



Skilled migration: temporary and permanent flows to Australia

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Introduction

The establishment in 1945 of Australia's first government department dedicated specifically to immigration is considered to have been a world first.¹ Since then, approximately seven million permanent migrants have settled in Australia through either the Migration Program for skilled and family migrants or the Humanitarian Program for refugees and those in refugee-like situations.²

The emphasis of Australia's Migration Program has evolved from its original focus of attracting migrants simply to increase Australia's population, to an emphasis on attracting skilled migrants in order to meet Australia's labour needs.³ As the Department of Immigration and Citizenship (DIAC) notes:

Today, the goal of immigration, settlement and citizenship policy is no longer seen in the simple terms of opening a gate to help populate the nation. It is about building Australia's future through the well-managed entry and settlement of people. Policies and programs aim to both manage complex migration flows to and from Australia, while optimising their economic and social impact in the national interest.⁴

As a result, while Migration Program numbers are at similar levels to some of the intakes in the past, the balance of the program is now quite different. Over the last decade more places have been allocated for permanent skilled migrants than any other category. In May 2012, the Minister for Immigration and Citizenship announced a planned intake for the 2012–13 Migration Program of 190 000 permanent migrants with the majority of places allocated to skilled entrants (129 250 places

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1. According to the Department of Immigration and Citizenship (DIAC), Australia established the first immigration portfolio in the world. See C Bowen (Minister for Immigration and Citizenship), *Keynote Address – Migration 2010 Conference*, Migration Institute of Australia, Sydney, 8 October 2010, viewed 20 January 2012, <http://www.minister.immi.gov.au/media/speeches/2010/cb101002.htm> and C Evans (Minister for Immigration and Citizenship), *The role of immigration and migration through to 2050*, speech to the Population Australia 2050 Summit, Sydney, 28 June 2010, viewed 20 January 2012, <http://www.minister.immi.gov.au/media/speeches/2010/ce100431.htm>
 2. DIAC, *Key facts in immigration*, fact sheet no. 2, DIAC, viewed 20 January 2012, <http://www.immi.gov.au/media/fact-sheets/02key.htm>
 3. C Bowen (Minister for Immigration and Citizenship), *Skilled migration benefits and reforms*, Address to the National Press Club, 25 May 2012, viewed 16 November 2012, <http://www.minister.immi.gov.au/media/cb/2012/cb187018.htm> For more background on the changing focus of Australia's Migration Program see H Spinks, *Australia's Migration Program*, Background note, Parliamentary Library, Canberra, 2010, viewed 20 January 2012, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/1011/AustMigration and J Phillips, M Klapdor and J Simon-Davies, *Migration to Australia since Federation: a guide to the statistics*, Background note, Parliamentary Library, Canberra, 2010, viewed 20 January 2012, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/1011/MigrationPopulation
 4. Joint Standing Committee on Migration, *Inquiry into multiculturalism in Australia*, DIAC, Submission no. 150, May 2011, viewed 19 March 2012, http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=mig/multiculturalism/subs.htm

in the skill stream, 60 185 places in the family stream and 565 special eligibility places for former residents).⁵

The growth of temporary skilled migration to Australia over the last decade has also been significant. However, it is important to note that Migration Program figures issued by the Department of Immigration and Citizenship (DIAC) only include the number of visas issued for permanent residence—temporary workers are counted separately and are not included in these figures.

This Background Note provides an overview of both permanent and temporary skilled migration to Australia and outlines some of the recent changes that have been made specifically to address labour market concerns and encourage more ‘demand-driven’ sponsored skilled migrants. Skilled migration statistics since the 1980s are provided in the appendix.⁶

Permanent skilled migration

Australia’s immigration program is divided into two distinct programs for permanent migrants—the Migration Program for skilled and family migrants and the Humanitarian Program for refugees and those in refugee-like situations.⁷

There are four main categories under the skill stream of the Migration Program:

- **General skilled migration**, for skilled workers who do not have an employer sponsoring them. Migrants are selected on the basis of their nominated occupation, age, skills, qualifications, English language ability and employability
- **Employer nomination**, for those who have an employer willing to sponsor them
- **Business skills migration**, which encourages successful business people to settle in Australia and develop new business opportunities and

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5. C Bowen (Minister for Immigration and Citizenship), *Budget 2012–13: Targeted migration increase to fill skills gaps*, media release, 8 May 2012, viewed 24 October 2012, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F1622379%22>
 6. This paper updates the contents of J Phillips, *Skilled migration to Australia*, E-brief, Parliamentary Library, Canberra, 5 June 2006, viewed 20 January 2012, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Publications_Archive/archive/Skilledmigration and includes some material that has been reproduced from H Spinks, *Australia’s Migration Program*, op. cit.
 7. For detail on the Humanitarian Program see E Karlsen, J Phillips and E Koleth, *Seeking asylum: Australia’s humanitarian response to a global challenge*, Background note, Parliamentary Library, Canberra, 2010, http://parlinfo.aph.gov.au/parlInfo/download/library/prspub/158141/upload_binary/158141.pdf;fileType=application/pdf#search=%222010s%22 and E Karlsen, *Refugee resettlement to Australia: what are the facts?*, Background note, Parliamentary Library, Canberra, 2011, http://parlinfo.aph.gov.au/parlInfo/download/library/prspub/1276913/upload_binary/1276913.pdf;fileType=application/pdf#search=%22library/prspub/1276913%22

- **Distinguished talent**, a small category for ‘distinguished individuals with special or unique talents of benefit to Australia’ such as sports people, musicians, artists and designers, who are internationally recognised as outstanding in their field.⁸

Historically, more permanent migrants arrived under the family stream (which facilitates the entry of family members wishing to join their relatives in Australia) than the skill stream, but the last decade has seen a shift in the balance in favour of the skill stream. In 1996–97 over 50 per cent of migrants arrived under the family stream, while the planning level for the family stream for 2012–13 is just under 32 per cent.⁹ In 1996 the Howard Government stated the rationale for the beginning of this shift:

The Government has revamped the Migration (Non-Humanitarian) Programme to improve the focus on Australia's social and economic needs ... While maintaining an ongoing commitment to family reunion, the 1996–97 Programme of 74 000 incorporates a significant shift towards skilled migration. Skilled migrants make a particular contribution to Australia's economic development and their representation will be increased in the Programme.¹⁰

Within a year the number of people migrating under the skill stream had overtaken arrivals under the family stream.¹¹ In 1996–97 skilled migration made up 47 per cent of the Migration Program—by 2008–09 that figure had increased to 67 per cent.¹² In 2011–12 the skill stream accounted for 68 per cent of the Migration Program.¹³

Various policy measures have been implemented over the last 20 years with the aim of increasing the chances of positive employment outcomes for new migrants in order to achieve ‘greatest economic gains’ from the Migration Program.¹⁴ Since the 1980s, the Australian Government has developed policies designed to target migrants with experience in areas where there is a skill

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8. DIAC, *Overview of skilled migration to Australia*, fact sheet 24, DIAC, Canberra, 2010, viewed 26 October 2012, http://www.immi.gov.au/media/fact-sheets/24overview_skilled.htm
 9. DIAC, *Overview of family stream migration*, fact sheet 29, DIAC, Canberra, viewed 26 October 2012, http://www.immi.gov.au/media/fact-sheets/29overview_family.htm
 10. P Ruddock (Minister for Immigration and Multicultural Affairs), *Migration programme revamped to benefit Australia*, media release, 3 July 1996, viewed 7 February 2012, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F03Z20%22>
 11. For more detail see M Park, ‘Recent trends in skilled migration’, in P Bolton, *Social indicators*, Research paper no. 76, House of Commons Library, 8 October 2008, viewed 7 February 2012, <http://www.parliament.uk/documents/commons/lib/research/rp2008/rp08-076.pdf>
 12. DIAC, *Population flows: immigration aspects 2008–09*, DIAC, Canberra, 2010, chapter 2 source data, viewed 7 February 2012, <http://www.immi.gov.au/media/publications/statistics/popflows2008-09/pop-flows-chapter2.xls>
Note: reported outcomes under the Migration Program (both skilled and family stream) include both the primary applicant, that is the person who applied to migrate, and secondary applicants (the primary applicant’s dependents). In 2009–10, 57 per cent of visas granted under the skill stream were granted to dependents of the primary applicant; see DIAC, *Population flows: immigration aspects 2009–10*, DIAC, Canberra, 2011, chapter 1, viewed 7 February 2012, <http://www.immi.gov.au/media/publications/statistics/popflows2009-10/pop-flows-chapter1.pdf>
 13. DIAC, *2011–12 Migration Program report*, 2012, DIAC, Canberra, p. 3, viewed 26 October 2011, <http://www.immi.gov.au/media/statistics/pdf/report-on-migration-program-2011-12.pdf>
 14. DIAC, *Migrant economic outcomes and contributions*, 2011, DIAC, Canberra, p. 3, viewed 19 March 2012, http://www.immi.gov.au/media/publications/research/_pdf/outcomes-contributions-apr11.pdf

shortfall.¹⁵ In the aftermath of the economic downturn in the early 1990s, a nominated skills list, tighter English language requirements and more stringent rules concerning the recognition of overseas qualifications in order to meet eligibility requirements for general skilled migration were all introduced to improve the focus on better employment outcomes for migrants.¹⁶

Recent reforms

In the wake of the economic challenges resulting from the Global Financial Crisis (GFC), a review of permanent skilled migration was undertaken by the Rudd Government in 2008-09. The review identified the need for a shift in focus away from 'supply driven' independent skilled migration towards 'demand-driven' outcomes, in the form of employer and government-sponsored skilled migration.¹⁷ The intention was to enable the program to better target the skills needed in the economy and ensure that skilled migrants were employed in industries that have the highest need.¹⁸

The resulting changes to the skilled migration stream were designed to shift the balance of the program away from independent skilled migrants, without pre-arranged employment in Australia, towards sponsored skilled migrants with employment arranged prior to their arrival. This shift in policy focus was reflected in a key set of reforms, effective from 1 January 2009, under which skilled migrants sponsored by an employer were given higher processing priority than independent migrants. Priority processing was also introduced for people with skills considered to be in critical shortage in Australia, such as medical and some IT professionals, engineers and construction trade workers. This was intended to ensure that the skilled stream of the Migration Program meets the areas of most critical need in the Australian labour market.¹⁹ Since then the employer sponsored category of the Migration Program's skill stream has been steadily rising, comprising around 37 per cent of the skill stream in 2011-12.²⁰

A second set of reforms to skilled migration, intended to further target the program and ensure that it is driven by the demands of Australian industry rather than the supply of independent skilled migrants, were announced in February 2010 (some effective immediately and some to be phased in at a later date).²¹ The reforms included the cancellation of almost 20 000 General Skilled Migration visa applications lodged offshore before September 2007, the immediate revocation of the Migration Occupations in Demand List (MODL) and the phasing out of the Critical Skills List which

15. J Teicher, C Shah and G Griffin, *Australian immigration: the triumph of economics over prejudice?*, Working paper no. 33, ACER, Monash University, December 2000, viewed 7 February 2011, <http://www.education.monash.edu.au/centres/ceet/docs/workingpapers/wp33dec00teicher.pdf>

16. H Spinks, *Australia's Migration Program*, op. cit.

17. C Evans (Minister for Immigration and Citizenship), *Migration program gives priority to those with skills most needed*, media release, 17 December 2008, viewed 7 February 2012, <http://www.minister.immi.gov.au/media/media-releases/2008/ce08123.htm>

18. H Spinks, *Australia's Migration Program*, op. cit.

19. Ibid.

20. DIAC, *2011-12 Migration Program report*, op. cit., p.3.

21. C Evans (Minister for Immigration and Citizenship), *Migration reforms to deliver Australia's skills needs*, media release, 8 February 2010, viewed 7 February 2012, <http://www.minister.immi.gov.au/media/media-releases/2010/ce10006.htm>

was introduced in 2009. In their place a new and 'more targeted' Skilled Occupations List (SOL) was to be developed by an independent body.

Also announced was a review of the points test, under which applicants for the general skilled migration program are awarded points against specific criteria (such as age, education, English language ability) and must reach a certain pass mark in order to qualify for the grant of a visa. Minister Evans justified the need for the review by noting that the points test put 'an overseas student with a short-term vocational qualification gained in Australia ahead of a Harvard-educated environmental scientist'.²²

In the 2010–11 Budget, the Government announced that the number of employer-sponsored skilled migration places would be increased by 9150 and the number of General Skilled Migration (GSM) places (for independent migrants) reduced by 3600 consistent with the Government's focus on 'demand-driven' skilled migration announced in December 2008.²³

On 1 July 2010, the new Skilled Occupation List (SOL) came into effect. It contained 181 occupations identified as being in demand, to ensure that the Skilled Migration Program is demand-driven rather than supply-driven. In order to be eligible for independent skilled migration applicants must hold relevant qualifications in occupations listed on the SOL. Occupations identified as no longer being in demand at the time, such as cooks and hairdressers, were removed from the list. However, occupations in demand fluctuate and the SOL is expected to be updated annually.²⁴ Currently the top three occupations in the skill stream are accountants, cooks and computer professionals.²⁵

In November 2010 the Minister announced a new points test, which was introduced in July 2011, to assess independent skilled migrants 'as part of the Gillard Government's ongoing commitment to reforming the skilled migration program to deliver the skills Australia needs'. The Minister stated that 'the new points test will emphasise the importance of English, work experience and high level qualifications, and is designed to ensure no one factor guarantees migration'.²⁶

One of the most significant reforms to the skilled migration stream in many years was announced in the 2011–12 Budget with \$5.9 million over four years allocated to implement a new model to select skilled migrants—the Skilled Migrant Selection Model (SkillSelect). The model is an electronic system

22. H Spinks, *Australia's Migration Program*, op. cit.

23. E Koleh, 'Immigration – Migration and humanitarian programs', *Budget review 2010–11*, Parliamentary Library, May 2010, viewed 13 March 2012, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview201011/ImmigrationPrograms

24. Ibid.; and C Evans, (Minister for Immigration and Citizenship), *New Skilled Occupation List to meet Australia's economic needs*, media release, Canberra, 17 May 2010, viewed 7 February 2012, <http://www.minister.immi.gov.au/media/media-releases/2010/ce10036.htm>

25. DIAC, *Report on migration program 2011–12*, op. cit., p. 12.

26. C Bowen (Minister for Immigration and Citizenship), *New migration points test to better address Australia's skills needs*, media release, 11 November 2010, viewed 24 February 2012, <http://www.minister.immi.gov.au/media/cb/2010/cb153924.htm>

whereby prospective applicants must first submit an expression of interest (EOI) before being invited to make a visa application. Introduced on 1 July 2012, this measure means that migrants wanting to be sponsored for employment by state or territory governments, or any independent applicants (non-sponsored) applying after that date, will be required to receive an invitation before they are able to lodge a visa application.²⁷

Other key reforms introduced on 1 July 2012 included:

- Employer-sponsored visa classes were collapsed from six visa subclasses and replaced with two new visas:
 - Employer Nomination (Class EN) Employer Nomination Scheme (subclass 186) and
 - Regional Employer Nomination (Class RN) Regional Sponsored Migration Scheme (subclass 187).
- Within each of these visa subclasses there are three streams:
 - Temporary Residence Transition for 457 visa holders who have worked for at least two years and are to be offered a permanent job in that position
 - Direct Entry for non-457 visa holders or applying directly from outside Australia and
 - Agreement stream for applicants being sponsored by an employer through a labour or regional migration agreement.²⁸
- The Regional Sponsored Migration Scheme (RSMS) and Employer Nomination Scheme (ENS) visas, together with certain other points-based skilled migration visas, were assigned the highest processing priority in the skill stream.²⁹
- As part of the ENS and RSMS review process a single list of occupations, the Consolidated Sponsored Occupation List (CSOL), replaced the State/Territory Nominated (STATSOL), the Employer Nomination Scheme (ENSOL), Subclass 442 Occupational Trainee and the Subclass 457

27. J Phillips, 'Migration and humanitarian programs', *Budget review 2011–12*, Parliamentary Library, 31 May 2011, p. 145, viewed 13 March 2012, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview201112

28. For more detail see DIAC, *Reforms to the permanent employer-sponsored visa program*, DIAC website, 9 March 2012, viewed 23 March 2012, http://www.immi.gov.au/skilled/skilled-workers/_pdf/perm-sponsored-reforms.pdf

29. DIAC, *Priority processing for skilled migration visas*, Fact sheet 24a, DIAC website, viewed 26 October 2012, http://www.immi.gov.au/media/fact-sheets/24apriority_skilled.htm

Skilled Occupation Lists. CSOL now determines occupations that applicants can nominate under these programs. The SOL remains and applies to points-based skilled migration applications.³⁰

- The six points-based skilled migration visa subclasses (175, 176, 475, 885, 886 and 487) were consolidated into three new points-test skilled migration visa subclasses without location requirements (no distinction between offshore or onshore):
 - Subclass 189 (skilled independent)
 - Subclass 190 (skilled nominated) and
 - Subclass 489 (skilled regional—provisional)³¹
- Originally announced on 25 May 2012, reforms to the business skills program now to be known as the Business Innovation and Investment program, were also introduced on 1 July 2012 and included a reduction in the number of visa subclasses from 13 to three by removing the independent visa categories and other ‘underused’ visa subclasses. Applicants must submit an expression of interest through SkillSelect and have a points-test mark of 65.³²
- In addition to these reforms, the department has created a visa pathway to provide for significant migrant investment in Australia, commencing in November 2012. The Significant Investor Visa will be part of the Business Innovation and Investment (Provisional) (Subclass 188) visa and the Business Innovation and Investment (Permanent) (Subclass 888) visa. Visa applicants do not have to satisfy a points test, but must be nominated by a state or territory government and make investments of at least \$5 million.³³
- On 2 July 2012—a new Ministerial Advisory Council on Skilled Migration (MACSM) to provide the Government with expert advice on the role of skilled migration in the Australian economy.³⁴

30. DIAC, *Consolidated sponsored occupation list*, DIAC website, viewed 26 October 2012, <http://www.immi.gov.au/skilled/general-skilled-migration/pdf/occupations-csol.pdf> and *Skilled occupation lists*, DIAC website, viewed 31 October 2012, <http://www.immi.gov.au/skilled/sol/>

31. DIAC, *General skilled migration points test under SkillSelect*, DIAC website, viewed 26 October 2012, <http://www.immi.gov.au/skilled/general-skilled-migration/pdf/points-tested-migration-fact-sheet.pdf> and *Changes to points tested skilled migration visas*, DIAC website, viewed 26 October 2012, <http://www.immi.gov.au/skilled/general-skilled-migration/pdf/points-tested-visas.pdf> Note: the location requirements will remain for the 485 (skilled graduate), the 476 (skilled recognised graduate) and the 887 (skilled regional) visas.

32. DIAC, *Reforms to the business skills program*, DIAC website, viewed 26 October 2012, <http://www.immi.gov.au/skilled/business/pdf/reforms-business-skills-program.pdf> and *Innovation points test for the business innovation and investment program*, DIAC website, viewed 26 October 2012, <http://www.immi.gov.au/skilled/business/pdf/innovation-points-test.pdf>

33. DIAC, *Significant investor visa*, DIAC website, viewed 26 October 2012, <http://www.immi.gov.au/skilled/business/pdf/significant-investor.pdf>

34. C Bowen (Minister for Immigration and Citizenship), *New advisory council on skilled migration*, media release, 2 July 2012, viewed 7 November 2012, <http://www.minister.immi.gov.au/media/cb/2012/cb188019.htm>

According to the Minister, Chris Bowen, the Government's focus on skilled migration has been very successful in terms of positive employment outcomes for skilled migrants with a 95 per cent workforce participation rate overall and around a 98 per cent workforce participation rate for the employer-nominated and other sponsored categories, compared to 65 per cent for the family stream and the Australian population generally:

The first results from the Department of Immigration and Citizenship's (DIAC) Continuous Survey of Australia's Migrants (CSAM) show that 60 per cent of employer sponsored migrants work in either management or professions, with 90 per cent in skilled employment ... The demand-driven employer sponsored pathway fills an immediate skilled vacancy which cannot be filled locally, thereby contributing to our national economy and productivity ... The overall outcomes for the entire skilled stream were positive, with an unemployment rate of five per cent and a participation rate of 95 per cent.³⁵

DIAC's *2011–12 Report on Migration Program* notes that priority (sponsored) groups represented 60.2 per cent of the skill stream outcome in 2011–12.³⁶

In an address to the Immigration Lawyers Association of Australasia, the Minister noted the success of the employer-sponsored focus on Australia's permanent Migration Program:

The defining characteristic of employer-sponsored migration is the use of market-based employer processes to select potential migrants ... employers throughout Australia can sponsor foreign workers for permanent residence to fill genuine job vacancies in their businesses. Because of this, these visas are highly responsive to labour market demands. They are good for Australia in that they are our best performing permanent visa category in terms of employment and economic outcomes.³⁷

Some of the fluctuations in government planned intakes, the number of applications and Migration Program outcomes in recent years have resulted from responses to the GFC and not necessarily government policy reforms designed to encourage priority (sponsored) applicants. For example, in 2008–09, the permanent skilled migration planning level was reduced by 14 per cent from an initial 133 500 to 115 000 in March 2009, in response to reduced demand for skills due to the global financial crisis. The skilled program planning level was reduced further in the 2009–10 Budget to 108 100 in response to the continued economic slowdown through most of 2009.

However, in the 2011–12 Budget the planned intake for permanent migrants under the Migration Program for 2011–12 rose again across all categories to 185 000 places (an increase of 16 300 from

35. C Bowen (Minister for Immigration and Citizenship), *Survey shows success of employer sponsored skilled migration*, media release, 28 October 2010, viewed 7 February 2012, <http://www.minister.immi.gov.au/media/media-releases/2010/cb10074.htm>; and table source: DIAC, *Additional results from the Continuous Survey of Australian Migrants*, DIAC, 2010, viewed 7 February 2012, <http://www.immi.gov.au/media/research/surveys/csam/>

36. DIAC, *2011–12 Migration program report*, op. cit., p. 7.

37. C Bowen (Minister for Immigration and Citizenship), *Immigration paves our way into the Asian century*, Keynote address, 2012 CPD Immigration Law Conference, 9 March 2012, viewed 14 March 2012, <http://www.minister.immi.gov.au/media/cb/2012/cb183659.htm>

the previous year). As has been the case for the last decade, the majority of the 185 000 places were allocated to skilled entrants with skill stream places rising to 125 850 for 2011–12—an increase of 12 000 places from the previous year.³⁸ These increases brought planning levels back in line with those announced during the 2008–09 Budget when the original planned intake was 190 300. However, because this figure was subsequently amended to 168 700 in response to the GFC, the 2011–12 planning figure of 185 000 was effectively the highest on record since 1969 when program planning figures also reached a high of 185 000.³⁹ The planning figure of 190 000 announced in the 2012–13 Budget continues this trend.⁴⁰

Temporary skilled migration

While fluctuations in the numbers of permanent migrants are significant, one of the greatest changes in immigration patterns to Australia in the last decade has been the growth of long-term temporary migration. Although temporary migrants are not counted under the Migration Program for permanent migrants, temporary migration is increasingly becoming the first step towards permanent settlement in Australia for many people. Temporary migration is therefore highly susceptible to changes in policies affecting the permanent Migration Program, particularly those concerning skilled migration.⁴¹ In 2008–09 over one-third of the Migration Program was made up of people granted permanent residence after initial entry to Australia on a temporary basis, including former international students and temporary skilled workers.⁴² In 2010–11, almost nine in ten people granted a permanent employer sponsored visa were people who had originally entered Australia as temporary skilled workers (on subclass 457 visas).⁴³

Temporary business (subclass 457) visas

The largest categories of temporary migrants coming to Australia in recent years have been overseas students and temporary skilled migrants, in particular those arriving on a (subclass 457) *Temporary business (long stay)* visa.⁴⁴ The 457 visa allows employers to sponsor skilled workers from overseas for a period of between three months and four years. It was introduced by the Howard Government in 1996 as a means of attracting more skilled workers to Australia, and in response to the demand for avenues of temporary entry to Australia amongst overseas workers. It provided employers with a

38. J Phillips, 'Migration and humanitarian programs', *Budget review 2011–12*, op. cit.

39. Ibid.

40. C Bowen (Minister for Immigration and Citizenship), *Budget 2012–13: Targeted migration increase to fill skills gaps*, op. cit.

41. H Spinks, *Australia's Migration Program*, op. cit.

42. Ibid.; and DIAC, *Population flows: immigration aspects 2008–09*, DIAC, Canberra, 2010, chapter 2, p.30, viewed 22 March 2012, <http://www.immi.gov.au/media/publications/statistics/popflows2008-09/>

43. DIAC, *Population flows: immigration aspects 2010–11*, DIAC, Canberra, 2012, chapter 3, p. 66, viewed 26 October 2012, <http://www.immi.gov.au/media/publications/statistics/popflows2010-11/pop-flows-chapter3.pdf>

44. For more detail on overseas students in Australia see Koleth E, *Overseas students: immigration policy changes 1997–May 2010*, Research paper, Parliamentary Library, 16 June 2010, <http://www.aph.gov.au/binaries/library/pubs/bn/sp/overseasstudents.pdf>

faster and more flexible avenue of recruiting skilled workers than is possible under the permanent migration program.⁴⁵

Unlike permanent migration, temporary skilled migration is not subject to caps set by government, but rather fluctuates according to levels of demand, both from those seeking to enter Australia on a temporary basis and employers seeking to sponsor temporary workers. Demand for long-term temporary visas is influenced by numerous factors, such as the economic, social and political situation in source countries, economic conditions in Australia, and policies affecting the eligibility requirements for particular temporary visas. For instance, the decline in 457 visas between 2007–08 and 2008–09 has been attributed in large part to the GFC which led to a drop in demand for temporary workers in the Australian labour market.⁴⁶

However, the number of applicants for temporary skilled migration has risen again to ‘levels on a par with those before the crisis’.⁴⁷ In 2010–11 the number of 457 primary visa applications (not including dependents) lodged to the end of June 2011 was 39.7 per cent higher than the previous financial year and the number of primary visa holders in Australia at 30 June 2011 was 72 030.⁴⁸ The top three industries for primary visa grants in 2010–11 were Health Care and Social Assistance (13.0 per cent), Other Services (12.4 per cent), and Construction (12.3 per cent).⁴⁹ In 2011–12, the number of subclass 457 primary visa applications lodged rose again to be 33.4 per cent higher than the previous year and the number of primary visa holders in Australia at 30 June 2012 was 91 050 (an increase of 26.4 per cent).⁵⁰ In 2011–12 the top three industries for primary visa grants were Construction (13.4 per cent), Other Services (11.6 per cent) and Health Care and Social Assistance (11.5 per cent).⁵¹

Over the years a certain amount of criticism has been levelled at the 457 system from some quarters, including claims that 457 workers are exploited and not offered adequate assistance in

45. J Phillips, *Temporary (long stay) business visas: subclass 457*, Research note, Parliamentary Library, Canberra, 2007, http://parlinfo.parlinfo/download/library/prspub/QWAM6/upload_binary/qwam63.pdf;fileType=application/pdf#search=%22phillips%22

46. H Spinks, *Australia's Migration Program*, op. cit.

47. DIAC, *Trends in migration: Australia 2010–11*, DIAC, Canberra, February 2012, p. 8, viewed 13 March 2012, <http://www.immi.gov.au/media/publications/statistics/trends-in-migration/trends-in-migration-2010-11.pdf>

48. DIAC, *Subclass 457 state/territory report 2010–11*, DIAC, Canberra, 2012, viewed 14 March 2012, <http://www.immi.gov.au/media/statistics/statistical-info/temp-entrants/subclass-457.htm>

49. Ibid.

50. DIAC, *Subclass 457 state/territory report 2011–12*, DIAC, Canberra, 2012, viewed 7 November 2012, <http://www.immi.gov.au/media/statistics/pdf/457-stats-state-territory-june12.pdf>

51. Ibid.

understanding their rights.⁵² Concerns have also been expressed, particularly by unions, that 457 workers undercut Australian workers, and drive down wages in some industries.⁵³

In order to address these concerns and tighten the integrity of the 457 visa system the Howard Government announced several reforms to the 457 program. For example, on 26 April 2007 the then Minister for Immigration and Citizenship, Kevin Andrews, announced new civil penalties for employers who breached the law and greater powers for DIAC and the Office of Workplace Services to investigate employers.⁵⁴ A new English language requirement was also introduced to the 457 visa program on 1 July 2007, to ensure overseas workers were able to contribute to the workplace effectively, respond to occupational health and safety risks and raise any concerns about their welfare with appropriate authorities.⁵⁵

On 14 April 2008, the new Labor Government announced the establishment of a major review to investigate concerns raised about the 457 visa program (the Deegan Review).⁵⁶ As part of the review, three issues papers were released for public comment, on the topics of minimum salary level and labour agreements; English language requirements and occupational health and safety issues; and integrity and exploitation issues.⁵⁷ The final report of the Deegan Review was released in October 2008.⁵⁸

The Review found that concerns about exploitation of 457 visa workers were well-founded, particularly in relation to visa holders at the lower end of the salary scale. The Review made a number of recommendations aimed at improving the integrity of the 457 visa system, and protecting the rights of 457 workers. Subsequent changes to the 457 visa were announced by the Minister in April 2009. These included:

- the implementation of a market-based minimum salary for all new and existing 457 visa holders from mid-September 2009, to ensure overseas workers were not exploited and local wages and

52. For example see 'Foreign workers enslaved', *The Age*, 28 August 2007, viewed 13 March 2012, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressclp%2F17306%22> and 'Five year ban for firm that paid migrant worker \$6000 a year', *West Australian*, 21 February 2008, viewed 13 March 2012,

<http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressclp%2FCOPP6%22>

53. For example see P Maley, 'Market wages for overseas workers', *The Australian*, 11 November 2007, viewed 22 March 2012,

<http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressclp%2F582S6%22>

54. K Andrews (Minister for Immigration and Citizenship), *New changes for skilled temporary visa laws*, media release, 26 April 2007, viewed 13 March 2012,

<http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2FFB6N6%22>

55. DIAC, *Changes to the subclass 457 visa program English language requirements*, DIAC website, viewed 13 March 2012, <http://www.immi.gov.au/skilled/skilled-workers/changes-eng-req.htm>

56. C Evans (Minister for Immigration and Citizenship), *IR expert to oversee temporary migration review*, media release, 14 April 2008, viewed 13 March 2012, <http://www.minister.immi.gov.au/media/media-releases/2008/ce08035.htm>

57. To access the papers see the DIAC website, viewed 13 March 2012, <http://www.immi.gov.au/skilled/457-integrity-review.htm>

58. DIAC, *Visa subclass 457 integrity review: final report*, October 2008, DIAC website, viewed 13 March 2012, http://www.immi.gov.au/skilled/skilled-workers/_pdf/457-integrity-review.pdf

conditions were not undermined (a key recommendation of the Deegan Review). Prior to this, 457 workers were required to be paid according to Minimum Salary Levels (MSL) set by Government, which were below market salary rates

- increasing the existing minimum language requirement from 4.5 IELTS to 5 IELTS for 457 visa applicants in trade occupations and chefs, to address concerns about the exploitation of workers from non-English speaking countries and align the 457 visa English language standard with the permanent sponsored visa for trades' occupations⁵⁹
- progressively introducing formal skills assessment from 1 July 2009 for 457 visa applicants from high risk immigration countries in certain trade occupations such as chefs⁶⁰
- introducing a requirement that employers seeking access to the 457 visa program have a strong record of, or demonstrated commitment to, employing local labour and non-discriminatory employment practices. This was designed to help address concerns that some employers may discriminate against local labour in hiring overseas workers
- the development of training benchmarks to clarify the existing requirement on employers to demonstrate a commitment to training local labour and
- the extension of the labour agreement pathway to all ASCO 5 – 7 occupations to ensure that employers using the 457 visa program to access these occupations satisfy obligations on local training and employment.⁶¹

In September 2009 new worker protection laws, aimed at combating exploitation of 457 workers, came into effect with the commencement of the *Migration Legislation Amendment (Worker Protection) Act 2008*.⁶² From 14 September 2009, the new minimum language requirements also came into effect and all 457 sponsors were required to adhere to new Sponsorship Obligations, including the payment of market salary rates.⁶³

59. The International English Language Testing System (IELTS) is an internationally recognised system of English language testing for the purposes of immigration, higher education and employment. See www.ielts.org for more detail.

60. This is designed to prevent fraud in skilled migration applications for applicants from certain countries which statistically demonstrate higher rates of visa non-compliance than others.

61. C Evans (Minister for Immigration and Citizenship), *Government announces changes to 457 visa program*, media release, 1 April 2009, viewed 13 March 2012, <http://www.minister.immi.gov.au/media/media-releases/2009/ce09034.htm> For an explanation of the Australian Standard Classification of Occupations (ASCO) and the newer ANZSCO occupation classifications see the DIAC website, viewed 19 March 2012, <http://www.immi.gov.au/employers/anzsco/transitional-arrangements.htm>

62. For more information on the worker protection laws see the *Migration Legislation Amendment (Worker Protection) Bill 2008*, Parliamentary Library, Bills digest, 31 October 2008, viewed 13 March 2012, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbillsdgs%2FFHZR6%22>

63. DIAC, *Changes to the subclass 457 visa program English language requirements*, op. cit.; and *Subclass 457 market salary rates*, DIAC website, viewed 13 March 2012, <http://www.immi.gov.au/skilled/457-market-salary-rates.htm>

In response to other industry concerns at processing delays, funding was allocated in the 2011–12 Budget to halve processing times for 457 visas.⁶⁴ In November 2011 the Government announced the commencement of priority processing to speed up the application process for certain accredited businesses. To qualify for accredited status businesses must have been active 457 visa sponsors for three years and committed to ensuring at least 75 per cent of their domestic workforce is Australian. Accreditation qualifies them for sponsorship approval of six years rather than three, as well as ensuring faster processing times.⁶⁵

Despite these reforms, criticisms of the 457 program persist, particularly with regard to allegations of temporary overseas workers being used in preference to Australian workers. In a recent paper published by the Centre for Population and Urban Research at Monash University, the authors argue that there is 'still is no mandatory labour-market testing for the sponsoring employer which might protect domestic workers from foreign competition. Nor is there anything to stop an employer retrenching Australian workers and replacing them with 457 visa workers'.⁶⁶ Many trade unions agree and also argue that the Enterprise Migration Agreements announced by the Government in the 2011–12 Budget should also be suspended:

The Government has said it is committed to the employment of Australian workers before the use of temporary overseas labor. If they are serious about this, they should announce an immediate moratorium on EMAs and similar agreements, support legislation requiring employers to use the Resources Sector Jobs Board, and back legislation that guarantees Australian workers have a legally enforceable right to Australian Construction jobs.⁶⁷

Rural and regional skilled migration

Federal, state and territory governments have introduced a number of measures designed to attract skilled migrants to regional and rural areas where skill shortages are particularly acute. The two major strategies have been the Regional Sponsored Migration Scheme (RSMS) and the State Specific and Regional Migration (SSRM) category.

The Regional Sponsored Migration Scheme (RSMS) under the Employer Sponsored category is one of the components of the push to attract migrants to regional areas. Introduced in 1995–96, it enables employers in a designated RSMS area to nominate temporary residents already in Australia or

64. DIAC, *Additional funding for 457 visa processing*, DIAC website, viewed 13 March 2012, <http://www.immi.gov.au/skilled/457-additional-funding.htm>

65. C Bowen (Minister for Immigration and Citizenship), *New accreditation scheme for 457 visas*, media release, 2 November 2011, viewed 13 March 2012, <http://www.minister.immi.gov.au/media/cb/2011/cb179959.htm> For other employer sponsored initiatives see *What's new for employer sponsored workers*, DIAC website, viewed 13 March 2011, <http://www.immi.gov.au/skilled/whats-new-esw.htm#15feb>

66. B Birrell and E Healy, *Immigration overshoot*, Research report, Centre for Population and Urban Research, Monash University, 15 November 2012, viewed 16 November 2012, http://artsonline.monash.edu.au/cpur/files/2012/11/CPUR-Immigration_Overshoot_nov-13.pdf

67. CFMEU, *Federal Labor must listen to the community—suspend EMAs and other foreign labour agreements*, media release, 25 October 2012, viewed 16 November 2012, <http://www.cfmeu.asn.au/news/federal-labor-must-listen-to-community-suspend-emas-and-other-temporary-foreign-labour-agreemen>

applicants from overseas to fill skilled vacancies for a minimum of two years. Successful nominees who are prepared to settle in these regions are able to transition to a permanent visa once they have lived for two years in a specified regional area. There were 11 120 visas granted under the RSMS category in 2010–11.⁶⁸ In 2011–12 visas granted under this category increased to 16 471.⁶⁹

Over the years the Australian Government, in consultation with state and territory governments and regional development authorities, has introduced a range of initiatives, such as State Specific and Regional Migration (SSRM) under the (permanent) General Skilled Migration (GSM) category. These initiatives are designed to help state and territory governments address skill shortages, attract overseas business people to establish ventures in their regions, and encourage a more ‘balanced’ settlement of Australia’s skilled migrant intake.⁷⁰ Recent figures indicate that regional migration initiatives are becoming more successful. The SSRM outcome for the 2010–11 Migration Program was 37 410 representing 32.9 per cent of the skill stream.⁷¹ In 2011–12, the SSRM outcome was 47 733, a 27.6 per cent increase from the previous year, representing 38 per cent of the skill stream.⁷²

State and territory governments may also sponsor migrants under various other visa categories. For example, sponsorship is possible under the Business Skills visa category, the intention being to encourage business skills entrants to set up businesses in regional, rural or low growth areas of Australia. In 2009–10 around 96 per cent of all business skills provisional visa grants were state/territory sponsored.⁷³ In 2011–12, there were 22 247 state/territory sponsored visa grants under the GSM category together with 37 772 skilled independent grants, comprising the bulk of the GSM category grants.⁷⁴

In the 2011–12 Budget there was a particular focus on regional skilled migration with the Government providing \$4.8 million over four years to implement several measures to encourage both permanent and temporary migration to regional Australia. Some of the key measures were:

- **Regional Sponsored Migration Scheme (RSMS)**—16 000 permanent places were specifically allocated (within the Migration Program’s planned intake) to regional areas for the first time, through the Regional Sponsored Migration Scheme—part of the Employer Sponsored Program stream.
- **Skilled Migrant Selection Model**—effective from July 2012, this model allows prospective migrants to nominate their willingness to live and work in regional Australia. The model enables

68. DIAC, *State specific regional migration*, fact sheet 26, DIAC, Canberra, 2010, viewed 16 March 2012, <http://www.immi.gov.au/media/fact-sheets/26state.htm> and *Migration program report 2010–11*, op. cit., p. 9.

69. DIAC, *Migration program report 2011–12*, Canberra, 2012, p. 8, viewed 7 November 2012, <http://www.immi.gov.au/media/statistics/pdf/report-on-migration-program-2011-12.pdf>

70. DIAC, *State specific regional migration*, op. cit.

71. DIAC, *Migration program report 2010–11*, op. cit., p. 11.

72. DIAC, *Migration program report 2011–12*, op. cit., p. 11.

73. H Spinks, *Australia’s Migration Program*, op. cit., and DIAC, *Population flows: immigration aspects 2009–10*, op. cit.

74. DIAC, *Migration program report 2011–12*, op. cit., p. 10.

state and territory governments and regional employers to access these expressions of interest and select skilled workers through a central database of prospective migrants. This measure (together with the recently introduced State Migration Plans), is designed to further assist the states and territories in addressing specific skill shortages and local labour market needs in regional areas.

- **Temporary (Long Stay) Business visas (subclass 457)**—the Government announced it would fast track permanent residency for 457 visa recipients who have spent two years working in regional Australia and who have an employer willing to sponsor them for a further two years. To support this initiative the Government announced it would establish a new processing centre in Brisbane.⁷⁵
- **Labour agreements**—labour agreements have been in existence for some years and are legal contracts between the Australian Government and an employer allowing the employer to bring in skilled overseas workers to Australia on either a temporary or permanent visa. Labour agreements are designed to assist potential employers to sponsor a temporary worker where there are no other options available to them (for example, when the skill required by an employer is not included on the relevant list of approved occupations). In this Budget the Government announced two new labour agreements aimed at regional areas:
 - **Regional Migration Agreements (RMAs)**—targeted at high growth regional areas where local labour is in short supply. Access to semi-skilled overseas workers will be negotiated where there is a ‘demonstrable and critical need’. It is proposed that once a designated local representative has negotiated an agreement with the Government, individual local employers will then be able to directly sponsor temporary workers under the terms of the RMA. Individual employers who sponsor overseas workers under an RMA-associated labour agreement will be required to demonstrate investment in the training of local workers.
 - **Enterprise Migration Agreements (EMAs)**—a new temporary migration option specifically designed to address the growing skill needs of the resources sector. EMAs are available to projects with capital expenditure of \$2 billion and a peak workforce of 1500 workers. It is envisaged that these agreements will ‘streamline negotiation arrangements for access to overseas workers and guarantee fast processing times for visa applications’. The introduction of EMAs was recommended by the National Resources Sector Employment Taskforce in July 2010.⁷⁶

It remains to be seen what effect these more recent measures will have on migration to regional areas. Although migration to these areas is increasing (see tables 6 and 7 in the statistical appendix)

75. See DIAC, ‘Additional funding for 457 visa processing’, DIAC website, viewed 23 March 2012, <http://www.immi.gov.au/skilled/457-additional-funding.htm>

76. *Budget review 2011–12*, op. cit.

at the time of the 2006 Census most migrants continued to reside in urban areas—particularly Melbourne and Sydney.⁷⁷ Detailed analysis is not yet available from the most recent Census.

Working holiday makers

Working holiday makers have traditionally played an important role in supplying short-term temporary workers, particularly for the tourism, hospitality and horticulture industries in both urban and rural settings. DIAC acknowledges that the working holiday program is ‘a strong contributor of supplementary labour for industries needing short-term or seasonal workers, such as construction, hospitality and farming’.⁷⁸

Under Australia’s working holiday arrangements, young people aged 18 to 30, from certain countries, may apply for one of two visas. Both visas enable the successful applicants to stay for 12 months and supplement the cost of their holiday with short-term work:

- Working Holiday (subclass 417) visa—for young people from certain countries (most commonly the United Kingdom (UK), Korea, Ireland, Germany and France). A second Working Holiday visa may also be granted if the applicant has completed three months of specified work in regional Australia during their holiday. There were 185 448 of these visas granted in 2010–11. In 2011–12 grants increased by 15.7 per cent with 214 644 visas granted.⁷⁹
- Work and Holiday (subclass 462) visa—for young people from certain other countries (most commonly the USA, Thailand and Chile). There were 7442 of these visas granted in 2010–11 and 8348 visas granted in 2011–12 (an increase of 12.2 per cent) mostly to young people from the USA.⁸⁰ However, a second visa is not possible under the Work and Holiday category.

It is anticipated that the number of working holiday makers and the demand for temporary entrants to address skill shortages will continue to grow. After falling in 2009–10, largely due to the GFC, visa grants are again on the rise with 192 900 Working Holiday (subclass 417) and Work and Holiday (subclass 462) granted to young people in 2010–11—many of whom subsequently found work in seasonal horticulture and tourism-related jobs that employers sometimes find hard to fill locally. More grants again were made in 2011–12 with a total of 222 992 visa grants.⁸¹

The Government has introduced some reforms over the years to encourage working holiday makers to remain temporarily in Australia. For example, in 2008 the Government announced that working

77. R Miranti, B Nepal and J McNamara, *Calling Australia home*, AMP.NATSEM Income and wealth report issue 27, AMP, Sydney, 2010, p. 11, viewed 19 November 2011, http://media.corporate-ir.net/media_files/irol/21/219073/natsem_10.pdf

78. J Phillips, *Working holiday makers and Australia’s tourism and horticulture industries*, Parliamentary Library website, FlagPost, 9 March 2012, <http://parliamentflagpost.blogspot.com.au/2012/03/working-holiday-makers-and-australias.html>

79. DIAC, *Annual report 2011–12*, Canberra 2012, p. 98.

80. Ibid.

81. Ibid.; and J Phillips, *Working holiday makers and Australia’s tourism and horticulture industries*, op. cit..

holiday visa (subclass 417) holders who had worked in the construction industry in regional Australia for at least three months would be eligible to apply for a second working holiday visa.⁸²

Although the Australian Government has not committed to making any major changes to the working holiday program to date, DIAC notes that ‘even in times of higher unemployment, migrants continue to make a large positive fiscal contribution’ and that migration continues to contribute to economic growth by ‘bringing people into Australia who are concentrated in the prime working ages of 25 to 44 years’. While these comments are primarily referring to permanent migrants and temporary business entrants, they are just as applicable to working holiday entrants, particularly those employed in hard-to-fill jobs in regional areas.⁸³

Source countries

Until recently the UK had been the primary source for permanent migration to Australia for many years.⁸⁴ Although the rate had declined from previous years, in 2009–10 the UK continued to contribute the largest number of migrants to the permanent Migration Program with 25 738 people (15.3 per cent)—18 487 of whom were permanent skilled migrants—followed by India (18 042) and China (14 505).⁸⁵ However, for the first time in the history of Australia, China surpassed the UK as Australia’s primary source of permanent migrants in 2010–11.⁸⁶ China provided the highest number of permanent migrants with an outcome of 29 547 places or 17.5 per cent of the total migration program, up from 24 768 or 19.3 per cent in 2009–10.⁸⁷ The UK decreased to 14.2 per cent of the total Migration Program (from 25 738 in 2009–10 to 23 931 in 2010–11).⁸⁸ In 2011–12 India was the largest source country with 29 018 places (15.7 per cent) of the total Migration Program, followed by China (25 509) and the UK (25 274).⁸⁹

82. C Evans (Minister for Immigration and Citizenship), *Working holiday extension a boon for backpackers and employers*, media release, 1 July 2008, viewed 14 March 2012, <http://www.minister.immi.gov.au/media/media-releases/2008/ce08060.htm>

83. J Phillips, *Working holiday makers and Australia’s tourism and horticulture industries*, op. cit.

84. M Park, ‘Recent trends in skilled migration’, op. cit., pp. v–vi.

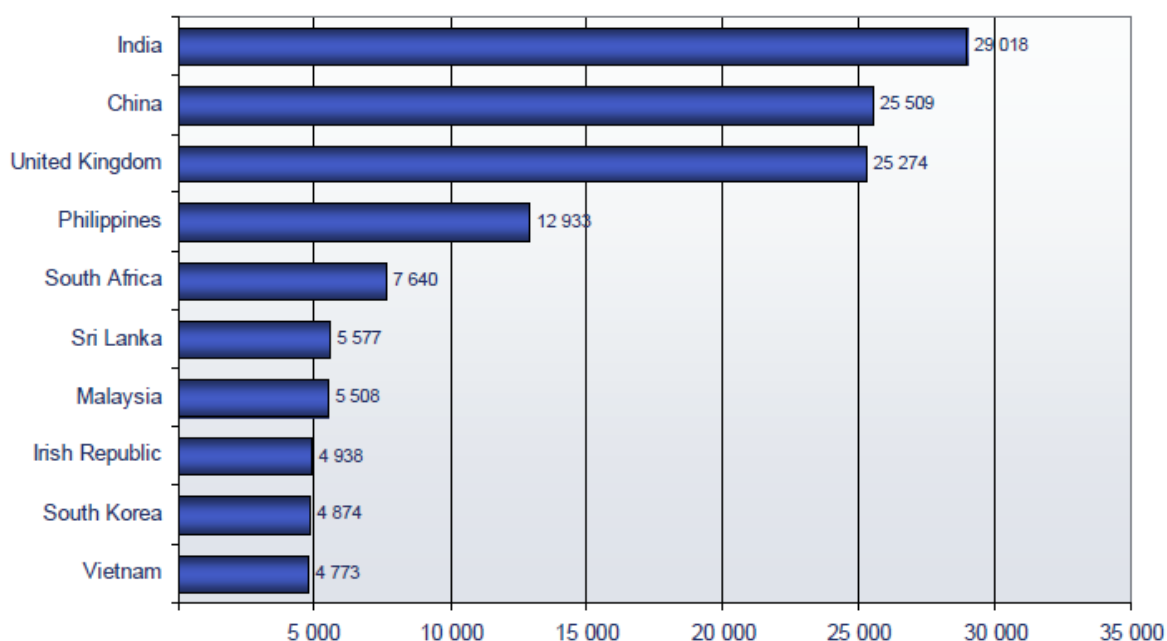
85. C Bowen, *Migration program targeting skills*, op. cit.

86. C Bowen (Minister for Immigration and Citizenship), ‘Immigration paves our way into the Asian century’, *The Australian*, 9 March 2012, viewed 19 March 2012, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressclp%2F1484417%22>

87. DIAC, *Migration program report 2010–11*, op. cit., p. 5.

88. Ibid., p. 6.

89. DIAC, *Migration program report 2011–12*, op. cit., pp. 3 and 5.



Source: DIAC, *Migration program report 2011–12*, op. cit., p.5.

The largest categories of temporary skilled migrants are those arriving on a (subclass 457) *Temporary business (long stay)* visa. In 2010–11 the top four source countries (for primary grants—not including dependents) were the UK (11 820), India (8760), the USA (3910) and Ireland (3890).⁹⁰ In 2011–12, the top three citizenships for primary visa grants were the UK (23.1 per cent), India (17.5 per cent) and Ireland (9.2 per cent).⁹¹

Concluding comments

Australia's Migration Program has evolved over the years in accordance with the political, social and economic imperatives of the government of the day. What began as a narrowly targeted program designed to achieve the 'populate or perish' objective which dominated thinking in the aftermath of World War II, has developed over the last decade or so into a broader, more open program aimed primarily at meeting the labour market needs of the Australian economy through skilled migration.⁹²

In a key address, the Minister for Immigration and Citizenship expressed the current Government's intention of continuing to focus on encouraging economic, and particularly skilled, migration to Australia:

90. DIAC, *Subclass 457 state/territory report 2010–11*, op. cit., p. 11.

91. DIAC, *Subclass 457 state/territory report 2011–12*, op. cit., Trends section.

92. H Spinks, *Australia's Migration Program*, op. cit.

Skilled migration is vital to Australia's economy. Without migration Australia's labour force is expected to contract by 2050. Australia simply won't have enough people to keep our economy growing...we need migrants for future growth and prosperity.⁹³

Recent policy changes to the skilled migration category highlight the relationship between immigration and the labour market needs of the Australian economy. In the wake of the GFC Australia's Migration Program was not only reduced, but also reformed, to ensure that migrants to Australia meet the specific needs of the economy and fill gaps in the labour market where they currently exist. Whether these reforms will have the desired effect of filling critical shortages in the Australian labour market, and whether temporary migration will serve to complement these needs, remains to be seen.

93. C Bowen (Minister for Immigration and Citizenship), *Immigration paves our way into the Asian century*, op. cit.

Appendix

Chronology of key government skilled migration initiatives

| Date | Details | Press Release |
|--------------|--|--|
| 5 June 1996 | <p>Announcement of reforms to temporary business entry comprising:</p> <ul style="list-style-type: none"> simpler entry with a new single business entry class (457); with more flexible definitions of skills streamlined processing of applications; with waiver of labour market testing for certain key activities, and simpler and faster health assessment monitoring to ensure that employers meet financial and immigration undertakings. <p>Changes to take effect from 1 August 1996.</p> | P Ruddock, Streamlined temporary business entry approved |
| 3 July 1996 | <p>Announcement of the 1996–97 Migration Program. A total of 74 000 places allocated, comprising:</p> <ul style="list-style-type: none"> Skilled stream—28 000 Preferential Family—36 700 Concessional Family—8000 Special Eligibility—1300 <p>There is an increased emphasis on skilled migration, in particular in the Business Skills category and the Independent category.</p> <p>Reforms to the family stream also announced, tightening the requirements for sponsorship of family members.</p> | P Ruddock, Migration Programme revamped to benefit Australia |
| 31 July 1996 | <p>Announcement of an increase in pass marks for points-tested categories in the Migration Program, including that from 1 August 1996, the pass mark for the Independent category to rise from 110 to 115.</p> <p>The increase is described as ‘consistent with the Government’s commitment to maintain high standards of entry in the skills-tested categories and to address a significant pipeline of applicants’.</p> | P Ruddock, Changes to pass marks for migrant points test |
| 21 May 1997 | <p>Announcement of the 1997–98 Migration Program, set at 68 000 places, a reduction from the previous year. The family stream is reduced and the skill stream is increased, consistent with the government’s focus on attracting skilled migrants who will benefit the economy.</p> | P Ruddock, Government further reduces Migration Program |
| 16 June 1997 | <p>Announcement of a new visa category, to begin on 1 July 1997, aimed at attracting business migrants to settle away from major population growth centres.</p> <p>The new visa category, named the Regional Established Business in Australia (REBA) category, allows permanent residence for people who are in Australia on a long-stay temporary business visa and who have a successful record of ownership and management of a business outside</p> | P Ruddock, Government measures assist regional Australia |

| Date | Details | Press Release |
|------------------|--|---|
| | <p>the major metropolitan areas. REBA applicants must:</p> <ul style="list-style-type: none"> • have owned and operated a business outside NSW and the major metropolitan areas of Melbourne, Perth, Brisbane and south-eastern Queensland for at least two years • have at least a 10 per cent share holding in a business which has an annual turnover of at least \$200 000 or exports of at least \$100 000 and is located in a designated regional area • have net assets in Australia of \$200 000 or more, at least \$75 000 of which must be invested in the business • be actively involved in the management of the business • meet the pass mark on a points test which looks at their age, language ability, number of employees and net assets. Additional points are available for applicants who have sponsorship from their state/territory government. | |
| 30 October 1997 | Announcement of a new scheme under which state and territory governments will be able to sponsor up to 200 skilled migrants and their families in the Independent skilled category in 1997–98, with the aim of meeting skills shortages in regional areas. Called the State/Territory Nominated Independent (STNI) scheme, it would take effect from 1 November 1997. | P Ruddock, More skilled workers for states and territories |
| 12 December 1997 | Announcement of a review of the points test used to assess migrants in the Independent and Skilled-Australia Linked categories, to 'ensure we select skilled migrants who will make the greatest net economic contribution to Australia'. | P Ruddock, Review of skilled migration points test |
| 3 March 1998 | <p>Claim that changes to the Skilled Independent category including:</p> <ul style="list-style-type: none"> • an expansion in the list of Occupations Requiring English (ORE) • adoption of a revised system for identifying acceptable skilled occupations • stricter application of skills recognition • matching skill needs in regional Australia with suitably qualified migrants. <p>Announcement of a new Points Test pass mark of 110 out of a possible 120 points, to take effect for applications decided from 4 March 1998.</p> | P Ruddock, Changes to skilled Independent category |
| 8 April 1998 | Announcement of the 1998–99 Migration Program, which is maintained at 68 000 places, comprising 35 000 places in the Skill, 30 500 in the Family stream, and 2500 in the Special Eligibility stream. | P Ruddock, Government to maintain balanced Migration (non-humanitarian) Program |
| 12 May 1998 | Budget announcement of \$0.9 million over four years to continue | P Ruddock, Bid |

| Date | Details | Press Release |
|----------------|--|---|
| | initiatives designed to attract more skilled and business migrants to Australia. | to attract more skilled and business migrants |
| 27 August 1998 | <p>Announcement of changes to the Points Test, as a result of the points test review (announced in December 1997). The changes are designed to 'maximise the economic benefits confirmed by a comparison of the 1995-96 migration intake with the 1997-98 intake.' The Minister stated that 'according to economic modeling commissioned by my Department, Australia will be some \$95 per person better off as a result of the greater focus placed on these categories of the Migration Program'. The changes, to be implemented from July 1999, include:</p> <ul style="list-style-type: none"> • all new applicants in the Independent and Skilled Australian Linked (SAL) categories will have to be less than 45 years of age, have vocational level English and have a skilled occupation with qualifications recognised in Australia • 5 additional points where the applicant's spouse also meets the threshold requirements for skills, age and English language ability • 5 additional points where the applicant obtained their diploma, trade certificate or degree from an Australian educational institution (this was introduced from 1 July 1998) • 5 bonus points if an applicant satisfies at least one of the following: <ul style="list-style-type: none"> – six months recent Australian work experience in a skilled occupation, or – commitment to bring a high level of capital to Australia demonstrated by depositing \$100 000 in an approved Government investment for a minimum of 12 months, or – a high level of fluency in the national language of one of Australia's major trading partners or in the language of one of Australia's major ethnic communities • Measures to increase the ability of state and territory governments to select skilled migrants to be enhanced based on consultation with the Commonwealth/State Working Party on Long-Term Skilled Migration Options • Skilled Australia-Linked (SAL) migrants to be required to obtain an Assurance of Support bond of \$4000 for the principal applicant and \$2000 for each adult dependent. | P Ruddock, Skilled migration changes to boost economy |
| 29 April 1999 | <p>Announcement of the 1999–2000 Migration Program, set at 70 000 places, an increase of 2000 from the previous year. The Program allocated 32 000 places in the Family Stream, 35 000 places in the Skill Stream and 3000 places in the Special Eligibility Stream.</p> <p>An additional 5000 places were allocated as a 'contingency reserve' for</p> | P Ruddock, 1999–2000 Migration (non-humanitarian) Program |

| Date | Details | Press Release |
|---------------|--|---|
| | <p>the skilled stream, with the reserve places only being used if the initial 35 000 places allocated to the Skill stream are all used.</p> <p>It was also announced that the points test pass mark for the Independent skilled category would be lowered from 110 to 105 out of a possible 120.</p> | |
| 29 April 1999 | <p>Details announced of the 5000 'contingency reserve' places available in the skill stream of the 1999–2000 Migration Program.</p> <p>Migration Occupations in Demand List (MODL) announced, designed to 'help industry and states and territories to obtain the skilled migrants they need. This list will nominate a variety of occupations where skill shortages exist, such as certain computer professionals, accountants, nurses and some trades. Any applicant through the Employer Nomination Scheme who fell into one of these occupations will be able to have certain conditions waived including labour market testing and post-graduate work experience requirements for overseas students with Australian qualifications.' People with occupations listed on the MODL also receive extra points towards a skilled independent visa.</p> | <p>P Ruddock, Minister announces innovative new 'contingency reserve'</p> |
| 29 April 1999 | <p>Announcement of 'a package of measures to help Australia's information technology and telecommunications (IT&T) industries overcome a shortage of skilled staff'. Along with initiatives in the education and training sector, the package includes immigration initiatives aimed at enabling employers to access skilled workers from overseas:</p> <ul style="list-style-type: none"> • Promoting the use of Labour Agreements to employers and industry associations as a means to help meet short-term skill shortages • Improved access for priority occupations - 'In demand' IT&T occupations will be placed on the new Migration Occupations in Demand List (MODL) receiving additional points in the points-tested migration categories. The Australian Computer Society will assess individuals' skills against IT&T listed specialisations. This will enable: skilled workers with occupations on the list to receive streamlined assessment for employer-sponsored permanent and temporary entry; and streamlined permanent residency arrangements for overseas students where their occupations are on the MODL and who, after having physically studied in Australia for at least 12 months, have obtained their IT&T qualifications within the previous six months • Expanding and liberalising access to the Skills Matching Database - from 1 July 1999, employers seeking to sponsor IT&T skilled staff will have access to an expanded database of potential employees • An awareness campaign to employers in the IT&T industry of immigration arrangements - A range of information products aimed at industry will be developed, highlighting immigration arrangements and options for meeting skill shortages. <p>These announcements of 29 April 1999 mark the beginning of concessions for overseas students wanting to migrate permanently to</p> | <p>P Ruddock, R Alston, D Kemp, and P Reith, Providing for the future IT&T skill needs of Australia</p> |

| Date | Details | Press Release |
|-----------------|---|--|
| | Australia. | |
| 28 October 1999 | An internet Skills Matching database announced, enabling migrant applicants overseas to have details of their occupational qualifications listed on an electronic register. 'Employers and State/Territory Governments can then nominate people from the Database to come to Australia, depending on the types of skills and experience that they are seeking'. | P Ruddock, Immigration database to generate new skills |
| 3 April 2000 | Introduction of the Migration Occupations in Demand List (MODL). | P Ruddock, Migration Occupations in Demand List |
| 3 April 2000 | Announcement of the 2000–01 Migration Program, set at 76 000 places, an increase of 6000 places from the previous year—5000 of the extra places allocated to the skill stream. | P Ruddock, 2000–01 Migration (non-humanitarian) Program to further increase focus on skills |
| 29 January 2001 | Announcement of a package of measures 'aimed at attracting more highly-skilled ICT workers to Australia and retaining Australian-educated overseas ICT students'. Two key changes will be to: <ul style="list-style-type: none"> • use at least 2500 places in the existing Skill Stream contingency reserve to accommodate the rising demand for permanent migration from overseas students with Australian qualifications in ICT • from 1 July 2001, allow these overseas students to apply for and be granted their permanent residence visas without leaving Australia. | P Ruddock and A Alston, Immigration initiatives to attract IT experts |
| 27 April 2001 | Announcement of the 2001–02 Migration Program, set at 85 000 places, an increase of 9000 places from the previous year—37 900 places allocated to family stream and 45 500 places to the skill stream —the skill stream will account for 54 per cent of the program. The skill stream contingency reserve to be expanded to 8000 places to accommodate increased demand from overseas students, following the amendments made earlier in 2001 allowing overseas students to apply onshore for permanent residency. | P Ruddock, Migration Program continues to deliver economic benefits |
| 1 July 2001 | Changes to the business visa system to take effect, which will 'streamline nomination requirements for employers responding to identified labour market or skills shortages'. The existing concept of 'key' and 'non-key' activities in the sponsored long-stay business visa will be replaced by minimum skill and salary thresholds to reflect the objective of this category to bring in only highly skilled people. | P Ruddock, New Visa Processes to Help Business, Overseas Students and Skilled Migration from 1 July 2001 |
| 7 May 2002 | Announcement of the 2002–03 Migration Program, set at 100 000–110 000 places, the highest level in over a decade. The skill stream is allocated | P Ruddock, Minister |

| Date | Details | Press Release |
|------------------|--|---|
| | <p>60 700 places and the family stream 43 200 places.</p> <p>Also announced a 5 point increase to the points test pass mark for independent skilled migrants.</p> | announces 2002-03 Migration (Non-Humanitarian) Program |
| 4 November 2002 | <p>Changes announced to temporary business visas, designed to 'improve regional access to temporary skilled labour and provide much needed assistance for state and regional development projects'. The changes 'draw on the Temporary Business (Subclass 457) visas to allow rural and regional businesses to bring skilled workers into Australia for up to four years'. Employers in rural and regional areas will be offered concessional arrangements to sponsor 457 workers, similar to those already offered to sponsor permanent migrants under the Regional Sponsored Migrant Scheme (RSMS). The changes took effect on 1 November 2002.</p> | P Ruddock, New arrangements boost support for regional Australia |
| 26 February 2003 | <p>Further changes announced to business skills migration, designed to 'increase the number of business people settling in regional and low population-growth areas of Australia'.</p> <p>The changes include the grant of a state and territory government sponsored four-year provisional visa to business migrants, who are then eligible to apply for permanent residence after they have successfully operated a business for at least two years, and have again obtained state or territory government sponsorship.</p> | P Ruddock, Regional boost for business migration |
| 31 March 2003 | <p>Announcement of the 2003–04 Migration Program, to remain in the range of 100 000–110 000, with an additional parent contingency reserve. The skill stream will increase to between 63 300 and 68 300, the highest skill stream on record. A number of changes to take effect later in 2003 also announced:</p> <ul style="list-style-type: none"> To enhance the focus on skills in demand, there will be: <ul style="list-style-type: none"> an increase from 5 to 10, in the points awarded for general skilled migration applications assessed on or after 1 July 2003, with occupations in national demand and from 10 to 15 where they also have a job offer. Given the successful labour market performance of migrants with Australian qualifications, a number of measures will target the upper end of the overseas student market: <ul style="list-style-type: none"> Graduating overseas students in Australia applying for general skilled migration on or after 1 July will be required to have completed a minimum of two years study physically in Australia before they qualify for bonus points or the work experience exemption (currently only one year is required) The points awarded for completion of an Australian upper second Class Honours (or higher) or Masters qualification following completion of an Australian bachelor level qualification, both | P Ruddock, 2003–04 Migration Program will increase benefits to Australia. |

| Date | Details | Press Release |
|-----------------|---|---|
| | <p>obtained while studying in Australia will increase from 5 to 10</p> <ul style="list-style-type: none"> – The points awarded for completion of an Australian PhD with a minimum of two consecutive years of full time study physically in Australia will increase from 10 to 15. The additional points will be awarded for applications assessed on or after 1 July 2003. | |
| 12 January 2004 | <p>Further measures announced to attract migrants to rural and regional areas:</p> <ul style="list-style-type: none"> • From 1 July 2004, qualified people who want to come to Australia as skilled migrants will be able to obtain a three-year temporary residents visa if they commit to living and working in regional Australia. After two years they will be able to apply for permanent residency • A new visa for independent self-funded retirees to encourage them to settle in regional areas. | A Vanstone, Plan to attract more migrants to regional Australia |
| 1 April 2004 | <p>The points test pass mark for independent skilled categories increased from 115 to 120, the first increase since 2002.</p> <p>Announcement of 5000 additional places for the 2004–05 Migration Program, allocated to the new two stage Skilled independent visa, which was announced in January 2004 (see above). It is available to people who can't meet the new pass mark but do meet the 2002 standard, provided they commit to living and working in regional Australia.</p> <p>2004–05 Migration Program set at about 120 000 places, with around 77 000 places allocated to the skill stream.</p> | A Vanstone, Australia's skills and migrants to increase |
| 14 April 2005 | <p>Announcement of the 2005–06 Migration Program, set at 130 000–140 000 places, with around 97 500 allocated to the skill stream – an additional 20 000 places from the previous year. The increase will target employer sponsored migration, state/region sponsored migration, or migrants who have an occupation on the MODL.</p> <p>Other changes designed to 'make Australia's skilled migration arrangements more competitive' include:</p> <ul style="list-style-type: none"> • More trades and engineering related occupations added to the MODL. The MODL will be reviewed every six months to reflect better emerging labour shortages and further improve targeting • An extra 10 points will be allocated for state/region sponsorship under the Skilled Independent Regional (SIR) visa to address the demands for more skilled migrants by many states and regions • Working Holiday Makers and Occupational Trainee visa holders will be allowed to obtain a SIR visa without having to leave Australia, just as overseas students can already • A pilot program will be introduced to allow overseas students to undertake traditional trade apprenticeships in regional Australia on a full-fee paying basis, and on completion of these, to apply for | A Vanstone, 2005–06 Migration (non-humanitarian) Program |

| Date | Details | Press Release |
|-----------------|---|---|
| | migration under one of the regional migration visas. | |
| 31 October 2005 | <p>Announcement of a range of visa changes intended to 'benefit employers, overseas students and skilled migrants':</p> <ul style="list-style-type: none"> A new Trade Skills Training Visa, allowing employers to recruit young people from overseas to undertake an apprenticeship that combines both on-the-job training and classroom-based learning in regional areas of Australia From 1 November 2005, overseas students will be able to apply, on completion of their studies in Australia, for an Occupational Trainee Visa to undertake up to 12 months of supervised on-the-job training in their area of expertise Expansion of the Working Holiday Maker program aimed at meeting the seasonal labour needs of growers. Working Holiday Makers who have done at least three months seasonal harvest work in regional Australia will be able to apply for a second, 12 month Working Holiday Maker visa Working Holiday Makers and Occupational Trainees will be allowed to apply for and obtain a Skilled Independent Regional (SIR) visa without leaving Australia. | A Vanstone, Employers and students to gain from changes to visas |
| 1 May 2006 | Announcement of the 2006–07 Migration Program, set at 134 000 to 144 000 places, with 97 500 places in the skill stream and 46 000 in the family stream. This is comparable to the previous year. | A Vanstone, Government successfully matching skilled workers to employers |
| 30 June 2006 | <p>Announcement of changes to come into effect on 1 July 2006:</p> <ul style="list-style-type: none"> A new Skilled Designated Area Sponsored Visa (SDAS), under which applicants will first be given a three-year provisional visa and will be able to apply for permanent residency after living in a designated area for two years and working for 12 months An adjustment to the sub class 457 visa to cater for independent partners - previously, only Australian citizens and permanent residents could sponsor interdependent partners in to Australia Changes to the Working Holiday Maker Visa - those working in primary industries such as fishing, pearling, shearing, butchery and forestry will also be able to apply for the 12 month extension available to those working in seasonal harvest work. | A Vanstone, Immigration changes to come in effect at midnight |
| 4 April 2007 | <p>Announcement of reforms to the skilled migration program:</p> <ul style="list-style-type: none"> Students wishing to apply for a GSM visa will now be required to have a stronger understanding of the English language and undertake relevant work experience The points test will be adjusted to benefit applicants with advanced | K Andrews and J Bishop, Important changes to General Skilled |

| Date | Details | Press Release |
|------------------|--|---|
| | <p>Australian tertiary qualifications, Australian skilled work experience and strong English language skills</p> <ul style="list-style-type: none"> major structural reforms, in which the 11 skilled migration visa categories will be collapsed into just four, and the 15 skilled migration visa subclasses will be collapsed into nine A temporary visa to enable overseas students already studying in Australia to remain in Australia while they gain skilled work experience, improve their English language or undertake a professional year A new temporary visa for recent graduates from recognised overseas institutions with key skills in demand in Australia. Reforms to commence on 1 September 2007. | Migration |
| 8 May 2007 | Announcement of the 2007–08 Migration Program, set at 152 800 places including 102 500 places in the skill stream (an increase of 5000 places from the previous year) and 50 000 places in the family stream (the same as the previous year). | K Andrews, Budget 2007: A strong economy, cohesive society and secure nation |
| 17 February 2008 | An increase in the Skilled Migration Program of 6000 places for 2007–08, made up of permanent employer sponsored visas and General Skilled Migration visas. This would bring to 108 500 the total number of permanent visas granted under the Skilled Stream of the Migration Program in 2007–08. | C Evans (Minister for Immigration and Citizenship), media release, Immigration package to ease skills shortage |
| 13 May 2008 | <p>Announcement of the 2008–09 Migration Program, set at a total of 190 300 places including:</p> <ul style="list-style-type: none"> 133 500 skilled stream, an increase of 31 000 from 2007–08 56 500 family stream, an increase of 6500 from 2007–08 | C Evans (Minister for Immigration and Citizenship), media release, Budget 2008–09 Record skilled migration program to boost economy |
| 17 December 2008 | Reforms to the skilled Migration Program, effective 1 January 2009, to give priority to skilled migrants with a confirmed job (employer-sponsored migrants) or those with ‘skills in critical need’. The Critical Skills List (CSL) would focus on medical and key IT professionals, engineers and construction trades. | C Evans (Minister for Immigration and Citizenship), media release, Migration program gives |

| Date | Details | Press Release |
|-----------------|---|--|
| | | priority to those with skills most needed C Evans (Minister for Immigration and Citizenship), ministerial statement, Changes to the 2008–09 skilled migration program |
| 16 March 2009 | A 14 per cent cut to the 2008–09 skilled stream from 133 500 places to 115 000 places. The Critical Skills List was amended to remove building and manufacturing trades. These changes were a direct response to the global financial crisis. | C Evans (Minister for Immigration and Citizenship), media release, Government cuts migration program |
| 12 May 2009 | <p>Announcement of the 2009–10 Migration Program. The skilled stream was further reduced, to 108 100 places, representing a 20 per cent reduction on 2008–09 planning levels. The cuts were to be achieved in the general skilled migration category, with a focus on filling places in the employer-sponsored categories instead.</p> <p>Announcement also of an increase in the English language level required for trades-related occupations and the introduction of a targeted skills-testing regime to ‘ensure that migrants have both the language and skills needed to participate in the labour market’.</p> | C Evans (Minister for Immigration and Citizenship), media release, Budget 2009–10 Migration program: The size of the skilled and family programs |
| 1 July 2009 | The commencement of the requirement, announced on 12 May 2009, for people applying for a skilled migration visa in a trades-related occupation to demonstrate ‘competent English’ rather than the former requirement of ‘vocational English’. This requirement is in line with the English language level requirement for all other occupations on the Skilled Occupation List (SOL). | C Evans (Minister for Immigration and Citizenship), media release, Assessment changes for skilled migrants from July 1 |
| 8 February 2010 | <p>The announcement of a reform package designed to shift the skilled stream of the Migration Program from a supply driven to a demand-driven program. Changes include:</p> <ul style="list-style-type: none"> • All offshore General Skilled Migration applications lodged prior to 1 | C Evans (Minister for Immigration and Citizenship), |

| Date | Details | Press Release |
|------------------|--|--|
| | <p>September 2007 cancelled and a refund given</p> <ul style="list-style-type: none"> The Migration Occupations in Demand List (MODL) revoked and replaced with a more targeted Skilled Occupation List. The Critical Skills List introduced in early 2009 to be phased out The points test used to assess a person's suitability for the skilled Migration Program to be reviewed, with a report to be presented to Government later in 2010 Amendments to the <i>Migration Act</i> to be introduced to allow the Minister to set a limit on the number of visas to be granted to certain occupations State and territory-specific migration plans to be developed, allowing states and territories to prioritise skilled migrants of their own choosing. | <p>media release, Migration reforms to deliver Australia's skills needs</p> <p>C Evans (Minister for Immigration and Citizenship), Changes to Australia's skilled migration program, speech delivered at the Australian National University.</p> |
| 17 February 2010 | Release of a discussion paper on the review of the points test announced on 8 February. The review is to consider issues such as whether some occupations should warrant more points than others, whether sufficient points are awarded for work experience and excellence in English, and whether there should be points for qualifications obtained from high quality overseas universities. | C Evans (Minister for Immigration and Citizenship), media release, General skilled migration program points test review |
| 19 April 2010 | Changes to the business skills visa categories, increasing the net assets required in order to qualify for business migration. The changes are intended to increase the contribution of business migrants to Australia's economy. | Department of Immigration and Citizenship, media release, Changes to the business skills migration program |
| 11 May 2010 | Budget: announcement of the 2010–11 Migration Program which is to remain at 168 700 places, the same number as in 2009–10. The composition of the program is to change however, with a reduction of 5750 places in the family stream and an additional 5750 places in the skilled stream. The skilled stream includes an additional 9150 places in the employer-sponsored categories and a decrease of 3600 places for general (independent) skilled migration. | C Evans (Minister for Immigration and Citizenship), media release, Budget 2010–11, Government sharpens focus of skilled |

| Date | Details | Press Release |
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| | | migration program and Parliamentary Library's 2010–11 Budget Review, Migration and humanitarian programs section |
| 17 May 2010 | Announcement of a new Skilled Occupation List (SOL), developed by the independent body Skills Australia and consisting of 181 occupations, effective from 1 July 2010. | C Evans (Minister for Immigration and Citizenship), media release, New Skilled Occupation List to meet Australia's economic needs |
| 4 June 2010 | Government announced a streamlining of the visa system in order to reduce the overall number of visa subclasses and simplify the application and assessment process. The number of temporary work visas is to be reduced by 50 per cent by 2012 and the total number of visa subclasses is intended to be halved by 2015. | C Bowen, (Minister for Immigration and Citizenship), media release, A simpler visa system |
| 24 June 2010 | Julia Gillard replaces Kevin Rudd as Prime Minister. | |
| 14 September 2010 | Gillard Government sworn in after the 21 August election. Chris Bowen replaces Chris Evans (Minister from December 2007 to September 2010) as Immigration Minister. | J Gillard (Prime Minister), Prime Minister announces new Ministry , 11 September 2010 |
| 28 October 2010 | The first results from DIAC's <i>Continuous Survey of Australia's Migrants</i> (CSAM) show that 60 per cent of employer sponsored migrants work in either management or professions, with 90 per cent in skilled employment. | C Bowen, (Minister for Immigration and Citizenship), media release, Survey shows success of employer sponsored |

| Date | Details | Press Release |
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| | | skilled migration |
| November 2010 | New state migration plans, announced 8 February 2010, begin to be introduced. | See DIAC's migration plan website and fact sheet |
| 11 November 2010 | A new points test announced with a greater emphasis on English levels, work experience and high level qualifications designed to ensure no one factor guarantees migration. | C Bowen, (Minister for Immigration and Citizenship), media release, New migration points test to better address Australia's skills needs |
| 17 December 2010 | A simplified model for temporary work visas is proposed in a discussion paper, Implementing a simpler framework for temporary residence work visas . An initial discussion paper on visa simplification, Simpler visas—Creating a simpler framework for temporary and permanent entry to Australia—June 2010 , was released on 4 June 2010. | C Bowen, (Minister for Immigration and Citizenship), media release, New model to simplify temporary work visas |
| 27 January 2011 | To assist employers in flood-affected areas fill positions the Government announced it would deliver employer-sponsored temporary visas (457 visas) within five days (where applications are 'decision ready') for employers genuinely involved in Queensland flood reconstruction work. | J Gillard (Prime Minister), ALP website, Rebuilding after the floods |
| 15 April 2011 | Discussion paper for public comment on simplifying visitor visas released. | C Bowen, (Minister for Immigration and Citizenship), media release, Proposed new model to simplify visitor visas |
| 10 May 2011 | Budget 2011–12: Migration Program increased to 185 000. As has been the case for the last decade, the majority of places were allocated to skilled entrants with skill stream places rising to 125 850 for 2011–12—an increase of 12 000 places from the previous year. | C Bowen, (Minister for Immigration and Citizenship), media releases, Budget 2011–12: |

| Date | Details | Press Release |
|--------------|--|---|
| | | Skilled Migration Reform to Support Australia's Growing Economy and Budget 2011–12: New Temporary Migration Agreements to Further Address Skills Demand |
| 10 May 2011 | <p>Budget 2011–12: also included several initiatives to encourage regional migration:</p> <ul style="list-style-type: none"> • Regional Sponsored Migration Scheme (RSMS)—16 000 places were specifically allocated to regional areas for the first time through the Regional Sponsored Migration Scheme—part of the Employer Sponsored Program stream • Skilled Migrant Selection Model—due to come into effect in July 2012, this model will allow prospective migrants to nominate their willingness to live and work in regional Australia. The model will then enable state and territory governments and regional employers to access these expressions of interest and select skilled workers through a central database of prospective migrants (potential applicants who are selected are then invited to apply) • Temporary (Long Stay) Business visas (subclass 457)—\$10 million over four years to prioritise the processing of visas. The Government also announced it will fast track permanent residency for 457 visa recipients who have spent two years working in regional Australia and who have an employer willing to sponsor them for a further two years • Labour Agreements: announced two new labour agreements aimed at regional areas, Regional Migration Agreements and Enterprise Migration Agreements (EMAs). | For more detail see the Parliamentary Library's Budget review 2011–12, Migration and humanitarian programs section |
| 21 July 2011 | Government releases the Howell's review of the <i>Migration Amendment (Employer Sanctions) Act 2007</i> by independent legal expert Stephen Howells that looked at penalty and enforcement arrangements for businesses employing non-citizens working in Australia without permission. | C Bowen, (Minister for Immigration and Citizenship), media release, Major crackdown on employing illegal workers |
| 10 | Final outcomes 2010–11 Migration Program—the total outcome was 168 685 places against a planning level of 168 700. The 2010–11 skill | C Bowen, (Minister for |

| Date | Details | Press Release |
|------------------|--|--|
| August 2011 | <p>stream outcome of 113 725 places accounted for 67.4 per cent of the total Migration Program and the family stream outcome of 54 543 places accounted for 32.3 per cent of the total program.</p> <p>For the first time ever, China was Australia's largest source of migrants with a total 29 547 places or 17.5 per cent of the total migration program in 2010–11. The United Kingdom and India followed, with 23 931 and 21 768, respectively.</p> | <p>Immigration and Citizenship), media release, Skilled migration reform supporting Australia's growing economy</p> |
| 19 August 2011 | DIAC undertakes a review of the permanent Employer Sponsored visa categories. | <p>Permanent employer sponsored visas review discussion paper released</p> |
| 2 November 2011 | New accreditation scheme for 457 sponsors introduced enabling access to priority processing and approval for six years for approved businesses. | <p>C Bowen, (Minister for Immigration and Citizenship), media release, New accreditation scheme for 457 visas</p> |
| 21 November 2011 | Guide to the use of the 457 visa program for the tourism and hospitality industries released. | <p>C Bowen, (Minister for Immigration and Citizenship), media release, Skills to support Australia's tourism industry</p> |
| 12 December 2011 | Government announces it will introduce new laws in 2012 'to crack down on the hiring of illegal workers' in response to the Howell's Review. | <p>C Bowen, (Minister for Immigration and Citizenship), media release, New laws to get tough on hiring illegal workers</p> |
| 24 January 2012 | Government invites public comment on a new template labour agreement to help the tourism and hospitality sectors attract skilled workers from overseas. | <p>C Bowen, (Minister for Immigration and Citizenship),</p> |

| Date | Details | Press Release |
|--------------|---|---|
| | | media release, New labour agreement to help tourism employers |
| 9 March 2012 | Government announces it will replace the current six permanent employer-sponsored visas with two new visas and consolidate the existing three sponsored occupation lists—subclass 457, employer nomination, and state and territory sponsored general skilled migration lists—into one list. The reforms to the Employer Nomination Scheme (ENS) and the Regional Sponsored Migration Scheme (RSMS) will commence on 1 July 2012. | C Bowen, (Minister for Immigration and Citizenship), media release, Simplifying sponsorship for permanent skilled migrants |
| 3 April 2012 | The Minister for Tertiary Education, Skills, Science and Research, Senator Chris Evans, Minister for Immigration and Citizenship, Chris Bowen MP, and the United States Ambassador to Australia, Jeffrey Bleich, announce measures to assist linking Australian employers with skilled workers in the US to fill skill shortages in key sectors | C Bowen (Minister for Immigration and Citizenship), joint media release, Skilled American workers to fill labour shortages |
| 8 May 2012 | Budget 2012–13: Migration Program increase of 5000 places (from 185 000 to 190 000) | C Bowen, (Minister for Immigration and Citizenship), media release, Targeted migration to increase skills gaps |
| 25 May 2012 | Government announces a new Significant Investor Visa, targeting migrants who could make an investment of at least \$5 million in the Australian economy | C Bowen, (Minister for Immigration and Citizenship), joint media release, Skilled visa reform targets investors and entrepreneurs |
| 25 May 2012 | The first Enterprise Migration Agreement (EMA) is granted to the new iron ore mining Roy Hill project in the Pilbara region of Western Australia | C Bowen, (Minister for Immigration and |

| Date | Details | Press Release |
|-----------------|---|---|
| | | Citizenship), media release, First Enterprise Migration Agreement approved |
| 1 July 2012 | SkillSelect—the electronic system whereby prospective applicants must first submit an expression of interest (EOI) before being invited to make a visa application—is introduced | DIAC website, SkillSelect |
| 1 July 2012 | A single list of occupations, the Consolidated Sponsored Occupation List (CSOL), replaces the State/Territory Nominated (STATSOL), the Employer Nomination Scheme (ENSOL), Subclass 442 Occupational Trainee and the Subclass 457 Skilled Occupation Lists | DIAC website, Consolidated sponsored occupation list and Skilled occupation lists |
| 1 July 2012 | Significant reforms to the business skills program now known as the Business Innovation and Investment program, including an ‘Innovation points test’ introduced. The points test aims ‘to select innovative entrepreneurs who will transfer their skills to Australia and diversify our existing pool of business expertise’ | DIAC website, Reforms to the business skills program , and Innovation points test for the business innovation and investment program |
| 2 July 2012 | A new Ministerial Advisory Council on Skilled Migration (MACSM) to provide the Government with expert advice on the role of skilled migration in the Australian economy announced | C Bowen, (Minister for Immigration and Citizenship), media release, New advisory council on skilled migration |
| 28 October 2012 | Key ministerial speech on the importance of skilled migration from Asia region | C Bowen, (Minister for Immigration and Citizenship), media release, Attracting skilled migrants, tourists and students to Australia in the |

| Date | Details | Press Release |
|-----------------|--|---|
| | | Asian Century |
| 31 October 2012 | Government announces its proposal to increase the Significant Cost Threshold (the level at which an applicant's health costs are considered to result in significant health care and community service costs) from \$21 000 to \$35 000 as of 1 July 2013. It is expected that this increase will mean that more applicants with a disability may be successful in their applications to migrate, including the dependents of skilled applicants | C Bowen, (Minister for Immigration and Citizenship), media release, A fairer approach to migration for people with disability |
| 1 November 2012 | Government announces more small and medium-sized businesses will now have access to the APEC Business Travel Card (ABTC) | C Bowen, (Minister for Immigration and Citizenship), media release, Greater access to APEC Business Travel Card |
| 1 November 2012 | Government announces that on 24 November a simplified specialist temporary work visa framework would be rolled out as part of the Government's Better Regulation Ministerial Partnership: Simpler Visas | C Bowen, (Minister for Immigration and Citizenship), media release, Cutting visa red tape |

Statistical appendix

Table 1: Permanent migrants: migration and humanitarian program visa grants since 1984–85

| Year | Migration Program | | | | Humanitarian Program |
|---------|-------------------|---------|---------------------|---------|----------------------|
| | Family | Skill | Special Eligibility | Total | |
| 1984–85 | 44 200 | 10 100 | 200 | 54 500 | 14 207 |
| 1985–86 | 63 400 | 16 200 | 400 | 80 000 | 11 700 |
| 1986–87 | 72 600 | 28 500 | 600 | 101 700 | 11 291 |
| 1987–88 | 79 500 | 42 000 | 600 | 122 100 | 11 392 |
| 1988–89 | 72 700 | 51 200 | 800 | 124 700 | 11 309 |
| 1989–90 | 66 600 | 52 700 | 900 | 120 200 | 12 415 |
| 1990–91 | 61 300 | 49 800 | 1 200 | 112 200 | 11 284 |
| 1991–92 | 55 900 | 41 400 | 1 700 | 98 900 | 12 009 |
| 1992–93 | 43 500 | 21 300 | 1 400 | 67 900 | 11 845 |
| 1993–94 | 43 200 | 18 300 | 1 300 | 62 800 | 14 070 |
| 1994–95 | 44 500 | 30 400 | 1 600 | 76 500 | 14 858 |
| 1995–96 | 56 700 | 24 100 | 1 700 | 82 500 | 16 252 |
| 1996–97 | 44 580 | 27 550 | 1 730 | 73 900 | 11 902 |
| 1997–98 | 31 310 | 34 670 | 1 110 | 67 100 | 12 055 |
| 1998–99 | 32 040 | 35 000 | 890 | 67 900 | 11 356 |
| 1999–00 | 32 000 | 35 330 | 2 850 | 70 200 | 15 860 |
| 2000–01 | 33 470 | 44 730 | 2 420 | 80 610 | 13 733 |
| 2001–02 | 38 090 | 53 520 | 1 480 | 93 080 | 12 349 |
| 2002–03 | 40 790 | 66 050 | 1 230 | 108 070 | 12 525 |
| 2003–04 | 42 230 | 71 240 | 890 | 114 360 | 13 823 |
| 2004–05 | 41 740 | 77 880 | 450 | 120 060 | 13 178 |
| 2005–06 | 45 290 | 97 340 | 310 | 142 930 | 14 144 |
| 2006–07 | 50 080 | 97 920 | 200 | 148 200 | 13 017 |
| 2007–08 | 49 870 | 108 540 | 220 | 158 630 | 13 014 |
| 2008–09 | 56 366 | 114 777 | 175 | 171 318 | 13 507 |
| 2009–10 | 60 254 | 107 868 | 501 | 168 623 | 13 770 |
| 2010–11 | 54 543 | 113 725 | 417 | 168 685 | 13 799 |
| 2011–12 | 58 604 | 125 755 | 639 | 184 998 | 13 759 |

Sources: J Phillips, M Klapdor and J Simon-Davies, [Migration to Australia since Federation: a guide to the statistics](#), 27 August 2010, p. 16; DIAC, [Report on Migration Program](#) reports, 2009–10, 2010–11 and 2011–12; DIAC, *Annual Report 2011–12*, p. 117; and DIAC, [Australia's refugee and humanitarian program](#), fact sheet 60.

Table 2: Migration Program planned intakes and visa grants since 1996–97

| Year | Planned intake | Visas granted |
|---------|-----------------|---------------|
| 1996–97 | 74 000 | 73 900 |
| 1997–98 | 68 000 | 67 100 |
| 1998–99 | 68 000 | 67 900 |
| 1999–00 | 70 000 | 70 200 |
| 2000–01 | 76 000 | 80 610 |
| 2001–02 | 85 000 | 93 080 |
| 2002–03 | 110 000 | 108 070 |
| 2003–04 | 110 000 | 114 360 |
| 2004–05 | 120 000 | 120 060 |
| 2005–06 | 140 000 | 142 930 |
| 2006–07 | 134 000–144 000 | 148 200 |
| 2007–08 | 152 800 | 158 630 |
| 2008–09 | 171 800* | 171 318 |
| 2009–10 | 168 700 | 168 623 |
| 2010–11 | 168 700 | 168 685 |
| 2011–12 | 185 000 | 184 998 |
| 2012–13 | 190 000 | n/a |

*The planning figure was revised down from 190 300 to 171 800 in March 2009.

n/a: not available.

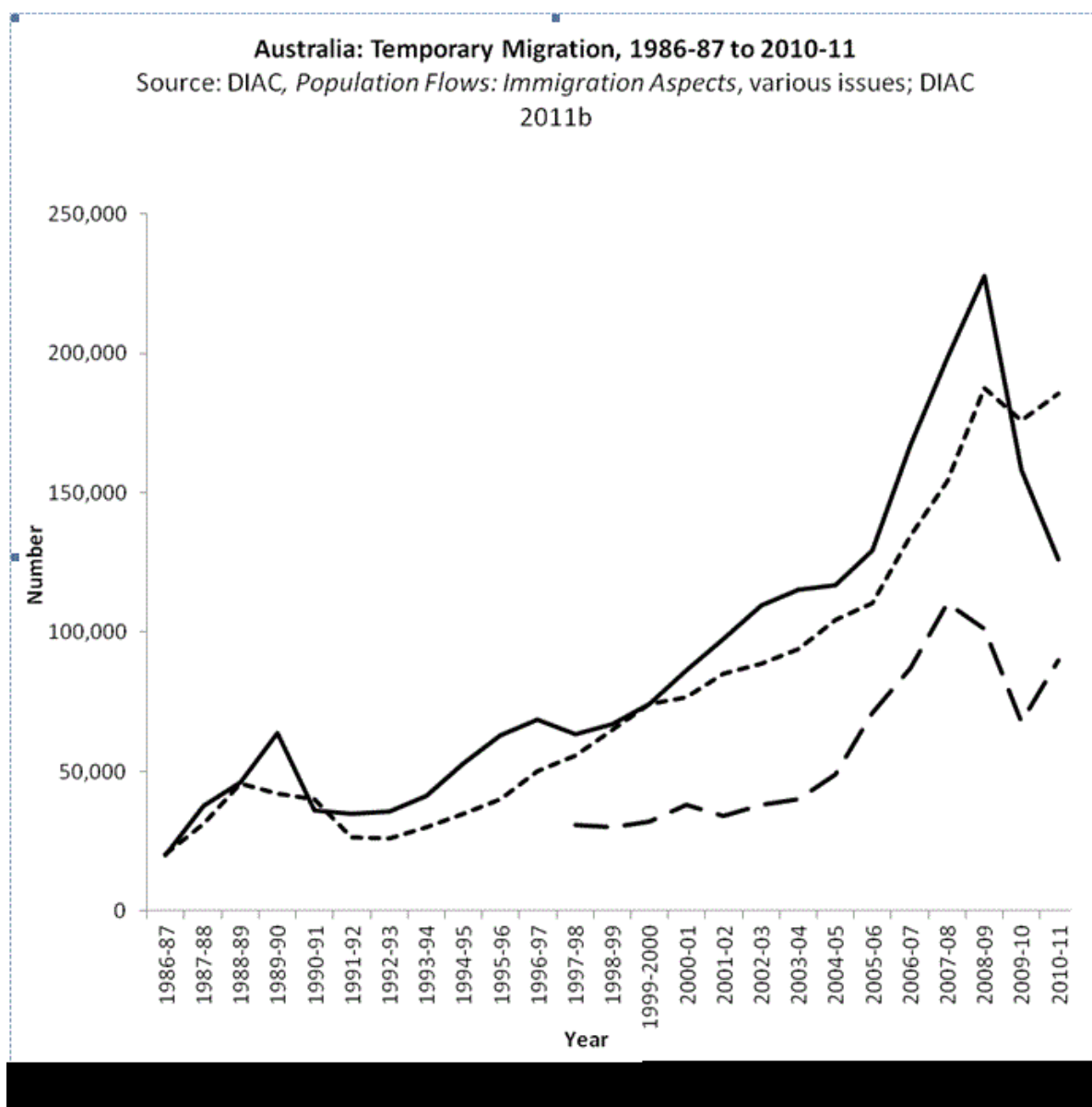
Sources: Ministerial press releases 1996–2011 and J Phillips, M Klapdor and J Simon-Davies, [Migration to Australia since Federation: a guide to the statistics](#), 27 August 2010, p. 16.

Table 3: Temporary migration: overseas student and business long stay (subclass 457) visa grants since 1996–97

| Year | Overseas students | Temporary business (long stay) 457 visas |
|---------|-------------------|--|
| 1996–97 | 113 000 | 25 786 |
| 1997–98 | 108 827 | 30 880 |
| 1998–99 | 110 894 | 29 320 |
| 1999–00 | 119 806 | 31 070 |
| 2000–01 | 146 577 | 36 900 |
| 2001–02 | 151 894 | 38 592 |
| 2002–03 | 162 575 | 41 936 |
| 2003–04 | 171 616 | 42 437 |
| 2004–05 | 174 786 | 49 137 |
| 2005–06 | 190 674 | 71 737 |
| 2006–07 | 228 592 | 87 937 |
| 2007–08 | 278 180 | 111 019 |
| 2008–09 | 320 368 | 101 432 |
| 2009–10 | 269 828 | 67 980 |
| 2010–11 | 250 438 | 90 120 |
| 2011–12 | 253 046 | 125 070 |

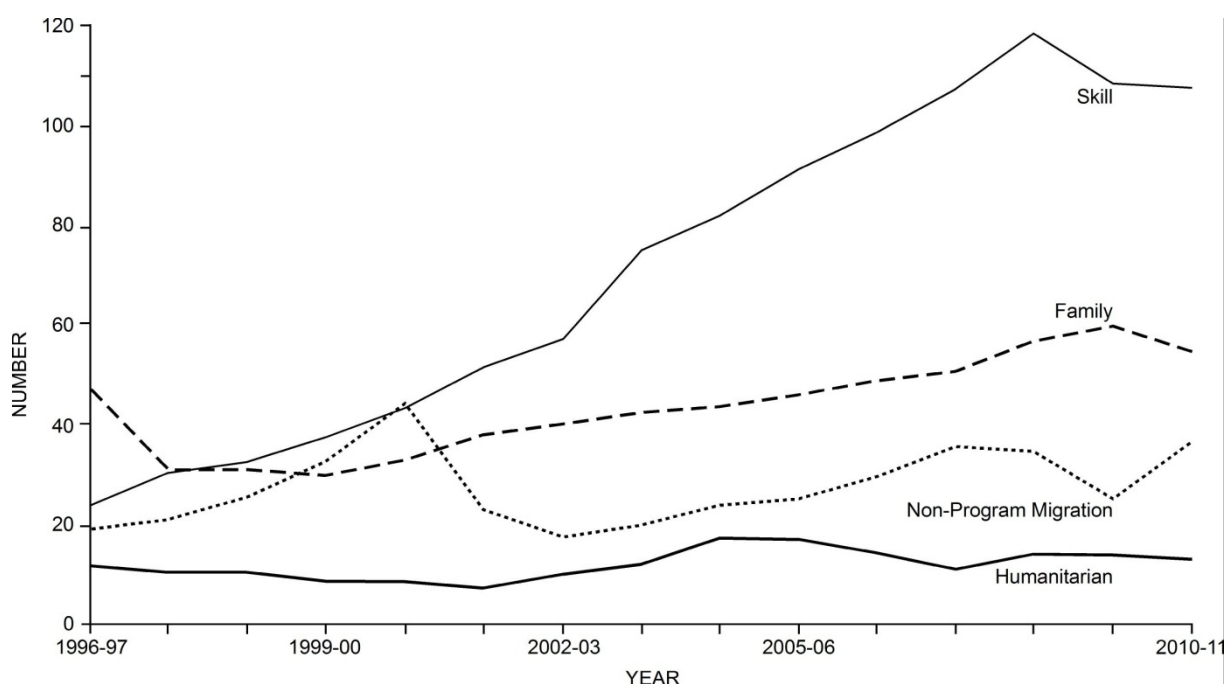
Sources: J Phillips, M Klapdor and J Simon-Davies, [Migration to Australia since Federation: a guide to the statistics](#), 27 August 2010, p. 16; DIAC, [Trends in migration: Australia 2010–11](#), February 2012, p. 37; and DIAC, annual reports and [student visa statistics](#) web page. Note: 457 figures include grants to primary and secondary (dependents) applicants.

Table 4: Temporary migration 1986–87 to 2010–11



Source: G Hugo, *Australia's changing population and the future*, presentation to the Migration Institute of Australia Migration 2010 conference, Sydney, 8 October 2010; and advice provided by the author to the Parliamentary Library, March 2012.

Table 5: Permanent additions by eligibility category 1996–97 to 2010–11



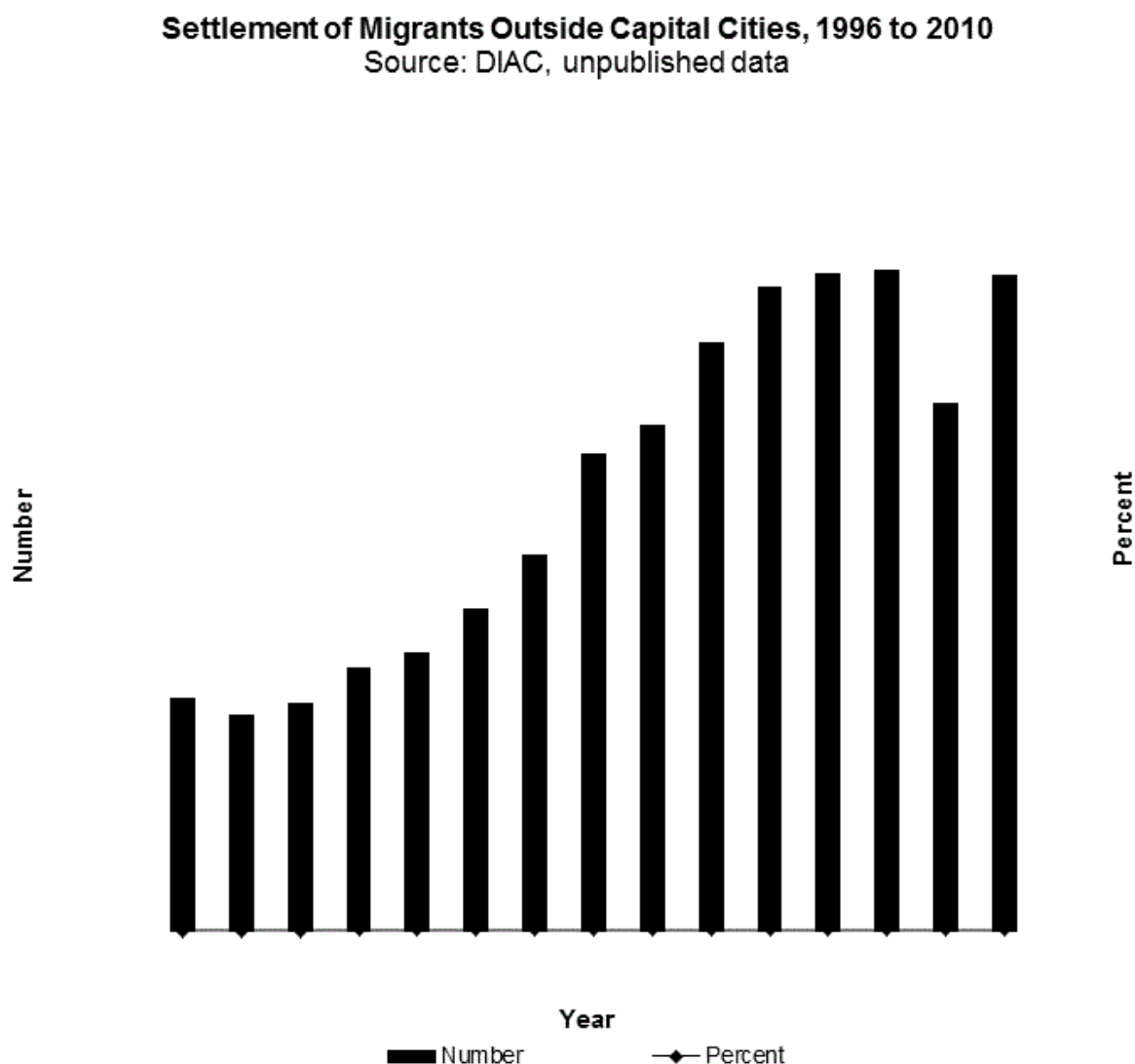
Source: G Hugo, *Australia's changing population and the future*, presentation to the Migration Institute of Australia Migration 2010 conference, Sydney, 8 October 2010; and advice provided by the author to the Parliamentary Library, March 2012. Data sources: ABS 2007, *Australian Social Trends*; DIAC 2009 and 2011.

Table 6: State and regional specific migration visas 1997–98 to 2010–11

| Year | Number | Per cent of total Non- Humanitarian Intake |
|---------|--------|--|
| 1997–98 | 1753 | 2.3 |
| 1998–99 | 2804 | 3.3 |
| 1999–00 | 3309 | 3.6 |
| 2000–01 | 3846 | 3.6 |
| 2001–02 | 4136 | 4.6 |
| 2002–03 | 7941 | 8.5 |
| 2003–04 | 12 725 | 11.4 |
| 2004–05 | 18 697 | 15.6 |
| 2005–06 | 27 488 | 19.2 |
| 2006–07 | 25 845 | 17.4 |
| 2007–08 | 26 162 | 17.5 |
| 2008–09 | 33 474 | 21.2 |
| 2009–10 | 36 568 | 21.7 |
| 2010–11 | 37 410 | 22.2 |

Sources: G Hugo, *Australia's changing population and the future*, presentation to the Migration Institute of Australia Migration 2010 conference, Sydney, 8 October 2010; and advice provided by the author to the Parliamentary Library, March 2012. Data sources: DIAC *Population Flows: Immigration Aspects*, various issues; DIAC *Immigration Update*, various issues; DIAC *Annual report 2010–11*. Note: the State Specific and Regional Migration (SSRM) scheme is administered under the (permanent) General Skilled Migration (GSM) category and is designed to help state and territory governments address skill shortages. For more detail see DIAC, [State specific regional migration](#), fact sheet 26.

Table 7: Regional settlement of migrants outside capital cities



Source: G Hugo, *Australia's changing population and the future*, presentation to the Migration Institute of Australia Migration 2010 conference, Sydney, 8 October 2010; and advice provided by the author to the Parliamentary Library March 2012.

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