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Ms Teresa Gambaro MP
Chair
Joint Standing Committee on Migration
Parliament House
CANBERRA ACT 2600

Dear Ms Gambaro

Attached is a submission from the Northern Territory to the Joint Standing Committee's Review of Australia's skilled labour migration and temporary entry programs. I am advised that officers of my department have contacted the Committee's Secretariat and received advice that the Committee is willing to accept this late submission.

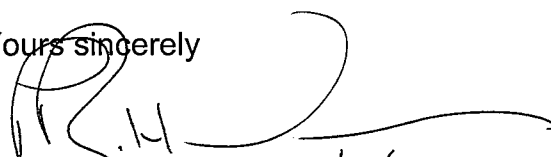
The Territory is moving towards a major development phase. The completion of the Adelaide to Darwin rail link and the bringing onshore of gas from the Timor Sea will bring to the Territory new and diverse industry and business opportunities. New industries establishing in the Territory are likely to need to access some of their skills requirements from overseas. It is important for Commonwealth policy to recognise and seek to facilitate the emerging requirements in regional areas.

Recognising the importance of population growth to the Territory the Government has established a Social Policy Unit and charged its Director with the responsibility of developing a Population Strategy for the Northern Territory. This strategy is due for completion in May 2003.

My colleagues and I would welcome the opportunity to discuss the issues that have been highlighted in the paper should you and your Committee members decide to hold a public hearing in Darwin.

Thank you for the opportunity to provide input into this review.

Yours sincerely


PAUL HENDERSON 4/12/02

**NORTHERN TERRITORY GOVERNMENT SUBMISSION TO
THE JOINT STANDING COMMITTEE ON MIGRATION -
REVIEW OF AUSTRALIA'S SKILLED LABOUR MIGRATION AND
TEMPORARY ENTRY PROGRAMS**

In August 2002 the Northern Territory Government released the Northern Territory Population Strategy Issues Paper. In releasing the paper the Chief Minister highlighted that the Government viewed the creation of a strategic plan for population growth as integral step in the creation of social and economic opportunities. The Issues Paper, a copy of which is attached, identifies a number of options that the Government may explore to boost the population of the Northern Territory. Initiatives to boost skilled migration from overseas and interstate are among the options identified.

Although the numbers are limited, migrants and temporary entrants are vital sources of skills for the Northern Territory's health and education and business sectors. Territory businesses, particularly those in regional and remote areas, often depend on skilled overseas workers to temporarily or permanently fill skill gaps. Maintenance of Australia's position as a migration destination for skilled overseas workers is vital if the Territory is to continue to access the skills it needs.

A number of developed countries seeking to address specific skill shortages in areas such as health and education or the economic impact of their aging population have recently implemented strategies to attract skilled workers from overseas. Traditionally Australia has competed for skilled migrants against the USA, Canada and New Zealand. However countries such as Japan, Germany, the United Kingdom and Norway have begun or are considering entering the market for skilled overseas workers. This global competition for skilled workers will provide them with increased destination and employment options.

In this highly competitive environment ongoing reviews of Australia's position in the market and the efficiency and effectiveness of its skilled migration and temporary entry programs, procedures and processing are needed. These reviews will provide vital data to help Australia tailor its programs to ensure it remains an attractive destination for skilled migrants and continues to attract the quality and numbers of skilled migrants and temporary entrants it needs.

Appropriate settlement services are important in achieving migration outcomes regardless of whether humanitarian, family or skilled. It is vital for the Commonwealth to acknowledge the important role appropriate settlement services play in establishing migrants in regional areas and recognise that there

are additional costs incurred in providing these services in regional areas and the need for these services to be maintained outside metropolitan areas.

Evaluating Competition and Understanding Clients' Needs

The Department of Immigration, Multicultural and Indigenous Affairs collects and collates data and carries out comparisons on Australia's permanent migration and temporary entry categories and those of its major competitors.

While the information provides a current comparative snapshot it provides no insight into the migration program, in particular, it does not provide information on the country or employment attributes that skilled overseas workers take into consideration in forming their migration decisions.

Against the backdrop of increasing global demand on the finite pool of skilled overseas workers, data on the decision drivers and preferences of the market will be necessary if the Australian Government is to make informed decisions on the structure of Australia's skilled migration and temporary entry programs. Without an understanding of both the demand and supply side of the market equation it will be difficult for Australian Government agencies to develop the programs to keep Australia "competitive".

Consideration should be given to gathering and maintaining additional information on the migration program, and country and employment attributes that influence skilled migrants'/ temporary entrants' choice of country.

Given the global market in which Australia will be competing to attract skilled migrants there is also a need to further review the recognition of overseas qualifications by registration boards/authorities to ensure that Australia is not losing suitably skilled overseas people to competing countries because of the difficulties in gaining qualification recognition.

Procedures and Processes - Employer Nomination/Temporary Entry

While there are a number of procedures and processes for skilled migration or temporary entry programs, in general skilled workers who apply for migration or for more than twelve months temporary stay undergo a rigorous assessment process. While understanding the need for skilled migrants and temporary entrants to have appropriate skill levels and good health and character, some of the processing delays encountered makes employing from overseas difficult for business. This is particularly so for small businesses where often their day to day operations cannot be maintained without the skilled workers they have sponsored.

While there are provisions in place to "fast track" applications under schemes such as the Regional Sponsored Migration Scheme (RSMS), the success of

these provisions vary and hinge on how they are applied by the overseas DIMIA office. There are examples where nominees under RSMS have encountered considerable processing delays that have placed undue pressure on the sponsoring employer.

It is now common practice to have skilled overseas workers enter Australia as temporary entrants and then convert to permanent residence onshore. This temporary entry to permanent pathway can overcome some of the delays although delays can still be introduced by the approach of the overseas processing office.

In recent times there has been increased use of business (short stay) subclass 456 visas (or their electronic equivalents subclasses 956 or 977) to achieve quick entry into Australia for skilled workers. This has meant Australian employers could access the skills they require with limited delay.

Australian employers can then lodge sponsorships for their overseas workers under Temporary Business Entry (long stay) subclass 457 onshore with the possibility of moving their overseas worker to permanent residence at a later time. This 456/457/permanent residence visa pathway can be used to give Australian businesses rapid access to skills identified as being in desperate shortage. However this use of the 456 visa appears to be at the discretion of the senior officer in the overseas DIMIA office.

There is a need for this process to be fully legitimised so that it is applied consistently by DIMIA offices worldwide. Processing times are often crucial for Australian employers seeking to access skills from overseas and implementing fast tracking practices and procedures will enhance the attractiveness of overseas sponsorship.

Demands for Trade Skills

The Northern Territory is on the cusp of an enormous increase in economic activity with the completion of the AustralAsia Railway (the Alice Springs to Darwin railway link), the East Arm Port and the bringing onshore of Timor Sea gas for processing.

The Northern Territory Government's Economic Development Strategy identifies the development of "inter-modal (road/rail/sea/air) linkages" as one of the key economic drivers, with January 2004 the target date for the completion of the AustralAsia Railway and the East Arm Port integrated transport project. The Strategy also highlights the Oil and Gas industry as an emerging industry and the target dates of 2006 and 2007 respectively for bringing onshore of Bayu-Undan and Sunrise gas.

The construction phase of the plant/s for LNG and the other downstream processing will result in a considerable increase in the demand for trade skills in the Territory. On the current timetables the Territory's increase in demand for trade skills is likely to coincide with other demands for similar skills for the construction phases of LNG developments in Karratha in Western Australia and mineral and chemical processing plants in Gladstone in Queensland.

Mechanisms to facilitate the rapid temporary entry of overseas skilled workers to meet the increased demand for major projects need to be established. Without appropriate mechanisms to respond efficiently and effectively the economic benefit to Australia from these projects could be jeopardised, skill shortages could fuel wage demands and result in increases in projects' costs.

There are countries in Asia and South East Asia that have the potential to provide trade skills for major projects. However there are barriers as most of these countries do not have formal trade training and their trade workforces gain their skills on the job. While there are pathways for Australian recognition of trade skills acquired on the job these are generally complex and lengthy and are unlikely to provide skills for major construction projects without early planning and close cooperation among the Commonwealth and State/Territory agencies and the private sector.

Skill Shortages in the Health and Education Sectors

Australia, like a number of other developed countries, is becoming increasingly reliant on overseas skilled workers to fill skill gaps in the health and education sectors. States/Territories are seeking to address skill shortages that already exist in these sectors in many regional and remote areas. Northern Territory employers in both the public and private sectors are actively recruiting from overseas to fill their skill needs in health and education.

With increasing global competition for the pool of health and education professionals it is likely that these shortages will increase. Work is required to identify possible new pathways for accessing these skills from overseas.

Skilled Regional Sponsored Migration

The Australian Government has responded to concerns about skill shortages in regional areas and the skewing of Australia's migration intake to large metropolitan centres by implementing a number of mechanisms to increase the dispersal of migrants to regional areas. However, in order to maximise the effects of these initiatives, there is a need to improve the processing times for these applications.

Currently it is not uncommon for applicants under Skilled Regional Linked and Regional Linked categories to encounter processing delays of more than 12

months in some overseas offices. Attention needs to be given to how processing times can be shortened, particularly when applications are linked to regional areas.

Settlement in Regional and Remote Areas of Australia

A number of settlement services are important to all migrants regardless of which of the migration programs they used to enter Australia. Therefore in discussing settlement services it is not appropriate to focus on one migration stream.

There is a need for flexibility in the Commonwealth's service delivery models in regional Australia if the outcome of better dispersal of migrants is to be achieved.

The Commonwealth's migration and humanitarian programs place greater emphasis on skilled migrants and targeted outcomes for humanitarian settlement. This has resulted in a change in the delivery of settlement services for new and longer term migrants (those that arrived in the 1950's and 60's) and the focus is on providing settlement services to new and emerging communities and humanitarian entrants. The earlier concept of settlement services for life appears to have changed to short to medium term assistance and moving migrants into mainstream services.

The Integrated Humanitarian Settlement Strategy (IHSS) is a national framework designed to improve settlement service outcomes for humanitarian entrants. The program has moved from a community-based support service to a contract-based service delivery accessing mainstream/specialist services to meet the needs of the client groups. However, such frameworks often do not acknowledge the regional, city differences in the delivery and administration of the programs.

An example is the accommodation component under the national IHSS framework where a local IHSS provider is unable to access Industry Housing provided by the Northern Territory Government in both Darwin and Alice Springs to assist refugees in their first six months of settlement. Although the Northern Territory Industry Housing is for an initial six month period as opposed to permanent accommodation under the national framework, there is an advantage as the approach enables refugees to become familiar with the area before settling into permanent arrangements. In both Darwin and Alice Springs there is a shortage of budget accommodation and it would appear that the Northern Territory is disadvantaging refugees by denying them access to Industry Housing because it does not comply with the national framework. This could be addressed by having more flexibility in administering the national frameworks in regional areas.

If the Commonwealth's direction in settlement services is headed towards more contract-based services with national frameworks then there is a need to

examine how the inflexibility of these models will affect the better dispersal of migrants away from the capital cities to regional Australia.

Another example is the decision by the Commonwealth to suspend the referral of refugees to settle in Alice Springs given that Central Australia has an established history in the successful re-settlement of migrants and refugees. Under the national IHSS framework the Territory IHSS provider has been given an 18 months exemption in providing refugee settlement services to Alice Springs. If this decision is based on the difficulty in providing the service in Alice Springs, unit service delivery costs and low refugees numbers, then it is difficult to see how this situation could change given that cost and distance are always factors in providing services in regional areas.

The Commonwealth cannot continue to reduce settlement services to regional areas if it is to achieve better dispersal of migrants to regional Australia. An example is the likely reduction of funding to the Migrant Resource Centre of Central Australia. The Centre is 1000 kms away from the nearest state capital and it provides a range of valuable settlement services to migrant settlers in Central Australia. Comparison of unit service delivery costs to the costs in capital cities is not appropriate. The Commonwealth must acknowledge and factor in higher delivery costs and the requirement for more resources in regional areas if its drive to better migrant dispersal is to be realised.

While the Northern Territory is not a major player in Australia's migration and temporary entry program for skilled labour, the programs provide vital skills to a number of the Territory's key sectors. Initiatives to increase the Territory's share of migrants, including skilled migrants, is one of the options to be examined in the development of the Northern Territory Government's Population Strategy.

The attractiveness of regional locations must be enhanced to ensure dispersal of skilled migrants. Recognising the needs of migrants in regional areas and ensuring that appropriate services are available to them is one way in which the Commonwealth can improve the attractiveness of regional locations.

Timely monitoring and review of Australia's programs in the face of global market changes, improving processing efficiency so that the transfer of the skilled workers to the workplace is expedited and identifying new effective pathways for trade and qualification recognition and to address health and education skills shortages are considered to be key issues for this review of Australia's migration and temporary entry program for skilled labour.