

OFFICIAL



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**NATIONAL PRESS CLUB ADDRESS
AUSTRALIA'S MIGRATION SYSTEM
THURSDAY, 27 APRIL 2023**

Check against delivery.

I acknowledge the Ngunnawal and Ngambri people, who have been the traditional owners of the land around Canberra for 50,000 years.

It is impossible to tell a story about Australia without acknowledging our ancient beginnings.

And, it is impossible to tell a story about Australia without talking about migration.

We are a proud, migrant nation.

Half of Australia's citizens were born overseas, or have a parent born overseas.

Together, as one, and many, we have built the most prosperous, safe, cohesive country in the world.

Every Australian is entitled to feel proud of that.

And, to feel confident we can tackle what's coming in the difficult decades ahead.

One of the remarkable things about Australia is that when we confront crisis and challenge, we use those moments to build a better country for the next generation.

In doing so, migration has been one of our most important tools.

In the 1940s, a gutsy Ben Chifley warned that we must “populate or perish”. The migrants who answered that call set the foundation for two decades of growth that delivered life-changing prosperity for Australian families.

In the 1970s, Gough Whitlam blew open the dusty doors of power to bury the White Australia Policy and welcome migrants from around the world. Fifty years later, multiculturalism is still central to our Australian identity.

In the 1990s, Paul Keating used skilled migration to drive Australia out of recession. Migration helped deliver the longest period of continuous economic growth in recorded history, anywhere in the world.

Today I want to have a conversation about migration which is direct and honest.

In each of these historic instances, migration helped us become more prosperous and secure because the system was carefully designed to meet the moment.

That is not true of our system today.

I would challenge anyone here to explain what national problems our current system is seeking to solve.

Our migration system is suffering from a decade of genuinely breathtaking neglect.

It is broken. It is failing our businesses, it is failing migrants themselves. And most importantly, it is failing Australians.

That cannot continue. Because we face big national challenges that migration can help us resolve.

Our economy is stuck in a productivity rut, and Australians are suffering because of it. Migration can help us change that.

We are the developed country most at risk of a warming climate, but also the nation with the most to gain from the transition to a net-zero economy.

But we need the skills to help us do it.

We confront the most challenging geopolitical circumstances since the 1940s.

Australia needs to build better sovereign capabilities, fast.

Our ageing population will demand more workers in health and aged care than our domestic population can supply.

Migration will never substitute our focus on skilling up Australians. It is not the full answer to any of these problems. But it is a part answer to all of them.

If populate or perish described Australia's challenge in the 1950s, skill up or sink is the reality we face in the 2020s and beyond.

Today, we aren't bringing in the talent we need, and we aren't making the most of the talent we've got.

The solution is to end this era of policy neglect and laziness, where the system has passively run itself.

It means being strategic, and decisive, and purposeful about who we need to help us meet the very significant challenges of the moment, and how we will help them make their best contribution.

Since coming to government, my friend and colleague Minister Andrew Giles and I have been focused on this enormous challenge.

In November last year, we asked former Secretary of the Department of Prime Minister and Cabinet, Dr Martin Parkinson, to work with two of Australia's foremost migration experts, Professor Joanna Howe and John Azarias, and help our government get this program working in the national interest.

Today we have released their report. Martin, Jo and John brought deep expertise and commitment to this work. It has been essential to us, particularly the Report's clear articulation of objectives and guardrails, and I thank them for it.

Today I released for consultation a draft outline of a new migration strategy for Australia, built in our national interest. This document outlines a series of

directions for significant reform of this system, which we will work on, consult on, and refine, before we release a final strategy later this year.

So today I want to explain two things: what's going wrong in our migration system, and how we plan to fix it.

How our migration system is broken

The first big problem is that our migration system today is not delivering Australia the skills that we need to tackle the challenges I have set out.

Who we invite to come here and join us in our national endeavours is one of the most important questions our government can ask.

It deserves care, love and attention. But over the last decade, it has been treated with disgraceful negligence.

Australia's historic migration success is rooted in permanency and citizenship. We give people the opportunity to get established in their community, educate their kids, and become Australian.

Today, our system is dominated by a large temporary migration program. And that program is not well designed.

The tools which are meant to ensure that temporary migrants have the skills we need are broken and back-to-front.

To determine skills needs, we use outdated occupation lists that don't reflect the needs of the economy, and labour market testing that both unions and business agree isn't working.

The effect of many of these rules is that we often miss out on the highly skilled workers we need.

We use an income threshold to ensure the temporary workers who come here are skilled. Almost ten years ago, that threshold was frozen by the former government at \$53,900. This is below the earnings of 90% of Australia's fulltime workers.

Each year now for a decade, a growing share of people entering Australia on temporary skilled visas are being funnelled into low-wage jobs.

Under Peter Dutton, in his long-term role as Immigration Minister and Home Affairs Minister, our skilled worker program morphed into a guest worker program.

What he created was an immigration system which favoured temporary migration, in increasingly lower paid jobs. These are the two essential ingredients to the worker exploitation that we know is occurring in Australia's workplaces.

International students are a very important part of the puzzle. We are incredibly privileged to train many young people in our brilliant universities and colleges. Those students are meant to come here to study. The bar we set for their entry is simply whether they will be able to perform in Australia's education system.

The problem is that today, international students are the largest component of our temporary migration program, and the single biggest feeder into our permanent program.

More than half the people who receive permanent skilled visas under our current system arrived in Australia on a student visa.

The links between our temporary and permanent migration programs aren't working.

The formula we use to determine which temporary migrants get the chance to become a permanent resident, and eventually a citizen, doesn't help us select for the skills and capacities we need to build Australia's future.

The upshot is this: Australia's migration system has become dominated by a very large, poorly designed, temporary program, which is not delivering the skills we need to tackle urgent national challenges. And, that program created the essential ingredients for exploitation of migrant workers.

The second big problem is that our migration system has become a bureaucratic nightmare.

Our system is slow and crazily complex. This has real consequences for the quality of our migration program.

We have hundreds of visa categories and subcategories.

It is a mess of three digit visa codes – the 186, the 864, the 408 – so complicated that if I drew you a diagram it would look like a tangled bowl of spaghetti.

We have a visa class for just about everything, including one specifically for the crew of superyachts.

Add more than 1,300 separate labour agreements, rigid occupation lists incapable of adjusting fast enough to industries like the tech sector, and an aching slow process to recognise skills and qualifications earned in other countries, and you get a system weighed down by rules, forms and bureaucracy.

Large businesses with massive HR Departments find this system impossible to navigate. And small businesses have got Buckley's Chance of being able to use it to fill a skills gap.

For migrants, it means paying exorbitant fees to migration agents just to navigate the system.

These problems are more than just an irritation.

Remember that other developed countries are competing for the same migrants that we really need. For aged care nurses, engineers and tech experts, complexity and delay can put them off Australia altogether.

Professor Brian Schmidt is the Vice Chancellor of Australian National University and one of the finest minds of his generation.

He came to Australia in the 1990s and was granted a visa in four days. Today's world-leading young astrophysicist would wait many months just to get look in in our current visa system. And that's if she or he were lucky, and could find their occupation on the right list.

We can probably assume that today's Brian Schmidt would simply take their Nobel Prize, and move to Canada instead. That is a national tragedy that, because of our broken migration system, is likely occurring all the time.

What happens post-arrival

Our migration program is also failing once migrants have arrived in Australia.

Worker exploitation hurts our migrants and it hurts Australians. It is completely contrary to our values, I do not know a single person who would defend it. And yet, we all know it is happening.

Going forward, we need to design out the opportunity for exploitation as much as we can.

I said upfront that our migration program was unstrategic and unplanned. And there is no better example of that than our housing market.

Our country faces very genuine and significant challenges providing safe, affordable housing for Australians.

These problems are not caused by migrants. There are hundreds of thousands fewer migrants in the country now than we thought would be here, before the pandemic. And we still face very substantial difficulties with housing.

Our housing problem is the fault of 10 years of inaction by a federal government that never had a serious housing policy. And, the fact that there is no way today for our three levels of government to work together to plan for the housing, services and infrastructure needs resulting from population changes.

Unaligned with Australian values

A final failure is how our migration system is not aligned with our values.

First, integrity. Because the former Government was asleep at the wheel, abuse of our visa system has gone unchecked. We need more resources in Home Affairs focused on ensuring that migrant worker exploitation is identified, and addressed.

Second, fairness. Too many migrants are stuck in permanently temporary limbo.

Third, inclusion. There is a big opportunity for us here to tap the potential of people already here, such as migrant women, who are being held back by slow and tedious skills recognition processes.

Let me summarise the four problems I've talked about.

We've just lived through a wasted decade, where continental drift and passivity have allowed Australia's migration system to deteriorate.

What has emerged is a system where it is increasingly easy for migrants to come to Australia in search of a low paid job, but increasingly harder for migrants to come here with the skills we desperately need.

Our migration system is ridiculously complex, making the system incredibly difficult to use, which deters the very people we need the most.

We are not doing enough to plan for and look after migrants once they arrive.

And we must restore Australian values at the heart of the system.

What have we already done

We have been in government for almost a year. And in that time, we have made enormous progress on some of the most acute problems in the system.

Minister Andrew Giles has done tremendous work by dramatically reducing the one million long visa backlog. Healthcare workers are now getting their visas processed in one day.

We are changing the culture and dynamic in the Department, giving more resources to this part of Home Affairs, and bringing migration back to the centre of the work we do.

Business and unions welcomed a larger permanent skilled program last year to deal with the worst labour shortage we have experienced since World War II. This included 34,000 skilled migrants that settled in our regions.

In February, we delivered on our election commitment to provide a permanent visa pathways for approximately 20,000 existing Temporary Protection Visa and Safe Haven Enterprise Visa holders.

And last weekend Prime Minister Albanese announced that from July 1 this year, New Zealanders living in Australia will have a pathway to Australian citizenship, just as Australians do who live in New Zealand.

New Zealanders are the single largest group of permanently temporary migrants in Australia. Treating them in the same respectful way Australians are treated who live in New Zealand is the right thing to do, and very important to the relationship between our two countries.

Reform Directions for Australia's Migration System

Today, I am proposing directions for significant reform of our migration system.

Our overall goal is to end a decade of ad hoc and piecemeal change, and embark on a genuine reform that will set this system up for a more prosperous and secure Australian in the 2020s and beyond.

Prioritising the People We Need

First, we need to fix the biggest problem we have – redesigning the system to help us get the skills we need.

We have begun consultation on a proposal to restructure our temporary skilled migration program, to ensure this program provides Australia with the skills we need to take our nation forward.

The draft outline of the Australian Migration Strategy that I'm releasing today proposes that we consider three new pathways for temporary skilled migrants to come to our country, tightly tailored to the needs of our country:

The first pathway is a fast, simple route for specialised, highly skilled workers we need to drive innovation in our economy, and to help us build the jobs of the future.

The second is a mainstream temporary skilled pathway to bring in the core skills we need. For this stream, we would focus on proper, evidence-based assessments of skills needs, rather than the current outdated approaches that everyone agrees are not working.

This pathway would include skilled migrants earning above an increased temporary skilled migration income threshold, to ensure our migration system remains a program for skilled migrants.

The third stream relates to our essential industries.

One of the reasons there is so much exploitation is because we have allowed low-wage migration programs to operate in the shadows, for example, through exploitation of our international student visa system.

That has allowed areas of the economy that rely on these workers to become either highly vulnerable to exploitation, or subject to chronic, ongoing labour shortages that put huge pressure on existing workers.

Instead of pretending that some students are here to study when they are actually here to work, we need to look to create proper, capped, safe, tripartite pathways for workers in key sectors, such as care.

Not only would this better support our industries, it would provide far better protection for the workers we depend on.

We will propose to reform the way we determine which temporary migrants end up as permanent residents, and ultimately citizens.

A critical change here is how we design what is called 'the points test'.

This may sound a little bit boring and technical. But it's absolutely crucial.

Every year, we select roughly 100k permanent residents using the points test. By 2050, we could have millions of additional people living in Australia who are selected using this test.

But the current test is not working properly. The bar is set too low. And, that test rewards persistence, not the skills we need for Australia's future.

Getting it right could add tens of billions to the Federal Budget over the next 30 years, and make a real difference to our economic growth.

Lastly, Australia needs to enter the competition for global talent.

We need to make a big switch in our thinking: from the passivity which drives the system today, to active engagement with the people we think can help build our country's future.

We propose creating a new area in my Department, working with Jobs and Skills Australia to identify skills needs in Australia's economy. Under this proposal, we would go out into the world and find the migrants Australia needs, and talk to them about joining us on our national journey.

Making the System Simpler, and More Efficient

I've spoken a bit about the terrible complexity in the current system. We don't need more forms and bureaucracy. We need a proper, data-driven approach to migration will enable us to do away with a lot of the red tape.

Jobs and Skills Australia, a new government body, will be given a formal role in our migration system for the first time. With clear guidance and input from

both business and unions, Jobs and Skills Australia will use facts and data to prove out where skills shortages exist.

Jobs and Skills Australia will help us properly integrate the needs in our jobs market, our training and education system and our migration system for the first time.

Our migration system should never be a substitute for properly skilling local workers, but it can be a complement. Jobs & Skills Australia can help us make sure we do this properly.

Part of our work will be simplifying our visa system, with the aim to strongly reduce the number of visa categories. There is just no need for things to be this complicated.

Delivering a Better System on the Ground

I've spoken about how we will change our migration system to ensure we are getting the people here that we need. We also need to make sure we're getting the right outcomes for Australians on the ground.

Part of this will need to involve much closer collaboration with the states. While the federal government controls our migration settings, a real partnership with states and territories is crucial to us getting this right.

The fact that there is no genuine mechanism for us to plan for population changes, as a country, is a bit startling. Tomorrow, when National Cabinet meets, the Prime Minister will begin a conversation about how we could work together, as a federation, to plan better for housing, services and infrastructure.

This will build on the incredible work my colleagues Jim Chalmers and Julie Collins have done with the Housing Accord.

Ensuring we get the right outcomes on the ground also means looking after migrants properly who are here.

To do this, we need to reform the policy settings that drive exploitation. This means exploring ways to give migrants more flexibility to move employers and enforce their workplace rights.

A big focus of our efforts will be how we manage international students in our migration system.

We want to ensure that high-performing students, with the skills we need, are given the chance to stay. We propose creating simpler, faster pathways for the international students who will have special skills and capabilities we need.

But we also need to make sure our international student system has integrity. Working with my colleagues Ministers Brendan O'Connor and Jason Clare, we will look at tightening the requirements for international students studying in Australia, and ensure that students are actually here to study.

Strengthening how the international student system and migration systems interact will be a substantial piece of work that we will share more information on in the coming months.

Restoring Australian Values at the Heart of the System

The final big change is about restoring Australian values at the heart of the system.

I want to talk about three of these values.

The first value is integrity. Without integrity, we will lose public confidence in this system.

We can strengthen integrity by improving post-arrival monitoring and enforcement of wages and conditions to detect and prevent exploitation. And, by better regulation of migration agents.

The second is fairness. Fundamentally, this about ending permanent temporariness, and making sure migrant workers can exercise their rights.

We've done a lot of this already in our work to resolve some of the biggest caseloads of permanently temporary people. But we need to make sure this doesn't happen in the future.

We need to avoid policies and conditions that create 'permanent temporariness'. This means clearer pathways for the skilled workers we need and clarity for the migrants that have less of a prospect of becoming a permanent resident.

The third value is inclusion. We can do this by improving and streamlining skills recognition, to help more migrants, including secondary applicants, enter the labour market at a level that matches their qualifications.

Conclusion

Our government is today making a commitment, and proposing a pathway, to fixing Australia's migration system.

And we're not just proposing a pathway and a plan – we're going to put a down payment on the system we want to build by taking the first set of actions in the coming federal Budget. I want to announce two of those actions today.

First, as of July 1, the temporary skilled migration income threshold, or the 'TSMIT', will increase to \$53,900 to \$70,000.

This is the first increase in a decade. And it is a big deal.

The Grattan Institute calls \$70,000 the Goldilocks threshold.

We call it essential to ensuring this program is what it says it is: a skilled worker program, not a guest worker program.

Second, I can announce that as by the end of 2023, all temporary skilled workers will have a pathway to permanent residency.

This does not mean an expansion of our capped permanent program. It does not mean more people. It simply means that a group of temporary workers who had been denied even the opportunity to apply for permanent residency will be able to do so.

We want to increase competition for permanent resident places and ensure we don't leave more workers in limbo, bouncing from visa to visa.

These two changes show we're serious about the reform agenda ahead. And I hope as I finish up today, you have a clear sense of what a new migration system for our country would look like.

I have spoken a lot about what's going wrong with Australia's migration system today. There are a lot of problems.

But what I am genuinely much more excited about is the big opportunity.

We have every reason to be optimistic about our country's future.

And every reason to believe that our migration system can help us deliver a more secure and prosperous Australia, as it has done many times in the past.

We are a truly great country with a fundamentally broken migration system.

Just imagine what we will be able to achieve when we get this powerful engine working again in the national interest.

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