

**Submission  
No 49**

## **SKILL SHORTAGES IN NSW**

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Skill Shortages in NSW**

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## Introduction

NSW Trade & Investment is responsible for the State nomination of skilled migrants in NSW under the national migration program which is governed by an agreement between the NSW and Commonwealth Governments.

This paper demonstrates how NSW Trade & Investment supports gaps and areas of need in particular industries, professions and communities, and identifies strategies for government to assist in addressing skill shortages.

In March 2012, NSW Trade & Investment (T&I) introduced the *NSW Strategy for Business Migration and Attracting International Students* (Appendix A). The Strategy comprises seven priority actions to support the *NSW 2021* goal of growing the economy. It delivers a proactive approach to increasing NSW's share of skilled, business and investor migrants through the national skilled migration program.

The NSW Government plays two important roles in facilitating skilled migration. Firstly, NSW nominates and supports visa applications for migrants who have skills in occupations of which there is a shortage in NSW. Secondly, it has a dialogue with the Commonwealth advocating the NSW position on issues relating to the national skilled migration policy. Two key forums enabling this dialogue are the State Migration Officers Group and the Ministerial Advisory Council on Skilled Migration.

NSW T&I has led the development of Industry Action Plans and the Economic Development Framework, which include the identification of skill and labour shortages in selected sectors such as tourism and hospitality, creative industries and professional services.

NSW T&I is the lead economic development agency in NSW, responsible for driving sustainable economic growth across the State. Results are achieved by collaborating with and supporting businesses, industries and communities to advance investment, trade, innovation, productivity and regional growth across all sectors. NSW T&I aims to develop a competitive and sustainable NSW economy. The agency's vision is a strong NSW economy built on resilient communities and is guided by *NSW 2021*, the NSW Government's 10-year plan to deliver on economic and community priorities.

This paper highlights activities undertaken by NSW T&I to meet skills shortages utilising the national migration program and provides information on the current status of the NSW Skilled Migration Strategy. The paper focuses on four areas:

1. NSW Strategy for Business Migration and Attracting International Students
2. General Skilled Migration
3. NSW Industry Action Plans and the Economic Development Framework
4. Other issues

### **1. NSW Strategy for Business Migration and Attracting International Students**

The *NSW Strategy for Business Migration & Attracting International Students* outlines the State's commitment to grow skilled, business, student and investor migration to NSW to support jobs growth and provide human capital which can deliver long-term economic benefits. Specific benefits will accrue to regional NSW as the Strategy supports commitments in regional job creation under the Government's *Decade of Decentralisation* policy and the *Jobs Action Plan*. The Strategy also complements other key NSW initiatives, in particular the *Industry Action Plans*.

The Strategy reflects changes to the State's migration policy and programs to better align with the NSW Government's economic priorities. The Strategy comprises seven priority actions and the table below lists the key activities undertaken to deliver the Strategy to date.

ACTION	KEY ACTIVITY TO DATE	STATUS
<p><b>Work with the Commonwealth to increase our share of State Government sponsored skilled migrants</b></p>	<ul style="list-style-type: none"> <li>• In consultation with the Commonwealth, the criteria for NSW skilled nominations under the State (Skilled) Migration Plan were reviewed and streamlined from regional based occupational lists to one occupation list in November 2012. In addition, NSW removed any additional thresholds in regard to English language skills and work experience above that required by the Commonwealth.</li> <li>• Applications under the NSW nominated skills visa program have increased five-fold from 250 per annum in 2010/11 to a forecast 3,500 in the 2012/13 FY. In addition, the Regional Sponsored Migration Scheme enables RDAs in NSW to nominate skilled migrants according to local need directly to the Commonwealth Department of Immigration and Citizenship (DIAC).</li> <li>• As a consequence skill shortages in areas such as health, trades and accountancy are being addressed.</li> <li>• Implementation of a new online visa nomination lodgement and processing system in 2013 to improve efficiency and the customer experience.</li> </ul>	<p>On track</p>
<p><b>Work with the Commonwealth to increase our share of Business Skills Migration</b></p>	<ul style="list-style-type: none"> <li>• Reforms aimed at increasing NSW's share of business and investor migration nominations under the NSW migration program have been introduced and include: <ul style="list-style-type: none"> <li>○ elimination of the requirement for prospective business migrants to conduct their business research visit on a Business (Short Stay) 456 visa</li> <li>○ introduction of separate investment threshold requirements for Sydney and regional NSW</li> <li>○ revised arrangements for applicants who wish to change their proposed business activity</li> <li>○ streamlined the requirement for an applicant's business commitment to be consistent with their business skills and experience</li> <li>○ introduction of new Business Commitment and Investment Commitment templates.</li> </ul> </li> </ul>	<p>On track</p>
<p><b>Work with regional communities to ensure skills issues, including shortages, are identified in a timely fashion to inform operation of the State sponsored skilled migration program</b></p>	<ul style="list-style-type: none"> <li>• NSW Trade &amp; Investment reviewed the NSW Nominated Skilled Occupation List (SOL) in 2012/13 to ensure that it reflected the skill shortages experienced in regional NSW. The NSW SOL will be reviewed, in consultation with industry, again in late 2013.</li> <li>• Eleven Regional Development Australia Committees (RDAs) are currently participating in the Regional Sponsored Migration Scheme, which is an employer sponsored program undertaken directly with DIAC to address regional skill shortages.</li> <li>• NSW Trade &amp; Investment continues to build partnerships with NSW-based RDAs (currently Murray, Northern Inland, Orana and Riverina) to assist with the nomination of skilled migrants for their regions under the DIAC Skilled Regional Employer Sponsored Visa (not a NSW Program). During 2011, 1518 applications were approved</li> </ul>	<p>On track</p>

	under the Regional Sponsored Migration Scheme. During 2012 applications increased to 1765 and are on track to increase again in 2013.	
<p><b>NSW will simplify its sponsorship requirements for investors using the 165 visa class</b></p> <p><b>Work with the Cth to reduce temporary residency requirements and to streamline the four to eight year permanent residency roll over mechanisms.</b></p>	<ul style="list-style-type: none"> <li>• Following discussions with State and Territory Governments, the Commonwealth Government has implemented several measures to increase the quality and volume of applicants for this visa program. The measures include: <ul style="list-style-type: none"> <li>○ streamlining the number of business visa subclasses, including the elimination of the State/Territory Sponsored Investor (Provisional) (Subclass 165) visa. The new visa structure includes: Business Talent (Permanent) (subclass 132), Business Innovation and Investment (Provisional) (subclass 188) and Business Innovation and Investment (Permanent) (subclass 888).</li> <li>○ integrating the new Business Innovation and Investment visas with the skilled migrant selection model, SkillSelect, launched on 1 July 2012</li> <li>○ facilitating permanent entry of entrepreneurs that have sourced venture capital funding in Australia</li> <li>○ introducing an innovation points test whereby points are awarded to provisional visa applicants for general as well as specific innovation attributes</li> <li>○ adjusting asset thresholds to better align with the Australian business community.</li> </ul> </li> <li>• The NSW Government has simplified its requirements for the 165 visa class by removing the additional thresholds (relating to English language skills and work experience requirements) for nomination it had previously in place above those required by the Department of Immigration &amp; Citizenship.</li> </ul>	On track
<p><b>Work with the Commonwealth to extend the definition of a designated investment to include NSW Waratah Bonds and other suitable investment instruments</b></p>	NSW Trade & Investment worked with the Commonwealth Government and NSW Treasury (TCorp) to have NSW Waratah Bonds become an approved designated investment instrument.	Complete
<p><b>Work with the Commonwealth to explore whether a new investor visa should be implemented.</b></p>	<ul style="list-style-type: none"> <li>• NSW Trade &amp; Investment worked with the Commonwealth Government to develop the Significant Investor Visa. This visa came into effect on 24 November 2012.</li> <li>• NSW has announced that applicants will need to invest at least 30 per cent of the AUD5 million investment required by the visa, or AUD1.5 million, in NSW Waratah Bonds in order to be nominated by the NSW Government. The investment in Waratah Bonds will support infrastructure development in NSW.</li> <li>• There has been a strong response to the opportunity</li> </ul>	Complete

	<p>under NSW nomination for the Significant Investor Visa. Once processed and approved by DIAC, the high numbers of applications are expected to directly result in significant investment in NSW.</p>	
<p><b>Work with the Commonwealth to extend streamlined visa processing and post-study work rights to international students at a broader range of high-quality, low-risk education providers, including VET providers.</b></p>	<ul style="list-style-type: none"> <li>• On 30 November 2011, the Commonwealth Government announced it would extend the new post-study work arrangements to Bachelor or higher degree graduates regardless of the education provider from which they obtained their qualification. The arrangements came into effect in March 2013 and include: <ul style="list-style-type: none"> <li>○ Graduates who have completed a Bachelor degree or Masters by coursework degree in Australia are eligible to apply for a two year post-study work visa.</li> <li>○ Graduates who have completed a Masters by research degree or a Doctoral degree in Australia are eligible to apply for a post-study work visa of three or four years respectively.</li> </ul> </li> <li>• In November 2012 and since, the NSW Government made representations to the Commonwealth requesting that post-study work visas be extended to students studying for qualifications other than a Bachelor degree. NSW will continue to make representations on extending post-study work rights to students in the vocational educational sector.</li> </ul>	<p>On track</p>
<p><b>Key activities for rest of 2013</b></p>	<ul style="list-style-type: none"> <li>○ Expanded communication, marketing and promotion of the Strategy and its objectives, including revamped online information and the development of an app designed for potential migrants as well as a stakeholder engagement program that includes targeted seminars involving for example, migration agents and financial institutions.</li> <li>○ Further marketing and promotion of NSW's share of Significant Investor Visa migrants.</li> <li>○ Development of improved strategies to increase regional migration including support for RDAs that are Regional Certifying Bodies (RCBs).</li> <li>○ Consultation with industry to identify skill shortages for NSW and review of the NSW Nominated Skilled Occupation List</li> </ul>	<p>On track</p>

State migration programs are a relatively small component of the national migration program but remain an important economic development tool. The Commonwealth controls the program and determines the total allocation of the places across the various categories within the program including skilled migration. In the 2012-13 financial year, the State/Territory-nominated skilled migration stream represented less than 20 per cent of the national skilled migration program.

Following negotiations with the Commonwealth, NSW doubled its planning level of primary visa nominations in skilled category from 1300 (allocated in 2011-12) to 2600 (allocated in 2012-13). In the year to 30 June 2012, NSW nominated 2501 primary applicants under the visa subclass 190 (state nominated skilled), which is more than double the nominations in the previous year. As NSW further improves capabilities with its online lodgement system, there will be scope for increasing the skilled-nominated allocation.

NSW continues to work with regional communities to ensure skills issues, including shortages, are identified in a timely fashion to inform operation of the State nominated skilled migration list. NSW nominations for the Regional Employer Sponsored Migration Scheme increased by 16 per cent in 2012 from 1518 to 1765 and data to the end of May 2012 projects an increase again for 2013.

The NSW migration policy also contributes in less direct ways to addressing the needs of our economy, including skills shortages, by promoting NSW as a globally competitive destination for work, study, lifestyle and business. The NSW Government is continuously reviewing and improving policies and procedures to further streamline migration processes and promotes a NSW open for business approach. Steps taken to implement this new approach include the development of a new online visa processing system, due for full implementation later this year, and the recent commencement of a project to develop a targeted global communication strategy to promote the aims of our current migration strategy.

### **1.1 Business Migration**

The second priority action under the Strategy is for NSW to work with the Commonwealth to increase the State's share of Business Skills migration. Business migrants bring with them experience, international connections, entrepreneurial skills and capital to establish new businesses and strengthen the economic vitality and diversity of the State. Business migrants are experienced in operating foreign businesses and the networks they have already established in their country of origin help to develop links between NSW and international markets.

NSW has already streamlined a number of requirements to remove inconsistencies and procedural barriers to business migration.

### **1.2 Investor Migration**

As with business migrants, attracting investors to NSW can deliver benefits and value beyond the required minimum investment, thus raising the profile of NSW and Sydney as a global hub with better linkages into global business networks. Three priority actions were set out in the Strategy – working with the Commonwealth to include the NSW Waratah Bond as a designated investment instrument for migration purposes, exploring a new investor visa, and simplifying the requirements for the 165 visa class. All three have been successfully actioned.

As part of the Business Innovation and Investment Program, NSW has attracted a number of interested investors. To date, NSW Trade & Investment has nominated 211 applicants for the Significant Investor Visa stream. If all nominees are granted the visa, a minimum of \$316,500,000 will be invested in NSW Waratah Bonds, delivering capital to the State's infrastructure development.

### **1.3 International Students**

Attracting more international students to NSW will build the intellectual capital of the state and develop a larger pool of skills from which NSW can draw migrants who already have an understanding of living in Australia, local employment and business practices. International students eligible for post-study work visas can also contribute to bridging short-term skills gaps.

NSW can also leverage global relationships established through international education. The Strategy prioritises NSW, together with Victoria, working with the Commonwealth to extend streamlined visa processing and post-study work rights to international students at a broader range of high quality, low-risk education providers, including VET providers. The NSW Government has and will continue to make representations to the Commonwealth on this issue.

## **2. General Skilled Migration**

There is strong evidence of the overall benefits of migration. Research undertaken by the Department of Immigration and Citizenship (DIAC) shows that migrants contribute more in taxes

than they consume in benefits and government goods and services overall. According to the Migrants' Fiscal Impact Model the total contribution from the 2010–11 Migration and Humanitarian programs and the Temporary Business subclass 457 program is \$1.6 billion in the first year after arrival and \$15.4 billion over the first 10 years.

Data from the DIAC Continuous Survey of Australia's Migrants (CSAM) shows that, in the longer term, unemployment rates amongst migrants are below the average Australian unemployment rate, and labour force participation rates are well above average compared with the rest of Australia.

Migrants also contribute to global talent and innovation, international networks, and cultural benefits to Australia. Research has pointed to particular factors influencing successful migration, including the skills, age, and language proficiency profile of migrants.

Research undertaken on the impact of changing demographics and the ageing population, future economic growth and prosperity shows that migration accounts for about 60 per cent of Australia's population growth (Source: ABS 3101.0 - Australian Demographic Statistics, Dec 2012).

In various industry sectors, there is considerable focus on the extent and nature of skills shortages in Australia. Many industries experience skill shortages and there is a concern regarding the ability to meet future workforce needs.

There is a need to examine how all of these different policy concerns intersect, to what extent migration can contribute to addressing gaps in our skills and labour needs and to quantify the value of migration. At the same time, it is important to address ongoing concerns that skilled migration may be a measure applied at the expense of the local workforce, perhaps undermining investment in local skills and wages.

NSW Trade & Investment recently commissioned research into the economic benefit of skilled and business migration in NSW at both state and regional levels. A key finding of the Centre of International Economics research is that if skilled migration were to not occur for the 5 years to 2016/17, the NSW economy would be 2.3% smaller than otherwise by 2016/17. Further it evidences the importance of migration to the ICT industry and to the provision of health services, especially in regional NSW. These and other findings of this research are expected to inform the Department's migration strategy.

The NSW Government acknowledges the wide-spread economic benefits of migration for regional and metropolitan areas. In general skilled migration supports industry, boosts productivity, brings talent, addresses skill shortages, builds the working population, creates international linkages, injects capital and fosters innovation.

NSW nominates skilled migrants for a permanent visa within the State Nominated Skilled Migration stream of the Commonwealth's General Skilled Migration Program. Each State has a State Migration Plan that is governed by a Memorandum of Understanding between the Commonwealth and each State and Territory government that sets the planning levels for the number of skilled migrants that can be nominated by each jurisdiction and the occupations that can be nominated. Each year the Commonwealth sets a total planning level for the total number of places for nomination within the combined State and Territory Migration Plans, and allocations for each State are then negotiated with the Commonwealth and facilitated through the Skilled Migration Officers Group.

NSW has historically been under-represented (relative to the size of our economy) in the places allocated in this program. For example, the planning level in 2010-11 was 1,750 which represented only 7.5 per cent of all of the State and Territory nominated visas, whilst NSW accounts for more than 30 per cent of the economy.



NSW is committed to participating in this program to ensure that over the longer term, employers in the State can access an appropriate supply of skilled people. The NSW program complements other migration pathways available directly through the Commonwealth that allow employers to recruit. For example, employers may nominate qualified employees for a temporary or permanent visa depending on the circumstances.

## **2.1 Skills lists**

The Commonwealth Skilled Occupations List (CSOL) contains the occupations in which shortages have been identified at national level. The CSOL is used by the States and Territories as the basis for their respective Skilled Occupations Lists (SOL).

There have been a number of changes to the national migration program, including the move to a broader skills occupation list. This move has been matched at the State level by a large increase in occupations on the NSW SOL. In July 2012 the Commonwealth introduced the online applications lodgement system SkillSelect, which allows for a better management of the migration program. The implications of some of these changes are still emerging and the process of reforming policy and procedures in NSW is still underway.

## **2.2 Fees**

On 1 July 2013, the Commonwealth implemented changes to the visa fee structure. Prior to 1 July 2013, there was one fee per visa application for both primary and secondary applicants in a family. Now each individual in an application must pay a separate fee. For example, the current 190 visa fee structure consists of a base application charge (AU\$3,060) plus a fee charged for any additional applicant (additional applicants aged 18 and over must pay a fee of AU\$1,530 whilst additional applicants under 18 years of age must pay a fee of AU\$765). As a result, the visa fee has doubled in the typical migration scenario of a main applicant with three dependents, being a spouse and two children. This is a powerful disincentive to migration, and can clearly undermine NSW's efforts to promote skilled migration.

## **2.3 Occupational Ceilings**

An occupational ceiling is a limit on the number of persons who can be invited to migrate under different occupations in a program year. The ceilings are set by DIAC by taking the stock number of workers in each occupation group and multiplying it by six per cent, the average figure for replacement demand (that is replacing workers who have left the workforce) and new job growth. The process of setting occupational ceilings uses stock numbers obtained at the national level.

NSW fell short of its allocation of 2600 places because an occupational ceiling was reached during May 2013, affecting some ICT occupations (software and applications programmers), which are an important component of NSW's current migration profile. The impacts of the imposition of this occupational ceiling raised a number of issues for the NSW Government to consider so that the State receives its share of needed skills within the competitive allocation system managed by DIAC.

ICT skills are critical to the current needs and future growth of the State. Services comprise 85 per cent of NSW industry output. The Centre of International Economics estimate that this output is delivered by a workforce that comprises 32% skilled migrants. The 2012 Australian ICT Statistical Compendium notes a strong indication of systemic skills shortages for ICT professionals. ICT contributes about 8 per cent of Australian GDP, making it the fourth largest sector. NSW makes up nearly 40 per cent of the national ICT industry and 37 per cent of the software and services sector, therefore the demand for skills is expected to be high.

## **2.4 Regional Skilled – Nominated visa program (subclass 489)**

The 489 visa program offers additional points concessions (over and above the points from State nomination) to potential applicants who will migrate to regional NSW. This is an additional avenue for regions to ensure they get a share of the State's skilled migrants. NSW Trade &

Investment has delegated the administration of the Skilled - Nominated (Provisional) (subclass 489) visa to regionally located officers in participating areas (currently Orana, Northern Inland, Riverina, Murray and Southern Inland), in recognition that the regions are best placed to identify current and future local skills needs. The allocation and demand for this visa subclass is small in comparison to the State nominated scheme. DIAC has allocated approximately 400 places nationally for the 2013-2014 year.

### **2.5 Other Skilled Migration Streams**

In addition to the State Sponsored and Regional Sponsored visas, there are a number of other streams including employer sponsored visas for temporary (up to four years) and permanent workers. NSW has been very successful in recruiting skilled migrant workers, with over 33,000 permanent skilled migrants settling in 2011-2012, which is 27 per cent of total Australian skilled migration.

#### **Employer Nominated Temporary – subclass 457**

The basic objective of the 457 visa program is to meet skill needs which cannot be effectively met by domestic labour within a reasonable timeframe. Critically, the intention of the program is that it does this without adversely affecting labour market outcomes for Australian workers.

This is a demand driven employer nominated pathway where the migrant fills an immediate skilled vacancy which cannot be filled locally. This pathway is facilitated by fast tracked temporary employer nominated skilled visas.

The Temporary Skilled Migration Income Threshold (TSMIT) applies to 457 visas. The TSMIT ensures that overseas workers will earn enough money to be self-reliant while in Australia. Employers must demonstrate that the market salary rate for the person they are seeking to sponsor is greater than the TSMIT. The TSMIT is indexed annually and is currently \$53,900.

A number of employers have raised issues with the salary threshold. The Australian Hotels Association, for example, argues that the salary threshold is too high for some occupations, despite the skills and labour shortages in the industry. Furthermore, several in demand occupations within the hospitality industry, such as hotel service managers, food service workers and administration staff, are not eligible for this program. Some regional employers are concerned that regional salaries cannot match the TSMIT.

Recent changes to address integrity issues to the subclass 457 visa have resulted in complaints from industry that the measures taken increase red tape, are costly and duplicative in that different employers each must demonstrate exhaustive test about their need for a migrant with the same specified skill in the same market.

The NSW Government is a large employer of skilled migrants through the Department of Health and the Department of Education and Communities. In 2012-13, the Department of Education and Training employed 980 457 visa holders and the Department of Health employed 2,490.

#### **Working Holiday Maker (WHM) – subclass 417**

This is a relatively rapidly expanding visa program that delivers short-term labour and skills to NSW, and is of particular importance to agriculture, tourism and hospitality. In 2005, the first year of its operation, 2,692 visas were granted and the program has grown rapidly ever since. The program grew by over 20 per cent in the year to December 2012.

There were 162,475 WHM visa holders in Australia at 31 December 2012. In the six months to December 2012, a total of 136,155 WHM visas were granted. In 2011-2012, approximately one in six first time Working Holiday visa holders went on to acquire a second Working Holiday visa, with most indicating they engaged in agricultural work to be eligible for the second visa. The top five countries of origin, with over 60 per cent share of all WHM, were the United Kingdom,

Taiwan, South Korea, Germany and France (source: DIAC Working Holiday Maker visa program report, 31 December 2012).

In the Deloitte Access Economics survey of the Australian tourism industry (Australian Tourism Labour Force Report: Labour Force Profile, 2011), it was estimated that WHMs accounted for seven per cent of the workforce, with an additional two per cent for each of the categories of temporary skilled migrants, permanent migrants and international students.

NSW Trade & Investment and NSW Government Ministers have made representations to the Commonwealth seeking an extension to the WHM Program to expand the flexibility, scope and duration. This includes proposing a number of reforms including:

- Adding tourism to the eligible list of specified work. Eligible work is currently limited to plant and animal cultivation, fishing and pearling, tree farming and felling, mining and construction. This would enable WHMs who work for three months in tourism in a regional location to extend their stay for an extra 12 months as they would be eligible to apply for a second visa
- Increase the age limit from 30 to 35
- Allow multiple visa applications
- Maintain the current cost of a visa
- Expand the number of eligible source countries.

WHM boost the prosperity of the tourism sector and the Australian economy more generally. They provide a significant contribution to employment and economic prosperity in regional Australia, as both a key source of labour and visitor spending. The proposed reforms would provide significant assistance in addressing labour and skills shortages in the NSW visitor economy.

#### Occupational skills list and the Identification of Skills Shortages

DIAC issues the Consolidated Nominated Occupation List (CSOL), on which States and Territories can base their lists of eligible occupations. The CSOL may be subject to change from time to time throughout the duration of the State Migration Memorandum of Understanding.

State nominated visa applications are prioritised within DIAC's online processing system, SkillSelect. That is, a State nomination automatically generates an invitation to apply for a visa. The allocation system in itself raises difficult issues. States need to negotiate with DIAC against each other for their share of the State nominations. Growth is thus limited by the total migration limits set by national migration policy.

This year's total migration numbers remain the same as last year. Similarly, the total allocation for State Nominated skilled migrants has not increased for this financial year. NSW will seek an increase this year based on our growth needs, but this may be at the expense of another State. It is likely that if States were able to increase their joint total share of skilled migration, this would simply reduce the number of skilled independent migrants and ultimately not grow the pool of skills.

Both the NSW Occupational List and DIAC's CSOL have evolved over time, moving from more restricted lists to wider lists of eligible occupations. For NSW, this has moved from a limited separate list for Sydney (36 occupations) and the regions in 2010-2011, to a broader NSW-wide list of 131 occupations in 2013. The CSOL was introduced in July 2012 as a single list of occupations to provide a simpler and more consistent approach across the skilled visas stream without restricting the flexibility of programs such as the Labour Agreement and Regional Nominated Migration Scheme, and replaced a number of separate lists. The CSOL comprises 660 occupations. NSW is undertaking a review of the State's Skilled Occupations list (Appendix D) to leverage the new approach of the CSOL.

While these occupational lists may appear at face value to address specific identified shortages, in practice the lists for NSW migration schemes are broader and more able to capture needs as identified by other agencies or industry.

The review of the occupations listed for NSW is informed by a variety of sources, including:

- Commonwealth annual migration settings
- existing NSW strategic plans, including the industry action plans and NSW Economic Development Framework
- an evaluation of NSW State nominated visa grants over the previous year
- analysis of current industries
- advice from industry/industry organisations
- advice from the Regional Development Advisory Committees on skill shortages in regional NSW
- Department of Education and Communities Strategic Skills Program (NSW priority skills list)
- Department of Education, Employment and Workplace Relations Skill Shortage List for NSW
- Skills Australia review of the national Specialised Occupations List
- NSW TAFE data

### **2.6 Snapshot of the subclass 190 visa activity**

The following provides a snapshot of outcomes in the NSW 190 visa category, based on primary nomination, to 30 June 2013.

<b>Australia *</b>	<b>NSW State Nominated **</b>
Accountant	Accountant
Cook	Software Engineer
Software Programmers	Systems Administrator
Software Engineer	Developer Programmer
Developer Programmer	Analyst Programmer
<b>50.64% of total permanent settled skilled migrants</b>	<b>79.73% of total permanent settled skilled migrants</b>

\* Data from DIAC 2011–12 Migration Program Report

\*\* Data from NSW Trade & Investment

These occupations reflect NSW industry needs. Financial and insurance services represent the State's largest industry sector accounting for a 14 per cent share of the NSW economy in 2011-12. The State also dominates the nation's professional, scientific and technical services, and information media and telecommunications industries. Tourism-related accommodation and the food services industry also dominate. In fact, with the exception of the construction industry, all NSW services industries are the largest in Australia (Source: ABS Cat. No. 5220.0, State Accounts, 2011-12).

The concentration of migration in a few occupations raises some other issues for NSW:

- NSW industry would like to attract skilled migrants for approximately 120 occupations. However the NSW nominated skilled visa program does not allow the State to attract meaningful numbers for most occupational categories.
- Less than half of these occupations are included in the State's migration profile for 2012. Currently nominations cover 55 different occupations. It is noted however, that this represents a great increase on the restricted occupational list from 2010-2011.
- 36 per cent of those occupations attract two or less nominations. So while NSW started to attract a broader range of migrants to the program, most categories remain overlooked by applicants.

There is certainly an ongoing challenge for NSW to attract migrants in the large range of occupations identified by our industries as needs. Measures being implemented to address this challenge include the development of a communication strategy to target potential migrants. The project is overseen by NSW Trade & Investment.

## **2.7 Top ten countries for skilled migration to NSW**

<b>Country</b>	<b>Number</b>	<b>Representation in %</b>
India	1984	24.24
UK	1189	14.53
China	875	10.69
Korea	544	6.65
Ireland	344	4.20
Philippines	308	3.76
South Africa	273	3.34
Nepal	270	3.30
Sri Lanka	149	1.82
Malaysia	91	1.11
<i>top ten sub-total</i>	<b>6027</b>	<b>73.63</b>
Other	2158	26.37
<b>Total</b>	<b>8185</b>	<b>100.00</b>

### Notes:

(1) The top ten countries ranked here are the top ten across all of Australia, with rankings as they apply to NSW.

(2) The figures include all general skilled migration, employer nominated migration, regional skilled migration and business skill migration.

## **2.9 Public sector and professional shortfalls**

One certainty for Australia is the ageing population and its impact on the workforce. Uncertainties arise in meeting Australia's skilled workforce needs through migration, as competition for skills develops with other countries that are also experiencing economic success and have their own ageing populations (source: "Future focus, 2013 National Workforce Development Strategy", AWPA).

The Australian workforce is relatively flexible, yet some employers still identify labour mobility as a key issue affecting productivity, with some sectors unable to meet demand for workers. Global mobility also plays a significant role in hiring practices, as employers look internationally to recruit talented workers.

In some professions there is a dual scenario where recent graduates are not in short supply and may find it difficult to get a job, whereas experienced professionals are in short supply and high demand. The labour market match is not always about total supply and demand – employers may have additional criteria that determine selection. Location is a frequent matching problem.

The Employer Nominated Temporary (subclass 457) visa remains the key pathway for filling gaps in professional (temporary) migration.

### **3. Industry Action Plans and the Economic Evaluation Framework**

Industry Action Plans provide a road map for industries in NSW over the decade to 2021, ensuring both government and industry can best take advantage of opportunities and curb the threats to growth.

Industry Action Plans have been established for the following sectors: Digital Economy, International Education and Research, Manufacturing, Professional Services, Visitor Economy, and Creative Industries. To complement the Industry Action Plans, the NSW Government implemented the NSW Economic Development Framework (Appendix B). The Framework is part of the Government's broad reform program covering planning, procurement, regulation, infrastructure, business facilitation services and advice.

The Industry Action Plans and the NSW Economic Development Framework include a number of findings and recommendations relevant to migration and to skills more generally. A list is at Appendix B.

The Framework is built on five key principles to make it easier to do business in NSW and position industry for long-term global competitiveness through innovation and productivity:

1. Demonstrate Leadership
2. Make it Easier to do Business
3. Collaborate to Drive Innovation and Competitiveness
4. Invest in Critical Infrastructure
5. Raise the Global Profile of Sydney and NSW.

The role of migration in supporting economic development is reiterated in the Economic Development Framework, explicitly in one of the priorities for 2013: "Implementing the NSW Strategy for Business Migration and Attracting International Students to support the simplification and reform of visa processing to meet industry skills needs and promote investment."

The priority to raise the global profile of NSW and Sydney is complemented by the State's migration strategy. Streamlining processes and facilitating the attraction of internationally mobile skills will better link NSW into global business networks and position Sydney as a Global Talent Hub.

#### **3.1 Visitor Economy Industry Action Plan**

The Visitor Economy Industry Action Plan is the NSW Government's response to an Industry Taskforce Report on the State's visitor economy. The NSW Government's target is to double overnight visitor expenditure in NSW by 2020. This translates into a target of \$36.6 billion, double the 2009 (base year) result of \$18.3 billion. Currently visitor expenditure in NSW contributes over \$20.2 billion to the State's economy, supports more than 159,000 direct jobs, over 96,500 businesses and accounts for one in every 22 jobs in NSW.

Action is required to provide an adequate supply of skills and labour for the visitor economy industry. Businesses within retail, transport, investment, planning, infrastructure, training and development, and those dealing with shortages in skills and labour, are all indirectly part of the visitor economy and are impacted by visitor numbers.

#### **3.2 Professional Services Industry Action Plan**

The Professional Services Industry Action Plan outlines evidence that Australia's strength is its availability of financial skills. However Australia's availability of skilled labour more broadly is perceived to have deteriorated since 2002. This is a likely consequence of a number of factors, such as poor targeting of skills, increasing emigration, and a decline in the share of graduates studying relevant subjects.

For example, NSW is losing engineering capabilities and skills to other jurisdictions. The lack of a visible and communicated long-term, predictable infrastructure investment pipeline, at both State

and National level, was seen as a major barrier to growth and development. It was agreed that such a pipeline would help provide certainty to the industry and minimise 'boom or bust' infrastructure investment, enabling industry to plan ahead and maintain its skills capability. The establishment of Infrastructure NSW and the development of the State Infrastructure Strategy are key strategies to provide greater certainty to investors, business and migrants alike.

### **3.3 Digital Economy Industry Action Plan**

The Digital Economy Taskforce considered a number of issues that impact growth in the Digital Economy including employment and workforce participation. For NSW to remain competitive in the next decade, it needs a vibrant, competent and technically literate workforce. Research suggests that investment in broadband infrastructure and the increasing use of Web2.0 will generate significant future demand and competition for Digital talent.

The workforce and environment of the ICT and Creative Industries are dynamic. Issues such as changing technology, labour market variation, off-shoring of ICT and Creative Industries, and evolving business needs present ongoing human capital challenges.

The demand for a skilled digital economy workforce will grow exponentially over the next ten years. To meet this challenge, all elements of the workforce supply chain need to work in harmony, and stakeholders need to embrace strategies that increase supply and retention of skilled workers. NSW industry will face considerable challenges. These include stronger national and international competition arising from more open markets, skills shortages, the need to improve security and to protect intellectual property, as well as difficulties small digital businesses face attracting capital for growth.

### **3.4 International Education and Research Industry Action Plan**

International education is emerging from the perfect storm - the global economic downturn, a strong Australian dollar, student safety issues in 2009 that threatened our reputation, and changes to the arrangements linking education and visas. NSW export earnings from education fell by over \$900 million in 2010.

Accessing talent internationally is important in situations where local labour markets are small and do not have an adequate supply of labour to draw from and foreign labour is required to compensate for skill shortages that will occur with an ageing labour market and declining birth rates.

### **3.5 Manufacturing Industry Action Plan**

The Manufacturing Industry Action Plan acknowledges that the NSW manufacturing industry does have considerable strengths, notwithstanding the recent public focus on the competitive challenges that the industry is facing. The sector has demonstrated impressive adaptability to remain a major contributor to the NSW economy. The Plan highlights that the NSW manufacturing sector remains a significant economic asset to the State. It generates the second largest Industry Value Add contribution in the State – more than \$35 billion, over 8 per cent of Gross State Product, second only to finance and insurance services. The NSW industry has world leaders in medical devices and food production and technology, and benefits from a world class education and research sector that provides the capabilities to develop new-to market technologies and solutions.

The NSW Government will develop a comprehensive industry-based workforce development strategy to address skills needs, skills shortages and workforce development requirements, including support for flexible work practices and retraining, across the manufacturing sector in NSW.

### **3.6 Creative Industries Industry Action Plan**

The creative industries are defined as those industries which have their origin in individual creativity, skill and talent, and that have a potential for wealth and job creation through the generation and exploitation of intellectual property.

The NSW creative industries are the largest of the other States and Territories. Based on 2011 Census data, the creative industries account for 39.6 per cent of national employment in the creative industries. This is almost five per cent of total NSW employment. This means the NSW creative industries directly employ almost as many people as are in the financial and insurance services industries in NSW, and more people than mining, agriculture, rental and real estate services, and wholesale trade. Anecdotal evidence identifies skills shortages within the creative industries, specifically ICT, digital, and business management skills.

#### **4. OTHER ISSUES**

Current national migration policy leaves a number of gaps between temporary and permanent needs, and a need for additional semi-skilled or unskilled workers and labour.

While NSW may adopt a strategy to promote particular migration streams, the Commonwealth can create powerful disincentives in the market through pricing policy (fees) or other mechanisms. Many other important migration paths such as employer-nominated temporary, permanent skilled, and the temporary Working Holiday Maker are key programs that address skills and labour needs in NSW.

A narrow focus on skills shortages limits our ability to address larger needs of the economy – to create and promote industries that are globally competitive. Many industries want to recruit for international talent and use the 457 visa program to facilitate the employment. However, the same principles do not apply to smaller businesses who may not want to or cannot take on the obligations of this visa program.

Linking migration to specific occupations can also fail to capture the value of transferability of skills, and how skills acquired in one industry may be valuable to a different occupation in a different, often related industry. For example, a retail manager may have the right skills and qualities for hotel management.

The focused nature of skilled migration policy settings (in the 457 for temporary workers and the permanent skilled streams) means not all labour market and migration issues are addressed. At times there may be issues with the way 'skills' are defined or even conceptualised. A number of occupations, for example food service workers in the tourism and hospitality industry, or farm workers, or abattoir workers, are not considered skilled labour for the purposes of 457, yet these remain in demand occupations. Further, the relevant employers consider the work requires skill and experience not available locally.

Australia needs labour, not only skills, and short term programs such as WHM likely do not meet the need adequately.



**ATTACH NSW STRATEGY FOR BUSINESS MIGRATION AND ATTRACTING  
INTERNATIONAL STUDENTS**

## Industry Actions Plans

<p>Visitor Economy Industry Action Plan</p>	<p>Increase the participation and enhance the skills training for Australian residents to fill the gap in demand for skilled labour in the visitor economy in NSW.</p> <ul style="list-style-type: none"> <li>• Support initiatives to increase the number of foreign language tour guides including: <ul style="list-style-type: none"> <li>• engage with relevant educational institutions to offer Mandarin teachers opportunities to work as tour guides</li> <li>• fast-track accreditation processes for tour guides able to speak in priority target foreign languages.</li> </ul> </li> </ul> <hr/> <p>Maximise the opportunities for an increase in the supply of international short-term labour to the NSW visitor economy to meet short-term needs.</p> <ul style="list-style-type: none"> <li>• Call upon the Commonwealth Government to change migration policies and legislation, including: <ul style="list-style-type: none"> <li>• expand the Working Holiday Makers Program by allowing working holiday makers to work more than six months in tourism and hospitality employment in order to qualify for a 12-month extension to their existing WHM 417</li> <li>• expand the number of countries with which Australia has WHM visa arrangements</li> <li>• extend the WHM visa program to people up to 35 years of age</li> <li>• allow overseas students who complete studies at a tertiary institution in Australia to stay in Australia for up to two years</li> <li>• ease the 'commitment to training' requirements needed to be met by businesses seeking approval as sponsors under the 457 visa program</li> <li>• expand the Pacific Islands guest worker pilot program to include NSW regional locations.</li> </ul> </li> <li>• Amend the NSW State Migration Plan to include occupations related to the visitor economy such as cooks, chefs and restaurant managers.</li> <li>• Support the Commonwealth Government's proposed HECS-style loans system for students studying Government-subsidised diplomas and advanced diplomas and call for certain loans to be specifically tailored for skills necessary to the visitor economy.</li> </ul>
<p>Professional Services Industry Action Plan</p>	<ul style="list-style-type: none"> <li>• NSW non multinational corporations to be encouraged to develop links and partnerships with Asian businesses, including staff exchange programs to promote complementarity of service offering as well as cross-cultural awareness.</li> <li>• Facilitate access to high level and globally in demand skills by streamlining visa processes for key 'global' skills.</li> <li>• Ensure that key global professional services skills are targeted under migration programs.</li> <li>• Education providers and professional bodies to streamline and shorten the time required for foreign-trained professionals to gain approval to work in their vocation in NSW, without compromising NSW professional and quality standards.</li> </ul>
<p>Digital Economy Industry Action Plan</p>	<ul style="list-style-type: none"> <li>• Inspire, attract and retain talent: Work with stakeholders including all levels of government to improve international competitiveness of NSW to attract and retain international talent.</li> <li>• Implement telecommuting and telepresence hubs: Such hubs will reduce traffic congestion, improve productivity and provide opportunities to regional and rural workers to participate more equally in the Digital</li> </ul>

	<p>Economy.</p> <ul style="list-style-type: none"> <li>• <b>Build a strong global identity:</b> Build the identity of the digital precinct both nationally and internationally. Engage the City of Sydney to develop the physical precinct identity, including signage, services and local promotion. Use street signage and connectivity (high-bandwidth Wi-Fi hotspots) to promote the precinct.</li> </ul>
<p>International Education Industry Action Plan</p>	<ul style="list-style-type: none"> <li>• <b>NSW Government to establish a statutory agency, StudyNSW to:</b> <ul style="list-style-type: none"> <li>• promote whole-of-state branding for NSW international education subsectors;</li> <li>• coordinate whole-of-government policy and facilitate industry development, investment attraction and export; and</li> <li>• enhance the student experience by working with education providers to address welfare, accommodation and safety issues and supporting opportunities for increased engagement through work and volunteering.</li> </ul> </li> <li>• <b>NSW Government to consider options for introducing student transport concessions.</b></li> <li>• <b>Improve education, industry placement and employment pathways and opportunities. 'Employ an international student' campaign:</b> <ul style="list-style-type: none"> <li>• in partnership with education providers, industry peak bodies, student organisations and key employers, StudyNSW to develop a campaign promoting the benefits of employing international students.</li> </ul> </li> <li>• <b>Identify and address barriers to education pathways for international students. Remove barriers to rural placements for international students:</b> <ul style="list-style-type: none"> <li>• NSW Government to advocate to the Australian Government to develop strategies to remove barriers and support international students undertaking placements in regional and rural NSW.</li> </ul> </li> <li>• <b>Increase industry experience placements for international students:</b> <ul style="list-style-type: none"> <li>• NSW Government to advocate to the Australian Government to consider amendments to the student visa to facilitate international students' access to formal industry experience placements where it is a course requirement or option.</li> </ul> </li> <li>• <b>Support post-study work rights for international students at a broader range of high quality, low risk education providers:</b> <ul style="list-style-type: none"> <li>• NSW Government to continue working with the Victorian Government to engage the Australian Government to extend post-study work rights for international students at a broader range of high quality, low risk education providers, including VET providers.</li> </ul> </li> </ul>
<p>Manufacturing Industry Action Plan</p>	<ul style="list-style-type: none"> <li>• <b>Develop a comprehensive industry based workforce development strategy to address skills needs, skills shortages and workforce development requirements, including support for flexible work practices and re-training, across the manufacturing sector in NSW.</b></li> <li>• <b>Continue to work with the Commonwealth Government to create greater flexibility within the Skilled Migration Program.</b></li> </ul>
<p>Creative Industries Industry Action Plan</p>	<p>Tertiary education providers to create important connections by attracting more international students through marketing of creative industries' courses in key international markets.</p> <p>Peak industry bodies to: (i) undertake research to more specifically identify the industries' ICT and digital skills issues to help in the development of targeted solutions; and (ii) encourage and promote formal education in business management and innovation of creative industries practitioners and work closely with education and training providers to achieve these outcomes.</p> <p>Tertiary education institutions to collaborate with peak industry bodies to</p>

ensure creative industries' course curricula is relevant to industry needs by including education on skills development in ICT, digital, business management, contemporary business structures, export market development and environmental sustainability.



Trade &  
Investment

# NSW strategy for business migration & attracting international students

*Supporting the State's economic development*

MARCH 2012



[www.trade.nsw.gov.au](http://www.trade.nsw.gov.au)

## EXECUTIVE SUMMARY

The NSW Government is committed to whole of state development and believes migration can play an important role in boosting economic activity and industry productivity.

The NSW Government has already announced a range of initiatives aimed at stimulating economic development in metropolitan and regional areas. These include:

- **Jobs Action Plan** – targeting 100,000 new jobs through Payroll Tax rebates, with 40,000 of those prioritised for regional NSW;
- **Restart NSW** – a new capital fund dedicated to economic infrastructure to ensure the State's productivity constraints are addressed, with 30 per cent earmarked for regional NSW;
- **Decade of Decentralisation** – a process of devolving power and service delivery back to local communities; and
- **\$7,000 Regional Relocation Grants** – to support population growth in regional areas.

The NSW Government recognises that migrants play an integral part in growing our State's economy. In economic terms, migration plays a critical role in supporting industry and boosting our productive capabilities. Migrants can provide many of the skills required to underpin growth in our economy, and in developing regional NSW, where the impact of skills shortages can be amplified due to smaller populations and dispersed settlement.

The NSW Government values the role of migrants, foreign students and visitors in helping to establish international relationships. Cultural and economic links can create opportunities to leverage our diversity to support NSW's trade and investment performance.

The **NSW Strategy For Business Migration & Attracting International Students** will change the migration environment in NSW to better align with the NSW Government's economic priorities and aims to achieve the following:

- Boost NSW's share of the skilled and business migrant intake;
- Ensure that migration supports the needs of the NSW economy;
- More actively engage with the Commonwealth on migration issues; and
- Support the needs and growth of regional NSW.

## NSW 2021: A PLAN TO MAKE NSW NUMBER ONE

**NSW 2021** sets out the NSW Government's 10-year plan to guide policy- and decision-making and deliver on economic and community priorities.

It identifies a number of broad areas for improving the State, the first being to rebuild the economy to restore growth and re-establish NSW as the first place in Australia to do business. It contains a number of economic goals including:

- Improving performance of the NSW economy (Goal 1);
- Driving economic growth in regional NSW (Goal 3); and
- Strengthening the NSW skills base (Goal 6).

While continuing to acknowledge the importance of family reunion migration, the **NSW Strategy For Business Migration & Attracting International Students** is designed to better support the NSW Government's economic platform by focusing on the following key areas:

- Skilled & Business Migration;
- Investor Migration; and
- International Education.

Each of these areas require a number of priority actions to better align the NSW Government's processes with its economic goals.

## SKILLED & BUSINESS MIGRATION

The NSW Government sponsors skilled migrants under the skilled-sponsored sub-class of the Commonwealth's General Skilled Migration Program.

In NSW, this sponsorship is managed through NSW Trade & Investment, and is based on an assessment by the State of skills shortages that cannot be filled from the local workforce.

Through its State sponsored visas, NSW seeks to attract health care workers, engineers and tradespersons to migrate to regional NSW, as well as highly skilled workers in finance, ICT, pharmaceuticals & biotechnology research, and sustainable environments technologies to migrate to Sydney and regional NSW.

NSW Government sponsored skilled migrants receive priority processing of their visa applications by the Commonwealth.

The NSW Government is also a large employer sponsor of skilled migrants through NSW Health and the NSW Department of Education and Communities.

In 2010-11, NSW received an allocation of 1,750 skilled migrants under an agreement negotiated with the Commonwealth.

This represents only 7.5 per cent of all State/Territory Government sponsored visas in the year ending June 2011 and is far below our relative economic size, given NSW accounts for more than 30 per cent of the national economy.

### Priority Action 1:

The NSW Government will work with the Commonwealth to increase our share of State Government sponsored skilled migrants.

Business migrants bring with them experience, international connections, entrepreneurial skills and capital to establish new businesses and strengthen the economic vitality and diversity of the State.

Business migrants are experienced in operating foreign businesses and the networks they have already established in their home country help develop links between NSW and international markets.

NSW manages the intake of business migrants under the Business Skills Migration program which is designed to encourage successful business people to settle permanently in NSW.

Most of these migrants enter NSW initially on a provisional visa for four years and are able to apply for permanent residence after showing evidence of their business and/or investment activity.

NSW's intake of provisional business migrants represented only a 14 per cent share of the national intake in the year ending July 2011. Given our State's prominence in transport and logistics, supply chains, business services and clusters of innovative new businesses, the NSW Government believes a higher proportion of business migrants should be sponsored in NSW to maximise the economic benefit to Australia from this program.

### Priority Action 2:

The NSW Government will work with the Commonwealth to increase our share of Business Skills Migration.

The **NSW Strategy For Business Migration & Attracting International Students** aims to increase the actual number of business migrants to NSW as well as the State's overall share of Australia's business migrant intake.

The NSW Government has also identified the need to re-position our State-sponsored business migration to attract entrepreneurs to establish businesses in high value and innovative industries which can deliver longer-term benefits for the State.

We are also committed to working with industry to ensure that skills shortages are identified in a timely fashion to inform operation of the State-sponsored skilled migration program and will endeavour to support applications by skilled workers in industries/sectors which are of key importance to the NSW economy and occupations with identified skills shortages.

The NSW Government understands centralised control is ineffective when it comes to addressing regional skills shortages and achieving whole of state economic development.

Regional communities need to be involved in the process of identifying the kinds of skilled and business migrants that best address their needs.

The NSW Government supports the Commonwealth's recent steps towards the introduction of Regional Migration Agreements as a more flexible and responsive way of addressing acute skills needs in regional communities.

NSW will work with employers and local communities to ensure Regional Migration Agreements play an important role in addressing acute skills shortages in the regions.

#### Priority Action 3:

The NSW Government will work with regional communities to ensure skills issues, including shortages, are identified in a timely fashion to inform operation of the State-sponsored skilled migration program.

## INVESTOR MIGRATION

Within the business skills sub-stream of the Commonwealth's General Skilled Migration Program, visa class 165 is aimed at overseas investors who intend to invest in Australia.

Historically in NSW this visa class has been used to attract relatively few migrants:

2008-09	2009-10	2010-11
56	60	77

As strong economic growth continues in emerging key markets in the Asia Pacific, investment flows from those areas will become increasingly important to NSW.

NSW stands to gain from economic growth and increase in income and wealth levels across Asia if we can respond to this opportunity by presenting appropriate investor visa requirements.

Currently, under visa class 165, investors are required to make a designated investment of \$750,000 if sponsored by a State or Territory Government, or \$1,500,000 as independent applicants to obtain a provisional visa.

This visa imposes a number of conditions that investors need to satisfy before they can seek a permanent residence visa.



**Priority Action 4:**

The NSW Government will simplify its sponsorship requirements for investors using the 165 visa class and will work with the Commonwealth to reduce temporary residency requirements and to streamline the four to eight year permanent residency roll over mechanisms.

The NSW Government aims to increase the number of inbound investors through better targeting of high worth investors in key offshore markets.

There is scope to develop and broaden the range of investment options recognised by the Commonwealth to make investment in NSW more attractive.

The recent issue of Waratah Bonds by the NSW Government to support provision of infrastructure in the State presents an opportunity.

Approval for using this investment vehicle and other appropriate public and private investment vehicles for investor migration must first be approved by the Commonwealth.

**Priority Action 5:**

The NSW Government will seek from the Commonwealth an extension of the definition of a designated investment to include NSW Waratah Bonds and other suitable investment instruments.

**Priority Action 6:**

The NSW Government will work with the Commonwealth to explore whether a new investor visa should be implemented.

## INTERNATIONAL EDUCATION

NSW benefits from the global relationships established through international education. Foreign students from countries in the Asia Pacific and from global trading partners help extend cultural and economic relationships both while they are studying here and in the longer term.

International students in our schools, training organisations and universities also represent a pool of skills from which NSW can draw migrants who already have an understanding of living in Australia, local employment and business practices.

The NSW Government aims to leverage these opportunities for ongoing economic benefit.

NSW supports the recommendations of the **Strategic Review of the Student Visa Program 2011** (Knight Review), particularly the proposal to replace the current risk assessment system based on nationality and level of education, which is complex, inflexible and has discouraged overseas students from electing to study in NSW.

NSW supports a risk-based model of assessment so students at high-quality public and private providers across all sectors can access streamlined visa processing and other related benefits.

Reducing red tape for prospective, eligible international students to access high-quality training providers will provide greater incentives for students to apply to study in NSW and will support the prosperity and sustainability of the international education industry.

The NSW Government also welcomes the Federal Government's announcement that University graduates will be eligible for post study work rights. NSW also understands that to further support the international education sector, the opportunities for post study employment need to be expanded.

The NSW Government supports extending the visa processing privileges and post-study work rights to a broader range of providers delivering high-quality education in the Vocational Education and Training sector.

The majority of international students studying in Australia are based in Victoria and NSW.

Given the importance of this sector to both States, the Premiers met in December 2011 and agreed to include international education in the Interstate Reform Partnership aimed at accelerating economy-based reforms between Australia's two largest states.<sup>1</sup>

NSW and Victoria are committed to maximising opportunities for high-quality education providers and to supporting the highest possible quality education experience for international students.

#### Priority Action 7:

The NSW and Victorian Governments will work together with the Commonwealth to extend streamlined visa processing and post-study work rights to international students at a broader range of high-quality, low-risk education providers, including VET providers.

## CONCLUSION

The **NSW Strategy For Business Migration & Attracting International Students** will change the migration environment in NSW to better align with the NSW Government's economic priorities.

The NSW Government will work with the Commonwealth, other States and Territories and stakeholders to achieve our seven Priority Actions. Those actions are as follows:

1. Increase the NSW share of State Government sponsored skilled migrants.
2. Increase our share of Business Skills Migration.
3. Work with regional communities to ensure skills issues, including shortages, are identified in a timely fashion to inform operation of the State-sponsored skilled migration program.
4. Simplify sponsorship requirements for investors using the 165 visa class and work with the Commonwealth to reduce temporary residency requirements and to streamline the four to eight year permanent residency roll over mechanisms.
5. Seek to extend the definition of a designated investment to include NSW Waratah Bonds and other suitable instruments.
6. Explore whether a new investor visa should be implemented.
7. Extend streamlined visa processing and post study work rights to international students at a broader range of high quality, low risk education providers, including VET providers.

Through the implementation of the above priority actions, the NSW Government believes migration can play an increased role in supporting whole of state development, thus boosting economic activity and industry productivity.

<sup>1</sup> *Interstate Reform Partnership – NSW and Victoria 14 Dec 2011*

## FURTHER INFORMATION:

### NSW Trade & Investment

[www.business.nsw.gov.au/live-and-work-in-nsw/visa-and-migration](http://www.business.nsw.gov.au/live-and-work-in-nsw/visa-and-migration)  
[bizmigration@business.nsw.gov.au](mailto:bizmigration@business.nsw.gov.au)

### International education

[www.sydneyaustralia.com/en/study-in-sydney](http://www.sydneyaustralia.com/en/study-in-sydney)

### Community Relations Commission

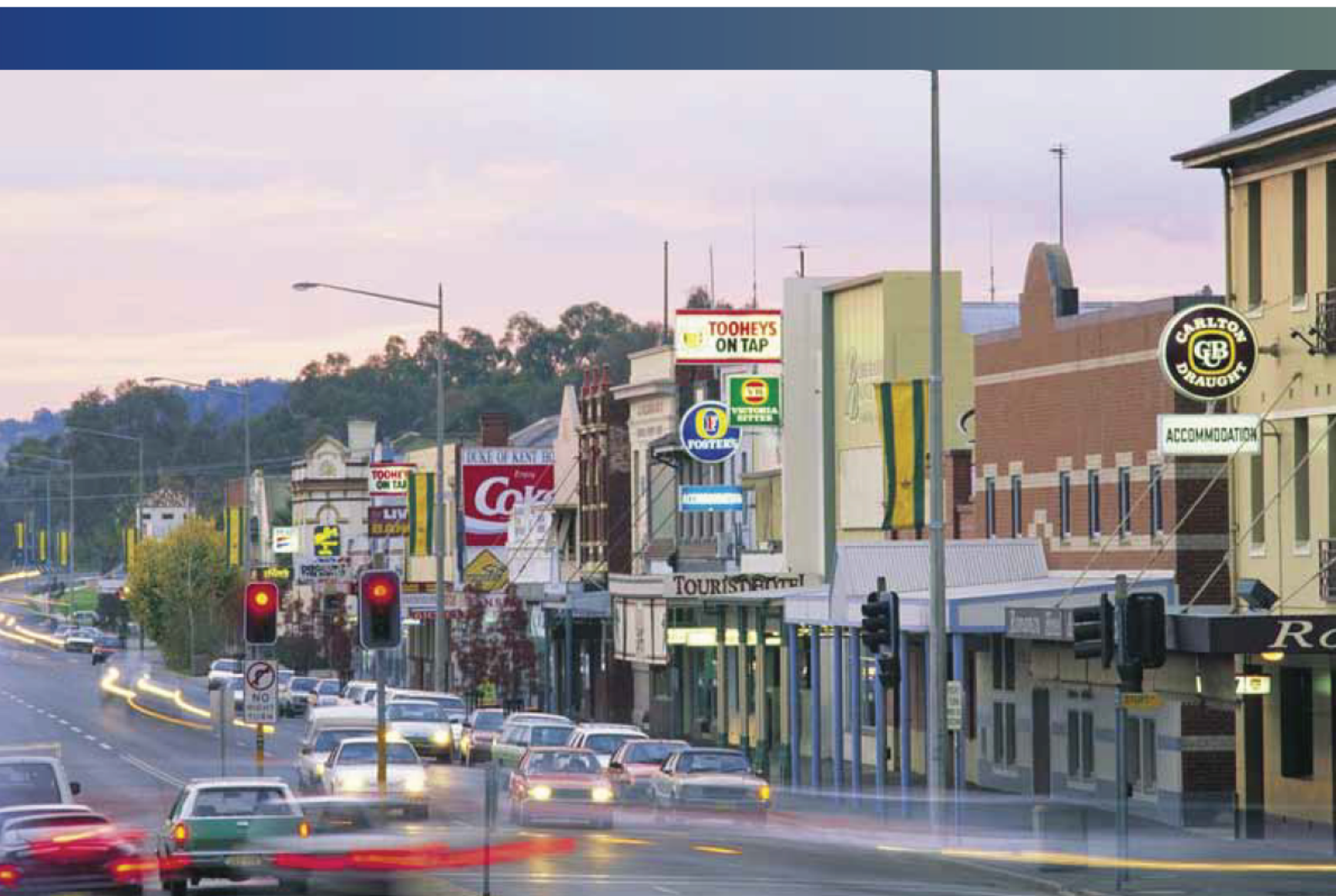
[www.crc.nsw.gov.au](http://www.crc.nsw.gov.au)

### Commonwealth Department of Immigration and Citizenship

[www.immi.gov.au](http://www.immi.gov.au)

### Migration Agents Registration Authority

[www.mara.gov.au](http://www.mara.gov.au)



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