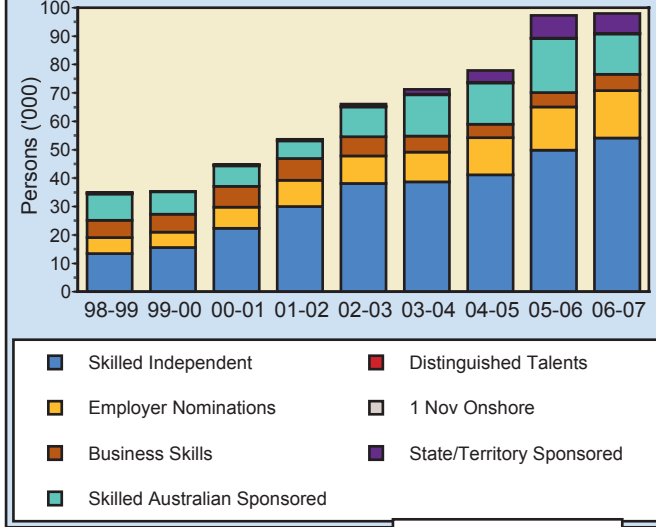


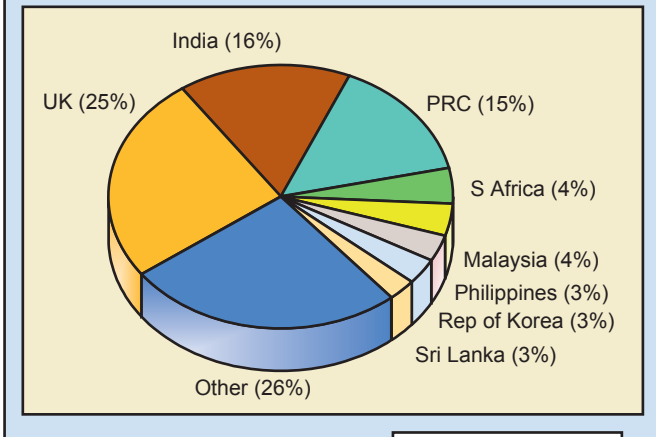
Skill migration

Fig. 2-5: Skill Stream outcomes 2006-07



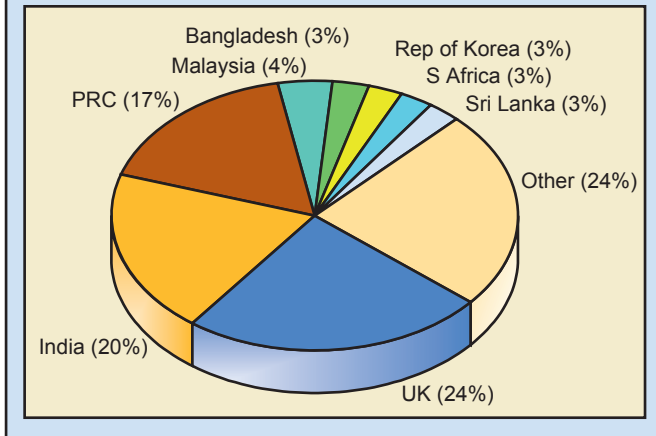
Source Data: MPMS and IMIRS

Fig. 2-6: Skill Stream outcomes by country of citizenship 2006-07



Source Data: MPMS and IMIRS

Fig. 2-7: Skilled Independent outcomes by country of citizenship 2006-07



Source Data: MPMS and IMIRS

Skill Stream outcomes

The Skill Stream of Australia's Migration Program is specifically designed to target migrants who have skills, proven entrepreneurial capability or outstanding abilities that will contribute to the Australian economy.

In 2006-07, there were 97 922 people granted Skill Stream places, an increase of 586 (0.6 per cent) on 2005-06. Of the total Skill Stream, 39.0 per cent (38 163 persons) were onshore applicants, an increase of 6.1 per cent on 2005-06.

Skill Stream visa categories

In 2006-07 the Skill Stream includes the following categories:

Skilled Independent and Skilled Independent Overseas Student – cater for applicants who do not have a family or employer sponsor or do not wish to be sponsored. Successful applicants are required to satisfy the basic General Skilled Migration requirements, including skills, age, work experience and English language ability and achieve the required passmark on the General Skilled Migration points test (54 179 visas in 2006-07).

State-Specific and Regional Sponsored – includes the permanent State/Territory Nominated Independent (STNI) and Skill Matching visas as well as the Skilled Independent Regional (SIR) (Provisional) visas (6930 in 2006-07). STNI enables state and territory governments to sponsor Skilled Independent category applicants willing to settle in states and territories where their skills are in demand. State and territory governments participating in the Scheme establish which skills are in short supply and where skill needs are occurring. Based on this information states and territories aim to select applicants with a sound chance of gaining employment in their state or territory within a short time of their arrival. Grants under STNI decreased by 15.4 per cent from 4105 in 2005-06 to 3474 in 2006-07. The level of STNI visa grants has increased substantially over the last five years from less than 100 grants in 2000-01.

The SIR (Provisional) visa caters for skilled people unable to meet the passmark for a permanent visa and wishing to live and work in a regional or low population growth metropolitan area in Australia. Applicants are assessed against the points test and are required to meet the SIR (Provisional) visa passmark which is slightly lower than for the permanent Skilled Independent visa category. Applicants are also required to be sponsored by an authorised state or territory government agency. Once SIR (Provisional) visa holders have complied with the visa's conditions and have lived for at least two years, and worked for a minimum of 12 months, in a regional or low population growth metropolitan area in Australia, they are

eligible to apply for a permanent visa. There were 3454 SIR (Provisional) visas granted in 2006-07.

Skilled Australian Sponsored and Skilled Australian Sponsored Overseas Student – this category caters for skilled people sponsored by an eligible family member who is an Australian citizen or permanent resident. Applicants are required to satisfy the basic requirements of skills, age, work experience and English language ability. Most applicants are assessed against the General Skilled Migration points test, although the passmark is lower than for the Skilled Independent category and applicants receive additional points for sponsorship by an Australian relative. Those applicants whose sponsor lives in a designated area of Australia are given concessions in respect of the work experience requirement, and in some cases can qualify with a lower standard of English language ability. They are not assessed against the General Skilled Migration points test (14 167 visas in 2006-07), a decrease of 25.0 per cent on 2005-2006.

Employer Sponsored – employers may nominate (or ‘sponsor’) personnel from overseas through the Employer Nomination Scheme (ENS), Regional Sponsored Migration Scheme (RSMS) and Labour Agreements. These visas enable Australian employers to recruit overseas workers to fill permanent skilled vacancies. The 2006-07 Migration Program outcome for these categories totalled 16 585 visas.

Business Skills – encourages successful business people to settle permanently in Australia and develop new business opportunities (net outcome of 5836 visas in 2006-07).

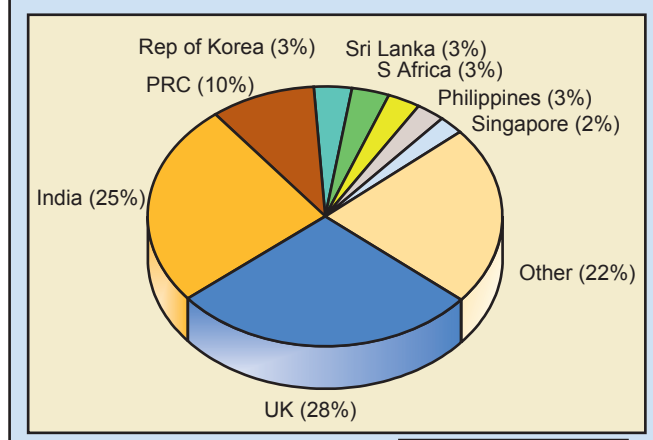
Distinguished Talent – This category is for distinguished individuals with special or unique talents of benefit to Australia. There was an outcome of 227 visas for the 2006-07 program year.

All offshore visa applications for the ENS, RSMS and Labour Agreements (including those from previous applicants) are now lodged directly with the same DIAC Business Centre in Australia that approved their employer’s nomination application to fill a vacancy with an overseas worker. This ensures that visa processing is now streamlined.

Overview of general skilled migration

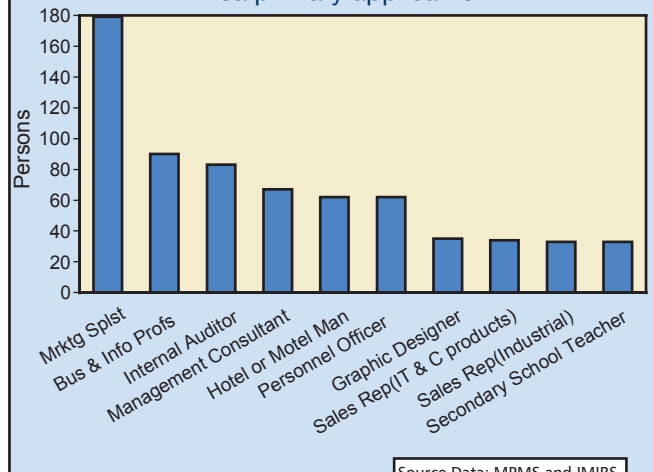
Australia’s General Skilled Migration Program is designed to attract people who have skills in particular occupations that are required in Australia. These occupations are listed on Australia’s Skilled Occupations List (SOL).

Fig. 2-8: State/Territory sponsored outcomes by country of citizenship 2006-07



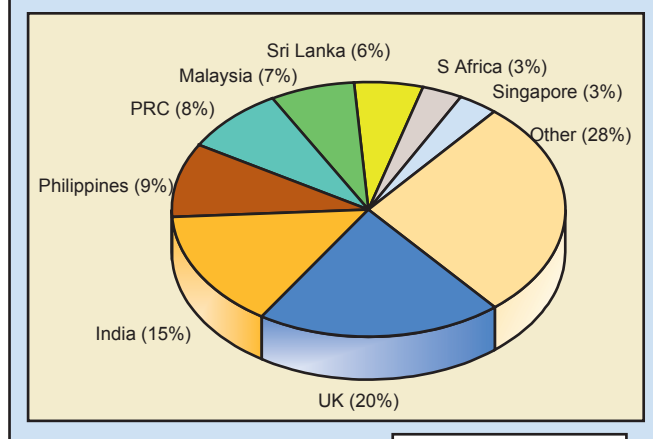
Source Data: MPMS and IMIRS

Fig. 2-9: Top 10 occupations nominated by successful SIR (provisional) visa primary applicants



Source Data: MPMS and IMIRS

Fig. 2-10: Skilled Australian Sponsored outcomes by country of citizenship 2006-07



Source Data: MPMS and IMIRS

Major changes to the General Skilled Migration arrangements came into effect on 1 September 2007 and these will affect the composition and dynamics of GSM outcomes from 2007-08 onwards. These changes did not affect 2006-07 outcomes. The explanations below relate to the legislative framework in place during 2006-07.

General Skilled Migration includes the Skilled Independent, Skilled Australian Sponsored, Skilled Designated Area Sponsored (SDAS), STNI, SIR (Provisional) and Skill Matching visa categories. visa grants in the Skilled Australian Linked and Skilled Regional Linked categories are also counted towards the General Skilled Migration Program though these visa categories were closed for new applications on 1 July 1999. Depending on their circumstances, applicants can apply for a General Skilled Migration visa while they are in Australia or outside Australia. Applicants who can be granted their visa while they are in Australia are referred to as onshore applicants while those who must be outside Australia for their visa to be granted are called offshore applicants.

Through the onshore General Skilled Migration visa categories, overseas students in Australia can apply for and be granted permanent residence following the successful completion of their studies without the need to leave Australia.

Overseas students applying for one of these categories must apply within six months of completing an Australian qualification (degree, diploma or trade qualification). The qualification must have been obtained after a minimum two years of full time (or equivalent) study at an Australian educational institution while the applicant was physically present in Australia. They must also hold a positive skills assessment for an occupation on the Skilled Occupations List that attracts 60 points on the General Skilled Migration points test, unless they have completed an Australian doctorate. Australian doctorate students may hold a positive skills assessment for a 50 point occupation.

Overseas students who have completed their award at a regional campus may also nominate a 50 point occupation if applying for the SIR (Provisional) visa.

To be successful, applicants in all the General Skilled Migration visa categories must meet threshold criteria for skill, work experience, age and English language ability. Applicants with Australian qualifications who apply within six months of course completion are exempt from the recent work experience requirement. All applicants, other than those applying for a Skilled Designated Area Sponsored visa, are then assessed against the General Skilled Migration points test.

General Skilled Migration points test

A points test is used to assess applicants against a range of skill-related factors. The number of points prescribed for each factor reflects their relative importance in the context of an applicant's potential contribution to Australia. The skill, age, English language, work experience and MODL components therefore earn the highest points. Other factors recognised include Australian qualifications, partner skills, work experience obtained in Australia, regional study, nomination by a state or territory, skills in an occupation that is in demand, job offer for an occupation that is in demand and fluency in a community language other than English.

In 2006-07, 46.0 per cent of successful General Skilled Migration (points-tested) applicants claimed points for an Australian qualification, the large majority of whom also took advantage of the work experience waiver.

Within the General Skilled Migration categories in 2006-07 compared to 2005-06, there was a 27.2 per cent increase in onshore grants (23 249 total grants) and a 11.3 per cent decrease in offshore grants (52 025 total grants). This included an increase of 4319 (8.7 per cent) from 2005-06 in the Skilled Independent visa categories. This increase was offset by a decrease in the Sponsored visa categories resulting in an overall 2.2 per cent decrease of visas granted in the General Skilled Migration categories (75 276) from 2005-06. Of these grants, 72.0 per cent were in the Skilled Independent and Skilled Independent Overseas Student category, an increase of 7.2 per cent from 2005-06.

Of successful applicants assessed against the points test, more than 58.9 per cent were aged less than 30 years, 82.7 per cent scored maximum points for skill and approximately 63.0 per cent scored maximum points for English language proficiency. Approximately 59 per cent had an occupation that was listed on MODL at the time their visa was granted.

Changes to General Skilled Migration Program

In recent years, changes to General Skilled Migration selection criteria and the points test have been introduced to ensure that Australia's skilled migrant intake targets identified demands in the Australian labour market, particularly in regional Australia.

The Skilled Independent Regional (Provisional) (SIR) visa is available to potential migrants outside Australia as well as to overseas students in Australia wishing to remain permanently. From 1 July 2005, SIR (Provisional) visa applicants were eligible for 10 sponsorship points when sponsored by an authorised state or territory government agency, further enhancing the attractiveness of this visa.

To further encourage overseas students to consider settling permanently in regional Australia, students are able to apply for and be granted a SIR (Provisional) visa while in Australia even if they only nominate a 50 point occupation. This concession only applies if they have lived and studied at a campus in regional Australia or a low population growth metropolitan area for a minimum of two years prior to applying.

From 1 November 2005, Working Holiday and Occupational Trainee visa holders have been eligible to apply for and obtain a SIR (Provisional) visa without leaving Australia. As with other SIR (Provisional) visa applicants, they were required to be sponsored by an authorised state or territory government agency or regional certifying body and meet the passmark for the visa. This measure significantly expanded the pool of people available for sponsorship by state governments and regional authorities under the SIR (Provisional) visa and had the additional advantage of attracting people who already have work experience in Australia.

In 2006-07, 19 new occupations (6 trades and 13 professions) were added to the MODL, taking the total number of occupations on the list to 85. Applicants whose nominated occupation is on the MODL receive priority processing and are awarded additional points under the General Skilled Migration points test. The MODL is reviewed by the Department of Education, Employment and Workplace Relations every six months to better reflect emerging labour needs and further improve targeting.

These new additions reflect a continued focus on the MODL as a way of ensuring the skills component of Australia's Migration Program delivers migrants with skills that are in demand by Australian employers.

Business and Information Professionals (eg Accountants, Auditors and Corporate Treasurers) continued as the main occupational grouping (27.0 per cent) for General Skilled Migration applicants in 2006-07, followed by Computing Professionals (16.0 per cent) and Science, Building and Engineering Professionals (11.0 per cent).

On 1 September 2007 significant changes were made to the General Skilled Migration program. These changes affect all applications lodged from 1 September 2007.

The changes consist of major structural reforms, in which the 11 skilled migration visa categories will be collapsed into just four, creating a more efficient visa system in which all visas will be able to be lodged through the internet. Under the changes, the English language threshold for applicants with skills in professional, technical or managerial occupations will be raised from an International English Language Testing System (IELTS) score of 5 (vocational) to 6 (competent).

Overseas students who are unable to meet the new requirements for a permanent skilled visa at the time they complete their studies will have an opportunity to apply for a new 18 month Graduate visa to build on their English, skills and work experience.

Bonus points will be given to applicants who score IELTS 7 and above. Additional points will also be awarded to applicants who have completed skilled work experience or a recognized Professional Year in Australia. In addition, the Migration Occupation in Demand List (MODL) points will only be awarded to applicants who have at least 12 months skilled work experience in that occupation. Students with qualifications in 50 point occupations will be able to apply for a General Skilled Migration visa.

Employer Sponsored

Employer Nomination Scheme (ENS)

The ENS is an employer-driven scheme that enables Australian employers to recruit highly skilled migrants to fill highly skilled positions that they have been unable to fill through their own training efforts.

Positions must be highly skilled, full-time and available for a period of at least three years. There is a list of occupations acceptable for this scheme. Positions must also meet the minimum salary level and any working conditions provided by Australian workplace relations laws and awards.

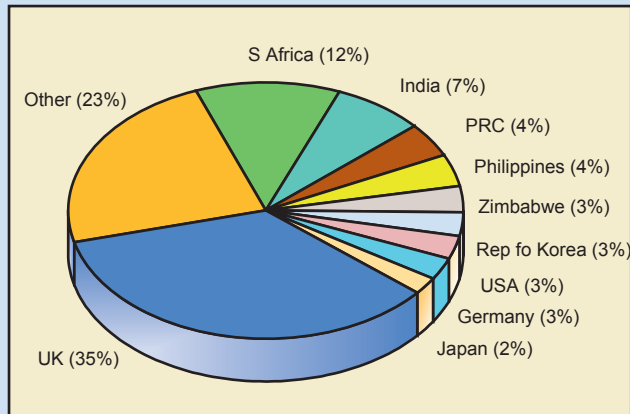
ENS consists of two distinct stages, nomination by an employer and the nominee's application for a visa. A "highly skilled" position is a position that requires the appointment of a person who has completed at least three years of formal training (or has an equivalent amount of on the job training – usually five years), and has also completed three years of relevant post-training full-time work experience.

Visa applicants can satisfy the skill criteria by showing that they have either been working in Australia in the nominated occupation for at least two years including at least the last year with their nominating employer or have had their skills formally assessed as meeting Australian standards as well as having the relevant three years work experience immediately prior to lodging the application, or been nominated for a senior management position with a base salary of more than \$165 000.

Minimum salary requirements for the ENS are consistent with those under the Temporary Business (Long Stay) Program.

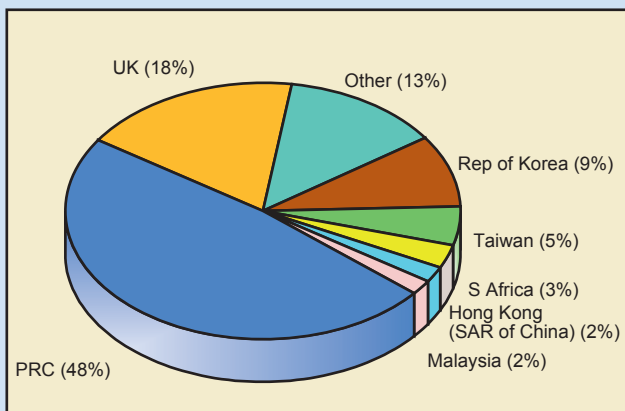
The 2006-07 Migration Program outcome included 10 058 visas granted under the ENS (onshore and offshore), which represents an increase of 3.8 percent on the outcome for the 2005-06 program year.

Fig. 2-11: Employer Sponsored outcomes by country of citizenship 2006-07



Source Data: MPMS and IMIRS

Fig. 2-12: Business Skills outcomes by country of citizenship 2006-07



Source Data: MPMS and IMIRS

Labour Agreements

Labour Agreements are formal arrangements negotiated between the Commonwealth Government (represented by the Department of Immigration and Citizenship and the Department of Education, Employment and Workplace Relations) and an employer or an industry association.

Labour Agreements enable Australian employers to recruit a specified number of skilled overseas workers on a temporary or permanent basis in response to demonstrated existing or emerging skill shortages and operate in an environment of enhancing the employment prospects of Australians. Labour Agreements provide for flexible arrangements to be put in place where the standard visa

arrangements, particularly Subclass 457 arrangements, do not meet employer needs and a significant economic benefit or public interest case can be established for allowing the entry of overseas skilled workers.

Criteria under Labour Agreements are generally based on the minimum skill levels, salary and English language requirements applying to the visa subclasses covered under the agreement.

The 2006-07 Labour Agreement outcomes included the granting of 2743 permanent visas (onshore and offshore) and 3430 Temporary Business (Long Stay) Subclass 457 visa grants.

All offshore visa applications for the ENS, Regional Sponsored Migration Scheme (RSMS) and Labour Agreements (including those from previous applicants) are now lodged directly with the same DIAC Business Centre in Australia that approved their employer's nomination application to fill a vacancy with an overseas worker. This ensures that visa processing is now streamlined.

Business Skills program

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 often languages other than English, as well as their specific business skills and experience.

The majority of 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. High calibre business migrants may apply for a Business Talent visa to obtain direct permanent residence if they have high level business attributes and are sponsored by a state or territory government agency.

Concessional level visa criteria apply where applicants have attained sponsorship from a state or territory government, at both the provisional and permanent residence stages. For example, sponsored business owners can attract age and English language concessions.

The net outcome for Business Skills for 2006-07 was 5836 compared to a net outcome of 5060 in 2005-06.