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Why Do We Have a 'Big Australia'?

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Executive summary

In part, this report was prompted by a case study of Australia's 2011 Sustainable Population Strategy. After an impressive process and attractive product, the notable effect was an incumbent government re-endorsing the previous government's big boost to migration.

Hence a question, are there underlying social or economic factors which tend to perpetuate a cross-party 'Big Australia'? The answer must be 'yes'. This report arranges the reasons for this response under six banners. In short, these are Australian exceptionalism, population strategy, Treasury-GDP dominance, the growth lobby, states' compliance, and economic biases. The main banner is that *the Treasury pursuit of GDP growth dominates our population policies and projections*.

Australian exceptionalism

Australia's population growth rate is much higher than world or OECD norms. Overseas and in Australia environmental policies focus on climate change and not population growth. Nevertheless, globally it appears that more nations have policies to *lower* rather than to raise population growth. Conversely, Australia and certain other developed nations are going for *raised* growth. But the Australian discourse glosses over our exceptional policy shift. Our 21st century population spurt is defended as inevitable or normal. Among the rich nations, however, prosperity and living standards are not predicated on high population growth.

Population strategy

The Bring-out-a-Briton 'Populate or Perish' policy was a feature of the postwar reconstruction. Immigration levels receded over the 1970s-1990s while the neo-liberal economic agenda advanced. Both main parties supported the migration push of the early 2000s. This came to be justified via labour shortages of the mining boom. Following the government's lead, Treasury and the Prime Minister's Department steered the 2011 Population Strategy away from our high population growth. This evasion has outlived the mining boom, and continues to the present day. Immigration remains high and, until recently, seldom questioned or discussed. Our 21st century population settings, deemed critical to 'GDP growth', are removed from the political contest.

Treasury-GDP dominance

The Gross Domestic Product (GDP) measure is relatively recent. It began its irresistible rise in the 1940s. Despite economists' reservations, and revision efforts, the usual GDP formulation governs Australian and other budgets. In a default sense only, our population policy resides in the Treasury and is dedicated to supporting growth in aggregate GDP. Though our 27-year 'Economic Miracle' of uninterrupted growth in GDP continues, this growth is now flatter and the underlying contribution of population growth is vital to it. Large claims are made for demographic and economic 'rejuvenation' through Big Australia. The crucial migration and population plans, however, only appear as 'technical' parameters at the back of the budget. Our national, state, and city plans simply assume high population growth for decades ahead.

The growth lobby

Over 1972-2006, our population grew by an average of 210,000 a year. But that average has topped 375,000, over the years since.¹ Across the political spectrum a diverse coalition backs this GDP-driven

population push. Political parties, Treasury, the Reserve Bank, States, and industry are prominent. 'Progressive' or 'green' voices tend to align with this dominant group. Countervailing scientific concerns around our carrying capacity and State of the Environment are at a discount. Today the electorate is shying from the dominant program of demographic growth. But their legitimate concerns tend to be sidelined or patronised by the pro-growth coalition.

States' compliance

The federal budget gets the main GDP boost from population growth. States and cities, while also upping their GSPs (gross state products), pick up the tab for infrastructure and services. The states are enthusiastic about population growth but their citizens could be forgiven for thinking that the tab is short paid. Too often, training, education, or transport planners are 'caught short' by rapid growth. In congested cities that have suffered world-ranking housing unaffordability many solutions are on the table – after Big Australia has been taken off the table. City plans for mid-century begin by nearly doubling the population and then assuming that other variables will fit in. Some talk of channelling growth away from the cities and into the regions but 'decentralisation' has never been a meaningful solution for Australia's population growth.

Economic biases

Under the lower migration of the 1970s-1990s GDP growth was usually positive. Since the 1980s, inequality has climbed. Many voters and some economists worry that Big Australia itself works against wages, income or wealth equality, and housing affordability. Which is to say the gains to the few look more assured than the gains for the many. Benefits to the older look more assured than benefits to the younger, or to future generations. Working from international comparisons, it looks as though mass migration may not be the go-to program to update our economy away from its focus on 'resources-and-services' and towards an innovation economy. Nor do federal and state governments underwrite honest infrastructure plans to cover the high population growth.

In conclusion, the economic and fiscal growth machines dominate our population policy and its population 'projections'. We've climbed well above the OECD population-growth averages. If Big Australia does little for equality of opportunity or future economic pathways, while the environment and services struggle and electors wilt, we ought to revisit the lower population trajectories that applied without harm and not so long ago. Given the cultural and historical roots of Big Australia that may not be easy. Reform would more likely come from political 'circuit breakers' than from the bureaucracy. That is what happened in New Zealand. One party broke ranks, promising to realign population growth with infrastructure capacities.

In Australia, vigorous border control policy covers for vigorous migration policy.² The Department of Home Affairs pursues both avenues at once. 'Stop the boats' and detention programs distract from the Big Australia policy. The migration shortfalls since 2016-17 have been attributed to stricter security checks against bigger and more connected databases.³

The official 2017-18 intake of permanent migrants, 163,000, is still very high – just 10-15 per cent off six years of record highs. The latest annual net overseas migration (NOM) figures stand well over 200,000. Short to medium term, there may not be any deep reflection on our population policy. Nevertheless, it's just possible the disconnection between our population growth and our carrying (and servicing) capacity will eventually produce a real policy shift.

In that, our migration intake would turn back towards the 70,000-90,000 levels of 1992-2002. Also, we might place the population tab under a ceiling of 1 per cent growth a year, budget for longer-term migration implications along with short-term GDP boosts, reconsider the environmental constraints with a view to something more like a 30m population at 2050, and establish a proper population agency with its own minister. A grace note would be to shift our Migration and Humanitarian plans away from any 'border protection' boasts.

Why do we have a 'big Australia'?

Introduction: raising population growth

In the 1980s, the author carried official responsibilities for Occupational Demand Schedules pertaining to migrants in the then Labour Shortage category. In those years, the so-called Populate or Perish program⁴ no longer motored along in top gear. Our natural increase generally matched or exceeded⁵ the NOM. Who then would have predicted today's scenario? High population growth has resurged more than ever.

When Kevin Rudd backed a 'Big Australia',⁶ nominally he was just endorsing a Treasury 'forecast'⁷ of a 36m population by 2050. The figure of speech was soon played down but the policies which were set to make the forecast a reality went on unchanged.

In this paper the term 'Big Australia' is taken to mean: An inordinate appeal to high migration and high population growth as headline and future economic tools with larger regard for GDP growth and smaller regard for environmental and social consequences.

From 1992-93 to 2000-01 the intake of permanent migrants (including humanitarian migrants) averaged 85,000 a year. Possibly responding to the growth lobby, John Howard pushed the intake up to over 100,000 by 2002-03⁸ and nearly to 150,000 by 2006-07, a surge backed by the then Labor opposition. Rudd was in power by November 2007, but by June 2010 he had been deposed as Prime Minister by his deputy Julia Gillard. She said 'I don't believe in a big Australia'⁹ and wrapped up the population review triggered by Rudd and his remark. Though we had for a time a Population Minister, Treasury and Immigration prevailed. The 2011 'Sustainable' Population Strategy¹⁰ contained a parcel of suburban and regional policy measures. It also reaffirmed the immigration and population surge Labor had endorsed while in opposition.¹¹ Before 2007, our NOM had *never* in history topped 200,000.¹² Now, this figure is the very *lowest* one used in the range of ABS population 'projections'.

What factors might contrive to give Big Australia an enduring tug on bipartisan heartstrings? Must it always be a centrepiece in our economic furniture? Does a secure and prosperous nation have no other choices and alternatives? This paper considers these questions.

Our population growth is exceptional for a rich nation

Atypically among the rich nations, the Australian policy is for year-on-year high population growth, with the cities and the landscape commended to fit in as best they can.

Much like the world at large, Australia is focused more on climate change than population growth. But our high population growth is most unlike that of most other rich nations.

World population is 'only' growing around 1 per cent a year.¹³ Close to a 100 nations are slower growing. Even at 1 per cent, there are daunting implications for the worlds of 2050 and 2100. Rather than world population levelling off at 9-10bn by mid century, a recent revision suggests the possibility of continuing growth to 11bn by end of century.¹⁴ The UN itself has said something similar, in its 2017 revision of World Population Prospects.¹⁵ Despite this, the UN's 17 Sustainable Development Goals do not headline the population issue itself.¹⁶

In world policy, as in Australian policy, climate-change has become the headline environmental issue. Population itself, habitat loss, land clearing, the sixth great extinction, ocean and water crises, and environmental pollution don't have the same urgency. Australian business is preparing for a carbon transition and not a population transition. Despite decades of greenhouse policy, atmospheric CO₂ concentrations are still rising.¹⁷ After a 2000s downtrend, Australia's official CO₂ emissions count has been rising again.¹⁸

According to UN World Population Policies,¹⁹ more nations have policies to lower population growth rates than to raise them. But nearly half of nations in the more-developed regions are rated as having policies to *raise* growth rates, partly due to lower natural increase. The 'raises' include more than a dozen EU nations, plus Japan. Nearly half of the nations in the less-developed regions are rated as having policies to *lower* growth.

The UN has rated Australia's population policy as one of 'no intervention', despite our 21st century upturn. Locally too, there is limited awareness that our high population growth is an outlier in the developed world.²⁰ No major party saw fit to offer a definitive population policy at the 2016 federal election. The attitude is as if our high population outcomes emerge self-willed from the Treasury 'estimates' and ABS 'projections' – when it would be more truthful to say that they are actively planned and managed by government. The ABS 'projections' are following the government – much more so than the other way round.

Gainsaying 1990s Australian Academy of Science (AAS) concerns (see further on), a 2012 AAS think tank rejected 'optimal population size' and saw 'few effective mechanisms' to manage national population.²¹ Actually, the population-management mechanisms of Australia and other rich nations, if not exact, are quite effective. Over 1972-98, Australia often had an annual population increment around 1 per cent or a little more. An increase of over 1.5 per cent was quite unusual. Since 2006 – intentionally - 1.5 per cent or more is common.

Compared with migration, our natural increase is fairly stable and predictable from year to year. It did not respond that much upwards upon Treasurer Peter Costello's Baby Bonus. Average fertility per female sits just below the 'replacement' level of two or 2.1. Our planned migration intake is more variable, and our NOM. Government can manage the former. In some recent years, immigration has nailed the migration plan to the last few thousand. Misses like those of 2016-17 (3 per cent of plan) or 2017-18 (15 per cent) are unusual. When such misses have occurred they have prompted injured accusations from the growth lobby of migration being lowered 'by stealth'.

As far as population growth is concerned, NOM now matters more than the gross figure of the planned permanent intake. This is because it counts the overall surplus of inward over outward movements. But its net figure tends to track the gross figure of planned permanent migration. For example in 2015-16 NOM was 193,000 and the planned permanent intake (including Humanitarian) 207,325, and in 2016-17 NOM was 245,500 and the planned permanent intake 197,308. If you double permanent migration, usually, you will roughly double NOM.

Managing NOM includes managing the various temporary-entrant categories, including Students, Working Holiday Makers and people on bridging visas and '457s' (now Temporary Skill Shortage visas). Various reports graph the rising NOM of about 2005-06 onwards, as compared with fairly flat natural increase.²² The average NOM from June 2007 to June 2017 was 222,400, compared to an average for 1982-2006 of 100,100.²³ The 2018 budget NOM 'assumptions' sit well on the high side of the official migration plan of 190,000.

It may be said that government cannot, or even should not, manage population. But our natural increase is fairly stable, government can easily plan the permanent migration visas, and actual arrivals under this part of the intake will usually come in close to plan. From 1985 through 2017, to note, the calendar year NOM has topped the fiscal-year permanent migrant arrivals in about 70 per cent of the years.

High population growth is not mandated for high prosperity

Population growth, as it is practised by Australia, is not necessary or inevitable. By policy rather than by diktat, Iran and Thailand steered from 3 per cent population growth per annum down to 1 per cent and less.²⁴ (Iran has since gone pro-growth again.) While our 1.5 per cent-and-up growth rates are not those

of certain African or Asian nations they are a long way above the major European or English-speaking nations in the OECD.

Around the OECD it is useful to distinguish between population and geography. Palpably, EU nations and the US have border issues, worse than ours. They also have low population-growth rates. The Scandinavian nations are becoming more culturally mixed. This has created tensions. Their budget math seems unlikely to factor in high population growth. Within living memory, Australia (now 25m) and Sweden (10m) have had nearly identical populations of 7-8m.

For 50 years, Germany and France have generally had population growth (much) lower than 1 per cent a year. They too have refugee and migrant tensions. Japan has had pro-growth policies, but also low or even negative population growth. To hold up GDP per capita, it looks to industry and technology pathways, and utilisation of the workforce. Average rates of annual growth in GDP per capita between 1990 and 2017 were very similar for Japan (1.1 per cent) and Australia (1.2 per cent).²⁵ Among OECD countries high population growth is not mandated, for living standards and prosperity.²⁶

To keep its population growth ticking over at rates like ours a rich nation only has to adopt a prodigal immigration policy. Already, we've overtaken the 1998 mid-range, or 'Series II', ABS forecast for Australia's mid-century population.²⁷ The striking impact of the 21st century population push was not foreseen then. But this push has changed Australia and constrained its future options.

The question is, for whose benefit? In this report, the main outcome is growth in aggregate GDP. There has been little or no benefit for environment or the electorate. On the contrary, there have been costs, costs which are not reckoned in the GDP figures. For example, neither the Commonwealth nor states have kept up dutifully with the infrastructure and service requirements of rapid population growth.

Bipartisan population strategy has entrenched Big Australia

Both main parties backed the revived population push of the early 2000s, which came to be enshrined in the 2011 Sustainable Population Strategy, and has outlived the mining boom.

While the old Populate or Perish policy predates the rise to prominence of the GDP measure, the new Big Australia policy postdates the rise to prominence of neo-liberalism.

In 1945, Labor's Arthur Calwell feared for our 'island continent'²⁸ and sought sustained population growth. While many European refugees arrived, British types were preferred. In that era, it would have been inconceivable that Indigenous land rights and native title would eventually cover about a third of the 'empty' continent. For defence and development, Calwell sought an annual rate of population growth of two per cent, half immigration and half natural increase.

This growth policy continued, indeed intensified, upon the Liberal win of 1949. Some time after postwar reconstruction and the 1950s boom, a rethink or reset might have been expected. It's true that immigration (as measured by NOM)²⁹ did decelerate after a high point of 140,000 in 1969.

Between 1972 and 1998, but not since, NOM was regularly well under 100,000 a year (averaging around 81,000 pa).³⁰ Annual population growth was commonly around 1 per cent. In 1975, at one point, NOM dipped under 15,000.

By the 1980s guiding neo-liberal precepts had taken wing. For discussion purposes, let these include ideas such as 'free' trade and markets, asset sales or 'recycling', lower government spending, deregulation, privatisation, and austerity. Australian policy makers on both sides of national politics welcomed elements of these precepts. Neoliberalism impacted not just on the Commonwealth government but also impacted on the states (see further on). If anything, the neoliberal agenda serves to encourage population - and consumption – the twin fuels of optimism among business interests. It does little to encourage examination of the distributional effects of population growth. The push to re-inflate migration began as

early as 2000³¹ and really bit by 2005. At that time, the Labor opposition leader (Kim Beazley) was a self-confirmed 'high immigration man'.³² His then opponent (John Howard) has labelled himself identically.³³ Pressed by the mining boom, both government and opposition were united on the 'economic need' for more migrants. This was said to be due to labour shortages and training shortfalls. The opposition rued falling completions among trainees for trades. Government promised more money for technical colleges, TAFE (Technical and Further Education), that is.

Writing with Kathleen Mackie, the present author³⁴ saw the Rudd-Gillard population review of 2010-11 as entrenching a two-party accord for rising population growth, driven by the pursuit of growth in aggregate GDP. Though 'robust' migration was to be assumed, government also claimed it couldn't 'predict or directly control' population. The idea of 'carrying capacity' was rejected.

Perhaps mirroring the euphemism of 'climate change' for 'global warming', ministers from the outset spoke of population 'change' and 'regional difference'. Treasury officials were seconded to, what was nominally an Environment Department review, and then dominated it. The review overlooked the major policy shift by the previous government – a large increase in planned migration and a near doubling of the NOM figures. Useful international comparisons were eschewed. The Issues Paper shirked the issues and the Prime Minister's Department massaged the final Strategy.

This unprecedented 21st century population-drive, with annual population growth of 1.5 per cent or higher, has not been debated or contested at recent federal elections. Nor was it interrupted by the 2008 GFC, or the wind-down of the mining boom after 2012. From 2012-13 through to 2018-19, planned permanent migration visas have been set on 'autopilot' at 190,000 a year (or more than 200,000 when the Humanitarian Program is included). Actual arrivals have usually followed suit. The recent shortfalls are surprising.

Treasury and growth in aggregate GDP drive our population policies and projections

In a manner not foreseeable seventy years ago, GDP requirements have become the main driver of Australian population policies and projections - at national, state, and city, levels.

The GDP concept was far less dominant, when 'Populate or Perish' became policy in 1945. Now, the pursuit of growth in aggregate GDP drives our population policies and projections. And vice versa.

Calwell had addressed the population question soon after the 1944 Bretton Woods monetary conference. This was to set the 'Kuznets' GDP on its rapid course to become the 'one stat to rule them all'. Post GFC, Joseph Stiglitz urged a shift from GDP 'fetishism'.³⁵ Robert Gordon has noted the flaws of GDP in capturing epochal US technology and consumer shifts.³⁶ But growth in real GDP per person is still his basic indicator of improvements in living standards. Diana Coyle fears GDP is problematic, for a 21st century economy of innovation, services and intangibles.³⁷

Major powers, and then quite recently New Zealand,³⁸ have made efforts to parlay GDP into fairer and greener measures, of economic activities and community wellbeing. For others growth in aggregate GDP has become an end in itself, rather than being one of a number of useful tools to gauge the economy.

Australia boasts of an 'Economic Miracle' now yielding 27 years of GDP growth. A 2003 (Productivity Commission) Miracle speech doesn't dwell on population growth.³⁹ Post GFC, John Foster claimed the Miracle was 'highly correlated' with output-growth per capita, not population growth.⁴⁰ Which latter we might well 'stabilise' in view of our fragile environment.

By default, population policy (which is to say population growth policy) resides in the Treasury. But 'population' is not a major policy topic on their public website. Nor do they offer substantive explanations of the policy. The ABS, however, documents the population outcomes and trends. Also, the migration

program in Home Affairs has good documentation and a stated purpose – ‘to build the economy, shape society, support the labour market and reunite family’.⁴¹

The Humanitarian program (which includes refugees) and provides permanent visas is counted over and above the general permanent Migration program. This century the first has not kept pace with the second. The Humanitarian intake, at less than 20,000 a year, is 1/10 or less, on top of current permanent migration or indeed of NOM. Rich nations’ humanitarian intakes, via the UNHCR or other routes, are ever small, as compared with the global millions of displaced people, many of these in Near East or African countries.⁴²

Governments in the more-developed regions, as UN World Population Policies has also reported, are much more likely to be worried about ‘population ageing’ than about displaced people. Thus, Australia might claim that higher migration can manage its age pyramid toward much greater youth. The Reserve Bank backs this claim.⁴³ Various Productivity Commission reports query the lasting effects and the overall economic benefits of this ‘rejuvenation’.⁴⁴ At the base of the age pyramid, the Baby Bonus did not achieve a ‘three child’ effect, as the Treasurer had jested.

Within the permanent intake from 1982 to 1997, but not since, Family-reunion migration dominated Skill migration. Since 2011-12, Skill has topped Family two to one or better.⁴⁵ But ‘Skill’ now refers to well-supplied professions, much more than skills in current high demand with employers.⁴⁶ At 2017-18, National Skill Shortages were not in professions, but building, auto, and technical trades.⁴⁷ Moreover more than half of the ‘skilled’ permanent intake are secondary applicants — spouse and dependent children.⁴⁸ They help boost the numbers but may not add to skills.

The ‘build the economy’ objective of immigration remains true, at least in the sense of population boosting GDP. Over 2005-13, our annual population growth rate of 1.7 per cent is the highest in the OECD apart from Luxembourg and Israel.⁴⁹ Similar population settings have persisted since 2013.

Our migration and population plans - critical determinants of an estimated 3 per cent GDP growth – only materialise as technical ‘parameters’ at the back of the third Budget Paper.⁵⁰ Here, NOMs of 235,000 (calendar 2018) and 231,000 (2019) are assumed. The resulting population estimates imply 1.6 per cent population growth for 2018 over 2017, 2019/2018.

These migration highs have absorbed friendly fire. It turned out that the Home Affairs Minister had canvassed a minor correction with public service mandarins and some cabinet colleagues.⁵¹ Later, the Treasurer smothered a suggested 80,000 cut.⁵² The unchanging migration plan of 190,000 is presented now as a ‘ceiling’ and not a ‘target’. To it we should add around 15,000 offshore humanitarian migrants.⁵³ It remains to be seen how this impacts on the 2018 NOM result.

High population growth, in decades ahead, is still generally assumed in the national economic (or Treasury’s five-yearly ‘intergenerational’) reports. The current ABS mid-range ‘projections’ for the mid century are similar to or higher than the 36m of Rudd’s time. Similarly, state and city population ‘projections’ commonly take for granted the national plans (see further on).

The population growth lobby prevails over environment and electors

Going across the political spectrum, a broad coalition for Big Australia prevails, overriding any environmental implications or electorate concerns.

So far, the GDP-dominated approach to population policy prevails. Support for this Big Australia is bipartisan, with reflexive backing from Treasury and the Reserve Bank. Other centres of influential support include state and city governments, industry, the development or property lobby, media (to some extent), many academics and professionals, the Australian Council of Trade Unions and various social and religious organisations.

This is a loose grouping for discussion purposes, but it can operate as a cohesive group in real life. A compact of industry, unions, social and migrant services, averred that the post-2011 migration levels were not for turning.⁵⁴ The 2017-18 'shortfall' in the permanent intake is not to their liking.

Supporters of population growth may be motivated by a desire to boost GDP growth - or simply by profit. Other supporters may be motivated by a perceived public interest, for example a desire to increase cultural diversity and support multiculturalism. Similarly, the (advertised) motives of the political parties may lean toward economic growth and industry, or society and justice. While the Liberal and Labor Parties have long been pro-population growth, up to the 1990s, the Greens offered more of an alternative. Now, candidates from all three parties seem to be more pro-immigration than the voters.⁵⁵

The media coverage of the 2018 budget did not unpack the crucial migration and population settings for 'GDP growth'. State government reactions, while concerned with what 'their' state got, also fit this frame. However, as per the references here, the Australian media does offer broad coverage of social and economic issues around population growth. Both commercial and non-commercial agencies may run strongly contrary economic opinions on population.⁵⁶ Such, however, may be offset by the editorial or by other pieces.⁵⁷

Graduates, academics, and certain professionals, lean more towards immigration than does the average voter.⁵⁸ It's not that surprising if economists or demographers will commonly endorse high population growth. Urban planners have already positioned themselves for the national 'journey' to 50m after 2061.⁵⁹ Not uncommonly, natural and social scientists bow to, or 'work around', the government's higher-population policy, being averse to challenging it openly. In practical effect, both 'progressives' and 'greens' are more likely to align with the high-growth policies, rather than with environmental or electoral concerns.

Environment and electors are put at a discount

'Mainstream' economics has revived questions of power and equality, but it has less to say about population growth.⁶⁰ The environment has been absorbed into 'environmental' accounting and economics where it tends to vanish from public view. In the decade to 2015-16, it was reckoned that Australia's Gross Value Added grew 28 per cent in 'chain volume' terms, as against growth in waste generation of 23 per cent, population growth 16 per cent, energy consumption 6 per cent, and greenhouse emissions minus 13 per cent.⁶¹ While this looks like an economic growth pattern less dependent on resource consumption, it is waste and population intensive, and congratulations should be tempered against the sobering State of the Environment (SoE) reports discussed below.

Up to and including the 1990s, Australia made determined efforts to gauge its (all-time) carrying capacity. That is, the reasonable limits on population and exploitation so as not to (further) degrade the environment. There was a parliamentary inquiry⁶² and an AAS symposium.⁶³ The latter put our capacity around 23m at the 'low, stable end'. Tim Flannery ventured a 'realistic maximum' of 20-30m, though this was not the 'whole story'.⁶⁴ The 23m is history. We have already hit 25m and current ABS 'projections' put us over 30m at or before 2030.

In purely bio-geographic terms, those 1990s estimates were generous. But 'carrying capacity', in these precise terms, has gone off the radar in more recent years. Independent scientific views may still be found, for example in the official five-yearly SoE reports. These reports imply that, if winning some battles, we're not winning the green war: 'The main pressures facing the Australian environment in 2016 are the same as those reported in SoE 2011, climate change, land-use change, habitat fragmentation and degradation, and invasive species'.⁶⁵ The inclination to use accounting manoeuvres as regards land-use change, to help us bridge our international commitments as regards climate change, should be noted here.⁶⁶

Community preferences around Big Australia have fluctuated. A 1997 parliamentary report⁶⁷ claimed 'consistent majority support' for *lower* migration. Support for level or *higher* migration appeared to be stronger, over 2001-2009.⁶⁸ By 2015, surveys indicated that a half of us didn't want more people, or thought that Australia was growing too fast.⁶⁹

At 2017, the resident-based Scanlon survey⁷⁰ still had less than a half of us wanting lower migration. But a 2017 TAPRI voter-based poll⁷¹ has 74 per cent saying we don't need more people. Only 54 per cent translate that to lower migration, perhaps indicating a tinge of obligation. The 2018 voter-based Essential Report⁷² has 64 per cent wanting less migration, and 54 per cent wanting lower population growth. Even the 2018 Lowy Institute poll has found, for the first time ever, that a majority wants lower migration.⁷³

It's easy to overlook the fact that India and China have now overtaken the UK as our major sources of immigrants.⁷⁴ In the political theatre, 'African' and 'Muslim' immigration looms much larger. Each of these components remains quite small, whether via the Migration, or the Humanitarian, channel. While ordinary voters may be concerned at being 'thought of' as racist,⁷⁵ their turning away from high 21st century population growth has more to do with chronic issues in urban infrastructure and services, housing affordability, the environment, and quality of life.

The growth lobby continues to argue for the supposed 'rejuvenating' effects of Big Australia,⁷⁶ and patronises serious electoral concerns as being readily manageable, often via infrastructure and decentralisation cure-alls that thus far have proven ineffectual. With differing cosmetics, both main parties still back high population growth as the engine for 'jobs and growth'. By implication, such 'growth' is well placed to meet present and future needs of ordinary (and younger) Australians. The closing sections quiz these assumptions.

The states covet, but under-service, high population growth

Big Australia is a starting point for state and city planning narratives, with infrastructure and services (or decentralisation) somehow expected to 'catch up' or keep up.

Planners and possibly many voters display little interest in 'carrying capacity', but our 'servicing capacity' remains a potent issue. Federal government, these days, is the main income and company tax collector, and derives the immediate GDP sugar-hit from high population growth. State governments, while also boosting their Gross State Products (GSPs), pick up much of the tab for the necessary infrastructure and services.

Like the political parties, the states have eyes for each other. In a cyclical race for pole positions in population growth and GDP growth, they've been eager to offer business encouragement and tax breaks. Rarely would a state leader presume to query Big Australia, as Bob Carr did in 2000, right at the beginning of the 21st century population-push. Sydney's population then stood at around 4m, while its median house prices were below \$300,000.

The present-day state and city population 'projections' commonly take as read the ramped-up national 'projections'. For example, the new city plans for Sydney, Melbourne⁷⁷ and Perth⁷⁸ are assuming a near doubling of population by the mid century. Not to be outdone, Brisbane Vision 2031⁷⁹ assumed a 50 per cent population hike over 2013-31.

Invoking concepts of 'Three Cities' and 'Thirty Minute' Sydney, Lucy Turnbull's Greater Sydney Plan embraces eight million by mid century, focused around three separate hubs.⁸⁰ Plan Melbourne says that Jobs, Housing, and Transport will 'need' to 'adapt'. The goal of eight million is there upfront.

In service of GDP growth, high population growth is the given. The natural and urban environment and other variables have to work around it - rather than population being managed to fit with our realistic

infrastructure capacities. In such a narrative, Big Australia is simply assumed to be the correct choice. State and city infrastructure and services are somehow to catch up or keep up.

Meanwhile, there are continuing gaps or inequities in the provision of training, schools, hospitals, transport, housing, or other infrastructure. These gaps relate to high population growth, the neo-liberal 'competition' and privatisation drives, other social or economic agendas. Ordinary citizens are more affected by gaps in provision than are the political elites who cause them, and are less able to buy their way out of them. The younger age groups, the vulnerable and disadvantaged, some of the recent arrivals, or those in newer 'stranded' suburbs with limited metro transit are particularly affected.

States' services fall short

During the mining boom, while boosting migration, federal government had also indicated that more money would be available for TAFE, in response to the (state-based) skill shortfalls. That hasn't really happened but private providers of technical and further education have been encouraged, with mixed results, including reports of fraud.⁸¹ High migration can still coexist, with skill shortages, even in the faster-growing states.

Though TAFE makes the hard yards of skills training, faith in TAFE competition with private providers went unshaken. In due course, this debouched onto the VET FEE-HELP scandal.⁸²

The trend of the past decade is growing (Commonwealth) university funding and places, versus lower state-based funding for vocational education and training (VET) places.⁸³ National VET and TAFE enrolments, says the National Centre for Vocational Education and Training (NCVER), declined about 6 per cent in calendar 2017. A concern of the Australian Industry Group (AIG) is that reforms of the past two decades have 'done little to prevent decline in apprenticeship numbers, completion rates or perceptions related to quality'.⁸⁴ NCVER has looked at training futures, to keep up with the fourth or 'digital' Industrial Revolution.⁸⁵

In 2017-18, 87 per cent of all migrants selected under the Skills category settled in Sydney or Melbourne, with even the minister⁸⁶ conceding this was not ideal. Nonetheless, this year's general migration plan of 190,000 still aims for nearly 130,000 'Skill' migrants. As noted above, the migration Skill Lists (the Medium and Long-term Strategic Skills List [MLTSSL] and Short-term Skilled Occupation List [STSOL]) are expansive. They attract professions which are already in good supply, and do much less to attract candidates for jobs or trades in (regional) short supply. The 2017-18 National Skill Shortages go to trades rather than professions. That's reflected in the Shortage Lists for NSW and Victoria – once again the states with strong aggregate economic growth. TAFE 'reforms' in these states have taken on an ominous cast. Perhaps Victoria's (2018 budget) TAFE package is a swing the other way.

National migration policy puts well over half of NOM straight into Sydney or Melbourne,⁸⁷ with most of the remainder going to other large centres. But as noted above, population pressure, however, is not a big priority in Commonwealth funding for infrastructure, including schools. Three-fifths of the \$19.5bn (2018-19) 'Quality' Schools fund is reserved for selective private schools. These schools are 'transitioning over 6 to 10 years to 80 per cent of the Schooling Resource Standard (SRS)'⁸⁸ with government schools on 20 per cent.⁸⁹ The states are meant by law to fund at least 75:15, the other way (ie 75 per cent for government schools and 15 per cent for private schools). They're the frontline of schooling pressures from rapid population growth.

But sell-offs or mergers of state schools on high-value sites have been common. The rising demands for government-school places in higher-growth areas of Sydney and Melbourne are somehow 'miscalculated' time and again.⁹⁰ Queensland, finally responding to 'enrolment pressures', is building Inner Brisbane's first new state high schools in 55 years.⁹¹

Australia has more students (one-third) in ‘private yet government dependent’ schools than almost any other OECD country.⁹² By the mid 2020s combined Commonwealth-state funding may well push many (or most) of these schools over 100 per cent of Schooling Resource Standard (SRS), that is, high dependence on government money despite their notionally private status,⁹³ with many or most state schools under a 100 per cent.⁹⁴ We trail on OECD schooling equity and quality comparisons. Under the present population and funding regimes, these gaps will likely persist or widen.

Among 41 richer nations, we rated lower for Quality Education and higher for Sustainable Cities. Such was the UNESCO scorecard, for nine *child-relevant* Sustainable Development Goals.⁹⁵ We sat midfield on Good Health, Decent Jobs and Economic Growth, Reduced Inequality, and Responsible Consumption. Among the highest-income nations, a think tank recently scored our overall health system very highly,⁹⁶ despite access and equity issues. Analogous OECD health-system comparisons are generally favourable to Australia. But underlying these favourable comparisons are serious health inequalities, correlating with spatial and class inequalities.

As is the case for our public schooling, our inter-city and metro transit scramble to keep pace with population growth. We car-commute less than the US, but more so than the EU. Our cities remain very congested, by world commuting standards.⁹⁷ From the 1980s, when US cities (even Los Angeles) and EU cities were rethinking metro transit, Sydney and Melbourne transit were continuing to invest in freeways and so-called ‘public-private partnership’ tollways.

After the 1980s, Canberra enjoyed flourishing population growth and roads investment, versus straitened bus services and static or falling ridership. Though dubious about Canberra rail, the urban planner Paul Mees⁹⁸ also scored Canberra as a big fail, in comparison with Australia’s general pickup in metro-transit after 1996. The 2016 ACT election was almost a single-issue light-rail poll. The light-rail plan now proceeds. Justified via anticipated population growth and urban development, it’s also a catch-up on past population growth. Australian capital cities’ total public transport passenger numbers, though recovering since the 1990s, were still lower at 2013 than they were in 1945.⁹⁹

In the 1980s, a proposal for a ‘Very Fast Train’ between Sydney, Canberra and Melbourne foundered. Today our national population is 50 per cent higher, and our inter-urban ‘Faster Rail’ initiative is examining three much less ambitious proposals. Melbourne still awaits a rail link to its 1970 airport, and Melbourne and Sydney metro transit planners still get ‘caught short’ by predictable population growth. Changing plans, stretched services, and crowded transit, are staples on the daily news.

Perth, though car-reliant, augmented its freeways (not tollways) with two brand-new and successful heavy-rail spines. Its airport link proceeds. But Western Australia didn’t cash in the mining boom. State debt grew, by some multiples, and remains high. Perth has a supposedly ‘drought proof’ population-growth formula, countering its recent 20 per cent decline in rainfall.¹⁰⁰ The longer term has wrought 80-90 per cent declines in the stream-flow into older Perth dams¹⁰¹ and in the salt-suppressing native-vegetation cover of the South West.¹⁰² More subtly than Sydney, Perth too sits among world-ranked biodiversity. The South West hosts a remarkable 7,000 vascular plant species or about 35 per cent of the all-Australia total.¹⁰³ A full analysis of the daunting implications of population growth for the protection of biodiversity and the availability of water is beyond the scope of this paper.

Housing unaffordability has become severe

Public or ‘social’ housing has shrunk since the 1980s. We have had OECD-topping housing unaffordability in Sydney and Melbourne.¹⁰⁴ There is aversion to linking this with our OECD-topping population growth – despite most of NOM going to Sydney or Melbourne.¹⁰⁵ The property lobby and think tanks¹⁰⁶ say, don’t fret about population growth, focus on more land for subdivisions and more houses. But an ANU survey over 2001-16 suggested we’d generally built enough dwellings, including in cities.¹⁰⁷

The federal Labor opposition has had policies to rein in negative gearing for investor housing as well as capital-gains tax discounts. There's little desire on either side of politics to bring either 'official' or tacit population policy into play, or indeed 'official' interest rates. Banks remain highly exposed to mortgages, though investor-lending and interest-only loans have been curtailed. While sensitive to house prices and inequality, the Reserve Bank of Australia (RBA) also lionises immigration and population growth as a 'source of strength'.¹⁰⁸ It explains high house-prices in Sydney and Melbourne in terms of 'zoning restrictions' rather than in terms of population growth.¹⁰⁹ But NOM is a big driver of these cities' growth in demand for dwellings. De-zoning can't fix their housing unaffordability.¹¹⁰

The growth lobbyists claim to be greatly concerned about housing affordability. But a big slump in city house-prices would also be a worry. Though the ACT is axing its first-home grants, NSW and Victoria have upped theirs, and their large population injections continue. Unaffordable housing disproportionately affects intergenerational equity. Australia-wide, median house prices in relation to household incomes doubled over 1981-2015.¹¹¹ In Sydney and Melbourne, house-price medians reached ten multiples of household incomes.¹¹² Though real estate now appears to be 'off the boil' in these cities, a large and highly centralised migration program does little for the affordability cause.

'Decentralisation' is the fond hope

States might hope to reduce infrastructure and housing pressures by channelling population away from cities. In the ongoing narrative, high population growth itself is not to be questioned. Advocates prefer the perennial hope of 'decentralisation', especially of migrants. Migrants should somehow be persuaded to settle in the regions rather than in the major cities. But geography and (European) settlement history suggest this project is unlikely ever to have a big impact.

Regionalism was the first and last excuse in the population review of 2010-11. But as the failed projects initiated by the Department of Urban and Regional Development in the 1970s and the failure of the proposed Multifunction Polis in the 1980s suggest, persuading newcomers to settle en masse in regional areas is not likely to succeed. Since 1945 Australia has been excellent at raw population growth but gets poor grades on decentralisation. We remain one of the most urbanised nations in the world. Even at 1945, Sydney and Melbourne housed about 35 per cent of the Australian population. Now 40 per cent of us (and about 60 per cent of our total housing market by value) are found in just these two cities, of close to 5m apiece. Around 65 per cent of us live in the eight capital cities, of which seven hug the coast.¹¹³

'Carrying capacity' or not, this fits the picture, of dry Australia's geography, poor soils, micro-scale evolutionary adaptations, and climate and rainfall extremes. It didn't fit with the Northern Australia White Paper,¹¹⁴ which stoked the old geographical anxieties of making a big continent 'safe and secure'. Despite specific regional threats of loss of biodiversity through extinction, this Paper promoted broad-scale damming and a 4-5 times hike in the region's population.

Canberra is relatively close to coast and still continues as our main decentralisation success since federation. A recent analysis rates Inner Sydney, Brisbane and Melbourne as the main winners from the program since 2013 to 'decentralise' Canberra's federal public servants.¹¹⁵

High population growth distorts our economic futures

Will Big Australia be better or kinder for us all?

After the GFC, our biggest boom of modern history, and 27 years of aggregate economic growth, who's winning from Big Australia? Why is the growth lobby keener on it than electors? Focusing on equality and opportunity, not the 'racism' canard, why are 'socialists' just as keen as 'conservatives'? It's not that easy, to sort out any win-lose effects from the post-2000 population boom. In any event, equality of opportunity was never the main priority of the growth lobby.

During the migration lull of 1972-98, growth in aggregate GDP was volatile, but it was often in the 3-5 per cent range. Since 1998, it has tracked at or a bit under 3 per cent. Dial down Big Australia, and the story of the 'Economic Miracle' may be at risk. Keep it, and we face other real present and future costs.

Big Australia distorts future equality considerations

Though other OECD nations have greater concentrations of wealth, Australia is a rich country, among the top 10 per cent. But, if housing is the key to households' accumulation of wealth then ours has become much less affordable, and inequality has widened. We can't directly assess the impact of Big Australia itself because we can't study some other Australia, the same as the one we have but with low population growth. But some European countries have lower population growth and lower inequality than Anglo nations. Piketty saw 'strong' demographic growth as a potential equaliser - not excluding more-developed nations. The UN has said something similar about strong economic growth and lower inequality - including in less-developed nations. Conversely, a long-run study suggests high inequality fuels high population growth.¹¹⁶

Surveying the past 30 years, the IMF rated Australia and other rich OECD nations, plus India and China, as showing 'large increases' in income inequality.¹¹⁷ While MS Keating is not inclined to put us among the worst of nations, he ascribes widening inequality more to a 'hollowing out' in middle-level jobs than to the avarice of Piketty's top 1 per cent.¹¹⁸ Decrying the focus on the upper echelons, IPA has portrayed Australian income and wealth inequalities as quite low.¹¹⁹

The years 2004-14 include the migration push and the GFC, and during this period the OECD saw our highest income quintile gaining more than the lowest.¹²⁰ The effect was stronger in wealth terms. Over the decade from 2005-16, the ABS reckoned that Gini inequalities for household income and wealth had gone up, if only at the margin.¹²¹ At 2015-16, median household net worth for the first (lowest) quintile was under \$50,000, around \$500,000 for the third, around \$2m for the fifth.

While some may balk at the idea that high immigration increases inequality, a CBA study points to stalling per-capita incomes, wage stagnation, and housing unaffordability.¹²² MS Keating adjudged that real wages and incomes have usually kept pace with productivity. But this might have changed, since the peak of the mining boom, and there are future concerns for equality of opportunity. The infrastructure, service, and housing, disparities created by Big Australia have big implications for inequality and intergenerational inequity. Despite this younger Australians seem less inclined than their elders to perceive migration as being too high.¹²³

Big Australia distorts future economic considerations

But perhaps equal opportunity is not your priority. Maybe you prefer to focus on 'dynamism' and 'innovation'. But it is still debatable whether our high population growth is a great force for these either.

Migrants and temporary workers can bring new vigour, ideas, and skills. Studies in many contexts link migration and innovation. But our high migration seems to be driven by the growth lobby's basic desires for (housing) activity and (GDP) growth, more than addressing innovation gaps. Evidence for this can be found in limitations on venture-capital, entrepreneurship barriers, unbalanced innovation support, poor business-research collaboration, and (as per the AIG and NCVER reports) our 'digital stall'. Challenging our supposed multi-factor productivity slump, Foster also sees the ultimate drivers of our future productivity growth as being innovation and entrepreneurship.¹²⁴ In his view, we should do more work on these, and worry less about 'wage costs'.

Despite its focus on skills, our high migration is not necessarily the most imaginative means to extend and diversify an economy traditionally based on 'natural resources and services'. Here, another nod to LA and California, an innovative, world top-ten economy, with 40m people, in highly bio-diverse surroundings. This looks like a case against carrying capacity and population being a problem. But there remain stark

environment, water, wildfire, and pollution problems. There are also infrastructure struggles, and inequality is high.¹²⁵ The need for their new bullet train captures the headlines, not any supposed need for population growth. California's population is growing at less than 1 per cent a year, as is that of the US as a whole. With 4m in LA City, and 10m in the County entire, the LA 'Sustainable City pLAN' focuses on environment, economy, and equity –much less population growth.

Like Australia, California is highly 'multicultural'. As in Australia, the California Greens shy away from direct consideration of the population question. However, there is also a long-running 'Californians for Population Stabilization' group. Under lower population growth over 2011-16, California appeared to implement progressive measures for workers' rights, safety nets, taxation, housing, while maintaining reasonable employment growth and growth in aggregate GDP.¹²⁶

The IMF is not the first to suggest that automation will be kinder to economic growth and capital than to labour or equality.¹²⁷ How would our 36m Australia compare with California, Japan, and the more-equal European nations — all slow growing in population? Would high population growth lead us to Economic Miracle II, with research and innovation, a broader palette of winning industries, companies, and exports, and environment and opportunity somehow preserved? Or could we not do better overall, without the intense reliance on a Big Australia?

For ordinary citizens at least, it really matters, if infrastructure and services can ever 'catch up'. Here, three economic scribes (Holden, Gittins and Verrender) offer recent variations on the same theme.¹²⁸ Wear as you will the kudos of Big Australia and the Economic Miracle, they seem to be saying, but also wear the very real budgetary implications for infrastructure and services.

The first (Holden), if generally favouring migration, sees no *automatic* per-capita revenue benefit: 'The federal budget should treat the costs and benefits of immigration symmetrically, and it should focus on the long-run not the short-run.' The other two are less pro-migration. But they align with the first as regards the marginal economic benefits, and under-funded liabilities.

Recall, says the second, carrying capacity (Gittins). The miracle fades, adds the third, if you divide GDP by population (Verrender). Not so, the RBA might counter: we outpace comparator nations on real GDP per capita growth.¹²⁹ But the concerns over our population growth are deeper than per capita GDP – stretched cities, struggling services, inequality, environmental profligacy, and our future economic bets.

Conclusion: lowering population growth

In the service of growth in aggregate GDP, national, state, and city plans are on a population-growth treadmill for decades ahead. But the natural and urban environment and the electorate are equally worthy of a strong say.

'Lower population growth and limited migration,' says a recent meta-analysis,¹³⁰ 'may contribute to increased national and global economic inequality.' In Australia, perhaps, the reverse doesn't apply. With the environment 'treading water', the states struggling to keep up services, and electors wearying, we ought to reconsider lower population trajectories.

Other tax and economic settings remaining similar, a less urgent population policy might not be transformative. But neither would it bring ruin. Lower population growth can mitigate State of the Environment pressures. And give us space for honest environment policies that don't send us backwards, on emissions and State of the Environment. Lower population growth could mitigate the chronic infrastructure, service, and congestion issues. And give us space for more imaginative and creative policies, toward future prosperity and opportunity.

Shifts in economic or environment policies can spring more from the politicians, or more from the officials. Here, the second avenue is unlikely. Were we ever to change, most likely, that would have to

come from politicians at the top. Some have recommended a national debate as a starting point, an inquiry, even a plebiscite. These, too, are not without their evident drawbacks.

Unlike Australia, in New Zealand, voters got a real choice. Labour went to the 2017 election, with a 30-40 per cent migration cut. After years of rapid population growth, their platform rued gaps in 'housing, infrastructure, public services, and in training'.¹³¹ Their 2018 budget offers GDP growth, but time will reveal, the extent of the rebalance between population and infrastructure.¹³² In 2017-18, their net migrant gain fell by 12 per cent. To note, NZ has Finance and Immigration Ministers, rather than a so-named Population Minister.

For any Australian 'circuit breakers' on population, there would never be an ideal time. When economic growth is flat, there is pressure to increase population in order to boost the GDP. And, it can be argued, to prop up housing activity and housing prices. When economic growth is up, as during the mining booms, industry will pressure governments to raise immigration, to cover labour shortages. And, it can be argued, to mask Australia's parsimonious public funding of training in essential skills.

Short term, it may be, that the mild 'reduction' in migration of 2017-18 will be pushed no further. That would leave us on very high immigration levels. Medium term, it's possible, that the imbalances between our carried population and our carrying (or servicing) capacity might trigger a real policy shift. If that medium term were now, and reviewing the previous sections it may well be now, these might be important elements of the shift. Some of these ideas are similar to the policies of the Sustainable Australia Party.¹³³

Cap permanent migration and reel in NOM

We ought to put the Migration program under a ceiling, of perhaps 80,000-90,000, similar to 1990s levels. That is not so alarming when we consider that the bulk of the current NOM settles in Sydney or Melbourne, and represents well-supplied skills not short-supplied jobs. Budget NOM assumptions run 20-25 per cent ahead of the migration plan. NOM, too, could be reeled in.

Move to a population policy of less than 1 per cent growth annually

If our unusually high population growth levels, and moreover the costs of our population growth policies, were publicised more, it might not be so easy, for our prime ministers to raise immigration numbers at will. As Calwell had his 2 per cent, we should move to a ceiling (not a target) of rather less than 1 per cent growth, closer to OECD norms. As compared with present shares, more would come from natural increase, less from Migration plus the Humanitarian intake. With a lower general immigration ceiling we could admit more humanitarian migrants.

Budget for population's longer-term costs as rigorously as for its shorter-term GDP boosts

Even at lower levels of population growth, let us modify the federal (and state) budget practices. As vigorously as we bank the short-term GDP gains from migration and population growth, we ought to budget for the longer-term servicing implications and costs. As part of this, a greater budgetary reflection on trends in income and wealth shares would be welcome.

Realign our population trajectory with the environmental constraints

Whether or not under the name of 'carrying capacity', let us put the environmental parameters and constraints back into our population plans. If these were taken at all seriously, we would see the need to redraw our 2050 (not 2030) population plan much closer to 30m.

In the national interest, establish a proper population directorate

Briefly, in 2010, the then Labor government tacked 'Population' onto the Environment Ministry. In 2018, 'Population' has been tacked onto a 'Cities, Urban Infrastructure' Ministry. But it's still business as usual. Expertly, we document our population and immigration *numbers*, ignoring our population *policy* and its implications for environment and electors. We should try to set up a holistic population ministry and agency, perhaps in the prime minister's portfolio.

Control the temporary skill shortage entries

From March 2018, two streams of Temporary Skill Shortage (TSS) replace the 457 visas. One of these streams still offers a pathway to a permanent visa. Again, if we were to lower the planned migration intake, we should be able to manage the TSS numbers – and the overlying NOM numbers – without creating a large overhang vis-à-vis planned migration.

Move beyond the 'border protection' boasts

Politicians like to wrap themselves in positive aspects of the immigration program. But their 'border protection' postures are a distortion of who we ought to be. If we were to take general Migration back towards the historical levels, we should at least maintain our modest Humanitarian intakes, and phase out the present detention practices. The Humanitarian intake, taken on its own, currently adds rather less than 1/10 of one per cent to our annual population growth.

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