



Australia India Business Council

**Submission to Joint Standing Committee
on Migration for the Inquiry into
Multiculturalism in Australia**

7 October 2011

Introduction

In 2009 the Minister for Immigration and Citizenship Chris Bowen delivered an important address on the Australia India relationship noting:

*“how Australia has been built on the foundation of migration from around the world, how we have forged a cohesive and thriving society from our cultural diversity through the policy approach we call multiculturalism, and how the Indian diaspora has contributed very significantly to that success, and how we will continue to seek skilled Indian migration to build our nation”*¹

It is both timely and strategically important that the Joint Standing Committee on Migration conduct this *Inquiry into Multiculturalism in Australia*. The Australia India Business Council (AIBC) welcomes the opportunity to contribute to the Inquiry, offering a unique perspective, straddling business and investment interests across Australia and India. AIBC membership is comprised of businesses large and small, operating in Australia and India. The organisation is recognised as an apex body by both the Australian and Indian Governments and plays a vital role in fostering closer economic, cultural and business ties between Australia and India. Since the formation of AIBC in 1986, we have witnessed a maturing of the Australia India relationship. Migration, both temporary and permanent, has been central driver for this deep and strategically important relationship.

AIBC commends Australian Government for their commitment to inquire more deeply into Australia’s multiculturalism. We recognise that the review is conducted in a context of a raft of other important government reforms relating to skilled migration (Deegan Review) and education policy (Baird Review and Knight Review, student visa assessment level review and the ongoing review of Skilled Occupations List). At the bilateral level, ongoing negotiations regarding the Australia India Comprehensive Economic Cooperation Agreement are underway. The Agreement will be important to the movement of people for both temporary and permanent migration as trade and investment are heightened between our two nations. And finally, at a regional level, the recent Prime Minister’s announcement of the Asia White Paper, designed to offer a “national blueprint for Australia at a time of transformative economic growth and change in Asia”² also signifies the importance of the region to the future of Australia.

In this submission AIBC will respond to the four areas requested by the Committee Secretary, specifically:

- the relevance of migration to Australia’s long-term productive capacity;
- the role of migrant communities in generating overseas business and cultural links for Australia;
- obstacles to skilled migrants, and qualified international students, gaining appropriate employment; and
- the difficulties experienced by migrants and humanitarian entrants in establishing businesses.

¹ Evans, Chris (2009) Speech to Observer Research Foundation - Australia and India: a people-based partnership 22 July 2009. Accessed 2 October 2011 <http://www.minister.immi.gov.au/media/speeches/2009/ce090722.htm>

² Gillard, Julia (2011). Media Release: Australia in the Asian Century. 28 September 2011. Accessed 28 September 2011 <http://www.pm.gov.au/press-office/australia-asian-century>

The Australia- India Relationship – People Matter

The movement of people is one of the single most important components of the Australia India relationship. Australia is welcoming more Indian visitors than ever before as tourists, students and migrants. Table 1 outlines a summary of key migration flows and the numbers of people for 2011. The calendar year 2010 accounted for 138,648 arrivals from India which was an increase of 11 per cent on the previous year. The 17 per cent growth of visiting friends and relatives (VFR) segment is attributable to families visiting students in Australia.³ The seven months to July 2011 brought a total of 86,800 Indian visitors, an increase of 7.7 per cent increase on the same period in the previous year.⁴ In 2011 there were 61,549 Indian student enrolments in Australian institutions onshore with the majority in vocational qualifications. Indian student enrolment numbers are down almost 30 per cent from the previous year.⁵ India is an important source of skilled migrants for Australia. In 2011, 12.9 per cent of all skilled migrants were from India, totalling 21 768 skilled migrants.⁶ Indian skilled workers are now Australia's 2nd largest cohort under the 457 work visa, with 1660 workers being sponsored in 2011, making up 17.2 per cent of the overall cohort.⁷ The Australian Bureau of Statistics (ABS) also reports that there are around 234,700 Australian residents self-reporting Indian ancestry in 2006.⁸

Table 1 Migration flows from India to Australia

Migration Flows from India to Australia	Value	Year
Arrivals	138,648 arrivals	2010 (Calendar year)
Education (student visas)	29 721 student visas in 2010 80 340, student visa holders in India	2010-2011
Skilled Migrants	21,768 skilled migrants	2010-2011
General Skilled Migration (GSM)	13,000 GSM	2009-2010
Temporary Work visas (457 visas)	1660 457	2011 (to 31 st July)
Australian Citizenship (previous country of residence of people who were conferred)	17,781	2009-2010
Business (short stage business visa)	22 107	2009-2010

³ Tourism Australia (2011a). India Market Profile 2011 Accessed 6 October 2011 from http://www.tourism.australia.com/en-au/documents/TAINT5812_Market_Profiles_India.pdf

⁴ Tourism Australia (2011b). Visitor Arrivals July 2011 Accessed 6 October 2011 from http://www.tourism.australia.com/en-au/research/5236_6181.aspx

⁵ Australian Education International (2011) DEEWR: Monthly Summary of International Student Enrolment Data – Australia – YTD July 2011 <http://www.austrade.gov.au/search.aspx?articleid=4345&moduleid=8367&sitesection=&sitesectiondescr=&keywords=beverages&pg=8&Keywords=Food>

⁶ Department of Immigration and Citizenship (2011) 2011 Migration Program Report: Program Year to 30 June 2011 <http://www.immi.gov.au/media/statistics/pdf/report-on-migration-program-2010-11.pdf>

⁷ Department of Immigration and Citizenship (2011) Subclass 457 Skilled Temporary Visa Summary Report <http://www.immi.gov.au/media/statistics/pdf/457-stats-state-territory-jul11.pdf>

⁸ Australian Bureau of Statistics (2008) Australian Year Book <http://www.abs.gov.au/ausstats/abs@.nsf/0/636F496B2B943F12CA2573D200109DA9?opendocument>

Relevance of Migration to Australia's long-term productive capacity

There is no doubt that migration will continue to be central to Australia's long-term productive capacity. Currently, nearly a quarter of Australians are foreign-born, the 4th highest in the OECD and more than double the OECD average (11.7%).⁹ Migration has been a key contributor to the social and economic development of Australia's cities and regions and since World War II over 6.5 million people have migrated to Australia including more than 650,000 through refugee or humanitarian programs.

The Productivity Commission reports that migration has been an important influence on Australian society and the economy affecting the size, composition and geographic location of the population and workforce.¹⁰ Australia has a positive net gain of migrants with the number of Australians leaving far below those selecting Australia for permanent and temporary stay.

Table 2: Inflows of Foreign Population into selected OECD countries (Australia only)¹¹

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	(Thousands)									
Permanent	107.1	127.9	119.1	123.4	146.4	161.7	176.2	189.5	203.9	222.6
Temporary	224.0	245.1	240.5	244.7	261.6	289.4	321.6	368.5	420.0	474.8

Net Overseas Migration (NOM) currently accounts for around 54 per cent of Australia's population growth.¹² This is significantly lower than recent 70 percent growth in the recent past, with the Department of Immigration and Citizenship noting that the current level is "more consistent with historical contributions to population growth averaging between 45 and 50 per cent".¹³

Over the past decade, as with every other advanced OECD country, the demand for skilled migrants has grown. Similarly, over the past decade Australia's migration policies and programs have been tested and as result have been adapted and in some cases completely overhauled. During the 2020 Summit the issue of population policy and Australia's migration program was considered as an important issue throughout all of the thematic area discussions. The Summit concluded that "Australia could have a population policy and immigration program that works truly in the national interest and that is a model for the world."¹⁴

Not only does migration contribute to workforce needs, there is also ample evidence of diaspora communities building long term and sustainable trade and investment relationships, important social and cultural benefits. The Productivity Commission Report acknowledges that, "some effects of migration are more amenable to measurement and estimation than

⁹ OECD (2009) Country Indicators at A Glance

¹⁰ Productivity Commission (2006) Economic Impacts of Migration and Population Growth

¹¹ OECD (2009) Stocks and flows of immigrants (2000-2009)

¹² NOM is the net gain or loss of population through immigration to Australia and emigration from Australia

¹³ Department of Immigration and Citizenship (2011) The Outlook for Net Overseas Migration May 2011

¹⁴ 2020 Summit (2008)

others. Effects that cannot be reliably measured or estimated might still be significant”.¹⁵ With positive NOM comes increased pressure on hard and soft infrastructure in the Australian community, these matters must be adequately dealt with by all levels of government.

The migration of Indian nationals to live and work temporarily and permanently in Australia will continue to rise. The Indian diaspora plays an important role in Australia India trade, investment and cultural relations. The 2011 Australian Institute of International Affairs (AIIA) National President’s Roundtable noted that “the growing number of Indians who have settled in Australia will continue, as will their influence across Australian society in years to come. This is a potential force for improved understanding.”¹⁶

Australia's productivity and innovation has stemmed from inward migration and will continue to do so into the future. The modeling conducted by Skills Australia and Access Economics suggests that in 2015 we will need at a minimum 35,000 labour market entrants with qualifications and skills and at a maximum 240,000.¹⁷ Australia simply does not have the manpower, in terms of both skilled and non-skilled labour, to meet market needs.

With regard to the *relevance of migration to Australia’s long-term productive capacity*, AIBC calls for:

More research on the specific and unique characteristics of Indian migration as a contributor to Australia’s productivity;

Investigation into the potential impacts and benefits of continued Indian migration on Australia and how this can best be managed.

¹⁵ Productivity Commission (2006) Economic Impacts of Migration and Population Growth

¹⁶ Australian Institute of International Affairs (2011) National President’s Forum: ‘India 2020’ 24 August 2011, Parliament House, Perth

¹⁷ Access Economics (2009), *Economic modelling of skills demand*, Tables 9.1 to 9.3 (rounded figures). The figures represent the annual average number of qualifications projected in the five years before to 2015 or 2025.

The role of migrant communities in generating overseas business and cultural links for Australia

The role of migrant communities in generating overseas business and cultural links is significant, yet often hard to quantify. Many countries that are experiencing significant growth like China and India rely on personal relationships and trust built up over many years, migrant communities provides the opportunity to build trust and trade quickly and to provide better cultural and business understandings on both sides.

There is considerable presence of Indian retail and hospitality business activity in Australia, making sizable economic contribution. The introduction and access to Indian cuisine in Australia has literally changed eating habits of modern Australians. The Diwali festivals in major cities again are important cultural events, celebrated with pride and inclusiveness.

The Indian business community in Australia is strong, well connected and has a commitment to contribute to both nations. The presence of individuals of Indian ancestry in broad fields such as academia, health, education and information technology is numerous and wide. Equally, although often less celebrated, the contribution of Indian migrants in service sectors such as hospitality, tourism, transport and administration roles are significant. Given the structure of the Australian economy this contribution should be both welcomed and recognised. Unfortunately, the flip side is that a number of migrants from India are significantly under-employed and are under-utilised in relation to their professional or technical skills. In many examples, this is not by choice but through lack of recognition of foreign qualifications in Australia and also tight employment markets for migrant workers.

AIBC calls on the Australian Government to lift resourcing and support for programs and research that better inform and educate the broader Australian community regarding the benefits of a multicultural Australia, specifically deepening the understanding of India and the role of the Indian migrant community. In terms of ongoing trade relationships, the Australian Trade Commission (Austrade) has a vital role to play. AIBC commends the government on its continued investment in the Austrade network in India, with enlarged missions in Delhi, Mumbai and Chennai and in a number of other regional cities. We recognise that part of AIBC's mandate is to build and cultivate overseas business and cultural links between Australia and India. We welcome new ideas and partnership from the Australian Government and State Governments to be able to deliver on this mission.

With regard to the ***role of migrant communities in generating overseas business and cultural links for Australia***, the AIBC calls for:

Continued investment from the Australian Government in the Austrade network in India;
Enhanced access to bilateral education and cultural programs that extend cross cultural understanding between Australia and India;

Continued research into the role of the Indian diaspora in generating business and cultural links for Australia in India

Obstacles to skilled migrants and qualified international students gaining appropriate employment

Australia is considered a world leader in research into migrant settlement support. Employment and social outcomes for new migrants coming to Australia are also considered above average when compared to other OECD countries. Yet there still exists a range of obstacles to skilled migrants and qualified international students gaining appropriate employment in Australia. Effective use of immigrant skills is a highly visible and sometimes volatile process with significant community and political interest. Skilled migration is critical to Australia's economic development. There may be a tendency to focus just on the numbers. But this is a mistake. It is not a numbers game. It is a human issue – impacting not only the skilled migrant, but their broader family and community, and in some cases the diplomatic relations between two countries. The Indian student crisis in 2008-2009 illustrates the high stakes involved and the importance of government policy and community infrastructure to support temporary residents during their stay as skilled migrants and or as students.

Obstacles to skilled migrants gaining appropriate employment

Research confirms that English language proficiency of skilled immigrants is a key factor in determining their ease of settlement and their labour market success. The issue of transferability of skills is a significant issue in the Australia India context. For licensed and high risk professions recognition of credentials is a sensitive issue and one that is often managed across state and federal government jurisdictions and with external licensing bodies. This can make the ability to gain appropriate employment very difficult. Despite significant reform the process for gaining skills recognition in Australia for qualifications gained overseas, particularly at a trade level, is complicated.

The changes announced in April 2009 to the subclass 457 visa program have been, on the whole, welcomed by Australian industry. AIBC members have reported positively on the improvement of the processing times and ability of the 457 program to support skills needs. After the United Kingdom skilled workers from India are the dominant holders of 457 visas, working as managers, professionals, technicians and trade workers in fields such as construction, health care and social assistance, and information media and telecommunications.¹⁸ Introducing formal skills assessments for all 457 visa holders was also a welcomed move. AIBC members have also commented on the initial success of the introduction of Enterprise Migration Agreements (EMAs), to further enhance skills for the resource sector. Major Indian investors active in the Australian energy, resources and mining sector have welcomed the EMAs to support access to the skills needed for large scale resource projects. The EMA model is a good example industry leadership and partnership in securing high quality, well regulated skilled labour. The National Resources Sector

¹⁸ DIAC (2011). Subclass 457 State/Territory summary report: 2010-11 to 30 June 2011 Accessed 6 October 2011 from <http://www.immi.gov.au/media/statistics/pdf/457-stats-state-territory-jun11.pdf>

Employment Taskforce (NRSET) success in securing the EMA model should be investigated for other sectors and priority areas.

Employment outcomes for skilled migrants in regional communities and under employer sponsored programs are increasingly in the hands of State Governments, who manage regional and state based migration plans. This is an area that requires continued assessment and vigilance to ensure that all states and territories are implementing well planned migration programs. Woolgoolga in New South Wales represents a good case study on early and recent Indian immigration to Australia. Almost half of the Woolgoolga population is made up of Australians of Punjabi and Sikh ancestry who began arriving in the 1940s. The Minister for Immigration and Citizenship cites the community as an “excellent example of how people in Australia live harmoniously and productively, irrespective of their cultural origin”.¹⁹ In recent times, the local TAFE institute has designed a horticulture program for former international students and skilled migrants from India to also work and contribute to the local community.

Obstacles to qualified international students gaining appropriate employment

Over the past decade India has grown to be Australia’s largest source of international students. The policy context for international students in Australia has been considered in detail by the recent release, and government response to, the Strategic Review of the Student Visa Program 2011 (Knight Review).²⁰ The Knight Review will impact future international students from India enrolling at all Australian institutions, with significant streamlined processes and post study work rights for those studying at a bachelor’s level at an Australian university. This is welcomed as a positive step forward. The significant commitment to attracting post graduate students to Australia is also welcomed. However it should be noted that we still have over 80,000 Indian students on student visas and many more graduates who have completed programs of study in recent years. This cohort remains in a precarious position regarding future study, work and living options. Whilst AIBC recognises that the Government makes the final determination on who is able to enter and stay in Australia we urge consideration and compassion for those students impacted by the continued policy changes. The Knight Review is silent on this. The consultation currently being conducted by Skills Australia on the 2012 Skills Occupations List will also have an important bearing on the outcomes for skilled international students from India seeking to continue to use their skills in the Australian labour market.

The success of former international students, with qualifications from Australia being engaged in the Australian workforce is high. International education, with a migration pathway is a good investment for Australia. However there are significant and structural barriers to former international students gaining appropriate employment post study. AIBC welcomes the trial of innovative approaches to mentoring, internships and other programs to

¹⁹ Evans, Chris (2009) Observer Research Foundation - Australia and India: a people-based partnership
http://parlinfo.aph.gov.au/parlInfo/download/media/pressrel/H4UV6/upload_binary/h4uv60.pdf;fileType%3DApplication%2Fpdf p. 3

²⁰ Strategic Review of the Student Visa Program 2011. Accessed 6 October 2011
<http://www.immi.gov.au/students/pdf/2011-knight-review.pdf>

support the transition from education to employment. Education providers have an obligation to prepare students for the workforce, whether that is here in Australia or globally. This may include support for job services and job placements. Australian providers should be focusing strongly in this area to support students' success in gaining meaningful employment post studies.

In a recent FICCI report Minister Ravi indicated that the relationship between India and Australia is primarily built on education. He also outlined some aspirations for focus on international education in the health and medical professions. He outlined plans for India to introduce measures to provide voluntary opportunities for Indian students and skilled migrants to register for tracking their location and other matters; and that as always India would encourage Australian immigration authorities to discuss immigration policies with major source countries.²¹ The recent issue of Indian students' experiences in education in Australia has highlighted just how important the education and skilled migration is to the Australia India relationship. Michael Knight personally visited India during the review period, this visit was welcomed and seen as an important step in seeking to understand the dynamics of the Indian student market.

With regard to the ***obstacles to skilled migrants, and qualified international students, gaining appropriate employment***, the AIBC calls for:

More research into the experience of qualified international students from India transitioning to employment both in Australia and overseas;

Improved access and models of skills partnerships between Australian training providers and Indian training providers or industry partners to prepare develop skilled workers;

Improved consultation between Department of Immigration and Citizenship, education providers, agents and students on the changes to migration policy;

Support for the transition of former international students cohorts from India who are negatively impacted by changes to immigration policy;

Continuation of EMAs and other industry led models to support temporary skilled migration, particularly in support of major energy and resource project developments;

Conduct a pilot study on Australia India skills programs with India's National Knowledge Commission/National Skills Development Corporation

²¹ Parliament of South Australia (2011) Members of Parliament Travel Report 1 August 2011

The difficulties experienced by migrants and humanitarian entrants in establishing businesses.

Researchers have coined the term “ethnic entrepreneurs”, referring to the important role that migrants play in establishing small and large business enterprise in Australia. Compared against other global standards, establishing a business in the Australian context is considered transparent and well regulated. Yet many migrants establishing businesses in the Australian context are not connected to the broader industry and business community. The assumed knowledge of business and cultural practices are not always known and not easily taught. AIBC recognises that we have an important role to play in supporting our members, who may be new migrants establishing businesses in Australia.

Given the fast growing migrant community from India in Australia, the need for tailored and specific advice relevant to the Indian business community will only grow. Tackling this will require a partnership between industry and government to be able to meet the needs of the community and to ensure business success and viability.

With regard to *the difficulties experienced by migrants and humanitarian entrants in establishing businesses*, the AIBC calls for:

Development of new pilot models to support migrants from India to establish new businesses, including access to business mentors from the AIBC community;

Development of tailored and mandatory training programs for businesses being established by new migrants from India;

Commission and publish research into the experience of new migrants from India establishing businesses in Australia and create good business guides for dissemination

Conclusion

The role of people to people linkages in the Australia India bilateral relationship cannot be understated. These are harnessed through the movement of people for tourism, education, skilled migration and business. Over the past decade all forms of migration from India to Australia have experienced growth. This trend is forecast to continue as India’s economy continues to develop. Equally, as Australia continues to experience labour and skills shortages, the need to respond with innovative migration policy will require significant foresight and courage from the Australian Government in implementing new programs. AIBC calls on the Australian Government to offer clear and consistent policies for temporary and permanent residence for skilled and knowledge workers from India who aspire to contribute to Australia. Getting this policy right impacts all other sectors and is vital to the sustainability of open and friendly relations between our countries.