



1 August 2024
The Hon Tony Burke MP
Minister for Immigration and Multicultural Affairs
Department of Home Affairs
PO Box 25
BELCONNEN ACT 2616

Dear Minister,

RE: Regional Capitals Australia – Review of regional migration settings discussion paper submission

Regional Capitals Australia (RCA) is pleased to present this submission for consideration in the Australian Government's review of regional migration settings.

RCA is an alliance of 18 local government associations across the nation, representing Australia's regional capital cities. Regional capital cities perform a 'capital city' role within their regions, providing a central point to access essential infrastructure, services, business, employment and education. These services and infrastructure are accessed by local residents as well as those in surrounding towns and rural areas.

The importance of migration to the economies and communities of regional capital cities in Australia is well understood, and RCA commends the Australian Government ensure regional migration settings are optimised to support regional economic growth and stronger regional communities. Migration is key to supporting service delivery (particularly health) in regional areas, and underpins thriving and diverse regional economies, and a more balanced population.

This submission reinforces our members' position on the important role of migration in regional economies and communities and sets out a number of priorities for reform of regional migration settings, including refining the definition of 'regional', streamlining Designated Area Migration Agreements to encourage uptake, expanding industries eligible for 'specified work' under the Working Holiday Maker program, greater investment in social and cultural infrastructure, and maintaining a central role for regional authorities.

On behalf of our 18 members, we look forward to contributing to the development of regional migration settings that support strong and sustainable regions.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Kylie King".

Kylie King
Chair, Regional Capitals Australia
Mayor, Albury City Council



Review of regional migration settings discussion paper

Submission

August 2024



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About Regional Capitals Australia

Regional Capitals Australia (RCA) was formed in 2012 to represent the interests of Australia's regional capital cities. Our objective is to ensure these needs are reflected in national policy and funding priorities.

Regional capital cities perform a 'capital city' role within their regions, providing a central point of access to essential services, commerce, employment and education. These services are accessed by local residents as well as those in surrounding towns and rural areas.

Regional capital cities also provide a liveable alternative for people and businesses wishing to escape Australia's congested metropolitan cities. Every year regional capital cities generate \$225 billion, or more than 16 per cent of national economic activity.

All RCA members have a growth agenda and stand ready to ensure a growing Australia means a stronger and more equitable regional Australia.

Importance of regional migration

The RCA membership is seeking a greater share of Australia's population, accelerated through immigration policy¹.

RCA believes regional population growth must be underpinned by both skilled and non-skilled migration, along with continued investment in enabling infrastructure and services in order to maintain the local character and amenity that makes regional cities places that attract new residents and supports existing residents' decision to continue to choose our cities as their homes.

Significant skill shortages are impacting economic growth in our regions. In June 2024 there were 75,037 advertised job vacancies in regional Australia. In June the largest number of regional vacancies was for professional roles (27%), followed by technical and trade roles (15%), community and personal service roles (13%) and clerical and administrative roles (13%)².

The spread of job vacancies across occupation groups highlights the significant demand for skilled professionals and essential service providers in regional communities, where the labour market can differ markedly to that in metropolitan areas.

Regional employers operate in smaller labour markets than their major city counterparts and will more often need to seek workers from overseas to fill these critical skilled vacancies, as well as seasonal roles.

¹Regional Capitals Australia 2024 Population Policy, available at <https://www.regionalcapitalsaustralia.org/wp-content/uploads/2023/06/RCA-Polulation-Policy.pdf>

² Regional Australia Institute June 2024 Regional Labour Market Update (data from Jobs and Skills Australia Internet Vacancy Index), available at https://www.regionalaustralia.org.au/Web/Toolkits-Indexes/Regional-Jobs-Update/Updates/2024/Regional_Labour_Markets_Update_June_2024.aspx



Regional migration is key to supporting:

- **Thriving and diverse** regional economies
- **Service delivery** in regional areas – particularly health; and
- A **more balanced** population.

Regional Capitals Australia response to regional migration discussion paper

Regional Capitals Australia (RCA) welcomes the Australian Government’s recognition of the key role the migration system plays in supporting regional Australia to prosper – through the injection of skills, culture, innovation and economic benefits that migration brings. We support the government’s objectives in reforming regional migration settings, particularly to:

- Simplify the system to make it more effective for administrators, employers and potential migrants;
- Reduce exploitation to ensure the system is safe for vulnerable people who visit or live in our regions; and
- Improve international relations and the experience of a cultural exchange (working holiday makers and unskilled labour).

In the spirit of these objectives and drawing on the experience of our members, in this submission RCA outlines a number of priority issues and recommendations for Government to consider in the reform of regional migration settings, supporting stronger regional communities and economies.

Table of Recommendations

Recommendation 1: Refine the definition of ‘regional’ to ensure that migration policy and programs more effectively target non-metropolitan regional areas.

Recommendation 2: Reform the Designated Area Migration Agreement (DAMA) program to reduce complexity and facilitate uptake by regional authorities, regional employers and potential migrants. This reform needs to ensure that regional capital city leaders still have a seat at the decision making table to allow the local needs to be accurately reflected in DAMAs.

Recommendation 3: Create a formal mechanism and funding for State and Territory Governments to support regional authorities to establish Designated Area Migration Agreements.

Table of Recommendations

Recommendation 4: Develop a revised Regional Occupation List informed by regular regional input on changing workforce needs, to be used alongside the Core Skills Occupation List.

Recommendation 5: Maintain the specified work component of the Working Holiday Maker program and expand the approved industries to include tourism, hospitality and health across Australia (not restricted to Northern or Remote and Very Remote areas).

Recommendation 6: To encourage regional migrant retention, Governments must commit to increased funding for settlement services and supports, as well as social and cultural infrastructure.

Recommendation 7: State and Territory Governments must be required to ensure with regional authorities (including RCA members) have a seat at the decision making table in the development of State Migration Plans and other regional visa program design, to improve migration outcomes.



The definition of 'regional' should be refined

The discussion paper acknowledges that the use of different definitions or approaches to defining regional areas for different visa categories creates complexity and uncertainty in the migration system. RCA is also concerned that the classification of 'designated regional areas' as encompassing all areas outside of Brisbane, Melbourne and Sydney implies a level of homogeneity that does not exist; and critically, that this assumption means the immigration system is unable to account for and service the unique characteristics of those 'regional' areas.

The inclusion of major cities like Adelaide, Canberra and Perth as Category 2 designated regional areas needs to be addressed and these acknowledged national and state capital cities need to be removed.

The inclusion of these cities means that migrants to these cities can largely access the same range of incentives available in smaller population Category 3 areas, including regional visas and visa conditions, priority processing of regional visas, the Regional Occupations List and an additional time in Australia for international university graduates.

Such a broad classification of 'regional' inevitably reduces the effectiveness of migration programs and incentives in attracting migrants to many smaller population centres, as they are effectively competing with major cities. The current definition also fails to acknowledge that the attributes and migration requirements of regional capitals and other regional areas can differ substantially to those in larger cities, which limits the ability of migration policy to target those areas effectively.

The definition and application of 'designated regional areas' should be refined to ensure migration policy and programs are able to better target the Category 3 ('Regional centres and other regional areas') parts of Australia, which include the local government areas represented by RCA.

Recommendation 1: Refine the definition of 'regional' to ensure that migration policy and programs more effectively target non-metropolitan regional areas.

DAMAs remain important but reform is needed

Designated Area Migration Agreements (DAMAs) are an important mechanism for addressing workforce challenges in regional Australia, where a bespoke approach is often needed. These agreements provide much needed flexibility for regions to respond to their unique economic and labour market conditions, and RCA strongly supports the continuation of the DAMA program.

RCA also acknowledge the complexities associated with DAMAs, as highlighted in the discussion paper, and agrees that reform is needed to streamline and simplify the approach for their establishment and implementation.



Reforms should be targeted to increase the uptake of DAMAs by regional authorities and make it easier for regional employers to participate in, understand and comply with the program requirements.

Reforms should also provide clarity and certainty to potential migrants to regional areas, who may be deterred by the complexity of the two-tiered agreements.

More support from State and Territory Governments would assist regional authorities in navigating the DAMA establishment process. Creation of a formal mechanism for this State and Territory Government support, and provision of appropriate resourcing, would be supported by RCA. It is essential however that the DAMA process maintain a central, ownership role for regional authorities.

This will ensure that the DAMA is informed by and delivers on a lived understanding of the region's workforce needs, and can be responsive to changes in those needs.

Recommendation 2: Reform the Designated Area Migration Agreement (DAMA) program to reduce complexity and facilitate uptake by regional authorities, regional employers and potential migrants. This reform needs to ensure that regional capital city leaders still have a seat at the decision making table to allow the local needs to be accurately reflected in DAMAs.

Recommendation 3: Create a formal mechanism and funding for State and Territory Governments to support regional authorities to establish Designated Area Migration Agreements.

The Regional Occupation List must be responsive to changing regional workforce needs

The Migration Review canvassed the many issues associated with Australia's current system of multiple occupation lists, which are slow to change, can be overly prescriptive and add complexity to the migration system. RCA supports the government's review of the occupation lists and development of a Core Skills Occupation List via Jobs and Skills Australia.

An up-to-date Regional Occupation List must be developed and maintained alongside the Core Skills Occupation List, taking account of the unique and changing labour market conditions and requirements experienced in regional areas.

The labour market in regional parts of Australia can differ markedly to that in metropolitan areas. As noted previously in this submission, regional employers are operating in smaller labour markets than their major city counterparts, and often will need to seek skilled workers from overseas or other parts of Australia to fill critical vacancies.

The types of industries that operate in regional areas can also differ substantially from those in metropolitan areas, including agriculture and mining and their supporting industries and services. A future Regional Occupation List must be informed by regional input on workforce needs and be responsive to differing regional needs and circumstances.

Recommendation 4: Develop a revised Regional Occupation List informed by regular regional input on changing workforce needs, to be used alongside the Core Skills Occupation List.

Expansion of occupations eligible for Working Holiday Maker ‘specified work’

Working Holiday Makers (WHMs) are an important source of labour for many industries and businesses operating in regional areas of Australia and make a significant contribution to the economic prosperity of those regions – both as workers and as tourists and consumers. Importantly, the presence of WHMs in regional areas creates a positive and enriching cultural experience for both the visitors and the regional communities in which they live and work.

Tying the incentive for WHMs to live and work in regional areas to ‘specified work’ visa requirements has been highly effective. RCA welcomes the Government’s confirmation in the discussion paper that it is not considering limiting WHM visas to one year (as proposed in the 2023 Migration Review), in recognition of the damage that this would do to regional economies.

RCA supports an expansion of occupations eligible for ‘specified work’ – or the ‘88 or 179 days’ requirement under the WHM program, to ensure that a range of sectors across Australia (not restricted to Northern or Remote and Very Remote areas) can benefit from the scheme.

Tourism and hospitality are significant industries in many parts of regional Australia, and labour shortages (including for seasonal labour) are impacting their economic contribution. Tourism and hospitality employers in regional parts of Australia outside of the Northern or Remote and Very Remote areas find it just as difficult to fill job vacancies and should have access to the same provisions under the WHM program.

RCA’s position is also that areas such as health could also benefit from this program with the ability to fill short-term demands across the sector. RCA’s position is also that exploitation of vulnerable people who visit and live in our regional areas as WHMs (or via any other visa pathway) is unacceptable.

As stated in the discussion paper, worker exploitation hurts both WHMs as well as all Australians, including the businesses who do not comply with their labour obligations. It also damages Australia’s international reputation.

RCA strongly supports the government’s efforts to address worker exploitation in the WHM program. We understand the Food and Supply Chain Capacity Study, due to report in September this year, will examine how to address genuine workforce shortages while preventing migrant exploitation, and note



the findings of this study will have relevance to other industries outside of the food supply chain that rely on a migrant workforce.

Recommendation 5: Maintain the specified work component of the Working Holiday Maker program and expand the approved industries to include tourism, hospitality and health across Australia (not restricted to Northern or Remote and Very Remote areas).

Investment in support services and cultural infrastructure will encourage migrant retention

To realise the long-term benefits of migration for regional areas, focus must be put on how to improve retention.

As outlined in the discussion paper, many migrants who move to the regions do not stay there. It's critical for migrant attraction and retention in the regions that new migrants feel supported, settled and connected to their community.

Settlement services are often lacking in regional areas compared to the services offered in metropolitan areas, and regional employers or resource-constrained local governments are often called upon to provide this support. Federal and State Government facilitation of settlement services and supports will enable greater attraction and retention of migrants to regional locations.

Social and cultural infrastructure have an important role to play in creating communities that appeal to migrants as a destination, and for regional areas this is key to encouraging provisional visa holders to make regional destinations their longer-term home.

We know that social infrastructure such as arts and culture play an important role in enhancing liveability, but local governments in regional areas bear a disproportionate financial burden for the provision of this infrastructure, compared with those in capital cities.

At the same time, the funding capacity of regional local governments is limited by their smaller rate base, rate caps, broader service provision to their residents and their disproportionately smaller contributions from State and Federal Governments. RCA has called on Governments to ensure an equitable distribution of arts and cultural funding for regional Australia, to better reflect existing population distribution and anticipated growth³.

³ Regional Capitals Australia, 2024 Arts and Culture Policy, available at <https://www.regionalcapitalsaustralia.org/wp-content/uploads/2023/06/RCA-Arts-and-Culture-Policy.pdf>

Recommendation 6: To encourage regional migrant retention, Governments must commit to increased funding for settlement services and supports, as well as social and cultural infrastructure.

Regional representatives must have a formal role in regional migration programs

State and Territory Governments have an important role to play in supporting regional migration and retention. We note that following the 2023 Migration Review, the Government has committed to developing multi-year, tailored State Migration Plans in collaboration with each State and Territory Government, to shape how the visa system supports key economic priorities in each jurisdiction.

Given that these State Plans will incorporate planning for the range of regional visas, it is absolutely critical that regional representatives have a seat at the decision-making table in this process in a formal capacity, to ensure the optimum migration outcomes for each regional area.

This point about the need for formal engagement with regional authorities was raised earlier in the submission in the context of establishing DAMAs and is of equal importance for broader migration planning at a State and Territory level.

Recommendation 7: State and Territory Governments must be required to ensure with regional authorities (including RCA members) have a seat at the decision making table in the development of State Migration Plans and other regional visa program design, to improve migration outcomes.

For More Information

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Table of Recommendations

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List of Regional Capitals Australia Members

- Albury City Council
- Armidale Regional Council
- Ballarat City Council
- Broken Hill City Council
- City Of Bunbury
- City Of Busselton
- City Of Greater Geraldton
- City Of Kalgoorlie-Boulder
- City of Karratha
- City of Palmerston
- City of Wagga Wagga
- City of Port Lincoln
- Fraser Coast Regional Council
- Dubbo Regional Council
- Goulburn Mulwaree Council
- Greater Geelong City Council
- Griffith City Council
- Latrobe City Council
- Shire of Broome
- Tamworth Regional Council
- Town of Port Hedland