



## Australia's Migration Program

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## Introduction

As part of its planned Migration Program, the federal government allocates places each year for people wanting to migrate permanently to Australia.<sup>1</sup> The 2010–11 Migration Program, announced on 11 May 2010, allocates a total of 168 700 places, made up of 113 850 places in the skill stream, 54 550 places in the family stream and 300 special eligibility places.<sup>2</sup>

The focus of the Migration Program has changed since 1945 when the first federal immigration portfolio was created. Australia's immigration policies have evolved over those 65 years from focussing on attracting migrants, primarily from the United Kingdom, for the purpose of increasing Australia's population to a focus on attracting workers and temporary (skilled) migrants in order to meet the skilled labour needs of the economy.

This Background Note will look at Australia's Migration Program patterns since 1945, including shifts in numbers and focus, and outline some of the recent changes that have been made specifically to address labour market concerns. Appendix A provides a chronology of changes to the Migration Program made by the Rudd Labor Government. Migration Program statistics from 1984–85 through to 2010–11 are provided at Appendix B.<sup>3</sup>

## Australia's Migration Program

Australia's first federal immigration portfolio was created in 1945. The major impetus for the new portfolio, and for the implementation of a large-scale Migration Program, was World War II and its aftermath. Since then almost seven million people have settled in Australia.<sup>4</sup>

By 1945 the government was keen to boost the Australian population in order to stimulate post-war economic development and to increase the numbers of people able to defend the country in the

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1. 'Migration Program' refers to the number of visas issued for permanent residence. Temporary entrants are not included in Migration Program figures. New Zealand citizens are also not included. The Migration Program comprises skilled, family and special eligibility categories, but excludes humanitarian entrants. For information on the Humanitarian Program see J Phillips, E Koleth and E Karlsen, *Seeking asylum: Australia's humanitarian response to a global challenge*, Background note, Parliamentary Library, Canberra, 2010, <http://www.aph.gov.au/library/pubs/bn/sp/SeekingAsylum.pdf>  
For an explanation of the difference between the Migration Program and Net Overseas Migration see J Phillips and M Klapdor, *Migration to Australia since federation: a guide to the statistics*, Background note, Parliamentary Library, Canberra, 2010, <http://www.aph.gov.au/library/pubs/bn/sp/migrationPopulation.pdf>.
  2. C Evans (Minister for Immigration and Citizenship), *Budget 2010–11—Government sharpens focus of skilled migration program*, media release, 11 May 2010, viewed 25 August 2010, <http://www.minister.immi.gov.au/media/media-releases/2010/ce01-budget-10.htm>
  3. This Background note updates an earlier paper, J Phillips, *Australia's Migration Program*, Research note no. 48, Parliamentary Library, Canberra, 2005, <http://www.aph.gov.au/library/pubs/rn/2004-05/05rn48.htm>
  4. Department of Immigration and Citizenship (DIAC), *More than 60 years of post-war migration*, Fact sheet 4, DIAC, 2009, viewed 25 August 2010, <http://www.immi.gov.au/media/fact-sheets/04fifty.htm> and *The Department of Immigration and Citizenship*, Fact sheet 3, DIAC, 2010, viewed 25 August 2010, <http://www.immi.gov.au/media/fact-sheets/03department.htm>

event of another war.<sup>5</sup> It was the government's intention to increase the population by 1 per cent per annum through immigration to achieve an annual growth rate of 2 per cent overall, including natural increase. As a result of the post-war government's new focus, the proportion of the Australian population born overseas rapidly increased from 9.8 per cent in 1947 to around 20 per cent in 1971.<sup>6</sup> This figure has continued to grow. According to the latest available statistics, just over one quarter (26 per cent) of Australia's resident population was born overseas.<sup>7</sup>

Over the years Migration Program planning numbers have fluctuated according to the priorities and economic and political considerations of the government of the day. By 1969 program planning figures had reached a high of 185 000. However, by 1975, the planned intake for the year had been reduced to 50 000. The migration intake gradually climbed again after this and by 1988 there was another peak under the Hawke Government with a planned intake of 145 000. After 1988 the Migration Program planning levels were gradually reduced, with a low of 80 000 in 1992–93.<sup>8</sup>

After the Howard Government came to power in 1996, following an initial dip, there was a gradual increase in the planned migration intake, with immigration seen as being closely tied to economic growth. This upward trend was initially continued under the Rudd Government, with numbers reaching a record high of 190 300 in 2008–09. However, in 2009–10 the planned intake was reduced to 168 700, and has been kept at this level for 2010–11.<sup>9</sup> The recent reductions in the Migration Program have been attributed to the impact of the global financial crisis (GFC) on the Australian economy, which led to a decline in the need for additional skilled labour.<sup>10</sup> It remains to be seen what impact the 'sustainable population' debate taking place in the context of the 2010 election will have on future Migration Program planning levels.

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5. J Jupp, *The Australian People: an encyclopedia of the nation, its people and their origins*, Cambridge University Press, Cambridge, 2001, p. 62.
  6. Department of Immigration and Multicultural Affairs (DIMA), *Immigration–federation to century's end*, Canberra, 2001, timeline, p. 3 and Part 4, p. 16, viewed 25 August 2010, <http://www.immi.gov.au/media/publications/statistics/federation/>
  7. Australian Bureau of Statistics (ABS), *Year Book Australia 2009–10*, cat. no.1301.0, ABS, Canberra, 2010, viewed 25 August 2010, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/92C0101965E7DC14CA25773700169C63?opendocument>
  8. DIMA, op. cit.
  9. C Evans (Minister for Immigration and Citizenship), *Budget 2010–11— Government sharpens focus of skilled migration program*, media release, Canberra, 11 May 2010, <http://www.minister.immi.gov.au/media/media-releases/2010/ce01-budget-10.htm>
  10. C Evans (Minister for Immigration and Citizenship), *Government cuts migration program*, media release, Canberra, 16 March 2009, viewed 6 September 2010, <http://www.minister.immi.gov.au/media/media-releases/2009/ce09030.htm>

Table 1: Migration Program planned intake and visas granted 1996–2011

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	190 300 <sup>a</sup>	171 318
2009–10	168 700	Not available
2010–11	168 700	Not available

a. This was decreased to 171 800 in March 2009.

Sources: *Ministerial press releases 1996–2010* and DIAC advice supplied to the Parliamentary Library in July 2010.

## Skilled migration

While Migration Program numbers are at similar levels to what they were twenty or thirty years ago, the focus is now quite different. It has been argued that the primary determinant of migration policy since the 1980s has been a focus on the labour market outcomes of migrants.<sup>11</sup> Various policy measures have been implemented with the aim of increasing the likelihood that new migrants will be able to gain employment and achieve economic independence, thus reducing the risk of migrants becoming a drain on the public purse. For example, the introduction of a nominated skills list, tightening of the English language requirement and more stringent rules concerning the recognition of overseas qualifications in order to meet eligibility requirements for general skilled migration were some of the policy measures introduced in 1990s.<sup>12</sup> This followed concern over the employment outcomes of new migrants in the aftermath of the early 1990s economic downturn. Additionally, the last decade has seen a shift in the balance of the Migration Program away from the family stream in

11. B Birrell, 'Immigration policy and the Australian labour market', *Economic Papers*, vol. 22, no. 1, 2003, viewed 25 August 2010, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fjrnart%2FK8O86%22>

12. Ibid.

favour of the skilled stream. 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.<sup>13</sup>

It is important to note that 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). Thus, while the majority of places under the Migration Program are allocated to the skilled stream, many of those granted visas under this stream are in fact family members rather than skilled migrants themselves. In 2008–09, 55 per cent of visas granted under the skill stream were granted to dependents of the primary applicant.<sup>14</sup>

Four main categories exist under the skilled component 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
- **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.<sup>15</sup>

Recent changes to the skilled stream of the Migration Program have been designed to shift the balance of the program away from independent skilled migrants, who do not have employment arranged in Australia prior to migrating here, towards sponsored skilled migrants, who have arranged employment prior to their arrival. These reforms were the result of a review of permanent skilled migration undertaken by the Rudd Government for 2008–09 in the wake of the economic challenges resulting from the GFC. 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.<sup>16</sup> The intention is to enable the program to better target the skills needed in the economy and ensure that skilled migrants are employed in industries that have the highest need.

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13. DIAC, *Population flows: immigration aspects 2008–09*, DIAC, Canberra, 2010, chapter 2 source data, viewed 13 August 2010, <http://www.immi.gov.au/media/publications/statistics/popflows2008-09/pop-flows-chapter2.xls>

14. Ibid., chapter 2, p. 30, viewed 13 August 2010 <http://www.immi.gov.au/media/publications/statistics/popflows2008-09/>

15. DIAC, *Overview of skilled migration to Australia*, Fact sheet 24, DIAC, Canberra, 2010, viewed 4 August 2010, [http://www.immi.gov.au/media/fact-sheets/24overview\\_skilled.htm](http://www.immi.gov.au/media/fact-sheets/24overview_skilled.htm)

16. C Evans (Minister for Immigration and Citizenship), *Migration program gives priority to those with skills most needed*, media release, 17 December 2008, viewed 4 August 2010, <http://www.minister.immi.gov.au/media/media-releases/2008/ce08123.htm>

This shift in policy focus is reflected in a key set of reforms, effective from 1 January 2009, under which skilled migrants sponsored by an employer are given higher processing priority than independent migrants. Priority processing has also been 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.<sup>17</sup> This is intended to ensure that the skilled Migration Program meets the areas of most critical need in the Australian labour market.

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.<sup>18</sup> The reforms included the cancellation of almost 20 000 General Skilled Migration visa applications lodged offshore before September 2007, revocation of the Migration Occupations in Demand List (MODL), the phasing out of the Critical Skills List which was introduced in 2009, and 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 current points test 'puts an overseas student with a short-term vocational qualification gained in Australia ahead of a Harvard-educated environmental scientist'.<sup>19</sup> A discussion paper was released for public comment in February 2010, and DIAC was to report to Government on outcomes of the review in the first half of 2010, however as at September 2010 no public announcement on outcomes of the review has been made.

On 1 July 2010 a new Skilled Occupation List (SOL) came into effect. It contains 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 which have been identified as no longer being in demand, such as cooks and hairdressers, were removed from the list. The SOL is expected to be updated annually.<sup>20</sup>

## Family stream

The family stream of the Migration Program provides for the migration of immediate family members of Australian citizens, permanent residents or eligible New Zealand citizens. Family members admitted under this stream include partners or fiancés, dependent children, parents, orphan relatives, aged dependent relatives and carers. Family stream migrants must be sponsored by an Australian citizen, permanent resident or eligible New Zealand citizen. There is no skills test or

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17. Ibid.

18. C Evans (Minister for Immigration and Citizenship), *Migration reforms to deliver Australia's skills needs*, media release, 8 February 2010, viewed 25 August 2010, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2FKNKZV6%22>

19. Ibid.

20. C Evans, *New Skilled Occupation List to meet Australia's economic needs*, media release, Canberra, 17 May 2010, viewed 25 August 2010, <http://www.minister.immi.gov.au/media/media-releases/2010/ce10036.htm>

language requirement for family migration as there is for skilled migrants, however applicants must meet the necessary health and character requirements.

The family stream of the Migration Program has decreased relative to the skill stream over the last two decades, a reflection of the move towards a Migration Program which is more closely targeted at meeting the labour market needs of the Australian economy. In 1996–97 the majority of visas granted under the Migration Program were in the family stream, accounting for 50.5 per cent of the total program.<sup>21</sup> The planning level for the family stream in 2009–10 is set at 60 300 visas, which represents just 35.7 per cent of the total program.<sup>22</sup>

The family stream comprises four main categories:

- **Partner**, which includes spouses, de facto partners (including same-sex partners), and fiancés
- **Child**, including the dependent child or step-child of the sponsor, a child adopted from overseas, and orphan relatives (a child under the age of 18, not married or in a de facto relationship, who cannot be cared for by his or her parents)
- Parent, and
- **Other Family**, including aged dependent relative, remaining relative and carer categories.<sup>23</sup>

The largest category under the family stream of the Migration Program is the Partner category, with around 42 000 visa grants in 2008–09, compared to 8500 Parent visas, 3200 Child visas and 2500 in the Other Family category.<sup>24</sup>

## Source countries

A notable change in migrant arrivals to Australia since 1945 is the shift that has occurred in source countries. With the gradual dismantling of the White Australia policy and the need to accommodate many post-war displaced people from Europe, Australia's policy of accepting predominantly British migrants was relaxed.<sup>25</sup> In 1901, people born in the UK comprised 58 per cent of the total overseas-born in Australia.<sup>26</sup> By the 2006 Census, this figure had declined to 23.5 per cent of the overseas-born.<sup>27</sup>

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21. DIAC, *Population flows: immigration aspects 2008–09*, DIAC, Canberra, 2010, chapter 2 source data, viewed 13 August 2010 <http://www.immi.gov.au/media/publications/statistics/popflows2008-09/pop-flows-chapter2.xls>

22. DIAC, *Overview of family stream migration*, Fact sheet 29, DIAC, 2009, viewed 25 August 2010, [http://www.immi.gov.au/media/fact-sheets/29overview\\_family.htm](http://www.immi.gov.au/media/fact-sheets/29overview_family.htm)

23. Ibid.

24. DIAC, *Population flows: immigration aspects 2008–09*, DIAC, Canberra, 2010, chapter 2, p.32, viewed 16 August 2010, <http://www.immi.gov.au/media/publications/statistics/popflows2008-09/>

25. J Jupp, op. cit.

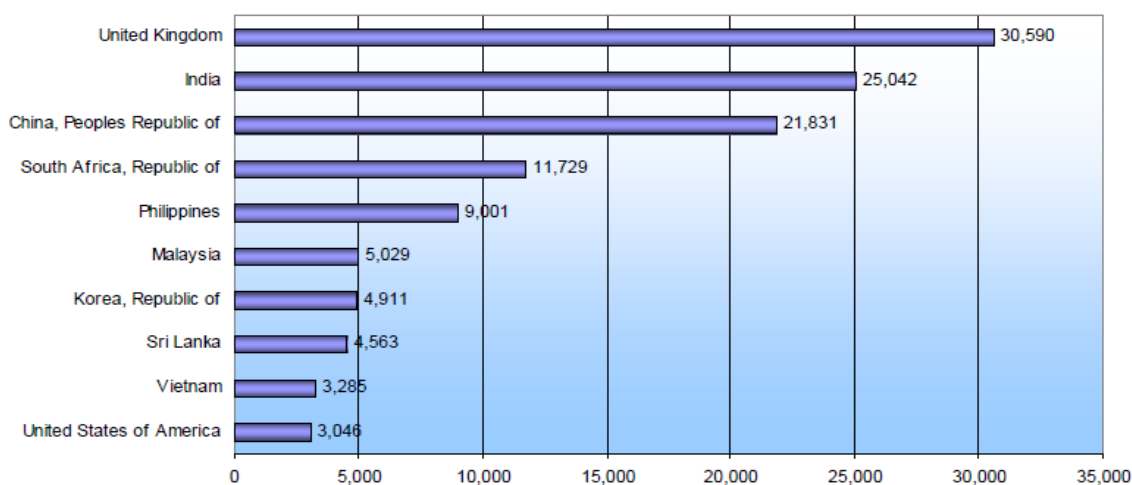
26. See DIMA, *Immigration–federation to century's end*, 2001, Part 4, pp. 1 and 20 for more detailed figures on source nations.

27. DIAC, *More than 60 years of post-war migration*, Fact sheet 4, DIAC, 2009, viewed 25 August 2010, <http://www.immi.gov.au/media/fact-sheets/04fifty.htm> viewed 11 August 2010

In the 1980s and 1990s there was a marked intake of settlers from Asia, the Middle-East and Africa. This trend has continued in the last decade. In 1982–83, for example, settler arrivals born in China comprised only 1 per cent of all arrivals while the UK-born contributed 28 per cent. By 2002–03 the UK-born had dropped to 13 per cent, and the China-born had increased to 7 per cent.<sup>28</sup>

In 2008–09 the UK continued to provide the largest number of migrants to Australia (excluding New Zealand citizens, who are not counted in Migration Program figures<sup>29</sup>). However it is now closely followed by India and China as the second and third largest source countries.

Figure 1: Top ten countries of citizenship for migrants, 2008–09



Source: Reproduced from DIAC, Report on the Migration Program 2008–09, p. 5.

## Regional initiatives

The last two decades have seen the introduction of a variety of measures designed to attract skilled migrants to regional and rural areas where employers have been unable to fill vacancies through the local labour market.<sup>30</sup> Such initiatives are consistent with the focus of the Migration Program being on filling gaps in the Australian labour market and meeting the needs of the economy—in this case, regional labour markets and economies. These initiatives would also appear to have a role in the

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28. ABS, *Year Book Australia 2005*, cat. no. 1301.0, ABS, Canberra, 2005, viewed 25 August 2010, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts/1301.0Feature%20Article72005?opendocument&tabname=Summary&prodno=1301.0&issue=2005&num=&view=>
29. Under the 1973 Trans-Tasman Travel Arrangement citizens of New Zealand may visit, live and work in Australia without the need to apply for a specific visa. Upon arrival in Australia they may be granted a Special Category Visa which allows them to live and work here for as long as they remain a New Zealand citizen.
30. These initiatives have met with limited success. See G Hugo, S Khoo and P McDonald 'Attracting skilled migrants to regional Australia? What does it take?' *People and Place*, vol. 14, no. 3, 2006, pp. 26–36, viewed 27 August 2010, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fjrnart%2FGOEL6%22>

recent debate on sustainable population growth, which has included the idea of encouraging growth in regional areas away from the big cities.

The Regional Sponsored Migration Scheme (RSMS) is a key component 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 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 apply to migrate permanently to Australia.<sup>31</sup> The number of visas granted under the RSMS increased by 74 per cent between 2007–08 and 2008–09, however overall numbers remain relatively low—8811 places in 2008–09.<sup>32</sup>

State and territory governments may also sponsor migrants under various 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 2008–09 around 96.4 per cent of all business skills provisional visa applications were state/territory sponsored.<sup>33</sup>

Recent figures indicate that regional migration initiatives are becoming more successful. For 2008–09, the total number of visas granted under all the State-Specific and Regional Migration initiatives was 33 474. This represented an increase of 28 per cent from 2007–08 and accounted for 29 per cent of the total skill stream for 2008–09.<sup>34</sup>

## Temporary migration

While fluctuations in permanent migration places are significant, arguably the greatest change in immigration patterns to Australia in the last decade or so has been the growth of long-term temporary migration. Temporary migrants do not comprise part of the Migration Program, however temporary migration is increasingly becoming the first step towards permanent settlement in Australia for many people.<sup>35</sup> In 2008–09 for example, over one-third of the Migration Program was made up of people granted permanent residence after initial entry to Australia on a temporary basis.<sup>36</sup>

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31. DIAC, *State specific regional migration*, Fact sheet 26, DIAC, 2010, viewed 27 August 2010,

<http://www.immi.gov.au/media/fact-sheets/26state.htm>

32. DIAC, *Population flows: immigration aspects 2008–09*, DIAC, Canberra, 2010, chapter 2, p.38, viewed 27 August 2010,

<http://www.immi.gov.au/media/publications/statistics/popflows2008-09/>

33. DIAC, *Business skills migration*, Fact sheet 27, DIAC, 2009, viewed 27 August 2010,

<http://www.immi.gov.au/media/fact-sheets/27business.htm>

34. DIAC, *Report on Migration Program 2008–09*, DIAC, viewed 30 August 2010,

<http://www.immi.gov.au/media/statistics/pdf/report-on-migration-program-2008-09.pdf>

35. For more detail on the significance of the shift in focus to temporary migration see G Hugo, 'Australia's international migration transformed', *Australian Mosaic*, issue 9 no. 1, 2005, viewed 25 August 2010,

<http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fjrnart%2FDLSF6%22>

36. DIAC, *Population flows: immigration aspects 2008–09*, DIAC, Canberra, 2010, chapter 2, p.30,

<http://www.immi.gov.au/media/publications/statistics/popflows2008-09/>

Temporary migration to Australia has grown exponentially over the last two decades. In 1982–83 there were 79 730 long-term temporary arrivals in Australia and 83 010 permanent arrivals. By 2002–03 long-term temporary arrivals were up to 279 879 while permanent arrivals remained relatively steady at 93 914.<sup>37</sup> By 2008–09 the number of temporary long-term arrivals had increased to 389 299, while permanent arrivals had increased to 158 021.<sup>38</sup>

It is this growth in temporary migration, rather than permanent migration under the Migration Program, which has been driving growth in levels of Net Overseas Migration (NOM). NOM is calculated by taking into account the addition (or loss) to the population of Australia arising from the difference between those leaving permanently or on a long-term basis (12 months or longer) and those arriving permanently or on a long-term basis. As well as permanent and long-term temporary migrants, this includes Australian permanent residents and citizens either leaving the country or returning home after an extended absence, as well as New Zealand citizens who enjoy free movement under the 1973 Trans-Tasman Travel Arrangement.<sup>39</sup> The contribution of NOM to population growth has increased significantly in recent years, doubling since 2005–06, due largely to the growth in long-term temporary migration.<sup>40</sup>

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. 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 provides employers with a faster and more flexible avenue of recruiting skilled workers than is possible under the permanent migration program.<sup>41</sup>

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37. G Hugo, *Temporary migration: a new paradigm of international migration*, Research note no. 55, 2003–04, Parliamentary Library, Canberra, May 2004, viewed 27 August 2010, <http://www.aph.gov.au/library/pubs/rn/2003-04/04rn55.pdf> and G Hugo, *A new paradigm of international migration: implications for migration policy and planning for Australia*, Research paper no. 10, 2003–04, Parliamentary Library, Canberra, March 2004, p. 19, viewed 27 August 2010, <http://www.aph.gov.au/library/pubs/rp/2003-04/04rp10.pdf>
38. DIAC, *Immigration Update 2008–09*, p.36, DIAC, Canberra, 2009, viewed 16 August 2010, <http://www.immi.gov.au/media/publications/statistics/immigration-update/update-jun09.pdf>
39. For a detailed examination of NOM data see J Phillips and M Klapdor, *Migration to Australia since federation: a guide to the statistics*, Background note, Parliamentary Library, Canberra, 2010, <http://www.aph.gov.au/library/pubs/bn/sp/migrationPopulation.pdf>
40. Ibid.
41. J Phillips, *Temporary (long stay) business visas: subclass 457*, Research note, Parliamentary Library, Canberra, 2007, <http://www.aph.gov.au/library/pubs/rn/2006-07/07rn15.pdf>

Table 2: Overseas student and Temporary business long stay (subclass 457) visa grants 2000–2009

Year	Overseas students	Temporary business (long stay) 457 visas
2000–01	146 577	36 900
2001–02	151 894	33 510
2002–03	162 575	36 800
2003–04	171 616	39 500
2004–05	174 786	49 590
2005–06	190 674	71 150
2006–07	228 592	87 310
2007–08	278 180	110 570
2008–09	320 368	101 280

Sources: DIAC, *various years of annual reports, population flows publications and migration statistics web pages*; and Senate Legal and Constitutional Committee, *Migration Legislation Amendment (Worker Protection) Bill 2008 report*, 2008, pp. 17–18 (for 457 visa grants).

Unlike permanent migration, temporary migration (with the exception of the Working Holiday and Work and Holiday programs) 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 2007–09 has been attributed in large part to the GFC which led to a drop in demand for temporary workers in the Australian labour market.<sup>42</sup>

While not all temporary migrants seek permanent residency in Australia, many do. Temporary migration is therefore also highly susceptible to changes in policies affecting the permanent Migration Program, particularly those concerning skilled migration. For example, changes to the SOL directly impact the migration outcomes of overseas students hoping that their Australian qualification will assist them on their path to permanent residency.<sup>43</sup> This in turn impacts on the number of overseas students electing to undertake certain courses in Australia. Student visa numbers are currently in decline, from 320 000 in 2008–09 to around 270 000 in 2009–10.<sup>44</sup> There is

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42. P Maley, '457 visa approvals plunge', *The Australian*, 28 April 2009, viewed 27 August 2010, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressclp%2FQ9DT6%22>
43. For a detailed examination of policy changes affecting overseas students see E Koleth, *Overseas students: immigration policy changes 1997–May 2010*, Background note, Parliamentary Library, Canberra, 18 June 2010, <http://www.aph.gov.au/library/pubs/BN/sp/OverseasStudents.htm#ftnref54>
44. C Evans and T Burke, *Tony Abbott caught out on sneaky political trick on immigration*, media release, 25 July 2010, viewed 27 August, 2010, <http://www.alp.org.au/federal-government/news/tony-abbott-caught-out-on-sneaky-political-trick-o/>

a strong possibility that the skilled migration policy changes outlined above will play a role in further decreasing numbers of long-term temporary migrants in the student category.

## 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 into a broader, more open program aimed primarily at meeting the labour market needs of the Australian economy. These changes are reflected in the changing ethnic composition of migrants to Australia and the shift in balance between the skilled and family streams of the program.

Recent policy changes to the skilled stream of the Migration Program further highlight the relationship between the Migration Program 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. It will be interesting to observe in the coming months and years how policies relating to both permanent and temporary migration will develop, particularly in the context of debate over sustainable population.

## Appendix A: Chronology of announced changes to the Migration Program, November 2007–May 2010

Date	Details	Source Documents
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, <a href="#">Immigration package to ease skills shortage</a>
13 May 2008	Announcement of the 2008–09 Migration Program, set at a total of 190 300 places including: <ul style="list-style-type: none"> <li>• 133 500 skilled stream, an increase of 31 000 from 2007–08</li> <li>• 56 500 family stream, an increase of 6500 from 2007–08</li> </ul>	C Evans (Minister for Immigration and Citizenship), media release, <a href="#">Budget 2008–09 Record skilled migration program to boost economy</a>
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, <a href="#">Migration program gives priority to those with skills most needed</a>  C Evans (Minister for Immigration and Citizenship), Ministerial Statement, <a href="#">Changes to the 2008–09 skilled migration program</a>
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 also 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, <a href="#">Government cuts migration program</a>
12 May 2009	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.  Announcement also of an increase in the English	C Evans (Minister for Immigration and Citizenship), media release, <a href="#">Budget 2009–10 Migration program: The size of the skilled and family programs</a>

Date	Details	Source Documents
	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'.	
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.	C Evans (Minister for Immigration and Citizenship), media release, <a href="#">Assessment changes for skilled migrants from July 1</a>
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"> <li>• All offshore General Skilled Migration applications lodged prior to 1 September 2007 cancelled and a refund given</li> <li>• 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</li> <li>• 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</li> <li>• 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</li> <li>• State and territory-specific migration plans to be developed, allowing states and territories to prioritise skilled migrants of their own choosing</li> </ul>	<p>C Evans (Minister for Immigration and Citizenship), media release, <a href="#">Migration reforms to deliver Australia's skills needs</a></p> <p>C Evans (Minister for Immigration and Citizenship), <a href="#">Changes to Australia's skilled migration program</a>, speech delivered at the Australian National University.</p>

Date	Details	Source Documents
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, <a href="#">General skilled migration program points test review</a>
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, <a href="#">Changes to the business skills migration program</a>
11 May 2010	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, <a href="#">Government sharpens focus of skilled migration program</a>
17 May 2010	Announcement of the 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, <a href="#">New Skilled Occupation List to meet Australia's economic needs</a>  DIAC, <a href="#">New List of Skilled Occupations – Skilled Occupation List</a>

## Appendix B: Migration Program outcomes since 1985

Year	Migration Program			
	Family	Skill	Special Eligibility	Total
1984–85	44 200	10 100	200	54 500
1985–86	63 400	16 200	400	80 000
1986–87	72 600	28 500	600	101 700
1987–88	79 500	42 000	600	122 100
1988–89	72 700	51 200	800	124 700
1989–90	66 600	52 700	900	120 200
1990–91	61 300	49 800	1 200	112 200
1991–92	55 900	41 400	1 700	98 900
1992–93	43 500	21 300	1 400	67 900
1993–94	43 200	18 300	1 300	62 800
1994–95	44 500	30 400	1 600	76 500
1995–96	56 700	24 100	1 700	82 500
1996–97	44 580	27 550	1 730	73 900
1997–98	31 310	34 670	1 110	67 100
1998–99	32 040	35 000	890	67 900
1999–00	32 000	35 330	2 850	70 200
2000–01	33 470	44 730	2 420	80 610
2001–02	38 090	53 520	1 480	93 080
2002–03	40 790	66 050	1 230	108 070
2003–04	42 230	71 240	890	114 360
2004–05	41 740	77 880	450	120 060
2005–06	45 290	97 340	310	142 930
2006–07	50 080	97 920	200	148 200
2007–08	49 870	108 540	220	158 630
2008–09	56 366	114 777	175	171 318
2009–10 (planned)	60 300	108 100	300	168 700
2010–11 (planned)	54 550	113 850	300	168 700

**Sources:** DIAC advice supplied to the Parliamentary Library in July 2010 taken from *Population flows: immigration aspects*, various editions since 1992; [Migration Program Statistics](#) web page and C Evans (Minister for Immigration and Citizenship), [Budget: Migration Program](#), media release, 11 May 2010 for the planning figures.

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