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TRANSCRIPT

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Interview on ABC RN Breakfast

Subjects: Migration policy

STEVE CANNANE: James Paterson is the Shadow Minister for Home Affairs and Cyber Security. James, welcome back to the program.

JAMES PATERSON: Good morning Steve.

CANNANE: Peter Dutton says he wants to cut permanent migration by 25% if elected in the first two years of government, cutting it from 185,000 a year to 140,000 a year. How did the Coalition come up with that figure?

PATERSON: Steve, we've done some very careful consideration and modelling of these numbers. And we've considered the economic cost but also the impact on the housing market. To remind your listeners, Labor is bringing in 1.67 million people over five years, but they're only building about 265,000 homes. So it's no wonder we're seeing a rental affordability crisis and a first home buyer affordability crisis. And we think that's one of the critical issues facing our country. The treasurer can't have it both ways. He's saying that Labor reducing immigration won't have any adverse effects on the economy, but the Coalition reducing immigration will have adverse effects on the economy. Clearly, neither will have a disastrous effect on the economy. We're still going to be bringing in significant number of people, 140,000 permanent residents under us. But we think it's much more sustainable than what Labor has been doing.

CANNANE: One of the nation's biggest property developers, Tim Gerner, told the Fin review on the weekend that slashing permanent migration will make the housing problem worse. He's saying you cannot fix supply by reducing demand. You talked about modelling. But have you consulted with the housing and construction industry when it comes to your policy and whether it will work or not?

PATERSON: Steve, I don't need to tell you why I vested interest, like a property developer, might be concerned about the rate of migration. The property industry has done

very well out of a very high immigration rate. But first home buyers and renters haven't done as well as they have.

CANNANE: True, but it's up to them to build the houses, isn't it?

PATERSON: Well, to his point, we're not saying this will fix all the supply issues, but it will make a difference to demand. Because if you bring in a city the size of Adelaide over five years, but you only build 265,000 homes, the consequences are very clear for everyone to see. We need to bring down that demand to a more sustainable rate. We will also have things to do on the supply side as well and we will have more policies to announce on housing affordability close to the election. This is just the first of many.

CANNANE: There was no mention of a Coalition target for a reduction in net migration in the Budget Reply. That is the true figure of actually how many people are coming in and out of the country each year. And so therefore, the one that is most relevant to housing demand. But Peter Dutton said in a radio interview on Friday that he wants to bring net migration down to 160,000 a year. Is that the Coalition's official target when it comes to net migration?

PATERSON: Well, we will be bringing down net overseas migration as well because that obviously has a very tangible impact. A temporary resident who is here, say someone on a student visa, also occupies a home in the housing market, whether they buy it or whether they rent it. And so we will bring that down to.

CANNANE: To that figure, to 160,000?

PATERSON: Yeah, we think that is achievable. But what we'll do is we'll consult with the higher education sector in particular, because there's two measures that are going to be necessary to bring that down. One is an increased student visa application charge and we'll consult with the industry about the best way to do that. And the other is, caps. I think unfortunately, some of our higher education institutions have lost sight of what their genuine purpose is. To give you one example. Sydney University, 47% of the students are international students. That's clearly way out of proportion of their mission to educate Australians.

CANNANE: But we know why that is, that's because the governments of both sides have not been funding the university sector, and they've had to rely on foreign students to fund universities.

PATERSON: That's the excuse that some universities run.

CANNANE: I'm not sure it's an excuse. I think it's pretty factually accurate.

PATERSON: Well Steve, Sydney University has 47% international students. Other universities have 30% or 25% or 10%. Now they are able to run themselves without having 47%. Are you seriously saying that you can only run a university that's successful with 47% international students? That's an absurd argument.

CANNANE: Well, if you reduce the amount of government funding to universities, they're going to look for funding elsewhere. And that has happened in the last decade or so. there's no doubt about that.

PATERSON: Well, actually, if you look back through the decades of data on international students and university funding, the period in which universities had the greatest increase of public funding was under the Gillard government, under the demand driven model. And while they had the demand driven model, which was uncapped taxpayer funding, they also enrolled the largest increase of international students at that time. So universities are ambitious. They want to grow. They want to do lots of things. That's great. But it is a ridiculous argument to say that you need to have 47% international students, as Sydney University does, to run a university in Australia. It's not true. Many universities are able to do so with much less.

CANNANE: It's 7:41 on RN breakfast. Steve Cannane with you and we are talking to James Paterson. He's the Shadow Minister for Home Affairs and Cyber Security. James, when it comes to permanent migration, around 70% of those migrants are skilled migrants. And they're here because we decided as a country we need their skills for business, for the running of aged care, for hospitals. Have you decided, has the Coalition decided which industries would face cuts in numbers of skilled migrants under your policy?

PATERSON: Well, Steve will still be bringing in 140,000 people a year, overwhelmingly, that will continue to be skilled migrants, and they'll continue to be prioritised according to the needs of the economy at the time. We have a system in this country where we assess the major skills shortages, and they are prioritised for skilled visas and granted skilled visas.

CANNANE: But you will have to make tough decisions, won't you, in certain areas?

PATERSON: Well, we're talking about 140,000 for the first two years, then 150,000 and 160,000 compared to what the government says, which is 185,000. So this is not a radical difference. It's a 25% reduction for the first two years. We think that's appropriate, and we think we'll still be able to function completely normally as an economy.

CANNANE: Okay. But that's 40,000 permanent migrants. If you take 70% of that, that's around 30,000, there are already labour shortages in certain areas. And certainly when it comes to certain skills, have you drawn up a plan of what you're going to quarantine and where are you are going to allow cuts to skilled migrants?

PATERSON: Well, one thing that Peter Dutton said in his Budget Reply is that we will continue to prioritise construction workers because we do want to make sure we have the skilled labour that we need to build homes and expand the supply of homes in this country. But as I said before, the way that the skilled migration program in this country works is it's dynamic, it responds to needs. Sometimes there's a shortage of hairdressers, sometimes there's a shortage of chefs, sometimes there is a shortage of accountants. And according to the need in the economy and according to the shortages, those people are prioritised for skilled visa, we will continue to do the same.

CANNANE: Professor Alan Gamlen from the ANU spoke to us just before the 7:00 news, and he said he didn't think there was a great difference between Labor and the Coalition when it came to cutting migration. He said the Coalition was selling its policy with an angry voice. Is that fair?

PATERSON: No, I don't think that's fair at all. I think that's absurd. How could it possibly be the case that the Labor Party reducing migration is fine, but the Liberal Party reduced migration by a little bit more is somehow terrible? I think that's an absurd argument. We're

strongly supportive of migration, we'll continue to have very high levels of migration. In fact, there are some people who say we haven't reduced migration enough in this announcement, we should go even further. But we think migrants make a great contribution to our country and we will continue to welcome them here just at a more sustainable rate.

CANNANE: But Peter Dutton did last week link migration increases not just to the housing crisis, but also to congestion on the roads, to surgery waiting lists, to difficulties getting in schools, getting access to childcare, getting access to your local GP. Is there a risk that that kind of rhetoric could undermine faith in the kind of immigration that has been good for economic growth, that has been good for business in this country for decades?

PATERSON: Yes. I saw your colleague Laura Tingle making that argument, and I'm not sure that it holds logically. Is it true that a migrant comes here and takes a place in the rental market and housing market, but they don't contribute to congestion, but they don't contribute to services demand in hospitals and schools and childcare? Of course they do. We're not saying that's their fault, we are just saying it needs to be done at a more sustainable level, and we need to consider the holistic impact that migrants have when they come here to Australia, not just the impact on the housing market. They do have an impact on other things too.

CANNANE: James Paterson, good to chat. We'll have to leave it there.

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