



# Managing Australia's Migrant Intake

Migration is important for Australia's economic prosperity, national wellbeing and social cohesion. However, the benefits of migration do not come without some challenges. As such, migration is managed so that Australia accrues maximum benefit while effectively mitigating risks. Migration has impacts across all aspects of Australian life, from employment to education, population to infrastructure.

## The Migration Program

### Planning the permanent Migration Program

Australia's migration programs are designed to serve Australia's interests. Permanent migration levels have long-term economic and social impacts on Australia. The Migration Program is planned and managed annually, and announced in May each year as part of the Australian Government Budget. To inform the planning ceiling, the Department of Home Affairs undertakes consultations with state and federal government agencies, business and industry stakeholders and the Australian public, and considers both short and long-term factors.

Each migrant brings costs and benefits to Australia which have to be balanced. For example the number of permanent parent places is limited given that, as the Productivity Commission noted, those who migrate as parents of Australian citizens or permanent residents tend to have limited economic outcomes, while being likely to make considerable claims on the aged care, health and social security systems.<sup>1</sup>

While there is no one set of criteria that makes an ideal migrant, visa settings aim to ensure that migration benefits the Australian community. Many factors influence a migrant's likelihood of successful settlement, including English language ability, age, level of education, employment, time spent in Australia and family connections.<sup>2</sup>

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<sup>1</sup> Productivity Commission Inquiry Report Migrant Intake Into Australia No. 77, Canberra, 13 April 2016 (page 26).

<sup>2</sup> Productivity Commission Inquiry Report Migrant Intake Into Australia No. 77, Canberra, 13 April 2016 (page 11).

The permanent Migration Program comprises predominantly skilled and family visa holders. Planning levels are set as a ceiling for the program as a whole, for the family, skilled and special eligibility streams, and then for categories within each stream. The Humanitarian Program is managed separately and is not counted as part of the permanent Migration Program. For more detail see [Attachment A](#).

## Who are Australia's permanent migrants?

**Economic/skilled migrants** are those who have a skilled job offer in Australia, have talent, skills or experience Australia needs, or have the ability to establish or invest in an Australian business. Skilled migration primarily targets skilled people of working age with strong English language skills, who have the capacity to make a strong contribution to the Australian economy. They fill skills shortages, develop businesses, and create a conduit for new ways of thinking in business and in international collaboration. This is balanced against the training and employment needs of Australians, which must come first. It is the Government's policy that visa holders must be a complement to, and not a substitute for Australian workers. Skilled migration allows businesses to attract and retain talented people. In 2016-17 approximately 124,000 skilled visas were granted to skilled migrants and their families.

**Family migrants** are those who are sponsored by their immediate family in Australia. They are primarily the partners of Australian citizens or permanent residents, but also include their children and parents. Family migration brings families together and strengthens the cohesiveness of our society. Family members contribute positively to social and, to some extent, economic outcomes through their employment, as well as through provision of childcare and social support networks.

## How many permanent migrants?

Setting the Migration Program number is a complex process involving consideration of many factors. The Productivity Commission's 2016 inquiry report, *Migrant Intake into Australia*, found that there will be a range of immigration rates that are compatible with maximising the well-being of the Australian community. This range will be affected by planning and investment across all levels of government in infrastructure, the labour market, settlement patterns, technology and external factors.<sup>3</sup>

Over the last few decades, the Program has fluctuated from a low of 52,600 places in 1983-84, increasing over time to 148,200 in 2006-07 and then continuing to trend upward to a high of 190,000 since 2012-13.

<sup>3</sup> Productivity Commission Inquiry Report *Migrant Intake into Australia* No. 77, Canberra, 13 April 2016, (page 100).

Migration has limited impacts on Australia's ageing population but it can temper its effects. In every year since 2006, migration has contributed more to population growth than occurred through natural increases.<sup>4</sup> As Australia's population continues to age, migration settings increasingly focus on young skilled migrants to make up shortfalls in the labour force.

Migration is an important policy lever for economic growth. The Productivity Commission estimated that continuing the rates of migration at the long-term historical average rate and assuming a similar age profile, GDP per capita would increase by around \$7,000 in 2060 relative to a zero rate of migration.<sup>5</sup>

## **How can we maximise the benefits of migration?**

To achieve the maximum benefit from migration, Australia must strive to attract and retain the best and brightest migrants. Migration settings must be targeted towards highly skilled people who have the most to contribute to Australia.

Migrants (and the broader Australian population) are concentrated in large cities. Immigrants are more likely to reside in urban areas than people born in Australia. Only 13 per cent of immigrants live in regional areas and 1 per cent in remote areas, compared with 33 per cent and 3 per cent respectively of the Australian-born population.<sup>6</sup>

Metropolitan and regional areas have diverse needs and face different challenges. A number of programs exist that aim to spread the migrant intake more evenly across the country, and Government currently works to help ensure regional areas have sufficient infrastructure, labour market and other facilities to attract migrants. Like Australians, migrants will go to places where there are jobs and opportunities.

## **Questions**

Migration settings impact upon, and are a policy response to, a range of other economic and social objectives. Getting the settings right depends on the quality and strength of evidence available. We encourage you to make a submission to help strengthen Australia's Migration Program both now and over the long-term.

Submissions will be due by close of business 2 February 2018 via email to [migration.policy@homeaffairs.gov.au](mailto:migration.policy@homeaffairs.gov.au).

<sup>4</sup> Committee for Economic Development of Australia Report Migration: the economic debate November 2016 (page 27).

<sup>5</sup> Productivity Commission Inquiry Report Migrant Intake Into Australia No. 77, Canberra, 13 April 2016 (page 15).

<sup>6</sup> Productivity Commission Inquiry Report Migrant Intake Into Australia No. 77, Canberra, 13 April 2016 (page 137).

## General

1. What factors are important to consider in planning the Migration Program over the next five years?  
Would those factors change over the next 10 or 15 years? If so, how?
2. How can we plan migration to ensure it is balanced to manage the impact on the economy, society, infrastructure and the environment in a sustainable way?
3. How can governments, industries and communities help ensure infrastructure and services best support migration as well as the broader population?
  - i. Do you think migration is currently being planned with a sufficient view of Australia's long-term needs?
  - ii. If not, how could these considerations be better incorporated?
4. Does the current size and balance of the Migration Program reflect the economic and social needs of Australia?
  - i. What information do you need about migration? Would information about future migration planning levels numbers assist you?

## Planning the Migration Program

5. How could the permanent Migration Program be more responsive to global migration trends, including the rise of temporary migration?
6. Should we have planning levels for the permanent Migration Program? Should we plan for some streams of migration but not others? Should we have planning levels for any or all of the temporary programs?
7. How do family and skilled migration differ? Should these difference mean we plan for each differently?
8. Is Australia maximising the benefits of independent unsponsored migrants in the Migration Program?  
How can the Independent stream be strengthened?

## Family Migration

9. How can we ensure family migration best enables Australians to reunite with overseas family members, while supporting the Australian community?
10. How can we best manage and plan for primary visa applicants as well as the family they bring with them on their visa? Should secondary applicants be counted separately from primary applicants?

# Attachment A – The Size of the Migration Program

The Migration Program was set at 190,000 places for 2017-18. Further details are in Table 1 on the next page. The composition of the program is currently allocated:

- two thirds to skilled migrants and their family members (128,550 places)
  - This includes employer sponsored, skilled independent, state/territory and regional nominated, business innovation and investment and distinguished talent places.
- one third to the reunion of Australian citizens, permanent residents or eligible New Zealand citizens with their immediate family members from overseas (57,400 places)
  - This includes partner, parent and other family (including orphan relative) places.
- Places are also available for the child category (3,485 and more if needed) which is no longer being counted as part of the managed migration program.
- A small number of places are also available through the Special Eligibility Stream (565 places) for former residents returning to Australia.

## Humanitarian Program

In 2017-18, the Humanitarian Program increased to 16,250 places, up from 13,750 places in 2016-17, with planning levels of 18,750 from 2018-19 onwards. The Humanitarian Program is planned and managed separately from the Migration Program.

**Table 1: The 2017-18 Migration Program**

Stream and Category	2016-17	2017-18
<b>Skill Stream</b>		
Employer Sponsored	48,250	48,250
Skilled Independent	43,990	43,990
State & Territory & Regional Sponsored	28,850	28,850
Business Innovation & Investment Program	7,260	7,260
Distinguished Talent	200	200
<b>Skill Total</b>	<b>128,550</b>	<b>128,550</b>
<b>Skill % of Program</b>	<b>68.9%</b>	<b>68.9%</b>
<b>Family Stream</b>		
Partner	47,825	47,825
Parent	8,675	8,675
Other Family	900	900
<b>Family Total</b>	<b>57,400</b>	<b>57,400</b>
<b>Family % of Program</b>	<b>30.8%</b>	<b>30.8%</b>
Special Eligibility	565	565
<b>Total Migration Program</b>	<b>186,515</b>	<b>186,515</b>
Child (outside the Migration Program)	3,485	3,485