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# Chapter Ten: Migrant Resource Centres and Migrant Service Agencies

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Commentary to the review has highlighted the wide range of views on the role and effectiveness of MRCs/MSAs. Some roles, such as service coordination, information and referral services and community capacity building, when performed effectively, are clearly beneficial and represent a valuable resource.

However, in other instances, well-intended attempts to fill gaps or provide a resource for mainstream service providers have the potential to be counter-productive to service delivery for clients in the long term. For some, the desire to focus on promoting multiculturalism has also represented a loss of focus on the core role of settling new arrivals in Australia.

MRC/MSA funding should be more tightly linked to specific work outputs and outcomes rather than to inputs such as rent and staffing. Following the development of the regional, needs-based planning model outlined in chapter seven - Settlement Planning, MRCs/MSAs and CSSS-funded organisations should respond to identified needs under a new combined grants program. Adoption of a combined grants program would introduce greater contestability and responsiveness for MRC/MSA funding, improve targeting of services, provide incentives for good performance, and overcome inequities and inefficiencies in the current distribution of MRC/MSA funding. To position themselves for this change, MRCs/MSAs should develop more strongly their role as a resource for building the capacity of less-experienced community organisations.

Organisations receiving DIMIA funding need to be able to demonstrate that they have the skills and qualifications required in management committees and can manage real or potential conflicts of interest.

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## Introduction

This chapter reviews the role and function of MRCs/MSAs. MRCs/MSAs assist migrants and humanitarian entrants to settle by:

- offering multilingual information, advice and referral services;
- providing a resource base for the settlement activities of migrant communities;
- fostering the development of specific services to meet local needs; and
- promoting awareness of the needs of migrants and humanitarian entrants.

MRCs/MSAs receive direct financial contributions from DIMIA under individual service agreements. This process is referred

to as 'core funding'. This funding contributes to the general operational and administrative costs of the agency (for example, rent and rates, coordinators and administrative assistant salaries). The Minister for Citizenship and Multicultural Affairs determines funding levels annually. The core funding of MRCs/MSAs constitutes a major investment in settlement services by DIMIA and therefore warrants careful consideration of its effectiveness.

MRCs/MSAs, as well as other community agencies, may also receive DIMIA funding for services delivered under the CSSS and the IHSS.

The focus of this chapter is on the appropriate and effective use of DIMIA core funding for MRCs/MSAs. As independent

organisations, MRCs/MSAs may attract funding from a wide range of sources for delivery of services and project work in accordance with their constitutions. This chapter does not attempt to limit or narrow the focus of MRC/MSA activities funded by these sources.

## The history of MRCs/MSAs

The concept of funding a resource centre to serve local migrant communities was first put into practice in 1976. In that year, the Commonwealth Government approved the creation of two experimental centres to provide migrants with settlement information and to promote community development. DIMIA took on the administration of the centre in Parramatta in New South Wales, and a voluntary ethnic organisation took on the administration of the centre in Richmond, Victoria.

In 1978, drawing on the work of these centres, the Galbally report recommended that the Commonwealth Government establish a special program for the funding of multicultural resource centres in areas with high migrant populations and few migrant support services. The report envisaged that these centres would facilitate self-help activities by providing a base from which ethnic communities could work locally and by serving a range of functions.<sup>1</sup>

The Galbally report proposed that these centres be operated by incorporated bodies consisting of representatives from local ethnic communities and from all levels of government. The centres would be funded for three years and funding would provide mainly for the rental of premises and the employment of a coordinator and receptionist.

DIMIA had established nineteen MRCs throughout Australia by 1981. These original MRCs were located in the capital cities of each State/Territory, in suburban locations

in Sydney and Melbourne, and in regional locations with high migrant populations such as Newcastle, Wollongong, Geelong and Townsville.

In 1981, the Australian Institute of Multicultural Affairs (AIMA) undertook an evaluation of the objectives and implementation of the Galbally report. The evaluation found that 'implementation of the Report's proposals has been of substantial benefit to migrants both newly-arrived and longer-resident.'<sup>2</sup> However, the AIMA concluded that, although the MRC concept was valuable, the potential of the centres as envisaged by the Galbally report was not being fully realised. The AIMA made several recommendations for improvements. These included adjusting funding on an annual basis and setting guidelines for the composition of management committees. The AIMA also concluded that some areas where MRCs were located appeared to be over-serviced in comparison with other areas of equally high migrant population density but with few existing services. The AIMA noted that 'a significant number of Centres appear to be inappropriately located' and recommended that the location of MRCs be reviewed.

The table in appendix VIII lists all the MRCs/MSAs which have been established since the Galbally report and indicates those which no longer receive funding. Of the original nineteen MRCs, sixteen are still in operation although several have been relocated. Only

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<sup>1</sup> The functions included: providing multilingual welfare counselling and information and referral; promoting migrant and multicultural issues among local service providers and within the local community; providing facilities for the activities of local ethnic groups; coordinating services and multicultural activities in the local area; and assisting emerging ethnic communities.

<sup>2</sup> Australian Institute of Multicultural Affairs (Chairman F Galbally), *Evaluation of Post-Arrival Programs and Services*, AIMA, Melbourne, 1982, p. 9.

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the Parramatta, Brisbane, North Perth and Darwin centres are no longer funded.

In 1983, DIMIA commissioned the Urban and Environmental Planning Group to conduct a review of MRC locations throughout Australia.<sup>3</sup> In conducting its review, the group established a number of indicators of demand for the services of MRCs.<sup>4</sup> These were used to determine the size of the target group that an MRC could realistically be expected to serve.

The review found that the communities served by existing MRCs would be disadvantaged if the centres were relocated. It recommended that no MRCs be moved, but that new centres be established in the areas of greatest need.

Between 1984 and 1992, DIMIA established a further seven MRCs. Four were in the metropolitan locations of Blacktown, Fairfield, and Canterbury-Bankstown in Sydney, and in Glenroy in Melbourne. Three were established in the non-metropolitan locations of Alice Springs, Cairns and the Gippsland area of south-eastern Victoria. By 1992, DIMIA was providing around \$3 million annually in core funding to twenty-six centres. This figure represented around 20% of the total community grants program funding at that time.

The MRC program expanded further in the 1990s following an evaluation of ethnic services delivery in 1992.<sup>5</sup> DIMIA moved to four-year funding agreements for MRCs and extended this funding to cover four staff positions, including coordinators, assistant coordinators, community projects officers and receptionists. The department also allocated funds for the training of management committee members and of MRC staff. In addition, it established two new MRCs in Dandenong and Campbelltown and an outreach service to Werribee from the Footscray MRC. This expansion saw an increase in core funding of MRCs to around

\$5.4 million in 1993-94, or around 28% of the community grants appropriation. By 1995-96, this figure had reached \$7.8 million or around 32% of the community grants appropriation. By 1996, thirty-two MRCs and three outreach services were in operation across Australia. Two of the original centres, namely Darwin and North Perth, had been closed, with funding redirected to establish centres in areas of greater need.

To date, DIMIA has withdrawn funding from only seven MRCs for the reasons set out in table 10.1.

In 1997, the Australian National Audit Office (ANAO) produced a better practice guide for the administration of Commonwealth Government grants.<sup>1</sup> This guide underlined the importance of strong accountability requirements for the use of public money by community organisations and the need for effective monitoring and evaluation processes. In 1998, the ANAO undertook a performance audit of DIMIA-funded settlement services, including MRCs.<sup>2</sup> This audit pointed to the need for some improvements in administration, mainly in the area of monitoring and reporting arrangements. Further detail on this audit can be found in chapter thirteen of this report - Performance and Accountability.

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<sup>3</sup> Urban and Environmental Planning Group, *Review of Locations of Migrant Resource Centres*, UEPG, Adelaide, 1983.

<sup>4</sup> The indicators included: the size of the overseas-born population in the region; the absolute number and proportion of this population with less than five years of residence in Australia; the relative size and composition of local ethnic groups; the known characteristics of specific ethnic groups in the area (for example, age structure and proportion of refugee members); and data on unemployment amongst the local migrant population.

<sup>5</sup> Department of Immigration, Local Government and Ethnic Affairs (DILGEA), *Ethnic Services Delivery by DILGEA Funded Community Organisations*, DILGEA, Canberra, 1992.

**Table 10.1: Reasons for withdrawal of funding from MRCs**

MRC	Date funding withdrawn	Reason
Parramatta	1984	Established as an experimental centre operated by DIMIA, Parramatta MRC was not managed by a local committee. When the department withdrew from direct management of this centre, a locally-based committee could not be formed, and funding was withdrawn.
Melbourne	1989	Amalgamated into the North West Region MRC in St Albans.
Darwin	1993	Performance and management committee problems.
North Perth	1995	Centre refused to relocate to an area determined by DIMIA to have higher settlement needs.
Brisbane	1998	Performance and management committee problems.
Cairns	1998	Performance and management committee problems.
Inner West	2002	Performance and management committee problems.
Alice Springs	2003	Low and declining client numbers - core funding replaced with grant.
Northern Metropolitan	2003	Performance and management committee problems.

As a result, DIMIA moved towards a new form of funding contract for MRCs. Up until 1997, funding agreements had been based almost entirely on financial matters with little focus on outcomes and strategies. In 1998, following consultations with MRCs, the department introduced service agreements that focused on expected outcomes, performance measures and standards of service. These are discussed in more detail in chapter thirteen of this report. They were set within the framework of the ANAO's better practice guide on the administration of grants. The new service agreements were intended to align local priorities and responses more closely with national priorities and outcomes. They were also designed to link the accountability cycle for MRCs with the broader, whole-of-government framework.

The move to service agreements was combined with a shift to annual funding for MRCs. One-year funding provided a useful mechanism for making annual refinements to

the service agreement. It also provided an opportunity for MRCs to signal requests for variations to funding amounts. From this point onwards, MRCs had more flexibility in the way they used their funding. Prior to 1998, DIMIA had determined how core funding to MRCs was to be spent. Allowing MRCs greater flexibility in the way they used their funding was considered to be more appropriate in the context of outcomes-focused service agreements.

In 1998 and 1999, DIMIA established four MSAs to complement the MRC network. These agencies were to be managed by boards of directors rather than by locally-based management committees. Two of the MSAs have been established as companies limited by guarantee under Corporations law, rather than as incorporated organisations. In these two cases, the Minister for Citizenship and Multicultural Affairs had the capacity for more direct involvement in the nomination of board members and in the management of the MSA.

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In all other respects, there was little difference between MSAs and MRCs.

In 2002, core funding to MRCs/MSAs was \$9.5 million, representing 36% of the total community grants appropriation for that year (compared with just 18% a decade earlier). The increase over time in the proportion of the appropriation that goes to MRC/MSA core funding has been the result of a number of factors, including:

- changes in 1992 and 1993, which expanded the program to cover additional staff and training;
- changes in the 1995-96 Budget which increased core funding for community worker positions within twenty-two MRCs to assist MRCs to address two significantly disadvantaged groups, unemployed migrants and humanitarian entrants;
- the establishment of four MSAs in 1998 and 1999, without an increase to the community grants appropriation; and
- increases to the core funding of individual MRCs/MSAs as a result of bids to cover increases in rent.

There has been relatively little change to MRCs/MSAs over the years in terms of their overall aims and structure. They have taken on an increasing role in sensitising mainstream services to their diverse client base and in regional planning around local needs and priorities. In the 2000-01 financial year, funding for humanitarian workers was transferred from MRC/MSA core funding to the IHSS program.

For the 2002-03 financial year, \$26.8 million was made available by DIMIA for MRCs/MSAs and CSSS projects. Given that the amount of funding available is limited, there is considerable competition among MRCs/MSAs securing core funding and between other community organisations securing grants under CSSS. In keeping with 'mainstreaming'

philosophy, and as limited funds are available, MRCs/MSAs have been expected to attract additional funding from Commonwealth, State/Territory and local governments to provide a broad range of services.

## Current arrangements

### Who uses MRCs/MSAs?

The current MRC/MSA service agreement defines MRC/MSA clients in very broad terms. They are defined as 'migrants' who are the holder of a visa:

...which permits the holder to enter and reside in Australia for an unlimited period of time. It also means a holder of a provisional visa, which means a temporary visa that is granted to a non-citizen on the basis of a relationship with an Australian citizen, Australian permanent resident or eligible New Zealand citizen; and the application for that temporary visa is also taken by the Migration Regulations 1994 to be an application for a permanent visa based on that same relationship.<sup>3</sup>

As with the CSSS, there is comparatively little reliable quantitative data available to indicate who MRC/MSA clients are, what they use the centres for, and how frequently they use these services. This issue is discussed in more detail in chapter thirteen. Potential client numbers in a particular MRC/MSA catchment area are derived from the DIMIA Settlement Database. The Settlement Client Information System, designed to capture client statistics, has been hampered by a number of technical problems

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<sup>1</sup> Australian National Audit Office (ANAO), *Administration of Grants: Better Practice Guide*, AGPS, Canberra, 1997.

<sup>2</sup> ANAO, *Provision of Migrant Settlement Services by DIMA, audit report no. 29, performance audit, Commonwealth of Australia*, Canberra, 1998.

<sup>3</sup> DIMIA, *MRC/MSA Service Agreement*, 2002.

and has not been used consistently by MRCs/MSAs. It therefore does not enable meaningful comparison of client data across MRCs/MSAs.

Commentary from public consultations and submissions to the review has shown that a diverse range of people use MRC/MSA services, including humanitarian entrants, family stream migrants and their sponsors and the dependants of skilled stream migrants. Other DIMIA-funded settlement services have a more clearly defined client group. The client group for the suite of services provided under the IHSS is limited to humanitarian entrants in their initial settlement period. The AMEP client group for fee-free services consists of family stream migrants and humanitarian entrants with low levels of English language proficiency. A visa application charge is applied to the dependants of skilled stream migrants who do not have functional English to cover the cost of AMEP tuition.

As for CSSS funding, the settlement services target group defined in chapter five of this report - The Role of DIMIA-Funded Settlement Services, should be accorded top priority for DIMIA-funded MRC/MSA services. A more clearly defined target group for MRCs/MSAs would allow for newly-arrived migrants and humanitarian entrants experiencing the greatest barriers to settlement to be targeted effectively.

### **Client reach**

As noted above, there is little reliable quantitative data on the number of clients reached by MRCs/MSAs. However, some surveys suggest the numbers are not high. Data from the Longitudinal Survey of Immigrants to Australia (LSIA) on MRCs/MSAs suggests that only a relatively small proportion of new arrivals use the centres.<sup>4</sup>

This data set is characterised by some under-reporting of access to services in general. However, the impression of low client reach by MRCs/MSAs has been reinforced by the findings of the pilot client survey that certain

groups that fall within the settlement services target group appear not to make use of migrant community services, including MRCs/MSAs. The pilot client survey has pointed to the need for better coordination and communication between MRCs/MSAs and other settlement service providers.<sup>5</sup> These findings suggest that a more proactive approach by some MRCs/MSAs to improving their client reach and focus on the settlement services target group is required.

### **The core functions of MRCs/MSAs**

MRCs/MSAs are characterised by their diversity. They vary in terms of their potential client base, their position in the broader community, and the breadth of their service delivery activities beyond those funded by DIMIA. Their core funded functions are very broad, consisting of:

- *Direct client services* - providing a diverse range of direct client service from casework to information provision and referral to assist migrants and humanitarian entrants to settle;
- *Community capacity building* - supporting the settlement, establishment and participation of ethnic-specific communities in the wider Australian community, particularly in order to foster their long-term independence and ability to assist their new arrivals; and
- *Service planning, development and integration* - acting in an advocacy role, for example, initiating and engaging in planning forums and networks with other service providers

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<sup>4</sup> S Richardson, L Miller-Lewis, P Ngo & D Ilsey, *The Settlement Experiences of New Migrants: Report to the Department of Immigration and Multicultural and Indigenous Affairs*, National Institute of Labour Studies, Adelaide, 2002.

<sup>5</sup> Urbis Keys Young, *Client Survey on the Effectiveness of DIMIA-Funded Community Settlement Services*, pilot survey conducted in 2002 published on the DIMIA web site, February 2003.

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to promote and implement access and equity principles.

Commentary from stakeholders in public consultations and submissions to the review has demonstrated that there is a wide range of views on the role of MRCs/MSAs. However, most stakeholders have supported a continuing role for MRCs/MSAs in the delivery of settlement services.

### **Direct client service delivery**

Providing orientation assistance to new migrants and humanitarian entrants in the form of information and referral services is a primary responsibility of MRCs/MSAs. The type of information that is provided seems to range from information aimed at assisting new arrivals to settle in Australia to migration information. The information, advocacy and referral role played by MRCs/MSAs (through core funding and through CSSS grants) is critical in assisting migrants to solve problems for themselves. Direct client services should aim to promote self-reliance, avoiding dependency on MRCs/MSAs and other DIMIA-funded settlement services.

*Each day the Baulkham Hills Holroyd Parramatta MRC provides direct information and referral services to clients. This could take the form of making telephone inquiries on behalf of clients to mainstream agencies, filling out forms, assisting clients to access housing, employment and welfare services; witnessing documents, explaining complex forms and letters to clients etc. On a day-to-day basis, the MRC responds to initial settlement inquiries about family reunion, visa categories, spouse reunion, student inquiries, accommodation and rental costs etc.*

**Submission from the Baulkham Hills Holroyd Parramatta Migrant Resource Centre, NSW**

The pilot client survey has indicated that clients placed a high value on the information role of MRCs/MSAs in terms of meeting immediate everyday needs and of providing assistance with tasks such as finding accommodation and employment and registering for social security.<sup>6</sup>

Several submissions to the review have emphasised that direct client casework is an essential component of orientation for many new arrivals and expressed concern that MRCs/MSAs appear to have played a diminishing role in this area in recent years.

*One of the trends in recent years has been a move away from case management. The Refugee Council sees this as a retrograde step. Humanitarian entrants typically form a high-need client group. Their past experiences and lack of preparation for migration mean that they arrive with complex and significant needs the meeting of which requires the involvement of a number of agencies. Not only do they need someone to act as advocate... they might also need someone to coordinate the service delivery to make sure that the various players are in possession of relevant information and minimise the possibility that the intervention of one will counteract that of another. Case management is therefore seen as a way that humanitarian entrants can receive the services from mainstream agencies that they need in a way that they can derive maximum benefit from them.*

**Submission from the Refugee Council of Australia**

Much of the more intense case management that used to be undertaken by core funded MRC/MSA workers is now appropriately

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<sup>6</sup> Urbis Keys Young, *Client Survey*, pp.18, 21.

provided by the Initial Information and Orientation Assistance service under the IHSS. Nevertheless, some high need arrivals and clients exiting the IHSS continue to benefit from a casework approach to addressing their settlement needs and this remains evident in many MRC/MSA workplans. As outlined in chapter nine of this report - The Community Settlement Services Scheme, a casework approach can provide benefits for clients and promote efficiencies in service delivery. Effective caseworkers work with clients over a relatively short time period to help them to understand and access mainstream services, encourage self-reliance and avoid dependency. This role remains appropriate within the settlement services network generally, including in services provided by MRCs/MSAs. However, as discussed in chapter nine, it is important that caseworkers do not undertake counselling roles but, rather, make appropriate referrals to relevant mainstream service providers.

The role of the referrals to other services and the referral process has been one of the major criticisms from clients of MRCs/MSAs in the pilot client survey. This role was not well understood. Clients often expected MRCs/MSAs to be direct providers of goods or to expedite access to goods or services. For example, some clients expected MRCs/MSAs to provide a house or ready access to affordable housing rather than referring them to a mainstream agency.<sup>7</sup> Workers delivering services from MRCs/MSAs need to inform clients clearly of their role so that clients develop realistic expectations of the support they might receive.

### **Community capacity building**

In public consultations and submissions to the review, many stakeholders have expressed the view that MRCs/MSAs are well equipped to support community capacity building among small and emerging communities. They

considered that an increased emphasis on this role would enable small and emerging communities to more effectively assist their new arrivals.

*MRC and CSSS management committees, coordinators and workers are also usually a part of the community they serve, giving them an advantage in identifying gaps in service provision and a sound basis for community capacity building and advocacy.*

#### **Submission from the Victorian Government**

*MRCs and MSAs have strong linkages with ethnic communities by providing a base for educational, cultural and social activities. As such, they have a sound understanding of the needs of communities they serve. These service providers can draw on their specific knowledge to assist in community capacity building, particularly among small and emerging communities. This adds to such target groups' sense of empowerment and self-determination.*

#### **Submission from the Federation of Ethnic Communities' Councils of Australia**

Ideally, organisations representing particular communities would be directly funded to develop their own community's capacity to organise, plan and advocate for their own needs. However, in most instances, small and emerging communities require significant support in this role. This is particularly true for communities that arrive from countries that have substantially different government and community services than those available

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<sup>7</sup> Urbis Keys Young, *Client Survey*, pp 22-25.

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in Australia. Many communities require assistance to understand and fulfil requirements associated with establishing an incorporated organisation, accounting for government funding, and advocating effectively on behalf of their clients within the Australian context.

MRCs/MSAs are well placed to support communities in this endeavour, and in many instances they have auspiced grants for small and emerging communities and have provided support in the form of access to office space and facilities, management advice and expertise and guidance in service development. Some MRCs/MSAs have played an important role in the evolution of a particular community by, in the first instance, taking on a grant to deliver services to that community; subsequently providing management support for a second grant awarded directly to the community for capacity building and to deliver its own services; and, finally, as the community becomes more established, providing informal support and guidance when it is sought. Stronger regional level planning for settlement services, described in chapter seven - Settlement Planning, would help to identify where community capacity building and support for this role is required and MRCs/MSAs would be expected to continue to play an important role in responding to such needs.

### ***Service planning, development and integration***

Commentators have agreed that MRCs/MSAs can play an important role in coordinating services for groups of migrants and humanitarian entrants at the local level. They can also work in partnership with mainstream agencies to facilitate effective service delivery that is responsive to the particular needs of the migrant and humanitarian entrant population in their catchment area.

*The Migrant Resource Centre of SA has taken a lead in sector co-ordination and in encouraging other community and human service agencies to understand and take increased responsibility for meeting the needs of migrants and refugees. It has established seven regional multicultural community networks to enable opportunities for migrant participation in planning, access to training opportunities and sharing of information.*

### **Submission from the South Australian Council of Social Services**

*The Migrant Resource Centre... [h]as a role to play as a link between the Government (and Councils) and local communities and organisations assisting ethnic communities. [It] [h]as partnership arrangements and relationships with government and non-government organisations which places it in an informed position in relation to regional and local issues.*

### **Submission from the Hurstville City Council, NSW**

MRCs/MSAs that have a strong understanding of the needs of their clients as well as good local knowledge about services in their locality are well placed to identify and to respond to gaps in service delivery. Responding to gaps in service delivery might involve modifications to the MRC/MSA's own work program or, more often, working with mainstream and other settlement service providers to determine the most appropriate way to fill the gap. Given their shared client base, it is important that strong links are established between the various settlement service providers in a given locality so that effective referral protocols can be put in place and service providers can work cooperatively to

develop solutions to common problems. MRCs/MSAs that provide the base from which a range of services are delivered have a detailed knowledge of the community sector and therefore should be able to play a particularly effective role in service coordination and development.

**A 'resource' for service providers or filling the gap?**

DIMIA expects that core funding to MRCs/MSAs will be used to promote and encourage the development of services that will improve access and equity for migrant and humanitarian entrant clients. As noted earlier in this report, DIMIA-funded services should not be attempting to create an alternative service network for these clients.

Some MRCs/MSAs have reported performing tasks to compensate for gaps in services or for poor performance by other agencies. For example, one MRC explained how it had organised an employment and training seminar to promote better communication between service providers and better outcomes for job seekers. While this initiative may have had an immediate positive outcome, systemic change is unlikely to occur unless the responsible agency takes ownership of the issue and the solution. It might, for example, decide that funding the MRC to continue to play this role is an appropriate and effective response to the issues in a particular locality. However, if the MRC simply assumes the role within its existing resources, it will necessarily be at the cost of the direct client services, community capacity building and service development work for which core funding is currently provided. At the same time, the responsible mainstream agency is 'let off' in terms of addressing its access and equity obligations.

In some instances, MRCs/MSAs have also sought to provide services to fill perceived gaps in service delivery that result from

*There have been poor outcomes from clients that have registered with the Job Network. The Job Network members compete with each other and there is little communication and coordination between them. The MRC successfully launched recently a Jobs and Training Employment Expo that saw over thirteen hundred job seekers attend with over twelve service providers as part of the organising committee. In this instance the local council hosted the event with only two to three job network members participating.*

**Submission from the Baulkham Hills  
Holroyd Parramatta Migrant  
Resource Centre, NSW**

deliberate application of government policy (for example, in relation to temporary protection visa holders and to the two-year waiting period for social security benefits). Examination of specific examples has generally revealed that DIMIA core funding has in fact not been used inappropriately, in that the services were funded from another funding source. However, the concept of core funding means that comments and actions can be seen as needing to reflect government policy, and apparent departures or independent actions can be perceived as constituting a conflict of interest. This potentially undermines the organisation's position in terms of its capacity to influence relevant mainstream service providers in areas of legitimate policy and program development.

In some submissions to the review, MRCs/MSAs have been described as a 'resource' for mainstream service providers. MRCs/MSAs have accumulated a wealth of experience and expertise in terms of multicultural service delivery in their localities. DIMIA encourages MRCs/MSAs to share this knowledge to assist other agencies to develop their capacity to serve a culturally and linguistically diverse

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client base appropriately. However, it is not appropriate for mainstream service providers to refer their clients to MRCs/MSAs for advice and assistance that is properly the responsibility of the mainstream agency or for which a more appropriate referral could be made. This issue is particularly evident in the extent to which some DIMIA-funded service providers seem to get caught up in helping clients to understand and complete government forms.

*[MRCs]...are regularly consulted by other service providers, planners and researchers, frequently train social work students and are invariably represented on state and regional service-provider committees. Most government and other mainstream agencies (including DIMIA) whose migrant clients are seeking information, advice or assistance not pertinent to their core business also regularly refer these to MRCs and CSSS-funded agencies.*

**Submission from the Victorian Government**

*Migrant Resource Centres which have an identity in their local communities can be a great resource for mainstream services, as well as providing expert assistance to migrant communities.*

**Submission from the Inner West Home & Community Care (HACC) Development Project, NSW**

A number of stakeholders have noted continuing difficulties with promoting access and equity principles to mainstream agencies, often reflecting the apparent level of commitment to the principles of the *Charter of Public Service in a Culturally Diverse Society* within individual government departments.

*There is a tendency for government departments (especially NT government departments) and other service providers in the NT to assume that all service provision issues for humanitarian entrants and migrants are the responsibility of specialist services, and that they have no responsibility for providing appropriate services.*

**Submission from the Melaleuca Refugee Centre, Torture and Trauma Survivors Service of the NT**

*Auburn MRC has existing partnerships and relationships with a range of services (both government and NGOs) placing them in an informed local role... Auburn MRC however, suffers an unequal partnership in these roles with little power to influence decisions. Only those Managers within Departments that have a commitment and an intention to support newly arriving communities can be influenced.*

**Submission from the Auburn Migrant Resource Centre, NSW**

However well intended, offering other government agencies a convenient and inexpensive alternative to avoid funding and providing culturally and linguistically appropriate services can be counter-productive to longer-term outcomes for migrant clients. The function of the MRC/MSA is to promote services that are available from mainstream agencies and to encourage mainstream agencies to address the needs of their culturally and linguistically diverse client base.

**Promoting cultural diversity and multiculturalism**

In public consultations and submissions to the review, some stakeholders have expressed

the view that MRCs/MSAs should play a greater role in promoting multiculturalism. While there are obvious links between the facilitation of settlement through raising cultural awareness and the promotion of multiculturalism, the focus of DIMIA’s settlement funding is on assisting the settlement of new arrivals in the settlement services target group. An MRC/MSA is able to seek funding from DIMIA’s *Living In Harmony* program or from State/Territory or local governments for the promotion of multiculturalism.

**Recommendation 41**

That funded work programs from 2004-05 more clearly articulate the role of MRCs/MSAs to include:

- the provision of orientation in the form of information assistance and referral services to new arrivals;
- assessment and review of settlement needs;
- strategic planning and coordination of DIMIA-funded settlement services in partnership with mainstream and other settlement service providers;
- the development and maintenance of strong links with other DIMIA-funded settlement services;
- fostering, advising, auspicing and coordinating community organisations involved in community capacity building; and
- the provision of appropriately targeted outreach services to ensure optimum coverage to meet client needs, without duplicating existing services.

**The adequacy and distribution of funding**

DIMIA core funding to MRCs/MSAs is

**Table 10.2: Total core funding to MRCs/MSAs, 2002-03**

State/Territory	No. of MRCs/MSAs	\$ Total Funding
New South Wales	12	3,961,359
Victoria	10	2,806,644
Queensland	4	958,033
Western Australia	2	518,849
South Australia	1	448,784
Tasmania	2	423,639
Australian Capital Territory	1	294,039
Northern Territory	1	119,045
<b>Total</b>	<b>33</b>	<b>\$9,530,392</b>

**Source:** DIMIA Community Programs Program Management Data, 2002. Note: this table includes Northern Metropolitan (Victoria) and Alice Springs MRCs which were funded in 2002 but no longer receive core funding.

administered as a Ministerial discretionary grants program. Core funding means that DIMIA provides MRCs/MSAs with funds to exist as organisations and as settlement service providers. MRCs/MSA services are not competitively tendered, nor is funding subject to competition through an advertised grants round. As the money for core funding for MRCs/MSAs and CSSS grants comes out of the same appropriation, core funding to MRCs/MSAs limits the money available for CSSS grants for which other organisations can compete.

**MRC/MSA funding allocation**

MRC/MSA core funding represents approximately one-third of the migrant community services appropriation. As shown in table 10.2, in the 2002-03 financial year, DIMIA provided \$9.5 million to thirty-three MRCs/MSAs in core funding. This figure represented 36% of the total community grants appropriation.<sup>8</sup> During this year funding was

<sup>8</sup> Inner West MRC was defunded and ceased operation at the end of June 2002. DIMIA redirected its core funding amount of \$316,848 to fund an interim arrangement with Anglicare, Auburn MRC and the Chinese Australian Services Society in order to maintain services in the area.

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withdrawn from two MRCs, leaving thirty-one MRCs/MSAs receiving core funding.<sup>9</sup>

### **The funding process**

Originally, funding was based on three components, indexed annually to approximately coincide with movements in the Consumer Price Index:

- salary and 12% salary on-costs;
- rent; and
- a contribution towards operating costs, which is approximately 28% of the salary component for most MRCs/MSAs.

The current annual funding process requires each MRC/MSA to submit a budget bid to DIMIA. These budget bids identify settlement needs in their catchment area, provide a work program with specific outputs and outline proposed expenditure.

DIMIA assesses each budget bid, taking into consideration the past performance of the organisation, local settlement needs, the amount of funding requested and the amount available. Before arriving at the agreed core funding amount in the service agreement, DIMIA's funding process takes into account the inputs detailed by MRCs/MSAs in their bids, and the notional program allocation.

The department then makes a recommendation to the Minister for Citizenship and Multicultural Affairs on the amount of funding that should be provided to each MRC/MSA. The Minister has responsibility for funding decisions.

The service agreement lists a single funding amount for the delivery of the work program, however, the cost of individual outcomes and outputs is not specified.

Additional funding for 'extraordinary' expenditure or special projects is theoretically possible. However, this is often unattainable, given the financial constraints on the appropriation. Variations in the

funding levels between MRCs/MSAs are due to considerations such as rent, the number of core funded staff, total available dollars and occupational health and safety improvements.

Stakeholders have commented that the current funding process seems to have a reasonable basis, but that there is a need to take into consideration variables such as demographic changes. A number of submissions to the review have expressed the view that MRCs/MSAs are under-funded generally.

*As with funding to many other non-government agencies, funding of MRC/MSA/ CSSS has failed to keep pace with real cost increases. This has eroded the real value of grants as agencies have struggled to meet cost rises resulting from higher operating and salary expenses without reducing service levels, threatening the financial viability of the agency or eliminating 'discretionary' expenditure in areas such as staff and volunteer training and development. Consideration needs to be given to an examination of the funding base to ensure increases in funding match cost hikes in service delivery.*

### **Submission from the South Australian Council of Social Service**

In public consultations, some commentators have argued that funding levels should depend on the size of the MRC/MSA and the number of programs it is running. In their view, the larger MRCs/MSAs are prevented from expanding because they do not receive a proportionately higher level of funding

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<sup>9</sup> Core funding was withdrawn from Northern Metropolitan (Victoria) and Alice Springs (Northern Territory) for the reasons outlined in table 10.1.

**Table 10.3: MRC/MSA funding per new arrival in MRC/MSA catchment areas  
1 July 1997 - 30 June 2002 (a)**

MRC/MSA	All new arrivals	Settlement services target group arrivals	Humanitarian arrivals	Humanitarian arrivals as % of target group	% of all arrivals in settlement services target group	Total funding for the last five years (c)	Funding per arrival - settlement services target group	Funding per arrival - all new arrivals \$
<b>New South Wales</b>								
Auburn	4,779	3,390	1,787	52.7	70.9	1,173,563	346	246
Baulkham Hills, Holroyd, Parramatta	12,398	5,638	2,507	44.5	45.5	1,345,961	239	109
Blacktown	6,644	2,668	1,719	64.4	40.2	1,490,499	559	224
Botany	8,554	1,938	411	21.2	22.6	1,330,809	687	156
Fairfield MRC (Cabramatta Community Centre)	8,465	7,289	3,340	45.8	86.1	1,306,049	179	154
Canterbury/Bankstown	10,651	6,178	1,223	19.8	58.0	1,411,314	228	133
<i>Illawarra</i>	2,175	1,034	566	54.7	47.5	1,422,688	1,376	654
Inner West (Ashfield) (b)	6,953	2,251	416	18.5	32.4	1,467,522	652	211
Liverpool	6,460	4,359	3,043	69.8	67.5	1,448,001	332	224
Macarthur	2,186	709	235	33.1	32.4	1,407,399	1,985	644
<i>Newcastle</i>	1,692	440	142	32.3	26.0	1,454,985	3,307	860
St George	7,348	3,570	684	19.2	48.6	1,517,003	425	206
Migrant Network Services (Northern Sydney) (c)	9,184	1,955	372	19.0	21.3	795,704	407	87
<b>Total New South Wales (a)</b>	<b>87,489</b>	<b>41,419</b>	<b>16,445</b>	<b>39.7</b>	<b>47.3</b>	<b>17,571,497</b>	<b>424</b>	<b>201</b>
<b>Victoria</b>								
<i>Geelong</i>	1,201	594	374	63.0	49.5	1,347,006	2,268	1,122
<i>Gippsland (Latrobe Valley)</i>	385	68	27	39.7	17.7	694,393	10,212	1,804
Inner Western Region (Footscray)	7,931	4,075	1,924	47.2	51.4	2,034,731	499	257
North Eastern Region (Preston/Reservoir)	7,687	4,340	1,580	36.4	56.5	1,400,269	323	182
North West Region (St Albans)	4,735	3,152	1,375	43.6	66.6	1,393,985	442	294
Northern Metropolitan (Broadmeadows) (b)	5,681	3,747	1,758	46.9	66.0	1,448,970	387	255
South Central Region (Pahran)	9,934	2,996	891	29.7	30.2	1,868,360	624	188
South Eastern Region (Dandenong)	7,303	5,441	3,102	57.0	74.5	1,291,462	237	177
Westgate Region	1,211	679	280	41.2	56.1	600,496	884	496
Migrant Information Centre (Eastern Melbourne) (c)	9,176	2,267	569	25.1	24.7	796,734	351	87
<b>Total Victoria (a)</b>	<b>55,244</b>	<b>27,359</b>	<b>11,880</b>	<b>43.4</b>	<b>49.5</b>	<b>12,876,406</b>	<b>471</b>	<b>233</b>

MRC/MSA	All new arrivals	Settlement services target group arrivals	Humanitarian arrivals	Humanitarian arrivals as % of target group	% of all arrivals in settlement services target group	Total funding for the last five years (c)	Funding per arrival - settlement services target group	Funding per arrival - all new arrivals \$
<b>Queensland</b>								
Logan and Beenleigh (ACCESS Inc)	1,706	703	361	51.4	41.2	878,381	1,249	515
Townsville	703	170	65	38.2	24.2	1,268,910	7,464	1,805
Migrant Settlement Services (Cairns) (c)	694	169	25	14.8	24.4	550,872	3,260	794
Multicultural Development Agency (Brisbane) (c)	9,545	2,535	1,318	52.0	26.6	795,704	314	83
<b>Total Queensland (a)</b>	<b>12,648</b>	<b>3,577</b>	<b>1,769</b>	<b>49.5</b>	<b>28.3</b>	<b>3,493,867</b>	<b>977</b>	<b>276</b>
<b>Western Australia</b>								
South Metropolitan (Fremantle)	16,671	3,444	1,788	51.9	20.7	1,104,525	321	66
Northern Suburbs	11,780	4,928	3,112	63.1	41.8	1,418,585	288	120
<b>Total Western Australia (a)</b>	<b>28,451</b>	<b>8,372</b>	<b>4,900</b>	<b>58.5</b>	<b>29.4</b>	<b>2,523,110</b>	<b>301</b>	<b>89</b>
<b>South Australia</b>								
MRC of South Australia	13,699	5,877	3,588	61.0	42.9	2,190,964	373	160
<b>Total South Australia</b>	<b>13,699</b>	<b>5,877</b>	<b>3588</b>	<b>61.0</b>	<b>42.9</b>	<b>2,190,964</b>	<b>373</b>	<b>160</b>
<b>Tasmania</b>								
Northern Tasmania (Launceston)	757	310	225	72.6	41.0	970,727	3,131	1,282
Southern Tasmania (Hobart)	1,199	513	387	75.4	42.8	1,173,166	2,289	978
<b>Total Tasmania (a)</b>	<b>1,956</b>	<b>823</b>	<b>612</b>	<b>74.4</b>	<b>42.1</b>	<b>2,143,893</b>	<b>2,605</b>	<b>1,096</b>
<b>Australian Capital Territory</b>								
Canberra & Queanbeyan	5,047	1,415	495	35.0	28.0	1,383,764	978	274
<b>Total Australian Capital Territory</b>	<b>5,047</b>	<b>1,415</b>	<b>495</b>	<b>35.0</b>	<b>28.0</b>	<b>1,383,764</b>	<b>978</b>	<b>274</b>
<b>Northern Territory</b>								
MRC of Central Australia (Alice Springs) (b)	221	52	25	48.0	23.5	594,409	11,431	2,690
<b>Total Northern Territory</b>	<b>221</b>	<b>52</b>	<b>25</b>	<b>48.0</b>	<b>23.5</b>	<b>594,409</b>	<b>11,431</b>	<b>2,690</b>
<b>Total (a)</b>	<b>204,755</b>	<b>88,894</b>	<b>39,714</b>	<b>44.7</b>	<b>43.4</b>	<b>42,777,910</b>	<b>481</b>	<b>209</b>

**Source:** Settlement database and DIMIA Community Programs Program Management Data, 2002. Italics denote MRCs/MSAs located in or providing services to non-metropolitan areas. (a) Figures for the number of new arrivals are for the MRC/MSA catchment areas only. These figures are, therefore, different to those for all new arrivals found in tables 5.4 and 5.6. (b) Funding was discontinued for Inner West MRC in June 2002, for Alice Springs in January 2003, and for Northern Metropolitan in March 2003. See Table 10.1 for reasons. (c) MSAs were set up in 1999-2000, so funding totals and \$ per client calculations are for 1999-2002 period only.

despite having a higher administration and reporting load.

Despite the general support of stakeholders for core funding of MRCs/MSAs, it is questionable whether this is now an appropriate funding model. DIMIA, in line with shifts in the management of Commonwealth programs more broadly, has been operating from an outputs/outcomes framework since 1998, and MRC/MSA service agreements broadly reflect this framework. However, the core funding process itself has tended to focus on funding inputs and this means that it is often difficult to know how much funding is directed towards each of the core functions specified in the MRC/MSA service agreement and, therefore, to assess performance against the relevant accountability measures. In addition, in many MRCs/MSAs a proportion of core funding effectively subsidises management and overheads associated with delivery of a range of services (funded by Commonwealth and State/Territory Governments) to a clientele that goes beyond the settlement services target group. Better outcomes for clients in the settlement services target group would be more likely to be achieved if all of DIMIA's funding to MRCs/MSAs focused on outputs and outcomes directly related to addressing the settlement needs of this group.

#### **Recommendation 42**

That MRC/MSA funding be more closely aligned in work programs to outputs and outcomes and settlement needs.

#### **Distribution of funding**

MRCs/MSAs are currently located in each State/Territory, with the majority in New South Wales and Victoria. Of the thirty-one MRCs/MSAs nationally, twenty-two provide services to metropolitan areas. Eleven centres

are either located in non-metropolitan areas or provide outreach services to non-metropolitan clients.

The Galbally report recommended that MRCs be located in areas with high migrant populations and few migrant support services. DIMIA has recently undertaken a comprehensive analysis of the location of MRCs/MSAs in relation to the settlement services target group population broken down by postal area boundaries. This analysis shows that most MRCs/MSAs are located in areas with high target group arrivals and in proximity to other DIMIA-funded settlement services. MRCs/MSAs are generally, but not always, located in areas of relatively high client need in non-metropolitan areas. However, the number of potential MRC/MSA clients is comparatively much smaller in non-metropolitan areas.

Table 10.3 shows a breakdown, over the past five years, of funding for each MRC/MSA, and the number of new arrivals in each of their catchment areas. Care should be taken in interpreting this data. It is important to note that there is not a direct correlation between potential client numbers and actual service costs because MRCs/MSAs are not funded on the basis of client numbers and data about the effectiveness of the reach of individual MRC/MSA services is not available. In addition, the extent to which funding is directed to capacity building and service development activities is not evident from the data, nor does it take account of the range of other settlement services that provide assistance to settlement services target group arrivals within an MRC/MSA catchment area. Furthermore, many MRCs/MSAs in metropolitan areas have attracted a range of funding, including under CSSS and IHSS, from which they have resourced the bulk of their services to individual clients (enabling them to direct more of their core funding to management and service development activities).

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There are marked differences between MRCs/MSAs providing services in metropolitan and non-metropolitan areas in terms of both the numbers of new arrivals in their catchment area and funding amounts per head for potential clients. The number of settlement services target group arrivals in metropolitan areas is much higher than in non-metropolitan areas. Costs per settlement services target group arrival for MRCs/MSAs in metropolitan areas for the last five years have ranged from \$179 to \$1,985. Costs per settlement services target group arrival in non-metropolitan locations have ranged from \$1,376 to \$11,431. It is to be expected, as a result of economies of scale, that there will be some cost difference in service delivery in non-metropolitan areas. However, these cost differences are so significant that they should be questioned. They suggest that the provision of core funding to cover infrastructure costs, such as rent and salaries, results in high costs relative to potential client numbers in some locations. Funding based on an analysis of potential client numbers alone would result in reduced funding to some non-metropolitan MRCs/MSAs, although further consideration would clearly be required in terms of the focus of individual work programs.

It should be noted that the South Australia MRC, located in Adelaide, has a catchment area that includes all of South Australia. Realistically, this MRC can only deliver direct client services to migrants and humanitarian entrants in the Adelaide region. In this five-year period, there were 12,889 new arrivals in metropolitan Adelaide. Around 5,668 or 43.9% of these arrivals were in the settlement services target group. There were 810 arrivals in the rest of South Australia, with 209 or 25.8% of these arrivals in the target group. Clients outside the metropolitan area may benefit from the MRC's community capacity building and service development work, but for direct client service delivery must rely on

services targeted more locally, including AMEP and CSSS services.

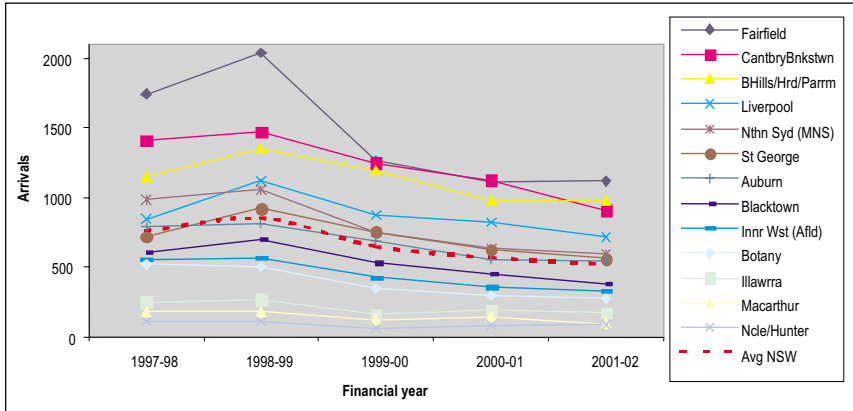
The three figures below compare settlement service target group arrivals for every MRC/MSA catchment area over the last five years. Figure 10.1 displays all MRC/MSA catchment areas in New South Wales, figure 10.2 shows catchment areas for all of Victoria and figure 10.3 shows catchment areas for all other States/Territories.

MRCs/MSAs with high numbers of target group arrivals in their catchment areas may have greater demands on them depending on what other services exist in the catchment area (such as IHSS service provider organisations) to meet the needs of these clients. For example, Fairfield MRC and Botany MRC have been receiving roughly the same amount of funding, and have had approximately the same number of new arrivals in the past five years. However, over 86% of arrivals in the Fairfield catchment area have fallen within the settlement services target group, compared to about 22% in the Botany catchment area. Figure 10.1 shows that three MRCs (Baulkham Hills Holroyd Parramatta, Canterbury-Bankstown and Fairfield) have received much higher numbers of target group arrivals than other MRCs/MSAs in New South Wales. However, these MRCs have received roughly the same or less funding than MRCs/MSAs that have had fewer target group arrivals.

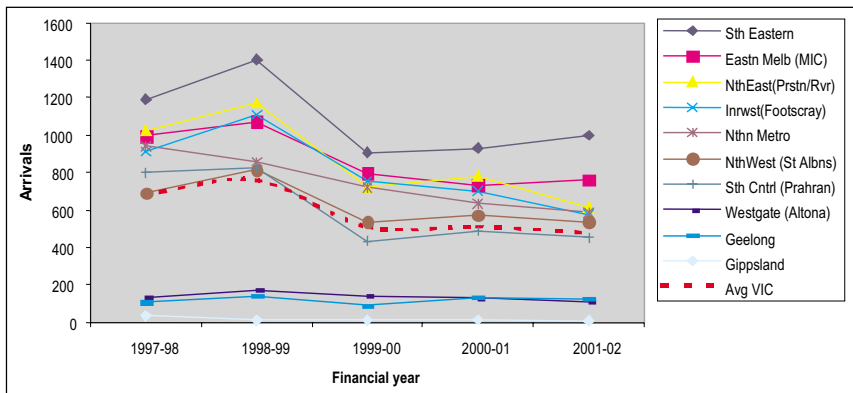
There are similar variations in funding across States/Territories. For example, in this period, Fairfield MRC had a total of 7,289 settlement services target group arrivals and received core funding of \$1.3 million. South Central MRC in Victoria had less than half this number of target group arrivals and yet it received \$1.8 million in core funding.

Demands placed on MRCs/MSAs whose settlement services target group numbers include a high proportion of humanitarian

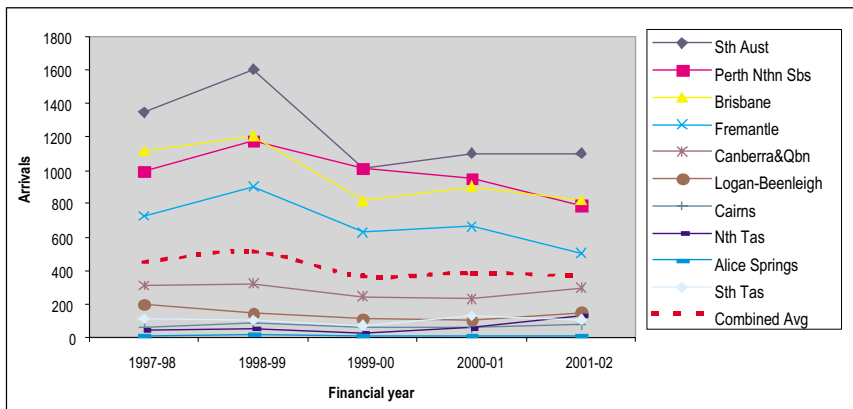
**Figure 10.1: Settlement services target group arrivals in NSW MRC/MSA catchment areas, July 1997-June 2002**



**Figure 10.2: Settlement services target group arrivals in Victoria MRC/MSA catchment areas, July 1997-June 2002.**



**Figure 10.3: Settlement services target group arrivals in all other MRC/MSA catchment areas, July 1997-June 2002.**



Sources: Settlement Database

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entrants may be even greater. Table 10.3 shows that, in the last five years, more than half of the new arrivals in ten MRC/MSA catchment areas belonged in the settlement services target group. In three of these areas, more than half of the target group arrivals were humanitarian entrants.

Table 10.3 suggests a range of potential distribution issues in core funding for MRCs/MSAs. However, as indicated in this discussion, many factors need to be taken into account when drawing conclusions and attempting to make comparisons across centres. The data in table 10.3 raises questions which can only be answered by closer investigation of the demographic and service environment of individual MRCs/MSAs and of their work programs. While some of the apparent discrepancies may be appropriate given the particular work programs of organisations and when considered with the range of other services in the catchment area to meet the needs of the settlement services target group, the material is not necessarily easily comparable at a State or national level and the process is not transparent to stakeholders. The settlement planning process recommended in chapter seven - Settlement Planning, together with the recommendations later in this chapter, seek to improve the transparency of the process.

#### **MRCs/MSAs in rural and regional areas**

In non-metropolitan areas, on average, over half of the settlement services target group arrivals do not live in an MRC/MSA catchment area. This figure is closer to 80% in rural and regional Queensland.<sup>9</sup> Even non-metropolitan arrivals who do live in an MRC/MSA catchment area may not be able to gain access to direct client services from the MRC/MSA if the catchment area is large, as is the case with the South Australian MRC.

Some stakeholders have suggested that new MRCs/MSAs should be established in a number of rural and regional areas. In public

consultations, some commentators have seen the establishment of new centres as a promotional tool to disperse new arrivals. Others have noted that services for humanitarian entrants exiting the IHSS in regional areas are very limited without the presence of an MRC/MSA.

However, the cost of maintaining MRCs/MSAs in non-metropolitan areas is often disproportionately high when considering their client base. This is due, not only to generally higher service delivery costs in rural and regional areas, but also because MRC/MSA funding has been based on the cost of providing infrastructure such as rent and salaries rather than on outcomes to be achieved for the potential client group.

Table 10.4 shows total new arrivals and settlement services target group arrivals for the last five years for the catchment areas of all current non-metropolitan MRCs/MSAs and for a number of statistical subdivisions in regional Australia.

Table 10.4 shows that, of the nine non-metropolitan MRCs/MSAs, all but Illawarra had less than 2,000 new arrivals in their catchment areas and four had less than 1,000 arrivals in the last five years. Of the five MRC/MSA catchment areas with total arrivals over 1,000, three had at least 40% of their arrivals in the settlement services target group.

Of the statistical sub-divisions listed which are not part of a current MRC/MSA catchment area, the only region that has shown high arrival numbers is the Gold Coast (with 1,364 arrivals in the settlement services target group). This area is currently serviced by two CSSS projects, and has five AMEP venues.

On the basis of recent arrival patterns in rural and regional areas, the viability of core funding

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<sup>9</sup> DIMIA, *Supporting Settlement in Rural, Regional And Remote Australia*, exposure paper, DIMIA, Canberra, 2002, p. 26.

**Table 10.4: Comparison of new arrivals in rural and regional MRC/MSA catchment areas and other non-metropolitan statistical subdivisions, 1 July 1997-30 June 2002 (a)**

Statistical Sub-division	MRC/MSA	Settlement services target group arrivals	All arrivals	Settlement services target group arrivals as % of all arrivals
<b>New South Wales</b>				
<i>Wollongong</i>	<i>Illawarra MRC</i>	1,034	2,175	47.54
<i>Newcastle/Hunter</i>	<i>Newcastle</i>	440	1,692	26
Gosford-Wyong	no MRC/MSA	216	1,056	20.45
Clarence	no MRC/MSA	90	439	20.5
Central Murrumbidgee	no MRC/MSA	88	250	35.2
Richmond-Tweed	no MRC/MSA	83	583	14.24
Lower Murrumbidgee	no MRC/MSA	58	213	27.23
Illawarra	no MRC/MSA	55	249	22.09
Bathurst-Orange	no MRC/MSA	53	181	29.28
<b>Victoria</b>				
<i>Greater Geelong City/East Barwon/West Barwon</i>	<i>Geelong</i>	594	1,201	49.46
North Goulburn/ Greater Shepparton	no MRC/MSA	413	605	68.26
Mildura	no MRC/MSA	88	184	47.83
Wodonga	no MRC/MSA	79	164	48.17
<i>Latrobe Valley/West Gippsland/South Gippsland</i>	<i>Gippsland (Latrobe Valley)</i>	68	385	17.66
East Mallee	no MRC/MSA	29	81	35.8
Ballarat	no MRC/MSA	27	168	16.07
Greater Bendigo	no MRC/MSA	13	121	10.74
<b>Queensland</b>				
Gold Coast City (Pt B)	no MRC/MSA	1,364	4,511	30.24
<i>Cairns City/Far North</i>	<i>Migrant Settlement Services (Cairns)</i>	334	1,291	25.87
<i>Townsville City/Northern</i>	<i>Townsville</i>	170	703	24.18
Sunshine Coast	no MRC/MSA	109	1,035	10.53
Toowoomba City	no MRC/MSA	103	437	23.57
Moreton	no MRC/MSA	62	390	15.9
Wide Bay-Burnett	no MRC/MSA	61	403	15.14
<b>Tasmania</b>				
<i>Greater Hobart/Hobart/Southern</i>	<i>Southern Tasmania (Hobart)</i>	513	1,199	42.79
<i>Greater Launceston/Central North/North Eastern/Burnie-Devonport/North Western Rural/Lyell</i>	<i>Northern Tasmania (Launceston)</i>	310	757	40.95
<b>Northern Territory</b>				
Darwin and Darwin rural areas	no MRC/MSA	480	1,326	36.2
<i>Barkly/Central NT</i>	<i>MRC of Central Australia (Alice Springs) (b)</i>	52	221	23.53

**Source:** Settlement Database. Italics denote MRCs/MSAs located in or providing services to non-metropolitan areas. (a) The South Australian MRC was not included in this table because, although its catchment area includes all of South Australia, it provides direct client casework only to metropolitan Adelaide. Western Australia was not included because MRCs in that state service metropolitan areas only. The Australian Capital Territory is classified as a metropolitan area and is also not included in this table. (b) Funding was discontinued for Alice Springs in January 2003.

non-metropolitan MRCs/MSAs is questionable. An argument for establishing new MRCs/MSAs in such regions is particularly difficult to sustain, given the costs of funding rent and other infrastructure that are not directly related to settlement service outcomes. A more effective approach could be to capitalise on the availability of other infrastructure, for example, through links with local government, neighbourhood and AMEP centres.

### **Provision of outreach services**

Many stakeholders have supported maintaining and, in some cases, extending the outreach services of MRCs/MSAs, particularly to rural and regional areas. They have pointed out that existing MRCs/MSAs not only have expertise in settlement service delivery, but also an established infrastructure that could be used as a base for outreach services. They have also suggested that outreach services could be provided in cooperation with local governments and through the use of brokerage models.

*For rural and semi-rural regions major centres such as Newcastle, Wollongong and Campbelltown are well served by having an MRC that can outreach into the rural areas closest to them.*

### **Submission from the St George Migrant Resource Centre, NSW**

*[R]ural and regional areas could be served better by the provision of a mobile Information Service out of the Hunter MRC which could be fully equipped with IT and other relevant resources to increase service access to remote and isolated target group members.*

### **Submission from the Migrant Resource Centre of Newcastle and the Hunter Region, NSW**

**Table 10.5: CSSS funding to MRCs/MSAs by project service categories, 2002**

Category	\$	%
Services to individual migrants	1,179,025	30.2
Post-IHSS services	523,120	13.4
Information sessions to groups of migrants	361,407	9.3
Community capacity building	710,428	18.2
Mainstreaming	629,900	16.1
Research/Strategic Planning	169,670	4.3
Recruitment and Training of volunteers	34,541	0.9
Planning/Coordinating services	298,784	7.6
<b>Total Funding</b>	<b>\$3,906,875</b>	<b>100.00%</b>

Source: This table is based on an analysis of the project descriptions provided by MRCs/MSAs for 2002 CSSS grants. It is indicative only.

Some stakeholders have noted that, in metropolitan areas, there may be some overlap between the outreach services of particular MRCs/MSAs, CSSS services and the catchment areas of other MRCs/MSAs. Given the opportunity to fund services under the more flexible and responsive CSSS model, the need for MCR/MSA outreach services in metropolitan areas is questionable.

### **Other sources of MRC/MSA funding**

#### **DIMIA funding - CSSS funding**

In 2002, twenty-six MRCs/MSAs received CSSS grants totalling \$3.9 million or around 22.4% of the \$17.5 million in funding available through the program. When CSSS grants are added to their funding base, MRCs/MSAs receive \$13.1 million (or approximately 50%) of the total funding for migrant community services.

**Table 10.6: MRC/MSA funding sources, 2001-02**

<b>Migrant Resource Centre/ Migrant Service Agency (a)</b>	<b>DIMIA Core Funding \$</b>	<b>CSSS Funding \$</b>	<b>CSSS Funding as % of Core Funding Amount</b>	<b>Non-DIMIA Funding \$</b>	<b>Non-DIMIA Funding as % of Core Funding Amount</b>
<b>New South Wales (b)</b>					
<i>Auburn MRC (c)</i>	295,537	74,500	25	0	0
Baulkham Hills, Holroyd, Parramatta	285,159	132,200	46	285,700	100
Blacktown	301,484	138,498	46	684,288	227
Botany	266,891	0	0	525,680	197
Fairfield (Cabramatta Community Centre)	263,929	158,160	60	2,272,718	861
Canterbury/ Bankstown	280,451	49,466	18	497,383	177
<i>Illawarra</i>	<i>301,903</i>	<i>140,500</i>	<i>47</i>	<i>160,517</i>	<i>53</i>
Liverpool	293,838	190,198	65	361,380	123
Macarthur	309,729	111,100	36	775,921	251
Newcastle	300,862	118,800	39	519,000	173
St George	299,715	82,131	27	1,555,000	519
<i>Migrant Network Services</i>	<i>270,504</i>	<i>24,733</i>	<i>9</i>	<i>1,450</i>	<i>1</i>
<b>Total New South Wales</b>	<b>\$3,470,002</b>	<b>\$1,220,286</b>	<b>35%</b>	<b>\$7,639,037</b>	<b>220%</b>
<b>Victoria (c)</b>					
Geelong	263,805	50,500	19	2,709,246	1027
Inner West Region (Footscray)	413,566	252,760	61	776,576	188
<i>Migrant Information Centre</i>	<i>271,024</i>	<i>49,466</i>	<i>18</i>	<i>196,261</i>	<i>72</i>
North Eastern Region (Preston)	278,432	203,300	73	1,884,303	677
<i>North West Region (St Albans)</i>	<i>306,150</i>	<i>151,966</i>	<i>50</i>	<i>193,617</i>	<i>63</i>
South Central Region (Prahran) - (Incl Oakleigh Outreach Service)	380,051	207,158	55	1,339,000	352
South Eastern Region (Dandenong)	265,865	204,259	77	926,532	348
<i>Westgate Region (Altona)</i>	<i>122,569</i>	<i>108,226</i>	<i>88</i>	<i>0</i>	<i>0</i>
Northern Metropolitan (Broadmeadows)	285,133	154,800	54	466,494	164
Gippsland	147,784	50,102	34	167,000	113
<b>Total Victoria</b>	<b>\$2,734,379</b>	<b>\$1,432,537</b>	<b>52%</b>	<b>\$8,659,029</b>	<b>317%</b>

<b>Migrant Resource Centre/ Migrant Service Agency (a)</b>	<b>DIMIA Core Funding \$</b>	<b>CSSS Funding \$</b>	<b>CSSS Funding as % of Core Funding Amount</b>	<b>Non-DIMIA Funding \$</b>	<b>Non-DIMIA Funding as % of Core Funding Amount</b>
<b>Queensland</b>					
Townsville	264,305	53,690	20	340,738	129
<i>Migrant Settlement Services (Cairns)</i>	<i>187,272</i>	<i>141,500</i>	<i>76</i>	<i>86,000</i>	<i>46</i>
Multicultural Development Agency	270,504	138,575	51	289,495	107
<i>Logan &amp; Beenleigh (ACCESS Inc)</i>	<i>190,967</i>	<i>222,620</i>	<i>117</i>	<i>140,000</i>	<i>73</i>
<b>Total Queensland</b>	<b>\$913,048</b>	<b>\$556,385</b>	<b>61%</b>	<b>\$856,233</b>	<b>94%</b>
<b>Western Australia</b>					
<i>Northern Suburbs</i>	<i>288,155</i>	<i>148,600</i>	<i>52</i>	<i>277,309</i>	<i>96</i>
South Metropolitan	220,529	140,000	63	725,499	329
<b>Total Western Australia</b>	<b>\$508,684</b>	<b>\$288,600</b>	<b>57%</b>	<b>\$1,002,808</b>	<b>197%</b>
<b>Tasmania</b>					
Northern Tasmania	173,721	38,000	22	192,402	111
Southern Tasmania	228,268	38,888	17	446,547	196
<b>Total Tasmania</b>	<b>\$401,989</b>	<b>\$76,888</b>	<b>19%</b>	<b>\$638,949</b>	<b>159%</b>
<b>Australian Capital Territory</b>					
Canberra & Queanbeyan MRC (Incl Queanbeyan Multilingual Centre)	279,897	50,000	18	285,580	102
<b>Total Australian Capital Territory</b>	<b>\$279,897</b>	<b>\$50,000</b>	<b>18%</b>	<b>\$285,580</b>	<b>102%</b>
<b>Northern Territory (d)</b>					
<i>Central Australia (Alice Springs)</i>	<i>124,385</i>	<i>60,896</i>	<i>49</i>	<i>12,938</i>	<i>10</i>
<b>Total Northern Territory</b>	<b>\$124,385</b>	<b>\$60,896</b>	<b>49%</b>	<b>\$12,938</b>	<b>10%</b>

**Source:** This information has been drawn from MRC/MSA annual reports that report on financial year figures. It is indicative only. Italics denote MRCs/MSAs with under 100% of external funding in proportion to core funding. (a) 2001-02 figures were used, because 2002-03 information was not always available. (b) Inner West MRC (Ashfield) is excluded, as it was defunded in 2002. (c) Northern Metropolitan MRC included as it was funded in this period. (d) Alice Springs MRC included as it was funded in this period.

Table 10.5 represents CSSS funding to MRCs/MSAs in terms of the categories of services they deliver under CSSS project types.

The highest proportion of CSSS funding to MRCs/MSAs is directed towards services to individuals. Significantly, a higher proportion of funding (13.4%) than is the case with CSSS projects generally (4.5%) is directed towards post-IHSS services. This is likely to be because a number of MRCs/MSAs are also IHSS providers (as shown in chapter eight of this report).

### **DIMIA funding - Living in Harmony Grants**

As stated earlier in this chapter, MRCs/MSAs are able to seek funding from DIMIA's Living in Harmony program to promote community harmony. In 2002, the MRC of Canberra & Queanbeyan was granted \$8,900 and the St George MRC in collaboration with Youth Zone Youth Centre was awarded \$37,400 for a 'St George Living in Harmony and Combating Racism' project.

### **Non-DIMIA funding to MRCs/MSAs**

MRCs/MSAs have been required, where possible, to attract funding from other sources to deliver a diverse range of services. The ability of an MRC/MSA to gain funding from other sources is one indication of its overall viability, its ability to establish networks and partnerships in the local community and its capacity to influence other government services.

Table 10.6 provides a 'snapshot' of all funding sources for MRCs/MSAs in 2001-02.

All but two MRCs/MSAs obtained external funding during the period considered. Of those that obtained external funding, this ranged from \$1,450 to \$2.7 million. One-third of MRCs/MSAs obtained external funding that was less than equivalent to their DIMIA core funding.

### **The duration of MRC/MSA funding**

DIMIA funds MRCs/MSAs on an annual basis. In public consultations and submissions to the review, a number of stakeholders have highlighted the need for greater security of funding to ensure long-term planning, development of effective partnerships and staff retention. In general, they proposed that MRCs/MSAs should receive a minimum of two or preferably three to five years' funding.

*DIMIA [should] fund all migrant settlement services on a triennial basis... More secure funding would enable the organization to develop longer term strategies, provide more security and maintain staff with the required skills and stability of relationships between the Blacktown MRC, area service providers, government agencies and others. Furthermore it would provide continuity to MRC initiatives and enforce the security of partnership arrangements.*

#### **Submission from the Blacktown Migrant Resource Centre, NSW**

*The existing MRC model should be maintained and strengthened. [A suggested improvement includes:] [i]ncrease the funding period to at least three years to provide a degree of continuity for projects and enable longer term planning to be undertaken.*

#### **Submission from the Hurstville City Council, NSW**

The extension of funding to three years to facilitate planning and continuity has merit with respect to MRCs/MSAs performing well. The arguments are not as persuasive where MRCs/MSAs are not performing as effectively.

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### **Proposed new MRC/MSA funding arrangements**

The notion of core funding for community organisations does not sit comfortably with broader policies relating to funding of government programs and services. Since MRCs/MSAs were established, there have been significant shifts in the service delivery environment which recognise the value for clients of a stronger focus on:

- outputs and outcomes, rather than on inputs and infrastructure;
- value for money through contestability within government programs;
- location and delivery of services in response to rigorous and defensible needs-based planning; and
- performance and accountability, including through mechanisms promoting continuous improvement and service standards.

While these shifts have influenced the management of the MRC/MSA program, and are evident in current service agreements, the core funding model itself poses a barrier to fully realising the improvements in service delivery for clients that these policies are intended to achieve. The notion of funding a fixed location, for example, inhibits responsiveness to changing demographics and targeting of the highest priority settlement needs. Core funding management positions and other infrastructure obscures the cost of delivering outcomes and can divert funding from settlement service activity to administration of other services.

Given the similarity between the MRC/MSA and CSSS program objectives, there would appear to be merit in combining the two into a new settlement grants program. Many of the positive features of the existing programs would remain in place but the new program would also have the benefit of introducing

greater contestability and responsiveness to MRC/MSA funding, improving targeting of services, providing incentives for good performance and overcoming inequities and inefficiencies in the current distribution of MRC/MSA funding.

The new funding model would be similar to the current CSSS process, with flexibility to award funding for one, two or three years in response to an application providing a costed work program addressing settlement needs identified through the needs-based planning process outlined in chapter seven of this report.

MRCs/MSAs, many of which are already competitive in the CSSS program, would remain strong contenders for grants funding, but they would be required to compete along with the range of organisations that currently compete for CSSS grants for the whole of their settlement funding. The relationship between independently constituted MRCs/MSAs and DIMIA would also be clearer under the new arrangements. The new arrangements would provide greater flexibility and autonomy for MRCs/MSAs. Individual centres might choose, for example, whether they wish to specialise in direct service delivery, whether they want to concentrate on the community capacity building and service development roles for which some are particularly well positioned, or whether they want to retain a mix of the range of roles currently provided for by core funding.

#### **Recommendation 43**

That, within two to three years, MRC/MSA core funding be combined with CSSS funding, with all grants applicants to compete for one, two or three-year funding to meet service delivery needs identified through needs-based planning processes.

### **Transition to a combined grants program**

A range of issues need to be considered in transitioning from the current core funding arrangements for MRCs/MSAs to a new combined settlement services grants program. Consultation with stakeholders will be crucial to ensuring that all of the relevant issues are identified and properly considered.

### **Managing performance**

In the period leading up to a combined grants program, the following factors would continue to be regarded as significant in terms of assessing MRC/MSA performance (these characteristics are not incompatible with those of the CSSS):

- *Potential client numbers* - there should be sufficient numbers of settlement services target group clients in the MRC region to justify the amount of funding provided;
- *Physical accessibility* - Proximity to other DIMIA-funded settlement services and mainstream services generally is a clear advantage for MRCs/MSAs in terms of facilitating client access to other services. MRCs/MSAs should be located close to these services and to transportation routes, and be 'visible' and easily accessible to the client group;
- *Coordinating community capacity building* - MRCs/MSAs should continue to play a strategic role in fostering, advising, auspicing and coordinating CSSS organisations involved in community capacity building;
- *Ability to network in the local community* - MRCs/MSAs should have the ability to work closely and in conjunction with other settlement service providers in facilitating client referrals. They should also establish linkages with a range of other human services and promote a mainstreaming agenda; and

- *Effective management* - MRC/MSA management committees should provide strategic guidance and effective management of service agreements. The committees should be able to attract funding, engage in strategic planning, manage funding competently and establish and maintain networks within the local community. They should include broad representation of local ethnic communities on management committees, reference groups or other committees. They should meet accountability requirements and maintain a duty of care for all clients, staff and volunteer workers.

#### **Recommendation 44**

That, during the transition to the combined grants program proposed in recommendation 43, performance be assessed on the basis of potential client numbers, physical accessibility, ability to promote community capacity building and mainstreaming, ability to network, and effective management.

### **Transparency of administrative and overhead costs**

As indicated above, DIMIA's policy has been that MRCs/MSAs should seek funding from a range of agencies to contribute to their core costs. It is unclear, however, the extent to which funding provided by other agencies to MRCs/MSAs includes funding for administrative overheads (such as rent, electricity, and telephone costs).

The absence of an administrative component is not conducive to transparent cost attribution across programs. Where this is not already happening, in the transition to a combined grants program, MRCs/MSAs should build an administrative component into their applications for funding from other sources to cover the proportion of total

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overheads which is attributable to administration of this other funding.

Taking into account the need to avoid an unnecessarily protracted transition, DIMIA should provide assistance to MRC/MSAs, where necessary, to help them address this issue.

### **Management committees**

As with CSSS organisations, MRC/MSA management committees are comprised of volunteers and the level of expertise and participation varies significantly. The inability of some management committees to guide and direct the organisation effectively or to carry out their financial and management responsibilities has led to a significant proportion of MRC/MSA closures.

*... most community organisations do not operate effectively as they are short of people with the appropriate skills to manage them. We suggest that DIMIA provides resources for funded organisations to conduct in-house management training courses. It could be made a funding condition that the funded organisation carries out such training. We also believe that DIMIA could fund the development of a model management handbook listing procedures and general policies for community organisations to utilise and adhere to.*

#### **Submission from the Chinese Australian Services Society**

*The CBMRC benefited greatly from the recently held DIMIA training for MRC Management Committees. This training helped to better equip and resource volunteers to understand their management responsibilities with more clarity.*

#### **Submission from the Canterbury Bankstown Migrant Resource Centre, NSW**

Current MRC/MSA service agreements do not specify the skills and qualifications required of management committee members. The agreements stipulate only that members should 'possess and maintain the competence to implement their roles and responsibilities.'

In public consultations and submissions to the review, many stakeholders have agreed that management committee members often need training.

Some commentators have suggested that management committee candidates should be able to meet a set of criteria to ensure they have the requisite skills for their role. In public consultations, some representatives have pointed out that committees require skills to manage budgets and that management committees should not be training grounds for managerial skills.

While the idea of adopting skills criteria for management committees has some merit, submissions to the review have pointed out that participation on a management committee is voluntary and it is often difficult to find suitable candidates. Criteria that are too prescriptive might deter or significantly reduce the number of potential candidates.

*The current model requires community organisations to nominate representation to the Management Committee of MRCs. While embodying the idea of representation and a lauded objective, it often fails to recognise that most community organisations find it extremely difficult to find people (volunteers) with good management skills and the ability to provide vision to join their own Management Committees (MCs) or be committed in the work of their own organisations.*

#### **Submission from Mr Henry Pan and Mrs Bee Koh, NSW**

The MRC/MSA service agreements also require that management committees include broad representation of the ethnic community profile of the catchment area on reference groups and committees. Some stakeholders have argued that there should be less emphasis on ensuring appropriate ethnic representation on management committee and more emphasis on the capacity of the members to provide good governance.

Following the general theme of professionalising management committees, several stakeholders have suggested that sitting fees should be paid to management committee members.

*Management members should also be compensated for out of pocket expenses and be paid sitting fees; an incentive to attract and retain highly skilled professionals within organisations.*

**Submission from the Migrant Resource Centres Forum of New South Wales**

DIMIA is not able to fund such fees other than through existing funding. If management committees were to be paid sitting fees, this would be at the expense of funding other MRC/MSA activities and would also require changes be made to the constitutions of those MRC/MSA, which prohibit the payment of sitting fees. Sitting fees more usually apply to advisory and regulatory bodies in which the agency directly using the advice recompenses members for their attendance and their time in providing the advice. They do not apply to grants recipients that have sought funding in order to deliver a service to clients. In any event, payment of sitting fees to MRC/MSA management committees would be inconsistent with the directions

recommended in this review (leading to a combined grants program) and it is doubtful that payment of sitting fees, in themselves, would attract more qualified or skilled management committee members. Management committees should have internal policies about reimbursement of out-of-pocket expenses.

A number of commentators have pointed to the potential conflict of interest issues that can arise with management committees. There is a high risk of this problem where staff or coordinators are members of the committee.

*... many community organisations tend to send their paid community workers to represent the organisations on the MRC's MCs... We believe this is a flawed approach - it fails to distinguish between operational and policy matters and that of management and staff. Inevitably, conflict of interest will arise and will affect the operations and efficacy of the organisation... most MCs tend to be captive and are dominated by the views of staff. Community organisations' reps are often also afraid of raising issues with staff fearing that they may be rolled.*

**Submission from Mr Henry Pan and Mrs Bee Koh, NSW**

DIMIA does not encourage MRC/MSA staff to be represented on management committees but acknowledges staff may attend meetings from time to time at the request of the committee to provide information about operational issues. This policy is being reaffirmed in DIMIA's new national training strategy.

The Ethnic Communities Council of Western Australia has expressed concerns with DIMIA representation on management committees.

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*The presence of DIMIA on the Management Committees of Migrant Resource Centres is questionable, given the potential for conflicts of interest and the distrust that it generates with regard to the Centres' capacity to manage its operations independently.*

**Submission from the Ethnic Communities Council of WA**

DIMIA representatives only participate in management committees if they are invited to do so. They attend in an 'ex officio' capacity, do not have voting rights, and are not elected by members of the MRC/MSA. DIMIA's role is to provide advice on request from a departmental perspective. However, the management committee is not obliged to accept that advice. DIMIA officers are expected to clarify their role with the committee, so that both sides have clear expectations.

Some concern was also raised about the politicisation of management committees and the potential this has created for disrupting operational efficiency.

*It is of increasing concern that people involved in local branches of political parties use the MRC to advance their own profiles and interests. The MC becomes their battleground, and suffers as a consequence. Rather than meeting needs and providing effective, efficient and appropriate services, the MRC becomes a surrogate battleground for personal and political interests, further compromising its operational efficacy.*

**Submission from Mr Henry Pan and Mrs Bee Koh, NSW**

Other stakeholders have recommended that local government should be represented on management committees. DIMIA is aware that local government is already represented on a majority of MRC/MSA management committees.

*The LGCSA recommends that each MRC/MSA or IHSS service that has a management committee overseeing program and project development should seek local government representation onto their committees. This will strengthen advocacy and political capabilities of MRCs and management committee members by having someone with those skills and expertise on their committee.*

**Submission from the Local Government Community Services Association, NSW**

Given the integral role local government plays in local planning and service delivery, representation on the remaining management committees may prove valuable.

**Recommendation 45**

That community organisations receiving DIMIA funding be able to demonstrate that:

- their management committees include appropriate skills and/or qualifications, particularly in relation to management knowledge and expertise; and
- real or potential conflicts of interest can be managed, particularly those that relate to relationships between staff and management committees.

## **Conclusion**

Public consultations and submissions to the review have generally supported the role of MRCs/MSAs with some refinements. While MRCs/MSAs clearly have an important place in terms of their expertise in settlement service delivery, the current process of funding MRCs/MSAs does not encourage flexibility or responsiveness. Combining MRC/MSA funding with CSSS funding would result in a more transparent and equitable funding process that would be more strategically targeted to meet client settlement needs.