

SUBMISSION TO MIGRATION SYSTEM REVIEW

DECEMBER 2022



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GOVERNMENT REVIEW OF AUSTRALIA'S MIGRATION SYSTEM

Thank you for the opportunity to provide input into the Government's review of Australia's Migration System.

The Committee for Adelaide brings together businesses, industry bodies, community, and government to shape one of the most liveable cities in Australia. Our membership is diverse and influential, making a significant contribution to the economy and society. Our members collectively employ over 45,000 South Australians and all have a clear and vested interest in our future. We are focussed on harnessing the strengths, passion and insights of our members and partners to shape the future of Greater Adelaide.

In the fifteen years prior to the pandemic, overseas migration was the largest source of population gains for South Australia and as we move forward our population growth will continue to be heavily reliant on migration. This is backed by research conducted by the SA Centre for Economic Studies (2021) noting that with gains from net natural increase expected to decline and deaths expected to rise as the population ages, the importance of migration in future years will be even greater for South Australia.

Collectively, our members are concerned about South Australia's population growth and the ramifications that minimal growth will have on our state's productivity, economy, and relevance on a national and global scale. As a result, the work of the Committee focuses on the strategic policy priorities outlined in <u>Attracting Capital and Talent</u> to ensure South Australia's economy thrives now and into the future.

Regarding overseas migration, the Committee's policy priorities call on government to:

• Accelerate migration to SA

South Australia's share of the country's population is 7.1%. In 2020-21 South Australia received just 6.1% of the total intake falling short of its fair share. Prioritising and fast-tracking migrant applications to less populous cities, such as Adelaide which is considered 'regional' under the existing system, would improve labour shortages, and ultimately

improve the state's productivity and economic growth. This needs to be supported by an overarching national population strategy that ensures a more even distribution of population across Australian cities, giving preference to cities, like Adelaide, expecting less growth over the coming decade.

• Create incentives with clear visa pathways to attract and retain international students International education was the second largest export for our state in 2020, worth \$1.85 billion to our economy, ahead of copper, metal ores and meat. There are currently 25,000 international students living and studying in Adelaide and a further 5,400 offshore representing over 120 nationalities.

International students and graduates are a skills pipeline for local businesses, bringing qualifications and experience in fields of current skills shortages and boosting local workforce capabilities and productivity. They are the perfect working age demographic that our State and so many businesses desperately need.

The migration system can support the attraction and retention of students by making it easier from the outset so that we can compete in a highly competitive global market. The Genuine Temporary Entrant Requirement for a student visa is short sighted and at odds with priorities to attract and retain talent to bolster South Australia's local and regional workforce capabilities. Offering clearer pathways to residency for students to stay beyond their studies would support retention ambitions for students and businesses.

Through the Committee's work in 2022, we also conducted two migration focused consultations as part of our Adelaide Connected program. Firstly, a <u>Migration and Skills</u> <u>Roundtable</u> with members, industry, government and key stakeholders regarding skilled migration and secondly, a <u>Migrant Consultation</u> with migrants who have moved to Adelaide within the last five years to discuss the challenges they faced, what would make the transition better and entice them to stay longer.

Regarding changes to the current migration system, the key recommendations from our consultations call on government to:

• Establish a simpler and more responsive visa processing system Simplifying the visa process is critical for both businesses and migrants.

Over 90% of businesses in South Australia are small to medium enterprise. The complexities, waiting times, and costs associated with hiring migrants under the current system are particularly burdensome and operate as a deterrent for businesses rather than an incentive to support labour hire. This is a critical issue for small to medium enterprises who do not have the capacity to engage migration specialists to navigate the requirements of the current system.

Creating a more responsive visa processing system is paramount if Australia wants to remain competitive in an increasingly competitive global war for talent.

Many migrants reported lengthy waiting periods to have their applications processed. A lack of communication, transparency, consistency, and long waiting times negatively impact their ability to feel settled in Adelaide. This is a significant issue that creates feelings of despair and stress, impacting migrant mental health and wellbeing, not just for the individual but also for their families that have travelled with them to settle in our communities.

The visa process needs to be faster, more efficient and streamlined with greater consistency and transparency regarding bridging visas to permanent residency.

Applicants need a mechanism, either online, in person, or over the phone by which they can find out in 'real-time' where their application is at in the process.

Review policies that restrict migrants from leaving the country

Existing restrictions preventing migrants on a bridging visa from leaving the country are unfair and should be reviewed immediately. The current policy impacts on the wellbeing of migrants with lengthy periods of time away from family members in their home countries whilst they await the outcome of their visa application.

• Improve efforts to welcome, include and support migrant settlement

More needs to be done to capitalise on migrant skill sets to support their contributions towards the growth of our local businesses and emerging future-facing industries.

With only 44% of migrants coming to South Australia working in their nominated skilled occupation (30% nationally) and 54% working below their skill level (25% nationally), there is a substantial gap that needs to be addressed when it comes to unlocking the potential of migrants.

To support migrant retention in South Australia and unlock potential, changes to the migration system go well beyond the visa process. This means adopting a more holistic and localised approach to migration so that migrants feel welcomed on arrival and are supported during their initial settlement into Australian communities. Key initiatives migrants felt would help their transition include:

- access to quality, low cost 'bridging' accommodation on arrival including suitable housing for families with children
- a confidential hotline for migrants to speak with people outside of their family that can support them and understand what they are going through relocating and settling into a new country
- access to childcare to assist with job seeking and study
- ° regular networking events with likeminded people, including industry
- ° support to access and better understand the local job market.

• More emphasis on demand driven migration

Migrants relocate to South Australia with the expectation that they will be able to find work in their nominated occupation. The statistics above show that this is not always the case. Utilising a demand driven approach could effectively improve the utilisation of migrant skills resulting in a higher rate of retention in the local job market.

Independent research by BDO Econsearch commissioned by Migration Solutions utilises an economic modelling approach to estimate the economic uplift of meeting South Australia's workforce shortfall through demand driven migration, particularly for regional businesses where semi and low skilled workers are required. You can access the report <u>here</u>.

The Committee for Adelaide welcomes the opportunity to participate in future consultations regarding the review of Australia's migration system.

Kind regards,

Bruce Djite CEO, Committee for Adelaide