



Media release

Senator Chris Evans

Leader of the Government in the Senate
Minister for Immigration and Citizenship

01.Budget.08

13 May 2008

Record skilled migration program to boost economy

The Rudd Government has moved to ease pressure on employers struggling with the skills shortage by adding an additional 31,000 skilled migrants to the 2008-09 Migration Program.

The Minister for Immigration and Citizenship, Senator Chris Evans, said today the extra places allocated to the permanent skilled migration program represented a 30 per cent increase on 2007-08 when the Howard Government added just 5000 places.

“The permanent skilled migration program is a capped scheme that has not been allowed to grow sufficiently in the past to respond to the skills shortages now faced by employers,” Senator Evans said.

“This record increase in the number of places in the permanent skilled migration program, since the introduction of managed migration in 1947, will help ease Australia’s skills shortage and help fight inflation.”

The increase is further to a special one-off allocation of 6000 extra skilled migration places announced by the Rudd Government in February 2008.

Overall, permanent skilled migration will make up 133,500 places in the Migration Program, which totals 190,300 for 2008-09. The Family stream will be increased by 6500 places to 56,500. This increase in the Family stream includes a boost of 4000 places to the parent visas.

“This significant increase of permanent skilled workers in 2008-09 will ensure a better balance in our skilled migration program overall,” Senator Evans said.

“Australia’s skilled migration program is structured to target skills to meet the needs of the job market by maximising the use of employer-sponsored migration.”

Research has shown that the labour market participation rate for permanent skilled migrants is now more than 90 per cent.

“The program also works with state and territory governments to foster state-sponsored migration and uses the Migration Occupations in Demand List to get the right workers into the right jobs,” Senator Evans said.

The increase in the Migration Program from 2008-09 will cost an additional \$1.4 billion over four years for settlement services and ongoing core government services such as health, education and employment services. The additional cost to the Budget will be more than offset by revenues from income tax, excise duty, GST and charges paid by the new migrants, estimated at some \$2.9 billion over four years. The states and territories will be paid \$1.0 billion in GST.

The Rudd Government has also committed \$19.6 million to improve the processing and compliance of the temporary skilled migration program, which includes the uncapped 457 visa scheme.

“This is the first stage of a series of reforms aimed at restoring integrity and public confidence in the 457 program,” Senator Evans said.

“The Rudd Government is committed to ensuring the 457 visa scheme operates as effectively as possible in contributing to the supply of skilled labour while protecting the employment and training opportunities of Australians and the rights of overseas workers.”

Senator Evans said the use of 457 visas to employ temporary skilled migrant workers has grown rapidly in recent years.

A total of 39,500 subclass 457 visas was granted in 2003-04 compared with 49,700 in just the first half of 2007-08.

Senator Evans said the temporary skilled migration program is expected to exceed 100,000 places in each of 2007-08 and 2008-09.

A working party led by Senator Evans and the Deputy Prime Minister, Julia Gillard, and including the Treasurer and Minister for Trade, will develop a longer-term reform package which will be considered as part of the 2009-10 Budget.

The working party will consult with state and territory governments, industry and the unions as well as with industrial relations expert, Barbara Deegan.

Ms Deegan is examining the temporary skilled migration program to address concerns about the exploitation of migrant workers, salary levels and English language requirements in order to improve the integrity of the scheme.

Ms Deegan is due to present her report to the Minister for Immigration and Citizenship and the Deputy Prime Minister in October.

Media contact: Simon Dowding – (02) 6277 7860 or 0411 138 541