

Australia is at risk of losing migrants who are vital to the health of our economy

Written by Chris F. Wright, Postdoctoral Research Fellow, University of Sydney

Australia's immigration system is at risk of losing public confidence, undermining its long running success. The government needs to make policy changes to put migrant workers and employers back on equal footing.

The successful "Brexit" campaign to leave the European Union illustrates the consequences of failing to properly manage public perception of immigration. Changes to the United Kingdom's immigration policy were producing economic benefits and helping to plug gaps in the UK labour market. However, opponents successfully blamed the EU's free movement of labour for increased immigration and various social and economic problems.

Australia's situation is different, but there is weak regulation of the employers who hire migrant workers, especially temporary visa holders who are often susceptible to being mistreated. This [is serving to marginalise migrants](#) in the labour market and broader society.

Large intakes of economic immigrants have not led to major political upheaval in Australia. Aside from occasional spikes in support for Pauline Hanson's One Nation, anti-immigration parties have failed to establish ongoing influence. Labor and the Coalition have supported expansive economic immigration policies for much of the post-war era.

The impact of economic immigration on Australia's population, economy, and labour market is virtually unmatched. Since 1945, immigrants and their immediate descendants have accounted for [over half of the nation's population growth](#).

More than one in four workers in Australia were [born in another country](#). The foreign-born population as a share of total population [is higher in Australia](#) than in any other OECD country, except for Luxembourg and Switzerland.

Australia's immigration policies have changed significantly in recent years. They have shifted increasingly towards temporary immigration, focused on skilled, working holiday and international student visas.

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While this marks a departure from Australia's legacy of encouraging immigrants to settle on a permanent basis, benefits of these changes are evident.

Economic immigrants have [offset an ageing population](#) , improved [labour productivity](#) , [helped businesses to source skills](#) that are difficult to find at short notice and [addressed the needs of regional areas and industries](#) .

[Unemployment among skilled immigrants](#) is negligible because they tend to be employed in high-income occupations and contribute more to government revenue through taxation than they take through public services and benefits.

Just as a steady inflow of immigrants has [eased Australia's shift from a manufacturing to a services economy](#) , they will play an important role in helping our businesses to innovate in the face of intensified global competition and technological change.

However reforms are needed to maintain public support for sustained immigration intakes. Most importantly, widespread underpayment and mistreatment of working holidaymakers and international students in the workplace must be addressed urgently.

Such issues have been [exposed internationally](#) . They may negatively [impact Australia's competitive standing](#) in industries such as education and horticulture that rely heavily on temporary migrant workers.

Recent [media reports](#) , [government inquiries](#) and [academic studies](#) show that mistreatment of temporary migrant workers is not limited to 7-Eleven. Policy changes particularly through strong enforcement of regulations are needed to restore level playing fields for business and the workforce.

Some visa arrangements can cause temporary migrant workers to become [dependent on their](#)

[employers](#). For example, international students are required to work no more than 40 hours per fortnight.

A small transgression exposes international students to potential visa cancellation and removal. Their resident rights, enrolment in education, and employment are then dependent on employers not sharing any breaches of their visa conditions with the Department of Immigration and Border Protection. Unless these and other arrangements are created, dependence on employers is fixed, temporary migrants will remain fearful of seeking redress.

[Weak enforcement of employment laws](#) fails to deter unscrupulous employers from underpaying and mistreating temporary migrants and puts honest employers at a competitive disadvantage.

The Fair Work Ombudsman has [only 250 inspectors for 2.1 million workplaces and 11.6 million workers](#). It needs more resources to ensure that our employment laws are enforced in industries with large numbers of temporary migrant workers such as food services, hospitality, retail, and horticulture.

Allocation of temporary skilled 457 visas must reflect genuine skills shortages [rather than recruitment problems some employers](#) experience, which are often the result of the low wages and poor conditions they offer to prospective employees.

The policies governing 457 visas must take greater account of objective longer-term labour market needs. This includes [providing opportunities for decent employment and attractive career paths for workers](#), rather than serving subjective short-term employer interests.

Economic immigration in Australia has been managed remarkably successfully. But for the good of the country we must address current challenges that have the potential to undermine public confidence in existing immigration policies.

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This is an edited extract of a [new report](#) published by the Lowy Institute for International Policy.

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