

Inquiry into migration in regional Australia

Submission from Regional Cities Victoria to the
Joint Standing Committee on Migration

September 2019



RCV
REGIONAL
CITIES
VICTORIA

1. Background

The December 2018 meeting of the Council of Australian Governments in Adelaide called for consideration of a framework for national population and planning to address population management in Australia, with input from all levels of government. In response to this, RCV put together a position paper on population planning and management for regional Victoria and submitted it to both state and federal governments for consideration.

In April 2019 RCV contributed to the Draft Victorian Visa Nomination Occupation List Review.

Both these papers inform RCV's submission to the Inquiry into migration in regional Australia.

2. Overarching principles for regional population growth

RCV considers the following elements critical to successful population growth in regional cities:

- **Consultation and collaboration** with regional local governments is essential to ensure location-appropriate policy formulation and smooth implementation that meets the needs of new residents and delivers the best possible outcomes for the receiving community.
- **Coordinated planning** of transport infrastructure, housing and essential services.
- **Investment** in transport, community and enabling infrastructure, to address issues of connectivity and liveability, and to support and attract private sector investment that will create jobs and boost economic development.

3. Migration for regional population growth

Long-term job vacancies are a key motivator behind RCV's position paper on Population and Planning Management, which calls for targeted policies to better manage population growth (immigration) and distribution (decentralisation), as well as investment in infrastructure and services that will stimulate job creation and support growing populations in regional areas.

Encouraging population growth in regional areas will expand the resident workforce and local skills base; attracting new businesses can bring in new skills, as well as create new employment opportunities; and investing in transport infrastructure will make it easier for workers to travel to regional cities and fill those long-term vacancies.

RCV recognises the importance of immigration to facilitate population growth in regional areas. RCV welcomed the federal government's policy paper *Planning for Australia's Future*; as well as the announcement of the Destination Australia scholarship program in March 2019, which aims to encourage both domestic and international students to choose regional tertiary institutes through a scholarship program. RCV also acknowledges that intra- and inter-state migration also contribute to the growth of regional communities.

The announcement on 10 December 2018 of the new Designated Area Migration Agreement (DAMA) between Warrnambool City Council and the Federal Government to address critical employment gaps is a welcome development for regional Victoria, and opens up the possibility of similar arrangements in other regions of the state. DAMA provides employers in a given region access to a broader range of overseas workers than is available through the standard skilled migration programs. A key benefit of DAMA is that it can be tailored to meet local business needs.

Details of the Warrnambool DAMA, other skilled and unskilled migration programs, and settlement initiatives (humanitarian migration) in regional Victoria are provided in the case studies below.

Case Study 1: Designated Area Migration Agreement – Warrnambool

A combination of low population growth, aged workforce and low unemployment has led to chronic labour and skills shortages in the Great South Coast region. Employers and municipalities across the region recognised more people are needed to grow the region's economy by increasing production and exports.

Advocacy efforts by six local governments across the region, led by Warrnambool City Council, resulted in the December 10, 2018 announcement of a Designated Area Migration Agreement (DAMA) for the Great South Coast.

The DAMA will provide the opportunity for the region's businesses to apply for individual labour agreements under which they can sponsor skilled workers. There are currently [27 eligible occupations](#) available under the Great South Coast DAMA, with an option to review numbers and skills over time.

Case Study 2: Seasonal Worker and other Migration Programs – Shepparton

The numerous employment opportunities in Greater Shepparton's horticulture and dairy industry are the largest factor in attracting migrant communities and seasonal workers. Harvest season sees an influx of workers, predominantly from October through to February each year. Greater Shepparton is also the leading destination outside of Melbourne for new arrivals through humanitarian and refugee programs, with 10 per cent of the city's unskilled workforce drawn from these cohorts.

New migrants and workers are usually able to start unskilled work almost immediately. The resulting education of the younger generations helps to narrow the skills gaps, as well as supporting the ongoing growth and development of the local university facilities.

Without the workforce supplied through the seasonal worker and new arrival visa programs, the economic impact throughout the region would be significant. Furthermore, these programs can result in a range of social, economic and health benefits, with the opportunity for cross-cultural exchange between agricultural businesses and their new workers.

Further support and services are required to overcome language, social and service barriers, address educational gaps, and improve procedural compliance systems to reduce exploitation of migrant workers; addressing these issues would allow these programs to flourish in regional areas such as Greater Shepparton.

Greater Shepparton is interested in opportunities to extend existing visa programs, and to participate in new programs such as the Designated Area Migration Agreement.

Case Study 3: Improving settlement outcomes for refugee and migrant communities – Wangaratta

The Rural City of Wangaratta (RCoW) is currently the lead organisation auspicing the Ovens and Murray Multicultural Regional Area Partnership (OMMRAP) and the Strategic Engagement Coordinator (SEC) Position, both of which are funded by the Department of Premier and Cabinet. The Partnership is working towards strengthening settlement outcomes for refugee and migrant communities across the region in the areas of social inclusion, economic participation and civic participation. RCoW is continuing to develop and implement strategies with community organisations to make Wangaratta an attractive place to live, work and study.

The North East Multicultural Association (NEMA) has an arrangement with Northeast Health to participate in the community mentoring program to support young medical staff and their families who have been allocated to the North East by their educational. This is done by regular social contact and by enabling all young medical staff to socialise with and interact with members of the local community, particularly those of a similar cultural or linguistic background.

NEMA plays an important role in welcoming and supporting the multicultural community of Wangaratta and is keen to grow the new and emerging migrant worker population.

RCoW is also interested in opportunities to participate in new programs to support successful relocation to the area such as the Designated Area Migration Agreement.

Case Study 4: The settlement of the Karen people in Nhill²

“Since early 2010, approximately 160 Karen refugees have resettled in Nhill, in north western Victoria. Nhill is a small, relatively isolated agricultural town in the wheat-belt Wimmera region of Victoria. Like a number of small regional towns, Nhill has faced a declining working-age population, which has had flow-on implications for the economic and social prosperity of the town.

The context of a declining population, combined with very low unemployment, was a key catalyst in this resettlement. In particular, there was a need for labour to support expansion of Luv-a-Duck, the largest local commercial business, and driven by a combination of economic and humanitarian motivations, Luv-a-Duck management identified the Karen as potential employees.

Through a staged recruitment and resettlement process, the Karen community now comprises approximately 10% of the Nhill population, including significant numbers of working age adults and families with young children. Furthermore, labour force participation linked to this population increase is high.

Fifty-four Karen are directly employed in Luv-a-Duck, and seven are employed in businesses that supply Luv-a-Duck. Beyond this, the increased population has enabled the creation and filling of additional jobs across a number of broader community businesses and services.

A total of 70.5 Full Time Equivalent (FTE) positions have been added to the regional economy over the five-year period of analysis, representing approximately 3% of total employment across Hindmarsh. The economic impact of this increased labour supply, in terms of Gross Regional Product – as modelled by Deloitte Access Economics, is estimated to be \$41.5 million in net present value terms.

The wider social impacts of the resettlement of the Karen in Nhill provide the story behind the numbers. In short the Karen resettlement in Nhill has helped to:

- redress population decline for the township
- revitalise local services and attract increased government funding
- increase social capital across both communities.”

4. Skills driven migration

In April 2019 the Victorian government undertook a review of the Draft Victorian Visa Nomination Occupation List. RCV made a submission to this review, based on the group’s collective recognition of long-

² Extract from “*Small towns, Big returns - Economic and social impact of the Karen resettlement in Nhill*”, a joint [AMES & Deloitte Access Economics report](#) (2015)

term, and increasing, skills shortages across a range of industry sectors in all member cities. Despite record low unemployment in regional areas, skills shortages are an ongoing issue in regional Victoria.

As well as addressing critical and chronic skills shortages in regional communities, skills driven migration contributes to population growth in two ways. First, by bringing skilled workers (and often their families) to regional areas; and second, by providing services, such as medical and allied health services; the availability of which is a key factor for those considering relocation to regional areas.

RCV members the City of Greater Bendigo, Mildura Rural City Council, City of Greater Shepparton, Rural Council of Wangaratta, and the City of Warrnambool each provided specific feedback on the occupations on the Draft Victorian Visa Nomination Occupation List, as well as anecdotal feedback on the skills shortage situation in each location. The information they provided is detailed below and highlights that:

1. There are common skills needs across several regions; and
2. Regions also have skills requirements specific to their local industries.

It should be noted that the observations and recommendations made below in relation to the Draft Victorian Visa Nomination Occupation List reflect circumstances and needs at a particular point in time, and may require re-assessment.

4.1 Common need

Registered Nurses (Aged Care, ANZSCO 254412) are currently on the Draft Victorian Visa Nomination Occupation List. This is acknowledged as an in-demand occupation in regional cities and in some areas vacancies for these roles can take up to six months to fill. Demand is expected to increase with ageing populations across many regional areas.

In Warrnambool it was noted that the region's nursing staff comprise an ageing workforce, with some nurses only able to work limited hours. This in turn puts pressure on rostering and limits staff coverage. This is an example of an in-demand occupation where the make-up of the current workforce is itself a contributing factor to the skills and labour shortage of that occupation.

Shepparton have a current shortage of nurses, and expect demand to increase in coming years with a new cancer clinic planned for the city.

It is also noted that there is, nationally, a demonstrated need for Registered Nurses across a range of specialisations.

4.2 Regional differences

Unlike nursing, where there is demand for several specialisations and across regions, within the agricultural sector there are a number of occupations for which demand varies.

Agricultural Consultant (ANZSCO 234111) has been highlighted by City of Greater Shepparton for removal from the list due to adequate local supply of agricultural consultants within the Victorian region, as highlighted at the EvokeAg Conference in February 2019. There is, however, an identified shortage of skilled workers for Agricultural Machinery Sales in the Shepparton region (potentially ANZSCO subgroup 6113 Sales representatives). A large local machinery group has reported significant difficulties in finding adequately qualified people to sell harvest and farm machinery.

Rural City of Wangaratta (RCoW) recommended Agricultural Technician (ANZSCO 311111) as an occupation to be added to the Draft List:

Agriculture, Forestry & Fishing is the sixth largest employer within the Hume region and the RCoW municipality. The industry is under increasing pressure to find (attract) qualified Agricultural Technicians with specialised knowledge in the latest farm health and advanced farming techniques, management, AgTech, and production, as well as data collection and research.

Meanwhile Mildura Rural City Council has recently identified machine operators in the agricultural sector (e.g. Agricultural and Horticultural Mobile Plant Operator, ANZSCO 721111) as an in-demand occupation for its region. This is not on the current Victorian Visa Occupation List.

RCoW also suggest Air-Conditioning and Refrigeration Mechanic (ANZSCO 342111) and Fitter-Welder (ANZSCO 323213) as occupations to be added to the Draft Victorian Visa Nomination Occupation List. In particular, businesses with vacancies for Fitters-Welders in the municipality are competing with the major infrastructure projects in Melbourne and their demand for qualified and experienced welders. Businesses in regional areas cannot attract and retain qualified personnel from the city.

Both these roles are in the manufacturing sector, the third largest employer for RCoW with an output of \$638 million for the municipality. Filling these roles would have a significant and positive economic impact for RCoW and the surrounding areas.

Similarly, City of Greater Bendigo (CoGB) has reported shortages more broadly in the engineering sector:

In 2018 it was identified there was a significant engineering skills shortage in the Bendigo region. Regional Development Victoria (RDV) commissioned a research and recommendations project to review engineering across all sectors to understand and capture the needs for the next 5 years. This analysis is due to be released at the end of March 2019, however we expect to see demand grow in all engineering roles, with a particular focus in Manufacturing and Process Engineering (e.g. 233511 Industrial Engineer, specialisation - Process Engineer).

A recent presentation to CoGB by the Labour Market and Research team at the Department of Jobs and Small Business analysed skills in the region, including growth figures for the next five years. This presentation highlighted that Health Care and Social Assistance, Manufacturing and Construction were all growth sectors.

The City of Greater Bendigo are undertaking various activities through 2019 to ascertain and pinpoint more directly where these job opportunities will be and in which careers.

4.3 More health care and medical professionals

In addition to Registered Nurses, regional cities have identified other occupations in the health care and medical sectors:

Council	Occupation	Comments
Rural City of Wangaratta	Registered Nurse (Mental Health) (ANZSCO 254422)	Mental health is becoming an increasing issue in rural and regional areas - having access to qualified and experienced Mental Health Nurses is an ongoing and necessary need for our region. Health Care & Social Assistance is the largest employer within the RCoW Municipality, generating \$296m in economic outputs. Ensuring the sector has the

Council	Occupation	Comments
		access to suitably qualified personnel is essential for it to continue to deliver first-class services to our region.
Mildura Rural City Council	Surgeon (General, ANZSCO 253511)	Chronic shortage
Mildura Rural City Council	General Practitioner (ANZSCO 253111)	Chronic shortage
City of Greater Shepparton	Registered Nurses (various specialisations)	To meet current needs and in anticipation of future roles in the new cancer clinic.

4.4 Summary of recommended occupations for the Draft Victorian Visa Nomination Occupation List

Based on feedback from member cities, and in addition to the commentary above, RCV recommended adding the following occupations on the Draft Victorian Visa Nomination Occupation List in April 2019:

ANZSCO Code	Occupation	Recommended by
121313	Dairy Cattle Farmer	City of Warrnambool
133512	Production Manager	City of Warrnambool
141999	Accommodation & Hospitality Managers	Rural Council of Wangaratta
232611	Urban & Regional Planner	Rural Council of Wangaratta
234212	Food Technologist	City of Warrnambool
253111	General Practitioner	Mildura Rural City Council
253511	Surgeon (General)	Mildura Rural City Council
254422	Registered Nurse (Mental Health)	Rural Council of Wangaratta
254422	Registered Nurse (Mental Health)	Rural Council of Wangaratta
311111	Agricultural Technician	Rural Council of Wangaratta
312113	Building Inspectors	Rural Council of Wangaratta
321211	Diesel Mechanic	City of Warrnambool
321211	Motor Mechanic (General)	City of Warrnambool
322313	Welder (First Class)	Rural Council of Wangaratta
323211	Fitter	City of Warrnambool
323213	Fitter-Welder	Rural Council of Wangaratta
341111	Electrician	City of Warrnambool
342111	Air-conditioning and Refrigeration Mechanic	Rural Council of Wangaratta
342313	Electronics Trade Workers	City of Warrnambool
411411	Enrolled Nurse	City of Warrnambool

5. Other migration policy - unskilled labour

In addition to the skilled migration requirements outlined above, RCV has identified strong seasonal demand for unskilled labour in the horticultural and agricultural sectors across a number of its member councils.

In northern Victoria, the harvest season (January – September) sees high demand for fruit pickers. About a decade ago this work was typically done by backpackers who travelled to Australia on a Working Holiday

Maker (WHM) visa, which offered the incentive of an extended stay in exchange for working for 88 days in designated rural areas.

This market segment has declined in recent years, due to a combination of factors. These include unscrupulous labour contractors and practices, which in some cases saw backpackers housed in sub-standard accommodation, poorly treated, and underpaid. Other factors are changes to the WHM visa and the introduction of the so-called backpacker tax of 15 per cent for visa subclasses 417 (Working Holiday Maker) and 462 (Work and Holiday).

The federal government's Seasonal Worker Program and Pacific Labour Scheme are both important programs for providing labour; however, the program conditions are restrictive for small scale horticulturalists, who cannot meet the requirements for minimum working hours per week, or provide the requisite accommodation.

The Victorian Farmers Federation has called on the federal government to consider creating a new visa class (the Farm Visa, or Horticultural Visa) that would allow unskilled labourers into Australia to work on seasonal harvests. RCV supports this proposal and encourages the Committee to consider it in the context of this Inquiry.

6. Concluding remarks

In February 2019 RCV welcomed the federal government's announcement of \$19.4 million in funding to help regional areas attract skilled migrants. RCV's view is that with the right planning, a regional migration program has the potential to transform regional cities, as well as alleviate the population pressures in capital cities.

RCV supports the sustainable growth of our cities, and recognises that attracting new residents is only one part of the equation. However, any migration program must be carefully managed and supported by investment in infrastructure, services and programs - reliable rail, improved road networks, and expansion of healthcare and education services to match increased demand. These are all necessary to ensuring our cities' growth is managed sensibly, in order to maintain a high standard of liveability for our communities.

RCV would also like to see programs to help new families settle into their new communities. Adjusting to a new city and a new culture takes time. To ensure that migrants remain long-term in regional cities, there must be support programs for new families to help them settle in, find work and schools, and connect with the community.

Thank you for receiving this submission. Should you have any queries, or require further information, please contact the Regional Cities Victoria Secretariat on 03 9654 4799 or via email: rcv@cprcomm.com.au