

## The regional conundrum

*What is a region, what is a designated area, what is a rural area and indeed what is a state...? 'What is not regional?' may be a better question.<sup>1</sup>*

### SsMM as regional schemes

- 3.1 In the course of its review, the Committee found that the SsMM were often referred to as 'regional migration schemes'. This was to be expected because the term 'regional' appeared in the title of three of the main SsMM: *Regional Sponsored Migration Scheme (RSMS)*, *Regional Established Business in Australia (REBA)*, and *Skilled Regionally Sponsored (SRS – later SDAS)*.
- 3.2 The scheme titles embraced the term 'regional' but did not follow through with a consistently applied definition. SRS and REBA referred to 'designated areas', not regions, and RSMS used the term 'region', not 'designated areas'.
- 3.3 However, the use of 'regional' in SsMM titles meant that the term was commonly used in discussion with the Committee. Agreement on what it meant was less common.

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<sup>1</sup> Tasmanian Government, Evidence, p. 321.

## But what is a *region*?

- 3.4 This was more than an academic problem for the Committee. The confusion and, perhaps, exasperation which arose from differing views of the nature of regional Australia was exemplified during discussion of 'designated areas' when the Mayor of Ipswich confessed himself:

flabbergasted... that the cities of Adelaide, Melbourne and Hobart—particularly Adelaide and Melbourne—were designated areas and that not only the city of Ipswich but a lot of small areas in south-east Queensland were not designated areas... I do not want to take anything away from what the city of Melbourne has got, but...<sup>2</sup>

- 3.5 The Committee was aware that the inclusion of the city of Melbourne on the designated areas list (DAL) in September 1998 had emerged as a major issue of concern to States and Territories by early 1999. The Commonwealth/State Working Party on Skilled Migration report of April 1999 stated that:

the inclusion of metropolitan Melbourne in the DAL in September 1998 has prompted other state and territory governments to query the value of designation as a tool for providing a "competitive edge" to those less populated States and Territories seeking to attract more skilled migrants.<sup>3</sup>

- 3.6 The Government of Victoria noted that:

there appears to be a view that designation is intended to encourage settlement in regional areas, but the definition of "regional" in this context is subject to various interpretations. This itself militates against forming a national vision of the appropriate use of designation, and may help explain why Victoria's designation of Melbourne came under criticism from other parties.<sup>4</sup>

- 3.7 The Government of Victoria submitted that there was no reference to:

"designation" equating only to non-metropolitan areas of the State.<sup>5</sup>

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2 Ipswich City Council, Evidence, p. 379.

3 DIMA Exhibit 13, *Report to the Council of Ministers for Immigration and Multicultural Affairs*, Commonwealth-State Working Party on Skilled Migration, April 1999, p. 37.

4 Government of Victoria, Submissions, p. 178.

5 Government of Victoria, Submissions, p. 305.

- 3.8 Nevertheless some States and Territories considered the inclusion of Melbourne as contradicting the original policy intent of regional migration.<sup>6</sup>
- 3.9 Clearly there was no consensus among witnesses on the concept of designated areas and, as indicated above, this tension was evident during much of the discussion of SsMM.

## Origins of SsMM regional focus

- 3.10 The Committee considered that confusion about ‘regional’ was understandable, and was inherent in:
- oversimplification of the underlying principles from which SsMM originated; and
  - the absence of agreed definitions of regions.

## Divergent principles underlying SsMM

- 3.11 SsMM had their roots in the Regional Sponsored Migration Scheme which began in October 1995 and in two subsequent Commonwealth – State and Territory working parties.
- 3.12 The working parties pursued different objectives. The terms of reference of the 1996 *Commonwealth/State/Territory Working Party on Migration to Regional Australia and the less Populated States and Territories* dealt with increasing:
- the number and proportion of migrants settling outside major metropolitan areas.<sup>7</sup>
- 3.13 This approach, and the report title, fostered the concept that ‘regional’ meant, at least, ‘non-metropolitan’.
- 3.14 The terms of reference of the 1999 Commonwealth/State Working Party on Skilled Migration sought to examine options for increasing:
- the number of skilled migrants to States/Territories and regional areas.<sup>8</sup>

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6 DIMA, Evidence, p. 464.

7 DIMA, Submissions, p. 20.

8 DIMA Exhibit 13, *Report to the Council of Ministers for Immigration and Multicultural Affairs, Commonwealth-State Working Party on Skilled Migration, April 1999, p. 2.*

- 3.15 This perspective on migration implied settlement in the metropolitan areas, which the 1996 report did not.
- 3.16 The policy which would give effect to the outcomes of both the working parties was set out by the 1996 Working Party which stated that:
- the actual intention is to develop selection mechanisms that each State/Territory Government may or may not choose to utilise to attract new migrants to their jurisdictions. This would depend on the individual circumstances of each State/Territory and the views of each State/Territory on what role, if any, use of such migration mechanisms can play in their economic development strategies.<sup>9</sup>
- 3.17 This non-prescriptive approach was based on the premise that the profiles of regional areas:
- vary widely in terms of population growth... economic performance (actual and potential) and availability of infrastructure.<sup>10</sup>
- 3.18 Thus each State and Territory was permitted to define the regions where it wished migrants to settle. This they have done, adopting widely differing targeting within the same scheme.
- 3.19 This was in accord with the underlying principles of SsMM, but did not square with a common expectation that the term 'region' should have a set definition.

### **Divergent definitions of regional Australia**

- 3.20 The term 'region' was an elastic one, being widely understood but seldom defined. It incorporated a myriad of meanings in the Australian context, and encompassed everything from geographical areas located in rural and remote Australia, through all non-metropolitan areas of Australia, to provincial and industrial cities.
- 3.21 There was, the Committee discovered during its review, no clear definition of what constituted a region or regional Australia. In its submission to the Committee, the Department of Employment, Workplace

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9 DIMA, Exhibit 12: *Migration to Regional Australia and the Less Populated States and Territories*, Prepared for Ministers for Immigration and Multicultural Affairs by the Commonwealth/State/Territory Working Party on Migration to Regional Australia and the Less Populated States and Territories, December 1996, p. 11.

10 DIMA, Exhibit 12: *Migration to Regional Australia and the Less Populated States and Territories*, Prepared for Ministers for Immigration and Multicultural Affairs by the Commonwealth/State/Territory Working Party on Migration to Regional Australia and the Less Populated States and Territories, December 1996, p. 27.

Relations, and Small Business (DEWRSB) drew attention to a classification used in 1994 which divided Australia into:

- *metropolitan* – State/Territory capitals and other statistical divisions which include centres of population 100,000 or more in size;
- *rural* - non-metropolitan zones including large rural centres (25,000 or more), small rural centres with urban populations 10,000 to 24,999, and other rural areas; and
- *remote* – non-metropolitan zones, including remote urban centres of 5,000 or more and other remote areas.<sup>11</sup>

3.22 The Australian Local Government Association's *State of the Regions 99* report divided Australia into 57 regions, defined by social and economic factors and covering urban, rural and remote Australia. Their report made no distinction between metropolitan regions or non-metropolitan regions.<sup>12</sup>

3.23 In the same year the Senate Employment, Workplace Relations, Small Business and Education References Committee report *Jobs for the Regions*<sup>13</sup> utilised the National Institute of Economic and Industry Research classification of regions. This identified six broad categories:

- *Sub-global cities* - Sydney CBD and some surrounding areas which are connected to major business centres abroad and whose workforce is heavily engaged in maintaining financial services and information links with centres of global business;
- *service based metropolitan* - suburban areas dependent on service industries, the government workforce and domestic consumer industries<sup>14</sup>;
- *resource based regions* - areas or centres largely dependent on the exploitation of local minerals, energy resources and timber resources. Examples include Broken Hill, Gladstone and the Pilbara region;

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11 DEWRSB, Submissions, p. 124, citing Department of Primary Industries and Energy and the Department of Human Services and Health, *Remote and Metropolitan Areas Classification, 1994*.

12 *State of the Regions 1999: a report to the Australian Local Government Association, National Institute of Economic and Industry Research, 1999*.

13 Senate Employment, Workplace Relations, Small Business and Education References Committee, *Jobs for the Regions: A report on the inquiry into regional employment and unemployment*, September 1999, 15-16.

14 This category included the Central Coast, Outer West, Sydney South, Sydney Central, Sydney Northern Peninsula, Perth Metropolitan and Perth CBD, Brisbane North and South, Canberra and Adelaide CBD.

- *industrial oriented regions* - areas with a higher than national average concentration of manufacturing activity<sup>15</sup>;
- *rural based regions* - areas largely dependent on agriculture and pastoral industries. Examples include Gippsland, Riverina, Darling Downs and other wheat belt areas and coastal regions in all States; and
- *lifestyle based regions* - coastal regions with favourable climates which have experienced population increases because of tourism and as places of retirement.<sup>16</sup>

## Designated Areas

3.24 In order to promote flexibility in the utilisation of the schemes by States and Territories, the term 'rural and regional areas' was replaced in some SsMM by the concept of 'designated areas'. The areas were gazetted by the Minister for Immigration and Multicultural Affairs in a list known as the Designated Areas List (DAL). The current designated areas are summarised in Table 3.1

Table 3.1: Designated areas

State/Territory	Designated Areas
Victoria	All
South Australia	All
Northern Territory	All
Tasmania	All
Australian Capital Territory	All
Queensland	All except urban Brisbane, Sunshine Coast and Gold Coast <sup>17</sup>
Western Australia	All except Perth Metropolitan area <sup>18</sup>
New South Wales	All except Sydney, Newcastle and Wollongong <sup>19</sup>

Source [www.immi.gov.au/allforms/bus-reg1](http://www.immi.gov.au/allforms/bus-reg1)

15 They include metropolitan areas such as Sunshine, Footscray and Broadmeadow in Melbourne, Liverpool and Auburn in Sydney as well as fringe metropolitan centres like Elizabeth (SA), Geelong (Vic) and Kwinana (WA).

16 Places such as the Gold Coast, Sunshine Coast, Far North Coast (NSW) and North Queensland fall into this category.

17 Includes postcode areas 4350-4499 and 4600-4899.

18 Includes postcode areas 6200-6799.

19 Includes postcode areas 2311-2312, 2328-2333, 2336-2490, 2535-2551, 2575-2739 and 2787-2898.

- 3.25 The actual definition of these designated areas was the responsibility of the States and Territories which identified the needs of their jurisdiction and refined the definition of 'designated area' to meet those needs.<sup>20</sup>
- 3.26 As the descriptions in the table show, Australia's eight 'designated areas' are not specifically defined. Rather they are what remain after some parts of Australia have been excluded. This definition by exclusion approach had the potential to create difficulties for SsMM.

### Promotional problems

- 3.27 The Committee believed that the lack of a straightforward definition could pose problems in the promotion of the SsMM. 'Regional' and 'rural', while being imprecise in relation to the designated areas concept, did at least provide an idea of the parts of Australia which were involved and were likely to be easier to grasp than 'designated areas'.

### Poor targeting of migration

- 3.28 The Committee noted that, because almost all of Australia is covered by only eight areas for migration purposes, the distribution of migrants across the country through the SsMM using designated areas could be little different from the situation which would occur without it. This was related to the concern that there was little to no opportunity to differentiate between concessions for States and Territories and smaller local areas in the competition for skilled migrants.

### Uneven competition

- 3.29 During the review the Committee was told there might be a need to further differentiate between metropolitan areas currently included as designated areas and regions of low population which needed to build and diversify their economies and infrastructure.<sup>21</sup>
- 3.30 Some governments have made their entire jurisdiction a designated area. The consequent inclusion of capital cities as part of the SsMM target area may make those jurisdictions more attractive to potential migrants than other States which exclude their capital cities.
- 3.31 Overall, such concerns led the State Government of Tasmania to pose the question:

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20 DIMA, Submissions, p. 527.

21 Greater Green Triangle Regional Association, Submissions, p. 148.

Does the Commonwealth allow self nomination as the rationale for access to these programs or are there other criteria which need to be met to be able to access the concessional aspect of the Commonwealth program?<sup>22</sup>

## Conclusion

3.32 The Committee observed a considerable discrepancy in the use of 'regional' in relation to other official usage as well as within SsMM. In relation to official use, it was argued that:

the definition of 'regional' for migration purposes does not align well with the definition of regional for other purposes and may bear further consideration".<sup>23</sup>

3.33 The Committee noted concerns that the inclusion of Melbourne in the DAL has created confusion over the intent and implementation of SsMM.

3.34 The Committee's view was that the continued use of the term regional would ensure continued disquiet over the practical application of SsMM. The removal of the term regional from the formal title of schemes, as had been done in converting SRS to SDAS, would reduce one existing area of confusion. The Committee addressed this issue again in Chapter 7 on REBA.

3.35 This cosmetic move would not, however, address the significant issue of a perceived inequity in the ways in which national migration legislation was being implemented.

3.36 The Committee noted that a number of SsMM used the existing points system, under which applicants have to achieve a certain score based on attributes such as their qualifications, education, age, English language proficiency and intended area of settlement. The Committee therefore considered whether the potential skewing of some SsMM towards metropolitan areas might be addressed by allocating additional points to migrants willing to settle in other parts of Australia. The Committee did not favour this approach because:

- it would lead to a situation where more remote, high point allocation, areas would receive migrants less adapted to making a living in Australia because of lower skills, education etc levels; and

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22 Tasmanian Government, Submissions, p. 93.

23 DEWRSB, Submissions, p. 123.



- manipulation of the points score was a substitute for addressing the core issue, which was the absence of an agreed definition of 'regional' as applied to SsMM.
- 3.37 The Committee further observed that the evolution of 'designated areas' has resulted in areas being designated by default. That is, instead of specific areas being nominated for a greater share of skilled migrants, areas were designated as **not** requiring more migrants. Migrants, by default, were wanted in the remaining areas.
- 3.38 The Committee noted that this left little opportunity to differentiate between regional and State and Territory-level considerations.

## Summary

- 3.39 The Committee shared the concern that there were widely differing uses of the concept 'regional' in SsMM.

### Recommendation 1

- 3.40 **The Committee recommends that DIMA re-examine the identification of 'designated areas' in consultation with the States and Territories and establish a realistic set of criteria for areas to be included on the Designated Areas List which would avoid the distortions which currently exist.**