

Thursday, 22 September 2005

Migration and Population Study
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE VIC 8003

Dear Sir/Madam

***THE IMPACT OF MIGRATION AND POPULATION GROWTH ON
PRODUCTIVITY GROWTH IN THE AUSTRALIAN ECONOMY***

We are writing in response to the call for submissions to the Economic Impacts of Migration and Population Growth Research Study. This submission is a joint submission from Warrnambool City Council, Deakin University and South West Institute of TAFE and provides comments in relation to point 5 of Terms of Reference for the Study:

“In undertaking this study the Commission is to ...report on any legislative or other impediments which prevent Australia realising the potential productivity gains from migration and from effective use of Australia’s population and workforce diversity.”

1. INTRODUCTION

The City of Warrnambool is located approximately 260 kilometres south west of Melbourne and is Victoria’s only regional coastal city. Warrnambool is the capital of Great South Coast region and is a thriving city with a population of more than 30,000.

Warrnambool is positioned at the centre of a rapidly developing region that is shaping out to be a new energy hub for the State. In the next 5 years, the new industry developments in Great South Coast region are forecast to reach \$7 billion and create additional 4,400 construction jobs and 800 permanent full time positions, which equates to an increase of 12.5% on current employment levels in the region.

This growth will significantly impact on Warrnambool and its workforce, especially in light of such factors as decreasing and ageing of the region’s population.

At the same time, recent survey of over 1,500 local businesses undertaken by Warrnambool City Council revealed positive hiring intentions of the local businesses with approximately 45% of the respondents indicating their intention to hire additional staff in the next 2 years due to forecast business growth.

The survey also revealed that:

- 30% of all respondents indicated that they experience difficulties with recruitment of skilled people;
- 12% indicated that they find it difficult to recruit unskilled people; and
- 12% indicated that they have long standing vacancies (over 6 months) that they are unable to fill.

Ageing and decreasing regional population, existing skill shortages and forecast demand for additional skilled workers both on the regional and local levels, prompted Warrnambool City Council to initiate a range of projects in the area of population attraction and migration.

2. WARRNAMBOOL CITY COUNCIL'S SUPPORT OF SKILLED MIGRATION

The Warrnambool City Council has developed a Warrnambool and District Regional Migration Strategy and has received funding from the Regional Migration Incentive Fund to implement the strategy over a three-year period. The RMIF is a part of the Victorian Government's Skilled Migration Program.

The Warrnambool and District Regional Migration Strategy aim is to further develop and enhance a sustainable, strategic model of attracting and retaining skilled migrants to the Warrnambool district. The Migration to Warrnambool model is based upon community capacity building principles. The three components of this strategy are to continue the successful components of the pilot project, implement strategies to address gaps identified through the review of the project, and develop an ongoing sustainable model of migrant attraction and retention.

Warrnambool City Council initiated a Migration to Warrnambool Project that has been recognised as the National Award Winner for Excellence in Local Government. The Migration to Warrnambool Project had its origins in the Council's goal to promote population growth and employment for the region through migration. The region's key industries were suffering from a shortage of both skilled and unskilled labour and it was vital to the economic future of many of the largest Warrnambool employers to attract people to the region to meet their needs. Adopting a whole of community approach to migrant settlement has been critical to the success of the project to ensure a welcoming community, employment opportunities, access to services and the ability for migrants to connect with their own culture and community.

The Warrnambool and District Regional Migration Strategy, guiding principles are:

1. The knowledge and experience gained through the pilot project will guide the further development of Warrnambool's regional migration strategy.
2. Local government, education, health, community service providers, and the broader community need to adapt or develop local resources to respond to migrants' needs.

3. Warrnambool's regional migration strategy (RMS) will incorporate social and economic factors relating to the effective settlement of migrants.
4. Community inclusion and civic participation are important aspects of successful settlement.
5. Migrants and their families should be prepared for immediate employment with a desire to live in the region.

An important action in the Strategy is to encourage International Students studying in Warrnambool to apply for the Skilled Independent Regional Visa, so they can continue to live and work in and contribute to the area they have been studying in. They are already involved in civic participation and community inclusion.

The Council is also strongly supportive of local providers of international education, with Council and all local international education stakeholders working cooperatively in the implementation of an International Education Development Study.

3. INTERNATIONAL EDUCATION IN WARRNAMBOOL

Our research has identified that the international education industry has a significant economic impact on Warrnambool, with the currently enrolled international students bringing in excess of \$1 million per annum to the local economy. The local stakeholders engaged in the provision of the international education are 3 secondary colleges, South West Institute of TAFE and Deakin University.

On average, South West Institute of TAFE has 20-25 international students per year, while Deakin University's Warrnambool campus has 60-80 international students. The students are enrolled in a broad range of disciplines including business, commercial cooking, computer systems engineering, Tourism. Deakin subjects include Commerce, Teaching, Nursing, Arts and Environmental Science

Warrnambool is unable to retain its international students after their graduation despite the fact that these students have lived, studied and worked part-time in the city for 2 or 3 years. They have developed significant networks and ties to the area through friendships, accommodation, religious and recreational connections, and some have offers of ongoing employment.

Many of these international students would like to make Warrnambool their future home but still leave the area – and perhaps the country – because they have graduated in an occupational field that does not provide sufficient points towards their applications under the current skilled migration programs.

It appears that while Warrnambool City Council and the community of Warrnambool attempt to attract migrants to the city through the various attraction initiatives, at the same time the young, well-qualified and locally integrated international students with few of the same resettlement needs as other migrant groups are unable to make Warrnambool their home. This anomaly is to the detriment of the Warrnambool community and economy and presumably has a similar impact elsewhere in regional Australia.

Our specific concerns are:

- International students who graduate in fields not listed as occupations in demand may have to move from our region even though their potential for employment is good.
- International students who graduate in an occupational field attracting 50 points within the point score requirement often still find themselves 5 points short of the visa requirement despite significant personal commitment to the local regional area. As a result they may have to return to their home country against their wishes.
- International student graduates in any field of study that does not qualify them for permanent residency status have difficulty transferring to a VET course of study which might qualify them (eg hairdressing, motor mechanics) because DIMIA appears to consider this to be a step backwards.
- There is a lack of coordination across regions in relation to local skills registers. The local register of skills in demand is temporary in nature so that an international student graduating with skills required locally tomorrow may well be on the plane home today.

.... / 5 for recommendations

4. RECOMMENDATION

We propose that the assessment criteria for international students applying for permanent/temporary residency be modified for those students prepared to commit to residency in a regional area.

Currently, applications for the SIR visa are linked to existing skills shortages. We believe there is plenty of potential for students to source employment locally, but they have to be given time to establish appropriate networks and determine their competitiveness in the employment market. We propose not to link the international graduates' applications to existing skill shortages but instead assess them against the criteria that demonstrates the achieved level of their integration in the regional community (their links, established support networks, gained employment etc).

We also recommend that the total number of points required for residency be further lowered for international students applying for a visa to reside in a regional location.

Yours sincerely

Cr Glenys Phillpot
Mayor, Warrnambool City Council

Professor Rob Wallis
Pro Vice-Chancellor (Rural & Regional), Deakin University

Julie Kean
Associate Director, Development, South West Institute of TAFE