF OUR WORK

This report is prepared solely for the purpose of assisting AMES to analyse and understand the impact of the resettlement of the Karen people to the town of Nhill. This report is not intended for any other purpose and should not be referred to, used or relied upon by anyone else without the consent of Deloitte Access Economics Pty Ltd. We accept no duty of care to any other person or entity, other than AMES for the use of this report.

**FIGURE A.2: MAP OF LGAs INCLUDED IN THE ECONOMIC IMPACT ANALYSIS**



Source: Victorian Government, Local Government Area maps, Regional Victoria; Deloitte Access Economics

