

Submission on A Migration System for Australia's Future

December 2022

Background

Settlement Services International (SSI) welcomes the opportunity to make this submission on the future of the migration system in Australia. SSI was founded in NSW in 2000 with the aim of helping newly arrived refugees settle in Australia. Over time, our expertise in working with people from diverse cultural and linguistic backgrounds served as the foundation for a gradual expansion into other human services and geographical areas including regional NSW, Queensland and Victoria. Today, the SSI Group supports more than 50,000 clients in almost 40 programs and delivers a range of community-based initiatives across settlement, disability, employment services and complementary social enterprises. In the area of settlement, SSI is the major provider in NSW of the Humanitarian Settlement Program, funded by the Department of Home Affairs, to refugees and other humanitarian entrants. SSI is also the lead organisation in a consortium, the NSW Settlement Partnership, of 21 partner agencies which deliver the Settlement Engagement and Transition Support program, also funded by the Department of Home Affairs, to refugees and eligible family stream migrants across NSW.

Q. 1 What challenges and opportunities does Australia face in the coming decades?

A key opportunity presented by this Review is for the Australian Government to go back to basic principles and reset the way that Australia approaches migration, which has changed radically over the past 50 years. The number of migrants arriving with a permanent right to reside in Australia is now dwarfed each year by people who are internationally mobile coming for temporary stays for work or education who may then, at a later stage, apply to settle permanently in Australia. The migration system, and the Migration Act, of the future needs to find a better balance between permanent migration and temporary mobility and pay greater attention to the needs of temporary residents in Australia.

A key challenge is that by international standards there are indications that Australia is losing ground in our approach to the integration of newcomers. In 2019, under the international MIPEX benchmark, Australia ranked six out of 56 participating countries for integration policies¹. However, Australia is one of the few countries to go backward on the MIPEX and newcomers in Australia have lost ground with greater restrictions on access to permanent residence and ongoing barriers in terms of labour market mobility, access to income support and essential services¹. Notably, Australia now ranks in the bottom 10 countries on indicators relating to permanent residency. In contrast, over the same period, Canada improved policies on access to basic rights and equal opportunities and maintains a straightforward path to citizenship with high levels of naturalisation, political participation and belonging.

Poor labour market integration has been a longstanding issue with Liebig observing as far back as 2007 that, unlike migrant men, the employment rate and labour force participation of migrant women in Australia was not high compared to other OECD countries². Despite some areas of slippage, Australia continues to have strong social cohesion, due in part to a suite of specialised settlement programs for disadvantaged newcomers, including refugees. That said, in the context of current and future global migration and mobility challenges,

Australia needs to regain ground in order to attract and retain newcomers to help address demographic, economic and geostrategic challenges.

Recommendation: The Australian Government should ensure that migration policy settings, including legislation and regulations, take account of the potential impacts on the future integration of newcomers, with a focus on strengthening labour market mobility and quicker and more certain pathways to permanent residence.

Q. 2 How can migration contribute to these challenges and opportunities?

○ How can we prevent a ‘permanently temporary’ cohort within the migration program?

Temporary migration in Australia has expanded without any real policy rationale. This has seen the creation of multiple new visas, in response to government or industry priorities, along with regular changes to the conditions of visas (e.g. various regional visas), and even the abolition of visas in response to community concerns (e.g. subclass 457 in 2017). In the face of these rolling changes in temporary migration policy settings, it is challenging to assess what is driving and what might prevent ‘permanently temporary’ migration.

Relatedly, the pathway to permanent residency is now often characterised as a “two-step” process. In Canada, which has had a similar experience of temporary migration, research drawing on 20 years of immigration and census data examined “two-step” migration to look at the transition from temporary to permanent residence. The research was unable to determine to what extent newcomers there were ‘permanently temporary’, given the multiple changes in policy, and concluded that more timely immigration program data should be made available that captures where temporary skilled worker stocks are employed by locations *and* occupations across Canada³. The Productivity Commission’s 2016 inquiry into Australia’s migration program made a series of recommendations to the Australian Government around investing in data integration and allocation of funds to agencies including the ABS, ATO and Department of Home Affairs to support research and inform policy development, which SSI believes have merit⁴.

The fragmented nature of migration policy has had flow-on effects on temporary migrants themselves as they grapple with ever-changing migration system processes to gain approval to remain temporarily in Australia or pursue pathways to permanent residency. This exacerbates the fundamental vulnerability of temporary workers in the labour market arising from visa conditions, employer exploitation, and cost and access barriers to sound migration and workplace rights advice. With some exceptions⁵, research on the social and cultural impacts of these vulnerabilities on temporary migrants is sparse, which contributes to maintaining a status quo of a large cohort of residents who are ‘hidden’ and ‘permanently temporary’.

Dedicated research funded by the Commonwealth could generate evidence to guide all aspects of migration policy by undertaking its own research, supporting greater consistency across immigration and census datasets and making them accessible to researchers. Ideally this should also include providing research outputs, that document migration policy outcomes for different cohorts (e.g. women) and jurisdictions (e.g. national, State/Territory and LGAs).

Recommendation: The Australian Government should invest in building the evidence-base for the migration program (beyond economic analyses) so that the social, cultural *and* environmental impact of temporary migration policy are more readily known. Ideally, this investment would establish a stand-alone agency, such as the Bureau of Immigration and Population Research which existed until the mid-1990s.

- **How do we address the specific needs of regional Australia?**

Globally and locally, newcomers, like other Australians gravitate towards urban areas and cities where there are more job opportunities and greater access to education, health and local infrastructure. Despite a strong rationale for expanding the geographic spread of migration to facilitate flow-on benefits to regional communities, there has been an overreliance on visa conditions as the main mechanism to drive this agenda with insufficient attention on ways to retain newcomers and ways to promote and sustain secondary migration to regional areas.

Analysis by the Grattan Institute shows that when migrants and refugees settle in regional areas (usually to meet regional visa requirements) they are *more likely* to move to major cities over time than people born in Australia⁶. This highlights the need for a greater focus on retention and supporting lasting connections for newcomers in regional areas that benefit them and the regional communities where they settle.

Regional migration policy at all levels is constrained by a poor understanding of local settlement capacity and capability. Rural and regional areas often lack the social and physical infrastructure needed by newcomers for primary or secondary migration. Newcomers to regional areas, especially outside of the skilled stream, may need support to integrate into the local labour market⁷. Place-based assessments that include industry and workforce data analysis, and industry stakeholder consultations can identify local skills shortages and longer-term workforce issues⁸.

For many newcomers, the decision to relocate to, or remain in, a regional community ultimately depends on whether they feel a sufficient sense of belonging. Coordinated, place-based community engagement initiatives provide a vital platform to recognise the shared aspirations of the local regional community and newcomers while also creating a welcoming and socially inclusive environment⁹. Social networks within and between communities are vital to create foundations for belonging and can facilitate access to the labour market. For example, SSI's *Work+Stay* initiative, which facilitates secondary migration for employment to address regional workforce shortages, uses a holistic approach that includes "settling in support" to help newcomers feel welcome and build connections in their new communities¹⁰.

Recommendation: Regional settlement should involve multi-year forward planning to ensure that social and physical infrastructure capacities and constraints are managed. The Australian Government should lead collaborative planning with all tiers of government, settlement providers and other local stakeholders to manage gaps in social and physical infrastructure proactively.

Recommendation: The Australian Government and State/Territory Governments should invest in tailored and holistic support for newcomers who migrate or relocate to regional areas and foster place-based community engagement initiatives in regional locations where there is a high demand for newcomers (in partnership with local governments). This would build on a recognition of the central role of social connections and belonging in the retention of newcomers in regional areas.

Q. 3. What are the current and potential barriers in allowing migration to play these roles?

- **What are the barriers to the participation of migrants in the labour market, including those entering through the family and humanitarian streams and secondary migrants?**

Most discussion of migration as a response to labour and skills shortages has focussed on policies to increase the number of people coming into the country. This is a lost opportunity as newcomers who are already here

are often unemployed, underemployed or working in positions well below their skill and qualification level. The barriers faced by migrant and refugee women provide a case-in-point of the labour market barriers faced by people already resident in Australia who have entered under the family and humanitarian streams or as secondary applicants in the skilled stream (typically women, who have not been selected on the basis of skills criteria).

Recent released research commissioned by SSSI and conducted by NATSEM at the University of Canberra indicates that refugee women and migrant women from low- and middle-income countries (i.e. non-OECD countries) are lagging behind other women in the Australian labour market, despite their relatively high level of skills, qualifications and motivation to work. Analysis of Census data of labour market indicators shows that the proportion of overseas-born women in employment is lower, and unemployment generally higher, than for Australian-born women and the participation rate (i.e., the proportion of working-age people in the labour force) is lower for women born overseas¹¹.

The research found that women born in low- and middle-income countries have much higher levels of graduate and post-graduate degrees compared to Australian-born women. Yet these women, especially those from low and middle-income countries and refugee women, are more likely to be employed in low- skill and low-paid jobs that are not commensurate with their skills and qualifications¹¹.

Similarly, there is critical untapped potential in the labour market with refugee women and women from low- and middle-income countries who work part time more likely to want to work full time compared to all other women. For refugee women the results are very striking, with almost all part-time workers (95%) wanting to work full time¹¹.

These findings highlight the need for a more targeted policy response to unlock the economic potential of migrant and refugee women, which sees them as new entrants to the workforce. This should include, for example: subsidised entry into vocational and tertiary courses to bridge skills and qualifications gaps; careers advice; and opportunities for paid internships and structured mentorship pathways.

Research conducted by CEDA found that nearly one in four permanent skilled migrants are working in a job beneath their skill level ¹². In part, this is due to challenges relating to recognition of overseas skills and qualifications. This, and the untapped skills of other newcomers, is a lost opportunity for Australia. In 2016, the Productivity Commission regarded Australia's skills assessment and recognition scheme as complex, time-consuming and bureaucratic and little has changed since that time⁴.

In Australia, there is limited information for newcomers on the process and criteria used to assess qualifications and skills. In contrast, Germany has established an online portal which provides a one-stop shop for all information on skills recognition. The site provides a step-by-step guide to the qualification recognition procedure in 11 languages¹³. In addition, there is no external body in Australia that provides oversight of skills and qualifications recognition. This means that if an applicant is denied recognition and wishes to appeal, they must appeal to the same body which refused them in the first place¹³.

Recommendation: The Australian Government should develop more tailored and targeted employment support response for newcomers, especially newcomers in the family and humanitarian streams and secondary applicants in the skilled stream – and pay particular attention to migrant and refugee women which sees them as new entrants to the workforce.

Recommendation: The Australian and State/Territory governments should work with industry and accreditation authorities to streamline processes for assessment and recognition of overseas qualifications and skills. This should include making it easier for newcomers to navigate the steps required to have their skills and qualifications (academic and trade qualifications) and prior learning recognised.

Recommendation: The Australian Government should establish an external body that provides oversight and ensures that recognition requirements for foreign credentials are fair and reasonable, similar to the Office of the Fairness Commissioner in Canada.

- **How could longer-term planning support investment in the necessary infrastructure and services?**

Australia benefits from a growing population and newcomers deliver an economic dividend as they are more likely to be of working age, possess skills in demand, and contribute to tax revenues¹⁴ which offsets Australia's ageing population and declining birth rate. However, this demands corresponding investment in infrastructure, housing supply to keep pace and the environment to maintain community support for migration and population growth¹⁵. Infrastructure Australia has been critical of existing approaches to areas such as transport, education and environment as they were not adequate (pre-COVID-19) to keep up with our growing population¹⁵.

The previous Government established a Treasurer's Forum on Population to discuss a collaborative and holistic approach to population. It also established the Centre for Population to provide evidence-based advice on population growth and facilitate collaboration on population planning across levels of government. This early work provides a good starting point to develop a robust population policy that seeks to maximise the economic, social and environmental wellbeing of the Australian community.

Recommendation: In line with the recommendation of the Productivity Commission, the Australian Government should establish an evidence-based population policy. The annual immigration intake should be calibrated to this goal to facilitate better, longer-term planning for infrastructure and services.

Q 4. What reforms are needed to ensure the migration system can meet the challenges and opportunities that lie ahead?

- **How do we best structure pathways to permanent residence and citizenship to meet the nation's needs?**

The Australian Government establishes the policy settings and criteria for entry to Australia, but employers and business groups, the education sector, the agriculture sector, trade unions and professional bodies are heavily involved in influencing these criteria. This can result in short-term interests taking precedence over the national, long-term interest, especially in relation to temporary migration as it is largely an industry-informed approach influenced by lobbying. For Australia to remain a preferred and competitive destination for migration and mobility, there needs to be clear and transparent pathways to permanent residency and a reduction in prolonged uncertainty for millions of temporary residents.

Data on the average length of time from arrival in Australia for temporary newcomers to securing permanent status is scarce. A survey commissioned by the Australian Government of almost 5,000 temporary residents found a high proportion had held, two or more visas and 15 per cent had five or more previous visas¹⁶.

In the past, and on arrival in Australia, a newcomer typically already had permanent residency, was often eligible for income and settlement support in times of need and was encouraged to take out Australian citizenship. Today, a typical newcomer is temporary and after many years, if all criteria are met, can become a permanent resident. That path to support and citizenship is littered with hurdles, red tape and inefficient processes.

Access to citizenship is an important step for newcomers to share the rights and responsibilities of other Australians. However, currently, newcomers need to wait for four years before they can apply for citizenship – despite having already met the stringent requirements for permanent residency. In contrast, New Zealand and Canada both benefit from a clear and timely path to citizenship.

Recommendation: There should be clear, fair and timely pathways to permanent residency and citizenship to maximise the dividend of migration to Australia. Citizenship policy should maintain the high rates of citizenship uptake among newcomers, which is a mark of their commitment to fulfil responsibilities and participate to the fullest extent in Australia’s economic, social, civil and cultural life.

- **How do we further strengthen and maintain Australians’ public confidence in the migration program?**

Public confidence in the migration program relies on a number of pillars. As previously mentioned, the economic dividend of migration demands corresponding investment in infrastructure, housing supply and the environment to maintain community support for migration and keep pace with population growth. Australian also needs to continue to invest in ensuring that the social dividend of migration and mobility is safeguarded through continued investment in a suite of specialised settlement programs.

In addition, a reformed migration system would benefit from an overarching Migration Strategy to ensure that temporary and permanent migration is focussed on the long-term, national interest.

Recommendation: The Australian Government, in consultation with States and Territories, should develop an overarching Migration Strategy alongside a refreshed Population Policy to provide the public with a clearer understanding of the goals and strategic intent of the migration program.

- **What principles should underpin our future migration system, including to address migrant worker exploitation?**

SSI, along with other organisations, endorses the principles proposed by FECCA for reform of the Australian migration system in order for it to be fair, timely, transparent and accountable, simple, informed, safe and supportive.

Taking fairness as an example, the concept of a waiting period for income support payments for newcomers who gain permanent residency was established in the early 1990s and has been progressively expanded by successive governments¹⁷. In 2021, legislation was proposed to expand them even further for skilled and

family stream migrants (the humanitarian stream is exempt from these measures). Yet, we know from CEDA research that this has unintended impacts on newcomers exacerbating the skills mismatch, while delivering only modest annual savings to the federal budget¹².

The fundamental purpose of Australia's social security system and targeted safety nets are to provide support to residents and citizens during times when they are not able to adequately support themselves. These benefits are funded through taxation paid by all residents, temporary and permanent, who are earning a liveable income.

A safe and supportive migration system would address vulnerabilities and exploitation of newcomers. In 2019, a whole-of-government Migrant Worker Taskforce made recommendations, endorsed by the former Government, to strengthen protections for temporary migrants¹⁸. Since then, reports from numerous parliamentary inquiries have echoed the recommendations of the Migrant Workers Taskforce, though little progress has been made in terms of implementation. Similarly, women on temporary visas experiencing family violence in Australia face barriers in accessing safety, support, and justice due, in part, to migration system processes that can result in women remaining in situations that are harmful and dangerous. The National Advocacy Group on Women on Temporary Visas Experiencing Violence has just published a revised *Blueprint for Reform*¹⁹ with policy recommendations to facilitate women on temporary visas accessing protection, services and justice including through expanding eligibility and access to social security (including Medicare).

Recommendation: The Australian Government should implement the recommendations of the Migrant Workers Taskforce as a useful first step to support workers to access redress for exploitation, mistreatment and harassment in the workplace. Further, the Government should examine ways to increase visa portability for people on employer-sponsored visas as a tool to prevent the risk of exploitation.

Recommendation: This Review into the future of Australia's migration system should consider the interaction between temporary visas and women's safety and review the policy actions in the *Blueprint for Reform* to strengthen the safety and security of women on temporary visas experiencing domestic violence.

Recommendation: The waiting period for new permanent residents to access income support payments should be waived or permanently reduced. This will give newcomers a better chance to find the right job that is commensurate with their skills and qualifications.

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