

MEDIA RELEASE

Friday, 22th June 2012

Major reform needed to lift falling interstate migration rate

Australia needs a major reform effort to lift interstate migration, according to John Shipp, Director of the ANDEV/IPA North Australia Project.

According to the 2011 Census released Thursday, there were 60,000 fewer interstate movements in 2011 than in 2002 – a fall of 15 per cent. This is despite the shift in jobs and economic growth from manufacturing and retail along our south-eastern seaboard towards resources projects in Northern Australia in the last decade.

“Australia’s interstate migration rate is far too low and Australians are missing out on job opportunities because of it,” Mr Shipp said.

“This isn’t about telling people where they should live and where they should work. It is about reducing the barriers that stop people from making those decisions for themselves.

“Government can encourage interstate mobility by reducing transaction costs associated with things like stamp duty. Governments at all levels need to make this a top national priority,” Mr Shipp said.

Data from the United States suggests that those who move interstate to find work earn 10 per cent more and internal migrants are far more likely to be employed.

Mr Shipp said: “The rate of interstate migration in Australia is comparatively low. For instance, Australians typically move interstate at approximately half the rate of their American counterparts.”

In her opening address to a recent economic forum in Brisbane, Prime Minister Julia Gillard highlighted labour mobility as a central priority for lifting productivity and lowering unemployment.

“We need a renewed reform effort if we are to lift the rate of interstate migration in Australia. That includes things like streamlining professional and trades licensing and getting rid of inefficient transaction taxes like stamp duty,” Mr Shipp said.

“It also means tackling housing affordability and high cost of living in places like the Pilbara,” Mr Shipp said.

The North Australia Project is a joint project of Australians for Northern Development and Economic Vision and the Institute of Public Affairs. For more information visit www.andev-project.org.

Media Comment: John Shipp, Director - North Australia Project, 0429 706 661, jshipp@ipa.org.au