



Australian Government
Department of Immigration and Citizenship

‘Fault lines in immigration policy’ conference
University of Sydney, NSW

22 July 2011

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Perspectives on Australian migration policy and administration

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I am honoured to be delivering the opening speech today. This conference, and its purpose of discussing immigration policy, will help inform public discourse on these issues. I would like to acknowledge and thank the University of Sydney and Harvard University for their cooperation and commitment to coordinate such an event.

Before I begin, I wish to acknowledge the traditional custodians of the land we are meeting on today, the Gadigal people of the Eora Nation. I wish to acknowledge and respect their continuing culture and the contribution they make to the life of this region. I would also like to acknowledge and welcome other Aboriginal and Torres Strait Islander people who may be attending today’s event.

people our business

Overview

Today, I would like to offer some perspectives on Australian migration policy and administration, both past and present, and offer an outlook on future directions. I do this not only as the current Secretary of the Department of Immigration and Citizenship, but also as someone who has spent most of my working life in the immigration portfolio.

Indeed I have now spent over 26 years in the department, so I declare a strong bias towards the management of an immigration program in Australia's national interest, the management of a system that delivers results for the Australian community and for our clients, and a system that ensures that Australia upholds our international obligations.

The role of the Department of Immigration since 1945

It is a well known fact that every Australian, other than indigenous Australians of solely indigenous ancestry, has links in some way to a migration here over the last two hundred and twenty-three years. Put simply, our country is built on migration.

Despite this, migration has always been a significant and at times controversial issue in Australia, however the very significant contribution of migrants to Australia is indisputable.

I speak in particular reference to the large scale migration programs that have occurred since World War II. Australia is a very different place, a far stronger place built through great diversity, than the Australia of 1945 when my department was first established. Since that time we have facilitated the migration of more than seven million people and the conferral of citizenship upon four million people.

There of course have been significant changes to migration policy over that time. A program that originally included large numbers of migrants from the United Kingdom, was quickly followed by the movement of large numbers of displaced persons from European countries following World War II, and then the progressive dismantling and abolition of the 'White Australia Policy' in the late 1960s and early 1970s which led to a great diversification of nationalities being processed through our programs.

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Today, migrants come to Australia from over 180 countries. The top 5 source countries for migrants, excluding New Zealand citizens who are able travel more freely, are the United Kingdom, China, India, South Africa, and the Philippines. Three of the top five source countries for migration come from Asia, indeed five of the top ten source countries come from our region.

It is my view, shared by many, that we have been extremely well-served by our migration programs, both permanent and temporary. Today, nearly one in four Australians are migrants. Migrants come to succeed, not to fail. They make a substantial social, cultural and economic contribution to Australia. They fill jobs where there are shortages of skilled labour, boost workforce participation, and are net contributors to the Commonwealth Budget's fiscal balance. Our orderly and well-managed programs, week after week, bring doctors and nurses to regional areas, engineers and construction trades workers to new resource projects, IT workers to major financial centres, and help re-unite families.

Economically, our migration program has been, and continues to be, a backbone to many of our industries. But we are also a compassionate country, one that has a long tradition of accepting and resettling refugees, and since 1945 we have taken more than 700 000 refugees.

Over the years my department has learnt some painful lessons. Sadly, and despite all measures to prevent them, mistakes have sometimes occurred. Some have had a profound impact on people's lives such as the tragic cases several years ago involving Cornelia Rau and Vivian Alvarez Solon. Our administration of a very complex area of public policy involves millions of decisions each and every year. Overwhelmingly these have been positive results. But sometimes the department has got things wrong.

However, unlike the public scrutiny accorded to cases that go wrong, which is of course proper, what is not commonly reported are the thousands of positive interventions made by officers in my department every year in assisting people. Immigration officers doing extraordinary things that often go beyond what is ordinarily required of public servants.

While my expectation is that my staff bring professionalism and commitment to each of the millions of visa applications processed every year, one of my privileges as Secretary of the department is that I get to see first hand how positively our officers operate, often in difficult or testing circumstances.

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As a department we aim to have fair and reasonable dealings with clients, we aim to be an open and accountable organisation, and we aim to have well developed and supported staff. To do this we ensure that our work is evidence based – ensuring that 'what we do' is based on sound data, and that we undertake our responsibilities in a humane way ensuring that we work within the APS core values, extending to our clients and stakeholders. We continue to value and reward a culture of high performance. Finally, surrounding all of this is the issue of integrity which we value extremely highly.

It is interesting to reflect that many of the values, and principles we seek to apply now in managing a program of over 4 million visas per year, resonates strongly with my predecessors' values and directions. Indeed the second permanent head of the department, Sir Peter Heydon, laid out five principles relating to migration in 1965 which are uncannily similar to what we as a department talk about today – these were that:

- the act of migration is among the most important steps in the life of a migrant—comparable with marriage or choice of a career.
- the individual is therefore most important in an immigration program and generalisations on the social needs or behaviour of migrants as a whole is correspondingly difficult.
- in the Australian social atmosphere, against the tradition of sympathy with the underdog, a fraud or lie in an application to the Department of Immigration is not thought comparable with fraud on a bank or employer—the enforcement of the law is correspondingly difficult.
- the place of the community organisations is vital in view of the range of human problems involved—employment, housing, language education, political readjustment. The present arrangements are good but will need expansion and adjustment.
- the social problems will need more scientific handling.

While the way we would describe these principles has moved on, the core of our work is very much the same. I describe them as follows:

- the recognition of the significance of the decision to migrate
- the focus on providing services that are 'client-centric' and respecting the individual

- the complex challenges of enforcing migration law and maintaining program integrity
- the importance of stakeholder and community engagement and collaboration, and
- using evidence-based policy informed by quality research to manage social issues around migration.

Similarly, in outlining 46 years ago his five principles, Sir Peter described many features of the immigration portfolio, touching on the important nation building aspects of the department's work. When he set out his principles in 1965, Australia had welcomed some 1.7 million settlers from overseas since the end of World War II. As I stated earlier, this figure now stands at over seven million migrants. While Sir Peter noted that in 1961, 16.9 per cent of Australian residents were born overseas, today, around 25 per cent of us were born overseas, and approximately 45 per cent of all Australians were born overseas or have at least one parent who was born overseas.

I take great pride in illustrating Sir Peter's principles, because despite the fact that over the last 50 years we have improved our capacity and compatibility to deliver such programs, our core values remain very much the same.

Of course as our programs continue to grow, so does our reliance on our core values. This is especially important in ensuring our programs are delivered well across our department. To put this in context, our staff and systems, our partners and our service providers will this year support the movement of over 28 million people across our border, the granting of around four million visas, the migration of almost 185 000 settlers, and the welcome of 14 750 refugees and humanitarian entrants.

Within this figure, the total number of irregular migrants in Australia at any one point in time constitutes around 0.2 per cent of the population, a rate that is at the low end for all developed nations. Further, around 120 000 people who have migrated here will take the final step in their journey and join us as Australian citizens in the coming year – that is over 2000 new Australians every single week!

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To deliver these programs and services my department's 8000 staff are based in offices all around Australia, in our international gateway airports, and in places of immigration detention. We have staff located in 65 Embassies, High Commissions and Consulates overseas, as well as working regularly in refugee camps. Our airline liaison officers are based in key hub airports across Asia and in the Middle East.

Our services are provided by our skilled staff – by lawyers, IT professionals, accountants, forensic document examiners, economists, social workers, librarians, international relations experts, migration specialists, intelligence experts, and people fluent in several languages. The list goes on and on. By any measure, many of our staff would be regarded as Australian experts, indeed, some are international experts in their field of work.

We work with other government departments and agencies, foreign governments, international organisations, the business sector, the not-for-profit sector, community organisations, commercial service providers, the media, academic institutions, the courts, and thousands of individuals

Australia's migration program

A key element of our role is, of course, delivering the migration program, and I'd like to move to spend some time discussing some of the reforms and improvements we are making in this area.

Through successive governments the migration program has been adjusted in response to economic, social and political factors. It is important to note at the outset that Australia's Skilled Migration program is designed to improve the living standards of Australians. It is a highly targeted program designed to assist Australians to successfully achieve the three “Ps”:

- Population – by adding to the number of working aged people;
- Participation – by increasing the proportion of people in the workforce; and
- Productivity – by increasing GDP per capita.

Over the last decade, net overseas migration has been at historically high levels. From a level of 106,000 in 2004, it more than tripled within five years to peak at 320,400 in 2009. This growth was largely due to the increase in people entering Australia as temporary residents, mostly international students, but then not departing as they remained in Australia to pursue permanent residence. We soon found this trend had an adverse impact on international education in Australia - by attracting students seeking a migration outcome ahead of a quality education we were effectively undermining the targeting of our student and skilled migration programs.

Since 2009 there has been a significant fall in net overseas migration - we expect that this will stabilise at around 180,000 consistent with the projections underpinning the Government’s long term migration planning framework.

I was in Western Australia earlier this week where much of the talk in business and government circles is about the resources boom, and the resultant skills and labour shortages.

In the absence of qualified personnel to fill these skilled and semi-skilled occupations, sustained unmet demand for workers will constrain Australia's economic growth. This, compounded by projections that without immigration Australia's labour force growth will almost cease within the next decade, poses significant challenges for Australia. The solution is not simply to import foreign workers — it is about attracting people best suited to meeting Australia's unique labour force needs.

Similar to many of our programs, the size and composition of the skilled migration program has changed markedly over the past 15 years. In the mid 1990s it was dominated by applicants with a broad range of skills seeking unsponsored independent migration. From around 2005 onwards the size of the program grew quickly in response to the pre-GFC resources boom. However, this growth was reflected in only a small handful of occupations as a result of the impact of the Migration Occupations in Demand List (MODL) and emerging problems with the calibration of the associated Points Test.

The decision to move to a sponsored or demand driven program in early 2008 was predicated on the evidence that skilled migrants settle more easily and make the greatest contribution if they are able to come to a job. The decision highlighted a significant and growing mismatch between the skills on offer and those demanded by the Australian labour market. It implied a fundamental change in the balance of the permanent skilled program which, historically, comprised 20 to 25 per cent of employer and government sponsored migrants. It also highlighted the need for the Government to ensure that the rights of overseas workers temporarily in Australia were protected while not undermining wages and working conditions of Australians.

The challenge therefore was to achieve a sensible balance between the three Ps. The multi-layered program of reforms introduced by the Government over the last three years has been carefully designed to address each of these and to make the Skilled program both more responsive to the current labour market and better placed to meet Australia's future skills needs.

The temporary residence Subclass 457 program is the main vehicle for providing swift and flexible short-term responses to immediate skills shortages. Major reforms to the program in September 2009 aimed to strike an appropriate balance between allowing for fast, streamlined processes for reliable sponsors while protecting the rights of overseas workers and not undermining employment and training opportunities of Australians. The 457 reforms were prioritised to address evidence of abuse of foreign workers and to ensure that Australia's migration arrangements were able to quickly respond to the early signs of economic recovery without compromising program integrity.

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Further improvements to the 457 reforms were announced in the 2011 Budget. These measures will halve processing times, and introduce new Enterprise Migration Agreements to assist the growing resource sector access skilled overseas labour that cannot be found locally.

Changes will also be made to fast-track applications for permanent residence from 457 visa holders who have spent two years in regional Australia and where their employer will continue to sponsor them for a further two years.

A parallel program of reforms was introduced to improve the economic contribution of migrants under the points tested Independent and State/Territory/Family sponsored visa categories.

Critically, these categories are not suited to addressing immediate skill shortages due to the long lags between identifying an occupation in shortage and migrants entering the Australian labour market. Rather, these categories are focused on meeting medium to long term skill needs.

These reforms were necessary to correct imbalances emerging in the program. Since 2005, more and more of the program was being made up of a small number of occupations, which were dominated by unsponsored former international students. While overall employment rates for skilled migrants remained good, the outcomes for these unsponsored former international students were poor. Additionally, the number of such applicants far exceeded the number of places available in the program, leading to extended processing times and inhibiting flexibility.

In effect, the migrants with poor labour market outcomes were crowding out migrants that could bring skills in need in Australia. Reforms were necessary to refocus the program on delivering the skills in demand in Australia.

Targeting was improved through the abolition of the MODL, the introduction of a new Skilled Occupation List developed by Skills Australia and focussed on highly skilled, high value occupations, and the introduction of State Migration Plans which provide the flexibility missing from the previous MODL 'one-size-fits-all' approach that did not adequately address the differing and specific needs of regional labour markets.

Human capital was improved through progressive increases in English language proficiency requirements and the review and application of higher standards by many skills assessing authorities to ensure that new migrants whether on permanent or temporary visas are 'job ready' and competitive in the Australian labour market.

The new Points Test builds on these reforms by recognising and rewarding those visa applicants with the most human capital to offer. It takes away the distortion caused by applicants nominating a very narrow range of occupations in order to maximise their score.

It recognises very high levels of English language ability and significant, relevant work experience in Australia and overseas. It also recognises high value qualifications obtained overseas thereby reducing the incentive for people to simply study short, low value courses in Australia in order to obtain additional points for permanent residence.

To complete the reform process, reviews of the employer sponsored programs (ENS/RSMS and Labour Agreements) and the Business Skills program have commenced. For ENS/RSMS the review will improve program integrity and address identified inconsistencies in policy settings to facilitate the movement of skilled workers from temporary to permanent residence, particularly into regional Australia.

Similarly, changes to the processing arrangements for Labour Agreements have facilitated the speedy but carefully controlled entry of a range of workers, including some who are semi-skilled, to meet specific employer/industry needs, particularly those of regional industries.

The review of the Business Skills program is intended to ensure that it delivers very highly skilled migrants with the business acumen and innovative flair to introduce new technologies, boost export income and stimulate the overall level of business activity.

The Skilled Migration Program also includes initiatives designed to encourage a more balanced settlement of Australia's skilled migrant intake with regards to location of settlement and skills, and to address possible skill needs in specific regions of Australia.

Additional measures to assist in the Program meeting the economic development needs of regional Australia include the introduction of Regional Migration Agreements. These agreements offer a co-ordinated localised response to labour needs, recognising that different regions face different opportunities and pressures. The Government has also announced that 16 000 places will be allocated to RSMS. This is the first time that the Government has specifically allocated permanent visas for regional areas. Together with an enhanced Regional Engagement Strategy, this will ensure that applicants who have skills, qualifications and work experience that are in demand will be able to move quickly into skilled employment and contribute to regional Australia.

All of these reforms will be brought together in the new Skilled Migrant Selection Model. The model gives government ultimate control over the level of NOM by providing similar tools to those used by business to flexibly alter the skill composition of its workforce and speed up or slow down recruitment of workers as circumstances change.

The model will provide greater transparency and certainty to visa applicants. Critical to this will be the ability to precisely control how, when and by whom visa applications are lodged thereby considerably improving visa processing times and enabling a better match between required program outputs and processing resources.

Implementing the model will complete the transition from a supply-driven migration program to a demand-driven program and will support the government's deregulation agenda by simplifying the visa requirements while reducing the number of skilled visas subclasses to about half a dozen.

These reforms have been built on rigorous research and analysis that, as noted, has been strengthened in our policy development processes in recent years. I am very pleased that my department's Chief Economist, Mark Cully, who has added considerable intellectual capacity to our policy development, will also be speaking to you later in the program.

Of course, our administration of this program occurs within a global, regional and national context. People flows to and from Australia affect our economy, our society, and our border security, and I'd now like to turn to these issues.

Global and regional people flows

As I noted in my recent statement at the Senate Budget Estimates Committee Hearings, while the world is progressively opening up to greater migration flows, in large part spurred by the mutuality of interests between the developed world with its ageing populations and a rising cadre of young, aspirational, well-educated people in the developing world. There are presently 215 million people living outside their country of birth, accounting for just over 3 per cent of the world's population. By 2050 that figure is expected to approximately double, with increasing flows into the developed world. Those countries that have the capacity to regulate and manage increased flows – and those with the right institutions and the right governance arrangements – are the ones that will benefit from it

Within this environment we must be mindful of the very significant issue of displaced persons. According to the UNHCR, at the end of 2010 there were over 43 million people forcibly displaced worldwide, the highest number in 15 years.

The gravity of this situation is significant. A large number of these persons were of the total number of displaced persons, 15.4 million were refugees, 27.5 million were internally displaced persons and 837 500 were asylum seekers. Of these displaced persons, almost 4 million refugees were in the Asia Pacific region at that time.

According to UNHCR, most refugees (about 7%) sought refuge in countries neighbouring their country of origin, with developing countries continuing to host four-fifths of the world's refugees.

At the end of 2010, Pakistan hosted the largest number of refugees worldwide, with 1.9 million refugees, Iran was next, with 1.1 million refugees; followed by Syria, with 1 million refugees Africa was host to one-fifth of the world's refugee population, primarily from Somalia, the Democratic Republic of Congo and the Sudan.

In the Asia-Pacific region, a number of countries are host to refugees, in some cases many thousands, and provide protection in practice, although are not parties to the Refugees Convention.

Several countries in the region are host to large numbers of refugees and asylum seekers, including Thailand, Malaysia, and Indonesia.

Conflict, political insecurity and current global economic conditions are driving vulnerable people to seek safety and improved living conditions outside of their country of origin.

Further, people with protection concerns move alongside those who travel for other reasons. These people movements place significant pressure on host and transit countries.

Governments continue to work towards achieving a balance between managing border security concerns with protection issues. However, inconsistency in approaches to reception and durable solutions has created an environment in which the people smuggling trade flourishes.

Secondary movement is a particular challenge in the region with many asylum seekers moving irregularly in the hope of having their asylum claims assessed quickly and obtaining a permanent outcome.

It is clear that no one country on its own can provide the whole range of solutions required to resolve the problems of displacement. There needs to be practical cooperative arrangements to effectively address asylum seekers, refugees and irregular migration.

It is true, of course, that over the last two years or so we have experienced a significant number of irregular maritime arrivals. Australia has experienced irregular maritime arrivals for more than 30 years, in several major waves, and the department is drawing on our long experience in this area in responding to and providing policy advice in relation to the current situation.

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In this context, I can confidently state that the endorsement of the regional cooperation framework at the Bali Process meeting in March this year was a milestone in addressing the issues of people smuggling and displacement affecting many countries in the region. The conference recognised that a regional approach is required to address the challenges of people smuggling, and to discourage asylum seekers from the sort of life-threatening sea journeys in overcrowded boats that we have recently tragically seen.

While my close friend and former colleague, Peter Hughes, will talk in more detail about the regional cooperation framework and asylum issues in general, I would like to turn briefly to our ongoing work in this area.

The framework is based on a set of core principles which include that wherever possible, asylum seekers should have access to consistent assessment processes; this may include a regional assessment centre or centres; those found to be refugees should be provided with a durable solution; and those found not to be in need of protection should be returned to their countries of origin.

The framework is based on the concept of burden-sharing and cooperation between source, transit and destination countries. It lays the foundation for the implementation of practical bilateral and sub-regional arrangements that will contribute to a sustainable regional response.

The Government's announcement on 7 May of a transfer arrangement with Malaysia is an important initiative under the Regional Cooperation Framework to help to reduce people smuggling operations in our region, while increasing support for those in need of protection.

It is about breaking the business model that people smugglers offer – which sometimes directly leads to tragedies such as we saw last December on the rocky shores of Christmas Island, where so many people perished.

We envisage this arrangement will mean that up to 800 irregular maritime arrivals who arrive in Australia will be liable to be transferred to Malaysia for refugee status determination. Australia will resettle 4,000 refugees over four years, who are currently residing in Malaysia.

Under the arrangement, which we expect to be concluded shortly, transferees will be treated with dignity and respect and the core principle of non-refoulement will be respected. The Australian Government is working closely with the UNHCR and IOM to operationalise the arrangement. This will include ensuring appropriate services, such as health and education services are available to the transferees.

But, Australia will continue to shoulder its share of the burden. The 4,000 refugees that Australia resettles from Malaysia over four years will be in addition to the existing intake under the Humanitarian Program.

As a result, Australia will now offer 14,750 places annually for people in need of refuge and protection. This arrangement represents a positive step in the development of a lasting regional response to irregular movement through the region.

Our Minister, the Honourable Chris Bowen MP, has indicated that he will be making more detailed statements about this initiative in the near future.

Conclusion

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Ladies and Gentlemen, over the past few years, the department has gone through significant administrative restructuring and capacity building, and I believe that we are well-positioned to meet emerging challenges such as demographic and skill shortages, and continue the department's nation-building role.

We will continue to play an active part in whole-of-government priorities, such as those relating to the economy, social inclusion, human rights, sustainability and security. We will do this through integrated policy between our employment and migration strategies through something we take a great deal of pride in Australia, and what we called 'joined up' or 'whole of government' approaches to have coherent and cohesive set of policies.

Undeniably migration issues will continue to be critical to our future, and your contribution today to the public understanding of these often complex issues is much appreciated.