

## 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.<sup>1</sup>
- 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.

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<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup>

## 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.<sup>4</sup> 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.<sup>5</sup>

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

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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.<sup>6</sup>

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.<sup>7</sup>

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.<sup>8</sup>

### 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.<sup>9</sup>

### 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.<sup>10</sup>

### 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.

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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.<sup>11</sup>
- 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.<sup>12</sup>
- 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.<sup>13</sup>
- 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.<sup>14</sup>
- 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.<sup>15</sup>

### 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.

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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.<sup>16</sup>

- 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.<sup>17</sup>

**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.

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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.<sup>18</sup>

## 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.<sup>19</sup>

## 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.<sup>20</sup>
- 8.34 The Migration Institute of Australia urged that the Committee:

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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.<sup>21</sup>

- 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.<sup>22</sup> 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.<sup>23</sup> 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.<sup>24</sup>
- 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.<sup>25</sup>
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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.<sup>26</sup>
- 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.<sup>27</sup>
- 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.<sup>28</sup>
- 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.

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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 economy<sup>29</sup> 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.<sup>30</sup>

- 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.<sup>31</sup>

- 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.<sup>32</sup>

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.<sup>33</sup>

- 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.<sup>34</sup>

- 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.<sup>35</sup>
- 8.52 The Skilled Designated Area Sponsored (SDAS) Overseas Student Visa was introduced on 1 July 2001.<sup>36</sup> 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.<sup>37</sup>
- 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.<sup>38</sup>
- 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.<sup>39</sup> 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.<sup>40</sup>

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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:<sup>41</sup>

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.<sup>42</sup>

- 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.<sup>43</sup>

- 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

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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.<sup>44</sup>

## 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.<sup>45</sup>

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.<sup>46</sup>

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.<sup>47</sup> Under the Institute suggestion those chosen by ballot would have to settle in a designated area for a set period.<sup>48</sup>

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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 areas<sup>49</sup> 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,

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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.