Planning the Migration Programme for 2016-17
MIA Submission on Setting the Migration Programme for 2016-17

The Migration Institute of Australia, the professional association for Australian Registered Migration Agents, holds interests in all areas of migration legislation and policy development. The Institute appreciates the opportunity to provide input into the planning of the Migration Programme 2016-17 through this submission and the stakeholder consultations conducted by the Department of Immigration and Border Protection in various states.

Migration is an important factor in ensuring Australia’s continued prosperity and place in the global economy. Migration increases overall population, promotes global business and creates new opportunities for business and Australians.

A primary consideration for the MIA in this round of consultations is the continued and seemingly unchanging numerical basis for migration program planning and justification. This model has continued over years to set a limit on certain visas classes. Given the changes in global mobility patterns, the MIA recommends the Department consider a different model for determining migration levels that is based on factors more relevant to building capacity, productivity, social cohesion and attracting a balanced mix of applicants.

The MIA provides the following recommendations for the Government and the Department of Immigration and Border Protection to consider when determining the Migration Programme 2015-16.

18 December 2015
MIA recommendations

**Recommendation 1**
The MIA recommends that Australia’s Migration Programme be developed on a three or five year basis rather than an annual basis.

**Recommendation 2**
The MIA recommends that Australia’s Migration Programme be developed with target numbers expressed as a range of numbers rather than fixed numbers.

**Recommendation 3**
The MIA recommends that a balance be maintained between the employer sponsored and the independent skilled visa classes to allow current labour market shortages to be addressed.

**Recommendation 4**
The MIA recommends that a balance be maintained between the employer sponsored and the independent skilled visa classes to enable the development of future human capital reserves for innovative and emerging industries.

**Recommendation 5**
The MIA recommends that there be a national scheme for assistance and support for migrants to integrate into the Australian society.

**Recommendation 6**
The MIA recommends that the immediate access to employment assistance services and education and training support be restored for partner and dependent child migrant visa classes, to enable these migrants to more quickly integrate into the Australian labour market and contribute to Australia’s economic prosperity.

**Recommendation 7**
The MIA recommends that greater support and assistance be provided to humanitarian entrants to enable them to engage in education and training that leads to skilled employment and skilled visa pathways.

**Recommendation 8**
The MIA recommends that Safe Haven Enterprise Visa and Temporary Protection Visa holders be provided with the same concessional education fees as other humanitarian entrants to enable them to engage in education and training that leads to skilled employment and skilled visa pathways.
Recommendation 9
The MIA recommends that in the development of Australia’s Migration Programme, greater consideration be given to the social benefits of immigration.

Recommendation 10
The MIA recommends that there be more opportunity for Family reunion migration to improve levels of social cohesion.

Recommendation 11
The MIA recommends that consideration be given to the removal of Family visas from the count in Australia’s Migration Programme.

Recommendation 12
The MIA recommends that Partner visa applicants who are skilled should be included in the skilled migration count, not the family count.

Recommendation 13
The MIA recommends that a “skilled” stream for Partner visas should be created for Partner visa applicants whose skills align with the key elements of the Skilled Stream Schedule 6D Point Test: skills assessment, English ability and age.

Recommendation 14
The MIA recommends that a “skilled” stream for Parent visas should be created for Parent visa applicants who have the potential to contribute to the Australian economy because their skills are aligned with the key elements of the Business Skills Points Test but perhaps at a lower threshold.

Recommendation 15
The MIA recommends that there be a review and strategic planning for the encouragement of migration to regional Australia.

Recommendation 16
The MIA recommends that the use of specified occupations be reviewed with a view to replacing them with skills based requirements for permanent migration purposes.

Recommendation 17
The MIA recommends that the consultation process for future Migration Programme settings should begin earlier and be ongoing.

Recommendation 18
The MIA recommends that the Department of Immigration embarks on a community education and media campaign on the positive benefits of migration.
Key questions to be addressed

1. How can the Department ensure the Migration Programme settings are responsive to the changing economic environment in Australia and overseas and the future demand for labour?

Migration is a significant factor in meeting a range of Australia’s future needs including demands for labour to develop this economy. In the face of an ageing local population, migration assists in maintaining the labour force and improving living standards. The current composition of Australia’s migration program is primarily aligned with the objective of improving the economic wellbeing of the Australian community by allocating the majority of the migration intake to skilled visas.

The current skilled migration program has served Australia well. It provides positive financial benefits to the Australian economy and adds to the stock of human and social capital in the broader community. While the MIA believes that the current program largely delivers these benefits, the pool of potential skilled migrants Australia seeks to attract as permanent migrants is coming under increased pressure. Reasons for this include:

- Severe competition from similar advanced economies, particularly in Europe, Japan and Canada, who are also facing falling fertility rates and rapidly shrinking working aged populations.¹ In 2006 over 80 countries were found to have below replacement levels of births.²
- Increasing standards of living, growing middle class affluence and expanding opportunities in traditional source countries, such as India and China that reduce the pressure to migrate to western countries.
- Growth in transnational employment has also reduced the need to permanently migrate to access employment opportunities and technological advances now allow employees to work from locations distant to their employer’s primary geographical location.

At the NSW DIBP Industry Stakeholder meeting held to discuss the Migration Programme levels for 2016-17, the MIA noted that there appears little change in the way this annual planning is undertaken from year to year. Indeed, the Discussion Papers produced for the 2015-16 and 2016-17 years are almost identical and ask stakeholders to consider the same key questions. The MIA further questioned the traditional fiscally based methodology used by the Department in determining the

¹ Kuptsch, C, Competing for Global Talent, International Labour Organisation, Institute for labour Studies, 2006
² Becker G, The Challenge of Immigration – A Radical Solution, 2011, p 21
costs and benefits of migration and for setting the optimal size and composition of the skilled and family migration levels.

The Productivity Commission echoes these concerns in the recently released Migrant Intake into Australia Draft report, calling for improvements to data quality, access and integration of government administrative databases to enable the development of a strong policy capability.³

In general terms, an effective responsive to a changing economic environment requires speed, flexibility and a longer term vision of the future demand for labour. The MIA has previously argued that Australia’s Migration Programme could be given greater flexibility if it were a plan for more than one year and if targets were expressed as a range rather than fixed numbers. The changing nature of work and occupations must also be taken into account and the inflexibility the current skilled occupation lists must be addressed.

**Recommendation 1**

*The MIA recommends that Australia’s Migration Programme be developed on a three or five year basis rather than an annual basis.*

**Recommendation 2**

*The MIA recommends that Australia’s Migration Programme be developed with target numbers expressed as a range of numbers rather than fixed numbers.*

The demand driven employer sponsored skilled migration streams may be viewed as the most flexible of the current suite of skilled visa classes. These streams provide a responsive method for meeting current skills needs in various sectors of the Australian economy. Employer sponsored migration automatically controls the numbers and occupations that Australian employers are able and willing to take. A recent study has found that this shift has “resulted in substantively improved rates of employment amongst skilled migrants without an accompanying deterioration in the average distribution of occupational outcomes”.⁴

There is nevertheless still a place for independent, non-employer-sponsored skilled migrants. It can be argued that these are more likely to bring entrepreneurial or

---


innovation skills for which employer sponsorship is not necessary (or could possibly be dampening) and they may be the type of skills needed in an economic downturn. The independent skilled streams provide the balance to employer sponsored visa classes which may be too focussed on addressing the short term needs of the Australian labour market and not building the human capital and capacity required for the longer term development of upcoming innovative and emerging industries.

**Recommendation 3**
The MIA recommends that a balance be maintained between the employer sponsored and the independent skilled visa classes to allow current labour market shortages to be addressed.

**Recommendation 4**
The MIA recommends that a balance be maintained between the employer sponsored and the independent skilled visa classes to enable the development of future human capital in innovative and emerging industries.

2. How can we ensure migrants make a strong contribution to Australia’s economic prosperity?

Employer sponsored migrants are, by the fact of their being employed, already in a position to make a strong contribution to Australia’s economic prosperity.

Independent skilled migrants and family migrants on the other hand may need some assistance and support in the process of integrating into Australian society and into the Australian employment environment.

This assistance would not necessarily be financial. There is a need for advice, mentoring and guidance in understanding Australia’s financial, legal and employment systems, along with an understanding of Australian life, culture and values generally. This need is currently met only in informal ways. The increasingly frequent discovery of large scale exploitation of temporary visa holders highlights both the lack of knowledge of Australian employment standards and an unwillingness by such visa holders to disrupt their potential route to permanent migration. A national programme to provide this sort of assistance would have immense social benefit to Australia generally and to its economic prosperity in particular.

**Recommendation 5**
The MIA recommends that there be a national scheme for assistance and support for migrants to integrate into the Australian society.
The MIA has concerns about the imposition of a waiting period for employment assistance services in the 2015-16 Mid-Year Economic and Fiscal Outlook for migrant partner and dependent children visa classes. It would seem preferable to assist such new migrants into employment or training as quickly as possible to allow them to both improve their economic outcomes and contribute to Australia’s prosperity.

**Recommendation 6**

*The MIA recommends that the immediate access to employment assistance services and education and training support be restored for partner and dependent child migrant visa classes, to enable these migrants to more quickly integrate into the Australian labour market and contribute to Australia’s economic prosperity.*

Although the Humanitarian intake is not included within the migration planning levels, the MIA does still wish to highlight the relationship of those migrant intakes and the skilled migration program. It is well documented and understood that humanitarian entrants may have lower education and lower English language skills, and need more assistance to integrate into Australian society and labour market, than migrants arriving under the skilled and family programmes. Alternatively, studies have shown that this group is also the most entrepreneurial of the migrant groups and undertake higher levels of education and training.\(^5\)

Increased assistance and support for undertaking education and training and support for business ventures may well provide incentives for this group to improve their contribution to Australia’s prosperity and reduce their need for other welfare resourcing.

The case of the new Safe Haven Enterprise Visa and Temporary Protection Visa classes clearly demonstrates a shortfall in the design of these programs and barriers that may limit the potential of these migrants to make the moved to skilled permanent migration. While these programs provide a pathway to other permanent visa options for visa holders who are employed or engaged in full time study in a regional area at least three and a half years without claiming social security support.

As yet, there has been no determination of how these visa holders will be considered for course tuition charges by tertiary education providers. Will these visa holders be eligible for subsidised education or will they be charged as full fee paying international students? To further complicate this issue, tertiary education is a state/territory

---

\(^5\) DIBP commissioned study: *Contribution of Family Migration to Australia*, Khoo S, McDonald P & Edgar B, ANU, 2013, p 7
government funding responsibility and it is possible that these charges may be levied in different ways by different governments.

**Recommendation 7**

The MIA recommends that greater support and assistance be provided to humanitarian entrants to enable them to engage in education and training that leads to skilled employment and skilled visa pathways.

**Recommendation 8**

The MIA recommends that Safe Haven Enterprise Visa and Temporary Protection Visa holders be provided with the same concessional education fees as other humanitarian entrants to enable them to engage in education and training that leads to skilled employment and skilled visa pathways.

3. **What key social factors are important to consider when planning the size and composition of the Migration Programme?**

It is vital that Australia's migration programme brings social benefits as well as economic benefits. A nation is more liveable if there is social cohesion and satisfaction. The Productivity Commission's Draft Report highlights further shortcomings of the current fiscal model, including lack of reliable data, simplified and generalised assumptions, and lack of longitudinal data on migrant outcomes. Too often the migrant cohort is assumed to utilise welfare resources in the same way and to the same extent as the general Australian population.  

An essential element of social cohesion and satisfaction is family cohesion. Australia’s migration programme currently limits the amount of family reunion and this should be rectified. [see below, section 4]

**Recommendation 9**

The MIA recommends that in the development of Australia’s Migration Programme, greater consideration be given to the social benefits of immigration.

4. **Does the current size and balance of the programme reflect the true economic and family reunion needs of Australians?**

---

6 ibid, p248.
Australia’s economic future will continue to need immigrants. It is widely acknowledged that a larger population will increase productivity, and natural population growth in Australia is not contributing to any large growth.

Australia requires two types of immigrants; skilled migrants for economic reasons and family migrants, not only for social and compassionate reasons, but also for many economic reasons.

It is natural and socially desirable for migrants to want to have close family members join them in Australia. However, the opportunities for this are diminishing and this is not meeting one of the Migration Programme’s objectives which is to contribute to social well-being.

For some years Australia has had a 70%-30% split between skilled and family migrants. The consequence of this is that as the number of skilled migrants increases, the opportunities for them to sponsor family members (particularly parents) is decreasing. Family migrants must not be seen as purely a “social” stream and a potential economic liability. Family migrants can have indirect economic benefits (eg, they are all consumers and sometimes workers) and direct economic benefits (eg grandparents filling child-care roles). Approximately 28% of Australians were originally born overseas and approximately 25% of Australians have overseas born partners. There is increasing pressure on the very limited number of family places available every year.

The ability to sponsor one’s family may become a point of difference between countries competing for an ever decreasing pool of potential skilled migrants in the future. If a migrant to Australia must wait decades for their parents to join them in Australia or pay high visa costs, they may look to other comparable countries as migration alternatives. Similarly, if they must wait for two, sometimes three years for their spouses to join them in Australia and then another two to three years for them to become eligible to apply for Australian citizenship, they may make alternative migration choices.

Another issue not often recognised is the large level of remittances sent out of Australia to support offshore families. This is currently estimated to be in the order of $7 billion Australian dollars per year, a large loss to the Australian economy.

**Recommendation 10**

The MIA recommends that there be more opportunity for Family reunion migration to improve levels of social cohesion.

---

7 ABS: 3412.0 Migration, Australia
www.abs.gov.au/ausstats/abs@.nsf/latestProducts/3412.0Media%20Release12013-14
The MIA has previously recommended that two solutions to this problem of decreasing opportunities for family migration:

(i) Remove family visas (or certain types of family visas) from being counted in the migration programme. The justification for this is that as part of a growing Australia, they will inevitably, to a smaller or larger degree, contribute to growing productivity. The removal of the Child visa class from the migration program provides a precedent for this.

(ii) Family visa applicants who are skilled should be included in the skilled migration count, not the family count. This would free up places in the family stream.

**Partner visas**: a “skilled” stream for Partner visas should be created for Partner visa applicants whose skills align with the key elements of the Skilled Stream Schedule 6D Point Test: skills assessment, English ability and age.

**Parent visas**: a “skilled” stream for Parent visas should be created for Parent visa applicants who have the potential to contribute to the Australian economy because their skills are aligned with the key elements of the Business Skills Points Test but perhaps at a lower threshold.

**Recommendation 11**

The MIA recommends that consideration be given to the removal of Family visas from the count in Australia’s Migration Programme.

**Recommendation 12**

The MIA recommends that Partner visa applicants who are skilled should be included in the skilled migration count, not the family count.

**Recommendation 13**

The MIA recommends that a “skilled” stream for Partner visas should be created for Partner visa applicants whose skills align with the key elements of the Skilled Stream Schedule 6D Point Test: skills assessment, English ability and age.

**Recommendation 14**

The MIA recommends that a “skilled” stream for Parent visas should be created for Parent visa applicants who have the potential to contribute to the Australian economy because their skills are aligned with the key elements of the Business Skills Points Test but perhaps at a lower threshold.
5. How can the Department help states and territories and regions in meeting their skill needs and other considerations regarding migration?

A greater effort must be made to encourage all types of migration, and particularly skilled migration, to regional areas of Australia. The use of dedicated regional visa types and incentives (including settlement support) needs to be the subject of a review and strategic planning. The Safe Haven Enterprise Visas and Temporary Protection Visa classes may assist in this process over the short term.

**Recommendation 15**

The MIA recommends that there be a review and strategic planning for the encouragement of migration to regional Australia.

6. What considerations are important in planning the Migration Programme with the increasing number of temporary entrants in Australia?

The focus of Australia’s Migration Programme is skewed towards skills rather than human capital. This focus is very short term and is not necessarily building and retaining Australia’s human capital, particularly its innovation and intellectual capacity for the future.

This focus has resulted in an over-reliance on the use of skilled occupation lists in meeting Australia’s skills. This needs to be re-assessed. The determination of skills shortages and needs is a lengthy process which is not necessarily time-responsive to critical or urgent shortages, and not necessarily accurate for medium to long-term shortages.

The Deputy Governor of the Reserve Bank of Australia said on 25 November 2014 that Australia’s aspiration should be for “a highly productive, globally competitive economy that is operating close to, or at, full employment” and that “It is through human capital that we can create the goods and services that can deliver on this aspiration. The quality of our human capital is critical to our ability: to solve complex problems; to develop and use technology; to deliver premium quality goods and services; and to respond quickly and well to an ever-changing world.”

The MIA believes that the process of determining Australia’s skills needs and shortages are not clear. For example, the occupational ceiling for Accountants in SkillSelect has been halved, yet the three Accounting professional bodies say that there is a great

---

shortage of Accountants. On the other hand, where skills shortages have been identified, professional associations such as those for Dentists and Urban and Regional Planners have successfully lobbied to have these occupations removed from the SOL.\(^9\) The Productivity Commission Draft Report has described the government’s assessment of occupation shortages as “at best, informed speculation”.\(^{10}\)

In the United Kingdom the Government receives advice on skills shortages from the Migration Advisory Committee, which is an independent, non-statutory, non-time limited, non-departmental public body that advises the government on migration issues. Australia should consider establishing a similar body.

The MIA also believes that the use of a Skills Occupation List needs to be reviewed and that there may be a case for the removal of this narrow list of occupations. The SOL could be replaced by the more extensive Consolidated Skills Occupation List be used or even by the assessment of human capital skills rather than narrowly focused occupational skills. The Government would still maintain control over the intake level of any occupation through SkillSelect, except, of course, where people go from a Subclass 457 visa to and ENS, in which case there is no control over the number of people being granted an ENS visa in any particular occupation.

A classic example of the inadequacy of the Skilled Occupation List is that of overseas students who have undertaken PhD studies in Australia in highly technical and scientific fields but cannot apply for skilled migration because their expertise and experience do not fit into an ‘occupation’ on these lists.

The MIA believes that the concept of migrants having employment skills, rather than occupations, may be a more useful, flexible and forward looking policy.

The focus on Skilled Occupation Lists skews the subjects overseas students, often eventual skilled migration applicants, study.

It would be not only in the interest of the permanent migration programme but also to Australia’s international education sector to attract overseas students who are interested in pursuing fields other than those on skilled occupation lists and to encourage innovative and emerging skills sets.

The use of ANZSCO for migration purposes also remains a problem. It is not designed for migration purposes and as a descriptive tool for occupations it is often out-of-date. Something needs to be done so that emerging occupations can be catered for in the migration sphere.

\(^9\) Productivity Commission Draft Report: Migrant Intake into Australia, November 2015. p.335
\(^{10}\) ibid, p.25
ANZSCO codes have been derived from the Australian and New Zealand experience, but do not reflect the reality of occupations in other parts of the world. For example, many restaurant positions in Australia are at a very low ANZSCO skill level, whereas in Europe those occupations require a high level of training and skill. It is not possible under a migration system that relies on ANZSCO for Australian restaurateurs to bring those highly skilled people to work in Australia and to train Australians.

**Recommendation 16**
The MIA recommends that the use of specified occupations be reviewed with a view to replacing them with skills based requirements for permanent migration purposes.

7. Can the current approach to planning the Migration Programme be improved?

As discussed earlier in this submission more diverse measures of migration outcomes and the costs and benefits of migration need to be developed. The current approach to planning the Migration Programme is overly-concerned with short-term economic needs and direct economic benefits to the detriment of indirect economic benefits and social and demographic needs.

Consultations on the settings of each Migration Program should begin much earlier than has been the case in recent years. A short time between consultations and the Department advising the Government in preparation for the next Federal budget does not provide any opportunity for significant changes to be made.

**Recommendation 17**
The MIA recommends that the consultation process for future Migration Programme settings should begin earlier and be ongoing.

The Department of Immigration needs to emphasise the positive aspects of migration through community education campaigns and positive reinforcement messages about the benefits of migration on the Australian economy. Strong leadership also needs to be shown to ensure the message is positive.

**Recommendation 18**
The MIA recommends that the Department of Immigration embarks on a community education and media campaign on the positive benefits of migration.