

# South Australia's Designated Area Migration Agreements

**Submission**

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Note: This is not an endorsed LGA Board of Directors document. It has been prepared by the LGA Secretariat.

# Table of contents

<b>Summary of recommendations</b> .....	<b>3</b>
<b>Introduction</b> .....	<b>4</b>
About the Local Government Association of South Australia .....	4
<b>Background</b> .....	<b>4</b>
Local government’s role in strategic regional migration.....	5
<b>Comments on the South Australian DAMAs</b> .....	<b>7</b>
Opportunities to use the DAMAs to encourage migration to regional South Australia .....	7
General comments.....	7
Opportunity to address the development required to promote regional community liveability more generally .....	7
Decentralisation of South Australian Government Services to regional areas .....	8
Barriers in utilising the DAMAs to address skill shortages.....	9
The focus of the two new South Australian DAMAs.....	9
Pathways to permanent residency .....	10
A South Australian Case Study .....	10
<b>Conclusion</b> .....	<b>11</b>

## Summary of recommendations

The following key principles underpin the Local Government Association of South Australia's (LGASA) considerations in relation to local government's approach to migration in South Australia;

- A. Local government seeks opportunities to work with Commonwealth and State governments in order to address barriers to regional migration and more general regional population growth;
- B. Local government, as the closest sphere of government to the community can provide unique and unparalleled advice and insights into the community that can be important in driving economic development, providing community leadership and developing solutions that best reflect community needs; and
- C. Connectivity is central to overcoming the unique geographical barriers of regional South Australia that negatively impacts on populations. Investment in infrastructure to improve roads, mobile phone blackspots and healthcare services is necessary to overcome the tyranny of distance that deters investment innovators and entrepreneurs from regional South Australian communities.

The LGASA, in keeping with the above key principles, makes the following recommendations in relation to South Australia's Designated Area Migration Agreements (DAMA) for the Department for Innovation and Skills:

- 1. Local, State and Federal governments work together with industry to design a more holistic policy approach that enables tailored migration policies to support population growth and economic activity in regional Australia.
- 2. Local governments are supported with requisite and ongoing funding and with other appropriate supports to provide services and other programs required for successful targeted migration endeavours.
- 3. Federal, state and local government invest to address the existing "core" reasons for falling regional populations in order to prevent cyclic outcomes from targeted migration endeavours.
- 4. Endeavours to decentralise the South Australian Government Services are undertaken to achieve at least 30% of the state government public service being based outside of Greater Adelaide.
- 5. DAMAs be utilised to promote opportunities for innovation and industry diversification in regional South Australia.
- 6. That the national migration framework be reviewed, and a holistic, flexible national approach be adopted to promote more permanent migration to rural and regional Australian areas.

# Introduction

## About the Local Government Association of South Australia

The Local Government Association of South Australia (LGASA) is the voice of local government in South Australia, representing all 68 councils across the state and the Anangu Pitjantjatjara Yankunytjatjara.

The LGASA is recognised in the South Australian Local Government Act 1999 and in 29 other South Australian Acts of Parliament. The LGASA provides leadership, support, representation and advocacy relevant to the needs of our member councils.

The LGASA welcomes the opportunity to comment on the Designated Area Migration Agreements. This submission has been informed by consultation with our membership, discussions with Local Government bodies, existing policy positions and research projects undertaken through the Local Government Research and Development Scheme.

Consultation with our membership indicated that there is a clear priority and desire to address the population decline in regional and rural South Australia and the low overseas migration rates to regional or remote areas, as such that is the focus of this submission. Consultation with our membership also highlighted a specific case relevant to migration that has been included in this submission.

This submission is focused on the barriers and opportunities to utilising DAMAs, specifically this submission focuses on questions (4) and (5) that were provided as part of this review namely:

- (4) What barriers do you and your industry face in utilising the DAMAs to address skills shortages?
- (5) What are the opportunities to use the DAMAs to encourage migration to regional South Australia?

## Background

Globally, developed countries are experiencing “population aging”,<sup>1</sup> which is when the median age of the population increases. This demographic shift is of significant concern to industry and governments as it results in a reduction of working age people.<sup>2</sup>

South Australia is subject to population aging as well as a trend of slower population growth where in the last year the state’s annual average population growth rate was 0.9%, compared to Australia’s average growth rate of 1.5%.<sup>3</sup>

Concerns around population aging and slow population growth have been exacerbated by relatively high rates of net interstate migration loss, which disproportionally comprises of “working age” people.<sup>4</sup> From 2014-2017 South Australia lost “an average of 6,500 people per year through net interstate migration compared to an average of 3,600 people per annum over the previous 5 years.”<sup>5</sup>

<sup>1</sup> World Health Organisation, “Population Aging” < <https://www.who.int/features/qa/72/en/>>.

<sup>2</sup> Dale Williams (30 October 2019) ‘Should Young People Have a Role in Local Government?’ *Presentation at LGA AGM 2019* <<https://www.lga.sa.gov.au/conference>>.

<sup>3</sup> Australian Bureau of Statistics, “Australian Demographic Statistics, June 2019” < <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/3101.0Media%20Release1Jun%202019?opendocument&tabname=Summary&prodno=3101.0&isue=Jun%202019&num=&view=>>>.

<sup>4</sup> SA Centre for Economic Studies, *Evidence to Inform Local Government Advocacy for a Strategic Population Policy* (2018) page i.

<sup>5</sup> Ibid.

In South Australia the reduction in the relative size of the working age population due to a combination of the aging population, slow population growth and net interstate migration has been referred to as a “demographic deficit” which is linked to the state’s subdued economic performance.<sup>6</sup>

This “demographic deficit” has been more intensely felt by regional South Australia where populations have either fallen or grown slowly over the past decade.<sup>7</sup> Nationally it has been identified that “*In Australia, small towns keep losing young and middle-aged people to big cities for a range of reasons.*”<sup>8</sup>

Research demonstrates<sup>9</sup> the following factors as contributing to the falling or slow populations in rural or remote South Australia:

- young people moving to the Adelaide metropolitan area to pursue tertiary education and career opportunities;
- broader net internal migration outflows in response to adverse economic shocks (e.g. Whyalla and Roxby Downs), and structural trends that reduce employment in key sectors (e.g. lower employment in farming due to technological changes, adoption of different management practices and consolidation of farming properties); and
- low overseas migration rates.

It is important to note that subdued economic performance and an aging population, tend to reinforce one another, with subdued economic performance encouraging people to leave the state and conversely discourages people from moving to South Australia.<sup>10</sup>

## Local government’s role in strategic regional migration

### ***LGASA Policy Statement: 2.1 Building Local Economies***

*Statement: Local government acknowledges that it has a shared responsibility for ensuring the economic wellbeing of South Australia, and shall continue to work within its local areas and across councils to identify and implement local measures that create a climate conducive to sustainable economic development.*

The LGASA acknowledges the opportunity the South Australian DAMAs and migration generally provides to address the state’s demographic and economic challenges. Noting that Australia has been greatly influenced by international migration where in 2011 27% of Australia’s population was born overseas.<sup>11</sup>

The LGASA has been proactive in addressing this issue by undertaking research and other endeavours to assist in the development of an evidence based local government advocacy position on this multifaceted matter.

The LGASA notes that lack of regional migration is a barrier to economic and other growth of regional and rural communities across the nation, however in South Australia the “demographic deficit” places further reliance on migration efforts.

<sup>6</sup> SA Centre for Economic Studies, *Evidence to Inform Local Government Advocacy for a Strategic Population Policy* (2018) page i.

<sup>7</sup> Ibid.

<sup>8</sup> Regional Australia Institute, *Steps to Settlement Success: A Toolkit for Rural and Regional Communities* (2019) Page 41.

<sup>9</sup> Above n 4.

<sup>10</sup> Ibid

<sup>11</sup> Above n 4.

As the closest sphere of government to the community, local government plays a critical role in building local identity, community wellbeing and social cohesion as well as contributing to national productivity. Local governments are fundamental to achieving liveability in our regional and rural communities.

As such, local government plays a crucial role with connecting new migrants to their new community and to helping them access services and facilities available to them.

Local government in South Australia has been proactive in collaborating with industry, State and Federal Government to assist with targeted migration endeavours. Some South Australian examples of successful joint government and industry coordinated migration opportunities that have had substantial involvement of local government include Murray Bridge<sup>12</sup> and the Limestone Coast.<sup>13</sup>

Local government acknowledges that it plays a key role in developing adaptable and resilient communities against the adverse impacts of natural disasters<sup>14</sup>, the global warming temperature<sup>15</sup> and other climatic phenomena<sup>16</sup>, like drought.<sup>17</sup>

The LGASA recognises strong economies as a common link<sup>18</sup> in the actions the Australian Government has developed through the Future Drought Fund Drought Resilience Funding Plan<sup>19</sup> and Australia's Strategies for Disaster Management<sup>20</sup> as being central to an adaptable and resilient community.

Currently 68% of South Australian regional council areas (and regions) are in drought.<sup>21</sup> Economic diversification and evolution is required for South Australia to respond to the impacts currently being felt by the communities, environment and people.

Strategic migration programs provide an opportunity to address the economic and demographic trends currently being faced by the regional South Australia.

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<sup>12</sup> Dr H. Barrie, Dr R. Wasserman, Dr K McDougall, "Murray Bridge: A blueprint for good migrant settlement" *University of Adelaide: Hugo Centre for Migration and Population Research* (February 2018).

<sup>13</sup> Dr H. Felst, Dr G. Tan, Dr K McDougall and Professor G. Hugo, "Enabling Rural Migrant Settlement: A Case Study of the Limestone Coast" *University of Adelaide and The Australian Population and Migration Research Centre* (2016).

<sup>14</sup> Australian Disaster Resilience Knowledge Hub, *National Disaster Risk Reduction Framework* < <https://knowledge.aidr.org.au/resources/national-disaster-risk-reduction-framework/> >; Australian Disaster Resilience Knowledge Hub, *Australia's National Strategy for Disaster Resilience* < <https://knowledge.aidr.org.au/resources/national-strategy-for-disaster-resilience/> >.

<sup>15</sup> Local Government Association of South Australia, *Policy Manual*, Part 4.4 Managing the Risks of Climate Change, Policy Statement.

<sup>16</sup> LGASA, Policy Manual (ECM 664873) *Managing the Risks of Climate Change*, Policy Statement 4.4.

<sup>17</sup> Australian Government Department of Agriculture, *Drought Resilience Funding Plan 2020 to 2024 Consultation draft*, page 3.

<sup>18</sup> Local Government Association of South Australia, *LGA Submission – Future Drought Fund – draft Drought Resilience Funding Plan 2020 to 2024*, page < <https://www.lga.sa.gov.au/submissions> >.

<sup>19</sup> Australian Government Department of Agriculture, *Drought Resilience Funding Plan 2020 to 2024 Consultation draft*, page 3.

<sup>20</sup> Australian Disaster Resilience Knowledge Hub, *National Disaster Risk Reduction Framework* < <https://knowledge.aidr.org.au/resources/national-disaster-risk-reduction-framework/> >; Australian Disaster Resilience Knowledge Hub, *Australia's National Strategy for Disaster Resilience* < <https://knowledge.aidr.org.au/resources/national-strategy-for-disaster-resilience/> >.

<sup>21</sup> Australian Government, Department of Infrastructure, Transport, Cities and Regional Development, *Drought Communities Programme* <<https://www.regional.gov.au/regional/programs/drought-communities.aspx> >.

## Comments on the South Australian DAMAs

The LGASA notes the two new DAMAs the Government of South Australia has entered into with the Australian government:<sup>22</sup>

1. Adelaide Technology and Innovation Advancement Agreement – which focuses on Adelaide’s high-tech growth industries including defence, space, technology and advanced manufacturing industries; and the
2. South Australian Regional Workforce Agreement – which focuses on the state’s regional high growth industries including agribusiness, forestry, health and social services, tourism and hospitality, construction and mining.

## Opportunities to use the DAMAs to encourage migration to regional South Australia

### General comments

A maintained increase in the number of people of working age in regional and rural South Australia is necessary to effectively address the “demographic deficit” trend required to strengthen and build resilient economies. The LGASA acknowledges the opportunity DAMAs provide in attracting people to regional and rural areas and that they do provide pathways to permanent residency, however attracting new migrants can only be viewed as the first step, maintaining migrants in these regions is necessary to truly strengthen and transform these communities.

This submission outlines the central role that local government plays in connecting new migrants with their new community and in providing services to help assist in their settlement which encourage permanent migration to these areas. As such a more holistic approach, involving all levels of government and industry, is necessary to truly build more resilient and adaptable regional communities.

***Recommendation 1: Local, State and Federal governments work together with industry to design a more holistic policy approach that enables tailored migration policies to support population growth and economic activity in regional Australia***

***Recommendation 2: Local governments are supported with requisite and ongoing funding and with other appropriate supports to provide services and other programs required for successful targeted migration endeavours***

### Opportunity to address the development required to promote regional community liveability more generally

This submission has outlined the contributing factors to the falling populations of regional South Australia and how the trends of subdued economic performance and an aging population reinforce one another.

In order to maintain migrants in regional areas and to prevent a cyclic scenario whereby new migrants arrive and leave, the factors contributing to the originating causes of regional population reduction need to be addressed.

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<sup>22</sup> Adelaide Technology and Innovation Advancement Agreement and South Australian Regional Workforce Agreement < <https://www.migration.sa.gov.au/local-employers/designated-area-migration-agreements> >.

The LGASA acknowledges the following essential community elements and infrastructure investment as fostering community liveability;

- Access to a range of community services and infrastructure that supports health, education, water, recreation, social interaction and well-being;
- A range of housing options, which are affordable and in adequate supply;
- Safe transport accessibility, both within the community (including effective and adequate roads and public transport options) and connected to other centres;
- Pleasant environments, including parks, gardens, footpaths and bikeways as well as built infrastructure that is appropriate for the climatic conditions; and
- A range of education and employment pathways to cater to different age groups and skill groups (including tertiary pathways).

Local government, with its strong links to communities, can play a key role in working with and supporting state and federal government in delivering community focused outcomes that address “core” community needs.

***Recommendation 3: Federal, state and local government invest to address the existing “core” reasons for falling regional populations in order to prevent cyclic outcomes from targeted migration endeavours***

### **Decentralisation of South Australian Government Services to regional areas**

The South Australian Region of Councils (SAROC)<sup>23</sup>, most frequently identified barrier to attracting skilled migrants (by a significant measure) is the availability of appropriate employment opportunities.<sup>24</sup>

If South Australian Government Services were to be decentralised, then employment opportunities would be more available and varied, helping to address the issue identified above by SAROC councils.

Decentralisation of government services also has the capacity to help build regional economic resilience by reducing regional communities’ reliance on primary industry, providing regional communities with more economic diversity, which in turn helps achieve the actions identified by the Australian government as necessary to make regional communities more resilient to disaster, drought and other climate related events.

Opportunities for the decentralisation of the South Australian government may exist as the economy transforms to the impacts of climate change<sup>25</sup> where new endeavours may be undertaken regionally. Some opportunities may exist in renewable energy, new technology and climate smart goods and services.<sup>26</sup>

DAMAs can support the decentralisation of state government services as they are the mechanism that can help attract migrants to these positions.

***Recommendation 4: Endeavours to decentralise the South Australian Government Services are undertaken to achieve at least 30% of the state government public service being based outside of Greater Adelaide***

<sup>23</sup> Note the 47 Regional Councils are listed in Appendix 1 of the SAROC Strategic Plan < <https://www.lga.sa.gov.au/SAROC> >.

<sup>24</sup> LGASA, *South Australian Region of Councils Strategic Population and Carrying Capacity Snapshot*, page 4.

<sup>25</sup> Government of South Australia, “*Directions for a Climate Smart South Australia*” (2019) page 4.

<sup>26</sup> Ibid.

## Barriers in utilising the DAMAs to address skill shortages

### The focus of the two new South Australian DAMAs

The demographic deficit experienced by regional South Australia is impacting all areas and levels of professions from more general labourer professions through to professional, high skilled or specialist professions and management roles.

Regional South Australia is striving to further develop a more connected and innovative economy where there is more, and more varied types of, employment opportunities. It is known that economic growth relies on an inclusive economy that encourages the active participation of all its residents.

Economic diversity has been identified, by the Australian Government, as a way of making communities more adaptable and resilient to natural disasters<sup>27</sup> and other climatic phenomena,<sup>28</sup> like drought.<sup>29</sup>

The LGASA identified “human capital”<sup>30</sup> as an important factor necessary to enhance economic development and growth (which is necessary to increase economic diversity). “Human capital” in this context, refers to a productive, educated and skilled workforce,<sup>31</sup> which in the future will require high levels of digital literacy, training and management.

The LGASA welcomes the opportunity the new regional DAMAs endeavours to grow existing “high growth industries” in regional South Australia. However, the LGASA notes the DAMAs for regional South Australia could be better targeted to address some of the economic limitations faced by regional areas. For example, the Designated Area Representative (DAR) through the DAMAs could have the opportunity to guide employers to consider opportunities to diversify through upskilling and re-skilling workers from traditional industries that are either no longer viable in the modern economy or to address the need for current industries to develop diversification strategies to unlock opportunities and jobs for the future.<sup>32</sup>

Education to increase digital literacy, management and training skills are necessary to assist regions identify and develop diversification strategies to unlock the industries and jobs of the future.

Regional and rural South Australia, like metropolitan South Australia, requires innovative and technological advancement to assist in the growth and diversification of industries. This opportunity for innovative and technologically skilled migrants is not accurately reflected on the face of the regional DAMA.

Further, the current DAMAs structure promoting “Technology and Innovation” in metropolitan Adelaide and a “Workforce” in regional South Australia can be seen as supporting the existing community bias that regional South Australia cannot be a hub for technology and innovation.

This bias stifles the capacity of industry in regional South Australia to attract and advance the appropriate “human capital” necessary to diversify. Further, this bias may contribute to the current trend where overseas migrants are less likely to settle in regional areas.<sup>33</sup>

<sup>27</sup> Australian Disaster Resilience Knowledge Hub, *National Disaster Risk Reduction Framework* < <https://knowledge.aidr.org.au/resources/national-disaster-risk-reduction-framework/> >; Australian Disaster Resilience Knowledge Hub, *Australia's National Strategy for Disaster Resilience* < <https://knowledge.aidr.org.au/resources/national-strategy-for-disaster-resilience/> >.

<sup>28</sup> LGASA, Policy Manual (ECM 664873) *Managing the Risks of Climate Change*, Policy Statement 4.4.

<sup>29</sup> Australian Government Department of Agriculture, *Drought Resilience Funding Plan 2020 to 2024 Consultation draft*, page 3.

<sup>30</sup> LGASA, *PIRSA Regional Development Strategy – Discussion Paper* (July 2019) ECM 684737 page13.

<sup>31</sup> LGASA, Policy Manual (ECM 664873) *Economic development: Skilled Workforce*, 2.1.3.

<sup>32</sup> *Ibid*, *Decline of Traditional Industries*, 2.2.8.

<sup>33</sup> SA Centre for Economic Studies, *Evidence to Inform Local Government Advocacy for a Strategic Population Policy* (2018) page ii.

This bias is a hurdle in developing more resilient and adaptable regional economies that have been identified by the Australian government as necessary to addressing climatic issues exacerbated by the changing climate like drought<sup>34</sup> and natural disasters.

***Recommendation 5: DAMAs be utilised to promote opportunities for innovation and industry diversification in regional South Australia***

## Pathways to permanent residency

The LGASA notes that the DAMAs do provide an opportunity for pathways to permanent residency but only for selected visas and occupations. Additionally, workers will be required to meet the eligibility requirements.<sup>35</sup>

### A South Australian Case Study

A regional council in South Australia sought to recruit to a specialist role after experiencing difficulties in attracting a suitable applicant given the council's remote location.

An outstanding candidate was identified who was living in Adelaide after relocating to Australia in early 2019. The applicant migrated to Adelaide after securing a Skilled – Regional Sponsored (subclass 489) visa sponsored by the SA Government. The applicant is a highly skilled officer with significant experience.

The applicant applied to the role at the Council and has subsequently been offered the position. Whilst undertaking the recruitment process, the applicant was subsequently offered a Permanent Residency 190 visa – sponsored by another state's government. Keen to seek a new life and permanent residency the applicant agreed to the visa opportunity.

The 190 visa requires the applicant to relocate and seek job opportunities to the state that sponsors the visa. This was not made clear during the application process.

The previous 489 visa was for any regional area in Australia but did not grant permanent residency.

The Council in South Australia is in a remote area and struggles to attract talent and this opportunity would be of great benefit to the region and the community in general, as such council requested that the applicant retain permanent residency visa in SA and take up the role in at the regional council.

South Australia is willing to offer the applicant a 190 visa. Unfortunately process does not enable the applicant to select the location of the 190 visa and it requires the visa to be transferred between the states. The request for transfer of the 190 visa from interstate to SA was denied.

The applicant is now reluctant to accept the position offered in South Australia as they are worried that the permanent residency status may be cancelled if the role is taken (and could be deported at a later stage) without following due process. The applicant is now having to face relocating interstate– with no employment to go to, no accommodation and diminished employment aspirations.

This exercise has not only been expensive for the SA council and the applicant it has also been mentally demoralising for the applicant and their family who are keen to work and live in a regional community.

Consultation with our membership highlighted general barriers in navigating the myriad of visa options and requirements. In some cases, like the one explored above, the intent to work in a regional area was undermined by more appealing secondary visa options, offering permanent residency. Further due to

<sup>34</sup> Australian Government Department of Agriculture, *Drought Resilience Funding Plan 2020 to 2024 Consultation draft*, page 3.

<sup>35</sup> Immigration South Australia, *Designated Area Migration Agreements* < <https://www.migration.sa.gov.au/resources/faq/designated-area-migration-agreements-dama#50> > accessed 16 January 2020.

state visa boundary restrictions, South Australia has been neglected and endeavours for regional migration more generally has been completely undermined.

To adequately address the issues regional South Australia, and indeed the entirety of regional Australia, are facing, a more long-term national approach to migration is required. State boundary visa restrictions and other permanent visa options can undermine promoting regional and rural migration, often the intent and purpose of the originating visa.

As such more clear, flexible and attractive permanent visa options should be developed to promote regional and rural Australia.

***Recommendation 6: That the national migration framework be reviewed, and a holistic, flexible national approach be adopted to promote more permanent migration to rural and regional Australian areas***

## Conclusion

The LGASA acknowledges that DAMAs are but one vital part of the picture that contributes to establishing and creating secure, thriving communities.

The focus of the DAMAs and other migration policies should be to address the reinforcing trends of subdued economic growth and the “demographic deficit” occurring in regional and rural South Australia.

A holistic, long term, national regional and rural migration approach, that supports and promotes the general development, infrastructure and otherwise, of regional and rural communities is necessary to attract and retain migrants and young people to these communities.



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