



Senator Chris Evans
Leader of the Government in the Senate
Minister for Immigration and Citizenship

Mrs Julia Irwin MP
Member for Fowler
Parliament House
CANBERRA ACT 2600

Dear Mrs Irwin *Julia,*

Thank you for your letter of 26 November 2009, concerning your request for a response to the petition submitted for the consideration of the Standing Committee on Petitions, regarding migration to Australia.

I note that the petition requests a decrease in immigration, citing the drought, and the lack of housing, elective public health services, and jobs for school leavers and unskilled workers. I acknowledge the Committee's concerns regarding these issues and can inform you that the Government has begun the task of constructing a long-term migration planning framework (LTPF) so that future levels of immigration remain in the best interests of Australia. The LTPF will guide future patterns of immigration in the context of our future labour market and public infrastructure needs and the capacity of our natural and built environments.

To ensure that the LTPF is based on the best available evidence, my Department has commissioned independent research on the long term implications of net overseas migration (NOM) levels to Australia. A team of cross-disciplinary experts from Flinders University are examining the relationships between immigration, population and the built and natural environment within the context of various possible future levels of NOM. Likewise, experts from the Australian National University are advising the Department on the impact of immigration on Australia's labour force.

The development of the LTPF will make an important contribution to our understanding of the optimum levels of immigration and population out to 2050, taking into account all factors including the budget, the environment, our national infrastructure and our social welfare.

It should be noted that NOM includes long term temporary residents, and that these temporary entrants form the largest component of Australia's population growth. In the 1980s, only 10 per cent of NOM was comprised of temporary entrants and today this has risen to almost 70 per cent. The increase is largely due to increased numbers of overseas students and temporary business entrants. Temporary migrants, including international students and temporary business entrants, are performing a vital role in boosting our economy, and are a key reason that Australia has outperformed the developed world during the recent global economic downturn.

When considering the impact of migrants on public hospitals, including elective surgery waiting times, it is important to note that the vast majority of temporary migrants do not have access to Medicare, so do not add pressure on Australia's public health care system. Rather, demand for health care services is growing due to Australia's ageing population, which is creating additional demand for services. The 2010 Intergenerational Report (IGR3) released on 1 February 2010, projects that the proportion of Australia's population aged 65 and over will double over the next 40 years, and will be supported by proportionally fewer working-age Australians.

The 2010 Intergenerational Report also shows that over the next 40 years, immigration can help ease the pressures resulting from a progressively ageing population. This is because immigrants tend to be younger on average than the resident population. The report also notes that with an ageing population, productivity is a key driver of future growth prospects, and immigration will assist in maintaining or improving our living standards through migrants' contributions to the federal budget. In addition, many medical occupations are in critical shortage including anaesthetists, surgeons and emergency medicine specialists, and immigration will continue to play an important role in meeting Australia's skills needs through the General Skilled Migration program.

With respect to the concerns about job opportunities for school leavers and unskilled workers, it is important to note that not all temporary entrants have work rights. International students which make up the largest proportion of temporary entrants have work limitations and are eligible for up to 20 hours paid employment per week. The largest group of temporary migrants with full work rights are highly skilled workers entering under the subclass 457 visa program. These migrants are sponsored by Australian employers who have demonstrated that the skills required are unable to be filled locally. The Government maintains the commitment to prioritise opportunities for Australian workers, and reforms of the skilled migration program aim to ensure that young Australians coming through our schools, TAFE colleges and universities are given the opportunity to fill these vacancies first.

Recent reforms announced by the Government aim to re-position the temporary and permanent programs so they best serve the needs of industry and of regional Australia, maintain program integrity, and meet our economic and demographic goals.

The most important factor in achieving better employment opportunities for Australians is strong growth in the economy. In pursuit of this in the current global economic environment, the Government has undertaken a range of stimulus and nation building measures. The result is that the Australian economy, while not immune from the global downturn, is performing better than the majority of developed nations' economies. At the same time migration is also maintaining the economy's growth momentum and keeping a firm lid on unemployment. This is due to the Migration Program's focus on attracting skilled migrants and the role that migrant spending has in creating jobs.

The Government's first priority, of course, is to provide training and education so that Australians have the skills to address our main labour market requirements. To this end, the Government has implemented its Education Revolution which includes a range of commitments such as doubling the investment in Australian schools to \$62 billion from 2009-12 and investing \$2 billion to deliver 711 000 vocational education and training places. Our immigration programs are closely linked to this process and seek to supplement the domestic labour force only where there remains unmet demand for skilled workers.

With regard to the Committee's concern about the housing challenges many Australians face, you may like to note the Senate Committee report into housing affordability, which was delivered on 16 June 2008. The report makes 32 recommendations, none of which are about constraining immigration as a means of increasing housing affordability. To address Australia's housing requirements, the Government is directly engaging with State, Territory and Local governments in the planning of our cities to roll out national infrastructure and to address issues such as housing approval processes and land supply arrangements. At the same time, the Government is providing \$15.3 billion of assistance in housing programs. This includes \$6.4 billion over three years for the Social Housing Initiative which will boost the supply of public and community housing for people who are homeless, at risk of homelessness or who are on low incomes and paying very high rental costs.

I trust the information provided is helpful.

Yours sincerely

CHRIS EVANS

5/3/10