



# SUBMISSION

## Inquiry into Migration in in Regional Australia



## **Migration Institute of Australia**

The Migration Institute of Australia (MIA) was established in 1992 as the professional association for Registered Migration Agents. Through its public profile the Institute advocates the value of migration, thereby supporting the wider migration advice profession, migrants and prospective migrants to Australia. The Institute represents its members through regular government liaison, advocacy, public speaking and media engagements. The Institute supports its members through its separate but interlinked sections: professional support; education; membership; communications; media; business development and marketing.

The Institute operates as a company limited by guarantee and complies with all Australian Securities and Investments Commission (ASIC) requirements. Under its constitution it is not empowered to pay any dividends. The MIA and its elected office bearers are guided by the legal framework set out in the Corporations Act 2001, the MIA Constitution and Rules, the Corporate Governance Statement and Board Charter.

MIA Members hold a further responsibility to their clients and the Australian community to abide by ethical professional conduct and to act in a manner which at all times enhances the integrity of the migration advice profession and the Institute. MIA Members are bound by both the MIA Members' Code of Ethics and Practice, which sets the profession's standards of behaviour, and the statutory Code of Conduct of the Office of the Migration Agents Registration Authority (MARA).

**Committee Secretary  
Joint Standing Committee on Migration  
PO Box 6021  
Parliament House  
Canberra ACT 2600**

The Migration Institute of Australia (MIA) thanks the Joint Standing Committee on Migration for the opportunity to provide input into the *Inquiry into migration in regional Australia*.

This submission is informed by the practical experiences of MIA Registered Migration Agent members and recommendations from the MIA Regional Migration Committee which is constituted from MIA members who live and practice in a broad variety of regional areas across Australia.

The MIA provides the following recommendations designed to assist in the development of regional migration and settlement strategies.

Please feel free to contact Bronwyn Markey  
if you require further assistance or information for the Joint Standing  
Committee

**John Hourigan FMIA  
National President  
Migration Institute of Australia**

**20 September 2019**

## **Terms of Reference**

The Joint Standing Committee on Migration shall inquire into and report on the breadth of migrant settlement strategies and migration settings– including for skilled and humanitarian migrants – in regional Australia, with reference to:

- National and international best practice strategies to encourage people to settle and stay in regional areas;
- Strategies to develop regional skilled migration;
- Strategies to develop regional humanitarian migration;
- Key local, state and federal initiatives for successful regional settlement outcomes;
- Local volunteers, employers and community organisations and their role in facilitating regional settlement;
- Relevant migration policy, including administration and state specific migration mechanisms;
- Related infrastructure matters; and
- Any other related matter.

The Committee shall give particular consideration to how communities and settlement services can best assist migrants to gain successful employment outcomes in regional Australia, including local work experience opportunities, skills certification and training, knowledge of Australian workforce regulations, accommodation and travel to and from the workplace.

## **Recommendations**

### **Recommendation 1**

The MIA recommends that an overarching framework of regional settlement services be developed to inform the design of specific regional settlement and retention strategies.

### **Recommendation 2**

The MIA recommends that stakeholders across all levels of government, service providers and community representatives have input into the development of the regional settlement services framework.

### **Recommendation 3**

The MIA recommends that a single coordinated range of regional strategies suitable to both skilled and humanitarian regional migrants be developed within the overarching regional settlement services framework.

### **Recommendation 4**

The MIA recommends the following modifications be made to the current migration program settings to further encourage regional migration:

- reinstate a regional direct permanent residency visa
- provide greater occupation flexibility for regional employers
- waive the Skilling Australians Fund levy for regional sponsoring employers
- introduce regional salary concessions for Temporary Skills Shortage visas
- increase Graduate Visa length for regional graduates
- introduce concessions to the Business Innovation and Investment Program for regional areas.

### **Recommendation 5**

The MIA recommends that the Department of Home Affairs reviews the Skilled Employer Sponsored Regional Subclass 494 visa conditions to ensure these meet the objectives of promoting regional migration and settlement.

**Recommendation 6**

The MIA recommends that where volunteer and community organisations are incorporated into the regional settlement process, that these organisations be provided with sufficient resources to provide these services to new migrants.

**Recommendation 7**

The MIA recommends that rationalisation of regional visa programs be undertaken to simplify the pathway and processes associated with regional settlement.

**Recommendation 8**

The MIA recommends that the occupational skills lists be rationalised and consolidated.

**Recommendation 9**

The MIA recommends that Skilled Employer Sponsored Regional Subclass 494 visa holders be permitted to work across occupations within the parameter of ANZSCO 4 digit minor unit codes without requiring new sponsorship or new visas.

**Recommendation 10**

The MIA recommends that pro-rata paid part time and casual employment experience equivalent to the prerequisite work experience be accepted for the Skilled Employer Sponsored Regional Subclass 494.

**Recommendation 11**

The MIA recommends that Skilled Employer Sponsored Regional Subclass 494 skills assessment requirements be aligned with those of the Temporary Skills Shortage Subclass 482 visa.

**Recommendation 12**

The MIA recommends that the Skilling Australia Fund levy be collected as a second visa application fee when the nomination has been approved for grant.

**Recommendation 13**

The MIA recommends that the Skilling Australians Fund levy be refunded in all circumstances where the nomination is not approved.

**Recommendation 15**

The MIA recommends that a five year full time employment contract not be required for Skilled Employer Sponsored Regional Subclass 494 purposes.

**Recommendation 16**

The MIA recommends that a full time ongoing contract of employment be accepted for Skilled Employer Sponsored Regional Subclass 494 purposes.

**Recommendation 17**

The MIA recommends that the sponsoring employer declares that the sponsored position for the Skilled Employer Sponsored Regional visa is reasonably believed to be available for five years.

The factors that contribute to successful local and migrant settlement outcomes, are well understood, having been identified in extensive Australian and international research. Across Australia there are multiple authorities<sup>1</sup> that research population growth, settlement and movement patterns, multilateral government authorities<sup>2</sup> that exist to develop local regions and well developed settlement programs for refugee migrants coordinated through the Department of Social Services.

It has become clear during the preparation of this submission that all the elements to develop successful regional migrant settlement strategies already exist in Australia and with determined government commitment, co-ordination and funding could be quickly realised.

The factors that contribute to successful local and migrant settlement outcomes, are well understood, having been identified in extensive Australian and international research. Across Australia there are multiple authorities<sup>3</sup> that research population growth, settlement and movement patterns, multilateral government authorities<sup>4</sup> that exist to develop local regions and well developed settlement programs for refugee migrants are coordinated through the Department of Social Services.

The Welcoming Cities initiative neatly summarises the key factors of successful regional migrant settlement strategies:

- locally-driven coordination, consultation, planning and budgeting
- meaningful consultation and a culture of welcome in receiving communities
- employment that matches demand with the characteristics of new migrants
- accessible housing, transport and culturally-appropriate services
- where established ethnic communities and multicultural organisations are available, these serve to add extra value to the settlement experience<sup>5</sup>

The Regional Institute of Australia further reports that Australians are showing a 'strong preference' for living in regions with net internal migration outflows away

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<sup>1</sup> For example: Regional Institute of Australia publications, Welcoming Cities initiatives, Department of Social Services settlement services.

<sup>2</sup> For example: Regional Development Australia (RDA) is an Australian Government funded initiative of a national network of 52 committees made up of local leaders who work with all levels of government, business and community groups to support the development of their regions.

<sup>3</sup> For example: Regional Institute of Australia publications, Welcoming Cities initiatives, Department of Social Services settlement services.

<sup>4</sup> For example: Regional Development Australia (RDA) is an Australian Government funded initiative of a national network of 52 committees made up of local leaders who work with all levels of government, business and community groups to support the development of their regions.

<sup>5</sup> [https://welcomingcities.org.au/wp-content/uploads/2019/03/WelcomingRegions\\_Summary.pdf](https://welcomingcities.org.au/wp-content/uploads/2019/03/WelcomingRegions_Summary.pdf)



from metropolitan cities to other parts of states.<sup>6</sup> Any regional settlement strategies designed for migrants could also be mobilised to encourage the many Australians seeking better lifestyles to relocate to regional areas, increasing the return on investment of such strategies.

However, any regional settlement strategies must first recognise the reasons that Australians have not settled or have left these regions. Broad swathes of Australia will be declared 'regional' under the new definition to be implemented on 16 November 2019 by the Department of Home Affairs. These 'regions' are not homogenous, encompassing variously whole states and territories, regional cities within close travelling distance to major metropolitan cities, mid size regional centres, right through to tiny rural and remote locations with only a handful of residents. The economic and living conditions of these 'regions' differ widely, ranging from those with buoyant economies and offering good long term prospects for residents, to those with little in the way of job prospects and services. It is crucial to the success of any regional migration strategy to identify those regional areas with the potential for self sustaining population growth.<sup>7</sup>

Migrants who experience a positive and fulfilling regional settlement experience, rather than time serving penance before permanent residency is attained, are more likely to be encouraged to settle permanently in these locations. Economic and social integration in the initial settlement location are the key factors that influence successful settlement and as such should form the focus of strategies to retain these migrants in those locations.

## **1. National and international best practice strategies to encourage people to settle and stay in regional areas**

Migration has overtaken natural increase as the primary population growth driver in Australia since the mid 2000s.<sup>8</sup> With a rapidly aging population and low birth rate Australia needs a greater proportion of working aged residents to support its future prosperity. Skilled migrants contribute to balancing these population deficits.

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<sup>6</sup> National Population Plan for Regional Australia, 2019, Regional Australia Institute, p 8

<sup>7</sup> Population Dynamics in Regional Australia, Regional Australia Institute, 2015, p 9

<sup>8</sup> Population Policy and the Budget, Henry Sherrell, 18 April 2019, [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/Flag\\_Post/2019/April/Population\\_Policy\\_and\\_the\\_Budget](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Flag_Post/2019/April/Population_Policy_and_the_Budget)

Australia's major cities are under stress with aging infrastructure, increased congestion, ineffectual public transport, housing affordability crises and dwindling water supplies. It is unfortunate that these are also the locations where the majority of migrants wish to settle, as they also provide employment, services and mature migrant communities who provide support and ethnic consumer products. Overseas born people are more likely to live in capital cities (83%) than those who are Australian born (63%), with this contributing to the growth in capital cities at around double the rate of non-capital cities.<sup>9</sup>

Encouraging new migrants to settle in regional Australia would seem an ideal solution to some of these issues. However, careful consideration is required of the impact of dedicating an increased proportion of the skilled migration program to regional migration. The changes to the 2019-2020 Migration Planning levels have significantly reduced places in the skilled independent visa category and to a lesser extent in other visa categories, directing this to the new regional skilled visa classes.<sup>10</sup> Regional migration policy must be part of an overall population and infrastructure strategy that allows regional residents the same amenity as metropolitan living with local infrastructure that provides adequate health services, schools, training and other education services, suitable accommodation choices, transport, viable employment opportunities and a welcoming community. It is these crucial elements that will not only encourage regional migration, but continued settlement in regional areas.

A fundamental problem associated with the development of migration settlement strategies in Australia has been its federated model of government, whereby the Federal Government controls strategic migration decision making including the levels and composition of migrants settling in Australia, while regional urban planning and settlement is largely the remit of the state and territory governments, who bear the cost of this settlement in the provision of essential services such as health care and schooling. The Planning Institute of Australia (PIA), having analysed the 57 regional plans that cover all of Australia, reports that there is no consistent national direction on population growth, associated infrastructure and service provision.<sup>11</sup> Many commentators call for an integrated and holistic approach to future planning, such as the National Settlement Strategy suggested by the PIA.<sup>12</sup>

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<sup>9</sup> Population Policy and the Budget, Henry Sherrell, 18 April 2019, [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/Flag\\_Post/2019/April/Population\\_Policy\\_and\\_the\\_Budget](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Flag_Post/2019/April/Population_Policy_and_the_Budget)

<sup>10</sup> <https://immi.homeaffairs.gov.au/what-we-do/migration-program-planning-levels>

<sup>11</sup> Planning Institute of Australia Through the Lens: Tipping Point, 2018, p 16.

<sup>12</sup> Planning Institute of Australia Through the Lens: Tipping Point, 2018, p 8

The United Kingdom and Canada both have population based programs similar to those utilised in Australia. The United Kingdom's *City Deals* model, while not specifically designed for regional settlement purposes, has already been adopted by the Department of Prime Minister and Cabinet and could be adapted to incorporate and encourage regional settlement strategies. The 'City Deals' approach brings together all levels of government, the community and the private sector with the partnership focussing on '*aligning planning, investment and governance to accelerate growth and job creation, stimulate urban renewal and drive economic reforms to secure the future prosperity and liveability of our cities.*' Interestingly, six of the nine City Deals already in place in Australia are in what the Department of Home Affairs will define as 'regional areas' from November 2019.<sup>13</sup> City Deals provide a framework and stakeholder base that could be utilised and extended to include regional migration settlement and support strategies.

In common with Australia, Canada has a history of attempting to influence migration outside metropolitan cities with specific migration programs and initiatives. The Canadian Provincial Nominee Program,<sup>14</sup> operates in much the same way as Australian states and territories nomination program with specifically determined, locally based eligibility requirements. The Atlantic Immigration Pilot covers four Canadian provinces and is an employer driven program for foreign skilled workers or international graduates of Atlantic Canadian universities. The focus of the Pilot is the settlement and retention of newcomer employees and their families in these regions.<sup>15</sup> Employers seeking designation under this Pilot are required to work with settlement providers organisations who support the initial settlement and longer term integration of new migrants to the community, support employees in accessing settlement services, provide practical living assistance and foster a welcoming workplace.<sup>16</sup>

These settlement services are generally funded by federal, provincial and/or local governments to deliver services at no cost to the new migrant. The range of services can include:

- Referrals to community resources, as required
- Assistance with finding housing
- Assistance with transportation

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<sup>13</sup> Department of Infrastructure, Transport, Cities and Regional Development.  
<https://www.infrastructure.gov.au/cities/city-deals/index.aspx>

<sup>14</sup> <https://www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/provincial-nominees.html>

<sup>15</sup> Guidelines for Designation – Atlantic Immigration Pilot (July 2019)  
[https://www.welcomenb.ca/content/dam/wel-bien/pdf/AIP\\_designation\\_guide.pdf](https://www.welcomenb.ca/content/dam/wel-bien/pdf/AIP_designation_guide.pdf)

<sup>16</sup> Atlantic Immigration Pilot – Employer Guide, p1, [https://www.welcomenb.ca/content/dam/wel-bien/pdf/AIP\\_Employer\\_Guide\\_Settlement.pdf](https://www.welcomenb.ca/content/dam/wel-bien/pdf/AIP_Employer_Guide_Settlement.pdf)

- Assistance with obtaining essential public services and programs, such as obtaining health cards, accessing child tax benefits, and obtaining a social insurance number
- Assistance in registering in schools, within French and English school boards
- Language assessment and training, in French and/or in English
- Employment-related assistance, such as resume development and job search strategies Information and orientation to life in Canada
- Connecting newcomers to their community <sup>17</sup>

Employers are encouraged to help address unmet settlement needs for their migrant employees. Settlement service assistance can be obtained online for those in areas without the physical presence of such services. The Immigrant Services Association of Nova Scotia provides a useful example of how this service can operate, offering services to assist skilled and business migrants, as well as refugees, to settle well in the region.<sup>18</sup> The ‘one stop shop’ approach demonstrated by the service provides added value to migrants attempting to negotiate settling and adapting to a new and often very different country.

Australia already has a variety of settlement support programs for humanitarian migrants, administered through the Department of Social Services that could be expanded or used as a model for settlement assistance for regional migrants. The National Settlement program *‘provides a structural blueprint for the three tiers of government, Commonwealth, state and territory and local to effectively plan, engage and deliver services that support the settlement of migrants and new arrivals in Australia’*. These programs are designed around nine identified priority areas: <sup>19</sup>

<b>Language Services</b>	<b>Employment</b>	<b>Education and Training</b>
<b>Housing</b>	<b>Health and Wellbeing</b>	<b>Transport</b>
<b>Civic Participation</b>	<b>Family and Social Support</b>	<b>Justice</b>

The MIA suggests that an overarching framework for settlement services for new regional migrants which incorporates all stakeholders across all levels of government, service providers and community representatives be developed to

<sup>17</sup> Atlantic Immigration Pilot – Employer Guide, [https://www.welcomenb.ca/content/dam/wel-bien/pdf/AIP\\_Employer\\_Guide\\_Settlement.pdf](https://www.welcomenb.ca/content/dam/wel-bien/pdf/AIP_Employer_Guide_Settlement.pdf)

<sup>18</sup> <https://www.isans.ca/about/>

<sup>19</sup> Welcomed and Supported, Australian Government, p 22  
[https://www.dss.gov.au/sites/default/files/documents/06\\_2018/welcomed\\_and\\_supported\\_-\\_final\\_2.pdf](https://www.dss.gov.au/sites/default/files/documents/06_2018/welcomed_and_supported_-_final_2.pdf)

assist new migrants to settle in suitable regional locations, with the long term objective of retention of these migrants in those areas. This framework will require flexibility, a 'one size fits all' model will ultimately prove deficient for the broad range of situations and circumstances migrants will experience settling in regional areas. This framework must also be sufficiently resourced to support the ongoing success of the regional migration settlement visa programs and to ensure local services, communities and volunteers do not bear the brunt of providing such assistance without adequate government support. The settlement and other progress of migrants who arrive in Australia under these programs should also be followed, to provide longitudinal assessment on the success of these programs and to inform future migration policy.

***Recommendation 1***

*The MIA recommends that an overarching framework of regional settlement services be developed to inform the design of specific regional settlement and retention strategies.*

***Recommendation 2***

*The MIA recommends that stakeholders across all levels of government, service providers and community representatives have input into the development of the regional settlement services framework.*

## **2. Strategies to develop regional skilled migration / Strategies to develop regional humanitarian migration**

It is crucial in development of regional settlement strategies to identify those regional centres that can support successful settlement outcomes for migrants. As the Regional Australia Institute observes, it is simplistic to believe that pushing migrants to regional locations will create economic growth in those regions.<sup>20</sup> Considerable expertise is already available in identifying such locations in state/territory governments and authorities, and particularly in Regional Development Australia and should be utilised effectively to develop these strategies. Migrant and other population growth will only realise the potential of regions that have the resources to sustain such growth, or in the context of this Inquiry, retain migrant settlers in regional locations.

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<sup>20</sup> Population Dynamics in Regional Australia, Regional Australia Institute, 2015, p 11  
<http://www.regionalaustralia.org.au/wp-content/uploads/2015/01/FINAL-Population-Dynamics-in-Regional-Australia.pdf>

Earlier discussion in this submission has demonstrated that successful settlement strategies, whether designed for economic or humanitarian migrants are founded on common elements. The MIA proposes that a single coordinated range of regional settlement strategies be developed under the previously recommended overarching framework that will be appropriate for all regional migrants, with an added level of tailored intensive or personal support for humanitarian entrants where required. This has the further advantage of a greater return on the funding investment in developing and implementing such strategies.

***Recommendation 3***

*The MIA recommends that a single coordinated range of regional strategies suitable to both skilled and humanitarian regional migrants be developed within the overarching regional settlement services framework*

While the new Regional Skilled visa program to be implemented shortly is designed to drive regional settlement, the MIA contends that modifications to existing migration program could further assist in encouraging migrants to settle and stay in regional areas. The modifications suggested below are designed to increase the share of skilled migration to regional Australia, assist regional employers in attracting skilled labour, promote regional Australia as a destination of choice for prospective international students and encourage business and investor migrants to invest and settle in regional Australia.

**Reinstate a regional direct permanent residency visa**

Employers in regional areas have been able to sponsor skilled workers for permanent residency under the Regional Sponsored Migration Scheme (RSMS) or similar antecedent programs since the early 1990s. Closure of this scheme will occur when the new Skilled Regional Visa program is introduced, leaving Australia without any visa that allows applicants to apply for immediate permanent residency in regional areas, without first holding a provisional visa for a minimum of three years.

What was once a highly attractive option to migrants, receiving immediate permanent residency with a guaranteed job, is no longer available. Conversely, other skilled visas that provide permanent residency immediately and allow skilled migrants to settle in large cities like Sydney and Melbourne are still available.

The MIA contends that a regional skilled visa that allows immediate permanent residency and with practical concessions to visa requirements, for example in work experience or occupations, would still be an attractive option to encourage migrants to settle in regional locations.

**Provide greater occupation flexibility for regional employers**

New expanded occupation skills lists are to be introduced as part of the new Skilled Regional visa program. It is noted that regional employers will not know whether the occupations on these lists will address the issue discussed in this section until they are released.

In the interim it is noted that regional employers suffer real disadvantage in filling genuine labour shortages where occupations do not qualify to be included in current occupation lists because they are considered semi or low-skilled. The agricultural, hospitality and tourism sectors appear to be the most impacted by this lack of flexibility in the occupation requirements for migration. These employers are often forced to rely on the unreliable and transient source of Working Holiday visa holders to fill labour shortages. Yet it is instructive to note that the Department of Home Affairs has approved many labour agreements that allow industries to recruit lower skilled workers from overseas to fill industry wide labour shortages.

The MIA submits that the same systematic preconditions exist in regional Australia and that regional needs for semi and lower skilled labour should be facilitated by more flexible regional visa options for those employers who do not have the capacity or require numbers of employees, that would make negotiating a labour agreements worthwhile or cost effective.

**Waive the Skilling Australians Fund levy for regional sponsoring employers**

Following changes to employer sponsored visa programs in 2018, businesses wishing to sponsor overseas workers have been required to pay the Skilling Australians Fund levy. The amount of levy is calculated on the turnover of the sponsoring company, the type of visa and the length of the visa approval. Generally the levies for temporary visas are \$1200-\$1800 per year, per visa holder, based on whether the company turnover is less or more than \$10 million. For permanent visas a single payment of \$3000-\$5000 is usual. It has been announced that the employer sponsored visas within the new Skilled Regional Visas program will attract levies of \$3000-\$5000.

The MIA argues that this levy is a deterrent or financial barrier for regional employers and that waiving this levy would provide some incentive for more regional employers to sponsor migrants to those locations. Similarly, the SAF levy could be waived for regional employers who sponsor their current Temporary Skills Shortage visa holders for employer sponsored permanent residency.

### **Introduce regional salary concessions for Temporary Skills Shortage visas**

Currently the Temporary Skills Shortage (TSS) Subclass 482 visa requires employers to pay a minimum Temporary Skilled Migration Income Threshold (TSMIT) of \$53,900. The TSMIT is formulated as a national average based on living costs and often does not reflect the state of the labour market in regional areas.

Salaries and living costs in regional areas are generally lower than those of metropolitan areas. The imposition of this artificial wage floor can have considerable impact on regional employers' ability to access labour through the TSS program. Similarly, award wage rates are often below this TSMIT level, for example, the award rate for a trade qualified Level 4, Grade 3 Cook under the Hospitality Industry (General) Award 2010 [MA000009] is \$862.50 per week, a yearly salary of \$44,850.

Previous temporary skilled visas provided a 10% regional concession to the required minimum salary level, in recognition of the lower costs often associated with regional living. The MIA suggests that similar flexibility could be incorporated into the TSMIT to encourage regional employers to sponsor skilled migrants to regional areas.

### **Increase Graduate Visa length for regional graduates**

The MIA welcomes the recent announcement that from 2021, holders of a Graduate Subclass 485 visa who have studied in regional Australia will be able to apply for an additional one year stay after their first visa. This will allow a bachelor degree graduate, for example, to stay in Australia for a maximum of three years and a Vocational Education Training (VET) sector graduate for one and a half to two and a half years.

However, these regional graduates often cannot be sponsored by regional employers as they can take some time to find suitable employment and cannot attain the full period of paid work experience to apply for current employer sponsored visas (two years for TSS visas and three years for new Skilled Employer Sponsored Regional visa) within the period of validity of their Graduate visa.



If the Graduate Visa was extended to four years stay (regardless of qualification) for regional graduates, with the requirement that the visa holder continue to reside in regional areas, it would allow them time to secure employment outcomes and career pathways, develop ties to the regional area, and contribute to the regional economy. It would also allow them the necessary time to attain the work experience necessary for future employer sponsored visas.

### **Introduce concessions to the Business Innovation and Investment Program for regional areas**

Currently, there are few meaningful concessions available to prospective business and investor migrants in regional areas. Building business and investment is crucial to the development and sustainability of regional areas. Concessions such as reducing the business turnover threshold, decreasing the net worth threshold and providing bonus points for regional migration could encourage more business visa applicants to both invest and settle in regional areas.

Currently the minimum threshold for a Business and Innovation Subclass 188A visa requires the applicant to have owned a business that generated a minimum AUD500, 000 turnover in two of the last four years. Reaching this threshold is a challenge for business operators who would be considered highly successful within the economic circumstances of their home country. The MIA suggests that a lower threshold of AUD350,000 be introduced for business migrants who commit to settling in a regional area. Similarly, the current minimum net worth requirement for business visa applicants of AUD800, 000, could be reduced to AUD500,000 for those migrants seeking migration to a regional area. Bonus points for migrants seeking migration to a regional area could also be awarded, in the same vein as bonus points are provided for general skilled migrants who have studied in regional areas.

#### ***Recommendation 4***

*The MIA recommends the following modifications be made to the current migration program settings to further encourage regional migration:*

- *reinstate a regional direct permanent residency visa*
- *provide greater occupation flexibility for regional employers*
- *waive the Skilling Australians Fund levy for regional sponsoring employers*
- *introduce regional salary concessions for Temporary Skills Shortage visas*
- *increase Graduate Visa length for regional graduates*
- *introduce concessions to the Business Innovation and Investment Program for regional areas.*

### **3. Key local, state and federal initiatives for successful regional settlement outcomes**

Australia has a long history of using migration strategies to settle and provide labour to regional areas, including the bonded two year stay requirement for post war immigrants,<sup>21</sup> a strategy that appears to still inform many regional migration programs today. A range of migration strategies and initiatives have been tried since the mid 1990s to encourage skilled migration to regional areas, including the State/Territory Nominated Independent Scheme (STNI), Regional Sponsored Migration Scheme (RSMS), Regional Established Business in Australia and various skills matching and bonus points schemes.

These regionally focussed strategies sought to drive regional migration by providing concessions to encourage migrants to settle outside metropolitan areas, including Regional Occupation Lists with a broader range of occupations, lower qualification levels for occupations and less work experience. Concessions were originally also available for skilled migrants' age, threshold salaries and levels of English language proficiency. Based on the demand for these visas, anecdotally they appeared to encourage migrants to migrate regional areas.

In 2018, as part of the overhaul of employer sponsored visas generally, many of these concessional arrangements for regional visas were removed. These included a lowering of the maximum age from 50 to 45 years old for the primary applicant, increasing the English language level and introducing a minimum three years paid work experience requirement. An immediate impact was observed on the popular RSMS program resulting in a significant drop in demand for this visa. In South Australia, for example, the number of applications lodged in the year after these changes was estimated to be only 11% of those lodged in the year prior to the changes.<sup>22</sup> These changes removed those features of the visa that encouraged applicants to apply for regionally based employer sponsored visas. The work experience changes also closed this visa to international students who had studied in Australia, as no visa is available that allows them to meet the work experience threshold.

Controversially, many of the 2018 changes that so negatively impacted the RSMS scheme have been incorporated into the new provisional Skilled Regional Visas requirements. With the majority of the advantageous features of the previous

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<sup>21</sup> Regional Development through Immigration? The Reality behind the Rhetoric, Graeme Hugo, 2000, p 14 <https://www.aph.gov.au/binaries/library/pubs/rp/1999-2000/2000rp09.pdf>

<sup>22</sup> Statistics provided to the SA MIA State Committee by the SA Government

regional visas that were designed to encourage applicants to regional areas removed, these new skilled regional visas will potentially become the least attractive of all the employer sponsored visas. In some cases the entry barriers imposed by the requirements of these new visas are even in excess of those required for non-regional visas and represent greater financial and administrative burdens for regional employer and applicants. A recent small scale survey of SME employers in the Northern Territory indicated that these regional employers found the processes for employer sponsored visa classes to be complicated and onerous, and indicated that they could see little benefit to the Subclass 494 visa and would prefer the regional concessions be reinstated to the Temporary Skills Shortage (TSS) visa instead.<sup>23</sup>

An apparent shift has been observed away from encouraging migrants to settle in regional areas, to forcing them to settle in those areas using more onerous visa conditions, essentially a return to the original notion of bonding them to regional settlement for specific periods of time.

The MIA contends that a system of essentially forced regional settlement is not conducive to the long term retention of migrants in regional areas and will have the opposite effect to what they are intended to achieve.

***Recommendation 5***

*The MIA recommends that the Department of Home Affairs reviews the Skilled Employer Sponsored Regional Subclass 494 visa conditions to ensure these meet the objectives of promoting regional migration and settlement.*

**4. Local volunteers, employers and community organisations and their role in facilitating regional settlement**

Local volunteers, employers and community organisations can all contribute to the success of regional settlement strategies, but cannot not be relied on in isolation to guarantee the success of these strategies. The role of employers in facilitating regional settlement are discussed in more details in other sections of this submission.

A welcoming community is one of the factors identified by the Welcoming Cities initiative as essential to successful regional migration settlement. Local volunteers and community organisation have an important role in welcoming and assisting new

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<sup>23</sup> Survey conducted by MIA Regional Migration Committee member

migrants to settle into regions. There are a number of appealing small scale success stories of local communities and organisations have been instrumental in the success of small scale regional migration programs, particularly for refugee entrants, such as the Nihill Luv a Duck case,<sup>24</sup> the Mingoola Social Experiment<sup>25</sup> and in Pyramid Hill.<sup>26</sup>

However, the MIA questions whether volunteer and community organisations can provide any significant scale of impact on regional settlement outcomes. The burden of settlement outcomes cannot be transferred onto the private and volunteer sector, community support can only be an adjunct to formal settlement services. The effectiveness of any settlement strategies will be at risk without sufficient government funding of services and assistance to new migrants.

### ***Recommendation 6***

*The MIA recommends that where volunteer and community organisations are incorporated into the regional settlement process, that these organisations be provided with sufficient resources to provide these services to new migrants.*

## **5. Relevant migration policy, including administration and state specific migration mechanisms**

Migration policy administered through visa programs clearly plays a major role in directing migrants to regional areas. An array of different mechanisms within the current migration program attempt to funnel both temporary and permanent migrants to regional locations. These include:

- State and Territory Nominated visa programs, with each state and territory to some extent utilising its own locally based occupation lists
- Designated Area Migration Agreements negotiated by local governments or Regional Development authorities to meet explicit labour needs in specific areas
- Labour Agreements negotiated by industry associations or by companies to meet labour needs in very narrow range of occupations
- Safe Haven Enterprise visas for humanitarian entrants
- Working Holiday visa programs requiring visa holders to undertake work in regional areas to be eligible for further working holiday visas

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<sup>24</sup> <https://www.abc.net.au/news/2015-04-24/study-reveals-refugees-boosting-nhill-economy/6417620>

<sup>25</sup> <https://www.abc.net.au/news/2016-11-07/how-african-refugees-are-reinvigorating-mingoola/7970876>

<sup>26</sup> <https://www.pressreader.com/>

- Pacific Islander Seasonal Worker program that provides a temporary agricultural workforce for regional areas
- the award of additional points for points tested visa classes where the applicant has studied in a regional area for two years
- and most recently, the Skilled Regional Visa programs to be introduced in November 2019, which incorporate provisional visas requiring settlement in regional areas for a minimum number of years before applying for permanent residency.

The MIA questions the need for this myriad of programs, with requirements developed by, overseen and requiring approval from different authorities. Occupation lists provide a prime example. Federal government departments develop the occupation lists for general skilled migration, temporary and permanent employment sponsored, state and territory nominated and occupational training visa subclasses. Two new federally lists will be released shortly for the Skilled Employer Sponsored Regional Subclass 494 visa containing 673 eligible occupations and another for the Skilled Work Regional visa with 504 eligible occupations. States and territories also develop supplementary lists for occupations they deem required in their localities. Regional Development Australia (RDA) committees develop lists of occupations required in their region. Designated Area Migration Agreements and Labour Agreements have occupation lists for occupations not on other lists.

The MIA calls for a rationalisation of the programs and processes related to regional migration to increase clarity of regional migration pathways, reduce red tape and both the cost burden and cost of administering these programs.

***Recommendation 7***

*The MIA recommends that rationalisation of regional visa programs be undertaken to simplify the pathway and processes associated with regional settlement.*

***Recommendation 8***

*The MIA recommends that the occupational skills lists be rationalised and consolidated.*

## 6. Any other related matters

The MIA has identified a range of structural issues and flaws within the new Skilled Employer Sponsored Regional Provisional Subclass 494 visa that will work against the success of this visa as a strategy for attracting skilled migrants to regional areas.

### Occupation Lists

The interrelated issues of occupations approved for nomination in regional areas, prior work experience and the formal skills assessment requirements for the Subclass 494, will all impact on employers' ability to source suitable applicants for their regions.

The MIA welcomes the announcement that 673 occupations will be available for the new Subclass 494 visa. However, occupation lists can impose limitations on businesses and visa holders. Employers seeking to sponsor overseas workers can only do so in occupations on these often very prescriptive lists. The occupations on these lists are identified by 'digit' codes derived from the Australian and New Zealand Standard Classification of Occupations (ANZSCO). The ANZSCO assigns 2 to 6 digit identifier codes to occupational groupings, with 6 digit descriptors providing the most specific information on duties and experience required to undertake a specific occupation.

The released Subclass 494 Migration Regulations specify that approved occupations will be identified by ANZSCO 6 digit code for the purposes of this subclass. It is a requirement to be eligible for eventual permanent residency that the Subclass 494 visa holder remains working in the nominated 6 digit occupation for three years. Similarly, the employer must ensure the visa holder only works in that nominated occupation.

Businesses in regional areas are inherently more likely to require their staff to be flexible and adaptable. The limitation on changing occupation could lead to a situation, for example, that prevents registered nurses working within the same hospital from being redeployed to meet medical and business requirements. It is conceivable that a registered nurse (surgical 254424) nominated to work in the operating theatre of a hospital, could not be deployed as a general ward nurse (medical 254418) within that same hospital, as this would breach the visa Condition 8608. Similarly, a registered nurse (medical 254418) will not be able to be promoted to a Nurse Unit Manager (254311).

To change occupation, even between closely related occupations, commonly those within the same 4 digit code, will require the sponsoring business to undertake new labour market testing, lodge a new nomination application and pay another Skilling Australians Fund levy of \$3000-5000. Any change of occupation also requires the three year period working in the nominated occupation for the visa holder to be eligible to apply for permanent residency to be restarted.

To change occupation, the visa holder will require a new skills assessment, evidence of three years full time work experience within the new 6 digit occupation and the lodgement of a new visa application (often including multiple family members), all at significant financial outlay.

To require the visa holder to remain working in the same 6 digit occupation for the duration of the three years is overly restrictive and has the potential to stifle business innovation and operational functions, limit visa holder career options and advancement, and impose excessive financial and administrative burdens on both. At worst, the restrictions on changing occupation provides fertile ground for exploitation of these often vulnerable provisional visa holders.

The MIA suggests that this inflexibility and burden could be simply addressed by nominated occupations being identified in the skills lists by 4 digit ANZSCO codes.

***Recommendation 9***

*The MIA recommends that Skilled Employer Sponsored Regional Subclass 494 visa holders be permitted to work across occupations within the parameter of ANZSCO 4 digit minor unit codes without requiring new sponsorship or a new visa.*

**Pre requisite work experience**

The new Subclass 494 Migration Regulations require the visa applicant to have at least three years full time work experience in the nominated occupation at the time they apply for the visa. This is inconsistent with the similar Subclass 482 Temporary Skills Shortage (TSS) visa which only requires 2 years work experience prior to application and allows for pro rata part time equivalence.

The rationale for requiring three years prior work experience and only recognising full time work experience to meet this requirement is difficult to fathom. Part time or other non full time employment, is not a proxy for the quality of the candidate or their future employment pattern.

Not recognising equivalent part time employment experience particularly discriminates against women, who may have taken maternity leave or had carer responsibilities and only been able to work part time or in casual employment, as well as those who have been underemployed. Full time employment equivalence should be permitted.

The three year work experience requirement also restricts the ability of overseas students who have gained Australian qualifications and have Australian work experience, gained most often while holding a two year Subclass 485 Temporary Graduate visa, from applying for these visas. The prior work experience period of three years should be reduced to two years to align with other temporary employer sponsored visas.

***Recommendation 10***

*The MIA recommends that pro-rata paid part time and casual employment experience equivalent to the prerequisite work experience be accepted for the Skilled Employer Sponsored Regional Subclass 494.*

**Formal skills assessment requirement**

The Subclass 489 Migration Regulations require all applicants for this visa to have undertaken formal skills assessment. This requirement again exceeds that of other employer sponsored visas and serves to increase the financial burden for potential visa applicants.

The Subclass 482 Temporary Skills Shortage (TSS) visa requires skills assessments for only 25 occupations and then only where the applicant holds a specified passport. The RSMS Direct Entry permanent residence subclass requires skills assessments for specified trade occupations. Waiver of this mandatory skills assessment requirement for these visas is generally available for those RSMS applicants who have gained their



qualifications in Australia and/or have Australian work experience. These applicants are also often international students who have obtained a skills assessment for their previous Subclass 485 Temporary Graduate visa.

The new Subclass 494 provides no such waivers and expressly excludes the acceptance of a skills assessments completed by previous international students for Subclass 485 visas.

A formal skills assessment can cost over \$5000 for some occupations, a significant financial burden on potential applicants. It is accepted that skills assessments for occupations that impact public safety, such as electricians, are prudent. However, the Subclass 494 is an employer sponsored visa and it would be expected that sponsoring employers would be able to assess the suitability of applicant employees they are committing significant resources to sponsoring.

***Recommendation 11***

*The MIA recommends that Skilled Employer Sponsored Regional Subclass 494 skills assessment requirements be aligned with those of the Temporary Skills Shortage Subclass 482 visa*

**Skilling Australians Fund**

The Nomination Training Contribution Charge (aka Skilling Australians Fund or SAF levy) was introduced in August 2018. The SAF levy is imposed on all employers seeking to sponsor skilled overseas workers in the TSS, RSMS and ENS visa subclasses.

For the Subclass 494 visa the SAF levy is set at a single payment of \$3000 for businesses with less than \$10 million turnover and \$5000 for those with higher turnovers, for each nominated employee. The SAF levy is collected by Home Affairs on behalf of the Department of Education and Training, which have responsibility for administering the SAF Fund.

The SAF levy is currently collected upfront and as a combined lump sum payment with the Home Affairs fees paid when an employer applies to sponsor an overseas worker. The SAF levy is collected irrespective of the success or otherwise of the employer's application to nominate an overseas worker.

If the employer's nomination or the visa application is refused, a refund of the SAF levy can only be applied for in very limited circumstances and may not be refunded in circumstances such as where the employer's nomination is withdrawn before decision, if the visa is refused or even, in some circumstances where the visa holder dies.

Some small business owners question whether the retention of the SAF levy in cases where the nomination/visa is refused is conscionable and consider it akin to levying a tax on a service that has not been received.

The MIA contends that negative impacts arising from the SAF levy could be significantly reduced if the levy was collected as a second stage payment, when the employer nomination is about to be approved. Precedent processes already exist in other visa subclasses to collect a second visa application charge prior to visa grant.

***Recommendation 12***

*The MIA recommends that the Skilling Australia Fund levy be collected as a second visa application fee when the nomination has been approved for grant.*

***Recommendation 13***

*The MIA recommends that the Skilling Australians Fund levy be refunded in all circumstances where the nomination is not approved*

**Regional salary rates**

Most employer sponsored visa classes require the visa holder to be paid the same salary, as an equivalent Australian employee working in the same role and location, termed the Annual Market Salary Rate (AMSR). A minimum salary floor is also imposed by the Department of Home Affairs for some of these visa subclasses, known as the Temporary Skilled Migration Income Threshold (TSMIT). The TSMIT is calculated as an Australia wide minimum living wage, taking into account that visa holders do not receive certain benefits available to Australians such as Medicare and free public education. The TSMIT is currently set at \$53,400.

Market salary rates are location, industry and enterprise dependent. For example, hospitality workers in mining-based towns may have higher market salary rates, because employers need to compete with other jobs in that marketplace, than those

working in rural areas where farming or tourism are the main industries. Similarly, the cost of living may be different in different regions and often lower than that of metropolitan areas.

The minimum AMSR for current employer sponsored visa must not be lower than the TSMIT. However, in regional areas it is conceivable the actual AMSR could be lower than the TSMIT. In fact, modern award pay rates for many trade occupations and even nurses, are lower than the TSMIT.

TSMIT is a potential impediment to employers who may wish to utilise the Subclass 494 program, and where lower incomes exist in regions, particularly when combined with the other associated visa application costs imposed on employers such as the SAF levy.

***Recommendation 14***

*The MIA recommends that the Temporary Skilled Migration Income Threshold not be imposed for the Skilled Employer Sponsored Regional Subclass 494 visa.*

**Position likely to be available for five years**

The Subclass 494 Migration Regulations require nominated positions to be 'likely to be available for five years'. Home Affairs is yet to determine how this requirement will be assessed. It has been assumed by some within the migration profession that this will translate into the requirement for sponsoring businesses to provide a written five year contract of employment. This decision may be a major determinant in whether regional employers adopt the Subclass 494 visa opportunity.

Small businesses are likely to make up a significant proportion of sponsoring employers in regional areas. The Subclass 494 needs to take into account the legal ramifications and administrative burden on sponsoring businesses in providing evidence that the position will be available for five years.

There is little to guarantee that any business, large or small, will continue to be in business, and in an unchanged form, five years into the future. Factors outside the control of a business can affect the long term viability of its operations. A volatile economy, natural disasters affecting production or markets, mergers and takeovers, are a few examples of impacts that can alter the structure, scope and sustainability of businesses.

While it is understandable that the Government would want to ensure that sponsored overseas workers have some sense of security and stability, to expect a company to provide a five year employment contract is not feasible. Five year employment contracts are not usual business practice in Australia, especially for small to medium businesses.

The legal implications of guaranteeing fixed term employment to a worker must be considered. Terminating the employment of an employee with a fixed term contract, could leave the employer open to being sued for breach of contract and paying the outstanding salary for the full period of the contract as damages.

It has been suggested by Home Affairs that accredited sponsors (larger employers) be simply required to 'declare' the position is likely to be available for five years. While the MIA acknowledges that accredited sponsors have a lower risk profile, the difference between accredited sponsors and other standard business sponsors status' are not well understood and imposing differing requirements for each are confusing to sponsors. This confusion is further compounded by the number of other different temporary and permanent employment subclasses with employment contract requirements.

To reduce administrative burden and processing times for Subclass 494 applications, it is suggested that a contract of employment for full time, ongoing employment accompanied by a declaration that the employer reasonably believes the position will be available for five years be adopted.

**Recommendation 15**

*The MIA recommends that a five year full time employment contract not be required for Skilled Employer Sponsored Regional Subclass 494 purposes.*

**Recommendation 16**

*The MIA recommends that a full time ongoing contract of employment be accepted for Skilled Employer Sponsored Regional Subclass 494 purposes,*

**Recommendation 17**

*The MIA recommends that the sponsoring employer declares that the sponsored position for the Skilled Employer Sponsored regional visa is reasonably believed to be available for five years.*