



Migration, Pathway to Nation Building

16 March 2023

Migration Institute of Australia

The Migration Institute of Australia (MIA) is the oldest professional association representing migration professionals in Australia, being initially established as the Australian Migration Consultants Association in 1987, before changing its name to the MIA in 1992. Through its public profile the MIA advocates the value of migration, thereby supporting the wider migration advice profession, migrants and prospective migrants to Australia. The MIA represents its members through regular government liaison, advocacy, public speaking and media engagements. The MIA supports its members through its separate but interlinked sections: professional support; education; membership; communications; media; business development and marketing.

The MIA operates as a company limited by guarantee under the Corporations Act 2001 and complies with all Australian Securities and Investments Commission (ASIC) requirements. Under its Constitution it is not empowered to pay any dividends. The MIA and its elected office bearers are guided by the legal framework set out in the Corporations Act 2001, the MIA Constitution and Rules, the Corporate Governance Statement and Board Charter.

MIA members hold a further responsibility to their clients and the Australian community to abide by ethical professional conduct and to act in a manner which at all times enhances the integrity of the migration advice profession and the Institute. MIA members are bound by both statutory Code of Conduct of the Office of the Migration Agents Registration Authority which sets the profession's standards of behaviour and the MIA Members' Code of Ethics and Practice.

Statement of Recognition

The Migration Institute of Australia acknowledges the Traditional Custodians of the lands and waters throughout Australia. We pay our respect to Elders, past, present and emerging, acknowledging their continuing relationship to this land and the ongoing living cultures of Aboriginal and Torres Strait Islander peoples across Australia.

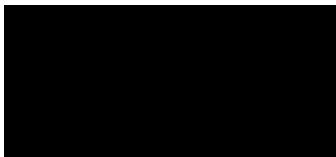
Migration, Pathway to Nation Building Joint Standing Committee on Migration Inquiry

The Migration Institute of Australia (MIA) welcomes the opportunity to present this submission to the Joint Standing Committee on Migration's inquiry into *Migration, Pathway to Nation Building*.

The MIA is the leading Australian professional association for registered and legally qualified migration practitioners. MIA members provide a representative sample of the migration advice profession, operating across the range of practices in this unique sector from sole practitioner to large corporate migration advice organisations.

This submission reflects the collective knowledge and opinions of MIA members, obtained through member surveys, member meetings and individual members' feedback. This submission provides MIA members well-considered thoughts on the role of migration in building this nation and ensuring its continued economic recovery and prosperity.

Please feel free to contact the MIA on 02 9249 9000 or [REDACTED] if further assistance is required by the Committee in relation to this matter.



**Julie Williams FMIA
National President
Migration Institute of Australia**

16 March 2023

Contents

Terms of reference.....	1
Abbreviations	2
MIA Recommendations	3
1. The role of permanent migration in nation building, cultural diversity, and social cohesion	7
2. Immigration as a strategic enabler of vibrant economies and socially sustainable communities in our cities and regional hubs.....	10
3. Attraction and retention strategies for working migrants to Australia	13
4. Policy settings to strengthen skilled migrant pathways to permanent residency.....	18
4.1 Annual Migration Planning Levels.....	18
4.2 Structural Barriers to Permanent Residency for Working Migrants.....	20
4.3 International Student Graduates	21
4.4 Restrictive visa conditions.....	21
4.4.1 Age limits	22
4.4.2 Restrictive migration health requirements	22
4.4.3 Skilled occupation lists.....	25
4.5 Arduous employer sponsorship requirements	26
4.5.1 Labour market testing	26
4.5.2 Skilling Australians Fund	27
4.5.3 Skills assessments and skills recognition	29
5. Strengthening labour market participation and the economic and social contribution of migrants, including family and humanitarian migrants and the partners of working migrants.....	30
6. The role of settlement services and vocational training in utilising migrant experiences, knowledge, and opportunities.....	32
7. Other related matters that may assist the inquiry	33

Terms of reference

The Joint Standing Committee on Migration will inquire into and report on Australia's migration system, with reference to:

1. The role of permanent migration in nation building, cultural diversity, and social cohesion;
2. Immigration as a strategic enabler of vibrant economies and socially sustainable communities in our cities and regional hubs;
3. Attraction and retention strategies for working migrants to Australia;
4. Policy settings to strengthen skilled migrant pathways to permanent residency;
5. Strengthening labour market participation and the economic and social contribution of migrants, including family and humanitarian migrants and the partners of working migrants;
6. The role of settlement services and vocational training in utilising migrant experiences, knowledge, and opportunities; and
7. Other related matters that may assist the inquiry.

Abbreviations

AHURI – Australian Housing and Urban Research Institute

CEDA – Committee for Economic Development in Australia

DE – Direct Entry stream of the permanent Employer Sponsored Scheme visa

ENS – Employer Sponsored Scheme – permanent residency visa program

MIA - Migration Institute of Australia

NFF – National Farmers Federation

PALM – Pacific Australia Labour Mobility program

PIA - Planning Institute of Australia

RDA – Regional Development Australia

RDI - Regional Development Institute

STEM – Science, Technology, Engineering and Mathematics programs

TRT – Temporary Residence Transition stream of the permanent Employer Sponsored Scheme visa

TSS – Temporary Skills Shortage (Subclass 482) visa

WHM – Working Holiday Maker (Subclass 417 and 462) visa

MIA Recommendations

Recommendation 1

The MIA recommends that a holistic population strategy be developed that utilises migration as a strategic enabler for nation building, fostering cultural diversity and promoting social cohesion

Recommendation 2

The MIA recommends that a coordinated range of settlement assistance services that support new migrants at all levels of their migration journey be developed.

Recommendation 3

The MIA recommends that settlement assistance and support services be provided within a coordinated 'one stop shop' system.

Recommendation 4

The MIA recommends that the cost of applying for skilled permanent residency visas to Australia be reviewed.

Recommendation 5

The MIA recommends that the period of time permanent residency visas take to be assessed and decided be reviewed.

Recommendation 6

The MIA recommends that the utilisation of two stage skilled provisional and temporary visa classes be reviewed to determine if this practice supports the objective of encouraging skilled migration to Australia.

Recommendation 7

The MIA recommends that the Department of Home Affairs introduces stakeholder consultation processes prior to changing any migration policy settings that impact current skilled visa class eligibility.

Recommendation 8

The MIA recommends that the Global Talent visa program as a mean to building human capital be reviewed and restored to priority within the skilled migration program.

Recommendation 9

The MIA recommends that the permanent migration program be increased by 20% to 230,000 places in the 2023-24 program year.

Recommendation 10

The MIA recommends that Australian migration program planning levels be determined for a minimum of three year cycles to provide stability and consistency for users of the program.

Recommendation 11

The MIA recommends that a direct permanent residency pathway be developed for international graduates with honours or higher degrees from Australian universities in disciplines in high demand.

Recommendation 12

The MIA recommends that the age limit for permanent residency eligibility for employer sponsored applicants be restored to 50 years of age.

Recommendation 13

The MIA recommends that the upper age limit be removed entirely for exempt occupations/persons under the Temporary Skills Shortage, Employer Nomination, and Business Innovation and Investment visa classes.

Recommendation 14

The MIA recommends that Public Interest Criteria 4007 be applied to all skilled migration classes of visas.

Recommendation 15

The MIA recommends that the significant cost threshold for all Australian visa classes be increased to a minimum of twice the annual per capita health expenditure for Australians and parity with this expenditure reviewed annually.

Recommendation 16

The MIA recommends that the period for calculation of the significant cost threshold be reduced from ten to five years.

Recommendation 17

The MIA recommends that the functioning of the occupational skills lists within the migration system be reviewed.

Recommendation 18

The MIA recommends that the Temporary Skills Shortage occupation lists and the Regional Occupation List be consolidated to provide all visa holders in these visa classes the opportunity to attain permanent residency of Australia.

Recommendation 19

The MIA recommends that Labour Market Testing be abolished.

Recommendation 20

The MIA recommends that the Skilling Australians Fund levy be reduced or abolished for regional sponsors.

Recommendation 21

The MIA recommends that the Skilling Australians Fund levy be collect as a second charge once the nomination is approved, *or alternatively*

Recommendation 22

The MIA recommends that the Skilling Australians Fund levy be collected as a smaller monthly payment per sponsored employee.

Recommendation 23

The MIA recommends that the Skilling Australians Fund levy be abolished for employers sponsoring Temporary Skills Shortage, Temporary Residence Transition stream visa holders for permanent residency.

Recommendation 24

The MIA recommends that the number of skills assessing authorities be increased.

Recommendation 25

The MIA recommends that the skills assessing authorities be required to develop a consistent approach to the requirements for assessing migrant skills and employment experience.

Recommendation 26

The MIA recommends that skills accessing authorities be required to provide transparent review processes for unsuccessful applications.

Recommendation 27

The MIA recommends that the processes for overseas skills recognition be reviewed to determine if these are hindering migrants participation in the labour market.

Recommendation 28

The MIA recommends that the Government implements campaigns and initiatives to educate industry and employers to discrimination as a barriers to participation in the Australian labour market for skilled migrants, family and humanitarian visa holders.

Recommendation 29

The MIA recommends that increased services and support be provided to those less skilled migrants, partners and humanitarian entrants to enhance their potential to enter the labour market.

Recommendation 30

The MIA respectfully recommends that Federal Ministers, Government Departments and Parliamentary Committees seeking to consult with the external stakeholders should coordinate these consultation processes for more efficient information gathering and sharing.

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

Migration has been used as a nation building tool throughout Australia's European history. Before Australian Federation this was as a means to expand the British Empire, with Post World War II Australian Governments population policies featuring 'populate or perish' campaigns. In more recent decades the focus has changed to migration programs that prioritise skilled migration in the face of an aging workforce and falling birth rate. Migration has overtaken natural increase (births minus deaths) as the primary population growth driver in Australia since the mid-2000s.¹ Over time this has resulted in Australia's population becoming more culturally diverse, with almost 28% of the Australian population now born overseas.²

Permanent migration has served Australia well in meeting both the objectives of increasing population and skills acquisition, while still managing to maintain a relatively stable level of social cohesion within the wider Australian community.³ However for too long, Australia's migration policies have been a disparate collection of policies developed in a complex environment of competing political and public interests, business seeking skilled workforces, those fighting to protect Australian jobs and lifestyles, urban and regional policymakers, the xenophobes and humanitarians. A single, cohesive way forward is required for Australia to maximise the potential of its permanent migration programs.

This current inquiry has cast a very broad net of sociological, public policy and economic issues in its terms of reference. The meaning of the terms 'nation-building' and 'social cohesion' are contextually based, and may be aligned with the differing political and ideological positions of policy makers, practitioners and academics.⁴ For clarity the Migration Institute of Australia (MIA) seeks to define how it has understood and used these terms for the purposes of this submission:

- nation building – the process by which people from diverse backgrounds and countries come together to increase the population of that nation and commit to its shared values,
- social cohesion – the process by which a sense of belonging is created for members of that nation, the fight against marginalisation and exclusion, and an opportunity for upward mobility.⁵

¹ Population Policy and the Budget, Henry Sherrell, 18 April 2019, https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2019/April/Population_Policy_and_the_Budget accessed 16 January 2023

² Australian Bureau of statistics. Cultural diversity: Census 2021. <https://www.abs.gov.au/statistics/people/people-and-communities/cultural-diversity-census/latest-release> accessed 12 January 2023

³ The MIA recognises that this is not necessarily the case for indigenous Australians who still suffer high levels of dislocation and disadvantage.

⁴ For examples see Nuffield Foundation, 2021 The social cohesion investment: Communities that invested in integration programmes are showing greater social cohesion in the midst of the COVID-19 pandemic, p 1, <https://onlinelibrary.wiley.com/doi/full/10.1002/casp.2522> accessed 12 January 2023; Cheong P, Edwards R, Goulbourne, H and Solomos, J. 2014, Immigration, social cohesion and social capital: A critical review, p 43

⁵ Australian Human Rights Commission quoted in Savage, G. 6 September 2021, Australian Strategic Policy Institute, What does social cohesion mean in Australia? 6 September 2022. <https://www.aspistrategist.org.au/what-does-social-cohesion-mean-in-australia/#:~:text=The%20Australian%20Human%20Rights%20Commission,the%20opportunity%20of%20upward%20mobility> accessed 12 January 2023

Nation building and social cohesion concepts are inexorably linked, nation building promotes the foundations of social cohesion with social cohesion in turn strengthening nation building efforts. Common to most definitions of nation building and social cohesion is the notion of government leadership and investment. A nation looks to its government to provide economic and other societal stability, and to provide the conditions by which social cohesion can be fostered. Social cohesion in turn works with economic prosperity to create a resilient and secure nation, although it should not be considered a means to economic prosperity alone.⁶

The factors associated with building social cohesion are well documented and the Scanlon Foundation annually assesses the level of Australia's social cohesiveness.⁷ That Foundation suggests that there are five domains that build social cohesion:

- belonging – to build pride
- worth – to provide satisfaction
- social justice and equity - to provide economic opportunity
- participation – to encourage political engagement
- acceptance and rejection – to set the standards against discrimination.⁸

The Scanlon Foundation has consistently found that Australians maintain a 'strong level of endorsement of immigration and multiculturalism – and rejection of overt discrimination on the basis of race or religion in immigrant selection'.⁹

The MIA welcomes the concurrent Department of Home Affairs review *A Migration System for Australia's Future* and its intention to integrate a strategic approach to migration within a whole of government approach to economic and productivity issues. The MIA supports a strategic and long term approach to developing a sustainable future for Australia that includes migration, in short an Australian population strategy.

A previous population strategy, *Sustainable Australia – Sustainable Communities*¹⁰ was created in 2011. That strategy proposed a long term framework for a sustainable Australia that incorporated all elements of population distribution and sustainability, both urban and regional, migration to

⁶ Savage, G. Australian Strategic Policy Institute, What does social cohesion mean in Australia? 6 September 2021. <https://www.aspistrategist.org.au/what-does-social-cohesion-mean-in-australia/#:~:text=The%20Australian%20Human%20Rights%20Commission,the%20opportunity%20of%20upward%20mobility> accessed 12 January 2023

⁷ See also: Australian Human Rights Commission 2015, Building social cohesion in our communities, https://humanrights.gov.au/sites/default/files/document/publication/WEB_Building_social_cohesion_A4_brochure.pdf; Nuffield Foundation, 2021 The social cohesion investment: Communities that invested in integration programmes are showing greater social cohesion in the midst of the COVID-19 pandemic, p 1, <https://onlinelibrary.wiley.com/doi/full/10.1002/casp.2522> accessed 12 January 2023; and others.

⁸ Markus, A, 2021, Mapping Social Cohesion 2020, The Scanlon Foundation <https://scanloninstitute.org.au/sites/default/files/2021-02/SC2020%20Report%20Final.pdf> accessed 12 January 2023

⁹ Markus, A, 2021, Mapping Social Cohesion 2020, The Scanlon Foundation <https://scanloninstitute.org.au/sites/default/files/2021-02/SC2020%20Report%20Final.pdf> accessed 12 January 2023 p 3

¹⁰ Australian Government, Department of Sustainability, Environment, Water, Population and Communities, 2011. <https://apo.org.au/sites/default/files/resource-files/2011-03/apo-nid166281.pdf>

promote economic prosperity, liveable communities and environmental sustainability. With a change in government that strategy never reached fruition but its subject matter remains highly relevant over a decade later.

This Inquiry also should consider the recommendation for a holistic population strategy that utilises permanent migration as a strategic enabler for nation building, fostering cultural diversity and promoting social cohesion.

Recommendation 1

The MIA recommends that a holistic population strategy be developed that utilises migration as a strategic enabler for nation building, fostering cultural diversity and promoting social cohesion

The MIA notes that the general practice of prioritising skilled migration in Australia's migration programs ignores the significant contribution other migrants make to Australia, its economy and social cohesion. Migrants are increasingly recognised as positive generators of social capital, with the whole of Australia the benefactor.¹¹ Families are fundamental to developing social cohesion, they play a crucial part in preparing children for life in society, assume some burden of care for the elderly and help in times of need. It is within the family that cohesion is first experienced and learnt, and they assist in counteracting harmful social and economic pressures.¹² The benefit to the wider Australian community of family reunion visas can be difficult to measure quantitatively as significant data quality issues with measuring the social impacts of immigration exist.¹³ However, anecdotal evidence of the economic and social benefits of family migration abound, with common examples cited:

- overseas partners bringing marketable job skills, experience and qualifications that enhance the Australian labour market
- grandparents assisting with childminding which in turn allows parents of young children to both participate in the workforce and pay tax, leaving them with more discretionary income and reducing the impact on government subsidised childcare
- relatives of the elderly or infirm migrating to Australia to take on carer responsibilities that allow care in the home and reduces the burden on government subsidised aged care or disability services.

¹¹ Social Costs and Benefits of Immigration into Australia, Carrington K., McIntosh A & Walmsley J, Centre for Applied research in Social Science UNE, 2007, p 150. <https://apo.org.au/sites/default/files/resource-files/2008-05/apo-nid3432.pdf>

¹² The Council of Europe: European Committee for Social Cohesion – A New strategy for Social Cohesion, p13, http://www.coe.int/t/dg3/socialpolicies/socialcohesiondev/source/RevisedStrategy_en.pdf

¹³ Social Costs and Benefits of Immigration into Australia, Carrington K., McIntosh A & Walmsley J, Centre for Applied research in Social Science UNE, 2007, p4. <https://apo.org.au/sites/default/files/resource-files/2008-05/apo-nid3432.pdf>

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

Strategic enablers may be defined as the *‘capabilities, capacities, and resources that contribute to the operating effectiveness of an organisation or longer-term program needed to effectively execute the strategic plan.’*¹⁴ The notion of migration as a strategic enabler by definition indicates the necessity for it to be part of a larger strategic plan or as recommended earlier, a holistic Australian population strategy. Migration may be a useful strategic enabler for creating vibrant economies and socially sustainable communities but will not be successful in isolation. Ensuring the correct combination of ‘enablers’ are in place is the challenge the government faces in attempting to build vibrant economies and socially sustainable communities in our cities and regions.

Australia’s major cities are under stress with outdated infrastructure, increasing congestion, ineffectual public transport, housing affordability crises and dwindling water supplies. However, these are also the locations where the majority of migrants wish to settle, as they also provide employment, services and support mature migrant communities where family, social networks and ethnic consumer products exist. Overseas born people are more likely to live in capital cities (83%) than those who are Australian born (63%), with this contributing to the growth in capital cities at around double the rate of non-capital cities.¹⁵

However, it is simplistic to believe that pushing migrants to regional locations will automatically create economic growth in those regions.¹⁶ The Grattan Institute (the Grattan) maintains that government attempts to divert migrants to regional settlement in Australia are more likely to reduce the wellbeing of those communities.¹⁷ The Australian Housing and Urban Research Institute (AHURI) also identifies that regional communities already suffer higher levels of socio economic disadvantage that include higher unemployment rates, lower incomes and dependence on small business employment or a restricted number of large industry employers.¹⁸

The factors that contribute to successful migrant settlement outcomes are well understood, having been extensively identified in Australian and international research. There is a plethora of information available to the government on how to build vibrant and socially sustainable communities from a wide range of academic, economic and sociological sources.¹⁹

¹⁴ Linetsky B, Use Strategic Enablers to Improve your Strategic Planning Effectiveness, 6 January 2021.

<https://barrylinetsky.com/category/blog/strategic-management-blog/> accessed 19 January 2023

¹⁵ Sherrell H, Population Policy and the Budget, , 18 April 2019

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2019/April/Population_Policy_and_the_Budget; Australian Bureau of Statistics, Regional Population reference period 2021

¹⁶ Regional Australia Institute, Population Dynamics in Regional Australia, Regional Australia Institute, 2015, p 11

<http://www.regionalaustralia.org.au/wp-content/uploads/2015/01/FINAL-Population-Dynamics-in-Regional-Australia.pdf>

¹⁷ Grattan Institute, Australia’s migration opportunity: How rethinking skilled migration can solve some of our biggest problems, 2022, p 44.

¹⁸ Australian Housing and Urban Research Institute, Pathways to regional housing recovery from COVID-19, Final Report 354, April 2021, p 4. DOI 10.18408/ahuri4126501

¹⁹ For example: Landy D, Creating Vibrant Communities 2022. National Farmers Federation, Regional Development Precincts 2022; Regional Development Australia, Welcoming Cities project; Planning Institute of Australia 2018, Through the Lens: Tipping Point.

Authorities such as Regional Development Australia (RDA), the National Farmers Federation (NFF) and Planning Institute of Australia (PIA) have all identified that vital strategic enablers are often absent in many locations. One has only to consider the current extensive reporting on the lack of housing stock in both Australia's cities and regions to identify that one of the most important strategic enablers to migration and settlement is in crisis.

Considerable expertise is already available to develop sustainable communities within current state/territory governments and authorities, as is the expertise to manage or create suitable settlement strategies to support these communities where required. However, the full potential of these communities can only be realised where suitable and stable resourcing is available. The Regional Development Precincts report has identified that there is a *'lack of collaboration and commitment to the innovation and investment'* needed to support regional settlement.²⁰ The same can be said of settlement services provided in both urban areas and regional areas, that are most often funded by an unstable regime of short term government grants.

The PIA in 2018 analysed the 57 regional plans covering the whole of Australia and reported that there was no consistent national direction on population growth, associated infrastructure or service provision.²¹ The NFF reports that this deficit in consolidated strategies and funding still continues in 2022.²² The PIA, the NFF and others identified that the fundamental problem with the development of migration settlement strategies in Australia is the country's federated model of government. The Federal Government controls strategic migration decision making including the number and composition of migrants settling in Australia, while urban and regional planning is largely the remit of the State and Territory Governments, who bear the cost of this settlement in the provision of essential services such as infrastructure, health care and schooling.

The Welcoming Cities and the Regional Development Precincts initiatives identify the strategic enablers required for successful settlement and integration of migrants in both urban and regional communities. They also identify the overlap in various levels of governments' responsibilities in providing these enablers.

The Welcoming Cities initiative²³ neatly summarises these 'strategic enablers' as:

- locally driven coordination, consultation, planning and budgeting
- meaningful consultation and a 'culture of welcome' in receiving communities
- employment that matches demand with the characteristics of new migrants
- accessible housing, transport and culturally appropriate services.²⁴

²⁰ National Farmers Federation, Regional Development Precincts 2022, p3 https://nff.org.au/wp-content/uploads/2022/03/220301-FINAL-NFF_A4_Regional-Development-Precincts_2022_FA-Ir-1.pdf accessed 20 January 2023

²¹ Planning Institute of Australia. Through the Lens: Tipping Point, 2018, p 16.

²² National Farmers Federation, Regional Development Precincts 2022, p 3 https://nff.org.au/wp-content/uploads/2022/03/220301-FINAL-NFF_A4_Regional-Development-Precincts_2022_FA-Ir-1.pdf accessed 20 January 2023

²³ Welcoming Australia; Welcoming Cities initiative. https://welcomingcities.org.au/wp-content/uploads/2019/03/WelcomingRegions_Summary.pdf

²⁴ If established ethnic communities and multicultural organisations are also available, these serve to add extra value to the settlement experience.

The Regional Development Precincts project took a similar stance, using a weighted system to identify and recommend suitable locations for regional hub development and going so far as to identify 20 regional hubs that could support Australia's population and economy.²⁵ This project allocated the following weightings to the required elements:

- social, social service and cultural amenities and services (weighting 15%) - health care, housing, social and cultural infrastructure
- economic infrastructure (10%) - road and rail networks and other traditional infrastructure
- local capacity (5%) - local council economic development capability, regional community leadership capacity
- skills and workforce (15%) - access to education and skills, labour market efficiency etc.
- physical connectivity to national and international markets (20%) - access and proximity (time) to seaports, airports and intermodal facilities
- digital connectivity (15%) - access and quality of digital services (also skills-based to utilise digital opportunities)
- innovation (5%) - R&D spend, science and engineering qualified workforce, knowledge and intensive business services.²⁶

In common with Australia, Canada has a history of attempting to influence migration outside metropolitan cities with specific migration programs and initiatives. While around 64% of Australians live in large cities, only 30% of the Canadian population does so.²⁷ The Canadian Provincial Nominee Program, operates in much the same way as the Australian States and Territories nomination program with specifically determined, locally based eligibility requirements.²⁸ An alternative Atlantic Immigration Program covers four Canadian provinces and is an employer driven program for foreign skilled workers or international graduates of Atlantic Canadian universities.²⁹ The focus of the programs is the settlement and retention of newcomer employees and their families in these regions.³⁰ Employers seeking designation under the latter program are required to support their employees in accessing the settlement provider services, provide practical living assistance and foster a welcoming workplace.³¹

²⁵ National Farmers Federation, Regional Development Precincts 2022, p 6 https://nff.org.au/wp-content/uploads/2022/03/220301-FINAL-NFF_A4_Regional-Development-Precincts_2022_FA-Ir-1.pdf accessed 20 January 2023

²⁶ *ibid*

²⁷ National Farmers Federation, Regional Development Precincts 2022, p 3 https://nff.org.au/wp-content/uploads/2022/03/220301-FINAL-NFF_A4_Regional-Development-Precincts_2022_FA-Ir-1.pdf accessed 20 January 2023

²⁸ Government of Canada website: Immigrate as a Provincial Nominee <https://www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/provincial-nominees.html>

²⁹ Government of Canada website: Atlantic Immigration Program <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/operational-bulletins-manuals/updates/2022-atlantic-immigration-program.html>

³⁰ Government of Canada website: Guidelines for Employer Designation – Atlantic Immigration Program https://www.welcomenb.ca/content/dam/wel-bien/pdf/AIP_designation_guide.pdf

³¹ Atlantic Immigration Program – Employer Guide, p1, https://www.welcomenb.ca/content/dam/wel-bien/pdf/AIP_Employer_Guide_Settlement.pdf

This support outside the employment relationship between employers and sponsored workers does not feature in Australian migration programs, apart from those in the Pacific Australia Labour Mobility programs. For high income or professional sponsored employees, employers may provide relocation services and assistance but many migrants arrive in this country with little more than their luggage and limited funds. The MIA recommends that a coordinated range of settlement strategies that support new migrants at all levels of their migration journey be developed. The MIA also recommends that these services be provided within a coordinated ‘one stop shop’ system, as occurs in Canada, to assist new migrants to settle well and to achieve their full potential in Australia.

Recommendation 2

The MIA recommends that a coordinated range of settlement assistance services that support new migrants at all levels of their migration journey be developed.

Recommendation 3

The MIA recommends that settlement assistance and support services be provided within a coordinated ‘one stop shop’ system.

The COVID-19 pandemic has demonstrated that an increasing number of Australians are also developing a preference for regional living. Net internal migration outflows away from metropolitan cities to other parts of states were demonstrated even prior to the pandemic by RDA.³² Thus, any regional settlement strategies designed for migrants would also encourage and benefit those Australians seeking to relocate to regional areas, increasing the return on investment to governments of such strategies.

An holistic population and infrastructure strategy should allow all Australians, as well as those who migrate to this country, the same fundamental level of living conditions, services and employment opportunities whether they settle in urban or regional areas. It is in this way that the development of vibrant communities and socially sustainable communities are strategically supported.

3. Attraction and retention strategies for working migrants to Australia

Australia is in direct competition with other advanced economies to attract and retain the best talent from around the world. Evidence has been mounting over the last decade that Australia may not be the primary choice destination that it once was for skilled migrants, talent and or business innovation and investment visas.³³ Prior to the pandemic Canada, the United States, the United Kingdom and European OECD countries were all more highly

³² Regional Australia Institute, National Population Plan for Regional Australia, 2019, p 8

³³ Boucher A, Australia likely no longer key migration destination, Sydney Policy Lab, University of Sydney, 2020. <https://www.sydney.edu.au/news-opinion/news/2020/12/16/australia-likely-no-longer-key-migration-destination> accessed 5 December 2022. The program allocation for the Business Innovation and Investment Program (BIIP) was also severely curtailed in this program year.

regarded destinations for skilled migrants. It was only for applicants from India that Australia remained the top destination.³⁴ The expert Review Panel heading the Department of Home Affairs, *A Migration System for Australia's Future* inquiry, have recently identified nine competitor countries vying for skilled migrants.³⁵

Canada has emerged as the most aggressive recent competitor to Australian for migrants with a plan to attract almost 1.5 million migrants, equivalent to almost 4% of its current population, in the next three years.³⁶ In contrast, Australia aims to provide around 600,000 permanent visas or 2% of our population over that same three year period.³⁷ While anecdotal, it has also been reported to the MIA that Canada is directly approaching high achieving international graduates of Australian universities, within weeks of finishing courses here and offering them fast track permanent residency in that country.

The UK has also recently introduced new programs to attract highly talented applicants, offering a 'High Potential Individual'³⁸ visa for international graduates of 50 eligible universities from around the world. Two Australian universities make the current list, the Universities of Melbourne and Queensland.³⁹ The UK it seems, is opening the door to the best of Australia's home grown talent. In addition, the UK will open a new UK-India Young Professionals Scheme in 2023,⁴⁰ that is similar to Australia's working holiday international agreements, further encroaching on the supply of talent from this a valuable source country for Australian skilled migration.

A variety of factors impact the relative attractiveness of a country as a migration destination including the strength of a country's economy, financial regulation, employment levels, political stability, familial and social connections, lifestyle, safety and societal tolerance.⁴¹ However, many of these factors are outside of the control of the migration system and its

³⁴ Boucher A, Australia likely no longer key migration destination, Sydney Policy Lab, University of Sydney, 2020. <https://www.sydney.edu.au/news-opinion/news/2020/12/16/australia-likely-no-longer-key-migration-destination> accessed 5 December 2022

³⁵ Dr Martin Parkinson, Professor Joanna Howe and Mr John Azarias, Expert Review panel, Department of Home Affairs review, *A Migration System for Australia's Future*, Stakeholder Roundtable, 10 February 2023 attended by the MIA

³⁶ BBC News Canada, Canada: Why the country wants to bring 1.5m immigrants by 2025, <https://www.bbc.com/news/world-us-canada-63643912> accessed 12 December 2022.

³⁷ Assuming the current annual allocation of around 195,000 permanent visas is maintained over the 2022-23 to 2024-25 period.

³⁸ Grattan Institute, Australia's migration opportunity: How rethinking skilled migration can solve some of our biggest problems, 2022, p 17.

³⁹ UK Government website: <https://www.gov.uk/government/publications/high-potential-individual-visa-global-universities-list/high-potential-individual-visa-global-universities-list-2022> accessed 12 December 2022

⁴⁰ Outlook, Good News For Indian Youth Professionals: The UK To Annually Grant 3000 Visas To Live And Work For 2 Years, <https://www.outlookindia.com/national/good-news-for-indian-youth-professionals-the-uk-to-annually-grant-3000-visas-to-live-and-work-for-2-years-news-237716>, accessed 12 December 2022.

⁴¹ Rethinking permanent skilled migration after the pandemic, 2021, p 13. <https://grattan.edu.au/wp-content/uploads/2021/05/Rethinking-permanent-skilled-migration-Grattan-Report.pdf> accessed 5 December 2022

processes. While Australia performs relatively well on these measures, there are structural barriers within the migration system with the potential to negate this and detract from its attractiveness as a destination for the highly skilled and talented.

Constant changes to Australia's migration policies and programs unsettles prospective migrants and businesses and feed perceptions that Australia's migration programs are unstable and unpredictable over the longer term. Drastically fluctuating visa class allocations, the costs of visas and protracted processing timeframes must make potential applicants wary of Australia as a destination. When compared to other countries, it is costly and slow to migrate to Australia.⁴² The MIA observes the stress caused to large numbers of provisional and temporary visa holders whose permanent visas are delayed due to planning caps or long processing queues.

Previous migration programs have severely limited the number of visas for direct permanent residency granted to skilled migrants and significantly increased places for the two-step visas pathways to permanent residency.⁴³ Time must be served on temporary/provisional visas before attaining permanent residency, creating an uncertainty that may be unacceptable to potential skilled migrants, especially where more direct pathways to permanent residency are offered by competitor countries. Ironically, while attempting to encourage regional settlement, the previous government closed the only direct regional pathway visa in 2019, the Subclass 187 Regional Sponsored Migration Scheme.

Frequent changes to the underpinning policies of the migration program also reduce confidence in the longer term stability of Australia's migration programs. As commented by an MIA Member 'it is practically impossible to give advice that is not immediately compromised by policy change or exercise of hidden discretion and delay at just about every level of decision making'.⁴⁴ The MIA has increasingly found legislative changes and Departmental policy interpretations are often contradictory. Long standing policies are also changed without warning or notification, and unintended consequences arise from these changes that are then required to be addressed with further legislative amendment or policy 'workarounds'. Concerningly, these implemented workarounds and policy changes are frequently at odds with the migration legislation and would not be upheld in tribunal or judicial proceedings.

⁴² For example, an equivalent skilled visa cost for Canada is AUD1140 or AUD2350 if all medical, language testing and other costs are included. An Australian Subclass 189 Skilled Independent visa has a *base* cost of \$4045. Express processing in Canada for permanent visas can be as short as 3 weeks, in Australia applicants may wait up to two years for an invitation to apply. Source Canadian Government Immigration website

⁴³ For example, the Subclass 482 Temporary Skills Shortage Visa to Subclass 186 Employer Sponsored (permanent residency) visa; the Subclass 491 State/Territory Nomination (provisional) visa and Subclass 494 Skilled Employer Sponsored Regional (temporary) visa to Subclass 191 Permanent Residence (Skilled regional) visas.

⁴⁴ MIA Members survey, 2021.

A perfect example of this was presented to the MIA on 1 February 2023. In October 2022 the Skilled Migration Program Branch provided advice to the MIA that a specific policy relating to the allocation of points for General Skilled Migration visas had been changed. This was a policy *interpretation* change, not a legislative change.⁴⁵ The change potentially negatively impacted many of the 32,000 applicants who were then invited to apply for skilled migration visas in the 8 December 2022 invitation round, some of whom had been waiting for up to two years for the invitation to apply. This policy change had the potential to result in their visas being refused at assessment and many chose not to accept the invitation to apply for a visa by the deadline, believing they were no longer eligible to take up the invitation. On 1 February 2023, the same senior delegate informed the MIA that the policy interpretation had been reversed and reverted to the previous long standing policy. The delegate expressed in writing an indifference to the consequence of this further change on the applicants and showed no recognition of the very large impact this policy interpretation change had wrought. All this at a time when Australia is desperately seeking to attract and retain skilled migrants and build this nation.

Arbitrary and inconsistent changes to interpretation and policy ‘on the fly’ alarm potential migrants and reduce confidence in this country’s programs. This is evidenced by the strong reactions MIA members must deal with amongst their clients when these occur and the heightened concern amongst prospective visa applicants about the stability, consistency and reliability of Australian visa pathways going forward. Consultation on interpretation and policy changes should require consultation with relevant external stakeholders, to improve decision making and prevent unintended consequences that negatively impact the reputation of Australia’s migration program.

The MIA urges the current Joint Standing Committee on Migration inquiry and the Department of Home Affairs (Home Affairs) to introduce measures to reduce these practices, taking a more metered approach to our migration system and a considered strategic longer term perspective.

Recommendation 4

The MIA recommends that the cost of applying for permanent skilled residency visas to Australia be reviewed.

Recommendation 5

The MIA recommends that the length of time skilled permanent residency visas take to be assessed and decided be reviewed.

⁴⁵ The interpretation related to the manner in which the points for the Migration Regulation, Schedule 6D.6, Professional Year points were allocated and rested on the interpretation of the timeframe within which the Professional year was to be completed.

Recommendation 6

The MIA recommends that the utilisation of two stage skilled provisional and temporary visa classes be reviewed to determine if this practice supports the objective of encouraging skilled migration to Australia.

Recommendation 7

The MIA recommends that the Department of Home Affairs introduces stakeholder consultation processes prior to changing any migration policy settings that impact current skilled visa class eligibility.

The MIA also notes the preference of subsequent governments towards employer sponsored visa programs and away from independent skilled migration.⁴⁶ Employer sponsored skilled migrants enter the Australian labour market immediately on arrival. It is an attractive proposition for governments that the economic responsibility for these new migrants is borne by sponsor employers. However, this has the potential to skew skilled migration towards the 'importation' of currently required skills in a narrower band of occupations and negatively impact the investment in Australia's human capital afforded by skilled migration.

The quality a country's human capital reserves underpins the quality of its future. Australia's skilled migration program must also build this country's bank of human capital.⁴⁷ A balance in allocation of places must be maintained within the program of employer sponsored, skilled independent and 'high talent' type visas. The lists of skilled occupations constrain general skilled migration to those occupations in current shortage and structural features delay emerging and often highly innovative occupations from being added to the lists.⁴⁸ Further issues with the skills lists are discussed Item 4.4.3. Disappointingly, the Global Talent program which was reported by MIA members to be an attractive visa for highly innovative and qualified skilled applicants and an ideal way of building human capital, has also lost momentum with the change of government, reduction to a third of previously allocated visa places and the downgrading of processing priority for these visas.

Recommendation 8

The MIA recommends that the Global Talent visa program as a mean to building human capital be reviewed and restored to priority within the skilled migration program.

⁴⁶ Annual migration places for employer sponsored have overtaken independent skilled places in recent years, although with the increase in places for the 2022-23 year the balance has been temporarily restored.

⁴⁷ In conjunction with Australian education and training.

⁴⁸ Occupations are required to be defined in the ABS Australian and New Zealand Standard Classification of Occupations (ANZSCO) before they can be included in the Skilled Occupation Lists. However the ANZSCO is very irregularly updated due to funding constraints.

The MIA has identified various other specific adjustments that could be made within the migration program that would support the attractiveness of Australia as a destination for working migrants generally. The next section of this submission provides an overview of changes to policy settings that should be considered and implemented to improve the attraction and retention of working migrants to Australia.

4. Policy settings to strengthen skilled migrant pathways to permanent residency

There are policy settings within the current Australian migration program that provide obstacles to permanent residency pathways. However, these policy settings can be extremely difficult to change given that many are interlinked with political and economic agendas. The ‘Protecting Australian Jobs’ agenda for example, produced program settings that saw skilled migration numbers reduced, occupational skills lists become unwieldy and harsh requirements imposed on independent and employer sponsored skilled migration⁴⁹. Migration settings that damagingly rebounded on the Australian labour market and productivity when the COVID-19 pandemic manifested and in its aftermath.

The MIA asserts that amendments could be made to these policy led program settings to strengthen pathways to permanent residency while the current reviews of the migration system is conducted by the Department of Home Affairs. Given that the MIA has already provided an extensive discussion on these issues in its submission to the Home Affairs review, a summary of the more pressing of these issues only are presented below. The MIA invites the Joint Standing Committee to review these in full in its [A Migration System for Australia’s Future](#) review response submission.⁵⁰

4.1 Annual Migration Planning Levels

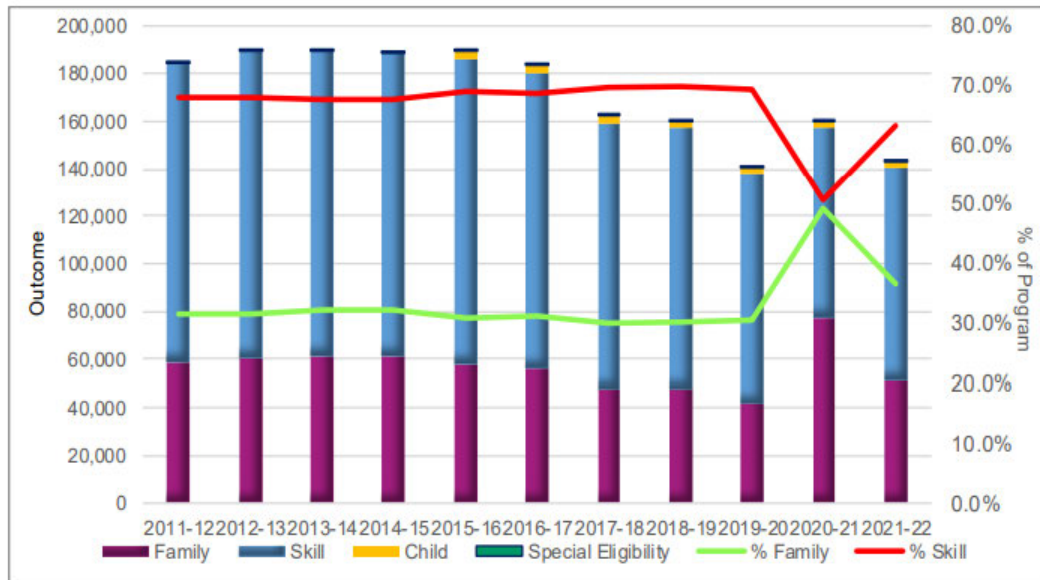
The most obvious policy obstacle is the annual migration planning levels which determine the number of permanent residency visas can be granted in each visa category each year. This has fallen from a high of 199,750 places in the 2011-12 migration year to 160,323 in the pre-

⁴⁹ While a common belief that migrants ‘take’ Australians jobs within some circles, economic modelling suggests that migration does not negatively impact employment availability for Australians in the aggregate. See for example, Grattan Institute, Australia’s migration opportunity: How rethinking skilled migration can solve some of our biggest problems, 2022, p29; CEDA, Effects of Temporary Migration, 2019, p 18. It is also noted however, that some academics believe that further more detailed and contextual research is required in this area.

⁵⁰ The MIA submission is available on the MIA website at <https://www.mia.org.au/documents/item/2013> with pp 29-45 the most relevant to this inquiry.

COVID-19 affected 2018-19 year. Australia's skilled migration permanent residency rate was declining even before the pandemic, with the intake of permanent skilled migrants having fallen by 30% from the high of 128,500 in 2015-16 to 89,063 in 2021-22 program years.⁵¹

Table 1: Migration Program Outcomes 2011 – 2022



Source: Department of Home Affairs 2021-22 Migration Program report⁵²

The MIA has recently recommended that the permanent skilled migration program be increased by 20% to 230,000 for the 2023-24 migration year and with further ongoing increases as a percentage of the Australian population. The MIA has also previously recommended that the migration planning process be conducted over at least a three year cycle, as occurs in Canada, to provide more stability and consistency to the planning process, and more certainty for businesses operating within the Australian economy and prospective migrants.⁵³

Recommendation 9

The MIA recommends that the permanent migration program be increased by 20% to 230,000 places in the 2023-24 program year.

⁵¹ Department of Home Affairs, Visa statistics Reports on Migration Programs 2009-10 to 2021-22

<https://www.homeaffairs.gov.au/research-and-statistics/statistics/visa-statistics/live/migration-program>

⁵² Response to the Department of Home Affairs – 2023-24 Permanent Migration Program discussion paper.

⁵³ Department of Home Affairs, Temporary Resident Skilled report 30 June 2022 Summary of key statistics and trends, p1, <https://www.homeaffairs.gov.au/research-and-stats/files/temp-res-skilled-rpt-summary-300622.pdf> accessed 5 Dec 2022

Recommendation 10

The MIA recommends that Australian migration program planning levels be determined for a minimum of three year cycle to provide stability and consistency for users of the program.

4.2 Structural Barriers to Permanent Residency for Working Migrants

Australia's permanent visa programs are capped at very low levels when compared to the large numbers of uncapped temporary visa holders who interact with the Australian economy and affect its productivity and consumption levels. There were some 1.85 million temporary visa holders with 'work rights' in this country, as at October 2022, with only around 50,000 of these holding the formal employment specific visa, the Temporary Skills Shortage Subclass 482 (TSS).⁵⁴

The remaining cohort is primarily made up of New Zealand (NZ) citizens, international students, Working Holiday Makers (WHM), provisional partner visa holders, provisional State and Territory sponsored migrants, and Pacific Australia Labour Mobility⁵⁵ (PALM) workers. Aside from the provisional visa holders and NZ citizens,⁵⁶ the majority of these remaining temporary 'working migrants' are not provided with direct pathways to permanent residency and may be required to return to their country of origin at the expiry of their visas. While there is some economic rationale for maintaining a temporary migrant workforce to provide flexibility for cyclical and other changes in labour demand, to rely on this type of workforce while seeking to build this nation and its economic prosperity is counter intuitive and presents risk to the human capital supply required to support Australia's future economic growth and sustainability.

While student and WHM have some potential pathways to permanent skilled migration if desired, this is most often a long, arduous and costly process. Various different visas, held over several years, are required before this cohort are eligible to apply for permanent residency. International students provide an example, often spend between *six* to *ten* years in Australia before attaining permanent residency. They may arrive on a three to four year student visa, then need to spend an additional two to three years on a Temporary Graduate (Subclass 485) visa to gain the necessary post qualification work experience to be able to apply for a TSS visa or to achieve sufficient points for an independent Skilled Visa invitation. After holding the TSS visa for three years they may then be eligible to apply for permanent residency through the Employer Nomination Scheme, Subclass 186 (ENS) program where they may wait in a queue for up to two years before assessment and grant of their permanent

⁵⁴ Department of Home Affairs, Temporary Resident Skilled report 30 June 2022 Summary of key statistics and trends, p1, <https://www.homeaffairs.gov.au/research-and-stats/files/temp-res-skilled-rpt-summary-300622.pdf> accessed 5 Dec 2022

⁵⁵ Originally Seasonal Worker and Pacific Labour Scheme visas.

⁵⁶ The current Government is undertaking a review of the conditions for NZ citizens to attain Australian permanent residency.

residency.⁵⁷ Until the time that the final visa lodged, they are required to support themselves and pay Australian taxation with no access to Medicare⁵⁸ or social services assistance. This offers no encouragement to remain in Australia when other countries are actively offering speedier alternatives with immediate permanent residency, government benefits and access to high levels of essential settlement services.

4.3 International Student Graduates

Commencing in 2010 and as part of the reform of the General Skilled Migration program, the direct permanent residency pathway available to international students educated in Australia was dismantled. This pathway was closed in part due to exploitation of the program by substandard training providers, disreputable education agents and an overabundance of training in certain occupations that skewed the skilled migration occupational intake.

There may be merit in reconsidering this pathway, with stronger controls, as incentive for international students to settle in Australia. International graduates with honours or higher degrees or those with degrees in occupations in high demand could be provided the opportunity to apply for direct permanent residency. This would retain these skills in Australia, provide an incentive for high quality students to study in this country and would combat countries like Canada and the UK poaching the best of this cohort.

Recommendation 11

The MIA recommends that a direct permanent residency pathway be developed for international graduates with honours or higher degrees from Australian universities in disciplines in high demand.

4.4 Restrictive visa conditions

There are also specific visa conditions that create barriers for a proportion of the temporary working migrants who wish to consider skilled permanent residency in Australia. These include upper age limits, migration health requirement, skilled occupation lists, and the arduous and costly processes involved in sponsoring overseas workers for Australian businesses.

⁵⁷ The MIA is aware of a recent case where the applicant *14 years* to achieve permanent residency after first arriving on a student visa due to various changes to the migration programs that required him to move to multiple student visas over that time.

⁵⁸ Until the ENS applicant formally applies for permanent residency.

4.4.1 Age limits

An age upper limit of 45 is imposed on applicants for skilled migration and in some business visa streams, in an effort to ensure a sufficient fiscal return on the government's migration 'investment.' Until 2017 this age limit was 50 years old for employer sponsored applicants. Given that the Australian retirement age in being incrementally increased, that Australians are working longer and the current acute skills and labour shortages, reverting to the 50 year age limit would increase the number of potential skills migrants who are currently shut out of the permanent skilled visa regime. The MIA would go so far as to suggest that the age limit is removed entirely for defined 'exempt occupations/persons' under the TSS and ENS programs and for business skills visas.⁵⁹

Recommendation 12

The MIA recommends that the age limit for permanent residency eligibility for employer sponsored applicants be restored to 50 years of age.

Recommendation 13

The MIA recommends that the upper age limit be removed entirely for 'exempt occupations/persons' under the Temporary Skills Shortage, Employer Nomination, and Business Innovation and Investment visa classes.

4.4.2 Restrictive migration health requirements

All applicants for Australian visas including dependent children are required to meet the migration health requirements which are set out in the Public Interest Criteria (PIC) 4005 and 4007 of Schedule 4 of the Migration Regulations 1994. The purpose of these health PIC are:

- to protect the Australian community from threats to public health
- contain public expenditure on health and community services and
- safeguard the access of Australian residents to health and other community services in short supply.⁶⁰

⁵⁹ Temporary Skills Shortage legislation defines these as corporate general managers, chief executive officers and 38 medical practitioner specialities see Legislative Instrument Migration: [LIN 19/212 Specification of Exempt Occupations Instrument 2019](#)

⁶⁰ Department of Home Affairs, Migration Policy and Operational Contents, Schedule 4/4005-4007 – The Health Requirement

The primary mechanism for containing public expenditure and safeguarding access to scarce health and community resources is by the imposition of a 'significant cost' threshold. Currently if a visa applicant will incur more than \$51,000 over ten years in health or community services costs their visa application may be refused. The PIC allocated to an applicant's desired visa subclass may mean the difference between the grant or refusal of a visa. PIC 4007 is the more flexible of the two, providing the ability for the significant cost to be waived. For visa subclasses with the PIC 4005, failure to remain under the significant cost threshold means the failure of the application as there is no waiver provision for visa applications subject to that PIC.

The two PICs are allocated to visa subclasses without apparent logic or equity, particularly within the skilled migration stream, where Employer Sponsored and some streams of the Skilled Independent visa classes are subject to PIC 4007, but other streams of that class and State/Territory nominated skilled and provisional visas are subject to PIC 4005. This lack of logic is nowhere more evident than in cases where the Australian born child of a skilled applicant fails PIC 4005 and the whole family's applications are subsequently refused. This can occur even where the parent/s are highly skilled in occupations in shortage in Australia and have been working in this country on temporary visas for a number of years.⁶¹ For these applicants the only recourse is the long and costly battle through the visa and appeals processes with the hope that the incumbent Minister for Immigration will intervene and overturn the decision to refuse the visa.

For those applicants able to access the waiver provisions under PIC 4007, the processes is still cumbersome requiring the significant cost argument to be refuted. It must be demonstrated that the grant of the visa would not unduly prejudice the provision of products or services to Australians and the benefits to Australia outweigh the costs. Surprisingly though, around 96% of these waivers are reportedly eventually approved.⁶²

Other migrant seeking competitor countries such as Canada and New Zealand have rethought this approach, both significantly increasing their versions of the significant cost thresholds in the past year. The per capita health expenditure on Australians in 2020-21 was \$8,617.⁶³ In relative terms the current migration threshold of \$51,000

⁶¹ The media is littered with these stories, most recently ABC News, , <https://www.abc.net.au/news/2023-03-04/aneesh-family-deportation-son-down-syndrome/102050564>; <https://www.sbs.com.au/news/article/families-of-children-with-down-syndrome-still-concerned-about-being-rejected-for-australian-visas/4c6bxvk0o>

⁶² Reported by Dr Jan Gothard, Health and Disability Specialist and Welcoming Disability <https://www.welcomingdisability.com/> in their submission to the Department of Home Affairs, A Migration system of Australia's Future.

⁶³ Statista, Per capita health expenditure in Australia from financial year 2009 to 2021, <https://www.statista.com/statistics/628559/australia-health-expenditure-per-capita> accessed 10 March 2023

over ten years equating to just 60% of that amount. In contrast, Canada increased its version of that threshold to three times that of its per capita health spend at ~AUD134,000 over five years.⁶⁴ New Zealand also increased its threshold to ~AUD75,500 over five years, around two and a half times of its per capita spend.⁶⁵

Australia's approach to visa applicants with less than perfect health and ability would appear to be outdated when compared with other competitor migration countries. They are harsh, inequitable and potentially damaging to Australia's reputation as a migration destination. Given that there is no apparent logic in the current allocation of the PIC within the skilled subclasses, the MIA argues that PIC 4007 should be applied to all skilled migration visas, to provide all applicants the equal opportunity to access the waiver provisions. The significant cost threshold should be increased in line with other competitor countries to a minimum of twice the average health expenditure for Australians over five years, equating to \$86,000 over five years. Additionally, this amount should be reviewed annually to ensure parity to the per capita expenditure on Australian residents.

Recommendation 14

The MIA recommends that Public Interest Criteria 4007 be applied to all skilled migration classes of visas.

Recommendation 15

The MIA recommends that the significant cost threshold for all Australian visa classes be increased to a minimum of twice the annual per capita health expenditure for Australians and parity with this expenditure reviewed annually.

Recommendation 16

The MIA recommends that the period for calculation of the significant cost threshold be reduced from ten to five years.

⁶⁴ Government of Canada, Program delivery update: Update to the cost threshold for excessive demand on health and social services, Immigration website, <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/operational-bulletins-manuals/updates/2022-cost-threshold.html> accessed 10 March 2023.

⁶⁵ New Zealand Immigration website, Significant-cost threshold increased, 13 September 2022, <https://www.immigration.govt.nz/about-us/media-centre/news-notifications/significant-cost-health-threshold-increased>, accessed 10 March 2023; ⁶⁵ Konema, New Zealand – Current Health expenditure per capita, <https://www.immigration.govt.nz/about-us/media-centre/news-notifications/significant-cost-health-threshold-increased>, accessed 10 March 2023.

4.4.3 Skilled occupation lists

The use of occupational skills lists as the basis for skilled migration is a major policy failure that must be addressed. These lists ostensibly identify occupations in shortage in Australia, thereby determining eligibility for skilled migration. The lists provide a significant barrier to Australian industries and businesses where occupations are not included on these lists, impacting their ability to source sufficient labour to operate or increase their productivity and in turn grow the economy. The combined number of Home Affairs, State and Territories and RDA lists currently stands at around 40 different lists. Surprisingly however, these lists very often do not cater to the specific labour needs of Australian industries and businesses, and so require separate ‘workaround’ industry, company specific labour agreements to be entered into. The proliferation of thousands of these agreements in the last few years provides clear evidence that the occupational skills lists are not fit for purpose and are a barrier to Australian industry and business in their attempts to access skilled overseas labour.⁶⁶

There are simply too many skilled occupation lists and these are making skilled migration processes overly complex. Consolidating specific lists would increase the flexibility of the system for both employers and skilled migrants, with the TSS and Regional Occupation lists providing a good example. A distinction between short and medium/long term occupation lists was introduced for TSS visas in 2017.⁶⁷ The arbitrary nature of the two lists is demonstrated in the differing outcomes for visa holders with occupations on the two lists. Only those with occupations on the medium/long term list can proceed to employer sponsored permanent residency under the Temporary Resident Transition (TRT) stream after three years or under the Direct Entry (DE) stream. Those on the short term list and in some cases on the regional list, have no pathway to permanent residency and may only be granted two TSS visas onshore.⁶⁸

Sponsored overseas workers in these short term occupations must be ‘re-sponsored’ every two years, with neither the employer or the worker having any option for permanency and at considerable cost to both parties. Complicating this issue is that

⁶⁶ Home Affairs website, List of current labour agreements, <https://immi.homeaffairs.gov.au/visas/employing-and-sponsoring-someone/sponsoring-workers/nominating-a-position/labour-agreements/list-of-current-labour-agreements> accessed 10 March 2023

⁶⁷ Officially, the Short Term Skilled Occupation List (STSOL) and the Medium and Long Term Strategic Skills List (MLTSSL).

⁶⁸ Migration Regulations 1994, Schedule 2, Visa 482, ... in accordance with paragraph [1240\(3\)\(b\)](#), if the application is for a short-term stream visa, the primary visa applicant must be offshore if: they have held more than one short-term stream TSS visa; and they were in Australia when the application for their most recent TSS visa was made.

migration policy currently considers any applicant who wishes to stay beyond the total of four years with suspicion, with the Department of Home Affairs at pains to detect and prevent the establishment of 'de facto' permanent residency. For any third or subsequent TSS applications, the individual must travel offshore to lodge the application even where they may have been employed on the previous two TSS visas with the same employer and are critical to the operation of the Australian business.

The Employer Nomination Scheme permanent residency visa could assist in adding to the stock of permanent skilled migrant workers in Australia, if the short term and medium/long term occupations and regional occupation lists are consolidated, removing this arbitrary barrier to permanent residency.

Recommendation 17

The MIA recommends that the functioning of the occupational skills lists within the migration system be reviewed.

Recommendation 18

The MIA recommends that the Temporary Skills Shortage occupation lists and the Regional Occupation List be consolidated to provide all visa holders in these visa classes the opportunity to attain permanent residency of Australia.

4.5 Arduous employer sponsorship requirements

Australian employers who choose to sponsor overseas workers currently provide the most productive source of skilled migrants for Australia. Yet they face costly and onerous processes in doing so that include inflexible labour market testing (LMT) requirements and the payment of the National Training Contribution Charge aka as the Skilling Australians Fund (SAF) levy.

4.5.1 Labour market testing

LMT requires employers to place three advertisements for vacancies including one on the Workforce Australia site, to demonstrate that no Australian can be found to fill the role. The policy governing the manner, timeframes and content of the advertisements are complex often making it difficult for employers to correctly fulfil this requirement. LMT also causes considerable delays in filling positions as it must be conducted for one month and minor errors in the content of advertisements can result in the whole campaign being deemed noncompliant, requiring the whole process to be repeated.

No nomination or visa application can be lodged until the LMT process is completed, even where the employer has other long term evidence of attempting to fill the vacancy. The MIA questions the necessity for LMT when sponsored workers must have occupations on a government created skills shortage lists and the unemployment rate is at an all-time low.

Recommendation 19

The MIA recommends that Labour Market Testing be abolished.

4.5.2 Skilling Australians Fund

The Skilling Australians Fund (SAF) levy is a heavy impost on many Australian businesses in both the amount and the manner in which it is collected. The SAF levy replaced the previous Training Benchmarks that required Australian businesses to demonstrate that they had provided training to an amount equivalent to 1-2% of gross annual payroll to their own Australian employees.

The SAF levy is imposed on each nomination for an overseas worker and does not consider any training expenditure by the sponsoring company. The SAF levy is collected on behalf of the Department of Employment and Workplace Relations by Home Affairs at the time of nomination. The SAF levy is not refunded if the nomination is refused and only in other limited circumstances, which amounts arguably to an unjust enrichment to government at the expense of employers.

The SAF levy is ostensibly directed to providing apprenticeships and traineeships to Australians and are not aimed at the high skill level occupations many employers are being forced to import. Additionally, employers in Queensland and Victoria are charged the SAF levy even though neither of those states are signatories to the National Partnership agreement and none of the fund is allocated to training in those states. This too arguably amounts to an unjust enrichment to the Federal Government at the expense of the Queensland and Victorian Governments and employers within those states.

The MIA has previously provided a number of suggestions for improving the processes around the SAF levy:

- reduce or abolish the SAF for regional sponsors to encourage the flow of working migrants to those areas
- collect the SAF levy as a second charge once the nomination is approved
- collect the SAF levy as a smaller monthly payment per sponsored employee to defray the costs and advantage smaller businesses.⁶⁹

Recommendation 20

The MIA recommends that the Skilling Australians Fund levy be reduced or be abolished for regional sponsors.

Recommendation 21

The MIA recommends that the Skilling Australians Fund levy be collected as a second charge once the nomination is approved, *or alternatively*,

Recommendation 22

The MIA recommends that the Skilling Australians Fund levy be collected as a smaller monthly payment per sponsored employee.

Sponsoring employers could also be further incentivised to sponsor their TSS employees for permanent residency. TSS visa holders in Temporary Residence Transition (TRT) stream must work for their employer for three years before they can be sponsored for permanent residency. Currently some employers are loath to sponsor these temporary workers for permanent residency for fear that the employee will leave once their residency is granted, especially given that a second SAF levy of \$3000-5000 is required to be paid on top of previous SAF levies and other permanent residency application fees by the sponsor. The SAF levy should be removed where the employer is sponsoring the applicants under the TRT stream of the ENS. This would ameliorate the cost to the TRT stream sponsor and make it equivalent to that of the Direct Entry (DE) stream of the ENS, where the sponsor only pays the SAF levy once.

Recommendation 23

The MIA recommends that the Skilling Australians Fund levy be abolished for employers sponsoring Temporary Skills Shortage, Temporary Residence Transition stream visa holders for permanent residency.

⁶⁹ This final suggestion is based on the system currently used in Singapore when overseas workers sponsored, Grattan Institute, Fixing temporary skilled migration: a better deal for Australia, p59. <https://grattan.edu.au/wp-content/uploads/2022/03/Fixing-temporary-skilled-migration-A-better-deal-for-Australia.pdf>

4.5.3 Skills assessments and skills recognition

For skilled migration a large proportion of migrants require recognition of their overseas qualifications, licensing, registration or work experience in the form of a skills assessment. However, this part of the migration process suffers a number of operational deficiencies.

The MIA acknowledges that skills assessment bodies, regional certifying bodies and state governments state have recognised roles in the migration program. However, their processes often do not reflect basic administrative law principles with objective criteria and a genuine review process. These bodies charge significant fees to temporary visa holders and offshore applicants and should be held to the same standards of accountability as the Department of Home Affairs.

Accountability and transparency should extend to those external bodies which provide input on which the Department of Home Affairs relies as part of the legal process for both temporary and permanent residence visa processes. These authorities are part of the legal process for temporary and permanent residence visas and they should be subject to quality control by Home Affairs, requiring transparency including:

- clearly stating requirements for positive skills assessment prominently on their website
- providing transparent review process for unsuccessful skill assessment applications
- financial accountability.

A further issue across skills assessing authorities are the widely varying requirements which in turn create a system that is very complicated for migrants to negotiate. Ironically, some skills assessment authorities will only assess formal education and training qualifications not practical employment experience; others require formal qualifications and a specific period of skilled employment before providing a deeming date of when the applicant is considered 'skilled'; and yet others will assess relevant employment experience in lieu of some formal education. While the actual content of skills assessments is occupationally specific, some consistency in approach across the authorities would go some way to simplifying those systems for applicants.

Potential migrants' skills also often take an inordinate length of time to be assessed and can be extremely costly.⁷⁰ The monopoly of assessment authorities has been noted by MIA members. Many occupations only have one assessment authority. While this is understandable where there is only a relatively small number of occupations to be assessed or smaller occupational numbers, in other cases authorities assess large numbers of different occupations and therefore large numbers of applicants. VETASSESS for example, assesses around 250 different occupations and is currently quoting an average of six months to assess applications. The accounting profession has three assessing bodies, who work well together in ensuring the same standards across their assessment criteria and provide a broad coverage across that large industry. Appointing more assessment authorities where there are large numbers of occupations to be assessed would improve the speed with which applicants could have their skills assessed and also has the potential to reduce the cost of assessments to applicants.

Recommendation 24

The MIA recommends that the number of skills assessing authorities be increased.

Recommendation 25

The MIA recommends that the skills assessing authorities be required to develop a consistent approach to the requirements for assessing migrant skills and employment experience.

Recommendation 26

The MIA recommends that skills accessing authorities be required to provide transparent review processes for unsuccessful applications.

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

Australia's skilled migration programs have been successful in building the quality of Australia's workforce, with skilled migrants demonstrating higher education levels than Australians,⁷¹ yet the benefits derived from the skilled program and the implementation of its

⁷⁰ For example, VETASSESS is currently quoting 5-6 months to process skills assessments and in Queensland, the cost for overseas electricians to have their skills assessed for workplace licensing is over \$5000.

⁷¹ Department of Home Affairs *A Migration System for Australia's Future* discussion paper Discussion paper, p 5, https://www.homeaffairs.gov.au/reports-and-pubs/files/reviews-and-inquiries/discussion_paper.pdf

processes have at times been less than ideal. The latest Continuous Survey of Australian Migrants (CSAM) reports that over 50% of family stream partner migrants arrive holding bachelor degrees or higher qualifications and 86% overall holding some form of post school educational qualification, higher levels of education than the general Australian population.⁷² While the labour market participation rate for skilled migrants and employer sponsored migrants are higher than those of the Australian population, the participation rate for family and humanitarian migrants do not generally follow the same trend.⁷³

The barriers to labour market participation for all migrants generally have again been the subject of much academic study and are well known. The MIA will therefore not cover these in detail in this submission.⁷⁴ The barriers are varied and dependent on factors including the country of origin, cultural gender and family norms, educational opportunities, recognition of overseas qualifications, English language ability, and other local settlement issues. The Settlement Council of Australia (SCOA) provides a referenced list of the most common barriers to migrant labour market participation in its submission to the Home Affairs review:

- English language proficiency
- Qualifications recognition and licensing
- Lack of settlement support
- Lack of local work experience
- Childcare
- Lack of affordable housing close to employment
- Limited access to transport
- Racism and discrimination.⁷⁵

The Committee for Economic Development in Australia (CEDA) also provides an excellent analysis of the issue of skills mismatch and the lost opportunity costs for the Australian economy in its Employment White Paper submission.⁷⁶ The situation of the overseas trained doctor driving a taxi is well recognised in this country. It is suggests that changes to how skills are recognised could be a tool for boosting productivity and labour market participation.

⁷² Department of Home Affairs, Continuous Survey of Australia's Migrants, 2019, p 23

<https://www.homeaffairs.gov.au/research-and-statistics/research/live/continuous-survey-australiamigrant>

⁷³ Department of Treasury: The Lifetime Impact of the Australian Permanent Migration Program, 2021, p 13.

<https://treasury.gov.au/publication/p2021-220773>

⁷⁴ For example, the newly released NATSEM/Settlement Service International (Batainah, H., Hawkins, J., Miranti, R.)

Untapped potential: trends and disparities in the economic participation of migrant and refugee women in Australia, 2022; also Settlement Council of Australia Submission: A migration system for Australia's future, Dec 2022, p.1

https://scoa.org.au/wp-content/uploads/2022/12/SCOA_Migration-Program-Review-Paper.pdf

⁷⁵ Settlement Council of Australia: A migration system for Australia's future, Dec 2022, p1. https://scoa.org.au/wp-content/uploads/2022/12/SCOA_Migration-Program-Review-Paper.pdf

⁷⁶ CEDA, Skills Recognition 2022, Submission to the Employment White Paper.

<https://www.ceda.com.au/ResearchAndPolicies/Research/Workforce-Skills/Employment-white-paper-submission>

Recommendation 27

The MIA recommends that the processes for overseas skills recognition be reviewed to determine if these are hindering migrants participation in the labour market.

Another key barrier to labour market participation may be discrimination by Australian employers against hiring migrants. The government should consider educative programs to increase awareness of migrants' overseas qualifications and abilities, as another means of increasing labour market potential and participation. Similarly, overseas work experience can be routinely dismissed and Australian work experience can be difficult to gain because of resistance by local employers.⁷⁷

Recommendation 28

The MIA recommends that the Government implements campaigns and initiatives to educate industry and employers to discrimination as a barrier to participation in the Australian labour market for skilled migrants, family and humanitarian visa holders.

For less skilled migrants, some partners and humanitarian migrants, the barriers to labour market participation may be more fundamental and require access to English language tuition, low cost education and supportive employment services.

Recommendation 29

The MIA recommends that increased services and support be provided to those less skilled migrants, partners and humanitarian entrants to enhance their potential to enter the labour market.

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

Migrant settlement services have been operating for decades in this country and are well versed in the opportunities to be had for the Australian economy and the benefits to its society in supporting new migrants. There will no doubt be submissions to this inquiry from experienced settlement service and education providers better placed to comment on these issues.⁷⁸ As such, the MIA will therefore provide no comment on this aspect of the inquiry.

⁷⁷ NCVER, Skilled migrant women in regional Australia: promoting social inclusion through vocational education and training, 2013, Research Report, p 19

⁷⁸ For example: Settlement Services Australia, Settlement Institute of Australia, Australian Migrant English Service.

7. Other related matters that may assist the inquiry

The MIA wishes to express its concern that yet another parliamentary inquiry is being conducted to examine issues including Australia's migration system, attracting migrants to Australia, the labour market participation of migrants, developing social cohesion and growing developing vibrant regional hubs. So many previous inquiries have covered this same ground and extensive amounts of academic and other research have clearly identified the factors that govern successful outcomes in these areas.

The MIA has responded to many inquiries into matters related to skilled, regional, family and humanitarian migration. The major Department of Home Affairs review into the migration system and this Joint Standing Committee on Migration inquiry are being conducted almost simultaneously, very similar subject matter.

It is also particularly disheartening to consider that the Minister for Home Affairs could and has made significant changes to the migration system while this Joint Standing Committee inquiry is still underway and that could make large sections of this inquiry redundant.⁷⁹

Recommendation 30

The MIA respectfully recommends that Federal Ministers, Government Departments and Parliamentary Committees seeking to consult with the external stakeholders coordinate these consultation processes for more efficient information gathering and sharing.

⁷⁹ For example the announcement of the Pacific Engagement permanent residency visa was announced while both inquiries have been examining the issue of the huge numbers of temporary workers in this country with no access to permanent residency.