

QUESTIONS

What are the main factors influencing the demand for immigration to Australia now and into the future?

The main and probably the only factor driving demand for immigration to Australia is Immigrants wanting a better life than the one they have in their own countries. The demand will disappear when Australia is no longer a better place to live than their place of origin. Australians will no longer want to bring their relatives. They will leave Australia and Join them in their country instead. There would be no jobs here for immigrants to come for. Even refugees will bypass us as they bypass our neighbours on their way here now. Ref report by Bob Birrell – Reader in sociology and Monash University – published by CSIRO in book titled “Sustainable Futures”. All the other articles in that book are also highly relevant to this productivity commission project.

Is international competition for prospective immigrants a material consideration for Australia’s immigration policy?

No. Individual organisations may need to compete for talent in a labour pool. The national government doesn’t. The organisation can increase wages to attract local talent from other industries or train people for its needs. Immigration policy is not needed and is only used to placate vested interests. Using immigration policy to solve labour issues is the same as tax payer funded subsidies and protection for uncompetitive industries.

Which countries are Australia’s competitors in terms of potential migrants’ destinations?

All countries in the developed world could be seen as competitors but the supply of potential migrants is so large that even if all of them accepted the applicants they wanted or needed, there would still be a huge pool remaining for Australia to choose from. The population of the rich economies is less than a billion. This leaves over 6 Billion people living in the poorer countries the vast majority of who would like to move.

What factors are likely to change the relative attractiveness of Australia as an immigration destination?

I believe there is no factor likely to change the relative attractiveness of Australia. The only very unlikely situation that could do this would be something like a major war here. The key competitive advantage Australia has is its vast wealth of natural resources. That includes minerals, energy and agricultural. These will be used up one day far in the future, but it is more likely something like war would prevent their exploitation, crippling the economy and the ability of the country to function.

What are useful examples of immigration policy settings in comparable overseas countries?

All comparable countries are overwhelmed with demand from people wanting to immigrate. I consider Japan’s settings as the most useful. They have succeeded in stabilising their population. This is the only sustainable situation. The global population can’t keep growing for ever, nor can each country’s population. The source countries of immigrants have always been those that have hit limits of ability to sustain their population and the resulting conflicts there.

What are the current objectives of Australia's immigration policy?

The current objectives of Australia's immigration policy would appear to be, to satisfy various lobby groups such as immigrant groups who want their relatives to come and big business who want cheaper labour and more consumers for their products. Incoming immigrants, skilled or otherwise compete with Australians for jobs making it less attractive for untrained Australians to get training and for the government to spend on training.

What should be the objectives of Australia's immigration policy?

There should be one objective of Australia's immigration policy, that is to make life better for Australians. Any addition of migrants dilutes the share of each Australian in the country's natural resources. There are many options to assist non-citizens to improve their lives other than giving them Australian citizenship. All would be fairer to the pool of applicants than selecting a tiny number of them for the privilege of joining us here. There is a strong case to be made that anything is better than allowing permanent migration.

What do these objectives mean for the composition of Australia's immigrant intake?

This objective means that only temporary migration can be justified. Any other mechanism for assisting families or refugees (send money, pay other countries to take them, etc) would be preferable to bringing them here. Skilled migrants should only come for as long as they are needed, while Australians are trained. Jobs can also be exported if the service can't be provided economically in Australia. Medical tourism and call centres are good examples.

Is the current immigration policy in Australia broadly aligned with the objective of improving the wellbeing of the Australian community?

Current immigration policy is NOT aligned with improving the wellbeing of the Australian community. The Australian community is worse off by any measure from increased population growth due to immigration. Every improvement to the community ever attributed to immigration can be achieved more effectively by other means. The current policy is only aligned with the objective of appeasing vocal lobby groups.

Are humanitarian and altruistic considerations adequately reflected?

All humanitarian and altruistic considerations can be accommodated more efficiently and effectively by means other than immigration. Allowing people to immigrate to Australia does nothing for the millions of their fellow countrymen left behind or to alleviate the cause that created the need for them to migrate. Australia's humanitarian migrant intake serves only to satisfy Australia's need to feel better rather than tackling the problems at their source.

For immigration undertaken for economic reasons, what is the case for incorporating the benefits to prospective immigrants from immigrating into Australia into the objectives of the policy? What trade-offs could such an approach generate for the wellbeing of the existing Australian community?

There is no case for including benefits to the immigrant. The benefits are clearly very great when compared with their prospects in their home countries. The Australian government should not be in the business of redistributing the wealth of Australians to non-Australians. They may wish to seek a mandate to do this but I don't believe this has been an objective before. The benefit to the immigrant, where the justification is economic rather than

humanitarian, should remain coincidental. It is arguable that there is no benefit to the general community, only to the immigrant some short sited individual businesses who want government subsidy and a few large corporations. If the benefit to the immigrant is to be taken into consideration then increasing the intake tenfold or a hundredfold or more would be justified. I don't think any politicians would be willing to take that to an election.

What are the key distributional considerations from the present immigration policy? How could these be improved? How does the Australian immigration system compare to those overseas in its ability to provide net benefits to the Australian community?

The link between immigration and benefits to the community are far from proven. Japan is a good example of a country that has improved the living standards of its citizens without immigration. South Korea could be another. Stopping immigration could be the best improvement. Looking at Distribution, it is clear that the worst affected in the community are those displaced by the immigrant workers. The best improvement again would be to stop them coming.

What is the relevant timeframe for measuring the impacts of immigration on the per person incomes of the Australian community?

The per-person income of Australians is negatively impacted in any time frame. But any responsible management should be assessed on medium and long term timeframes. In the long run, a country built on the exploitation of its non-renewable natural resources will face inevitable contraction when the resources run out. The larger population resulting from immigration will be a big liability when that happens. In the medium term, immigration accelerates the exploitation of finite resources bringing the dividend closer in time but diluting the benefit amongst the higher population and bringing forward the inevitable exhaustion of resources. Any short term benefit is irrelevant given the negative long term implications.

What have been the effects of immigration on the incomes of Australians so far? Which migration streams have resulted in the greatest benefits? To what extent have the effects in Australia been different to those in comparable countries with large migration programs?

The actual effect of immigration on incomes is very difficult to isolate from all the other influences. Incomes may be rising or falling regardless of immigration. Immigrants provide labour. Theoretically, Their labour can only bid down the price of labour provided by Australians. Short term importation of labour may fill urgent gaps in the labour market but should only be a temporary measure while locals are trained. If those workers become permanent then they are reducing the incentive to train locals and so depriving them of those jobs. Permanent immigration can only drive down incomes of Australians. The real income of Australians is further reduced by the increased taxation needed to fund the expansion of infrastructure needed to accommodate the immigrants.

How can the existing migration programs be improved to facilitate greater growth in incomes of the Australian community? What are the domestic policy impediments preventing a more positive contribution of immigrants to the incomes of Australians?

Existing permanent immigration programs don't facilitate growth in income of Australians. There is no model to explain how it could. The oil rich countries of the Middle East use large

numbers of temporary workers (including Australians) when needed but never give them citizenship. A reduction in the permanent migration program would help increase incomes for Australians. Permanent immigrants don't contribute any more (if at all) to Australian's incomes. They mainly contribute positively to their own income. They can drive down the cost of living for Australians in the very short term by forcing down wages, but end up driving it up again in the medium and long term by adding to infrastructure demand and more rapidly depleting non-renewable resources causing tax hikes and inflation.

Is the focus on skilled migration optimal? What are the benefits and costs of skilled versus unskilled migration?

If there must be some immigration then a focus on skilled migration is optimal. It drives down the wages of the highest paid Australians rather than the lowest and reduces the need for the most expensive investment in training. This can also free up some people who would have otherwise learned those skills to do the lower skilled tasks that would otherwise require unskilled immigrants. There is no economic benefit to Australia from importing unskilled labour while unemployment is high. It only pushes wages down and allows or even forces unemployed people to stay on government benefits. Unskilled immigrant workers also compete with pensioners who may want to supplement their income by working. The imported unskilled labour also keeps otherwise unsustainable industries alive, which prevents those industries releasing workers into the labour pool.

What are the advantages and disadvantages of the investment visa classes (investor and significant investor streams)?

The idea of attracting investors assume that more rapid economic growth is beneficial to Australia, that any investment will achieve growth and that the investment opportunities here don't provide adequate returns in their own right so they need to be beefed up with the offer of a visa. None of the above assumptions are proven. Economic growth is more rapidly depleting our non-renewable resources. GDP growth can still impoverish individual Australians. Yield on all investments is bid down by the extra capital flowing in so Australian investors can be disadvantaged. Mixing investment motives with visa motives clouds the real value of both the visa and the investment. The investor visa categories are the best candidates for a charging process where potential investors can bid for the right to invest here.

Should Australia consider alternative pathways for low-skilled migration for low-skilled workers from pacific island communities?

The total number of pacific islanders is not very large. Australia could offer all pacific islanders work rights in Australia in the same way that New Zealanders have work rights. This would be fine if those Islands and New Zealand didn't become back doors into Australia. Since these countries are not likely to give Australia control over their immigration, they (including New Zealand) should be treated the same as all other countries.

What evidence should the Commission use to assess the impact of immigration on government budgets and balance sheets? What has been the impact of Australia's immigration intake on government budgets and balance sheets to date? Which streams are likely to have been net contributors, and which have been net beneficiaries?

The commission needs to look all government expenditure that relates to citizens amenity. That would exclude foreign, defence or anything that is not directly benefiting citizens. This should be looked at on per capita basis. The government's balance sheet should also include a

net present value of all the known reserves of our mineral and energy resources. This NPV should include potential revenue from royalties as well as the taxes from extraction activities. The dilution due to immigration of the per capita value of this item and other government assets should be considered by the commission.

The impact of immigration to date has been to double the infrastructure requirements giving us the huge infrastructure deficit we now have even though we had the biggest boom in Australia's history. All infrastructure needs replacement about every 50 years. If the population doubles in that time (which it has in the last 50 years) then we need to replace it with double the infrastructure capacity each time.

All of the streams have had negative impact on the government budgets and balance sheet. In fact all Australians are net consumers of the countries finite non-renewable resources and the immigrants are no different. Poor immigrants who bring no assets may use more government subsidised resources than rich immigrants. But very rich Australians and immigrants contribute to the depletion of Australia's wealth through greater consumption of goods and energy than the poorer people if not through consumption of more government funded services.

Are the current entitlements to government services and payments appropriate across Australia's immigration streams? Where and how could these be improved?

The best improvement would be to stop immigration. But having allowed people into the country and granted them citizenship, it is counterproductive to deprive them of any benefits available to other Australians. If they are temporary migrants then they can leave if not self-supporting.

What are the key factors influencing the administrative costs of Australia's immigration system? Is there scope to reduce the administrative costs without compromising the effectiveness of the regime in achieving its objectives? If so, how?

What are the key sources of compliance costs for prospective immigrants? What hidden costs do immigrants face under the current scheme?

How would the demand for particular visa classes change if all fees were set at a level that recovered the processing and administration costs to the Australian Government?

In which immigration streams or visa classes are the compliance costs greater than necessary for achieving the current policy objectives and what is the scope for reducing those costs without compromising the integrity of the immigration system?

I don't see any strategic significance to the level of visa charges and admin costs. For all the reasons discussed elsewhere, these will not significantly impact who comes here or the future wellbeing of Australians and the sustainability of their lives.

What are the key urban amenity impacts of overseas immigration? Which of those impacts could be most directly addressed through immigration policy? How could the existing migration policies be improved to reduce the adverse effects, and increase the positive effects, on the amenity of existing residents?

Population growth in general detracts from amenity. Immigration is the largest cause of population growth in Australia. Natural reproduction is a diminishing source of population growth. The increase in population due to immigration impacts on availability of finite resources. Surfers are competing for a finite number of waves at their local beach.

Recreational fishermen are competing for parking spaces at their local boat ramp because of finite waterfront land. They are also competing for finite numbers of fish in the fisheries in their local area. Increased bidders for finite areas of land are pushing up the cost of housing

everywhere. Traffic is increasing on the roads. Waiting times for hospital admissions must increase because of the population growth. Some amenity loss can be temporarily mitigated through good planning and investment but the effect is never permanent. Other affects such as conflict over waves at the beach and increased cost of housing can never be mitigated. There is no positive affect on amenity from immigration. If there is any, it could be achieved by some other means at a much lower cost.

What has been the impact of Australia's immigration programs on the environment? How direct is the relationship between immigration policy and domestic environmental outcomes and how can the latter be improved through immigration policy?

Immigrants as well as every other Australian place a demand on the environment. It is described as an environmental footprint. Each person requires land to grow food, water, living space, energy, etc. Australians in general consume much more than people in almost any other country so moving a person from any other country other than the USA is likely to increase their environmental impact. The carbon footprint is a particularly good example. Australians have a carbon footprint of 16 tonnes per annum. If the population doubles then the carbon footprint needs to be halved in order to prevent an increase in our national contribution to global carbon emissions. Every extra immigrant makes our now difficult carbon abatement task almost impossible, increase the demand for land causing species extinction, increases demand for water in our drought prone continent, increases the demand for finite fossil fuels and adds to our mountains of waste going to landfill and other pollution. Only less immigration can generate any improvements for the environment.

What are the key factors behind the shift from permanent to temporary immigration in Australia? What, if any, policy issues does this create?

It is not correct to say that there has been a shift from permanent to temporary migration. There has been a very large increase in temporary migration without any decrease in permanent migration. This has been at the demand of vested interests. Perhaps most of all it has been because innovative people have discovered loopholes to circumvent the permanent migration restrictions. The tourism lobby pushed working holiday visas to encourage young tourists to use their services. Farmers and manufacturers (or the people smugglers who supply their labour) realised that the workers don't need to holiday in order to work so they now come on temporary visas just to earn money. The academic institutions needed foreign students to subsidise their other activities so those students now come in the hope (and unscrupulous promise) of permanent residency and work more than they study taking up most of the low paid jobs. Large mining investment projects use their leverage to demand more temporary visas to reduce their wage bills and avoid union controls. There is no shift, just a huge increase in temporary visas.

What are the respective roles of temporary and permanent immigration within the Australian economy? How do the impacts of permanent and temporary immigration streams differ?

The family stream is a mechanism to gain favour with swinging voter migrant families. Refugee streams are a tokenistic attempt to meet international obligations and soothe the conscience of bleeding hearts. Both are inefficient and unsustainable. Permanent skilled migration is a short sighted blunt instrument to satisfy vested interests who claim this need. All other temporary migration is just what the vested interests settle for when they can't have permanent immigration. Some temporary migration is clearly useful and as long as the turnover of temporary migrants is roughly constant at current levels then their long term impact is manageable. The impacts of permanent immigration at levels higher than

emigration are physically impossible to sustain in the long term because of the finite nature of all resources.

What is the case for retaining the differential policy treatment of permanent and temporary intakes, such as the use of quotas for permanent immigrant streams, while leaving the temporary immigration uncapped?

Political expediency is the only argument supporting the status quo. All permanent migration should cease or be tapered off to reach a stable population for Australia. Only skilled migrants should get temporary visas with work rights. There should be little need for temporary migration. Visitors always welcome for short periods which don't affect immigration calculations.

What are the factors that the Commission should consider in assessing the interaction between temporary and permanent immigration? Is it likely that, under present policy settings, the number of temporary immigrants will grow more rapidly than permanent immigrants? Should the level and composition of the two streams be jointly calibrated? Do current outcomes strike the right balance in terms of the relative size and composition of temporary and permanent immigration?

The two streams needn't be jointly calibrated or balanced. They can serve separate independent functions. The need for each can be assessed separately.

What are the benefits and costs to Australians of allowing temporary immigration to serve as a pathway to permanent residency? Are there any unnecessary impediments to the immigrants for their transition from temporary to permanent residency?

The best outcome is not to have any permanent migration but where necessary, it would be useful and prudent that all permanent immigrants be given revocable temporary visa status for a period of time.

Are there any lessons (both positive and negative) from other countries on the interaction between temporary and permanent immigration that the Commission can draw on?

Japan's almost exclusive use of temporary migration. The Middle Eastern oil rich countries also use temporary workers only and don't give citizenships to anyone.

What is the evidence that a substantial change to the current immigration regime, such as the adoption of new methods for determining immigrant intakes, is warranted?

There is clearly excess demand for permanent and temporary visas to Australia. Ignoring this opportunity to leverage revenue for the country would be irresponsible.

Would an immigration charge as a primary basis for determining the intake of immigrants be consistent with Australia's current migration objectives? Are existing Australian residents likely to accept the scheme, and would the scheme assist in building public support for immigration?

There is clearly excess demand for all visa categories into Australia so a charging mechanism could overlay all categories without affecting the fundamental objectives. It doesn't need to be the primary basis for determination. Building public support for immigration is not a valid objective in itself and should not be a consideration. The number should not be unlimited and should be determined by a study of the environmental constraints on population numbers. Other criteria can be primary or secondary.

To what extent is it appropriate to consider an immigration fee for the immigration streams currently in place in Australia? Are any of the streams more suited to this policy?

There is clearly excess demand for all streams so a charging mechanism would be useful. The investor visa stream would be the most suited for a review. It would be better replaced with a means test and upfront fee or tender amount payable to the government with no other requirement to invest.

Are there material differences in the applicability of the policy to permanent and temporary immigrants, and what are they?

No material difference. Where ever the demand outstrips supply, there is a case for charging a premium.

Are there any non-economic objectives in the current regime, particularly with respect to the humanitarian and family reunion streams, that could be compromised by a move to charging for entry? How could these non-economic objectives be preserved under a charging regime?

The objectives of the family reunion and refugee programs are clearly not economic. As long as there are quotas on these categories and demand outstrips supply of places, then there is no reason why a charging model shouldn't be used in place of arbitrary selection or first come first serve approach. A move to charging would not any way compromise the existing objectives. Some people will be happier and others will be less happy, but the end result should be the same.

What exemptions would be required to comply with Australia's current international obligations? What is the likely international reaction to Australia introducing such a charging regime?

No exemptions would be required for international obligations. Any unauthorised arrivals or visa overstayers can be excluded from permanent residency. They can be restricted to temporary protection visas. This means that whatever quota of refugees Australia chooses to take from overseas can be subject to charging regimes. The international reaction to this is likely to be negative as it was and is to the turning back the boats policy and Nauru and Manus island programs. This didn't stop the government implementing those programs and shouldn't stop them implementing the charging regimes. The revenues could be channelled to foreign to the foreign aid budget. Australia is far behind its 0.7% of GDP target.

Should the Commission examine the policy scenario as a replacement or as an addition to the existing arrangements?

The commission would be looking at charging as an addition not a replacement. Ideally, both refugee and family reunion visas should be eliminated. Families can assist their relatives in whatever way they wish without bringing them to Australia and refugees can be given other forms of aid to assist them in their home areas or countries of first refuge. This would benefit many more refugees more equitably than selecting a tiny number for emigration.

In a system that primarily relies on charging for immigrant entry, how much control should the government retain over the size and composition of the immigrant intake? How can this be reflected in the design of the policy?

The government must always retain control over the number and composition of immigrants who are allowed to come. These two criteria must be set first, then the charging regime overlaid.

Should the charging arrangements differ across immigrant streams? Should the charge apply on a per immigrant basis or should there be differential charging for those with a spouse and/or children?

The simpler the system, the better. The arrangements may need to vary in some details but preferably shouldn't. A per migrant charge should apply.

Should the investment visa classes (significant investor and premium investor) continue under a charging regime?

The investor classes can remain with a charging system overlaid or preferably can be eliminated and replaced with a simple visa for sale system. Preferably eliminate all permanent visa categories and with them the need for a charging system. There may be an amount of money that some people will pay that is irrational to refuse. (eg. 5million dollars per person fee paid to the government).

What should be the key rights and obligations conferred by the visas issued under a charging regime?

What should be the extent and duration of any limits on access to social security and government services? Should those limits vary across visa streams or residency status? Are there any examples within the existing system, for example, the rights of New Zealand citizens residing in Australia, that could be used under a charging regime?

Visas granted under a charging regime which overlays a current visa category should have the same conditions as the current category. A new visa for sale category should be set at a high enough price that no other conditions are necessary.

What should be the key elements of a policy on the transition between temporary residency, permanent residency and Australian citizenship under a charging regime? What would be the costs, benefits and practical issues in allowing secondary trade in immigration permits?

The charging regime (other than processing fees) should only apply to permanent residency. The normal rules can apply for the transition from permanent residency to citizenship. The charge can be refunded if permanent residency isn't taken up within a fixed time period. There should be no secondary market or trade in immigration rights. A secondary market

may benefit the individuals but only adds complexity for the government and no net benefit to the community.

If the level of the charge is determined administratively, what criteria and evidence might be relevant in setting the fee? How should the price be set, and how frequently should it be revised?

If the price is determined within the market, what should be the key elements of the mechanism for allocating permits?

Which parties should have the right to purchase an immigration permit? What would be the practical challenges and other implications in allowing non-immigrants to purchase the permits?

The level of charge should be determined administratively with a target of selling 80 to 90 percent of the quota and revised at the end of each financial year.

What would be the challenges or impediments for Australia's capital markets in providing loans to finance immigration permits? Would there be distortions due to differences in access to capital markets for immigrants from different countries?

There is no reason for the commission to be concerned with the capital markets interest in funding an individual's immigration charge. There should be no preference by the government as to which country an immigrant is coming from.

Should the charge be payable by instalment?

The charge should only be payable in full, not instalments.

Under what circumstances should the charge be refunded?

The charge should be refundable if the immigrant decides to leave within a preset time limit (e.g. 3 years) or has residency revoked for any reason.

What are the costs, benefits and practical challenges in providing a government loan facility for immigration permits? What could be the key characteristics of such a facility? How could such a loan scheme be enforced?

The immigrant is the principal beneficiary of immigration not the government. There is no reason for the government to apply any resources to facilitate funding for immigration.

How effective have migration agents been in assisting potential immigrants? What should be the role of migration agents under a charging regime? What are the benefits and risks vesting migration agents with the right to assist their clients in obtaining finance for the entry charge or in purchasing permits on behalf of their clients?

There should be no special changes required for controls on immigration agents under a charging regime. No one should be able to purchase a permit other than an individual.

How could the demand for immigration into Australia be measured? What is the evidence in Australia and comparable overseas economies on the willingness of immigrants to pay for immigration permits?

The willingness of the immigration to bear charges is proven by the uptake of investor visas and by the filling of the existing quotas. The willingness of immigrants to pay for permits is proven by the fees they pay to people smugglers and immigration agents. People choosing not to come to Australia because of the fees in any category would not be a problem for the Australian economy. Too many immigrants certainly is a problem.

To what extent do the current administrative arrangements constitute an indirect charge for entry?

Current admin charges do constitute an indirect charge on entry to the extent that they may exceed the cost of processing. However, they don't reflect the markets ability to bear indirect charges to maximise revenue. It is very clear that the visas are underpriced.

Under what circumstances would the revenue from the immigration charge not constitute a net benefit to the Australian economy and how prominent are those factors likely to be?

Any Immigration resulting in population growth will never be sustainable and therefore can never be of net benefit to the economy in the long term. The immigration charges can only be beneficial. All the economic benefits that are sought from current immigration policies can be achieved in other ways. Only the benefit to the immigrants will be reduced.

What factors could influence the administrative costs of the regime? How might the likely costs compare to current administrative costs?

The costs of implementing a charging regime should be of no significance if the charges imposed are substantial. The regime would be a waste of time if the charges are going to be trivial.

What are the key areas of uncertainty from introducing a charging regime for immigration and how significant are the risks? If such a policy were to be implemented, what transitional arrangements should be considered in order to minimise the risks?

The only risks will be political. The government that chooses to implement it will need to be prepared for the vested interests to run their campaigns against it.

Would it be helpful to implement a pilot scheme to test the robustness of the proposal? How should such a pilot scheme be designed?

The system should and can be very simple. It should be piloted wherever possible. The investor visa categories would certainly be the best starting point since they have fewer organised vested interests behind them.

What other intake mechanisms that have been tried in other countries and are materially different from current arrangements in Australia should the Commission consider? How would those mechanisms improve outcomes?

No comment.

An interesting fact gleaned from page 7 of the executive summary of the recent infrastructure Australia report (<http://www.infrastructureaustralia.gov.au/policy-publications/publications/files/Australian-Infrastructure-Audit-Executive-Summary.pdf>)

is that current infrastructure spend /capita/ annum = \$8130.00 (\$187 B /current pop. 23 M).
The report also confirms that the population growth in Australia is responsible for the high infrastructure spend and the infrastructure deficit.