



Australian Government
Department of Immigration and Citizenship

Immigration Programs – Getting the Balance Right for Australia’s Future

MIA Conference, Friday 16 September 2011, Holiday Inn, Surfers’ Paradise, Gold Coast



Good morning. It is a pleasure to have the opportunity to address Australia’s foremost professional migration agent group this morning.

Let me begin by acknowledging the traditional custodians of this land on which we meet today.

I pay my respects to their elders, both past and present and recognise their continuing contribution to the Australian community.

Acknowledgements

I want to thank Maurene Horder, Chief Executive Officer, Migration Institute of Australia for her invitation to speak today.

Deputy Secretary Peter Vardos has provided, in his keynote speech, an overview of the department’s Transformation process looking at what has been achieved in the last 12 months and the future of the transformation.

Ladies and gentlemen,

Today, I will talk about the global nature of migration and the important role it plays in Australia's economic and social development.

I will then outline some reform measures the department has implemented to address a number of challenges Australia's immigration programs have faced in recent times.

These challenges are shared by the government and the migration advice profession and we need to ensure we are getting the balance right to maximise benefits from permanent and temporary entry programs.

Globally, people mobility is on the rise.

The world is seeing progressively larger migration flows driven by demographic differentials between migrant source and destination countries.

There are socio-economic trends and political developments around the world which will increase the mobility of millions of potential migrant workers from across the skills spectrum.

The International Organization for Migration states that in 2010 there were 214 million migrants in the world, and that this number could rise to around 405 million by 2050. Both migrant source and destination countries have the potential to benefit from this phenomenon.

What will likely cause this monumental growth in migratory flows?

The answer lies in the increased mobility afforded to the hundreds of millions of the developing world's population, who will lift themselves to join the ranks of their respective middle classes.

As the developing world's middle class swells in countries like China and India, the number of people with the financial means to undertake education and training increases, as does the ability to travel in search of better pay and conditions elsewhere.

It is this huge mobile workforce that will provide the labour required for the world's economic growth in the coming decades.

The growth in migratory flows will drive, and at the same time be driven by, a reduction in barriers to travel through the opening up of countries' borders and their labour markets to foreign migrants.

And we are likely to witness a growing number of migrants putting down roots in a number of different countries in response to global demand for labour.

From an Australian perspective, as the labour force contracts due to ageing, the need to rejuvenate labour forces through migration to support a growing population of retirees will become ever more pressing.

At the same time, developing countries like China or India will have little trouble in generating surplus labour forces, meaning that labour costs in these countries will remain depressed relative to labour costs in a country like Australia.

This disparity will mean push-factors will work in tandem with pull ones to influence migration from labour force rich countries to Australia.

Australia's economic success rests largely on the extent to which its migration programs are managed to respond to Australia's socio-economic needs, both in the immediate and the longer term.

It is true that Australia needs migrants to supplement the labour force in key areas where skill shortages exist.

Migration also helps to offset the impact of an ageing population on the labour market over the coming decades.

Hence, the goal is to ensure that, at a minimum, migration brings benefits to Australia by increasing (or at least maintaining), the size of the labour force and adding to per-capita GDP.

At the same time it is important to ensure the economic contribution of migration is carefully balanced against the impact of accelerated population growth.

The department has commenced implementation of a long term migration planning framework to ensure immigration levels are sustainable and well-managed and are guided by Australia's long-term socio-economic needs.

Some initial modelling for the framework has already informed the government's Sustainable Population Strategy released by the department of Sustainability, Environment, Water, Population and Communities earlier in May this year.

The long term migration planning framework will look beyond the annual permanent migration program and look at both temporary and permanent migrants over a multi year period.

The framework is a significant improvement on previous policy analysis and planning which focused mainly on the permanent annual Migration Program.

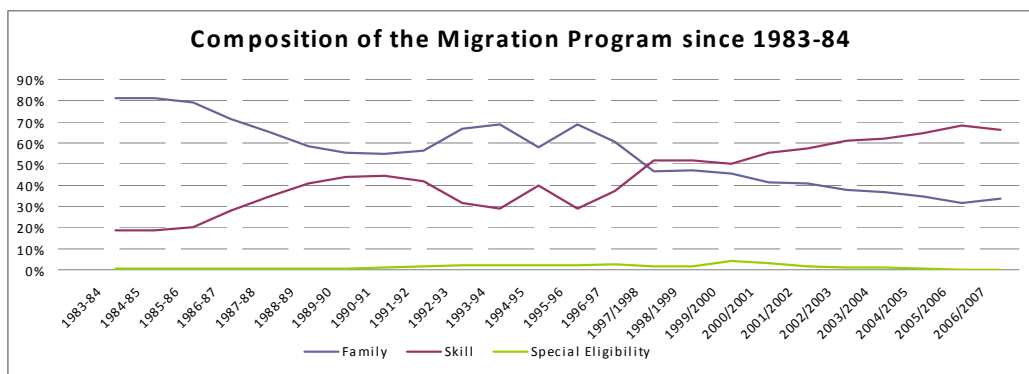
It recognises the significant impact of temporary migrants on Australia’s population and the close link between economic developments and migration.

The long term migration planning framework allows the government and other stakeholders to be better informed about the impact of any changes to migration policy on Australia’s economy, population, and regional distribution.

This will help the development of migration policy settings that support an expansion of the nation’s migrant supply potential, but in a socially and environmentally sustainable way.

Slide 2: Relative shares of the various streams of the migration program since 1983-84

Skilled stream has contributed a larger share of migration program since mid-late 1990s



Source: Department of Immigration and Citizenship

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It is no secret that the nature of immigration in Australia has changed radically over the past thirty years and migration programs have shifted substantially towards skilled migration.

Going back to the mid to late 1980s, Australia's migration programs were focused on family reunion.

Of the permanent migration program, skill migration program places made up only thirty per cent of the total program with 70 per cent places for family reunions.

Successive governments have reversed this ratio with nearly 70 per cent of permanent migration places being allocated to Skill Stream and around 30 per cent to Family Stream.

And this year's historically large skilled migration program is no exception.

This shift in the program reflects the demands of the nation, with industries seeking out skilled workers to fill critical skill needs in the labour market where the domestic labour market has been unable to meet them.

A key role of the department is to effectively select migrants to get the best deal in terms of maximising the socio- economic benefits from Australia's migrant intake – something which it has got better at doing over the last five years.

The role that the migration advice profession plays in meeting these goals are well understood and recognised.

In addition, the department looks to the migration advice profession to play a proactive role in presenting applicants who demonstrate a clear adherence to relevant criteria.

In recent years the government has genuinely tethered the temporary and permanent skilled worker programs to the labour market by giving preference to demand driven programs.

A demand driven program means skilled migrants are matched with genuine skilled vacancies, and contribute immediately to the Australian economy.

No-one knows better than an employer when there is a job available or what skills are required to do the job.

The demand driven nature of Australia's migration programs is particularly important for job growth in particular sectors.

For example, the resources boom is remaking the Australian labour market. Jobs growth may be somewhat static in sectors like retail and declining in sectors like manufacturing, but in mining and construction it is ramping up significantly.

Australia's migration programs need to be geared up to supplement the labour force in such areas of job growth.

Recognising this, the government has provided an additional 12 000 skill migration places in the 2011-12 migration program, compared to last year.

In the Skill Stream, 46 000 places are allocated to the employer-sponsored category and within that, 16 000 are being dedicated to the regional migration scheme.

This will mean the program will help meet demand for skilled workers by employers and the regional Australia due to resource boom mark II.

However, it is not just about the economic outcome. Australia's migration programs are balanced to ensure there are also social gains.

This ensures the migration programs are not only supplementing the skilled labour force and adding to Australia's economic wellbeing but also balanced to contribute to Australia's social well being through the diversity of Australia's population in a socially cohesive manner.

Additionally, many social and cultural temporary entry programs are facilitating the entry of people who contribute to Australia's social and cultural wellbeing through taking part in a range of sporting, entertainment, academic and cultural activities.

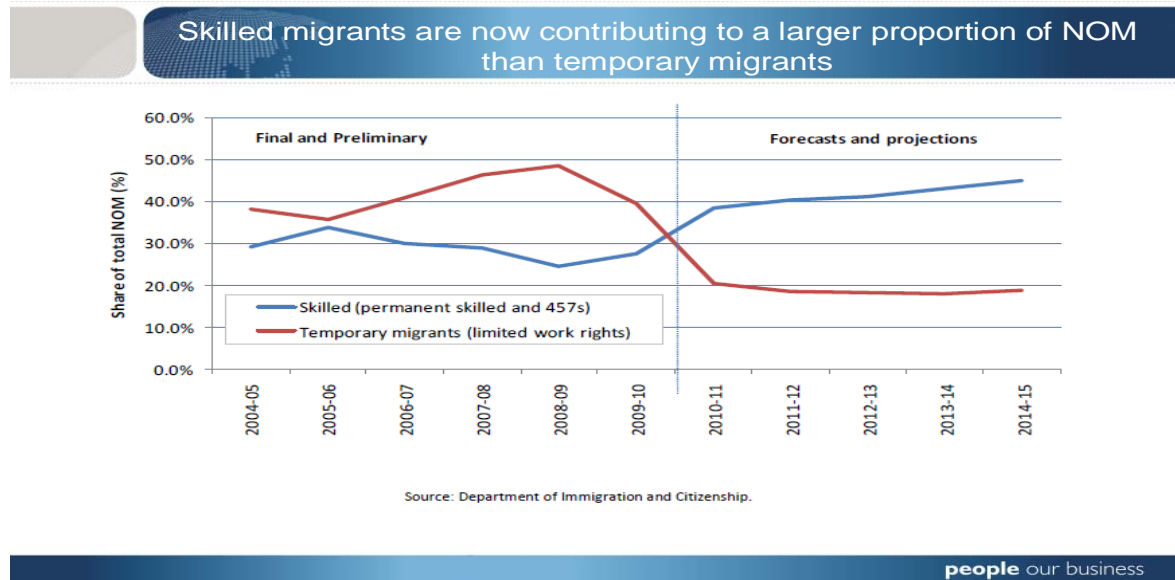
The department recognises that the temporary and permanent programs are two sides of the same coin.

But it is important to distinguish temporary visas from permanent visas and acknowledge the nature of the impact of their growth on Australia's socio-economic wellbeing.

In recent years, an untempered growth in temporary residents to Australia who were prolonging their stay in the hope of permanent residence onshore resulted in significant growth in net overseas migration (commonly called NOM).

NOM - a major component of population growth, peaked at 315 700 in December 2008 with more than two thirds of NOM being attributed to temporary residents in Australia.

Slide 3: Contribution of skilled vs (other) temporary migrants to net overseas migration



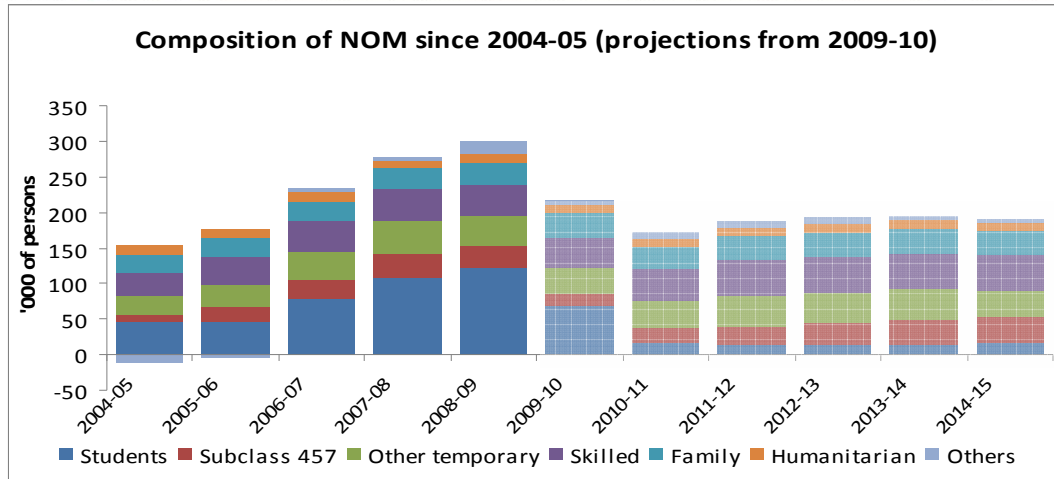
Over the past few years, the department implemented various reform measures that adjusted the pathways between temporary and permanent visas onshore.

The unsustainable rate of growth in NOM has now been brought back under control –according to the Australian Bureau of statistics, NOM is 171,100 persons for the year ending 31 December 2010.

And at the same time, a greater share of the NOM is attributed to permanent residents and skilled workers as the next chart shows.

Slide 4: Composition of net overseas migration since 2004-05

The contribution of various programs to net overseas migration



Source: Department of Immigration and Citizenship

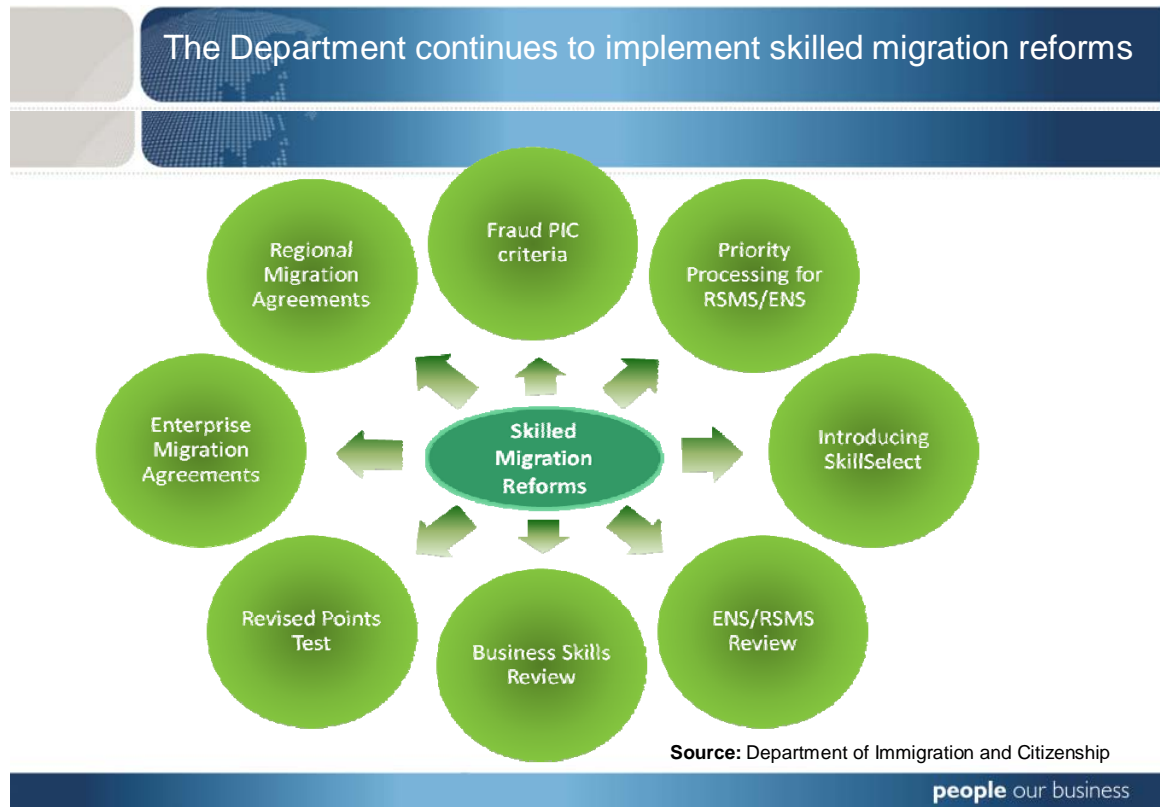
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The key objective of these reforms was to re-establish the temporary nature of the temporary migration programs and to improve the selection process for the permanent skilled program.

Reforms also helped ensure that the prolonged stay of temporary migrants in Australia is subject to the availability of genuine skilled vacancies in the Australian labour market or availability of places in Australia's permanent migration program.

I am pleased to see that reforms to both permanent and temporary migration programs have not only ensured our programs are responsive to Australia's needs, but also helped restore public confidence in the sustainability and integrity of these programs.

Slide 5: Summary of the skilled migration reforms



I would like to briefly discuss some of the important reforms the department has implemented recently or has in the pipeline for implementation in near future.

457 Temporary Business (Long Stay) visa reforms

The temporary skilled, subclass 457 visa which is a valuable means of quickly meeting demand for particular skills in shortage, has been susceptible to abuse by a minority of employers in the past.

Reforms to this program in recent years have ensured that it delivers the skills needed in the economy in the immediate term, and at the same time, prevent the abuse of workers on this visa and safeguard the rights of Australian workers.

Further, as part of the 2011-12 Budget announcements, the government provided an additional ten million dollars to the department to establish a new 457 visa processing centre in Brisbane.

The aim is to halve the visa processing time to help employers and businesses quickly access skilled labour when they need it.

Migration professionals like you value-add to this process of faster application processing by providing quality, well constructed and complete applications.

Increasingly, the department is putting this legitimate expectation front and centre in its engagement with the industry.

We are keen to extend our discussions with the industry at both a national and local level to maximise the percentage of quality decision ready applications provided by migration professionals.

Skill migration reforms

ENS/Business Skills Review

The department is currently reviewing the permanent Employer Nomination Scheme with an aim to streamline arrangements between the temporary subclass 457 visa program and the permanent visa program.

This is in recognition of the fact that most employers use these programs sequentially.

I am pleased to also advise you that the department is in the final stages of a review of the Business Skills visa program to determine whether the program is meeting its intended objectives and if any adjustments are necessary.

Findings of the review will be made public over the coming months.

Further, Enterprise Migration Agreements and Regional Migration Agreements are being introduced to address emerging demand for semi-skilled labour in pockets of the economy, especially in the resources sector and regional Australia.

Enterprise Migration Agreements

Enterprise Migration Agreements or EMAs are a labour agreement arrangement for the resources sector which sets the terms for the entry of overseas workers will help streamlining access to workers for 'mega' resources projects with capital expenditure of more than two billion dollars and a peak workforce of more than 1500 workers.

The introduction of EMAs was recommended by the National Resources Sector Employment Taskforce to address the emerging

and highly specialised needs in the resources sector, noting that migration is only one tool for meeting Australia's future skills needs.

To support regional areas in accessing overseas labour in high growth areas where local labour is not available, the department is developing a Regional Migration Agreement program.

A major benefit of the program is to provide concessional access to skilled workers – negotiated on a case-by-case and temporary basis where there is a demonstrable and critical need.

Regional Migration Agreements

Regional Migration Agreements are an important opportunity for local councils, regional development organisations, chambers of commerce and unions to come together to assess the labour needs in their particular region.

Once the labour needs of a local area are agreed, employers can sign on to sponsor workers in a streamlined fashion.

Many remote areas, whether sites for extraction or regional hubs, are facing structural labour shortages.

These can have a heavy impact on local economies, reducing employment opportunities for Australians. By streamlining access to skilled overseas workers, these agreements will promote growth and jobs in remote areas.

The department is currently discussing the introduction of Regional Migration Agreements with other federal government agencies.

Broad engagement and consultation with regional business groups, local councils, state governments, members of the general public will follow to hear feedback on the proposal and to help shape the development of the program.

This means that groups such as the MIA have an important role to play.

By providing input to the consultation process, the Migration Institute of Australia can encourage an efficient and effective environment for Regional Migration Agreements that can help development in regional Australia.

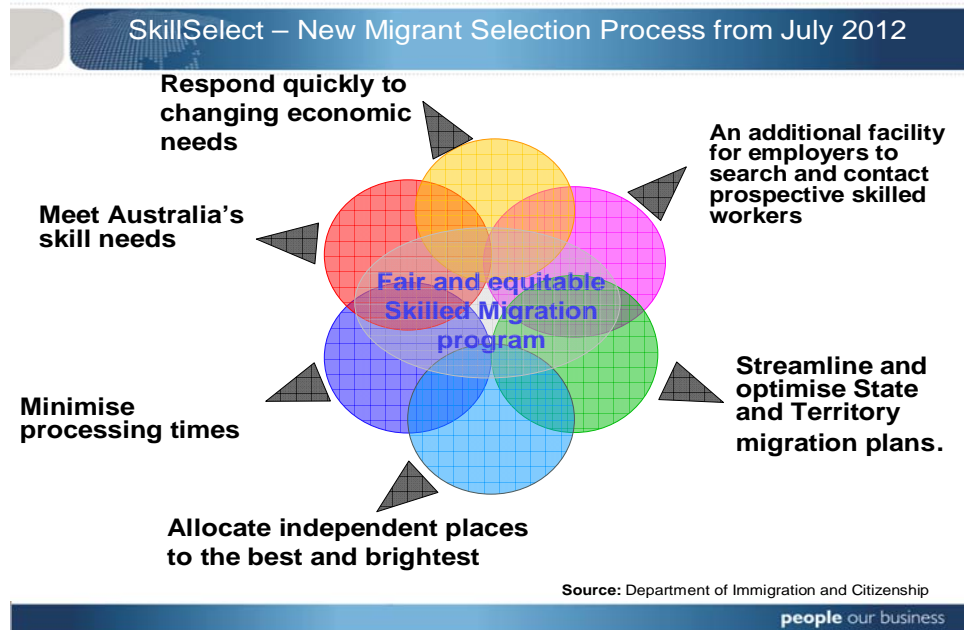
Following the consultation process in coming months, it is expected that negotiations of the first individual agreements will occur in early 2012.

Points Test

Also we are refining the way we select high value migrants. A new Points Test, which emphasises the importance of English, work experience and high level qualifications, was implemented on 1 July this year.

The introduction of the new Points Test will ensure that the best and the brightest skilled migrants who represent high economic value are selected.

Slide 6: SkillSelect



SkillSelect

Another important reform initiative to streamline skilled migration to the benefit of Australia is the introduction of SkillSelect - from 1 July 2012.

SkillSelect is a new skilled migrant selection register which will capitalise on the point test system and will ensure the selection of the best and brightest skilled migrants from a pool of prospective migrants.

As most of you would be aware, SkillSelect is based on an electronic two-stage process whereby prospective migrants first submit an expression of interest and may subsequently be invited by the department to make a skilled migration visa application.

Employers will also have the option to access SkillSelect —allowing them to locate and contact prospective migrants that have shown an interest in employer sponsorship.

Currently, the department is formulating an implementation strategy which will lay out the mechanics of SkillSelect and will be submitted to the government by the end of this year.

Fraud PIC

Here I would like to also mention the Fraud Public Interest Criterion (fraud PIC) which has been introduced in April this year.

Fraud PIC will allow decision makers to refuse applications where false or misleading information or bogus documents have been supplied by the applicant or a third party on their behalf.

Applicants, both primary and secondary, who do not satisfy the fraud PIC will be subject to a three year bar period on visa grants.

This will create a strong disincentive to those applicants considering submitting false or misleading information in relation to visa applications.

Under compelling or compassionate circumstances, however, the department has waiver provisions in place.

These circumstances include the interests of Australia or an Australian citizen, an Australian permanent resident or an eligible New Zealand citizen been affected.

Currently, the fraud PIC applies to all the points tested skill migration visas, Employer Nomination Scheme, Regional Nomination Scheme and Temporary Business (Long-Stay) subclass 457 visa.

Over the coming months, the fraud PIC will systematically be extended to other visa categories such as Business Skills, Labour Agreements, as well as the Working Holiday visas and Student visas.

Student Visa Program

Looking at other economically important temporary entry programs, I can say the complexity of the student visa program has presented a number of challenges for the department.

This year, the government commissioned a strategic review of the student visa program headed by the Hon Michael Knight AO which has now been completed.

Mr Knight has made recommendations to government on building a student visa framework that will reinforce the stability, quality and integrity of the international education sector into the future.

The department expects that the government will be making an announcement about the outcome of the review over the coming months.

Visa Simplification and Deregulation

Many of you will be aware of the better regulation ministerial partnership announced by government in 2010.

It seeks to reduce the number of temporary work visa subclasses by 50 per cent by 2012 and target a further reduction of all visa subclasses by up to 50 per cent by 2015.

Following a series of public discussion papers and ongoing consultations with key stakeholders, including the Migration Institute of Australia, the department is currently working on the proposed simplified temporary work and visitor visa frameworks to present to the Minister for his consideration.

If you have not already done so, I encourage you to read the discussion papers which are available through the Agent's gateway and on the department's website.

Conclusion

These migration initiatives and reform measures have, and will continue to ensure that Australia's immigration programs are competitive, selective and well-managed to maximise the benefits for Australia and its people.

Over the coming months, the department will be engaging with key stakeholders about next year's migration program and policy settings.

We acknowledge the importance of advice from stakeholder and interest groups in shaping our programs and would welcome your comments and feedback as part of this consultation process.

Importantly, the department recognises the value of the role of migration professionals in the smooth administration of the immigration system.

And this value is demonstrated in the provision of quality advice to consumers and the lodgement of well constructed, complete and quality visa applications to the department.

The aggregate of the above allows the department to deliver a migration program, with integrity and one that maintains the confidence of the Australian public.

After all, it is the public confidence in immigration programs that underpins their success.

Immigration has stood Australia in good stead for many years.

It will continue to do so if we ensure that it is managed according to sound long term objectives and get the balance right for Australia's future economic, demographic and social needs.

Thank you.