

# Wins and losses in battle for migrants

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INSIGHT

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SOUTH AUSTRALIA is locked in a battle royal with rival states for scarce skilled workers needed to buck the expected global economic slowdown.

The bad news is that SA is losing out in the interstate tug-of-war, with limited prospects of arresting the net migration of young workers in particular.

But what SA is losing on the local swings it more than making up for on the international roundabouts – racking up its highest annual overseas migration rate in 2006-07 for more than three decades.

Of special concern for SA's economic growth prospects has been the continuing – and accelerating – exodus of often highly productive workers in their twenties, accounting for 43 per cent of the net interstate migration outflow.

Research by the state's Economic Development Board shows this trend is particularly strong among 25 to 29-year-olds – often newly qualified workers in the process of building their careers.

On the positive side, the shedding of thirty-something workers has stabilised, suggesting the state provides an attractive environment for those wanting to raise families.

Nevertheless, the net outflow of workers in 2006-07 was a worrying 3542, 43.5 per cent more than

in the previous year.

This skills drain was more than compensated for by an inflow of a healthy crop of 13,200 international migrants, many of them with the sort of skills required to

provide a much-needed boost to the economy. However, SA's gross state product growth of 0.8 per cent in 2006-07 was the poorest of any state.

But the non-farm sector grew by 3.1 per cent in 2006-07 and finance and insurance industries grew by 10.3 per cent and 8.6 per cent.

EDB chairman David Simmons says “the jobs bonanza continues in SA – but like the rest of the country we face the challenge of finding enough skilled workers”.

SA is working on a series of flexible work arrangements and incentives designed to retain its workers and attract new ones. However, if SA is to be turned into a magnet for skilled workers, much hard labour lies ahead.

There are some encouraging signs of progress. According to the latest ABS figures, SA'S population has reached 1.5 million, thanks in part to a 1 per cent population growth rate in 2006 – the best performance in 15 years.

But for now, Australia's two boom states – Queensland and Western Australia – are winning the interstate migration battle hands down. Queensland has been particularly successful in

attracting newcomers, with more than 600,000 migrants moving there from other states in the

past two decades. According to the Office of Economic and Statistical Research, Brisbane and Perth were the most popular city destinations for interstate migrants between 2001 and last year. Hobart came in third.

Sydney has been shedding 22,000 Sydneysiders a year, and was the only capital – apart from Adelaide – to be a net loser of both blue-collar and professional workers.

But as with Adelaide, overseas migrants seeking greener pastures are more than happy to fill the gap left by departing locals.

The influx of immigrants to Australia, already at record levels, will have to double in the coming years to address labour

shortages, according to a report released in February by the Academy of Social Sciences.

Foreign migration will rise from 160,000 in 2006 (with the population at 20.6 million) to 316,000 in 2051 (when population is expected to be more than 36 million), the report predicts.

The past decade of prosperity in Australia has drawn in the skills of 1.5 million people from abroad.

Economists agree the resources boom, new infrastructure demands and the growth of a healthy aged population will inevitably see this migration from

abroad surging in coming years, with most immigrants coming from China and India.

## ON THE MOVE

Net interstate migration

	<b>2001-'06</b>	<b>1996-'01</b>
Sydney	-111,400	-59,700
Rest of NSW	+6000	-
Melbourne	-11,900	+11,100
Rest of Victoria	+3800	-4000
Brisbane	+51,500	+50,800
Rest of Queensland	+70,500	+31,600
Adelaide	-7000	-3800
Rest of SA	-700	-6800
Perth	+5300	+9200
Rest of WA	-3500	-6600
Hobart	+2800	-2600
Rest of Tasmania	+1900	-10,500
Darwin	-1200	-400
Rest of NT	-5800	-5100
ACT	-500	-3200

Source: ABS census tables