
The Parliament of the Commonwealth of Australia

New faces, new places

Review of State-specific Migration Mechanisms

Joint Standing Committee on Migration

September 2001
Canberra

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Contents

Foreword.....	ix
Membership of the Committee.....	xi
Terms of reference	xiii
List of abbreviations.....	xiv
List of recommendations.....	xv
Executive summary	xix
1 The Review	1
2 Overview of State-specific Migration Mechanisms	3
Purpose	3
Origin	4
Mechanisms.....	4
Main schemes.....	5
SsMM utilisation	5
SsMM safeguards.....	6
SsMM resources.....	6
3 The regional conundrum.....	7
SsMM as regional schemes.....	7
But what is a <i>region</i> ?	8
Origins of SsMM regional focus	9
Divergent principles underlying SsMM.....	9

Divergent definitions of regional Australia	10
Designated Areas	12
Promotional problems	13
Poor targeting of migration	13
Uneven competition	13
Conclusion	14
Summary	15
4 Regional Sponsored Migration Scheme (RSMS)	17
The Scheme	17
Federal - State/Territory Consultation	17
Localities involved	19
Concessions to attract migrants	19
Operation	19
Skill Matching	20
Certification of demand	21
Safeguards	21
Attractions of the scheme	22
For the employers	22
For the locality	22
For the potential migrants	23
Utilisation	23
RSMS in Practice: The South Australian Government Approach	24
RSMS in Practice: Other States and Territories	26
Issues raised	27
Role of local bodies	28
Delays	29
Consistency	30
Lack of certifying bodies	31
Risks to employers	31
Flexibility on thresholds	34
'Exceptional' approvals	35
Medical Personnel	37
Usefulness of the Skill Matching Database	38

Labour market testing.....	39
Prior connections.....	42
Migration as a substitute for local training.....	45
Monitoring RSMS after arrival.....	46
Publicity.....	47
Measuring success.....	47
Summary.....	54
5 State/Territory Nominated Independent.....	55
The scheme.....	55
Federal - State/Territory consultation.....	55
Localities involved.....	56
Concessions to attract migrants.....	56
Operation.....	56
Safeguards.....	59
Attractions of the scheme.....	59
For the States and Territories.....	59
For the potential migrants.....	60
Utilisation.....	60
STNI in practice.....	61
Issues raised.....	62
Usefulness of the Skill Matching Database.....	62
Resource implications.....	64
Employment opportunities.....	65
Legal obligations.....	65
Settlement intentions.....	66
Measuring success.....	66
Summary.....	69
6 Skilled – Designated Area Sponsored.....	71
The scheme.....	71
Federal – State/Territory Consultation.....	71
Localities involved.....	72
Operation.....	73

Concessions to attract migrants	75
Safeguards	75
Attractions of the scheme	76
For Australia	76
For the sponsors.....	76
For the locality	76
For the potential migrants.....	76
Utilisation	76
SDAS in practice	77
Issues raised	78
Differing interpretations	78
Uncertain linkage.....	78
Measuring success	80
Summary	81
7 Regional Established Business in Australia	83
The scheme	83
Federal – State/Territory consultation	83
Localities involved	84
Concessions to attract migrants	84
Operation	85
Safeguards	86
Attractions of the scheme	86
For sponsors.....	86
For the locality	87
For the potential migrants.....	87
Utilisation	87
REBA in practice	88
Issues raised	88
REBA interaction with the Long stay Temporary Business visa	90
The need for flexibility.....	94
Centralisation.....	96
The concept of ‘regional’	96
Encouraging investment.....	97

Measuring success	98
Summary	98
8 Other mechanisms	99
More consideration of family arrangements	99
Support for spouses	100
Dependent children	100
Family businesses	101
Using projects as a driver for migration processes	102
New 'regional' visas	103
Regional visa class.....	103
Investment-linked regional visas	104
Community-sponsored visa	105
Onshore recruiting	105
Working holiday-makers	105
Students	108
Refugees	110
Lottery	111
Summary	112
9 Overview	115
Consultation	115
Utilisation	116
Increasing take-up	118
Publicity	119
Better marketing strategies	124
Migrant Retention	125
Implications of increased take-up.....	126
Other mechanisms	127
Summary	127
Appendix A: List of submissions	129
Appendix B: Hearings and Witnesses	133

Appendix C: Exhibits.....	139
Appendix D: Key Features of Main Schemes.....	143
Appendix E: Migration sites.....	147
Appendix F: Glossary of key terms.....	151
Appendix G: Regional Certifying Bodies.....	155
Table 3.1: Designated areas.....	12
Table 4.1 RSMS: Annual visa grants by State/Territory – 1995/96 – 2000/01	24
Table 5.1 STNI: Annual visa grants by State/Territory – 1997/98 – 2000/01	61
Table 6.1: Designated areas.....	73
Table 6.2: Regional Linked, SRS and SDAS: Annual visa grants by State/Territory 1996/7 – 2000/1	77
Table 7.1: Designated areas.....	84
Table 7.2 REBA: Annual take-up by State/Territory – 1997/98 – 2000/01	87



Foreword

Equitable social and economic development of Australia has long been a concern for policy makers. One difficulty in realising this aim had arisen from the disproportionate attraction that the metropolitan areas exert on people compared with that of what is often called regional Australia. Australia's capital cities and their hinterlands have expanded while regional Australia has grown less quickly or has lost population.

The Regional Sponsored Migration Scheme was begun in 1995. In 1996 and 1999 the Federal, State and Territory governments examined how overseas migration might be managed to assist regional Australia to revitalise its population, its employment and skills base, and its economic prospects. New faces from overseas were needed in new places in Australia.

There were three main outcomes from the Federal – State and Territory deliberations of 1996-1999. Firstly, at the policy level, State and Territory Governments were given the opportunity to determine how some of the migration programs might be best used to meet those governments' own policy objectives. Secondly, existing visa arrangements were modified to permit those governments to pursue those objectives, and thirdly, Federal and State and territory working parties continued to review migration arrangements.

The Joint Standing Committee on Migration was asked to examine and report on the arrangements which were described collectively as State-specific Migration Mechanisms or SsMM. The Committee's conclusions concerning the rationale of these SsMM, their application in practice, and possible future developments are to be found in the body of the report.

During its review the Committee received many positive suggestions in submissions and during its visits to localities. It was singularly impressed by the energy displayed by local authorities and organisations in taking the initiative to maximise the benefits of SsMM.

Mrs Margaret May MP
Chair



Membership of the Committee

Chair Mrs M. May (MP) (from 6/3/2001)

Mrs C. Gallus MP (to 30/1/01)

Deputy Chair Senator J. McKiernan

Members Senator A. Bartlett

Senator A. Eggleston

Senator J. Tierney

Hon D. Adams, MP (from 12/8/99)

Hon B. Baird MP

Mr P. Georgiou MP (from 29/3/2001)

Mrs. J. Irwin MP

Mrs M. May MP

Mr B Ripoll MP

Hon Dr A Theophanous MP (to 9/8/99)

Committee Secretariat

Secretary	Mr Richard Selth (from January 2001) Ms Gillian Gould (to December 2000)
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Terms of reference

REVIEW OF STATE-SPECIFIC MIGRATION MECHANISMS

To review and report on the suite of State-specific Migration Mechanisms and the extent to which these meet the needs of State and Territory governments for skilled and business migrants with particular reference to:

- The adequacy of consultations with States/Territories on the mechanisms that have been developed;
- The level to which State and Territory Governments have utilised these mechanisms;
- Steps that might be taken to increase take-up; and
- Other mechanisms that might be developed.

Referred to Committee 15 June 1999



List of abbreviations

DAL	Designated Areas List
DIMA	Department of Immigration and Multicultural Affairs
DEWRSB	Department of Employment, Workplace Relations, and Small Business
REBA	Regional Established Business in Australia
RSMS	Regional Sponsored Migration Scheme
SAL	Skilled-Australia Linked
SDAS	Skilled – Designated Area Sponsored (replaced SRS)
SMD	Skill Matching Database
SRS	Skilled-Regional Sponsored (superseded by SDAS)
STNI	State/Territory Nominated Independent



List of recommendations

Chapter 3 The regional conundrum

Recommendation 1

The Committee recommends that DIMA re-examine the identification of 'designated areas' in consultation with the States and Territories and establish a realistic set of criteria for areas to be included on the Designated Areas List which would avoid the distortions which currently exist.

Chapter 4 Regional Sponsored Migration Scheme (RSMS)

Recommendation 2

The Committee recommends that a specific definition should be devised by DIMA in consultation with the States and Territories to identify the areas covered by RSMS.

Recommendation 3

The Committee recommends that information concerning expected and current processing times be made readily available, including on the DIMA website.

Recommendation 4

The Committee recommends that DIMA ensure that potential employers and migrant employees are aware of the sanctions relating to RSMS employees who do not complete their two-year contract.

Recommendation 5

The Committee recommends that the scale of 'exceptional' approvals be continually monitored, and reviewed in 2003 in order to ensure that required standards remain relevant.

Recommendation 6

The Committee recommends that the use of the Skill Matching Database should be re-examined in 2003.

Recommendation 7

The Committee recommends that, in its advice to Certifying Bodies, DIMA indicate how labour market testing for RSMS may diverge from the standards for ENS and still be accepted as valid.

Recommendation 8

The Committee recommends that the role of personal contacts in the operation of RSMS should be re-examined in 2003.

Recommendation 9

The Committee recommends that DIMA make the employers' training record a consideration in RSMS.

Recommendation 10

The Committee recommends that a follow-up survey of employees' and employers' performance should be conducted in 2003 to determine whether successful applicants were remaining in regional areas as intended.

Chapter 5 State/Territory Nominated Independent

Recommendation 11

The Committee recommends that DIMA revise the STNI entry in the *General Skilled Migration* booklet prior to the next edition.

Chapter 6 Skilled – Designated Area Sponsored

Recommendation 12

The Committee recommends that a study of SDAS be undertaken in 2003 to determine how well it is meeting its stated objectives.

Chapter 7 Regional Established Business in Australia

Recommendation 13

The Committee recommends that DIMA provide settlers who have arrived in Australia and who have indicated their intention to use REBA with information about contacting DIMA and local agencies.

Recommendation 14

The Committee recommends that the operation of REBA, including 'exceptional' approvals, be reviewed during 2003.

Chapter 8 Other mechanisms

Recommendation 15

The Committee recommends that DIMA examine the issues raised relating to family businesses and to arrangements for dependent children under REBA and determine whether they could be resolved without compromising Australia's broader migration criteria.

Recommendation 16

The Committee recommends that DIMA examine the option of merging the existing SsMM visas into a single visa class.

Chapter 9 Overview

Recommendation 17

The Committee recommends that DIMA pursue means of more active involvement of regional representation in its consultation process.

Recommendation 18

The Committee recommends that DIMA improve its liaison with Area Consultative Committees, the Australian Local Government Association and Regional Certifying Bodies

Recommendation 19

The Committee recommends that DIMA review the content descriptors of its website with the aim of making it more visible to search engines.

Recommendation 20

The Committee recommends that DIMA review its promotion of SsMM with a view to making access to them more migrant oriented.



Executive summary

The Committee examined the State-specific Migration Mechanisms (SsMM) in the light of the pervasive depiction of them as regional schemes. It concluded that there was a considerable discrepancy in the use of 'regional' in relation to other official usage as well as within SsMM. This had caused continuing disquiet, and the Committee therefore recommended that definitions of the areas to which SsMM applied should be reviewed.

The Committee then reviewed each of the main SsMM in the context of the terms of reference, which covered:

- the adequacy of consultations concerning SsMM;
- the level of utilisation of SsMM;
- measures to increase utilisation; and
- other means of achieving the aims of SsMM.

The Committee's report on each SsMM contains recommendations which are specific to the particular schemes.

One general theme to emerge was that the SsMM were relatively new and consequently little known. The Committee therefore considered that a further review of the operation of SsMM might usefully be undertaken in 2003.

In addition, the Committee examined the SsMM as a group. The variety of schemes and their underlying aims precluded the Committee from drawing detailed conclusions which would be valid for the whole suite of SsMM.

Nevertheless, the Committee did reach some broad conclusions. In the context of the terms of reference the committee found that, with regard to **consultation**:

- The existing consultation processes were proving responsive, and that this could improve if there was provision for appropriate regional consultation.

In relation to the **utilisation** of SsMM by the States and Territories, the Committee considered that:

- the numbers involved in each of the schemes was not a useful indicator of how well they were being utilised. Rather it was the effect of the SsMM on the areas utilising them that would indicate the level of success

Proposals to **increase utilisation** of SsMM were varied. The committee considered that:

- significant effort was still required to promote SsMM;
- there were a number of marketing strategies which might contribute to this;
and
- it was important to encourage settlers to remain in the area if the population and skill policy outcomes of SsMM were to be maximised.

The **new mechanisms** which were suggested to Committee generally related to the aims of specific individual schemes. Therefore the Committee was unable to draw any broad conclusion about them, except to note that:

- as the focus of suggestions was on alterations to existing schemes, there was general support for the existing approach to migration under SsMM.

The Review

In mid 1999, the Minister for Immigration and Multicultural Affairs asked the Committee to review and report on the suite of State-specific Migration Mechanisms. While completing its review of the immigration entry arrangements for the Olympic and Paralympic Games¹, the Committee commenced work on the review.

The inquiry into State-specific Migration Mechanisms (SsMM) was advertised on 26 June 1999 in the *Weekend Australian*, *Sydney Morning Herald*, *Melbourne Age*, *Brisbane Courier Mail*, *Adelaide Advertiser*, the *West Australian*, the *Hobart Mercury*, the *Northern Territory News*, and the *Canberra Times*.

In addition, letters were sent to all State Premiers and Territory Chief Ministers and to a range of government departments and organisations with migration interests. Faxes outlining the review were sent direct to 722 local government authorities, 28 regional certifying bodies and 77 regional and/or economic development agencies. Information about the Committee's review was also distributed at the Regional Australia Summit in Canberra 27-29 October 1999, and at a conference on regional Australia in Canberra in November 2000.

These moves were followed up by direct consultations with appropriate local government authorities and other bodies covering areas from which submissions had been received.

The Committee received 68 submissions from 44 individuals and organisations, and heard from 38 witnesses at public hearings in Adelaide, Brisbane, Cairns,

¹ Joint Standing Committee on Migration - *Going For Gold: Immigration entry arrangements for the Olympic and Paralympic Games*, September 1999.

Canberra, Darwin, Hobart, Kalgoorlie, Melbourne, Mount Gambier, and Smithton.²

Twice the Committee had to set aside this review of SsMM to consider more pressing matters referred to it by the Minister for Immigration and Multicultural Affairs: the reviews of Migration Legislation Amendment Bill (No2) 2000, and of Migration Regulation 4.31B.³

2 Details of submissions, hearings and exhibits are at Appendices A, B and C respectively.

3 Joint Standing Committee on Migration - *Review of Migration Legislation Amendment Bill (No2) 2000*, October 2000; and *Review of Migration Regulation 4.31B*, June 2001.

Overview of State-specific Migration Mechanisms

2.1 This chapter introduces the main State-specific Migration Mechanisms (SsMM). Later chapters examine the concepts involved in the individual SsMM and the details of the schemes.¹

Purpose

2.2 SsMM are intended to permit individual States and Territories to use aspects of the Commonwealth migration program to support their individual development strategies, including:

- addressing skills shortages;
- encouraging a more balanced dispersal of the skilled migrant intake; and
- attracting overseas business people.²

2.3 As an early study of population migration to regional areas noted, the settlement of new migrants is:

only a very minor part of any solution to issues of population growth pressures and regional development.³

1 A brief outline of the key concepts can be found in the Glossary in Appendix F.

2 DIMA, Fact Sheet 26 *State/Territory Specific Migration*, 12/1/01.

3 DIMA, Exhibit 12: *Migration to Regional Australia and the Less Populated States and Territories*, Prepared for Ministers for Immigration and Multicultural Affairs by the Commonwealth/State/Territory Working Party on Migration to Regional Australia and the Less Populated States and Territories, December 1996, p. 4.

- 2.4 SsMM are therefore not a substitute for, but a complement to, the overall economic and social development strategies of the States and Territories.⁴ Their special nature lies in their aim of attracting migrants to areas of Australia to which they would not commonly go – new faces in new places.

Origin

- 2.5 SsMM emerged as a result of Federal/State/Territory consultations on regional and skilled migration. In the course of these consultations it was evident that there were concerns about skills shortages and the skewing of Australia's migration intake towards the larger metropolitan centres.⁵
- 2.6 In response to these concerns, a range of State-specific migration initiatives was undertaken. These were partnerships between the State/Territories and the Commonwealth which allowed States, Territories, and regions to use provisions of the migration arrangements selectively.

Mechanisms

- 2.7 The mechanisms chosen to encourage overseas migrants to settle outside the main urban areas operate through:
- enabling States and Territories and regions to choose specific provisions of the Federal Government's migration program and use them to attract more overseas migrants to their own jurisdictions; and/or
 - offering incentives or concessions to migrants to settle within in those jurisdictions.

4 DIMA, Submissions, p. 20.

5 These consultations are summarised in DIMA Exhibit 12, *Migration to Regional Australia and the Less Populated States and Territories*, Prepared for Ministers for Immigration and Multicultural Affairs by the Commonwealth/State/Territory Working Party on Migration to Regional Australia and the Less Populated States and Territories, December 1996; and DIMA Exhibit 13, *Report to the Council of Ministers for Immigration and Multicultural Affairs*, Commonwealth-State Working Party on Skilled Migration, April 1999.

Main schemes

2.8 The main SsMM examined by the Committee may be summarised as:⁶

- *Regional Sponsored Migration Scheme (RSMS)*: This scheme has operated since October 1995 as a variation on the existing Employer Nomination Scheme (ENS). The RSMS allows employers in regional Australia to nominate overseas workers for migration when the employer has been unable to recruit suitable skilled personnel through the local labour market.
- *State/Territory Nominated Independent (STNI)*: Since November 1997 State and Territory Governments have been able to sponsor Skilled-Independent category migrants who are willing to settle in specified areas where their skills are in demand.
- *Skilled – Designated Area Sponsored (SDAS) –[formerly Skilled – Regional Sponsored (SRS)]⁷*: Under these arrangements, initiated in November 1996 and revised in July 1999, Australian citizens and permanent residents in specified areas of Australia are able to sponsor skilled relatives for migration.
- *Regional Established Business in Australia (REBA)*: This visa category was established in July 1997. It allows to people to apply for permanent residence if, while on a long-stay temporary business visa, they have established successful business ventures in specified of Australia.⁸

2.9 The features of the main SsMM are considered in subsequent chapters and are tabulated in Appendix D.

SsMM utilisation

2.10 The SsMM are relatively new developments, having been introduced progressively since October 1995. Take-up varies between schemes and

6 Descriptions are drawn from DIMA, Fact Sheet 26 *State/Territory Specific Migration* (12/1/01)

7 SRS/SDAS effectively replaced *Skilled Australian Linked (SAL)* which provided bonus points in a points test if the migrant's sponsor lived in a designated area. SAL was not considered by the Committee because it was discontinued from 1 July 1999, although visa application made prior to that date continue to be processed and approved: 1996/97 **850**; 1997/98, **984**; 1998/99, **1744**; 1999/2000, **2384**, DIMA, Submissions, pp. 415-16.

8 In addition to REBA, there is a *Business Skills* category. This allows for State/Territory sponsorship of Business Owner and Senior Executive visa classes. The scheme is small (34 settlers in three years, DIMA, Submissions, p. 31). It did not arouse comment in submissions or evidence, and the Committee did not pursue it.

between individual States and Territories. These aspects are addressed in the chapters on the individual schemes.

SsMM safeguards

- 2.11 The SsMM were designed to encourage positive contributions by migrants to Australia's economy.
- 2.12 In RSMS and STNI, for example, the employment prospects of non-business migrants were maximised by the requirement that there be a local shortage of the migrant's particular skills. In addition, under RSMS, the sponsor had to provide employment.
- 2.13 Under RSMS and STNI the requirement that there was a demonstrable skill shortage also served to ensure that the local workforce was not denied employment opportunities.
- 2.14 Under SDAS, there was no requirement that there be a skills shortage or guaranteed employment. However, the Federal, State and Territory Governments' interests were protected by the requirement that the migrant's family in Australia must undertake to provide them with financial support.
- 2.15 In the case of REBA, the applicants had already demonstrated business success in Australia.

SsMM resources

- 2.16 Guidance on the skilled labour market in Australia was available through the Migration Occupations in Demand List (MODL) compiled by DEWRSB. MODL listed occupations or specialisations that were found to be in ongoing shortage in Australia.
- 2.17 Matching of potential migrants' skills with those in demand in Australia was facilitated by the DIMA Skill Matching Database (SMD) through which potential sponsors were able to examine the skills of many applicants. SMD is examined in more detail in Chapter 4.

The regional conundrum

What is a region, what is a designated area, what is a rural area and indeed what is a state...? 'What is not regional?' may be a better question.¹

SsMM as regional schemes

- 3.1 In the course of its review, the Committee found that the SsMM were often referred to as 'regional migration schemes'. This was to be expected because the term 'regional' appeared in the title of three of the main SsMM: *Regional Sponsored Migration Scheme (RSMS)*, *Regional Established Business in Australia (REBA)*, and *Skilled Regionally Sponsored (SRS – later SDAS)*.
- 3.2 The scheme titles embraced the term 'regional' but did not follow through with a consistently applied definition. SRS and REBA referred to 'designated areas', not regions, and RSMS used the term 'region', not 'designated areas'.
- 3.3 However, the use of 'regional' in SsMM titles meant that the term was commonly used in discussion with the Committee. Agreement on what it meant was less common.

¹ Tasmanian Government, Evidence, p. 321.

But what is a *region*?

- 3.4 This was more than an academic problem for the Committee. The confusion and, perhaps, exasperation which arose from differing views of the nature of regional Australia was exemplified during discussion of 'designated areas' when the Mayor of Ipswich confessed himself:

flabbergasted... that the cities of Adelaide, Melbourne and Hobart—particularly Adelaide and Melbourne—were designated areas and that not only the city of Ipswich but a lot of small areas in south-east Queensland were not designated areas... I do not want to take anything away from what the city of Melbourne has got, but...²

- 3.5 The Committee was aware that the inclusion of the city of Melbourne on the designated areas list (DAL) in September 1998 had emerged as a major issue of concern to States and Territories by early 1999. The Commonwealth/State Working Party on Skilled Migration report of April 1999 stated that:

the inclusion of metropolitan Melbourne in the DAL in September 1998 has prompted other state and territory governments to query the value of designation as a tool for providing a "competitive edge" to those less populated States and Territories seeking to attract more skilled migrants.³

- 3.6 The Government of Victoria noted that:

there appears to be a view that designation is intended to encourage settlement in regional areas, but the definition of "regional" in this context is subject to various interpretations. This itself militates against forming a national vision of the appropriate use of designation, and may help explain why Victoria's designation of Melbourne came under criticism from other parties.⁴

- 3.7 The Government of Victoria submitted that there was no reference to:

"designation" equating only to non-metropolitan areas of the State.⁵

2 Ipswich City Council, Evidence, p. 379.

3 DIMA Exhibit 13, *Report to the Council of Ministers for Immigration and Multicultural Affairs*, Commonwealth-State Working Party on Skilled Migration, April 1999, p. 37.

4 Government of Victoria, Submissions, p. 178.

5 Government of Victoria, Submissions, p. 305.

- 3.8 Nevertheless some States and Territories considered the inclusion of Melbourne as contradicting the original policy intent of regional migration.⁶
- 3.9 Clearly there was no consensus among witnesses on the concept of designated areas and, as indicated above, this tension was evident during much of the discussion of SsMM.

Origins of SsMM regional focus

- 3.10 The Committee considered that confusion about ‘regional’ was understandable, and was inherent in:
- oversimplification of the underlying principles from which SsMM originated; and
 - the absence of agreed definitions of regions.

Divergent principles underlying SsMM

- 3.11 SsMM had their roots in the Regional Sponsored Migration Scheme which began in October 1995 and in two subsequent Commonwealth – State and Territory working parties.
- 3.12 The working parties pursued different objectives. The terms of reference of the 1996 *Commonwealth/State/Territory Working Party on Migration to Regional Australia and the less Populated States and Territories* dealt with increasing:
- the number and proportion of migrants settling outside major metropolitan areas.⁷
- 3.13 This approach, and the report title, fostered the concept that ‘regional’ meant, at least, ‘non-metropolitan’.
- 3.14 The terms of reference of the 1999 Commonwealth/State Working Party on Skilled Migration sought to examine options for increasing:
- the number of skilled migrants to States/Territories and regional areas.⁸

6 DIMA, Evidence, p. 464.

7 DIMA, Submissions, p. 20.

8 DIMA Exhibit 13, *Report to the Council of Ministers for Immigration and Multicultural Affairs, Commonwealth-State Working Party on Skilled Migration, April 1999, p. 2.*

- 3.15 This perspective on migration implied settlement in the metropolitan areas, which the 1996 report did not.
- 3.16 The policy which would give effect to the outcomes of both the working parties was set out by the 1996 Working Party which stated that:
- the actual intention is to develop selection mechanisms that each State/Territory Government may or may not choose to utilise to attract new migrants to their jurisdictions. This would depend on the individual circumstances of each State/Territory and the views of each State/Territory on what role, if any, use of such migration mechanisms can play in their economic development strategies.⁹
- 3.17 This non-prescriptive approach was based on the premise that the profiles of regional areas:
- vary widely in terms of population growth... economic performance (actual and potential) and availability of infrastructure.¹⁰
- 3.18 Thus each State and Territory was permitted to define the regions where it wished migrants to settle. This they have done, adopting widely differing targeting within the same scheme.
- 3.19 This was in accord with the underlying principles of SsMM, but did not square with a common expectation that the term 'region' should have a set definition.

Divergent definitions of regional Australia

- 3.20 The term 'region' was an elastic one, being widely understood but seldom defined. It incorporated a myriad of meanings in the Australian context, and encompassed everything from geographical areas located in rural and remote Australia, through all non-metropolitan areas of Australia, to provincial and industrial cities.
- 3.21 There was, the Committee discovered during its review, no clear definition of what constituted a region or regional Australia. In its submission to the Committee, the Department of Employment, Workplace

9 DIMA, Exhibit 12: *Migration to Regional Australia and the Less Populated States and Territories*, Prepared for Ministers for Immigration and Multicultural Affairs by the Commonwealth/State/Territory Working Party on Migration to Regional Australia and the Less Populated States and Territories, December 1996, p. 11.

10 DIMA, Exhibit 12: *Migration to Regional Australia and the Less Populated States and Territories*, Prepared for Ministers for Immigration and Multicultural Affairs by the Commonwealth/State/Territory Working Party on Migration to Regional Australia and the Less Populated States and Territories, December 1996, p. 27.

Relations, and Small Business (DEWRSB) drew attention to a classification used in 1994 which divided Australia into:

- *metropolitan* – State/Territory capitals and other statistical divisions which include centres of population 100,000 or more in size;
- *rural* - non-metropolitan zones including large rural centres (25,000 or more), small rural centres with urban populations 10,000 to 24,999, and other rural areas; and
- *remote* – non-metropolitan zones, including remote urban centres of 5,000 or more and other remote areas.¹¹

3.22 The Australian Local Government Association's *State of the Regions 99* report divided Australia into 57 regions, defined by social and economic factors and covering urban, rural and remote Australia. Their report made no distinction between metropolitan regions or non-metropolitan regions.¹²

3.23 In the same year the Senate Employment, Workplace Relations, Small Business and Education References Committee report *Jobs for the Regions*¹³ utilised the National Institute of Economic and Industry Research classification of regions. This identified six broad categories:

- *Sub-global cities* - Sydney CBD and some surrounding areas which are connected to major business centres abroad and whose workforce is heavily engaged in maintaining financial services and information links with centres of global business;
- *service based metropolitan* - suburban areas dependent on service industries, the government workforce and domestic consumer industries¹⁴;
- *resource based regions* - areas or centres largely dependent on the exploitation of local minerals, energy resources and timber resources. Examples include Broken Hill, Gladstone and the Pilbara region;

11 DEWRSB, Submissions, p. 124, citing Department of Primary Industries and Energy and the Department of Human Services and Health, *Remote and Metropolitan Areas Classification, 1994*.

12 *State of the Regions 1999*: a report to the Australian Local Government Association, National Institute of Economic and Industry Research, 1999.

13 Senate Employment, Workplace Relations, Small Business and Education References Committee, *Jobs for the Regions: A report on the inquiry into regional employment and unemployment*, September 1999, 15-16.

14 This category included the Central Coast, Outer West, Sydney South, Sydney Central, Sydney Northern Peninsula, Perth Metropolitan and Perth CBD, Brisbane North and South, Canberra and Adelaide CBD.

- *industrial oriented regions* - areas with a higher than national average concentration of manufacturing activity¹⁵;
- *rural based regions* - areas largely dependent on agriculture and pastoral industries. Examples include Gippsland, Riverina, Darling Downs and other wheat belt areas and coastal regions in all States; and
- *lifestyle based regions* - coastal regions with favourable climates which have experienced population increases because of tourism and as places of retirement.¹⁶

Designated Areas

3.24 In order to promote flexibility in the utilisation of the schemes by States and Territories, the term 'rural and regional areas' was replaced in some SsMM by the concept of 'designated areas'. The areas were gazetted by the Minister for Immigration and Multicultural Affairs in a list known as the Designated Areas List (DAL). The current designated areas are summarised in Table 3.1

Table 3.1: Designated areas

State/Territory	Designated Areas
Victoria	All
South Australia	All
Northern Territory	All
Tasmania	All
Australian Capital Territory	All
Queensland	All except urban Brisbane, Sunshine Coast and Gold Coast ¹⁷
Western Australia	All except Perth Metropolitan area ¹⁸
New South Wales	All except Sydney, Newcastle and Wollongong ¹⁹

Source www.immi.gov.au/allforms/bus-reg1

15 They include metropolitan areas such as Sunshine, Footscray and Broadmeadow in Melbourne, Liverpool and Auburn in Sydney as well as fringe metropolitan centres like Elizabeth (SA), Geelong (Vic) and Kwinana (WA).

16 Places such as the Gold Coast, Sunshine Coast, Far North Coast (NSW) and North Queensland fall into this category.

17 Includes postcode areas 4350-4499 and 4600-4899.

18 Includes postcode areas 6200-6799.

19 Includes postcode areas 2311-2312, 2328-2333, 2336-2490, 2535-2551, 2575-2739 and 2787-2898.

- 3.25 The actual definition of these designated areas was the responsibility of the States and Territories which identified the needs of their jurisdiction and refined the definition of 'designated area' to meet those needs.²⁰
- 3.26 As the descriptions in the table show, Australia's eight 'designated areas' are not specifically defined. Rather they are what remain after some parts of Australia have been excluded. This definition by exclusion approach had the potential to create difficulties for SsMM.

Promotional problems

- 3.27 The Committee believed that the lack of a straightforward definition could pose problems in the promotion of the SsMM. 'Regional' and 'rural', while being imprecise in relation to the designated areas concept, did at least provide an idea of the parts of Australia which were involved and were likely to be easier to grasp than 'designated areas'.

Poor targeting of migration

- 3.28 The Committee noted that, because almost all of Australia is covered by only eight areas for migration purposes, the distribution of migrants across the country through the SsMM using designated areas could be little different from the situation which would occur without it. This was related to the concern that there was little to no opportunity to differentiate between concessions for States and Territories and smaller local areas in the competition for skilled migrants.

Uneven competition

- 3.29 During the review the Committee was told there might be a need to further differentiate between metropolitan areas currently included as designated areas and regions of low population which needed to build and diversify their economies and infrastructure.²¹
- 3.30 Some governments have made their entire jurisdiction a designated area. The consequent inclusion of capital cities as part of the SsMM target area may make those jurisdictions more attractive to potential migrants than other States which exclude their capital cities.
- 3.31 Overall, such concerns led the State Government of Tasmania to pose the question:

20 DIMA, Submissions, p. 527.

21 Greater Green Triangle Regional Association, Submissions, p. 148.

Does the Commonwealth allow self nomination as the rationale for access to these programs or are there other criteria which need to be met to be able to access the concessional aspect of the Commonwealth program?²²

Conclusion

3.32 The Committee observed a considerable discrepancy in the use of 'regional' in relation to other official usage as well as within SsMM. In relation to official use, it was argued that:

the definition of 'regional' for migration purposes does not align well with the definition of regional for other purposes and may bear further consideration".²³

3.33 The Committee noted concerns that the inclusion of Melbourne in the DAL has created confusion over the intent and implementation of SsMM.

3.34 The Committee's view was that the continued use of the term regional would ensure continued disquiet over the practical application of SsMM. The removal of the term regional from the formal title of schemes, as had been done in converting SRS to SDAS, would reduce one existing area of confusion. The Committee addressed this issue again in Chapter 7 on REBA.

3.35 This cosmetic move would not, however, address the significant issue of a perceived inequity in the ways in which national migration legislation was being implemented.

3.36 The Committee noted that a number of SsMM used the existing points system, under which applicants have to achieve a certain score based on attributes such as their qualifications, education, age, English language proficiency and intended area of settlement. The Committee therefore considered whether the potential skewing of some SsMM towards metropolitan areas might be addressed by allocating additional points to migrants willing to settle in other parts of Australia. The Committee did not favour this approach because:

- it would lead to a situation where more remote, high point allocation, areas would receive migrants less adapted to making a living in Australia because of lower skills, education etc levels; and

22 Tasmanian Government, Submissions, p. 93.

23 DEWRSB, Submissions, p. 123.

- manipulation of the points score was a substitute for addressing the core issue, which was the absence of an agreed definition of 'regional' as applied to SsMM.
- 3.37 The Committee further observed that the evolution of 'designated areas' has resulted in areas being designated by default. That is, instead of specific areas being nominated for a greater share of skilled migrants, areas were designated as **not** requiring more migrants. Migrants, by default, were wanted in the remaining areas.
- 3.38 The Committee noted that this left little opportunity to differentiate between regional and State and Territory-level considerations.

Summary

- 3.39 The Committee shared the concern that there were widely differing uses of the concept 'regional' in SsMM.

Recommendation 1

- 3.40 **The Committee recommends that DIMA re-examine the identification of 'designated areas' in consultation with the States and Territories and establish a realistic set of criteria for areas to be included on the Designated Areas List which would avoid the distortions which currently exist.**

Regional Sponsored Migration Scheme (RSMS)

*to attract people... to areas where they are not normally attracted to, as part of a larger picture of trying to develop growth in regional centres.*¹

The Scheme

- 4.1 RSMS is as a variation of the *Employer Nomination Scheme (ENS)*. It allows employers in regional areas to sponsor overseas personnel for permanent entry into Australia to positions which cannot be filled from the local labour market or through the employers' own training arrangements.² Employment and job opportunities are strong motivators for migration to Australia.³

Federal - State/Territory Consultation

- 4.2 Consultation between the Federal Government and the States and Territories had continued since the working parties of 1996 and 1999. In the case of RSMS, these consultation had led to the introduction of the Skill Matching Visa and to the retention of the Commonwealth/State Working Party on Skilled Migration. South Australia was 'impressed with the overall responsiveness to proposals...to improve outcomes'.⁴

1 Powercorp Pty Ltd, Evidence, p. 162.

2 DEWRSB, Submissions, p. 117.

3 DIMA, Exhibit 12, p. 21 shows that 32% of independent migrants chose their settlement location because of employment considerations.

4 SA Government, Submissions, pp. 69-70.

- 4.3 Although the Tasmanian Government initially described consultation to mid-1999 as ‘only just adequate’, it subsequently indicated that it was participating in a number of meetings.⁵
- 4.4 DEWRSB identified the continuing working party as ‘an excellent forum for consultation’, while considering that consultation arrangements overall had been ‘adequate’. DEWRSB also noted that, as a Federal body, it provided advice to local organisations on request.⁶
- 4.5 The ACT Government commented that it was ‘pleased’ with the consultations⁷ and the NT Government was ‘happy’ with them⁸
- 4.6 However both South Australia and Tasmania noted the lack of consultation prior to changes to ENS which affected the operation of RSMS from 1 July 1999.
- 4.7 These changes removed the requirement for a contract between employer and employee under ENS, yet left a similar requirement for RSMS, the scheme considered to be a concessional version of ENS.⁹ South Australia considered that this change disadvantaged the State by enhancing the appeal of the nation-wide ENS program, thereby eroding the appeal of the regionally-oriented RSMS. At the time it was thought that this change threatened the State with the loss of ‘one of its major promotional vehicles’ under SsMM, but subsequently it proved not to be a concern.¹⁰
- 4.8 In the context of the ENS change and its implications for RSMS, South Australia described itself as ‘disappointed’ with the lack of consultation,¹¹ while Tasmania commented adversely on Canberra-based policy making.¹²

Conclusion

- 4.9 The Committee concluded that the main criticisms were of decisions relating to ENS which was technically not SsMM and therefore outside the arrangements set up for SsMM consultation. Apart from this, the consultation appears widespread and satisfactory, at both the formal and working level.

5 Tasmanian Government, Submissions, p. 90; Evidence, p. 333.

6 DEWRSB, Submissions, p. 117.

7 ACT Government, Submissions, p. 99.

8 NT Government, Evidence, p. 126.

9 SA Government, Submissions, pp. 74-75.

10 SA Government, Submissions, pp. 74-75; however, in Evidence, p. 428, “it does not seem to be a concern”

11 SA Government, Submissions, p. 70.

12 Tasmanian Government, Submissions, p. 90.

Localities involved

- 4.10 DIMA documents indicated that RSMS applied to ‘regional or low-growth areas of Australia’, and to ‘regional or low population growth areas’.¹³ According to evidence presented by DIMA, RSMS did not apply to Melbourne, Perth, Sydney, Wollongong, Newcastle, Brisbane, the Sunshine Coast and the Gold Coast.¹⁴ The Committee, however, noted that there was no firm definition of the ‘regional’ aspect of RSMS.

Conclusion

- 4.11 The Committee concluded that, in view of the concern over the term ‘regional’, RSMS should refer to clearly specified regions.

Recommendation 2

- 4.12 **The Committee recommends that a specific definition should be devised by DIMA in consultation with the States and Territories to identify the areas covered by RSMS.**

Concessions to attract migrants

- 4.13 The skill and English thresholds are slightly lower than for the ENS. Under RSMS potential migrants who do not meet the qualifying points score as skilled independent migrants may nevertheless gain permanent residency in Australia. Details are set out below under *Attractions of the scheme*.

Operation

- 4.14 The RSMS pilot scheme began on 1 October 1995 and the scheme was expanded in 1996. By the end of January 2001, 2,700 RSMS visas had been issued.¹⁵ Under RSMS an employer sponsored a skilled migrant to Australia. Skilled persons wishing to migrate may have contacted employers direct from overseas or while visiting Australia. Employers

13 DIMA, Fact Sheet 23 *Skilled Migration to Australia*, 10/2/00; *Form 1054 Employer nomination under the Regional sponsored migration scheme*, respectively.

14 DIMA, Evidence, p. 466.

15 DIMA, Submissions, p. 415.

may have sought out potentially suitable migrants through their personal and business networks. These informal arrangements may have enabled Australian employers to meet their skill demand, or they may not. DIMA aimed to expedite the matching of skilled migrants from overseas with local demand through the creation of a Skill Matching Database (SMD).¹⁶

Skill Matching

- 4.15 The SMD is an electronic store of information about the educational qualifications, employment background and work skills of potential migrants. SMD was updated monthly and distributed to all State and Territory Governments and some local development agencies.¹⁷ At any one time SMD contained data on approximately 1,000 individuals.
- 4.16 Not all potential migrants were listed on the SMD. The data is gathered from two specific groups of intending migrants: those who applied for a Skilled Independent Visa and those who sought a Skill Matching Visa (SMV).

Skilled Independent Visa applicants

- 4.17 To be eligible for a Skilled Independent Visa applicants had to accumulate a minimum number of points which were allocated on the basis of age, level of education, skill, etc (the 'points test'). Those who did so could opt to be placed on the SMD. However, skilled people who did not pass the points test could be included in the SMV 'pool' if they:
- were less than 45 years of age at the time of application;
 - had degree, diploma or trade certificate qualifications which are recognised in Australia;
 - had a vocational level of English;
 - had been employed in an occupation listed in the skilled occupations list for at least 6 months in the 12 months immediately prior to applying for the visa;¹⁸and
 - had elected to be listed on the SMD with appropriate privacy disclaimers.¹⁹

16 DIMA, Submissions, p. 24.

17 DIMA, Submissions, p. 25.

18 DIMA, Fact Sheet 26: *State/Territory-Specific Migration*, 26/7/01.

19 DIMA, Submissions, p. 25.

SMV applicants

- 4.18 Those applying for a SMV, which is not points tested, were automatically included in the SMD.

Certification of demand

- 4.19 State and Territory Governments and employers could nominate applicants appearing on the database for RSMS. Once a nominee for a skilled position had been identified, a State/Territory authority (or other specifically gazetted body) had to 'certify' that the skills in question were in short supply. The certification process was to ensure that nominations were consistent with the objectives of the scheme, including the requirements that:
- the nomination was for a genuine full time vacancy, available for at least two years, that cannot be filled through the local labour market;
 - the position was skilled; and
 - the wages and conditions were consistent with Australian standards.
- 4.20 In addition, the applicant had to meet the age, qualifications, and English language thresholds.²⁰
- 4.21 There was also a provision for nominations (and hence visa applications) to gain approval despite not meeting all these criteria. In such cases the nominating employer had to provide a written statement outlining the reasons why the nomination should be approved as 'exceptional'.²¹

Safeguards

- 4.22 The process of certifying that the skills in question were in short supply was designed to ensure that local skilled workers were not denied the opportunity for employment.
- 4.23 The requirement that the wages and conditions offered were consistent with Australian standards was a barrier to exploitation of migrant labour.
- 4.24 The provision that an RSMS visa application must be made within six months of the relevant skilled position becoming available was intended

20 DIMA, Submissions, pp. 29-30: Nominees use Visa 119 if offshore or Visa 857 if already in Australia.

21 Some grounds for considering the need for 'exceptional' arrangements under RSMS are: the position does not require a person with diploma level qualifications; or the person does not have functional level English; or the person is over 45 years of age at the time of visa application. DIMA, Fact Sheet 26: *State/Territory-Specific Migration*, 27/6/01.

to ensure that the RSMS process was responsive to the local economic conditions.

Attractions of the scheme

- 4.25 The Committee noted that RSMS provided advantages to the employers, to their locality, and to the nominees - the potential migrants.

For the employers

- 4.26 Under RSMS the nominating employers expected to gain a number of benefits. Primarily, they filled skilled positions for a period of two years. These positions might otherwise have been left vacant under the ENS arrangements which required employers to demonstrate a National or State-wide shortage, rather than a peculiarly local one.²²
- 4.27 In addition, employers also benefited from access to information about the availability of relevant skills overseas on the constantly updated SMD, an option not available under ENS.²³ The SMD permitted the matching of skill demand and supply without the necessity of costly international advertising.
- 4.28 Further, recruitment could be expeditious because the nominee was selected from a pool of people who have already been assessed as having met the migration threshold requirements for skill, age, and English language ability.
- 4.29 The employers were not charged the \$285 nomination fee which applied to ENS.²⁴

For the locality

- 4.30 The arrival of migrants under RSMS increased the local skills pool. Because most skilled migrants brought their families, the filling of one skilled vacancy introduced more than one person to the region, generating additional demand for local goods and services.²⁵ Both outcomes of migration were important contributions to regional economies.

22 SA Government, Submissions, p. 383.

23 SA Government, Submissions, p. 383.

24 SA Government, Submissions, p. 383.

25 79% of RSMS employees were living with a spouse or partner, and 58% were living with children. DIMA, Submissions, pp 468-69.

For the potential migrants

- 4.31 Under RSMS the skill and English thresholds were slightly lower than for Employer Nomination Scheme.²⁶ Under RSMS, too, the nominees were assured of employment for two years after their arrival.
- 4.32 The existence of the SMV opened a further migration opportunity to applicants under the Skilled Independent category who had not scored the points test pass mark, but who could satisfy threshold skill, age and English language requirements.
- 4.33 Employers' use of the SMD to proffer nominations served to expedite the potential migrants' chances of gaining a visa. One user of RSMS as a recruiting tool advised the Committee that it was generally faster for the employee to gain approval under RSMS than under the normal skilled migration program.²⁷
- 4.34 Applicants for a SMV paid a fee of \$155 for the initial processing of the applications, and only paid the additional costs associated with the visa if they were successfully nominated.²⁸ Applicants for RSMS did not have to pay the initial visa fee of \$1,125 which normally applied to applicants under the ENS arrangements.²⁹

Utilisation

- 4.35 RSMS was the most popular of the main SsMM. The extent to which this scheme had been used since its inception in October 1995 is summarised in Table 3.1. This shows the numbers of visas granted, which was larger than the number of sponsored employees directly involved in the scheme. Most (79 per cent) of the sponsored workers were living with a spouse or partner, and 58 per cent had children, all of whom required visas to settle in Australia.³⁰

26 Diploma usually representing 2 years training vs ENS requirement of 3 years training and 3 years post-training experience; functional English vs ENS vocational English. SA Government, Submissions, p. 383.

27 Powercorp Pty Ltd, Evidence, p. 153.

28 DIMA, Fact Sheet 26: *State/Territory-Specific Migration*, 27/6/01.

29 They and their family members are still liable (if successful) for the second instalment of ENS application charges.

30 DIMA, Submissions, pp 466, 468-69.

Table 4.1 RSMS: Annual visa grants by State/Territory – 1995/96 – 2000/01

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total
1995/96*	nd**	nd	nd	nd	nd	0	nd	nd	38*
1996/97	nd	nd	nd	nd	nd	0	nd	nd	170
1997/98	70	16	111	217	58	28	53	28	581
1998/99	39	43	71	436	67	45	41	23	765
1999/00	18	30	60	373	69	65	33	16	664
2000/01	70	75	97	437	129	84	54	75	1021

Source Submissions: DIMA, pp.413-15; DIMA Hobart, p. 339; DIMA, Exhibit 12, p. 24; Minister for Immigration and Multicultural Affairs, Media Release 98/01. * 11/95-6/96, ** no data available.

- 4.36 The reversal of the rising trend in use of RSMS in 1999/2000 was identified by the South Australian Government as a response to the slowing of the Australian economy in those years. In addition, applications considered for approval declined briefly in the last months of 1999 in South Australia and, because that State was the major contributor to the RSMS totals, this contributed to the fall.³¹ Data for the first six months of 2000/01 indicated continued expansion of the use of the scheme, partly due to the increased coverage of certifying bodies in Victoria.³²
- 4.37 Because very few applications for RSMS had been refused, it is unlikely that changes in refusal rates would have significantly affected the statistics.³³

RSMS in Practice: The South Australian Government Approach

- 4.38 As Table 3.1 showed, South Australia has been the most frequent user of RSMS to date, taking in about half of all migrants under the scheme.
- 4.39 The South Australian Government actively promoted the scheme to employers and employer groups and targeted independent skilled migrants.³⁴
- 4.40 The Government's services are directed to the employers through the *International South Australia* component of the State's Department of

31 SA Government, Evidence, p. 426.

32 DIMA, Submissions, p. 514.

33 Refusal was "one in 66" - Goldfields Esperance Development Commission, Evidence, p. 117; "two or three" versus 130+ approvals - DIMA Brisbane Office, Evidence, p. 193; three "refused or withdrawn" versus 138 approved, DIMA, Submissions, p. 339; no refusals in NT, DIMA, Darwin Office, Evidence, p. 141.

34 SA Government, Evidence, pp. 403-404.

Industry and Trade.³⁵ It assisted employers with RSMS nominations by examining the proposals in detail and helping to refine them.³⁶

- 4.41 Most potential migrants were ‘onshore’ applicants under RSMS, ie they were already in Australia when they applied. Those who applied from overseas (‘offshore’) accounted for a third of the employees.³⁷ Potential migrants to Australia were invited to seminars promoting South Australia once they had met the initial health and character checks. These seminars included advice about the varieties of SsMM, and the *Immigration South Australia* program for independent skilled migrants which offered a range of services including three months pre-booked public housing accommodation.³⁸
- 4.42 The Committee considered that these proactive approaches contributed significantly attracting people to settle in South Australia under RSMS. In addition, the Committee believed that the use of RSMS by employers in the State might have been encouraged by the State’s arrangements for certification. South Australia had adopted a centralised approach, whereby representatives of the SA Government , DIMA, and DEWRSB met weekly to make decisions about applications.³⁹
- 4.43 The SA Government’s policy was that:
- we want everything that affects our state to be dealt with by Immigration Adelaide... For RSMS...DIMA has total power in Adelaide to determine every case.⁴⁰
- 4.44 The advantages which accrued from such a centralised arrangements were that:
- the decision-makers were more practiced in assessing RSMS proposals than might be the case in smaller regional organisations dealing with fewer cases;
 - decisions could be expected to be consistent; and
 - the final decision-makers were directly involved, which meant that decisions -

35 SA Government, Evidence, p. 433.

36 SA Government, Evidence, p. 422.

37 68% onshore according to SA Government, Submissions, p. 193.

38 Other services include: Meet and Greet; Migrant Loan Referral; Overseas Qualification Assessment Service, Settlement Orientation; State Government Concessions (discounts or rebates on motor registration, public transport, TAFE fees, etc); Home Ownership Promotion. SA Government, Evidence, p. 436, Submissions, p. 394.

39 SA Government, Submissions, p. 385.

40 SA Government, Evidence, p. 424.

- ⇒ were not subject to review, as might be the case with regional certification;
 - ⇒ could be finalised immediately; and
 - ⇒ were advised to employers and nominees quickly.
- 4.45 South Australia's arrangements enabled applications which were fully documented to be approved by the SA decision-makers within seven working days of being lodged.⁴¹ This occurred in two thirds of the cases.⁴² In the Northern Territory, where decision-making was similarly centralised, some RSMS processing took only days, with the average being three weeks.⁴³
- 4.46 Employers surveyed in SA indicated that they were satisfied with the RSMS time frame. Eighty per cent of their employees commenced work by the expected commencement date. The immigration process delayed the start of 16 per cent beyond the employers' expectations and other delays arose as a result of the employers or employees themselves.⁴⁴
- 4.47 DIMA data indicated that more than 80 per cent of employees' permanent RSMS visa applications were finalised within 6 months of applying.⁴⁵

RSMS in Practice: Other States and Territories

- 4.48 Queensland was the second largest user of RSMS. In Victoria a Skilled Migration Unit coordinated policy, procedural development, promotion and training for the Regional Certifying Bodies.⁴⁶
- 4.49 In Tasmania, the ACT and the Northern Territory the certification arrangements were centralised, as in South Australia. In Tasmania the certifying panel comprised representatives of Multicultural Tasmania, DEWRSB, Workplace Standards Tasmania (which examined the contracts) and DIMA, which had the ultimate power of approval.⁴⁷ In the Northern Territory the Department of Industries and Business was the only certifying body, similarly subject to DIMA.⁴⁸ The ACT had its own body and is also a part of Australian Capital Region, a grouping of the Territory and surrounding Shires.⁴⁹

41 SA Government, Submissions, p. 385.

42 SA Government, Submissions, p. 193.

43 DIMA Business Centre, Darwin, Submissions, p. 297.

44 SA Government, Submissions, pp. 195.

45 SA Government, Submissions, pp. 194-5.

46 Government of Victoria, Submissions, p. 301.

47 Multicultural Tasmania, Evidence, pp. 302, 313.

48 DIMA Darwin Office, Evidence, p. 148.

49 ACT Government, Evidence, p. 398.

4.50 The Australian Capital Region was one of the Regional Certifying Bodies created by State and Territory governments. They were generally regional or State or Territory development authorities. When the Committee began its review there were 28 such bodies in Australia. This had risen to 44 by 2001, including 14 in NSW and 11 in Victoria.⁵⁰

Conclusion

4.51 RSMS remained a minor component of skilled migration. From 1997/98 to 2000/01 RSMS migrants accounted for 2.0 per cent of the total visa grants in the skill stream.⁵¹ It was a niche scheme, rather than a major component of skilled migration. Numbers were increasing, as experience with the scheme spread and a better understanding developed among administrators, employers and applicants.

Issues raised

4.52 Despite there being a variety of approaches to RSMS across the States and Territories, a number of systemic concerns emerged including:

- the role of local bodies;
- delays;
- consistency;
- lack of certifying bodies;
- risks to employers;
- flexibility on thresholds;
- 'exceptional' approvals;
- medical personnel;
- use of the Skill Matching Database;
- labour market testing;
- prior connections;

50 From 20 June 2000: NSW = 14 (previously 7); Vic = 11 (2); Qld = 7 (7); WA = 8 (8); SA = 1 (1); Tas = 1(1); ACT = 1 (1); NT = 1 (1). Minister for Immigration and Multicultural Affairs, *Media Release* 59/2000; DIMA website: www.immi.gov.au/business/certifyb. See Appendix G for a full list.

51 RSMS = 3031, Total skilled migration = 148,000. DIMA, *Submissions*, pp. 415; Minister for Immigration and Multicultural Affairs, *Media Release* 98/01 and *Annual Report* 1999/00, respectively.

- migration as a substitute for local training;
- monitoring RSMS after arrival; and
- publicity for the scheme.

Role of local bodies

- 4.53 Local participation in the running of RSMS in most States was primarily directed through the formal operation of the Regional Certifying Bodies. However, there was also widespread involvement of other bodies. South Australia reported close links between local authorities, the State Government and DIMA.⁵² Western Australia, Tasmania, the Northern Territory and the ACT also reported similar cooperation.⁵³
- 4.54 A number of organisations argued that local skills and contacts should be more involved in RSMS arrangements particularly because local governments now had broader developmental responsibilities.⁵⁴
- 4.55 However, the desire for more local involvement in RSMS had arisen in some cases from the perception that:
- It is only the local bodies who know where the needs are, who the people are and how to target it. Once you take that back to a state department based in a capital city or one of the biggest cities, you lose that completely and it dilutes it.⁵⁵
- 4.56 Such criticism of the nation-wide schemes has not been unusual. The concerns expressed in relation to RSMS appeared to arise in part from the apparent second-guessing by DIMA of a certification.⁵⁶
- 4.57 However, the small number of examples cited indicated that the rejection of certification generally arose from a reappraisal by DIMA of proposals for 'exceptional' appointments.⁵⁷ When this had occurred, the Committee was told, there may have been follow-up with the certifying body before a final decision was made.⁵⁸

52 South East Area Consultative Committee, Evidence, p. 61; SA Government, Evidence, p. 434.

53 Goldfields Esperance Development Commission, Evidence, p. 117; DIMA Hobart Office, Evidence, pp. 346-349; DIMA, Darwin Office, Evidence, p. 144; ACT Government, Evidence, p. 398.

54 Circular Head Council, Evidence, p. 274.

55 Greater Green Triangle Region Association, Evidence, p. 32. For similar sentiments see: Circular Head Council, Evidence, pp. 282, 284; Migration Agent, Evidence, p. 287.

56 Western Murray Development, Evidence, p. 96.

57 Goldfields Esperance Development Commission, Evidence, p. 117; DIMA Brisbane Office, Evidence, p. 194; DIMA, Submissions, p. 339; Western Murray Development, Submissions, pp. 169-70.

58 DIMA, Brisbane Office, Evidence, p. 194, DIMA, Submissions, p. 339.

4.58 DIMA assured the Committee that it relied:

quite extensively on the states and certifying bodies... we do not reject very frequently and we would do it with a great deal of care, given that we are actually rejecting a decision of another government body.⁵⁹

Conclusion:

4.59 The Committee concluded that the dissatisfaction expressed was genuine, but probably to be expected in the early days of the operation of a new scheme.

Delays

4.60 A number of witnesses told the Committee of their concerns over the time taken to process applications,⁶⁰ reflecting an issue raised in a survey of employers in SA.⁶¹ According to a national evaluation of RSMS, employers of 19 per cent of RSMS migrants were dissatisfied with the time taken by DIMA to process visa applications. However in 68 per cent of cases, the employers reported they were 'satisfied' or 'very satisfied'.⁶²

4.61 DIMA data indicated that, under RSMS, 87 per cent of permanent resident visas were granted within six months.⁶³ The actual time taken usually depended on health and character processing.⁶⁴

4.62 However, the time taken to process permanent residence visas did not necessarily affect the timeliness of the employees' arrival at work because they could be brought in on temporary visas.⁶⁵

4.63 The outcome of this approach was evident in RSMS data for SA, where 80 per cent of employers reported that their employees started work within the expected time frame.⁶⁶

4.64 One witness who had used the scheme to bring out four specialists concluded that:

59 DIMA, Evidence, pp. 480-81.

60 For examples provided to the Committee see: Migration Agent, Evidence, p. 90; Migration Agent, Evidence, p. 48; Greater Green Triangle Region Association, Evidence, pp. 21-2.

61 SA Government, Submissions, p. 199.

62 DIMA, Submissions, p. 454.

63 SA Government, Submissions, p. 194.

64 DIMA Service Standards are 4 months for countries classified as "Low Risk" and 6 months for "High Risk". DIMA Business Office, Darwin, Submissions, pp. 297-8.

65 NT Government, Submissions, p. 137; SA Government, Evidence, pp. 438-9; Migration Agent, Evidence, p. 90.

66 SA Government, Submissions, p. 195.

the fact that that whole process takes three to six months is perfectly reasonable. If it were to take a year or longer, you would lose the people. They would not wait for a year to allow that whole process to go through, but they accept three to six months as a reasonable period. In fact, getting rid of their own job, packing up their goods and doing all the things they have to do is reasonable, and they accept the restrictions in language and all the other things that have got to go on—health checks and everything else.⁶⁷

Conclusion

- 4.65 The Committee concluded that the delays identified were consistent with the necessity of determining who gains the right to permanent residency. Notwithstanding this, use of non-RSMS migration arrangements has proven sufficiently flexible to accommodate both Australia's overall migration strategy and the employers' RSMS expectations.
- 4.66 The Committee also concluded that some of the concerns might be allayed if there was more information available about the expected processing times. The DIMA Pretoria (South Africa) website, for example, provides list of visa types and the expected processing times.⁶⁸

Recommendation 3

- 4.67 **The Committee recommends that information concerning expected and current processing times be made readily available, including on the DIMA website.**

Consistency

- 4.68 One migration agent raised the issue of apparent inconsistency in the application of the RSMS provisions within DIMA and nationally by certifying bodies.⁶⁹
- 4.69 The Committee considered these comments in the light of the claims by DIMA and DEWRSB that they were actively involved in the provision of training and guidelines.⁷⁰

67 Powercorp Pty Ltd, Evidence, p. 153.

68 www.immi.gov.au/pretoria/times.htm

69 Migration Agent, Submissions, p. 159; Evidence, pp. 44-45.

70 DIMA, Brisbane Office, Evidence, p. 185; DEWRSB, Evidence, p. 374.

Conclusion

4.70 The Committee was aware that inconsistent application of RSMS principle could cause confusion and frustration. However, the Committee considered that there were bound to be apparent inconsistencies because the scheme was designed to be adaptable to local requirements. There was also likely to be disagreement over the assessment of 'exceptional' applications. Overall, consistency of application did not appear to be a serious issue and the Committee was satisfied that both Commonwealth entities were addressing it.

Lack of certifying bodies

4.71 In the early stages of the review a number of witnesses from Victoria complained that there were only two functioning regional certifying bodies in the State, and that they did not cover all the State.⁷¹

4.72 Subsequently, in May 2000, more certifying bodies were appointed, covering all of the State,⁷² and all the relevant areas of Australia are now covered by 44 regional certifying bodies.⁷³

Conclusion

4.73 As the lack of certifying bodies was only raised in connection with Victoria, and the situation had subsequently changed, the Committee concluded that this was no longer an issue.

Risks to employers

4.74 Employers reportedly considered that RSMS involved risks for them, and that these were a disincentive to use the scheme. There was, for example, some concern about their:

obligations towards the new employee... from overseas who may have higher expectations regarding the community than it is possible for the employer to meet.⁷⁴

71 Migration Agent, Submissions, p. 133; Greater Green Triangle Region Association, Submissions, p. 145; Western Murray Development, Evidence, p. 96.

72 Department of Premier and Cabinet, Victoria, Submissions, p. 301; DIMA website www.immi.gov.au/business/certifyb, Minister for Immigration and Multicultural Affairs, *Media Release 59/2000*.

73 DIMA, Evidence, pp. 466, 480. DIMA, Submissions, p. 511-13.

74 Riverina Regional Development Board, Submissions, p. 65.

- 4.75 The Committee considered that this was a risk, but noted that a study of 257 RSMS employees indicated high levels of satisfaction with where they had settled.⁷⁵
- 4.76 A more significant concern was that employees would leave before their two-year contract had been completed. In examining this issue the Committee was aware that in any one year approximately 13 per cent of employees in Australia change their job.⁷⁶
- 4.77 In South Australia, 82 per cent of employees under RSMS were still with their sponsor.⁷⁷ However this information did not assist the Committee to determine what proportion completed their contracted two year periods because few, if any, of the migrants had been under RSMS for that period.
- 4.78 What was clear in South Australia was that one in five employees had parted company with their sponsor prior to two years elapsing.⁷⁸ A national survey of RSMS showed a worse outcome. The report concluded that ‘a *minimum* of 30 per cent left within the two years’, and that one third of those (ie about one in ten of all employees using RSMS) stayed with their sponsor for fewer than six months.⁷⁹
- 4.79 This was despite DIMA’s advice to the Committee that the contract required under RSMS aimed at maintaining the employee retention rate.⁸⁰ The issue was taken up at public hearings:
- There is a two-year contract but... advice from the department is that, if the employee decides to take another job somewhere – and he has already got permanent residence – he can do that without incurring any penalty.⁸¹
- 4.80 DIMA was reported to have no capacity to enforce the contract. The Committee was told that it would be a matter for a civil action between the employer and employee.⁸²
- 4.81 The Committee was advised that a common approach was for employers not to use RSMS. Instead, the Committee was told, there was:

75 98% were satisfied or very satisfied, 61% preferred to remain where they were, and 46% had bought or were paying off a house. DIMA, Submissions, pp.478-80, 503.

76 12.8% of those who worked during year ended February 2000, changed employer/business (Australian born 13.1%, overseas born 11.7%). Australian Bureau of Statistics, 6209.0 *Labour Mobility Australia*.

77 SA Government, Submissions, p. 197.

78 SA Government, Submissions, p. 197.

79 DIMA, Submissions, p. 472, (emphasis in the original); p. 495.

80 DIMA, SA Office, Evidence, p. 428.

81 Migration Agent, Evidence, p. 90.

82 Migration Agent, Evidence, pp. 90-91, 94.

a high percentage of employers using the temporary residence option rather than permanent... it gives employers the opportunity to have a trial run ... to see whether the person they wish to nominate possibly for permanent residence is suitable and whether they intend to stay on... then they will take the step to sponsor them for permanent residence.⁸³

- 4.82 The precautionary use of the Business (Long Stay) Visa as a possible preliminary to RSMS may have benefited both employer and employee because temporary residence visas were generally issued more quickly than the permanent visas under RSMS.⁸⁴
- 4.83 The advantage for the employer of the Business (Long Stay) Visa, compared to RSMS was that employees could not change jobs without DIMA permission, otherwise they risked cancellation of their visas.⁸⁵

Conclusion

- 4.84 The Committee concluded that employers' fears that their nominees would not fulfil their contracts was justified. The Committee also concluded that this is a potential disincentive for some employers to use RSMS.
- 4.85 Yet evidence to the Committee indicated that employers had already developed strategies to minimise the risk to them of employees leaving. The Committee noted that the use of the Business (Long Stay) Visa in such circumstances achieved a similar result to the use of RSMS, that is, the movement of employees and their families to the employers' locality, with the advantage that it was for a potentially longer period – up to four years as opposed to two under RSMS.
- 4.86 The Committee therefore concluded that failure by some employees to keep to the two-year contract was a significant issue, but that it was too early to determine the effect on employers' willingness to use RSMS.
- 4.87 The Committee noted that the Commonwealth's Migration Legislation Amendment (Integrity of Regional Migration Scheme) Act 2001 was intended to ensure that the employee honoured the two-year contract by allowing the Minister to cancel a RSMS visa.
- 4.88 The Committee considered that employers might be more willing to pursue RSMS if they had a clearer idea of their options for redress if

83 DIMA, Darwin Office, Evidence, pp. 136, 139. See also Migration Agent, Evidence, p. 90.

84 65 % of temporary visas are issued within 1 month and 97% within 3 months, whereas only 21% of permanent residence visas are issued within 3 months. SA Government, Submissions, p. 194.

85 DIMA, Darwin Office, Evidence, pp. 144-45.

employees did not remain for the contracted period. The Migration Legislation Amendment (Integrity Of Regional Migration Schemes) Act 2001 aimed to:

enable the Minister to cancel a person's regional sponsored migration scheme visa if the Minister is satisfied that either:

the person has not commenced the employment referred to in the relevant employer nomination within a period prescribed in the Regulations; or

the person commenced the employment referred to in the relevant employer nomination (whether or not within the prescribed period) and the employment terminated within the required employment period of 2 years; and

the person does not satisfy the Minister that either:

he or she made a genuine effort to commence that employment within that period; or

he or she has made a genuine effort to be engaged in that employment for the required employment period.⁸⁶

- 4.89 The Committee considered that this amendment, which was passed by the Senate in April 2001, would materially assist in allaying potential employers' reservations about employing migrants under RSMS.

Recommendation 4

- 4.90 **The Committee recommends that DIMA ensure that potential employers and migrant employees are aware of the sanctions relating to RSMS employees who do not complete their two-year contract.**

Flexibility on thresholds

- 4.91 Two issues were raised with the Committee concerning what was perceived as unnecessary rigidity in the RSMS requirements relating to skills and age.

⁸⁶ Explanatory Memorandum, *Migration Legislation Amendment (Integrity of Regional Migration Schemes) Bill 2000*.

Skills

- 4.92 In its submission, the NT Government argued that it should have ‘flexibility and discretion under the RSMS criteria of “skilled position” ‘ because positions which cannot be filled locally, but do not meet the definition of ‘skilled’, do not qualify under RSMS.⁸⁷ A similar argument was made by Greater Green Triangle Region Association and by Bartter Enterprises.⁸⁸
- 4.93 DIMA’s Darwin Business Centre indicated that it had some discretion in such cases,⁸⁹ and the SA Government noted that there was provision under RSMS for employers to argue that their requirement was ‘exceptional’.⁹⁰

Age

- 4.94 The Tasmanian Government argued that the 45 years of age cut-off was no longer appropriate because of changing labour market arrangements which saw shorter careers and more job mobility. The Government considered that the ability to argue for an ‘exceptional’ case was not a satisfactory solution to the problem.⁹¹

Conclusion

- 4.95 The Committee concluded that the opportunity for ‘exceptional’ appointments provided RSMS with sufficient flexibility and that no further concessions were required

‘Exceptional’ approvals

- 4.96 The Committee was surprised to find that ‘exceptional’ cases accounted for more than ten per cent of the approvals under RSMS.⁹² These employees qualified for permanent settlement in Australia although they did not fully meet the specified standards for language skills, or age, or qualifications.⁹³

87 NT Government, Submissions, p. 141; Evidence, p. 124.

88 Greater Green Triangle Region Association, Evidence, p. 29. Bartter Enterprises, Submissions, p. 222.

89 DIMA Business Centre, Darwin, Evidence, p. 148.

90 SA Government, Evidence, p. 407.

91 Tasmanian Government, Submissions, pp. 91-92.

92 Employers report 11% of employees; employees themselves 8%: DIMA, Submissions, p. 457, 470; SA Government, Submissions, p. 203, indicates that ‘exceptional’ accounts for one in five.

93 DIMA, Evidence, p. 481, indicates that each accounted for about one third of the exceptions approved.

4.97 As DEWRSB pointed out to the Committee:

these various criteria... are there for a purpose. It is the case that people who do breach those criteria are less likely to do well in the Australian labour market, in the Australian economy and for the Australian government in terms of tax return.... the unemployment rate is much higher for older people and the unemployment duration is much longer for older people.⁹⁴

English language is a very strong indicator of how people go in the labour market... with quite a significant difference in incidence of unemployment, incidence of long-term unemployment, and even incidence of employment.⁹⁵

4.98 The Committee was told that applicants who failed to meet the basic parameters but were nevertheless granted visas might have initially failed because they were perhaps a year too old, or might work in an area where there was no immediate need for English language skills, or have experience but lack formal qualifications.⁹⁶

4.99 In explaining how 'exceptional' cases came to be approved, the South Australian Government said that, provided the position was skilled:⁹⁷

we always try to make sure that any exceptional case, for a start, adds value to the employer, that there is a reason for that exceptional circumstance that we think is reasonable... DIMA has the decision on the exceptional. What we do is to try and help the employer...⁹⁸

4.100 The Committee appreciated that there would be applicants who only narrowly failed to meet some of the criteria, such as age. The opportunity for argue for 'exceptional' appointments added to the flexibility, and hence the attractiveness of RSMS.

4.101 In practice, the Committee was advised that, although one in ten successful applications was classified as 'exceptional', fully three quarters of those who initially sought 'exceptional' entry under RSMS failed to gain approval. Those who did succeed did so on the basis of exceptional circumstances divided equally among age, language, and qualification factors.⁹⁹

94 DEWRSB, Evidence, p. 425.

95 DEWRSB, Evidence, p. 429.

96 SA Government, Evidence, p. 423; Migration Agent, Evidence, p. 91

97 SA Government, Evidence, p. 421.

98 SA Government, Evidence, pp. 423, 424.

99 DIMA, Evidence, p. 481.

Conclusion

4.102 The Committee concluded that elimination of potential employees because of marginal failure to meet RSMS requirements would reduce the possibility of easing local skilled labour shortages through skilled migration. Yet, as the Tasmanian Government highlighted, the high proportion of 'exceptional' approvals threatened the credibility of the migration process,¹⁰⁰

Recommendation 5

4.103 The Committee recommends that the scale of 'exceptional' approvals be continually monitored, and reviewed in 2003 in order to ensure that required standards remain relevant.

Medical Personnel

4.104 Witnesses mentioned the scarcity of medical personnel, such as doctors, pharmacists and physiotherapists outside major metropolitan regions.¹⁰¹ In addition, the Committee was informed that there was a nation-wide shortage of nurses.¹⁰²

4.105 In response to the local nurse shortage the Tasmanian Government distributed material from the Skill Matching Database to hospitals, leaving it to them whether they wished to pursue a nomination under RSMS.¹⁰³ In South Australia specialist nurses had been nominated, but unspecified industrial issues had prevented direct RSMS sponsorship of nurses.¹⁰⁴ In the Riverina, RSMS had been used to recruit a pharmacist and a physiotherapist, and in the Kalgoorlie area a speech pathologist and nurses.¹⁰⁵

100 Tasmanian Government, Submissions, pp. 91-92.

101 **For shortages of Doctors see Evidence** - Greater Green Triangle Region Association, p. 26; Rural Workforce Agency Victoria, pp. 70-71; Goldfields Esperance Consultative Committee Inc, p. 107; Migrant Resource Centre Townsville Thuringowa Ltd, p. 224; Circular Head Council, pp. 271-72; Tasmanian Government, p. 315; ACT Government, p. 396; SA Government, p. 408, and McKinlay Shire Council, Submissions, pp5-6.

102 **For nursing shortages see Evidence**, Rural Workforce Agency Victoria, p. 79; NT Government, p. 125; DIMA, Brisbane Office p. 183; Circular Head Council, p. 271; Tasmanian Government, p. 303; and ACT Government, p. 396.

103 Tasmanian Government, Evidence, p. 304.

104 SA Government, Submissions, p. 73

105 Riverina Regional Development Board, Submissions, p. 65; Goldfields Esperance Development Commission, Evidence, p. 114.

4.106 The Committee was told that RSMS had also been considered as a means of filling general practitioner vacancies, but this had not been pursued widely because:

- overseas-trained doctors wishing to become permanent residents (as would occur under RSMS) faced a number of professional and administrative barriers;¹⁰⁶
- there was reluctance by some local authorities to sponsor a medical practitioner as an employee¹⁰⁷; and
- it was more straightforward to bring in doctors under temporary migration arrangements such as the Area of Need arrangements; the Rural Locum Relief Program; the Western Australian Centre for Rural and Remote Medicine; and a rural and remote health agency in SA.¹⁰⁸

Conclusion

4.107 The Committee concluded that RSMS appeared to have been an appropriate mechanism for attracting medical personnel to some areas. However, medical institutional factors affected the scope of RSMS in alleviating local shortages of medical personnel, and a range of more direct and targeted recruitment methods was in use.

Usefulness of the Skill Matching Database

4.108 The prevalence of on-shore applications also led the Committee to query how useful the Skill Matching Database (SMD) was proving in practice. The SMD was set up in 1996 and enhanced in July 1999 with the introduction of the Skill Matching Visa Class.¹⁰⁹ The Committee was told that at any one time it held details of approximately 1,000 applicants. In March 2001, for example, it held 1,324, with 182 new applicants having been added and 105 removed during the month.¹¹⁰

106 These include meeting professional registration requirements and the qualifying for the allocation of Medicare provider numbers – see Rural Workforce Agency Victoria, Evidence, pp. 71-73, Submissions, pp. 231-32; SA Government, Evidence, p. 408; DIMA, Evidence, p. 474.

107 Tasmanian Government, Evidence, p. 315.

108 Rural Workforce Agency Victoria, Submissions, pp. 229, 95; Goldfield Esperance Development Commission, Evidence, p. 108; SA Government, Submissions, p. 73; Evidence, p. 408. Under the 1999 Regional and Rural Overseas Doctors Scheme 50 had been recruited for WA, 13 for Victoria, and 24 for Queensland by early 2001; DIMA, Submissions, p. 510.

109 DIMA, Submissions, p. 24; DEWRSB, Evidence, p. 372.

110 DIMA, Submissions, p. 525.

4.109 The Committee noted that between 70 and 90 per cent of those on the SMD had already gained sufficient points to migrate to Australia. They therefore would not need the concessional arrangements of RSMS (although they could elect to use them to secure employment prior to migration). In effect, only about 300 people on the SMD people actually needed SsMM to qualify for permanent residence in Australia.¹¹¹ This currently limits the size of the skill pool.¹¹²

Conclusion

4.110 The Committee considered that that the Skill Matching Visa class which was introduced in July 1999 to boost the pool size had not yet done so. The South Australian Government claimed that it contributed only 20 cases in 1999/00.¹¹³ This meant that the SMD was not yet playing its expected key role in the RSMS process of matching local requirements with skilled overseas workers.

4.111 In light of the role of personal contacts in securing employees, the Committee was not convinced that the SMD would be the 'critical resource' for nominations envisaged by DIMA.¹¹⁴

Recommendation 6

4.112 The Committee recommends that the use of the Skill Matching Database should be re-examined in 2003.

Labour market testing

4.113 From 1 July 1999, no labour market testing was required under RSMS if the occupation was listed on the Migration Occupations in Demand List.¹¹⁵

4.114 Evidence to the Committee indicated that confusion existed concerning labour market testing required under RSMS. There was uncertainty about whether any labour market testing was needed, and of a lack of clarity about how the labour market should be tested. The employer's

111 70%, DIMA, Submissions, p. 525, 90%, DEWRSB, Evidence, p. 372. "B" Category applicants able to obtain visas only through STNI totalled 305 in January 2001 and 329 in March 2001: SA Government, Submissions, p. 71; DIMA, Submissions, pp 419, 525.

112 SA Government, Evidence, p. 403; Greater Green Triangle Region Association, Evidence, p. 27

113 DIMA, Submissions, p. 26; SA Government, Submissions, p. 390.

114 DIMA, Submissions, p. 24.

115 Western Murray Development, Submissions, p. 219.

nomination form indicated that RSMS could be used to fill a skilled vacancy if ‘the position cannot be filled from the local labour market’.¹¹⁶

A 4 Wheel Drive Story Part 1

Employers are looking for Land Rover mechanics ... have advertised Australia wide and cannot get anybody ... most people that come to us have somebody in mind ... even to get a mechanic who is well qualified to come to work for them has been impossible ... people are not well enough qualified or they have not dealt with Land Rover ... people will not move to country communities [and]... leave a lot of the creature comforts.

Evidence, pp. 27, 28, 29.

4.115 DIMA claimed that under RSMS:

the principal focus of the certifying bodies and the objective of that structure was to allow a body that is closer to the detailed knowledge of the local labour market to establish that, within that labour market, those skills are not readily available. The historical alternative under our employer-sponsored categories is for employers to go through a formal labour market testing process. That would normally involve advertisements in the newspapers and the examination of professional journals and the like. But, under the regional sponsored scheme, it pivots very much on the local labour market knowledge of the certifying body.¹¹⁷

4.116 However, the *Labour Market Testing Guidelines* provided to RSMS Certifying Bodies by DIMA and DEWRSB do not spell out how the local labour market was to be tested under RSMS. Rather the document:

suggests that certifying bodies consider the following issues in assessing nominations...under the Employer Nomination Scheme.¹¹⁸

4.117 The Employer Nomination Scheme *required* the employer to have undertaken at least two of four options: advertising in metropolitan and national newspapers; advertising in professional/trade journals; taking

116 DIMA, Form 1054.

117 DIMA, Brisbane Office, Evidence, p. 184

118 Western Murray Development, Submissions, p. 243; DEWRSB, Submissions, p. 412.

advice from professional/industrial bodies; or using recruitment agencies with national representation.¹¹⁹

4.118 As witnesses commented:

labour market testing is often irrelevant and expensive;¹²⁰

4.119 The Riverina Regional Development Board echoed the concern about costs,¹²¹ indicating that:

my great concern was, when it was time to lodge the nomination on form 1054 under the scheme, to get acknowledgment from the Job Network that the position had been advertised and that there had been no response to it. I believe that the scheme would happily accept that much, yet this person was asked to pay \$550. I clarified the situation with the manager of this Job Network and he confirmed that that was their commercial charge. I find that an absolute impediment to the good intentions of the scheme and to the good intentions of the employers.¹²²

4.120 DEWRSB, although not formally involved in RSMS,¹²³ explained that, in its view, 'labour market testing' under RSMS was where the employer had taken reasonable steps to get somebody but had been unsuccessful.¹²⁴

4.121 DIMA responded to the comments:

if a certifying body was to come to us and say, 'Our assessment is that there is a genuine vacancy', and if what they presented to us seemed a plausible and reasonable representation... we would accept that.¹²⁵

4.122 However, in South Australia, the test imposed by the centralised Certifying Body in which DIMA participates, was that employers:

advertise at least twice in the *Adelaide Advertiser*, which is our main paper, and that they also have been through a Job Network provider. If there is a professional or trade association that can offer an independent opinion about whether that particular occupation is in shortage or not, we ask that information to be provided as well. If there are any people who have applied for

119 Western Murray Development, Submissions, p. 243; DEWRSB, Submissions, p. 412;

120 Riverina Regional Development Board, Submissions, p. 64. For other, similar views see - Migration Agent, Evidence, p. 90; Western Murray Development, Evidence, p. 97; Westvic Pumps, Submissions, p. 265.

121 Riverina Regional Development Board, Submissions, p. 64.

122 Riverina Regional Development Board, Evidence, p.447.

123 DEWRSB, Evidence, p. 370.

124 DEWRSB, Evidence, p. 417.

125 DIMA, Evidence, p. 482.

those positions, we ask to see why they were deemed not suitable for that particular job. We go through a fairly thorough detailed analysis of what they have done for that job.¹²⁶

Conclusion

- 4.123 The Committee concluded that, although RSMS did not formally require testing of the 'local labour market',¹²⁷ in practice the labour market testing required under RSMS did not diverge significantly from the approach used under the Employer Nomination Scheme (ENS). This had led to confusion about the nature and intensity of labour market testing required to meet the requirements of RSMS.

Recommendation 7

- 4.124 **The Committee recommends that, in its advice to Certifying Bodies, DIMA indicate how labour market testing for RSMS may diverge from the standards for ENS and still be accepted as valid.**

Prior connections

- 4.125 Evidence to the Committee indicated that, in many cases, employers already knew which employees they were seeking prior to accessing RSMS:¹²⁸

In practice, a lot of employers have already become familiar with the person they want to employ through contacts.¹²⁹

There is usually some connection, like a business connection... There might be a family relationship. There might be another member of the family already here.¹³⁰

In most cases...businesses... already have an employee working under an existing visa.... it would appear that the employee is the instigator... and the employers are generally ignorant of the RSMS.¹³¹

126 SA Government, Evidence, p. 417.

127 DIMA, Form 1054.

128 Greater Green Triangle Region Association, Evidence, p. 27; Powercorp Pty Ltd, Evidence, pp. 158-59; Riverina Regional Development Board, Evidence, p. 448

129 Migration Agent, Evidence, p. 90.

130 Migration Agent, Evidence, p. 49.

131 Cairns Chamber of Commerce, Submissions, p. 314.

employers who have questionable motives... have met all the guidelines.¹³²

- 4.126 This anecdotal evidence concerned the Committee because it raised the possibility that RSMS was being used as a back-door route to permanent residency through the ambitious claims by potential employees of their skills and/or the creation of bogus skills shortages.

A 4 Wheel Drive Story Part 2

Why would we need to bring in specialists from other countries to be four-wheel drive motor mechanics ... are people inventing shortages in order to reunite families ... we would not want to see schemes that we have in place being rorted just to suit the interests of individuals ... what checks and balances were done to ensure that this was a legitimate sponsorship in order to meet a very specialised vacancy in that particular field?

Evidence, pp. 416, 109, 185.

- 4.127 DIMA advised the Committee that:

various organisations... do try to assist people who belong to their organisations to migrate... That is not illegal. Whilst you may look at it with some concern, it in itself is not of concern to Immigration. So long as in each individual case they meet the legal requirements we will visa them.¹³³

- 4.128 The Committee considered that the DIMA vetting of qualifications minimised the risk that potential employees would be able to misrepresent their skills. The Committee was assured by the South Australian Government that there was additional scrutiny of applications when it noted a possible connection between employer and employee which might not be related to skill shortages.¹³⁴

- 4.129 The Victorian Government reported that the initial contact prior to using RSMS could have come about through:

- meeting at conferences;

132 Riverina regional Development board, Submissions, p. 64.

133 DIMA, Evidence, p. 481.

134 SA Government Evidence, p. 409.

- employing the person while on a working holiday;
 - business contacts; or
 - the employee visiting while on holiday.¹³⁵
- 4.130 In addition, the Committee observed that churches provided international contacts.¹³⁶
- 4.131 Studies of RSMS showed that most employees using the scheme had applied for it in Australia.¹³⁷ According to a national study of RSMS:
in total, 57 per cent of migrants had prior work experience with the sponsoring employer. In other words, in a majority of cases employers have accessed the RSMS to permanently fill vacancies with employees who had already worked for them or were working for them.¹³⁸
- 4.132 According to that study and a South Australian one, the high proportion of applications made in Australia was seen as evidence that employers preferred to bring their nominees in on a trial basis prior to seeking permanency through RSMS.¹³⁹ This interpretation was echoed by the NT Government.¹⁴⁰
- 4.133 The SA Government commented that it was also easier for potential employees to visit an area and then, if they liked it, look for employment opportunities.¹⁴¹
- 4.134 A study of RSMS indicated that temporary visas issued in Australia were generally finalised in a shorter time than those issued overseas to enable employees to commence work.¹⁴² The Committee considered that the time saving possible with the temporary visa option would be attractive to both employer and employee. The use of a temporary visa to bring in employees prior to applying under RSMS would swell the proportion of RSMS visas being processed in Australia.

135 Government of Victoria, Submissions, p. 302.

136 DIMA, Brisbane Office, Evidence, pp. 194-195; SA Government, Evidence, pp. 409-410, Riverina Regional Development Board, Evidence, p.451.

137 SA Government, Submissions, p. 193.

138 DIMA, Submissions, p. 469.

139 DIMA, Submissions, p. 469; SA Government, Submissions, p. 193.

140 NT Government, Submissions, p. 137.

141 SA Government, Evidence, p. 441.

142 97% of temporary visas issued on shore within 3 months of application, compared with 41% of offshore visas granted within the same period. SA Government, Submissions, pp. 194-95.

Conclusion

4.135 The Committee concluded that:

- The scheme appeared to be more successful in allowing those already in Australia to remain permanently rather than attracting new applicants.
- There was no conclusive evidence that the scheme was being misused.

Recommendation 8

4.136 **The Committee recommends that the role of personal contacts in the operation of RSMS should be re-examined in 2003.**

Migration as a substitute for local training

4.137 The Committee acknowledged that RSMS was intended to be responsive to local labour market conditions, but it was concerned that RSMS did not:

test an employer's training record or what efforts they are making for training. It is a derivative of the Employer Nomination Scheme, which does require an employer to have a satisfactory training record, but under RSMS there is no requirement to look at that... The scheme simply does not pick that up.¹⁴³

4.138 In discussion of the use of apprenticeships as a means of building up local skills, the Committee was advised that there were structural disincentives to employers taking on apprentices:

an employer has his person gone for nine weeks in a block... they simply state that with the paperwork and the time that they are away...the employer does not want to go through the hassle of the apprenticeship system.¹⁴⁴

143 DIMA, SA Office, Evidence, p. 416.

144 Glenelg Shire Council, Evidence, pp. 37-38.

A 4 Wheel Drive Story Part 3

The issue is that nationally there is a shortage of motor mechanics ... probably since the fifties ... the occupation pays very poorly ... might be described as a mechanic, but they might have very specialist mechanical skills that might relate to diesel technology of tractors or something similar that is a critical skill in a regional area.

Evidence, pp. 416, 418, 184.

4.139 The Committee considered that a long-term reliance on the importation of overseas skilled labour could emerge, to the detriment of the local labour market. This was a real risk, as was demonstrated in the Kalgoorlie area, where an employer's proposal to bring in a specialist:

was not approved... DIMA said no. They said that so many had been approved that, by now, they should be training locally. Considering that what the scheme was designed to do was that they were to come in and then train locally, you could understand some of that decision.¹⁴⁵

Conclusion

4.140 The Committee considered that the option of local training as a remedy for skills shortages should not be ignored, as appeared possible under RSMS, but not the 'parent' ENS.

Recommendation 9

4.141 **The Committee recommends that DIMA make the employers' training record a consideration in RSMS.**

Monitoring RSMS after arrival

4.142 There have been surveys of the operation and the level of employer satisfaction with RSMS. These gave snapshots of the scheme at a

¹⁴⁵ Goldfields Esperance Development Commission, Evidence, p. 117.

particular time.¹⁴⁶ Some of the results were discussed previously under *Risks to employers*. However neither DIMA nor DEWRSB undertook regular monitoring of the individual employment arrangements.¹⁴⁷

Conclusion

4.143 The Committee accepted that it was inappropriate to monitor permanent residents. However, in view of their other concerns about the operation of RSMS, the Committee considered that there should be regular direct monitoring of the operation of the scheme.

Recommendation 10

4.144 The Committee recommends that a follow-up survey of employees' and employers' performance should be conducted in 2003 to determine whether successful applicants were remaining in regional areas as intended.

Publicity

4.145 In its hearings the Committee was told that there was not widespread awareness of RSMS.¹⁴⁸ Similar comments were made about other SsMM. The Committee therefore decided to address the issue of publicity for SsMM generally, rather than consider it scheme by scheme. This aspect of SsMM is examined in Chapter 9 *Overview*.

Measuring success

4.146 The Committee considered a number of criteria which could indicate the success of RSMS. These included the numbers involved and whether:

- the local skill needs were met;
- the employer was satisfied with the scheme's arrangements;

146 SA Government, Submissions, pp. 180-218 - *Regional Sponsored Migration Scheme (RSMS)- South Australia: Employer Survey October 1999*; DIMA, Submissions, pp. 431-506 - *Evaluation of the Regional Sponsored Migration Scheme*, National Institute of Labour Studies Inc, August 2000.

147 DEWRSB, Evidence, p. 374; DIMA, Brisbane Office, Evidence, p. 197; DIMA, Adelaide Office, Evidence, p. 407.

148 Westvic Pumps, Evidence, p. 41; Rural Workforce Agency, Evidence, p. 75; Riverina Regional Development Board, Submissions, p. 65; DIMA, Darwin Business Centre, Evidence, p. 137.

- the employer was satisfied with the outcomes of the scheme;
- the employee was satisfied with the mechanics of the scheme;
- the employee was satisfied with the outcomes of the scheme;
- the employee remained for the contracted two years; and
- there had been a positive effect on the local labour market, economy, and population.

4.147 The Committee also noted that the RSMS target areas were low-growth or low population growth areas of Australia.¹⁴⁹ The Committee therefore considered that, although not directly related to the aims of RSMS, it would be relevant to consider how many people accompanied the skilled migrant, and whether they stayed on in the area after the two-year contract.

Numbers

4.148 In 1999/2000 half of the 70,200 migrants who came to Australia under the migration programs other than humanitarian ones arrived through the skilled stream. RSMS arrangements accounted for 664 of the 35,330 skilled migrants, or less than two per cent of the total skilled migrant intake that year,¹⁵⁰ but:

the nature of the scheme is that there are fairly small numbers... It is employer driven... and it depends on the employer having a particular requirement at a point in time.¹⁵¹

4.149 In addition, the Committee was told that, while the total:

may seem like a small number, but with so many of the smaller communities here having a skilled industry of some kind... one extra employee affecting a business and therefore the community directly through that business and indirectly through boosting the regional economy is a lot of people boosting small economies.¹⁵²

4.150 The Committee agreed that the numbers of skilled workers under RSMS was not a clear indicator of the overall success of the scheme. The use made of the scheme was the product of employer knowledge and use of the scheme, the knowledge available to potential migrants, the

149 DIMA, Fact Sheet 23 *Skilled Migration to Australia; Form 1054 Employer nomination under the Regional sponsored migration scheme*, respectively

150 Minister for Immigration and Multicultural Affairs, *Media Release*, 7/2000, 27 July 2000. In 1998/99 the proportion was less than 1%, DEWRSB, Submissions, p. 116.

151 DIMA, Brisbane Office, Evidence, p. 182.

152 Greater Green Triangle Region Association, Evidence, p. 22.

appropriateness of their skills to the identified demand, their willingness to settle in the area in which the job was located, and the level of activity of the certifying bodies.

Meeting local skill needs

- 4.151 The RSMS administrative arrangements are designed to ensure that the scheme did meet the local skill needs. The process of approving an application establishes *prima facie* evidence that the skills provision component of RSMS was working.
- 4.152 The scale on which this activity occurred across Australia was another indicator of the degree of success of RSMS in meeting local needs. In this regard, evidence to the Committee indicated that use of RSMS was patchy.¹⁵³

Employer satisfaction with arrangements

- 4.153 Surveys of RSMS employers indicated a high level of satisfaction for the scheme and its operation. Responses by the employers of 255 RSMS nominees revealed that:
- the RSMS nomination process was considered ‘simple’ in recruiting 64 per cent of employees and ‘OK’ for a further 33 per cent;
 - there was only one expression of dissatisfaction with the length of time taken to certify nominations;
 - 80 per cent of employees commenced at the date planned; and
 - 16 per cent of employees did not commence at the planned time because of delays in the immigration process.¹⁵⁴
- 4.154 In a later national survey, employers of 61 percent of 372 RSMS skilled migrants were ‘very satisfied’ with the scheme and a further 28 per cent were ‘satisfied’.¹⁵⁵
- 4.155 These responses do not indicate any serious shortcomings with the RSMS process. Further evidence of employer satisfaction with the scheme was that employers of 85 percent of the migrants would not hesitate to use the scheme again. Indeed the fact that more than one in four migrants was

153 DEWRSB, Evidence, p. 367; DIMA, Brisbane Office, Evidence, p. 191; SA Government, Submissions, pp. 190-91.

154 SA Government, Submissions, pp. 192-93, 195

155 DIMA, Submissions, p. 454.

working for employers who had made multiple use of RSMS, indicates strong employer satisfaction with its outcomes.¹⁵⁶

Employer satisfaction with outcomes

4.156 One employer with a workforce of 20 told the Committee that RSMS:

has been enormously successful. I think we have now brought in four. In two weeks time I will bring in my next one, a specialist software engineer with particular expertise.¹⁵⁷

4.157 This individual view was supported by responses to the employer survey which indicated that:

- overall 37 per cent of migrants provided a strong positive effect on the employers' businesses, and a positive effect in 43 per cent;
- in 73 per cent of cases employers considered migrants had transferred skills to a 'moderate' or 'great' extent;
- in 55 per cent of cases, on-the-job performance was rated as very good, and a further 26 percent rated as good; and
- 87 per cent of nominees met or exceeded employers' expectations of their skill level.¹⁵⁸

4.158 The Committee considered that these responses indicated that the RSMS was providing employers with the outcomes sought, although the Committee found the final point about the skill level expectation unsurprising in view of the fact that more than half of the employees recruited via RSMS were already known to the employer.

Employee satisfaction with arrangements

4.159 The national survey of RSMS indicated that most were very satisfied (51 per cent) or satisfied (28 per cent) with the time taken to process visas. There was very little dissatisfaction (7 per cent) with the requirement to have a two year employment contract, with which most were satisfied or very satisfied (38 and 42 per cent respectively).¹⁵⁹

156 DIMA, Submissions, pp. 453, 458.

157 Powercorp Pty Ltd, Evidence, p. 152.

158 DIMA, Submissions, pp 461-62, 459.

159 DIMA, Submissions, p. 476.

Employee satisfaction with outcomes

- 4.160 The Committee considered that the numbers and proportions of employees leaving prior to the expiry of their two-year contract indicated dissatisfaction among employees with the outcome of their RSMS arrangements.
- 4.161 However, a national survey found that more than nine out of ten migrants were 'very satisfied' or 'satisfied with their job', and 98 per cent of migrants stating they were 'very satisfied'... or 'satisfied' with life in Australia.¹⁶⁰ Overall, employees rated the scheme very highly, and with good employment results.¹⁶¹
- 4.162 The latter outcome, the Committee felt, should have been expected, given that most of the employees had worked for or were working for their employer prior to coming under RSMS.
- 4.163 The Committee was concerned that there was no systematic follow-up of employees. In effect:
- the only real measure sometimes of a success of a scheme is by the number of complaints you get about things going wrong.¹⁶²
- 4.164 In the Committee's view this was an inadequate approach because the scheme had to be attractive to migrants as well as employers if it was to bring skilled workers to areas of need.
- 4.165 The Committee has already addressed the issue of monitoring and reiterates recommendation No. 10.

Employees remaining for two years

- 4.166 Another indicator of the success of RSMS was whether the employees fulfil their two-year contract. The employees were permanent residents by virtue of their sponsorship under RSMS, and therefore able to change jobs and move about Australia like other Australians.
- 4.167 DIMA pointed out that:
- even where the best possible conditions for retention of skilled migrants exist... inevitably... some proportion of those selected through State specific migration mechanisms will move away from the target State or area.¹⁶³

160 DIMA, Submissions, pp. 477-78.

161 DEWRSB, Evidence, p. 367.

162 DIMA, Adelaide Office, Evidence, p. 407.

163 DIMA, Submissions, p. 17.

- 4.168 The Committee received anecdotal evidence of why employees left, such as having used RSMS primarily to gain permanent migration and then leaving their employer shortly after.¹⁶⁴
- 4.169 The Committee considered this a ‘worst case’ outcome, and not an indication of the complex reasons which prompted people to move. The national survey of RSMS found that the migrants who left their employer had done so:
- to look for or take another job (30 per cent); or
 - because they were dissatisfied with the existing job (25 per cent); or
 - for ‘business related reasons... a redundancy’ (25 per cent).¹⁶⁵
- 4.170 However, the same study cautioned against accepting these as providing full explanation of why employees left. It examined factors associated with employees remaining and concluded that they:
- were all to do with how the migrant lived up to expectations and performed on the job...Where the employer believed that the migrant’s skills exceeded expectations, where there had been some skills transfer to other employees, where the migrant’s job performance was rated as good or very good were all strongly, positively associated with retention... migrants who worked in larger workplaces (100 employees or more) were more likely to have stayed.¹⁶⁶
- 4.171 The Committee considered that these attributes indicated a supportive environment for migrant workers, which could encourage them to remain.
- 4.172 It appeared to the Committee that the failure of employees to remain with their sponsor for the expected period indicated a potential for abuse of RSMS simply to obtain permanent residence. The Committee noted that, with the introduction of the Migration Legislation (Integrity of Regional Migration Scheme) Act, the Commonwealth had recognised the need to safeguard RSMS against possible abuse by employees.
- 4.173 Looking beyond the contractual issue, the Committee considered if employees left their sponsor but remained in the area, then the skill, economic, and population aims of RSMS would still have been served. In South Australia, half those who had left their original employer job were still in the State.¹⁶⁷ Nationally, however, perhaps only one third of those
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164 DIMA Business Centre Darwin, Evidence, p. 136; Tasmanian Government, Evidence, p. 316.

165 DIMA, Submissions, p. 487.

166 DIMA, Submissions, p. 488.

167 25 of the 49 who had left their employer, (a further 17 were still in Australia): SA Government, Submissions, p. 197.

who had left their sponsors' employment remained in the same city or region.¹⁶⁸

- 4.174 The Committee concluded that this was not a desirable outcome for the sponsor, but that lack of individual adherence to a contract did not automatically mean that RSMS was unsuccessful.
- 4.175 The Committee has already addressed the issue of monitoring and reiterates recommendation No. 10.

Family size

- 4.176 RSMS was aimed at skilled migrants to low-growth and/or low population growth areas. The impact of those skilled migrants could, however, be greater than the addition of a skill to the local community because their family members contributed to the community and the presence of migrants could encourage more migrants to settle in the region.¹⁶⁹
- 4.177 Detailed information from Tasmania's RSMS program indicated that sponsorship of 69 skilled migrants led to the arrival of 169 people because two thirds of the skilled migrants brought family members with them.¹⁷⁰ This multiplier effect is common under RSMS¹⁷¹ and assists the SsMM goals of augmenting local economic activity and population.

Effect on local labour market, economy and population.

- 4.178 Given the small numbers of migrants involved and the range of other local and external factors affecting a local economy, the Committee concluded that it would not be possible to separate out a quantifiable measure of the RSMS contribution.

Remaining beyond 2 years

- 4.179 The Committee expected that beneficial local effects RSMS would be increased if the skilled workers (and their families) remained in the area beyond their two-year contract.

168 Derived from DIMA, Submissions, p. 466-67.

169 Greater Green Triangle Region Association, Submissions, p. 149.

170 From 1/7/98 – 13/9/00 there were 69 skilled migrants under RSMS. 23 had no family and the 46 with families had a total of 100 dependants. Tasmanian Government, Exhibit 24.

171 79% of employees are married, 58% have children with them. DIMA, Submissions, p. 469.

- 4.180 Most (79 percent) of the employees surveyed said that they did not know how much longer they would be staying with their employer. However, 64 percent thought that they would still be working for their employer in 5 years time, and a further 24 percent thought that they would not be.¹⁷²
- 4.181 In this context, the Committee noted that the migrants themselves appeared to contemplate staying with their employer and suggestions that the duration of the new settlers' contract should be increased.¹⁷³

Conclusion

- 4.182 The Committee did not gather detailed information about the desirability of extending the period, but was sympathetic to the view that:
- to tie somebody down to a particular region for five years may be a bit long.¹⁷⁴
- 4.183 However, the Committee was aware that the success of the scheme depended on employers feeling confident that they would get sustained and predictable benefit. The Committee concluded the Migration Legislation Amendment (Integrity of Regional Migration Scheme) Act 2001 would serve to encourage such confidence.

Summary

- 4.184 On the evidence available to it, the Committee concluded that RSMS successfully met the needs of local employers in filling skilled vacancies. It was, however, not reaching its full potential, in part because of some concern about employees' willingness to remain. The Committee's recommendation No. 4 addressed that point.

172 DIMA, Submissions, p. 490.

173 Queensland Chamber of Commerce, South-West Regional Council, Evidence, p. 202.

174 Tasmanian Government, Evidence, p. 317

State/Territory Nominated Independent

State/Territory Governments... sponsor Independent category applicants identified through skill matching... who are willing to settle in nominated States and Territories.¹

The scheme

- 5.1 Under the State/Territory Nominated Independent (STNI) Scheme 'Independent' skilled migrants seek to enter Australia on the basis of the economic contribution they will make but either do not have relatives in Australia to sponsor them, or choose not to be sponsored.² STNI enables State and Territory Governments to nominate such intending migrants who have skills and experience which are in short supply.³ Employment opportunities are strong motivators for migrants to Australia.⁴

Federal - State/Territory consultation

- 5.2 The scheme was developed following Commonwealth consultations with State and Territory Governments in 1996 and 1999. The outcome was a proposal that they should sponsor, through skill matching, Independent category applicants who were willing to settle in their State or Territory.⁵

1 DIMA, Submissions, p. 27.

2 SA Government, Submissions, p. 404; DIMA, *General Skilled Migration* booklet 07/01, p. 16.

3 SA Government, Submissions, p. 388.

4 DIMA, Exhibit 12, p. 21 shows that 32% of independent migrants chose their settlement location because of employment considerations.

5 DIMA, Submissions, p. 27.

- 5.3 Subsequently the South Australian Government sought changes to increase the size of the potential pool of nominees. This resulted in DIMA creating a visa aimed at encouraging applications (the Skill Matching Visa) and by increasing the time potential migrants spent in the pool from one to two years.⁶

Conclusion

- 5.4 The creation of a new set of arrangements specifically targeted to benefit State and Territory Governments, and subsequent refinements, indicated that the consultation process worked.

Localities involved

- 5.5 Audits were carried out in some States and Territories to establish what skills were in short supply and where. On the basis of these audits they selected applicants likely to gain employment⁷.
- 5.6 The nominating State or Territory may have required applicants to show their ability to settle in and their intention to reside and work in the State or Territory.⁸
- 5.7 These, as far as the Committee could determine, were the only geographic constraints on the intending migrants.

Concessions to attract migrants

- 5.8 Applicants under STNI do not have to meet the pass mark of 110 on the points.⁹ They are, however, expected to achieve at least 70 points (the 'pool mark').¹⁰

Operation

- 5.9 STNI was introduced on 1 November 1997 as a subclass of the Skilled Independent (Migrant) class. The States and Territories wishing to use it
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6 SA Government, Submissions, p. 76.

7 DIMA, Fact Sheet 26, *State/Territory Specific Migration*, 12/1/2001.

8 SA Government, Submissions, p. 404.

9 DIMA, Submissions, p. 27.

10 DIMA, *General Skilled Migration* booklet 07/01, pp. 25-37; SA Government, Submissions, p. 388.

are required to undertake an audit of the labour market. The audit was to identify occupations in which there were shortages of employees, and to estimate the size of those shortages.¹¹ This process provided the potential nominator with guidance concerning which skills they might seek in migrants applying under STNI.

- 5.10 The migrants whom the State and Territory Governments nominated were those who had qualified to enter the Skill Matching Database (SMD)¹² and who had skills and experience which were in short supply.¹³ In that sense it paralleled RSMS arrangements for sponsorship by an employer.
- 5.11 Three categories of potential migrants had their particulars listed on the SMD:
- intending skilled migrants who met the points test and were eligible for the Skilled Independent visa class;
 - intending skilled migrants who had not meet the Skilled Independent points test; and
 - skilled potential migrants who had applied for a Skill Matching Visa (SMV).
- 5.12 All intending Skilled Independent migrants are required to pay a non-refundable fee of \$1075 for applications for skilled migration visas specifying an occupation on the Skilled Occupations List.
- 5.13 Intending Independent migrants who had passed the points test did not require sponsorship or nomination. Their presence on SMD offered the States and Territories opportunities to identify migrants who might decide to settle in their jurisdictions.¹⁴
- 5.14 Those who did not meet the Skilled Independent migrant pass mark but met the 'pool mark' threshold score had their applications held current for two years in a pool so that their application could be reviewed if the pass mark was lowered. Those who wished to be considered for STNI in addition had to elect to complete the Skill Matching forms to enable their details to be entered on SMD.¹⁵ The information provided by applicants scoring the 'pool mark' of 70 or more was placed on the SMD for two years.¹⁶

11 SA Government, Submissions, p. 389.

12 SMD contains educational and employment details of skilled Independent applicants. See Chapter 4 for a description of SMD.

13 SA Government, Submissions, p. 388.

14 DEWRSB, Evidence, p. 373.

15 DIMA, *General Skilled Migration* booklet 07/01, pp. 7, 17, 29; SA Government, Submissions, p. 404.

16 DIMA, *General Skilled Migration* booklet 07/01, p. 18.

- 5.15 Skilled potential migrants may have elected to apply for a \$150 SMV, which is not points tested, rather than for a Skilled Independent Visa. To be eligible for the SMV the applicants had to be under 45 years of age; have post-secondary qualifications which were recognised in Australia; have a vocational level of English and have worked in a listed skilled occupation for at least six of the preceding 12 months. Those who met these threshold requirements had their details entered on the SMD.¹⁷
- 5.16 The requirements for Independent applicants were more specific and demanding than those choosing the SMV. Applicants could gain most of their points (40, 50 or 60) on the basis of skill as assessed against their post-secondary qualifications. They could also be awarded up to 30 points if aged under 45 as well as points for 'vocational' (15) or 'competent' (20) English language ability. Further points were awarded for specific skilled work experience (5 or 10); whether they had an offer for a job on the Migration Occupation in Demand List (5 or 10); for Australian qualifications (5 or 10); for spouse skills (5), as well as some bonus points.¹⁸
- 5.17 It appeared to the Committee that, although points could be gained for a variety of criteria, there were effectively thresholds of age, skill and language achievement which had to be met by Skilled Independent potential migrants. Those scoring 70 and thus becoming eligible for STNI could be expected to be less than 45 years of age, skilled, with appropriate qualifications and at least vocational English.
- 5.18 At any one time the SMD contained details of some 1,000 potential migrants with an average turnover of more than 100 listings each month as the two-year listing period expired for some and as new applicants were added.
- 5.19 Most intending migrants listed on SMD had sufficient points to come to Australia as Independent migrants.¹⁹ The remainder comprised those who put in SMV applications and also those who had achieved the threshold 'pool mark'. These two latter groups were of prime interest to the States and Territories because they were potential migrants whose move to Australia depended on being nominated.²⁰

17 DIMA, Submissions, pp. 25-26.

18 DIMA, *General Skilled Migration* booklet 2001, pp. 25-37. Spouse skill points are available if the spouse satisfies the basic requirements of age, English language ability, qualifications, nominated occupation, recent work experience and has a suitable skill assessment.

19 910 of 1059 listed (86%), DEWRSB, Evidence, pp. 372-73.

20 SA Government, Submissions, p. 389.

Safeguards

- 5.20 STNI did not guarantee the migrant employment in Australia. The State and Territory Governments who nominated a migrant under STNI ran the risk that the person would fail to find employment.
- 5.21 Steps taken to reduce this risk were:
- the requirement that the applicants' occupations were on the Skilled Occupations List, which guarded against unskilled applicants with poorer employment prospects being invited to migrate;
 - the data on skill shortages gathered in the State or Territory audits of their local skill shortages, which improved the chances for the STNI migrants getting jobs;
 - the final decision on nomination being made by the State or Territory which would be aware of the level of risk; and
 - an assessment of the applicants' intentions to reside and work in the nominating jurisdiction.
- 5.22 In addition, in the case of potential Independent migrants who had achieved the threshold 'pool mark', nominating jurisdictions had:
- knowledge of whether the applicants had merely narrowly qualified for STNI or had scores which, because they were nearly sufficient to enable them to migrate under the existing Independent category, indicated good employment prospects; and
 - information on the application form indicating whether the applicants' occupations were on the Migration Occupations in Demand List for the nominating jurisdiction, and therefore whether they would have significantly better prospects of obtaining early employment than other intending migrants in the pool.

Attractions of the scheme

- 5.23 STNI had attractions for the States and Territories and for the migrants whom they nominated.

For the States and Territories

- 5.24 Instead of the States and Territories having to search out potential migrants to fill identified skills shortages, STNI provided a means of

discovering details of potential migrants including their skills, employment and educational backgrounds.

- 5.25 STNI therefore offered the potential for a fast, up-to-date recruiting pool to meet local skill shortages.

For the potential migrants

- 5.26 STNI gave those who had not gained a pass in the points test and therefore would not normally be able to migrate to Australia the opportunity to do so.
- 5.27 Although they were not guaranteed a job in the State or Territory to which they migrate, they were selected by a State or Territory for STNI on the basis of an audit of local skill shortages. The migrants might therefore expect to be able to gain employment.
- 5.28 For those using SMV, another attraction was its low initial cost, with no further charges until they were nominated.

Utilisation

- 5.29 When the Committee reviewed SsMM, STNI had been little used, with most interest being shown by the South Australian Government. Until the end of 2000 it had been the only State to sponsor migrants (generally specialised nursing staff) under STNI.²¹ Tasmania considered that the State's relatively high unemployment and low employment growth made STNI unattractive, but monitored the South Australian experience.²² Both Victoria and the ACT had begun to use STNI in 2001.²³
- 5.30 Queensland had not used the scheme, possibly because it was not confident of entrants under that category were committed to remain in the area in which they indicated that they were prepared to settle.²⁴

21 SA Government, Submissions, p. 73.

22 Tasmanian Government, Submissions, p. 91, Evidence, p. 303.

23 ACT Government, Evidence, p. 397-98; DIMA, Evidence, p. 466.

24 DIMA, Brisbane Office, Evidence, p. 182.

Table 5.1 STNI: Annual visa grants by State/Territory – 1997/98 – 2000/01

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total
1997/98	0	0	0	16	0	0	0	0	16
1998/99	0	0	0	169	0	0	0	0	169
1999/00	0	0	0	9	0	0	0	0	9
2000/01	0	47	0	36	0	0	0	2	85

Source DIMA, *Submissions*, pp 415-17; Minister for Immigration & Multicultural Affairs Media Releases 77/2000, 98/01.

Conclusion

5.31 The Committee concluded that STNI was not a major component of SsMM.

STNI in practice

5.32 South Australia was the only jurisdiction with any experience of STNI at the time of the Committee's review, so the Committee's examination of the operation of STNI deals only with the South Australian experience.

5.33 When a search of the SMD identified an intending migrant with skills, qualifications and experience which match a trade or occupation in short supply, the government contacted the person and sought confirmation that they could meet additional requirements under STNI, including:

- their ability to settle in the State; and
- their intention to reside and work in the State.

5.34 If the State was satisfied, it recommended that DIMA process the application, whether it was for a Skilled STNI visa or SMV. The processing included standard health and character checks and, in the case of SMV applicants, a requirement to pay the full visa cost.²⁵

5.35 The South Australian Government's main STNI activity took place shortly after the program was initiated. Most of the migrants who were nominated as a result were approved in the 1998/99 financial year. The following year, approvals fell from 53 to 3. The South Australian Government attributes this drop to the low numbers of suitably qualified applicants entering the SMD.²⁶

5.36 The Government did not comment on the success of the nominees in finding work in South Australia.

25 SA Government, *Submissions*, p. 405.

26 SA Government, *Submissions*, p. 389.

Issues raised

5.37 Although South Australia was the only jurisdiction which raised issues based on direct experience of STNI, other States and Territories made comments about the scheme. The issues raised were:

- usefulness of the skill matching database;
- resource implications;
- employment opportunities;
- legal obligations; and
- settlement intentions.

Usefulness of the Skill Matching Database

5.38 The South Australian Government's experience of STNI and SMD was that:

since that first original sort of 1,000 names, every month we have only been seeing a small number of people going onto the database, maybe only 80 or 100 people, and that is across all occupations that are available.... Our shortage list here is very small so we see very few people who have the skill set that we are looking for. We find whilst every month we go through the new database we receive, we have had very limited opportunity to nominate people under that scheme.²⁷

5.39 The Northern Territory Government also mentioned the lack of sufficient numbers in the SMD.²⁸

5.40 The South Australian Government noted that the SMV had been introduced to attract more applicants and that more than 14,000 Independent migrant visas were issued in 1999/00. Yet the SMD generally held fewer than 1,000 applicants in any one month. On average fewer than 120 applicants were added to the SMD each month as others dropped out.

5.41 SMV, introduced in July 1999, had contributed only 20 potential migrants to the SMD by the end of the financial year.²⁹ The South Australian Government's view was that, overall,

27 SA Government, Evidence, p. 403.

28 NT Government, Submissions, p. 136.

29 SA Government, Submissions, p. 390.

less than 10% of independent migrants' data actually enters the SMD... this figure needs to be increased substantially for South Australia to gain maximum advantage from the scheme.³⁰

- 5.42 The Government also expected the pressure on SMD to increase as more States and Territories began to use it for STNI.³¹ The implications were that a larger SMD was necessary, and that it would make STNI more useful and therefore more used.
- 5.43 The Committee was aware that there was no requirement that skilled Independent applicants participate in SMD. They are invited to do so if they:
- are uncommitted in terms of their place of intended residence or they intend to settle in a target area.³²
- 5.44 The Committee considered that intending migrants who had already purchased a *General Skilled Migration* booklet and its application forms, had submitted a formal application, and been assessed under the points test, would have already considered where they preferred to settle. They could be reluctant to reconsider their destination and therefore be uninterested in SMV.
- 5.45 In the *General Skilled Migration* booklet the SMV option is prominently displayed and explained in a page of text.³³ In sharp contrast the STNI option is not given special prominence, being included as one paragraph within the 'Independent Categories' section. These categories are initially defined as being for:
- those who do not have a sponsor, or who choose not to be sponsored.³⁴
- 5.46 Paradoxically, the subsequent explanation of STNI outlines the process which enables:
- possible nomination by a State or Territory government or employer.³⁵
- 5.47 The Committee considered that the subtle definitional distinction between applications which might involve *sponsorship* and those involving *nomination*³⁶ would not encourage STNI applications.

30 SA Government, Submissions, p. 390.

31 SA Government, Submissions, p. 390.

32 DIMA, Submissions, p, 25.

33 DIMA, *General Skilled Migration* booklet 7/01, p. 18.

34 DIMA, *General Skilled Migration* booklet 7/01, p. 16.

35 DIMA, *General Skilled Migration* booklet 7/01, p. 17.

Conclusion

- 5.48 The Committee noted that the number of applicants in the SMD had increased subsequent to the submissions which had commented on its limited usefulness.³⁷ However, as it indicated in its consideration of RSMS, the Committee too had concerns about the SMD.
- 5.49 The Committee concluded that STNI could benefit from a fuller explanation of its aims and requirements in the *General Skilled Migration* booklet, and reiterated its recommendation (No. 6) that the use of the SMD should be reviewed in 2003.

Resource implications

- 5.50 In its description of STNI, DIMA highlighted the fact that:
- a State or Territory must be prepared to commit some level of resources to the nomination process.³⁸
- 5.51 The Northern Territory Government explained that resources would be needed for research and a skills audit, possibly requiring additional staffing.³⁹ The ACT Government nominated the resource demands of STNI as a reason for not pursuing it.⁴⁰
- 5.52 The Committee considered it significant that South Australia was not only the major user of STNI but was also the main user of RSMS. Both schemes use the SMD, and both require research into skill shortages. It appeared to the Committee that the South Australian decision to centralise its administration had brought some economies of organisation, research and processing which made STNI a less onerous scheme for that State than it was perceived to be by other jurisdictions.

Conclusion

- 5.53 The Committee concluded that the resource demands complained of were necessary. It was important that there were audits to establish skill gaps prior to bringing in STNI migrants because it would benefit the sponsoring government, the credibility of the scheme, and the migrants themselves if they quickly found work.

36 DIMA, *General Skilled Migration* booklet 7/01, p. 4 defines *sponsor* as a “relative who is living in Australia, is an Australian citizen or permanent resident...”, but does not define *nomination*.

37 In March 2001 it held 1324, with 182 new applicants having been added and 105 removed during the month. DIMA, *Submissions*, p. 525.

38 DIMA, *Submissions*, p. 28.

39 NT Government, *Evidence*, pp. 130-31.

40 ACT Government, *Evidence*, p. 398.

Employment opportunities

5.54 The Tasmanian Government indicated that one of the reasons it had not taken up the STNI arrangements was that it wished to be sure that the migrants which it sponsored would be employed. Informal research among employers found that:

most employers would have preferred to have seen the person before they committed to them.⁴¹

5.55 The Committee recalled that this sentiment was evident in the sponsorship arrangements which it had examined under RSMS, where more than half the migrants had prior work experience with the sponsoring employer.⁴²

Conclusion

5.56 The Committee considered that, from the employers' point of view, offering employment to a familiar employee under RSMS could be more attractive than taking on an unknown government-sponsored one under STNI. The Committee concluded that prudent State and Territory Government concern with the potential employment of their nominees would continue to restrain their use of STNI.

Legal obligations

5.57 The Northern Territory Government said that a 'major concern' about STNI was the government's potential liability if its nominees failed to find work.⁴³ The legal opinion it provided to the Committee indicated that there were no court decisions concerning the specific issues raised by STNI arrangements, but advising that written disclaimers of liability for inaccurate information should accompany each submission of skills audit information and that:

there is significant exposure to the risk of a successful action... if such disclaimers are not included.⁴⁴

Conclusion

5.58 The Committee noted that the South Australian Government had not reported legal problems with its STNI nominees.

41 Tasmanian Government, Evidence, p. 303.

42 DIMA, Submissions, p. 469. See Chapter 4, under *Prior connections*.

43 NT Government, Submissions, p. 136.

44 NT Government, Submissions, p. 295.

Settlement intentions

5.59 The Northern Territory Government expressed reservations about whether the effort expended to attract STNI migrants would be repaid because:

STNI has no enforceable contractual obligations... most of the skills in short supply in the Northern Territory are also listed as national shortages...increase[ing] the probability of an interstate drift... for migrants nominated by the Territory under STNI.⁴⁵

5.60 The Northern Territory Government considered that it would not be able to devise a legally enforceable requirement for an STNI migrant to remain in the Territory for a nominated period.⁴⁶

5.61 Similarly, in Queensland, the Committee heard that there could be reluctance to use STNI because the applicants were:

not committed in an employment or other sense to remain in the area that they might indicate they are prepared to settle.⁴⁷

5.62 South Australia, the only State with direct experience of STNI, had not voiced such concerns, but had taken the precaution of requiring evidence of the migrants' intentions to settle in the State.⁴⁸

Conclusion

5.63 The Committee agreed that there was a risk that STNI migrants might not remain within the sponsoring jurisdiction, but concluded that South Australia's experience with its approach indicated that this was not a serious problem.

Measuring success

5.64 The Committee considered that the success of STNI might be assessed from:

- the numbers involved;
- whether the local skill needs were met;

45 NT Government, Submissions, p. 136.

46 NT Government, Submissions, p. 136.

47 DIMA, Evidence, p. 182.

48 SA Government, Submissions, p. 405.

- whether the nominating State/Territory was satisfied with the scheme's arrangements;
- whether the nominating State/Territory was satisfied with the outcomes of the scheme;
- whether the nominees were satisfied with the mechanics of the scheme;
- whether the nominees were satisfied with the outcomes of the scheme;
- how long the nominee remained; and
- whether there had been a positive effect on the local labour market, economy, and population.

Numbers

- 5.65 By the end of the 1999/00 financial year, after 31 months of operation, 58 skilled workers had been nominated as suitable migrants and were going (or had been) through the DIMA approval process. All had been nominated by the South Australian Government, which expected a total of 196 people to migrate as a result of the nominations.⁴⁹
- 5.66 As indicated above, the use of STNI was restricted by the small pool of potential migrants and the resource commitment required of States and Territories wishing to make use of that pool.

Conclusion

- 5.67 The Committee considered that the resource demand might be relatively less onerous in jurisdictions where administration of STNI was centralised, as it was in South Australia. The recent decision by other jurisdictions with centralised administrations, Victoria and the Australian Capital Territory, to pursue STNI reinforced the Committee's view. Even so, the Committee thought that, overall numbers nominated under STNI would remain low.

Meeting local skill needs

- 5.68 One measure of success of STNI would be whether the migrants nominated on the basis of their potential ability to fill a skill shortage actually did so. DIMA suggested a slightly different measure. Rather than focus on how well the migrants filled the skilled vacancies, the criterion might be broader, ie the proportion who gain employment within

49 SA Government, Submissions, p. 389.

the nominating jurisdiction. DIMA also considered that some time (6-12 months) might be allowed for this to happen.⁵⁰

Conclusion

5.69 There were no details available to the Committee which would allow it to assess STNI under those criteria. In addition, the Committee considered that the small numbers thus far involved would not have provided a useful guide to future success of the scheme in meeting local skill needs.

Nominator satisfaction with arrangements

5.70 The dissatisfaction expressed by a number of jurisdictions with the numbers of potential skilled nominees in the pool and the resource implications of skills audits, was examined above.

Conclusion

5.71 The Committee concluded that more applications for inclusion in SMD, the STNI source, could be encouraged by a clearer exposition of the schemes in material supplied to the intending migrants.

Recommendation 11

5.72 **The Committee recommends that DIMA revise the STNI entry in the *General Skilled Migration* booklet prior to the next edition.**

Nominator satisfaction with outcomes

5.73 The South Australian Government made no comment on the outcomes.

Conclusion

5.74 In the absence of adverse comments on employment outcomes the Committee concluded that their STNI outcomes were satisfactory.

Nominee satisfaction with arrangements

5.75 The South Australian Government stated that its contact with 150 potential nominees led to only 58 being nominated.⁵¹ The Government may have found, on further contact, that the applicants approached were

50 DIMA, Submissions, p. 35.

51 SA Government, Submissions, p. 389.

not suitable, or that the applicants themselves were not satisfied with the arrangements under STNI.

- 5.76 There was some evidence that STNI was seen less attractive than straightforward migration under the Skilled Independent stream. In 1999 the skilled Independent migration pass mark was reduced,⁵² making many in the pool eligible to migrate under skilled Independent arrangements. If the low number accepting STNI was a result of this, it would indicate that the potential migrants preferred the Skilled Independent Visa to STNI. As neither scheme guaranteed employment it appears that one factor in the migrant's decision would have been the apparent STNI restriction on the freedom to settle anywhere in Australia.

Conclusion

- 5.77 There was insufficient information concerning nominee satisfaction for the Committee to reach any firm conclusion. The limited evidence did, however, suggest that potential skilled migrants were wary of the conditions imposed by STNI.

Employee satisfaction with outcomes

- 5.78 There was no information on which to assess this aspect of STNI.

Duration of settlement

- 5.79 The Committee considered that the small number of participants and the relatively short time they would have been in Australia prevented any useful assessment of success or otherwise of STNI against this criterion.

Effect on the local labour market, economy, and population.

- 5.80 Similarly, it was not possible for the Committee to reach any conclusions concerning the effect of the scheme at the local level.

Summary

- 5.81 STNI is applicant, not demand, driven. The number of nominees depends on the number of eligible applicants in the SMD. This in turn depends on the numbers applying for SMV and on how many seeking Skilled

52 Minister for Immigration and Multicultural Affairs, *Media Release 62/99*, 29/4/99.

Independent migration score the 'pool mark' but not the pass mark and who also decide that they want their details made available to potential sponsors.

- 5.82 STNI competes with RSMS. The SMV is a source of both STNI and RSMS nominees. Of the two, RSMS is likely to be the more attractive, because it offers employment to intending migrants.
- 5.83 In view of the small pool of potential nominees, and the competition for those applicants from RSMS, the Committee considered that that STNI was not likely to be a major component of SsMM.
- 5.84 In view of the apparent low take-up of SMV, the Committee reiterates its earlier recommendation (No. 6) that the operation of the SMD be reviewed.

Skilled – Designated Area Sponsored¹

The Australian Government is seeking skilled migrants to settle in certain designated areas of Australia.²

The scheme

- 6.1 The Skilled Designated Area Sponsored (SDAS) scheme is a variant of the Skilled Australian Sponsored (SAS) category.³ As its name indicates, SDAS focuses on sponsorship of skilled migrants by residents of designated areas of Australia. Because SDAS involves family connections, one of the factors seen by commentators as an important precondition for successful settlement, SDAS may be expected to increase in popularity.⁴

Federal – State/Territory Consultation

- 6.2 SDAS, (previously called Skilled Regional Sponsored - SRS) was the outcome of a 1997/98 DIMA review of the Independent and Skilled-Australian Linked visa categories.⁵ At the time these were the largest

1 The Skilled – Designated Area Sponsored (SDAS) arrangements were known as Skilled – Regionally Sponsored (SRS) at the time the Committee was receiving submissions and conducting public hearings.

2 DIMA, *Skilled Migration to Australia*,; www.imm.gov.au/allforms/skill.htm

3 Intending migrants under SAS are required to gain a certain number of points determined by their skill, age, occupational training, and English language ability. Under SAS the applicant must be sponsored by a relative who is an Australian citizen or a permanent resident. DIMA Fact Sheet 25 *Skilled Categories*, 2/7/01.

4 G. Hugo, *Regional Development Through Immigration? The Reality behind the Rhetoric*, Parliamentary Library Research Paper 9, 1999-2000, p.42. *1996 Working Party Report*, pp 20-21.

5 Initiated in November 1996. SA Government, Submissions, pp. 72-73

component of the skilled stream of Australia's migration program.⁶ The review identified a need for minimum threshold requirements for skills, age and English language ability. Subsequently, on a suggestion from South Australia, a concession was made under the English language requirement, allowing 'functional' rather than 'vocational' English skills under certain conditions.⁷

6.3 As foreshadowed in June 2000,⁸ the name SRS was changed to SDAS on 1 July 2001 because:

the Commonwealth/State Working Party on Skilled Migration was concerned over the gazettal of Melbourne as a designated area. It was perceived by some states and territories as contradictory to the original policy intent of regional migration.⁹

6.4 The States and Territories agreed that their concern would be resolved if references to 'regional' were removed from the Skilled Regional Sponsored category. This move recognised that Melbourne, Hobart, Canberra, Darwin and Adelaide are all included in designated areas in SDAS.¹⁰

Conclusion

6.5 The Committee concluded that there had been substantive consultation between the Commonwealth and States and Territories on SDAS and its immediate forerunner SRS.

Localities involved

6.6 Under SDAS the sponsors had to live in 'designated areas' of Australia. The actual definition of these areas was the responsibility of the States and Territories which identified the needs of their jurisdiction and refined the definition of 'designated area' to meet those needs.¹¹ These areas were then gazetted by the Minister for Immigration and Multicultural Affairs in the *Designated Areas List* (DAL).¹² The DAL currently includes all of

6 DIMA, Fact Sheet 25 *Skilled Categories*, 2/7/01

7 SA Government, Submissions, p. 77; DIMA, Submissions, pp. 28-29; DIMA, Evidence, p. 464.

8 Government of Victoria, Submissions, p. 306.

9 DIMA, Evidence, p.464.

10 DIMA, Evidence, p. 465.

11 DIMA, Submissions, p. 527.

12 This list also applies to REBA.

Australia except Sydney, Newcastle, Wollongong, Perth, Brisbane, the Sunshine Coast and the Gold Coast, and is summarised in Table 6.1.¹³

Table 6.1: Designated areas

State/Territory	Designated Areas
Victoria	All
South Australia	All
Northern Territory	All
Tasmania	All
Australian Capital Territory	All
Queensland	All except urban Brisbane, Sunshine Coast and Gold Coast ¹⁴
Western Australia	All except Perth Metropolitan area ¹⁵
New South Wales	All except Sydney, Newcastle and Wollongong ¹⁶

Source www.immi.gov.au/allforms/bus-reg1

Operation

- 6.7 The forerunner of SDAS was, initially, the Regional Family category of the then Concessional Family Class Visa introduced on 1 November 1996. Subsequently it was re-named Skilled Regional Linked. As noted above, it was replaced by the Skilled Regionally Sponsored Visa from 1 July 1999.
- 6.8 The Committee recognised that these changes in name and approach made it difficult to provide meaningful time-series data.¹⁷
- 6.9 There was no points test for SDAS, but sponsors and applicants had to meet minimum criteria, including education, English language and age thresholds.¹⁸

13 DIMA Fact Sheet 26, *State/Territory Specific Migration*, 27/6/01.

14 Includes postcode areas 4350-4499 and 4600-4899.

15 Includes postcode areas 6200-6799.

16 Includes postcode areas 2311-2312, 2328-2333, 2336-2490, 2535-2551, 2575-2739 and 2787-2898.

17 SRS/SDAS effectively replaced *Skilled Australian Linked (SAL)* which provided bonus points in a points test if the migrant's sponsor lived in a designated area.

18 DIMA, Submissions, p. 28.

6.10 The sponsors had to:

- be Australian citizens or permanent residents;
- have lived in a designated area of Australia for at least 12 months;
- not have received defined social security benefits for more than two weeks in the 12 months before the sponsorship was made;¹⁹ and
- be a parent, non-dependent child, brother, sister, aunt uncle, or grandparent of the applicant.²⁰

6.11 The applicants had to:

- be a non-dependent child, working age parent, brother, sister, niece, nephew, first cousin, or grandchild of the sponsor;²¹
- have degree, diploma or trade certificate qualifications which were recognised in Australia;
- have skills on the Skilled Occupation List and have had them assessed by the relevant authority;²²
- be less than 45 years of age at the time of application; and
- have vocational level English; **or**
- have functional level English and have paid an English language up-grade fee to a State or Territory Government that has established arrangements for up-grade courses.²³

6.12 In addition, the applicants and sponsors were tied together by the requirements of an Assurance of Support. This was a legal commitment by the sponsor to repay the Commonwealth any benefits paid to the applicant in the first two years after their migration or grant of permanent residence.²⁴ This requirement meant that, in addition to the other requirements, sponsors had to meet an income threshold to be eligible to lodge an *Assurance of Support*.²⁵

19 DIMA, Fact Sheet 26, *State/Territory Specific Migration*, 27/6/01.

20 DIMA, Fact Sheet 25, *Skilled Categories*, 2/7/01.

21 DIMA, Fact Sheet 26, *State/Territory Specific Migration*, 27/6/01.

22 DIMA, *General Skilled Migration* booklet, 7/01, pp. 21, 29.

23 DIMA, Submissions, p. 28, Evidence, p. 464. Currently South Australia, Tasmania and Victoria have these arrangements. DIMA Fact Sheet 26, *State/Territory Specific Migration*. 27/6/01.

24 DIMA Fact Sheet 27: *Family Stream Migration – an Overview*, 13/12/00, indicates that a bond of \$3,500 for the main applicant and \$1,500 for each additional adult is required.

25 DIMA, Submissions, p. 28.

Concessions to attract migrants

6.13 Applicants under SDAS:

- were not points tested;
- needed fewer months of work experience than required under the ‘parent’ SAS arrangements;²⁶ and
- did not have to have functional level English (provided that they have paid to improve their proficiency through formal training).

Safeguards

6.14 The applicants had to demonstrate that they had skills listed on the Skilled Occupations List,²⁷ thus ensuring that they would have employment prospects in Australia.

6.15 The applicants were not, however, guaranteed a job in the area. English language skills were therefore important because, as DEWRSB noted in its evidence:

English language is a very strong indicator of how people go in the labour market... a significant difference in incidence of unemployment, incidence of long-term unemployment and even incidence of employment, on the other side of the score... On any sort of mathematical analysis, facility with English is so far ahead of anything else it does not matter.²⁸

6.16 SDAS required that migrants either have vocational level English, or have functional level English and have signalled their intention to upgrade by paying for a course. The availability of the necessary English language training was ensured through the requirement that the States and Territories arrange to provide the requisite upgrade courses.

6.17 In addition to these arrangements to improve migrants’ employability, the requirement that they have an Assurance of Support ensured that they do not become an immediate charge on the public purse should they not gain employment.

26 DIMA, Fact Sheet 25 *Skilled Categories*, 2/7/01.

27 The Skilled Occupations List shows occupations in demand in Australia and the points allocated under the points test for each. DIMA, *General Skilled Migration* booklet, 7/01, pp. 50-60.

28 DEWRSB, Evidence, p. 429. See DIMA, Exhibit 13, p. 34, which shows unemployment rates 18 months after arrival as 16% for those speaking English ‘very well’ and 35% for ‘not well’.

Attractions of the scheme

For Australia

- 6.18 SDAS did not involve the Commonwealth, States or Territories in locating employment opportunities nor, because of the requirement for an Assurance of Support, did it immediately commit them to providing social services for the new immigrants.

For the sponsors

- 6.19 SDAS offered some Australian permanent residents and citizens another opportunity to sponsor relatives to come to Australia in addition to other family migration arrangements.

For the locality

- 6.20 The initial benefit to the local area was the effect of the increase in population on the local economy. There was also the potential benefit of the addition of skilled people to the local workforce. A less direct, but important benefit was that, because the migrants have been sponsored by a local family member, they may have settled into the new community more rapidly than if they had arrived independently.

For the potential migrants

- 6.21 Applicants found it easier to qualify as migrants under SDAS than under SAS arrangement because they needed less work experience and they did not have to have functional level English.
- 6.22 In addition, the migrants could have benefited from immediate local support from their family, something which an unsponsored migrant was unlikely to have.²⁹

Utilisation

- 6.23 Precise data on SDAS trends were not available because visa applications made under the Regional Linked component of SAL arrangements prior to its cessation on 30 June 1999 continued to be finalised at the same time as visas under the new SDAS visas were being issued.

- 6.24 The Committee did not consider SsMM Migration under the SAL arrangements because it was discontinued prior to the Committee undertaking its review.³⁰
- 6.25 From the data for 2000/01, however, it seemed that the SDAS visa numbers exceeded those of the former Regional Linked visas and were increasing, particularly in Victoria, as indicated in Table 6.2.

Table 6.2: Regional Linked, SRS and SDAS: Annual visa grants by State/Territory 1996/7 – 2000/1

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total
1996/97	nd*	nd	nd	nd	nd	nd	nd	nd	40
1997/98	1	34	28	29	13	2	0	4	111
1998/99	2	9	8	29	8	0	4	7	67
Note: prior to 1 July 1999 all data refer to the <i>Regional Family/Regional Linked</i> visas The subsequent scheme was known as <i>Skilled – Regional Sponsored</i> until 30 June 2001									
1999/00	9	131	15	16	5	0	9	10	195
2000/01	61	712	42	67	48	24	2	46	1002

Source ACT Government, *Submissions*, p.99; DIMA, *Submissions*, pp. 415-16; Minister for Immigration and Multicultural Affairs, *Media Release 98/01*. * no data available.

Conclusion

- 6.26 As with other SsMM schemes, the utilisation of SDAS was patchy. The Committee considered that this was to be expected because the purpose of the schemes was to allow the individual States and Territories to use them to suit their individual needs.

SDAS in practice

- 6.27 For most of the period during which the Committee was conducting its review there was apparently limited take-up of SDAS. Consequently there was little information available to the Committee concerning the actual implementation of the SDAS arrangements.
- 6.28 The Committee observed that Victoria had proved to be such a popular destination under SDAS that it accounted for more than two-thirds of SDAS visas issued since the inception of the scheme in 1999. It appeared

30 SAL visa application made prior to that continue to be processed and approved: 1996/97 = 850; 1997/98 = 984; 1998/99 = 1744; 1999/2000 = 2384; 2000/01 = 157. DIMA, *Submissions*, pp. 415-16; Minister for Immigration and Multicultural Affairs, *Media Release 98/01*.

to the Committee that, by including Melbourne in its designated area, Victoria had benefited from the:

strong tendency for immigrants to settle in the major metropolitan areas.³¹

6.29 Indeed, the Committee was told by the Government of Victoria that more than three-quarters of skilled migrants to Victoria settled in Melbourne.³²

Issues raised

6.30 During its review, the Committee became aware of two of issues which required consideration:

- differing interpretations of the regional focus; and
- uncertain linkage of migrants to designated areas.

Differing interpretations

6.31 As indicated in Chapter 3, *The Regional Conundrum*, the Committee found during its review that SsMM were predominantly seen as arrangements intended to encourage overseas migration to regional Australia. In the case of SRS, the predecessor of SDAS, the use of clearly identified designated areas in the scheme highlighted the differing views of what constituted 'regional'. Specifically, as discussed in *But what is a region?* in Chapter 3, the inclusion of Melbourne was queried, and the question resolved by substituting 'designated area' for 'region' in the title of the scheme to create SDAS.

Conclusion

6.32 The Committee considered that the decision to change the name of SRS to SDAS helped to remove some of the confusion inherent in using the term 'regional', and would also assist in highlighting the role of the program in meeting the specific and unique needs of States and Territories.

Uncertain linkage

6.33 Under SDAS, the concessions for the skilled migrants were available because their sponsoring relatives lived in a designated area. The

31 DIMA, Exhibit 12, p. 17. The attraction of metropolitan areas is such that in SA for example, 88% of RSMS migrants settled in Adelaide. SA Government, Submissions, p. 197.

32 Government of Victoria, Submissions, p. 307.

concessions available to the migrant were not, however, dependent on the migrant settling in a designated area. In its evidence, DIMA pointed out that:

even if a person who lives in Kalgoorlie sponsors a relative to come to Australia, there is absolutely nothing that prevents that relative from moving into Melbourne and residing in Melbourne.³³

- 6.34 The Committee identified a number of concerns with this aspect of SDAS. The fundamental issue was that it permitted migration outcomes which were contrary to the intention of SDAS, which was to focus settlement on designated areas of Australia. SDAS, unlike other SsMM, did not make the concessions offered to migrants conditional on them settling in a specified area.
- 6.35 A second potential outcome of the lack of linkage between the concessions and actual location of settlement by the migrants related to language skills. Migrants with only functional level English language skills may be admitted if they undertake to upgrade their skill. However, there is no requirement that they settle in the only States or Territories which provide language upgrading.³⁴ Such migrants could choose to write-off the fees paid if settling elsewhere appeared sufficiently attractive. Again, the Committee's concern was that there was no mechanism to ensure the realisation of the intended migration outcome - settlement in a designated area with assistance provided to improve the migrants' language skills and hence their employability.
- 6.36 A further, related, concern was that such migrants would have difficulties in gaining employment because of their lack of language skills and the means to improve them, and their limited work experience. In the longer term this could have an impact on the public purse when they became eligible for social security after two year's residence.
- 6.37 The Committee considered that the main counter to the lack of formal links between concessions and location of settlement was the reliance of SDAS on family sponsorship. Many migrants are strongly influenced in deciding where to settle by the presence of their families. Indeed, on arrival, nine out of ten immigrants lived in shared accommodation with friends or relatives.³⁵

33 DIMA, Evidence, p. 469.

34 South Australia, Tasmania and Victoria; DIMA, Evidence, p. 464.

35 A. Vanden Heuvel, M. Wooden, *New Settlers Have Their Say – how immigrants fare over the early years of settlement*. DIMA website, http://www.immi.gov.au/general/pubs.htm#index_n

- 6.38 The Committee did not obtain information about the actual destination of SDAS settlers which would have illuminated whether the family ties had proved sufficient to ensure that the sponsored migrants settle in designated areas or not.

Conclusion

- 6.39 The Committee concluded that the lack of connection between concessions and location of settlement under SDAS had the potential to reduce its effectiveness.

Measuring success

- 6.40 The Committee considered that criteria which could indicate the success of SDAS were the numbers involved, the participants' satisfaction with the scheme, and whether there had been a positive effect on the local labour market, economy, and population.

Numbers

- 6.41 SDAS had been operating for fewer than 18 months at the time of the Committee's review and had generated 704 visas. The rate at which visas were being granted indicated that the scheme was popular, and probably becoming more so. However, because of the short time frame there was little practical experience of the operation of the scheme and its outcomes.

Participants' satisfaction

- 6.42 Unlike RSMS, there was no guarantee of employment under SDAS. Therefore employment-based criteria of success, such as the effect on local skill needs and employers' satisfaction are not relevant criteria against which to assess the scheme's success from the migrants' perspective. In addition, unlike RSMS, there was no detailed assessment of SDAS outcomes available to the Committee.
- 6.43 These factors meant that the Committee had only limited information on which to assess of SDAS.
- 6.44 The Committee's only guide to whether the SDAS was meeting the needs of sponsors and their offshore family members was its apparent popularity. The Committee particularly noted that 1002 visas had been

issued under SDAS in 2000/01, compared with 1021 RSMS visas in the same period.³⁶

Conclusion

6.45 The quick adoption of the scheme indicated to the Committee that it was meeting family needs. However, at the time of the review, it was not clear that SDAS would have a widespread impact across Australia because more than two thirds of SDAS Visas issued since the revision of the scheme on 1 July 1999 had been for settlement in Victoria.³⁷

Effect on the local labour market, economy, and population.

6.46 As with RSMS, the Committee noted that it was not possible to isolate any local effects of SDAS from other factors which were at work at the same time. However, the Committee observed that the lower qualifying thresholds for English competence and work experience and the absence of a points test meant that there was the potential for SDAS to have negative local economic impact.

Conclusion

6.47 Because more than two thirds of the SDAS visas issued had been for Victoria, the Committee concluded that the potential concentration of settlers in Metropolitan Melbourne meant that any local negative effects of SDAS could be significant.

Summary

6.48 The Committee had observed difficulties with the conceptualisation of 'regional' in relation to the scheme. Its renaming as SDAS rendered this issue less relevant than it had been to witnesses when the scheme used the term 'regional'.

6.49 The Committee noted that the family sponsorship basis of SDAS meant that it was linked directly to one of the important determinants of migrants' settlement location decisions. However SDAS lacked any formal mechanism to ensure that settlement in fact occurred in designated areas.

6.50 Because the recent introduction of SDAS, the small numbers involved and the apparent uneven utilisation to date, the Committee considered that the

36 Table 6.2 and Table 4.1.

37 Table 6.2, SRS 1999/2000 = 131/195; SDAS 2000/01 = 712/1002

scheme should be re-examined when it has been operating for a longer time.

Recommendation 12

6.51 The Committee recommends that a study of SDAS be undertaken in 2003 to determine how well it is meeting its stated objectives.

Regional Established Business in Australia

Temporary residents with a proven record as successful business owners... in a designated area... can apply for permanent migration.¹

The scheme

7.1 The Regional Established Business in Australia (REBA) visa category was set up on 1 July 1997, following a proposal from the Tasmanian Government, as a variant of the Established Business in Australia (EBA) category.² Unlike the other SsMM, REBA is not a scheme which permits people to enter Australia as migrants. Rather it is a means by which they may gain permanent residence status onshore.

Federal – State/Territory consultation

7.2 During the Committee's review, regular Federal consultation with the States and Territories had led to the introduction of revised REBA arrangements. As outlined below, these were responses to a desire for exceptional circumstances to be considered in the approval of REBA applications, and for decentralisation of decision-making.³

1 DIMA, *Australia – Your Business Future* at www.immi.gov.au/business/ebareba

2 DIMA, Submissions, p. 31.

3 DIMA, Evidence, p. 465; SA Government, Evidence, p. 424; Tasmanian Government, Evidence, pp. 320, 322-24.

Conclusion

- 7.3 The creation of REBA and its subsequent modification indicated to the Committee that effective consultation was taking place.

Localities involved

- 7.4 The 'regional' aspect of REBA was defined by the restriction of its application to 'designated areas'.⁴ These excluded the metropolitan areas of Perth, Sydney and Brisbane and the major population corridor on Australia's East Coast, as indicated in Table 7.1.

Table 7.1: Designated areas

State/Territory	Designated Areas
Victoria	All
South Australia	All
Northern Territory	All
Tasmania	All
Australian Capital Territory	All
Queensland	All except urban Brisbane, Sunshine Coast and Gold Coast ⁵
Western Australia	All except Perth Metropolitan area ⁶
New South Wales	All except Sydney, Newcastle and Wollongong ⁷

Source www.immi.gov.au/allforms/bus-reg1

Concessions to attract migrants

- 7.5 Both REBA and EBA were points tested. There were differences between the scheme in the ways in which the points may be accumulated, but the most important difference was that REBA applicants gained points for State or Territory sponsorship. There was no provision for this in EBA.⁸

4 These are the same as those applying to SDAS.

5 Includes postcode areas 4350-4499 and 4600-4899.

6 Includes postcode areas 6200-6799.

7 Includes postcode areas 2311-2312, 2328-2333, 2336-2490, 2535-2551, 2575-2739 and 2787-2898.

8 DIMA, *Business Skills Migration* booklet, pp. 17, 19.

Operation

- 7.6 REBA (and EBA) provided for business owners who were in Australia on temporary business (long stay) visas to acquire permanent residency.
- 7.7 Generally speaking, REBA had lesser financial requirements than EBA, but longer qualifying times.⁹ The Committee was advised that:
- if you can meet the threshold criteria for the grant of a visa, you will go for the one you will pass rather than look for something that might have an R in front of it.¹⁰
- 7.8 People on temporary entry long stay business visas who explored the options for gaining permanent residency had their attention drawn to REBA in the *Business Skills Migration* booklet. This told them that they needed to have:
- a business (long stay) visa;
 - spent at least 12 of the preceding 24 months in Australia;
 - owned and operated a business in a designated area for two years;
 - at least a ten per cent share holding in the business;
 - a turnover of at least \$200,000 or exports of at least \$100,000 in each of the previous two years;
 - net assets of at least \$200,000 in Australia of which at least \$75,000 must be invested in the business in the designated area for the previous two years; and
 - State or Territory sponsorship.¹¹
- 7.9 In order to qualify for REBA, the applicants were also advised that they had to pass the points test which allocated scores for age, language ability, and net assets.¹² Applicants could also gain points for employing full-time (or equivalent) permanent residents, Australian citizens or eligible New

9 Eg **Residence:** REBA = 12/24 months, (EBA = 9/12 months); **Business ownership:** REBA = 24 months and continuing, (EBA minimum 18 months); **Asset levels,** REBA = 24 months (EBA = 14 months). DIMA *Business Skills Migration*, [www.immi.gov.au/allforms/bus-est and /bus-reg](http://www.immi.gov.au/allforms/bus-est_and/bus-reg)

10 SA Government, Evidence, p. 412.

11 DIMA, *Business Skills Migration - Regional Established Business in Australia*, www.immi.gov.au/allforms/bus-reg.

12 The points ranges are: **Age:** 20 points for ages 20-29 through to 10 for 50-54; **Language:** 30 for better than functional to 10 for limited English; **Assets:** at least \$2,5 m = 15, \$1.5-2.5m = 10, \$500,000 - \$1.5m = 5. DIMA, *Business Skills Migration* booklet, p. 19.

Zealand citizens (who were not family members) in the preceding two years.¹³

- 7.10 Applicants were required to score 105 points but, during the course of the Committee's review, the scheme was modified so that those who did not reach that score could be accepted provided that the sponsoring government was able to convincingly argue that there were exceptional circumstances.¹⁴
- 7.11 If accepted under REBA, migrants had to undertake to maintain their business interest, advise DIMA of their addresses for three years and participate in monitoring surveys by DIMA.¹⁵

Safeguards

- 7.12 The key safeguard under REBA was that the applicants have to be in the sponsoring jurisdiction for two years before they can apply. Applicants may therefore be assessed on concrete business performance, rather than abstract promises.

Attractions of the scheme

For sponsors

- 7.13 The sponsoring State or Territory Government was dealing with a business which has been operating for two years:

applicants are obviously committed...and have truly put their money where their mouths are. They are making an economic contribution to the State.¹⁶

- 7.14 The track record of the business enabled the government to make more informed decisions about sponsorship than would be the case if it were dealing with a business which had yet to be established.

13 60 points for 3 employees or 40 for 2. DIMA, *Business Skills Migration* booklet, p. 19.

14 DIMA, Evidence, p. 465; *Business Skills Migration* booklet, p. 18.

15 DIMA, *Business Skills Migration* booklet, p. 18.

16 Tasmanian Government, Evidence, p. 321.

For the locality

7.15 The local area had already gained the benefits of two years of business activity, such as increased employment opportunities and demand for goods and services.¹⁷ REBA offered the opportunity for those benefits to continue because the long-stay migrant business owners became permanent residents.

For the potential migrants

7.16 REBA, through the points awarded for State sponsorship, permitted applicants to gain the pass mark more readily than under EBA. This was attractive because failure to qualify under EBA would mean that the applicants would have to leave Australia on the expiry of their visas, with uncertain outcomes for the investment made in their business.

Utilisation

7.17 As Table 7.2 shows, by the end of 2000/01 five States had used the REBA provisions, and those on only a small scale. Although REBA was set up in mid-1997, the lack of approvals prior to 1999/00 did not reflect any lack of interest in the REBA. Rather the low numbers were a result of the time lag inherent in the requirement for the applicants' businesses to have been in operation for two years prior to making the application. In practice, therefore, applications could have begun only in 1999.

Table 7.2 REBA: Annual take-up by State/Territory - 1997/98 - 2000/01

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total
1997/98	0	0	0	0	0	0	0	0	0
1998/99	0	0	0	0	0	0	0	0	0
1999/00	0	0	0	3	0	10	0	0	13
2000/01	0	0	1	10	3	23	4	0	41

Source DIMA, *Submissions*, pp 415-17; Minister for Immigration and Multicultural Affairs, *Media Release 98/01*.

7.18 Although at the time of the review REBA had generated few applications and fewer approvals, this appeared to be changing because approvals in 2000/01 were more than double that of the previous year.

17 'a study completed in 1995 by Davey and Maynard...agricultural consultants...the multiplier they used was between five and six'. Circular Head Council, *Evidence*, p. 278.

REBA in practice

- 7.19 Because of the requirement that the applicants conduct their business for two years prior to applying, REBA was in its initial stages at the time of the review. The first REBA application was not finalised until June 2000 and few approvals had been made when the Committee was conducting its review.¹⁸
- 7.20 The Tasmanian Government had conducted an industry audit which identified skills and industries which might be targeted, and the DIMA Hobart office had publicised the scheme in one of its regular news magazines.¹⁹
- 7.21 There was some experience of the processing of applications and the Committee comments on this below, under *The need for flexibility*.

Conclusion

- 7.22 The Committee concluded that, at the time of its review, too few REBA approvals had been made for any pattern to have emerged.

Issues raised

- 7.23 Although the scheme was in its early stages, there were already aspects which required attention, as evident in the experience of one family cited on the facing page. Their experience highlighted some of the issues which the Committee examined in relation to REBA:
- REBA interaction with the Long stay Temporary Business Visa;
 - the need for flexibility;
 - centralisation of administration;
 - the concept of 'regional'; and
 - encouraging investment.

18 DIMA, Evidence, p. 483-84: four in NSW, 2 in each of WA, Tasmania, SA, and one in Victoria by early 2001.

19 Tasmanian Government, pp. 335, 346.

A Family Business

We said if we go to Australia we want to go for permanent residency.

The gross value of our business is probably around \$1.3 million or \$1.4 million...That is only our business expenses...

The embassy were very impressed with all the research and work and with the amount of money spent on contractors. They did not think it was a problem...We were of the understanding that with our business plan behind us it would not be a problem to apply for permanent residence...

What I understood then was that they could not give you permanent residency straight away. You have to go through a temporary visa for four years and then apply in the four years for permanent residency...

From the day we got here we had to sort everything out ourselves. We just went around and asked and asked and went around again...

We were really happy with the help from the local people here, but there was no office to go to, to get information. We have been here for 3½ years and no-one from the government has been to us and asked, 'How are you doing; how are you getting on with your things?'...

When we got our application forms... there was a list of migration agents we could use to help us fill out the forms and things like that...I have been ringing them and ringing them and they say, 'We will get back to you,' but they never ring back.

In the nearly four years we have been here, we have proven that we can take care of our family and ourselves. In those four years, we have had to pay all the taxes every Australian citizen does but we are not eligible for any family support or anything like that. I reckon we have proven in those four years that we can take care of ourselves and we are not here for handouts or anything like that. If you look at what we have done in the last three years, you will see how we improved and expanded the business. I think they have to take something like that into account... our business expenses in the last financial years were all spent in the local community and it has an impact on business in the community...

We came here with seven people and they made it quite hard to stay here. I was really surprised with that. Even last night there was an ad on the television and it said, 'We are a proud nation of immigrants.' I thought, 'What is going on here?'

REBA interaction with the Long stay Temporary Business visa

- 7.24 The Independent Executive stream of the long stay temporary business visa (457IE Visa) represented the main 'feeder group' for REBA. At the time of the Committee's review there was, however, no formal link between the 457IE Visa and REBA. It was therefore not one of the SsMM under consideration in this review.
- 7.25 In practice, there was a strong link to REBA because the 457IE Visa enabled migrants intent on establishing a business in Australia to remain in the country for up to four years while they did so.²⁰ Once established, they could become eligible to apply for permanent residency including through REBA.
- 7.26 While there was no certainty that the 457IE Visa migrants would be able to go on to establish valid claims for permanent residency, the arrangements under that visa did have implications for REBA. The Committee therefore briefly examined it during its review of REBA.
- 7.27 At the time of the Committee's review there was a lack of coordination between the migration arrangements for REBA and for the 457IE Visa. The main issues raised with the Committee in connection with the 457IE Visa as a preparatory stage for REBA were:
- the quality of advice to intending REBA settlers;
 - the time restrictions inherent in the arrangements; and
 - the level of support for migrants who were using the 457IE Visa with the aim of subsequently applying for REBA.

Quality of advice

- 7.28 As already noted, the Committee was told that one witness understood that:
- with our business plan behind us it would not be a problem to apply for permanent residence.²¹
- 7.29 Others also provided illustrations of the apparent misunderstanding of the role of a migrant's financial status in gaining permanent residency:
- the Foreign Investment Review Board tends to do a very good job, obviously, in trying to find people or in discussing opportunities. Then you find, having said that, you have a problem with Immigration. There seems to be some sort of problem with the

20 http://www.immi.gov.au/business/bus_visas_guide1.htm

21 Dairy Farmer, Evidence, p. 250.

conduit between the two organisations... the Foreign Investment Review Board... indicated that what he was trying to do was a good idea... When he received basically the imprimatur of the first, he assumed that that would flow on to the second. It was probably a wrong assumption, but I think that is where it came from.²²

We wanted to come to Australia as permanent residents... We never wanted to come on a temporary visa, but were told to go on the 457 visa... We were told that once we were onshore a permanent residency application would be straightforward... They should have told us that no matter what we invested in it did not make a blind bit of difference.²³

7.30 The Committee was not in a position to determine exactly what information had been provided to intending migrants prior to their decision to use 457IE Visas to gain entry and then apply for permanent residence. However, in the cases before the Committee it was evident that any warning that their investment could not ensure a grant of permanent residency had not been fully absorbed.

7.31 At the conclusion of its review, the Committee was provided with a recently issued DIMA information sheet, *Independent Executives and Permanent Residence*. It advised that concessions in visa criteria apply to REBA, and set out in tabular form the respective requirements of EBA and the 457IE Visa, with a warning to applicants that:

permanent residence is not automatic and starting or buying a business in Australia with a certain amount of money does not guarantee eligibility... if their business fails and they are not granted permanent residence, they may have to leave Australia.²⁴

7.32 DIMA advised the Committee that further consultations were continuing, with the intention of devising reforms by the end of 2001.²⁵

Conclusion

7.33 The Committee concluded that this succinct information sheet would provide more help to prospective applicants intending to use the 457IE Visa route to REBA than had been available previously.

22 Mr William Barber, private capacity, Evidence, pp. 54-55.

23 Dairy Farmer, Evidence, pp. 263, 262.

24 DIMA, Exhibit 30, *Independent Executives and Permanent Residence*.

25 DIMA, Evidence, p. 465.

Time restrictions

- 7.34 Migrants had a limited time in which to qualify for REBA while in Australia under a 457IE Visa. That visa was valid for a maximum of four years and REBA effectively required the business to have met onshore employment thresholds for two years. It appeared, therefore, that intending migrants would have a further two years in which to could apply for REBA before their 457IE Visas expired.
- 7.35 The Committee was assured that, in practice, it was not so simple. The four-year clock started running when the visa application was approved, not when the migrant arrived in Australia.²⁶ This reduced the time actually available to establish a business in Australia and then qualify for REBA. Setting up any business would take time, and some businesses took more time to develop.²⁷ Examples presented to the Committee included olives, where:
- at least four years after the first planting and probably closer to six before you take any crop off the olive grove;²⁸ and
- abalone... takes... two years to grow... so two years go by before they can even get a turnover in their business.²⁹
- People just are not ready...they either have not set their businesses up or they have not got the two or three staff that are required to meet the criteria that is needed to go past the next stage.³⁰
- 7.36 Solutions suggested to the Committee were to allow onshore extension of the 457IE visa to enable applicant already in business in Australia more time to meet the REBA requirements, or the creation of a two-year Provisional Permanent Resident Visa which would achieve the same end.³¹
- 7.37 During its public hearings, the Committee was told that the lack of coordination between the 457IE Visa and REBA was being addressed with a view to establishing:
- a more continuous pathway from the point of entry for that 457 independent visa into a permanent visa;³²

26 Tasmanian Migration Service, Evidence, p. 358.

27 Tasmanian Migration Service, Evidence, p. 358

28 Mr William Barber, private capacity, Evidence, p. 55.

29 Tasmanian Migration Service, Evidence, p. 360.

30 SA Government, Evidence, pp. 412-13.

31 Tasmanian Migration Service, Submissions, pp. 373, 375; Evidence, p. 360.

32 SA Government, Evidence, p. 411.

the changes that are being spoken about are that the States and Territories will, in fact, sponsor the 457IE visas... and they will convert, at a later date, into regional established businesses...on the EBA and REBA the points test is likely to disappear and be tied to the sponsorship of the 457IE visa.³³

- 7.38 At the conclusion of its public hearings the Committee was advised that consultations with stakeholders were continuing, with the objective of making reforms late in 2001.³⁴

Conclusion

- 7.39 In view of the active consultations concerning the foreshadowed changes, the Committee did not pursue the suggestion that arrangements be made to enable onshore extension of the 457IE visa or the proposed Provisional Permanent Resident Visa.

Level of support

- 7.40 The issue of the appropriate level of support for migrants was raised in the context of potential REBA applicants, ie those in Australia on the 457IE Visa. One local Council said that:

the information should be flowing not only to the people involved but also to... the community... that these families are coming to. There should be some sort of introduction package for us and for them so we have the opportunity to meet them and to talk to them... The people...were on the farm settled in for a long time before we even knew they were there...we had no information, no pamphlets or anything as far as I am aware.³⁵

- 7.41 In the case of the 457IE Visa migrants, the Committee was told that:

it is not departmental policy to give them settlement information or link them to settlement services because they are not really migrants; they are here as temporary business entrants³⁶... when people ring us... we do provide information. If we cannot help them, or it is beyond our scope or depth of knowledge, we link them with the case officer who will be dealing with that particular case.³⁷

- 7.42 To the Committee, this appeared to be a tenuous line of contact.

33 Government of Tasmania, Evidence, pp. 326-27.

34 DIMA, Evidence, p. 465.

35 Circular Head Council, Evidence, pp 272-73, 283.

36 DIMA, Hobart office, Evidence, p. 341

37 DIMA, Hobart office, Evidence, p. 351.

- 7.43 The Committee was told that DIMA's overseas posts did not provide information about 457IE visa migrants to local authorities.³⁸
- 7.44 Two settlers of whom the Committee had direct knowledge had already invested approximately \$2 million in their localities and intended to apply through REBA to settle permanently.³⁹ Yet under the existing administrative arrangements these potential long-term settlers might have only attracted DIMA or local interest by chance.

Conclusion

- 7.45 The Committee considered the current 'hands off' approach to be short-sighted in view of the substantial financial investment intending REBA migrants brought into a locality with the aim of becoming permanent settlers. In the context of the reforms promised for late in 2001, the Committee considered that the expected 'better post-arrival services'⁴⁰ should cover departmental and local resources.

Recommendation 13

- 7.46 **The Committee recommends that DIMA provide settlers who have arrived in Australia and who have indicated their intention to use REBA with information about contacting DIMA and local agencies.**

The need for flexibility

- 7.47 The recent DIMA information sheet, *Independent Executives and Permanent Residence* advised that:
- applicants over 55 years of age with limited English may not be able to pass the points test, no matter how well their business does or how much money they have in Australia.⁴¹
- 7.48 One effect of such apparent inflexibility in the REBA requirements was identified by the Tasmanian Government, which pointed out that:
- many people over 50 have significant financial and skills resources.⁴²
-

38 DIMA, Hobart Office, Evidence, pp. 352-53; Tasmanian Government, Evidence p. 318.

39 Dairy farmers, Submissions, p. 346, \$1m; Dairy farmer, Evidence, p. 247, \$0.9m.

40 DIMA, Evidence, p. 465.

41 DIMA, Exhibit 30, *Independent Executives and Permanent Residence*. (11/00). Age and language points can account for 50 of the required 105 points, whereas the maximum points achievable for assets is 15. DIMA, *Business Skills Migration* booklet, p. 19.

7.49 Another submission questioned the need for the level of English specified.⁴³ Other presentations to the Committee highlighted, for example, the difficulty some capital-intensive enterprises could find in meeting the requirement that they have at least two full-time employees (or the equivalent) for the two years prior to application:⁴⁴

what we are finding now is that sustaining... staff... in small businesses, especially farmers and even caravan parks and the service industry where they are employing over a longer time casual employees, is the biggest problem.⁴⁵

7.50 In short, the points test was seen to be restrictive and raised the question:

if you brought \$US1 million here... and you established a very successful business that was employing people, does it really matter if you are not proficient in two or three languages? Does it really matter how old you are? ...To attract the people who have these types of resources, the main criterion should be the ability to establish a viable business.⁴⁶

7.51 These questions had been drawn to the attention of DIMA by State and Territory Governments. They argued that they were unable to retain established businesses of benefit to their regions because the REBA applicants failed to meet the points test. As a result of consultations in a working party the migration regulations had been amended to provide flexibility in the REBA points test from November 2000.⁴⁷

7.52 Rather than attempting to change the points test itself, as was suggested to the Committee,⁴⁸ the new approach permitted governments to argue that an applicant should not have to meet the pass mark under the REBA points test because of exceptional circumstances.⁴⁹

Conclusion

7.53 The Committee concluded that the capacity to argue for exceptional circumstances on a case-by-case basis would meet the desire expressed to the Committee for more flexibility in the operation of REBA.

42 Tasmanian Government, Submissions, p. 93.

43 SA Government, Submissions, pp. 77-78.

44 Applicants score 40 points for 2 employees, or 60 points for 3. DIMA, *Business Skills Migration* booklet, p. 19.

45 Tasmanian Migration Service, Evidence, pp. 356-57.

46 Ipswich City Council, Evidence, p. 380.

47 DIMA, Evidence, p. 465.

48 Ipswich City Council, Evidence, pp. 379-80; Tasmanian Government, Submissions, p. 93.

49 DIMA, Evidence, p. 465.

Centralisation

- 7.54 At the time of the Committee's review, the DIMA administration of REBA was centralised in the DIMA office in the Rocks in Sydney which was responsible for the processing of applications.⁵⁰ This arrangement was unlike the administration of the other SsMM at State or Territory level.
- 7.55 A number of witnesses highlighted the inconvenience which this created at the State and Territory level, such as delays in processing, lack of familiarity with the applicants, and inappropriate advice.⁵¹ The South Australian Government arranged for the Adelaide Office of DIMA to take responsibility for that State's REBA cases, and subsequently responsibility was devolved to each State or Territory DIMA Office.⁵²

The concept of 'regional'

- 7.56 REBA, like SDAS, was a SsMM which was intended to encourage migrants to settle in specific designated areas. As with SDAS, the appropriateness of the definitions of 'designated area' used by the various State and Territory Governments in relation to REBA was raised with the Committee which examined it in Chapter 3, *The regional conundrum*.
- 7.57 The issue was particularly pertinent to REBA because, as the Australian Capital Territory Government indicated:
- being a designated region does assist to attract business people who may be short on points. They do then consider Canberra, when obviously they were focusing on Sydney initially.⁵³
- 7.58 The Committee was aware that the identification of designated areas was the responsibility of the States and Territories which identified the needs of their jurisdiction and who also had the capacity to refine the definition of 'designated area' to meet those requirements. DIMA advised that the attention of States had been drawn to this⁵⁴ and also advised the Committee that:
- once the proposed reform package for the independent executive and regional established business in Australia category is agreed and implemented, the designated area concept is likely to apply to only the skilled, regional sponsored subclass.⁵⁵

50 DIMA, Hobart Office, Evidence, p. 350.

51 SA Government, Evidence, p. 424; Tasmanian Government, Evidence, p. 328.

52 SA Government, Evidence, p. 424.

53 ACT Government, Evidence, p. 395.

54 DIMA, Submissions, p. 527.

55 Now SDAS, DIMA, Evidence, p. 464.

Conclusion

- 7.59 The reform package for REBA and the 457IE visa is expected to be implemented in November 2001.⁵⁶ On the assumption that this would take place, the Committee noted that it could remedy the concerns over the application of 'regional' and 'designated area' and therefore concluded that no recommendation was required on that subject.

Encouraging investment

- 7.60 The Committee was advised that businesses had the potential to contribute more to a locality than an individual settler might. The capital investment in the migrants' own businesses or existing businesses was only one benefit. Businesses could also expand the local enterprise base and potentially promote employment. This need not involve large numbers to be significant for a locality:⁵⁷

one of the three or four major businesses here – they are major in our town but they are small beer elsewhere... employs six people.⁵⁸

- 7.61 The Committee was advised that one perceived obstacle to these outcomes was the difficulty in arranging for some potential business migrants to visit the area:⁵⁹

I think most states and territories have a similar experience. They might invite somebody to come out on a business ground and find it has been refused...we would like to have the power to formally sponsor.⁶⁰

- 7.62 During the course of the review, changes were made to Australia's migration arrangements which permitted sponsorship of short-term business visitors by an elected government representative, a government agency, or a local government mayor.⁶¹

Conclusion

- 7.63 The Committee concluded that this arrangement would meet the needs raised during the review, and again indicated that the Federal – State/Territory consultation was producing desired changes to REBA.

56 DIMA, Evidence, p. 465.

57 Cairns Chamber of Commerce, Submissions, p. 315.

58 Mr W. Barber, private capacity. Evidence, p. 60.

59 SA Government, Submissions, pp. 80-81; also Ipswich City Council, Evidence, p. 382.

60 SA Government, Evidence, p. 418.

61 From 1 July 2000, DIMA, Evidence, p. 466.

Measuring success

- 7.64 At the time of the Committee's review, only a few REBA applications had been approved. It was therefore not possible to make a meaningful assessment of the success of the scheme.

Summary

- 7.65 The Committee considered it encouraging that the number of REBA approvals appeared to be increasing rapidly because this indicated that there was a number of migrants who had already made a substantial contribution to their chosen area and desired to continue to do so by becoming permanent settlers.
- 7.66 On the other hand, the Committee was aware that some of REBA's apparent popularity might have been due to the relevant governments successfully arguing that the applicants' cases were exceptional. The Committee had already commented on the dangers of permitting 'exceptional' approvals in Chapter 4.⁶²
- 7.67 The Committee also looks forward to examining the data which DIMA indicated that it intends to collect on REBA migration.⁶³

Recommendation 14

- 7.68 **The Committee recommends that the operation of REBA, including 'exceptional' approvals, be reviewed during 2003.**

62 See Chapter 4, 'Exceptional' approvals, and recommendation No. 5.

63 DIMA, *Business Skills Migration* booklet, p. 18.

Other mechanisms

- 8.1 In this chapter the Committee addresses the term of reference covering other mechanisms which might be developed to pursue the aims of SsMM. Some of the proposals put to the Committee dealt with adjustments to specific schemes and were considered in the relevant chapters.
- 8.2 This chapter concentrates on suggestions for new schemes or ideas applicable across a range of existing SsMM. These included:
- giving more consideration to family arrangements;
 - using projects to drive the migration process;
 - creating new 'regional' visas;
 - more onshore recruiting; and
 - a lottery.

More consideration of family arrangements

- 8.3 One submission, echoing other evidence, urged that the program:
- should encourage a family rather than a single person.¹
- 8.4 Suggestions about the means by which families might be further encouraged to migrate included:
- providing support for spouses;
 - re-examination of the position of dependent children; and
 - consideration of family business applications.
-

¹ Mr C. Chai, Submissions, p. 165.

Support for spouses

8.5 The Committee was given evidence of the need to understand that migration under SsMM required the migrant's spouse to make adjustments, particularly in the case of professionals.² The support provided to accomplish this could therefore be an important factor in determining whether the employment, settlement and population aims of SsMM would be met:

it's not the men we worry about, it's the missus we need to make sure are happy.³

Conclusion

8.6 The Committee noted that there was evidence that sponsors were aware of this issue, and that it was one to be resolved at a local level, not at the Commonwealth level.

Dependent children

8.7 At the age of 18, children generally ceased to be considered dependants, unless they were in full-time education.⁴ Potential migrants with children aged 18 or older were thus generally unable to include such children in their application to migrate. The Committee was provided with evidence that the prospect of splitting the family had meant that the proposed migration did not take place.⁵

8.8 Even families with children under 18 years could be discouraged by the nature of the dependency arrangements. This was particularly so in the case of those on temporary visas preparing to apply for permanent settlement such as under REBA. If their children turned 18 and ceased to be dependents during that period, the children had no right to remain in Australia unless they acquired their own visa. An alternative could be:

pushing them back into TAFE colleges to make sure they are still under the family tree in six to 12 months time. Otherwise, under

2 Mackay Regional Council for Social Development, Evidence, p. 232

3 Riverina Regional Development Board, Submissions, p.64.

4 "As a general rule, the definition of a dependant is a child who is 18 or under. But it is possible for children who are over 18 to be visaed as dependants. That depends on a subjective assessment of dependency. It goes to questions like whether the child has remained with the family throughout, been married or not, moved into full employment or not and any other psychological, health or other dependencies that the child may have on the parents. Those are judgments that are made according to the current definition of dependants." DIMA, Evidence, pp. 471-72.

5 Migration Agent, Evidence, p. 46, Submissions, p. 160.

the present regulation, if they start working they fall out of the tree and then the child is out of the family unit.⁶

8.9 However, if the children continued in education they may incur fees which may apply because they were not permanent residents and therefore classified as overseas students.⁷

8.10 The Committee was assured that, although the disincentive existed, they were not significant factors and that, in some cases, schools and TAFE colleges could waive the fees.⁸

Conclusion

8.11 The Committee considered that there should be opportunity for flexibility in the special circumstances of REBA where, unlike the other SsMM, the applicants had to be in Australia for some time on a temporary visa.⁹

Family businesses

8.12 The possibility of treating migration by a family business as a business unit rather than as a family was raised with the Committee. Broadly, the argument was that the children aged 18 and over working in the business should be included as part of the enterprise. They would therefore not have to apply for separate visas to join the family or on ceasing education and starting work for the family in Australia. As the proponent admitted, and the Committee agreed, this approach would have potential difficulties in drawing a line around the family members involved, and those who would be excluded.¹⁰

Conclusion

8.13 The Committee concluded that the proposals concerning dependent children and family business units indicated that additional flexibility within SsMM could be desirable.

6 Tasmanian Migration Service, Evidence, p. 358.

7 Greater Green Triangle Region Association, Evidence, p. 52; Tasmanian Migration Service, Evidence, p. 359

8 DIMA Business Centre, Darwin, Evidence, p. 143; Tasmanian Government, Evidence, p. 336-37; Tasmanian Migration Service, Evidence, p. 359.

9 RSMS, STNI, and SDAS provide permanent residency on approval.

10 Mr B. Greyvenstein, Evidence, pp. 51-52.

Recommendation 15

- 8.14 **The Committee recommends that DIMA examine the issues raised relating to family businesses and to arrangements for dependent children under REBA and determine whether they could be resolved without compromising Australia's broader migration criteria.**

Using projects as a driver for migration processes.

- 8.15 The Snowy Mountains Scheme was mentioned as a possible precedent in the promotion of projects to encourage migration to areas outside the metropolitan areas of Australia.¹¹
- 8.16 The concept of using major development schemes as a means of encouraging migration was specifically raised in the context of REBA, which relies on business migrants establishing enterprises. REBA is driven by the migrants' choices, rather than by the local needs and priorities at their destination. An alternative approach suggested to the Committee was to identify:
- projects... that we are trying to build and either go over to migration agents... or selected countries and... say, 'Look, I'm looking for a migrant who may be interested in investing in this project.'... a full investment document—all the figures and everything... would have to be sufficiently prepared to entice a potential migrant to come over and have a look at it.¹²
- 8.17 The Migration Institute of Australia proposed a similar Regional Investor category visa. Rather than being required to invest in government securities, as was the case with existing investor categories, the migrants might be given the option of investing in business activities.¹³
- 8.18 Under this arrangement it was expected that migrants would be attracted by the specific financial opportunities being offered by the area and the

11 Unlike the current SsMM, the scheme sought unskilled as well as skilled migrants contracted to work on the Snowy Mountains Scheme for two years.
<http://www.unimelb.edu.au/ExtRels/majorations/jgobbo99sep23.html>

12 Member, Business Advisory Panel to Minister and DIMA, Evidence, pp. 213-14.

13 Migration Institute of Australia, Submissions, p. 58, sets out a range of conditions, including a four year residency requirement.

outcomes of the arrangement could be better targeted to investment and migration than at present.

- 8.19 A related proposal was to seek to identify specific enterprises which migrants might wish to establish in the area rather than relying on migrants' decisions about what enterprises might be created there.¹⁴
- 8.20 The Committee also considered that such projects might also be used as a local magnet for skilled migrant labour.

Conclusion

- 8.21 The Committee concluded that the proposal was a means of enhancing an existing program, rather than a new migration mechanism. Such promotion was not a Commonwealth responsibility, but it merited consideration by State and possibly local authorities as part of their own overseas promotional activities.

New 'regional' visas

- 8.22 Some of the other mechanisms suggested to the Committee involved the creation of visas with a specific SsMM orientation. The Migration Institute of Australia proposed a consolidation of existing arrangements into a Regional Visa class.

Regional visa class

- 8.23 The amalgamation of the regional aspects of existing visas under one omnibus visa would, the Institute argued, assist in producing uniform policy and administration and in highlighting the SsMM settlement options for potential migrants.¹⁵

Conclusion

- 8.24 The Committee concluded that this suggestion had merit for both administrative and promotional reasons, provided that the amalgamation could be achieved with minimum disruption.

14 Mr W. Barber, Evidence, p. 60.

15 Migration Institute of Australia, Submissions, pp. 52, 60-62.

Recommendation 16

- 8.25 **The Committee recommends that DIMA examine the option of merging the existing SsMM visas into a single visa class.**

Investment-linked regional visas

- 8.26 The South Australian Government proposed that:

investors who are committed to establishing a business in Regional Australia through demonstrated and tangible evidence towards the establishment of such a business, and invest in the Region's State/Territory designated investment, could be given access to their funds after a period of two years from commencement of the viable business venture, rather than have those funds held for three years. As such it may encourage investors to consider Regional Australia. The current Investment Linked visa class does not presently provide for State/Territory Government sponsorship. Within the context of supporting Regional Australia, State Government Sponsorship (15 points) could also be made available.¹⁶

- 8.27 In the context of the proposal for a two-year time frame, the Committee noted that, under the existing Business Skills migration program (excepting EBA/REBA), two years after arrival:

- one quarter of the migrants were not in business;
- one third were engaged in businesses with turnovers of less than \$100,000; and
- 40 per cent had businesses with a net worth of less than \$100,000.¹⁷

Conclusion

- 8.28 In view of such data, which cast doubt on the presumed success of the Business Skills program, the Committee was reluctant to endorse this proposal.

16 SA Government, Submissions, p. 82.

17 B. Birrell, *The Business Skills Program: Is It Delivering?* People and Place, Vol. 8, No. 4, pp. 36-42.

Community-sponsored visa

- 8.29 The Migration Institute of Australia proposed that the existing Distinguished Talent visa category have an additional local component added. Local sponsors might be individuals or organisations prominent in the local community, rather than government authorities which played a large role in the exiting SsMM.

Conclusion

- 8.30 The Committee considered that modification of the Distinguished Talent Visa, which generated approximately one hundred visas Australia wide each year, was not warranted.¹⁸

Onshore recruiting

- 8.31 Some SsMM migrants were recruited from people already in Australia. This was an important component of RSMS which, as the Committee heard, often recruited migrants already known to employers in Australia. REBA also operated onshore through its requirement that applicants had at least two year's experience in running businesses in Australia.
- 8.32 The Committee was advised that a large pool of potential migrants already existed, comprised of people already in Australia who are familiar with Australian conditions and whose skills could be in demand. These included working holiday-makers, students and refugees.¹⁹

Working holiday-makers

- 8.33 The working holiday-maker visa entitles visitors to Australia aged between 18 and 30 to work in Australia. During the 12 month validity of their visa, they could work for up to three months for any one employer.²⁰
- 8.34 The Migration Institute of Australia urged that the Committee:

18 DIMA, Fact Sheet 20 *Migration Planning Levels*, 13/7/01 shows 110 visas in 1999/00 with 170 projected for each of 2000/01 and 2001/3.

19 Greater Green Triangle Region Association, Submissions, p. 147; Migration Institute of Australia, Submissions, p. 57.

20 Under reciprocal arrangements with their home countries, generally limited to "arrangement countries": Canada, Republic of Ireland, Japan, Republic of Korea, Malta, the Netherlands, UK, Germany, Sweden, Norway Denmark. DIMA, Fact Sheet 55 *Working Holiday Maker Scheme*, 7/6/01. Details of the operation of the working holiday-maker visa are in Joint Standing Committee on Migration, *Working Holiday Makers: More than Tourists*, August 1997, (*Working Holiday Makers*).

build on its good work and understanding of the Working Holiday program by recommending that working holiday makers be given maximum opportunity to apply for permanent visas onshore. Such entrants benefit regional Australia economically, socially and culturally.²¹

- 8.35 With more than 76,000 visas issued in 2000/01, the working holiday-makers constituted a large, young, mobile workforce with some practical familiarity with Australia as a result of their travels.²² This group might be able to assist in the reduction of skill shortages, which was one of the aims of SsMM.
- 8.36 The extent of their contribution would be limited because of their lack of relevant skills. One in ten (ie approximately 7,600) might have experience as managers, professionals, para-professionals, or tradespersons, the qualities sought under skilled migration.²³ Not all would be interested, even if qualified, to pursue the skilled work opportunities available through SsMM.
- 8.37 Their availability would be further circumscribed by their visa conditions. It was possible for their maximum three-month period of employment with one employer to be extended if the employer:
- demonstrated that they have not been able to get anybody...there is provision in some cases for us to extend the period beyond the three months in certain circumstances... [but] if they are a working holiday-maker and the 12-month period was at an end and they wanted another month, we would not give it to them because there is no provision for us to do that under the working holiday maker scheme.²⁴
- 8.38 The Committee had previously considered the potential role of working holiday-makers in the labour market. In its 1997 report, *Working Holiday Makers: More than Tourists*, the Committee was wary of extending the visa's timeframe, in part because it
- would increase the potential for working holiday-makers to affect the job prospects of Australians.²⁵
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21 Migration Institute of Australia, Evidence, p. 87.

22 Minister for Immigration and Multicultural Affairs, *Media Release 101/01*, 26/7/01; Migration Institute of Australia, Evidence, p. 80.

23 Three-quarters those arriving described themselves as clerks (49%) or students (15%) or were not employed (11%) or had not been in the workforce previously (2%). *Working Holiday Makers*, p. 20.

24 DIMA, Darwin Office, Evidence, pp. 148-49, 150.

25 *Working Holiday Makers*, p. xxv.

- 8.39 The Committee was also:
adamant that it should not be used as a basis for solving labour market problems in Australia.²⁶
- 8.40 The Committee came to these conclusions in the context of the broad Australian labour market, and with the understanding that the working holiday-makers could constitute:
a base pool of casual labour or as a primary source of specialist skills such as language skills.²⁷
- 8.41 These considerations were, in the Committee's view, less significant in the specific case of SsMM because of the limited employment avenues involved in the schemes. The Committee therefore considered if the working holiday-maker scheme, or aspects of it, could be better integrated with SsMM.
- 8.42 It was unlikely that an extension of the working holiday scheme under that name would appeal to potential employers. As the comments on RSMS revealed, there was reluctance among employers to use that scheme because of a real fear that the employee would depart abruptly. This view would be exacerbated by a focus on the 'holiday' rather than the 'working' aspect of the working holiday-maker arrangements.
- 8.43 The Committee was also reluctant to diverge too far from the central idea that the working holiday-maker arrangements were for those whose main reason for coming to Australia was to have a holiday, with work a secondary component to allow them to support themselves if necessary.²⁸
- 8.44 The Committee therefore examined the existing SsMM with a view to making a connection between them and the working holiday-maker. Applications for STNI and SDAS have to be made offshore. Both RSMS and REBA can be applied for in Australia.

Conclusion

- 8.45 The Committee concluded that it could be appropriate for working holiday-makers to be linked with the SsMM for which onshore applications may be made, rather than devising a working holiday SsMM, or attempting to graft a SsMM component on to the working holiday-maker visa.

26 *Working Holiday Makers*, p. 49.

27 *Working Holiday Makers*, p. 49.

28 DIMA, Fact Sheet 55 *Working Holiday Maker Scheme*, 7/6/01.

- 8.46 However, the Committee considered that the working holiday-makers program was valuable in its own right, and should therefore not be made part of SsMM.

Students

- 8.47 Three proposals were put to the Committee suggesting how overseas students studying in Australia might be encouraged to use SsMM. One was to encourage students to undertake their courses outside the major metropolitan centres. While studying they would contribute to the local economy²⁹ and, having experienced living in the area, they would be more likely to consider settling there because:

once a person stays... for a number of years they may feel a lot more comfortable... They develop friendships and networks – those sorts of opportunities. Their capacity to settle in the country one would think would be higher than somebody overseas that has had no experience in Australia.³⁰

- 8.48 Another suggestion was to permit overseas students to spend more time in Australia at the conclusion of their studies, possibly with associated work rights.³¹

- 8.49 The third suggestion was that overseas students gaining qualifications in Australia should be permitted to apply for permanent residence onshore, instead of having to leave Australia.³²

students that have undertaken their studies in Australia and then wish to remain in Australia are certainly well along the way to meeting some of the criteria that is required in the point score system. They are familiar with the cultural diversity of Australia, the lifestyle, they have the language skills, and their Australian education then readies them to take on employment in Australia. The need to then go offshore to get a permanent residency visa approved could be considered a hindrance.³³

- 8.50 Related to this was the South Australian Government proposal that it would be beneficial if overseas students were permitted to remain in
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29 Migration Agent, Evidence, p. 291.

30 Migration Institute of Australia, Evidence, p. 83.

31 SA Government, Submissions, p. 79.

32 NT Government, Submissions, p. 139; SA Government, Submissions, p.80; Migration Institute of Australia, Submissions, p. 55.

33 DIMA NT Office, Evidence, pp. 124-25.

Australia for a short period after graduating in order to gain work experience and also potentially increasing the possibility of their deciding to remain in Australia.³⁴

- 8.51 Subsequently the Committee was advised of a number of changes being made by DIMA which permit overseas students who have attended a tertiary institution in Australia to make onshore applications to migrate within six months of completing study.³⁵
- 8.52 The Skilled Designated Area Sponsored (SDAS) Overseas Student Visa was introduced on 1 July 2001.³⁶ Students wishing to apply for permanent residence under this new SsMM had to:
- hold a substantive student visa;
 - hold an Australia qualification acquired as a result of at least one year's full-time study in Australia;
 - have a satisfactory skills assessment in any skill on the Skilled Occupations List;
 - be in Australia at the time of application; and
 - meet health and character requirements.³⁷
- 8.53 As with SDAS, this new visa was based on sponsorship by relatives in designated areas of Australia and incorporated the same threshold provisions as SDAS.³⁸
- 8.54 DIMA indicated that one expected outcome would be to encourage overseas students to undertake courses which were relevant to the skills in demand in Australia.³⁹ It would also provide an opportunity for the relevant State, Territory and local authorities to promote themselves, both in terms of the overseas student industry and in attracting highly skilled migrants to their jurisdictions.⁴⁰

34 SA Government, Submissions, p. 79.

35 DIMA Evidence, p. 465.

36 DIMA Fact Sheet, *Skilled Categories*, 2 / 7 / 01

37 DIMA, *Skilled Migration* booklet, 7 / 01, pp. 19, 22.

38 Ie: not points tested; need fewer months of work experience than required under the 'parent' SAS arrangements (or exempted because of an Australian qualification) , no requirement for functional level English (provided that they have paid to improve their proficiency through formal training). DIMA, *Skilled Migration* Booklet, 7 / 01, p. 6,

39 DIMA, Evidence, p. 477

40 DIMA, Evidence, p. 465.

- 8.55 The Committee observed that the development of onshore applications for graduates was another example of successful continuing consultations between the Federal, State and Territory Governments.

Conclusion

- 8.56 The Committee concluded that the 1 July 2001 changes enhanced the potential role of students in SsMM, as had been suggested in the course of the review.

Refugees

- 8.57 The possibility of interaction between SsMM and the Community Refugee Settlement Scheme (CRSS) was raised with the Committee on the grounds that:⁴¹

the refugees who are being sponsored by the government can be directed towards regions with very minimal hassles. Also, if we received people consistently then we would be able to retain them within the region.⁴²

- 8.58 If this were possible, it would assist in addressing population issues. The effect on the skill vacancy aspect of SsMM would be difficult to predict. Evidence to the Committee emphasised the desirability of establishing groups of migrants with a common background because:

you get one family from a very isolated country, and that is it. It stops there. If it were, say, five or six families... then you would organise a community group; you would organise social activities and that becomes the hub.⁴³

- 8.59 Other evidence to the Committee suggested that there might be support for such an approach among the refugee community:

one of the letters that came to me was from a refugee network. They want to live and work in rural Australia.... They would be prepared to have a scheme of temporary entry for 10 years, during which they would guarantee to take out private health membership, they would not be eligible for social security and all

41 Under CRSS community groups provide assistance to refugees. DIMA Fact Sheet 44: *The Community Refugee Settlement Scheme*, 21/6/00.

42 Migrant Resource Centre Townsville Thuringowa, Evidence, p. 225.

43 Migrant Resource Centre Townsville Thuringowa, Evidence, p. 227.

those things. They are prepared to make those sorts of commitments to take up those positions.⁴⁴

Conclusion

8.60 In view of the existing arrangements permitting community groups to participate in refugee settlement, the Committee considered that it was not necessary for any specific integration of refugee settlement with SsMM.

Lottery

8.61 One suggested method of increasing the size of the Skill Matching Database was through conducting a lottery of those on it but requiring sponsorship to gain sufficient points to become permanent residents. The lottery participants were expected to be:

people... meeting the fundamental core criteria of less than 45 vocational English and recognised skills... [but] people who cannot pass...will probably not apply. They are not going to sit there and wait for someone to actually sponsor them. So you... need an inducement to get the applicants to put their application in.⁴⁵

8.62 The advantage for potential migrants foreseen by the Migration Institute of Australia would be that they might not need to gain direct sponsorship in order to migrate. Their desire to participate in the lottery could increase the numbers of potential migrants on the database, which would increase the range of possible employees available to meet skill shortages under SsMM.⁴⁶

8.63 The Migration Institute of Australia suggested a lottery drawn from those in the pool. The lottery could encourage those who meet the current threshold SMV criteria (under 45 years of age; post-secondary qualifications, vocational level of English, skilled occupation), but cannot reach the pass mark, to place themselves in the pool.⁴⁷ Under the Institute suggestion those chosen by ballot would have to settle in a designated area for a set period.⁴⁸

44 Griffith City Council, Evidence, p. 459.

45 Migration Institute of Australia, Evidence, pp. 85-86.

46 Migration Institute of Australia, Submissions, p. 56.

47 Migration Institute of Australia, Evidence, p. 85.

48 Migration Institute of Australia, Submissions, p. 56.

- 8.64 In effect, the proposed lottery arrangements would alter two aspects of the existing RSMS and STNI arrangements by removing the requirement for nomination by an employer or State or Territory Government, but adding the condition that they reside in a designated area for a set period.
- 8.65 The lottery arrangement could permit the skilled migration to areas where there was not necessarily a shortage of those skills, yet require the migrant to remain there. The Committee considered that, under those conditions, migrants would be likely to favour the States and Territories which were considered as single designated areas⁴⁹ and thereby maximised the migrants' opportunity to seek work. This did not appear to the Committee to significantly increase the risk that the migrants would fail to find work.
- 8.66 Another outcome from the lottery could be that the winners would be required to live in regional areas for a specified period.
- 8.67 The Committee considered that the State, Territory and other potential sponsors would have already decided not to select the winners and could therefore be reluctant to have them placed in their jurisdictions as a result of a lottery. The lottery could, in effect, make the Commonwealth the migrants' sponsor, an outcome at odds with the intention of SsMM, which was that State and Territory authorities decided who they wished to attract using SsMM, and the areas in which they wished them to settle.

Conclusion

- 8.68 The Committee was not convinced that the practicalities of sponsorship and location could be readily resolved.

Summary

- 8.69 The evolutionary nature of SsMM and the effective functioning of the working parties and consultation were particularly evident to the Committee when it came to consider the ideas for other possible SsMM arrangements. Some of the ideas mentioned to the Committee reflected knowledge of changes which were, at the time, under negotiation. Other points which were raised with the Committee in submissions or in evidence were, by the time the Committee resumed its interrupted review,

49 ACT, NT, South Australia, Tasmania, Victoria.

proceeding to conclusion. Again this indicated to the Committee that there was a significant level of consultation continuing.

Overview

- 9.1 In the previous chapters, the Committee examined each of the main schemes in the light of the terms of reference. In this chapter the Committee provides a broad summary of the conclusions it reached as a result of those examinations and through wider observation of SsMM.

Consultation

Review and report on...the adequacy of consultations with States/Territories on the mechanisms that have been developed¹

- 9.2 Overall, the Committee concluded that the Federal – State/Territory consultation arrangements were working well. This was evident in references to developments by various witnesses and through the changes which were occurring during the course of the Committee’s review, summarised in the South Australian Governments comment on:

the Commonwealth’s openness and responsiveness to change in fashioning mechanisms to meet regional needs.²

- 9.3 In the Committee’s view there was an opportunity for the consultation arrangements to be improved further because of the perception that:

consultations appear to follow a centralist “dogma” which does not reflect the real needs of regional input...³

1 Terms of reference (see p. xiii).

2 SA Government, Submissions, p. 68.

3 Griffith City Council, Submissions, p. 255.

too often the regional areas have issues that are not heard at State level and therefore go unresolved.⁴

State Governments... put little or no effort into getting migrants into the regions, since they would take business away from the capital... there needs to be direct involvement between DIMA and regional offices of State Government rather than rely on the head office of State Government to equitably represent the regions.⁵

- 9.4 The Committee was aware that the expansion of the current Federal - State/Territory working parties to include the large number of local government bodies would make the consultation process unwieldy. In this context the Committee noted that there were a number of peak bodies, such as Area Consultative Committees, and the Australian Local Government Association, which might nevertheless be usefully be involved in the consultation process.

Conclusion

- 9.5 The Committee considered that existing consultation processes were proving responsive, and that this could improve if there was provision for appropriate regional consultation.

Recommendation 17

- 9.6 **The Committee recommends that DIMA pursue means of more active involvement of regional representation in its consultation process.**

Utilisation

*Review and report on... the level to which the State and Territory Governments have utilised these mechanisms.*⁶

- 9.7 In 2000/01, a total of 3,846 visas were granted under all the SsMM in operation at that time. This was 4.8 per cent of the total number of

4 Midwest Development Commission, Submissions, p. 249.

5 Member, Business Advisory Panel to Minister and DIMA, Submissions, pp. 235-36. For other views of this 'up-side-down' approach see Mr C. Chai, Submissions, p. 164.

6 Terms of reference (see p. xiii).

migrants arriving in Australia outside of the humanitarian migration arrangements.⁷

- 9.8 The Committee was not inclined to take the numbers of migrants attracted to Australia through SsMM as an indicator of the overall success of the scheme. In making this judgement the Committee noted that the initial discussions which led to SsMM had concluded that:

settlement of new migrants is only a very minor part of any solution to issues of population growth pressures and regional development.⁸

- 9.9 The Committee was also conscious that the numbers involved in SsMM would be a result of the interplay of migrant and sponsor awareness of the schemes, and the ability of intending migrants to meet the requisite standards. These factors would be brought together by governments through SsMM arrangements but the outcomes would be outside the control of the Commonwealth.

- 9.10 A further cause for resisting making judgements about the success of SsMM on the basis of raw numbers involved was that what might be a small intake at the national level could have a significant effect on a small community:

We have the second largest shire... but we also have the second smallest population... we support any business that we can bring to the shire... a major contribution could employ six people.⁹

Conclusion

- 9.11 The Committee considered that the numbers involved in each of the schemes was not a useful indicator of how well they were being utilised. Rather it was the effect of the SsMM on the areas utilising them that would indicate the level of success.
- 9.12 The differing intentions, operations, and duration of the schemes have precluded the Committee from reaching any conclusions about schemes as a group. The Committee did, however, note the apparent expansion of the use of case-by-case 'exceptions' which permit otherwise disqualified

7 DIMA, Submissions, p. 521; DIMA, Fact Sheet 20, *Migration Program Planning Levels*, 20/7/01 shows total Migration (Non-Humanitarian) was 80,610. 1,575 or 2.0% of all non Humanitarian migrants were those whose applications were in the pipeline for the now discontinued Skilled-Australia Linked Arrangements (see Chapter 6). RSMS, STNI, SDAS, and REBA generated 2,149 migrants (2.7%).

8 DIMA, Exhibit 12, p. 4.

9 Mr W. Barber, Evidence p. 57.

applicants to migrate, and drew attention to this in recommendation No. 5.

Increasing take-up

Review and report on...steps that might be taken to increase take-up.¹⁰

- 9.13 The question of increasing the take-up of individual SsMM was addressed in the preceding chapters. In this section the Committee addresses some broad issues which relate to SsMM generally.
- 9.14 The factors which attracted migrants to an area had been investigated early in the germination of SsMM. Interviews with migrants in 1994, 1995, and 1998 revealed that nearly half (47 per cent) of the business and skilled migrants chose to settle where they did because of their job. For another 14 per cent the opportunity for employment was the determining factor, and for 12 per cent, their presence of family members governed their decision. Independent settlers' main reasons for choosing their destination were friends (29 per cent); job opportunities (22 per cent); and family (17 per cent).¹¹ Of the RSMS settlers, 80 per cent indicated that the job was a factor in choosing their location. The same proportion indicated that lifestyle was a factor.¹²
- 9.15 This information indicated that if SsMM sought to exploit these motivations it could attract and keep migrants. In the Committee's view, the crafting of the various SsMM had in fact paid attention to those important factors in settlement decisions - work and family.
- 9.16 For this strategy to work effectively for SsMM, the Committee considered that potential migrants had to be aware of the schemes within the overall Australian migration arrangements. As one witness commented, Australia had a:
- maze of migration... so many different visa options.¹³
- 9.17 The Committee examined aspects of maximising the utilisation of SsMM including:
- publicity;

10 Terms of reference (see p. xiii).

11 DIMA, Exhibit 12, p. 21.

12 DIMA, Submissions, p. 479.

13 SA Government, Evidence, p. 404.

- better marketing strategies;
- retaining migrants; and
- implications of increased take-up.

Publicity

9.18 Improving the awareness of the schemes overseas and domestically might increase take-up of SsMM. One means of achieving this – publicity – was within the power all three levels of government.

Promotion of SsMM in Australia

9.19 In its hearings the Committee was told that, at Federal level, there was high priority attached to promotion.¹⁴ DIMA's Hobart office, for example, ran a local newsletter and disseminated information on regional migration schemes through the Local Government Association of Tasmania, the Tasmanian Chamber of Commerce and Industry and a Client Reference group including major employers and migration agents. This had included two formal information sessions over a period of three years.¹⁵

9.20 Yet at a public hearing in Tasmania the Committee was told that the:
local government association committee, the general management committee... have not had any information¹⁶.

9.21 Similar complaints came from localities in Queensland, New South Wales, Victoria, South Australia, Western Australia, and the Northern Territory,¹⁷ and could be summed up in the comment from Victoria that:

there is very little public knowledge within the regional communities of these sorts of schemes.¹⁸

9.22 The South Australian Government admitted that:

14 DIMA, Brisbane Office, Evidence, p. 191.

15 DIMA, Hobart Office, Evidence, p. 346, Submissions, p. 340.

16 Circular Head Council, Evidence, p. 286.

17 *Queensland* - Cairns Chamber of Commerce, Submissions, p. 314; Member, Business Advisory Panel to Minister and DIMA, Submissions, p. 236; *New South Wales* - Riverina Regional Development Board, Submissions, p. 65; *Victoria* - Westvic Pumps, Evidence, p. 41; Rural Workforce Agency, Evidence, p. 75; *South Australia* - South East Area Consultative Committee, Submissions, p. 104, Evidence, p. 62; *Western Australia* - Goldfields Esperance Development Commission, Submissions, pp 276-77; *Northern Territory* - DIMA, Darwin Business Centre, Evidence, p. 137.

18 Westvic Pumps, Evidence, p. 41.

to try and improve that take-up rate into the regions... does take a fair bit of moving, in our experience, to get an uptake into country areas.¹⁹

9.23 However, as the Tasmanian Government commented, there was some political sensitivity in promoting a scheme:

without having those in the broader community thinking that they are sitting without a job and we are telling the employer to bring somebody else in from overseas. It is a very fine line that we have to walk here.²⁰

9.24 In addition, as a number of witnesses reminded the Committee, the timing of any promotion affected how SsMM were received and understood because:

individual employers tend not to focus on the availability of different mechanisms until they have a need to recruit somebody.²¹

9.25 The Committee acknowledged that resources also constrained promotion of SsMM. DIMA's Migration Program was only one of the Department's responsibilities. It accounted for only about eight per cent of staff assets, and SsMM were but one part of that program.²²

9.26 At the conclusion of its review, the Committee was assured that the level of publicity had been increased since its examination of SsMM had begun and that DIMA conducted:

a range of state-specific migration mechanism awareness raising activities...Key elements of the state-specific migration mechanism component of this strategy which are being progressively implemented in order to increase awareness of these mechanisms include: development of a comprehensive information package for distribution to appropriate organisations; establishment of a network of key stakeholders in DIMA and state/territory government organisations; development of strategic partnerships with business stakeholders to improve awareness of the schemes; and reporting by DIMA and states and territories on a six monthly basis on state specific migration mechanism awareness raising

19 SA Government, Evidence, p. 434.

20 Tasmanian Government, Evidence, p. 314. 'Now and then somebody local will say, 'This is what is happening. Look what jobs have been taken away'' Greater Green Triangle Region Association, Evidence, p. 27.

21 DIMA, Brisbane Office, Evidence, p. 186. See also - SA Government, Evidence, p. 403; DIMA, Darwin Office, Evidence, p. 147.

22 At 30/6/99 (the most detailed recent published data) DIMA's Australian staff totalled 3,050, of whom 253 were in the Migration Program (sub-program 2.1), DIMA, *Annual Report 1998-99*;

activities to the Commonwealth/State Working Party on Skilled Migration... Within Australia various publications are used to enhance awareness raising of state-specific migration mechanisms.²³

- 9.27 Despite this assurance, the Committee remained concerned about how widely SsMM were known because even those using RSMS, which had been operating since 1995/96, thought that it was not yet adequately publicised.²⁴ As one witness said to the Committee:

employers... unless they think of approaching Immigration or they get an invitation to a seminar or see something in the paper, they are just not going to know that they can recruit someone in the particular profession from overseas.²⁵

- 9.28 Tasmania, the Northern Territory, and the Australian Capital Territory each had a single certifying body and DIMA was therefore likely to be able to play a significant part in promotion because of the close contact between it and the certifying body.

- 9.29 Publicity for individual States and Territories was ultimately the responsibility of those authorities,²⁶ but a member of the Minister's Business Advisory Panel argued that:

it is the responsibility of DIMA to try and couple with other agencies to come up with a total solution...I am suggesting that DIMA needs to be more proactive and try to get their product through, because the other agencies are either not interested, do not have the capability, or do not understand.²⁷

- 9.30 The Committee received a number of suggestions about future cooperation on publicising SsMM which reflected a conviction that local governments had the detailed knowledge needed to be effective in targeting the program.²⁸ The South East Area Consultative Committee, based in Mt Gambier in South Australia, reflected that:

you have a network of area consultative committees throughout Australia that...you could utilise a bit more in the dissemination of

23 DIMA, Evidence, p. 467. DIMA, Submissions, p. 524 identifies a number of DIMA information initiatives in relation to local administrations.

24 'A number of respondents remarked that the RSMS should receive wider publicity and promotion'. SA Government, Submissions, p. 199.

25 DIMA, Darwin Business Centre, Evidence, p. 145.

26 DIMA, Evidence, p. 477.

27 Member, Business Advisory Panel to Minister and DIMA, Evidence, pp 207, 214.

28 Greater Green Triangle Association, Submissions, p. 146.

information. ACCs are there within the regions virtually looking at local solutions to employment, education and training issues.²⁹

9.31 In Western Australia, the Goldfields Esperance Development Commission proposed that DIMA provide each local certifying body with:

a modest annual marketing allowance which would enable... agencies to better promote... in their regions.³⁰

Conclusion

9.32 The Committee concluded that the lack of widespread knowledge of RSMS, the most popular of the SsMM, indicated that significant effort was still required to promote SsMM.

Recommendation 18

9.33 **The Committee recommends that DIMA improve its liaison with Area Consultative Committees, the Australian Local Government Association and Regional Certifying Bodies**

Promotion of SsMM overseas

9.34 According to DIMA, in order to promote SsMM:

DIMA officers in both Australia and overseas attend international trade fairs and also targeted business seminars and workshops where information and assistance on business and skilled entry options is provided. Cooperative activities with other federal agencies such as DFAT, Austrade, Invest Australia and the Australian Tourism Commission, and with state and territory government agencies, are also undertaken offshore... We also use paid advertising and advertorials in publications overseas to promote Australia as a destination for business and skilled migrants.³¹

9.35 Representatives from State, Territory and local Governments and other local organisations had undertaken similar programs. The Tasmanian Government had worked in cooperation with DIMA to distribute

29 South East Area Consultative Committee, Evidence, p. 62.

30 Goldfields Esperance Development Commission, Submissions, pp 276-77.

31 DIMA, Evidence, p. 467.

publicity overseas.³² The South Australian Government had 14 overseas offices to assist promotion in potential source countries, and budgeted \$70,000 per annum for all its publicity.³³

- 9.36 This level of funding was unlikely to be available to local governments to promote their individual areas. Nevertheless, the Committee was impressed by the initiatives to promote migration which had been taken at the local level. These included visits to the PRC by the Greater Green Triangle Region Association and by the Ipswich City Council, video-taped information about Narrandera, and provision of local inspection visits for potential settlers by the Goldfields Esperance Development Commission.³⁴
- 9.37 The Committee considered that these exercises provided useful prototypes of activities which might be pursued by local organisations. The Committee also considered that the local organisations were those best placed to take advantage of the fact that migrants identified 'lifestyle' as an important motivating factor in migration.³⁵
- 9.38 In addition to promotion visits, the Federal Government, the State and Territory Governments, and some local governments, regional organisations and migration agents also maintained an international electronic presence through the Internet. Toowoomba City Council, for example, found that 90 per cent of the people who contacted it had visited its web site.³⁶
- 9.39 The web sites visited by the Committee reflected the priorities of the sponsoring authorities. They therefore gave varying prominence to migration, and similarly variable attention to any of the SsMM under the migration umbrella.³⁷ The Victorian Government considered that DIMA's site should open with pages devoted to promotion of Australia and links to State websites.³⁸
- 9.40 Search engines asked to locate references to migration to Australia generally produced extensive lists of websites. The DIMA and State and Territory Government sites were often less readily located than the commercial sites which offered assistance with visas, points tests, or

32 Tasmanian Government, Evidence, p.312.

33 SA Government, Evidence, pp. 405, 438.

34 Greater Green Triangle Region Association, Evidence, p. 26, Ipswich City Council, Evidence, p. 377; Riverina Regional Development Board, Submissions, p. 64; Goldfields Esperance Development Commission, Submissions, p. 278.

35 DIMA, Submissions, p. 479, referring to RSMS migrants.

36 Toowoomba City Council, Evidence, p. 165.

37 There is an overview of the user-friendliness of the sites at Appendix E.

38 Government of Victoria, Submissions, p. 305.

business migration. Local authority websites were identified even less frequently.³⁹

Conclusion

9.41 The Committee considered that the government and regional authorities interested in attracting migrants should seek to ensure that their sites ranked well up the lists generated by search engines pursuing migration information. This, the Committee considered, was especially relevant for the DIMA website which was the official Commonwealth migration showcase.

Recommendation 19

9.42 **The Committee recommends that DIMA review the content descriptors of its website with the aim of making it more visible to search engines.**

Better marketing strategies

9.43 The Committee was conscious that ready access to migration information by potential migrants was only part of the SsMM equation. It was also important that potential migrants to Australia have SsMM brought to their attention. The Committee considered that this might be achieved in a number of ways.

9.44 The Committee considered that there was a need to refine the targeting of potential migrants. As the Committee was told:

you need to ask the question, 'Who do we need to market to?' You have to make sure that you target the right people;⁴⁰

you cannot expect people from large metropolitan populations to come and live in a small country town.⁴¹

9.45 Approaches by which DIMA might tighten its focus on SsMM included:

- expanding the range of migration booklets to include one covering regional migration arrangements;⁴²

39 Eg, the Search Engine *Google* did not list DIMA in its first ten sites when asked to locate *migrate to Australia*. With *Lycos* the DIMA site was number 7; 14 with *Yahoo*; and 2 and 3 with *Altavista*.

40 Greater Green Triangle Region Association, Evidence, p. 31.

41 Member, Business Advisory Panel to Minister and DIMA, Evidence, p. 209.

- more active alliances between DIMA and other departments, local organisations or migration agents to facilitate promotion of migration into regional areas;⁴³
- creating a specialised Regional Section within DIMA;⁴⁴
- making the number of regional visas granted a performance indicator for DIMA managers;⁴⁵
- creating an electronically accessible database of regional employers with positions vacant;⁴⁶ and
- promoting SsMM as a lifestyle opportunity rather than purely as employment or family related.⁴⁷

Conclusion

9.46 The Committee considered that the suggestions had merit. It was wary of recommending aggressive promotion of the concessions available through SsMM lest that aspect come overshadow the population and skills policy objectives of the schemes.

Recommendation 20

9.47 **The Committee recommends that DIMA review its promotion of SsMM with a view to making access to them more migrant oriented.**

Migrant Retention

9.48 In the Committee's view, increasing the take-up of SsMM would address only part of the schemes' aims. It was also important to encourage migrants to remain in the area if the population and skill policy outcomes of SsMM were to be maximised.

42 Migration Institute of Australia, Evidence, p. 85.

43 These could include website hyperlinks to regional sites. Member, Business Advisory Panel to Minister and DIMA, Evidence, p. 207; Migration Institute of Australia, Submissions, pp. 50, 53.

44 Migration Institute of Australia, Submissions, p. 51.

45 Migration Institute of Australia, Submissions, p. 51.

46 Midwest Development Corporation, Submissions, p. 251.

47 Greater Green Triangle Region Association, Evidence, p. 29.

9.49 There was no consensus before the Committee on how long new settlers should be expected to remain in an area, but:

if you are here for five or ten years you are contributing... it is the time they are here and what they contribute that is very important.⁴⁸

9.50 As lifestyle was an important factor in some migration decisions, the Committee considered that it would also influence how long a settler remained in the area. 'Lifestyle' could be expected to encompass a range of factors, such as how welcome new settlers felt in an area, the level of support which they received, the cultural mix, job satisfaction and, as mentioned in Chapter 8, a number of family-related issues.⁴⁹

Conclusion

9.51 Retaining settlers was, the Committee considered, a challenge most appropriately met by local authorities.

Implications of increased take-up

9.52 The outcomes of SsMM were intended to have positive effects on the local workforce, population and, through them, on the economy. The concessions which were allowed under SsMM could, the Committee considered, erode Australia's migration standards and also have a negative economic impact. The Committee briefly considered this aspect of SsMM.

9.53 DEWRSB pointed out that the benchmarks had been set for education, work experience, language proficiency, and age in order to ensure that the migrants had:

a strong chance of participating quickly and successfully in the Australian labour market.⁵⁰

9.54 Of the SsMM which it examined, the Committee considered that SDAS offered most potential for poor economic outcomes. This was because it did not require the migrant to have any employment in view on arrival, it was not points tested, and required less work experience and language skills than its parent scheme.⁵¹

48 NT Government, Evidence, p. 131.

49 See Chapter 8, under *More consideration of family arrangements*.

50 DEWRSB, Submissions, p. 126.

51 See Chapter 6.

- 9.55 The other main SsMM appeared to pose less risk to Australia's broader migration and economic outcomes because RSMS and STNI both involved a job offer or job opportunity and REBA involved business people supporting themselves. Similarly, there were no major distortion of migration benchmarks in the concessions offered under these schemes.

Conclusion

- 9.56 Overall, the Committee concluded that the risk to Australia's migration and economic standards was acceptable in view of the existing safeguards in the schemes and the current low number of participants.

Other mechanisms

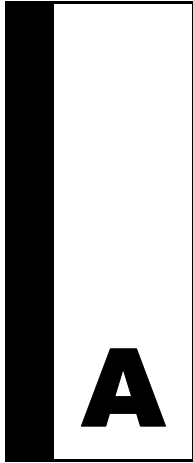
*Review and report on... other mechanisms that might be developed.*⁵²

- 9.57 As with the other terms of reference, a number of suggestions concerning aspects of SsMM, or alternatives which might be developed, have been discussed in the relevant chapters.
- 9.58 The Committee did, however, conclude that the focus of suggestions on alterations to existing schemes indicated that there was general support for the existing approach to migration under SsMM.

Summary

- 9.59 SsMM were relatively new arrangements which were being tested and modified to meet the needs of governments and migrants. The Committee therefore observed an evolving, rather than a mature, series of schemes.
- 9.60 As suggested in a number of its recommendations, SsMM merit a further examination in the future, when they have become more established approaches to migration and settlement.

52 Terms of reference (see p. xiii).



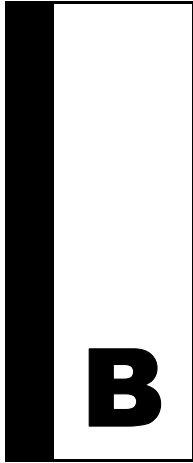
Appendix A: List of submissions.

Submission No	Organisation or Individual
1.	Prof Peter Pinson
2.	Tasmanian Migration Services
3.	McKinlay Shire Council
4.	Department of Immigration and Multicultural Affairs
5.	Booroondara City Council
6.	Toowoomba City Council
7.	Migration Institute of Australia
8.	Riverina Regional Development Board
9.	State Government of South Australia
10.	State Government of Tasmania
11.	Rural Workforce Agency Victoria Ltd
12.	ACT Government
13.	South East Area Consultative Committee Inc
14.	Department of Immigration and Multicultural Affairs (Supplementary Submission)
15.	Department of Employment, Workplace Relations and Small Business

16. Department of Immigration and Multicultural Affairs
(Supplementary Submission)
17. Mr John Allpress, Migration Agent
18. Northern Territory Government
19. Greater Green Triangle Region Association
20. Mr William Barber
21. Mr Laurens Koenders
22. Mr Warwick Joyce, Migration Agent
23. Westvic Pump Sales
24. Mr Charles Chai
25. Mr John Allpress, Migration Agent
(Supplementary Submission)
26. Western Murray Development Inc
27. State Government of Victoria
28. State Government of South Australia
(Supplementary Submission)
29. Western Murray Development Inc
(Supplementary Submission)
30. Bartter Enterprise
31. Goldfields/Esperance Area Consultative Committee
32. Rural Workforce Agency Victoria Ltd
(Supplementary Submission)
33. Member, Business Advisory Panel to Minister and DIMA
34. Western Murray Development Inc
(Supplementary Submission)
35. State Government of South Australia
(Supplementary Submission)
36. Midwest Development Commission
37. CONFIDENTIAL (Supplementary Submission)
38. Griffith City Council
39. Multikulti Inc.
40. Mr Ben Ohlmeyer (Supplementary Submission)

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41. Bond University
 42. Goldfields Esperance Development Commission
 43. The OliVaylie Group
 44. Mackay Regional Council for Social Development Ltd
 45. Northern Territory Government (Supplementary Submission)
 46. Department of Immigration and Multicultural Affairs (Supplementary Submission)
 47. State Government of Victoria (Supplementary Submission)
 48. Cairns Chamber of Commerce
 49. WorkNorth ACC
 50. Mackay Regional Council for Social Development Ltd (Supplementary Submission)
 51. Migrant Resource Centre Townsville Thuringowa Ltd
 52. South West Regional Council, Queensland Chamber of Commerce
 53. Ipswich City Council
 54. Department of Immigration and Multicultural Affairs (Supplementary Submission)
 55. Tony Fletcher MLC, Tasmania
 56. Mr Cyril and Mrs Joan Magee
 57. Mr John and Mrs Caroline Van Adrichem
 58. Circular Head Council
 59. AJPR Australia Japan Public Relations Pty. Ltd.
 60. Tasmania Migration Service (Supplementary Submission)
 61. State Government of Tasmania (Supplementary Submission)
 62. State Government of South Australia (Supplementary Submission)
 63. Department of Employment, Workplace Relations and Small Business (Supplementary Submission)
 64. Department of Immigration and Multicultural Affairs (Supplementary Submission)

65. Department of Immigration and Multicultural Affairs
(Supplementary Submission)
66. Department of Immigration and Multicultural Affairs
(Supplementary Submission)
67. Department of Immigration and Multicultural Affairs
(Supplementary)
68. Department of Immigration and Multicultural Affairs
(Supplementary)



Appendix B: Hearings and Witnesses

Friday, 28 January 2000 – Mount Gambier

Greater Green Triangle Region Association

Mr Patrick Francis McAloon, Executive Officer

Mr Michael Whitehead, Executive Officer

Ms Suzie Wilson, Consultant

Ms Stacey Anne Lawson, Admin/Project Officer

Hindmarsh (Vic) Shire Council

Mr John Samuel Kemfert, Councillor

Glenelg (Vic) Shire Council

Mrs Jean McCallum, Councillor

Westvic Pump Sales

Mr Benjamin Geoffrey Ohlmeyer, Partner/Manager

Migration Agent

Mr Warwick Joyce, Migration Agent

Private Capacity

Mr Hendrik Lambertus Greyvenstein

Mr William Barber

Greater Green Triangle Area Consultative Committee

Mr Patrick Francis McAloon, Executive Officer

South East Area Consultative Committee

Mrs Elaine Pollock, Executive Officer

Thursday, 24 February 2000 – Melbourne

Rural Workforce Agency, Victoria

Ms Karen Argall, Western Area Manager

Ms Sharon Kosmina, Workforce Policy Manager

Migration Institute of Australia

Mr Andrew James Cope, National Vice-President

Migration Agent

Mr John Gordon Allpress

Mr Richard Mark Garrett

Western Murray Development

Mr Laurie Eakin, Executive Director

Wednesday, 17 May 2000 – Kalgoorlie

Goldfields/Esperance Area Consultative Committee

Mr Joseph Auston Baker, Executive Officer

Goldfields/Esperance Development Commission

Mr Colin Purcell, A/g Chief Executive Officer

Mr Bill Mason, Regional Projects Officer

Ms Stephanie Fletcher, Executive Assistant

Friday, 19 May 2000 – Darwin**NT Department of Industries and Business**

Mr Peter Allen, Acting Chief Executive Officer

Mr Jeffrey Norton, Acting Migration Officer

Mrs Pompea Sweet, Acting Migration Officer

NT Department of Chief Minister

Mrs Janicean Price, Director, Office of Ethnic Affairs

Department of Immigration and Multicultural Affairs

Mr Tony Ralph Tucker, Director, Northern Territory

Mr Peter Knobel, Deputy Director, Northern Territory

Ms Lidia Di Lembo, Manager, Business Centre

POWERCORP Pty Ltd

Mr Allan Philip Langworthy, Managing Director

Thursday, 20 July 2000 – Brisbane**Toowoomba City Council**

Mr John Francis Hickey, Manager, Marketing and Commercial

Bond University

Ms Veronica Mary Boulton, Human Resource Officer

Department of Immigration and Multicultural Affairs

Mr Stephen James Meredith, Deputy State Director

Mr Paul McCarthy, Acting Manager, Business Centre

Queensland Chamber of Commerce South West Regional Council

Mr Richard Wood, Regional Councillor

Friday, 21 July 2000 – Townsville

Department of Immigration and Multicultural Affairs

Dr Deborah Alice Kuchler, Member, Business Advisory Panel to Minister and DIMA,

Migrant Resource Centre Townsville Thuringowa Ltd

Mr Farvardin Daliri, Manager

Mackay Regional Council for Social Development Limited

Mrs Luz Carleton, Community Settlement Services Officer

Ms Jean Bingham, Community Literacy & Numeracy Tutor Volunteer

Thursday, 28 September 2000 - Smithton

Private capacity

Mr Johannes Van Adrichem

Mrs Caroline Van Adrichem

Mrs Joan Wilma Magee

Mr Cyril William Magee

Ms Grace Hui Woo

Circular Head Council

Mr William Ross Hine, Mayor

Mr Michael Weldon, Deputy Mayor

Mr John Oldaker, Councillor

Mr Mark Andrew Goldstone, General Manager

Friday, 29 September 2000 - Hobart

Private capacity

Mrs Yoshiko Chijiwa

State Government of Tasmania

Mrs Lyn Andersch, Manager, Multicultural Tasmania

Mr Alan Eric Campbell, General Manger, Marketing and Major Events

Department of Immigration and Multicultural Affairs

Mr Constantine Pagonis, State Director

Ms Vicki Daniel, Officer in Charge, Business Centre

Tasmanian Migration Service

Mr Graham Franklin Mander, CEO

Mr Jonathon Richard Mander, Partner

Tuesday, 31 October 2000 – Canberra**Department of Employment, Workplace Relations and Small Business**

Mr Scott Matheson, Assistant Secretary, Economic and Labour Market Analysis Branch, Labour Market Policy Group

Mr Richard William Bridge, Director, Migration Policy and Analysis, Economic and Labour Market Analysis Branch, Labour Market Policy Group

Ipswich City Council

Mr Owen John Nugent, Mayor

Ms Deborah Lei, Honorary Ambassador of Ipswich City

Monday, 27 November 2000 – Canberra**Chief Minister's Department, ACT Government**

Mr Gregory Charles Bowler, Business Manager, Business Migration

Monday, 11 December 2000 – Adelaide**Department of Industry and Trade, Government of South Australia**

Mr John Haren, Director, Business and Skilled Migration, International South Australia

Department of Employment, Workplace Relations and Small Business

Mr Richard Bridge, Director, Migration Policy and Analysis Section

Mr Paul Martin, Section Manager, Labour Economics Office

Department of Immigration and Multicultural Affairs

Mr Serge Tonin, Project Manager, Regional Migration

Mr John Lorenzi, A/g Business Manager, Migration and Citizenship

Mr Paul Grantley Henderson

Monday, 26 February 2001 – Canberra**Riverina Regional Development Board**

Mr Patrick Brassil, Deputy Chairman

Mr Peter Dale, Executive Officer

Griffith City Council

Mrs Helen Brayne, Mayor

Monday, 5 March 2001 – Canberra**Department of Immigration and Multicultural Affairs**

Mr Abul Khair Rizvi, First Assistant Secretary, Migration and Temporary Entry Division

Mr Christopher Vivian Smith, Assistant Secretary, Migration Branch

Mr John Alfred Greenup, Director, Migration Program Section

Mr Peter Job, Director, Business Employment

Ms Julia Niblett, A/g Director, Business Skills Section



Appendix C: Exhibits

Exhibit No	Organisation or Individual and Title
1	Mr Greg Mills, Director, Migration Program Section, Department of Immigration and Multicultural Affairs: <i>General Skilled Migration</i> , 1999
2	Ms Melissa Green, Senior Project Officer, Riverina Regional Development Board: <i>Riverina Regional Survey and Skills Audit Report</i> , September 1999
3	Mr Greg Mills, Director, Migration Program Section, Department of Immigration and Multicultural Affairs: power point material, <i>State-Specific Migration - Department of Immigration and Multicultural Affairs</i>
4	Dr Jane Greacen, CEO, Rural Workforce Agency Victoria Ltd: information kit regarding sustainable general practice services and supporting health services in rural Victoria
5	Ms Jan McIntyre, Project Coordinator, South East Area Consultative Committee Inc: submission to the National Advisory Committee on Rural and Regional New Apprenticeships Skills, October 1999
6	Ms Jan McIntyre, Project Coordinator, South East Area Consultative Committee Inc: Final Report and Analysis - <i>The 1999 Business and Labour Force Survey, Greater Green Triangle Region</i>
7	Ms Jan McIntyre, Project Coordinator, South East Area Consultative Committee Inc: <i>Regional Assistance Program - Executive Summary</i>
8	Ms Jan McIntyre, Project Coordinator, South East Area Consultative Committee Inc: <i>South East Area Consultative Committee Annual Report (1 July 1998 to June 1999)</i>

- 9 Mr Greg Mills, Director, Migration Program Section, Department of Immigration and Multicultural Affairs: *Impact of Migrants on the Commonwealth Government*, June 1999
- 10 Mr Greg Mills, Director, Migration Program Section, Department of Immigration and Multicultural Affairs: *Report into the Economic Impact of Business Migration in Victoria*, May 1998
- 11 Mr Greg Mills, Director, Migration Program Section, Department of Immigration and Multicultural Affairs: Report from the Canadian Department of Citizenship and Immigration, *Building on a Strong Foundation for the 21st Century - New Directions for Immigration and Refugee Policy and Legislation*
- 12 Mr Greg Mills, Director, Migration Program Section, Department of Immigration and Multicultural Affairs: *Migration to Regional Australia and the Less Populated States and Territories*, December 1996
- 13 Mr Greg Mills, Director, Migration Program Section, Department of Immigration and Multicultural Affairs: *Commonwealth/State Working Party on Skilled Migration - report to the Council of Minister for Immigration and Multicultural Affairs*, April 1999
- 14 Mr Warwick Joyce: Department of Immigration and Multicultural Affairs Client Information Sheet
- 15 Ms Elaine Pollock, CEO, South East Area Consultative Committee Inc: information pack
- 16 Mr Andrew Cope, National Vice President, Migration Institute of Australia: list of Regional Subclasses
- 17 Mr John Hickey, Manager, Marketing and Commercial, Toowoomba City Council: brochure, *The City of Toowoomba*
- 18 Mr John Hickey, Manager, Marketing and Commercial, Toowoomba City Council: video, *Toowoomba Top of the Range*
- 19 Ms Elaine Martin, President, Mackay Regional Council for Social Development Ltd: brochure, *Journey to a River City*
- 20 Ms Elaine Martin, President, Mackay Regional Council for Social Development Ltd: newsletter, *The CSS News*
- 21 Ms Jude Mulcahy, Director Industry Investment, Department of Industries and Business, Northern Territory Government: *Foundation of Our Future*
- 22 Professor Ken Moores: statistical information about overseas students

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- 23 Mr and Mrs J C Van Adrichem: *1998/99 Financial Year - Contract Work Performed on Farm*
- 24 Mr Jim Bacon MHA, Premier, State Government of Tasmania: *Regional Sponsored Migration Scheme-Data Financial Year 2000/2001*
- 25 Mr Jim Bacon MHA, Premier, State Government of Tasmania: figures of settler arrivals by category by state of intended residence
- 26 Mr Graham Mander, Chief Executive, Graham Mander and Associates, Tasmanian Migration Service: *Focus on Business*
- 27 Mayor John Nugent OAM, Ipswich City Council: catalogue, *Ipswich City Council*
- 28 Ms Scott Matherson, Assistant Secretary, Skills Analysis and Research Branch, Department of Employment, Workplace Relations and Small Business: statistics, *Australian Regional Labour Markets September Quarter 2000*
- 29 Ms Vicki Daniel, OIC, Business Centre, Department of Immigration & Multicultural Affairs: various news articles
- 30 Mr Paul Martin, Section Manager, Department of Employment, Workplace Relations and Small Business: brochure, *DEWRSB Job Outlook*



Appendix D: Key Features of Main Schemes

	Regional Sponsored Migration Scheme (RSMS)	State/Territory Nominated Independent (STNI)	Skilled – Designated Area Sponsored (SDAS) formerly SRS)	Regional Established Business in Australia (REBA)
<i>Date initiated</i>	October 1995	November 1997	November 1996	July 1997
<i>Part of Australia</i>	Regional, low-growth, low population growth areas: excludes Melbourne, Perth, Sydney, Wollongong, Newcastle, Brisbane, Sunshine Coast, Gold Coast.	Nominating State or Territory	Designated Areas: all of Australia except Sydney, Newcastle, Wollongong, Perth, Brisbane, Sunshine Coast, Gold Coast	Designated Areas: all of Australia except Sydney, Newcastle, Wollongong, Perth, Brisbane, Sunshine Coast, Gold Coast
<i>Commonwealth Role (in addition to DIMA approval of migrant)</i>	Maintains and distributes SMD	Maintains and distributes SMD*	Produces the Designated Area List (DAL)	Produces the Designated Area List (DAL)

* ...Skill Matching Database

	Regional Sponsored Migration Scheme (RSMS)	State/Territory Nominated Independent (STNI)	Skilled – Designated Area Sponsored (SDAS) formerly SRS)	Regional Established Business in Australia (REBA)
State/Territory Role	Uses SMD.	Uses SMD. Conducts skills audit Sponsors migrants May argue for 'exceptional' approvals	Identifies areas for inclusion on DAL. Provides appropriate English upgrading arrangements	Identifies areas for inclusion on DAL. Sponsors migrants May argue for 'exceptional' approvals
Regional Organisation Role	Uses SMD Certifies local skill needs, nominations	Not applicable	Not applicable	Not applicable
Employer Role	May use SMD. Shows job meets RSMS rules Sponsors migrant with 2-year contract	Not applicable	Not applicable	Not applicable
Migrant	Nominates to appear on SMD. Accepts 2-year contract	Applies for Skill Matching Visa, appears on SMD or Applies for Skilled Independent visa, gains sufficient points to meet pool mark and elects to be on SMD.	Relative of sponsor. Under 45. Recognised qualifications Vocational English.	Temporarily in Australia on Business (Long Stay) Visa
Related/Parent schemes	Employer Nomination Scheme (ENS).	Independent category in Skill stream.	Skilled-Australia Sponsored (SAS).	Established Business in Australia (EBA).
Main Concessions relative to parent scheme	Thresholds lower for Skills, English Need not meet points test.	Available to those just below Independent visa points test pass-mark.	No points test. Less work experience. Less than vocational English if upgrade arranged.	Additional 15 points if State/ Territory sponsored. Thresholds lower for Investment, Assets, Residence.

	Regional Sponsored Migration Scheme (RSMS)	State/Territory Nominated Independent (STNI)	Skilled – Designated Area Sponsored (SDAS) formerly SRS)	Regional Established Business in Australia (REBA)
<i>Main employment Requirements</i>	Skilled job cannot be filled from local labour market. Skilled Employment for 2 years with Australian wage etc standards	Skills shortage identified in sponsoring State or Territory	Not applicable	Business in designated area. Meets thresholds: of time in business, ownership, age residence, finance, English, employees
<i>Employment offered</i>	Yes	No	No	Not applicable
<i>Family Role</i>	Not applicable	Not applicable	Sponsor must live in a Designated Area and be citizen or Permanent Resident. Gives assurance of financial support of migrant for 2 years.	Not applicable



Appendix E: Migration sites

DIMA's offices overseas provide addresses of various State Governments web sites. These web sites provide help concerning business entry to Australia. The Committee examined each website to assess its accessibility for intending business migrants.

New South Wales (www.business.nsw.gov.au)

The NSW government site is simple and comprehensive. It provides a broad picture of NSW, which includes information about the State itself and detailed material under the headings of *Investment Report*, *Investment Assistance*, *Investment Profile*, *Investment Enquires*, and *Small businesses in NSW*.

For the user, this site:

- Is user friendly;
- By having minimal pictorial content, accommodates users with slow Internet access; and
- Is regularly updated.

Victoria (www.migration.vic.gov.au)

The Victorian Government's site has an attractive layout. The starting point has three icons: Skilled Migrant; Opportunities for Victorian Employers; and Business Migrant. Each icon leads to a site which provides detailed information about the chosen topics.

For the user, this site is:

- User friendly
- Can easily be used by people with slow speed Internet connections
- Designed to print easily

Queensland (www.statedevelopment.qld.gov.au)

This site has been created to accommodate inquiries in ten different languages. The individual language pages summarise information and invite e-mail contacts. Ample information has been provided about Queensland and what it has to offer to the investors.

For the user, this site is:

- Designed for fast speed Internet connections;
- Multilingual;
- Easily downloaded and printed; and
- Frequently updated.

Western Australia (www.sbdc.com.au)

This site is known as Small Business Development Corporation (SBDC). Over all it is an informative site with information about the State and business migration to WA including:

- Information about business opportunities in WA;
- Information about starting a business;
- Information about buying a business; and
- Developing an existing business.

For the user, this site:

- Is user friendly;
- Is designed for people with slow speed Internet access; and
- Provides help with printing

South Australia (www.immigration.sa.gov.au)

The website created by SA government is simple and precise. The starting point has various icons (eg. lifestyle, services, regional and employment) which provide links to detailed information about SA. In the regional section it has a list SsMM.

For the user, this site is:

- Material can be printed easily;
- Designed for high speed Internet access; and
- May not be accessible to users whose browsers are not compatible with Java.

Tasmania (www.tas.gov.au)

The Tasmanian Government's website:

- Is simple;
- Has few pictures;
- Is straight forward;
- provides information about regional migration

Northern Territory (www.nt.gov.au)

The front page has a direct link to business and investment information, but no obvious connection to migration opportunities.

For the user, this site:

- Is user friendly.

Australian Capital Territory (www.business.act.gov.au)

The starting point of ACT has not been designed to provide online information. It is not simple to print out fully the information displayed on the website. The volume of illustrative material make the site most suited to people who have high-speed connections.

For the user, this site is:

- User-unfriendly; and
- Does not get updated systematically on a regular basis.



Appendix F: Glossary of key terms

Area Consultative Committee (ACC)

These bring together key business, regional and community representatives to identify priorities and opportunities for employment and regional growth. They form a key regional network for the Commonwealth Government.

Assurance of Support

A commitment to provide financial support for the person applying to migrate. It is also a legal commitment to repay to the Commonwealth of Australia any recoverable social security payments made to those covered by the assurance. It is in force from the date of arrival in Australia and lasts for two years.

Business Advisory Panel (BAP)

The Business Advisory Panel advises on ways in which business entry can be made more responsive to the needs of Australian business, while maintaining the integrity of the immigration system.

Business Skill schemes

A range of mechanisms not primarily designed to promote State-specific migration but which permit governments to sponsor business owners, executives, etc, and involve certain concessions for business applicants.

Designated Areas

State/Territory	Designated Areas
Victoria*	All
South Australia	All
Northern Territory	All
Tasmania	All
Australian Capital Territory	All
Queensland	All except urban Brisbane, Sunshine Coast and Gold Coast ¹
Western Australia	All except Perth Metropolitan area ²
New South Wales	All except Sydney, Newcastle and Wollongong ³

Source www.immi.gov.au/allforms/bus-reg1

“Exceptional”

A visa approved as a result of a waiver of conditions normally applicable to that visa, such as amount of training, age, qualifications, language skills, etc.

Family Stream

Those categories of the Migration Program whereby core eligibility criteria focus on a close family relationship with an Australian citizen or permanent resident sponsor.

Humanitarian

Australia's permanent immigration program is separated into two components - **Humanitarian** for refugees and others with humanitarian needs, and **Migration** (or non-Humanitarian) for Skilled and Family stream migrants.

Independent Migrants

Independent Migrants constitute those persons with education, skills and work experience who are likely to be employed and contribute to the Australian

1 Includes postcode areas 4350-4499 and 4600-4899.

2 Includes postcode areas 6200-6799.

3 Includes postcode areas 2311-2312, 2328-2333, 2336-2490, 2535-2551, 2575-2739 and 2787-2898.

economy quickly. They form the largest component of Skilled migrants entering Australia each year.

Independent Executive Category (457IE)

Allows temporary stay in Australia of up to 4 years for people who have a genuine commitment to establishing, or obtaining an interest in, and actively managing a business which is of benefit to Australia.

The IE category forms a feeder group for the EBA and REBA categories.

LSIA

Longitudinal Survey of Immigrants to Australia

Migrants not in the Labour force

Immigrants not in the labour force includes the very young, the elderly and immigrants who choose to stay in the home.

Migration Program

The planned annual permanent intake (excluding humanitarian immigrants), determined by the Government. The Migration Program predetermines the number of visas granted for permanent entry from offshore and for permanent resident status onshore.

Net Overseas Migration (NOM)

The net addition and loss to Australia's resident population.

Non-Humanitarian

Australia's permanent immigration program is separated into two components - **Humanitarian** for refugees and others with humanitarian needs, and **Migration** (or non-Humanitarian) for Skilled and Family stream migrants.

ORE

Occupations Requiring English

Settler Arrivals

Persons arriving with the intention to settle and live in Australia.

Skill Level

Many statistical collections refer to distinctions between skill levels.

- ***Skilled***

Managers and Administrators, Professionals, Associate Professionals, Tradespersons and Related Workers, and Advanced Clerical and Service Workers.

- ***Semi-skilled***

Intermediate Clerical, Sales and Service Workers and Intermediate Production and Transport Workers.

- ***Unskilled***

Elementary Clerical, Sales and Service Workers and Labourers and Related Workers.

Skill Stream

Those categories of the Migration Program whereby core eligibility criteria focus on the applicants employability (ie skills or qualifications) or ability to invest and/or do business in Australia.

Suitable Skills and Qualifications

A degree, diploma or trade certificate qualification, which is recognised in Australia.



Appendix G: Regional Certifying Bodies¹

1. Australia's Capital Regional Development Council.*
 2. Australia's Holiday Coast Regional Development Board.*
 3. Australian Capital Territory Chief Minister's Department.
 4. Cairns Chamber of Commerce Inc.
 5. Cape York Peninsula Development Association Inc.
 6. Central Coast Economic Development Board.*
 7. Central Western Regional Development Board.
 8. City of Port Macquarie Chamber of Commerce Inc.
 9. Development of Employment, Education and Training (VIC).*
 10. Development of Industries and Business (NT).
 11. Department of State and Regional Development Regional Office – Ballarat.*
 12. Department of State and Regional Development Regional Office – Bendigo.*
 13. Department of State and Regional Development Regional Office – Geelong.*
 14. Department of State and Regional Development Regional Office – Mildura.*
 15. Department of State and Regional Development Regional Office – Shepparton.*
 16. Department of State and Regional Development Regional Office – Taralgon.*
 17. Department of State and Regional Development Regional Office –
Wangaratta.*
 18. Department of State and Regional Development Regional Office – Wodonga.*
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1 As at 5/6/00. Minister for Immigration and Multicultural Affairs, *Media Release 59/2000*

* Bodies approved June 2000.

19. Department of State Development (QLD).
20. Far Western Regional Development Board.*
21. Gascoyne Development Commission.
22. Goldfields Esperance Development Commission.
23. Great Southern Development Commission.
24. Greater Green Triangle Region Association Inc.
25. Gulf Local Authorities Development Association Inc.
26. Hunter Region Organisation of Councils (HROC).
27. Illawarra Area Consultative Committee.*
28. International South Australia.
29. Invest Albury – Wodonga.
30. Kimberly Development Commission.
31. Midwest Development Commission.
32. Mount Isa to Townsville Economic Development Zone Inc.
33. Murray Regional Development Board.*
34. NSW Department of State and Regional Development.*
35. Office of Multicultural and Ethnic Affairs (OMEA) Tasmania.
36. Orana Development and Employment Council Inc.
37. Pilbara Development Commission.
38. Queensland Chamber of Commerce and Industry (QCCI).
39. Riverina Regional Development Board.
40. Small Business Centre – New England and North West.
41. South West Development Commission.
42. Western Murray Development Inc.
43. Wheatbelt Region Development Commission.
44. Winton Shire Council (Queensland).