

20 September 2019

Committee Secretary  
Joint Standing Committee on Migration  
PO Box 6021  
Parliament House  
Canberra ACT 2600

To Whom It May Concern,

### **SUBMISSION TO THE INQUIRY INTO MIGRATION IN REGIONAL AUSTRALIA**

Regional Development Australia Barwon South West (RDA BSW) welcomes the opportunity to provide a submission to be considered by the Joint Standing Committee (JSC) on Migration for the 'Inquiry into migration in regional Australia'


RDA BSW is providing this submission primarily to inform the Government on the urgent need for intervention and to develop clear policy and initiatives to support regional migration.

RDA BSW wishes to acknowledge the efforts of the Great South Coast Regional Partnership (Victorian Government Advisory Committee), South West Victorian Councils of Corangamite, Moyne, Glenelg, Southern Grampians and Warrnambool City, Leadership Great South Coast, Deakin University and Regional Development Victoria who are demonstrating leadership and collaboration to address the issues of workforce and skills challenges in the South West area of the Barwon South West region.

RDA BSW will continue to work with the region to foster coordinated approaches that empowers the region to implement place-based migration initiatives and continue to advocate for access to more resourcing to support the implementation of regional migration initiatives.

Please do not hesitate to contact the Committee via email [rda.barwonsouthwest@rdv.vic.gov.au](mailto:rda.barwonsouthwest@rdv.vic.gov.au) should you wish to discuss any of the recommendations.

Yours sincerely



**Bruce Anson**  
Chair  
RDA Barwon South West

Regional Development Australia Barwon South West  
submission to the  
Joint Standing Committee for Migration

## **Migration in Regional Australia**

20 September 2019

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## Key Recommendations

Regional Development Australia Barwon South West (RDA BSW) welcomes the opportunity to provide a submission to be considered by the Joint Standing Committee on Migration for the inquiry into migration in regional Australia. RDA BSW is providing this submission primarily to inform the Government on the need for intervention and to develop clear policy and initiatives to support regional migration.

In addition, this submission presents an opportunity for the RDA BSW to provide an update on the research undertaken for the South West (also known as the Great South Coast) area of the region on workforce supply, workforce shortages and working population imbalances in the region. Examples of regional migration initiatives in the Barwon South West region include the Great South Coast Designated Area Migration Agreement and the Great South Coast Economic Migration Project.

Both programs are having a positive impact on attracting and retaining migrants to support the region's working population. However, to undertake projects effectively it is critical that the region has access to resource these initiatives in a way that works at a place/community level. Effective resourcing of migration initiatives is beyond the capacity of most regional and rural councils and threatens successful implementation or further expansion.

RDA BSW in partnership with other regional stakeholders are working towards agreed outcomes to increase the prosperity, health and wellbeing of the region by realising the full potential of the strong forecast earning and jobs growth across multiple industries and exports. Migrant attraction and migrant retention are key strategies to help stimulate sustainable growth of the regional working population. Whilst working towards these agreed outcomes the BSW RDA has gathered the following insights which are provided for the Joint Standing Committee for Migration's consideration:

- Access to adequate resources and funding – Supporting international migration initiatives such as DAMAs, with adequate funding is important to ensure effective migration and regional retention is achieved and to maximise the benefits of the policy/program.
- Place-based approaches - Development of a coordinated and flexible approaches that encourages collaboration across the three levels of government, business and community that empowers regions to implement place-based migration initiatives.
- Targeted Promotion - Increase the awareness of regional migration opportunities by locally promoting migration as a solution to industry for current workforce and skills shortages, as well as identifying and matching migrants to employment opportunities in the region.
- Settlement and community integration services - both international and secondary migration need access to ongoing settlement and integration services to ensure employment and regional retention is achieved.
- Tailored training – Education and training providers need to partner with business and industry to develop flexible solutions to meet the skills demands.

## Regional Context

The RDA Barwon South West region is made up of the area from Queenscliff to the South Australian border, encompassing the entire Great Ocean Road and has a residential population of 412,642 people (2018). The region abuts the nation's largest population growth corridor (west of Melbourne), and includes two state regions (Barwon and Great South Coast), and nine local government areas.

The main industries are manufacturing, retail trade, health care, construction, education and training, agriculture, forestry, fishing and tourism. Manufacturing, health and retail trade are currently the largest employing industries, although the economy has significant opportunities for growth in new energy, advanced manufacturing and food security industries.

Environmentally, the BSW enjoys higher than average rainfall and wind, providing ongoing competitive strengths in agriculture, food, renewable and clean energy production.

The Great South Coast (GSC) is another name for the south-west part of the BSW region, that covers an area of 23,000 square kilometres, extending from the Twelve Apostles Coast to the South Australian border, as shown below.

The GSC subregion has more than 100,000 residents and is a major centre for traditional industries including agriculture (dairy, meat, wool and grain), fishing, forestry, mining and tourism, with emerging opportunities in energy production.

In particular, the region is home to 22% of Australia's dairy production (worth \$1 billion annually) and 18% of Australia's forestry plantations producing hardwood and softwood. (2014 Great South Coast Regional Growth Plan Summary, Victorian Government).

The GSC is also a major tourism destination, including iconic natural attractions such as the Great Ocean Road and internationally recognised areas of indigenous significance. The region attracts more than 6 million tourists annually. (*Tourism Research Australia - March 2019*)



## Regional Migration

Addressing workforce supply shortages and supporting jobs led population growth are key priorities for RDA BSW and is its strategic focus. RDA BSW is working with the GSC area of the region to advocate for collective impact approaches that empowers 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 GSC 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, RDA BSW completed the BSW 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 7000 new and replacement jobs by 2023.

In June 2018, RDA BSW 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. In August 2018, an invitation was offered to the region, led by Warrnambool City Council (WCC), to develop an application for a Designated Area Migration Agreement (DAMA). RDA BSW continued to support the region to develop and finalise this application and ensure the program addressed the workforce supply issues in the BSW region.

In December 2018, the Commonwealth Government announced WCC was successful with their application for the GSC DAMA that covers the Glenelg, Moyne, Southern Grampians, Warrnambool, Corangamite and Colac Otway municipalities and RDA BSW is working with WCC as the Designated Area Representative leading the implementation of the GSC DAMA.

In addition, RDA BSW facilitated the establishment of the GSC Workforce Supply and Population Working Group to collaborate on these issues in the GSC area of the region. There are over 16 projects in the region addressing various population attraction and workforce challenges, each of these projects are responding to a workforce supply and/or skills challenge or need to stimulate population growth in an area of the GSC. This demonstrates that a “one size fits all” solution to address workforce and population growth challenges is not the answer, rather a suite of initiatives working collaboratively, adopting a place-based approach, towards an agreed outcome provides the best opportunity for successful integration and longer stays

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

## Issues

***Engagement with major employers across the Great South Coast region undertaken by Local Government Authorities and the Office for the Victorian Skills Commissioner, highlights ongoing shortages of skilled and semiskilled workers.***

- The shortages can be attributed to three primary factors:
  - **Very Low Unemployment rates** - In July 2019, the three-month average unemployment rate for the region was 2.3% compare to the Regional Victoria average of 3.7%, one of the lowest in regional Victoria. Since November 2018, the regional unemployment rate has decreased by 2.8%, from 5.1%. In addition, youth unemployment is also the lowest in regional Victoria at 7.17% (FY 2019 Q1). This demonstrates the extent of the tight labour pool in the region. *(ABS – 3 month moving average)*
  - **Flat Population Growth** - The 10-year average annual population growth rate 2008 – 2018 is currently 0.26%. *(ABS)*
  - **Ageing workforce and young people leaving the region** - An aging workforce combined with a significant contraction of young people moving into the workforce to replace those exiting

***The GSC is experiencing strong growth with industry and government forecasting the need for over 7,000 new employees by 2023 across a range of sectors.***

- The 2018 Regional Skills Demand Profile GSC reports jobs growth for the region in key industry groups across the period 2018-2021 to be in the range of 2,450 – 7,150 jobs (including replacements) with the order of magnitude subject to the extent to which favourable economic conditions are realised.

- The Victorian Skills Commissioner (VSC) has also worked with the GSC regional communities to develop a Regional Skills Demand Profile (refer attachment or visit <http://www.vsc.vic.gov.au/qsc-regional-skills-demand-profile/>) for the region that indicates vacancies in a range of occupations including:

- Healthcare and social assistance
- Tourism, retail and hospitality
- Horticulture
- Agriculture and aquaculture
- Transport, logistics, automotive and part operations; and
- Heavy manufacturing and construction.

Figure 1a

- Employment projections from the Department of Jobs and Small Business are also forecasting strong jobs growth for the GSC region across a diverse range of occupations (SA4 Projections 2023 by Industry) Figure 1b.
- For the GSC region to realise its forecast growth and continue to generate economic output, it is vital the region has access to an appropriately skilled workforce.

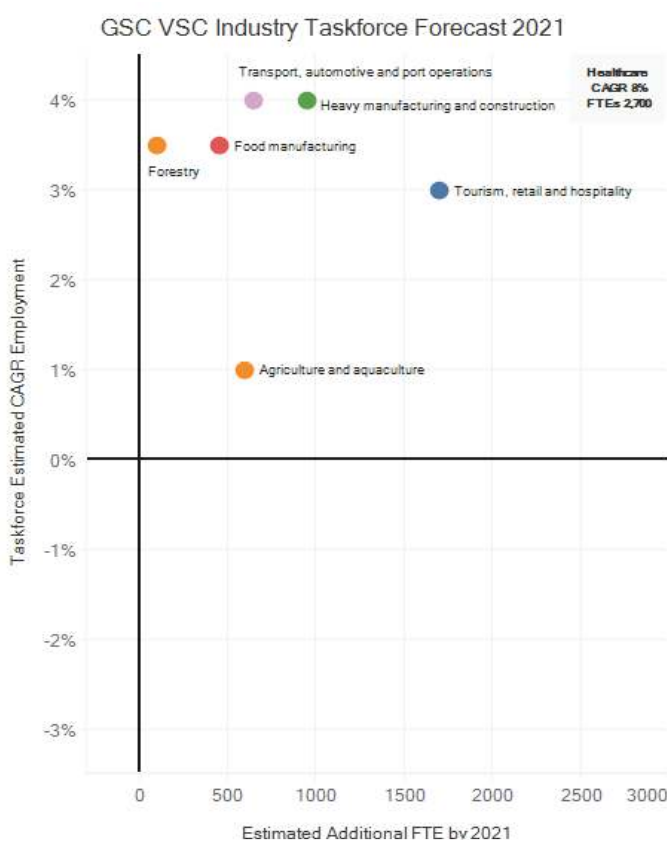


Figure 1a: Victorian Skills Commissioner 2018 Great South Coast Regional Skills Demand Profile

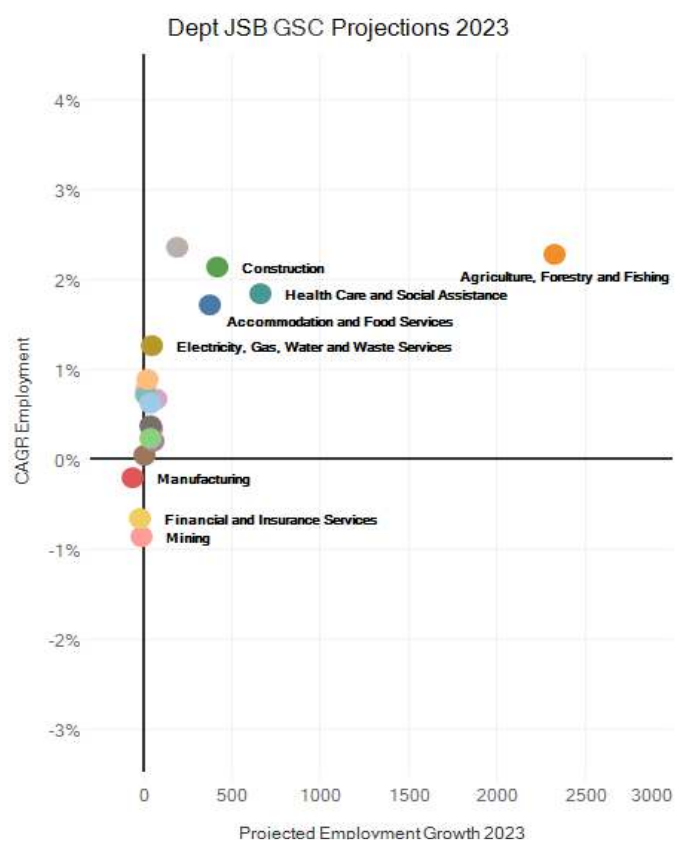


Figure 1b: Department of Jobs and Small Business - Employment Projections by industry May 2023

**Low population growth combined with the net outward youth migration will significantly exacerbate the current imbalance and without intervention these trends will become even more pronounced over the next 5-10 years.**

- The current workforce population is unbalanced and significantly underrepresented in the 15-30 year-old cohort, with the largest representation sitting between 50-54 years of age (ABS Census 2016), and in 10 years these workers aged 50-54 years will be looking to exit the workforce. Figure 2
- Intervention is required now to address this imbalance as it will be difficult to attract or retain a workforce if the economic and growth opportunities are not realised. Figure 3



## Implied Migration

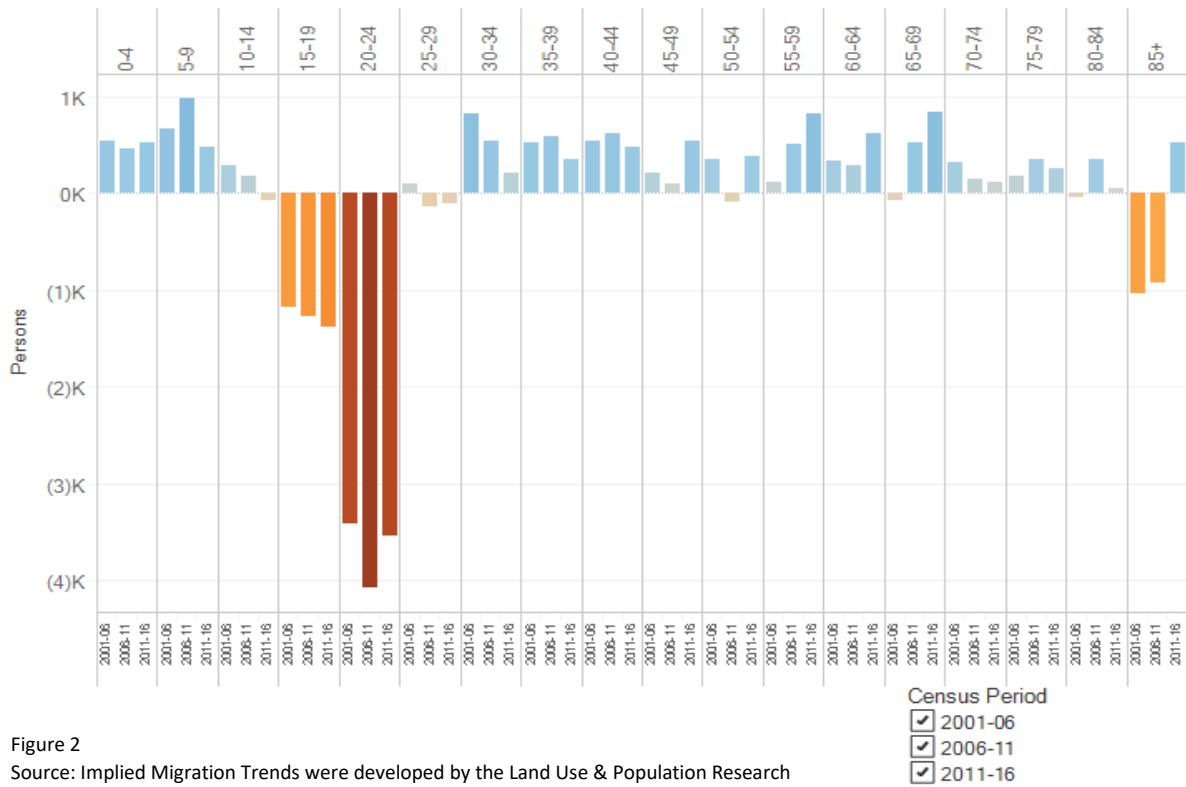


Figure 2  
 Source: Implied Migration Trends were developed by the Land Use & Population Research group within the Victorian Government Department of Environment, Land, Water and Planning

## Working Population – All

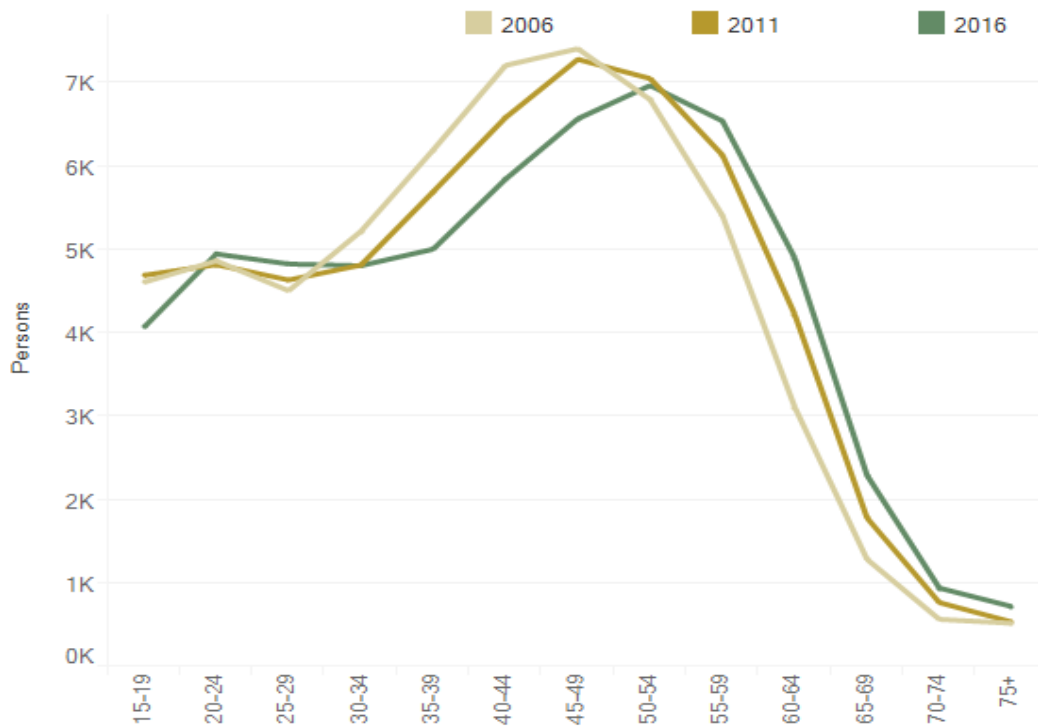


Figure 3  
 Source: Modelled off ABS Census time Series SA2 Geography 2016 Census Time Series T33



***Increasing the proportion of migrants that settle in the GSC region has been identified as an immediate priority to address the current workforce imbalance.***

- The Commonwealth Government announced the GSC DAMA to address some of the labour shortages in skilled and semi-skilled workers on December 10, 2018.
- A key outcome of a DAMA is the potential pathway to permanent residency as a major incentive to attract and retain overseas workers in the region.
- DAMA is only one of the mechanisms to attract migrants. Other initiatives such as secondary migration programs, temporary workers and consideration of the recent visa changes will also need to be utilised.
- Additionally, the region is working on strategies to attract and retain youth.

### Great South Coast DAMA (example)

***The GSC is one of seven approved DAMAs in Australia. These include Northern Territory DAMA, Adelaide Technology and Innovation Advancement Agreement, South Australian Regional Workforce Agreement, Goldfields DAMA (Western Australia), Orana DAMA (NSW) and the Cairns Chamber of Commerce DAMA (Queensland).***

- The Local Government Areas included in the GSC DAMA are Warrnambool City Council (WCC), Moyne Shire Council, Glenelg Shire, Colac Otway Shire, Southern Grampians Shire and Corangamite Shire.
- WCC has taken a leadership role highlighting the scale and urgency of labour shortages in the region and agreed to act as the Designated Area Representative (DAR) and is responsible for the management and broad oversight of the GSC DAMA program.
- The GSC region has negotiated a DAMA that includes occupations and conditions that will assist the region address the most acute labour shortages. Under the DAMA framework, employers in the GSC experiencing skills and labour shortages in those industries can apply for endorsement to enter into a DAMA labour agreement. This enables them to sponsor skilled and semi-skilled overseas workers with more flexible requirements than are available via the standard skilled visa programs.

***Effective resourcing of the GSC DAMA is required to ensure successful implementation and that the program will contribute to addressing the current working population imbalance.***

- The establishment and administration of the GSC DAMA is expected to cost approximately \$250,000 - \$300,000 per year
- As a key regional priority for RDA BSW, RDA BSW agreed to provide \$45,000 in financial support to WCC to support the development of an online application platform and information portal, and to determine roles and responsibilities across the region.
- Further financial support will be required to support WCC as DAR for the region as there is a considerable risk that the full potential of the DAMA not being realised as a part of the solution to addressing current and forecast labour shortages in the region.
- The cost to apply to the DAMA for employees is significant (circa \$20,000 per application) which may impact on employers taking up the opportunity. To make DAMA more accessible and affordable for employers to participate, consideration should be given to subsidising and/or incentivising employers to access the DAMA program, especially in the establishment phase of a new DAMA.

### **Impact of the GSC DAMA so far**

After the initial announcement of the GSC DAMA, in excess of 2000+ enquiries for employment and 200+ enquiries from prospective employers have been received by WCC.

The first round of the GSC DAMA application process opened on 11 June 2019 and closed on 5 July 2019. WCC received 26 applications across three employers, two located in Colac and one employer based in Warrnambool.

WCC have provided RDA BSW with some interim figures set out below on the impact of the GSSC DAMA so far after Round 1:

- 26 applications received across three employers
- Two major meat processors in our region (Colac and Warrnambool) have applied with the most prominent occupation applied for being meat boner/slicer.
- An application for truck driver (multi-combination licence) from a company in Colac.
- Applications for Round 1 were restricted to businesses that had already met the strict Labour Market Testing criteria necessary before applying for endorsement under the DAMA.
- Warrnambool City Council, as the DAR assessed and endorsed all 26 applications.

This has been a positive start to the program as the Annual DAMA cap is 100 applications. Many companies particularly SME's and Dairy farms whom have expressed interested in accessing DAMA have not yet satisfied the labour market testing requirement.

### **Next steps for WCC**

- WCC are awaiting advice from Department of Home Affairs on the (DAR) recommendations for endorsement for employers under Round 1.
- Subject to Department of Home Affairs agreement with the DAR decision, employers will then be invited to enter in a Labour Agreement.
- If the employer has identified a suitable applicant, subsequent nomination and visa application processing timeframes should allow that candidate to commence sponsored employment within 2 -3 months.
- WCC are required to provide a report to Department of Home Affairs on the DAMA in January 2020.

### **Great South Coast Economic Migration Project (example)**

Leadership Great South Coast (LGSC), in partnership with iGen Foundation and the Great Lakes Agency for Peace and Development (GLAPD), coordinated the Great South Coast Economic Migration Pilot.

This pilot project aimed to support 10 metropolitan families, Australian citizens originally from Africa, to relocate to three rural small towns in the Great South Coast region of western Victoria. Based on large family sizes, an estimated 80 -100 people will relocate.

An interactive Online Database was established by GLAPD to match families with employers and rural communities. Local community groups were offered cultural training and were engaged to welcome new and potential families to the area. Families who were looking to relocate were offered weekend orientation to visit the region prior to relocation and support was provided locally to assist with this process.

### **Impact of the GSC Economic Migration Project so far**

- The project has assisted nine migrant families resettle in South-West Victoria. (Five families in Southern Grampians Shire and four families in the Glenelg Shire).
- Full Time and Part Time positions have been filled in Manufacturing, Forestry, Agriculture, Construction, Child Care, Translation, Aged Care, Cleaning, Disability Support, Health and Project Management

- A ‘Buddy Program’ has been established to support the families in Hamilton. Each family is matched with a buddy family through the Rural Australians for Refugees (RAR) that assists them to build relationships in the community through regular catch-ups, inviting them to community events and gatherings, and ensuring they are included in community life
- RAR are taking the lead to formalise the ‘Buddy Program’ to ensure each family is matched appropriately
- A local language Café has been set up in Hamilton and is open to anyone in the community wishing to practice English conversation in a relaxed and informal setting
- The Tutoring Café is a parallel program with the Language Café that provides primary school aged students with homework assistance by Hamilton and Alexandra College secondary school students
- English language lessons are available for new families at the Hamilton Library. Volunteers that are trained in English as a Second Language (ESL) teach the families English in a formalised setting. Where necessary English Language training also occurs in home.
- Cultural training is provided and occurs in communities prior to families moving.

## Conclusion

The RDA BSW has a focussed effort on identifying and addressing workforce supply challenges and has determined that without intervention, these current workforce shortages and working population imbalances in the region will become even more pronounced over the next 5-10 years. Current trends in population growth will not deliver on industry needs and will constrain economic growth.

DAMA’s enable regions to respond to their unique workforce shortages using experienced, skilled or semi-skilled overseas workers. The GSC DAMA will encourage more migrants and their families to consider making the Great South Coast home and will assist migrants in becoming permanent residents of Australia and choosing to settle longer term in the Great South Coast region.

DAMA is only one of the mechanisms required to attract migrants. RDA BSW will continue to work with the region to establish a coordinated government approach that empowers the region to implement place-based migration initiatives and that the region has access to resources to support successful implementation.

For communities and settlement services to assist migrants gain successful employment outcomes in regional Australia, including local work experience opportunities, skills certification and training, knowledge of Australian workforce regulations, accommodation and travel to and from the workplace, a coordinated approach across the three levels of government is needed and this will empower regions to implement place-based migration initiatives.

Effective resourcing of migration initiatives is beyond the capacity of most regional and rural council and threatens successful implementation or expansion. For an established coordinated government approach to empower regions to implement place-based migration initiatives, more resourcing is required. Regional migration initiatives need to be promoted to industry as a solution to workforce supply.

Co-ordinated approaches across the three levels of government that empowers regions to implement place-based migration initiatives needs to be established and the regions need access resources to deliver place-based migration initiatives and settlement services in the region and this should also include facilitated support for secondary migrants and international migrants.

We need to reduce the skills gap to support a more effective workforce integration by providing access to suitable job skills training and increase the awareness of regional migration opportunities by locally promoting migration as a solution to industry for current workforce shortages and to migrants about employment opportunities in the region.

Commonwealth intervention is required to ensure resourcing and administration of regional migration and settlement services in the region are working to leverage better outcomes.