

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING: 22 May 2006

IMMIGRATION AND MULTICULTURAL AFFAIRS PORTFOLIO

(108) Output 1.1: Non-Humanitarian Entry and Stay

Senator Carr asked:

Are you aware of research on the impact of skilled migration programs on employment opportunities for Australians trained in the blue collar trades? Please provide details.

Answer:

The Department of Immigration and Multicultural Affairs (DIMA) is not aware of any research that examines the impact of skilled migration specifically on employment opportunities for Australians trained in the blue collar trades. However, DIMA is aware of research that finds that skilled migration has a general beneficial effect on the employment opportunities of Australian workers. For example, in his paper “Migration to Australia and Comparisons with the United States – Who Benefits?” (May 2003) Professor Ross Garnaut found that “...for Australia at least, there is a positive effect of population growth on average incomes ... although the standard economic modelling underplays the scale and dynamic effects.” Professor Garnaut also states in the same publication that “immigration with a high skill component tends to raise employment and lower unemployment of low-skilled established Australians”.

Another examination of the benefits of skilled migration is contained in “Human Capital Accumulation: Education and Immigration” (July 2001), by Professors Bruce Chapman and Glenn Withers of the ANU. The paper discusses how per capita benefit can accrue to Australians from population growth, “...especially via skilled labour and with complementary physical investment”. The paper outlines the reasons for these benefits as “A growing market, outstripping capacity, engenders confidence for investment; an increasingly large and skilled labour force ensures the capability to best add value to physical investment; fresh perspectives and new ways of doing things enhance innovation; and a culturally diverse population promotes trade links and global integration”.

DIMA is also aware that unemployment in the blue collar or traditional trades is currently very low at a time when it is projected a significant portion of such workers will move disproportionately into retirement ages. The Department of Employment and Workplace Relations (DEWR) makes recommendations to DIMA every six months as to which occupations should remain on or be added to the Migration Occupations in Demand List (MODL). Listing or removal of these occupations is then accomplished by gazettal by the Minister for Immigration and Multicultural Affairs. Occupations on the MODL attract additional points towards the pass mark for a general skilled migration (GSM) visa. Sixteen trade occupations were added to the MODL in March 2006, bringing the total of trade occupations on the MODL to 42 at that point.