



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT STANDING COMMITTEE ON MIGRATION

**Reference: Skilled migration inquiry**

THURSDAY, 20 FEBRUARY 2003

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**JOINT COMMITTEE ON MIGRATION**

**Thursday, 20 February 2003**

**Members:** Ms Gambaro (*Chair*), Mr Ripoll (*Deputy Chair*), Senators Bartlett, Eggleston, Kirk and Tchen and Mr L. Ferguson, Mrs Gash, Mrs Irwin and Mr Randall.

**Senators and members in attendance:** Senators Eggleston and Tchen and Ms Gambaro and Ms Irwin.

**Terms of reference for the inquiry:**

To inquire into and report on:

Australia's migration and temporary entry program for skilled labour with particular reference to:

- International competition for skilled labour.
- The degree to which quality permanent skilled migrants are being attracted to Australia and settling well.
- Whether there are lessons to be learnt by Australia from the entry and program management policies of competing nations, including Canada, New Zealand, USA, Ireland, UK, Germany and Japan.
- The degree to which Australia's migration and temporary entry programs are competitive.
- Whether there are policy and/or procedural mechanisms that might be developed to improve competitiveness.
- Settlement patterns for new arrivals including the role played by State and local authorities.

**WITNESSES**

**HAREN, Mr John Raymond, Director, Business and Skilled Migration, Department for Business, Manufacturing and Trade, South Australian State Government .....85**

**NICHOLSON, Ms Katrina, Assistant Director, Business and Skilled Migration, Department for Business, Manufacturing and Trade, South Australian Government.....85**



**Committee met at 9.04 a.m.**

**HAREN, Mr John Raymond, Director, Business and Skilled Migration, Department for Business, Manufacturing and Trade, South Australian State Government**

**NICHOLSON, Ms Katrina, Assistant Director, Business and Skilled Migration, Department for Business, Manufacturing and Trade, South Australian Government**

**CHAIR**—I now open this fourth public hearing of the Joint Standing Committee on Migration's review of skilled migration. I have apologies from Senator Bartlett, Senator Kirk, Mr L. Ferguson, Mrs Gash, Mr Randall and Mr Ripoll. The committee has been asked by the minister to examine and report on Australia's migration and temporary entry program for skilled labour. This review will focus on: international competition for skilled labour; the degree to which quality, permanent, skilled migrants are being attracted to Australia and settling well; whether there are lessons to be learnt by Australia from the entry and program management policies of competing nations, including Canada, New Zealand, the USA, Ireland, the UK, Germany and Japan; the degree to which Australia's migration and temporary entry programs are competitive; whether there are policy or procedural mechanisms that might be developed to improve competitiveness; and settlement patterns for new arrivals, including the role played by state and local authorities. The committee has received 42 submissions from interested organisations and members of the public. If you would like further details about the inquiry, please feel free to ask any of our committee members for further advice.

I would like to welcome representatives from the South Australian government here today. Although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are the proceedings of the parliament and warrant the same respect as the proceedings of parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament. The committee prefers that evidence be taken in public but, should you wish to give confidential evidence to the committee, you may request that the hearings be held in camera and the committee will consider your request. Mr Haren, are there any corrections or amendments that you wish to make to your submission?

**Mr Haren**—No.

**CHAIR**—Before the committee ask questions, would you like to make an opening statement?

**Mr Haren**—The South Australian government is very supportive of migration. We are an active department looking at increasing skills entry levels into South Australia, so we have been a staunch supporter of the state specific migration mechanisms aimed at increasing the intake of skilled migrants into our state. Globally, South Australia is not that well known as a destination for migrants. The marketing of our state presents a challenge for us to make it visible on the global stage. Through the state specific migration mechanisms, we gain an opportunity to increase skilled migrants' awareness of South Australia. We have been actively working with the Commonwealth to increase opportunities to gain more people through these state specific mechanisms, and we are continuing to work in that area. But at the end of the day, in terms of the overall migration program, only a small number of migrants enter through the state specific migration mechanism. Even though they have been increasing incrementally, it is still a relatively small number—4,000 to 5,000 per annum.

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We are conscious of the pressures on the Sydney Basin area and the concerns about the number of skilled migrants settling there. We would like to work in some way with the Commonwealth to increase dispersal of skilled migrants, particularly into South Australia. That is our philosophy. We also believe that there is a need for a population policy for Australia, allowing for the planning of a population and for the inclusion of immigration as a component of population policy. We think that population policy should take into account the demography of Australia, the ageing profile that we and many Western countries are facing. We believe it should also take into account issues like the dispersal of people regionally and throughout Australia.

**CHAIR**—Thank you very much for your submission. You have given us a number of recommendations which I am sure committee members will explore with you very shortly. You have had some great success with your particular state and territory nominated programs, particularly with the program promoted by the South Australian government providing business support to skilled migrants. Can you outline why you have been so successful. I notice that in your submission you said you had a 100 per cent retention rate. Is it that you are such a great state and you are very friendly or is it because you are giving them ongoing support? Why has it been so successful?

**Mr Haren**—This is the State/Territory Nominated Independent scheme, the STNI scheme. We were the first state in Australia to actually engage that particular program. It was made available on the basis that the state would nominate skilled migrants who had applied for migration but may have fallen somewhat short of the pass mark for migrant entry. The Commonwealth agreed that, where there were employment opportunities within the state, we might be able to nominate those people who had perhaps fallen short of the pass mark to enter our state, on the basis that they would fill identified shortages.

The rules of engagement, if I can use that term, were that people should remain within South Australia for at least two years. The take-up rate was very slow. We have always had a concern about the lack of sufficient numbers to actually nominate people under the scheme. The way it works is that every month we get information from the Commonwealth about those who have applied for migration, we sort that data, we do a match of people who have skills that are now in short supply and we approach them. If we agree on nomination, they can then enter Australia. It can take 12 months or longer from the time the visa is granted, and maybe nine to 12 months before a person actually enters Australia. They may then enter, go back home and tidy up their affairs and return. So a long lead time is often involved in these processes.

As we were participating in the STNI scheme, the Commonwealth was keen to know whether the people we had nominated under the STNI program were actually remaining within our jurisdiction. We did a survey and, although the numbers were small, they did show that, of those still within Australia, they were within South Australia. So, from that very small sample, the program was delivering what both the state and Commonwealth governments were wanting. Since that time, the Commonwealth has increased access to the number of people on that database, which we are delighted to have seen happen. That happened around May or June last year. That has increased our opportunity to nominate people, so we are actually seeing an increased number of people being nominated under the STNI program. With that, we have an extra responsibility to ensure that these people who are arriving in South Australia are actually remaining within the state, so we have an obligation to maintain monitoring of that group of people.

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**CHAIR**—In your submission you also said that South Australia should be given a priority processing time of four months. You have mentioned the length of time taken up in processing and that you, as a state, should be given priority. Are there some specific reasons that you have asked for that, or are you just keen to take the uptake of skilled migrants?

**Mr Haren**—If we, as a state, identify a shortage in our labour market and we proceed to nominate somebody, we would like to think that they would not get caught in the ordinary ruck of an immigration cycle or process. We hear that it can take between 12 and 15 months for an independent skilled migrant to have their application processed. If we are being legitimate players in nominating people to fill shortages and it takes 15 months before somebody has their application processed and then maybe a further nine months before they enter—that is, 24 months from the time they lodge their application—our view is that we would like to feel there is support through the Commonwealth mechanism to process those applications quickly. The federal minister has in fact accommodated that type of response through the act, as he is able to specify priority processing of applications. Any in the state sponsored category now receive priority processing. Our experience has been that they probably are processed in between three and five months, so we would like to think that they will stay within those parameters.

**CHAIR**—Business skilled migrants are eligible for \$5,000 for each new position created in South Australia. Are there any conditions relating to that, or is it a fairly transparent process?

**Mr Haren**—Our aim is to provide an incentive to business skilled migrants. They have to demonstrate that this is a new job, that they are not just recycling people through an existing job and that the position has been in operation for at least two years. On the basis of those basic thresholds being met, they are eligible for the payment of a \$5,000 grant for each new job they create. I think it is vested out over three payments. I am not altogether clear on the actual process of the payments. No payments have been made at this stage, because it is still very early days in the program.

**CHAIR**—It is fairly early in the process, so is it too early to tell if that has been a contributor to any success?

**Mr Haren**—It is. It has certainly created a lot of interest among people. As you might be aware, in the business skills category South Australia has received a very small percentage of entrants—below two per cent. We are roughly 7.8 per cent of the population, and we would like to somehow attract our population share of business migrants, because we believe they drive the economy. We are promoting the package we have very vigorously. As from 1 March, where state sponsored business categories are much more attractive in some ways to potential business migrants, we would see our sponsorships being much more attractive and being taken up more. That would then flow on to an increased number of people accessing elements of that package. The package has many components, one of which is the \$5,000 job creation grant. Some migration agents tell us that business migrants may not be particularly fussed by accessing that amount of money, but they recognise the support that the South Australian government is giving to business migrants who are entering our jurisdiction.

**CHAIR**—Are you aware of any other plans in other states? Do they have the same sorts of programs, or have you been leaders in this? I do not think I have heard of any.

**Mr Haren**—No, as far as I am aware we are the only state doing it.

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**CHAIR**—It will be interesting to see what happens down the track, whether it has been an incentive for greater uptake.

**Mrs IRWIN**—Mr Haren, following on from the chair's question regarding how you are attracting skilled migrants to South Australia, can you give me more detail on how you promote the program overseas and how you target potential migrants?

**Mr Haren**—The way we are working at the moment is that the skill matching database that Immigration provide now contains the names of every person who has applied for skilled migration. The way it used to operate was that they would be included only when they had been assessed for migration. So their application had been lodged, it had been in the Immigration engine room being processed—it may have been in there for eight, nine, 12, 15 months—and, at the point when it was assessed that they either met the pass mark or were at the migration pool entry point, their data would go onto the database if they had indicated that they would be open to settlement in a regional area of Australia. That was a longwinded process before we had access to people, and we have been in dialogue with the Commonwealth to see if there is some better way of getting access to people.

In June this year, Immigration decided that any person who, at the point of lodging their application, asked not to be included would not be included. In other words, they reversed the process. Whereas before any person would only be included if they asked to be included, the application form was changed to say, 'You will be included, unless you expressly ask not to be included.' Therefore all the names now go into the database at the date of lodgement, so as soon as you lodge your application for migration your data becomes available to us. It means that we can access a larger cohort of people each month. We go through that database now, and we send a series of letters out to people, mainly by email.

**Mrs IRWIN**—This is direct to people overseas? Do you go through the embassies?

**Mr Haren**—No, we do not; the letters go direct to the person. As a state government, we have access to the full skill matching database. So, if there is an email contact and a person has an occupation that is on our shortage list, we offer them a skill matching visa arrangement. If they are a skill matching visa applicant or if they are an independent migrant, we offer a skill matching visa opportunity for them. In so doing, they get priority processing, which is a four-month process. If we nominate them, their application, which has been lodged with but not processed by Immigration, is picked up through our nomination and given priority processing. So there is an incentive for people who have a genuine interest in settling in our state to consider our offer. For those whose occupations are not on our direct list of employment opportunities, we do a mail-out to say that South Australia exists and we have a program for skilled migrants that includes a meet and greet package when you arrive at the airport—because independent migrants typically do not have any family members in Australia,. We have a program for business migrants and a program for skilled migrants, and the one for skilled migrants includes being met and greeted at the airport, through a volunteer process, which is something we think is fantastic because it is a very warm welcome: from the day of arrival, there is a person saying, 'Welcome to Adelaide.' That person becomes a mentor, almost, a friend—

**Mrs IRWIN**—A part of the family?



**Mr Haren**—A part of the family; they are the point of contact from day one. People also have an opportunity to access furnished housing trust accommodation for three months. On day one of arrival, should they wish to settle in Adelaide and take up that offer, public housing is available—it is not the Taj Mahal, but it is furnished, and the state government picks up the cost of utilities. They do not need to worry about getting power and gas connected; it is all running. That is available for the first three months to give people a chance to get their feet on the ground and get comfortable.

So those are the two big support links for people. The volunteer will show people where the shops are and point out where the taxation office is and what the Medicare requirements are. It helps with their initial settlement. We offer that service to all the people we approach, but we offer that South Australian immigration package to independent migrants whose occupations are not in shortage. If they wish to consider settling in South Australia, they can then come back to us and engage us through that package.

So we have that direct mail-out and we have our web site, which we have developed fairly extensively. It provides a wealth of information about the costs of living and housing. Obviously, we promote the jurisdictional difference between the cost of housing in Sydney and the cost of housing in Adelaide, and the cost of living generally here—both costs are lower in Adelaide than in Sydney. We want to bring to the attention of people that South Australia exists and that it has some elements which they might find attractive. Ultimately, it is for them to decide where they choose to settle. We are not about forcing people to come here, but we want people to be informed that South Australia is a location that they might wish to come to.

**Mrs IRWIN**—That sounds very impressive. Is there any chance we could get a copy of that meet and greet package?

**Mr Haren**—Sure.

**Mrs IRWIN**—Just out of curiosity, how many contacts to date have you made with people overseas, and how many have taken up the offer?

**Mr Haren**—I will have to get some details on that.

**Mrs IRWIN**—Could you take that on notice?

**Mr Haren**—Yes.

**Mrs IRWIN**—Have you any idea which countries they are coming from?

**Mr Haren**—Probably the leading two countries are the UK and South Africa. We have had a wide range of people from all over though—Singapore, Asia, Malaysia and Europe—reflecting, in part, the migrant entry program.

**Mrs IRWIN**—Recommendation 8 on page 7 of your submission states:

The Commonwealth Government should continue to work with the States to develop appropriate policy responses to address issues that are impacting on the competitiveness of Australia's skilled migration program, such as those that will be highlighted through this Review.

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What do you feel are the most urgent issues for South Australia, and why?

**Mr Haren**—We are hearing more and more that not only is Australia's demographic profile changing—ageing and so on—but that there is an increasing competitiveness globally for skilled migrants. We are hearing that other countries that have not typically been involved in running migration programs are now very much in the marketplace for skilled labour. Currently, Australia is running its program the way it does: it has a program cap and the places available are met within that planning level. Therefore, if you have a huge demand from people applying for migration places, that will blow out the processing time for each candidate who is applying, unless they are nominated through a state government, say, where they get priority processing.

So the question is whether that is the best program for Australia, if it wants to be competitive internationally and to remain a vibrant place for skilled migrants. Is migration a supply and demand thing where, if people have the skills and the qualifications that Australia needs, they get a visa—like an open door process, therefore, based on the standards of entry for skilled migrants—or should we have a cap which then drives the speed of processing? Also, if you have an open assessment model, should the ASPC be resourced to meet particular standards? Should we have a processing standard of six months, nine months, 12 months—or doesn't it matter?

If other countries are doing better than us in terms of processing times, will we lose a competitive edge? The issue that was in the back of my mind was that we need to keep an eye on that. To compare and contrast the respective processing models of every country is a huge task. I do not have a handle on that, I can assure you. I do not know whether our model is better than, equal to, or worse than other countries. We have a model which we are comfortable with. But in terms of international competitiveness, are we at the leading edge, are we behind, do we need to keep an eye on that and how do we do that?

**Mrs IRWIN**—How do we improve it?

**Mr Haren**—Do we rely on Immigration to inform us collectively that what they have is the best or should there be some other independent evaluation or advice coming in? Maybe Immigration gets independent advice and then forms its policy through that process. We would be asking that that independence be there in keeping an eye on our competitors as a nation.

**Mrs IRWIN**—Can you name any of the areas in South Australia where you feel that you would like to have more skilled migrants—I do not like to use the word 'desperate'?

**Mr Haren**—The south-east of South Australia is one area, and they also have a population need. There is a belief that their region needs to grow for their own economy. It is also a very active economic zone with a lot of economic activity such as manufacturing and primary production. I am aware that there is a lot of interest in migration in that area. We are currently running a project in the south-east aimed at better promoting regional employers by the state specific mechanisms, particularly the RSMS—the Regional Sponsored Migration Scheme—and the STNI. We are seeing if we can increase the intake of people into the south-east. We are hoping to move into the Riverland to see if we can then pursue better opportunities for promoting that there. All being well, we will then try and see if we can get models that might work and apply them right across the state.

**Mrs IRWIN**—In the last parliament there was an inquiry into state specific migration. I know that the South Australian government put in a submission to that inquiry. What came out of that inquiry, when talking to various other states, was that there was a shortage of doctors and nurses, especially in rural and regional Australia. Are you experiencing that in South Australia?

**Mr Haren**—There is no doubt that there is a shortage. We have found that there is a strong demand for all the health professionals. There is an Australia-wide shortage of nurses in particular. I think that there is almost a global shortage of nurses, and we are experiencing that. We have seen a lot of doctors come into regional South Australia through the temporary resident doctor program, and there are those who qualify for a permanent visa. We see a few that come through the regional programs. A whole range of skill shortages still exist across the board in the health professions. The supply and demand between skilled labour, particularly in the blue-collar area, is high—diesel mechanics, carpenters and a range of occupations.

**Senator EGGLESTON**—Starting off with a medical question, following on from the one that has just been asked by my colleague: would you have any idea how many unfilled places for medicos there are in rural South Australia?

**Mr Haren**—No. I have heard it said that South Australia has a very good process of filling vacancies for medical practitioners in rural South Australia. We have a rural remote health service, which expressly focuses on meeting those shortages. I cannot answer that question; I do not have the details.

**Senator EGGLESTON**—I know that the health service in Western Australia very largely depends on overseas trained doctors to run the hospitals and fill many rural medical positions. I suppose that leads into the issue of delays in processing visa applications for these people. I would have thought that, if there was a need for somebody like a doctor in a specific area, a year would be a long delay and there would be a very great need for expediting the assessment process and granting visas in those sorts of situations. By expediting the visa processing system, what specific job areas would that assist?

**Mr Haren**—I think the Regional Sponsored Migration Scheme, which enables employers to nominate overseas skilled people to enter Australia, is a bit like the STNI scheme, in that it does receive priority processing. So any employer sponsored program—and certainly the one that we are involved with in South Australia through the Regional Sponsored Migration Scheme—does receive priority processing, and we find that is of the order of four months. I understand that that almost mirrors the temporary entry arrangements which are often used for medical practitioners. They often enter Australia on conditional visas that limit them to practise in certain regions. I understand that they are also processed in about four months; because they are getting temporary visas, they come through reasonably quickly. From our point of view, where there is a state involvement in the immigration process, there is an opportunity for it to take four months. Many employers think that four months is too long.

**Senator EGGLESTON**—Yes, they do.

**Mr Haren**—From my experience I have found that, if people are married and have children, it can take every bit of four months to move from country A to country B and to organise your affairs. If there is a lot of pressure from the employer, there is always the option that the

principal can enter before the other family members. If the nominee is willing to enter in advance of other family members, that can happen.

**Senator EGGLESTON**—Going to your recommendation 7, you say that the Commonwealth government should work with the states and territories to minimise barriers to the recognition of overseas qualifications. What particular areas are you talking about there? Are you talking about trade qualifications?

**Mr Haren**—It is mainly where there is a professional registration or a licensing requirement within Australia. For example, electricians might be qualified in their home country to do electrical installation work—and may have been doing so for many years. When they apply for migration and meet the trade's recognition requirement for entry, they are granted their visas. When that process occurs, the applicants are advised that they may need to seek licensing and/or registration in the state in which they settle. That then becomes a local issue when they arrive. I think the issue there is whether there is a better way of doing it—perhaps a national process.

I understand that the nursing board does the assessment for nurses and that that national assessment panel is comprised of people from each state and territory. So, when nurses who apply for migration have their qualifications assessed, their assessments are principally meeting the requirements for entry into Australia but, because each state and territory is on that particular panel, just as night follows day the nurses will qualify for registration in any state or territory in Australia when they arrive. That seems to be a very smooth, transparent process and no pain for the applicants.

In contrast, electricians wanting to enter South Australia—and I am not an expert in this area; I am just speculating—would need to meet the South Australian licensing requirements. If they went to WA, there would be a different set of licensing requirements. The speed at which a person could acquire a licence would differ. So whether or not a person could work would depend upon where that person settled. I understand that electricians may qualify for a B-class licence and work under supervision until they qualify for their A-class licence. But that might take some time, depending upon what arrangements are in place.

**Senator EGGLESTON**—So would you support some sort of national trade qualifications standards board or something like that?

**Mr Haren**—Something which makes it easier from the migrant's point of view so that when they are assessed as meeting the qualifications for migrant entry they are able to pretty well be qualified from day one of arrival to practise in their field.

**Senator EGGLESTON**—In recommendation 6 you say that the Commonwealth government should work with the states to develop a population policy for Australia and should use this as a basis for setting the objectives of migration programs. Do you want to make any further comments on what South Australia might see as being broad migration priorities?

**Mr Haren**—Population is a huge issue. Just from ABS statistics on South Australia, a couple of scenarios would indicate that in the year 2051 Adelaide will be the same size as—if not smaller than—it currently is, and the age profile will be stepped up to a few years older. So the question of how big South Australia's population should be should probably be looked at with regard to it being part of Australia and with regard to the migration program. Population seems

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to be influenced primarily by fertility rates and international migration. International fertility rates are falling. If ABS projections can be relied upon, our fertility rates would seem to be going in that direction as well. It seems that international migration will be the main source for Australia's population, so what size our migration program should be probably depends in some part on what size Australia's population should be. That is how we might see migration fitting in. If you have a program of 80,000 or 100,000, why isn't it 100,000 or 110,000; why isn't it 200,000? It could be argued that the population policy could perhaps inform that debate.

**Senator EGGLESTON**—That is true. You also referred to the need to redistribute migrants away from the Sydney area, where most of them seem to go, to some of the other parts of Australia. It is easy to talk about that, but hard to achieve, I suppose, without special incentives.

**Mr Haren**—It is very difficult. I am not sure how the New South Wales government is able to deal with that issue. I know there is a working party currently formed between the Commonwealth and the New South Wales government to see how it can focus on that as an issue. There is no doubt that it is a challenge. I think Sydney, with its opera house and harbour bridge, is the iconic capital of Australia. The Olympics reinforced that, and Australia is often seen as being Sydney. In our marketing we try to show that there are other parts of Australia than Sydney and that we have a cost advantage that might be an incentive, particularly to migrants. How you translate that into getting people to settle in Adelaide instead of Sydney is a challenge. We would like to be able to work with the Commonwealth to enhance mechanisms. As to what those mechanisms might be and how they might work, the state specific mechanisms are aimed to achieve that type of improved dispersal. I think there is more scope yet in that area.

**Senator EGGLESTON**—Do you have any problem with business migrants as a subset of skilled migrants? Looking at them as a specific group, have you experienced any problems getting visas for business migrants in South Australia?

**Mr Haren**—Anecdotally, you hear the occasional complaint about slowness in the processing of business migrants, and sometimes you hear of frustration in getting a temporary visa for someone to come out and do some exploratory work to see if there is a business opportunity. We try to stay on top of those issues, and we try to intervene where we can—if there is an issue that needs to be looked at. There have been some isolated experiences there. I think the Commonwealth has changed its visa processing arrangements for business skills migrants, with the aim of improving the quality of the processing, and there are now three locations—Perth, Hong Kong and Taiwan. So from 1 March business migration will be processed through those three centres, and the aim of the Commonwealth is to try to get better quality and better time lines in decision making.

**Senator EGGLESTON**—Some people complain that business migrants from some countries and some areas, like the Indian subcontinent and central Europe, have difficulty getting into Australia, even though they do often have quite substantial sums of money in hand and would be useful to have in this country: do you have any comment on those sorts of anecdotes?

**Mr Haren**—We have little experience of clients coming from India. We often hear that kind of thing from Asia, but I suspect that it is a myth that it is difficult to get visas out of China. I have spoken with people in the immigration processing centre in Shanghai, and I think there is an approval rate of about 87 per cent for 456 short-term business entry visas.

**Ms Nicholson**—What we do hear anecdotally is that in many cultures keeping business records in the same way that we keep them here in Australia is not the normal practice, and therefore often when people do come to migrate they are unable to prove the sources of their funds. Even though they have the money, they need to be able to track that money. That is a requirement that the department of immigration has. The department needs to be able to work out where the funds have come from and whether they have come through legitimate means. So that can be a barrier for many people.

**Senator TCHEN**—Mr Haren, I want to clarify a few points. In both your written submission and your verbal submission you refer quite frequently to what appears to be successful consultation with Commonwealth departments, particularly DIMIA. Also in your recommendations you place a fair bit of emphasis on the need for further consultation with the Commonwealth on a number of points. What sort of interaction do you have with Commonwealth departments at the moment? I have heard indications from other sources that South Australia's liaison and consultation with Commonwealth departments are actually better than those of other states. What interaction do you have with Commonwealth departments—not just with DIMIA but also with other departments?

**Mr Haren**—If you look at the regional sponsored migration scheme, we have a tripartite model in place in Adelaide. We include the Commonwealth Department of Employment and Workplace Relations and the Commonwealth Department of Immigration and Multicultural and Indigenous Affairs in the assessment of individual nominations that we receive. We have ongoing, regular contact.

**Senator TCHEN**—How regular?

**Mr Haren**—We used to have weekly meetings where these cases were tabled and everyone got together. In recent times we have moved into the electronic era. We use email a lot to tick-tack between the three agencies involved. Typically, we meet once a month to talk about any problem cases we might be facing and/or to discuss policy issues that might be of concern to us in Adelaide. We also have a close liaison with the Department of Employment and Workplace Relations with regard to the STNI program. We do an annual review of employment opportunities within the state, and we rely upon the Commonwealth Department of Employment and Workplace Relations to give us advice on the supply and demand for particular occupations within Adelaide. It is on that basis that we form the opportunities list which Immigration accept as the basis for our nominating people under the STNI program. So DEWR and DIMIA in Adelaide play a very important part in our role within South Australia.

At the national level, we have the Commonwealth/State Working Party on Skilled Migration, which meets twice yearly at least. Then there may be meetings of specialists. For example, when business skilled migration was being developed during the last two to three years, we had meetings on that topic. We try to make sure that our position is well and truly before the Commonwealth when they are shaping their rules and regulations. One example is the investor category. We wanted a state specific migration investor visa. That was put forward about three years ago, and that will come online with the new visa program that is coming on stream from 1 March. So we try to lobby, liaise and communicate with senior people within policy formulation in Immigration in Canberra. It is the same with STNI. To encourage more uptake and more access to people through the skill matching database, we continually inform the Commonwealth of our wishes in that regard.

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**Senator TCHEN**—Are you generally happy with the arrangement you have in place and are you happy with the potential for developing a closer link, if needed?

**Mr Haren**—Yes. There is a will from the Commonwealth, certainly from the minister, for state specific programs to be successful. I know there is a ministerial commitment to that. The hardest part is trying to deliver the outcomes that everyone wants.

**Senator TCHEN**—Yes. What about multilateral relationships with other states?

**Mr Haren**—Other states and territories are present on the Commonwealth/State Working Party on Skilled Migration. I think we have developed a fairly open relationship with most states and territories.

**Senator TCHEN**—Including sharing the human resource of skilled migrants? I think one of the big problems as far as the South Australian population is concerned is not so much international migration but, more importantly, intranational population migration—in the sense that the states are always in competition with each other. Does that help or hinder your developing a working relationship?

**Mr Haren**—I think there is a healthy respect. With regard to the states involved in the STNI program—Victoria and South Australia are the main two—we are conscious that we need to be on our game to nominate people fairly quickly after they become available to us or else they will be tapped on the shoulder by Victoria, for example. Once a person makes a commitment to settle in a destination, it is not our role to try to undermine that. We want to be out there fairly quickly to respond to those who are available to us, so I guess there is a competitiveness there.

**Ms Nicholson**—There is, but one of the things we also acknowledge is that we are talking about a migrant's future. So, while we are competitive, we also see our role as giving migrants an informed view of what our state is about and letting them make an informed choice about where they are ultimately going to settle. While we do try to promote our state, we hope we are not doing it to the detriment of the life outcomes of migrants. But we do see other states as competitors, yes.

**Mr Haren**—We often say to people, 'If you have a unique occupation that we do not have any knowledge of, it may well be that you should do your homework very thoroughly. Perhaps you should come out and visit and speak to employment agencies or to people who may offer the work that you are involved in, to see whether South Australia is the right destination for you.' As Katrina said, we try to make sure that people have a good outcome. There is no joy in bringing people to the state if they are unsuccessful.

**Senator TCHEN**—On the issue of STNI settlement in particular, you said that when you surveyed the 47 visas issued in 2001 you found that all the entrants concerned were still in South Australia. That is very impressive. Congratulations. Are you able to keep track over a longer period of people who perhaps came in on STNI earlier? I understand, for example, that 169 visas were granted in 1998-99. What proportion of those entrants is still in South Australia?

**Mr Haren**—Right now I cannot give you an answer to that. That particular survey was a unique survey of that population. Since that time, the Commonwealth has obliged us to be much more involved in monitoring that group of entrants. In that regard, we have required additional

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information from the Commonwealth to assist us. For example, when a person was given a visa under the STNI, we would nominate somebody and then, having nominated them, Immigration would continue processing their visa application. If there were health or character requirements to be done, all that process would happen and then, if the person met the visa requirements, they would be granted a visa. That could take three, four or five months. From there, the person had a further nine months in which to enter Australia. So that is 14 months from the time of nomination to the time they may enter Australia.

When we first began the process we were never told when the person was granted a visa, so we did not have a lot of intelligence as to when that happened or when they would enter Australia. We have agreed with the Commonwealth about the need for additional information to assist with the monitoring, and we have now been asked to report six monthly on the settlement outcomes of the people we have nominated. We need to keep in touch with the people who have arrived, which is not always easy as they have a lot of things going through their heads. We have asked them to keep us informed of their cell phone number, their address or whatever it might be, so we do rely upon the applicants to keep us informed of a contact. We try to do that by asking them to come to see us during the first week of their arrival. We form our relationship in person with the new arrival and encourage them to keep us informed of their address details. That is where we are at now. We are doing that on a monthly basis, and the aim is to report the details to the Commonwealth every six months.

**Senator TCHEN**—On page 9 of your submission, at paragraph 4, you refer to DIMIA changing the processing sequence—at the recommendation of the South Australian government—to enable more active promotion by state and territory governments. Can you amplify that and tell us how the change in the sequence would allow you to achieve this more active promotion?

**Mr Haren**—The sponsorship sequence in the business area was that, if you applied for business migration and met the standard business migration criteria, you were processed as a standard business migrant, whether or not you were sponsored. We wanted state sponsorship to be given priority, as it were, in processing—and also with regard to the sponsorship we had done. We did not want it to just default to the unsponsored visa category; we wanted it to be processed as part of the sponsored visa category. I think that is the thrust of it. The Commonwealth has accepted that proposal, and that is under the current business skills arrangement which will change on 1 March. That principle has been carried further into the new visa regime, whereby sponsorship by a state government in the business skills category does provide, firstly, for priority processing; and, secondly, for more generous visa criteria. That is the spirit in which we have always negotiated with the Commonwealth. Where we sponsor and try to increase the uptake of business or skilled migrants into the state, we ask that the criteria be more generous so that we can attract people who otherwise might not be interested.

**Senator TCHEN**—So it is really an extension of the STNI principle?

**Mr Haren**—Yes, it is that same kind of philosophy.

**Senator TCHEN**—But broadening it for anyone who comes to South Australia?

**Mr Haren**—Yes.



**Senator TCHEN**—In the next paragraph you say that you made a proposal to DIMIA to introduce a designated area investment link visa, designed to entice applicants to consider the state, and you say that to date you have not received any response from DIMIA. Can you explain to us how this proposal is supposed to work?

**Mr Haren**—Since we authored that document in August, the Commonwealth has accepted that proposal. There is now a state sponsored investor category. Again it has the concessional component to it, and the way it works is that if you are unsponsored you need to invest \$1.5 million into a state security and if you are state sponsored you need to invest half that amount—\$750,000. If an investor wishes to invest and live in our state for at least two years of the four-year period of that bond, they are only required to lodge \$750,000. We are optimistic that we will see a greater uptake in that category. South Australia also has a strong interest in receiving money into its bonds. Not all states and territories have the same interest in that regard. In fact, we have heard that the ACT government has no interest in participating in this investor category.

**Senator TCHEN**—There is probably plenty of Commonwealth investment.

**CHAIR**—There is a move at the moment by the Treasurer, because of our healthy position, to get rid of government bonds. What would migrants be required to do if they did not put the money into government bonds—would they just put the money into the Reserve Bank as some sort of a deposit? That is interesting. It has traditionally been bonds.

**Mr Haren**—I was not aware of that move.

**CHAIR**—I think the Treasurer is looking at that proposal at the moment.

**Senator TCHEN**—But the state government loan still qualifies, does it not?

**Mr Haren**—It is a state government bond that we are using. Each state and territory has a bond that it puts forward for this. Also, under the skilled migration program, an additional five points can be awarded if a person puts \$100,000 into a bond. It is a state bond. I do not know whether state bonds would be influenced by the whole issue.

**CHAIR**—I think this whole area of government bonds is being looked at. I am not too sure whether the proposal equates with state bonds. It would be interesting to see what migrants would have to put up, and whether there would be an abolition of state bonds as well as federal bonds.

**Mrs IRWIN**—You put 14 recommendations in your submission. The one that I want to discuss is the last one, recommendation 14, so we are going to be talking about New South Wales and South Australia. In recommendation 14, you stated:

That the Joint Standing Committee explore with the New South Wales Government workable options for diverting skilled migrants from Sydney to other locations that have a demand, such as South Australia.

I want to go back to a meeting that we had yesterday in New South Wales with the Community Relations Commission. In their submission, they suggested a closer cooperation between the Commonwealth, the states and local bodies, especially in trying to attract jobs to other areas of

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Australia. Have the South Australian government approached the New South Wales government? Have you discussed the diversion of skilled migrants from New South Wales to South Australia? What workable options do the South Australian government feel would work in diverting skilled migrants from New South Wales? Have you picked up the phone and spoken to them? I am sure they would like to talk to you.

**Mr Haren**—Those are two very challenging questions. We have spoken at officer level. At minister to minister level, I am not aware that that issue has been discussed. At officer level, we have had conversations about how to achieve it. If the aim is to disperse people from the Sydney Basin into regional New South Wales, how do you do it, who should do it, who should be the driver of it, how do you measure the success of it and, whatever you introduce, will it work? For example, do you give subsidies or grants or do you create jobs in regional New South Wales? How do you prevent a person who wants to go to New South Wales from entering that region and then going to the Sydney Basin after they have arrived? They are unanswerable questions arising from the informal discussions we have had: there is no restriction of movement within Australia, which is quite natural. How New South Wales deals with the Sydney Basin and its regionality is a challenge in itself, but it probably reflects the same challenge that South Australia has in getting people.

**Ms Nicholson**—The same things that attract people to New South Wales do not attract them to South Australia because of the fact that there are already established communities there. Some of the research done shows very clearly that people are attracted to places where they know either their friends, their family or even other members of their community have been successful, and where there is a cultural group within that society that they are travelling to. New South Wales already has a very strong migrant base, and that would tend to attract people in the first instance. That is one of the challenges we face in South Australia: we do not have the base community to attract people and form what is called a migration chain to bring people along behind them. So that is one of the barriers. How you overcome the kinds of barriers that we face is one of the challenges. One of the other challenges is the fact, as John has mentioned, that the Constitution does not allow the department of immigration to direct people other than by using schemes that will attract them to a different place. It cannot direct them to a different place. So all of those sorts of things put together almost seem insurmountable in many ways.

**Mrs IRWIN**—This is what we felt when we visited the states. A few of the submissions that we have received to date expressed the view that local governments, state governments, federal governments and our territories should work together in partnership; they should look at the big picture, look at where the resources are, and where we should put more resources to attract those migrants—for example, into affordable housing, their temples or churches, community halls.

**Mr Haren**—I think that is right. There is a housing issue in the south-east of South Australia; there is just not enough housing there. Often you have the movement of population, say, for the grape harvest. Who is going to build property for people who are only there for a short time, but where there is a requirement for housing? I am sure that there is a whole range of issues right throughout Australia and housing is one of them.

**Ms Nicholson**—I am not sure if the committee is aware of some of the services that we provide to skilled migrants to support them when they arrive and the promotion activity we do around that. But our challenge, when you have a global population of six billion people, has

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always been: how do you find the 100,000 who are going to migrate to Australia each year and then promote the respective advantages of each of the states so that people can choose? You always have the challenge that Sydney is the icon of Australia and that everyone is aware of the Opera House and the Harbour Bridge; you always have those kinds of hurdles to overcome. But there is that general awareness of places like Sydney whereas with a place like Adelaide—one simple thing we did was put a map on the back of our business cards to outline South Australia and highlight Adelaide—quite simply, the people we talked to did not know where Adelaide was. You have a whole raft of things that work against you when you are one of the smaller unrecognised states.

**Mrs IRWIN**—A little bit like Tasmania—but they are part of the mainland.

**Mr Haren**—We do have Tasmania on the map. It is a challenge all right.

**CHAIR**—On that issue and, again, it came up in the Sydney hearings the other day, in terms of that backlog could we place greater emphasis on some sort of migration mechanisms? I know you do a considerable amount to attract skilled migrants here, but in your opinion would there be any structural mechanisms that we could further enhance—for example, time periods in which people must stay in a regional area? Do you see that as being too restrictive and overbearing?

**Mr Haren**—One of the problems we had with respect to the STNI program was that there was a view that visas might become temporary or provisional. That could be seen as a two-edged sword: if we are trying to attract people to South Australia, will they come on a provisional visa—that is, if they do not stay within South Australia? We are talking here of a classic independent migrant who says, ‘I wouldn’t mind settling in South Australia. I don’t know anything about South Australia,’ so we agree to nominate them. If having arrived, for some reason or reasons unknown to them at the time, they are unable to settle and are unable to find work and be comfortable, under a provisional visa if they do not stay in South Australia, in theory they would be required to return to their home country. The question would be: why would you leave your home country, uproot and everything else, to come to an unknown state in Australia on the basis that, if it did not work out, you would be required to go back home, bearing in mind you have probably burnt all your bridges back home, you have sold your house, your kids are out of school, the whole catastrophe? It might meet an immigration requirement to show that only those who do settle get permanent visas, so there is a kind of balance there. Our view is that we would prefer to use a permanent visa with people who are of goodwill—provided that we can make that assessment. There will be some leakage but, provided that leakage is not too high, if you have a success—I don’t know what it might be, and that is something that is probably open for debate—

**CHAIR**—And you have emphasised in your submission that other countries would be more attractive if they were offering a permanent visa.

**Mr Haren**—Yes.

**CHAIR**—You mention that the states have different regulations in the technical and trades area. Have you had any feedback on whether there is a problem in the way that professional bodies conduct their recognition and testing? I think the institute of engineers said to us that 46 per cent of independent skilled migrants use their qualifications very often. What feedback are

you getting from people who come with professional qualifications? Have you done any follow-up study to ensure that they are using those skills?

**Mr Haren**—I do not have the detail to answer those questions. I have heard anecdotally from an engineer who was an international student who trained in Adelaide and who is president of the multicultural community council that when the engineering association do their assessment they have already dealt with all the issues of registration at the point of migration application. He tells me that all the people who come through the institute of engineers are able to work freely in their particular field. I am not familiar with the settlement outcomes of engineers—whether or not they actually do work in their profession.

**CHAIR**—Would that follow-up—ensuring that people do work in the skilled areas in which they apply to come out—be something the Commonwealth would undertake with the states? How do you think we could get that follow-up information? Some longitudinal studies have been done, but I do not know if we have had any done on this.

**Mr Haren**—We have had some debate on that. We nominate people because of the assessment done at the time of their application. When they arrive there is a view, under the STNI for example, that these people should work in their particular field. The question is: if the person does not work in their particular field, are they actually doing what ‘we’ want?

**Senator EGGLESTON**—It is a good question.

**Mr Haren**—From my point of view, I am probably a little open to debate on that. People move through different careers and different professions through their lifetime. You might do a degree in something or a trade in something and then there might be a natural progression through your life. You might move from being an electrician to being a manager of an electrical company. You might then go into spare parts or buy a business or get out of that trade altogether. The skills are still there in Australia. So, if a person wants to go to university to upgrade their skills after they have arrived, is it a good thing or a bad thing that they are not working in the occupation on which they were assessed for migration?

**Senator EGGLESTON**—It is an interesting question. Why would you have a skilled migration system if you were not going to require the people to use their skills when they came here? Why don't we just have a system where we say that we will take people with technical and tertiary qualifications and let them do what they want to do?

**Mr Haren**—That is a good philosophical argument. You could have that rule.

**CHAIR**—And then you could follow on with the matching and the predictions. You obviously need people from certain professions or trades, not people just coming in on an open-ended program.

**Ms Nicholson**—You also hear anecdotal information about the acceptance by employers of people with qualifications from different countries—that some trades and professions from one country will be well accepted and from other countries they may not. So it is also about employers' own prejudices, about their views of how well someone is trained when they come from a particular location. People have to deal with those issues as well if they do happen to

come from one of those countries that is not well regarded in that profession. So there are other barriers that we also have to deal with.

**CHAIR**—Thank you.

**Senator TCHEN**—I will add my voice to the question of whether too close a matching is actually beneficial. The other issue I want to talk about is your recommendation about population policy. Someone of my background is easily alarmed when people in Australia start talking about population policy. Historically, we had a population policy from 1901 to 1966. Since then, we have not had a population policy as such. But we did have one until 1966, and I personally find it alarming when I hear people talking about population policy. I am sure that you do not intend it that way, but I just want to make sure that we are talking about the same thing.

**Mr Haren**—When you say ‘population policy’, I am not familiar with what you mean.

**Senator TCHEN**—I am referring to the characteristics of a population that a nation is looking to develop. As a nation, in 1901 we had a population which said that Australia’s population should be white and English speaking.

**Mr Haren**—I can assure you that we are not referring to anything like that.

**Senator TCHEN**—I am sure you are not, but I just wanted to make sure that this is on the record and that we agree.

**Senator EGGLESTON**—The most ethnic diversity available.

**Senator TCHEN**—When you talk about population policy, do you refer to a population policy solely as a guide to a migration program, or are you talking about a population policy which has a far more wide-ranging purpose?

**Mr Haren**—A far more wide-ranging purpose. There is a view in planning that you need to know where you want to be and what you need to do to get there. So, if Australia has a view that it requires a population of X, then we need to know by what means we will achieve that particular target, taking into account issues such as fertility and the demographic profile of the country and if the movement towards capital cities is good or bad. We need to know what we want Australia to look like—the broadest picture—and how to satisfy that picture. Immigration would be an element that would go into satisfying whatever the population policy would have in its image.

**Senator TCHEN**—But really you are not talking about population policy as such; you are talking about national development policy. If you simply get a number of people here without the infrastructure to support them, without the industry and the economy to support them and for them to operate, then it is meaningless.

**Mr Haren**—You are quite right.

**Senator TCHEN**—So you are really talking about a national development policy rather than a population policy. The population is obviously a component, but it is constantly in dynamic balance with other components of this national development policy.

**Mr Haren**—You are right. It is a matrix of events, isn't it—one relies upon the other. If you do not have a strong economic base, you will not be able to retain any form of population increase. So the two do work hand in hand—the growth of the economy and the growth of the population. My personal view is that they go hand in hand. To support the bigger population, South Australia would require a vibrant economy. If the economy is not there, it would be very hard to market South Australia as being a destination. So it is incumbent upon our government to ensure that we have a proper economic development program. I guess a lot of the regional migration schemes are aimed to match state or regional development needs. So, in that context, I would agree.

**Senator TCHEN**—Also, of course, you need to incorporate a constant dynamic balance between states and regions.

**Mr Haren**—That is right—and then between Australia and Asia and between Australia and the world; the global economy and all those issues of global governments.

**Senator EGGLESTON**—Canberra is bad enough!

**Senator TCHEN**—On page 6 of your submission, leading to your recommendation on a population policy—and I now understand what you meant—you also questioned the appropriateness of the fluctuating pass mark. Firstly, my observation is that a fluctuating pass mark is a characteristic of a dynamically balanced system. I would also like to point out that in recommendation 4 you speak of flexibility in the migration program—which, again, implies a fluctuating pass mark, doesn't it?

**Mr Haren**—It does. I guess the pass mark on page 6—

**Senator TCHEN**—You just want more certainty or more transparency rather than a fixed pass mark.

**Mr Haren**—If today you achieve 110 points and you are a suitable migrant for Australia, you get a visa and you are welcome to Australia. Tomorrow the acceptance level is changed to 115 points and so, if you only get 110 points, you no longer qualify for a visa. So you have the philosophical issue of whether a candidate is better or worse at 110 or 115 points. It is an artificial measure, and it looks at meeting a program cap rather than at whether these are the ideal people to settle in Australia.

**Senator TCHEN**—But, if you accept that the program cap is based on Australian economic and social demands—or estimates or projections or forecasts of population and economic and social demands—for the next year, then it is reasonable to say that it is not that a particular applicant is no longer a good migrant, it is just that he or she would not fit into the Australian national matrix at this time.

**Mr Haren**—That is a big assumption though, isn't it?

**Senator TCHEN**—No, because if you look at the flexible program, the flexibility is embedded into that, isn't it?

**Mr Haren**—Yes, but why is 110 the right number—or 115?

**Senator TCHEN**—That is a different issue.

**Mr Haren**—No, because I think what you were saying is that the economy can only support the entry of 110.

**Senator TCHEN**—For the next year, yes.

**Mr Haren**—And that is some objective, scientific, mathematical formula, which is perfect.

**Senator TCHEN**—Right, if you are questioning how the marks are set each year, I agree with you, but if you are saying that there should not be a fluctuating mark, I would say that you are contradicting recommendation 4 in your submission.

**Ms Nicholson**—There are other mechanisms for doing that though. If one were to determine the number of places, it could simply be a matter of first in, best dressed, so that a certain number of people would be allowed into Australia each year, on the basis of meeting certain requirements, but not necessarily by points. The points mark is another mechanism to do it, but there are a number of other ways of achieving the same outcome.

**Senator TCHEN**—Perhaps you would like to make a supplementary submission on that point. I think that point is quite worthwhile, because we should look at alternative methods for DIMIA to use to set their program.

**CHAIR**—Thank you very much for your extensive submission and the recommendations you have given us today. We really appreciate the time you have taken to speak to the committee and your very forthright and frank answers to us. Before I close, thank you again, Ms Nicholson and Mr Haren. If there are any matters about which we might need some additional information, the secretary will write to you. You will be sent a copy of the transcript of your evidence, to which you can make any editorial corrections as well.

Resolved (on motion by **Senator Tchen**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 10.23 a.m.**