

## **MIGRANT VISA SYSTEM**

### *Statement*

**HON CHARLES SMITH (East Metropolitan)** [6.15 pm]: I want to say a few words about yesterday's announcement by the Reserve Bank of Australia that admitted that Australia's migrant visa system is in fact lowering wages. Over the past few years members will have noticed that I speak on this issue from time to time—that is, that mass immigration via permanent visas, temporary visas, family visas and international student visas is helping to hold down wages. The economics in this area are, to me at least, straightforward. When the working age of the population increases, competition for jobs increases, thus worker bargaining power is eroded, unemployment and underemployment remain high and wages are suppressed. The situation in Western Australia is no different from that in the rest of the country. It has become problematic because employers have been granted the ability to readily hire cheap migrant workers under the myth of a skills shortage, such as this government's awful graduate occupations program and the recent importation of cheap foreign labour from East Timor. That eliminates the need to train local people and, as well, undercuts both wages and working conditions.

Yesterday, the Reserve Bank of Australia admitted that strong labour supply from mass immigration is keeping unemployment and underemployment elevated and is contributing to a lack of wage pressures. I will quote from the RBA —

Wages growth remains subdued and there is little upward pressure at present, with strong labour demand being met by more supply.

Last year, the RBA's deputy governor, Guy Debelle, admitted that immigration is holding down wages. It is a bit of a dry economic statement, but I will read it to the house. He said —

There is considerable uncertainty about the extent of unutilised capacity in the labour market and how quickly a reduction in spare capacity would translate into higher wage and price inflation. It is possible that the unemployment rate could fall faster than expected and wages growth could pick up more strongly as a result. Alternatively, it is possible that the flow of new workers into the labour force could continue to be stronger than usual, so that unemployment declines more slowly than we expect and wage pressures could take longer to emerge.

That means that clearly the mass importation of migrant workers is the driver of the flow of new workers into the labour force, which causes unemployment to decline more slowly and wage pressures to take longer to emerge. There is no other logical explanation. Interestingly, the University of Melbourne demographer, Professor Peter McDonald, also last week admitted that three-quarters of new jobs have been taken by migrants, thus displacing local workers, and I quote —

“In recent times, about 75 per cent of employment growth in Australia can be attributed to recent immigrants”.

In addition, in 2017, a research paper by the good professor —

... published in the Australian Population Studies Journal examined the impact of immigration on Australia's employment growth after the Global Financial Crisis (July 2011 to July 2016).

It found that in the five-year period, employment in Australia increased by 738,800, with immigrants accounting for 613,400 of these jobs.

The Reserve Bank of Australia states —

This follows the Australian Treasury's recent report entitled *Shaping a Nation*...which similarly found that migrants accounted for two-thirds of jobs created in the five years to 2016 and nearly three-quarters of full-time jobs created:

Modelling by both the Productivity Commission...and Victoria University...also shows unambiguously that immigration flattens wages.

Therefore —

To conclude —

instead of providing jobs, Australia's open migrant visa system is undercutting workers, crush-loading our cities and forcing people to live in smaller and more expensive housing.

My question is this: why is the union movement and the “Labor” party not up in arms and fighting back on these issues? I am extremely proud to be the only state MP standing up for ordinary Australians.

