

A NEW LOOK FOR MIGRATION POLICY?

It's time to resettle Australia's migration policy in favour of flexibility.

Across Australia, different regions are experiencing vastly different immigration pressures. In the major cities along the east and southeast coasts, community opposition to immigration is on the increase as a result of inadequate planning and investment. Conversely, in the less populated urban centres of Tasmania, South Australia, the Northern Territory, and regional Western Australia, communities are more open to the idea of increasing migration to stimulate the economy and help address local labour shortages.

As a result of this disparity, the Australian community holds no united position on what to do about immigration policy. Despite the external appearance of being a congruent continental country operating under a unified immigration policy, Australia is in fact, a disparate archipelago of hundreds of communities with distinctive immigration needs.

At the time of federation, the immigration needs of various parts of Australia were also in conflict. The workers in the burgeoning manufacturing hubs of Melbourne and Sydney were fearful of foreign labourers challenging their job security and standard of living. Conversely, the underdeveloped and labour-poor north felt the opposite: they desperately required foreign labourers to work their farms and manage coastal transportation. At the time of this disagreement, political and economic power rested indisputably in the southeast.

Consequently, while the economic priorities of Australia's various communities differed, the political priorities of the nation's southeast mattered more. Within nine months of Australia's first federal election, royal assent was granted for the *Pacific Island Labourers Act 1901* (Cth) and the

Immigration Restriction Act 1901 (Cth), formalising what would become the White Australia policy. Not only did these bills damage our long-term international reputation, but they also torpedoed the next 70 years of economic development for much of northern Australia.

Over one hundred years later, Australia finds itself at a similar crossroads. The mining, energy, and agricultural districts that crisscross much of the nation are in desperate need of migrants to infuse their workforces and fuel their business development. Equally, dozens of Australia's urban centres are atrophying as a result of long-term population, economic, and social decline. Yet just as in 1901, Australia's larger population centres are dictating too much of the nation's immigration agenda at the expense of the nation's smaller hubs of activity.

If Australia is to successfully manage its various demographic, economic, and labour force challenges, it will need to change the way immigration policy is determined. There are two reforms which might be undertaken:

- introduce a statutory authority to determine the national immigration intake; and
- partially devolve immigration powers to state control.

Australia's annual migration numbers are currently determined by the Commonwealth based upon advice from the Department



Asher Judah is author, most recently, of *The Australian Century*, available for \$29.95 from Connor Court Publishing.

of Immigration and Border Protection. This process has served Australia well for numerous decades, but in recent years, government decisions regarding migration numbers have become increasingly disrupted by political imperatives that directly undermine the nation's long term interests. Indeed, there is no better example of this in the past ten years than when Australia's net overseas migration rose to 315,700 in December 2008 and then declined 47% to 166,800 in reaction to public policy clashing with perceived community hostility.

While it is fair and reasonable for our elected leaders to respond to genuine community concern about current policy settings, the difference between strong and weak leadership is whether decision-makers are prepared to defend policies which advance the national interest. In the case of the 2008–10 'Big Australia Debate', short-term populist politics won and the greater national interest lost.

The best way for Australia to establish a more durable immigration policy is by changing the way that policy is set.

Since then, similar debates have occurred in regard to both 457 and 855 visas. In both cases, business and community confidence in Australia's immigration regime suffered. If Australia is to successfully manage its many and varied immigration-related challenges over the decades ahead, strategic policy settings must not be allowed to become a political football.

The best way for Australia to establish a more durable immigration policy is by changing the way that policy is set in the first place. Over the course of Australian history, many of the nation's most contentious and politically charged policy decisions have been placed in the hands of learned experts. Australian monetary policy being set by an independent Reserve Bank of Australia (RBA) is one example. On the vexed issue of migration, which has rightly been called 'a non-negotiable plank of

Australia's economic policy', a similar approach should be adopted.

To that end, the Commonwealth should create a new statutory authority that:

- evaluates national, state, local, and industry labour needs;
- decides when special migration opportunities warrant adjustments to cap and queue mechanisms;
- administers visa policy;
- steers the nation's migration policy response to the three P's (population, participation, and productivity);
- recommends an annual migration intake range; and
- maximises the economic and social benefits for the people of Australia from all forms of temporary and permanent migration.

The new authority should be administered by a board comprised of high quality, independent, and knowledgeable experts who are capable of overseeing the authority's extensive responsibilities. Furthermore, it must also be accountable to the Parliament, make half-yearly appearances before the House of Representatives Standing Committee on Economics, and issue regular statements on immigration policy. Finally, the authority must maintain formal and informal contact with the Minister for Immigration and their department. Just as the RBA makes major economic decisions removed from the sphere of politics, a suitably designed statutory authority can start to do the same for immigration.

The second stage of reform necessary to modernise Australia's immigration system is to partially devolve immigration powers back to the second tier of government. As highlighted above, due to Australia's size and economic disparity, the nation's respective states and territories face vastly different immigration pressures. Whereas some areas are struggling with the pace of population growth, others are desperate for it. In order to better address these disparities, demographic and labour force determinations should be partially returned to regional governments.

Prior to federation, Australia's separate colonies enjoyed absolute control over immigration policy. Because each was considered a sovereign entity, they were able to directly manage their response to local demographic, economic, and labour force pressure.

However, under Australia's current immigration arrangements, the states and territories have no authority over immigration policy, having been relegated to an advisory and sponsorship (nomination) role only. In order to restore greater immigration control to the states and territories within the confines of existing constitutional boundaries, deferential decision-making reforms should be implemented.

In practice, partial devolution would work as follows. During 2012–13, Australia's annual migration programme provided places for 190,000 people to migrate to Australia. This number was split between skilled migrants (129,250), family migrants (60,185), and special eligibility migrants (565). Under the reform proposed here, Australia's new statutory authority would announce an annual migration intake range for the financial year 2014–15, say around 200,000–240,000 places

The lower figure (200,000) would represent the minimum national intake permitted for 2014–15. The 40,000 places above this amount would represent the optional maximum that the states and territories would be able to accept should they so choose. For example, if the Western Australian government decided that it was capable of absorbing more than its allocated share of the national minimum intake, it could lodge a submission with the authority prior to the commencement of the immigration year requesting an additional quota from the optional 40,000 places. Such a submission would detail how that additional quota should be allocated and where the migrants would be settled—for example, skilled migrants versus family migrants and Perth

versus regional WA. In the event that a state or territory government concluded that a slower pace of population growth was required, it could choose to decline the opportunity for optional places of its own volition.

By combining such an approach with Australia's existing Specified Regional Area restrictions (a visa class [475] that binds the worker to a geographic area) and the best elements of the existing 457 visa programme, all of the states and territories would be better able to manage their pace of growth and unique labour force challenges. Those states desiring a slower pace would be able to do so by accepting a modest yet significant number of new Australians. Those that choose to grow faster would have the option of boosting their baseline migrant intake. Such a mechanism would ensure that the bigger states are able to moderate their rate of growth without overriding the migration needs of those seeking to do the opposite. Put another way, it is an archipelagic solution to an archipelagic problem.

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Overall, Australian immigration policymakers need to better understand that, despite our being a continental nation, our immigration needs are uniquely multifarious. As a result, in order to meet the various demographic, economic, and labour force challenges facing Australia this century, the nation must ensure its immigration system is capable of managing such complexity. The reforms outlined above will help to remove politics from policy and centralisation from incongruence. Consequently, it will give Australia exactly what it needs to meet its migration challenge: increased flexibility.