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**Queensland
Government**

**Premier of Queensland
and Minister for Trade**

Please quote: MD25 & RH02 /ECP & SP

14 NOV 2002

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


Dear Ms Gambaro

Thank you for your letter of 26 June 2002 concerning the Joint Standing Committee on Migration review of Australia's skilled labour migration and temporary entry programs.

The Queensland Government supports a non-discriminatory immigration policy which balances skilled, regional, family and humanitarian immigration to maximise Australia's social and economic welfare and to meet Australia's humanitarian commitments.

The attraction and retention of business and skilled migrants plays an important role in assisting Queensland meet emerging skill shortages and improve the overall effectiveness of the State's labour force.

Queensland is currently developing a whole of Government skilled migration strategy to identify ways to increase the State's intake of skilled immigrants. The following response provides some commentary on skilled migration to Australia and includes recommendations to improve Australia's performance in this regard. A more detailed analysis of skilled migration from a Queensland perspective will be undertaken in 2003 as the Skilled Migration Strategy is developed for consideration by the Queensland Government.

I trust this information will be of assistance and look forward to reading the findings of the review.

Yours sincerely



**PETER BEATTIE MP
PREMIER AND MINISTER FOR TRADE**

Executive Building
100 George Street Brisbane
PO Box 185 Brisbane Albert Street
Queensland 4002 Australia
Telephone +61 7 3224 4500
Facsimile +61 7 3221 3631
Email ThePremier@premiers.qld.gov.au
Website www.thepremier.qld.gov.au

1. Introduction

Cultural diversity in Queensland

Immigration has helped create the rich mix of cultural and linguistic diversity in Queensland. In 2001, about 17% of Queensland residents were born overseas.

In 2001-02, Queensland received 17.8% of the national intake of overseas arrivals. This is close to a per capita share of overseas settler arrivals and includes people arriving under the Migration and Humanitarian Programs as well as arrivals from New Zealand, who are not counted as part of the national immigration program. Queensland accounts for about 36% of New Zealanders migrating to Australia.

Settlement patterns for new arrivals

Most of Queensland's overseas-born population resides in the south-east corner of the State. The local government areas of Brisbane, Gold Coast and Logan have the highest proportion of overseas-born residents. The main coastal provincial centres, including Hervey Bay, Mackay, Townsville and Cairns also have high proportions of overseas-born residents.

Skilled migration in Queensland

In 2001-02, 4,578 migrants settled in Queensland under the skilled stream of the Migration Program out of a total of 7,656 settlers across the non-humanitarian migration program. This represents 60% of the non-humanitarian settlers in Queensland. Whilst this is a high proportion of those settling in Queensland, it represents only 8.5% of the total pool of skilled migrants: in 2001-02, 53,520 migrants and their families entered Australia under the skilled stream of the Migration Program.

The top source countries of skilled migrants to Queensland include the United Kingdom, South Africa, Taiwan, Zimbabwe and India.

The attraction and retention of skilled migrants plays an important role in assisting Queensland to meet emerging skill shortages and improve the overall effectiveness of the State's labour force.

Business Skilled Migrants in Queensland

In 2001-02, a total of 1,243 business migrants settled in Queensland. Of these, 74% (or 673) settled in Brisbane, 12% (or 108) settled in Gold Coast local government area, while the remainder largely settled in other areas of south east Queensland.

Business skills migrants in Queensland have fostered long-term links with international markets; generated jobs and exports; produced goods and services that would otherwise be imported into Australia; introduced new and better technology; and enhanced commercial activity and competition.

Queensland position on Immigration

The Queensland Government endorsed a Position Statement on Immigration in 1999. Queensland supports an immigration policy which is non-discriminatory with respect to race, religion, country of origin or gender and which remains flexible and able to respond to emerging needs.

Queensland supports a policy which balances skilled, regional, family and humanitarian immigration to maximise Australia's social and economic welfare and to meet Australia's humanitarian obligations.

While settlement assistance is a Commonwealth Government responsibility, the Queensland Government also provides many essential services that assist in the successful settlement of migrants, such as health and education. Queensland works with the Commonwealth Government and local governments to provide coordinated settlement assistance to migrants and refugees who choose to settle in Queensland.

It is important that the Commonwealth invest in infrastructure, settlement services and programs at a sufficient level to retain and interest skilled migrants and this includes creating incentives and opportunities for migrants to settle as permanent residents and providing adequate English language programs for all migrants and their families in Queensland.

Queensland is currently developing a whole of Government skilled migration strategy to identify ways to increase the State's intake of skilled immigrants, especially in areas of acute labour market shortage. The following response provides some commentary on skilled migration to Australia and includes recommendations to improve Australia's performance in this regard. A more detailed analysis of skilled migration from a Queensland perspective will be undertaken in 2003 as the Skilled Migration Strategy is developed for consideration by the Queensland Government.

2. Response to Terms of Reference

1. International competition for skilled labour

In Australia, demand for a visa has generally exceeded the number of visas available. This situation is reflected in the relatively recent decision taken by the Minister for Immigration and Multicultural and Indigenous Affairs, the Hon. Mr Philip Ruddock, to increase the skills points test pass mark from 110 to 115 for the Independent Skills migration category (visa sub-class 136) effective as from 8 May 2002.

However, there is increasing competition for skilled labour at an international level. In this context, Australia could lose its comparative advantage if its visa requirements prove to be more restrictive than those of international competitors. It is important that the Commonwealth Government continues to monitor international trends for skilled labour to retain our comparative advantage, facilitate effective movement of skilled labour into Australia and adjust skilled migration policy and programs accordingly.

2. Degree to which quality permanent skilled migrants are being attracted to Australia and settling well

The Queensland Government remains supportive of the broad direction of the Skilled Migration Program. In particular, a number of migration schemes were introduced by the Commonwealth Government which have become collectively known as the State Specific Migration Mechanisms (SSMMs). The SSMMs provide a means to assist State and Territory Governments overcome their skill shortages, achieve a more balance dispersal of the skilled migrant intake and attract overseas business people to Australia. The Regional Sponsored Migration Scheme and the temporary 457 Sponsored Business visas are particularly important for Queensland's regional areas. For further analysis of

these SSMMs and suggestions for improvement, refer to the response to the fifth Term of Reference, below.

In relation to the successful settlement of migrants to Queensland, it is suggested that the provision of Commonwealth settlement support through funded Migrant Resource Centres to newly arrived migrants in regional areas needs to be increased. Recent consultations throughout Queensland in the development of the 2002-2005 Queensland Migrant Settlement Plan under the National Integrated Settlement Strategy highlighted that these services are significantly under developed, particularly in regional areas.

Consultations have also indicated that the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) needs to engage local communities to further support regional development, job creation, English language services and community networks. It is also essential that Commonwealth funding be provided to enhance infrastructure in regional areas to support newly arrived migrants.

It is also important to note that while skilled migration may result in economic returns for Australia in the short term, the social benefits of family migration should not be underestimated.

Retention

Queensland is keen to increase skilled migration to the State. However a concern remains about the lack of retention incentives for skilled migrants to remain in Queensland, particularly in regional areas once permanent residency has been granted. It would be preferable to encourage long-term regional settlement through a positive, incentive-based and voluntary approach rather than a punitive approach such as cancelling visa provisions.

There may be potential for all levels of government to work closely with industry to develop regional opportunities that will encourage and better match voluntary settlement of migrants in regional areas. It is suggested that the Commonwealth lead this type of work and look to overseas models for encouraging regional skilled migrant retention.

Attraction and retention of International Students

A key area of interest for the Queensland Government is the attraction and retention of international students. International students are a crucial component of the Queensland higher education cohort. Many of these students study in fields of direct relevance to the economic sectors of key priority to Queensland's and Australia's economic future. Queensland commends the work done to date by the Commonwealth to facilitate permanent migration of students upon graduation.

Priority should continue to be given to attracting and encouraging students to remain in Queensland following completion of studies. However, there is a risk that this could jeopardise the expanding overseas student higher education industry, given possible negative reactions from source countries at the loss of skilled labour through migration.

Graduates, particularly those completing post graduate studies in disciplines such as medicine, engineering, IT etc are in demand in Australia and can make a positive contribution to the economy. Already familiar with Australia following their studies, many of these students are keen to stay but lack the flexibility in arrangements to be able to do so. Policies that actively encourage these students to stay and consider work programs

in regional areas are supported. As the majority of students are young the likelihood of them being interested in such placements is higher than migrants from other programs.

3. Whether there are lessons to be learnt by Australia from the entry and program management policies of competing nations including Canada, New Zealand, USA, Ireland, UK, Germany and Japan

Skilled migrants decide to migrate to particular countries for a number of reasons, including lifestyle, families, career opportunities and promotion.

Whilst competition between nations for skilled migrants is high, the fact that Australia can achieve the numbers being sought indicates that although Australia may be able to learn from other nations, other nations can also learn from us.

It is also suggested that Australia's migration and temporary entry programs for skilled labour and business migrants should be frequently reviewed by DIMIA to learn from migration policies and programs of competing nations.

4. Degree to which Australia's migration and temporary entry programs are competitive

Australia has developed a number of schemes that can provide the overseas skilled or business person with either permanent or temporary residency. Canada, the United States of America and New Zealand appear to have similar migration programs.

Australia has over 130 different visa sub-classes (including those sub-classes that provide for the Humanitarian situations). Each visa sub-class has its own set of regulations and these are defined in schedule 2 of the Australian Migration Regulations. Interpreting these visa regulations and meeting these requirements can be difficult. This issue is considered in further detail below.

There is a need to raise awareness amongst employers of the various migration schemes available to assist them fill skilled positions within their organisations that they have been unable to fill from the Australian labour market. Employers who currently do not have a skilled employment problem may not be interested in the opportunities provided by skilled immigration and may only be motivated when a vacancy arises or a need is identified.

Some major industrial organisations have indicated that the recruitment and retention of overseas skilled personnel has proved costly with limited results. Further, some organisations have attempted to recruit overseas professionals with mixed success. Skilled migration may become increasingly important for filling skills shortages in Queensland, as current skill shortages may be exacerbated by the major projects proposed to commence in Central Queensland.

The challenge for all levels of government is to ensure that timely and relevant information is provided to employers about the advantages of skilled migration. The challenge for the Commonwealth Government is to ensure that skilled migration programs are responsive to the needs of employers.

5. Whether there are policy and/or procedural mechanisms that might be developed to improve competitiveness

There is little doubt that there are policy and/or procedural mechanisms that could be developed to improve the competitiveness of Australia's migration intake.

The migration process to Australia can be difficult and complicated. It is possible that the number of visa sub-classes available (currently in excess of 130) could be reduced and the process of applying for migration simplified. This could improve Australia's international competitiveness.

A high number of skilled people enter Australia through the employer sponsored migration arrangements, particularly through the ENS, the RSMS and the temporary 457 Sponsored Business visa arrangements. Employers, under these arrangements, are only able to sponsor people with skills they have not been able to find from the Australian labour market. These visa options, particularly the RSMS and the temporary 457 Sponsored Business visas, are very important for employers in regional areas. Although this latter scheme is popular, sponsoring employers are required to sign documents that indicate that they will accept a number of responsibilities (including financial) on behalf of the person they sponsor. This responsibility is onerous and may deter some employers from proceeding with this migration arrangement.

The Queensland Government is very involved in the RSMS through the Department of State Development. The Department is one of Queensland's eight gazetted Regional Certifying Bodies (RCB) and has certified a considerable number of nominations submitted by regional employers for skilled positions. Skilled migrants who migrate to Queensland through the RSMS tend to settle well and employers have been able to retain the services of the employees they sponsor. DSD covers that part of Queensland not covered by another RCB.

The State/Territory Nominated Independent Skilled scheme (STNI) is also a migration scheme designed to allow States and Territories to attract those skills that are known to be in demand. However, participation in the scheme by Australian States and Territories, with the exception of Victoria, South Australia and the Australian Capital Territory, has been low. The principal reason for the low participation rate is that there is currently no retention mechanism in place. The Scheme would be more attractive if it included incentives to encourage successfully nominated skilled applicants to remain in the State for a certain period of time.

The Self Supporting Retiree Scheme (visa sub-class 410) is one example where policies or procedures could be changed for the benefit of Australia. Successful applicants under this visa class are required to transfer at least \$650,000 capital to Australia (or \$200,000 if they have pension rights or investment which will provide an income of at least \$45,000 a year). The visa is initially issued for 4 years and is then renewed every two years (subject to a satisfactory health clearance). People eligible for this visa are usually very wealthy and still capable of using their business or skills for the benefit of Australia. However, a condition attached to this visa is that they can not become involved in any economic activity. Because of this, they are unable to utilise their skills in Australia. They are also reluctant to transfer their entire wealth to Australia because of the uncertainty of their Australian residency status.

DIMIA developed a Skills Matching Database some years ago to assist Australian employers and State and Territory Governments to sponsor skilled people included in this database. Under existing arrangements, skilled overseas people are encouraged to add their names and their skills details to the database. The database includes overseas skilled people who have applied for migration or people who have successfully had their skills assessed and would apply for migration if sponsored by an Australian sponsor. The database is particularly useful for those governments participating in the STNI scheme.

In addition to the Skills Matching Database, DIMIA also introduced a Migration Occupation in Demand List (MODL), which is a list of skills identified as being in demand nationally. People seeking to migrate to Australia on the basis of their work skills receive points if their nominated occupation is on MODL at the time their application is assessed (not when their application is lodged). Applicants also receive extra points if they have a job offer in their nominated occupation from an organisation that has employed at least 10 people on a full time basis for the previous two financial years. MODL is usually updated twice a year (usually May and October) and is developed in partnership with the Federal Government's Department of Employment and Workplace Relations.

MODL, apart from being used by skilled migrants for the purpose of receiving additional points, can also be used by employers who sponsor overseas people with skills included in the list through the ENS or RSMS. If skills included on MODL are sought, employers are not required to undertake an extensive labour marketing process in Australia, a process which can be expensive and time consuming.

It is understood that although the skill may be included on MODL, a migration application for someone with the designated skill is not afforded any migration processing priority unless instructed by the Minister. This matter should be reviewed as timeliness is critical in responding effectively to skill shortages and employer needs.

6. Settlement Patterns for new arrivals including the role played by State and Local Authorities

Whilst the Queensland Government is supportive of the Commonwealth's measures to increase the settlement success of migrants, it is recognised that the responsibility for the settlement of migrants and refugees rests with the Commonwealth Government.

Whilst the majority of skilled migrants settle in south-east Queensland, Queensland has a significant interest regarding the settlement of migrants and refugees in regional and rural areas. Approximately 65% of the State's population reside in the South East corner, with the remaining 35% living in regional and rural areas. DIMIA settlement data indicates that 33% of migrant settlement occurs in non-metropolitan areas.

One of the five Queensland Government priorities is building Queensland's regions. The purpose of this priority is to ensure that Queensland's regions are empowered to capitalise on their unique assets and resources in order to adapt to changing social, environmental and economic conditions.

The Queensland Government plays an active role monitoring the settlement of migrants and refugees in Queensland and continues to raise issues of importance through its representation at the Ministerial Council of Immigration and Multicultural Affairs and on the State Settlement Planning Committee.