



An Australian-style cap on work permits

Immigration Policy: MW 469

1. The Australian government operates a cap on permanent migration which includes a limit on the number of skilled work visas that can be issued each year. The total level of this cap is currently 160,000 (of which about two-thirds are for work and one third for family). Here in the UK, the Conservatives have promised to introduce an *'Australian style points-based system'* to control immigration after Brexit should they win the upcoming election. However, their proposals to further loosen visa requirements for non-EU workers - alongside a possible lowering of the Tier 2 salary threshold from current £30,000 - denote a real risk of non-EU work immigration spiralling out of control as employers indulge their appetite for cheaper workers from much poorer countries around the globe. To preclude such a risk, ***the post-Brexit immigration system should include an Australian-style cap at its core***. This would help to ensure that Brexit can indeed deliver true control over immigration. *A Deltapoll survey, commissioned by Migration Watch UK, finds that over 70% of the public support such a policy.*

2. The UK currently has a cap on the number of highly-skilled (Tier 2 General) work permits that can be issued annually. This is set at a level of 20,700 per year, and has only been met for two short periods since its introduction in 2011. Following changes made in the autumn of 2019, 9% of UK jobs (which have been added to the Shortage Occupation List) are, in practice, now allowed to recruit non-EU workers regardless of the annual limit. Medical and nursing roles are exempt from the cap.

3. In 2018, the government announced their intention to abolish the present cap entirely as part of a new system set to be introduced from 2021 onwards. This was proposed alongside measures to loosen the Tier 2 salary and skills thresholds.

4. The Conservative [manifesto](#) states regarding their planned Australian-points based system: *'We will prioritise people who have a good grasp of English, have been law-abiding citizens in their own countries [and] have good education and qualifications. Most people coming into the country will need a clear job offer'* (p. 21).¹ Despite the party's suggestion that the new system will allow the UK to exert **'control'** over immigration and that **'overall numbers will be brought down'**. This paper argues that delivering true control of immigration after Brexit will be next to impossible if the system does not include an Australian-style cap. Moreover, in the absence of such a cap, overall numbers are very unlikely to come down and may increase (depending on the eventual level of salary threshold – for more see our estimate of post-Brexit migration levels under the current White Paper proposals²).

5. Australia's cap on permanent migration is a planning ceiling set through the Government's budget process. It is based upon visas issued so does not represent net migration. It includes both those applying from within Australia (visa switchers) and from outside the country. About half of skilled work visas are issued to those applying 'in-country'. The government stresses that the cap should be seen as a **ceiling** and not as a target. Prior to 2012, it was set just below 170,000 but between 2012 and 2019 the cap was set at the higher level of 190,000. In March 2019, it was [announced](#) that the cap level would be 160,000 until 2022-23. Table 1 below shows the cap level and outcome for each year.

Table 1: Australia's permanent migration cap and outcome

Year	Level of the cap	Permanent migration outcome	% of cap filled	Skilled work	Family	Special eligibility
2009/10	168700	168623	99%	107868	60254	501
2010/11	168700	168685	99%	113725	54543	417
2011/12	185000	184998	99%	125755	58604	639
2012/13	190000	190000	100%	128973	60185	842
2013/14	190000	190000	100%	128550	61112	338
2014/15	190000	189097	99%	127774	61085	238
2015/16	190000	189770	99%	128550	57400	308
2016/17	190000	183608	97%	123567	56220	421
2017/18	190000	162417	85%	111099	47732	236

6. It is notable that the Australian government uses other caps within the scope of skilled work migration. For instance, a significant category of the points-based work route is the Skilled Independent Visa (sub-class 189). The Australian government capped this element at 18,600 in 2019, a significant drop from the 39,100 places granted in 2017/18. Canada also uses a form of cap – for instance, those applying for a federal skilled worker visa without a job offer are capped at 25,500, plus 1,000 each for a number of professional and technical professions.³

7. To ensure a necessary policy shift after Brexit in favour of focusing on training and maximising UK talent, it is essential for the current salary and skills threshold to remain at their current levels. As we have also argued previously⁴, retaining an adapted cap after Brexit is also essential to ensure that employers shoulder their fair share of investing in the potential of the domestic workforce by:

- planning ahead
- investing in training and development
- competing for labour on wages and terms and conditions
- deciding on the location of new jobs in the UK based on where labour is available or encouraging mobility within the UK

8. It would of course be open to the government to review the level of the cap as circumstances allow. However, its presence in the post-Brexit environment would be an essential and visible reminder to the public that democratic control of immigration has been delivered and that this is not dependent only on whether businesses choose to seek overseas labour at a lower cost. As in Australia, consideration could, in due course, be given to expanding it to cover family migration.

Conclusion

9. ***Without an Australian-style cap on work permits going forward, it would be very difficult, if not next to impossible, for the government to keep numbers within any publicly acceptable range.*** Current plans to further loosen the Tier 2 visa requirements (skills threshold and a possible lowering of the salary threshold) would, if pursued following the General Election, open up our labour market to a massive pool of cheaper workers from around the world, exposing up to nine million full-time UK jobs to new or increased levels of global competition.

10. An Australian-style cap, set by Ministers at the start of each Parliament, would act as an important countervailing measure in this context, and would help the Conservatives to deliver on their promise to truly restore immigration control after Brexit in a transparent and democratic way. More than 70% of the public support implementing such a cap on work permits after Brexit. Doing so would have the beneficial effect of strongly encouraging employers and government departments to enhance their efforts to boost the skills and employability of UK applicants and existing employees, while improving wages, conditions and productivity growth.

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Notes

1. Conservative manifesto for the 2019 General Election: https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba_Conservative%202019%20Manifesto.pdf
2. Migration Watch UK 'Estimate of post-Brexit migration levels under the White Paper proposals', April 2019, <https://www.migrationwatchuk.org/briefing-paper/461/estimate-of-post-brexit-migration-levels-under-the-white-paper-proposals>
3. 'Work permits in Austria are subject to annual quota regulations (although only holders of some residence titles are in need of a work permit): the total number of work permits is capped (Federal State quotas) to the extent that the number of employed and unemployed foreigners does not exceed 7% of the total dependent labour supply (260,579 for 2013). In some special cases, work permits can be granted beyond this quota up to a limit of 9% of the labour supply'. European Commission document, 'The application of quotas in EU Member States as a measure for managing labour migration from third countries', URL: http://emn.lt/wp-content/uploads/2013/06/13.EMN-Inform_Application-of-Quotas-in-EU-Member-States_2013-Sep.pdf

4. For example, see Migration Watch UK papers, October 2018: <https://www.migrationwatchuk.org/briefing-paper/456/likely-consequences-of-the-macs-proposed-immigration-policy> and May 2019, <https://www.migrationwatchuk.org/briefing-paper/458/assessment-of-the-white-paper-on-immigration-after-brexit>