

REDISTRIBUTING MIGRANTS: THE LABOR AGENDA

■ Bob Birrell

The Labour party has commissioned a report by Withers and Powell which recommends measures designed to locate 45 per cent of Australia's new settlers in regional areas (compared with 10 per cent currently). The recommendations will result in lower skill selection standards and weaker performance requirements for two stage visas than is the case with the existing regional migration schemes. Analysis of these schemes, particularly those connected with business migration, indicate that selection and performance standards should be tightened, not softened. In the case of the largest regional program, that providing selection concessions for relatives sponsored by residents who live in 'designated areas', nearly two-thirds of the sponsored migrants are locating in Melbourne.

According to Labor's Shadow Minister for Population and Immigration, Nicola Roxon, Labor is looking at initiatives aimed at attracting new migrants to Australia's regions in order 'to ease pressure on Australia's densely populated cities and towns'. To this end it commissioned Glen Withers and Marion Powell through the Chifley Research Centre to suggest such initiatives. The resulting report, entitled *Immigration and the Regions: Taking Regional Australia Seriously*, is the subject of this article.¹ In preparing it I have taken the opportunity to assess the outcomes of the existing migration categories which are relevant to the Withers and Powell report. These include the business migration program.

The centrepiece of the Withers and Powell's recommendations is that a Labor government should set a target of locating 45 per cent of the migrant intake in regional Australia (which they define as non-metropolitan Australia). Their brief did not include any reference to program size. Rather it was how to redistribute whatever numbers a future Labor government decides on. The task will be onerous since currently only a small minority of migrants are locating in non-metropolitan areas of Australia (discussed below).

REGIONAL MIGRATION — THE POLICY SETTING

The magnitude of the 45 per cent target can best be appreciated by an overview of the policy dilemmas. Currently regional areas are experiencing net losses of highly skilled people to the metropolises. Information drawn from the 1996 and 2001 Censuses showed that there are net flows of young people in their late teens and early twenties from regional to metropolitan areas. There are some offsetting net outflows from the cities to the regions. These mainly consist of relatively low income Australian-born people in their thirties and pre-retirement ages.² However, it is younger, skilled people who are being sought as overseas migrants. If young and skilled Australian residents who have their roots in regional areas are (on balance) leaving, how are newly arrived foreign-born residents to be attracted? It is rare for prospective migrants today to have any family or community connections in regional areas. However, most of those from Asian, Middle Eastern and East European countries do have these connections in one or other of Australia's metropolitan centres. These connections, as well as the greater job opportunities in the metropolises, largely explain the present

dominance of metropolitan areas as centres of migrant settlement.

A second issue is, if a vigorous regional settlement policy is pursued and migrants are attracted to regional areas, how are they to be kept there? Successive Australian governments have wrestled with this problem. No government has been prepared to issue visas which tie or corral migrants to particular residential locations for extended periods. To do so would be to create a group of second-class citizens without the freedom of movement enjoyed by other Australian residents. There are temporary entry programs which make the issuance and continuance of a visa conditional on employment in a regional area, but none which prevent a permanent residence visa holder from moving freely. The only mechanism so far deemed acceptable as an inducement to regional location is the provision of concessional points for migrants sponsored by relatives where the relative lives in a regional area. The rationale here is that, if the sponsor lives in a regional area, the migrant will have an interest in locating there as well. No Australian government has been prepared to give concessional points in a skilled program to migrants who simply state their willingness to locate in a regional area. The presumption has been that the pull of the metropolis will work against actual regional location.

Another policy dilemma is that throughout the 1990s Australia's migration policy has been framed around the objective of supplementing Australia's skilled workforce. Migrants with the highest quality skills, recognised by Australian employers and relevant to Australia's workforce needs, have been targeted. The economic rationale is that such migrants quickly find employment and thereby help generate additional economic activity which filters down to the benefit of existing

Australian residents. The dilemma from the point of view of regional migration policy is that the high quality migrants in question are often choosy about which country and which locations they are prepared to locate in. If a regional location is required where job opportunities are limited or no members of their community are located, they may avoid Australia. Migrants with lesser skills may be prepared to accept a regional location, but in the process compromise the overall rationale for Australia's migration policy.

As is shown below, this compromise is already evident with existing regional migration initiatives. The Coalition Government has come under pressure from the South Australian, Tasmanian and Victorian Governments to introduce regional migration initiatives. These initiatives usually involve selection concessions. So far the visa programs in question have attracted very few takers, thus largely leaving intact the overall targeted program. Whether this would be case if the radical new regional initiatives proposed by Withers and Powell were put in place is the subject of the discussion to follow.

There is a final and more fundamental issue. The difficulties regional areas face in keeping their own residents are a consequence of the structural changes to Australia's economy initiated by successive Labor and Coalition governments. Why try to reverse this pattern by offering regional incentives to migrant settlers if there is no intention of changing the direction of overall economic policy?

Withers and Powell's answer to this question is that there is growing inequality between the regions and metropolises, and that this inequality is partly linked to population slowdown or decline in the regions. Notwithstanding the underlying economic forces shaping these outcomes, Withers and Powell argue that these

inequities should be arrested. They also assert (without supporting evidence) that ‘migrants help underpin the higher incomes and more attractive employment prospects in our global cities’.³ These propositions (about growing spatial inequality and the role of migrants in promoting economic growth) generate the conclusion that the regional economic situation can be ameliorated if overseas migrants are directed to regional locations.

The existing pattern of migrant settlement will help set the scene for an analysis of Withers and Powell’s recommendations.

Table 1 shows the pattern of migrant distribution for the two years 2001-02 and 2002-03. The data used in the table are drawn from the Department of Immigration, Multiculturalism and Indigenous Affairs (DIMIA) settlement data base. It includes migrants granted permanent residence visas from both offshore and onshore locations. Unfortunately address data was not available for a significant minority of those registered on the data base. Nevertheless, it is the best indicator available of recent settlement patterns. It is

**EXISTING PATTERNS OF
MIGRATION SETTLEMENT**

Table 1: Permanent residents, 1 July 2001 to 30 June 2003 grouped by migration category and location in Australia

Location	Permanent residents	Per cent by migration category					Total
		Family - spouse/ fiancé	Family - other	Skilled	Humanitarian	Other	
Sydney	52,421	39	43	36	34	25	37
NSW Remainder	3,969	4	2	2	3	3	3
Melbourne	35,011	25	27	24	28	20	25
Vic. Remainder	1,875	2	1	1	1	4	1
Brisbane	12,739	8	6	10	8	12	9
Qld. Remainder	5,610	5	3	4	2	7	4
Adelaide	6,444	4	5	4	8	8	5
SA Remainder	374	0	0	0	0	0	0
Perth	18,063	8	8	17	10	20	13
WA Remainder	1,181	1	1	1	0	1	1
Hobart	760	0	0	0	2	0	1
Tas. Remainder	571	0	1	0	1	0	0
Darwin	643	1	0	0	1	1	0
NT Remainder	196	0	0	0	0	0	0
Canberra	1,989	1	2	1	1	0	1
ACT Remainder	22	0	0	0	0	0	0
City total	128,071	86	91	93	93	85	90
Remainder total	13,797	14	9	7	7	15	10
State total	141,868	100	100	100	100	100	100
		47,110	7,680	70,600	16,099	379	141,868
Not stated other	9,178	898	258	7,706	283	33	9,178
Total in category	151,046	48,008	7,938	78,306	16,382	412	151,046

Note: Those with private box addresses or whose location was not fully described in each State were apportioned on pro rata base within each State. Skilled, humanitarian and other include spouses and children migrating with the principal applicant.

Source: DIMIA Settlement database, unpublished

based partly on the locations migrants say they intend to settle in before arriving in Australia, but is regularly augmented with information about actual settlement locations. This information is derived from the addresses of migrants who participate in DIMIA - supported settlement activities, including the Adult Migrant English Program. In regard to those where only the State location is indicated, they have been apportioned by capital city/rest of state according to the proportions of those whose address is known. Another six per cent of people on the settlement data base provided no location at all. These have been noted separately in Table 1. These calculations indicate that only about ten per cent of recent permanent residents are locating in non- metropolitan areas. In the case of the skilled category, the share is well below 10 per cent.

One important implication of the existing settlement pattern is that, if Withers and Powell's 45 per cent target were adopted, the main impact would be on the skilled and perhaps the humanitarian program. There is no suggestion in the report that family members' rights to sponsor relatives (particularly spouses) would be abridged. Family-reunion migrants will continue to locate (as Table 1 confirms) where their family members are located, which means predominantly Sydney, Melbourne, Perth and Brisbane. Thus a 45 per cent target implies that well over half of the skilled program would have to be attracted to regional locations.

REGIONAL MIGRATION PROPOSALS

The report acknowledges that radical intervention will be required to achieve the 45 per cent target. I have categorised the strategies it proposes (all mentioned at some point in the report) as follows:

1. Increased expenditure of government funds on regional infrastructure and

industry assistance in order to promote job creation and thus make the regions more attractive to employers and thus to migrants.

2. Greater linkage between the issue of migration visas and the applicant's stated willingness to seek employment in regional areas or, if a business migrant, to invest in regional areas.
3. More explicit use of trade-offs which lower migration skill requirements and settlement conditions in return for regional location.
4. Greater incentives for immigration officers to enforce the regional settlement policies as well as financial bonuses to intermediaries working in migrant settlement to promote regional settlement. The authors appear to believe that federal and state officials don't take the redistribution goal seriously enough. Thus they need some carrot or stick to get them going.

Much of the report has to do with the first strategy. It addresses the need for existing Government policy to be more 'integrated' and more generous in relation to the regions. This is reasonable enough. The problem is that, as Withers and Powell note, there is not much sympathy among opinion makers these days for subsidies to regional industry. Any serious calls on Government funds to promote regional development initiatives in order to attract overseas migrants would surely be questioned. The reality is that, if the 45 per cent target is to be achieved, it will require measures drawn from the other three strategy areas.

The Australian government, in partnership with the States, has already put in place a range of incentives including new visa categories designed to attract migrants to regional areas. Withers and Powell believe these incentives are inadequate. Indeed, they point out that some of these

visa categories are not genuine regional strategies at all, because 'the great majority of migrants entering under these schemes actually went to Melbourne and Adelaide'.⁴

Table 2 indicates the visa grants by each of the state-specific migration visa categories from July 1999 to June 2003. These include offshore and onshore visas and both principal applicants and accompanying dependents. There has been a big jump (off a low base) in the numbers of visas granted to the top two categories

which involve skilled migrants sponsored by regional employers and State Government (though in the case of the State Government sponsored group Melbourne is a prominent location for those sponsored). By far the largest and most rapidly growing category is the Regional-linked SDAS visa category. This provides concessions to persons sponsored by relatives who live in designated areas. (See note to Table 2).

Table 2: Visa grants by category, 1999-00 to 2002-03

Category	1999-00	2000-01	2001-02	2002-03
RSMS	664	1,021	1,092	1,738
STNI - Skilled STNI, Skill matching visa	9	85	257	794
Regional - Linked SDAS	195	1,002	1,597	4,466
SAL	2,384	1,575	974	524
SSBS	44	122	176	341
REBA	13	41	40	78
Total	3,309	3,846	4,136	7,941

Source: Media releases MPS 114/2002 and 47/2003, DIMIA

- RSMS** (Regional Sponsored Migration Scheme) is designed to help employers operating businesses in regional areas fill skilled vacancies which cannot be filled from the local labour market. It covers all Australia except for Sydney, Melbourne, Brisbane, Perth, Gold Coast, Newcastle and Wollongong.
- STNI** (State/Territory Nominated Independent Scheme) enables States and Territories to nominate skilled-independent category applicants who are willing to settle in States/Territories where their skills are in demand. Only South Australia and Victoria are major users (with Adelaide and Melbourne the main locations).
- SDAS** (Skilled - Designated Area Sponsored). Families living in designated regional areas can sponsor skilled close relatives to migrate and settle in these areas. Unlike RSMS, regional linked SDAS does not impose a requirement that the migrant locates in the designated area where the sponsoring relative is located. Designated areas include all of Australia except Sydney, Wollongong, Newcastle, Brisbane and Perth.
- SAL** (Skilled Australian Linked) is now known as Skilled Australian Sponsored. Relatives sponsored under this category must pass the same selection test as skilled-independent migrants — though with bonus points for sponsorship. Only migrants who obtained bonus points because their sponsor lived in a designated area are shown in the table.
- SSBS** (State Sponsored Business Skills) is a scheme where States and Territories can sponsor business skills applicants applying to migrate as business owners or senior executives. Those shown above include applicants processed under offshore subclass 129 (State/Terr. Sponsored Business Owner), offshore subclass 130 (State/Terr. Sponsored Senior Executive), onshore subclass 842 (State/Terr. Sponsored Business Owner), and onshore subclass 843 (State/Terr. Sponsored Senior Executive).
- REBA** (Regional Established Business in Australia) allows people temporarily in Australia on Business (Long Stay) visas to apply onshore for permanent residence if they have successfully established a business venture in a designated area of Australia.

Source of definitions: Withers and Powell, 2003, pp. 20-21 (with modifications for recent changes).

DIMIA's settlement database has been used to estimate where the migrants recruited under these 'regional' programs actually settle. The results of this analysis for the years 2001-02 and 2002-03 are shown in Table 3. The regional programs have been grouped into two categories to approximate the classification used in Table 2. The first includes the RSMS and State/Territory schemes and the second, the Regional Linked SDAS scheme. The other regional categories are included in 'other skill'.

Table 3 shows that most of the migrants settling under the 'regional schemes' are locating in Australia's capital cities. One positive is that only a

minority are locating in Sydney, Perth and Brisbane. However, Melbourne is by far the main destination, followed by Adelaide. Melbourne's dominance is partly due it being an eligible location for the State sponsored skill category, but mainly because it is the major settlement point for migrants sponsored under the Regional - Linked SDAS category. It is an extraordinary situation that Melbourne is the 'beneficiary' of the most rapidly growing regional migration category. This outcome justifies a more detailed analysis of the Regional - Linked SDAS category.

Under the Regional-Linked SDAS category (almost all are visa subclass

Table 3: Permanent residents, 1 July 2001 to 30 June 2003 grouped by visa category and location in Australia

Location	Permanent residents	Per cent by migration category				Total
		RSMS and State/ Territory schemes	Regional - Linked SDAS	Other skill	Not skill	
Sydney	52,421	8	5	38	38	37
NSW Remainder	3,969	5	2	2	4	3
Melbourne	35,011	21	67	21	26	25
Vic Remainder	1,875	5	2	1	2	1
Brisbane	12,739	2	2	11	8	9
Qld Remainder	5,610	7	3	4	4	4
Adelaide	6,444	22	8	3	5	5
SA Remainder	374	3	0	0	0	0
Perth	18,063	9	3	18	9	13
WA Remainder	1,181	6	2	1	1	1
Hobart	760	5	1	0	1	1
Tas Remainder	571	2	1	0	1	0
Darwin	643	1	1	0	1	0
NT Remainder	196	1	0	0	0	0
Canberra	1,989	3	3	1	1	1
ACT Remainder	22	0	0	0	0	0
City total	128,071	70	90	93	88	90
Remainder total	13,797	30	10	7	12	10
State total	141,868	100	100	100	100	100
		1,937	3,617	65,025	71,289	141,868
Not stated other	9,178	238	160	7,300	1,480	9,178
Total in category	151,046	2,175	3,777	72,325	72,769	151,046

Note: Those with private box addresses or where location was not fully described in each State were apportioned on pro rata base within each State. Categories shown here include spouses and children migrating with the principal applicant.

Source: DIMIA Settlement database, unpublished

139), family members living in 'designated areas' can sponsor relatives on a concessional basis. The migrants they sponsor do not have to pass the points test applied to Independent (skilled) migrants. Instead they are required to possess the following minimum qualifications: 'vocational English', be aged less than 45, have an occupation listed on the 'Skills Occupation List' and have their occupational qualifications approved by the relevant assessment authority. As Table 3 shows, only about ten per cent of those arriving in Australia between mid-2001 and mid-2003 under visa category 139 located in a regional setting.

Melbourne's predominance in this visa category (67 per cent locating in the city over the years 2001-02 and 2002-03) follows from the Victorian Government's requests for Melbourne to be included as a 'designated area' under this program. As a result, since September 1998, persons living in Melbourne (but not Sydney, Wollongong, Newcastle, Brisbane or Perth) have been able to sponsor their relatives within this visa category. This is a significant concession since it allows some migrants to gain permanent residence with less stringent skill requirements than those required for applicants to the skilled Independent program.

Table 4 shows that, despite being part of the Skilled-Designated area sponsored category, barely half of the principal applicants under visa category 139 have any post-school education. Part of the explanation is that where necessary, a principal applicant under visa category 139 can rely on their spouse's skills and education in order to meet the skill criteria. Thus Table 4 understates the education level of all the migrants settling in Australia under this category. Nonetheless, as indicated, the selection

criteria for the visa category do involve significant concessions and the numbers granted the visa are growing rapidly (See Table 2). If, as Withers and Powell propose, regional location becomes the focus of migration recruitment, then further skill selection compromises like those evident for this visa category are likely.

As far as the RSMS category is concerned, the numbers remain small despite the significant concessions in the criteria used to select the migrants in question.

The experience just described, suggests caution about any further skill concessions designed to attract migrants to regional areas. This is not the conclusion reached by Withers and Powell. They argue that there are plenty of migrants anxious to come to Australia, including 'skilled people [who] seek to move from low-wage countries to higher-wage countries such as Australia (or away from unstable political areas)'.⁵ In effect they argue that a Labor government should do whatever it takes to attract such migrants and locate them in regional areas, even if it means that the migrants will have to be 'directed' to these areas. The key sentence is the following:

Australia still has the continuing opportunity to select and direct potential migrants to those regions and localities best able to benefit from migrant's skills as one part of regional policies.⁶

HOW WILL MIGRANTS BE 'DIRECTED' TO REGIONAL AREAS

The policies Withers and Powell advocate may achieve the 45 per cent target, at least as regards initial settlement in Australia. The problem lies with the quality of the migrants likely to be attracted and, whether as a consequence,

Table 4: Principal applicants in visa subclass 139 arriving 1 Jan 2000 to 30 June 2003 by country of birth and education

Principal Applicant Country of birth	Total	Years of Post School Education per cent			Total
		None	One to three	Four or more	
India	275	58	20	22	100
United Kingdom	245	75	7	18	100
Malaysia	194	16	26	57	100
Sri Lanka	182	44	17	39	100
Philippines	166	42	2	55	100
China (exc. Taiwan and Hong Kong)	130	22	16	62	100
Fiji	98	65	21	13	100
South Africa	78	72	8	21	100
Hong Kong	57	23	39	39	100
Singapore	47	23	17	60	100
Rest	311	45	14	41	100
Total	1,783	47	16	37	100

Source: DIMIA Settlement database, unpublished

The table begins at 1 January 2000 in order to identify all those visaed under sub class 139

they will contribute much to the economic dynamism of the regional areas. The authors' proposals for the business migration program and other skill programs are analysed separately with these issues in mind.

Business migrants

In the case of business migration, the assumption is the more the better from the point of the stimulus such migrants allegedly give to economic activity. An outdated report by Access Economics is cited as authority.⁷ There is no mention of critical reviews of business migration in Australia or overseas, including the important work of David Ley on the Canadian experience.⁸ This literature indicates that Asian business migrants find it difficult to translate the trading, manufacturing or small business skills they possess to a western setting. These skills derive from a quite different, low tax, non-unionised, unregulated environment. Problems in translating their skills are especially acute if their English is poor. DIMIA assessment of the English capacity of business migrants arriving in the late

1990s indicate that this was the case for a significant minority. Of the business skills arrivals in 1996-97, 42 per cent were judged as not possessing 'functional English'.⁹

Withers and Powell do not discuss the recent DIMIA reforms to the business skills program which address these issues. These reforms (implemented in March 2003) involve a two-stage entry process starting with a temporary entry visa, then a permanent entry visa if certain business performance standards are met. Previously, applicants who met the selection criteria were granted a permanent visa, though they could be faced with the cancellation of this visa if they did not engage in business in Australia in the three years after gaining the visa. Now they begin on probation.

The reasons for these reforms were spelled out in a 2002 DIMIA Discussion Paper entitled '*Improving the performance of Business Skills migrants*'. This paper indicated that three years after they came to Australia almost 20 per cent of the business migrant who arrived in

1996-97 were not in any business at all. Of those who were, the median investment in their Australian business was tiny, just \$100,000. However, because these business migrants had been issued with permanent residence visas they could apply for citizenship before the end of the three year monitoring period. If they did this their visas could not be cancelled, even if they had not initiated any business activity in Australia. Also, because they were issued with permanent resident visas, their children could access Australian educational institutions without having to pay overseas student fees.¹⁰

DIMIA's two-stage visa process reforms, beginning with a temporary entry visa, address these issues. Since March 2003 an applicant for a temporary entry business migration visa must possess 'vocational English' and be aged less than 45. To gain a subsequent permanent residence visa the temporary visa holder must meet certain performance conditions, including residence in Australia over one of the previous two years and the achievement of 'significant annual turnover in your business' (defined as at least \$300,000 p.a.).

However, if a State or Territory Government is prepared to sponsor the business migrant, the selection criteria are softened. The age barrier is lifted to 55 (and in some circumstances can be waived altogether) and the 'vocational English' requirement deleted. Also the performance criteria for the Australian business pending issuance of a permanent entry visa are less stringent (including a turnover requirement of \$200,000 p.a.). But it is left open to the State and Territory Governments to decide the conditions under which they are prepared to sponsor a business migrant and, crucially, the locations where State spon-

sorship will apply. They can, if they wish, limit sponsorship to a regional location.

The need for these reforms is graphically illustrated by the recent record of visa cancellations for earlier business migrant arrivals. In 2002-03, DIMIA cancelled 844 business visas (including dependents). As a consequence, the visa holder and his/her family were required to leave Australia. At the current rate of cancellation for 2003-04, at least 1,100 visas will be cancelled this financial year. All that was required to meet the business performance standard for those arriving in recent years was some business activity, even if at a trivial level. It appears that many of the cancellations relate to business migrants who have spent little time in Australia. According to DIMIA officers, in many of these cases the dependents of the business migrant had located in Australia, including children who had been attending Australian universities and schools at local rather than overseas student fee levels. The two stage visa reforms for business migrants will require students to pay overseas student fees at universities and at state schools in NSW, though not in state schools in Victoria until their parent's visa becomes permanent.

Withers and Powell propose several backward steps. They advocate keeping the two-stage process intact, beginning with a temporary entry visa. But in order to attract business migrants to regional areas, they recommend that the selection criteria be softened, for example, by lowering the capital requirements for regional schemes to levels 20 per cent below those of the main business migration program.¹¹ Also the performance criteria are to be abolished! They recommend that the only requirement be resi-

dence in a regional area. The argument is that 'conversion should be guaranteed independently of business success since the conflation of the two criteria acts as a major disincentive to regional migrants by introducing factors that may be beyond their control'.¹² The implication is that a visa can be bought if a migrant has enough money to stay in a regional area for two years. He or she can then move wherever they please once they have permanent residence.

There are further ramifications to this story which illustrate the policy dilemmas that arise when regional incentives are involved. The Commonwealth and NSW State Governments have been in negotiation for some time about how to relieve Sydney from the demands it is facing in accommodating extra migrant residents. These negotiations are soon to be finalised. Nonetheless, the measures described for business migrants do reflect an attempt by DIMIA to accommodate the NSW Government's concerns. As indicated, the expectation was that the State Governments which wanted to disperse migrants from their capital city would only sponsor business migrants prepared to locate in regional areas. Also, because of the tightening of the eligibility criteria (especially the age and English requirements) for those who were not State sponsored, DIMIA officials believe that most prospective business migrants would need and thus would seek State sponsorship.

The NSW Government announced its own regulations on business migration on 20 October 2003. The NSW Government will sponsor business migrants according to the softer State Government sponsorship provisions specified above (including no requirement of 'functional English'). However, surprisingly, given the concern expressed by the NSW

Government about the propensity of migrants to locate in Sydney, the regulations do not require a regional location. The reason, according to the NSW Government officials responsible for administering the state sponsorship provisions, is that such a requirement would mean that business migrants would stop coming to NSW. As a result, the state would lose out to other states which did not require a regional location (including Victoria). In Victoria, too, a regional location is not required. Officials interviewed reported the same reason. If they did insist on a regional location, no one would be interested.

The result of the reforms introduced in March 2003 is that business migrants will continue to concentrate in metropolitan areas (with State government sponsorship). Many of those arriving will not possess functional English thus prejudicing their prospects for operating a business in Australia. The main gain is that the penalties for non-performance are more stringent and the non-performers will not be able to avail themselves of citizenship (or of local fees for their children's education) during their probationary period in Australia.

Skilled migrants

In the case of the skills program, Withers and Powell propose that the selection criteria for skilled applicants without a regional sponsor be diluted in return for a regional location. Such applicants would gain up to 20 additional points for the regional location. This represents a significant skill dilution and implies the recruitment of persons without degree or trade credentials. How are these migrants to be 'directed' to locate in regional area? Withers and Powell propose a two-stage skills visa like that described above for business migrants. This would involve an

initial temporary entry visa after which a permanent entry visa would be issued if certain performance standards were met. These 'would not restrict movement except to require an ongoing regional residential commitment for an initial period'.¹³ In other words, the migrant would not have to work in the region, just live there. How such a person would survive financially in these circumstances is not discussed.

Other incentives

The recommendations analysed above constitute the core of the Withers and Powell proposals. The authors do, however, advocate a more general dilution of skill and performance standards across the spectrum of migration visas. They also propose a stronger marketing effort for regional visa programs. It is difficult to analyse these proposals because they are not spelled out in any detail.

Withers and Powell have little to say about the second regional strategy referred to above (see page 18) which links regional migration to specific employment and business opportunities. This is one strategy that is working to the benefit of regional residents. As can be seen from Table 2 the Regional Sponsored Migration Scheme (RSMS) and the STNI - Skill matching visa have both grown rapidly (from a low base). Regional employers prepared to employ migrants they sponsor in their enterprises (or employ migrants sponsored by the States) presumably gain the benefits of skills they cannot find locally. In addition, many regional areas in Australia are currently heavily dependent for their medical services on 'area of need' appointments of foreign doctors on temporary entry medical visas. The visas are only issued to overseas-trained doc-

tors (OTDs) prepared to locate in a specific hospital or general practice position. Most of these visas are issued to OTDs from Britain and South Africa who wish to practise for no more than a year or two. However, those prepared to serve for five years and who can gain accreditation from Australian medical authorities during this period, will be offered permanent residence (at which point they can practise where they like). State governments have also appointed hundreds of permanent resident OTDs who have not completed their Australian Medical Council accreditation to these 'area of need' positions. While there are unresolved issues about the quality of the services being offered, the medical services provided are clearly desperately needed.

CONCLUSION

Migration programs which direct people to non-metropolitan areas are inherently problematic. To attract migrants to these areas requires selection concessions. These concessions compromise the prospect of regional migration serving a useful role in promoting the regional economy.

The proposals offered in Withers and Powell's report illustrate all these dilemmas. If they were implemented with the promises about boosting the regional economy the authors believe would result, questions would soon be asked about the alleged benefits. The experience to date with regional programs suggests that these benefits are unlikely to materialise, at least on the scale predicted by Withers and Powell. The consequences for the wider public acceptance of a substantial immigration program can be imagined.

Withers and Powell note that the current regional migration categories often add to metropolitan populations. However they do not address the scale of

this anomaly. This article has shown that most 'regional' migrants are settling in capital cities (mainly Melbourne and Adelaide). The Department of Employment and Workplace Relations has suggested that no locations with more

than 250,000 residents should be eligible for regional migration concessions.¹⁴ Labor would be well advised to begin its review of regional migration by heeding this advice.

References

- ¹ G. Withers and M. Powell, 'Immigration and the regions: taking regional Australia seriously', Chifley Research Centre, October 2003
- ² For Victoria, see John O'Leary, 'The resurgence of Marvellous Melbourne revisited: trends in population distribution in Victoria, 1996 to 2001', *People and Place*, vol. 11, no. 3, 2003, pp. 7-8. For Sydney, see Shane Nugent, 'Why Sydney keeps growing - trends in population distribution in NSW 1991-1996', *People and Place*, vol. 6, no. 4, 1998, pp. 30-31
- ³ Withers and Powell, op. cit., p. 15
- ⁴ *ibid.*, p. 22
- ⁵ *ibid.*, p. 23
- ⁶ *ibid.*
- ⁷ Access Economics, *The Impact of Business Migration on the Australian Economy*, Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), 2001
- ⁸ D. Ley, 'Seeking *Homo Economicus*: the Canadian state and the strange story of the business immigration program', *Annals of the Association of American Geographers*, vol. 93, no. 2, 2003, pp. 426-441
- ⁹ B. Birrell, 'The Business Skills program: is it delivering?', *People and Place*, vol. 8, no. 4, 2000, p. 40
- ¹⁰ Business Skills Section, 'Improving the Performance of Business Skills Migrants' Discussion Paper, DIMIA, 2002
- ¹¹ Withers and Powell, op. cit., p. 32
- ¹² *ibid.*, p. 33
- ¹³ *ibid.*, p. 31
- ¹⁴ 'Review of Australia's Skilled Labour Migration and Temporary Entry Programs', Submission by the Department of Employment and Workplace Relations (DEWR) to the Joint Standing Committee on Migration, November 2002, p. 21