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**Response to the  
Productivity Commission Draft Report on  
Economic Impacts of Migration and Population Growth**

The following comments are offered as constructive concern.

**Study topic.**

The terms of reference from the Treasurer to the Productivity Commission I believe differs from the terms of reference answered in the report.

Very similar, but altered in its emphasis to change the concept of “including migration” to a concept of the “asked the Commission to examine the impacts of migration and population growth.”

**Some specific comments aimed at the Overview.**

**Changing nature of Migration.**

“The comment that an increasing proportion of skilled permanent immigrants is being selected through *onshore* (my emphasis) applications by overseas students on temporary visas.” Does this indicate that visas can be purchased for the expenditure of University (and even TAFE) fees? If so, that is a good investment for the immigrant as it gains lifetime shareholding in Centrelink. Is the first investment return the first homeowners grant? Has this been considered in the study?

The comments about an increase in temporary business entrants of 160,000 in less than ten years is about equal to two Telstra dome capacity crowds. Greater than the number of visa overstays. Maybe the structure of a 100,000 immigrant intake could be altered to allow refugee and skilled immigrant proportional numbers without increasing total immigrants.

The comment “The proportion of skilled migrants is raising the average skill level of immigrants” can be counterbalanced by “thus causing detracting of the skills levels of the countries that have educated those skilled migrants.”

## **Emigration from Australia.**

The statement about long term overseas–born permanent emigrants departing overseas being a “significant proportion” needs to be discussed in quantity and significance.

## **Migration, population size and ageing.**

As stated in my original submission I am concerned as to growth establishing the basis for economic development. Migration has in recent years moved to a situation whereby national demand is stimulated by migration and used as an economic tool similar to monetary supply (shall we call this M5?). It is my contention that a lack of a national population policy compounded by lack of training of Australian born nationals is the root cause of the demand for business to claim or cause the “skilled migration “solution.

Another consideration is the make up of a skilled migrant’s family. It would appear that there is a marginal positive economic gain from having a skilled migrant come to the country. The additional question is “Is that economic gain still valid when considered as a family migration unit?” The likelihood is no.

## **What are the Links to per capita income and productivity and Modelling the impact of higher levels of skilled migration and Projected effect of migration on labour supply**

The fear of population decline is almost as worrisome to many people as is economic stability. As long as GDP per capita is increasing it is not of consequence if the population is declining except for the fact that growth is measured as a percentage per year. The power of compound interest leads us onto a never ending treadmill of continually growing GDP growth that ultimately will be unsustainable. Thus the question of the metrics needs to be considered.

The statement in the report (page XXVI) “The cumulative effects of the increase in skilled migration are projected to increase hours worked per capita in the economy. By 2024-25, labour supply (hours worked per capita) is about 1.3 percent higher than would otherwise be the case.” This needs further explanation and statement as to effect. Does it mean longer working hours?

## **Accuracy of projections.**

Is the error in the projections within the limits of accuracy in the statement of \$335 increase per year?

Even if this is the case what effect will future policy changes have to say, social welfare and health? This will erode the claimed gain. Storrensletten has written of the reducing value of immigrants when considered in the social society of the accepting nation. In short, the higher the social wage aspect of a society the less the value of migrants.

The comments in the report as to natural resources, land and environmental externalities are well stated.

**Impediments to realising productivity gains from migration.**

The report's statement "this said, the overall impact on per capita income and productivity is likely to have remained small" deserves due consideration and emphasis.

**Final comment.**

I am unable to support the rise of migration to satisfy the lack of planning by both business and Government in developing local skills. Some pain may be caused by addressing this problem now by forcing Business and Governments to act now. To not act to become self sufficient will encourage a continuation of the lack of responsibility of both business and Government sectors.

In business I have been an employer of many migrants and have deeply considered my position in light of Australia's changing demographic and changing social and welfare systems.

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