

Submission No.	709
Date Received	13-12-05

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A perfect immigration system would be one that can do four main things:

- 1 Identify skills needed and the number of people with those skills.
- 2 Test them (through agencies arrangements).
- 3 Bring them here. Bring them fast.
- 4 Once here they should work on the skills needed.

The potential problems against this coveted perfect immigration system:

- 1 It is possible to get wrong the number of people needed.
- 2 It is possible that the testing system fail to detect people that do not have the real skills.
- 3 It is possible that the time when they are needed and the time when they arrive differ.
- 4 It is possible that when they arrive they will work not in the field of the needed skills.

How do you REDUCE the likelihood of these potential problems?

Let's create spare labor capacity inside Australia that when required can channel people to cover the skills needed.

How do you create spare labor capacity (unemployment) with out creating social disruption?

If international students outside Australia know that Australia has in place a legislated policy that states that if the economy undergoes a period with a given rate of unemployment and with a given level of inflation then Australia will tap into international students to incorporate them into the labor force granting them the appropriate civilian status, then Australia will be able to attract the best of the lot of international students that are out there being lured by other as well as countries like Britain and Canada. You can increase fees.

International students already in Australia can be incorporated to the labor force immediately. The objection to this is that the kinds of skills that a lot of them have are not the skills needed and therefore they are not good for today problem. I disagree. I disagree because if they do not have the skills needed, they will not be able to find jobs and if they do not find jobs they will have to adjust and look out where the jobs are and, presto, they will channel themselves to the skills needed. On the other hand if they find jobs say in finance or other profession or skill not in demand, then we could conclude that also that was a skill or profession in demand. (As plenty of positions are going unfilled in the state or federal government sector)

A policy like this would give the problem to the people most interested in solving it. Who should solve a problem if not the people that would benefit the most?

The beauty of this policy is that we are trying to solve our problem motivating other people to solve theirs.

(It can be passed into law provision that before a person can get unemployment benefits and the like, he or she should have pay a given amount of taxes)

Then the active role of managing the spotting skills in demand, testing people with the skills, bringing them here and making them work in what they are supposed to work would be reduced by smart legislation and the role will be transferred to, say the private sector. Let's ask the business sector what they think. This is also sending a message to the community, it is saying study hard, Australia has to grow and if you are not ready to compete others could outperform you.

Of course this would be only a policy to supplement actual good existing policies.

For the long term however the problem should be addressed to the root.

Australia needs high productive individuals. Future high productive engineers and the like are actual boys and girls in high school. Let's implement a policy that besides looking to actual engineers looks to the future ones. But how can you tell if one boy or girl is going to be a high productive engineer, lawyer, doctor? The answer is Intelligence Test. Let's implement a process of testing and bringing to Australia students from overseas in their late teens that are ranked high IQ persons by an accredited psychological intelligence test run overseas by Australians in Australian embassies.

I am sure the first group of such individuals arriving to Australia would grab headlines the world over. The expenditure on giving education to outstanding IQ persons should be seen as an Investment. Imagine what would be like to spotting a couple of people that engineered a new product or system. Say Bill Gates would have incorporated Microsoft in Australia. That's thousands if not million of jobs. Millions in taxes. Let's browse the world for people most prone to create growth for Australia.

In developing economies potential high productive people do not have the opportunity to develop themselves. Australia would do its part in conveying opportunity for them. Here again we can observe the principle stated before. Let's solve our problems engaging others in the search of solutions for their problems.

People that understand growth have made the observation that labor is the only factor of production that its price is not set internationally. Capital, credit and commodities do set their price internationally. Eventually it is argued labor will follow.

It is under this perspective that Australia should run its policies. Labor would command eventually an international price. Australia should have that day an array of policies that place the country well positioned to keep competing.