



Australian Government

Department of Infrastructure, Regional Development and Cities

**A/g Secretary
Ms Pip Spence PSM**

File Reference:
PDR ID: MS19-001663

Mr Julian Leeser MP
Chair
Joint Standing Committee on Migration
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Leeser

Subject: Inquiry into migration into regional Australia

The Department of Infrastructure, Transport, Cities and Regional Development (the Department) welcomes the opportunity to provide a submission to the Joint Standing Committee on Migration into migration in regional Australia.

The Australian Government is committed to ensuring the prosperity of the economy, the wellbeing of all Australians and recognises the opportunities regional migration presents in growing regional communities.

The Department plays a role in delivering this outcome through the design and implementation of the Australian Government's infrastructure, transport, cities and regional development policies, programs and regulation.

This submission highlights the challenges and opportunities faced by regional Australia, the investment made by the Australian Government for our regions and case studies to demonstrate the benefits of regional migration.

Yours sincerely

Pip Spence
A/g Secretary
October 2019



Australian Government

**Department of Infrastructure, Transport,
Cities and Regional Development**

Submission for Inquiry into migration in regional Australia

Introduction

The Department of Infrastructure, Transport, Cities and Regional Development's (the Department) role includes supporting regional development, local communities and cities. This submission highlights the challenges and opportunities faced by regional Australia, the investment made by the Department in our regions, and provides case studies to demonstrate the benefits of regional migration and growing regional populations.

With Australia's regions home to almost one third of our population, and contributing around 30% of Australia's GDP, regions are fundamentally important both socially and economically to Australia's future.

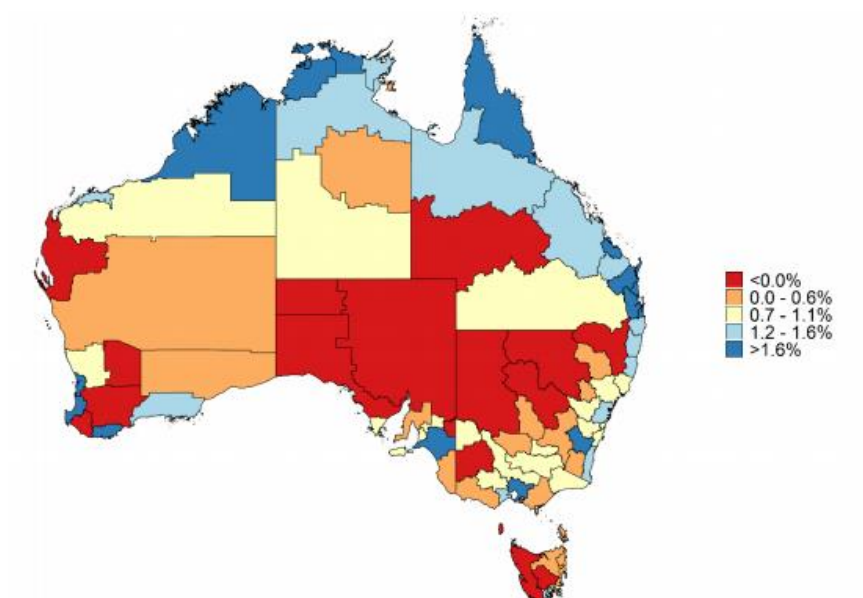
Several key trends are gradually changing the population of Australia's regions. Australia's population is growing quickly, but this growth is concentrated in major cities and coastal areas. Although patterns of change across regional Australia vary, many smaller regional and rural communities have populations that are holding steady or slowly declining. Many regions are facing challenges associated with the centralisation of populations and economies in major regional centres. The impacts of an ageing population will also be felt more keenly in regional Australia, where the proportion of people aged 65 and over is higher than in major cities, and this will have implications for regional employment and service delivery.

There are opportunities for Australia to benefit from regional migration to help grow our regions, find skilled workers to fill job vacancies and contribute to the continued growth of the Australian economy.

Population size is a fundamental determinant of the amount of infrastructure required for an area, and growing regional populations have the potential to create demand for infrastructure projects. Investing in regional infrastructure and boosting regional populations with skilled migrants and their families can support the growth of regional economies and strengthen cultural diversity and community wellbeing.

Planning for population growth is a shared responsibility of Commonwealth, State, Territory and Local governments. All levels of government are working together on the development of a National Population and Planning framework to ensure a more integrated approach to population planning and management. In early 2019, Treasurers from the Commonwealth, States and Territories and the Australian Local Government Association established a regional analysis working group. The Australian Government has also established a Centre for Population to provide a coordinated and expert perspective on population growth in Australia. This includes helping all levels of government and the community better understand how regional populations are changing and the challenges that change presents.

Figure 1 - Regional Population Growth Source: ABS 2016



In attracting migrants to regional Australia, consideration should be given to attracting both new migrants and recently arrived migrants already living in our cities. Additionally, internal migration (Australians moving from cities to regions) can support growth in our regions while easing congestion pressures in Australian capital cities.

Targeted and strategic support for regions can help make them attractive locations for people and businesses to relocate. There are a range of factors that can contribute to the growth of Australia's regions and create the conditions required to support specific initiatives targeted at regional migration:

- **Infrastructure** – Access to suitable transport and freight infrastructure including roads, rail, ports and airports, is critical to connecting regional Australians, securing reliable supply chains and facilitating access to larger national and international markets.
- **Digital connectivity and technology** – Participation in the digital world is an integral part of modern economic and social life. Ensuring equitable access to reliable broadband and mobile services in regional Australia is crucial to closing the digital divide and providing regional businesses with better access to larger domestic and international markets.
- **Business growth** – Supporting opportunities for endogenous growth that builds on regional strengths and opportunities is critical to regional development. Business growth plays a key role in creating jobs, raising incomes and improving the quality of life in our regions.
- **Jobs** - Investing in human capital, institutions of work and sustainable work in urban and regional Australia is crucial to regional Australia's future, particularly as more jobs become subject to automation. With approximately 37,400 job vacancies in regional Australia, skilled migrants can play a key part in filling these roles and contributing the growth and diversity of these regions.

- **Education and skills development** - Access to and attainment of education and training in regional Australia contributes to bridging the economic divide between regional and metropolitan communities, with education providing individuals with greater opportunity to reach their potential, gain better employment and earn higher incomes. Investment in education and vocational skills in regional locations helps ensure that regional businesses have access to a labour force that meets their needs, while the presence of educational institutions contributes to attracting migrants to those communities.
- **Access to services** - Access to health and care services, affordable housing, education and training, transport infrastructure and telecommunications is fundamental to community wellbeing and thriving regions. They underpin equitable access to opportunity and are integral to fostering social cohesion, prosperity and overall wellbeing for all Australians, wherever they live. These services also underpin the human capital that is critical to the strength of regional economies.
- **Liveability and amenity** – Vibrant and diverse communities are fundamental to maintaining and growing regions as desirable places to live, work and raise a family. Our stakeholders tell us that high quality amenity and lifestyle factors are crucial to building regional Australia, and the importance of supporting smaller scale amenity and liveability infrastructure, local businesses, and local capacity building projects cannot be underestimated.
- **Local leadership** – Local leadership plays a key role in identifying and delivering on economic and social priorities for their regions. Regional leadership is critical to developing grass roots regional policy in collaboration with State and Commonwealth Governments.

Investment in our regions

The Department is responsible for the design and implementation of the Australian Government's regional development, infrastructure and transport programs. This work, which is summarised below, plays an important role in supporting regional development, and in turn contributes to attracting, settling and retaining migrants in regional areas.

Infrastructure Investment

Through the Australian Government's \$100 billion investment in **transport infrastructure**, Australians living in regional and remote areas are continuing to benefit from safer roads and better connections to essential services and employment. This investment is also providing local employment in regional areas by facilitating the safe and efficient movement of millions of tonnes of freight from farm gates and factories to markets across Australia, and connecting our producers with opportunities in the global economy.

To further assist connectivity with regional centres, the Australian Government is providing \$100 million in grant funding over four years from 2019-20 for a new **Regional Airports Program** as a key enabler of regional communities transport, supporting employment in regions. The program provides assistance to the owners of regional airports to undertake essential works, promoting aviation safety and access for communities.

The Australian Government is also investing up to \$9.3 billion to construct the **Melbourne to Brisbane Inland Rail** which is a national-standalone freight rail line. Inland Rail presents a unique opportunity for regions to realise direct benefits from the improved rail infrastructure and further indirect benefits through complementary market driven investments.

Inland Rail is expected to boost Australia's GDP by \$16 billion over the next 50 years and support around 16,000 jobs at the peak of construction. The construction of Inland Rail will also deliver significant outcomes for regional business and individuals by providing employment and procurement opportunities to participate in the build, provision of logistics, supply, and other services. Skilled migrants may play a role in filling a range of inland rail job vacancies where skilled worker shortages occur.

Local Government

The Australian Government supports Local Governments through the Financial Assistance Grant program, helping councils deliver infrastructure, health, recreation, environmental and employment projects. The untied grant enables local government leaders to direct funding to locally identified priorities, contributing to the growth of their region and potentially improve their ability to attract and retain migrant workers and their families.

Regional Programs

Since 2013, the Australian Government has committed over \$2.3 billion through our regional grants programs, including the \$841.6 million Building Better Regions Fund and \$272 million Regional Growth Fund, helping regional Australia unlock its potential. This is on top of over \$2.5 billion committed through the Community Development Grants programme since 2013. These programs provide funding support for a range of projects that aim to strengthen regions, their economies and the communities that live in them.

The Australian Government's regional programs are also helping communities affected by drought by investing in local infrastructure projects and other drought relief activities in drought affected communities.

Regional deals

The Australian Government is progressing three pilot Regional Deals – in the Barkly Region in the Northern Territory, Hinkler in Queensland and Albury Wodonga on the New South Wales and Victorian border. Regional Deals represent a new way to work with local communities. These deals bring all the key players to the table – State, Local and Commonwealth governments alongside community leaders – to decide on priorities and a long term plan with local strategies to support local employment, regional planning, governance and investment. Each Deal is unique and will be designed to meet the specific needs of local communities. This could include establishing labour agreements, in consultation with the Department of Home Affairs, to enable the employment of migrants in hard-to-fill job roles.

Decentralisation

The Australian Government directly supports internal migration through its commitment to decentralising jobs to our regions. Decentralisation contributes to strong and vibrant regional economies through the creation of local jobs, economic diversification and regional growth.

Decentralising jobs to our regions has focused on relocating appropriate Commonwealth entities and jobs outside of Canberra, inner Sydney and inner Melbourne. Since 2013, the Australian Government has announced over 1,700 new and relocated government jobs from Canberra, inner Sydney and inner Melbourne. More than 1,000 of these jobs are located outside our capital cities in regional Australia. For example, between 2017 and 2019, 430 new and relocated positions from 13 agencies to regional Australia have been announced.

The Department is also working closely with the private sector to look at ways to encourage businesses to decentralise away from our cities and take advantage of the opportunities available in our regions, including the great benefits of a regional lifestyle for employees and their families.

Regional Australia Institute

The Regional Australia Institute (RAI) is actively involved in encouraging policy makers to think about ways to increase migration flows to regional Australia, and promoting the benefits that increased migration has for regional communities.

The Australian Government provided \$8 million for the establishment of the RAI in 2010-11 and is currently providing \$1.2 million over three years from 2018 to 2020 to RAI to deliver the Intergovernmental Shared Inquiry Program. The program's key themes include regions in transition and the future of regional jobs, cities and towns. It aims to target issues that matter to governments and regions and provide options for change. Other state and territory governments with regional responsibilities also provide funding to this program.

RAI also received \$194,997 under Round 3 of the Building Better Regions Fund's Community Investment stream to develop a series of roadshows across regional Australia to share a toolkit created to support small communities that are seeking population growth and community renewal by attracting and settling migrants. RAI also launched a report in August 2019 titled *Regional Population Growth – Are we ready?* which seeks to address issues related to Australia's future settlement patterns, and recommends decision makers prioritise regional Australia as a destination for new migrants by diverting migration flows to connected regional cities.

Regional Development Australia Committees

There are 52 Regional Development Australia (RDA) Committees across Australia funded by the Australian Government. Part of their role is to work throughout their regions to support and facilitate economic development, promote regional population growth and attract skilled migrants to fill worker shortages in their regions. Reforms to the RDA network in 2017-18 have resulted in greater

collaboration across RDA Committees and a renewed focus on working with key regional stakeholders to deliver high quality economic development outcomes.

RDA Committees provide valuable insights to the Australian Government on the economic development challenges of our regions, including the needs of regional businesses. They have access to strong grassroots networks and the ability to bring stakeholders together to focus on regional outcomes.

As the regional development voice of their communities, RDA committees:

- consult and engage with communities,
- promote and participate in regional programs and initiatives,
- provide information and advice on their region to all levels of government, and
- support informed regional planning.

Each RDA committee has developed a Regional Plan which outlines priorities for the region and guides them in strengthening their communities.

Case studies: RDAs support for regional migration

RDA Committees can play a pivotal role in growing regional populations, filling regional job vacancies and harnessing the opportunities regional migration provides. The following case studies provide examples of regional migration initiatives underway across RDA Committees aimed at increasing economic opportunities and investment in their regions.

RDA Limestone Coast

The RDA is taking a lead role in promoting Limestone Coast work opportunities to skilled migrants. Over the course of 2019-2020, the RDA is presenting free “Welcome to SA” information sessions to newly arrived SA nominated skilled migrants with at least 6 events scheduled throughout the year. The sessions will provide information to help migrants to consider the Limestone Coast region as a place to live and work.

In collaboration with the neighbouring RDA Murraylands and Riverland, RDA Limestone Coast are also leading a case for the introduction of a Designated Area Migration Agreement (DAMA) in these regions, via the South Australian Regional Workforce DAMA between the Australian Government and the South Australian state government. RDA Limestone Coast is in the process of providing and developing advice and assistance on the program to employers and businesses.

RDA Goldfields Esperance

RDA Goldfields Esperance in Western Australia is the contracted Regional Certifying Body for the Goldfields Esperance region, providing advice to the Department of Home Affairs on whether direct entry stream applications for the Regional Sponsored Migration Scheme meet certain requirements. As the Regional Certifying Body, the RDA assess the business and the position being nominated and

does not assess the individual who will be appointed to the position. It can therefore assess the vacant position before recruiting someone to fill the role.

Goldfields Esperance Labour Shortage Forum

In 2017, RDA Goldfields co-hosted a Labour Shortage Forum with the then local Federal Member, Mr Rick Wilson MP, and then Minister for Citizenship and Multicultural Affairs, the Hon Alan Tudge MP. Committee member Ms Laura Dwyer and Chair Ms Lee Jacobsen both attended the forum to promote the Attraction Kalgoorlie Campaign and provide data that the RDA has collated in their role as the Regional Certifying Body for Sponsored Migration in the Goldfields-Esperance region.

The Labour Shortage Forum initiated local discussion regarding a DAMA for the region. The Goldfields region now has Western Australia's first five year DAMA agreement in place, between the Australian Government and the City of Kalgoorlie-Boulder who act as the designated area representative. RDA Goldfields Esperance is one of the members of the agreement.

RDA Great Southern

RDA Great Southern created the *Subcommittee on Population Growth – Resident Attraction Program* to understand the impact of population growth and assist in the development of growth strategies in the Region.

The approach undertaken was to identify and develop activities and strategies currently occurring or planned in the region that impact on or contribute to population dynamics including such factors as FIFO, education, industry, arts and culture, tourism, retirement, sea-change residents, health and lifestyle.

The Subcommittee undertook investigations into residential attraction programmes that have been trialled in the past or are currently in operation elsewhere in Australia, including the Evocities initiative in regional NSW involving 8-regional cities.

A working group was formed to develop a Residential Attraction Program based on the Evocities program. Through a series of meetings, the RDA has engaged Local and State government on potential funding for research and implementation in the future. A member of the Evocities management group in Albury has been consulted on a regular basis to provide project guidance and learnings.

RDA Central Coast

RDA Central Coast is raising awareness of the Australian Government's Pacific Labour Scheme to help address critical shortages in the hospitality, aged care and tourism sectors on the Central Coast.

The Pacific Labour Scheme offers hospitality and tourism and aged care providers in rural and regional Australia an opportunity to connect with low and semi-skilled workers from nine Pacific island countries – providing a secure and reliable workforce for up to three years.

RDA Central Coast Director Regional Development & Chief Executive Officer, John Mouland, said he is aware many businesses are considering skilled migration to address significant skills shortages in these sectors.

RDA Central West

The RDA Central West operates as a Regional Certifying Body for the Department of Home Affairs in partnership with the NSW Department of Industry for both the Regional Sponsored Migration Scheme and the Skilled Regional Provisional Visa. Positions are allocated against the Central West Skills Occupation List, which supports a deeper understanding of the Central West NSW skills gap and the need to match the genuine regional skills demand to workers.

The RDA is best placed to perform this Regional Certifying Body role due to their relationships with the business community and understanding of the region. The outcomes of the Regional Certifying Body work aligns with the RDA's strategic framework to increase regional competitiveness by developing greater human capital and more sustainable communities in their region.

Since the RDA began its role as an Regional Certifying Body in August 2018, over 50 Regional Sponsored Migration Scheme places and more than 130 Skilled Regional Provisional Visa places have been issued across the Central West. The interest in these visas is immense with over 1,100 registrations of interest received. These programs have seen successful applicants and their families move to numerous locations across the Central West including, Orange, Bathurst, Lithgow and Oberon.

Successful visa recipients are already making a significant contribution to the region. A local farm in Warraderry was looking to diversify and expand, but was struggling to recruit a local skilled applicant due to the isolation. The successful qualified employee on the Regional Sponsored Migration Scheme has moved to the local region with his spouse and is enjoying the lifestyle in the Central West. Through the Skilled Regional Provisional Visa program, another successful applicant has moved to Orange to work at a prominent hotel as a chef, and his partner is also working at a local aged care home. Both skills are in demand for the region.

RDA Northern Inland

In its role as a Regional Certifying Body, the RDA's skilled migration project is an on-going program that assists regional employers who find it difficult to recruit and retain skilled labour in regional areas. This program has provided invaluable support to regional employers and the expansion of the labour to the local economy. The Northern Inland region has benefited through new businesses being established, expansion of existing products and services and increased employment opportunities. The RDA has published numerous case studies outlining the success of this program at <http://www.rdani.org.au/skilled-migration/skilled-migration-case-studies.php>.

RDA Orana

RDA Orana region and the Department of Home Affairs have reached agreement on the Orana Region DAMA, which was approved by Minister for Immigration, Citizenship and Multicultural Affairs, David Coleman, in April 2019.

The Orana region DAMA is a five year labour agreement between the Australian Government and RDA Orana. The DAMA has been negotiated to provide employers a specific tool to sponsor skilled overseas workers in specified industries in the region that are currently experiencing critical skill and labour shortages.

The Orana Region covers approximately 25% of NSW, stretching from Mudgee in the centre of NSW up to the Queensland border past Bourke and Lightning Ridge and west to Cobar. The Region includes 12 Local Government Areas with the major industry segments in the area being mining, agriculture and health.

RDA Murray

In the 2018-19 financial year, the RDA Murray Skilled Migration program has led to sponsorship of 90 individuals gaining Skilled Regional Provisional Visa places and 16 individuals being employer sponsored under Regional Sponsored Migration Scheme employment visas. With two skilled migration officers in Murray, the region is well placed to continue this work promoting the region and processing applications from skilled workers in order to bridge some of the current skilled workforce shortages.

RDA Murray have been meeting with a diverse range of businesses who are finding difficulty in attracting people to fill jobs in the region. RDA Murray is supporting them to rectify this problem through the skilled migration schemes and supporting the development of secondary refugee resettlement programs. The RDA has published a case study outlining the success of this program <http://rdamurray.org.au/index.php/skilled-migration/case-studies/>.

RDA Barwon South West

Addressing workforce supply shortages and supporting jobs led population growth are key priorities for RDA Barwon South West and is its strategic focus. The RDA is working with the Great South Coast area of the region to advocate for collective approaches that empower the region to implement place-based migration initiatives to improve workforce supply and grow economic output.

Low unemployment, aging population and flat population growth contribute to the Great South Coast workforce shortages. Critical labour shortages mean businesses forego real and existing opportunities while some businesses have been required to undertake core functions outside of the region.

In 2016, the RDA completed the Barwon South West Population Levers for Economic Development report which called for targeted population attraction initiatives, including decentralisation, migration, promoting benefits of regional and rural lifestyle and available jobs, coupled with job matching and settlement services as essential to stimulating population growth.

Both industry and government have forecast the need for up to 7,000 new and replacement jobs by 2023. In June 2018, the RDA Chair met with Local Member for Wannon, Hon Dan Tehan MP to look at ways the Australian Government could support workforce supply in the BSW region. This resulted in an invitation to develop an application for a DAMA. The RDA continued to support the region to develop and finalise this application and ensure the program addressed the workforce supply issues in the region.

In December 2018, the Australian Government announced Warrnambool City Council was successful with their application for the Great South Coast DAMA that covers the Glenelg, Moyne, Southern Grampians, Warrnambool, Corangamite and Colac Otway municipalities. The RDA is working with the Council as the Designated Area Representative leading the implementation of the DAMA.

In addition, the RDA facilitated the establishment of the Great South Coast Workforce Supply and Population Working Group to collaborate on these issues in the south west area of the region. There are over 16 projects in the region addressing various population attraction and workforce challenges.

The RDA is working within the region to establish a stronger evidence base to demonstrate where Government intervention is required and to enhance collaboration, to work in partnership to address issues around workforce supply shortages and flat population growth, and to increase the prosperity, health and wellbeing of the region by realising the full potential of the forecasted growth opportunities.

The Council received 26 applications across three employers under the first round of the DAMA application process in mid-2019. Inquiries for the second round suggest Dairy and Hospitality sectors are of interest.

This has been a positive start to the program as the Annual DAMA cap is 100 applications.