



**REGIONAL
AUSTRALIA**
INSTITUTE

A MIGRATION SYSTEM FOR REGIONAL AUSTRALIA'S FUTURE

THE REGIONAL AUSTRALIA INSTITUTE

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ABOUT THE REGIONAL AUSTRALIA INSTITUTE

The Regional Australia Institute (RAI) is the only think tank dedicated to pursuing research, data, policy and activation to build robust regional economies and a better quality of life for the benefit of regional Australia.

The RAI exists so that decision-makers at all levels of government, industry and community have the information they need to ensure the best outcomes for regional Australia.

The RAI's purpose is to empower regions to thrive.

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This submission draws on RAI research and findings from its work across Australia. It's intended to assist the Migration Review to have an overview of some of the issues in relation to some of the challenges facing regional Australia. No responsibility is accepted by RAI Limited, its Board or its funders for the accuracy of the advice provided or for the quality of advice or decisions made by others based on the information presented in this publication.

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CONTACTS AND FURTHER INFORMATION

Luke O'Sullivan

P. 02 6260 3733

E. info@regionalaustralia.org.au

Further information can be found at www.regionalaustralia.org.au

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SUMMARY OF KEY POLICY CONSIDERATIONS

POLICY CONSIDERATION 1: Establish a national population plan.

POLICY CONSIDERATION 2: Set a population target of over 11 million people living prosperously in the regions by 2032.

POLICY CONSIDERATION 3: Develop mechanisms for ensuring migrants in capital cities are aware of the opportunities and jobs in regional Australia.

POLICY CONSIDERATION 4: Enhance the promotion and incentivisation of secondary migration.

POLICY CONSIDERATION 5: Harness Australia's migration program to double regional migration settlement from 20% to 40%.

POLICY CONSIDERATION 6: Provide migrants with information on living and working in regional Australia and assistance in looking for and securing a job in a regional area.

POLICY CONSIDERATION 7: Support the provision of local settlement assistance to newly arrived migrants in regional areas.

POLICY CONSIDERATION 8: Support regional communities to welcome and provide initial assistance to new migrants.

POLICY CONSIDERATION 9: Provide additional support for regional employers to attract and retain migrants.

POLICY CONSIDERATION 10: Consider incentives and pathways for internationally recognised qualifications and skilled migrant tradespeople to practice their trade in regional and remote settings.

INTRODUCTION

Since 2011, the Regional Australia Institute (RAI) has been researching topics relevant to the prosperity and success of regional Australia, which is defined by the RAI as all areas of Australia outside the capital cities. Home to one-third of Australia's workforce, the well-being of regional Australia is critical to the future of the nation as a whole.

Migration, particularly skilled migration, has a profound impact on regional Australia. It significantly affects regional population growth and has been shown to have the potential to revitalise ageing or declining communities, especially in rural and remote Australia. There are hundreds of regional communities around Australia which are actively working to attract new residents in order to grow, including by trying to attract new arrivals as well as migrants keen to move from a capital city to a regional location. Migration is also vital for filling jobs in regional Australia, with many regional employers relying on the migration program to bring required skills and expertise.

The RAI appreciates the opportunity to make a submission highlighting the importance of migration to regional Australia and addressing the submission questions with a focus on positive outcomes for regional Australia's need for skills and expertise.

REGIONALISATION AMBITION 2032

In September 2022, the RAI launched the [Regionalisation Ambition 2032](#), a framework to Rebalance the Nation.

Designed for all levels of government, industry and the community to seek more balanced growth across our nation's regional communities and capital cities, the Framework outlines cross-cutting themes and five pillars each of which are interlinked and equally important. Across each pillar the RAI has outlined key targets, actions and benefits that will contribute to building prosperous regional communities, and a stronger Australia.

An important part of rebalancing the nation is seeing more Australians call regional Australia home. To this end, the RAI is seeking to lead a shift in mindset in how as a nation, we plan for and rethink Australia's future settlement.

The five pillars to rebalance the nation are:

- Jobs and Skills,
- Liveability,
- Population,
- Productivity and Innovation, and
- Sustainability and Resilience.

For the purposes of the migration submission, RAI will focus on the Population and Jobs and Skills pillars as these relate most closely to the migration review's terms of reference.

POPULATION AND REGIONAL AUSTRALIA

The population story in Australia is diverse and nuanced. We are a nation of significant urban primacy, meaning much of our nation's population lives in a few of the major capitals. At the same

time, regional Australia has the capacity and desire to grow and sustain a larger proportion of our nation's population, with untapped potential in regional economies awaiting to welcome those with the skills and experience to fill the many job vacancies on offer.

Regional Australia was home to over 9.5 million Australians in 2021.¹

On Australia's current trajectory, by 2056, Sydney and Melbourne will approach global megacity status of around 10 million residents each, with Brisbane and Perth projected to grow to the scale of Sydney and Melbourne today. Most growth would be in the outer suburbs of these cities.²

Across the OECD countries in 2019, 48% of the population lived in predominantly urban regions, with 28% living in 'intermediate' regions, and 24% in predominantly rural regions.³ In contrast, Australia is a country of urban primacy, with the majority of the urban population living in six of the major capitals, whilst in Europe two thirds live in cities smaller than 500,000 residents.⁴

For every additional 100,000 Australians who choose to live in small cities rather than the capital cities, the RAI has estimated that around \$42 billion dollars would be released into the economy over the next 30 years through reduced interest payments on mortgages alone.⁵

The 2021 Census has revealed the growing importance of migration to regional Australia. The data shows that overseas born migrants are not opposed to living outside of the metropolitan areas if they have the information and support to do so. Between the 2016 and 2021 Census periods, 254 local government areas (LGAs) saw an increase of both overseas-born people and Australian-born people, and 185 of those LGAs were outside of the metropolitan areas.⁶

Crucially, the Census shows that people born overseas continue to buffer regional and remote populations against long term decline. Between 2016 and 2021 there were 104 LGAs where there was an increase in the number of overseas-born people and a decrease of Australian-born people, and 103 of these LGAs are outside of the metropolitan areas.⁷ This continues the patterns seen between 2011 and 2016, and 2006 and 2011.

¹ According to RAI's regional typologies, based on revised ABS Estimated Resident Population, 2021

² Archer J., Houghton K., and Vonthethoff B. (2019). Regional Population Growth – Are We Ready? The economics of alternative Australian settlement patterns, Regional Australia Institute: Canberra.

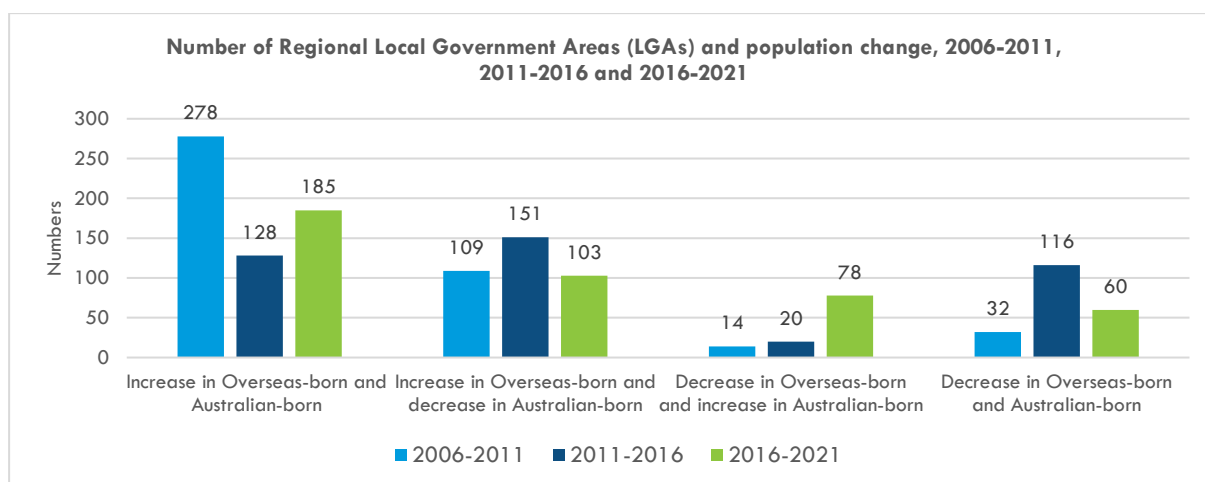
³ OECD Regions and Cities at a Glance 2020, Ch 4 p90. The OECD defines 'predominantly urban' as an urban centre with more than 500,000 inhabitants, and an 'intermediate' region as one with more than 200,000 inhabitants (but less than 500,000).

⁴ United Nations, 2019. World Urbanization Prospects: The 2018 Revision

⁵ Regional Australia Institute (2016) Deal or No Deal: Bringing Regional Cities into the National Agenda

⁶ 2021 Census data

⁷ 2021 Census data



Source: 2006 Census, 2011 Census and 2016 Census

To help address the challenge of uneven population growth and economic development between urban and regional Australia, additional supports to encourage migrants to live and work in regional areas are needed.

POLICY CONSIDERATION 1: Establish a national population plan that:

- considers higher-growth scenarios for regions and the implications for planning.
- considers projected growth at a regionally disaggregated level.
- considers industry growth and structural changes.
- considers migration as a tool to rebalance the nation.
- addresses associated liveability (infrastructure and services) needs.

POLICY CONSIDERATION 2: Set a population target of over 11 million people living prosperously in the regions by 2032.

The Australian economy as a whole is forecast to be better off if the nation sees more balanced population growth. Modelling undertaken for the RAI's Regionalisation Ambition 2032 by the National Institute of Economic and Industry Research shows that Australia's Gross Domestic Product (GDP) in 2032 would be \$13.8 billion larger under a scenario of a larger regional population of 11 million, than a 'business as usual' population scenario.

POLICY CONSIDERATION 3: Develop mechanisms for ensuring migrants in capital cities are aware of the opportunities and jobs in regional Australia.

Most new arrivals tend to arrive in the main capital cities – especially Sydney and Melbourne. This may be because there are family or community connections and/or for employment. While many stay for years and generations, there is also evidence of a flow of relatively new arrivals from overseas to regional places. With this knowledge the RAI has undertaken a range of activities, these included:

1. **The Steps to Settlement Success** which is a toolkit that supports rural and regional communities to undertake their own locally-led migration strategy. To activate the toolkit within regional communities the RAI was funded to undertake a Migration Roadshow to work with 6 regional centres to bring their plans to life. These regions included Kalgoorlie, Dubbo, Cradle Coast, Darwin, St George and Loddon Campaspe.

2. The toolkit is a great resource and is still used actively today. The RAI then designed an online learning program that could be delivered virtually which is currently sitting dormant but with funding could be re-invigorated.
3. The RAI also profiled 12 towns across Australia to gain a better understanding of the migration story in each town and gain insight into the challenges and learnings. These profiles have become a series of Community Narratives on migration. The studies covered the towns of Nhill, Pyramid Hill, Mingoola, Biloela, Orange, Mt Gambier, Tamworth, Dalwallinu, Hamilton, Bendigo, Rupanyup, and Nobby.
4. The RAI established the **Regional Migration Network** with a series of high-level forums with industry, service providers, peaks and other migration actors from 2019. This is an existing network that could easily be re-invigorated to share common interests and activities pertaining to migration in rural and regional Australia. The Forum has been a valuable mechanism to raise concerns and support collaborative interests. There is also a Facebook page with this network but it is currently not being widely activated as it needs also needs resourcing.

POLICY CONSIDERATION 4: Enhance the promotion and incentivisation of secondary migration.

RAI research has shown secondary migration from capital cities to regions can be of great benefit to both migrants who have relocated, and the communities that are hosting them.

Secondary migration is a ‘win-win’ for regional communities looking to grow their population and labour force, and for migrants looking to establish a life for themselves outside of metropolitan centres. RAI notes that there is no systematic way for migrant workers to link with regional employers, although several NGOs are now working in this space, nor is there a systematic policy or integrated support mechanism to facilitate secondary migration away from cities and to meet local labour needs in regional areas.

One of the challenges for the host community is the prospect of keeping the secondary migrants for the medium to long term. Communities need educate, promote and build awareness to ensure that migrants understand where they are moving to. The matching of people to places is just as important as the level of support and support services communities can provide in helping secondary migrants to settle in the community for an extended period of time.

POLICY CONSIDERATION 5: Harness Australia’s migration program to double regional migration settlement from 20% to 40%.

The announcement of 195,000 new migrants to Australia will be crucial in addressing some of the economic challenges for regional Australia including labour shortages. It’s vitally important that new migrants to Australia don’t simply locate in capital cities, we need to provide pathways to rural and regional communities.

Worker shortages in regions are becoming critical and migrant worker flows need to be re-established for the recovery to continue. Australia’s migration program can help to address longer-term workforce needs by:

- addressing the lack of supply in the labour market, with demand-driven migration for regional areas and supporting locally-led migration attraction and settlement support.

- addressing longer-term workforce needs, by considering the current and future place-based needs of regional Australian communities, and the role of Australia's migration program to address these.
- recognising the important role of migration to regional population stability as well as long-standing, critical workforce needs in regional Australia. The RAI considers that temporary migration provides a key pipeline for permanent migration, and regions can benefit from entrants having pathways to permanent residency.

JOBS AND SKILLS AND REGIONAL AUSTRALIA

POLICY CONSIDERATION 6: Provide migrants with information on living and working in regional Australia and assistance in looking for and securing a job in a regional area.

The RAI has developed a national campaign - [Move to More](#) to raise awareness among metropolitan residents about the great opportunities to live, work and invest in our regional towns and cities. The campaign features television, radio, billboard and digital advertisements and the website which is a one-stop-shop for metro-movers looking to build their best life in one of more than seven hundred towns and cities across regional Australia. The Commonwealth Government has already invested in this RAI Campaign.

To date however, there is no specific focus on migrant communities. The Campaign could be extended to specifically target migrant communities, so that newly arrived migrants understand the financial, employment and lifestyle opportunities which are offered in regional Australia. Rather than multi-media, this aspect of the Campaign could be targeted and rolled-out in conjunction with agencies who work directly with newly arrived migrants and with migrant communities.

One of the greatest vehicles for migrants relocating to rural and regional Australia is through word of mouth from their family and friends. We would recommend an additional campaign to work with local migrant families and establish the locally led Move to More.

As part of Move To More's current focus on regional jobs, in January, the RAI will release a short film and social media communications featuring Temora-based professionals Anil and Zuzu Acharya. Anil and Zuzu migrated to Australia from Nepal. After a short stint in the Sydney, the couple have happily made their home in Temora, in the NSW Riverina. Anil works for the Temora Shire Council as an engineering technical officer and Zuzu as a dental assistant – although Zuzu is a qualified dentist in Nepal.

There is no specific mechanism for assisting skilled migrants to find jobs in regional Australia or for employers to connect with migrant in cities. Some programs to do this have been started, particularly in NSW, however they focus heavily on humanitarian entrants. Increased support for these programs is important to ensure that they become more widespread, accessible and known to both new arrivals and to employers. Additionally, better linkages between regional employers and migration agents may assist skilled migrants finding jobs in regional Australia.

Skilled migrants are also encouraged to start and operate a profitable business in regional areas. They are expected to create job opportunities and bring more entrepreneurship and investment. Effective assistance, including business regulation consultations, language support, and financial services, is important to help them establish and sustain their businesses.

POLICY CONSIDERATION 7: Support the provision of local settlement assistance to newly arrived migrants in regional areas.

The provision of settlement services in Australia is well-established for humanitarian entrants, however, skilled migrants and their families are not similarly supported. The premise underlying the lack of funded settlement support to skilled migrants is that they have the capacity to settle into their new community unaided. The RAI's view is that anyone moving to a regional community can greatly benefit from initial assistance and support. Moving to a new town, particularly a small or remote one, would be a daunting prospect for many people. This is especially true for people who may be new to Australia and/or may not be confident in speaking English. It is therefore understandable that new arrivals will often return to large cities, once their regional visa requirements are fulfilled or if their permanent residency is granted and where there are already established communities from the same background.

More targeted support is needed for welcome and orientation of new arrivals into regional towns as settlement support services have little regional coverage outside the major centres. This may include being met at the airport, helping to find accommodation and get utilities connected, finding out about transport and local shops, enrolling children in schools and meeting neighbours and new friends. This may also include some English language support, especially for family members.

In the RAI's experience, whether a skilled migrant puts down roots and stays in a regional community or not is frequently related to the sense of welcome and belonging extended by the local community.

POLICY CONSIDERATION 8: Support regional communities to welcome and provide initial assistance to new migrants.

The RAI has collected evidence from around the country that points to the important role of the local community in encouraging migrants to stay in regional areas.

The RAI toolkit [Steps to Settlement Success](#) - A Toolkit for Rural and Regional Communities shows how the receiving community has a key role to play in successfully incorporating migrants into their area. In fact, in an effort to attract migrants, many of Australia's regional communities have developed their own strategy to attract migrants to their area. To be successful however, these strategies take some time, dedication and small-scale funding.

It is suggested that the Government could better support regional communities who are wanting to attract migrants. The RAI has seen admirable efforts of local communities to develop their own projects to attract and retain migrants, including coordinating services, filling service gaps and developing committees of welcome.

The RAI undertook extensive consultation with local communities to shape the seven steps to settlement success, that provide the building blocks for communities to develop effective locally-led migration strategies.

These seven steps include:

Initiating a Settlement Strategy

This involves assessing the local context, determining the motivator for the strategy and setting an appropriate goal of the strategy. It looks at what a regional community needs from migration as well as what it can offer to migrants.

Organising the Local Community

Community backing is essential for locally-led migration strategies to succeed. This looks at the role of the community and local Councils.

Welcoming and Hosting New Migrants

Making new residents feel welcome is an integral part of sustainable regional settlement.

Securing Employment for New Migrants

Labour shortage is one of the most compelling motivators for regional communities to welcome new migrants to live and work locally. This step explains how employers can find the employees they need and some of the challenges that may encounter.

Securing Housing for New Migrants

There are a number of considerations in relation to housing and housing stock is a significant challenge in many parts of regional Australia.

Fostering Community Cohesion

New migrants must be supported to become a part of the community and care taken to ensure that the community remains cohesive.

Considering Culture, Customs and Environment

When designing a migration strategy, there are various cultural, historical and environmental factors to be mindful of, for both host communities and new migrants.

As well as language, new arrivals often need assistance with form filling, tax information, driver's licence and other documentation and regulatory requirements. Volunteers and employers may fill some gaps. Coordination of the provision of such support will mean that there are reduced gaps and more consistency, also ensuring that the burden for assisting does not fall on a small regional employer. Such coordination can be led by community steering groups and be part of a locally led initiative. Much of the work is done on a volunteer basis or individuals spend time seeking ad hoc grants. However local initiatives to welcome migrants, and the energy involved to successfully implement them, are difficult to sustain in the long term without some form of support. The RAI considers that local communities should receive support in recognition of the central role that they can play in achieving the goal of increased skilled migration to regional Australia.

One example of a way to support local initiatives is the Canadian Government Local Immigration Partnerships (LIPs) which have been successful throughout Canada. LIPs are a mechanism through which the Canadian Immigration department supports the development of community-based partnerships and planning around the needs of newcomers. The Canadian Government recognises the importance of local actors in encouraging and sustaining migration to their areas and it provides a modest funding amount to each LIP for a staff member and an office, in order to systemise local engagement in settlement and build on existing local initiatives. This model allows communities to organise their own initiatives to welcome and retain migrants, while being provided some support from the Federal level, ensuring their continued momentum.

Other types of needed support include:

- Support for community neighbourhood houses or a similar central community service which provides such services to the community (not necessarily only new arrivals) could be considered in many places. These would potentially ensure more reliable access to services around the country and even within a community. Local councils could be resourced and supported to provide such a service so that assistance for new arrivals does not fall solely on volunteers or on individual employers. Such venues can bring together a community, strengthening social cohesion.
- Support for other family members to move is also important as if families are not well settled, migrants will not stay in regional areas. Isolation is particularly a risk for people who are not working, often women with young children, and lack of English can exacerbate isolation.
- Support in finding housing is particularly critical for newly arrived migrants. Available housing in regional Australia is scarce and many new migrants may not have rental histories. Real estate agents may therefore be reluctant to provide rental accommodation. Information and orientation on rental rights and responsibilities should also be provided.

Providing support to welcome and help settle migrants in a community has direct positive impacts on social cohesion.

POLICY CONSIDERATION 9: Provide additional support for regional employers to attract and retain migrants.

Employers in regional Australia need to be competitive as the number of vacancies in regional Australia remains consistently high and in a tight labour market it can be an advantage to know how to be an “employer of choice” for migrants.

In practice, regional employers are the only or main contacts of a new (skilled) migrant to a regional area and it is simply assumed that employers have the time, skill, capacity and knowledge to welcome and help settle a new migrant. Providing practical assistance, in terms of building knowledge and capacity on migration and cohesion issues, would directly and positively impact migration outcomes and reduce turnover of migrants in regional businesses, which can be expensive and resource-intensive for employers. Such assistance could be provided through toolkits, training and more targeted outreach. An interesting model is again in Canada where, as part of the skilled migrant sponsorship process, the employer must work with a settlement service provider and commit to preparing their workplace to welcome newcomers.⁸

REGIONAL JOB VACANCIES

The scale of regional job vacancies demonstrates the potential economic uplift possibilities within regional Australia. There is an enormous potential for growth in productivity through greater business activity and direct investment. Accessing staff that regional businesses require to allow their

⁸ Factsheet Atlantic Immigration Guide Pilot A step-by-step guide, Immigration, Refugees and Citizenship Canada.

enterprise to not only meet current demand, but to grow and meet the future needs of their growing local communities is paramount.

The Australian economy as a whole is forecast to be better off if the nation sees more balanced population growth. Modelling undertaken for the RAI's Regionalisation Ambition 2032 by the National Institute of Economic and Industry Research shows that Australia's Gross Domestic Product (GDP) in 2032 would be \$13.8 billion larger under a scenario of a larger regional population than a 'business as usual' population scenario.

Migration is also vital for filling jobs in regional Australia. In October 2022 there were over 94,000⁹ job vacancies across regional Australia. This latest number of vacancies is 30.2 per cent higher than a year earlier. Regional job vacancies continue to grow while in the last month metropolitan vacancies declined. Meanwhile over the year, regional vacancy growth has outpaced metro vacancy growth (at 30.2 per cent, compared to 28.6 per cent).

The usual perception of regional jobs being mainly in the agriculture and resource sectors in lower- or un-skilled occupations is incorrect. In terms of the occupations being demanded, the most vacancies are for professional roles (25% of all vacancies in October), followed by technicians and trades roles (15%), community and personal service roles (13%), and clerical and administrative roles (13%).

Migration can play an important role in filling many of these vacancies in regional Australia, particularly skilled migration.

Skilled trade labour in the residential construction sector has generally been in tight supply. With the pandemic causing a virtual halt in skilled migration, this tight supply has developed into a shortage, particularly at a time when a large volume of home building is in the pipeline.

Worker shortages in regions are becoming critical and migrant worker flows need to be re-established for the recovery to continue.

The announcement of 195,000 new migrants to Australia will be crucial in addressing some of the labour shortages in Australia. It is important that new migrants to Australia don't just move to the capital cities.

Policy makers should also consider the level of investment in, and the availability of, quality postschool training and learning across regional Australia, as recommended by the National Regional, Rural and Remote Tertiary Education Strategy adopted by the Government in 2020. JobTrainer and expanded apprenticeship places will increase take-up by employers, but it is vital for regional communities that the pattern of this training being centralized is reversed, so that training can once again be done in region, to maximise the likelihood of qualified workers continuing to provide their skills in regional markets.

As long as skilled migration is constrained, trade labour shortages will persist, at least over the medium term, as any additional investment in training takes a number of years to result in more trade labour workers. The record level of public capital works in regional Australia is adding to current trade shortages and is creating cost increases due to excess demand.

⁹ National Skills Commission, Regional Australia Institute – Regional Job Vacancies October 2022

POLICY CONSIDERATION 10: Consider incentives and pathways for internationally recognised qualifications and skilled migrant tradespeople to practice their trade in regional and remote settings.

Trade labour shortages tend to be most significant (and chronic) in small and remote communities. Policy makers might consider what incentives could be deployed to encourage tradespeople to practice their trades in regional and remote settings where the shortages are severe and ongoing. An equally important consideration is also the pathways for international qualifications to be recognised and utilised in Australia.

CONCLUSION

The Regional Australia Institute sees a very bright future for regional Australia and believes there are policy settings required to maximise future prosperity. Regions are in fact a ‘destination of choice’ for many overseas born migrants. Migration is proving to be a critical factor in maintaining populations in otherwise declining regional and remote towns, and in meeting ever expanding employment needs in regional Australia.

For the past 15 years there have been 285 to 385 LGAs across regional Australia which have seen increasing numbers of overseas migrants. This group includes between 103 and 151 regional LGAs, many in rural and remote Australia, whose Australian-born populations have been declining while their overseas-born populations have been growing. Migrants to these places are reversing the endemic negative demographic trends of declining local populations and help these communities to become more resilient. Better awareness of the opportunities for migrants in regional Australia, and better locally available settlement support services, could widen the impact of this important trend.

In relation to employment needs, the RAI’s analysis also shows there are nearly 100,000 advertised jobs available in the regions and we know many other jobs vacancies exist that are not advertised.

Migration can play an important role in filling many job vacancies in regional Australia, and in the rebalancing of the nation. Australia’s major capital cities are on track to become mega-cities of 10 million people by 2056 which will make them even more crowded and congested. Encouraging migrants to consider taking up residency in regional Australia can address the need for more workers in the regions to fill job vacancies and see regions reach their potential while at the same time addressing ongoing sprawl in the capital cities.

The jobs are available and there are people willing to move but the current main obstacle is the availability of housing in many of the regions. A significant step in realising the potential in regional Australia is the need for policy intervention in the facilitation of additional housing in regional Australia.

The Regionalisation Ambition 2023 is a strong framework that identifies the interconnectedness of these issues and it provides a strong alliance for supporting this work. Collective action and collaboration is at the heart of any solution and migration is a critical lever that will essentially aid in ‘rebalancing the nation’.

The Regional Australia Institute would welcome the opportunity to work with the Government on how to address many of the migration, labour market and housing policy considerations outlined in this submission.