

### COALITION GOVERNMENT VIEWS ON POPULATION POLICY

#### Philip Ruddock

*Philip Ruddock, Minister for Immigration and Multicultural Affairs in the Coalition Government provides for the first time a statement of Coalition Government policy on population planning issues.*

There has been considerable public discussion recently about population issues and the question of a formal population policy. The issue has been raised on a number of occasions by environmental and other groups in my current round of community consultations on the 1997-98 immigration intake. The Federal Opposition has indicated that Australia should commit itself to the development of a formal and **active** population policy. I propose to outline some of the considerations that would be relevant to such discussions and to the development of a formal population policy.

#### SO WHAT IS A FORMAL POPULATION POLICY?

Unfortunately, we have few useful international precedents that we can draw upon to help us with this question. We know that France and Singapore, for example, have in the past adopted policies to encourage a higher birth rate. Canada has had an annual immigration target of one per cent of its population although it has never actually achieved the target. Back in the late 1980s and early 1990s, Canada published five year projections of its immigration intake although these have now been abandoned. However, at no stage had Canada tried to link these immigration targets to a formal population policy.

In 1993, the United States established the President's Council on sustainable development. In February 1996, the Council issued its report which recommends amongst other thing that the USA adopt a policy of stabilising its population as soon as this is practical. However, the report sets no time lines nor does it provide any details on how this policy would be implemented. There is no mention of the role of immigration in achieving this policy. I understand that the US administration has not yet formally responded to the report.

#### NATIONAL POPULATION COUNCIL REPORT

As far as Australia is concerned, a better guide as to what a population policy might be is contained in the 1992 report of the former National Population Council (NPC). The NPC concluded, and I quote, that:

a population policy is one whereby government seeks to anticipate and respond to population trends and prospects in the light of their impacts and anticipates impacts of public policy on population trends themselves. It also directly seeks to influence the determinants of population in order to alter the size and/or nature of the population.

The NPC argued that population policy has both a pro-active and a responsive component. The responsive component is about the arrangements governments at all levels have in place to deal with all aspects of population impact. The NPC suggested that a critical element of the responsive component is the development of a suitable demographic framework for anticipation, monitoring and response. The pro-active component deliberately seeks to influence population size, location or characteristics although the NPC clearly rejected the idea that governments should seek to influence such things as fertility levels, sex ratios and ethnic composition.

## **PRO-ACTIVE POPULATION POLICY**

A pro-active population policy would deliberately seek to change the directions that Australia's population is currently projected to take. A decision to adopt a pro-active population policy requires that we:

- have a clear understanding of the current directions of Australia's population;
- identify what realistic options there may be for moving away from these current directions — that is options for a significantly higher or low population growth path; and
- decide whether any of these options would be better for Australia than the current directions.

## **WHAT ARE AUSTRALIA'S CURRENT POPULATION DIRECTIONS?**

Australia's population growth rate in 1995-96 was around 1.3 per cent. While currently this is one of the faster rates of growth in the OECD, it is projected to decline significantly over the next 50 years. The projected decline in Australia's population growth rate is mainly due to a below replacement birthrate and an ageing population. In fact Australia's birth rate has been declining over the past 40 years from over three births per woman in the 1950s to around 1.8 births per woman today. Going on trends in other developed countries, this decline is likely to continue — Italy for example has a rate as low as 1.2 births per woman while Japan's is around 1.5 births per woman. The current 5 rate of natural increase in Australia's population is primarily due to the large population of women who are of childbearing age — that is the baby boomer cohort. As this cohort ages, the natural population growth rate will decline and eventually become negative.

Approximately half of Australia's 1995-96 population growth rate was due to net overseas migration. About 65 per cent of the 1995-95 net overseas migration was due to net **permanent** movements while around 35 per cent was due to net long-term **temporary** movements. The long-term temporary people are predominantly working holiday makers, overseas students and temporary skilled residents.

Net overseas migration to Australia has increased steadily since 1992-93 when it was as low as 30,000. In 1995-96, net overseas migration reached 114,000. The increase since 1992-93 was due to a series of significant increases in the immigration intake in the three years that followed as well as a steady rise in the level of long-term temporary residents in Australia. However, on the basis of the reduced intake announced by the government for 1996-97, the net permanent portion of net overseas migration is projected by the Australian Bureau of Statistics (ABS) to decline in 1996-97 to 61,000 and 56,000 in 1997-98. It was around 70,000 in 1995-96. From the projections produced by the ABS, if the permanent intake is held at around the current reduced levels, the rate of growth in Australia's population will

decline steadily.

The population is most likely to reach around 23 million in 25 to 35 years time and would be growing only very slowly. As I have said previously, I believe that most Australians would not regard that prospect with alarm although I am not suggesting that this is some kind of population target that the government intends to adopt. As the NPC found, 'population policy should be achieved not by specification of any long-term optimum population number, since a large range of determinants are subject to change'.

## **SO WHAT ARE OUR POPULATION OPTIONS?**

The report of the House of Representatives Standing Committee on Long-term Strategies titled *Australia's Population Carrying Capacity*, the so-called 'Jones Report' [1994], after its esteemed chairman, provides a very useful starting point for considering population options. While the Jones Report acknowledges that 'the search for an "optimum" population target or a "magic figure" or a Rubicon between safety and danger is chimerical', it very usefully lists six options for long-term population change.

The report eventually rejects two of these options as 'illusory, unattainable and undesirable' and suggest that the remaining four are, in the Committee's view, 'politically and socially realistic'. The remaining four options are:

Option 1: relatively high population growth with an eventual population, presumably by around the middle of the next century or later, of around 30 to 50 million;

Option 2: moderate population growth to a population of between 23 and 30 million;

Option 3: population stabilisation at between 17 and 23 million; or

Option 4: moderate to major population reduction at between five and 17 million.

## **ASSESSING THE OPTIONS**

While the Jones Report does not indicate its criteria for deciding why these options are 'politically and socially realistic', I personally find Options 1 and 4 outside the range of plausibility. To achieve Option 4 by around the middle of next century would require a policy of discouraging fertility and/or encouraging higher levels of emigration. I will come to immigration policy a little later but I think we can safely rule out Option 4 on the same grounds that the Jones Committee ruled out two other, even more unlikely options.

Option 1 is at the other extreme. To achieve Option 1 by the middle of next century would require an immigration intake of more than double the current level and/or require that Australia's fertility levels increase significantly. I see little prospect of a rise in fertility levels. On current indications, Australia's fertility levels are likely to continue to decline as people marry later in life and have fewer children. Moreover, I agree with the NPC's view that 'the role of government in the area of fertility is only that of ensuring that couples are provided with the maximum extent of informed choice in deciding whether or not they have children'. Certainly the Coalition has no intention of trying to influence fertility levels. Also

I see no strong reasons why Australia should adopt a significantly higher level of immigration. While the Coalition is committed to an immigration intake that serves the national interest in terms of our social, economic and humanitarian objectives, I see no need for the significant expansion of the intake that would be needed to achieve Option 1.

That leaves us with Options 2 and 3. I am of the view that the lower end of Option 3 — that is around 17 million — and the higher end of Option 2 — that is around 30 million — are also unlikely outcomes given present circumstances. As I mentioned earlier, based on projections of fertility, and the permanent immigration intake at or somewhat below current levels, Australia's population is likely to reach 23 million in around 25 to 35 years time. By that time, the rate of population growth will have slowed significantly. In other words, the current direction of Australia's population is likely to see us with a population in 25 to 35 years time at somewhere between the high end of Jones' Option 3 and the low end of Option 2 and growing only very slowly at that time.

What we have to consider is whether Australia should be seeking to change this broad direction, either to achieve a significantly higher population or a significantly lower population. My first reaction to this question is to ask whether there is evidence to suggest Australia would, in an overall sense, be better off with a significantly higher or significantly lower population. I am not aware of any evidence that provides a conclusive answer to this question but I am quite happy to be persuaded otherwise.

My second reaction is to ask whether the social environmental and economic costs involved in achieving significantly higher or lower population levels are something we as a society would be prepared to bear. I have my doubts whether Australians as a whole would be prepared to bear these costs, noting that immigration policy is generally accepted as the only practical tool for influencing the directions of Australia's population.

With regard to immigration policy, I would note that there is relatively little realisation of the limits to using immigration policy to influence the broad direction of Australia's population. This is something that I would now like to elaborate.

## IMMIGRATION POLICY

The Government is committed to an immigration policy that does not discriminate on the grounds of race, nationality, sex, religion, colour or creed. In terms of the size and composition of the intake, we are guided by the principle that immigration must serve the national interest in terms of Australia's social, environmental, economic and humanitarian objectives.

We see no need for a significant expansion in the size of the intake above the current reduced levels. In any case, it is questionable whether we could afford some of the short-term costs that would be involved even though I am aware that there can be long-term benefits. Under current circumstances, the Coalition certainly has no intention of returning to the high immigration intakes of the late 1980s or indeed of allowing large application pipelines to build up in the more discretionary Independent and Concessional family categories. This **would** represent a deliberate policy of trying to influence Australia's long-term population outcome. If any government adopts such as immigration policy, then I believe that government might be obliged to consider developing a formal population policy.

While the government may consider some further reductions in the intake, the idea of

dramatic reduction is also unrealistic and would not be in Australia's best interests. I would say to those calling for a dramatic reduction in the intake — that they need to examine the components of the intake more closely as each of these components is designed to very specific and very different needs. The implications of dramatic reduction in the intake need to be understood in terms of these specific and different needs.

As a developed nation that is part of the international community, we maintain a Humanitarian intake that is appropriate to our role in sharing the international burden of refugees. While the size of this intake needs to be consistent with what we can accommodate within budgetary constraints, polls have consistently shown that there is community support for a reasonable sized Humanitarian intake.

As a nation with almost 25 per cent of its population born overseas, as well as one whose people travel extensively overseas and has international travellers come to Australia, we will always have a Family migration stream to cater particularly for any overseas-born bona fides spouses and dependent children of Australians. In Australia, almost 65 per cent of the Family stream in 1995-96 was made up of spouses and dependent children of Australia citizens and permanent residents who had chosen to marry some from overseas. In fact, if I hadn't introduced some measures to contain what I regard as a fairly significant degree of immigration fraud in the area, we would have had 33,000 spouse, de facto partners or fiancé (e)s of Australian residents or citizens, in a total program of 74,000 for 1996-97. In the more internationally mobile world in which we now live, a percentage of young Australians will inevitably marry people from overseas and will want to live with their partners in Australia. The immigration intake must cater for these people as long as the relationship is genuine. However, the numbers in this stream need to be kept in balance and cannot be allowed to dominate the overall intake.

To remain internationally competitive, we must ensure that our industries have skilled employees. These skills must, wherever possible, be obtained by training Australians. However, there will be instances where urgently needed skills can only be obtained from overseas. Our immigration policies must be sufficiently flexible to enable industries to obtain these people quickly and with minimum cost after checking that there are no appropriate qualified Australians in the local labour market that could fill these positions. Our immigration intake should also be able to accommodate people with business skills and capital who wish to settle in Australia. We know from close monitoring of the business skills category, that these migrants have a very good track record in setting up new businesses or revitalising existing businesses.

Another important part of our immigration intake are New Zealanders who come to Australia under the Trans-Tasman Travel Agreement. We do have common border arrangements that we supervise with New Zealand. The free movement of people between the two countries has been a long-standing arrangement that has benefited both countries in many different ways. The Government has seen no reason to abandon this arrangement.

To summarise then, the Government's position on immigration is to maintain the overall intake at or below the current relatively modest levels and to seek to ensure an appropriate balance is maintained between the social, economic, and humanitarian objectives that immigration should serve. Recently, our objective has been to obtain a better or, as I assert, a larger overall skill level as a proportion of the program.

## **RESPONSIVE ASPECTS OF POPULATION POLICY**

There is a host of what the NPC described as the responsive aspects of population policy that need to be considered. These include:

- the economic implications of slowing rate of population growth;
- the ageing of Australia's population;
- the environmental impact of population;
- the distribution of the population; and
- the impact of a rising level of visitors, students and other temporary residents.

## **POPULATION AND ECONOMIC GROWTH**

There have been suggestions that a declining rate of population growth is something that we should be alarmed about in terms of its implications for economic growth. It is certainly true that population growth can fuel economic growth. However, the more pertinent question is whether population growth is contributing to an improved quality of life in Australia and a rising standard of living.

In terms of immigration led population growth, the consensus of expert opinion seems to suggest a relatively neutral impact although this depends very much on the extent to which the immigration intake has a skills and economic focus. The experience of a number of developed countries with relatively low rates of population growth but reasonable rates of economic growth — for example, Japan — suggest that population growth is not essential to economic well-being.

I see no reason for alarm in Australia's slowing rate of population growth.

## **THE AGEING OF THE POPULATION**

Australia's population is ageing as a result of declining birthrates and people living longer. However, this is not a new phenomenon. Our population has been ageing for many years and will continue to do so for many years to come. Countries in Europe, and Japan for example, already have much older population structures than Australia. The key point about the ageing of the population is that, as the NPC, found, irrespective of any realistic level of migration, ageing will continue for the next forty years.

We would have to have a very much larger program than people have been prepared to entertain in order to have even marginal impacts on the ageing process. It is something that we as a society must accept and learn to deal with. The way to do this is to adopt policies that will ensure that as we age, we are not a burden on our children.

## **ENVIRONMENTAL IMPACT OF POPULATION**

There is little doubt that, all thing being equal, a larger population is likely to have a greater negative impact on the environment than a smaller population. While Australia is well endowed in terms of natural resources, this is not something that we can take for granted, particularly as the percentage of the continent that is arable is relatively small. However, we also need to keep this issue, important as it is, in perspective and in balance. We must remember that probably the most significant negative impact on Australia's environment occurred in the 1800s when we had a much smaller population.

Population size is not only or even the most significant factor contributing to a negative impact on the environment. The key question is to what extent reductions in the immigration

intake of various levels would contribute to a reduced negative impact on the environment. I suspect that the kinds of further reductions in the intake that could be made would make relatively little difference in terms of long-term environmental impacts compared to the benefits that can be achieved from small changes in the behaviour of the whole population. As long as the intake is not increased significantly above current levels, the focus should be on our own behaviour and policies towards the environment.

## **INTERNATIONAL VISITORS, STUDENTS AND TEMPORARY RESIDENTS**

Australia's visitor and temporary entry programs serve a number of vital Australian interests. International tourism is now a critical part of Australia's economy and contributed some 14.1 billion dollars to Australia's export earnings in 1995-96. This represented around 12.8 per cent of total export earnings. In terms of jobs, we know that over 500,000 jobs in Australia are associated with tourism, a considerable percentage of which are dependent on international tourism. The overseas students industry is also becoming increasingly important to Australia. It is currently valued at around 2.3 billion dollars annually and is expected to increase in value to around four billion dollars annually by the year 2000.

The internationalisation of business, particularly the number of regional headquarters of major international companies that have now been established in Australia means that business people are constantly moving into and out of Australia. While visitors and other temporary entrants deliver major economic and employment benefits they also have some negative impacts on the environment. The CSIRO through its Ecumene project is looking to model these impacts. This will provide vital feedback to government agencies at all levels with an interest in these matters. However, it is not clear that limiting numbers of visitors and other temporary entrants is the optimum means of minimising the negative environmental impact. It is more likely to be a question of better management of the impacts in order to achieve a balanced outcome for the environment, the economy and employment.

## **DEMOGRAPHIC FRAMEWORK FOR MONITORING, ANTICIPATION AND RESPONSE**

The NPC suggested that a critical element of a responsive population policy is the development of a suitable demographic framework for monitoring, anticipation and response.

A most interesting development in terms of our understanding of the long-term impact of population is the CSIRO's Ecumene project. This project attempts to model the links between population, development and the environment. It will attempt to describe the impact of the human population on the Australian environment in terms of a number of possible scenarios, including different levels of net migration and the spatial distribution of the population.

## **SUMMARY**

To summarise, the key points I would like to leave you with are that:

- the natural rate of population growth for Australia is projected to decline over the next 50 years;
- if immigration is held at, or somewhat below, the current very modest levels (and there are very practical limits to how far immigration can be reduced or increased), Australia's population is likely to be around 23 million in 25 to 35 years and growing only very slowly or stabilised;

- while I do not view this as a target, it is a likely outcome of current demographics and current directions in immigration policy. It is a prospect that I believe most Australians would regard as reasonable.

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