



COMMITTEE FOR
ADELAIDE

THE ECONOMIC CONTRIBUTION OF
MIGRATION TO SOUTH AUSTRALIA

EXECUTIVE SUMMARY

There's never been a better time to review the economic impact of migration on the health of the South Australian economy.

In short – migrants are vital to our economy.

The Committee for Adelaide is an alliance of organisations and individuals drawn from across the full spectrum of South Australian business, art, design and infrastructure sectors. The Committee's diverse and influential membership represents a significant contribution to the economy and employment of this state and has a clear and vested interest in the future of South Australia's economy and society.

Nationally, Adelaide trails the eastern seaboard for net migration well and truly beyond what can be explained by population differences between the capitals.

While Australia's population nudged over 25 million this year, the vast proportion of annual immigrants are settling in and contributing to the growth and prosperity of cities interstate. In the 2016-17 financial year Melbourne grew by 125,400 people – Sydney by 101,600.

The Committee for Adelaide has given deep thought, undertaken broad consultation with our membership and provided concise feedback in the five areas outlined by Parliament's Economic and Finance Committee's inquiry into the economic contribution of migration into South Australia.

The single most important takeaway from our submission to Parliament's inquiry is the dire need for a steadfast and public-facing strategy regarding population growth.

Like South Australia, the Northern Territory and Tasmania recognise they need to grow their populations. However, unlike South Australia, both TAS and the NT have developed and published population strategies to drive growth.

There are strong economic indicators and economic precedents and case studies which all prove the correlation between population and economic vibrancy.

Committee for Adelaide member Deloitte conducted research, which has found doubling South Australia's current growth levels and reaching a population of 2 million people by 2027 would inject an extra \$38 billion into our economy and create 59,000 extra jobs.

But population growth in South Australia is not solely a South Australian conundrum. The Committee recognises and is currently engaged in advocating and lobbying at the federal level for better representation in Australia's immigration pie.

As tensions mount and populations become increasingly crowded in Sydney and Melbourne, the Committee for Adelaide has outlined in our submission to the Parliament's inquiry how South Australia can benefit economically by growing migration here.

Since 2012, South Australia has had the lowest population growth on the mainland, with a net loss of more than 20,000 people to other states.

We must reverse this trend and the Committee for Adelaide has supplied its framework for how we can step-change our position as a globally competitive destination for job creating, innovative and highly-skilled, economic assets – aka: Migrants.

THE IMPACT OF MIGRATION AND POPULATION GROWTH TO SOUTH AUSTRALIA'S PRODUCTIVITY AND ECONOMIC PERFORMANCE AND SOUTH AUSTRALIA'S LONG TERM POPULATION GROWTH RELATIVE TO OTHER STATES IN AUSTRALIA OVER THE PAST THIRTY YEARS;

Migration has been integral to South Australia and the nation's success, particularly in the "populate or perish" post World War II era. Places like Elizabeth were built on the back of migrants who helped forge entire industries, and drive productivity across the state.

While migration continues to play an active role in our state's success, South Australia has historically failed to attract its fair share of migrants. This lack of growth has damaged our economy.

It's resulted in the loss of head offices, limited our ability to attract companies and impacted on everyone from arts groups to sporting clubs who rely on the sponsorship dollar. Our lack of migration growth has forced schools to close in regional communities and towns to die.

As reported by [The Australian](#)¹ newspaper, Melbourne grew by 125,400 people in 2016-17 and Sydney by 101,600 people. In the same period Adelaide grew by just 9,600 and regional South Australia by just 846 people.

Regional Queensland, New South Wales and Victoria all grew more than our entire state, including Adelaide, with 31,600, 20,200 and 18,900 people respectively.

Since 2012, South Australia has had the lowest population growth on the mainland, with a net loss of 23,000 people to other states.

The economic value of population growth is undisputed, particularly in a state like South Australia which has both the room and resources to accommodate more people.

Deloitte, in its [Make it Adelaide](#)² report, found that doubling South Australia's current growth levels to reach a population of 2 million people by 2027 would inject an extra \$38 billion into our economy and create 59,000 extra jobs.

Yet based on current population growth rates, South Australia will fall well short of this target.

With an ageing population and young people leaving to pursue opportunities elsewhere, it is essential that we fill the gaps with skilled migrants and international students and create opportunities that encourage young people to stay and others to come back.

The migration system could plug some of those gaps but with a one-size-fits-all approach, it's failing places like South Australia.

It is clear that a major overhaul of the national migration system is needed but winning the argument in Canberra is made even more difficult as we lose our influence, ironically caused by our lack of population growth which has resulted in the loss of Federal seats.

Our country is in a situation where Sydney and Melbourne are bursting at the seams while Adelaide and regional South Australia are crying out for skilled migrants. In the meantime, thousands of jobs remain unfilled and the community and our economy suffers.

While there does not appear to be specific data on how many jobs cannot be filled across South Australia, some Regional Development Associations have done work in this area. Eyre Peninsula, for example, predicts that if all current growth opportunities come on line as expected, they'll be 3000 workers short while the Murraylands and Riverland say they have about 250 roles that employers are having trouble filling today, valued at \$10 million in wages.

The expansion of Adelaide Casino, for example, will result in 800 new roles by October 2020 and management is already concerned about filling specialist roles like chefs and bi-lingual hosts as well as finding enough quality staff for entry level positions while emerging opportunities in defence, mining and even the disability and aged sectors are also expected to result in skill shortages.

Recent Centre for Economic Studies research commissioned by [Migration Solutions](#)³ shows that every unfilled job a skilled migrant fills – another, separate job, is created!

Not only do we have thousands of jobs across the state that can't be filled but, because we're not filling these positions with skilled migrants we are not creating yet more jobs for the population already living here.

Adelaide used to be Australia's third largest city. We're now the fifth largest and tipped to have half the population of Brisbane and Perth by 2050.

Population growth is critical to our state's economic, social and cultural success and without a significant turnaround, we will continue to see our fortunes (and our people) go elsewhere.

CURRENT PROGRAMS IN PLACE TO ATTRACT NEW MIGRANTS TO SOUTH AUSTRALIA, IN BOTH THE PRIVATE AND PUBLIC SECTOR;

When it comes to attracting new migrants to South Australia, programs appear to be mostly government lead.

Immigration SA runs a [website](#)⁴ with practical information as well as social media sites including facebook using the handle @LiveInAdelaide, YouTube and Twitter.

Immigration SA run information sessions and conduct tours of Adelaide for small groups of business visa migrants (not skilled migrants) from a variety of countries. They give advice on skilled arrival services and, from time to time, marketing campaigns interstate.

While this work is essential and needs to be expanded on the Committee for Adelaide believes the opportunities for business, community groups and individuals passionate about South Australia to engage with potential migrants are currently being overlooked.

The [South Australia Club](#)⁵ brings ex-pats and fans of South Australia living overseas together and again, plays an important role in cementing the state's reputation as an attractive place to live. We understand that the UK Club is the most successful of the clubs and while it began with State Government funding, it is now self-sufficient. Others, we understand, are still run with Government involvement.

Other partly Government-funded organisations like [StudyAdelaide](#)⁶ market the state to international students and provide a variety of support networks. However, the fact that there is no clear pathway via the migration system for students to remain in Adelaide is a barrier to growing this sector.

[Brand South Australia](#)⁷ promotes the state but their work – particularly with the new state brand – appears to be largely focussed inward, on building pride, rather than outwards on building the story behind the brand and attracting new migrants.

Other programs, like [Welcoming Cities](#)⁸, can also provide a role in attracting migrants by providing a welcome, inclusive environment for people when they arrive. This work would have huge positive benefits and can result in other migrants making the move. Welcoming Cities is a national network of cities, shires, towns and municipalities across local government committed to an Australia where everyone can belong and participate in social, cultural, economic and civic life.

While there are numerous programs in place, there are also enormous gaps and opportunities and some of these are outlined in section 4.

ADEQUACY OF AVAILABLE DATA ON VISA GRANTS, MIGRANT ARRIVALS, AND POST-ARRIVAL SETTLEMENT OUTCOMES ACROSS ALL STREAMS OF PERMANENT MIGRANTS, AND OPPORTUNITIES FOR BETTER INTEGRATION OF STATE AND COMMONWEALTH DATA-BASES;

The Committee for Adelaide would be keen to understand better the movement of migrants across Australia, particularly those entering Australia on skilled visas, as well as post-arrival settlement outcomes.

Anecdotally, we are aware of migrants entering South Australia on state-nominated visas only to find few jobs available in their chosen field. We have been unable to find specific data on this.

It is clear that a major overhaul of the state-nominate visa system is needed to make it more dynamic and demand driven so that it truly reflects employment market realities.

THE PRACTICAL MEASURES THAT COULD BE IMPLEMENTED TO ATTRACT AND RETAIN SKILLED MIGRANTS TO SOUTH AUSTRALIA, WITH PARTICULAR REGARD TO REGIONAL WORKFORCE SHORTAGES;

While there are a number of programs to attract new migrants to South Australia both from interstate and overseas, much more needs to be done.

Adelaide Abroad and the Boomerang Club

The Committee for Adelaide has identified some of the gaps and is working with passionate South Australian individuals and businesses to bring more people to our state – namely through Adelaide Abroad and the Boomerang Club.

These programs aim to cement Adelaide's reputation as a desirable place to live, invest and do business and provide networks that ensure that those who come (back) here assimilate easily and thrive.

The programs will also help create a new narrative for the State about people coming, rather than leaving while providing communities the ability to tap into the valuable international networks expats, foreign alumni and people that have chosen Adelaide as their home.

While these programs focus on the metropolitan Adelaide region, there is no reason why they can't be expanded out into regional communities as well.

The Committee for Adelaide is currently seeking State Government funding for the programs so they can be run as pilots over two years with a view to them becoming self-sufficient after this time and more details are provided below:

- **Adelaide Abroad:** A project to create a virtual, online community of global ex-pats, former students, potential migrants and those who simply have a passion for South Australia to generate a better understanding of how Adelaide is changing and ultimately encourage people to return.

As well as a platform for positive stories about the State's businesses and people, this online community seeks to provide practical support for people looking to move to South Australia, linking them with potential employers and providing networks to enhance their experience and ensure that once they move to Adelaide, they are more likely to stay.

It would work in with State Government initiatives such as the South Australian Club in the UK and include an "inner circle" – a team of Adelaide Abroad volunteers who are committed to meeting one-on-one with internationals and expats to discuss how they can re/establish themselves in the South Australian business community.

Over time, there is potential to expand the Adelaide Abroad concept into the "real world", linking up Adelaide supporters at events in cities across the globe.

- **The Boomerang Club:** A support network for Boomerangs (people who have left Adelaide and returned home) as well as Arrows (skilled migrants who have chosen to live in Adelaide) which helps people connect with like-minded people and enjoy an easier transition back into life in Adelaide.

This group lives local but thinks global through their expat, international and local networks and will come together at least once a quarter to hear from interesting keynote speakers and panel discussions.

Already one event has been held with 35 people attending and the database has grown to nearly 200 people interested in connecting.

Marketing and other initiatives

There is much that can be done to attract and retain skilled migrants at the state level, including:

- Addressing critical issues around South Australia's narrative which is leading young people to believe the only way they can build successful careers is to move interstate or overseas, even when this is not the case
- Attracting South Australians living interstate and overseas back to the State through initiatives such as the Boomerang Club, Adelaide Abroad, networking and marketing campaigns
- Attracting people from Melbourne and Sydney to Adelaide, who do not want to live in mega cities, via a marketing campaign
- Promoting South Australia as a migration destination to key overseas markets. The decision to emigrate begins with migrants and when they think of Australia, they often only know Sydney and Melbourne
- Ensuring the new Entrepreneurial Visa is widely promoted through targeted initiatives to make Adelaide a leading hub of innovation
- Taking migration agents on familiarisation tours of South Australia so they can experience the benefits of living or studying here first hand, ensuring they promote our State to clients

We also believe it is important to educate the public on the need for population growth and the Committee for Adelaide is working on a campaign to achieve this.

FUTURE OPPORTUNITIES TO SUPPORT POPULATION GROWTH IN SOUTH AUSTRALIA; AND ANY OTHER RELEVANT MATTERS.

The need for a population growth strategy

Like South Australia, the Northern Territory and Tasmania need to grow their populations but – unlike South Australia – they have developed population strategies to drive this.

The [Northern Territory Population Growth Strategy](#)⁹ includes an investment of \$50.4 million over two years – in addition to existing activities – to implement targeted population growth initiatives which include:

- Delivering financial incentives to attract and retain people who enter occupations on the Northern Territory Skilled Occupation Priority List and ensure these people become Territory residents and stay for at least five years
- Develop and implement initiatives and incentives to attract and retain early career women and mid-and-late-career workers, and retain retirees
- Implementing the Territory Expat program to engage ex-Territorians and encourage them to return, and/or act as ambassadors for the Northern Territory, encouraging friends, family, colleagues and acquaintances to consider the Northern Territory as a destination
- Implementing the Territory Migration Strategy to attract and retain international skilled migrants by marketing the Territory in key international markets
- Enhancing the skills recognition program and developing welcome packages to assist their integration into the community
- Promoting a new story – The Territory, Boundless Possible – which reflects the lifestyle and opportunities of the contemporary Northern Territory
- Implementing initiatives designed to encourage every business operating in the Territory to employ people who live here, rather than fly-in fly-out (FIFO) workers

- Expanding the Here marketing campaign beyond the NT Public Service to other levels of government and the private sector to encourage people from elsewhere in Australia and overseas to take up employment opportunities in the Northern Territory

The [Tasmanian Population Growth Strategy](#)¹⁰ sets a target to grow the population to 650,000 by 2050 (up from about 520,600 in June 2018¹¹)

The plan includes 50 actions against three pillars: job creation and workforce development; migration; and, liveability. \$10 million has been set aside, over four years, to implement these actions.

Strategies are designed to:

- Actively pursue investment, business relocation and job creation
- Identify and project current and future employment opportunities
- Invest in real skills for real jobs
- Retain the best and brightest
- Increase engagement with the Tasmanian diaspora and encourage them to return home
- Actively pursue overseas migration
- Increase the share of humanitarian entrants
- Increase numbers of international students
- Actively pursue interstate migration
- Implement a strong marketing strategy
- Nurture vibrant communities
- Support families to achieve a work-life balance
- Assist migrants to settle and feel welcome in Tasmania
- Create inclusive and supportive communities

South Australia needs an overarching population growth strategy that particularly focusses on interstate migrants and retaining South Australia's best and brightest.

Advocacy at the national level

As a state, South Australia has little control over the national migration system. However, it is important that South Australia presents a unified, strong, bipartisan approach to Canberra and we must consider any potential to join forces with other states impacted by lack of population growth.

While nationally there are concerns that Australia has a rapid population growth issue, in reality we have a population distribution issue and a decentralisation strategy is needed.

The Committee for Adelaide is advocating for changes at the national level including **initiatives such as visa rules that bind migrants to specific regions like Adelaide.**

However, it is important this strategy does not happen in isolation. In our view we also need:

- A demand-driven system that includes occupation lists and skill level requirements that better reflect local market conditions. This would ensure a genuine demand-supply connection and result in better outcomes for both migrants and our state
- A broader decentralisation policy that considers all levers that can be used to better distribute population to States such as South Australia
- Priority processing for areas, such as Adelaide, classed as regional (backlog of unprocessed Regional Sponsored Migration Scheme visa applications 18,341 in 2016/17)
- An increase in State-sponsored quotas
- A strengthening of Adelaide's Regional Migration Status
- A national population strategy
- Changes to the migration system as identified in the [South Australian Centre for Economic Studies](#)¹² report
- Present the opportunity for people to work in regional areas in a more positive light
- Soften requirements for Business Visa migrants

DAMA

One way to enact changes at the Federal level is by revamping the [Designated Area Migration Agreement \(DAMA\)](#).

According to the [Department of Home Affairs](#)¹³: "A designated area migration agreement (DAMA) provides flexibility for states, territories or regions to respond to their unique economic and labour market conditions through an agreement-based framework. Under the DAMA framework, employers in areas experiencing skills and labour shortages can sponsor skilled and semi-skilled overseas workers".

Yet the process itself is unwieldy and to date only one DAMA exists, in the Northern Territory.

There is an opportunity to streamline and change the DAMA settings so that regional areas of South Australia as well as Adelaide can identify their own designated area representatives and begin to address the skilled shortages that are inhibiting current and future economic and community growth.

REFERENCES

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² <https://www2.deloitte.com/au/en/pages/future-of-cities/articles/shaping-future-cities-make-it-adelaide.html>

³ <http://www.migrationsolutions.com.au/category/saces-economic-research/>

⁴ <http://www.migration.sa.gov.au/>

⁵ <https://southaustraliacub.sa.gov.au/>

⁶ <https://studyadelaide.com/>

⁷ <https://www.brandsouthaustralia.com.au/>

⁸ <https://welcomingcities.org.au/>

⁹ https://population.nt.gov.au/_data/assets/pdf_file/0007/559384/Population-Strategy.pdf

¹⁰ https://www.stategrowth.tas.gov.au/_data/assets/pdf_file/0014/124304/Population_Growth_Strategy_Growing_Tas_Population_for_web.pdf

¹¹ <http://www.population.net.au/population-of-tasmania/>

¹² <https://www.adelaide.edu.au/saces/publications/reports/consultancy/>

¹³ <https://www.homeaffairs.gov.au/trav/work/empl/labour-agreements>

MEMBERS

Our members represent a broad cross-section of South Australian businesses and organisations with a stake and belief in the future of South Australia.

GOLD MEMBERS



SILVER MEMBERS



BRONZE MEMBERS



ABOUT THE COMMITTEE FOR ADELAIDE

The Committee for Adelaide exists to drive change economically, socially and culturally in South Australia.

We are membership-based, a-political and non-sector specific, bringing together diverse organisations ranging from non-profits to large corporations, sporting and community groups and universities.

Provided over the page is a summary of our current members and partner organisations.

CONTACT US

If you would like to know more about any of the suggestions made in this document, we encourage you to contact:

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