



Australian Government
Department of Home Affairs



Department of Home Affairs’ submission to the Inquiry into Migration, Pathway to Nation Building

Joint Standing Committee on Migration

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Overview

1. The Department of Home Affairs (the Department) welcomes the opportunity to provide the Joint Standing Committee on Migration with its submission to the Committee's inquiry into '*Migration, Pathway to Nation Building*', and provides responses to the Terms of Reference 1-7 of the Inquiry:
 - a. The role of permanent migration in nation building, cultural diversity, and social cohesion
 - b. Immigration as a strategic enabler of vibrant economies and socially sustainable communities in our cities and regional hubs
 - c. Attraction and retention strategies for working migrants to Australia
 - d. Policy settings to strengthen skilled migrant pathways to permanent residency
 - e. Strengthening labour market participation and the economic and social contribution of migrants, including family and humanitarian migrants and the partners of working migrants
 - f. The role of settlement services and vocational training in utilising migrant experiences, knowledge, and opportunities
 - g. Other related matters that may assist the inquiry.
2. Since the early 1970s, the immigration program has been an element of a universal, non-discriminatory visa system, focusing on the contribution migrants make to Australia regardless of their ethnicity, gender or religious and cultural beliefs. The robustness of Australia's immigration program has meant immigration is a key enabler of Australia's success. Our migration system continues to support Australia's transition to a more skilled, innovative and diverse economy, enhance our security and sovereign capabilities, and drive higher productivity, wages and living standards.
3. However, the complexity of the current migration system and labour market challenges is not delivering outcomes for Australians, where Australia's response to the COVID-19 pandemic had an unprecedented impact on the administration of immigration and citizenship programs. With population and skill challenges mirrored across developed economies, Australia now faces increasing competition for talented migrants, whose human capital is critical to Australia's future economic stability and security. As we transition away from the wide-ranging disruption generated by the COVID-19 pandemic, there is a valuable opportunity to reconsider the purpose and operation of our migration system to ensure it is well placed to address the challenges presented by our current and future environment.
4. On 2 September 2022, the Minister for Home Affairs, the Hon. Clare O'Neil announced a comprehensive review of Australia's migration system to ensure it meets the challenges of the coming decades. The reforms propose policy shifts to ensure Australia has a strategic, well-targeted, efficient and equitable migration system that has a clear set of objectives that contribute to Australia's prosperity, unity and security. To achieve this, the Minister appointed Dr Martin Parkinson AC PSM to lead the review, alongside migration experts Professor Joanna Howe and Mr John Azarias (the Reviewers). The reviewers presented the Review of the Migration System (the report) to the Government on 21 March 2023, which outlines a series of options for the future of Australia's migration system for the Government's consideration.

5. On 27 April 2023, the Minister released the report alongside an outline of the Government's proposed migration strategy 'A Migration System for a More Prosperous and Secure Australia' (the outline), which will inform the development of the Migration Strategy (the strategy). The outline considers input from the review, while also drawing on consultation across business groups, unions and civil society. It presents changes to build a migration system that works for Australia – its people, businesses, and governments – and for migrants themselves. Following consultation with State and Territory governments and key stakeholders – unions, business groups, and civil society – on the outline and the proposed policy shifts, the Government will continue to refine the strategy before its release later this year.

The role of permanent migration in nation building, cultural diversity, and social cohesion

6. Immigration is central to Australia's history and national story. Australia is a nation that originated from the oldest civilisation in human history, a nation that continues to welcome migrants. Migrants are, and will always be, an essential part of Australia's economy and social fabric. Today, more than half of all Australians either are born overseas or have a parent born overseas. Immigration has contributed to Australia's nation building and the richness in diversity of its people and cultural identities. Australia's national identity over the years has also evolved into a cohesive community, of which Australians are proud. This national pride and achievement has led to successive Australian governments to maintain a planned immigration program.
7. Australia's program has changed since post-war when the first federal immigration portfolio was created in 1945 to attract migrants, primarily from the United Kingdom, for the purpose of increasing Australia's population. Several decades later, the abandonment of the White Australia policy ushered in a new era of multiculturalism, with an influx of migrants from all parts of the world. With this change, Australia has grown from a population of about 7 million people after the Second World War into a nation of more than 26 million people in 2022, primarily due to immigration. Immigration also bolstered Australia's economic prosperity, whereby its role in attracting workers and temporary migrants enabled the nation to meet its labour market needs, while simultaneously enhancing people-to-people connections and building strong regional and global partnerships.
8. Australia is home for more than 300 ancestries. The Australian Bureau of Statistics (ABS) estimates that just over 29 per cent of Australia's resident population was born overseas¹, a much higher level than most other Organisation for Economic Cooperation and Development (OECD) countries. The Australian Government's global commitments and its domestic multicultural and social inclusion policies therefore present Australia as a favourable destination for migrants, committed to providing them with settlement opportunities.
9. Since the early 1970s, the immigration program has been an element of a universal, non-discriminatory visa system, focusing on the contribution migrants make to Australia regardless of their ethnicity, gender or religious and cultural beliefs. The robustness of Australia's immigration program has meant immigration is a key enabler of Australia's success. Our migration system continues to support Australia's transition to a more skilled, innovative and diverse economy, enhance our security and sovereign capabilities, and drive higher productivity, wages and living standards.

¹ Australian Bureau of Statistics (2021), *Australia's Population by Country of Birth*.

10. In addition to ensuring Australia's migration system supports skills, the Department also administers humanitarian and settlement programs which meet our international protection obligations and position Australia as a global leader in international resettlement efforts. These international obligations are set out in the 1951 Convention Relating to the Status of Refugees and its 1967 Protocol and other international human rights conventions to which Australia is a party. Since the end of World War II, Australia has successfully settled more than 950,000 refugees and others in humanitarian need, recognising the valuable contribution that refugees have provided, and continue to provide, to Australian society, culture and prosperity.
11. Australians' support for immigration and multiculturalism is high and continues to grow. In Scanlon Foundation's 2022 Mapping Social Cohesion report, 78 per cent of people agree or strongly agree that 'accepting immigrants from many different countries makes Australia stronger'. This figure increased from 63 per cent in 2018. The proportion of people who agree or strongly agree that 'immigrants are good for Australia's economy,' has also increased. In 2018, 74 per cent agreed or strongly agreed with this statement. This figure rose to 87 per cent of people in 2022. As a result, maintaining the current permanent migration program planning level is likely to receive broad community support, especially if the focus remains on facilitating business access to the skilled labour needed to grow the economy.

Australia's permanent Migration Program

12. Australia's permanent Migration Program (Migration Program) is carefully designed to achieve a range of economic and social outcomes that meet Australia's needs. The size and composition of the Migration Program is set on an annual basis where, since the early 2000s, the program has been designed with an approximately 70:30 split between skilled and family visas. This complements medium and longer-term efforts to address domestic skill deficits through education, training and sectoral reform, while also boosting productivity by allowing the inflow of skills, ideas and innovation into the market. A strong focus on skilled migrants has strong support across sectors, including a consensus between business groups and unions, given the existing sustained workforce shortages. This is becoming increasingly important as countries respond to widespread skills and labour shortages and increasing global economic uncertainty.
13. In the 2023-24 Budget, the Government announced permanent Migration Program at a 190,000 planning level, which prioritises skilled migration, will contribute to addressing ongoing and evolving skill shortages. The Migration Program of this size and composition will complement medium and longer-term efforts to address domestic skill deficits through education, training and sectoral reform. While some workforce shortages will be alleviated by the strong return of temporary migrants (primarily students and working holiday makers), a carefully balanced Migration Program is also needed to target persistent workforce deficits across key sectors of the economy when there are rapid shifts in workforce needs and the skilling and upskilling of Australians cannot meet the demands of industry.
14. The Migration Program consists of three key streams:
 - a. Skill program;
 - b. Family program; and
 - c. Special Eligibility program

Skilled Migration Program

15. The Skill stream is designed to improve the productive capacity of the economy and fill skill shortages in the labour market, including those in regional Australia. This stream grants permanency to migrants with higher than average labour force participation, high productivity and specialist skills in demand in the labour market. Skilled migrants generate benefits for the economy by bringing new knowledge and skills to Australia, helping businesses take up new technology, and providing further connections to global markets.
16. Skilled migration visa settings are designed to safeguard the jobs of Australian workers by only granting visas to migrants in highly skilled occupations where the skilling of Australians is not yet able to keep pace with industry demands. Policy settings aim to ensure skilled migration complements, not replaces, domestic employment and training initiatives to meet skill needs. The Skilled stream includes:
 - General skilled migration, for skilled workers who do not have an employer sponsoring them, but possess desirable skills, attributes and social capital, who are able to pass the points test. This category includes the skilled independent and state and territory nominated visas;
 - Employer sponsored migration, for applicants who are sponsored by an employer. This category also includes regional employer sponsored visas and visas granted under a Labour Agreement;
 - Business and investment migration, which encourages successful entrepreneurs and business people to settle in Australia, develop new business opportunities and support the innovation ecosystem; and
 - Global and Distinguished Talent, for exceptional individuals who are internationally recognised as outstanding in their field.
17. More specifically, there are eight visa categories under the Skill stream of the Migration Program: Employer Sponsored, Skilled Independent, Regional, State and Territory Nominated, Business Innovation and Investment Program, Global Talent Program, Distinguished Talent and Temporary Work.

Family Migration Program

18. The Family stream enables Australian citizens and permanent residents to reunite with family members, including partners and children, of Australian citizens, permanent residents and eligible New Zealand citizens. The permanent Family Migration Program is comprised of four categories:
 - the Partner category, which allows Australian sponsors to sponsor their spouse, de facto partner or prospective partner to live in Australia;
 - the Parent category, which is comprised of Non-Contributory and Contributory Parent visas, allowing for parents to stay in Australia with their Australian sponsor adult children (in rare circumstances these may be minors);
 - the Other Family category, which allows family members to sponsor carers, remaining relatives, aged dependent relatives or orphan relatives to live with them in Australia; and
 - the Child category, which allows parents to sponsor their dependent or adopted child who is under 18 years, a full-time student aged over 18 and under 25 and financially dependent on the parent, or over 18 and unable to work due to a disability to live with them in Australia.

Special Eligibility stream

19. This stream covers visas for those in special circumstances, including permanent residents returning to Australia after a period overseas.²

Immigration as a strategic enabler of vibrant economies and socially sustainable communities in our cities and regional hubs

20. While Australia has achieved an enviable economic position coming out of the pandemic, global economic activity is slowing and most economies are facing cost-of-living pressures and increasing rates of inflation. As global growth falls to 2.9 per cent in 2023, global inflation is expected to reach to 6.6 per cent. While growth is expected to rise in 2024 to 3.1 per cent and inflation falling to 4.3 per cent, both global growth and inflation remain far off pre-pandemic levels which were approximately 3.8 per cent and 3.5 per cent respectively.
21. These forecasts expose Australia to fluctuations in demand from our traditional trading partners. Australia's GDP growth is forecast to plateau at 1.5 per cent from 2023 to 2025, before increasing slightly around mid-2025. Similarly, Australia's CPI (Consumer Price Index) inflation peaked at 7.8 per cent in 2022, and while it is expected to fall to 4.75 per cent in 2023, this remains far off from pre-pandemic levels of 1.8 per cent in 2019. Efforts to boost production and improve productivity, which can be supported by maintaining a high Migration Program planning level, can help Australia to minimise associated adverse impacts.
22. Even as we continue to recover from the effects of the pandemic, labour and talent deficits persist and continue to emerge across most economic sectors. The number of job vacancies has been above 400,000 since May 2022, roughly double pre-pandemic levels. While the unemployment rate is expected to increase slowly to 4.25 per cent by December quarter 2024, the employment-to-population ratio in trend terms has been above 64 per cent since April 2022. Significant numbers of workers are also reaching retirement age and are expected to leave the workforce over the coming years.
23. These factors have been compounded by the impact of border openings on Net Overseas Migration (NOM),³ as the recovery in migrant arrivals has occurred faster than expected. More students have returned to Australia from offshore, and the latest visa grant data indicates an improved outlook for student arrivals over the next year. Coinciding with these new arrivals, we have seen the number of migrant departures from Australia, particularly international students and working holiday makers, decrease.
24. Given this, in the May 2023 Budget, the NOM forecasts were upgraded to reflect a one-off catch up from the pandemic, where NOM is currently forecast to reach (+)400,000 in 2022-23 and (+)315,000 in 2023-24, before decreasing to around (+)260,000 in the forward years. However, notwithstanding the recovery in NOM, the total population of Australia is still expected to be 750,000 people (2.5 per cent) smaller by 30 June 2031 compared with pre-pandemic forecasts.

² [Migration Program planning levels \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au/migration-program-planning-levels)

³ Net Overseas Migration (NOM) is based on any travellers being in or out of Australia for 12 months or more over a 16 month period (the '12/16 month' rule). It includes temporary and permanent visa holders, New Zealanders and Australian citizens. NOM is a demographic measure rather than a migration policy concept.

25. While the Australian economy progressively recovers from the effects of the pandemic, skill and labour shortages persist across states and territories and in regional Australia. The Government is currently addressing these shortages through the proposed Migration Strategy, taking into consideration the increased global competition for attracting and retaining skilled migrants, as other countries also seek to rebuild their economies and offset the challenges posed by ageing domestic populations. The Government's vision for a targeted, simpler migration system will focus on a reform agenda that serves Australia's national interest, while continuing to help migrants thrive in a multicultural society.

States & Territories and Regional Migration

26. The permanent skilled program has several visa categories, and allocations of visa places under different categories have changed over time. While there was an earlier focus on Skilled Independent visas, the permanent skilled program has shifted towards visas that are sponsored or nominated by employers or state and territory governments. Some of these shifts were driven by fiscal impacts or benefits, while others enabled employers (including regional employers), and state and territory governments, the flexibility to source migrant workers who can best meet their needs in line with local and regional labour market conditions.

27. Specific skilled migration initiatives for regional Australia have been in place since 1994, with the introduction of the Regional Sponsored Migration Scheme. A separate "regional category" within the Skilled Stream of the annual Migration Program has been in place since 2019-20. States and territories also hold many of the key levers to support effective regional migration outcomes, including for infrastructure, housing, transport and the delivery of services such as health and education. As such, the Department collaborates closely with State and Territory governments to ensure a coordinated effort across jurisdictions in migration planning through a range of regional Australia and state and territory specific initiatives, including:

- The 2023-24 permanent Migration Program, which has allocated 32,300 places to regional visas and 30,400 to State/Territory Nominated visas. This will enable jurisdictions to nominate visa applicants who can best meet their local and regional needs, and better support jurisdictions to retain temporary migrants who have worked or studied in their jurisdiction to contribute to local growth.
- A number of visa options with a focus towards enabling permanent migration and supporting regional settlement locations. Skilled regional visas, such as the Skilled Work Regional (Provisional) (subclass 491), Skilled Employer Sponsored Regional (Provisional) (subclass 494) and Permanent Residence (Skilled Regional) (Subclass 191), encourage visa holders to settle in regional Australia, and build ties to a particular location through workforce participation or community involvement.
- Designated Area Migration Agreement (DAMAs) are formal five-year agreements between the Australian Government and a regional, state or territory authority. It is a tailored agreement that allows designated regions to respond to their unique economic circumstances and workforce shortages by accessing overseas workers in skilled or semi-skilled occupations.
- The Pacific Australia Labour Mobility (PALM) scheme, which is a temporary migration program to address unskilled, low-skilled and semi-skilled labour shortages across rural and regional Australia, and agriculture nationally.

Investing in multicultural communities across the nation

28. The Government is investing in local multicultural projects through the Local Multicultural Projects program, which funds 65 community organisations to support a range of organisations with grants to develop new multicultural infrastructure. This includes places of worship, upgrading existing multicultural community facilities, and celebrating key multicultural events and festivals in specific locations around Australia.
29. In 2023-24, the Government is also implementing a strengths-based approach to build on the successes of Australia's cohesive and inclusive multicultural society. This includes undertaking a Multicultural Framework Review, to ensure Australian Government policy settings and organisational arrangements are fit for purpose in supporting our multicultural society. The approach also includes allocation of \$10 million to fund Community Language Schools in 2023-24, so more Australian children will have the chance to learn a second language (plus an additional \$5 million in 2024-25), and \$6.3 million for Local Multicultural Projects to strengthen multicultural communities across the nation. In addition, \$6.9 million, which was provided in 2022-23, will be used across projects operating in the new financial year:
 - \$5.6 million allocated to 83 projects across Australia in the 2022 round of the Fostering Integration Grants program;
 - \$0.1 million allocated for Local Multicultural Projects; and
 - \$1.2 million to finalise the Mutual Understanding, Support, Tolerances, Engagement and Respect (MUSTER) program that helps to build cohesion and create a sense of commonality around everyday issues, to further community understanding and acceptance of diversity.

Attraction and retention strategies for working migrants to Australia

30. Fluctuations in global economic growth has increased competition between countries seeking to attract skilled migrants. International competition for talent continues to intensify as migrant receiving countries face similar population and labour force challenges. Many countries are responding to these challenges by opening new pathways to attract and retain highly educated and skilled migrants, expanding their temporary labour mobility schemes and using bilateral agreements to attract and retain foreign workers.
31. In March 2022, the United States added an additional 35,000 temporary skill visas. The UK and Iceland, and Japan, have entered new bilateral youth mobility schemes, while Ireland has extended its five-year, multiple entry short-stay visas to all visa-required third-country nationals (previously only open to China). Finland, Spain, Lithuania and Israel have facilitated the recruitment and retention of graduates and young professionals, while growing economies such as China and India are implementing programs to reverse the out-migration of skilled workers and motivate highly educated overseas professionals to return.

32. While Australia remains an attractive migrant destination, our attractiveness cannot be taken for granted. The International Institute for Management Development (IMD) World Talent Ranking 2021 report, which takes into account the extent to which an economy develops its domestic talent pool while tapping into the overseas pipeline so as to be able to satisfy the market's demands for talent, ranked Australia 20th in talent competitiveness (dropped from 13th in 2020). The OECD Indicators of Talent Attractiveness report 2023 found that 'New Zealand, Sweden, Switzerland and Australia are the most attractive OECD countries for highly qualified workers'.

Immigration Outreach and Engagement capability

33. The Department has enhanced its outreach and engagement capability to support delivery of a permanent Migration Program and support businesses and State and Territory governments to meet their migration needs. This capability is focussed on improving client experience, reducing visa backlogs and supporting the Government's efforts to address workforce and critical skill shortages. The capability has an onshore and offshore component:

- *Onshore*: The Department's Business, Industry and Regional Outreach (BIRO) officers engage onshore with business, industry and government agencies at all levels, as well as with regional Australia stakeholders. In addition, BIROs engage with unions, professional and industry associations and guilds.
- *Offshore*: the Department's Global Skills Attraction (GSA) officers have the role of targeting and attracting the skills Australia needs in key countries, and promoting Australia as a migration destination of choice. They engage business, industry, academia and potential applicants in priority sectors as set out by Government, as well as multipliers—stakeholders who have favourable connections and advocate Australia as a destination of choice within their networks.⁴

34. In addition to these officers, the Department is also implementing a 12-month international marketing campaign to attract overseas skilled workers in key occupations, and to promote Australia as a destination of choice for skilled migrants. The campaign commenced on 26 December 2022. Digital advertising is targeting the health, education, infrastructure, and information and communications technology sectors. A dedicated campaign website, www.smartmoveaustralia.gov.au, provides information about living and working in Australia and how to apply for an Australian skilled visa. As at 31 March 2023, the website had attracted over 6,900,000 unique visitors, but that figure climbed to almost 11,300,000 as at 1 May 2023. Over 54,100 users had commenced the SkillSelect EOI form for a skilled visa for Australia as a result of seeing the digital advertising.

35. While outreach and engagement assist in attracting the best and brightest migrants to Australia, visa processing times are also critical in ensuring Australia remains an attractive destination to travel, work and live. From 1 July 2022 to 31 March 2023, the Department processed close to 6.15 million temporary and permanent visa applications, including nearly 3.79 million visitor, student and temporary skilled visa applications, where over 5.32 million of these applications were made by applicants outside of Australia. In key visa programs, the Department is now finalising more visas than before the pandemic.

36. To maintain this standard, the 2023-24 Budget includes additional measures such as \$48.1 million over 12 months for visa processing officers, to continue efforts to manage the number of visa applications on hand, and \$27.8 million over two years to upgrade existing visa ICT systems to improve visa service delivery efficiency and increase Australia's attractiveness in the global race for talent, students and tourists.

⁴ After establishment on 4 September 2020, the former Global Business and Talent Attraction Taskforce ceased on 30 June 2022

Policy settings to strengthen skilled migrant pathways to permanent residency

37. The 2023-24 Migration Program continues to give migrants greater certainty of a pathway to permanency, a key commitment made by the Government to ensure no migrant is permanently temporary. This will encourage migrants to integrate into the Australian community from their arrival, including making personal investments into skills, human capital and social connections. In the 2022-23 program year, roughly 60 per cent of permanent visas were granted to migrants who were already onshore, in established homes, contributing to Australia's economy and society.
38. Eligible temporary visa holders have a pathway to permanent residence. Temporary migration remains an important component of Australia's migration system, as it allows the Government to be highly responsive to the economic, social and political needs of Australia, and fill skills shortages in the short and medium term.
39. Following the Jobs and Skills summit in September 2022, the Government committed to expanding pathways to permanent residence for temporary skilled sponsored workers. Since then, a range of initiatives have been announced on expanding permanent residence and citizenship, including:
- An increase in the Temporary Skilled Migration Income Threshold (TSMIT), where from 1 July 2023, the TSMIT will increase from \$53,900 to \$70,000. From this date, new nomination applications will be required to meet the new TSMIT of \$70,000 or the annual market salary rate, whichever is higher.
 - The Temporary Residence Transition (TRT) stream of the Employer Nomination Scheme (subclass 186) visa will be available for all Temporary Skill Shortage (TSS) visa holders whose employers wish to sponsor them.
 - Establishing the Pacific Engagement Visa (PEV) from July 2023, which will provide a new permanent migration pathway for Pacific and Timor-Leste citizens, growing the diaspora in Australia, strengthening people-to-people links, and encouraging greater cultural, business and educational exchange.
 - From 1 July 2023, New Zealand citizens who have been living in Australia for four years or more on a Special Category (subclass 444) visa will be eligible to apply directly for Australian citizenship by conferral without the need to first apply for and be granted a permanent visa.
 - Delivering a permanent pathway for Temporary Protection visa (TPV) and Safe Haven Enterprise visa (SHEV) holders.
40. One of the largest pipelines in pathways to permanency are derived from the international student cohort. Approximately 85 per cent of students who get permanent residence in Australia do so through the regional, states and territories and partner programs. More specifically, the majority of migrants on graduate or student visas attain permanent residence through State and Territory Nominated visas (69 per cent) and Regional visas (66 per cent). In acknowledging the role this cohort of migrants in contributing to skill shortages in Australia, from 1 July 2023, international higher education graduates with eligible qualifications will be granted an extra two years of post-study work rights.

Strengthening labour market participation and the economic and social contribution of migrants, including family and humanitarian migrants and the partners of working migrants

41. Australia's migration programs help with the challenges of persistent and emerging skilled labour shortages and an aging population, while strengthening our communities and demonstrating Australia's commitment to contribute to global resettlement efforts. While the skill stream of the permanent Migration Program tends to deliver higher economic and fiscal benefits to Australia's economy, the family stream and humanitarian program provides other non-economic benefits, including supporting family reunion, increasing cultural diversity, and fulfilling Australia's international obligations.

Skilled migrants

42. The Department of the Treasury modelling, presented in the 2021 Intergenerational Report, showed that permanent migrants who arrive younger and highly skilled make a higher economic and fiscal contribution during their time in Australia, compared with those migrants who arrive later in life or are lower skilled. This is largely because permanent migrants tend to arrive early in their working life and therefore spend a longer time in the workforce. Skilled migrants are also likely to have high rates of workforce participation and labour productivity. Aside from age and skill, other migrant characteristics such as English-speaking ability, complementarity with the existing labour force, and entrepreneurship have also been associated with higher economic and fiscal contributions.

43. Further analysis by the Department of the Treasury also indicates that skilled migrants pay a net \$198,000 more in taxes to Commonwealth and State/Territory governments than they add to public sector expenditure such as aged care, education, health, infrastructure, transfer payments and settlement services. This net contribution is effectively shared with the Australian population more broadly, and reduces the amount of tax that Governments need to collect and helps to fund government programs. Measured on the same basis, the Australian population has an average net cost of \$98,000 per person over their lifetime based on current policy settings.

44. Beyond the explicit skilled labour programs, Australia's economy depends on a pool of 1.8 million temporary visa holders with work rights contributing both high skilled and lower paid labour. As at 31 December 2022, there were 1.8 million temporary migrants in Australia with work rights (around 13 per cent of Australia's labour). Furthermore, International education is Australia's fourth largest export. Prior to the pandemic, the sector was growing at 10 per cent per year between 2010 and 2019 – more than double that of the broader economy.

Family stream

45. The primary purpose of the Family stream of the Migration Program is to support family reunification and contribute to social cohesion by strengthening family bonds in Australia. However, Partner visa holders, who represent the largest proportion of the Family program, make positive labour, economic and demographic contributions:
- Based on the latest Continuous Survey of Australian Migrants (CSAM) findings⁵, within only six months of settlement, Partner visa holders have a labour force participation rate of 78 per cent (12.4 points higher than for the general population), as well as an employment to population ratio of 65.8 per cent (3.5 points above the general population). Partner visa holders are also well educated, with 53.5 per cent of them possessing a university degree, compared to 26 per cent of the Australian population.
 - Labour force outcomes for Partner visa sponsors are also a relevant consideration in assessing Partner visa impacts. The CSAM shows that six months post settlement, spouses of Partner migrants (the sponsoring partner) exhibited unemployment rates of 4.0 per cent, while at 18 months post settlement, this number had decreased to 3.7 per cent. The CSAM also notes that participation rates for Partner visa sponsors between six to 18 months post settlement decreased by 1.3 per cent, while median annual full-time earnings increased by \$6,000⁶.
 - The Partner visa category also helps to offset challenges posed by Australia's aging population. In 2018-19 and 2019-20, the highest proportion of Partner visa migrants were aged 25-29 at the time of visa grant, well below Australia's median age of 37⁷. The Treasury's Centre for Population estimates the number of Australians aged 65 and over will increase from 15.9 per cent in 2017-18 to 19.5 per cent by 2030-31⁸. Migration, particularly skilled migration, has increased the size of the working age population and the level of labour force participation, as well as slowing the economic and social effects of an ageing population.
46. Parent and Other Family visa categories exhibit negative fiscal and economic outcomes, as these visa holders are generally older and likely to place pressure on services, including the healthcare system. However, around 24 per cent of Parent visa holders who join their families in Australia assist in the provision of childcare or other family responsibilities, potentially giving rise to the greater workforce participation of young skilled workers and their spouses.

⁵ [Continuous Survey of Australia's Migrants—Cohort 6 Report—Introductory Survey 2018 \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au/research-and-stats/files/csam-cohort6-report-introductory-survey-2018)

⁶ Department of Home Affairs, Continuous Survey of Australia's Migrants, Cohort 5 Report – Changes in Outcomes, 2018, <https://www.homeaffairs.gov.au/research-and-stats/files/csam-cohort5-change-outcomes-2018.pdf>.

⁷ Australian Bureau of Statistics, June 2019, <https://www.abs.gov.au/ausstats/abs@.nsf/0/1CD2B1952AFC5E7ACA257298000F2E76>

⁸ Centre for Population, Population Statement, December 2020, https://population.gov.au/docs/population_statement_2020.pdf

Humanitarian program

47. The 2016 Australian Census Migrant Integrated Dataset (ACMID)⁹ showed that in the first eight months of their arrival in Australia, only 23 per cent of humanitarian migrants in the labour force were employed. However, for those in the labour force who had lived in Australia for five years, employment rates increased to around 80 per cent. According to the 2016-17 Personal Income Tax and Migrants Integrated Dataset (PITMID) data¹⁰, humanitarian entrant taxpayers generated \$3.4 billion in total income from all sources, which included \$452 million of total unincorporated business income. Of all humanitarian entrant taxpayers, 24 per cent reported income from their own incorporated business, higher than other migrants groups and all Australian taxpayers. Furthermore, humanitarian entrant taxpayers had the highest median unincorporated business income at \$16,852, compared with migrant taxpayers from the other visa streams.
48. A range of initiatives have been implemented to strengthening labour market participation and the economic and social contribution of humanitarian migrants, including:
- A review into the Community Support Program (CSP), undertaken in 2020-21 by the Commonwealth Coordinator-General for Migrant Services, found that global community support models can improve economic, social and language learning outcomes for refugees, particularly through building social capital. In response to the Review, the Community Refugee Integration and Settlement Pilot (CRISP) was established with an investment of \$8.6 million, which supports 1,500 individuals to participate in the pilot over four years. The CRISP was designed to trial a new community-supported settlement pathway in Australia and aims to achieve optimal settlement outcomes with the help of Australian community members who want to help refugees settle into life in Australia.
 - The Economic Pathways to Refugee Integration grant program was established to increase the rate of employment for refugees and humanitarian entrants by creating job opportunities and pathways to employment and self-employment for refugees with low skill levels and low English language proficiency, where \$21.3 million over three years was committed to the program.
 - From 1 July 2021, the Australian Government, working in collaboration with Talent Beyond Boundaries, is piloting the Skilled Refugee Labour Agreement program aimed at providing skilled refugees with a pathway to live and work in Australia. Under this pilot program, endorsed Australian businesses will be able to utilise a Labour Agreement to sponsor skilled refugees to work in their business.

⁹ ABS 2018. Australian Census and Migrants Integrated Dataset (ACMID), 2016.

¹⁰ ABS 2019. Personal Income Tax and Migrants Integrated Dataset (PITMID), 2016-17. PITMID is derived from linked data from the Australian Taxation Office, permanent migrant settlement records from the Department of Home Affairs, and data from the Department of Human Services (Medicare Australia). The PITMID data excludes migrants receiving incomes lower than the taxable threshold, which since the 2012-13 financial year has been set at \$18,200.

The role of settlement services and vocational training in utilising migrant experiences, knowledge, and opportunities

49. There are a range of settlement options offered to new migrants that will enable them to fully participate, both socially and economically, in Australia:
- As announced in the 2023-24 Budget, the Australian Government has committed to deliver a new Adult Migrant English Program (AMEP) business model from 1 January 2025. The new business model will provide greater flexibility and enhanced client supports to further improve English language, employment and settlement outcomes for AMEP clients.
 - The Government continues supporting vulnerable young refugees and migrants, as announced in the 2023-24 Budget, with \$9.1 million over 12 months to ensure the delivery of Youth Transition Support services, which improve employment, education and social connections for refugees and vulnerable migrants aged 15 to 25¹¹.
 - The Humanitarian Settlement Program (HSP) supports humanitarian entrants and other eligible visa holders integrate into Australian life. It does this by helping new arrivals build the skills and knowledge they need to become self-reliant and active members of the community. The program has a strong focus on helping clients to learn English, gain employment and access education and training.
 - Specialised and Intensive Services (SIS) is a component of the Humanitarian Settlement Program (HSP) available to humanitarian entrants and other eligible visa holders who have complex needs. SIS offer clients short term needs-based support to help them access appropriate mainstream services and develop the necessary skills to manage their needs independently.

Other related matters that may assist the inquiry

50. To support visa holders experiencing Domestic and Family Violence (DFV), the Government has allocated \$10 million in the 2023-24 Budget, to expand the Family Violence Provisions to more visa subclasses and extend the funding for the Department of Home Affairs' specialised visa support service for temporary visa holders experiencing DFV. The Family Violence Provisions in migration legislation allow certain visa applicants (primarily Partner visa applicants) to be granted a permanent visa if their relationship has broken down and they have suffered DFV perpetrated by the sponsoring partner or primary applicant. These provisions aim to ensure that visa applicants do not feel compelled to remain in a violent relationship in order to be granted a permanent visa.

¹¹ [A safer and more secure future for Australia \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au) The Hon Andrew Giles MP. Joint media release with the Hon Clare O'Neil MP. 9 May 2023