

Skills Shortages

Economic Migration Annual Report 2007-2008

Objectives

This component aims to:

- strengthen the economic and budgetary benefits from granting permanent residence visas to skilled and business migrants
- address key and emerging skill shortages, particularly in regional Australia
- expand business establishment and investment.

Description

Under this outcome, the department manages the entry of skilled and business migrants. State-specific and regional migration programs help employers and state and territory governments fill skill shortages that cannot be filled locally. These programs are targeted to address existing and projected skill shortages and help in the development of local communities.

Performance

Table 4 shows the broad categories of Skill Stream entrants and compares 2007–08 outcomes with those of the previous year. In 2007–08, the department issued 108 542 Skill Stream visas, compared to 97 940 in 2006–07.

Regional migration and state-specific initiatives now account for 24 per cent of the Skill Stream of the Migration Program. The Australian Government works with state and territory governments to encourage Australian employers and potential overseas applicants to use these programs.

During 2007–08, the department issued 26 162 state specific and regional migration visas, an increase of 1.01 per cent over the previous year. Since the introduction of these programs in 1996, a total of 135 854 visas have been issued.

Regional migration continues to be a priority under the Skill Stream. Through their sponsorship of skilled migrants, state and territory governments have a direct influence on the number and skills sets of migrants who settle in their jurisdictions. There were four visa categories included in this group—Skilled Independent Regional visas, State and Territory Nominated visas, Skilled Sponsored visas and Skilled Regional Sponsored visas. The number of visas granted to people sponsored by states and territories was 7530 in 2007–08.

General skilled migration

A major package of reforms to General Skilled Migration (GSM) was implemented on 1 September 2007. The reforms were partly in response to the evaluation of GSM categories which was conducted by a number of prominent academics and submitted to government in early 2006.

Key features of the reforms are a restructure of the points test (the core selection mechanism) to give greater emphasis to skilled work experience as a selection factor, an increase in the threshold requirements for English language proficiency and rationalisation of the GSM visa structure.

Overall processing times were affected by a large volume of applications received in August 2007, prior to the GSM changes taking effect. Processing was also affected by substantial integrity concerns in both the offshore and onshore caseloads.

Figure 4: overleaf shows the growth in general skilled migration since 1996–97.

The increased proportion of the caseload from countries traditionally viewed as ‘high risk’ has lengthened processing times in this part of the program.

Figure 4: General Skilled Migration outcomes 1996–97 to 2007–08

Figure 5: General Skilled Migration 2007–08—top ten nationalities

In 2007–08, India was the single largest source country for migrants under GSM, ahead of the United Kingdom and the People’s Republic of China. Figure 5 shows a breakdown by nationality of general skilled migration for 2007–08.

Employer-sponsored programs

Employer-sponsored programs include the Employer Nomination Scheme (ENS), the Regional Sponsored Migration Scheme (RSMS) and the Labour Agreement (LA) program. In 2007–08 there were 23 760 visas granted (15 480 ENS, 5060 RSMS and 3220 LA) which was a 43.2 per cent increase from 2006–07 and represented 21.9 per cent of the total Skilled Migration program. The main occupation sought through these programs was registered nurse, and the major source countries were India, South Africa and the United Kingdom.

More than 78 per cent of people lodging ENS applications were holders of Temporary Business (Long Stay) (subclass 457) visas, which provide pathways for temporary skilled workers seeking permanent residence.

Business and investment migration

Overseas business people who have successful business or investment backgrounds can benefit Australia through job creation, capital transfers and exports. State and territory governments play an active role in selecting business migrants through their sponsorship of 94.7 per cent of all applicants. This sponsorship supports economic development in specific areas of the sponsoring states or territories.

All business skills migrants have to demonstrate a commitment to business in Australia, and most applicants have up to four years on a provisional visa to establish a business. Some visa holders initially granted permanent residence rather than a provisional visa can be subject to visa cancellation. In 2007–08, the department granted 6565 visas under this category and cancelled 624 visas. Table 4 shows the broad categories of Skill Stream visas granted, while Table 5 shows the distribution of state-specific and regional migration.

Table 4: Economic migration program outcome—Skill Stream

Category	2006–07	2007–08	Percentage change
Employer Sponsored	16 590	23 760	43.2%
Skilled Independent	54 180	55 890	3.2%
State/Territory Sponsored ¹	6 930	7 530	8.7%
Skilled Australian Sponsored	14 170	14 580	2.9%
Distinguished Talent	230	210	–8.7%
Business Skills	5 840	6 570	12.5%
1 November ²	0	2	200.0%

Total	97 940	108 542	10.8%
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Note: Numbers have been rounded and totals may not be the exact sum of the components.

1. Includes State/Territory Nominated Independent and Skilled Independent Regional.

2. Applications for 1 November 1993 visas closed on 1 August 1994.

Table 5: Distribution of state-specific and regional migration

State/territory	2006–07	2007–08	Percentage change
New South Wales	1 900	2 130	12.1%
Victoria	9 180	9 270	1.0%
Queensland	3 080	2 610	-15.3%
South Australia	7 160	7 040	-1.7%
Western Australia	3 030	3 170	4.6%
Tasmania	510	550	7.8%
Northern Territory	290	390	34.5%
Australian Capital Territory	650	860	32.3%
Total ¹	25 850	26 160	1.2%

1. Discrepancies between state/territory numbers and the total are a result of instances where the state/territory is unspecified.

Figure 6: State-specific and regional migration visas from 1996–97 to 2007–08

Table 6: Economic migration—performance information

2007–08 Measures	Results		
	2005–06	2006–07	2007–08
Quality			
Percentage of applications finalised within service standards	— ¹	— ¹	59.97%
Quantity			
The skilled migration component of the Migration Program meets the planning level determined by government			
Planned	97 500	97 500	108 500
Result	97 340	97 920	108 542

1. Not measured in previous years.

Table 7: Economic migration—performance against the service standards

Category	Onshore clients		Offshore clients	
	Low risk	High risk	Low risk	High risk
Labour Agreement, Employer Nomination, Regional Sponsored Migration				
Target	75 per cent finalised in 5 months	75 per cent finalised in 7 months	75 per cent finalised in 5 months	75 per cent finalised in 7 months
Result	73.43%	73.63%	81.26%	73.13%
Business Skills				

Target	75 per cent finalised in 9 months	75 per cent finalised in 15 months	75 per cent finalised in 9 months	75 per cent finalised in 15 months
Result	76.97%	89.63%	67.49%	74.77%
General Skilled Migration				
Target	75 per cent finalised in 6 months	75 per cent finalised in 6 months	75 per cent finalised in 12 months	75 per cent finalised in 15 months
Result	31.32%	34.09%	78.54%	60.46%
Skilled Independent—Regional (495) and Skilled Regional—Sponsored (475, 487)				
Target	75 per cent finalised in 5 months	75 per cent finalised in 5 months	75 per cent finalised in 7 months	75 per cent finalised in 7 months
Result	15.29%	16.41%	43.38%	29.14%