

More than a numbers game

Challenges for Australia's immigration revolution

Peter Mares

AUSTRALIA'S IMMIGRATION REVOLUTION

by Andrew Markus, James Jupp and Peter McDonald

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In September 2009, Treasurer Wayne Swan revealed that Australia's population of twenty-two million was growing much faster than anticipated. Just three years ago, the *Intergenerational Report 2007* projected a population of twenty-eight and a half million in 2047. Treasury now expects the population to exceed thirty-five million people by 2049, an increase of almost sixty per cent. This forecast had to be revised because of the combined effect of an increase in the fertility rate of Australian women (a mini baby boom) and increased migration.

How will Australia accommodate an extra thirteen million residents over the next forty years? Sydney and Melbourne will increase in size by fifty per cent to become cities of seven million people, while Brisbane and Perth will double their numbers to have four million and three and a half million residents, respectively. Can we manage to supply everyone with water, power, housing and transport while protecting what is left of Australia's natural environment and dramatically cutting our national greenhouse gas emissions? Treasury Secretary Ken Henry is personally pessimistic about Australia's capacity to manage this population increase, and federal MP Kelvin Thomson warns that we are 'sleepwalking into an environmental disaster'.

This puts them at odds with the prime minister. Kevin Rudd believes in a big Australia. He declared, in a recent speech, that it is 'Good for our national security. Good for our long-term prosperity. Good in enhancing our role in the region and the world.' Exactly how a larger population improves our

national security or diplomatic prestige is unclear, but the link to economic growth (as conventionally conceived) is far more obvious. It is hard to envisage Australia's economy *without* an increasing population. Just think of the housing industry and its reliance on ever-expanding suburban boundaries.

Australia's Immigration Revolution cites a Green Paper on Europe's demographic future which argues that 'never in history has there been economic growth without population growth'. While the authors find this assertion debatable, they leave us in no doubt about the challenge posed by the rapid ageing of developed nations. They question the 'capacity of the labour force to support the aged population' after the baby-boomer generation retires, pointing to the risk that capital will be diverted from 'productive investment' to 'population maintenance', weakening competitive advantage in an 'increasingly competitive global marketplace'. Immigration does not resolve the ageing problem (since migrants also grow old with time), but it offers 'the most immediate and simplest short term measure to deal with labour and skills shortages'.

The ageing issue is less acute in Australia than in Europe or Japan – but it is real nonetheless. As the ratio of working-age Australians to retirees falls, government will struggle to fund a growing demand for services from a declining tax base. Whatever their misgivings about immigration, older Australians may find importing labour more palatable than the possible alternative of a 'sharp drop in welfare entitlements'.

Australia's Immigration Revolution mounts a convincing argument that migration to Western nations will increase in coming decades. The authors are alive to the complex challenges this will pose, though their focus is less on the physical task of providing infrastructure than on more intangible issues concerning social cohesion. Even if immigration is welcomed for economic reasons, it can still 'cause anxieties for cultural reasons'.

Immigration will always be controversial, because it can rapidly alter the character of a society. 'While much public policy is made as though only numbers and skills are important, in the political arena these are often given much less prominence than the race, religion, languages and "culture" of those who are being admitted.' Political leaders may have a clear rationale for their immigration policies as part of a long-term vision of national development, but governments often 'find it difficult to convince the public that a large immigration program should be maintained', particularly in a downturn. A mismatch between elite opinion and popular views can have dramatic political repercussions, as we saw with the rise of Pauline Hanson's One Nation party, in 1997. Immigration remains a 'combustible' issue, which 'politicians are either afraid to face or tempted to recruit for their own interests'.

The authors – three of the nation's leading researchers on migration, demography and multiculturalism – disentangle the widely disseminated view that Australians are generally opposed to high levels of immigration, a perception often backed by 'evidence' gleaned from media polling. When surveys ask whether Australia's immigration intake is 'too low', 'too high' or 'about right', the 'too highs' always outnumber the 'too lows', suggesting a bias against increased migration. A poll putting forward the proposition that 'having lots of cultural groups in Australia causes lots of problems' found support from more than two thirds of respondents. Yet other surveys have strongly endorsed the statements that 'immigrants make Australia open to new ideas and cultures' and that 'accepting immigrants from many different

cultures makes Australia stronger'. The authors' conclusion is that most people are ambivalent or passively tolerant of migration, and that survey results reveal more about the way a question is asked than about public attitudes.

Significant policy questions and theoretical debates around migration are also summarised. There is a concise discussion of Australia's shift from 'assimilation' through 'multiculturalism' to 'integration' and 'cultural diversity', and an excellent survey of the historical relationship between immigration and the nation state, with particular reference to developments in Europe.

The immigration 'revolution' of the title has two components operating across two time periods. The first component is the changed ethnic composition of Australia's migrant population. In the 1950s, Australia began to shift away from a situation 'in which eighty per cent of immigrants came from the United Kingdom to one where migrants from continental Europe became the majority'. Further diversification occurred after the abolition of the White Australia policy in the early 1970s. Today, the largest proportion of immigrants is drawn from 'Australia's region, Asia and Oceania' rather than from Europe. China and India now rival New Zealand and the United Kingdom as the single biggest source nations for migrants, with five other Asian countries in the top ten.

This is a familiar story, though the authors illustrate it in considerable detail, including data on the relative concentration of particular ethnic communities within particular localities. The biggest 'ethnic enclave' in Australia is in Joondalup North, in outer Perth, where Britons make up twenty-four per cent of the total population. No other foreign-born group makes up more than seventeen per cent of the population in any other locality in Australia, although there are substantial clusters of Vietnamese, Chinese, Indians and New Zealanders in particular suburbs of Melbourne, Sydney and Brisbane.

The second component of the immigration revolution is more recent: the increase in temporary migration that began about a decade ago. This is

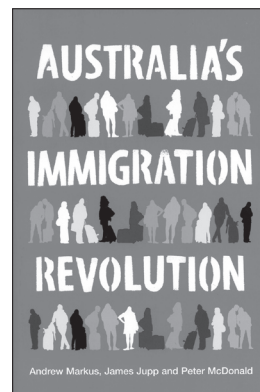
a rapid and far-reaching change that receives little public attention. While the media reports individual stories of the exploitation of temporary migrant workers or attacks on Indian students, the fact that Australia now has a 'temporary population' of almost one million people, most of whom have work rights, is not widely appreciated. Four main groups make up this population of temporary but long-term residents: international students, temporary migrant workers (mostly on '457' visas), working holiday makers (often referred to as backpackers) and New Zealanders (who have an automatic right to work in Australia).

Australia's Immigration Revolution describes the shift to temporary migration, but underplays its significance. The authors gloss over the structural problems associated with 457 visas that can make temporary migrant workers, particularly at lower salary levels, vulnerable to the unreasonable demands of their bosses. They take a benign view of the rapid expansion of international student numbers, despite the growing evidence that marketing Australian education with the dangled promise of permanent residency has had unforeseen and troublesome outcomes. The sharp rise in international students undertaking short-term technical courses at private colleges of often dubious quality is the most obvious example. It is not without reason that these institutions are derisively referred to as 'PR' (permanent residency) factories.

The authors state somewhat blandly that temporary migration 'furthers the objective of maximising economic growth and minimising costs to the state'. This arrangement offers the state 'flexibility', because it can dispense with unwanted workers in a downturn without having to pay unemployment benefits, 'transferring costs to the temporary workers and the countries to which they return'. Leaving aside the impact on the lives of the migrants themselves, what does it mean for Australia to host such a large group of long-term temporary residents in our midst? These are people who pay taxes but are generally denied social services. Many are particularly vulnerable in the

workplace and can be induced to accept low pay and conditions, eroding general employment standards and becoming the focus of resentment from their Australian colleagues. Temporary migrants are, by definition, unable to settle, let alone belong, in Australia. Temporary migration is only likely to increase, since it is the product of economic demand rather than of bureaucratic planning, and, unlike permanent migration, is beyond the reach of government caps and targets. What the long-term presence of hundreds of thousands of temporary migrants might mean for our collective sense of identity and social cohesion is yet to be sufficiently analysed or discussed, though, to be fair to the authors, this is exactly the type of debate that they are keen to foster.

Australia's immigration revolution has largely been a success story to date. Soon after settlement, most migrants express a strong sense of belonging to Australia, and even though many migrants experience discrimination, there is no evidence of 'widespread alienation'. Australia's democracy may fall short of being fully representative – the parliament is still a rather monocultural representation of our multicultural society – but we have much to be proud of. Poorly managed, temporary migration could quickly damage this record. ■



Peter Mares presents the weekly public policy program *The National Interest* on ABC Radio National and works on migration issues as an adjunct fellow at the Institute for Social Research at Swinburne University.