



Australian Government
Productivity Commission

PRODUCTIVITY COMMISSION

INQUIRY INTO MIGRANT INTAKE

MR P LINDWALL, Presiding Commissioner
MS A McCLELLAND, Commissioner

TRANSCRIPT OF PROCEEDINGS

AT SCM CONFERENCE & FUNCTION CENTRE, SYDNEY
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5 **MR LINDWALL:** Good morning. Welcome to the public hearings for the
Productivity Commission Inquiry Migrant Intake into Australia. My name is
Paul Lindwall, I'm the Presiding Commissioner on this inquiry. My fellow
Commissioner is Alison McClelland. The inquiry started with a reference
10 from the Australian Government in March and covers the impacts of
immigration on Australia and the scope to use alternative methods for
determining the migrant intake, including through greater use of charging.

15 We released an issues paper in May and have talked to a wide range of
organisations and individuals with an interest in the issues. In August we
held a workshop on the economic modelling used to inform the inquiry. We
released a draft report in November and have received about 80 submissions
since the release of the issues paper. We're grateful to all of the
organisations and individuals who have taken the time to meet with us,
prepare submissions and appear at these hearings.

20 The purpose of these hearings is to provide an opportunity for interested
people to provide comments and feedback on the draft report. Hearings were
held in Melbourne on 7 and 8 December last week and in Canberra on
15 December. We are holding hearings today in Sydney and tomorrow also,
and formal submissions on the draft report are due to be provided by Friday,
25 18 December. We will then be working towards completing a final report to
be provided to the Australian Government in March 2016. Participants and
those who have registered their interest in the inquiry will automatically be
advised of the final reports released by the government which may be up to
30 25 sitting days after the completion.

35 We like to conduct all hearings in a reasonably informal manner, but I
remind participants that a full transcript is being taken. For these reasons,
comments from the floor cannot be taken. But at the end of the day's
proceedings I will provide an opportunity for anyone who wishes to do so to
make a brief presentation. Participants are not required to take an oath but
are required under the Productivity Commission Act to be truthful in their
remarks. They are welcome to comment on the issues raised in other
submissions. The transcript will be made available to participants and on the
Commission's website following the hearings. Submissions are also
40 available on the website.

45 While we do not permit video recordings or photographs to be taken
during the proceedings, social media such as Facebook or Twitter may be
updated throughout the day, although we do ask that all members of the
audience ensure their mobile phones are switched to silent. For any media
representatives attending today, some general rules apply. Please see any of
our staff for a handout which explains the rules.

(Housekeeping matters)

5 Participants are invited to make some opening remarks of no more than five minutes. Keeping the opening remarks brief will allow us the opportunity to discuss matters in greater detail. I now welcome our first participant, Professor Helen Ware, and if you wouldn't mind saying your name and occupation or who you represent, if any organisation, and then give us a brief opening statement.

10

PROFESSOR WARE: Good morning, I am Professor Helen Ware of the University of New England. I am also the President of Sanctuary Armidale which is a refugee assistance group, however, I am speaking in my personal capacity, not on behalf of any particular organisation. Thank you.

15

I would like to start by commending the Commission on the draft which is overall a very commonsense and humane draft report and I shall be setting it in future for my teaching exercises, or perhaps the final report. However, whilst the draft report makes it quite clear that the Commission is unlikely to find in favour of a simple overall price system, I am somewhat concerned at the possibility that some future government might cherry pick from the report and, for example, choose some kind of a hybrid example.

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25 From the particular standpoint that I am looking at this, I am particularly concerned as to how refugees and humanitarian entrants would be treated. As I say, the report itself is highly humane in these areas, but at an earlier stage, I think it was then DIAC, they were discussing a scheme in which humanitarian entrants, or the families of humanitarian entrants, or indeed ethnic communities, would be able to pay to bring humanitarian entrants here. When Sanctuary and some other groups went to see them in relation to that, they were saying that this would not be allowed to be operated as a loan scheme.

30

35 Now Sanctuary has operated a loan scheme for humanitarian entrants in refugee camps and comparable situations, whereby we operate a rotating credit scheme, so that we provide their original airfares and help them to settle when they come to Australia, but they repay us over a time. We were quite concerned when at least the proposed DIAC scheme was not going to allow this to be on a loan basis, because both for NGOs and for the families and ethnic groups from which some of these refugees come, it would be very difficult for them to find significant amounts of money upfront, whereas operating a rotating credit scheme, we have been able to help people over time without having to face the constant burden of fundraising.

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45 Another particular case that I wanted to make and I am not quite sure where it would fit but is in relation to visas for carers for the elderly. This is not a skill - well, it's not what people would probably normally think of as a

skill category, but as the report very clearly makes evident, we are going to have an increasingly elderly population. For example, in Kiribati they have had a scheme saying men get trained to be fishermen and women get trained to be nurses or nurses' aides with the hope that in the future, should they be obliged to emigrate, that they would be able to take up roles with ageing populations as nurse carers.

Another point I wanted to make was in relation to the possibility, which I don't think is discussed in the draft report, of quotas by country of origin. I realise that this would open up a very considerable can of worms, but it is maybe something that any government might want to consider, that whatever scheme they introduce would not have a very marked bias in favour of one particular ethnic group or country of origin.

Speaking of opening a can of worms, given the current news items in relation to the latest budget update, I think it is exceptionally unfortunate that the Syrian costs or the costs of bringing Syrian refugees here are at least in the way it has been publicly reported, been balanced against cuts which are said to address welfare cheats. Balancing one against the other seems to me a horrendous thing, especially since the blowout in the cost of offshore processing is even more significant than the costs which are said to be those of bringing the Syrian refugees here, which I am not clear what those costs, although highly significant in amount, are intended to cover.

I note that the draft report refers to improving the effectiveness of settlement services. I would like to stress very much that I think that this would mean not more services but better focused services and indeed if I had a choice and it was between bringing in say a hundred humanitarian entrants and giving them double the services, I would rather bring in 200 humanitarian entrants and give them half the services. I am probably the only NGO person who would say this, but I think that the current services are highly generous and that it would be better to, as I say, provide them for a greater number of people coming in, rather than provide them quite so generously.

The one exception to this I would make would be in relation to English language training, which I think is absolute - from my experience with working with a range of refugee and humanitarian entrant groups is the most crucial thing. Even for unskilled jobs, it is difficult if your English is very limited because so many unskilled jobs now are in the services area where you do need English language.

As a footnote to that, I would like to suggest that very often when we are bringing people in from camps, there's a long - it's understandably a lengthy process as various checks and so on go on, I have always maintained that we should seriously consider teaching English in refugee camps as part of our foreign aid program, and so that when people are fortunate enough, or if

5 people are fortunate enough, to be selected to come to Australia, they do not arrive with no English expression. I mean certainly some people manage fantastically well. One particular case I know of in Armidale was a girl who arrived from Sudan aged 14, and saying “good morning” and “good afternoon” as the maximum of her English, and she is now a qualified English teacher. But that’s asking a great deal of people to achieve that speed of transition.

10 Finally, this is a very broad economic point, particularly I think in relation perhaps to holiday worker visas, youth unemployment is around the world a cause of very considerable social strains and I think it would be particularly important that whatever scheme is adopted in Australia should make full account of what is happening specifically to youth unemployment. As one of the people, I think, to make a submission from the rural areas, let me add to that, specifically rural youth unemployment.

15 Thank you very much.

20 **MR LINDWALL:** Thank you, Professor Ware. That was very helpful. Could I start with the English, as you were saying. Now settlement services, I think in our report we talked about that as maybe it would be useful to provide to a family of skilled immigrants as well as to the humanitarian intake and we certainly emphasise the importance of English language instruction. I mean it is also about the flexibility thereof. Can you give us

25 guidance on how we might better target English language instruction to the humanitarian and other non-English speaking immigrants?

30 **PROFESSOR WARE:** Well I think if it’s extended so that it includes a broader range of eligible people, particularly in regional areas, that would be very helpful. One of the major problems for us is that we frequently can’t get together a big enough class to qualify for training and people are allowed to have, I think it’s 510 hours, but getting a continuing class, particularly where people - this relates particularly to women who have child-minding responsibilities. Once again, if the class is big enough, they probably can get

35 access to child care but, if not, that’s one of the real constraints.

40 Also some of the changes to the tier VET system have not been very helpful in providing English access to English language training. That said, there are a range of church and other voluntary groups who do very well in providing conversation groups and things like that which, of course, play a double role, because not only do the mostly women who attend get the opportunity to improve their English, they also learn about how the school system works and where to buy second-hand clothes and all these other things that they need to know. So both in terms of socialisation and in terms

45 of English language, this is very important. We find this even in the case, for example, of the spouses of university students in Armidale, that they come along to free English classes which are provided or other English language

social gatherings. Although in the case of some of the Muslim students, we have to provide separate women's groups.

5 **MR LINDWALL:** And the flexibility of the English language instruction, the fixed number of hours per person, is that something that could be improved?

PROFESSOR WARE: Well, some people don't need 510.

10 **MR LINDWALL:** Of course.

PROFESSOR WARE: And some people need more than 510. There's absolutely no question about that, but I think part of the reason the people who need more than that is that they're not - well, in the cases of refugees, sometimes not even literate in their own language. In fact, we have had
15 refugees who have never physically put a foot inside a school and that's a pretty big leap for someone. So they're going to need more, but I think they're also going to need more intensive. They're really not going to do very well in a class. They need more or less one-on-one training.

20 **MS McCLELLAND:** Are you going to move off that, because I have a follow-up question on that?

25 **MR LINDWALL:** No, no, keep going.

MS McCLELLAND: So just in relation to the groups that you thought you could expand it to, the eligibility, who would those groups be?

30 **PROFESSOR WARE:** Well, if as I say there are the spouses of people who come in on various visas, even the 457 spouses, as I say, the spouses of university students is another example of people who come and don't necessarily get English language training. I mean there are economies of scale, such that once you've got an English language class, unless you've got
35 these people who need really intensive training, then adding in a few extra bodies is really not problematic.

MS McCLELLAND: Okay, thanks.

40 **MR LINDWALL:** When you mentioned about the settlement services and how they're fairly generous for the humanitarian intake and you would prefer to increase the intake, rather than spend money on the settlement services, what type of examples could you give at where it's maybe too generous?

45 **PROFESSOR WARE:** Well, I am loath to say "too generous" but, for example, there are other furniture packages and so on and I know that social workers argue that there are reasons for giving people new furniture and, in the case of the refrigerators and so on, I think probably do have to be new.

5 But in terms of furniture, we are endlessly offered very good quality - you know, somebody has changed their colour scheme from red to blue, it's actually much better quality than is paid for under the scheme, and people would be very willing to donate it. So that's an example where, as I say, I do understand there's a social work argument for giving people new furniture. It's supposed to make them feel better but, once again, if you're coming out of a very muddy, very dusty refugee camp, whether the furniture is new or not, probably is not a number one consideration.

10 **MS McCLELLAND:** I had another question about settlement services.

MR LINDWALL: Yes.

15 **MS McCLELLAND:** One of the things we were interested in was extending settlement services to make sure - really to a general labour market introduction to immigrants with a concern that a lot come in and they don't understand our labour market. So that, next to the English language courses, is an area where there's perhaps not even given to people. Would you like to comment on that, please?

20 **PROFESSOR WARE:** I think obviously it needs to be very highly - well, very often highly specialised to the local context of what is available. People do need to know and probably in the first instance people are not able to absorb everything they're told about there being legal regulations and so on and so forth. It's just what they're taught in the camp. You know, they get a two days induction or something in the camps and they're so excited about coming to Australia, they don't really listen to what the induction is about.

30 I mean certainly we have had some experience with employment provision services that really have not understood the background from which people are coming, nor have they made a - I mean some are very good and some are certainly not very good, nor have the less good ones made a real effort to think about what would be practicable. You know, these days even if you're going to hold a "stop/go" pole on a roadworks, you need a certificate of some kind and things like this.

40 So that as we're learning about driving licences, which is a very important thing that people really need to understand about. There are a whole number of basic things. Plus, you know, even quite a lot of these are not just employment. There are also legal things like Australian laws in relation to disciplining children, which is often a great shock to many of the people who come in and they literally don't know that there are laws about such things. So, yes, I think an introduction is very important.

45 I mean obviously in some communities, these things go by word of mouth and the people who are already here explain to the people who come later. In my experience, particularly with humanitarian entrants, that doesn't

necessarily happen.

MS McCLELLAND: I have another question but do you want to keep with yours?

5

MR LINDWALL: No, that's all right. Thanks.

MS McCLELLAND: I wanted to pursue the support you gave. You talked about your loan, but I would like to sort of - if we've got time and if the chair agrees, I would like you to sort of take from the moment - how you decide whom you're going to support and how you do it. So you've got people in refugee camps. Where do you come in and how does - you know, can you sort of take me through a timeline on how it works and what happens, please?

PROFESSOR WARE: Yes. Well, in the first instance we had some connection, although I don't think most of the members are Catholic but the Catholic organisation who had people who worked in refugee camps and so they were referring people to us. Since then - - -

MS McCLELLAND: Can I ask the question: are they people who have been determined by the Australian Government that they come in? Are they people who have been determined as a refugee by the UNHCR? What point?

PROFESSOR WARE: Certainly these are not people who have been as yet - well, there have been two categories of people. When we very first started, there were people in, to me, a form of something close to torture because they were sitting in a refugee camp and they actually had a visa to come to Australia.

MS McCLELLAND: Right. They had a visa, okay.

PROFESSOR WARE: The fact that they didn't have an airfare was the absolute barrier. Since then the situation has changed and whereas we used to certainly desperately try and provide for people who actually had a visa, we then as a number of political and other changes meant that there were fewer and fewer visas available to humanitarian entrants, we started helping people who were actually applying for a humanitarian visa. For a short window of time, we were able to assist them with somebody sitting in a refugee camp in Kenya or Uganda with the paperwork and they applied to Australia. And then if they got a visa, then we could again pay their airfare.

MS McCLELLAND: So you did that through the Catholic organisation that was working in the camps? How did you do that?

PROFESSOR WARE: You mean how did we - - -

MS McCLELLAND: Help them with the paperwork?

PROFESSOR WARE: No, they emailed us.

MS McCLELLAND: Yes, we have electronic communication, don't we.

5

PROFESSOR WARE: I mean it's amazing, the officer at Sanctuary who does this has long and intimate conversations by email with people around the world who have just heard that we're available, you know, a Pakistani in Thailand.

10

MR LINDWALL: They can use Google translate to help, I guess.

PROFESSOR WARE: Yes, or they can find somebody in the camp. Yes, so that hasn't been the problem. The problem more recently is that there simply haven't been visas available and so we find ourselves - we haven't had recent new arrivals.

15

MS McCLELLAND: Okay. So you help pay for the airfare and then they gradually pay the money back to you.

20

PROFESSOR WARE: Yes.

MS McCLELLAND: Can I keep going with this a bit?

25

MR LINDWALL: Yes.

MS McCLELLAND: Are you aware of a program called the Community Proposal Pilot Program, whereby organisations could pay a visa application for an individual or the family and that allowed that family to get a visa more readily? Are you aware of that program and has your organisation considered being part of that program?

30

PROFESSOR WARE: Our understanding was that program specifically did not allow you to make a loan.

35

MS McCLELLAND: I see, so that's why, and you're keen on loans. Yes, I see. So that was your point about the loans. You prefer the loan approach.

PROFESSOR WARE: Yes, our understanding was that under that program you would actually have to raise the cash now.

40

MS McCLELLAND: Yes, you would.

PROFESSOR WARE: And you were actually not allowed to ask the person to repay. I mean we have people repaying at \$20 a fortnight.

45

MS McCLELLAND: Yes, I see. All right. I mean I know that program

was continuing so there is perhaps a possibility of allowing a loan component into it. I don't know. But okay, there's ones that pay off like that. Thanks.

5 **MR LINDWALL:** But that doesn't mean that the people haven't borrowed money from another non-registered source, I guess?

MS McCLELLAND: Well I think that this is community groups paying to bring people out under the CPP.

10 **PROFESSOR WARE:** I mean one of the concerns about say a hybrid scheme that had people - is, of course, as I know to be the case with some Afghani refugees, they have taken out a loan in Afghanistan. If their money is not repaid, their families are at physical risk.

15 **MS McCLELLAND:** Yes.

MR LINDWALL: May I ask about the credit scheme you use. Do you charge interest on the loan?

20 **PROFESSOR WARE:** No, there is no interest on the loan. It's just a loan and, as I say, people negotiate what the repayment schedule will be.

MR LINDWALL: Yes. Do you have many defaults on those loans?

25 **PROFESSOR WARE:** We have had two.

MS McCLELLAND: Out of how many?

30 **PROFESSOR WARE:** Quite a number, in the 10s.

MS McCLELLAND: Yes.

PROFESSOR WARE: It would be less than a hundred.

35 **MS McCLELLAND:** Okay.

MR LINDWALL: But still a low percentage.

40 **PROFESSOR WARE:** Yes, and we are still talking to the two outstanding. I mean naturally enough people understand that if they repay their loan then that means somebody else can come. That said, of course people are also frequently sending back money to their family and relatives who may still be in a refugee camp.

45 **MR LINDWALL:** May I ask your view on the proposal that was mentioned in our Terms of Reference that we're asked to examine and, of course, it's in the context of a price-based scheme, but specifically it said that

“individuals or groups in Australia could, if they wished, pay a certain amount of money to provide a visa above the humanitarian intake quota to bring people in as humanitarian immigrants”. Would you support or oppose such a scheme?

5

PROFESSOR WARE: I’ve got quite mixed feelings about it. I think one would need to be very careful that it was not too expensive because, as I say, if you can imagine somebody who is sitting here and their mother or their daughter or even their niece of whatever, sitting in a refugee camp, the incentive to bring them out - if somebody said to them, “Well, if you pay this, you can bring them out”, would mean that these people would be starving themselves. I really mean that, they would be. I know already of people who don’t eat adequately because they’re sending nearly all of their money home.

10

15

When DIAC was discussing something like this, we felt that a maximum of, say, 20,000, otherwise I think it would be at both ends - I mean I would rather it was much less than that, but I think it would be so open to exploitation, both here, you know, with loan sharks in the country of origin and people of dubious probity in Australia too. I think it would be a very difficult issue, particularly for refugees and humanitarian entrants who are going to be desperate to bring in close relatives.

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25

MS McCLELLAND: Is it possible for you to sort of give us a little bit in writing about how many people that your group has assisted over the time and what’s happened to them? That would be very, very useful for us for our final report. It’s a different kind of scheme. And also whether you’re aware of whether any other groups in Australia are doing something similar to you.

30

PROFESSOR WARE: Yes, there are a group of Sanctuary groups and they work rather differently. For example, the Sydney one only provides loans and is run, as I understand it, by a former banker. Like us, it doesn’t charge interest but it is - - -

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MR LINDWALL: A loan scheme.

PROFESSOR WARE: - - - a loan scheme.

MS McCLELLAND: Yes.

40

PROFESSOR WARE: Other people have schemes, Coffs Harbour being one place in point, which provide both a loan and, as we do, we meet the people when they come to Armidale. We take them shopping. We make sure they’ve got warm clothes if it’s winter and do things like show them where Centrelink is, take them to the schools, all that introductory stuff. We are still, for example, running a homework scheme so that the children get better education access for some of the refugee and humanitarian - and as it happens, some of the university students’ spouses and their children.

45

5 I would obviously have to ask my colleagues but I am sure that they would say yes, that we'd be happy to present a written submission. We will put a big footnote across the bottom saying the reason why we haven't done more is because we can't get more people who are able to get visas.

MS McCLELLAND: Yes.

10 **PROFESSOR WARE:** I mean we have people on our books as of now who sadly are never going to - well, it would appear are never going to get visas.

15 **MS McCLELLAND:** So would the department be aware of your work and if we ask the department for some assessment about how many such groups are doing these sort of things, would that be a way that we can get broader information about it?

20 **PROFESSOR WARE:** I can certainly provide a list of the other Sanctuary groups in the submission. As far as I am aware, that's the most - the Refugee Camps of Australia would probably have some of the best idea of what other groups - - -

MS McCLELLAND: Yes, and maybe the Settlement Council too, who's coming to see us. Thank you.

25 **MR LINDWALL:** The major use of the loan is for the airfare to Australia; is that correct?

PROFESSOR WARE: Yes.

30 **MR LINDWALL:** Are you able to negotiate lower prices for fares, because obviously that's the burden that the person has to repay.

35 **PROFESSOR WARE:** Yes. We do this through the International Organisation for Migration and they provide the best fares possible.

MR LINDWALL: They do, yes.

40 **PROFESSOR WARE:** So they do the negotiation on the fare and everything and we just write a cheque for it essentially.

MR LINDWALL: Could I explore your idea - unless you've got more - - -

MS McCLELLAND: No, you're good.

45 **MR LINDWALL:** Your idea of having quotas by country of origin. Now, the United States has a lottery scheme, a diversity lottery scheme, which has quotas for countries that are higher for those countries that have fewer

immigrants going to the United States, so it's not something that is out of the left field in the sense that it hasn't been considered. You could imagine that what you are effectively saying is that if you don't have quotas, there is the risk that too much of the overall quota will be taken up by a particular country or a particular racial group or cultural group, and that would be at the detriment of the social cohesion. Is that the logic behind it or is there another reason?

PROFESSOR WARE: No, it is basically a question of social cohesion and in the broader sense, a perception of fairness. You know, if for example a certain fee was introduced and everybody - almost everyone was coming from one country, I think that would have very detrimental public effects so that people would really feel the country was being bought by - Australia was being bought by that country.

MR LINDWALL: Yes, yes. How would you - have you given thought about how you would allocate the quota? Would it be simply a fixed number divided by the various countries around the world or would it be based upon the immigration experience from different countries to Australia, such as the diversity lottery used in the United States?

PROFESSOR WARE: Yes. Well, as you have indicated, the US lottery has the advantage that we know that it works. I think in several places in your draft report, you've kind of suggested that maybe Australia doesn't want to be the first country in the world to try out a number of things.

MR LINDWALL: Yes.

PROFESSOR WARE: So, you know, an overseas model that works is always encouraging, not necessarily always suited to Australian conditions. Yes, I mean I think there might be an element of previous history of migration and I am assuming this would be within a scheme where, for example, people still had to have skills in English language. So that may sort of operate as a balancing factor. Countries that might provide more people might have less English and so on. I just think it's something that the government certainly needs to keep an eye on and not be sort of taken by surprise by introducing something that creates a gross distortion to the people who are coming in.

MR LINDWALL: In your notes you also mentioned a balance between male and female or gender-related issues. Is that something you'd like to expand upon?

PROFESSOR WARE: Well, particularly with some cultural groups their objective, particularly if you had you know a significant fee, would be to send one young man in the hope that he could subsequently bring out - you know, that he would get established here, get the job, and then would be the

question of how the relatives he was bringing out would be able to pay for their visa. But because of that cultural pattern, with most of the groups I work with, it would be very unlikely that young women would be sent as the first of a series of chain migration. I think that would again run the risk of a social skewing down the line, that if, you know, the first members from a village or a town were always male.

There are significant problems already certainly with some groups who have come here. The women think it's wonderful and the men want to go home. As you could imagine, this can cause dissent within the families. So I think it's important that you don't have a skewing whereby there aren't any young, educated, highly skilled women coming. If you had a significant fee, as I say, families would pay for a son but not a daughter in many cases.

MS McCLELLAND: My question is not on this issue. Did you want to explore that?

MR LINDWALL: No, no, that's fine.

MS McCLELLAND: I just wanted to take up the first point in the notes that you sent that, you know, you think there should be a bit more public information about our immigration program. So would you like to say a bit more about that, you know, what kind of information in what form might be useful and what would be the benefits of it?

PROFESSOR WARE: I think it's important - I was arguing both for information and for public discussion.

MS McCLELLAND: Yes.

PROFESSOR WARE: I have been writing and I am still writing a paper about recent immigration policy and one of the most striking things is nobody discusses it. You know, for a major aspect of Australian society, there's an immense amount about boat people and refugees and asylum seekers and something about 457s, because they have been controversial. But in terms of, you know, whether we're having 190,000 or however many people coming in as a whole, there is virtually no public discussion whatsoever and I - well, certainly in the past I have asked people and when other public opinion surveys have asked people if they know how many people come in, they have no idea.

So I think - it's half humorous that it's suggesting that parliament should spend one day a year - well, you know, should put on a series of little seminars one day a year in which both they recognise the great contribution made by many different immigrant groups but also, you know, this was part of an upgrading of public awareness of who the groups are, how many people come. I mean to give you an example, the working holiday visas, I would

doubt if one person in a hundred in the street knows that there is such a thing.

MS McCLELLAND: Yes.

5 **PROFESSOR WARE:** If you're not personally involved, how would you
know they were working - like for example, that Koreans can get working
holiday visas? I would think one person in a thousand wouldn't know that.
So we have these things and, just as you say, whatever is going to be charged
for a visa, it should be open and transparent. I think that it's a basic part of
10 knowing about our society and understanding how it works, to understand
how many people do come in and that if people knew how many immigrants
there were, they would be far less concerned about how many refugees are
coming in. People just don't understand the proportion between the two and
how many immigrants do in fact come and how little public concern there is
15 about those, for good reason because they're not creating difficulties. Why
should there be public concern.

MS McCLELLAND: When we were starting this report, one of Australia's
well-know labour market economists has suggested that, you know, some
20 sort of annual report on how our immigration program was going which
could lead to some sort of discussion, might be a useful way to start. And it
hasn't emerged since - through our inquiry. So I thought it was interesting
that you had made the comment.

25 **MR LINDWALL:** Do you think the way in which the permanent quota is
set and not the humanitarian quota but the skilled immigrant and the other
permanent classes, the number is about right, or is it too much or too few or
how should it be decided? Do you have any guidance for that?

30 **PROFESSOR WARE:** Well, as you say, it is quite difficult. There is no
simple mathematical formula by which you could say what is the right
number. That said, it clearly does have to take into account employment
situations here. I don't know how you prove it but I think there is a genuine
failure to upskill Australians because we can import skilled labour. I am just
35 statistically wondering how would you prove that. And particularly, as I say,
in the case of youth unemployment, we're in a different category. I work on
why they have coups in Africa and the answer is youth unemployment.
We're not going to have coups but we're still going to have social problems
if we have mass youth unemployment. It is a separate thing to some extent to
40 the overall level of unemployment. So that in setting the annual quota I think
there should be a double - an examination of the general level of
unemployment and a specific examination of the level of youth
unemployment.

45 **MR LINDWALL:** What about the temporary migration programs, 457s,
working holding makers, which are basically outsourced to the private sector
to decide?

PROFESSOR WARE: Yes.

5 **MR LINDWALL:** Is there some other consideration that should be taken or is that sufficient as it is presently?

10 **PROFESSOR WARE:** I think with those I am probably less concerned about the numbers than the exploitation. Certainly in some of the regional areas there has been significant exploitation of people on these visas.

MR LINDWALL: How would you address the exploitation issue?

15 **PROFESSOR WARE:** I think there has to be spot inspection of a random sample of employers.

MR LINDWALL: Do you think that - “punishment” is the wrong word but anyway, the - - -

20 **MS McCLELLAND:** Fines or whatever.

MR LINDWALL: Fines of employers are insufficient?

25 **PROFESSOR WARE:** I think they shouldn’t be allowed to bring in any more 457s, if they’ve been shown not to meet Australian labour laws, then the answer should - I mean they will just transfer it and firm X will become firm Y.

MR LINDWALL: Yes.

30 **PROFESSOR WARE:** Even so, some public shaming of losing the ability to do this should have some impact, as we were speaking earlier about informing people of their rights. I mean I actually think this is something where the trade unions could play a bigger role in going and talking to some of these workers about what their rights actually are.

35 **MS McCLELLAND:** We will be seeing the ACTU about that tomorrow.

MR LINDWALL: Yes.

40 **PROFESSOR WARE:** Perfect.

45 **MR LINDWALL:** I think you said in your notes about the number of highly skilled or qualified people in the world is effectively unlimited, although I have heard other people say that we shouldn’t assume that. There have been times in Australia’s history when we have had to pay immigrants to come, rather than them paying to come here. Are you confident that we can rely on a very strong stream of highly skilled immigrants for many years to come?

5 **PROFESSOR WARE:** Yes, because levels of education in developing countries have risen so significantly and sadly, you know, there are so many countries in Africa or elsewhere, that if you're a highly skilled person, you find it extremely attractive to emigrate. I don't think short of so much disaster in Australia, we will cease to be a very attractive destination, not least because people like the peace here. It's not just an economic decision, it is a decision - as we have people who remove themselves from Sydney to Armidale, for example, because they like the peace of Armidale, the quiet of somewhere.

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15 **MS McCLELLAND:** I actually wanted to follow that last point that you've made. It was going to be my last question, because by and large they don't go to places like Armidale. By and large they go to Sydney and Melbourne and, you know, there's pressure on infrastructure as a result, which we haven't been very good at in terms of our planning models, of responding.

20 We had someone yesterday in Canberra, one of Australia's experts on immigration, suggesting that maybe we should be giving people extra points if they go to a regional area, or giving some incentive to go to a regional area, rather than Melbourne and Sydney. It is a possible way of also, you know, this aged care concern you've got. You know, you've got a concern about the shortage of aged care workers. Anyway, what do you think about the need to provide additional incentives of some form for people to go to regional areas for migration, for someone who is living in one.

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PROFESSOR WARE: It's always a difficult balance between employment availability, which is the sort of critical factor.

30 **MS McCLELLAND:** Yes, precisely.

PROFESSOR WARE: On the other hand, housing is readily available and various other services, sometimes not so much doctors but other services may be quite readily available. If you live in Armidale, you don't know what a traffic jam is. We have two traffic lights. So I know from time to time there have been various schemes that have tried getting people into regional areas.

MS McCLELLAND: Yes.

40 **PROFESSOR WARE:** Even if they start in a regional area, obviously that isn't a guarantee that they are going to stay there. There's what's going to happen with the SHEV visas and so on at the moment.

MS McCLELLAND: Yes.

45 **PROFESSOR WARE:** I think a small points advantage might be a good idea but you couldn't make it a dramatic one because of the employment

reasons, I think.

MS McCLELLAND: Yes, good point. I've got no more - - -

5 **MR LINDWALL:** Did you have, Professor Ware, any final comments you would like to make?

10 **PROFESSOR WARE:** No. Since you have very kindly asked for a submission about Sanctuary, if I do I mightn't have anything to put in that, but thank you very much for your very generous questioning. I hope I have managed to make some points at least on behalf of the humanitarian entrants and of a regional area.

15 **MR LINDWALL:** Thank you very much for coming today.

MS McCLELLAND: Thank you.

PROFESSOR WARE: Thank you.

20 **MR LINDWALL:** Now, we're due for a luncheon adjournment and just be back here at - well, just before 1.30, I think is the correct time. So we will see you back here before 1.30. Thank you.

25 **ADJOURNED** [12.38 pm]

RESUMED [1.28 pm]

30 **MR LINDWALL:** Good afternoon, everyone. We may as well get a start. I'll invite our representatives from the Migration Institute of Australia to come up here. If you wouldn't mind saying your names for the record and the organisation, obviously, it's just repeated in your own words, then if you could give us a little bit of an introduction, about five or so minutes would be great, and then we can ask questions.

35 **MR LANE:** Thank you, Commissioners. My name is Kevin Lane. I'm the Chief Operating Officer of the Migration Institute of Australia.

40 **MR GRANGER:** My name is Jonathan Granger, and I'm the National Vice President of the Migration Institute of Australia.

MR LANE: The MIA, the Migration Institute of Australia, is grateful for this opportunity to appear before the hearing into the draft report of the Commission into the Migrant Intake.

45 The MIA, as the professional association for registered migration agents, is in the unique position of understanding the views and effects of migration from the point of view of visa holders, potential migrants, Australian

employers and the Australian Government. The MIA's views are informed by information and commentary from members, member workshops, surveys of members, meetings with stakeholders such as the Department of Immigration, the minister and his office, state and territory governments, schools assessing authorities, and English-language test providers, in addition to research papers and reports on a wide range of matters to do with migration.

The MIA agrees with the Commission's view that Australia's migration system has largely been successful in both economic and social terms. We also agree that a price-based immigration system would be detrimental to Australia's interests. We would, however, like to comment on the matters which the draft report viewed as having scope for improvement. The first is removing unnecessary barriers to immigrants to labour-market integration.

The draft report identifies the negative effects of poor English-language skills of some migrants, even amongst some of those who have studied in Australia. The MIA believes Australia needs a better system of English-language learning opportunities for both primary and secondary visa holders, perhaps with a focus on workplace English.

The MIA also believes that another barrier to workplace participation is the lack of understanding of Australian workplace environments and expectations, and we believe there should be better opportunities provided for migrants to gain this understanding.

The second point was "improving the effectiveness of settlement services, especially for humanitarian migrants". We agree with the draft report's identification - there's limited information on immigration in government databases. This not only affects the ability to assess the fiscal impact of immigration but it also constrains the assessment of settlement needs of migrants, and we support the Commission's suggestion that this information be enhanced.

The question of settlement services for humanitarian immigrants is particularly relevant at the moment because it raises the question of what funding there will be for the costs of education and training for those who move on to temporary protection visas and SHEV visas in the current months and perhaps years.

The third point was "acquiring a better understanding of the labour market impacts of temporary migration programs and improving the targeting of 457 visas to areas of genuine skills shortages". Apart from the subclass 457 visa and the seasonal worker programs, the other temporary work visas have little or no built-in safeguards against exploitation of workers and migrant workers in these situations need to rely on general workplace legislation, of which they are likely to be unaware. Given that the extent of

misuse of the temporary visa programs is unknown, the effect they have on properly meeting Australia's skills needs is therefore unclear.

5 Regarding the targeting of subclass 457 visas to areas of genuine skills shortages, Australia used to have a regional 457 visa. This had a lower level of requirements and it was abolished because of concerns that, for example, lower levels of English could lead to exploitation or safety issues. The evidence for those concerns is not clear and the concept of a regional 457, we believe, should be looked at again.

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The skills needs of Australia's regional areas are not being well-met by the migration program. Regional concessions have been removed in recent times and, when permanent visas are granted for regional areas, there is no guarantee that visa holders will stay there for the long term. Incentives do not seem to exist or to be effective for them to stay there.

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The MIA recognises that the needs of regional Australia cannot be met through migration alone. However, until Australia improves its training opportunities for Australians and has more-effective regional development strategies, migration remains one of the few means by which regional needs can be met in the short term.

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It was suggested in the draft report that the investor visa streams be abolished. We believe that, while the investor visa streams have weaknesses and could be prone to misuse, there is a case for retaining them, with sufficient safeguards against misuse. This stream can attract genuine applicants who might otherwise choose other countries for investment or for whom the quite stringent requirements in the other business visa streams are at odds with how they wish to work in a global business environment.

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The draft report suggested a more systematic and transparent framework for visa charging. We agree with this. Currently, visa charges seem to be revenue-raising, often from those who can ill-afford it. Partner visa applicants, the majority of whom have skills and education to be of fiscal benefit to Australia, are being charged very highly.

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The report recommends investing in data collection, integration and dissemination to support evidence-based policies. I've referred a little to that earlier. In respect of this, the MIA believes that we need better evidence of the total economic and non-economic costs and benefits of family migration.

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While the emphasis on skilled migration is justifiable, the more skilled migrants Australia gets, the greater the demand there is for family visas, mainly parents and partners, but the current capped annual numbers do not allow that demand to be met and has resulted in very long waiting times; some years for partner visas and decades for parent visas.

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We believe that, while the consideration of economic benefits and costs is important, non-economic benefits are also important and need to be either better researched or better articulated.

5 The MIA has previously proposed that some or all parts of the family migration program should no longer be counted as part of the managed migration program, and this has already happened, with the child category being removed from the migration program numbers since 2015-16. We propose that the partner category be similarly removed from the migration
10 program numbers, or at least the offshore partner category, since onshore applicants are already here with their partners.

 A couple of other issues we'd like to raise is the lack of clarity around the process of determining Australia's skills needs. It's not clear how these
15 needs are determined. For example, the occupational ceiling for accountants in SkillSelect has been halved, yet the three accounting professional bodies say there is a great shortage of accountants. On the other hand, the professional associations for dentists and urban planners have lobbied for the removal of these occupations from the Skilled Occupation List, even though
20 someone else has recommended they be there. The draft report itself described the government's assessment of occupational shortages as "arbitrary". We believe that we should have an independent organisation, such as the United Kingdom has with its Migration Advisory Committee to recommend and give it advice on skills shortages.

25 We have problems with the Skilled Occupation List. The draft report itself identifies issues with the Skilled Occupation List. We believe that the Skilled Occupation List needs to be reviewed and there may be a case for the removal of the Skilled Occupation List and the wider consolidated Skilled
30 Occupation List being used. We also believe that the concept of migrants having skills rather than occupations might be more useful.

 We also have concerns about the use of ANZSCO for migration purposes. It really isn't designed for that. The great problem with ANZSCO
35 is, it is always out of date and doesn't keep up with emerging occupations for which there is a great need in Australia. The use of ANZSCO means that it's impossible to get people through the migration system using that, in some cases.

40 Lastly, I believe that there needs to be a comprehensive review of how the English-language requirements for migration purposes are determined. There is no clarity around that.

45 Thank you very much.

MR LINDWALL: Thank you very much, Mr Lane. You have raised a number of very interesting issues there. I don't know if we'll go

systematically through as much as we can but maybe we should start with the English language - is that a good topic?

MS McCLELLAND: Good start, yes.

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MR LINDWALL: I would like to start, first of all - if you're going through employer-nominated, you need to achieve a competent level of English language assessment and if you go through self-nominated to permanent you have to have a proficient level, a higher level. Can you see any reason for having such disparate levels?

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MR LANE: The competent for the independent skilled is the base level, and proficient English gives you higher points.

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MR LINDWALL: Yes. As far as employer-nominated - you don't need the same level.

MR LANE: That's right, because they're a points-based - yes.

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MR LINDWALL: But would you see any benefit in having them better aligned?

MS McCLELLAND: Is the employer one too low? Can we maybe put it that way?

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MR LINDWALL: Basically, yes, let's put it that way. Yes, given the importance of the - - -

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MS McCLELLAND: Someone has suggested to us that we need, is it, .7 - you know, they should be - what's the - - -

MR LINDWALL: Six, I think it is - five and six.

MS McCLELLAND: It should go to seven - - -

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MR GRANGER: For a 457 visa, you need a five; for a direct-entry permanent employer-nominated, you need a six; then, within the general skilled points-tested visas, you need at least six - you get zero points but you may balance the points out through qualifications and experience; and then sevens and eights. What we've seen with the 457 program, at that very low level, which is what we call vocational English at the IELTS 5, that's been relaxed, as a result of the 457 review, to be an overall five, rather than a strict five on each band.

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The problem that is really fundamental to each of those layers is that, with the exception of 457, they're a minimum level on each band and yet the tests available, which are global English tests, don't tend to have clear data

that indicates that that perfect score is actually an appropriate level of measure. If you look at skills-assessing authorities, they have other measures for that. They may have - Engineers Australia, for example, requires an overall six and six on every band but would allow multiple tests to reach that, whereas immigration is a very fixed tool.

Part of the problem there is that immigration fixes that probably as a convenient tool, as opposed to whether it actually picks the best migrants. What we do see is that a wide range of nationalities, including native speakers, don't necessarily score well on those tests. That's a reflection of the test as opposed to their language skills.

The current test of IELTS has an academic and general module, and the Pearson test which has been introduced is purely academic. The American TOEFL test is a more academic one, too. We've got academic testing for workplace skills. That's where the English requirements are - the argument to just raise them doesn't mean that you're going to get, necessarily, the best skilled worker in a workplace situation. The argument is that you're going to get the best person who's spent enough time preparing for that test. We can see that at a grass-roots level; agents see it all the time with native speakers. I emailed a client yesterday who's an American secondary school teacher; on her TOEFL score she's two bands down on two of the levels, so she has to re-sit the test in order to score the equivalent to the IELTS' 8.

Whereas certain other nationality groups are very good at just preparing for tests, in the workplace the reality is that they don't have the workplace communication skills, which is where the English structure and testing and also the methodology of teaching English is very much geared around university entry and academic English, not so much workplace. That's where we find we're not getting the right connect. As opposed to just raising and lowering demands, having flexibility around them would get a better productivity outcome in the workplace, with also safeguards of at least minimum levels.

MS McCLELLAND: Can we pursue this a little bit more? When we're looking at 4 level, we're talking about - isn't it writing, talking, listening and speaking?

MR GRANGER: Listening, speaking, reading, writing, yes.

MS McCLELLAND: We understand that there are five tests available.

MR GRANGER: Yes.

MS McCLELLAND: You've mentioned three. I can't remember - but - - -

MR GRANGER: The other one is the Cambridge Examination System.

MS McCLELLAND: You say that that's an academic one too?

MR GRANGER: Yes.

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MS McCLELLAND: Anyway, look - - -

MR GRANGER: The other one is very vocational, which is the OET, which is for health practitioners, the Occupational English Test.

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MS McCLELLAND: That's just for health practitioners.

MR GRANGER: Yes.

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MS McCLELLAND: When we're thinking about what we do about this - because we've heard this issue and it's - as you know, we've got an information request we're interested in. For us, we probably don't have the expertise to say there needs to be another test or there needs to be a specific test. We've had a submission from - - -

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MR LINDWALL: ISLPR

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MS McCLELLAND: - - - saying that their test should be there. It seems to me that the issue is whether the process that immigration is using to determine what tests should be available is the appropriate process, because immigration is the one who's saying it, and whether their process picking up the sufficient range, because - you're talking about - you need English to be part of the Australian community, so we've got a basic level, and then you need English to be doing your particular job. They're for - at least two - so you need tests that can do both, don't you?

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MR GRANGER: The test structure is creating a snapshot image of their English on a Saturday morning, in a three-hour-exam environment. One of the things that we see is repeat test-takers. As they start going - with the stressed nature of - their whole life hinges on the outcome of the English test. They've met all the other criteria. You can track it over a period of time, seeing multiple tests - they start coming out with quite different scores from one month to another, which not be reflective of their language skills increasing or decreasing between one month and another. It's to do with stress, psychology and other things within the test.

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There's not an holistic measure - the only real test there that probably would give the most holistic measure of it would be the Cambridge program because Cambridge provides a very specialised nine-week education program pre-that test, at a very high cost involved, but that's probably the only one that actually would overall prepare that person and get a very holistic measure on them. The rest is a very snapshot approach and similar to what

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we've seen over the years with the way in which medical practitioners were assessed through medical board exams, that was a snapshot, which has now moved towards - for registration requirements, more supervised practice, over a period of time, to get a holistic - which was - they were seeing the same problems on that one test environment. They weren't - they were going up and down and backwards and forwards.

That's really where, I think - the argument the MIA has put forward for years to immigration is, at least having - within a period of time, whether it be six months, multiple tests, and then you could score all those scores on the one - across those four bands, you could use multiple tests, which is what Engineers Australia has always adopted, and there's a very strict engineer professional assessment based on a particular skillset - that are - critical to not have incorrect English in the skills for engineers, for example.

MR LINDWALL: It provides an incentive to the person as well to maintain the skills, rather than just study for that particular one test.

MR GRANGER: That's it, yes.

MR LINDWALL: That reminds me of speaking to the Indian High Commission for our previous report, on international education, where people had come from India and had unreasonable expectations about their skills for English and found that they were insufficient for the course which they were studying at a particular university and then had to shift somewhere else.

MR GRANGER: Yes. There's a range of problems. People can score well on a test and not do well in society, and others, who are doing really well in society, don't score well in the test. That's the average(?) we see for the Indian market and we see it with the native-speaker market coming off working holiday visas going into the skilled program but they're not test-fit, is probably one of the ways of describing it.

MR LINDWALL: In the end, a test is a proxy for determining the person's aptitude in a particular skill, English or whatever, and it will never be perfect but I'm sure we can improve it. Your views are quite clear, though, that English-language ability is fundamental for having a successful outcome and successful employment opportunities in Australia.

MR GRANGER: Absolutely, but the way in which we measure that is - to get that right, we get - I don't think the tools are perfect for that measure in the current environment.

MS McCLELLAND: Were you also sort of saying that the way we teach English - were you hinting at something about the way English is taught? Did you want to clarify that?

MR GRANGER: Yes, which is to do with the market demands of international education. English-language education globally follows two main schools of methodology - one is the British-based Cambridge system, and the other one is out of, say, a North American structure - but, if you go into any language college in Sydney or London, they're using the same textbooks. If you take that sort of approach of how English has evolved, the large market demand for the full-fee-paying English-student market globally has always had very much an academic English orientation towards it, because people are doing it in order to go to higher studies. So, that has developed a business model around - the bulk of the market practice is very much around developing towards an academic outcome.

MS McCLELLAND: Yes.

MR GRANGER: While there are business English programs and other workplace-type programs, they're a very small percentage of it and we don't have that higher emphasis - when we look at the international student market that comes into Australia, they're going through an academic program to get into uni. They might score okay to get into the university. When they come out, their academic English versus their real-world workplace English are two quite different things and lot more emphasis on - whether it be from the education authorities, having more workplace English in the actual academic programs and vocational outcomes, business cross-cultural skills all blend into that.

We have some programs with skills-assessing authorities which are for professional use which actually address that quite specifically. They then work on Australian workplace English rather than academic English. That's all a bit too late.

MS McCLELLAND: There used to be a lot of English, I think, I could be wrong - my view is that there might have been more English taught in workplaces than there is now. Is that correct? The ACTU are saying to us that employers should take a greater responsibility here, there should be more English teaching in workplaces. Do you have a view about that or - - -

MR GRANGER: In general, I would agree with that - - -

MS McCLELLAND: - - - any knowledge about whether it's more or less?

MR GRANGER: I haven't seen a great deal of - there are certain large companies that would invest in that but, again, it's the chicken and the egg, which comes first? If someone has got to get through the English to get the visa, they've already gone through the English before they hit the Australian workplace. Therefore the incentive to keep developing that is not there, except for executive-type travel and - - -

5 **MS McCLELLAND:** I was talking about English language when I asked the question about people who have already got a visa and they need something to improve their - it might be humanitarian, but I'll stop there and, if you don't have anything - - -

10 **MR LINDWALL:** No. That's great. As you could imagine, we get people from different viewpoints in terms of the size of the migrant intake, there's a few that have argued - not many, mind you - that there should be open borders and we take whatever comes, and others say that our migration intake - and we're talking here about the permanent intake - is too large, and others are in between. The pressure seems to be, from my observation, in the major cities, Sydney and Melbourne, because of infrastructure as much as anything. We've said in our report that there's no science to how large the intake should be; it's a matter of things such as how good your labour market is, how good your infrastructure provision is, where the people migrate to, the regional areas or the cities, et cetera. Do you have any other thoughts you'd like to add on that, in terms of the size of our migrant intake?

20 **MR LANE:** We really have no expertise in that because, as you say, it involves so many other areas, the environment and general economy, that sort of thing. I think what we could say is that regional areas are not getting the migrants they want because they're going to Melbourne and Sydney, generally, that sort of thing. I think that's a big problem. We've got another problem, which I alluded to earlier, about the balance between the numbers of skilled and family, but that's a different issue to what you're raising there, really. We really have no expertise in what the ideal number should be.

30 It seems, from what information is available, that the government has determined that the current 190,000 is about ideal, taking to - the NOM and that sort of thing but we really would not be in a position to talk much about that, I don't think.

35 **MS McCLELLAND:** Do you think there's a big demand out there for skilled people that means that we could take in a lot more if we had a charge? Given your knowledge of where the immigrants are coming from, do you think there's a huge demand out there that's going to likely continue into the future?

40 **MR GRANGER:** I think so.

MR LANE: Yes.

45 **MR GRANGER:** In sectors such as the services industries, you can identify very clear ones, aged care, childcare, hospitality industry - they're industries that are huge employers, in terms of - - -

MS McCLELLAND: I'm sorry, I mean from - I'm sorry, I should have put it differently. Are there many, many migrants from overseas that are skilled that - - -

5 **MR GRANGER:** That want to come to Australia?

MS McCLELLAND: Want to come to Australia, that are highly-skilled - - -

MR GRANGER: Yes.

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MR LINDWALL: In other words, it's that big pipeline - - -

MS McCLELLAND: I'm sorry, I used the wrong word - "demand" incorrectly.

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MR GRANGER: There are. We compete, however, globally for the best of the best. What we find is that if you - globally, there's a lot of push factors from different countries where Australia is seen as a very prosperous nation, so they do - the demand is always there for a significant number. However, depending on what levels we have - one of the things that we look at is whether or not - under the current settings, are we able to fill those places with the particular occupations that we're looking for or are we going to fall short? We might be able to fill them just with a particular, very narrow bandwidth of them - and whether or not we're doing enough to attract the other areas of occupation - and then what barriers we have that are sometimes too-high a barrier because of a skills assessment authority or maybe it's the way in which - calibration of the points tests and other things is also related too.

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Globally, the general statistics that I've always seen indicate that there's always a strong global movement of people that Canada, us, the UK and US will always be competing for and, over the next 20/30 years, that skills set, if you take the demographics of China and India in particular, and, in particular, technical skills, engineering, health and things like that, will be - as those middle classes grow and the push becomes less, we're going to be in a different position where we're actually going to be really needing to attract them, as opposed to being a very secure place where we can pick and choose, and we need to - - -

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MS McCLELLAND: Do you have a sense about how soon that will happen?

MR GRANGER: I think, sooner than the government expects, to be honest. I think, if we are not taking care of the neighbours in the way in which we manage that relationship with international students and that generation that we can foster, we will then find ourselves not being looked at as favourably as a destination in years to come.

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5 **MR LINDWALL:** On the balance between skilled and family, and, of course, you saw in the report and the data about the outcomes for skilled versus family members, and, of course, skilled does include some family members if they applied originally - in the applicant - overseas - but I thought the main issue in terms of queuing is for the parent visas. Is that true?

MR GRANGER: Yes.

10 **MR LINDWALL:** You're arguing, effectively, that there should be an increase in the number of visas available for parents. Would that be right?

15 **MR LANE:** Yes. As I mentioned earlier, the more skilled migrants we get mean that we've got a bigger demand for family members, especially parents, coming, and partners. You can get your parents more quickly if you use the contributory parent scheme, which is very, very expensive. I think that also relates to your earlier question, the extent to which there's a demand out there to come to Australia. That demand is still there but we sometimes do things that make the place less attractive, by having this wait for your parents, by
20 having business-visa requirements that don't meet people's expectations of being able to work in more than one country and expecting people to be here all the time in certain business streams.

25 The idea we have - I mentioned they took the child visa out of the counted program because that was seen as being very unfair. If you only have a couple a hundred a year and you've got more than that, that's not a very nice situation. That really applies to the rest of the family program, quite frankly.

30 **MR GRANGER:** There's an economic view from the department, which - I think they get the advice from Treasury - at the two ends - the child and the rationale to take them out because they could eventually see them to be counting positively from a tax revenue balance sheet point of view - - -

35 **MS McCLELLAND:** Exactly. Yes.

40 **MR GRANGER:** - - - and the parents at the aged level are counted negatively. That's really when we're just purely focusing on economic modelling on that basis. What we don't see and what we've been arguing along with - same with the partners but, certainly in the parent factor, the non-tangible economic benefit to parents, with the types of skilled migrants we have who want to bring their parents out, is to take the relief on childcare, to create more social cohesion in a family unit and to call Australia home. Those things are not really being modelled at all and arguments are - very
45 difficult to justify to take parents away from that - maybe there are certain parents with skills that will then be economic - prosperous or develop family businesses, bring those skills in.

5 Other areas that we've looked at is also that there's a significant amount
of remittance that goes overseas every year to support the parents from those
skilled migrants, whereas, if they were here together, those remittances
wouldn't be going offshore, they would circulate within the Australian
economy. Fundamentally, what we see - as migration agents, we see those
families because they're our clients, and a lot of them - it's when they have
come through the skilled program, got married and they have those children -
they don't have grandparents in Australia to support those kids and they don't
10 have grandparents in Australia to take the workload off what is now, in most
family units in Australia, both parents needing to work just because of the
general cost of living in the major cities. Those things are of a positive
economic benefit but we can't see the data from government about how to
actually measure that.

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MR LINDWALL: We have certainly argued for more data, yes.

MR GRANGER: Yes.

20 **MS McCLELLAND:** Just on that, where would you - if we're talking about
still having the same number of permanent immigrants - I think you're
essentially saying you might have a few less skilled immigrants, aren't you?

25 **MR LANE:** If they were taken out of the annual - - -

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MS McCLELLAND: Yes, otherwise you've got to increase your - have
more, don't you?

30 **MR LANE:** Yes.

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MS McCLELLAND: You know, so it's got to come from - we want some
more - - -

35 **MR LINDWALL:** It's either a larger quota or - - -

35

MS McCLELLAND: Yes, either a larger quota or we have to change the
balance somewhat. What would you be arguing?

40 **MR LANE:** As Jonathan said earlier, the reason why they haven't taken
them out and let any number of parents come in is because it's judged on
economic, fiscal matters. If you took other things into consideration, there
might be a greater willingness to let them in and it would not have a negative
impact on Australia in all sorts of - - -

45 **MS McCLELLAND:** No. I take your point. I take your point that they
might be still making a contribution. I'm just working out what it means in
terms of the numbers - of how we do the numbers, that's all.

5 **MR LINDWALL:** You don't think that that's implicitly - I mean, the department would probably argue - I don't want to put words in their mouth but they'd say that the government actuary estimated the present value of the costs of a contributory parent is about \$280,000 and they're paying about \$48,000, so the difference is a reflection of the benefits that they provide.

MR LANE: Yes.

10 **MR LINDWALL:** I guess that would be an argument.

MR LANE: Yes.

15 **MS McCLELLAND:** My issue was more how you balance that in terms of the numbers, not that they might not be making a contribution.

20 **MR LINDWALL:** Can I ask about people who migrate? We're not talking here about the humanitarian refugee intake. There are a number of costs they have to - obviously there are migration agent fees, there are transportation costs, there's the cost of perhaps giving up assets they own overseas, there are the initial costs in settling into a new country that are involved in that. Where do you think many if the immigrants in the various categories, other than humanitarian and refugee, source the funds, is it self-generated wealth or is it something they're borrowing, or getting a contribution from other people
25 - - -

MR GRANGER: All of the above.

30 **MR LINDWALL:** Do you have a sense of the range, I mean, in terms of proportions?

35 **MR GRANGER:** Some would have simply saved that money, some may have liquidated assets in order to achieve that outcome, others may have borrowed it through overseas financing arrangements, or, in a lot of cases, depending on the demographic, we see that it's maybe funded by their parents. Certainly, from certain source countries, their parents see them as the investment for their future. Even if they can't get a visa, certainly from that remittance factor, that's where there is a - a lot of the cultures do invest heavily in that child seeking a migration outcome, so we do see that that
40 would come from the family unit back in the home country, and then others, you know, through the employer-sponsored stream, the 457, employer nomination, which is here, working - they would generally just be self-funding that through the two-year transition period that they usually take. They have got a fairly clear idea of what the fixed costs are, so they go and
45 do a savings plan, or you might find some are putting it on credit cards, too.

MR LINDWALL: Yes, of course. Do you have any concerns there, as an

association, about people who have borrowed money at, probably, very high interest rates, effectively, indenturing themselves?

5 **MR GRANGER:** I would say, in particular, within the partner visa program, where the costs have increased significantly - astronomically over the last two years - and they're the particular area that's - the nature of that particular visa, meaning that whoever is funding that may or may not be highly-skilled and well-paid, because it covers everybody, as opposed to just the skilled migrant. Those things, I think - certainly with the increase there, 10 if you add a child on top of the base fee, you could be up to \$9000 of just a visa fee before you start on anything else, compared to 3600 to 5000 on regular ones. There has been a lot more cost impact and that could - in overseas countries, if they're borrowing that or family are having to borrow that at high interest rates, it could be having a significant negative effect over 15 a long-term period.

MR LINDWALL: I wanted to move on to the investor visa before that - your media release said "No support to sell visas to the highest bidder," and yet wouldn't one argue that an investor visa is precisely that? 20

MR LANE: There are other requirements to be met, apart from having the money to invest.

25 **MR LINDWALL:** Not really. I mean, there are no more requirements than under the proposal that we're asked to examine, except the money would go to consolidated revenue in that source, rather than buying various assets in Australia. They still have to go through a security, character and health check, which were the three that were required. I'm curious about the difference between why you would support the investor visa scheme but not a pricing regime. We did reject the pricing regime but we also rejected the 30 investor regime, so I think we're being consistent.

MR LANE: We were objecting to the pricing as a means of getting all migrants here. We think that would be totally detrimental but we think 35 there's a place for some investment opportunities.

40 **MR GRANGER:** The investor visa is not just a fee - pay this fee and get a visa - the criteria is that you have to first determine that those funds are legally acquired, and there's an extremely rigorous test of that, and it encourages people to come into Australia - investment products - to invest and bring foreign investment in. The flow-on effect is not being measured but, anecdotally, one of our members was advising the New South Wales Government and - in that conversation also inquiring, how do they - can see what's happened in the next stage - but the flow-on from that - one client, 45 was a \$20 million investment in Australia and further business assets and development of business.

If it's managed with integrity and it's directed in an appropriate manner, that's a visa that should be designed to encourage significant investment and business activity and bilateral trade relationships.

5 **MR LINDWALL:** On that, I mean, I haven't seen any evidence that it does generate additional investment. I'm sure it - - -

MR GRANGER: Anecdotally, if you talk to agents who are directly in contact with those clients, you can see what's actually happening. From a
10 data-collection and post-migrant outcome, that information is invisible under the current way in which immigration collects - - -

MR LINDWALL: That's because Australia has open capital markets and doesn't have a shortage of investment funds. I don't see any - we did a study
15 on business setup, transfer and closure, and it found that the reason that venture capital, for example, which is often cited as an example, had a shortage of funding, if anything, was the historical poor performance of the capital management funds which have delivered negative returns over many years, so they're not good investments, although that's currently changing,
20 according to our study, and they're becoming a bit larger and they're able to attract funds.

Again, in the end, unless you can demonstrate a net benefit - the people investing are not going to invest in something that is going to provide a
25 negative return. They will invest in something they expect to get a positive
- - -

MR GRANGER: Part of the new change to the significant investor visa is that they're required to invest a proportion into venture capital, which is
30 pushing into that, and one of the disconnects with the visa requirement versus the reality of venture capital is that the visa is for a four-year period of investment but most venture capital firms need at least a five-year or longer period before there's a realisation of returns. The structuring - - -

MR LINDWALL: Again, the finding of our report was that there's no trouble getting money into venture capital, even without those - those visas don't actually add anything to that. The options to invest were in negative
35 returns, which are now shifting. Money will flow to something that has an expected positive return. If it has a negative return, of course people are not going to invest in it, but, if you're going to force them to invest in it, I guess you could argue there's a price to be paid. Surely, then, wouldn't it be better
40 for the government to charge directly a fee and, if it thought that it was important to invest, to invest some of that fee into a venture capital fund? I don't advocate that but that's an alternative to having an investor visa.

45 **MR GRANGER:** Where would that return on that investment be directed? Back to the government or back to the original - - -

MR LINDWALL: It goes to consolidated revenue, it effectively (indistinct) yes. Anyway, they're just some thoughts. We probably should move away from - unless you've got questions on that?

5

MS McCLELLAND: No.

MR LINDWALL: On the social and cultural issues - social cohesion, of course, is fundamental to societal stability and to trust between people and so forth. You've mentioned that our system, as it has evolved over many years, has been generally pretty successful at that. Are there any ways in which we could improve that or are there any areas that cause you concern in the future that need to be addressed?

MR LANE: Some people have voiced concerns - I'm talking about in Australia generally - that we sometimes have situations where - they even use the terms "ghettos" but that really, sort of, implies poverty. We get ethnic groups clustered in certain areas and they come Little China or whatever and people aren't being part of - aren't integrating more widely. It's of interest, the extent to which people are encouraged to do it more widely. If you have a large ethnic group who only need to contact their own ethnic community members, in all sorts of ways in their life, for everything in their life, there's no need to have any wider connection. That's been complained about, maybe not for good reason, but the extent to which that could be addressed is something that really has never been looked at properly, I don't think, trying to engage people in all different areas.

You often don't see some ethnic groups represented not just in government but in other areas of life where you would think that, as a proportion, they might be more well-represented. So, I don't think, as a nation, we're actually addressing ways of maybe improving that integration, if it's seen to be necessary.

MR GRANGER: I think, if we look at where some of those pockets exist within the major urban areas, they tend, historically, to have grown out of groups of migrants coming in which generally came through either - in a lot of cases, under the older systems, the pre-Howard area, where the shift was the opposite; it was 66 per cent family and 33 per cent skilled. Therefore, the lack of skills which therefore led to lack of language skills within the family home and lack of employable skills for those migrants - or they may have had - could be a doctor overseas but they're a cleaner in Australia because of the lack of recognition of their overseas skills and a range of things. Those are the things that I think have created clusters that have become quite insular and developed social problems and a lack of social cohesion, whereas the more recent decade of migration, which has had that focus much more on integration through employment and in particular the pathways that the government does have, which make a lot of sense - the student pathways, the

5 skilled migration, the employer pathways, from temporary to permanent, the pathways from a range of other temporary visas that can then move into that and also now, with humanitarian proposed programs of TPVs and SHEV visas, which are, again, three-year temporary pathways to move in, create a platform that's going to have a much better overall integration over time.

10 That's something that's fundamental to the current success and future success, because there is that emphasis on selection criteria that is based around skills that are based on a set of human capital net-worth criteria that do have better outcomes in terms of employment and, therefore, general socio-economic status for those migrant groups, whereas 30 years ago we had a completely different approach to that. I think, in the current society, we're seeing some of the negative impacts, that that's occurred.

15 **MS McCLELLAND:** Just picking up, though, your point about the safe haven visas and the temporary protection visas, are you clearly saying that those people holding those visas should be eligible for training and - I'm understanding they don't have work rights either. Is that right?

20 **MR LANE:** Yes - no - - -

MS McCLELLAND: They have work rights but not access to education and training.

25 **MR LANE:** Yes. They have access to it if they want it, but, you see - - -

MR GRANGER: Funding is the - - -

30 **MS McCLELLAND:** Sorry? I thought there was some lack of access.

MR GRANGER: Funding will be the question.

MS McCLELLAND: So there's no funding for that?

35 **MR LANE:** Yes.

MS McCLELLAND: Whereas there's settlement services funding for other humanitarian migrants to access education and training, there is no funding for these groups?

40 **MR LANE:** Yes. We're talking about 30,000 - it's the legacy group of 30,000 boat people arriving that are here now - - -

45 **MS McCLELLAND:** Yes. The safe haven and the TPVs.

MR LANE: Yes. The safe haven visa, they can go from that to a permanent visa if they meet certain things but they will often need work and education

for that - - -

MS McCLELLAND: They have to be able to meet it.

5 **MR LANE:** That's right, to do that, and there's no indication about - some of them will need funding for that.

MS McCLELLAND: Okay. I just really wanted to clarify what the gap is that you're wanting to be filled. It's funding, is it?

10 **MR GRANGER:** With the SHEV at the moment, it's only the Tasmanian and New South Wales Governments that have actually signed up, not the other states yet.

15 **MS McCLELLAND:** Yes.

MR GRANGER: We've been having discussions with the New South Wales Government and we understand that they are also in discussion, because it becomes a state, not a federal, matter, to determine the cost of a TAFE course. If someone was to go to regional Australia and decide they want to undertake a mechanics apprentice - and fill a very clear skills shortage in that particular area, which would be ticking all the boxes of successful policy, then, you've got various other regulations, which become state-based; one is the apprenticeships system, you must be a permanent resident to enrol in a formal apprenticeship - - -

25 **MS McCLELLAND:** Okay. So - yes, I mean - - -

MR GRANGER: The other is costing and international - they would still be classified as a temporary visa holder, so a TAFE costing under the state governments' thing would be international student fees, unless the TAFE decided to do other - which would be the state government making that decision, as opposed to the federal government. There are clearly identified areas of conversation that need to be advanced for that to work because, otherwise, 10 to 12 thousand dollars a year to do a diploma of business in TAFE is not viable for that particular caseload.

35 **MS McCLELLAND:** Given the timing, can I just ask, because this has been raised before, before we did the draft report, and we haven't taken it anywhere, if you've got any - could you - if you could give us some further information about what is actually lacking in relation to the temporary protection visas and the safe haven that would make a difference, that would be helpful. I've got some other things but that was just - - -

45 **MR LINDWALL:** Yes. Do you want to talk about flexibility of settlement services?

5 **MS McCLELLAND:** Yes. The other issue around settlement services that has been raised a couple of times has been - first of all, lack of access - maybe the vocational services aren't appropriate, or maybe some of the settlement services are not as effective as they could be and they're being delivered inappropriately; for example, new furniture that's not needed. Do you have a view about the effectiveness of the current settlement services and are they well-targeted to what people need, anything on that, or - - -

10 **MR LANE:** Is this to do with all immigrants or the - - -

15 **MS McCLELLAND:** No, this is more the humanitarian, I think. I mean, the other one, for all immigrants, that we have in our draft report is the access to some labour-market assistance, particularly for the spouses of the skilled immigrants. That's a gap that's been identified. We have suggested that might be a gap. It was really for, I think, the humanitarian, the effectiveness of those services.

20 **MR LANE:** I think some of the services there are fairly ad hoc, depending on the community groups that are assisting in that area.

MS McCLELLAND: Right.

25 **MR GRANGER:** We can certainly come back to you with some information because we can go back to some of our members who are directly involved in that and get some more - - -

MS McCLELLAND: Yes. That would be helpful.

30 **MR LINDWALL:** Particularly about - if there are any particular types of ways in which people are being inflexible in the provision of the services and - - -

MR GRANGER: Yes. Definitely.

35 **MS McCLELLAND:** Yes. Does there need to be more flexibility there? The other ones I had was a little bit more on what you think needs to be done about preventing exploitation, you mentioned that, so a bit more on that. Also, I wanted to ask in relation to your comments about regional settlement. We had a suggestion yesterday, in Melbourne, that maybe we should add
40 points - people who have said they will go to certain - to regions maybe should be able to have more points, you know. I wonder what you thought of that. I've given you a double-barrelled question, which - they're not entirely the same, though.

45 **MR GRANGER:** The second question first, in terms of points and regional - we already have a range of things built in, and have for some time, as those incentives. If you take the general skilled points test - you take the

international student caseload, study in a regional campus for two years gives five points. That's been around for over a decade as an incentive to study in Adelaide, not Sydney - and get five extra points. In terms of the other general skilled visas, we have state migration plans which have two - 489 and 190 visa - which give five or 10 points. Especially the 489, which is a temporary visa, requires you to then move to that regional area and live and work for a two-year period to then advance to permanent residency. So, there's a 10-point reward and incentive to encourage people to move to those areas. So, those within the general skilled migration program are there.

10

There are some concessions with the employer permanent - which we have as a regional - the RSMS 187 visa, but there's also a lot of dysfunction there. One of the things is that that still has the same English-language level of an IELTS 6 for a direct entry - as it is for employer nomination, but it does have a - it has a disincentive of leaving that area because the visa can be cancelled if you don't stay for the two-year period.

15

Overall, the problem with regional is not so much that basic architecture but the federal government's definitions of "regional", of which, under the Migration Act - I think, currently has about seven different definitions, and that itself becomes quite nonsensical in some respects. The work that could be done just around tidying that up within the legislation, to make it more consistent rather than reinventing the wheel, would be a lot more helpful.

20

MS McCLELLAND: Thank you. The other one was - the first part was - - -

25

MR LANE: Exploitation.

30

MS McCLELLAND: Exploitation.

MR GRANGER: Sorry - and exploitation.

35

MS McCLELLAND: Do you have ideas about what we could do to prevent that?

40

MR LANE: In the subclass 457 area, the attempts to prevent that are getting stronger and stronger, and there's much more monitoring and checking with compliance and making sure the sponsors are meeting their obligations, but in the other areas, where people have work rights on temporary visas, there's almost no monitoring of whether workplace conditions are being met, whether it's on a working holiday visa or student visa, and that sort of thing, and, of course, we've seen some classic, awful examples of that in the media in recent times.

45

There need to be, probably, two things: some sort of - again, is it possible for the government or a department to do this, given their resources,

5 ever-shrinking resources, I suppose, to monitor what's going on? There
needs to be, perhaps, a better education campaign too, so that, when people
get these visas, it's very clearly stated what their work rights are and what
they need to look out for and that sort of thing. I think it's a bit of a two-
pronged thing; monitoring what's going on and education, before people get
into that situation.

10 **MS McCLELLAND:** You think the fines, or the punishment, whatever you
want to call it, is sufficient for the employers that are doing it? Don't worry
if you don't have your thinking, so it's not in the front of mind to - - -

MR LANE: Some of them are quite significant fines.

15 **MS McCLELLAND:** Are they? Yes.

MR LANE: I know of cases in the 457 area where employers, even
unwittingly, supposedly have done the wrong thing and they've actually been
hit in many ways with civil penalties and departmental penalties, very
significant amounts of money there, yes.

20 **MR GRANGER:** The problem that occurs is, when someone is on a
temporary visa, it doesn't matter how badly exploited they are, they're very
reluctant to come forward and give the evidence required for Fair Work to
actually take that to the final - to a Court and a conviction. In most cases, it
25 will be, fundamentally, because, whatever exploitation has occurred, there's
always going to be evidence that that person was in breach of their temporary
visa condition. A student visa is going to be that they work more than their
40 hours a fortnight, a working holiday maker, work more than six months
with the same employer, 457 was moonlighting and working for another
30 person. In each of those situations, that temporary visa holder is fearful of
the Department of Immigration cancelling their visa, which is going to be the
usual consequence once all of that is out in the open.

35 We had a meeting - the Fair Work Ombudsman met with the MIA last
week and one of the things that was very positive there was that they're
looking at these same strategies, how do we get in front of these people at a
more grass-roots level, what are those strategies around education, but also
the complex nature of trying to prosecute these employers when the vast
majority of the problems are not so much in the 457 space, which is quite
40 well-regulated - in the student, the working holiday maker space, which is
where people don't want to be coming forward, unless there are quite
significant events - we've seen in the media recently - but that's just
capturing a small, little area. How to fix that is around educating them at the
earlier stage.

45 The Department of Immigration could be more proactive with providing
that information as part of visa-grant information, agents can be more

proactive - we're talking with them about some co-branding ideas with Fair Work and the MIA and our members to be able to disseminate that information because the - otherwise, the working holiday maker has no idea about it because they just go online, get a visa and they're very rarely using an agent to do that, because they're coming through a very simplistic process. Students will get a whole lot of information from their education providers, and it's information overload. It all happens at once, at orientation, so it's all - lots and lots of brochures and they don't quite get it. Somewhere in that space is where there's a lot more work that can be done. It's encouraging to see that the Fair Work Ombudsman is very actively looking in that space.

The Achilles heel to all of that is still the fact that, once it's identified, that temporary visa is usually going to be exposed to cancellation, and that's where some work with the department around their compliance and integrity teams of how to manage that and find discretion to not cancel, if they're trying to actually get that information, and go to the source of the problem, which is not necessarily the visa holder but the employer who's routinely perpetuating that problem. It requires a multipronged approach.

MS McCLELLAND: I also just wanted to ask about the change - you mentioned the limitations of the current tripartite migrant advisory council, I think, you know. It wasn't you? It must be someone else. You're happy with the new migrant advisory council and its - you mentioned changes in your introduction, didn't you?

MR LANE: No.

MS McCLELLAND: No.

MR GRANGER: Not the tripartite, no.

MS McCLELLAND: It must have been someone else. You're happy with the current composition of that council, that new council, and its capacity to do the work on the skills, the CSOL, and so on?

MR LANE: I see; in that respect.

MR GRANGER: We had seen the outcomes - - -

MS McCLELLAND: That's going to be its task, isn't it?

MR LANE: That's right. Yes.

MR GRANGER: At this stage it's a theoretical positive outcome but we have not seen anything that's - - -

MS McCLELLAND: So you'll suck it and see.

MR GRANGER: Yes.

5 **MR LINDWALL:** That's why you were talking about the UK migration
- - -

MR LANE: Yes.

10 **MS McCLELLAND:** I thought you were saying you thought the UK one
was a better one, it was more expert, more able to make the - - -

MR LANE: More independent.

15 **MS McCLELLAND:** Yes.

MR LANE: Yes.

20 **MS McCLELLAND:** And that we have, really, a council that represents
interests but not necessarily the expertise to make the determination
independent and transparent.

MR LANE: Yes.

25 **MS McCLELLAND:** I thought that was your - - -

MR LANE: Yes. I didn't refer to that council specifically because it is a
"Let's see what happens with it."

30 **MS McCLELLAND:** Okay.

MR LANE: Yes.

MS McCLELLAND: All right. So we need to watch it.

35 **MR LANE:** Yes.

MS McCLELLAND: Okay.

40 **MR LINDWALL:** I take note of what you said before about skills versus
occupations.

45 **MR LANE:** One of the problems with that, whoever has mentioned that, is
that sometimes people might study a course of education in Australia because
it will give them qualifications for an occupation, and that actually can skew
things because they - we saw some terrible examples of that some years ago
with cooks and hairdressers and all that sort of stuff that was going on. If
you don't get people because of the occupation - and people's occupations,

these days, change in their lives anyway, so it's really the skills people have and develop that is very important, and a bit more concentration on that might take away some of the problems about having occupations and people aiming for that simply for a migration purpose.

5

MR LINDWALL: Which is basically the point that Professor Glenn Withers made yesterday, when he said that someone such as Brian Schmidt, the Nobel Laureate, probably could not have got in - - -

10

MR LANE: Yes.

MR GRANGER: A large number of PhD graduates do not meet a skilled migration requirement because they generally will come into a generic life scientist not elsewhere classified, yet they're in biotechnology, they're biochemists, a range of things. Currently, I think, it's only really Victoria that picks up some of that with their state migration plan, where they will identify - if you've graduated within the last five years in Victoria with a PhD, then, within most of those science areas, they will sponsor. In general, the principles of the narrow skilled occupation list, which is very vocationally specific, tend to exclude that high-performing PhD. The points test gives them extra points for the value of their qualification but you can't start talking points if you don't have an occupation to open up that whole thing, and the gate for that is the SOL.

25

If you pull back to the CSOL, which is the consolidated use that we use for 457 and ENS, and what the states are allowed to develop - their state migration plans - then you've got that much wider, 200-plus more occupations to develop around. That, to me, is a great failing because they're the ones that we've tried to get the most. We've gone out to market and got them from countries around the world, and most of those PhDs are sponsored and given scholarships by Australian universities. Then, at the end of that, we have to let them go again because we don't have the pathway. Yet, if they've gone and abandoned that beautiful science program and started a two-year master's of accounting, they get skilled migration. That's the crazy aberration that the skilled list is continuing to perpetuate at higher education.

30

35

MS McCLELLAND: The solution is to?

40

MR GRANGER: Expand out to the consolidated list - - -

MS McCLELLAND: The broader list.

MR GRANGER: - - - which is still a list that is controllable, it still has skills-assessing authorities around - - -

45

MS McCLELLAND: Yes.

MR LINDWALL: But you might still have to look at certain occupations which are in oversupply?

5 **MR LANE:** Yes, but we also have the other - the government has the other lever, with the SkillSelect thing, whereby they can put ceilings on occupations and just cut them off. It could stay on a list but not be used because we've worked out we don't need any more of those.

10 **MR GRANGER:** They've got the control to just simply give five scientists an invitation. Because that is an invitational system, the full control of the system is at the government-lever point, so they - with confidence and without the system going out of control - can still manage at a much more micro level, depending on what data they're needing to worry about in the labour market.

15 **MR LINDWALL:** Thank you. Do you have any final comments you wish to make?

20 **MR LANE:** Not really. We're actually quite impressed with the areas that the Commission is looking into, actually, in this because they're things that we've already identified as being very important, so we're happy to continue working with it in that sense, in that respect. What sort of timeframe have we got for getting this further information to you?

25 **MR LINDWALL:** The 18th, Friday, is supposed to be the end of submissions but we can allow a little bit longer than that.

30 **MS McCLELLAND:** Yes, particularly for that additional detail that we're asking about, into the New Year would be fine.

MR LANE: Thank you.

35 **MR LINDWALL:** Yes. We're certainly continuing to engage up to the point where our report is going to government. Thank you very much, gentlemen. Excellent. Thank you.

MR LANE: Thank you very much.

40 **MR LINDWALL:** Ladies and gentlemen, that concludes the proceedings but we do allow anyone else who wants to appear to give a short discussion, if they wish to. Is there anyone who wants to do so? Okay, in which case I will adjourn the proceedings. We will resume tomorrow, in the same location, at 10 o'clock in the morning. Thank you, everyone.

45

**MATTER ADJOURNED AT 2.31 PM UNTIL
THURSDAY, 17 DECEMBER 2015 AT 10 AM**