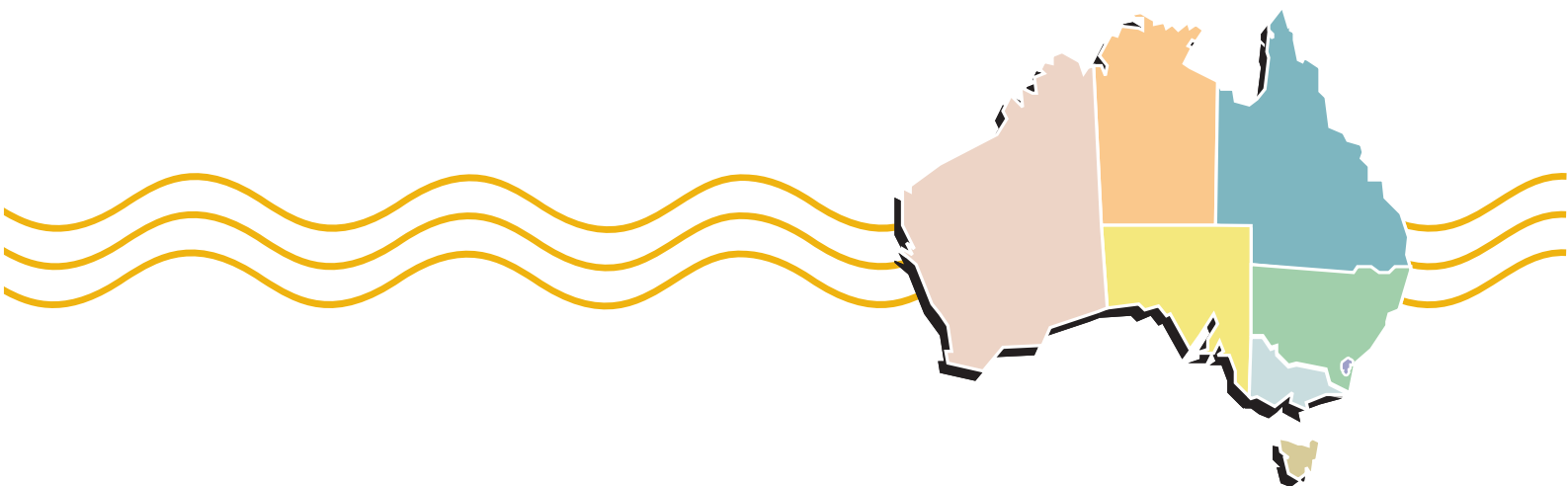


## Chapter 3

### State-Specific and Regional Migration

- A total of over 25,000 visas have been granted since the introduction of State-specific and Regional Migration (SSRM) initiatives.
- In 2002-03, there were 7,941 visas granted under SSRM initiatives, an increase of over ninety per cent on 2001-02.
- This outcome represents over 12 per cent of the total Skill Stream in 2002-03.
- Victoria was the most popular State in 2002-03 (4,146 visas) followed by South Australia (1,324 visas), Queensland (649 visas) and Western Australia (584 visas).
- The 2002-03 outcome is the highest since the introduction of the initiatives in 1996-97 (the first full year of operation).





## State-Specific and Regional Migration Initiatives

All spheres of government are focused on the development, acquisition and retention of skills. These skills are critical in supporting business growth and development objectives. They are pivotal to employment growth and sustainability. Like other developed nations, Australia is also subject to profound demographic changes relating to both domestic and global economic adjustment and pressure. With rapidly changing and emerging industries there is strong international competition for skills and expertise.

The Australian Government recognises that a balanced migration program plays an important role in contributing to the social, demographic and economic development of regional Australia and low population growth areas. Since 1996–97 the Australian Government, in consultation with State and Territory Governments, has introduced a number of initiatives designed to assist State and Territory Governments and regional authorities to:

- encourage a more balanced dispersal of Australia's skilled migrant intake;
- address skill shortages that may exist in specific regions of Australia; and
- attract overseas business people to establish new or joint ventures.

Research into patterns of population distribution and the reasons why migrants decide to settle in certain areas of Australia shows that there are four factors which are of primary importance in determining where migrants settle: location of family members; the availability of employment; business opportunities; and prior experience of an area as, for example, an overseas student. The State-specific and Regional Migration (SSRM) initiatives are based on these factors.

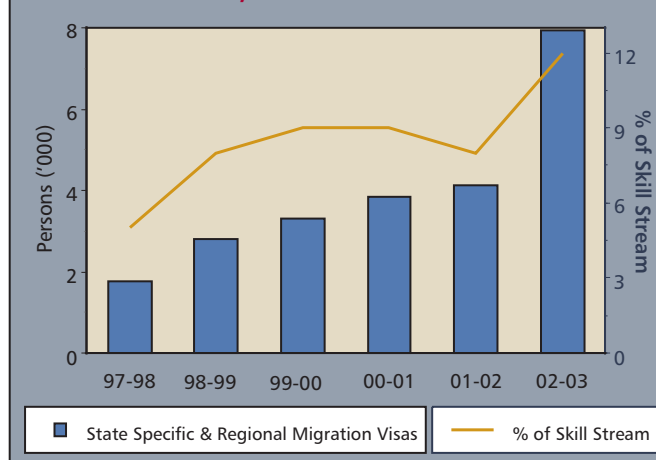
SSRM initiatives provide State/Territory governments, regional employers and development bodies with the ability to pursue regional development objectives and employment and business outcomes through the use of more flexible program provisions and threshold criteria for skilled migrants. They also provide an incentive for skilled migrants to locate in areas of Australia seeking more migrants through recognition of family linkages. These concessions have been carefully designed so that they do not undermine the overall integrity of the migration program objectives. Applicants must be skilled and meet mandatory health and character requirements.

For the 2002–03 program year 7,941 visa grants were recorded under these initiatives. This is an increase of over ninety per cent on the 2001–02 grant level of 4,136 visas and is the highest since the introduction of the initiatives in 1996–97 (the first full year of operation). This outcome represents over 12 per cent of the total Skill Stream in 2002–03.

The distribution of these visas across States and Territories in 2001–02 and 2002–03 is provided in Figure 3-2.

Over 25,000 visas have been granted since the introduction of SSRM initiatives. These trends are expected to continue even more strongly.

**Fig. 3-1: State-Specific and Regional Migration Visa Grants, 1997–98 to 2002–03**



Source Data: MPMS and IMIRS

**Fig. 3-2: Distribution of State-Specific and Regional Migration Visa Grants**

| State/Territory              | 2001–02      | 2002–03      |
|------------------------------|--------------|--------------|
| New South Wales              | 228          | 617          |
| Victoria                     | 2,129        | 4,146        |
| Queensland                   | 272          | 649          |
| South Australia              | 703          | 1,324        |
| Western Australia            | 341          | 584          |
| Tasmania                     | 204          | 197          |
| Northern Territory           | 57           | 132          |
| Australian Capital Territory | 202          | 292          |
| <b>Total</b>                 | <b>4,136</b> | <b>7,941</b> |

Source Data: MPMS and IMIRS

## Key Milestones in State-Specific and Regional Migration Initiatives

|                  |   |   |
|------------------|---|---|
| October 1995     | – | Regional Sponsored Migration Scheme (RSMS)  |
| November 1996    | – | Skilled - Regional Linked category  |
| November 1996    | – | Skill Matching Database (SMD)   |
| July 1997        | – | State/Territory Sponsored Regional Established Business in Australia (REBA) category  |
| November 1997    | – | State/Territory Nominated Independent (STNI) category   |
| July 1998        | – | Enhancement to Regional Linked category   |
| July 1999        | – | Skill Matching Visa (SMV) Class   |
| July 1999        | – | Skilled - State /Territory Nominated Independent (STNI) class   |
| July 1999        | – | Skilled - Regional Sponsored (SRS) category   |
| July 1999        | – | English Language Concession for SRS category  |
| July 2001        | – | Skilled - Regional Sponsored (SRS) became the Skilled Designated Area Sponsored category (SDAS)   |
| May to July 2002 | – | Enhancements to the Skill Matching Database/Skill Matching Visa implemented (early registration and trial removal of initial fee)   |
| November 2002    | – | English Language Concession for Skill Matching Visa   |
| November 2002    | – | Applicants on Skill Matching Database eligible for nomination under Labour Agreements without lodging a new application   |
| November 2002    | – | Concessions for regional sponsorship of temporary business entrants   |
| March 2003       | – | Business Skills two-stage process introduced  |
| July 2003        | – | Changes to the points test for General Skilled Migration allows for the award of 5 additional points for overseas students who study and reside in regional Australia or a low population growth metropolitan area for at least 2 years |

Recent trends suggest that the proportion of migrants opting to settle in regional Australia will continue to grow and greatly assist economic development in regional areas. The Government continues to refine and introduce new initiatives to encourage skilled and business migrants to settle in regional Australia. A summary of enhancements to the suite of SSRM initiatives is listed in the box above.

State and Territory Governments and regional authorities determine the extent of their involvement in SSRM initiatives depending on their own individual development priorities. The enhancements provide State and Territory governments with greater influence over the number and skill level of migrants settling in their jurisdictions and in line with their economic and regional development objectives. This partnership approach is essential to the long-term success of these policies.

The initiatives include permanent skilled migration categories as well as specific temporary residence programs that can be used to fill skill shortages. These regional initiatives can be used to the advantage of regions experiencing skill shortages. The main SSRM initiatives are:

- Employment based migration initiatives
  - Skill Matching Database
  - Skill Matching Visa
  - State/Territory Nominated Independent Scheme (STNI)
  - Regional Sponsored Migration Scheme (RSMS)
  - Additional General Skilled Migration (GSM) points for study undertaken in a regional or low population growth area of Australia;

- Employment based temporary entry schemes
  - Sponsored Business Long Stay Visa
  - Temporary Resident Doctors;
- Family based initiatives
  - Skilled Designated Area Sponsored Category
  - Skilled Designated Area Sponsored Overseas Student (Residence);
- Business based initiatives
  - Regional Established Business in Australia (REBA)
  - State/Territory Sponsored Business Visas (two stage process).

Details of these initiatives follows in this chapter and further information can be located on the department's website at [www.immi.gov.au/migration/regional](http://www.immi.gov.au/migration/regional).

In addition to the State-specific and regional migration initiatives there are a range of other migration categories (both permanent and temporary) that impact on regional Australia. Examples are:

- skilled migrants who do not migrate under regional initiatives, but who may still elect to reside in regional centres or low population growth metropolitan cities;
- the Working Holiday Maker program, which allows young people to tour Australia and engage in short-term work during their stay which can be in regional areas.

## Particular State-Specific And Regional Migration Initiatives

### Skill Matching

The Skill Matching scheme, introduced on 1 November 1996, is designed to support State/Territory governments and regional employers in meeting skill needs in regional areas of Australia.

Skill matching is made possible by the Skill Matching Database (SMD). The database 'lists' the occupational and personal details of skilled applicants who are willing to settle in areas where their occupational skills are in demand and who have lodged an application:

- in the Skilled-Independent category and opted for skill matching by completing the relevant form; or
- for a Skill Matching Visa (see below).

Operated by the Commonwealth, the database is regularly updated and distributed to all State and Territory Governments and a network of regional development authorities.

State and Territory Governments can nominate applicants from the database for the Skill Matching Visa or STNI scheme and employers can nominate applicants from the database for RSMS.

A limited version of the database is available on the Internet through DIMIA's website [www.immi.gov.au/skills](http://www.immi.gov.au/skills).

To increase the effectiveness of the SMD:

- interested independent applicants are registered on the SMD shortly after lodgement of their application; and
- applicants on the SMD are eligible to be nominated under Labour Agreements without lodging a new application. In addition, the increased use of Labour Agreements by peak industries to fill regional labour shortages is being encouraged.

The changes have seen the number of people on the SMD more than quadruple in 12 months with over 7,000 people registered at the end of June 2003, in over 300 occupations.

### Skill Matching Visa

The Skill Matching Visa (SMV), introduced on 1 July 1999, is designed to link skilled migrants with specific skilled vacancies through STNI and RSMS.

It provides opportunities for skilled people who do not meet the current passmark under the Skilled Independent category to be included on the SMD. It is not points tested, but applicants must meet key threshold criteria relating to skills and age. Compared to the General Skilled Migration (GSM) points test, there is a lower recent work experience requirement and more options available for applicants to meet the English Language requirement.

On 1 November 2002, a concessional English language requirement was introduced for this category varying the requirement from vocational to functional English for applicants who agree to pay an

English Language upgrade fee. The State/Territory sponsoring the applicant must have in place appropriate upgrading arrangements and been gazetted by the Minister for Immigration and Multicultural and Indigenous Affairs for this purpose. South Australia and Tasmania are gazetted for this purpose. The Northern Territory is also gazetted for this purpose and is considering becoming involved in the Skill Matching scheme.

Also, the initial administration fee for the Skill Matching Visa was removed for an extended trial from 1 July 2002.

### State/Territory Nominated Independent (STNI) Scheme

The STNI Scheme enables States and Territories to sponsor Skilled-Independent category and Skill Matching Visa applicants, who are willing to settle in States and Territories where their skills are in demand. They can be identified through the *Skill Matching Database* or directly by State and Territory governments.

State and Territory governments who choose to take part in the scheme have to carry out an audit to establish what skills are in short supply and where. Based on this audit, States and Territories aim to select applicants who have a sound chance of gaining employment in that State or Territory soon after their arrival.

The Victorian and South Australian governments actively sponsored skilled migrants in 2001–02 with the Tasmanian government also joining the scheme in 2002–03. The 2002–03 Migration Program outcome included 794 visas granted under the STNI and Skill Matching schemes. Of these, 437 persons were nominated by the Victorian Government, 353 persons by the South Australian Government and 4 persons by the Tasmanian Government.

### Skilled Designated Area Sponsored (SDAS) category (previously known as Skilled Regional Sponsored and Regional Linked)

This visa allows Australian citizens and permanent residents to sponsor skilled relatives (including first cousins, nieces and nephews) to join them in designated areas identified by State and Territory governments. Currently Sydney, Newcastle, Wollongong, Perth and Brisbane are not designated areas. All other parts of Australia are designated.

Applicants need only to meet threshold criteria for skill, age, English language and work experience. There are lower thresholds for work experience than in the Skilled Independent category and concessions for the English language requirement. Under the concessional arrangement, the English language requirement may be met where:

- the applicant has been assessed as having only functional level English;
- the applicant's sponsor lives in a State/Territory which has put appropriate upgrading arrangements in place and has been gazetted by the Minister for Immigration and Multicultural and Indigenous Affairs for this purpose; and
- the applicant has paid the required fee to the designated service provider before the visa is granted.

## Regional Sponsored Migration Scheme

The Regional Sponsored Migration Scheme (RSMS) helps employers in regional and low population growth metropolitan centres of Australia fill skilled vacancies that they have been unable to fill through the local labour market. Employers in all areas of Australia can access this scheme except Brisbane, the Gold Coast, Newcastle, Sydney, Wollongong, Melbourne and Perth.

The RSMS offers significant advantages for regional employers such as flexible skill thresholds and streamlined processing. The program provides a diverse range of skills to regional Australia and contributes to the economic development of regional centres. Some examples of much-needed skills introduced by the RSMS include those provided by academics, medical practitioners, registered nurses, chefs and scientists.

Employers may nominate people from overseas, or temporary residents already in Australia, to fill vacancies that are full-time and available for a minimum of two years. Generally, a person nominated to fill a vacancy needs to be under 45 years old and have 'functional' English, as well as the necessary skills and qualifications (diploma or higher qualifications) to do the job. Any employer can participate in the scheme as long as they are operating their business in an area covered by the RSMS.

Successful nominees are able to settle permanently in Australia.

There are three stages to the RSMS process. First, the employer nominates a full-time position they wish to be filled for at least two years to the state or territory Regional Certifying Body (RCB) to confirm the need for the position to be filled. Second, if the nomination is certified, it is forwarded by the employer (or employer's representative) to the DIMIA Business Centre for assessment. Finally, the nominee lodges a visa application on the basis of a two-year 'contract of employment' with the sponsoring employer.

Depending on the type of position, some applicants may need their overseas qualifications assessed.

To ensure regional and rural businesses retain skilled workers, RSMS visa cancellation provisions were introduced in July 2001. These provide for the cancellation of an RSMS visa where:

- the employee has not commenced in the nominated position within six months of arriving in Australia, or six months after visa grant if in Australia; or
- an employee has left the position before completing the two-year employment period.

Cancellation of an RSMS visa will not occur where a nominee has made a genuine effort to complete the two years employment with the approved employer.

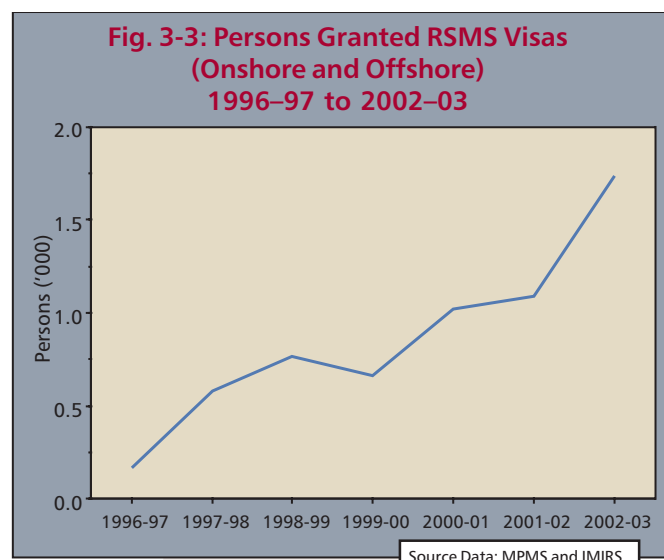
The RSMS is increasingly being promoted by DIMIA at the national and state level. Officers from DIMIA's Business Centres have increased their personal contact with interested bodies to increase awareness of the program.

Further initiatives are focused on developing closer links with Chambers of Commerce in regional areas and other government agencies such as state and regional development authorities to overcome skill shortages. Closer interaction with RCBs, including visits by DIMIA Business Centre staff, and provision of RSMS promotional material for distribution to employers, also increases both community and employer awareness of the scheme and its benefits.

More than 6,000 visas have been granted under RSMS since its introduction in 1996. In 2002–03, a total of 1,738 visas were granted under the RSMS (onshore and offshore), an increase of over 60 per cent on 2001–02. Early indications are that this record level of usage of RSMS will be exceeded in 2003–04.

More information on the RSMS can be found on DIMIA's website at: [www.immi.gov.au/migration/employers/rsms.htm](http://www.immi.gov.au/migration/employers/rsms.htm).

A current list of Regional Certifying Bodies can be found at: [www.immi.gov.au/migration/employers/certifying\\_bodies.htm](http://www.immi.gov.au/migration/employers/certifying_bodies.htm).



## Temporary Skilled Workers

Changes were introduced to Temporary Business (Subclass 457) visa arrangements at the beginning of November 2003 to support employers in regional and low population growth areas of Australia. The changes made special provisions under Temporary Business (Subclass 457) visas to help rural and regional businesses to bring skilled overseas workers into Australia for up to four years. These changes are discussed in more detail in Chapter 5 (Temporary Entry).

## Rewarding Study in Regional Australia

From 1 July 2003, overseas students who have studied and lived in regional Australia or a low population growth metropolitan area for at least two years can be awarded 5 bonus points under the General Skilled Migration points test. This is in addition to the 5 points already available to applicants who have an Australian qualification. These points are designed to encourage overseas students to live and study in regional Australia. It also aims to encourage these overseas students to remain and contribute their skills to the benefit of these areas after they complete their studies.

Regional Australia, for this category, is defined as any Statistical Division with a population at the 2001 Census of less than 200,000. In addition, metropolitan areas that have experienced low population growth between the 1996 Census and the 2001 Census (less than 50 per cent of national average population growth) are included as part of this measure.

## Business Skills Category State-Specific and Regional Migration Initiatives

Successive governments have reaffirmed a commitment to selecting high quality business migrants, in recognition of the benefits they contribute to Australia's increasingly global economy. They bring with them knowledge of overseas markets, business networks, cultural practices and languages other than English, as well as their specific business skills and experience.

The 2001–02 and 2002–03 program years produced record levels in the number of business migrants and their families sponsored by State and Territory Governments to establish new or joint ventures or to continue a business they had established in a regional area. In 2002–03 there were 419 visas granted under State Sponsored Business Skills (SSBS) and Regional Established Business in Australia (REBA) categories. Western Australia (33 per cent) sponsored the highest percentage of these migrants.

Business migrants benefit Australia by:

- developing international markets;
- transferring capital and making investments;
- creating or maintaining employment;
- exporting Australian goods and services;
- introducing new or improved technology;
- substituting Australian-made products for goods that would otherwise be imported; and
- adding to commercial activity and competitiveness within sectors of the Australian economy.

Notwithstanding these benefits, some emerging issues have been identified in recent years. For example, the lack of dispersal of business migrants across Australia, in particular to regional, rural and low growth areas of Australia. A declining business engagement rate (ie the number of business migrants who fail to establish a business) has also been observed, resulting in the number of Business Skills visa cancellations increasing from 13 in the 1999–2000 program year to 844 in the 2002–03 program year.

On 1 March 2003 major changes to the Business Skills category were introduced. The key objectives for reform of the category are:

- Better dispersal and links into state and regional development plans, via:
  - State/Territory sponsorship
  - State government business support;
- Improved success rates in terms of setting up successful businesses in Australia;
- Greater clarity and certainty of pathway to permanent residence;
- More consistent decision-making, through:
  - Objective/transparent selection criteria
  - Centralised processing centres
  - More rigorous quality control;
- Reduced scope for abuse, through:
  - temporary residence
  - monitoring of performance
  - site visits of businesses.

Since 1 March 2003, the majority of all Business Skills entrants enter Australia initially on a provisional (temporary) visa for four years and, after satisfactory evidence of a specified level of business or investment activity, may apply for permanent residence. There is still provision for Business Skills entry for business owners, senior executives and investors.

There is also provision for high calibre business migrants under the Business Talent visa to obtain direct permanent residence if they have high level business attributes and are sponsored by a state or territory.

State/Territory government sponsorship is available for each visa category, so that states and territories can attract the kinds of business people they are seeking to assist in the economic development of specific areas. In particular, Australia is actively encouraging Business Skills entrants to set up business in regional, rural or low growth areas of Australia. Lower level criteria apply to the sponsored categories at both the provisional and permanent residence stages. For example, persons under the state/territory sponsored categories have lesser age and English requirements.

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The following are the State/Territory sponsored Business Skills visa categories.

***State/Territory Sponsored Business Owner (Provisional)***

For people with a successful business career, including senior management or ownership of a business, who have significant assets and a genuine and realistic commitment to participate as a principal in the management of a new or existing business in Australia.

***State/Territory Sponsored Senior Executive (Provisional)***

For senior executive employees of major overseas businesses who have been responsible for strategic policy development affecting a major component or a wide range of operations of that business, who have significant assets and a genuine and realistic commitment to participate as a principal in the management of a new or existing business in Australia.

***State/Territory Sponsored Investor (Provisional)***

For investors and business people who have an overall successful record of business or investment activities, have significant assets, are willing to invest funds in a designated investment in Australia for four years and have a genuine commitment to maintain business and investment activity in Australia.

***State/Territory Sponsored Business Owner (Residence)***

For holders of Business (Long Stay) Independent Executive visas or Business Skills (Provisional) visas who have established a successful business in Australia.

***State/Territory Sponsored Investor (Residence)***

For holders of the State/Territory Sponsored Investor (Provisional) visa who have maintained a designated investment in Australia for four years and have lived in the sponsoring state or territory for at least two years in the four years prior to application.

***Business Talent (Migrant)***

For high calibre business people who are owners or part owners of an overseas business and have an overall successful business career, significant business assets and have a genuine and realistic commitment to participate as a principal in the management of a new or existing business in Australia.

***Regional Established Business in Australia (Residence)***

For holders of Business (Long Stay) Independent Executive visas who have established a successful business in a 'Designated Area' of Australia.