

6 December 2021

The Director
Permanent Migration Planning and Policy Section
Department of Home Affairs

Dear Director,

Gateway Cities Alliance submission – Permanent Migration Program 2022-23

The Gateway Cities Alliance is a partnership between the City of Newcastle, Wollongong City Council, the City of Greater Geelong and the Committee for Geelong. Traditionally, towns and cities are defined as either metropolitan or regional areas. But cities like Geelong, Newcastle and Wollongong do not fit neatly into either category. We are metropolitan centres that also service regional populations. We have many of the economic opportunities of metro centres, while also maintaining many of the lifestyle benefits of regional locations. We have both global gateways through our Ports and Airport and regional gateways through road and rail.

The Gateway Cities Alliance was established to realise the latent population and economic potential of our three cities. We advocate that a new and consistent geography could be established that defines Geelong, Newcastle and Wollongong (and potentially other mid-sized cities) as Gateway Cities, thereby creating a three-part dichotomy of Metro / Gateway / Regional. We believe that this could provide a stronger approach to economic and urban development across Australia, and in this case, a new approach to embed within the permanent migration program.

The Gateway Cities Alliance proposes two key recommendations in our submission on the Permanent Migration Program 2022-23. These recommendations have been endorsed by all Gateway Cities Alliance members.

1. Reclassify "Category 2 – Cities and Major Regional Centres" as "Gateway Cities" and expand their intake to reflect population growth trends and economic opportunities.

Responding to Primary Questions:

- *Should the Australian Government increase/reduce/maintain the size of the Migration Program in 2022-23 and why?*
- *What is the ideal composition of the Skill and Family streams of the 2022-23 Migration Program?*

Responding to Supplementary Questions:

- *How can the Migration Program help address the challenge of uneven population growth and economic development between urban and regional Australia?*

The Department of Home Affairs outlines that the Skill stream of the Migration Program "is designed to meet Australia's economic, demographic and labour market needs."

The Gateway Cities Alliance believe these benefits could be accrued more equitably and efficiently across the country. In November 2019, the Department of Home Affairs redefined the geographical classifications that informs skilled migration visas. Geelong, Newcastle and Wollongong are now defined as Category 2 "Cities and Major Regional Centres". This definition is different to both Infrastructure Australia and the Federal Department of Infrastructure, Transport, Regional Development and Communications. Furthermore, Gateway Cities are competing against state capitals and large metropolitan centres including Perth (2+ million people) and Adelaide (1.3 million people) to attract skills to our cities.

The Gateway Cities Alliance requests that Category 2 be reclassified as "Gateway Cities" with Perth and Adelaide appropriately defined as "Category 1 – Major Cities". More broadly, an opportunity exists for a consistent National Urban Policy Framework to be adopted across all funding and policy decisions from the Federal Government.

Our view is supported by the Joint Standing Committee on Migration as detailed in its recent Parliamentary Inquiry into Australia's skilled migration program. The Committee resolved that *"the circumstances of skills shortages in regional areas are often distinct from those in metropolitan areas. Not only in terms of the industries subject to these shortages, but also in terms of the impact that shortages have on local economies and communities."*

In addition to changes to the geographical classifications, the Gateway Cities Alliance also advocates for a substantial increase in skilled migration directed towards Gateway Cities, particularly in the post COVID-19 era. The skills base and population growth in each of our cities is significantly below that of our corresponding state capitals. As we seek to unlock the latent economic opportunity of Gateway Cities, we need to attract skills of the future and would welcome increases in international migration.

Gateway Cities have capacity for more Australians and international migrants to work, live and play. Places like Geelong, Newcastle and Wollongong are well positioned to make the most of underlying utilities, roads, rail connections, skills and talent already in place, while welcoming newcomers, new infrastructure and new approaches. We have the capability to expand industry, manufacturing, property development, education and health services.

2. Unlock access to skilled migrants for start-ups and scale-ups, particularly in Gateway Cities and Regional Australia. Pilot a "Supporting Innovation" program in Gateway Cities.

Responding to Primary Questions:

- *How can Australia remain attractive to prospective migrants to support our recovery from the impacts of COVID-19 in the short term and support a future Australia for 2030 and beyond?*

Responding to Supplementary Questions:

- *How can the Migration Program help address the challenge of uneven population growth and economic development between urban and regional Australia?*

Australia has one of the most uncompetitive entrepreneurship visa schemes in the world. To immigrate to Australia, an entrepreneur must have raised \$200,000 from Australian funders before immigrating, which is significantly higher than the UK requiring £50,000 GB and NZ \$100,000 NZD. The Gateway Cities Alliance propose that the Federal government significantly reduce the funding requirement to immigrating entrepreneurs on the basis that they migrate to Gateway Cities and regional areas. This would distribute the economic benefits from immigrating entrepreneurs into regional economies across Australia, creating jobs and developing new enterprise.

Furthermore, we suggest the Federal Government consider expanding South Australia's "Supporting Innovation" scheme to Gateway Cities across the country. This would enable



entrepreneurs willing to work in Geelong, Newcastle or Wollongong to immigrate with zero upfront capital.

The Gateway Cities Alliance also propose that the minimum salary threshold for global talent visas be lowered from \$158,500 and contributions to the Skilling Australians fund levy be reduced for innovative enterprises which relocate to Gateway Cities or regional areas. This reform would increase innovative enterprises' access to talent and reduce the offshoring of technical and highly skilled work. By further extending this reduction in Gateway Cities and regional areas, the Federal Government would create significant incentives for firms to relocate and establish new locations. This could result in creation of more local jobs and distribution of economic opportunities.

Context of Gateway Cities Alliance:

Founded in early 2020, the Gateway Cities Alliance (GCA) is a collaboration between three key regional cities - City of Newcastle, City of Greater Geelong and Wollongong City Council and the Committee for Geelong. Forming the Alliance was one of the key recommendations of Australia's Gateway Cities: Gateways to Growth report, to collaborate, share information and develop a timeline for advocacy to state and federal governments on shared opportunities and challenges for these cities.

The Alliance is guided by a charter and is an inclusive platform to advocate on behalf of its members for strategic government assistance in core economic, social and environmental policy and investment. The Alliance considers Deakin University, the University of Wollongong and the University of Newcastle as strategic partners in achieving its objectives.

The priorities of the Gateway Cities Alliance include:

- Transport infrastructure
- Development of ports and supply chains
- Infrastructure for the future of work
- Migration and population planning; and
- Medical research including opportunities for regional health agencies and universities (led by universities).

Definition of a Gateway City:

- Large and diverse populations exceeding 250,000
- Critical assets and infrastructure, such as ports and airports and network integration
- Connectivity with state capital cities, acting as a release valve for larger metropolitan areas
- A diverse industrial economic base and demonstrated capacity for economic transformation and regeneration
- Logistical and trading functions which complement and reinforce the economic performance of state capital cities and the nation
- A history of significant contribution to national and regional growth, often as a site for manufacturing and heavy industry
- First-class health and education facilities

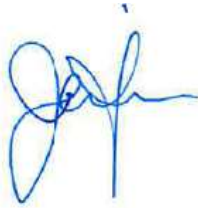
Why Gateway Cities?

The Alliance has taken a pro-active approach to identifying and meeting the challenges posed by the underlying problems exposed by COVID-19 in the areas of supply chains and logistics, and in embracing the opportunities posed by moving populations and how and where people will work in a post-pandemic world. By focusing on diversification and development of ports and airports, on increasing existing expertise in areas such as technical service, and on skills for industries of the future and by ensuring people have the ability to connect, the cities are confident they can have a substantial impact on the nation's recovery and ongoing growth.



If you have any questions regarding the Gateway Cities Alliance submission, please contact Mr Simon Massey, Economic Strategy & Government Relations Manager at the City of Newcastle on (02) 4974 1300 or smassey@ncc.nsw.gov.au.

Yours faithfully,



Jennifer Cromarty
CEO Committee for Geelong
Secretariat, Gateway Cities Alliance

