



**REGIONAL  
AUSTRALIA  
INSTITUTE**

## **SUBMISSION**

# **Planning Australia's 2024-25 Permanent Migration Program**



**December 2023**

Photo: Anil from Temora

## About the RAI

The Regional Australia Institute (RAI) is the only think tank dedicated to pursuing research, data, policy, and activation to build robust regional economies and a better quality of life for the benefit of regional Australia.

The RAI exists so that decision-makers at all levels of government, industry and community have the information they need to ensure the best outcomes for regional Australia.

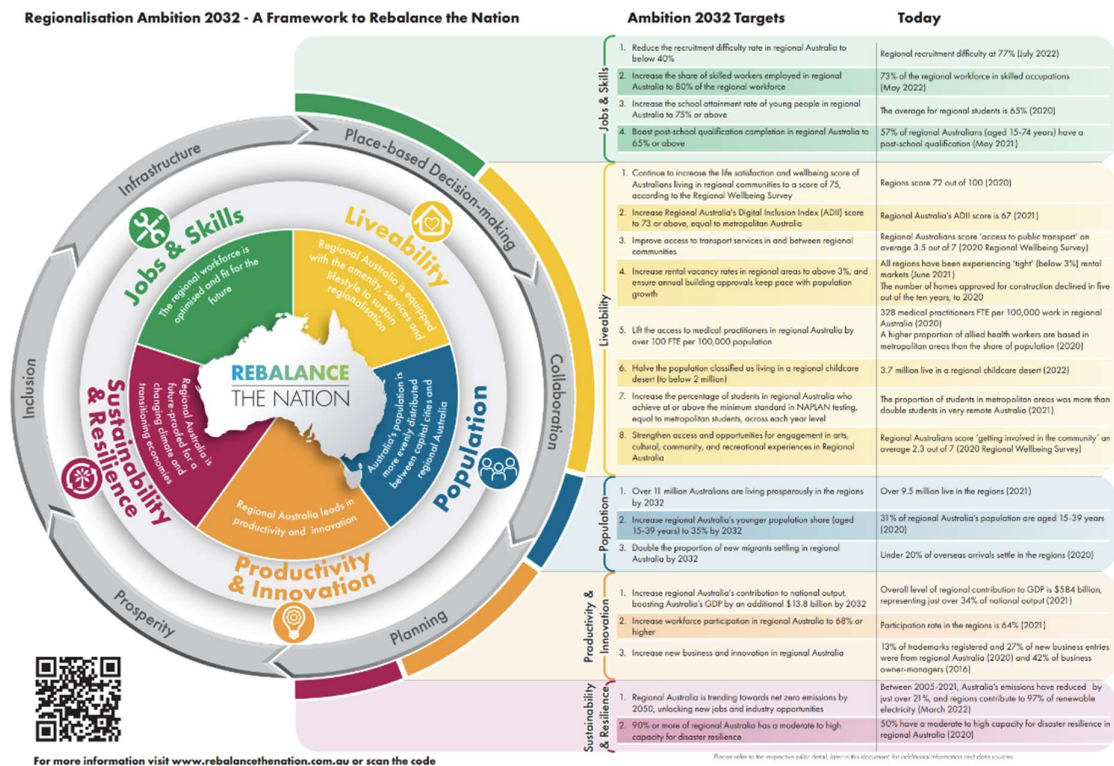
The RAI's purpose is to empower regions to thrive.

## The Regionalisation Ambition

In September 2022, the RAI launched the Regionalisation Ambition 2032 – A Framework to Rebalance the Nation, to help direct the actions of government, industry, and the community to achieve more ambitious and balanced growth across our nation's regions.

By setting the ambition to Rebalance the Nation and see more Australians calling regional Australia home, the RAI is seeking to lead a shift in mindset in how we plan for the nation's future.

The Framework outlines cross-cutting themes, and five pillars with key targets, actions and benefits that will each contribute to building stronger regional communities, and a stronger Australia. The five pillars are:



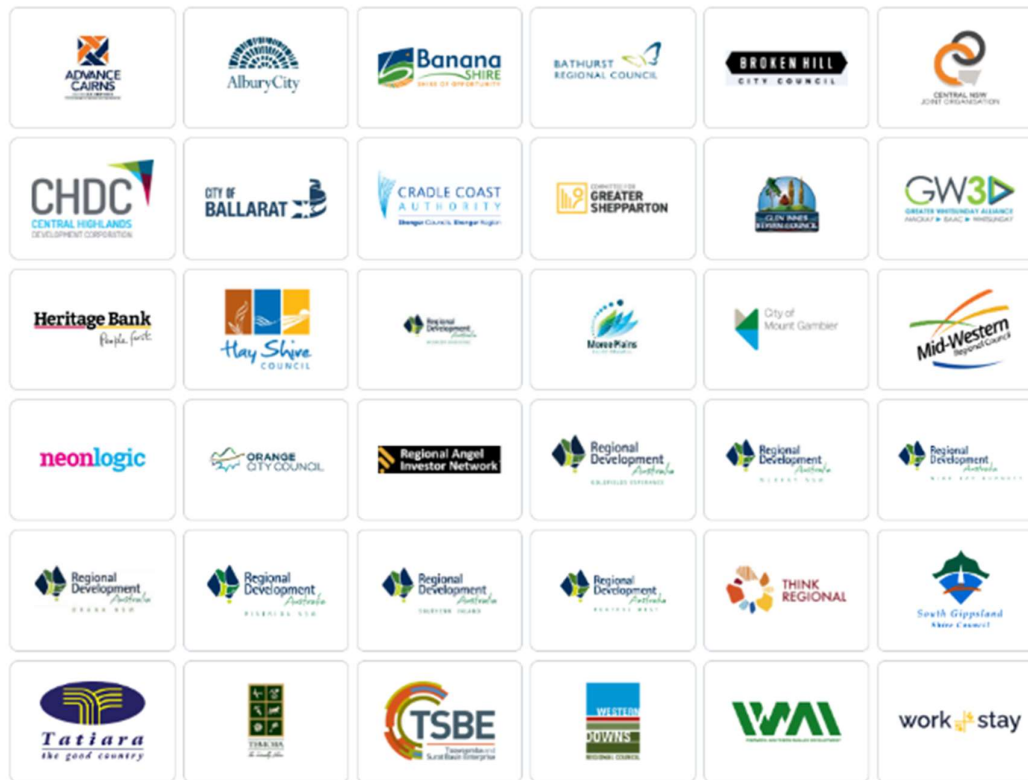
## Our Members

The RAI has an extensive network of businesses and organisations through its membership programs – The Regional Australia Council and the Regional Activators Alliance. The following organisation make up the membership organisations associated with RAI through both the Regional Australia Council and the Regional Activators Alliance.

### Regional Australia Council



### Regional Activators Alliance



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15 December 2023  
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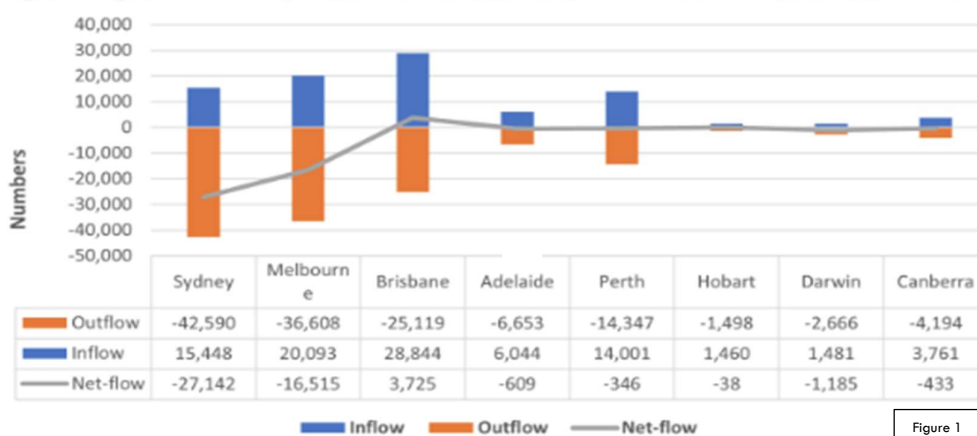
To Stephanie Foster PSM,

The RAI appreciates and commends the Department of Home Affairs in facilitating this opportunity to contribute to the ongoing conversation of regional migration. Migration is a foundational component of contemporary regional development. However, migration in isolation, cannot respond to the inequities of regional Australia. A holistic approach across the pillars of regionalisation, as discussed in the Regional Australia Institute's (RAI) *Regionalisation Ambition 2032*, is required to rebalance our nation. As such, the RAI philosophy encourages inter-ministerial coordination as a necessity in the Government's approach to our regions.

Given the context of this submission, overlapping the release of the *Migration Strategy: Getting Migration Working for the Nation*, the RAI will address the questions posed in the *Discussion Paper*, whilst also commenting on the Strategy. However, as a primary recommendation, the RAI highly recommends the creation and implementation of a national population plan with regional specific elements. This will provide a holistic approach to all aspects of liveability across our nation including regional Australia. The potential of the *Migration Strategy* will only be fulfilled with an integrated approach to essential services including health, housing, infrastructure, multicultural services, and education. Moreover, the same essential services will be further improved from the provisions of the *Migration Strategy*. The RAI recommends the use of the *Regionalisation Ambition 2032* as a basis for the regional specific population plan and the Institute looks forward to working with Government and stakeholders in producing such a plan.

As an overview of regionally specific migration patterns and trends, there are two elements to consider: primary migration and secondary migration. Primary migration to the regions is currently 18.5% of all new migrants, meaning roughly one-in-five migrants coming to Australia settle regionally<sup>1</sup>. Between 2016 to 2021 the ABS and Department of Home Affairs reported that approximately 25% of migrants who settled regionally moved to a state capital<sup>2</sup>. While this may seem to be a concerning secondary migration pattern, there is a two-way flow of overseas migrants between cities and regions,

**Capital-to-regional Migration Flows: In, Out, and Net by Capital City (Overseas-born Population), 2016-2021**



<sup>1</sup> Regional Australia Institute. (2023) *Regionalisation Ambition 2032: 2032 Progress Report*. Regional Australia Institute. Canberra. p. 37.

<sup>2</sup> Department of Home Affairs: Immigration and citizenship. (2023) *Review of the Migration System: Final Report 2023*. Canberra. p. 126.

just as there is for Australian-born people. In fact, between 2016 and 2021 more overseas-born people moved from capital cities to regional Australia than the other way around. In all states but Queensland between 2016 to 2021, there were net outflows of migrants to regional areas from state capitals<sup>3</sup> (Figure 1). Of these net outflows Sydney and Melbourne were the most significant recording 42,590, and 36,608 respectively. Of outflows from state capitals, in all states except the Northern Territory, the primary place of settlement was in the regions of the original state of occupation<sup>4</sup> (figure 2). These secondary migration net outflows from capital cities and patterns are critical to understanding the migration dynamics that are not captured in the headline figures. The RAI has found that migration to the regions is not an artificially induced flow through regional specific visas, but a natural occurrence as reaffirmed by the secondary migration flows.

**Table 9. Population flow from capital cities to regions (Overseas-born population), 2016-2021**

	Total people who moved from a capital city to regional Australia	Regional NSW	Regional VIC	Regional QLD	Regional SA	Regional WA	Regional TAS	Regional NT
<b>Sydney</b>	42,590	27,733	1,470	10,993	200	371	1,537	277
<b>Melbourne</b>	36,608	3,689	23,609	6,723	368	362	1,407	447
<b>Brisbane</b>	25,119	2,757	754	20,140	199	326	706	217
<b>Adelaide</b>	6,653	556	585	1,561	3,611	97	93	150
<b>Perth</b>	14,347	1,159	559	2,259	148	9,721	318	183
<b>Hobart</b>	1,498	190	153	389	10	26	723	7
<b>Darwin</b>	2,666	411	211	1,223	63	193	57	508
<b>Canberra</b>	4,194	2,800	300	913	45	36	65	28

Source: 2021 Census of Population and Housing

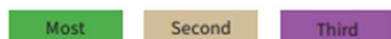


Figure 2

Note: Movements from capital cities to other territories are not shown in the table.

The need for regional migration is evident and well documented. The RAI has recently made two submissions which also highlight the necessity of regional migration: including to the Migration Strategy Consultation<sup>5</sup>, and to the Migration Review Consultation<sup>6</sup>. Furthermore, the appearance of RAI representatives, Liz Ritchie (CEO) and Laureta Wallace (Director External Affairs), before the Joint Standing Committee on Migration on the *Migration, Pathway to Nation Building* Inquiry, demonstrated the RAI's most recent affirmation to the importance of migration<sup>7</sup>.

In November 2023, 87,585 regional job vacancies were advertised online (this excludes job vacancies advertised by other means)<sup>8</sup> which has declined compared to the average of the past five months, indicating a potential fulfillment of vacancies. Whilst there is a slight decline, the job vacancies are double that of November two years prior<sup>9</sup>. Furthermore, the RAI's *Regional Jobs 2022: The Big Skills Challenge* illustrates the diversity of skills required to power our regions. The past decade has observed a 'sophistication' of the regional Australian workforce, whereby job availability has ranged from low to

<sup>3</sup> Houghton, K., Shi, C., and Zou, Z. (2023) *Big Movers 2023- Regional Renaissance: A Rise in Migration to Regional Australia*. Regional Australia Institute. Canberra. p. 23.

<sup>4</sup> Houghton, K., Shi, C., and Zou, Z. (2023) *Big Movers 2023- Regional renaissance: A Rise in Migration to Regional Australia*. Regional Australia Institute. Canberra. p. 21.

<sup>5</sup> O'Sullivan, L. (2022) *A Migration System for Regional Australia's Future*. Regional Australia Institute. Canberra.

<sup>6</sup> Pregellio, S., McCosker, S., Ritchie, L. *Submission: Migration Review and Summary*. Regional Australia Institute: National Alliance for Regionalisation. Canberra.

<sup>7</sup> Commonwealth. (2023) *Joint Standing Committee on Migration: Migration, Pathway to Nation Building*, Wednesday, 29 November 2023. Parliament House. Canberra.

<sup>8</sup> Jobs and Skills Australia. *Internet Job Vacancies: November 2023*. Canberra. [Internet Vacancy Index | Jobs and Skills Australia](#)

<sup>9</sup> Jeffress, L. *Regional Labour Markets Update: September Quarter 2023*. Regional Australia Institute. Canberra. [Regional Labour Markets Update – September Quarter 2023 \(regionalaustralia.org.au\)](#)

high skilled requirements, with a particular growth in high-skilled professional employment<sup>10</sup>. These elements must be captured in the permanent migration composition of the 2024-25 intake, attracting a wide range of skilled migrants to regional Australia.

### **What is the ideal size and composition of Australia's 2024-2025 permanent Migration Program and why?**

International migration is essential to the continued prosperity and liveability of Australia's regions. The Regional Australia Institute's *Regionalisation Ambition 2032: A Framework to Rebalance the Nation*, highlights population to be a critical pillar of regionalisation, and international migration is a critical component of regional population growth. Specifically, the Institute aims to double the proportion of international migrants settling in the regions from 20% to 40%<sup>11</sup>. While growth in this proportion was recorded in the *Regionalisation Ambition 2032: Year 1 Progress Report*, the future migration strategy must further align with this target<sup>12</sup>.

While the overall size of migration will change year-on-year, noting the Government's plan to reduce future migration numbers, the implementation of a minimum composition ratio is beneficial. While not providing a numerical target, Minister O'Neil has suggested there must be a return to 'sustainable' pre-pandemic migration intake<sup>13</sup>. Whilst not commenting on nation-wide intake, it is imperative that regional migration levels be increased.

#### Response to Migration Strategy

The general sentiments and concepts of the *Migration Strategy: Getting Migration Working for the nation*, are admirable<sup>14</sup>. The RAI commends the Departments and Ministers of Home Affairs and Immigration for addressing regional migration in a targeted and well-intended way.

Addressing and prioritising skilled migration in regional areas is a vital first step in repairing the regional visa systems. 'Right skills in the right places', provides an invaluable foundation for the Australian migration system<sup>15</sup>. This philosophy aligns with the RAI migration submissions and publications, and particularly in addressing the Institute's tracking of regional job vacancies published monthly. The further formal role granted to Jobs and Skills Australia (JSA)<sup>16</sup> in identifying and tracking skill shortages is a commendable strategy to create a flexible and adaptable, evidence-based migration system.

The holistic approach to migration as outlined in the *Migration Strategy*, whereby regional migration will be considered in the context of developmental objectives, is a vitally important principle<sup>17</sup>. With the regions being the facilitators for the net-zero transition and in the midst of a jobs boom, the integration of this migration strategy into the overall development objectives, alongside housing, infrastructure, health and education is an instrumental philosophy to regional development. In

<sup>10</sup> Houghton, K., Barwick, A., and Pregellio, S. (2023) *Regional Jobs 2022: The Big Skills Challenge*. Regional Australia Institute. Canberra.

<sup>11</sup> Regional Australia Institute. (2022) *Regionalisation Ambition 2032 – A Framework to Rebalance the Nation*. Regional Australia Institute. Canberra.

<sup>12</sup> Regional Australia Institute. (2023) *Regionalisation Ambition 2032: 2032 Progress Report*. Regional Australia Institute. Canberra.

<sup>13</sup> The Hon. Clare O'Neil MP, Minister for Home Affairs. (2023) *Fixing Australia's broken Migration System*. Department of Home Affairs. Canberra. ([Home Affairs](#))

<sup>14</sup> Department of Home Affairs: Immigration and citizenship. (2023) *Migration Strategy: Getting migration working for the nation*. Canberra.

<sup>15</sup> Department of Home Affairs: Immigration and citizenship. (2023) *Migration Strategy: Getting migration working for the nation*. Canberra. pp. 78-83.

<sup>16</sup> Department of Home Affairs: Immigration and citizenship. (2023) *Migration Strategy: Getting migration working for the nation*. Canberra. pp. 50-53.

<sup>17</sup> Department of Home Affairs: Immigration and citizenship. (2023) *Migration Strategy: Getting migration working for the nation*. Canberra. pp. 84-89.

conjunction with the increased skilled migration pathways, this will provide the basis for a secure localised workforce, bolstered by migration.

The headline notion that nation-wide migration should be gradually reduced must not apply to regional Australia. While the Strategy outlines how the efficiency and effectiveness of regional migration processes will be improved, the RAI strongly recommends regional Australia's migration intake be increased. In adhering to this provision, the proportion of regional migration of total national migration quotas will increase. This is a necessity to account for the socioeconomic conditions that regional Australia is presently experiencing. The current *OECD Regional Outlook-2023*<sup>18</sup> emphasises the degrading regional effects of the 'twin-shocks': the COVID-19 pandemic and cost-of-living. As such, the report urges that "smaller cities and rural areas may experience vicious cycles of stagnation and decline that are reinforced by megatrends such as the digital and green transitions and demographic, technological and geopolitical changes, generating unsustainable economic and social costs", further concluding that place-based policies are required to tackle these issues. A national population plan with the integrated *Migration Strategy*, based on understanding of place-based demands and solutions is seen by the RAI as a mechanism that can address regional inequalities and increase regional prosperity.

The RAI also maintains the need for medium to long term skilled migrants that do not necessarily meet the TSMIT threshold. Many of the skills essential to regional Australia are not able to be met as the potential Australian wage for these roles do not reach the TSMIT level<sup>19</sup>. The visas subject to this threshold include the Temporary Skill shortage (subclass 482), Skilled Employer Sponsored Regional (Provisional) (subclass 494), Employer Nomination Scheme (subclass 186) and Regional Sponsored Migration Scheme (subclass 187) visas, majority of which are regional specific subclasses<sup>20</sup>. Agricultural workers, cooks/senior cooks, and automotive workers/smash repairers; positions essential to the regional workforce are all impeded by the TSMIT changes.

### **How can migration policy settings better support social cohesion outcomes in Australia?**

#### *Regionally focussed multicultural policies*

The multicultural fabric of Australia continues to flourish and deepen as migration programs, aided by multicultural policies, enhance social cohesion and diversity. With a regional focus in the Migration Strategy, there must be accompanying social policy to aid with integration of migrants in regional communities.

There are many, many diverse and successful case studies of migrant integration into regional communities. Often, place-based, holistic migrant settlement services are a critical factor in such success. The RAI's *Against the Odds: Realising regional Australia's workforce potential*, a product of the RAI's Intergovernmental Shared Inquiry Program which includes the Commonwealth Government, demonstrates how migrants with culturally diverse and low-English proficient backgrounds have participated in the regional workforce and community. Currently, the average workforce participation rate of migrants in regional areas is 59.56% compared to 63.42% in metropolitan areas. Despite this, regional Australia recorded participation rates of 40.1% of the low-English proficient population compared to the metropolitan 28.7%. While this participation rate comparison is encouraging for regions, the unemployment rate of this demographic is double the national average at 8.05%. As such, there is still potential in further mobilising this demographic in our workforce<sup>21</sup>.

<sup>18</sup> OECD. (2023) *OECD Regional Outlook 2023 – Australia*. OECD. Paris. p. 3.

<sup>19</sup> Pregellio, S., McCosker, S., Ritchie, L. *Submission: Migration Review and Summary*. Regional Australia Institute: National Alliance for Regionalisation. Canberra. P. 12.

<sup>20</sup> Department of Home Affairs. (2023) *Raising the Temporary Skilled Migration Income Threshold (TSMIT)*. Department of Home Affairs. Canberra.

<sup>21</sup> Hutchinson, D., Block, A., Robin, S., Cheng, Y., Shi, C., Zou, Z. (2023) *Against the Odds – Realising Regional Australia's Workforce Potential*. Regional Australia Institute. Canberra. pp. 59-68.



To inform the multicultural policies that should accompany regional migration, it is important to recognise the background of migrants. Participants in the Institute's report, "highlighted the role of communities and community organisations in bridging language and cultural barriers", which highlights the structures required to realise the true potential of migrants working in regional areas<sup>22</sup>. Further multicultural policies which support inclusive workplace programs and prevent migrant worker exploitation, are essential to the facilitation of a migrant workforce in the regions. In conjunction, funding of community organisations, that implement multicultural policy and help bridge the cultural and language gap will allow the regional workforce to extract the full potential of the migrant workers.

Regarding community facilitation of migrants of all visa types and socioeconomic backgrounds, not only must organisations exist, but there must be diversity within organisations and programs that span all community services. Employers tend to be targeted in creating and implementing multicultural policies, which is effective, although there must be further efforts in expanding multicultural policy across health, education, housing, community leaders and community engagement services. Engagement services and community leader programs must seek to educate community policymakers and community members to the nuance of migrant needs, moreover, to combat cultural ignorance in efforts to create social cohesion within regional communities. The implementation of such policy must strike a balance between place-based needs and essential services to all regional communities. In this approach, policy should be top-down considering migrant access to all community services, whilst allowing for place-based community specific programs to be built on this foundation. This model will provide a consistency across all communities that is advertisable to all incoming migrants, whilst providing flexibility to ad-hoc community needs.

#### Data transparency and provisions

The cultural diversity of regional Australia is growing. To ensure this positive trajectory continues, up-to-date data on migrant intake is required to inform organisations and Government agencies in facilitating multiculturalism and migrant settlement. There is an evident need for holistic data collection to be made available to organisations that facilitate and monitor regional migration. Understanding the cultural and socioeconomic implications of migration cannot be achieved without specialised data collection that tracks regional migration, in direction, composition, type and size.

From an evidence base, migration facilitators can create programs to attract international and retain migrants in regional communities. Currently, in many instances organisations that facilitate forms of social cohesion, are working blindly within their own community without the knowledge of the cultural background and composition of migrants. Data analysis will provide regional communities with the information required to adjust placed-based migrant community programs to attend to the social needs of Australia's migrant intake.

The level of data availability should be available at an LGA or Statistical Area 3 (SA3) level to provide region specific data. Moreover, the form of visa must be recorded to plan for long-term migration and retainment, as regional programs must adapt differently to the intake of long-term migrants as opposed to continual turnover of short-term migrants such as WHMs or PALM.

### **How can migration policy settings support Australia's ongoing economic prosperity and fairness?**

Modelling to inform the RAI's *Regionalisation Ambition 2032* demonstrates if regional Australia's population was to increase to 11 million by 2032, up from a 10.5 million forecast, \$13.8 billion would be added to the national output<sup>23</sup>.

<sup>22</sup> Hutchinson, D., Block, A., Robin, S., Cheng, Y., Shi, C., Zou, Z. (2023) *Against the Odds – Realising Regional Australia's Workforce Potential*. Regional Australia Institute. Canberra. pp. 59-68.

<sup>23</sup> Regional Australia Institute. (2022) *Regionalisation Ambition 2032 – A Framework to Rebalance the Nation*. Regional Australia Institute. Canberra. p. 12.

The first annual progress report of the targets set in the *Regionalisation Ambition 2032* revealed promising signs of population growth. The proportion of regional migration increased one percentage point to 18.5%. Further, the regional population grew from 9.5 million to 9.6 million as of 2022<sup>24</sup>. The former of the two targets is directly affected by the migration policy settings. The *Migration Strategy* has highlighted the need for regional migration in conjunction with a decline in overall migration size. Whilst the regional composition of migration will increase in result, it remains important that the region's overhaul migrant intake increase.

While attempts have been made in the past to incentivise new migrants to settle in regions, the results seem to have been mixed. Yet the RAI's research, including the *Big Movers 2023 Report*, shows that there are significant 'organic' flows of migrants from cities to regions. Migrants have a higher propensity to move to regional and remote places than people born in Australia. These organic secondary migration flows are a feature of Australia's settlement that can be tapped and enhanced by reviewing and removing any barriers that new migrants might face in choosing to leave cities. The RAI is continuing its research into where new (and more established) migrants to choose to move to and why, and what supports can encourage and facilitate these flows.

The fulfillment of population targets will provide a fundamental step to rebalancing regional Australia with metropolitan Australia. Currently regional Australia is inequitably disadvantaged, which is exhibited throughout the five pillars of the RAI's *Regionalisation Ambition 2023*. Improved migration policy will contribute to the essential workforce shortages in healthcare (including aged care), hospitality and trades. These are foundational skills that are required for regional growth that have been unfulfilled. Preliminary economic modelling undertaken by the RAI indicates that filling the top four positions, regarding total vacancies in occupations as at December 2022 (Medical Practitioners and Nurses, General-Inquiry Clerks, Call Centre Workers, and Receptionists, Carers and Aids, and Sales Assistants and Salespersons), would create an immediate \$1.24 billion in economic activity and \$1.76 billion in direct wages to regional workers<sup>25</sup>. With the social and physical infrastructure in place to support population and economic growth increases, improvements will be gradually made against all other targets.

### **How should we factor in the impact and opportunities of migration on Australian communities including in terms of access to services such as health, education, housing, and infrastructure?**

In continuation from the prior response, migration will aid in economic growth, however there is a necessity to facilitate migration induced population growth. Affordable housing and supporting infrastructure are critically overlooked in regions and have been the leading causes in the loss of essential workers from our regions<sup>26</sup>. To not only attract migrants with essential skills, but to further retain them, further public investment must be conducted in regional communities to provide liveable conditions.

The improvement of migration to the wider community through access to essential services is well documented and supported. GPs and health practitioners as highlighted in *Regional Jobs 2022: The Big Skills Challenge* were the most in demand roles in the regions (based on total job vacancies), with vacancies up 200% over the five years to December 2022. Carers and aides were the most in demand role in 7 of the 30 regions IVI (Internet Vacancy Index) areas<sup>27</sup>. The boost to health and

<sup>24</sup> Regional Australia Institute. (2023) *Regionalisation Ambition 2032: 2032 Progress Report*. Regional Australia Institute. Canberra. p. 37.

<sup>25</sup> Houghton, K., Barwick, A., and Pregellio, S. (2023) *Regional Jobs 2022: The Big Skills Challenge*. Regional Australia Institute. Canberra. p. 9.

<sup>26</sup> Regional Australia Institute. (2023) *Housing Australia Investment Mandate Direction 2023*. Regional Australia Institute. Canberra.

<sup>27</sup> Houghton, K., Barwick, A., and Pregellio, S. (2023) *Regional Jobs 2022: The Big Skills Challenge*. Regional Australia Institute. Canberra. pp. 10-11.

wellbeing to the wider community is evident in addressing these skill shortages. Not only can health access and availability expand with an increased specialised workforce, but the pre-existing workforce will benefit from the expanded workforce supply.

## **Conclusion**

The current direction and vision of migration planning, with the recent focus on regional migration is a welcomed and highly valued position. The RAI supports this continued regional approach and looks forward to working with all levels of Government in delivering the objectives of the future migration strategy. The RAI further supports the development of a national population plan to integrate the *Migration Strategy* with housing, infrastructure, health, education, and other essential services. A holistic approach that integrates all elements of liveability and development is the only way to rebalance the inequities of regional Australia.