



COMMITTEE FOR
ADELAIDE

**Submission in response to Questions 1, 1(a) and 2
of the Inquiry into Australia's Skilled Migration Program
by the Joint Standing Committee on Migration**

March 2021

Introduction

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.

Our membership is diverse and influential, making a significant contribution to the economy and employment of this state and has a clear and vested interest in our future.

Collectively, we are concerned about the lack of population growth in South Australia and that there are businesses across the state which would like to grow but cannot find the people they need locally. This has become even more severe due to the global pandemic. It is particularly concerning for regional and remote towns with many businesses 'crying out' for workers and some facing closure if workers are not found¹.

Over the past 12 months our state has seen a minor increase in net interstate gain due to the global pandemic², however, this will not be enough to counteract the drop in international skilled migration that has occurred because of the pandemic. According to the Reserve Bank's Dr Lowe, over the coming year Australia's population growth is expected to shrink to a low of just 0.2%³, with Australia's migration program being critical to aid our economic recovery.

1. The purpose of the skilled migration program and whether it is meeting its intended objectives

Skilled migration is integral to South Australia's population and economic growth. Currently, the migration program favours larger cities such as Melbourne, Sydney and Brisbane and thereby fails to deliver what our city and regional towns need. There should be a greater focus on where migrants are settling to encourage a more even distribution of population growth to meet immediate and future workforce demands. A complete overhaul of the system is needed which is informed by an overarching population strategy – (further details about structural changes will be provided in our subsequent submission response to Question 1b).

¹ <https://www.adelaidenow.com.au/business/covid19-regional-communities-crying-out-for-hundreds-of-workers-as-pandemic-worsens-workforce-struggles/news-story/d46355b42eafc01733f79f88009f3e74>

² <https://www.adelaidenow.com.au/news/south-australia/brain-drain-from-south-australia-reverses-again-abs-figures-show/news-story/3c7ebb08c67603a5f050dbcab2368d26>

³ <https://www.news.com.au/finance/economy/australian-economy/rba-governor-philip-low-says-skilled-migration-key-to-economic-recovery/news-story/a68ca21380ff34d46797020f503f3106>

With an ageing population and young people leaving to pursue opportunities elsewhere, it is essential for South Australia to attract and target younger cohorts through the skilled migration program to support our long-term economic growth. To grow our local workforce, we need stronger migration rates which are not currently adequate to meet our state's needs.

South Australia has both the room and resources to accommodate more people. Deloitte, in its Make it Adelaide⁴ 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. These jobs are essential to our growth and prosperity. However, based on current population rates South Australia will fall well short of this target. Impacts from the global pandemic are likely to exacerbate this problem with slower population growth rates across the country and just 0.1% annual growth⁵ projected for South Australia in 21-22.

1a) if any immediate adjustments are necessary in the context of the future of work and pandemic recovery

In the short term, immediate adjustments are needed to the skilled migration program to enable South Australia's economy to recover from the pandemic:

- **Prioritise visa categories that address demand driven skills shortages in regional/rural SA:** Direct immediate efforts into prioritising visas for industries that have a genuine need for workers. The focus should be on working with the state and regions to identify regional and rural areas where labour shortages have been exacerbated by the global pandemic with fewer migrants, international students and backpackers to fill the workforce gaps. Regional Work SA⁶ identifies available jobs to fill gaps in the current labour force including agriculture, tourism, hospitality.

The Industry Skills Council (2020) highlights the future needs of industry in South Australia with growth expected in 'health and community service workers, business and public administration managers, and health and welfare professionals'⁷. However, given our ageing population we expect that as our older workers leave the workforce, there will still be gaps in existing industries with

⁴ [Shaping Future Cities – Let's Make it Adelaide! | Deloitte Australia | Shaping Future Cities, liveable, diversified, connected](#)

⁵ <https://population.gov.au/data-and-forecasts/data-and-forecasts-dashboard-statement-state.html>

⁶ <https://www.regionalwork.sa.gov.au/>

⁷ https://www.tasc.sa.gov.au/DesktopModules/Bring2mind/DMX/Download.aspx?Command=Core_Download&EntryId=792&PortalId=5&TabId=1047

limited younger local workers to fill them thereby increasing the state's need for skilled migrant workers.

- **Increase marketing of immediate opportunities in regional/rural SA:** Work collaboratively with the state and regional industries to identify immediate needs and target marketing of opportunities and incentives to seasonal/temporary workers overseas to increase uptake (eg. Seasonal Worker Program/Pacific Labour Scheme) and offer end-to-end support services to ensure workers have appropriate access to housing, transport and key services.
- **Set upper limits to migration by region rather than nationally:** Allow regions like South Australia greater flexibility to negotiate an increase in skilled migrants based on labour force demands, whilst allowing other jurisdictions under pressure from population growth to limit their intake⁸.
- **Temporary Skills Migration Income Threshold (TSMIT):** For some jobs, particularly in regional parts of the state, the current TSMIT 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. Wages are more geared to eastern states remuneration levels and need to be adjusted immediately for regional differences. While the lowering of the TSMIT of about 10% for some occupations under the SA Regional Workforce DAMA is welcome, an immediate review of whether this could be broadened out into other categories should be undertaken.

2. Australia's international competitiveness in attracting entrepreneurs, venture capital, startups, and the best and brightest skilled migrants with cutting edge skills.

Skilled migration is essential to support South Australia's 'Growth State' agenda⁹ with its focus on encouraging businesses and entrepreneurs to start, innovate and grow their businesses in South Australia. Through this, we want to attract investment and support innovation in new and emerging technologies. We need Australia's migration settings to enable us to build a stronger economy – this includes:

⁸ SA Centre for Economic Studies, 2019

⁹ <https://www.growthstate.sa.gov.au/plan/skills-and-innovation>

- **Leveraging on our success to attract migrants to Adelaide:** We need to leverage our success in response to the global pandemic and use it to our advantage to attract the best and brightest migrants with cutting edge skills. Adelaide can compete internationally and should be promoted globally as a well city that is safe, secure, innovative, and an exciting place to live, work and invest. It is one of the world's most liveable cities, has the lowest cost of living in Australia and is a competitive base for doing and setting up business¹⁰. Significant investments have been made to build precincts and infrastructure to attract future facing industries including defence, health, advanced manufacturing, computing and innovation¹¹. More could be done to market and promote regional areas like South Australia at the federal level through the use of marketing campaigns specifically geared towards opportunities in these industries as well as lifestyle and wellbeing factors.
- **Ensure Adelaide gets its share of global talent:** The Committee for Adelaide recently hosted Peter Verwer AO, Prime Minister's Special Envoy into Global Business and Talent Attraction. We support the focus on attracting global business and talent to our shores to support priority growth sectors. It is critical that the Federal Government supports Adelaide to expedite its share of talent to counteract the trend for businesses and individuals to preference eastern states ahead of regional areas like Adelaide.
- **Extend service offer and residency pathways to attract businesses and migrants to Adelaide:** The opportunities on offer to businesses and talented individuals through the Global Talent (Independent) Program (e.g. fast tracked visas with a streamlined path to residency and end-to-end service to kickstart business) are particularly attractive. More could be done at the federal level to integrate these types of offerings into the current migration program, particularly to encourage and attract settlement in regional areas rather than larger cities.

Creating and promoting clear pathways to permanent residency will assist in attracting global talent, business and new industry to South Australia to ensure it has a globally competitive workforce into the future. Relocating family and business to Australia is a major shift for many prospective migrants and we need to make it worth their while by offering incentives and opportunities that are hard to overlook.

¹⁰ <https://www.invest.sa.gov.au/why-south-australia>

¹¹ <https://www.migration.sa.gov.au/why-south-australia/work/business-investment>

Supporting documentation:

In 2019, a number of South Australian businesses and organisations commissioned the South Australian Centre for Economic Studies to undertake extensive research into Australia's migration program and the benefits of reform to address our state's needs. The report provides recommendations that are relevant to this inquiry and would warrant consideration by the Joint Standing Committee on Migration.

The report can be accessed online [The Potential Benefits of Reforming Migration Policies to Address South Australia's Needs Report 3: Policy Solutions](#).