# Review of Regional Migration Settings Discussion Paper – June 2024

Regional Development Australia Barwon South West (RDA BSW) welcomes the review of regional migration settings in the context of persistent workforce and skills shortages in regional Victoria. We support the processes aimed at addressing these challenges.

**In relation to regional migration in Victoria, we highlight the following key economic indicators and trends:**

**Population Forecasts:** The Regional Australia Institute (RAI) forecasts a decline in regional Victoria's population by 2032-33 without net overseas migration, primarily due to reduced natural population growth.

**Net Internal Migration:** Recent ABS data shows a concerning trend. Net internal migration to regional Victoria has declined significantly since 2016-17, particularly among individuals aged 25-44. From March 2022 to September 2023, more people in this demographic have left regional Victoria than have arrived.

**Labour Market Tightness:** Regional Victoria's labour market faces notable challenges, with unemployment rates and job vacancies indicating tighter conditions compared to pre-COVID levels. As of March 2024, online job vacancies in regional Victoria exceeded 12,300, marking a 105% increase since 2019, significantly overtaking growth in metropolitan Melbourne.

**Labour Market Mismatch:** According to the SEEK Labour Market Mismatch Indicator report, most regions in Victoria exhibit a higher level of labour market mismatch compared to Greater Melbourne.

**Policy Considerations:**

**Short-to-Medium Term Solution:** Migration should be viewed as a short-to-medium term strategy to ease workforce and skills shortages. It should be integrated effectively with broader initiatives aimed at improving workforce development and participation.

**Complete Approach:** It is essential to align migration settings with a comprehensive strategy addressing interconnected issues, including regional housing availability and the capacity of regional services and infrastructure.

**Recommendations:**

**Monitoring and Evaluation:** Consider implementing a system to monitor the medium-term placement and labour force integration of migrants. This would improve understanding of migration retention in rural and regional areas, facilitating improved support measures.

**Data Collection:** Strengthen data collection processes to better assess settlement and employment outcomes of migrant workers. Evaluate the adequacy of government services and infrastructure supporting migrant host communities.

**Support for Migrants:** Enhance support mechanisms for migrants and prioritise the skills of secondary applicants to improve long-term outcomes for migrants, communities, and the economy. Relevant research, such as that from CEDA, underscores the importance of optimising migrant skills utilisation (CEDA Report).

# Responses to discussion paper questions

*1. How can the various temporary and permanent visas available to the regions work together to better meet skills needs? For example, Designated Area Migration Agreements (DAMAs) and regional employer sponsored visas.*

Efficient coordination between temporary and permanent visa categories is essential in addressing the workforce and skills shortages in regional areas.  Initiatives such as Designated Area Migration Agreements (DAMAs) and regional employer-sponsored visas play crucial roles in this collaboration.

**Designated Area Migration Agreements (DAMAs):**  DAMAs provide tailored solutions by allowing regions to sponsor skilled workers for occupations not adequately filled by the local workforce.  These agreements streamline the visa process and offer flexibility to address immediate skills shortages in specific regions.

**Experience in Great South Coast:**  The Designated Area Migration Agreement (DAMA) has proven to be the preferred migration pathway due to its tailored approach for employers.  Challenges such as duplicated tasks and the requirement for employers to demonstrate efforts to hire locally, despite occupation listing on DAMA, persist.  Despite these challenges, DAMA remains the region's main avenue for skilled migration.

**Regional Employer-Sponsored Visas:**  Permanent visa options, such as regional employer-sponsored visas, complement DAMAs by offering pathways for skilled migrants to settle permanently in regional areas.  These visas are crucial for addressing continued skills gaps and promoting long-term regional development.

**Strategic Alignment:**  Develop a comprehensive regional strategy that integrates temporary and permanent visa pathways based on evidence of regional skills demands.

**Enhanced Coordination:**  Strengthen coordination between federal and state governments, regional authorities, and employers to ensure seamless transitions from temporary to permanent residency for skilled migrants.

By capitalising on the strengths of temporary and permanent visa options such as DAMAs and regional employer-sponsored visas, regions can better attract and retain skilled migrants, thereby meeting growing skills needs and promoting sustainable regional development.


*2. Should there be a regional occupation list? How should regional occupation lists work alongside the Core Skills Occupation List? What should be considered in compiling the regional occupation list?*

A regional occupation list is crucial for addressing specific skills needs in regional areas.  It provides clarity and guidance on occupations that are in demand locally, which may differ from national or metropolitan priorities.

**Evidence-Based Approach:**  Regional occupation lists should be informed by a forward-looking evidence base that distinguishes between short-term, seasonal, and longer-term or persistent skills shortages.

**Integration with Regional Skills Demand Profiles (RSDPs):**  In Victoria, the regional occupation list could be informed by Victoria's nine Regional Skills Demand Profiles (RSDPs), which should be periodically updated to ensure relevance.

The RSDPs gather local insights and intelligence on skill demand pressures, future industry skills and training needs, and priority growth sectors within specific regions of Victoria.

These profiles, along with the Victorian Skills Plan, inform the Victorian Government's investments in vocational education and skills development in the regions.

**Complementing the Core Skills Occupation List:** The regional occupation list should complement the Core Skills Occupation List by tailoring to regional needs, including occupations critical to regional industries and economies that may not be adequately represented in national lists. It should address local priorities by prioritising occupations that align with regional growth sectors and address unique challenges such as remote location or industry-specific demands.

### Factors to Consider in Compiling the Regional Occupation List:

**Local Industry Needs:** Assess current and projected skills shortages in key regional industries.

**Community and Stakeholder Input:** Consult with local businesses, industry associations, and community leaders to identify priority occupations.

**Alignment with Regional Development Goals:** Ensure occupations support broader regional development strategies, such as economic diversification and sustainable growth.

**Flexibility and Adaptability:** Design the list to be responsive to changing economic conditions and emerging industry trends in regional areas, proactively identifying skills requirements to avoid crises and mitigate overly competitive landscapes.

**Evidence-Based Approach:** Utilise a forward-looking evidence base that distinguishes between short-term, seasonal, and longer-term or persistent skills shortages.

**Integration with Regional Skills Demand Profiles (RSDPs):** Leverage insights from Victoria's nine RSDPs, periodically updating them to maintain relevance and inform the regional occupation list.

**Building on Existing Frameworks:** The Designated Area Migration Agreement (DAMA) already provides a list of regional occupations tailored to local needs. The framework could be expanded and refined to support regional migration strategies further.

A well-constructed regional occupation list, complementing the Core Skills Occupation List, can effectively guide regional migration policies by addressing localised skills gaps and supporting sustainable economic development in regional Australia.

*3. Could the definitions of regional be aligned across the various regional visas? How can definitions be structured to better account for the unique circumstances of regions?*

Aligning the definitions of "regional" across various regional visas is crucial for consistency and clarity in migration policies. This alignment would help ensure that the region's unique needs and circumstances are accurately reflected and addressed.

**Reflecting Industry Mix and Skills Demands:** The unique circumstances of regions should be reflected in their industry mix and the specific skills demands of those industries. This ensures that regional migration policies are responsive to the actual economic landscape.

**Addressing Attraction and Retention Factors**: Unique regional circumstances significantly influence the region's capacity to attract and retain workers. Definitions should account for factors such as regional growth trends, housing availability, local services, and infrastructure capacity. These considerations will help determine optimal levels of migration and support sustainable economic development.

*4. How can we reform Working Holiday Maker program visa settings to limit exploitation, while still ensuring regional Australia can access the workers it needs? For example, are there innovative strategies to incentivise Working Holiday Makers to choose regional Australia as their preferred destination, without tying the incentives to specified work visa requirements?*

To reform the Working Holiday Maker (WHM) program effectively, it is essential to balance the need to prevent exploitation with the goal of attracting workers to regional areas.

**Incentives for regional work:**

- Offer extended visa durations, training opportunities, and potential pathways to permanent residency for WHMs choosing regional areas.

- Promote regional Australia as a cultural experience with community integration activities.

- Provide financial assistance for travel and accommodation in regional areas.

- Allow WHMs to choose from a wider range of work in regional areas without tying benefits to specific industries.

- Offer programs that enhance WHMs' employability in regional areas.

- Encourage employers to provide fair wages and safe working conditions.

- Highlight the benefits of working in regional areas through targeted campaigns and regulatory support.

- Gather feedback from WHMs to identify areas for program improvement and adjust the program based on their needs and regional requirements.

Implementing these strategies can reform the WHM program to limit exploitation while ensuring that regional Australia can access the workers it needs.  These measures protect WHM visa holders and make regional work an attractive and enriching experience, supporting sustainable workforce development in regional areas.

*5. How can we ensure a more consistent approach to lower paid migration across various visa products, as well as reflect our commitment to maintain the primacy of our relationships with the Pacific?*

To maintain the primacy of relationships with the Pacific, it is essential to adopt a consistent approach across various visa categories for lower-paid migration.  Key strategies include:

- Align wage thresholds and working conditions across visa products to ensure fair treatment for all migrant workers.

- Implement strong monitoring and enforcement measures to prevent exploitation and ensure compliance with labour laws.

- Create specialised visa pathways for Pacific workers with fair wages and conditions.

- Work with Pacific governments to develop beneficial migration pathways.

- Provide housing, healthcare, and community integration for migrants.

- Establish mechanisms for migrants to report issues and suggest improvements.

These strategies ensure fair treatment of lower-paid migrants and strengthen ties with Pacific nations, benefiting regional Australia's development.

6. *Noting the limitations of visa settings, what factors encourage more migrants to choose to settle in the regions and improve retention?*

Several factors play a crucial role in encouraging migrants to settle in regional areas and improving their retention:

**Housing as a Workforce Enabler:**  The Victorian Government's Regional Worker Accommodation Fund supports new housing and accommodation projects in regional communities.  This initiative helps employers attract and retain workers by providing affordable housing options for key industry workers and their families.

**Regional Workforce Pilots:**  These pilots target local support in areas of high demand for workers, addressing challenges in worker attraction and retention through focused community efforts.

**Effective Settlement and Post-Arrival Services:**  Expanding successful place-based approaches that promote community development can significantly assist migrants in participating in community life and increase retention.  In Colac Otway Shire, the Colac Community Hub serves as a central point for various services aimed at supporting new residents, including migrants.  The Hub offers assistance with employment, housing, language services, and community integration, demonstrating an effective model for regional settlement.

**Addressing Reputational Risks:**  In regional areas, negative settlement or employment experiences can significantly impact the area's ability to attract migrants.  Proactively creating positive connections and experiences is crucial.

**Post-Settlement English Language Training:**  Providing further English language training, including occupation-specific training, for skilled migrants can enhance their ability to achieve competent or proficient English levels.  This support is critical for long-term integration and retention in regional areas.

**Resource Allocation for Settlement Support:**  Currently, councils providing RCB and/or DAMA services are not adequately resourced to also offer settlement support, which is largely left to individual employers.  An adequately funded settlement support program can be effective in increasing community integration and support programs developed by employers.

**Holistic Support Approach:**  Pilot economic migration projects in the Great South Coast (pre-COVID) demonstrated that a holistic approach is needed to encourage retention.  This includes addressing family needs, English language assistance, integration into schools and community/sporting groups.

Much of this support currently relies on volunteers, highlighting the need for better-resourced settlement services.

Coordinated efforts in housing, effective settlement services, English language training, and better-resourced support systems are essential to attract and retain migrants in regional Victoria.

These strategies can help ensure sustainable workforce development and community integration, benefiting migrants and regional communities.

7. *Do provisional visas successfully encourage large scale retention of migrants in the regions? Is the length of a provisional visa the right length? Should both the regional employer sponsored visa and the regional nominated visa have the same provisional visa arrangements?*

Provisional visas play a crucial role in encouraging migrant retention in regional areas.  The appropriate length of these visas should balance ensuring migrants can settle and contribute long-term with maintaining flexibility.

Aligning provisional visa arrangements for regional employer-sponsored and nominated visas can streamline processes and support consistent retention strategies across all regional pathways. Aligning the duration and conditions of provisional visas ensures consistency in migration policies, facilitating smoother transitions for migrants and their commitment to regional communities.

8. *How can we improve planning for regional migration, especially given the return of migrants to regional Australia post-pandemic? Should there be more flexibility provided to states and territories in planning for regional migration?*

To improve planning for regional migration, particularly in light of the post-pandemic return of migrants to regional Australia, several strategies can be considered:

**Data-Driven Approach:**  Utilise comprehensive data to understand migration trends, demographic shifts, and economic needs in regional areas.  This includes analysing factors such as population growth, employment trends, and industry demands to inform targeted migration strategies.

**Flexible State and Territory Planning:**  Provide states and territories with greater flexibility in designing regional migration plans.  This could involve tailoring visa categories and quotas to meet specific regional needs, considering local economic conditions, industry priorities, and community preferences.

**Regional Consultation and Engagement:**  Encourage dialogue with local stakeholders, including businesses, community organisations, and local governments, to ascertain regional priorities and develop migration policies that align with local needs and aspirations.

**Improve Support Services:**  Improve support services for migrants settling in regional areas, including access to housing, healthcare, education, and community integration programs. Strengthening these services can develop the attractiveness of regional living and improve retention rates.

**Promotion of Regional Opportunities:**  Develop targeted campaigns to promote the benefits of living and working in regional Australia.  Highlight unique lifestyle advantages, career opportunities, and community amenities to attract migrants seeking a balanced and fulfilling lifestyle.

**Adaptive Policy Framework:**  Establish a policy framework that can adapt to changing circumstances and emerging challenges, such as shifts in migration patterns or economic conditions.  This flexibility ensures that regional migration policies remain responsive and effective over time.

By implementing these strategies, Australia can better utilise the potential of regional migration to support economic growth, address skill shortages, and promote vibrant, sustainable communities across regional areas.

If you have any further enquiries about this submission, Liz Price, Chair of RDA BSW, can be contacted via email rda.barwonsouthwest@rdv.vic.gov.au.

Local people creating local opportunities  **rda.gov.au**