



## Business Migration: Could it Play a Role in Rural Towns

Migration. It is a political theme in the 21<sup>st</sup> century.

Let's be honest. It is not a new political theme. How were the Americas and Australia "successfully" colonised if not by migration on a grand scale? What do the artefacts of anthropology often demonstrate if not waves of migration throughout human history?

Today we could take a very sophisticated view of migration, particularly in Australia, with its innate geographical barriers to illegal ingress. Unfortunately the media and political frenzy around asylum seekers will probably continue to force a nuanced discussion into the background.

This paper will only take one case in point to develop a general argument around using local input to improve migration outcomes to Australia. Although it will look at the migration issue through the lens of a rural area of Queensland, it will shun the starry eyed dreaminess of investment-starved regional areas (those without a gas well or a mine in the back paddock) which yearn to see Significant Investors turn up waving wads of cash. It will also neglect the very real problems associated with resettling ethnic groupings, whether in urban or rural settings, which might be located around industries with high labour demands but which will have resoundingly different requirements to those of most rural areas.

I will focus on my own patch, the Atherton Tablelands of Far North Queensland, the last tableland of Eastern Australia left more or less on its own during the growth spurts of the 20<sup>th</sup> century, due to the tyranny or the blessing of distance, depending upon your point of view.

Where could migration aid the economic development of this rainforest to savannah, sun and water soaked, fertile and relatively empty, forgotten bit of paradise? There are no modern industries needing a blue collar work force. There are no incipient post-modern Silicon Valleys to attract the smart and savvy GenY geeks and entrepreneurs. There are not even any industrial agricultural chook farms or abattoirs with enough jobs to take in a mob of migrants from another, less benign, agrarian nation. There are few jobs in tourism or agriculture which cannot be filled by locals, beset with high unemployment, or backpackers, a set of temporary migrants ready for action but keen to move on, befitting those industries.

One niche is overrepresented on the Atherton Tablelands but seems to be left out of the current discussion. It is a niche for small investment that exists in many rural areas throughout Eastern Australia where "lifestyle" values are high, but economic goals have often remained realistically modest.

The Atherton Tablelands represents that benevolent, if slightly shabby, version of rural Australia in spades: the median income moulders around the poverty line in a town like, for example, Malanda (a former dairy domain no longer able to maintain its economic underpinnings on the Milk Standard); the lifestyle on the other hand, is something approaching idyllic if you take "lifestyle" to really mean a combination of the social and environmental factors that mix with economics to make life worth living.

So what niche could possibly be empty on the Atherton Tablelands that a more locally appropriate use of migration might fill? It is a pretty obvious though distinctly unglamorous and somewhat easily overlooked niche: there are few purchasers for small businesses. In particular, in an area where demography distinctly tilts toward baby-boom birthdates, older small business owners often are left with no exit strategy: no heirs; no buyers. The family succession plan has long given way to domestic migration of the young to the cities. Stagnation in business methodology and models as well as rapidly aging demographics have made these businesses largely unsaleable compared to their urban counterparts.

Clearly, this is no glittering Shangri-La to attract the Significant Investor. We can hardly aspire to attracting the Significant Investor (over AUD\$5 million to be invested in Australia) but a few “insignificant” investors could make a substantial difference to some of the markers of decline often evident in our rural towns.

The businesses which are for sale are embedded in a rather fragile economic ecosystem, where a small number of rather small investments might tip the balance of some of these villages back into economic viability or at least reverse the downward spiral.

A few business migrants purchasing businesses in a Sydney suburb might have a negligible impact economically. . Two or three families with school aged children investing in baby boomer businesses might make the critical difference in a tiny population like that of Malanda (approximately a thousand in town and a thousand in the surrounding countryside) in some or all of the following ways:

- Any investment in those rural areas which lumber along without the mixed blessings of mines and frackable coal seams is likely to make a difference in their small and somewhat wobbly economies.
- Government infrastructure such as schools and sporting facilities and services could be kept open with a reversal of the downward trend in their client base. Government audit offices are well aware of the dangers of shutting down schools in rural towns. Gone the high school, gone the prospect of luring young families, regardless of the amenity of the place. The next step is the downward spiral of a town slowly slumping into becoming a de facto retirement ghetto with none of the efficiencies of the industrial retirement village and a loss of the very charms that made the small town such a sterling place to live in the past.
- Not only do student numbers affect school closures, but purchasing profiles of families are far different to those of the empty nesters. Reversing the trend of full car parks (retirees dawdling in town with time on their hands but little in their wallets) and empty tills is necessary for our short country High Streets to survive.
- Each baby boomer boosting his retirement cache by selling his business, rather than closing it down through encroaching age or an episode of ill health, is one less pensioner condemned to a life of penury in paradise, dependent upon services entirely funded by the tax payer.
- The skill set of business owners is likely to improve as small business migrants could surely be selected to have not just school aged children and dollars to contribute to the viability of rural society, but also skills more appropriate to the internet age than those of many vendors.

The benefits for rural towns in attracting even a few business investors from overseas are indisputable with no down-side as long as some very focussed investor attraction strategies could use the power of the internet to locate prospective investors appropriate to the area. Previous to the GFC (Global Financial Crisis), we would have been fools to think of attracting investors in small business from anywhere except our geographical neighbourhood, Asia and the Pacific. Post-GFC, the global situation has changed: we would be remiss to think that we cannot target the Americas and Europe. Even anecdotally, I have begun to see a whole new attitude emerging toward my status as a migrant to Australia of long standing (I moved here as a “reppo” from the USA in 1970 and have never suffered a nano-second of regret for that decision!): there is a new wave (some of whom are

definitively potential business investment migrants) who no longer see me as a deluded maverick for having headed Down Under from the Land of Opportunity, but as something like a cross between a wizard of Oz and a Lotto winner for having landed in the right place at the right time.

Of course, a clumsy or drawn out visa processing pathway will stymie the best internet tribe -building techniques and the most sophisticated “marketing” plan to sell potential migrants on applying for residency in order to buy businesses and settle in rural Australia.

The statistics have been a bit mind-numbing: Two years minimum processing time (with a 7000 yearly intake and over 11,000 already in the queue) if every one of the many hurdles through the highly bureaucratic and understaffed business migration pipeline are successfully negotiated.

Things are improving. Policies and regulations are being fine-tuned. Disadvantaged postcodes now can entertain attracting business migrants with a lower level of investment (\$300,000) than previously allowed ; those postcodes will also have priority in processing. These are going to boost our efforts to attract investors to the beautiful back blocks.

However, some formidable obstacles remain. The pipeline could be further streamlined if the way were clear for the kind of individualised “match-making” that would result in the best chances for integration of new business migrants into our rural societies, which are generally friendly but in some ways, shall we say, crusty! This is the work that only locals can provide and might include everything from actively “marketing” for attractive business migrants via the internet, to offering highly personalised newcomer welcoming services to smooth the process of integration on arrival. It might also mean offering innovative ways for exiting business owners to ease the buyer migrants not only into the business but also into the community. This might require just the mix of traditional people skills and traditional business skills that the retiring small business owner in a country town might be very well placed to provide.

We could end up with a small set of very successful rural business migration stories to tell. Migration does not all have to end up as doom and gloom in the headlines. If a few success stories through better business migration practices in rural Australia could start to circulate, we not only could see a boost to rural Australia, but we might just add to what remains today a very strident and reactive narrative about Us vs Them, by throwing in some useful nuance about mutual advantage. After all, from personal experience I know that I am far from alone in being a migrant to Australia who has a good news story to tell about investing myself and my money in the best part of the best country in the whole world.