![Australian Chamber of Commerce and Industry]

Supporting Strong and Sustainable Regions: Review of Regional Migration Settings

ACCI Submission

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Executive Summary

This submission addresses key themes and proposals from the 'Supporting Strong Regions' discussion paper. We have focused on enhancing regional migration strategies to better meet skills needs, ensuring accurate and responsive occupation lists, and streamlining visa processes. By adjusting salary thresholds, integrating industry feedback, and providing tailored incentives, we can create a more effective and attractive migration system for regional Australia, ultimately supporting economic growth and community stability.

Objectives, Current Settings, and Opportunities

Temporary and permanent visa pathways must be integrated to address skill shortages effectively. Expanding Designated Area Migration Agreements (DAMAs) to cover a broader range of occupations and ensuring clear pathways from temporary to permanent residency will provide long-term stability. This approach will allow regions to tailor migration policies to their specific labour market needs, supporting both immediate and future economic growth.

ACCI supports a single regional occupation list that is filterable by region. Regions should submit their own lists of occupations in shortage to Jobs and Skills Australia (JSA). These lists would be compared with the Core Skills Occupation List (CSOL) to eliminate duplications, and be made filterable so that each region can see a tailored list that addresses its specific needs. This system allows for more accurate and effective allocation of skilled migrants, aligning with local economic conditions.

Aligning the definitions of regional areas across different visa categories is crucial for consistency and clarity. A unified definition that acknowledges the unique characteristics of various regions will simplify the migration process. Differentiating between major regional centres, smaller towns, and remote areas ensures that migration policies are effectively tailored to local needs, enhancing the attractiveness and feasibility of regional migration.

Mitigating Exploitation

Maintaining the second- and third-year Working Holiday Maker (WHM) visas and broadening specified work requirements to include all work undertaken in regional areas can help limit exploitation while meeting labour needs. Improved communication and provision of information about rights in multiple languages, along with better enforcement of protections against exploitation, are critical. These measures will ensure a positive experience for WHMs and support regional employers.

A consistent approach to lower-paid migration can be achieved by aligning visa settings with clear protections and support mechanisms. This includes maintaining relationships with Pacific nations through targeted visa programs and ensuring that lower-paid migrants have access to fair working conditions and support services. Policies should reflect Australia's commitment to ethical recruitment and the welfare of migrant workers.

Planning for Regional Migration

Encouraging migrants to settle in regions requires adjusting salary thresholds to reflect regional market conditions, offering incentives such as direct pathways to citizenship, and ensuring accurate and responsive occupation lists. Providing clear, streamlined visa processes and supporting community

integration are also crucial. Tailored incentives and supportive policies can significantly improve migrant retention and contribute to regional development.

The evidence for the effectiveness of provisional visas is not definitive. Incentives, such as the option to apply for citizenship directly after completing the Skills in Demand visa while living in a regional area, may be more attractive. This approach would reduce the administrative burden on migrants and provide greater stability, making regional living more appealing.

Ensuring accurate and responsive occupation lists, providing tailored incentives for long-term settlement, incorporating industry feedback into occupation list adjustments and creating a single digital platform for visa information can all help streamline the process. Enhanced coordination across states and territories and targeted incentives for remote areas will also support regional migration planning.

Recommendations

Recommendation 1: Allow specific regional locations, including but not limited to DAMAs, to submit their own region-specific skills shortage lists to Jobs and Skills Australia.

Recommendation 2: Create a single, digital source of truth that would allow both employers and potential migrants to easily determine which visas (of all possible visa types, including those specific to states and territories, DAMAs, industries or occupations) are relevant to their specific circumstances.

Recommendation 3: Make every location outside of metropolitan Sydney, Melbourne and Brisbane eligible for some form of regional visa incentive program, but tier the incentives based on population density or some other relevant criteria that acknowledges the challenges of attracting workers to more remote and less populated locations.

Recommendation 4: Maintain the second- and third-year WHM visas and 88-day specified work requirement. However, broaden specified work to include all work undertaken in regional areas and review the relevant post-code list.

Recommendation 5: Recently implemented measures to address temporary migrant worker exploitation should be allowed to operate, with their effectiveness reviewed after a reasonable period, prior to any changes to the WHM program on account of exploitation concerns.

Recommendation 6: Improve communication with and the provision of information to WHM visa holders on their rights while working in Australia, as well as other relevant information in real time, through a portal or other accessible manner, in all languages of WHM partner countries and regions.

Recommendation 7: Expand eligibility of the WHM program – increase the age limit to 40 years of age and allow a second WHM visa for those who first used it before the age of 30, where they have spent a minimum period outside of Australia.

Recommendation 8: Given the significant role the CSOL will play in migration, create interim arrangements, including a formal industry input mechanism, to ensure industries likely to lose access to skilled migrants under the new criteria are given fair warning.

Recommendation 9: Offer migrants incentives to live and work in regional areas throughout the duration of their Skills in Demand visa, such as a direct pathway to citizenship, skipping the need to apply for permanent residency.

Introduction

The Australian Chamber of Commerce and Industry (ACCI) welcomes the opportunity to provide input on the review of regional migration settings, as outlined in the "Supporting Strong and Sustainable Regions" discussion paper (the discussion paper). ACCI is Australia's largest and most representative business network, representing hundreds of thousands of businesses – many of whom are located in regional areas – in every state and territory and across all industries.

Australian businesses are key beneficiaries of the skilled migration system, and regional Australia is a cornerstone of our national economy, enriched by the contributions of millions of migrants. A responsive and flexible migration system is crucial to addressing the unique challenges faced by regional communities, such as population decline, ageing workforces, and critical skill shortages – as the discussion paper eloquently outlines. By enhancing regional migration policies, we can ensure that regional areas continue to thrive, bolstering local economies, fostering innovation, and strengthening international ties.

In this submission, we have taken the questions posed in the discussion paper as the starting point for our responses. Thus, while we do not answer every question directly, we have sorted our responses to align with the three sections of the discussion paper for convenience. However, it is first worth noting that, while ACCI makes a series of specific recommendations, we also support the six core intentions outlined on page 1 of the discussion paper for ensuring that migration is delivering for regional Australia:

- Tripling the number of permanent places available for regional migration.
- Extending Designated Area Migration Agreements (DAMAs) to help meet regional workforce needs.
- Designating regional visa processing as the highest priority so that businesses can quickly meet their skills needs.
- Working with states and territories to plan migration over the longer term.
- Expanding and improving the Pacific Australia Labour Mobility (PALM) scheme.
- Facilitating Working Holiday Makers to support local economies and regional Australia's workforce needs.

If coupled with thorough and meaningful consultation with relevant stakeholders, including employer representatives and industry groups, these intentions should form a strong foundation on which to build a migration system that will meet Australia's skills needs.

Responses to discussion paper questions

Objectives, current settings and opportunities

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

2. Should there be a regional occupation list? How should regional occupation lists work alongside the Core Skills Occupation List? What should be considered in compiling the regional occupation list?

3. 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 discussion paper effectively acknowledges the difficulty many regional employers face in meeting labour and skill needs, underscoring the necessity of a responsive migration system to sustain and grow regional businesses. The review offers an opportunity to make regional employment as attractive as employment in capital cities, helping regions compete more effectively for labour and skills. This can be achieved by implementing migration settings tailored to the unique economic and social needs of each specific regional locale.

For this reason, ACCI supports the idea of a single regional occupation list. Each region – including specific Designated Area Migration Agreement (DAMA) areas[1] – should have the opportunity to submit the list of occupations in shortage in their region to Jobs and Skills Australia (JSA), based on a set of criteria established by JSA in advance. These submitted lists should then be compared to the Core Skills Occupation List (CSOL), removing duplications and adding all remaining to create the expanded Regional CSOL. The regional CSOL should be searchable and filterable, so that it would be possible for a user to search for the skills in shortage in a specific region. This would in turn allow tailoring of regional visa requirements so that, for example, if an appropriately qualified and/or experienced migrant wished to work in Australia (in a role unlikely to earn above the proposed Specialist Skills Income Threshold (SSIT)), it would be clear to all parties which locations in Australia would support that migration process and which would not. We are aware that JSA is interested in engaging with small and medium enterprises in the regions, and we support that and stand ready to assist wherever appropriate.

ACCI supports the discussion paper's supposition that regional settings should provide tailored approaches to migration *without being overly complex*. However, we believe that the complexity needs to be reduced first in the user experience, rather than in the inputs that frame that experience. For example, while the discussion paper points out that 'the complex patchwork of visa settings makes it difficult for employers and jurisdictions to know which visa is appropriate for their needs' (p. 8), this complexity could potentially be addressed with a technical solution. Bringing all possible visa settings together into a single source of truth on an online platform, and making that platform easily searchable and filterable by the specific kinds of needs employers and jurisdictions may have, would allow for the appropriate nuance to remain in the system without negatively impacting the end user.

Similarly, potential migrants should be able to search 'how to work in Australia' or any variation thereof, and have their first search outcome be an Australian government website that allows them to input their specific circumstances and get feedback on what kinds of visas are available to them across every visa program in the country, including those specific to states and territories, DAMAs, industries or occupations. Currently, a user must know to search for the keywords 'skilled occupation list' before they land somewhere that will allow them to search for visas relevant to their circumstances. When arriving at the Department of Home Affairs' website, they are then confronted with a baffling list of links to pages related to different visa sub-classes, most of which are not at all descriptive (for example, even if a migrant knows from the outset that they want to move to a regional location, how can they know whether they should look at the [Skilled Regional (Provisional) visa (subclass 489)](#) or the [Skilled Work Regional (Provisional) visa (subclass 491)](#)?). These pages are challenging for a native English speaker to navigate – the ability to navigate our visa website should not be a proxy criteria for filtering out potential migrants based on their English or digital proficiency.

We recognise that a technical solution like this requires more than mere technology – it would require coordination across the states and territories, and significant coordination with the specific regions submitting their own regional lists. However, the outcome of a tailored approach that reduces complexity

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[1] Though it should be noted that DAMAs are increasingly relied upon as a workaround to deal with the overly complex migration system. Reducing that complexity should also result in fewer DAMAs.

for both employers and migrants, as per the commitments of the Migration Strategy, would make it worth the government's investment.

Finally, in terms of the definition of regional – we believe that for the purposes of this paper, the definition of 'regional' is less critical than which locations are eligible for the relevant visas. Ultimately, every location outside of metropolitical Sydney, Melbourne and Brisbane should be eligible for some form of incentivisation program to encourage migrants to look beyond the more obvious, well-known choices and instead join their communities. These incentive programs could potentially be tiered according to population density or some other relevant criteria that would acknowledge the exponential challenges of attracting workers to more remote and less populated locations.

Recommendation 1: Allow specific regional locations, including but not limited to DAMAs, to submit their own region-specific skills shortage lists to Jobs and Skills Australia.

Recommendation 2: Create a single, digital source of truth that would allow both employers and potential migrants to easily determine which visas (of all possible visa types, including those specific to states and territories, DAMAs, industries or occupations) are relevant to their specific circumstances.

Recommendation 3: Make every location outside of metropolitan Sydney, Melbourne and Brisbane eligible for some form of regional visa incentive program, but tier the incentives based on population density or some other relevant criteria that acknowledges the challenges of attracting workers to more remote and less populated locations.

Mitigating exploitation

4. How can we reform Working Holiday Maker 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 Working Holiday Makers to choose regional Australia as their preferred destination, without tying the incentives to specified work visa requirements?

A key aspect of regional migration is the Working Holiday Maker (WHM) program, which is an effective tool to encourage young and mobile travellers to stay and work in regional Australia, filling jobs that do not typically attract domestic workers. These can be, but are not always, seasonal roles, and some industries and locations are dependent upon this temporary workforce. WHMs make a particularly critical contribution to regional hospitality and accommodation businesses, either because they are directly working with and in these industries, or because they are using them during their stay.

It is ACCI's firm view that the second- and third-year WHM visas should be continued. We are concerned that any restrictions or non-continuation of the second- and third-year visas will have an impact on Australia's ability to fill existing gaps and indeed will further exacerbate them. However, as a further incentive for WHMs to work in regional areas, the Chamber believes there is capacity to expand the specified work requirements to all work undertaken in regional Australia. For regional employers, such an expansion would provide them with greater access to a flexible and diverse workforce helping to fill labour shortages.

It is critical that all WHMs, especially those with English as a second language, have access to safe workplaces to complete specified work requirements to qualify for the WHM visa extension(s). Protecting WHMs from exploitation is crucial to ensure a positive and fair experience for these visa holders and to contribute to the overall attractiveness and sustainability of the program.

Regrettably, exploitation of WHMs can occur. However, this is not the norm, and should not lead to rash penalties that adversely impact good employers in regional Australia who rely on WHMs for a key portion of their workforce.

To this end, we do not believe that the removal of the 88-day requirement, nor the removal of the potential to extend WHM visas beyond the first year, will effectively stem any possible exploitation. Further, if this requirement is removed, noting the significant costs incurred when travelling to regional Australia, it may have a detrimental impact on the viability of some regional Australian areas.

We would also like to see the post-code list for the 88-day requirement reviewed. This list is unnecessarily restrictive in some parts of Australia, and therefore does not reflect the genuine requirements of regional businesses, or the availability of WHM's seeking work.

As part of its response to the Migration Strategy, the Government facilitated the passage and implementation of measures to target exploitation of temporary migrant workers. These measures, many contained within the Migration Amendment (Strengthening Employer Compliance) Bill 2023, have only commenced from 1 July 2024. We believe that there should be sufficient time provided for these measures to take effect to determine if they are strong enough to combat the unacceptable exploitation of migrant workers, or if there are further steps required.

Further to these changes, there should be improved communication and provision of information for WHMs on their rights, in their preferred language. This could be done through the existing portal, ImmiAccount, or a separate resource, such as an app or a website. The provision of this information should be communicated in real time and, in addition to being in languages relevant to WHM partner countries and regions, must be easily accessible from regional areas. Such resources could also identify problematic employers in line with existing legislation.

Following the pandemic, there has undoubtedly been a shift in working arrangements, not just here in Australia but around the globe. More workers are choosing to take a break from their careers to travel. These workers could make valuable contributions to Australia if permitted to access our WHM program. To support these trends and potentially encourage more WHMs in the coming years, some adjustments could be made to the eligibility for prospective applicants.

Firstly, the age limit for WHMs should be revised upwards to 40. Second, where a traveller has accessed Australia's WHM program prior to the age of 30, they should be enabled to use the program a second time. This should only occur where they have been outside of Australia for a minimum period, for example for four years.

Recommendation 4: Maintain the second- and third-year WHM visas and 88-day specified work requirement. However, broaden specified work to include all work undertaken in regional areas and review the relevant post-code list.

Recommendation 5: Recently implemented measures to address temporary migrant worker exploitation should be allowed to operate, with their effectiveness reviewed after a reasonable period, prior to any changes to the WHM program on account of exploitation concerns.

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Planning for regional migration

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

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?

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?

Improving planning for regional migration requires a comprehensive approach that takes into account the unique challenges and opportunities in regional areas. We urge the government to take the following range of considerations into account.

Importance of accurate CSOL

The Core Skills Occupation List (CSOL) will become a fundamental component of the migration system. If the CSOL is not accurately aligned with actual labour market needs, it will lead to significant issues, including unmet skill shortages and economic inefficiencies. It is essential that the CSOL (along with our proposed accompanying region-specific lists) is based on a sound methodology, robust data and reflects current and future skill demands.

The labour market is dynamic, and new data can frequently alter our understanding of skill needs. As was pointed out in the Australian Hotel Association/Accommodation Australia (AHA/AA) submission to this consultation, the broadening of the assessment criteria in JSA's assessment model to include migrant and employment outcomes has the potential to deny migration options to many important occupations that currently can be sponsored for either 4 + 4 years, or 2 + 2 years. Like AHA/AA, we recommend that an appropriate transitional arrangement be implemented by government until such time as more up to date and publicly available data can properly ascertain the likely employment and migrant economic outcomes from the new system.

In the interim, it will also be critical to have a formal mechanism for industry stakeholders to provide input on adjustments to the CSOL. JSA should flag those occupations that currently meet the shortage criteria but may not satisfy an assessment based on the migrant and employment outcomes. This would put all stakeholders on notice that, subject to the review of the more recent and relevant data, flagged occupations may become unavailable in the future for sponsorship. The abovementioned transitional arrangement should then also apply under these circumstances to account for the adjustment that stakeholders will need to make when occupations relevant to them are added or removed from the lists.

An accurate CSOL will help to attract the right talent, support economic growth, and prevent the negative ripple effects of skill mismatches.

Incentives rather than provisional visas

As the discussion paper points out, there are several factors that contribute to the long-term retention of migrants in regional communities. Two of these are a) the length of time they have been there, and b) their embeddedness in the community.

Evidence does suggest that the longer a migrant stays in a regional area, the more likely they are to remain there after meeting their visa requirements. For this reason, we propose that, in lieu of provisional visas, potential visa holders be *incentivised* to live and work outside of metropolitical Sydney, Melbourne and Brisbane. This could be by offering them the opportunity to apply for citizenship directly after completing the Skills in Demand visa duration (currently proposed as four years) in a regional location, rather than having to apply first for permanent residency, for example. Applying for permanent residency can be a highly stressful and burdensome process, followed by the additional stress of applying for citizenship 12 months later if the migrant chooses this path.

Including a section in the citizenship application that encourages migrants to consider their long-term plans for staying in the regional location – not as a binding commitment but as a prompt for long-term thinking and planning – could further support this initiative. This approach would streamline the process, reduce unnecessary paperwork, and provide greater stability for migrants, making regional living more attractive.

Recommendation 8: Given the significant role the CSOL will play in migration, create interim arrangements, including a formal industry input mechanism, to ensure industries likely to lose access to skilled migrants under the new criteria are given fair warning.

Recommendation 9: Offer migrants incentives to live and work in regional areas throughout the duration of their Skills in Demand visa, such as a direct pathway to citizenship, skipping the need to apply for permanent residency.

Conclusion

This submission underscores the critical importance of developing a responsive and tailored migration system that meets the unique needs of regional Australia. By integrating flexible visa pathways, ensuring accurate and dynamic occupation lists, and providing clear incentives for both employers and migrants, we can enhance the attractiveness and viability of regional migration. Our recommendations aim to streamline processes, reduce administrative burdens, and foster long-term stability and growth in regional communities. Through coordinated efforts and thoughtful policy adjustments, we can ensure that regional Australia continues to thrive and contribute significantly to the nation's economic and social fabric.

Should any additional information or clarification of any points contained within be needed, please contact Dr Jodie Trembath, Director of Skills, Employment and Small Business at jodie.trembath@acci.com.au.

About ACCI

The Australian Chamber of Commerce and Industry represents hundreds of thousands of businesses in every state and territory and across all industries. Ranging from small and medium enterprises to the largest companies, our network employs millions of people.

ACCI strives to make Australia the best place in the world to do business – so that Australians have the jobs, living standards and opportunities to which they aspire.

We seek to create an environment in which businesspeople, employees and independent contractors can achieve their potential as part of a dynamic private sector. We encourage entrepreneurship and innovation to achieve prosperity, economic growth, and jobs.

We focus on issues that impact on business, including economics, trade, workplace relations, work health and safety, and employment, education, and training.

We advocate for Australian business in public debate and to policy decision-makers, including ministers, shadow ministers, other members of parliament, ministerial policy advisors, public servants, regulators and other national agencies. We represent Australian business in international forums.

We represent the broad interests of the private sector rather than individual clients or a narrow sectional interest.

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