



Trade &
Investment

NSW strategy for business migration & attracting international students

Supporting the State's economic development

MARCH 2012



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.¹

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.

¹ *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
bizmigration@business.nsw.gov.au

[International education](#)

www.sydneyaustralia.com/en/study-in-sydney

[Community Relations Commission](#)

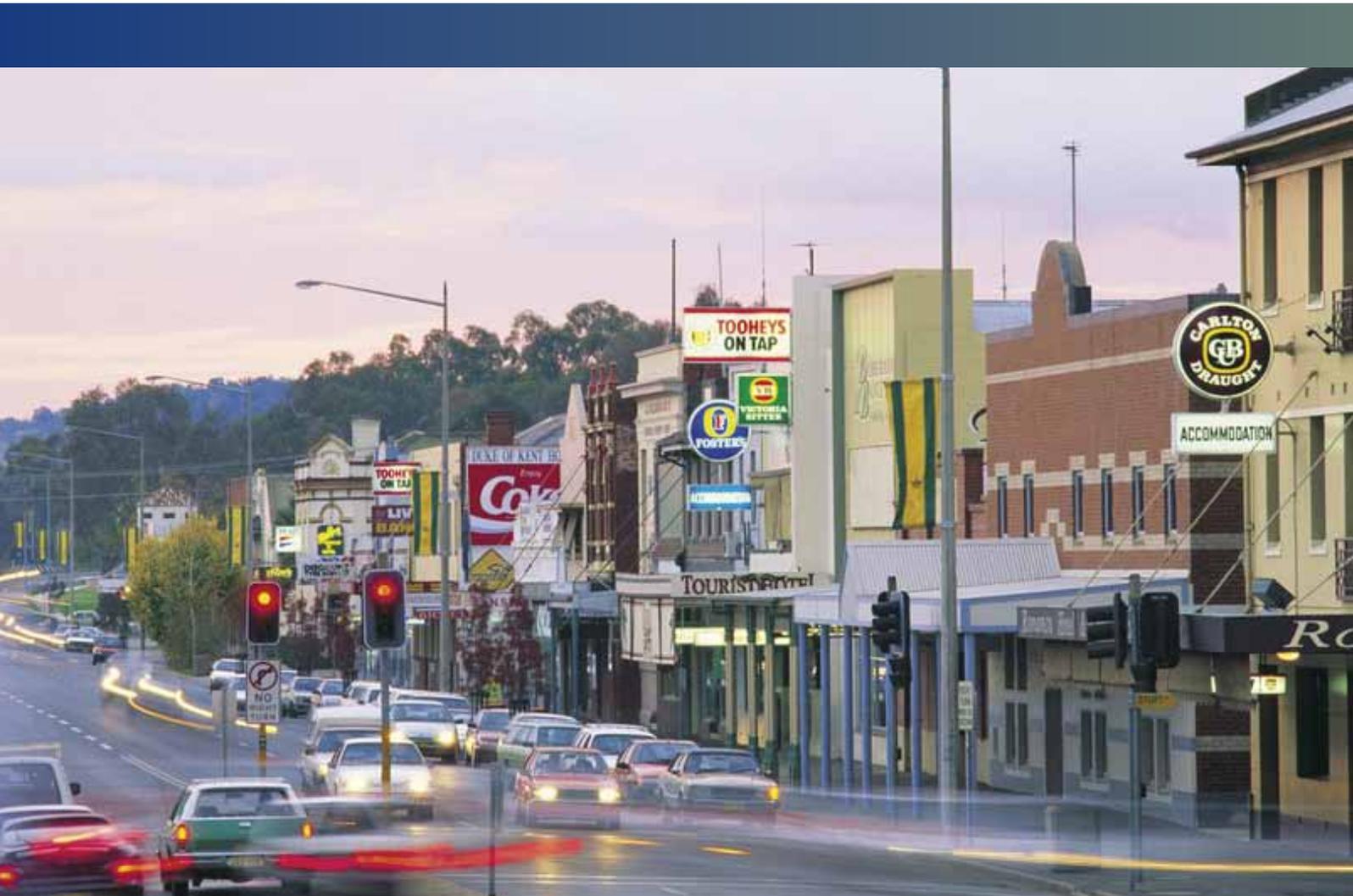
www.crc.nsw.gov.au

[Commonwealth Department of Immigration and Citizenship](#)

www.immi.gov.au

[Migration Agents Registration Authority](#)

www.mara.gov.au



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