



Submission from Rural Councils Victoria to the Senate Select Committee on Temporary Migration

Rural Councils Victoria (RCV) represents 38 rural councils in Victoria and welcomes the opportunity to make a submission to the Senate Select Committee on Temporary Migration. We believe that liveable, sustainable and prosperous rural communities are fundamental to the ongoing success of Victoria.

Over recent years RCV have commissioned a series of reports relating to the migration system and the needs of rural communities and economies, canvassing issues such as population attraction and retention, workforce development and the economic impact of the creation and retention of rural jobs. Copies these reports can be found [here](#) on our website.

The issue of temporary and permanent migration is crucial to rural communities. RCV strongly endorses any measures to increase migration to rural areas, as this will increase their population and following this, enhance services, employment opportunities, economic growth and liveability for communities.

A small workforce increase in a rural town can make a big difference – research undertaken by RCV found that there is significantly greater economic impact in smaller townships for jobs created and lost compared with larger towns and regional centres. For example, the economic impact for each job created or lost for towns under 1,000 people is 31.72 times greater than for larger regional cities with populations of 100,000 people.¹

However, our research has also shown migration policies need to be place-specific and be made in conjunction with well-resourced community support programs. Permanent residency opportunities also need to be available in order for these migration programs to succeed.

RCV believes that targeted migration initiatives for rural areas that include permanent residency opportunities will address critical skills and labour shortages experienced in rural areas, and promote further investment. Beyond the economic benefits, a migration system that supports permanent residency would also combat population decline, and ultimately help to build liveable, sustainable and prosperous rural communities.

Seasonal workers and the rural Victorian workforce

There is a long history of temporary, seasonal workers from overseas such as backpackers working in rural Victoria. The agriculture industry, in particular, is an established user of seasonal workers from overseas to assist at peak harvesting times. This form of temporary migration is essential to one of

¹ Crowe Horwath for RCV, *Economic Impact Assessment of the Creation and Retention of Rural Jobs* (2019) p.2



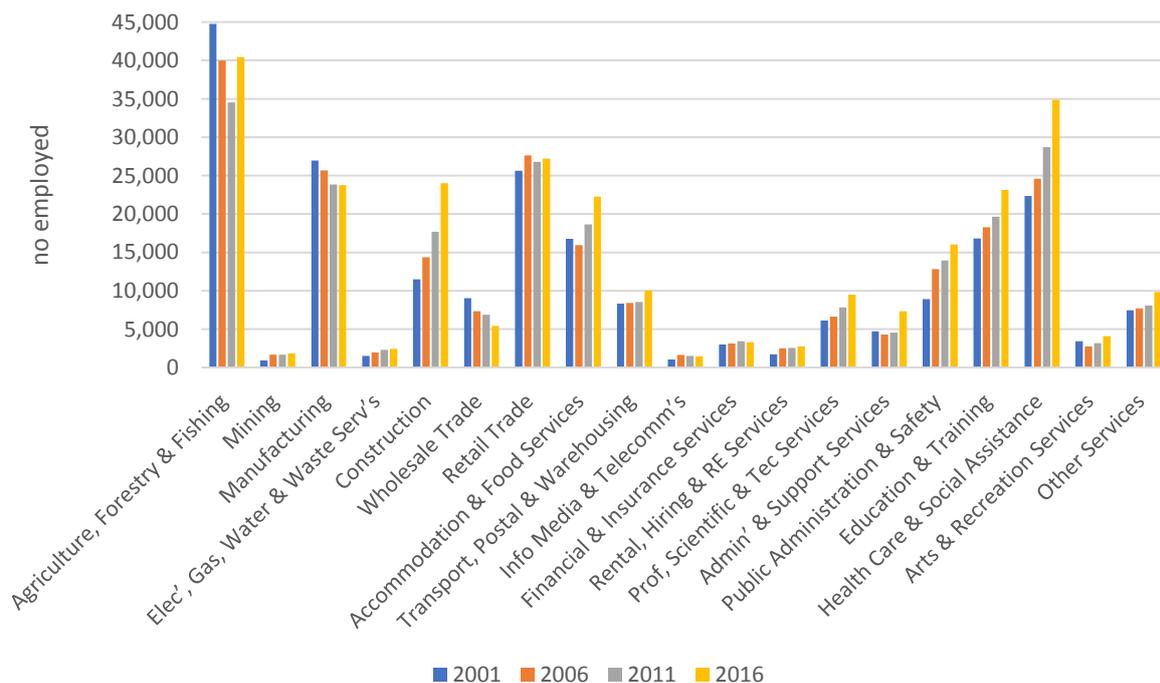
Victoria’s most productive industries. Victorian food and fibre product exports were worth \$14.2 billion in 2018-19 and comprised 27 per cent of Australian export total.²

The tourism sector is also vital to the rural economy, employing many temporary and seasonal staff to meet demand at peak holiday times. Rural and regional tourism in Victoria was worth \$8.1 billion in 2017-18.³

However, the rural Victorian economy increasingly needs workers across a number of key industries beyond agriculture, such as health care and social assistance and construction.

In the years before the COVID-19 emergency, jobs growth in rural Victoria had been strong. Employment in rural Victoria grew by 15 per cent between 2011 and 2016, compared to only 3-4 per cent growth over the previous two Census periods. The 2016 Census data also shows employment in rural areas is shifting towards high levels of government services employment such as health and education.

Chart 1: Employment by industry rural Victoria, 2001-2016



Source: Dench McClean Carlson for RCV, *Rural Workforce Development Plan* (2018), p.15

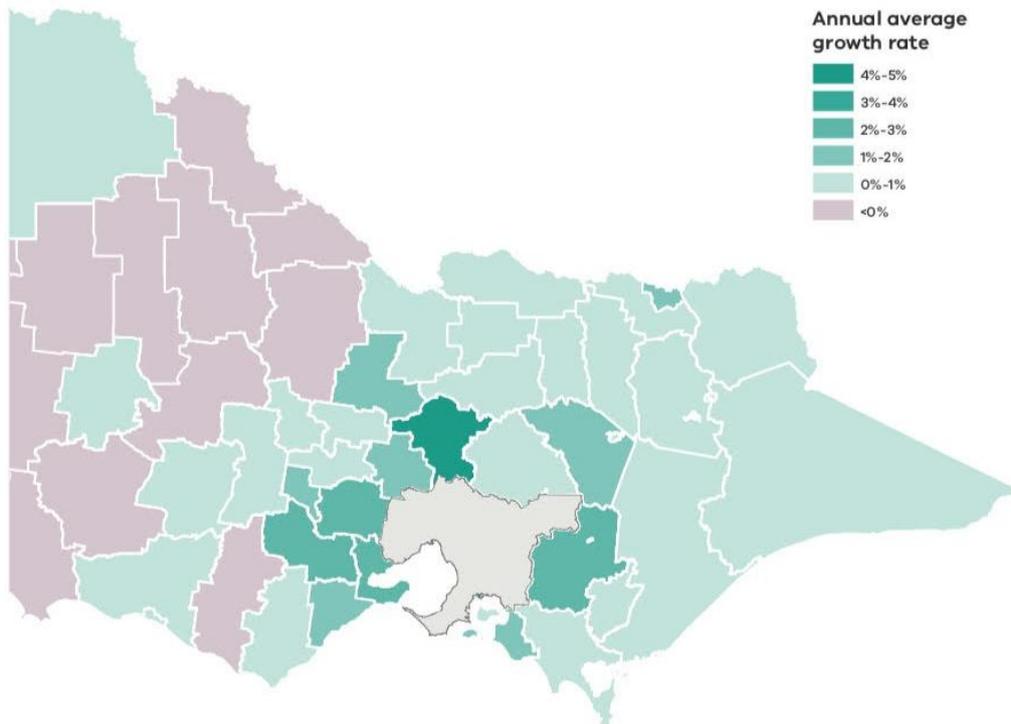
² For further information see http://agriculture.vic.gov.au/_data/assets/pdf_file/0006/505266/Food-and-fibre-export-performance-report-2018-2019.pdf

³ https://www.business.vic.gov.au/_data/assets/pdf_file/0010/1855603/Value-of-Tourism-to-Victoria-Summary-updated-January-2020.pdf



This employment growth has occurred in an environment where population growth across parts of rural Victoria has not kept pace with growth rates in metropolitan Melbourne and regional cities. The map below shows the latest Victorian Government population projections, illustrating low population growth rates across much of rural Victoria and even population declines in western Victoria over the coming decades.

Map 1: Annual average rate of population change, Regional Local Government Areas (LGA), 2018 to 2036



Source: Department of Environment, Land, Water and Planning *Victoria in Future 2019 Population Projections 2016 to 2056* (2019), p.5

The decline in working-age population and inability to attract new workers to rural areas is resulting in critical skills shortages and gaps. Existing businesses are constrained by this lack of labour and opportunities for rural investment attraction are also being lost. This failure to meet economic potential is not only a loss for rural Victorian communities and economies, but for state-level and national economies.



What is needed in rural Victoria

RCV recently gave its support to the Government's *New Skilled Regional Visas (Consequential Amendments) Bill 2019* which would expand the number of skilled worker visas available for migrant workers to live and work in regional areas.

Our research, analysis and consultation on the workforce and population challenges facing rural Victoria has led us to advocate for a national migration system that:

- Contains initiatives that target a specific market e.g. students or skilled migrants
- Encourages long term residency
- Uses financial incentives that are targeted to specific markets e.g. students, rather than general incentives alone
- Encompasses a regional partnership model. This includes Federal, State and local levels of government as well as institutions, the private sector and local communities.
- Promotes integration of international migrants into the local community. This is the key to population retention.

While seasonal and temporary workers are a reality in rural Victoria's current economy, RCV would ideally like to see incentives offered for permanent settlement where possible. Permanent migrants are essential to the future liveability, sustainability and prosperity of rural Victorian communities.