

# **LGASA Submission to the Senate Select Committee on Temporary Migration**

**Submission**

**February 2020**

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## Summary of recommendations

The following key principles underpin the Local Government Association of South Australia's (LGASA) considerations in relation to local government's approach to migration in South Australia;

- A. Local government seeks opportunities to work with Commonwealth and State Governments in order to address barriers to regional migration and more general regional population growth;
- B. Local government, as the closest sphere of government to the community, can provide unique and unparalleled advice and insights into the community that can be important in driving economic development, providing community leadership and developing solutions that best reflect community needs; and
- C. Connectivity is central to overcoming the unique geographical barriers of regional South Australia that negatively impacts on populations. Investment in infrastructure to improve roads, mobile phone blackspots and healthcare services is necessary to overcome the tyranny of distance that deters investment, innovators and entrepreneurs from regional South Australian communities.

In conducting and reporting on its inquiry, the LGASA asks that the Senate Select Committee on Temporary Migration (Select Committee) forms findings and recommendations that:

1. encourage the Commonwealth Government to collaborate with State and Local Governments to design a more holistic policy approach that enables tailored migration policies to support population growth and economic activity in regional Australia;
  2. encourage federal, state and local government to work in partnership to invest in and address the existing core reasons for falling regional populations in order to prevent cyclic outcomes from targeted migration endeavours;
  3. encourage all spheres of government to promote the economic benefits of migration to the Australian community;
  4. encourage the Commonwealth Government to promote temporary skilled and unskilled migration to regional and rural areas;
  5. recommend the Commonwealth Government reviews the national migration framework and a holistic, flexible national approach be adopted that promotes more permanent migration to rural and regional Australian areas;
  6. encourage state and territory governments to support decentralisation of Government Services outside of metropolitan areas; and
- 6.1 recommend that the South Australian Government aims to achieve at least 30% of the state government public service being based outside of Greater Adelaide.

# Introduction

## The Local Government Association of South Australia

The Local Government Association of South Australia (LGASA) is the voice of local government in South Australia, representing all 68 councils across the state and the Anangu Pitjantjatjara Yankunytjatjara.

The South Australian Local Government Act 1999 recognises the LGASA as a public authority for the purpose of promoting and advancing the interests of local government. The LGA is also recognised in and has prescribed functions in 29 other South Australian Acts of Parliament. The LGASA provides leadership, support, representation and advocacy relevant to the needs of our member councils.

The LGASA is a strong advocate for policies that achieve better outcomes for councils and the communities they represent. As such, the LGASA welcomes the opportunity to provide comments on Temporary Migration to the Select Committee

This submission has been informed by existing policy positions, research projects undertaken through the Local Government Research and Development Scheme and through consultation with our member councils. Consultation with our membership clearly identified regional and rural population decline and skill shortages as clear priorities for the Select Committee to consider.

## Background

Globally, developed countries are experiencing “population aging”,<sup>1</sup> which is when the median age of the population increases. This demographic shift is of significant concern to industry and governments as it results in a reduction of working age people.<sup>2</sup>

South Australia is subject to population aging as well as a trend of slower population growth where in the last year the state’s annual average population growth rate was 0.9%, compared to Australia’s average growth rate of 1.5%.<sup>3</sup>

Concerns around population aging and slow population growth have been exacerbated in South Australia by relatively high rates of net interstate migration loss, which disproportionately comprises of “working age” people.<sup>4</sup> From 2014-2017 South Australia lost *“an average of 6,500 people per year through net interstate migration compared to an average of 3,600 people per annum over the previous 5 years.”*<sup>5</sup>

In South Australia the reduction in the relative size of the working age population due to a combination of the aging population, slow population growth and net interstate migration has been referred to as a “demographic deficit” which is linked to the state’s subdued economic performance.<sup>6</sup>

<sup>1</sup> World Health Organisation, “Population Aging” < <https://www.who.int/features/qa/72/en/>>.

<sup>2</sup> Dale Williams (30 October 2019) ‘Should Young People Have a Role in Local Government?’ *Presentation at LGA AGM 2019* <<https://www.lga.sa.gov.au/conference>>.

<sup>3</sup> Australian Bureau of Statistics, “Australian Demographic Statistics, June 2019” < [https://www.abs.gov.au/AUSSTATS/abs@nsf/Latestproducts/3101.0Media%20Release%201Jun%202019?opendocument&tabname=Summary&prodno=3101.0&is\\_sue=Jun%202019&num=&view=>](https://www.abs.gov.au/AUSSTATS/abs@nsf/Latestproducts/3101.0Media%20Release%201Jun%202019?opendocument&tabname=Summary&prodno=3101.0&is_sue=Jun%202019&num=&view=>)>.

<sup>4</sup> SA Centre for Economic Studies, *Evidence to Inform Local Government Advocacy for a Strategic Population Policy* (2018) page i.

<sup>5</sup> Ibid.

<sup>6</sup> SA Centre for Economic Studies, *Evidence to Inform Local Government Advocacy for a Strategic Population Policy* (2018) page i.

This “demographic deficit” has been more intensely felt by regional South Australia where populations have either fallen or grown slowly over the past decade.<sup>7</sup> Nationally it has been identified that “*In Australia, small towns keep losing young and middle-aged people to big cities for a range of reasons.*”<sup>8</sup>

Research demonstrates<sup>9</sup> the following factors as contributing to the falling or slow populations in rural or remote South Australia:

- young people moving to the Adelaide metropolitan area to pursue tertiary education and career opportunities;
- broader net internal migration outflows in response to adverse economic shocks (e.g. Whyalla and Roxby Downs), and structural trends that reduce employment in key sectors (e.g. lower employment in farming due to technological changes, adoption of different management practices and consolidation of farming properties); and
- low overseas migration rates.

It is important to note that subdued economic performance and an aging population tend to reinforce one another, with subdued economic performance encouraging people to leave the state and conversely discourages people from moving to South Australia.<sup>10</sup>

## Local government’s role in migration

### **LGASA Policy Statement: 2.1 Building Local Economies**

*Statement: Local government acknowledges that it has a shared responsibility for ensuring the economic wellbeing of South Australia, and shall continue to work within its local areas and across councils to identify and implement local measures that create a climate conducive to sustainable economic development.*

The LGASA acknowledges the opportunity both strategic temporary and permanent migration generally provides to address the state’s demographic and economic challenges. Noting that Australia has been greatly influenced by international migration where in 2011 27% of Australia’s population was born overseas.<sup>11</sup>

The LGASA has been proactive in addressing this issue by undertaking research and other endeavours to assist in the development of an evidence based local government advocacy position on this multifaceted matter. Local government is proactively researching what they can do as a partner in government to retain and attract the skills their communities need to thrive.

The LGASA notes that lack of regional migration is a barrier to economic and other growth of regional and rural communities across the nation, however in South Australia the “demographic deficit” places further reliance on migration efforts.

As the closest sphere of government to the community, local government plays a critical role in building local identity, community wellbeing and social cohesion as well as contributing to national productivity.

<sup>7</sup> Ibid.

<sup>8</sup> Regional Australia Institute, *Steps to Settlement Success: A Toolkit for Rural and Regional Communities* (2019) Page 41.

<sup>9</sup> Above n 4.

<sup>10</sup> Ibid

<sup>11</sup> Above n 4.

Local governments are fundamental to achieving liveability in our communities. As such, local government can play an important role in connecting new migrants to their new community and to helping them access the services and facilities available to them.

Local government in South Australia has been proactive in collaborating with industry, State and Federal Government to assist with targeted migration endeavours to strengthen local economies. Some South Australian examples of successful joint government and industry coordinated migration opportunities that have had substantial involvement of local government include Murray Bridge<sup>12</sup> and the Limestone Coast.<sup>13</sup>

Strategic migration programs provide an opportunity to address the economic and demographic trends currently being faced by the regional South Australia.

***Recommendation 1: The Select Committee encourages the Commonwealth Government to collaborate with State and Local Governments to design a more holistic policy approach that enables tailored migration policies to support population growth and economic activity in regional Australia.***

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<sup>12</sup> Dr H. Barrie, Dr R. Wasserman, Dr K McDougall, "Murray Bridge: A blueprint for good migrant settlement" *University of Adelaide: Hugo Centre for Migration and Population Research* (February 2018).

<sup>13</sup> Dr H. Felst, Dr G. Tan, Dr K McDougall and Professor G. Hugo, "Enabling Rural Migrant Settlement: A Case Study of the Limestone Coast" *University of Adelaide and The Australian Population and Migration Research Centre* (2016).

# LGASA Submission

## About this submission

The LGASA notes that while local government is exempt<sup>14</sup> from preparing a *Modern Slavery Statement*<sup>15</sup> under the *Modern Slavery Act 2018 (Cth)* local government in South Australia through sound procurement processes, is proactive in minimising negative outcomes impacting their communities.

While the LGASA acknowledges the Terms of Reference encompasses a broad range of important issues including modern slavery; consultation with our membership indicates a strong desire to address the population decline and other matters impacting regional and rural South Australia. As such this is the focus of the LGASA submission.<sup>16</sup>

## General note on policy settings

In order to maintain new migrants and to attract investment into regional areas (and prevent a cyclic scenario whereby new migrants arrive and then move and settle in metropolitan areas) the factors contributing to the originating causes of regional population decline need to be addressed. Adaptation actions that will increase community liveability and build the resilience of regional economies against climatic phenomenon's need to be undertaken.<sup>17</sup>

The LGASA acknowledges the following essential community elements and infrastructure investment as fostering community liveability;

- Access to a range of community services and infrastructure that supports health, education, water, recreation, social interaction and well-being;
- A range of housing options, which are affordable and in adequate supply;
- Safe transport accessibility, both within the community (including effective and adequate roads and public transport options) and connected to other centres;
- Pleasant environments, including parks, gardens, footpaths and bikeways as well as built infrastructure that is appropriate for the climatic conditions; and
- A range of education and employment pathways to cater to different age groups and skill groups (including tertiary pathways).

Local government, with its strong links to communities, can play a key role in working with and supporting state and federal government in delivering community focused outcomes that address “core” community needs.

***Recommendation 2: The Select Committee encourages federal, state and local government to work in partnership to invest in and address the existing core reasons for falling regional populations in order to prevent cyclic outcomes from targeted migration endeavours.***

<sup>14</sup> Australian Local Government Association, “Local Government Exempt from Modern Slavery Act: Commonwealth (19 December 2019) < <https://alga.asn.au/local-government-exempt-from-modern-slavery-act-commonwealth/> >.

<sup>15</sup> *Modern Slavery Act 2018 (Cth)* s 12.

<sup>16</sup> LGASA “Designated Area Migration Agreements – LGA Submission” < <https://www.lga.sa.gov.au/submissions> >.

<sup>17</sup> Local Government Association of South Australia, *Policy Manual*, Economic Development, Regional Economies: Part 2 3.7 Primary Production.



## Community perception to migration

There is clear economic evidence that migration does not pose a threat to Australian born workers<sup>18</sup> and that migration is a beneficial and necessary tool to address the demographic deficit and skills shortages in Australia.

Despite the clear economic benefits to the Australian economy, community anxiety about jobs and educational programs are a consistent and ongoing theme within the Australian community. There is in fact, clear evidence that an increase in migrant concentrations in certain levels of qualifications is association with a positive impact on wages and employment.<sup>19</sup>

***Recommendation 3: The Select Committee encourages all spheres of government to promote the economic benefits of migration to the Australian community.***

## Temporary migration

While, for reasons explored above, regional areas require more long-term migration to ensure ongoing economic viability, temporary migration is an equally important contributor to economic success.

Temporary migration currently serves as a “de-facto pathway to permanent migration”.<sup>20</sup> Currently, Australian temporary migration programs attract young, productive, well-educated individuals who have “*proven themselves in the Australian workforce*”.<sup>21</sup> This demonstrates temporary migration’s potential benefit in addressing the “demographic deficit” regional and rural South Australia is experiencing.

Temporary migration is a necessary tool to keep Australia competitive and innovative in the global marketplace. Future economic development requires the right people with the right skills at the right time to apply new ideas and technology<sup>22</sup> to positively contribute to the economy.

Regional labour markets often do not have the depth of labour markets in major metropolitan centres.<sup>23</sup> As such job vacancies in regional areas can occur in lower skill and un-skilled level roles, something that would not typically occur in metropolitan centres. Seasonal work is a contributing factor to this natural eb and flow of the labour market in regional and rural areas.

Temporary visas provide opportunities for migrants across different categories (i.e. skilled and unskilled) that can address labour market issues. The flexibility in required skills offered by temporary visas is necessary in ensuring the right person is available at the right time to fill that employment gap.

Expanding visa categories to include a variety of both “skilled” and more “unskilled” career options would enable these roles to be addressed, further ensuring there are clear pathways to permanent residence for “unskilled” migrants is necessary to boost regional and rural economies.

***Recommendation 4: The Select Committee encourages the Commonwealth Government to promote temporary skilled and unskilled migration to regional and rural areas.***

<sup>18</sup> Committee for Economic Development Australia, “Effects of Temporary Migration” (2019) page 19 < <https://www.ceda.com.au/Research-and-policy/All-CEDA-research/Research-catalogue/Effects-of-temporary-migration> >.

<sup>19</sup> *ibid.*

<sup>20</sup> *ibid* page 17.

<sup>21</sup> *ibid.*

<sup>22</sup> *ibid* page 22.

<sup>23</sup> SA Centre for Economic Studies, *Evidence to Inform Local Government Advocacy for a Strategic Population Policy* (2018) page 73.



## Pathways to permanent residence

Difficulties involving jurisdictional and other compliance requirements of existing visa programs has been identified as a barrier to promoting migration to regional and rural areas of South Australia.

### A South Australian Case Study

A regional council in South Australia sought to recruit to a specialist role after experiencing difficulties in attracting a suitable applicant given the council's remote location.

An outstanding candidate was identified who was living in Adelaide after relocating to Australia in early 2019. The applicant migrated to Adelaide after securing a Skilled – Regional Sponsored (subclass 489) visa sponsored by the SA Government. The applicant is a highly skilled officer with significant experience.

The applicant applied to the role at the Council and has subsequently been offered the position. Whilst undertaking the recruitment process, the applicant was subsequently offered a Permanent Residency 190 visa – sponsored by another state's government. Keen to seek a new life and permanent residency the applicant agreed to the visa opportunity.

The 190 visa requires the applicant to relocate and seek job opportunities to the state that sponsors the visa. This was not made clear during the application process.

The previous 489 visa was for any regional area in Australia but did not grant permanent residency.

The Council in South Australia is in a remote area and struggles to attract talent and this opportunity would be of great benefit to the region and the community in general, as such council requested that the applicant retain permanent residency visa in SA and take up the role in at the regional council.

South Australia is willing to offer the applicant a 190 visa. Unfortunately, the process does not enable the applicant to select the location of the 190 visa and it requires the visa to be transferred between the states. The request for transfer of the 190 visa from interstate to SA was denied.

The applicant is now reluctant to accept the position offered in South Australia as they are worried that the permanent residency status may be cancelled if the role is taken. The applicant is now having to face relocating interstate– with no employment to go to, no accommodation and diminished employment aspirations.

This exercise has not only been expensive for the SA council and the applicant, it has also caused mental anguish for the applicant and their family who are keen to work and live in a regional community.

The LGASA notes that visa opportunities, including pathways to permanent residency like through the 190 Skilled Nominated Visa<sup>24</sup> explored in the case study above, are divided between the states and territories to encourage the fair division of talent and skills.

While this policy, on the face of it, seems beneficial to ensure a fair and equitable division of skills and talent across Australia, the process is flawed in promoting and ensuring long term migration to any state, territory or region.

<sup>24</sup>Australian Government Department of Home Affairs, "Skilled Nominated Visa" < <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/skilled-nominated-190> >.

There is difficulty in ensuring compliance with jurisdictional and other requirements of visas<sup>25</sup> and the mechanisms utilised to ensure compliance are unclear. If there is no compliance with the jurisdictional requirements of visas, the purpose of the quotas for states and territories (to divide the skill and talent) are completely undermined.

Further, as demonstrated in the case study above, the myriad of differing visa requirements including state-based visa opportunities can undermine other policy objectives to promote regional and rural migration. It is important to minimise the uncertainty for applicants seeking a pathway from temporary migration to permanent migration through more efficient processing.

To adequately address the issues regional South Australia and regional Australia are facing, a national approach to migration is required that has clear objectives that promotes regional and rural migration and provides mechanisms to verify compliance with visa requirements. This approach should consider developing more pathways to permanent residency for migrants undertaking practical or more “unskilled” work that is necessary to support a specific region’s economy.

A possible mechanism to assist with visa compliance verification is to utilise data matching with the ATO to enable checks to ensure the visa holder is still resident in and working within the qualified area.<sup>26</sup> This check could also be extended to ensure migrants are being paid correct wages by employers, extending more protections to migrants.

***Recommendation 5: The Select Committee recommends the Commonwealth Government reviews the national migration framework and a holistic, flexible national approach be adopted that promotes more permanent migration to rural and regional Australian areas.***

## Other opportunities to promote regional and rural migration

### Decentralisation of South Australian Government Services to regional areas

The South Australian Region of Council’s (SAROC)<sup>27</sup>, most frequently identified barrier to attracting skilled migrants (by a significant measure) is the availability of appropriate employment opportunities.<sup>28</sup>

If South Australian Government Services were to be decentralised, then employment opportunities would be more available and varied, helping to address the issue identified above by SAROC councils.

Decentralisation of government services also has the capacity to help build regional economic resilience by reducing regional communities’ reliance on primary industry, providing regional communities with more economic diversity, which in turn helps achieve the actions identified by the Australian government as necessary to make regional communities more resilient to disaster, drought and other climate related events.

Opportunities for the decentralisation of the South Australian government may exist as the economy transforms to the impacts of climate change<sup>29</sup> where new endeavours may be undertaken regionally. Some opportunities may exist in renewable energy, new technology and climate smart goods and services.<sup>30</sup>

Temporary migration programs can support the decentralisation of state government services as these programs could be the mechanism that can help attract migrants to these positions.

<sup>25</sup> SA Centre for Economic Studies, *Evidence to Inform Local Government Advocacy for a Strategic Population Policy* (2018) page 73.

<sup>26</sup> Above n 25.

<sup>27</sup> Note the 47 Regional Councils are listed in Appendix 1 of the SAROC Strategic Plan < <https://www.lga.sa.gov.au/SAROC> >.

<sup>28</sup> LGASA, *South Australian Region of Councils Strategic Population and Carrying Capacity Snapshot*, page 4.

<sup>29</sup> Government of South Australia, *Directions for a Climate Smart South Australia* (2019) page 4.

<sup>30</sup> *bid*.

***Recommendation 6: The Select Committee encourages State and Territory government to decentralise Government Services outside of metropolitan areas; and***

***6.2 The select committee recommends that the South Australian Government aims to achieve at least 30% of the state government public service being based outside of Greater Adelaide.***

## Conclusion

The LGASA acknowledges temporary migration as one vital part of the picture that contributes to establishing and creating diverse, thriving and economically resilient communities.

The focus of temporary migration and other migration policies should be to address the reinforcing trends of subdued economic growth and the “demographic deficit” occurring in regional and rural South Australia.

A holistic, flexible, national regional and rural migration approach, that supports and promotes the general development, infrastructure and otherwise, of regional and rural communities is necessary to attract and retain migrants and young people in these communities.



148 Frome St  
Adelaide SA 5000

GPO Box 2693  
Adelaide SA 5001

T (08) 8224 2000

E [lgasa@lga.sa.gov.au](mailto:lgasa@lga.sa.gov.au)

**[www.lga.sa.gov.au](http://www.lga.sa.gov.au)**