

MEDIA RELEASE

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Big city bias in immigration programme hurts regional Australia and will decimate our third biggest export market

This month marks the introduction of the final stages of the Federal Government's changes to the immigration programme that were announced in April 2017. Migration Solutions release a report today called 'Home: right people, right skills, right place, right policy', using research undertaken by the South Australian Centre for Economic Studies (SACES) at The University of Adelaide for an in-depth analysis and commentary on the unintended consequences of these changes for Adelaide, regional Australia and our third biggest export market; international students.

In April 2017, significant changes were announced to the temporary 457 and permanent 186 and 187 employer sponsored visas. These changes now restrict the eligibility of many people, including international students, who would have ordinarily been eligible to apply for a temporary or permanent employer sponsored visa. SACES found that the impact of these changes are detrimental to those businesses and sectors who continue to face a genuine unmet demand for labour, especially in our regions, and to the overall population growth and economic prosperity of South Australia and other regional areas nationally. As a direct result of these changes, the population of South Australia will start to decline within 3 to 5 years and the number of international students is likely to fall by at least 25%, unless changes are made to the overall structure of the Australian migration programme.

"Implementing changes to the entire programme that restrict applications being made, in an attempt to slow population growth in Melbourne and Sydney, is not a sensible or responsible way to manage this problem," says CEO and Founder of Migration Solutions, Mark Glazbrook.

"Instead, we could be use these changes in tandem, to ease population, congestion and affordability concerns in big gateway cities, whilst ensuring that regional Australia is able to attract and retain the best people with the skills required," he recommends.

The South Australian Centre for Economic Studies (SACES) research into the structure of the migration programme and impact on our State presents game changing recommendations that have the potential to achieve growth and prosperity for all South Australians, and the findings are equally relevant for other regional areas of Australia. Backed by the recommendations from The University of Adelaide's SACES research into 'The potential benefits of reforming migration policies to address South Australia's needs', Home proposes to change focus of Australia's immigration programme from 'Human Capital Accumulation' to 'Demand Driven' migration.

Issuing visas to students, temporary and permanent migrants which permit them to live, work and study in a specified area will deliver enormous benefits across regional Australia, fuelling economic growth and prosperity and creating new employment and training opportunities for all Australians. The SACES research found that for every 10,000 migrants, an additional 10,000 jobs are created. It is a proven way to spur economic growth, re-populate regional areas of Australia and to grow jobs.

“I am pretty confident that anyone living in either regional areas or the capital cities of South Australia, Tasmania, ACT and the Northern Territory are NOT feeling the pinch of more and more people every day, with ever-increasing commute times, packed buses and trains, lack of schools and unaffordable housing. We wouldn’t need to look very hard to find a house in Murray Bridge, Renmark or Loxton for \$200,000 - \$300,000 and there are plenty of jobs in the Murraylands that aren’t being filled by locals,” says Mark.

In fact, without the changes recommended within the Home report, the sustainable population target of 2 million by 2027 within the South Australian Government’s Strategic Plan is highly unlikely. It is also highly likely that, without these changes to the migration programme, our State’s population will start to decline within the next 3 – 5 years, including a 25% reduction in international students. The same population decline is likely to be reflected in other regional areas, as well as a reduction in international student numbers at universities across Australia.

Another unintended consequence of the migration programme reforms are increased costs to regional employers. For visa grants after March 2018, the majority of SA businesses and regional employers (ie. those with an annual turnover of less than \$10 million) will now pay an additional training levy of \$1,200 for every 457/TSS visa holder they sponsor, with larger businesses paying \$1,800 per annum. For each permanent employer sponsored migration application, the business will pay an additional \$5,000 levy (where their annual turnover is greater than \$10m) or \$3,000 (where their annual turnover is less than \$10 million). There is widespread concern that the levy funds will not be invested in the region from which it was collected, potentially exacerbating the skills shortage and reducing training investment in the region for local residents. We are unaware of any forecasting undertaken to anticipate the impact of this levy, nor if eligible training providers exist or have been identified in regional locations.

The unintended consequences for regional Australia, resulting from these changes to the immigration programme, would have been preventable had there been modelling undertaken to assess their impact. Unfortunately, the modelling undertaken was only at the macro level and not on a state or regional basis.

The Report proposed that the answer to immigration reform is quite simple.

“We need the right people, with the right skills, in the right place – but to achieve this, it means we need the right policy,” says Mark.

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