

RDA TASMANIA SUBMISSION: REVIEW OF REGIONAL MIGRATION SETTINGS

Due 26 July 2024



Introduction

Regional Development Australia Tasmania (RDA Tasmania) welcomes the opportunity to provide this submission for the Review of Regional Migration Settings.

The Regional Development Australia program is an Australian Government initiative established to encourage partnership between all levels of government to enhance the growth and development of Australia's regional communities. RDA committees operate under a national RDA Charter and report to the Australian Government on key outcomes. A national network of 50 RDA committees cover the nation and RDA Tasmania represents the entire state of Tasmania.

RDA Tasmania wishes to thank the following stakeholders for their contributions to this submission: Tourism Industry Council Tasmania (TICT), TasFarmers, Break O'Day Employment Connect, TasCOSS, Jobs Tasmania, Multicultural Council of Tasmania, Bleyer Lawyers, RDA Riverina, Left Field, and Migration Tasmania.

Tasmanian Context

Migration is vital to Tasmania's economy and can help address some of the state's most critical challenges, including an ageing population and significant outflows of working-age individuals. These factors have resulted in a substantial workforce shortage and raise concerns about Tasmania's future demographic structure.

Furthermore, Tasmania plays a crucial role in Australia's transition to a net zero economy, which necessitates supportive migration settings to facilitate this transformation. As Australia prioritises its climate commitments, Tasmania's renewable energy sector, positions the state as a leader in sustainable development. This transition requires a skilled workforce to innovate, implement, and capitalise on this competitive advantage, making effective migration policies even more critical.

The employer-sponsored visa program is particularly important for Tasmania, as it helps overcome the cost barriers associated with sponsoring employees, thereby enabling small businesses to attract and retain the skilled workers they need. Given that small businesses constitute 97% of Tasmania's business population, this program is essential for sustaining and growing the local economy.¹

Additionally, Tasmania stands to gain from the socio-cultural benefits of migration. The state currently has the lowest proportion of residents born overseas compared to other Australian states and

¹https://www.business.tas.gov.au/data/assets/pdf_file/0004/430573/Small_Business_Statistics_Update_June_2023_V2.pdf



territories.² Increasing migration is seen as an opportunity to enrich Tasmania's cultural diversity, foster innovation, and enhance community resilience.

RDA Tasmania's submission is a result of consultation with several relevant stakeholders, each of whom has experience in understanding the importance of migration to Tasmania.

Opportunities for regional migration

How can the various temporary and permanent visas available to the regions work together to better meet the skills needs? For example, Designated Area Migration Agreements (DAMA) and regional employer sponsored visas.

DAMAs present an opportunity for Tasmania to address several challenges currently facing its economy and industries. Firstly, the existence of youth outflows in Tasmania can be alleviated by a DAMA that allows less skilled roles to be filled by a younger cohort. Secondly, providing a direct pathway to permanent residency may also provide competitive advantage to industry when competing in both a national and global market for skills.

Historically, DAMAs have been complex and inaccessible for many businesses. Several recommendations can make them fit for purpose:

- Reducing the additional obligations that a DAMA requires beyond the employer sponsored visa obligations.
- Build pathways within the DAMA to permanent residency for international student graduates. This would help address structural youth deficits and encourage migrant retention in Tasmania.
- Incorporate regional representation in the process. Whilst state and territories have the administrative capacity and expertise to manage DAMAs, it is essential that regional representation is incorporated into the process. This ensures that the agreement meets the specific needs of regional areas.
- Establish dedicated support resources to help employers to access and navigate the DAMAs. This should include an outreach program that empowers employers to understand and utilise the system effectively.

Could the definitions of regional be aligned across the various regional visas? How can definitions be structured to better account for the unique circumstances of regions?

The current two-tier framework is outdated and disadvantageous to regional areas, failing to address their unique circumstances effectively. The lack of granularity of the framework illogically equates the experience of Greater Hobart, with a population of 250,000³, to that of greater Perth, WA, with a population of 2.3 million.⁴ This framework is no longer effective in serving the needs of regional areas.

² <https://www.abs.gov.au/articles/cultural-diversity-australia#:~:text=Overseas%2Dborn%20by%20state%20and%20territory&text=In%202021%2C%20the%20states%20with,over%20the%20past%2050%20years.>

³ <https://abs.gov.au/census/find-census-data/quickstats/2021/601>

⁴ <https://profile.id.com.au/australia/about?WebID=300>

A framework that better reflects the true experience of regionality and remoteness could broadly rely on the Australian Bureau of Statistics (ABS) rationale, considering the distance of a community from a large metropolitan centre.

Regional visa settings could be reformed to mitigate exploitation risks, while ensuring regional Australia still gets access to the workers it needs

How can we reform WHM program visa settings to limit exploitation while still ensuring regional Australia can access the workers it needs? For example, are there innovative strategies to incentivise WHM to choose regional Australia as their preferred destination, without tying the incentives to specified work visa requirements?

Working Holiday Maker (WHM) visa holders play a crucial role in sustaining key Tasmanian industries such as agriculture and tourism, making it imperative for Tasmania to maintain access to WHM visas. For instance, Tasmania leads the nation with nearly 80% of WHM jobs in agriculture and transport, compared to South Australia (60%) and Queensland (50.9%).⁵ It is stressed that any reduction of WHM visa holders would significantly impact Tasmanian employers.

Introduced regulation must ensure equitable access to services

When developing initiatives to reduce workforce exploitation, it is essential to adopt a holistic approach to prevent unintended negative consequences. For example, raising the English proficiency requirement without ensuring equitable accessibility to test centres for regional areas could simply reduce the availability of a visa-held workforce. Anecdotal feedback from one potential skilled visa sponsor said that the unavailability of accredited test centres near Deloraine, Tasmania hindered the employer from sponsoring. This highlights a broader concern that future reform initiatives must be comprehensive and multi-pronged to effectively reduce exploitation in regional areas.

Enhancing employer practices to attract and retain WHM Workers

Incentives to attract workers to regional Australia are important, however a focus should be on improving Australia's reputation by empowering employers to improve workplace culture, employment conditions, and encouraging best practices. Not only does this have many productivity benefits, but it improves Australia's word of mouth reputation, which is a critical influence for WHM workers pre, during, and post-WHM experience in Australia.

Research indicates that word of mouth is far more influential than advertising in recruiting WHM workers. Three in five (59.1%) WHMs reported learning about the WHM program primarily through friends and family, while only 4% were informed by media.⁶ For instance, many WHM employers have found that positive Facebook posts about their employment conditions leads to greater attraction of workforce with backpackers turning up the next day and request work.

To improve its reputation, it is recommended that rather than a regulatory approach the Government proactively assists employers in understanding the value of good workplace culture, employment conditions and best practices. By addressing these aspects, it can create a more attractive and

⁵ <https://www.flinders.edu.au/content/dam/documents/research/aiti/the-australia-experience-perceptions-of-australias-whm-program.pdf>

⁶ <https://www.flinders.edu.au/content/dam/documents/research/aiti/the-australia-experience-perceptions-of-australias-whm-program.pdf>

supportive environment for WHM workers, which in turn enhances word-of-mouth recommendations for future workers, improves Australia's reputation and retention.

A Tasmanian company that is focused on supporting best practices for agricultural businesses who rely on WHM is Left Field.⁷ Left Field is a recruitment agency which connects positive attitude employees (including WHM) to farms that are both mentally and physically safe. Left Field only partners with approved farms and their internal assessment framework are based on workplace culture, attitudes and conditions. Rather than being compelled to change by external penalties, it has been an effective strategy of Left Field to provide resources to employers related to increasing productivity by improving culture and creating good workplaces.

Leveraging social media to reduce workforce exploitation

Enhancing communication and awareness of resources for visa holders is a crucial mechanism in reducing the occurrence of workforce exploitation. An opportunity to reduce workforce exploitation includes utilising social media to improve communication and access to resources. In Tasmania, several Facebook groups for backpackers traveling and working on WHM visas have between 20,000 and 60,000 members. These groups facilitate employer-employee connections and serve as informal communication channels that may provide a valuable communication method for the Federal government and relevant stakeholders.

Employers and employees can access support information through these groups, which can also function as a feedback loop, highlighting businesses that may be in breach of standards. This approach leverages the widespread use of social media to enhance transparency, support, and accountability within the workforce and provides a platform for better communication. Several stakeholders have also cited the importance of audits, inspections and worker surveys.

Improving collaboration on postcode incentives

Tasmania's dispersed and isolated population necessitates a review of the current incentive framework for Working Holiday Maker (WHM) visas, particularly regarding postcode eligibility. The existing system, which encourages WHM visa holders to stay in designated postcodes, is not equitable for regions such as the East Coast and Cradle Mountain. These areas rely heavily on WHM visa holders for the tourism industry, yet face inconsistencies in postcode classification that affect staff attraction and retention.

The existing system creates the instances where employers operating within close proximity but in differing postcodes experience the same staffing challenges yet are classified differently. For example, Coles Bay (postcode 7215) is only a short drive from Swansea (postcode 7190). Both towns face the same workforce issues within the hospitality industry and are within the same local government area, yet backpackers are unable to work towards their 88 days in Swansea. Additionally, tourism operators who own multiple businesses in both post codes cannot share staff between locations due to postcode ineligibility. This inconsistency undermines efforts to find and retain staff in the tourism industry, a critical issue for East Coast and Cradle Mountain tourism operators. WHM visa holders often leave upon discovering they cannot work towards their 88 days or extend their stay due to postcode restrictions.

To prevent the migration system from working against itself, it is essential to enhance collaboration and seek input from the State government when applying boundary inclusions and exclusions based

⁷ <https://leftfield.net.au/>

on postcodes. Another mechanism to explore is allowing adjoining postcode areas to be included in instances where industries must be located in 'isolated' postcodes to access WHM. This approach would ensure that the WHM visa continues to incentivise workers to more remote regions while allowing some flexibility to support regions such as the east coast of Tasmania and Cradle Mountain.

Better planning for regional migration will drive better outcomes for migrants and for the regions

Noting the limitations of visa settings, what factors encourage more migrants to choose to settle in the regions to improve retention?

Training and accreditation

Several research reports have highlighted the importance of better recognition of migrants' existing skills and accreditation in reducing roadblocks to employment. In Tasmania, our consultations have revealed a significant hindrance for migrants in regional areas: training and accreditation obtained through CRICOS trainers/RTOs, often at high financial costs, do not effectively enable them to work in their intended roles.

This mismatch creates a scenario where migrants, despite holding accreditation for Level III or Level IV skills, possess only entry-level practical competencies. Consequently, employers are required to pay these employees at the accredited skill level, despite their actual capacity being significantly lower. Employers face severe penalties if they do not comply with pay rates corresponding to the accredited skill level, making the prospect of hiring and training such employees unattractive. As a result, these potential employees find it very difficult to secure employment.

Improving the alignment between training, accreditation, and actual competency is crucial for enhancing employment opportunities for migrants, making regional areas more attractive for settlement, and improving retention rates. CRICOS trainers and RTOs need better checks and oversight, including mandatory practical experience for skills applied in the workplace. CRICOS funding should be tied to training programs that produce job-ready migrants, with practical skills and qualifications tailored to local industry and employer needs. By ensuring that training and accreditation are directly applicable to the job market, we can significantly improve the employability of migrants and support their successful integration into regional communities.

Greater settlement services – a focus on liveability

Employment, while critical, is not the sole factor influencing migrants' decision to settle in regional Australia. Regardless of visa categories, all new arrivals require some level of assistance to effectively integrate into regional communities. It is crucial that these services are locally provided and coordinated to prevent any service delivery gaps.

A focus on services that support the liveability of regional communities for migrants is required. Successful settlement hinges on several interconnected factors: English language support, access to services, assistance with liveability requirements and processes (e.g., form filling, obtaining a driver's license, finding appropriate housing), coordinated service delivery, and employers' capacity to welcome and integrate migrants into their workplace appropriately.

Research by the Regional Australian Institute (RAI)⁸ and public consultation by the Multicultural Council of Tasmania (MCOT) in 2023 highlight the importance of these factors. MCOT's findings identified the three lowest-rated services by migrants were access to public transport, employment services, and housing or homelessness support.⁹ Addressing these deficiencies is essential for improving the settlement experience and retention of migrants in regional areas. In particular, services such as public transport and housing should be made more affordable to compensate for the higher costs of food and additional fuel typically required in regional areas.

Many regional bodies have endeavoured to provide a coordinated approach, however, funding such initiatives is largely dependent on a state or territory's policy priorities. This highlights the need for regional representation and collaboration with the Federal Government on migration, in addition to state and territory involvement. A notable example is RDA Riverina, which had a dedicated settlement service employee funded by the NSW Government. This role included virtual engagement with potential migrants, providing regional information, and welcoming them upon arrival. This service proved crucial for relocation and was a determinant of retention. However, the discontinuation of this funding underscores the necessity of regional bodies' involvement in regional migration, rather than relying solely on state and territory governments.

Settlement services – empower and support employers

In Tasmania, migrants lack adequate support in factors that influence retention, and it is unclear who is responsible for providing such services. RDA Tasmania's consultation has highlighted the important role employers play in welcoming migrants, yet many employers lack the expertise and capacity to perform this role effectively. Therefore, similar to Left Field's approach, employers must be provided with resources and information to improve the settlement experiences of migrants. These resources may include assistance in navigating the visa system, successfully managing a multicultural workforce, connection to settlement services and ensuring compliance with labour laws and visa conditions.

While RDA Tasmania welcomes the Tasmanian-based BIRO officer, our consultation highlights that much work remains to be done, which cannot be managed by one person across an entire state. Stakeholders have observed that businesses based in Hobart generally possess greater knowledge about who can assist them in navigating the visa system and managing a multicultural workforce. This level of awareness decreases in more regional and remote areas of Tasmania.

Public consultation by MCOT in 2023 identified the need for greater awareness of the abilities and potentials of culturally and linguistically diverse (CALD) individuals within a business's workforce.¹⁰ A coordinated approach involving Home Affairs, state governments, regional bodies, and migrant resource centres should focus on addressing this issue. This effort aims to overcome identified employment barriers such as biased recruitment practices, challenges in attaining language skills and

⁸<https://regionalaustralia.org.au/common/Uploaded%20files/Files/Policy%20Submissions/2020/RAI%20Submission%20Skilled%20Migration%20March%202021%20Final.pdf>

⁹https://mcot.org.au/wp-content/uploads/2024/02/FINAL_MAP_Strategic-Directions-Report-2023_16_01_2023.pdf

¹⁰https://mcot.org.au/wp-content/uploads/2024/02/FINAL_MAP_Strategic-Directions-Report-2023_16_01_2023.pdf

qualifications, and rejection of overseas qualifications.¹¹ The report also identified the potential benefits of incentivising companies to hire CALD individuals.

A relevant example to consider is Canada's post-arrival requirements for private sponsorship.¹² As part of the sponsorship process, employers must engage with a settlement service provider to prepare their workplace to be welcoming to migrants. Sponsors receive assistance through a training program that includes webinars, e-learning courses, sponsorship calculators, and fact sheets. Once a skilled migrant joins their workforce, employers must work with a settlement service to co-design a settlement plan. Such an initiative encourages migrants to settle in regional areas by ensuring they are well-supported, which in turn increases retention.

In Tasmania, stakeholders have expressed concerns about the complexity and difficulty of sponsoring an employee. Employers and industry associations have highlighted these challenges, indicating that introducing further regulations or requirements could place an additional burden on employers. There is also a concern that such regulations could further disincentivise employers from engaging skilled migrant workers.

To address these concerns, any new regulations should be carefully considered to avoid placing undue burdens on employers. Instead, support mechanisms and resources should focus on empowering employers to effectively integrate migrants into their workforce and community.

How can we improve planning for regional migration, especially given the return of migrants to regional Australia post-pandemic? Should there be more flexibility provided to states and territories in planning for regional migration?

Greater flexibility

To improve planning for regional migration, especially with the return of migrants to regional Australia post-pandemic, it is essential to provide states and territories with greater flexibility and involvement in the process. States and territories should have the opportunity to provide input to the Federal government on the specific needs of their regional areas. This includes input on occupation lists and the ability to modify when required.

The role of the State Government

RDA Tasmania commends the Tasmanian government for its efforts in achieving positive migration outcomes for the state and its regions. The relatively small size of Tasmania enables the state government and its migration department (Migration Tasmania) to maintain a strong working relationship with regional bodies and industries. Our consultation has emphasised the importance of this regional and state collaboration and highlights the exceptional consultation efforts by Migration Tasmania in supporting Tasmania's industries. This approach should be replicated across other states and territories to ensure that regional priorities align with state or territory priorities.

Greater resources for BIRO officer and businesses

In Tasmania, the recent addition of a locally based BIRO officer has significantly improved engagement and assistance for businesses, industry and government. We recommend retaining and extending this resource to further benefit the Tasmanian regions, particularly the North West, North and East coast

¹¹ https://mcot.org.au/wp-content/uploads/2024/02/FINAL_MAP_Strategic-Directions-Report-2023_16_01_2023.pdf

¹² <https://www.canada.ca/en/immigration-refugees-citizenship/services/refugees/sponsor-refugee/private-sponsorship-program/assessments/post-arrival-requirements.html>

of Tasmania. Providing employers in regional areas with a local service that they can easily access will help them understand requirements and complex processes, empowering them to navigate the system effectively. RDA Tasmania has identified a significant knowledge gap among businesses regarding visa types, obligations, and opportunities, and is actively working to address it.

RDA Tasmania welcomes the opportunity for further engagement:

James McKee

Chief Executive Officer

Regional Development Australia - Tasmania

james.mckee@rdatasmania.org.au

0412 704 229