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"A Migration System for Australia's Future"
Home Affairs, Commonwealth of Australia

Disclaimer: The views expressed in this submission are those of Professor Fethi Mansouri and do not formally represent the views of Deakin University as an institution.

Context

Australia has long been recognised as a relatively successful multicultural society and highly mobile country regarding immigration, emigration as well as internal mobility. Recent events, most notably the COVID-19 pandemic and the catastrophic 2019–2020 bushfire season, have highlighted Australia's vulnerability to disrupted flows of mobility (internal and external) and the impact of this disruption on economic stability and social cohesion but also for the maintenance of global supply chains, infrastructure, public health and regional peacekeeping. While the harmful effects of global crises such as pandemics and conflicts have been felt in all corners of the globe, Australia's position as a geographically-distanced island nation has meant the consequences of significant disruptions to mobility flows, especially of skilled migrants and international students, will have particularly heightened impacts on economic and social outlooks. Against this backdrop, a review into our migration system comes at a critical time for Australia. We are entering a new phase in our migration story, one in which key domestic, regional and international variables affecting mobility and migration have converged, leading to a justified sense of uncertainty about the future resilience and sustainability of the system itself.

Indeed, in a context of current and projected slowing in population growth – due largely to an aging population, low fertility rates and a consequent waning of productivity – Australia urgently needs greater investment in innovative diversity programs to drive economic

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prosperity and sustain the very fabric of our social and cultural life. And this renewed investment should, at least partially, be driven by a better targeted and managed migration program.

Furthermore, with intensifying geo-political challenges and consequent shifts in regional dynamics, a better calibrated and a more efficient migration system will help create a more positive social and economic outlook for Australia, as skilled migration fuels the next phase of economic growth.

This is especially the case in the post-covid recovery period, characterised by global competition for talent, enduring political conflicts and other ideological tensions. In this environment, social and economic outcomes will very much depend on our approach resetting current migration systems.

Reflecting the above context, the Migration Review states a number of inter-related aims including to identify the reforms needed to create a simple, efficient migration system. To this end, and without diminishing the importance of other objectives, the focus of this submission will be on two key interconnected themes: (i) how to compete globally for highly skilled migrants, including by improving clients' experience of the immigration process; and, (ii) how best to unlock the potential of migrants.

1. **Competing globally for highly skilled migrants, including by improving immigration processes**

Minister Clare O'Neil indicated that the Government wants to ensure that Australia's migration system is designed to meet the challenges facing Australia in the coming decades, which is the main reason for initiating this Review.

But for the Government to reform the system so it is fit for purposes, it needs to address some glaring problems at both the macro-level (policy settings, legislation, settlement support, etc.) and the micro-level (visa lodging and processing systems, functionality of online systems, timelines for determination, fees, etc.). Both the macro and micro dimensions of the migration enterprise require a whole-of-government rather than a department-specific approach.

At the macro-level, we desperately need a new strategic approach reflecting mid- to long-term national interests and core Australian values that frame, drive and help deliver a meaningful migration program that both external stakeholders (potential migrants) and internal stakeholders (Australian citizens, business and community organisations) can have trust in and respect for. The core values that should shape these reforms, and need to be reflected in our new migration system, would certainly include our commitments to fairness, equity and openness to the outside world.

At this higher macro-level, we must think more holistically about migration and settlement processes for skilled migrants and international students. This holistic approach starts from the application itself, to the processing of applications, the settlement and integration support systems, all the way to post-settlement family reunion and care support. And this is intrinsically linked to micro-level levers that need to be reformed substantially.

Therefore, at the micro-level the Government must simplify the whole application process, ensuring it is much more user-friendly and efficient for all potential applicants. It is simply not good enough to have applicants wait for more than one year to receive feedback about their applications let alone a final determination outcome.

Part of this challenge will remain prioritising the huge backlog of applications accrued over recent years. The system is simply under so much pressure. Making progress on this backlog must take precedence in the immediate term lest it further damage our reputation as a migration destination of choice. Hopefully, and in the mid- to long-term, a new and more efficient system will reinforce a positive perception of the application process, one that is highly digitised while remaining user-friendly and relatively low cost.

So, what have we, as a society and government, been getting wrong?

Firstly, it seems our emphasis on the size of program rather than its quality has created several blind spots to successfully implement our skilled migration programs. Indeed, there is a case to be made that being more selective and strategic about the composition of the overall skilled intake would have significant benefit. For example, the Business Innovation and Investment Program (BIIP), which has a total of 9,500 places per annum, is not delivering much benefit to wider society. This is at a time where other areas of the economy, such as health and IT, could do with more targeted skilled intake.

Secondly, there is a glaring lack of whole-of-government consideration to how migration is affected by, but also affects, other areas of social policy including housing, childcare and health. For example, not making childcare more accessible when migration programs are being expanded can lead to problems for single parents attending English language classes. Similarly, a failure to boost housing supply in response to expanding migration programs will see low-income renters squeezed out of the market and first home ownership decrease as prices continue to rise.

Thirdly, a major roadblock to the Government's plan to bring more skilled migrants to Australia relates to its own outdated internal systems and processes, which still lack efficiency and operational fluency. These clunky systems add negatively to our already diminished reputation, increasingly making Australia a less attractive migration destination. We need to be mindful that our reputation as a preferred destination is incredibly fragile in a post-pandemic world. We can think, for example, of how the pandemic was managed here in

comparison to other similar countries but also in relation to workplace and industrial treatment of temporary migrants and international students. For example, Australian borders were closed for many Permanent Residents from certain countries such as India and China while temporary workers and international students felt unsupported. In the case of international students, the former PM even asked them to leave the country. On all these fronts, Australia has conducted itself in ways that potential migrants perceive negatively, undoubtedly damaging our reputation.

This reputational damage is happening at a time when international competition is accelerating, driven by global skills shortages due to ageing populations within traditional migration destination countries, such as Canada or New Zealand, but also other OECD countries who are new players in international migration. We cannot afford to lose our advantages in attracting skilled migrants in a tightening market. For example, Canada is planning to receive nearly 500,000 new migrants in 2024 and is doing so through a much more flexible, family-friendly, and less onerous application processes. Additionally, Australia faces growing competition from non-traditional migration countries, especially from members of the OECD, as their own populations continue to age and their fertility rates remain too low to replenish the workforce their economies need to sustain their current prosperity levels.

2. How best to unlock the potential of migrants

So, given all the above, what needs to change in the short- to mid-term to unlock the full potential of migration?

In a nutshell, the whole package needs to become **more progressive and less rigid and clunky.** For example, **occupation lists** need to be reformed, perhaps scrapped altogether, and moved towards earning capacity of jobs. The related **points system needs a major rethink** so we prioritise young, highly skilled migrants even more. Australia will also need to rethink the false dichotomy that **permanent skilled migrants** are **highly skilled** and **temporary workers have low skill levels**. This should help address the migrant balance in the overall program, taking into consideration **new regional dynamics** (where a lot of our temporary workers come from) and **shifting geo-politics** (that will impact skilled migration).

In more specific terms, the following reforms will make Australia even more attractive to skilled migrants:

- More fast-tracked programs
- Easier online processes (and reduced fees) through better integrated digital platforms
- Less emphasis on businesses and the BIIP and better integrated global talent programs, currently taking almost a quarter of all skilled intakes
- More emphasis on employer-nomination and less focus on occupation lists. Use income generation as a measure of skill rather than a limited and changing list of

occupations. This could be set slightly below the average annual income of around $80K.

Furthermore, the Government needs to think about how to retain migrants or risk losing many of them as they feel unsupported and unwelcome. To this end the Government should improve:

- Overall access to improved social settlement and integration support
- Easier access to family reunion programs and pathways
- Education, health, housing and childcare made more affordable to newly arrived migrants and their families
- More progressive diversity governance and multicultural policies to counter Australia's recently damaged international reputation and image due to rising levels of racism and the former government's response to and management of the pandemic, especially for international students.

Making progress in these areas is even more critical in a context of an intensifying global war for talent, with more countries than ever competing to attract the best.

3. Concluding remarks and specific policy recommendations

Any serious consideration of reforming and indeed improving policy and practice around migration and mobility in Australia is undoubtedly a complex task. Migration, through settler-colonialism, has led to devastating outcomes for the continent's Indigenous peoples yet, ironically, Indigenous Australians remain one of the key groups that are rarely adequately consulted on policies that affect their country. This is something the Review must address by ensuring Indigenous voices are absolutely included in these consultations. Furthermore, 30% of all Australians are now born overseas and almost half of our population (according to the 2021 ABS Census) have at least one parent born overseas. Yet, and despite this rising level of diversity, many people in Australia still question the benefits migration and diversity bring, with almost 20% of Australians still believing that the country receives too many immigrants (see for example the many reports produced by the Scanlon Monash Mapping Social Cohesion annual surveys).

It is for these reasons that getting migration policies right is critically important to both our domestic social cohesion agendas, as well as our external stakeholders, particularly potential migrants and prospective international students. Improvements need to be seen on the twin fronts of: (i) **migration 'hardware' issues** such as application processes and procedures and application platforms as well as (ii) **migration 'software' issues**, in particular social support and settlement services. These are critical to ensure any new migration programs are fit for purposes as Australia enters an uncertain global environment where the success of migration intake programs can no longer be taken for granted.

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In more specific terms, the Government needs to look at the following steps as potentially future-proofing measures for future migration policy and practice:

- A much more **systematic linking of migration programs**, especially skilled migration, to labour and skill shortages in an emergent economic eco-system characterised by new forms of circularity and inter-dependency. To this end, an emphasis on underlying training ad qualifications rather than an occupation list, might allow more flexibility in re-orienting skilled migrants to areas of acute need.

- **Geo-graphic diversification** of migration programs. One of the main limitations of our current program would seem to be an unhealthy reliance on traditional source countries including, for example, previously New Zealand and the United Kingdom and more recently China and India. Whilst these are important source countries for Australia and are likely to remain so for a number of years, it is important for Australia to attract skilled migrants from other regions, adding to the creative mix of our ever diversifying population. Regions of North Africa (often favouring Europe and North America, in particular Canada) but also South America and Africa can and should become an even stronger source to address Australian skill shortages.

- We must **move away from a narrow notion of temporary migration** for seasonal workers, humanitarian entrants and international students. These are groups that, for different reasons, can make a strong contribution to the economic and social fabric of the country, and in many cases are already in the country. Improvements to their migration experience makes the integration processes more efficient and better targeted to Australia's needs. The Government must therefore ensure that individuals on temporary visas residing in Australia are fast-tracked to permanent residency so they can fill acute shortages in a number of sectors, most notably hospitality, IT, health and agriculture.

- A final and critical gap remains in Australia in relation to **using scientific research evidence as basis for informed policy and practice**. Indeed, unlike other countries such as Canada, Mew Zealand an increasing number of OECD countries, Australia is yet to fully update and recalibrate the way migration is understood and managed to reflect changing global realities. Good migration systems will be crucial in managing future prosperity and in supporting the long-term recovery of the Australian economy from the impacts of the COVID-19 pandemic. A fit-for-purpose, modern migration system will also help offset the long-term structural problems of population ageing. This is a pivotal moment: Australia's future migration system will look different from anything in its past. The review should logically lead to significant strategic investment in building a strong research base for Australia in understanding, even predicting

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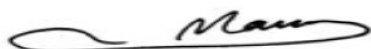**Tel 03 9244 5650 adi@deakin.edu.au adi.deakin.edu.au**

shifting drivers, patterns and manifestations of emerging migration trends. is needed now, to prepare for and secure the future.

- It is for these reasons that a number of academics have been working on developing a first ever **Australian Research Centre of Excellence on migration and mobility futures**. We strongly believe that there are serious risks to getting future migration policies: this would jeopardize Australia's multicultural fabric, economic model, national security, and global standing. Australia has more to lose than most countries, as migration drives our population growth and economic prosperity.

Finally, as I have argued in recent publications (Mansouri, F. 2023, 'The future of migration, multiculturalism and diversity in Australia's post-COVID-19 social recovery', *Social Sciences and Humanity Open*, https://doi.org/10.1016/j.ssaho.2022.100382) the key challenge not relates to disruptions to mobility caused by sudden crises, but also other longer challenges such as the impacts of climate change, tectonic technological transformations, structural demographic shifts, increased urbanisation, a declining public trust in political institutions, and shifting geopolitical dynamics in particular in our region with the implications of the rise of China and more broadly Asia.

This review, and whatever policy action that might emanate from it, must deal with this twin challenge of managing **external variables** pertaining to the global and regional contexts, as well as **internal dynamics** relating to social cohesion and public support for and trust in the migration enterprise.

Yours sincerely

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