

Submission on Review of Regional Migration Settings Discussion Paper

July 2024

Acknowledgement of Country

SSI acknowledges the Aboriginal and Torres Strait Islander peoples as the First Australians and Traditional Custodians of the lands where we live, learn and work. We pay respect to Elders past and present and recognise their continuous connection to Country.

Background

SSI welcomes the opportunity to provide this submission to the Department of Home Affairs on its Review of Regional Migration Settings Discussion Paper (Discussion Paper).

SSI is a national non-for-profit organisation that delivers a range of human services that connect individuals, families, and children from diverse backgrounds with opportunities – including settlement support, disability programs, community engagement initiatives and training and employment pathways. At the heart of everything we do is a drive for equality, empathy, and celebration of every individual.

SSI was founded in Sydney in 2000 with the aim of helping newly arrived refugees settle in Australia. Over time, our expertise in working with people from diverse cultural and linguistic (CALD) backgrounds served as the foundation for a gradual expansion into other social services and geographical areas.

In 2018, SSI merged with Queensland-based Access Community Services, and in 2019 opened in Victoria, providing an extensive footprint across the eastern coast of Australia. In FY2023, SSI supported over 56,000 clients across more than 59 programs and community-based services. We are also a leading provider of evidence-based insights into the social sector and are known as an organisation that can reach communities considered by many to be hard to reach.

SSI delivers a range of programs to migrants and refugees in regional Australia and has actively contributed to the reviews of Australia's migration system. We look forward to working collaboratively with the Australian Government on this focus on regional migration settings.

Summary of recommendations

Recommendation 1:

Support aged care providers to better understand the Aged Care Industry Labour Agreement visa pathway with regional requirements, expand the number of places available and improve the requirements so that newcomers can access work in a cost-effective manner for all parties.

Recommendation 2:

Pilot similar Aged Care Industry Labour Agreement visa pathways with regional requirements to the disability, veterans' affairs and early childhood and education and care sectors aligned to the forthcoming National Care and Support Strategy.

Recommendation 3:

Regional migration settings should involve multi-year forward planning to ensure that local social and physical infrastructure capacities and constraints are managed. The Australian Government should proactively lead collaborative planning with all tiers of government and stakeholders.

Recommendation 4:

The Australian Government and State/Territory Governments should invest in tailored and holistic support for newcomers who migrate or relocate to regional areas by scaling up programs that successfully facilitate access to the labour market and place-based community engagement initiatives (in partnership with local governments).

Recommendation 5:

All tiers of governments should invest in provision of culturally responsive training for government agencies and service providers in regional areas to enhance the capability of universal and local services to meet the needs of newcomers who migrate or relocate to regional areas.

Recommendation 6:

The Australian Government and State/Territory Governments should invest in solutions, including innovative models such as Work + Stay, at sufficient scale that address the multiple barriers for newcomers and their families already resident in Australia to find meaningful jobs and relocate to regional areas in ways that build a more sustainable regional workforce.

Recommendation 7:

Pending the outcome of an assessment, remove the three years provisional requirement to return the regional employer sponsored visa back to a 'direct-to-permanent' visa.

Recommendation 8:

The Australian Government's multi level planning model should include a role for input from regional communities and community organisations supporting regional Australia.

Response to Discussion Paper Questions

This submission draws from SSI's experience supporting migrants and refugees to successfully settle in metropolitan and regional areas across Australia. Our lens on regional settlement is twofold: strong focus on migrants and refugees already resident in Australia who might be willing to relocate to a regional area, alongside creating pathways for migrants and refugees who are offshore to settle and put down roots in regional communities. Accordingly, SSI has focused its response to specific Questions (5-8) of the Discussion Paper.

5. How can we ensure a more consistent approach to lower paid migration across various visa products, as well as reflect our commitment to maintain the primacy of our relationships with the Pacific?

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Regional visa settings that ensure optimal regional Australia access to skills and worker protections

The Discussion Paper notes that the recent reforms to the Pacific Australia Labour Mobility (PALM) scheme provide additional safeguards that reduce the risk of worker exploitation for lower paid migrants. SSI welcomes these reforms which include greater flexibility for PALM workers to transfer from their sponsoring employer in the industry they were recruited for and other safeguards. Where possible, safeguards should be applied consistently no matter which visa a migrant is on. Taking a consistent and effective approach would help maintain the reputation of these programs and more broadly, Australia's international relationships in the Pacific and elsewhere.

In May 2023, the Australian Government announced the creation of the Aged Care Industry Labour Agreement (the ACILA) which provided a mechanism for employers to recruit offshore personal care workers under certain employer-sponsored visas with three care worker occupations included in the Skills Priority List. However as of 4 April 2024, only a very small proportion of aged care providers in Australia had signed an ACILA. As CEDA has noted, "The recently introduced Aged Care Industry Labour Agreements have proven difficult for providers to implement and are insufficient for broad application across the industry." Despite this, signing the ACILA remains the only pathway available to care providers seeking to sponsor and employ offshore care workers.

¹ CEDA. (2023). *Duty of care: Aged-care sector running on empty*. Retrieved from https://www.ceda.com.au/researchandpolicies/research/health-ageing/duty-of-care-aged-care-sector-running-on-empty

SSI has recently implemented a pilot initiative to address aged care workforce needs in regional areas.² In SSI's experience, addressing the costs of visa applications under the ACILA should support lower paid workers in the Aged Care sector. Visa costs are currently prohibitive for this large cohort of current temporary visa holders working in the aged care industry.

More broadly, lower paid work is highly feminised, as the Australian Government draft National Strategy for the Care and Support Economy, which seeks to plan for the workforce needs across aged care, disability, veterans affairs and early childhood education, has recognised. Around 9 in 10 aged care workers are women and a high number of workers come from migrant backgrounds.³ Recent analysis conducted by the National Centre for Social and Economic Modelling (NATSEM) for SSI found that over a fifth of refugees work in the health care and social assistance industry (and the proportion is likely higher for women refugees).⁴ This is often out of necessity rather than choice due to limited employment options.

Accordingly, developing clear and affordable pathways for personal care workers to access the ACILA visa pathway with regional requirements would support newcomers to work in aged care industry as well as support aged care services in the regions. Provided these improvements are made there is an opportunity to extend this approach to other sectors in the care and support economy that are in shortage, such as the disability, veterans' affairs and early childhood education.

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

Recommendation 3:

Regional migration settings should involve multi-year forward planning to ensure that local social and physical infrastructure capacities and constraints are managed. The Australian Government should proactively lead collaborative planning with all tiers of government and stakeholders.

Recommendation 4:

The Australian Government and State/Territory Governments should invest in tailored and holistic support for newcomers who migrate or relocate to regional areas by scaling up programs that successfully facilitate access to the labour market and place-based community engagement initiatives (in partnership with local governments).

Recommendation 5:

All tiers of governments should invest in provision of culturally responsive training for government agencies and service providers in regional areas to enhance the capability of universal and local services to meet the needs of newcomers who migrate or relocate to regional areas.

² SSI. (2024). Personal Care Workforce Pilot Program Final Report (unpublished).

³ The Treasury. (2022). *Jobs + Skills Summit Issues Paper*. Retrieved from https://treasury.gov.au/sites/default/files/2022-08/2022-302672-ip_0.pdf

⁴ Batainah, H.S., Hawkins, J. & Miranti., R. (2022). *Untapped potential: trends and disparities in the economic participation of migrant and refugee women in Australia*. NATSEM/Settlement Services International.

Recommendation 6:

The Australian Government and State/Territory Governments should invest in solutions, including innovative models such as Work + Stay, at sufficient scale that address the multiple barriers for newcomers and their families already resident in Australia to find meaningful jobs and relocate to regional areas in ways that build a more sustainable regional workforce.

A holistic approach to improve migrant settlement and retention in the regions

SSI's experience echoes the Discussion Paper's reference to the Migration Review, namely:

... that, "regional migration settings have had little success to date", but this is not a fault of the migration system alone. As seen with Port Kembla and Nhill, the migration system can support the regions when seen as part of a holistic approach to addressing regional population and labour needs. As noted in the Migration Review, factors like "... infrastructure, employment opportunities, housing and access to services are likely to be more important in attracting and retaining regional populations, whether they are new migrants or existing Australians." (SSI emphasis)

<u>Place-based approaches provide strong foundations for retention by responding to and drawing on local understandings and capacities</u>

As part of this holistic approach, place-based solutions offer an opportunity for successful regional migration settlement and retention of newcomers. Australia's current migration, employment and settlement service systems are siloed with limited coordination across different sectors and levels of government.⁵ Breaking down these silos and creating more holistic and coordinated solutions tailored to the local context can occur through place-based approaches that involve all tiers of government, community and employers.⁶ Canada's Local Immigration Partnerships is an example of a successful locally-led, place-based approach that involves all levels of government, settlement service providers, employers and mainstream services collaborating to attract and retain newcomers in regional areas.⁷ While the Discussion Paper notes the limitations of visa settings, many of the questions posed continue a long-standing focus on filling regional labour force shortages through visa settings, with less attention on supporting holistic, place-based partnerships bringing together a breadth of stakeholders, including migrants, to build sustainable regional migration tailored to local contexts.

An aspect of place-based approaches includes generating a thorough understanding of existing community attitudes, capacities, and service infrastructure. Using this understanding to inform decisions about local regional migration, alongside consultation with local First Nations communities is essential to ensure stronger settlement and retention among newcomers and broad local community acceptance. SSI has seen the value of this approach in relation to regional refugee settlement in Armidale, NSW which, in 2018, became Australia's newest designated regional refugee settlement location. In partnership with researchers at the University of New England, SSI conducted pulse surveys to gauge community attitudes towards refugee arrivals where concerns about the impact on the local community were evident, such as initial perceptions of a loss of jobs and perception of

⁵ Regional Australia Institute. (2018). *The missing workers: Locally-led migration strategies to better meet rural labour needs. Policy paper.* https://regionalaustralia.org.au/common/Uploaded%20files/Files/180510-The-Regional-Australia-Institute-2018-The-missing-workers_policy-paper_FINAL.pdf

⁶ Stump, T. (2018). The Right Fit: Attracting and retaining newcomers in regional towns. NSW.

⁷ Beauchamp, T., & McMahon, T. (2023). *Regional migration and settlement: Putting down roots to revitalise regional communities in Australia. SSI.* https://www.ssi.org.au/images/insights/Policy_Brief_Regional_Migration.pdf

additional demands on local services.⁸ At the outset, SSI initiated consultations with service providers to get a better understanding of local capacities and service infrastructure constraints. The external evaluation of the establishment of Armidale as a regional refugee settlement location found that these proactive consultations seeded strong formal and informal communication mechanisms with local services and facilitated community education on the role of SSI and settlement providers that were critical to the positive settlement outcomes seen among refugee arrivals and their retention in Armidale.⁹ Planning for local regional migration should also take account of population projections and local government modelling of future needs. This aligns with the proposed reform directions in the Migration Strategy Action Plan to implement a planned place-based approach with greater involvement of state and territory governments (moving away from the complex visa settings currently in place).¹⁰ This should be supported by greater collaboration across governments around data-sharing and assessment of skills shortages.¹¹

Stronger facilitation of two-way exchange and accessible and responsive services promote welcome and belonging

SSI's regional experience in Armidale and elsewhere also points to the importance of investing in community engagement initiatives that facilitate two-way exchange that builds vital foundations to social connections and foster welcome and belonging among newcomers who have migrated or relocated to regional areas. Community engagement can activate the involvement of the wider community and optimise settlement and retention by working with the receiving community's perceptions and building bridges between all parts of the regional community,12 and empower newcomers to have agency in creating the long-lasting connections that contribute to liveability and creating a future in regional areas. This is enhanced when local civic groups are mobilised to codesign and lead initiatives that facilitate participation in broader community life. 13 While SSI's experience in regional areas has largely targeted refugee cohorts such as those settled in Armidale, the overall lessons and principles are relevant to policy settings to support the successful settlement and retention of migrants, who have migrated from overseas or who have relocated from another part of Australia to a regional area. Finally, newcomers, like other residents, rely on services and their access to universal services - for example education and healthcare - in regional areas can be impacted by the capability of these services to engage in a culturally responsive and safe way. Governments should therefore invest in provision of culturally responsive training for government agencies and services providers in regional areas. While many services seek to respond to diversity, they often need skills development, to ensure they are culturally responsive in the planning, design and delivery of services.¹⁴

Secure and meaningful employment helps to attract and retain newcomers in regional areas

Secure employment, commensurate with the skills and aspirations of newcomers, is critical for successful regional migration and settlement. For newcomers to successfully find work that is aligned to their skills and experience and to build community connection and sense of belonging, governments should invest in and scale up tailored and holistic support. Place-based assessments that include industry and workforce data analysis, and industry stakeholder consultations can identify local skills

⁸ Watt, S., McMahon, T., & Soulos, T. (2019). Monitoring community attitudes toward refugee settlement in Armidale, NSW. University of New England/ Settlement Services International.

⁹ ARTD Consultants/SSI. (2021). Summary of evaluation of Humanitarian Settlement Program in Armidale.

¹⁰ Department of Home Affairs. (2024). *Migration Strategy Action Plan*. Retrieved from https://immi.homeaffairs.gov.au/programs-subsite/migration-strategy/Documents/migration-strategy-action-plan.pdf

¹¹ Department of Home Affairs. (2023). *Review of the Migration System Final Report*. Australian Government. https://www.homeaffairs.gov.au/reports-and-pubs/files/review-migration-system-final-report.pdf

¹² Watt et al. (2023). From the 'resistant' to the 'champions': Community attitudes during the first four years of refugee settlement in Armidale, NSW. UNE/SSI

¹³ ARTD Consultants/SSI. (2021); SSI. (2019). *All in for Armidale: A whole-of-community approach to Ezidi settlement.* Sydney: SSI.

¹⁴ ARTD Consultants/SSI. (2021). Summary of the Evaluation of the HSP In Armidale. Sydney: SSI.

shortages and longer-term workforce issues.¹⁵ A thorough place-based assessment will identify the extent to which newcomers will bring skills that are not available locally and help businesses that have opportunities to grow but have a limited local workforce to draw on. While the availability of employment may be the primary driver of initial decisions by newcomers to settle in, or relocate to, regional areas, the *quality of the employment*, including opportunities for progression, may have a more significant impact in later stages. Likewise, *the availability and quality of employment for other family members* is also crucial to attract and retain newcomers in regional areas.¹⁶ This highlights the need to provide targeted employment support for partners as well as primary visa holders.

Work+Stay: a holistic solution to sustainably build the regional workforce

Work+Stay¹⁷ is SSI's start-up social enterprise that supports newcomers to find jobs and move to regional areas. The initiative places strong emphasis on retention of newcomers in regional areas using a holistic approach that includes 'settling in support' to help newcomers feel welcome, build connections and thrive in their new communities. In addition to matching clients to a job that fits their skills and aspirations, Work+Stay facilitates connections into local services and civic, social and recreational community groups (www.workandstay.com.au).

The Work+Stay holistic approach to regional workforce provision includes consideration of all barriers of entry to successfully secure and support workforce as shown in below Figure 1:



Figure 1: The Work+Stay Regional Workforce Solution model

Work+Stay's Regional Workforce Solution comprises the following integrated components:

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¹⁵ Van Kooy, J. v., Wickes, R., & Ali, A. (2019). Welcoming Regions. Monash University/Welcoming Cities.

¹⁶ Department of Immigration and Border Protection. (2014). *Regional retention of migrants: Critical success factors*. Australian Government.

¹⁷ Work+Stay: https://www.workandstay.com.au/

- A <u>Skills Analysis</u>: undertaken at the chosen scale, e.g. for a single business operating from a single site, for a single business operating from multiple sites, or across multiple business within a community, or geographic region. The Skills Analysis documents the range of skills required and quantifies the skills demand over time (e.g. current needs, 1 3 years and 3 5 years).
- 2. A comprehensive <u>Recruitment Plan:</u> developed based on the findings of the Skills Analysis. The Recruitment Plan identifies the likely source of new employees, i.e. onshore and/or offshore, and proposes the most appropriate recruitment strategies.
- 3. Securing <u>Accommodation</u> for new employees, which is perceived to be, and in many cases is a real impediment to regional recruitment. Work+Stay understands that the publicised rental availability rates do not necessarily reflect the actual availability of accommodation in any given location. Work+Stay therefore accesses 'hidden accommodation' by tapping into local networks, and exploring non-conventional accommodation options, e.g. unlocking existing spare capacity in the existing housing stock (e.g. vacant houses/bedrooms), temporarily repurposing empty but suitable buildings.
- 4. Staff <u>Retention</u> is a significant concern for employers, particularly where a substantial financial investment has been made in the recruitment process, for example via the cost of relocating employees to a regional centre or recruiting offshore employees. Through the STAY® program Work+Stay has a proven model of employee settlement and retention which can be implemented and scaled as required. Work+Stay's collaborative approach to community engagement involves partnering with Welcoming Australia. Welcoming Australia delivers a full-community Welcoming Cities program that comprises Welcoming Communities and Welcoming Workplaces; initiatives that respectively support and strengthen communities and workplaces to be more welcoming of new residents and employees from culturally and linguistically diverse backgrounds.
- 5. Availability of appropriate <u>Services</u> required to maintain an acceptable lifestyle is an important component to attract and retain new employees to any location. Understanding the available services is one of the key considerations when developing a recruitment plan, ensuring a match between the needs of new employees and the services available (for example, not placing employees with young and growing families in locations that do not have access to ante and neonatal care, and paediatric services).

Work+Stay is available to all aspiring regional newcomers and is not dependent on the person seeking work in Australia via an overseas visa. Work+Stay enables people to realise opportunities to access meaningful work and career opportunities to help them work to their full potential in the regions, address work shortages and support the person to settle and commit to staying in the regions. Work+Stay taps into the more than 621,000 permanent migrants living in Australia, 146,700 more than Australian-born, who work in roles that are below their level of qualifications and training as found in the Billion Dollar Benefit report conducted by Deloitte Australia. Adopting models such as Work+Stay bridge this skills underutilisation gap through helping skilled people already in Australia take on more suitable work opportunities in the regions. Modelling in the Billion Dollar Benefit report shows that closing just the 146,700 gap between the number of underutilised migrant and local-born skilled workers alone would generate an average \$9 billion/year in annual increase in GDP in net present value terms over the next 10 years, over 51,000 FTE additional jobs across Australia and increase average wages for all workers. Applying appropriate regional migration settings to support the better

¹⁸ SSI, Allianz Australia Insurance Ltd, Business New South Wales, Business Western Sydney, & LinkedIn. (2024). *Billion Dollar Benefit: The economic impact of unlocking the skills potential of migrants in Australia*. Retrieved from https://www.ssi.org.au/wp-content/uploads/2024/06/DAE_SSI_Skills_Mismatch_Report_19062024_WEB.pdf

matching and use of migrants' skills would provide even more of a benefit to the regions and regional communities.

SSI's recommendations are consistent with the Regional Australia Institute's Framework to achieve more balanced growth and population distribution across urban and regional areas of Australia; and align with its five key pillars: Jobs & Skills, Liveability, Population, Productivity & Innovation and Sustainability & Resilience.¹⁹

7. Do provisional visas successfully encourage large scale retention of migrants in the regions? Is the length of a provisional visa the right length? Should both the regional employer sponsored visa and the regional nominated visa have the same provisional visa arrangements?

Recommendation 7:

Pending the outcome of an assessment, remove the three years provisional requirement to return the regional employer sponsored visa back to a 'direct-to-permanent' visa.

The recent Review of the Migration System (the 'Parkinson' review) recognises factors such as infrastructure, employment opportunities, housing and access to services are likely to be more important in attracting and retaining people in regional areas, than the provision of regionally-focused visa pathways.²⁰ In other words, there has been overreliance on new regional visas to drive this agenda with insufficient attention on ways to retain newcomers and to promote and sustain secondary migration to regional areas. Options to resolve this are discussed in the response to Question 6 above and Recommendations 3 to 6.

For provisional visa holders who are required to stay in the regions for three years, the Discussion Paper reports that about a quarter move away once they obtain a permanent visa. Furthermore, the 2019 change of the regional employer sponsored visa from a direct-to-permanent visa to require the person spend at least three years on a provisional visa, saw 2,000 - 10,000 fewer such visas being granted. Potential applicants risk being deterred by the complex visa criteria, changing eligibility rules and lengthy processing delays.²¹ While these trends suggest returning to the previous arrangements, an assessment of whether the attrition rate was lower than a quarter under the previous arrangements is required.

8. 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?

Recommendation 8:

The Australian Government's multi level planning model should include a role for input from regional communities and community organisations supporting regional Australia.

¹⁹ Regional Australia Institute. (2022). *Regionalisation Ambition 2032: A Framework to Rebalance the Nation*. Retrieved from https://rebalancethenation.com.au/common/Uploaded%20files/Rebalance-the-Nation/Rebalance-the-Nation-Report-2022 pdf

^{2022.}pdf

20 Department of Home Affairs. (2023). *Review of the Migration System Final Report*. Australian Government. Retrieved from https://www.homeaffairs.gov.au/reports-and-pubs/files/review-migration-system-final-report.pdf

²¹ SSI. (2023). *Policy Brief: Regional migration and settlement: Putting down roots to revitalise regional communities in Australia*. Retrieved from https://www.ssi.org.au/wp-content/uploads/2023/08/3.-Regional-migration-and-settlement.pdf

While it is laudable that the multi-year planning model is being proposed, the role of states and territories may need to be made narrower, and a more elevated and direct role for communities and community organisations supporting regional Australia should be included. SSI's experience, outlined in this submission, suggests that adopting this approach will lead to newcomers choosing to migrate or relocate and stay in regional areas.

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