

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

# **Report of the Inquiry into Migration in Regional Australia**

Joint Standing Committee on Migration

June 2020  
CANBERRA

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ISBN 978-1-76092-108-8 (Printed Version)

ISBN 978-1-76092-109-5 (HTML Version)

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# Committee Membership

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Ms Maria Vamvakinou MP

## *Members*

Mr John Alexander OAM MP

Senator Raff Ciccone

The Hon Damian Drum MP (*from 28 November 2019*)

Mr Steve Georganas MP

Senator the Hon Sarah Henderson

Mr Julian Hill MP

Senator Nick McKim

Dr Fiona Martin MP (*until 28 November 2019*)

Senator Gerard Rennick

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# Terms of Reference

The Joint Standing Committee on Migration shall inquire into and report on the breadth of migrant settlement strategies and migration settings – including for skilled and humanitarian migrants – in regional Australia, with reference to:

- national and international best practice strategies to encourage people to settle and stay in regional areas;
- strategies to develop regional skilled migration;
- strategies to develop regional humanitarian migration;
- key local, state and federal initiatives for successful regional settlement outcomes;
- local volunteers, employers and community organisations and their role in facilitating regional settlement;
- relevant migration policy, including administration and state specific migration mechanisms;
- related infrastructure matters; and
- any other related matter.

The Committee shall give particular consideration to how communities and settlement services can best assist migrants to 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.



# Foreword

This inquiry was established to consider policies that would encourage migrants to settle and remain in regional Australia.

Regional Australia contributes around 30 per cent of Australia's GDP. But with declining populations and an estimated 60,000 job vacancies when this inquiry was established, many of our smaller cities and regional areas were struggling to fill the jobs available.

This represented a serious challenge for Australia's economy. If jobs cannot be filled the survival of industries in regional Australia is threatened, a point memorably illustrated by evidence from the South Australian wine industry which is worth more than \$2 billion to the economy.

In the Clare Valley, just over two hours from Adelaide, the wine industry has not filled all its job vacancies for fruit pickers over the last couple of vintages. The industry also struggles to get people to staff their cellar doors and restaurants. Without workers, the industry cannot pick their harvest or market their wine. This impacts on their growth opportunities, fulfilment of exports, and over time risks the contraction of the industry.

We heard strong evidence that skilled migrants create jobs for Australians. In Mount Gambier we visited the Metro Bakery where the migration of two skilled pastry chefs from the Philippines (to do a job in a location where no Australian was willing or qualified) has resulted in those migrants training five apprentices, leading to the business expanding and employing 45 local people, including at-risk Australians.

Visiting regional Australia gave the Committee insight into some of the challenges towns and cities were facing in attracting and retaining migrants, as well as the social and cultural contribution migrants can make to a community.

In March this year, due to the COVID-19 pandemic, the Committee became unable to travel to public hearings and the landscape of Australia's economy shifted significantly. The Committee unanimously resolved to suspend the inquiry.

The economic impacts of the public health situation has changed the circumstances for regional communities for more than just the short term. Australia's borders have been temporarily closed, and the situation will continue to evolve as the Government considers how and when to reopen Australia to migration. In light of this uncertainty the Committee has decided to draw the inquiry to a close.

As the inquiry has been curtailed the committee did not have the opportunity to fully interrogate issues or draw conclusions which could form agreed recommendations. However, in this short report the committee has decided to note some of the recurrent issues raised both in submissions and evidence to the committee.

On behalf of the Committee, I would like to thank everyone who has made submissions or appeared before the Committee to provide evidence.

**Mr Julian Leeser MP**

**Chair**

# 1. Introduction

## Background

- 1.1 On 12 August 2019, the Joint Standing Committee on Migration was referred an inquiry into migration in regional Australia by the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, the Hon David Coleman MP.
- 1.2 Between August 2019 and March 2020, the Committee received 131 submissions, held 11 public hearings, and conducted four site visits as part of the inquiry. A list of submission can be found in Appendix A, and a list of the public hearings can be found in Appendix B.<sup>1</sup>
- 1.3 On 25 March 2020, the Committee resolved unanimously to suspend the inquiry. This decision was taken as a result of the COVID-19 pandemic, and the economic effects of the public health situation potentially changing the needs of regional communities.
- 1.4 In addition, as a result of COVID-19, the Government announced that the number of migrants coming to Australia would be reduced by 30 per cent in 2019-20, and by as much as 85 per cent in 2020-21.<sup>2</sup> At the same time the unemployment rate is predicted to reach as much as 10 per cent. The changed economic circumstances mean that an inquiry which sought to encourage more migrants to come to and remain in regional Australia would not be as useful in the present economic environment.

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<sup>1</sup> Submissions and transcripts of public hearings can be viewed on the Committee website at [www.aph.gov.au/regionalmigration](http://www.aph.gov.au/regionalmigration).

<sup>2</sup> Prime Minister the Hon Scott Morrison MP, *Press conference*, 1 May 2020, <<https://www.pm.gov.au/media/press-conference-australian-parliament-house-act-1may20>> accessed 10 June 2020.

- 1.5 As the course of the public health situation progressed, it became clear that the circumstances of regional communities would be changed for more than just the short term, the Committee took the decision to cease the inquiry's program of hearings and move directly to a report.
- 1.6 Nonetheless, the Committee observed that some aspects of the evidence it had received would be beneficial to put on the public record as these matters could be taken into account as the economy emerges in a post-COVID-19 world. These matters are outlined in Chapter 2 of this report.
- 1.7 A copy of this report, transcripts of hearings and submissions received are available on the Committee's website at [www.aph.gov.au/migration](http://www.aph.gov.au/migration).

## 2. Inquiry outcomes

### Background

- 2.1 During the course of this inquiry, the Committee received a large volume of evidence relating to the needs of regional communities in relation to migration. This chapter outlines the major issues raised in a pre COVID-19 environment.
- 2.2 Throughout the inquiry, the Committee was told of the deep support for migration in Australia's regions, and the vital role migrants play in boosting population growth and supporting regional economies by filling gaps in the Australian workforce.
- 2.3 The Regional Australia Institute (RAI) underscored the importance of migration to regional communities, noting that over nine million people live in regional areas, and that it 'contributes one third of total national economic output'. As such, regional Australia's 'future prosperity is critical to the future of the nation'.<sup>1</sup>
- 2.4 In terms of the contribution of migrants to regional population growth, RAI stated that:

While the Census data does not identify the year of arrival of migrants, it does show that people who are born overseas and move to Australia are vital for the sustainability of regional Australia. Census figures show that, for many small towns, international migrants have been their only source of population growth.<sup>2</sup>

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<sup>1</sup> Regional Australia Institute, *Submission 108*, p. 4.

<sup>2</sup> Regional Australia Institute, *Submission 108*, p. 4.

2.5 RAI further noted that there was a shortfall in the number of international migrants settling in Australia's regions:

Despite the importance of international migration to Australia's population, overall only around 15 per cent of the international migrants that arrived in Australia between 2006 and 2011 settled in a regional area. Regional Australia is not getting its share of international migration and is therefore not fully benefitting from the value that migration can bring.<sup>3</sup>

2.6 In its submission, RAI told the Committee that not only does migration contribute to 'population growth' and 'can revitalise the local community', it 'is also vital for filling jobs in regional Australia'.<sup>4</sup>

2.7 Additionally, RAI elaborated on how migration can assist to revitalise regional communities:

Migration has also been shown to contribute to the creation of jobs, with many studies quantifying the impact of migrants on entrepreneurship and job creation in a specific town/region as well as across Australia.<sup>5</sup>

2.8 The Australian Local Government Association stated:

International migrants provide stability to communities in regional Australia by offsetting population decline and the departure of young adults, as well as being essential to meeting work force shortages. Some regional areas are already experiencing population growth and overseas-born residents are a significant, and in some cases, the only contributor to that growth. Regional migration can be a win-win scenario for new arrivals and host communities in the regions.<sup>6</sup>

2.9 Wagga Wagga City Council provided an example of some of the social benefits that regional migration brings:

Wagga's multicultural community has developed and supported highly successful events such as Fusion, which is a multicultural street festival and the region's biggest outdoor live music festival. It combines the music, food and culture of our community. In addition to Fusion, the diverse community

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<sup>3</sup> Regional Australia Institute, *Submission 108*, p. 5.

<sup>4</sup> Regional Australia Institute, *Submission 108*, p. 5.

<sup>5</sup> Regional Australia Institute, *Submission 108*, p. 4.

<sup>6</sup> Australian Local Government Association, *Submission 26*, p. 3.

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has helped Wagga become a more progressive society through our Refugee Week, sporting clubs, Spring Jam, and Mardi Gras events.<sup>7</sup>

2.10 Broadly, the Committee received significant evidence that it was becoming difficult to employ migrants in regional areas to meet labour shortages, endangering the ability of businesses to maintain their operations. The matters raised below provide a summary of the evidence received in relation to the issues perceived as causing these difficulties.

## Occupation lists

2.11 Many of the submitters and witnesses to the inquiry were of the view that the Australian and New Zealand Standard Classification of Occupations (ANZSCO) list is currently severely out of date and requires immediate review and regular and timely updates.

2.12 For example, the Australian Chamber of Commerce and Industry (ACCI) noted that 'one of the pillars of labour market statistical infrastructure' is the ANZSCO, which is maintained by the Australian Bureau of Statistics (ABS). According to ACCI:

Despite major changes to the economy and jobs, including new jobs driven by technology as well as changes to the level of skill needed in certain jobs, ANZSCO has only been reviewed and revised twice (2009 and 2013) since its introduction.<sup>8</sup>

2.13 Business SA echoed these concerns, stating that 'there have been major changes to the economy and job market' since 2013, and that 'without regular reviews, this list will not reflect technological progress and the changing nature of jobs'.<sup>9</sup>

2.14 Business SA told the Committee about how the lack of review of ANZSCO has impacted regional business:

These classifications make it hard for small businesses, especially in the regions, to effectively navigate the migration system and access the skills they need.<sup>10</sup>

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<sup>7</sup> Wagga Wagga City Council, *Submission 37*, p. 2.

<sup>8</sup> Australian Chamber of Commerce and Industry, *Submission 34*, p. 20.

<sup>9</sup> Business SA, *Submission 38*, p. 9.

<sup>10</sup> Business SA, *Submission 38*, p. 8.

2.15 Both the ACCI and Business SA summarised the views of many submitters and witnesses in calling for the ABS to conduct regular reviews of ANZSCO so that changes due to technological progress and changes in the job market can be adequately reflected in the occupation lists associated with skilled migration.<sup>11</sup>

## Temporary Skilled Migration Income Threshold

2.16 The Temporary Skilled Migration Income Threshold (TSMIT) was another matter that was raised regularly during the course of this inquiry.

2.17 According to Department of Home Affairs, the TSMIT is designed to ensure that overseas workers are paid no less than an Australian worker would if they did the same job in the same location. At present, the TSMIT is set at \$53,900, and in order to qualify for a skilled visa, an employer must both demonstrate that an overseas worker will be paid a salary higher than the TSMIT, and in accordance with the annual market salary rate for that occupation.<sup>12</sup> The Committee heard that this caused particular problems in some regional areas where some skilled jobs have salaries below \$53,900.

2.18 The Government of South Australia summarised the view put by many submitters on the TSMIT:

Where an employer can't fill a vacancy locally, nationally set conditions like the TSMIT can make it unappealing to fill the vacancy with a migrant instead. In some industries, the TSMIT substantially exceeds the highest award wage, making it expensive and unlikely that the employer will use the migration system to address the workforce shortage. This only has a deleterious effect on regional productivity.<sup>13</sup>

2.19 The ACCI argued that the TSMIT should be adjusted to reflect market conditions in regional areas:

To reflect differences in the market pay and the cost of living between cities and regional Australia and to assist in minimising the difference in the market rate of pay between an overseas worker and an Australian worker doing the same role, the TSMIT as an income floor should be 10 percent lower for

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<sup>11</sup> Business SA, *Submission 38*, p. 9; and Australian Chamber of Commerce and Industry, *Submission 34*, p. 21. See also Restaurant and Catering Australia, *Submission 45*, p. 3.

<sup>12</sup> Department of Home Affairs, 'Nominating a position: salary requirements', <<https://immi.homeaffairs.gov.au/visas/employing-and-sponsoring-someone/sponsoring-workers/nominating-a-position/salary-requirements>> accessed 4 June 2020.

<sup>13</sup> Government of South Australia, *Submission 77*, p. 5.

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regional areas (defined as work outside the capital city metropolitan areas of all states and territories).<sup>14</sup>

## Skilling Australia Fund levy

2.20 Another issue in relation to the employment of overseas workers that was regularly raised by those who engaged with this inquiry is the Skilling Australia Fund (SAF) levy.

2.21 The SAF levy is collected by the Department of Home Affairs on submission of an application to nominate a skilled overseas worker, and costs between \$1,200 and \$7,200 depending on the size of the business and the length of the nomination.<sup>15</sup> The SAF is administered by the Department of Education, Skills and Employment, and is designed to increase the number of apprentices and trainees.<sup>16</sup>

2.22 The Regional Australia Institute noted that the costs of sponsorship of skilled workers 'can be prohibitive for small and medium sized businesses', and that in addition to costs such as the TSMIT and migration agent fees, paying the SAF levy at point of application 'effectively put the possibility of sponsoring skilled workers... beyond the reach of many small regional businesses'.<sup>17</sup>

2.23 Similarly, the Migration Institute argued that the levy 'is a deterrent or financial barrier for regional employers'. It stated that 'the negative impacts arising from the SAF levy could be significantly reduced if:

- the levy is waived for regional sponsoring employers;
- it is collected only once a nomination has been approved rather than on application; and
- it is refunded in all cases where a nomination has not been approved.<sup>18</sup>

2.24 Many other submitters agreed with the need to reform the SAF levy.<sup>19</sup>

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<sup>14</sup> Australian Chamber of Commerce and Industry, *Submission 34*, p. 23.

<sup>15</sup> Department of Home Affairs, 'Costs of sponsoring', <https://immi.homeaffairs.gov.au/visas/employing-and-sponsoring-someone/sponsoring-workers/learn-about-sponsoring/cost-of-sponsoring> accessed 4 June 2020.

<sup>16</sup> Department of Education, Skills and Employment, 'Skilling Australians Fund', <https://www.employment.gov.au/skilling-australians-fund> accessed 4 June 2020.

<sup>17</sup> Regional Australia Institute, *Submission 108*, p. 14.

<sup>18</sup> Migration Institute of Australia, *Submission 57*, p. 26.

## Designated Area Migration Agreements

2.25 According to the Department of Home Affairs, a Designated Area Migration Agreement (DAMA) is ‘a formal agreement between the Australian Government and a Designated Area Representative (DAR) to fill recognised labour shortages in a designated area’, and is ‘used to provide tailored solutions to regions where there are skills gaps and shortages that cannot be met by Australian workers’.<sup>20</sup>

2.26 At present, there are seven DAMAs in place:

- Northern Territory, with Immigration NT as the DAR;
- The Goldfields, Western Australia, with the City of Kalgoorlie Boulder as the DAR;
- Great South Coast, Victoria, with the Warrnambool City Council as the DAR;
- Adelaide City and Regional South Australia, with Immigration SA as the DAR for both;
- Orana, New South Wales, with Regional Development Australia Orana as the DAR; and
- Far North Queensland, with the Cairns Chamber of Commerce as the DAR.<sup>21</sup>

2.27 DAMAs can provide concessions to the standard requirements of employer sponsored skilled migration, including on issues such as the occupation and skills lists, the age requirements, salary requirements, English language thresholds, and pathways to permanent residency.<sup>22</sup>

2.28 Some of the evidence received by the Committee on this issue was supportive of the flexibility provided to regional areas by the negotiation of DAMAs. For instance, the Government of South Australia stated that

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<sup>19</sup> For example, Mr Mark Glazbrook, *Submission 125*, p. 2; Government of South Australia, *Submission 77*, p. 15; Mr Mark McKenna, Business SA, *Committee Hansard*, 19 November 2019, p. 11; Kalgoorlie Consulting Services, *Submission 65*, p. 2; Restaurant and Catering Australia, *Submission 45*, pp. 1-2; Cross Cultural Communication and Management, *Submission 61*, p. 17; and Australian Chamber of Commerce and Industry, *Submission 34*, p. 22.

<sup>20</sup> Department of Home Affairs, *Submission 116*, p. 4.

<sup>21</sup> Department of Home Affairs, *Submission 116*, Attachment B.

<sup>22</sup> Department of Home Affairs, *Submission 116*, Attachment B.

DAMAs ‘serve as an excellent example of how bilateral approaches to migration policy can meet regional migration needs’.<sup>23</sup>

2.29 In regard to the two South Australian DAMAs specifically, the Government of South Australia told the Committee that:

They will enable South Australian employers to sponsor skilled overseas workers under the Temporary Skills Shortage visa – labour agreement stream in occupations listed in the DAMA, for positions they are unable to fill with local workers. Employers experiencing skills and labour shortages can apply to the Government of South Australia for endorsement to enter into a DAMA labour agreement with the Australian Government. This enables employers to sponsor skilled and semi-skilled overseas workers with more flexible requirements than are available via the standard skilled visa programs.<sup>24</sup>

2.30 Conversely, some submitters to this inquiry noted that early feedback on DAMAs had not been uniformly positive. The ACCI summarised the views put forward by its membership:

Early feedback suggests that small and regional businesses find that DAMAs are not a silver bullet and the cost to employers is prohibitive and the process of nomination lengthy. The DAMA itself has not made the migration process simpler for the sponsoring business. Businesses often require assistance from a migration agent to navigate migration processes, which can be costly.<sup>25</sup>

2.31 Similarly, Business SA noted that while it was supportive of DAMAs, they represent an ‘extreme and lengthy administrative burden for employers’, given the application process requires:

- Application to Immigration SA for endorsement;
- Application for a labour agreement;
- Application for the nomination;
- Application for the visa.<sup>26</sup>

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<sup>23</sup>Government of South Australia, *Submission 77*, p. 11.

<sup>24</sup> Government of South Australia, *Submission 77*, p. 11. For further examples, see City of Kalgoorlie Boulder, *Submission 51*, p. 7; Regional Development Australia Orana, *Submission 73*, p. 2; and Regional Development Australia Murrayland and Riverlands, *Submission 126*, p. 4.

<sup>25</sup> Australian Chamber of Commerce and Industry, *Submission 34*, p. 19. For further examples, see Mr Mark Glazbrook, *Committee Hansard*, 18 November 2019, p. 26; and Business SA, *Submission 38*, p. 9;

<sup>26</sup> Business SA, *Submission 38*, p. 9.

2.32 Furthermore, Business SA stated that the costs of a visa under the Adelaide DAMA 'have been reported as high as \$15,000, which is a significant cost for a small business or a business that requires multiple employees'.<sup>27</sup>

2.33 The Office of the Australian Small Business and Family Enterprise Ombudsman also noted the 'onerous and difficult' application process for Labour Agreements under a DAMA, stating that:

The six month assessment and approval processes represent a major barrier to small businesses who are, in many cases, responsive to immediate market demand and don't necessarily have the resources of knowledge to apply for Labour Agreements under a DAMA.<sup>28</sup>

## Labour Market Testing

2.34 Another matter that was regularly raised in relation to barriers to employers for sponsoring skilled overseas workers was the requirement to conduct labour market testing.

2.35 Mr Mark Glazbrook discussed labour market testing in the context of DAMAs specifically, arguing that the process of demonstrating that the position cannot be filled by an Australian could be simplified:

When the state government started going through the negotiation process to get access to the DAMA, one of the things they had to do was provide evidence of labour market requirements. That's essentially testing the market to see what occupations are in demand as part of their submission to the federal government. The second part of the application process, once there's the operational DAMA, is that a business needs to apply to the state government to get access to the DAMA process by being endorsed. That requires a business to go through labour market testing.<sup>29</sup>

2.36 Mr Glazbrook stated that, despite already having been assessed twice, the labour market was then tested a third time:

Once they're endorsed and they want to nominate and lodge a visa application for someone, the same business has to go through labour market testing again. You have three stages of labour market testing that cover different stages of the application process. Surely the labour market testing is only required once

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<sup>27</sup> Business SA, *Submission 38*, p. 9.

<sup>28</sup> Office of the Australian Small Business and Family Enterprise Ombudsman, *Submission 21*, p. 2.

<sup>29</sup> Mr Mark Glazbrook, Committee for Adelaide, *Committee Hansard*, 18 November 2019, p. 22.

to cover the whole process, or maybe less often to cover processing time frames.<sup>30</sup>

2.37 However, in relation to temporary visas, Mr Glazbrook stated that labour market testing 'is very important because it shows that someone isn't being brought into the country to replace a local workforce'. In this regard, Mr Glazbrook argued that labour market testing is 'important to the structure of the [migration] program'.<sup>31</sup>

2.38 Business SA noted the 'significant delays' incurred by business in needing to 'demonstrate that a position or positions cannot be filled locally before applying to sponsor a migrant through a temporary visa', stating:

While Business SA is not arguing that employers should not have to justify why they need to employ a migrant worker, Governments still need to be mindful of how all the additional requirements and associated paperwork impact upon businesses, particularly small to medium sized employers and industries where it is well known that there is a shortage of workers. Business SA also notes that the 2014 Independent Review into the integrity of the subclass 457 visa recommended that labour market testing be abolished, based on its unreliability and ineffectiveness.<sup>32</sup>

## New regional visas

2.39 The Committee received a range of views on the new regional visa classes introduced in November 2019. These visas are:

- Skilled Employer Sponsored Regional (Provisional) visa (subclass 494), which is an employer sponsored visa requiring migrants to live and work in a regional area for three years before being eligible for permanent residence; and
- Skilled Work Regional (Provisional) visa (subclass 491), which is a state and territory sponsored visa which requires migrants to live and work in a regional area for three years before being eligible for permanent residence.<sup>33</sup>

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<sup>30</sup> Mr Mark Glazbrook, Committee for Adelaide, *Committee Hansard*, 18 November 2019, p. 22.

<sup>31</sup> Mr Mark Glazbrook, Migration Solutions, *Committee Hansard*, 18 November 2019, p. 25.

<sup>32</sup> Business SA, *Submission 38*, pp. 8-9. See also Office of the Australian Small Business and Family Enterprise Ombudsman, *Submission 21*, p. 2.

<sup>33</sup> Department of Home Affairs, *Submission 116*, Attachment D.

2.40 In addition to these measures, students on the post graduate study visa and the Working Holiday Maker visa were offered an additional year if they live and work in regional Australia.<sup>34</sup>

2.41 The Australian Chamber of Commerce and Industry characterised the introduction of these visas as 'positive', due to the need for holders to demonstrate they have lived and worked in a regional area.<sup>35</sup> Similarly, the National Farmers Federation called it a 'constructive' change.<sup>36</sup>

2.42 The Australian Capital Territory Government told the Committee that, in relation to the subclass 491 stream specifically:

The ACT currently seeks a commitment from migrants to live in Canberra for at least two years from visa grant. It is anticipated that the requirement under the provisional subclass 491 stream to live and work in regional Australia for at least three years and Canberra's attractive regional area offering a good lifestyle and employment prospects may encourage nominated 491 visa holders to stay.<sup>37</sup>

2.43 Conversely, the Committee was also told these visa classes put regional areas at a disadvantage. The Government of South Australia noted that 'the new regional visas eliminate any option to receive immediate permanent residency in regions, but these options are still available in Sydney, Melbourne and Brisbane'.<sup>38</sup>

2.44 Others, particularly migration agents, told the Committee that some aspects of these new visas, particularly in relation to pathways to permanent residency, would potentially reduce the number of applications for specific regional visas. Mr Mark Glazbrook argued that the lack of an option that includes immediate permanent residency would act as a disincentive for potential migrants to apply. Instead, applications would be directed into other visa classes that were not specifically directed at boosting regional migration.<sup>39</sup>

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<sup>34</sup> Department of Home Affairs, *Submission 116*, p. 6

<sup>35</sup> Australian Chamber of Commerce and Industry, *Submission 34*, p. 16.

<sup>36</sup> National Farmers' Federation, *Submission 118*, p. 10.

<sup>37</sup> ACT Government, *Submission 119*, p. 7.

<sup>38</sup> Ms Alison Lloyd-Wright, Government of South Australia, *Committee Hansard*, 18 November 2019, p. 1.

<sup>39</sup> Mr Mark Glazbrook, Committee for Adelaide, *Committee Hansard*, 18 November 2019, p. 21.

2.45 An issue that was also raised in relation to regional visas was the definition of 'regional'. At the same time the new regional visas were introduced, 'regional' was reclassified as including anywhere in Australia outside Sydney, Melbourne and Brisbane. Witnesses from regional or rural areas with small populations raised the challenge of attracting migrants where capital cities like Perth, regional centres like Mount Gambier, and small towns like Katanning in Western Australia are all in direct competition with each other for migrants despite the vast difference in population size, amenities, services and resources.

2.46 For example, at a public hearing, Kalgoorlie Consulting Services told the Committee that:

When we've got skill shortages in regions like Kalgoorlie and we're competing for our migrants with places like Perth and the Gold Coast, it is extremely hard to even attract that group of people to our communities.<sup>40</sup>

2.47 Kalgoorlie Consulting Services noted that while both Perth and Kalgoorlie have skill shortages, as a smaller community, 'two or three people in a town can make such a big difference', and that the approach needs to be 'more targeted' and take community requirements into account:

We need to prove that, for these types of visas, 'regional' doesn't mean you should be eligible for all the regional visas. At the moment, a regional area is targeted as open to all the regional visas – the regional [subclass] 494 and the student visa exemptions. So, perhaps rather than having a regional area and giving everybody access to all the visas, have a look at whether Perth is going to have the 494 option.<sup>41</sup>

## Settlement Services

2.48 For many new migrants in regional areas, accessing employment, transport, English language tuition and other settlement services can be very challenging.

2.49 Many submissions to this inquiry raised the perceived lack of settlement services available to migrants in regional areas.

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<sup>40</sup> Ms Stephanie Fletcher, Kalgoorlie Consulting Services, *Committee Hansard*, 19 March 2020, p. 9.

<sup>41</sup> Ms Stephanie Fletcher, Kalgoorlie Consulting Services, *Committee Hansard*, 19 March 2020, p. 13.

2.50 Settlement Services International (SSI) noted the variation between regions in terms of 'settlement capacity', which refers to the ability of a place to meet the basic housing, employment, health and education needs of migrants.<sup>42</sup>

2.51 SSI argued that:

Regional migration policy at all levels is constrained by a poor understanding of relative settlement capacity in different regions. This undermines the establishment of effective national, state and local policy settings as well as preventing targeted investment to overcome barriers to settlement and retention of migrants in regional communities.<sup>43</sup>

2.52 Ms Jean Phillips, a volunteer with decades of experience assisting migrants to settle in Katanning, Western Australia, told the Committee that funding for settlement services is a huge problem in some areas:

We are not a regional centre. We have the migrants and the refugees, but the funding goes to Albany or Narrogin. It has been this way for many years. It means that we do the work and that they get the funding. For example, Rainbow Coast, Albany, get the money for the migrant services office in Katanning, but even when paid help is available the staff work set hours and do not leave the building.<sup>44</sup>

2.53 In her evidence, Ms Phillips and Ms Kerry Palmer, another Katanning volunteer, noted that volunteers like them worked hard to fill the gaps in availability of settlement services.<sup>45</sup> By undertaking activities like assisting with English language lessons, driving new migrants to medical appointments and work, assisting with access to welfare payments, enrolling children in local schools, and a vast range of other activities, the volunteer sector in many regional areas plays a vital role in ensuring a smooth settlement process where there is an absence of government funded services.

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<sup>42</sup>Settlement Services International, *Submission 85*, p. 8.

<sup>43</sup> Settlement Services International, *Submission 85*, p. 8.

<sup>44</sup> Ms Jean Phillips, Katanning Volunteer, *Committee Hansard*, 19 March 2020, p. 1.

<sup>45</sup> Ms Jean Phillips and Ms Kerry Palmer, Katanning Volunteers, *Committee Hansard*, 19 March 2020, pp. 1-3.

2.54 Tatiara District Council in South Australia called for greater investment by federal and state government in 'regional communities to support settlement and capacity building work provided by organisations like the Australian Migrant Resource Centre, local government, community groups and businesses'.<sup>46</sup>

## Housing

2.55 The Committee notes that the availability of suitable housing stock varies considerably from region to region. At the hearings in South Australia, the Committee heard that, particularly in smaller communities, housing availability could present a real issue.

2.56 An example of this regional variation was raised by Regional Development Australia Limestone Coast (RDALC), which stated that while housing availability was not an issue in Mount Gambier, it presents a 'particular challenge' across the northern region of the Limestone Coast.<sup>47</sup>

2.57 Similarly, Tatiara District Council stated that housing in its council area 'is inadequate to meet needs'.<sup>48</sup> When questioned on the reason, Tatiara District Council stated that:

Because we are essentially in a small country town, so the capital gains are not the same as you would get in Adelaide or Melbourne or a larger city. That is the difficulty in attracting capital investment. The ongoing returns, of course, are a good one, but the capital gains are not there. That is why the market is not working, so it needs some sort of incentive, whether it is funding support or something else.<sup>49</sup>

2.58 It proposed a state-federal partnership and community housing initiatives to develop 'long-term affordable rentals, rent-to-buy home ownership pathways, and shared appreciation and shared equity home ownership schemes'.<sup>50</sup>

2.59 Tourism Accommodation Australia raised the shortage of housing stock in some regional areas:

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<sup>46</sup> Tatiara District Council, *Submission 30*, p. 4.

<sup>47</sup> Dr Judy Nagy, Regional Development Australia Limestone Coast, *Committee Hansard*, 20 November 2019, p. 14.

<sup>48</sup> Mr Graham Excell, Mayor, Tatiara District Council, *Committee Hansard*, 20 November 2019, p. 26.

<sup>49</sup> Mr Graham Excell, Mayor, Tatiara District Council, *Committee Hansard*, 20 November 2019, p. 29.

<sup>50</sup> Tatiara District Council, *Submission 30*, p. 5.

A factor compounding the issue of attracting a regional workforce is the shortage of long-term housing stock available. The rise of unregulated short-term accommodation through online platforms such as Airbnb and Stayz is having a negative impact on the availability of affordable housing options in regional areas. This is acutely felt during peak tourism periods when increases in unregulated short term accommodation removes stock from the long-term housing market. In popular regional destinations businesses have been forced to provide accommodation or subsidise the cost due to the lack of low cost housing options available to seasonal workers, adding to operational costs.<sup>51</sup>

2.60 Tourism Accommodation Australia stated that, in their view, this issue could be addressed through the establishment of an 'effective regulatory framework on unregulated short term accommodation'.<sup>52</sup>

### **Committee comment**

2.61 The Committee acknowledges that the issues discussed above and a range of other issues were raised during the course of this inquiry. In this regard, it sincerely thanks all who made submissions to this inquiry or appeared as witnesses at the public hearings, and encourages all involved to continue to advocate for the economic and social future of Australia's varied and vibrant regional communities.

2.62 The Committee is also very grateful to those who hosted the Committee on its site visits in South Australia on 18-20 November 2019. These visits were immensely valuable to the Committee, and it was highly instructive to observe first hand the excellent work being undertaken by the business and volunteer communities in settling migrants to Australia in regional areas.

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<sup>51</sup> Tourism Accommodation Australia, *Submission 47*, p. 11.

<sup>52</sup> Tourism Accommodation Australia, *Submission 47*, p. 12.

- 2.63 The inquiry has resulted in a large volume of excellent evidence. The range of strategies and proposals discussed in the evidence to this inquiry provide a valuable resource for anyone interested in examining issues relating to regional migration and settlement in Australia.
- 2.64 Given the uncertainty caused by the COVID-19 pandemic, and its associated economic and social impacts, the Committee does not seek to draw conclusions or make recommendations on the matters raised in this report. To do so at such a time would be premature.
- 2.65 As the public hearings were curtailed Committee members did not have the opportunity to interrogate or fully consider much of the evidence received, some of which expressed conflicting views. Some members of the Committee hold concerns regarding some of the proposals raised.
- 2.66 However, throughout the course of this inquiry, the issues discussed in this report were raised consistently and the current circumstances offer government an opportunity to consider whether or how these issues may be addressed in a post COVID-19 world.

**Mr Julian Leeser MP**  
**Chair**



# A. Submissions

- 1** Name Withheld
- 2** Name Withheld
- 3** Study Gold Coast
- 4** Mr Stewart Fist
- 5** RDA Far South Coast
- 6** Shire of Manjimup
- 7** Ms Margaret Piper
- 8** Mr Oleksandr Valuyev
- 9** Sustainable Australia Party
- 10** Rural Australians for Refugees, Queanbeyan (Inc)
- 11** Southern Grampians Shire Council
- 12** Community Hubs Australia
- 13** Geoffrey Thompson Holdings Limited
- 14** City of Darwin
- 15** Balonne Shire Council
- 16** Metro Assist Limited
- 17** Dubbo Regional Council
- 18** Corangamite Shire Council
- 19** Regional Opportunities Australia
- 20** Greater Shepparton City Council

- 21 Australian Small Business and Family Enterprise Ombudsman
- 22 Regional Cities Victoria
- 23 Somerset Regional Council & Kilcoy Pastoral Company
- 24 HealthWISE
- 25 Regional Development Australia - Tasmania
- 26 Australian Local Government Association
  - 26.1 Supplementary to submission 26
- 27 Ms Talia Stump
- 28 Charles Sturt University
- 29 Rotary Club of Armidale
- 30 Tatiara District Council
- 31 Northern Tasmania Development Corporation
- 32 Cairns Regional Council
- 33 Monash University, Welcoming Cities & The Scanlon Foundation
- 34 Australian Chamber of Commerce and Industry
- 35 Regional Development Australia, Barwon South West
- 36 Oxfam Australia
- 37 Wagga Wagga City Council
- 38 Business SA
- 39 Housing Industry Association Inc
- 40 Rural City of Murray Bridge
- 41 Northern Grampians Shire Council
- 42 Regional Development Australia, Riverina
- 43 Local Government Association of Queensland
- 44 Ms Anne Kilcullen
- 45 Restaurant and Catering Industry Association
- 46 AMES Australia
- 47 Tourism Accommodation Australia
- 48 Hinchinbrook Shire Council

- 49 Moree Plains Shire Council
- 50 Armidale Sanctuary Humanitarian Settlement Inc
- 51 City of Kalgoorlie-Boulder
- 52 EY
- 53 Community Refugee Sponsorship Initiative
- 54 International Organization for Migration
- 55 Associate Professor Mary Anne Kenny, Professor Alexander Reilly and Associate Professor Caroline Fleay
- 56 Queensland Tourism Industry Council
- 57 Migration Institute of Australia
- 58 City of Greater Bendigo
- 59 Talent Beyond Boundaries
- 60 iGen Foundation Ltd
- 61 Cross Cultural Communications and Management
- 62 Sustainable Population Australia
- 63 Dr Kiprono Langat
- 64 Town of Port Hedland
- 65 Kalgoorlie Consulting Services Pty Ltd
- 66 *Name Withheld*
- 67 Regional Development Australia, Mid North Coast
- 68 *Name Withheld*
- 69 Fragomen
- 70 Rural Australian for Refugees Castlemaine
- 71 Rural Councils Victoria
- 72 Migrant Resource Centre Northern Tasmania Inc
- 73 Regional Development Australia Orana
- 74 Migration Council of Australia
- 75 Gunnedah Shire Council
- 76 City of Karratha

- 77** Government of South Australia
  - 77.1 Supplementary to submission 77
- 78** The Hon Will Hodgman MP, Premier of Tasmania
- 79** Migrant and Refugee Settlement Services Australia Inc
- 80** Hospitality NT
- 81** *Confidential*
- 82** Swan Hill Rural City Council
- 83** Settlement Council of Australia
- 84** Regional Development Australia Grampians
- 85** Settlement Services International
- 86** Special Broadcasting Service Corporation
- 87** The Hon Michael Gunner MLA, Chief Minister of the Northern Territory
- 88** Property Council of Australia
- 89** Government of Western Australia
- 90** Print and Visual Communication Association
- 91** Federation of Ethnic Communities' Councils of Australia
- 92** New England Division of General Practice
- 93** HOST International
- 94** Jesuit Refugee Service
- 95** Multicultural Tamworth Inc
- 96** Ms Marina Brizar
- 97** Save the Children
- 98** National Union of Workers
- 99** Ms Sahana Sehgal
- 100** Muswellbrook Shire Council
- 101** Committee for Adelaide
- 102** Queensland Department of Local Government, Racing and Multicultural Affairs
- 103** Great South Coast Economic Migration Project

**104** Associate Professor Anna Ziersch

**105** Refugee Highway Partnership

**106** Great South Coast Regional Partnership

**107** Department of Education

**108** Regional Australia Institute

**109** *Confidential*

**110** Jesuit Social Services

**111** Refugee Council of Australia

**112** Hammond Taylor

**113** Migrant Resource Centre Tasmania

**114** Australian Lawyers for Human Rights

**115** Multicultural NSW

**116** Department of Home Affairs

- 116.1 Supplementary to submission 116

**117** Barnabas Fund Australia

**118** National Farmers' Federation

**119** ACT Government

**120** Limestone Coast Local Government Association

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

- 121.1 Supplementary to submission 121

**122** Mr Abdul Rizvi

**123** National Ethnic and Multicultural Broadcasters' Council

**124** Federation of Nepalese Community Associations of Australia

**125** Mr Mark Glazbrook

**126** Regional Development Australia Murraylands and Riverland

**127** Rural City of Murray Bridge

**128** Ms Juliette Vrakas

**129** Retail Supply Chain Alliance

**130** *Confidential*

**131** Dr Hyong Doo Jang

## **B. Public hearings and witnesses**

### **Wednesday, 16 October 2019 – Canberra, ACT**

*Department of Home Affairs*

Ms Peta Dunn, First Assistant Secretary, Immigration Programs

Ms Malisa Golightly, Deputy Secretary, Immigration and Settlement Services

Mr Luke Mansfield, First Assistant Secretary, Refugee, Humanitarian and Settlement Division

Mr Michael Willard, Acting First Assistant Secretary, Immigration and Community Protection Policy Division

### **Monday, 18 November 2019 – Adelaide, SA**

*Committee for Adelaide*

Mr Matt Clemow, Deputy Chair

Mr Mark Glazbrook, Chair, Sustainability for our People, Priority Action Group

Ms Jodie Van Deventer, Chief Executive Officer

*Department for Innovation and Skills, South Australia*

Ms Nari Chandler, Executive Director, Strategy, Policy and Migration

Ms Louisa Newstead, Director Strategic Policy

*Department of Planning, Transport and Infrastructure, South Australia*

Mr Chris Rudd, Planning, Research and Analysis

*Department of the Premier and Cabinet, South Australia*

Ms Alison Lloydd-Wright, Executive Director, Population Strategy

*Flinders University*

Ms Emily Miller, Research Assistant

Associate Professor Anna Ziersch, Research, Southgate Institute for Health Society and Equity

*Migration Institute of Australia*

Mr Christopher Louis Johnston, Former President, South Australia Branch

Mr Constantine Paxinos, South Australian Branch President and National Board Director

*Migration Solutions*

Mr Mark Glazbrook, Managing Director

*University of South Australia*

Dr Melanie BAAK, Research Fellow

Ms Jennifer Brown, PhD Candidate and Research Assistant

## **Tuesday, 19 November 2019 – Murray Bridge, SA**

*Murraylands Multicultural Network*

Mr John Scarvelis, Chair

*Rural City of Murray Bridge*

Mr Michael Sedgman, Chief Executive Officer

Mr Michael Shillabeer, Economic Development Planner

*Thomas Foods International*

Mr David McKay, Chief Operating Officer and Director

**Tuesday, 19 November 2019 – Adelaide, SA***Business SA*

Mr Andrew McKenna, Senior Policy Adviser

*Industry and Government Relations*

Mr Kaes Cillesen, Manager

*Migration Institute of Australia*

Mr Constantine Paxinos, President, South Australian Branch

*Motor Trade Association of South Australia*

Mr Nathan Groves, Industry Engagement Specialist

*Norman Waterhouse Lawyers*

Ms Angela (Xun) Wang, Senior Associate

*Regional Development South Australia*

Mr Robert Kerin, Chair and also Executive Chairman, Primary Producers South Australia

*South Australian Wine Industry Association*

Mr Brian Smedley, Chief Executive Officer

**Wednesday, 20 November 2019 – Mount Gambier, SA***Private capacity*

Mr Armant Augustyn

Mrs Izelle Augustyn

*Australian Migrant Resource Centre, Mount Gambier*

Ms Anelia Blackie, Manager

*Metro Bakery and Café*

Mrs Mhericel Gomez, Pastry Chef

Mrs Antonina Vorenas, Director

*Mount Gambier Catholic Parish*

Father Dean Marin, Parish Priest

*Muslim Community Mount Gambier*

Mr Saad Habib, Representative

Mrs Amena Siddiqhi, Representative

*Regional Development Australia Limestone Coast*

Dr Judy Nagy, Board Member

Mr David Wheaton, Chief Executive Officer

*Tatiara District Council*

Mr Graham Excell, Mayor

Ms Anne Champness, Chief Executive Officer

**Wednesday, 27 November 2019 – Canberra, ACT**

*Australian Local Government Association*

Mr Adrian Beresfird-Wylie, Chief Executive

Ms Roslyn Chivers, Executive Director, Policy and Research

**Wednesday, 4 December 2019 – Canberra, ACT**

*Regional Australia Institute*

Ms Shyla Vohra, Migration Director

**Wednesday, 5 February 2020 – Canberra, ACT**

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

Dr Rachel Bacon, Deputy Secretary

Mr Jason Dymowski, Acting General Manager, Infrastructure Investment Policy and Programs

Mr Chris Faris, General Manager, Local Government and Regional Engagement Branch

Ms Natalie Weddell, Acting General Manager

**Wednesday, 12 February 2020 – Canberra, ACT**

*Housing Industry Association Ltd*

Dr Harley Dale, Executive Director, Skills and Industry Development

**Wednesday, 26 February 2020 – Canberra, ACT**

*Australian Chamber of Commerce and Industry*

Ms Jenny Lambert, Director, Employment, Education and Training

**Thursday, 19 March 2020 – via teleconference**

*Private capacity*

Mr Salem Askari

Ms Kerry Palmer

Mrs Jean, Phillips

*City of Kalgoorlie-Boulder*

Mr John Walker, Chief Executive Officer

*Curtin University*

Associate Professor Caroline Fleay, Centre for Human Rights Education

*Federation of Equatoria Community Associations of Australia*

Mr Juma Piri Piri, National President

*Goldfields-Esperance Development Commission*

Mr Kris Starcevich, Chief Executive Officer

*Kalgoorlie Consulting Services*

Ms Stephanie Fletcher, Registered Migration Agent

*Murdoch University*

Associate Professor Mary Anne Kenny, School of Law

*Shire of Katanning*

Councillor John Goodheart, Deputy President

Councillor Liz Guidera, President

*Talent Partner*

Mr Kalem Zuiderwijk, Managing Director