



**Australian Government  
Department of Immigration and Citizenship**

**Planned Evolution: A Strategic Approach to Immigration  
Policy**

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**Introduction**

Since the establishment of the Department of Immigration on 13 July 1945, Australia has taken a strategic approach to developing and managing immigration policies and programs.

So far, the department has helped around 6.6 million people to arrive and settle permanently since World War Two, including a humanitarian and refugee component of almost 700 000 people.

This means that, of Australia's current population of just over 21 million, 45 per cent of us (that's almost half the nation) were either born overseas or have at least one parent who was born overseas.

In fact it is probably safe to assume that every single person in this room has been touched directly or indirectly by the migrant experience.

And if those experiences occurred over the past 60 years, they all began at the same point: with the Department of Immigration.

Our department's "purpose" is to "Enrich Australia through the well-managed entry and settlement of people".

I referred to this in my first letter to the new minister for Immigration and Citizenship, Senator Chris Evans, following the election of the Rudd Government in November 2007. In part, I wrote:

*"For over 60 years this portfolio has been a major player in building post-war Australia.*

*You take up your responsibilities as the 27<sup>th</sup> portfolio Minister for Immigration at a time when immigration will be critical to Australia's future economic development.*

*All indicators are that over the next decade, based on current demographic and economic analyses, Australia will have to supplement its own labour force with the highest number of skilled immigrants ever.*

*In doing this, we will be faced with many policy and administrative opportunities and challenges – to ensure that foreign nationals who meet Australia's entry arrangements can come here in the most efficient manner.*

*This is to be done while ensuring that all bona fides, health and security checks are completed without the administrative mistakes that have occurred in past years.*

*We also have a central role to play in assisting the successful settlement and integration of newly arrived refugees and migrants, and in supporting an inclusive society through citizenship and multicultural affairs programs."*

My talk today will focus on the evolving nature of our strategic approach to immigration policy and planning, including consulting the Australian community and key stakeholders, to ensure we realise our aims.

### **The past**

It is self-evident that immigration has played a major role in the shaping of the Australia we live in today.

Successive governments have fine-tuned migration policy and program settings in response to the complex social, economic and other changes affecting Australia.

As a result, migration in Australia has, in my view and that of many others, been a great and enduring success story.

To this day, migration continues to be one of the eminent themes and experiences of our history.

It has also been the centre of much public debate and controversy.

Let me give you a few examples of how immigration policy has evolved over the past 60 years.

Planning for large scale immigration began before the end of the second world war. Speaking in the House of Representatives on 21 March 1945, the Prime Minister, John Curtin, said:

*“...The Commonwealth Government is very earnestly desirous of obtaining large numbers of British subjects as migrants. To this end, negotiations have been proceeding for some time with the United Kingdom Government concerning the extent to which financial assistance in regard to transport and any other directions can be rendered to enable (a) British ex-service personnel and their dependents and (b) other British subjects in the United Kingdom, to migrate to Australia.”*

The Hon Arthur Calwell MP was appointed as the first Minister for Immigration on 13 July 1945, and the Department of Immigration was created. Calwell's handpicked department head was Sir Tasman Heyes, who was Secretary of the department for 15 years.

In the post-war resettlement phase, the government set a migration target of increasing Australia's population by one per cent each year and made use of assisted passage schemes.

Although these schemes focussed initially on the United Kingdom, they were later expanded, in a deliberate and planned manner, to include most countries in Western Europe.

In the 1950s, the government introduced migration planning principles that enabled the department to 'balance' the immigration intake between assisted and non-assisted migrants, British and non-British migrants and, within this latter group, balance intakes from northern and southern European countries.

Following a review of migration policy undertaken by the Australian government in 1966, there was progressively a move away from 'balancing' the various intakes to examining a person's suitability as a settler, wherever they might come from. The abolition of the 'White Australia' policy was a turning point in Australian history.

Since the 1970s, the program has been responsive to economic trends, including, for example, the current resource boom. The department has consulted with stakeholders and planned the size of the immigration intake to respond to changes in economic growth and employment levels.

Migrants have come to Australia from an increasingly diverse range of countries. In the 2006-07 program year, people migrated from more than 200 countries; the top ten source countries were: the UK, New Zealand, India, China, the Philippines, South Africa, Vietnam, Malaysia, Sri Lanka and Sudan.

In 1982, the migration points test was introduced to enable us to fine tune the characteristics of the migrants that Australia needs, depending on the Government's reading of the circumstances of the time.

Through the late 70's (Vietnamese), late 80's (Cambodians), early and mid 90's (Ethnic Chinese-Vietnamese, PRC nationals), late 90's, and early this decade (people from a number of Middle East and West Asian countries) there were several waves of unauthorised arrivals in Australia by sea. Many were refugees, many were not. Their arrival gave rise to complex issues of international and domestic law, and of public policy and administration; and often gave rise to major community and political debate.

Migration and visa decision making was regulated and codified in the late 80s, enabling administrative decision-making by departmental officers based on defined legal criteria.

Technology has become increasingly important in our interaction with our clients, and in supporting the department's business processes.

Sometimes governments have needed to react quickly to world events. Just a few examples:

- Following the Tiananmen Square incident in China in 1989, Chinese citizens temporarily resident in Australia were permitted to stay until July 1990, later extended to July 1994.
- In 1999, safe haven visas were offered to people from the Kosovo region and East Timor to enable them to stay in Australia temporarily, until it was safe for them to return home – and most did.
- More recently, we have been working with the Department of Defence to provide visas for Iraqi nationals who have been working with the Australian government in Iraq.

The point I am making is this: across the past 60 years, there has been enormous change in the immigration portfolio, but at the same time, a consistent theme of helping to build our nation.

Following the tragic mistakes made some years ago, affecting people like Cornelia Rau and Vivian Alvarez, the department has implemented a large cultural change process and business process re-engineering, which some of you might have heard me speak about in various public fora over the past three years.

I can assure you that we are an organisation very focussed on dealing with all our clients fairly, reasonably, and lawfully; and with a clear set of positive values, underpinned by a strong sense of humanity.

### **The present**

So to the present day.

We are now working at a very high tempo, reflecting the engagement of Australia and Australians in the wider global economy.

For example, last financial year, we:

- processed more than 24 million passenger and crew arrivals and departures;
- answered 1.7 million phone calls at our Sydney and Melbourne contact centres;
- granted nearly 3.6 million visitor visas offshore;
- processed 13 000 humanitarian visas;
- granted over 158 000 migrant visas, and 110 000 Subclass 457 (temporary skilled work) visas; and
- granted citizenship to nearly 170 000 people.

So, what does the government want of the department and the immigration program?

To begin with, the government has firmly established in the public arena that migration is a central pillar of nation-building and the key to our national prosperity. Indeed, in line with the theme of this speech, there clearly is a strategic approach to immigration policy.

In a recent speech, the minister said: *"It is essential that we have in place a flexible migration system that is responsive to global migration trends and the needs of the Australian economy."*

The minister has highlighted the need for more targeted temporary and permanent employer sponsored (or 'demand driven') migration to meet the labour and skill needs of the economy and we are looking at ways to achieve this.

He also discussed the need for a debate about the use of temporary unskilled workers. This will be considered along with the current Pacific Labour Scheme proposal.

In its first months in office, the government addressed Australia's immediate skills and labour shortages, by increasing the skilled migration program by 6 000 places and increasing the working holiday program for young people, to grow the pool of labour for the tourism and primary industries, as well as the construction industry.

The minister has said that he wants:

- the migration program to supply skilled labour so that economic growth can continue, while keeping downward pressure on inflation;
- more debate around what role semi-skilled and unskilled migrants can or should play in addressing this shortage;
- returning humanity to the treatment of refugees in Australia and moving the public debate back to using immigration as an economic tool for nation-building;
- a longer term framework for migration in the context of future labour market and demographic needs, rather than setting an annual migration program;
- a greater financial and planning commitment to research and evaluation in the immigration and citizenship space, in order to help broaden the evidence base and inform debate; and
- a need to better understand who needs settlement support, what kind of support they need, and how best to deliver it, so that they can begin to make a contribution to the community as soon as practicable.

All of this aims to move the public debate about immigration, refugees, settlement and citizenship back to a focus on nation building.

The announcements by the minister in the 2008-09 Budget are a first step towards meeting these needs:

- The Migration Program for 2008-09 increases to 190 000 places, which makes it the largest program ever.

- The skilled migration component will make up 133 500 places, the largest ever and a 30 per cent increase on last year's program.
- The family stream will also grow by 6 500 places to total 56,500 places, which is a significant increase over past years.
- The Humanitarian Program for 2008-09 increases to 13 500 places, with a one-off increase of 500 places to assist people affected by the conflict in Iraq, particularly those Iraqis who have supported Australian forces.
  - The offshore component of this program will be split evenly among refugees from the Middle East, Africa and Asia, with more focus on delivering effective ways to assist these people into employment as quickly as possible.
- The Australian Government is also investing almost \$50 million over the next four years to strengthen measures to help migrants gain the language skills they need to enter the Australian workforce.

### **457 visas – a growth area**

One additional point of policy that is foremost in the minister's mind is worth addressing on its own: the Temporary Business Long Stay visa, or 457 visa. This program is driven by labour market demand and the number of visas issued has doubled since 2003-04 and continues to grow, with the program reaching 110 570 places in 2007-08 and continued increases expected in 2008-09.

Traditionally, the skilled workers coming in on 457s were professionals, engineers, doctors and nurses. However, as time has gone by, there has been an increasing demand for people at

lower skills levels and a shift in the nature of the source countries.

There have been some abuses of the system that have required firm actions by authorities. There is potential for these situations, many of which attracted media attention, to erode public confidence in a scheme that-by and large-has worked well for the Australian economy so far.

To help address the usability of the scheme, the minister formed an External Reference Group in February to examine likely employment trends and how selected measures might meet these needs.

- The Government accepted 14 of the 16 recommendations and will further consider the remaining two.

The minister has appointed industrial relations commissioner - Barbara Deegan to undertake a six month review of the 457 program, consult with overseas workers, union and industry representatives and relevant Commonwealth, state and territory agencies.

Legislation is planned for introduction to Parliament later this year to help prevent the exploitation of 457 visa holders. The legislation will include among other things, provision for expanded powers to monitor and investigate non-compliance with the program, and introduce a framework for punitive penalties for employers found to be in breach of their undertakings.

The reality is, the 457 visa plays a significant role in filling skills shortages, and many of the temporary skilled migrants are in fact, professionals from the UK.

We're also finding that about 30 per cent of our permanent migrants were originally 457 visa holders, who converted to permanent residency.

So some skilled workers are using the 457 as a "try before you buy" visa, before they commit to permanent residency.

In his recent speech, the minister noted the progress already made in making the Subclass 457 program more user-friendly by speeding up processing times, clearing the backlog and working more closely with business. I look forward to continuing progress in this regard.

### **The future - demographic trends – here and globally**

Drawing on the findings of the two "Intergenerational Reports" published by Treasury in 2002 and 2007, it is clear to all that Australia's population will age markedly over the next 40 years. This is due to our collective longevity, but also because, on average, we are living longer and having fewer children, if at all.

There is relatively little that can be done to avoid these unfolding population dynamics over the short term – after all, these trends have been building for quite a while.

That said, one of the few things that can moderate the effect of population ageing is strategically planned migration, as pointed out in the Intergenerational Reports. New arrivals to Australia are, on average, significantly younger than the resident population.

Indeed, without immigration, the labour force will start shrinking as early as 2010.

It's largely because of immigration that Australia's working age population is projected to continue to grow. Nevertheless, the aged-to-working-age ratio will rise from 20 per cent in 2007 to

almost 42 per cent by 2047. In other words, we currently have four people working for every one retiree. In 40 years' time, we'll have three people working for every two retirees. And those two retirees will be drawing on health and welfare supports as well, for longer.

In taking a strategic approach to immigration policy, we need to bear in mind that we aren't alone in this situation. The aged-to-working-age ratio is projected to at least double across Europe, India and Japan, and more than triple for China from now until 2050. The old-age dependency ratio in the US is also projected to rise, but less than for other major countries and regions.

This creates a multiplier effect: not only are these countries competing to entice migrants, they are also seeking to keep their own populations at home – instead of them coming to Australia and they'll be trying to entice Australian residents with in-country family ties to 'come back home'.

Marker countries such as Canada and the United Kingdom are already targeting the same sorts of migrants that Australia wants and needs. While Australia has successfully used migration to meet the nation's economic and social needs, as I've mentioned previously, a survey of what other countries are doing reminds us that we cannot rest on our laurels.

The United Kingdom launched Tier One of their new so-called "Australian-style" Points-Based System in February 2008, as part of their policies to attract highly skilled workers. The UK government has dubbed its Tier One initiative “the biggest changes to British immigration policy in a generation”.

The UK Government hopes these reforms will help Britain benefit from migrants who come to work and study, and crack down on illegal immigration and immigration fraud.

The European Union is also looking at ways to better attract skilled migrants.

The European Commission has proposed a 'Blue Card' - a temporary special residence and work permit for highly skilled migrants. They intend to have Europe "become at least as attractive as favourite migration destinations such as Australia, Canada and the USA".

Individually, Germany, Sweden, the Netherlands and Ireland are also looking to further encourage overseas students to study in their countries by creating pathways from study to temporary post-graduate employment, leading to the possibility of permanent residence.

Canada's Parliament recently passed significant reforms to address the long waiting times for permanent migration applicants. Their backlog currently stands at around 925 000 people waiting up to six years for a decision on their application.

It's worth noting that the Canadian Government is presenting the changes as bringing it in line with the practices of countries such as Australia and New Zealand.

So, you can see that many other countries are also seeing the value of a strategic approach to immigration policy. The consistent reference to Australia as a benchmark is certainly gratifying.

But it does remind us that we need to keep innovating in our immigration policies if we want to remain the leaders in immigration policy, and best maximise the benefits of migration for Australia.

### **International cooperation on migration**

I'd now like to turn to discussing the increasing prominence of migration as a topic of discussion among nations, both bilaterally and in wider forums.

Australia engages bilaterally with other countries on immigration in a number of ways. For example, we are:

- continuing to negotiate reciprocal Working Holiday Maker Agreement with a number of countries;
- finalising arrangements with the EU to ensure continued reciprocity on short-term visas; and
- continuing to consider the temporary movement of service providers, as they are included in free trade agreement negotiations.

Australia also conducts a number of programs with partner countries in the Asia-Pacific region to help build capacities to reap the benefits of orderly migration and curb irregular migration.

This is important, as we firmly believe that the ability of Australia to reach its immigration policy goals is linked to the capacity of its neighbours to likewise manage migration constructively, for our shared ends.

More broadly, countries are increasingly looking to share information and cooperate on migration policy.

While most developed countries are experiencing labour shortages, many developing countries have more people of working age than there are jobs, and so are looking to facilitate the temporary emigration of their citizens for work purposes.

In such an environment, an increased interest in the rights of migrants is hardly surprising.

## **Conclusion**

To meet the challenges of the next decade, we need to draw on those planning and consultation skills that we have developed over the past 60 years and add a few other elements:

- A broader and deeper evidence base on demographic and economic trends.
- Better use of this evidence base to sustain discussions and consultations with community, government agencies and non-government organisations, and
- Organisational structures that better support a demonstrably effective, efficient and appropriate migration program, responsive to the needs of our clients and our community.

By drawing on our strengths and improving our capacity to respond to longer-term changes in the global and local environment, I am convinced Australia will continue to have a strategic approach to immigration policy, one that is considered to be world's best practice.

Thank you.