



**THE HON PETER DUTTON MP
MINISTER FOR IMMIGRATION
AND BORDER PROTECTION**

Ref No: MC17-005092

The Hon Christopher Pyne MP
Leader of the House
Minister for Defence Industry
Federal Member for Sturt
429 Magill Road
ST MORRIS SA 5068

Christopher,

Dear Minister

Thank you for your representations of 15 March 2017 on behalf of Mr Mark Glazbrook regarding South Australia and the skilled migration programme.

I note Mr Glazbrook's comments about the skilled migration programme and the Temporary Work (Skilled) (subclass 457) visa, and his concerns about the impact of these programmes on South Australia.

The Government regularly considers the settings of the skilled migration programme, and takes all available information into account. Mr Glazbrook's insights and information will be considered as part of this process.

Thank you for bringing Mr Glazbrook's concerns to my attention.

Yours sincerely

Peter Dutton

30/03/17

PETER DUTTON

From: Pyne, Chris (MP)
Sent: Friday, April 7, 2017 3:56 PM
To: Mark Glazbrook
Subject: RE: December ABS population growth stats

Dear Mark

I have received the attached response to my representations to the Hon Peter Dutton, Minister for Immigration and Border Protection.

The Minister has made note of your comments with regard to the skilled migration programme and its impact on South Australia.

The points you have raised will be used when the settings of this programme are reviewed.

Regards,

Christopher Pyne MP

Hon Christopher Pyne MP
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From: Mark Glazbrook
Date: 17 February 2017 at 11:23:48 am ACDT
To: "Pyne, Chris (MP)"
Subject: RE: December ABS population growth stats

Hi Christopher,

The difficulty we have in SA is that the demand we have for jobs in regional areas sits outside the current structure of the migration program, these are jobs in agriculture, horticulture, food processing and food manufacturing or in other situations. Additionally, the eligibility criteria is set at a level which blocks or locks out many employers from accessing the migration program to fill genuine shortages. Introducing a new program or reducing the eligibility criteria for certain visas will have significant benefits to SA, not in the class of what you have done and continue to do for SA, but still very important.

Recently I saw that the Department had a pipeline (surplus) of about 12,000 RSMS (permanent employer sponsored visa) on hand, whereas the migration program only allows for 12,269 RSMS visa grants per year. In 2015-16, 17,356 applications were received which saw a 39% increase (3360 more applications than the previous year). This is why current processing times are taking longer and longer, despite the negative impact this has on those employers who rely on this program to address skill shortages.

As the program is oversubscribed the Department will have no choice but to make significant changes to restrict access to the program or be faced with increased delays in processing and growing backlogs. Currently RSMS applications are given the highest processing priority of all skilled migration visas, however, current processing times have blown out to 10-12 months when you also factor preparation times and getting approval from a Regional Certifying Body (RCB). Despite a 39% increase in demand in 2015-16 the total number of visas available in this program decreased from 2014-15. If we see the same increase in 2016-17 it is likely that over 20,000 people will be applying for only 12,000 visas and as such the pipeline or surplus of applications will continue to grow.

South Australia is currently 5th on the list of jurisdictions that use the regional sponsored migration skills program trailing WA 4909, regional QLD 2647, regional Victoria 1200, regional NSW 1153, we received 1043 grants.

If changes are made to the RSMS program to restrict applications being made in order to reduce program numbers and the backlog of applications (which in my opinion is the Departments only option), then this will have a catastrophic impact on Adelaide and regional SA.

The easiest way to restrict access to the RSMS program is to increase the minimum salary level (TSMIT) on the temporary subclass 457 visa – the fewer amount people who can obtain a 457 visa, the less who will then transition though to a permanent employer sponsored visa. The 457 is a pathway to permanent residency in Australia. Labor have already stated that they want to introduce changes to the Temporary Skilled Migration Income Threshold (TSMIT) increasing it to \$57,000. This was part of their CHAFTA campaign. The current setting of the TSMIT within the 457 visa program is already causing significant problems in SA due to our lower cost of living and lower salaries paid compared to those in larger capital cities Sydney.

Another way to restrict access will be to remove the direct entry pathway to the RSMS visa program. Currently there are two types of RSMS visa, the first is direct entry, the second is transitional. Transitional is where a visa holder must hold a 457 visa for at least 2 years before being able to apply for a RSMS. The problem with having to hold a 457 visa for 2 years before applying for a RSMS is that the TSMIT is already too high for a lot of employers in SA. The 457 programme is not available to those occupations and regions where the market rate for that occupation is below the TSMIT, regardless of demand. In addition to this the list of eligible occupations for the 457 visa is far very restrictive when compared to the list of eligible occupations available for direct entry permanent RSMS employer sponsored migration applications.

Current immigration policy and settings is having a negative impact on population growth and migration outcomes in South Australia. Changes to the temporary 457 program and changes to the permanent RSMS program will significantly reduce migration outcomes and population growth in South Australia. The last time the Department made significant changes to the employer sponsored migration program was in July 2012 and this resulted in a 33.8% decrease in skilled migration to South Australia.

In early 2012, the Department announced its intentions to make significant changes to the program from July 1, 2012. This early notification of proposed changes resulted in an unprecedented increase and surge in the number of employers and applicants lodging applications prior to changes being introduced. From memory there was about 44,000 applicants applying for only 14,000 visas. As a result of this, any new changes to the 457 or RSMS program are most likely to be made with little or no prior warning so that the Department is not inundated with applications like they experienced in 2012.

Having been involved in the Migration profession for almost 20 years (including being a registered migration agent for over 16 years), this has given me an unique opportunity to identify trends in the migration program.

Regrettably, the immigration department is not looking at increasing program numbers as a way to reduce the surplus of applications, nor are they looking at introducing programs or policy to assist businesses and industry in South Australia. Whilst I believe they should be looking to improve processing times and outcomes, their primary focus is ensuring that they balance the immigration program which at this stage is 190,000 permanent residency grants per year, no more, no less. Unfortunately, increased demand and migration outcomes in the top 4 States of Australia will require changes to the migration program to ensure that the Department isn't faced with significant delays in processing and an increased surplus of applications. Unfortunately, such changes will undeniably have a negative impact on South Australia and other similar jurisdictions.

The state that recorded the largest decrease in the state of intended residence as a proportion of the total migration programme over the last decade is South Australia.

There is nothing to suggest that this will change based on the current makeup and structure of the Australian migration program, neither will South Australia's current dismissing population growth, increased net interstate migration loss and growing unemployment. The only way that this can be addressed is by the introduction of a new economic migration program independent of the current employer nominated scheme and regional sponsored migration scheme. Such a program would also have reduced eligibility criteria for international students, international graduates, temporary visa holders, business migrants and permanent employer nominated visas. The program would also require a separate quota of visas.

In response to Pauline Hanson and Dick Smith's calls to reduce Australian immigration to 50,000 from 190,000, South Australia is the perfect example of what will happen to the Australian economy if immigration and population growth are slashed to these numbers.

Whilst Steven and others within the Party support this, changes to the program must be made Federally.

All the best,

Mark

Mark Glazbrook MMIA

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Hi Christopher,

I just looked at some recent population data (June 2016 released in December) and SA has now fallen to only 0.5% population growth – 9,300 people against the national average of 1.4%. This is a steady decline since the heady days of 2009 when population growth was high and unemployment was low/lower.

When compared with March 2016 stats, population growth in SA is continuing to fall – affecting job security and economic prosperity – back in December 2009, we were growing by over 21,000 people.

Date year	SA population growth (12 month growth)	Percentage	National growth
June 16	9,300	0.5%	1.4%
March 16	9,600	0.6%	1.4%
December 5	11,200	0.7%	1.4%
September 15	12,400	0.7%	1.3%
June 15	13,100	0.8%	1.4%
March 15	13,900	0.8%	1.4%
December 14	14,800	0.9%	1.4 %
December 09	21,200 people	1.3%	2% %

Interesting, back in December 2009, with higher population growth unemployment was lower at about 5.5% - In June 2016 when population growth is 11,900 people less per year, unemployment has increased to 6.8% (August 2016).

September 2016 ABS data should be released around the end of March 2017, based on current trends it is most likely that population growth will continue to fall to around 8,400 – that is significantly less than our growth in 2009 less than a decade ago and no wonder unemployment levels continue to rise in SA and we are seeing record numbers of South Australians departing SA and our regionals continue to face enormous pressure due to depopulation of our regional centres.

Even the ACT is now growing faster than SA, for the year ending December 2016, the ACT recorded 1.3% growth. While this only equates to 5000 people, less than our 9,300 – it is important to remember that the ACT is 4 times smaller than South Australia. Comparatively, that would see their growth exceeding 20,000 if they were the same population base as SA – how is this possible.

Victoria is charging ahead at 2.1% or 123,000 in the next 2 years Victoria will grow by almost 250,000 people, we will be lucky to grow by 17,000 during the same period. That's a lot more construction jobs and apprenticeships.

Comparing the combined growth of the top 4 States to the bottom 4, looking at Australia's total population growth of 327,000 last year – Vic, NSW, QLD and WA grew by 320,000 whilst SA, Tas, the ACT and the NT only grew by 17,000. WA, the smallest of the big 4, grew by 27,100 people, almost double the total growth seen in SA, Tas, the ACT and the NT.

The gap between the top four and the bottom 4 is growing rapidly. Growth in the top 4 is increasing, while growth is diminishing in the bottom 4, apart for the ACT.

The only way to address these concerns is for an urgent national review of Australia's immigration policy, including the implementation of an economic migration program specifically designed to facilitate and boost economic growth, jobs and training opportunities in low performing jurisdictions and as much as it troubles me to say this, sadly, that includes us.

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/3101.0>

All the best,

Mark

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