

## THE BUSINESS SKILLS PROGRAM: A PROGRESS REPORT

In the last issue of *People and Place*<sup>1</sup> it was argued that though there have been some valuable reforms to the Business Skills program, nevertheless, as the numbers selected expand, their business qualities diminish. This is a crucial issue in the current debate initiated by business interests. These interests want major increases in the immigration program, particularly in the Business Skills category.

We reported data on the business activities of primary settlers in the Business Skills program two years after their arrival in Australia 1994-95. Though a minority reported to the Department of Immigration and Multicultural (DIMA) that they had invested heavily in Australian business activities, most indicated that they were operating on a very small scale, and that their level of investment in their Australian business, as indicated in Table

1, was tiny. These findings did not surprise, given our expectation that the motivation for business migration (from major source countries like South Africa and Indonesia) is as likely to be to find a safe haven from unstable societies, as it is to pursue business opportunities in Australia. The recent data reported by DIMA on the business activities of 1994-95 arrivals three years after arrival is consistent with this scepticism.<sup>2</sup> Turnover levels in their Australian businesses have not increased on those of 12 months earlier. Investment levels have increased, but from a very low base to a median level of only \$150,000.

### References

<sup>1</sup> B. Birrell, 'Skilled migration policy under the Coalition', *People and Place*, vol. 6, no. 4, 1998, pp. 42-46

<sup>2</sup> Business Migration Section, *Business Skills Class, Annual Post-arrival Survey Report*, DIMA, January 1999

**Table 1: Business turnover of Business Skills migrants arriving 1994-95, two and three years later**

Annual turnover level	Two years after arrival	Three years after arrival
\$100,000 or less	42%	41%
\$100-250,000	16%	16%
\$250-500,000	12%	12%
\$500,000 plus	31%	31%
Total reporting business activities	100% 349	100% 386
Median investment	\$90,000	\$150,000

Note: The total original number primary entrants arriving in 1994-95 was 472. Data for two years do not add to 100% because of rounding.

Source: Three years, see endnote 2; Two years, same reference, 1998 edition

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The following is a replacement for Table 1. Some data were inadvertently left out of the original version.

**Table 1 Population by size and median age in 1996 and as projected in 2051**

	TFR	Net migration	Population in millions	Median age
			<u>in 1996</u>	<u>in 1996</u>
1996 (actual figures)	1.8	98,800	18.3	33.5
			<u>in 2051</u>	<u>in 2051</u>
Series P 1997	1.6	0	18.3	48.7
Series G 1997	1.75	0	19.5	46.3
Series I 1995	1.85	0	20.1	44.6
Series Three 1997	1.6	70,000	23.5	46.2
Series D 1995	1.75	70,000	24.85	44.1
Series Two 1997	1.75	70,000	24.94	44.1
Series A 1995	1.85	70,000	26.1	42.6
Series One 1997	1.75	90,000	26.4	43.7
Series C 1995	1.85	100,000	28.3	42.2

Notes: Projections One, Two and Three for 1997 are labeled with Roman numerals by the ABS. These labels are spelt out here to avoid confusion with series I 1995.

The two sets of projections depart from different base years— 1995 and 1997. As a comparison of series D 1995 and series Two 1997 shows, this has a minimal effect on the outcome in 2051. Data for 1996 are provided in Table 1 as an approximate 'common base year' for both sets of figures.

Assumptions for the projections:

1995: Fertility either remains at the 1994 level of 1.85 or declines to 1.75 in 2004 and then remains unchanged; net migration declines from 120,000 in 1995-96 to either 70,000 in 1998-99 or 100,000 in 1997-98 and then remains unchanged (projection I is included by the ABS for illustrative purposes only and assumes nil net migration throughout the projection period); mortality is the same for all the 1995 projections and assumes gradual improvements in life expectancy from 75.3 for males and 81.1 for females in 1996 to, eventually in 2051, 81.1 years at birth for males and 86.3 for females.

1997: Fertility falls to the assumed rate by 2005-6 and then remains unchanged, migration reaches the assumed levels in 1998-99 and then remains unchanged (projections P and G assume nil net migration throughout the projection period); mortality is similar to the 1995 series but expectation of life at birth for males rises to 81.97 for males in 2051, though only to 86.11 for females.

Sources: The 1996 figures are from *Australian Demographic Statistics*, Cat. no. 3101.0, Australian Bureau of Statistics (ABS), Canberra, June 1997. Net migration is 'net overseas migration' and the median age is derived from Table 13. The projections are from *Projections of the Populations of Australia, States and Territories: 1995-2051*, Cat. no. 3222.0, ABS, Canberra, 1996 and *Projections of the Populations of Australia, States and Territories: 1997-2051*, Cat. no. 3222.0, ABS, Canberra, 1998. Details of projection I 1995 and projections P and G 1997 are from unpublished data provided by the ABS.