



COMMITTEE FOR
ADELAIDE

AUSTRALIA'S 2019-20 MIGRATION PROGRAM

Submission to Department of Home Affairs

Executive Summary

Cities such as Melbourne and Sydney are struggling to cope with migrant numbers while elsewhere, communities cannot find the skilled migrants they require for economic growth.

With Australia facing a major migration distribution issue, there has never been a better time to review the nation's migration program to significantly enhance the economic prospects of the entire country.

The Committee for Adelaide is an alliance of organisations and individuals drawn from across the full spectrum of South Australian business, art, design, education 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 last year, the vast proportion of annual immigrants are settling in and contributing to the growth and prosperity of Sydney and Melbourne. In the 2016-17 financial year Melbourne grew by 125,400 people; Sydney by 101,600.

The Committee for Adelaide has undertaken broad consultation with our membership. The most important takeaways from our submission are: *Australia's immigration policies should serve the nation as a whole and where applicable, be tailored to achieve state and territory economic growth objectives. A one-size fits all approach does not work and a focus on decentralisation is needed to bring back some balance into the system.*

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

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 and territories

We must reverse this trend and to achieve this, major changes to the federal migration system are urgently needed.

1. Would maintaining the current composition of the permanent migration program, approximately 70 per cent skilled immigration and 30 per cent family immigration, strike an appropriate balance that maximises the benefits of immigration for all Australians in 2019-20?

While striking the right balance between skilled and family migration is important, more important for South Australia is ensuring it achieves its fair share of skilled migration. The current migration system does not achieve this.

In our view we 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 Federal Government 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

Designated Area Migration Agreements

We fully support Designated Area Migration Agreements for South Australia. However, to reach its full potential it is essential that a number of concessions are included that allow for the particular challenges that South Australia is facing. These include:

- **Autonomy over occupation lists:** For a DAMA to work for South Australia, it is essential that the State has control over the occupations that are identified for inclusion.
- **Pathways to permanent residency:** The inclusion of such pathways as part of a South Australia DAMA will enhance our attractiveness to skilled migrants, helping to ensure the survival of regional communities and providing Adelaide with a globally competitive workforce. This is particularly essential given ongoing developments in areas such as defence and space – which the Federal Government has invested heavily in – as well as gaming and entertainment, artificial intelligence, mining and more.
- **The removal of “need” as an initial component of a DAMA:** The migration system generally relies on Australian Bureau of Statistics and other historical data which looks to the past rather than to the future when determining need. This is unhelpful, particularly in areas such as space, defence and other industries where technology is constantly changing and past trends can range from somewhat useful to totally irrelevant.
Such an approach is also unhelpful for businesses expanding. For example, Adelaide Casino will need 200 table game dealers when its expansion opens late in 2020. There are not enough people locally who have the appropriate skills and experience and with casino expansions happening on the Gold Coast and in Brisbane and Sydney, dealers cannot simply be imported from interstate. While the casino can point to a future need, it cannot meet current need requirements as required. It is therefore essential, that the DAMA is broad including numerous occupations and industries with need provisions only coming into play at the time an employer is seeking staff.
- **Lowering of the Temporary Skills Migration Income Threshold (TISMIT):** For some jobs, particularly in regional parts of the State, the current TISMIT is too high and does not reflect the reality of wage conditions in these areas where the cost of living

is also much lower, particularly housing. The TISMIT is more geared to eastern states remuneration levels and needs to be adjusted for regional differences.

- **Lowering of English language proficiency standards:** While high levels of English are relevant for some occupations, they are not relevant for all.

2. How can Australia maximise the economic outcomes from the skill stream in the 2019-20 Migration Program? What should the balance between skilled categories be in order to best meet the needs of Australians in 2019-20?

As mentioned above, a more demand-driven and forward-looking system that includes occupation lists and skill level requirements that better reflect local market conditions and requirements is essential. This would ensure a genuine demand-supply connection resulting in better economic and social outcomes for businesses, communities and migrants.

In addition, a focus on decentralising the program to ensure a more even distribution of the economic advantages brought about by migration is also important.

While migration continues to play an active role in our state's success, in recent times South Australia has failed to attract its fair share of migrants due to numerous reasons, including changes to the migration program. This lack of growth has damaged our economy.

As reported by [The Australian](#)ⁱ newspaper, Melbourne grew by 125,400 people in 2016-17 and Sydney by 101,600 people. In the same period, the regional communities of Queensland, New South Wales and Victoria grew by 31,600, 20,200 and 18,900 people respectively whereas Adelaide grew by 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](#)ⁱⁱ 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.

Immigration SA estimates there will be 35,000 job opportunities coming on line in regional South Australia over the next five years due to employment growth and retiring workers. Thousands of these jobs will need to be filled by migrants.

Recent Centre for Economic Studies research commissioned by a [consortium of businesses and peak bodies](#)ⁱⁱⁱ shows that every unfilled job a skilled migrant fills – another, separate job, is created due to the economic value that migrants bring.

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 a significant overhaul of the migration system is needed.

3. In addition to the questions above, we have also provided extra information which we also believe to be highly relevant.

The Temporary Skill Shortage (TSS) and Regional Sponsored Migration Scheme (RSMS) visas do not work well for South Australia for a host of reasons. This is because they:

- do not generally include semi-skilled workers
- have a minimum salary threshold which can be too high in the South Australian context
- require visa applicants to have two to three years post qualification work experience in the past five years, essentially ruling out many migrants and most international graduates (a valuable pool of labour for employees)

The work experience component, in particular, is a major issue diminishing the attractiveness of South Australia. In the previous program year, nearly 1500 RSMS visa applications were received. From July to October 2018, just 50 were submitted.

ⁱ <https://www.theaustralian.com.au/national-affairs/immigration/sa-pleads-for-migrants-while-others-are-bursting/news-story/a0ea5673f80c9a6b4d3105555a03e3ba>

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

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

More information

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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.

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