

Planning Australia's 2022-23 Migration Program

Response to the Department of Home Affairs | December 2021

Summary

About AMES Australia

AMES Australia (AMES) welcomes the opportunity to provide input into Australia's 2022-23 Migration Program. Our submission is based on AMES long history of working with new arrivals to Australia through both permanent and temporary migration pathways.

AMES provides integrated settlement services, English language, foundational, employability and vocational education, and employment support to diverse migrant and refugee communities as a service delivery partner for Federal and State Governments. AMES also has a dedicated Skilled Migration Service, a certified social enterprise, that provides immigration advice and visa services to individuals and corporate organisations.

AMES work is focused on maximising the economic and social benefits of migration to Australia, guided by our vision of 'full participation for all in a cohesive and diverse society.' A primary example is the AMES Skilled Professional Migrants Program (SPMP), which provides training and mentoring assistance to skilled visa holders to prepare them for employment and find jobs commensurate with their skills, experience and aspirations. Since 2008, SPMP has supported over 1,500 skilled migrants, with an overall success rate of 85% gaining employment – 59% of which were in a professional field related to their pre-arrival occupation.¹ AMES accredited and non-accredited training courses also cater to a range of permanent and temporary migrants.

Social cohesion

Social cohesion is a priority for the Australian Government and the Migration Program. The Scanlon Foundation's 2020 and 2021 *Mapping Social Cohesion* surveys have found evidence of a strong, cohesive and resilient Australia, although this is not without qualification. High levels of negative opinion towards some ethno-specific groups co-exists with a majority of Australians concerned about racism in Australian society².

These issues detract from the 'productive diversity' arising from people's skills, experiences, cultural backgrounds and networks that the Migration Program delivers. Program settings and engaging the broader community, employers, regions and other stakeholders in positive dialogue around migration and the benefits of migrants and refugees to the economy can help to address these issues.

Furthermore, the Migration Program should seek to deliver more than immediate economic gains – but also support new arrivals and their families to achieve social outcomes, such as connections with communities, access to and participation in social networks, schools, sports, volunteering and other services/activities that support their personal and professional development.

Looking to 2022-23

The COVID-19 pandemic and associated international border closures saw a steep decline in migration in 2020-21 in Australia, with over 500,000 temporary migrants leaving Australia in the peak of the pandemic.³ This trend in negative net overseas migration (NOM) is expected to continue into 2021-22 as international border restrictions remain in place.

However with nearly 80% of eligible Australians (aged 16+) fully vaccinated by December 2021, we are seeing State economies opening-up, health restrictions easing across Australia and many states welcoming interstate travel.

¹ Based on a survey of 697 SPMP clients collected between 2008 and 2019.

² The Scanlon Foundation Research Institute (2021) *Mapping Social Cohesion Report*. November 2021.

³ Parliament of the Commonwealth of Australia, Joint Standing Committee on Migration (2021) *Final Report of the Inquiry into Australia's Skilled Migration Program*. August 2021.

As Australia rebuilds from the downturn of COVID-19, permanent migration to Australia (including applicants already residing in Australia) will be essential to stimulating the economy and long-term population growth.

Program settings should also be guided by Australia's immediate and long-term needs, while identifying new opportunities that have emerged through the COVID-19 recovery that will also facilitate economic growth and enhance social cohesion.

Of equal importance, planning should take into account targeted support that will assist skilled migrants into the workforce as quickly as possible, support for secondary visa holders, especially women, and whole families, and address worker exploitation, especially of temporary migrants working in regional areas. Resolving these matters will improve the overall outcomes of the Migration Program.

Economic growth and social cohesion continue to be limited by a 'ceiling' being applied to the Migration Program settings since 2015-16. As Australia has had great success in managing COVID-19, a planning 'target' should be reinstated to maximise the anticipated pipeline of applicants to Australia's Migration Program through to 2022-23 and beyond.

Based on our extensive service delivery experience and close working relationships with recently arrived migrant communities in Australia, employers, and regional stakeholders, we offer the following response to the questions posed in the discussion paper.

Discussion Paper Questions

1. Should the Australian Government increase/reduce/maintain the size of the Migration Program in 2022-23 and why?

Globally, migration is seen as a key driver of post pandemic recovery. For example, Canada aims to welcome 401,000 new permanent residents in 2021, and 411,000 in 2022 and 421,000 in 2023 with economic migrants making up over 50% of the program⁴. Australia will be competing globally, mainly with Canada, the United States and Europe, to attract and retain skilled migrants.

The National Skills Commission's vacancy report for October reported that national recruitment activity levels are at a 13-year high (highest level observed since October 2008), with over 250,000 job vacancies, exceeding pre-pandemic levels.⁵

Employers across most industries and regions have reported difficulty in sourcing skilled labour. Industries such as hospitality and accommodation, agriculture and meat processing, and health care and social assistance, that are reliant on temporary migrants - are facing critical labour shortages. Certain businesses in the hospitality industry have reported being forced to reduce their opening hours due to a lack of skilled staff, despite offering wages well above the award rate.

Onshore temporary migrants, such as international students and temporary protection visa holders, are a major source of permanent skill stream visa applicants. In 2020-21, 75.3 per cent of permanent skilled visas were lodged by onshore applicants.⁶

Despite having lived in Australia for a long time and having largely integrated into society, many temporary residents lack meaningful pathways to permanent residency, but could significantly contribute to Australia's economic recovery by meeting labour demand. Many demonstrate a readiness to access new employment opportunities, especially in industries experiencing labour shortages.

COVID-19 exposed the risk of overreliance on temporary migration. Permanent residence leads to individuals being able to form cultural, social and emotional connections to Australia and reduces the likelihood of migrant worker exploitation.

Regular and effective consultation with industry and community organisations that support temporary residents is needed to better address these opportunities through the Migration Program settings.

Recommendations

⁴ <https://www.immigration.ca/canada-to-dramatically-increase-immigration-to-more-than-400000-per-year>

⁵ National Skills Commission (2021) Vacancy Report. October 2021.

⁶ Department of Home Affairs (2021) Planning Australia's 2022-23 Migration Program. Discussion paper. November 2021.

- 1.1. That the Migration Program be increased from 160,000 to a minimum of 200,000 places in 2022-23 to address critical skills shortages, maximize post-pandemic economic recovery, and reopen Australia to the world as an attractive destination for skilled migrants.
- 1.2. Permanent skilled places continue to be sourced from the pool of temporary residents already in Australia in the 2022-23 program year.
- 1.3. Clear, consistent and achievable pathways to permanent residency, for both onshore and offshore applicants.

2. What is the ideal composition of the Skill and Family streams of the 2022-23 Migration Program?

During the 2020-21/2021-22 Program years, Family visa places increased to nearly 50% (77,300 places) of the total Migration Program⁷. The 2022-23 Migration Program should continue to prioritise family reunion through the Family Stream, in particular partner visas.

While the importance of skilled migrant places is well known, AMES understands that there is a backlog of family reunion applications which could be addressed through program settings. Family reunion impacts positively on the welfare of Australian citizens/permanent residents who wish to bring their immediate family member to Australia. Prolonged processing times and separation are known to cause economic, social and psychological stress on families.

Increasing the parent visa places will also lead to better social and economic outcomes for migrant families. The absence of grandparents, extended family or support systems mean many women are compelled to take on care roles, as opposed to entering the workforce due to the expense of childcare or lack thereof due to long waiting periods associated with their visa.

An overall increase in the size of the Migration Program will help to achieve the right balance of addressing skill shortages and family reunion/social cohesion outcomes.

Recommendation

- 2.1 Family stream places should continue to be maintained at least at the current 77,300 places to address the backlog in applications and enhance social and economic outcomes for migrant families.

3. How can Australia remain attractive to prospective migrants to support our recovery from the impacts of COVID-19 in the short term and support a future Australia for 2030 and beyond?

Australia competes with other nations in attracting the essential skills needed both now and in the coming years. The Migration Program has undergone extensive changes over the last five years, often with little notice and minimal transitional provisions to those who might be impacted by changes. The unpredictability may lead to skilled migrants choosing other destinations that have clear and consistent pathways with regular migration intakes.

Furthermore, while entrepreneurship has also been associated with higher economic and fiscal contributions, Australia's attractiveness for entrepreneurs is ranked seventh, behind Canada, Switzerland, New Zealand, Sweden, Germany and Norway.⁸

According to the 2021 Intergenerational Report, permanent migrants who enter Australia on temporary skilled visas have much higher incomes than those who enter on other temporary visas or directly through the permanent stream⁹. To remain competitive in 2030 and beyond, Australia needs to offer prospective migrants more than just employment - the personal and professional development of the individual, as well as support for the secondary visa holders, particularly women, and families must also be a priority.

⁷ Department of Home Affairs (2021) Planning Australia's 2022-23 Migration Program. Discussion paper. November 2021.

⁸ OECD (2019) Indicator of Talent Attractiveness. Paris 2019.

⁹ The Treasury (2021) Intergenerational Report. Canberra 2021.

Australia's Migration Program should also maximize the emerging skills of onshore applicants. For example, international students whose field of study is in an emerging industry or industry experiencing labour shortages should have the opportunity to transition to permanent residency so that in the long-term, Australia will benefit from the skills taught and developed here.

Recommendations

- 3.1 Increased focus on supporting migrants' personal and professional development in Australia beyond immediate employment.
- 3.2 Investment in support for secondary visa holders – such as pathway planning and access to social programs – especially for women arriving through the Family stream.
- 3.3 Provide a pathway for all employer sponsored visa applicants to transition to permanent residency.
- 3.4 Support international students who are studying in an emerging industry or an industry with labour shortage to transition to permanent residency and gain work in these fields.
- 3.5 Maintain the allocation for the Global Talent Independent program, as the flexibility of the program helps to attract the best and brightest that can demonstrate a contribution to Australia.
- 3.6 Issue regular policy statements on migration, outlining short-term and long-term priorities for migration and how performance will be measured.

4. How can the Skill stream of the Migration Program effectively address workforce shortages while boosting efforts to upskill and reskill Australians?

The Skilled stream of the Migration Program needs to be recalibrated to better align with the Skilled Priority List identified by the National Skills Commission. It is also important to update ANZSCO to reflect new and emerging occupations on an ongoing basis and reflect these changes in the Skilled Occupation list. Where occupations are removed from the list, it is important to provide transitional pathways, especially for employer sponsored applicants.

A Regional Occupation List could also include additional occupations for regional areas that reflect real labour shortages, formulated through consultation with State and Territories and local governments.

Under the Points-tested pathways, higher points could be awarded to those with Australian work experience in their nominated occupation, which will provide onshore temporary applicants who have demonstrated readiness to work in industries experiencing labour shortages a better chance of accessing permanent residency.

Pre-employment courses such as AMES Skilled Professional Migrant Program (SPMP) also prepare skilled migrants for employment commensurate with their skills, experience and aspirations, thereby reducing unemployment and underemployment. The program's success is evidenced by strong employment outcomes and word-of-mouth referrals that bring new skilled migrants to the program every year.

The suite of online SPMP modules is currently delivered to skilled migrants around Australia, an offering that could be easily extended to offshore visa applicants, and is a viable, cost effective and high-value option based on our experience that migration starts before migrants leave their own countries. Pre-arrival and on-arrival programs such as the SPMP could be funded through visa fees or HECS-type loans and promoted as part of the Skilled Migration Program.

Recommendations:

- 4.1 Consolidate the various occupation lists (Medium Term, Short Term and Regional) to two occupation lists consisting of Priority Occupation List and Regional Occupation List.
- 4.2 Award more points to visa holders with Australian work experience in their nominated occupation, to prioritise applicants who are likely to be employed and filling labour shortages.
- 4.3 Better utilise tools for prioritising migrants when there is high demand. This includes being more selective and transparent with the points system and developing more data informed and dynamic skills shortage lists, similar to what is proposed by the New Zealand Productivity Commission report¹⁰.

¹⁰ New Zealand Productivity Commission (2021) Immigration – Fit for the future. Preliminary findings and recommendations. November 2021.

- 4.4 Invest in pre-employment programs such as the Skilled Professional Migrant Program (SPMP) as part of the Skilled Migration Program, including pre-arrival delivery.

5. How can the Migration Program help address the challenge of uneven population growth and economic development between urban and regional Australia?

Economic development in regional Australia is strongly reliant on a successful Migration Program as well as investment in regional planning and infrastructure. Regions are wanting to attract migrants to supplement local workforces, redressing declining and/or ageing populations, or increase the region's diversity but are often limited by the suitability of existing infrastructure – such as housing, transport, health, education and cultural services.

AMES has consulted with an employment Community of Practice network in Gippsland, Victoria, who are seeking to attract more migrants to their region due to an ageing workforce but are concerned about the lack of available infrastructure – such as health and multicultural services. As a result of worker shortages, businesses such as in hospitality are only able to open for two days a week.

Migrants are often accompanied by secondary visa holders/dependents (family members), which means that their ability to start contributing to Australia's economy through employment may be impacted by a range of factors relating to the settlement of the whole family. When families are supported through access to English language tuition, social networks and other services, migrants are in a better position to succeed. This is particularly pertinent in regional areas which are often less prepared to welcome migrants than urban areas. Migrant workers are more likely to remain in regional areas when there is clear investment in outcomes for the whole family.

Available, affordable accommodation is critical for supplying a sufficient workforce to support economic growth in regional areas. Many regional areas experience a shortage of suitable housing for purchase or rent which has been significantly impacted by COVID-19, and given the profit driven nature of the market, there may be little incentive for commercial developers to invest in regional areas. There are additional challenges within the rental market, for example requiring new migrants to pay large bonds due to a lack of Australian rental history. These issues currently act as a deterrent for migrants to relocate to regional areas.

Planning and preparing the infrastructure of potential regional locations to accommodate new arrivals and an increase in population is urgently needed. In AMES experience, strong collaboration between the three tiers of government, local community, employers and settlement services providers can support sustainable regional migration. Ongoing consultation with local stakeholders can help to identify local needs and improve opportunities for migrants wanting to settle in or relocate to regional Australia, including the identification of new priority regions.

Current visa incentives for temporary migrants in regional areas to access permanent residency means that rapid 'deskilling' in the regions is an increased risk, as often the employment opportunities aligned to migrants' skills and experience are not readily available. Pre-settlement or relocation information and advice is needed to ensure new migrants are informed of opportunities in regional Australia, and can obtain information about possible destinations to support their decision making.

Recommendations:

- 5.1 Facilitate collaboration between the three tiers of government, local communities, employers and settlement services providers to support sustainable regional migration.
- 5.2 Invest in increased planning and infrastructure to support regions to receive new arrivals – including services to support secondary visa holders and whole families.
- 5.3 Similar to regional resettlement programs that have been trialled in Australia for refugees, trial a relocation program for Skilled and Family stream migrants that involves collaboration with the stakeholders described above. This approach must be place-based, and region-specific. Onshore and offshore applicants could access this through the Migration Program.
- 5.4 Fund pre-arrival/relocation information and advice services to ensure new migrants are informed of opportunities in regional Australia and can obtain information about possible destinations.
- 5.5 Monitor planning and infrastructure provision to keep pace with current and future migration rates and ensure that migrants have access to essential infrastructure to meaningfully and sustainably relocate to regions. This should be done in collaboration with all three tiers of government.

6. How can migration policy settings better support economic security of women in Australia overall, and migrant women in particular?

According to Migration Program outcomes, the proportion of women as primary applicants is lower than men across all visa categories and years¹¹. The program therefore sees more migrant women arriving as secondary applicants, with limited access to social and employment support services.

As a result, the aspirations of many migrant women are not prioritised. Many assume the role of primary carer of children with limited support due to waiting periods associated with their visa to access social security payments for childcare.

Migrant women have weaker economic outcomes than male migrants, broadly reflecting their migrant entry pathways as secondary applicants.¹² This increases the risk of women becoming isolated with fewer opportunities to improve their English, connect with the broader community and gain economic independence.

Migrant women need access to English language classes, pre-employment courses that will help them to enter the workforce (if that is their goal) based on their relevant skills, experiences, and aspirations. For example, the National Community Hubs Program offers an informal learning environment for new migrant and refugee women where they can learn and connect with others. Approximately 85% of participants are women with dependent children, with many progressing to further education and/or employment¹³.

Migration policy settings will better support the economic security of migrant women when there is investment in both the primary and secondary applicants' development, and when the needs of whole families are met.

Recommendations:

- 6.1 Remove the minimum waiting periods to access social security payments eg: childcare to avoid women having to take on full time care/domestic roles due to a lack of support.
- 6.2 Invest in programs such as The National Community Hubs Program and other place-based programs that are of benefit to migrant women.
- 6.3 Support secondary visa applicants, who are mostly women, to access career counselling and pathway planning relevant to their skills, experiences, and aspirations.

7. How can migration policy settings better support social cohesion outcomes in Australia?

Social cohesion is understood to be an ongoing process, involving all members of a society. Often the burden is on new arrivals to integrate into the community however it is a two-way process that relies on a welcoming receiving community. It is essential that First Nation Australians and First Nations education, culture and lands are at the forefront of this.

As discussed above, there is scope for the Migration Program to better support social cohesion outcomes in Australia. Program settings that prioritise family reunion, and positive dialogue around migration with the broader community, employers, regions and other stakeholders sends a powerful message. The Migration Program must go beyond supporting economic development, and support the personal and professional development of migrant families to settle and feel socially included.

Opportunities for new migrants to interact with the broader community will also strengthen social cohesion. Recent research by the University of Technology Sydney (UTS) found that migrants who settled in regional Victoria were more likely to report that it was easy to talk to their neighbours¹⁴. What helps to facilitate these opportunities in regional settings should be further explored.

¹¹ Department of Home Affairs (2021) Planning Australia's 2022-23 Migration Program. Discussion paper. November 2021.

¹² Ibid.

¹³ Community Hubs Australia (2021) Mid-year update 2021.

¹⁴ Collins, J., Reid, C., Groutsis, D., Watson, K., Kaabel, A., Hughes, S. (2021) *Settlement experiences of recently arrived refugees from Syria and Iraq in Victoria in 2018/19*. Full Report, Centre for Business & Sustainable Development, UTS Business School: Sydney.

Migrant worker exploitation is a serious barrier to social cohesion. The balance of power has often sat with employers, leaving migrants extremely vulnerable especially in regional areas. This must continue to be regulated and stamped out.

Pre-employment program for skilled migrants such as AMES SPMP also provide intensive support for skilled migrants to enter employment sooner (see recommendation 4.4), maximizing the 'productive diversity' of migrants within a multicultural workplace environment.