

5 June 2015

Migrant Intake
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New South Wales Division

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Dear Commissioners,

RE: Migrant Intake into Australia, Productivity Commission Issues Paper

The NSW Division of the Australian Property Institute (API) provides the following response to the Productivity Commission Issues Paper: *Migrant Intake into Australia*, released in May 2015 for public consultation and input.

In analysing the content of the *Issues Paper*, API has formed the view that there are two distinct elements embedded within those benefits and costs of temporary and permanent immigration, as set out by the Commission in the *Issues Paper*¹. The first element listed relates to the financial aspects surrounding immigration, while the second relates to “income, wealth and living standards”². With such understanding, this submission has been prepared, recognising that there are other professional associations who can provide a broader input to the Commission on immigration and hence it is proposed that API will focus its response on section 3 of the *Issues Paper*, which deals with impacts and policy issues.

In particular, the API provides the following focused responses in sequence to the two impacts identified in the issues paper, namely “urban amenity of existing residents”³ and “environmental impacts”⁴.

Question responses

What are the key urban amenity impacts of overseas immigration? Which of those impacts could be most directly addressed through immigration policy? How could the existing migration policies be improved to reduce the adverse effects, and increase the positive effects, on the amenity of existing residents?

API notes that the Commission correctly identifies the interrelationship between the demand for infrastructure, housing and essential services, as having implications for the existing urban amenity, notably through increased cost and/or reduced availability or quality. It is however noted that since the mid 1970s both Commonwealth and State Governments have progressively withdrawn from policies directly focused upon decentralisation, which in turn has arguably increased demand for infrastructure, etc. in the existing urban areas.

¹ Productivity Commission (2015), *Migrant Intake into Australia*, (Canberra, May), 1

² Productivity Commission, 1

³ Productivity Commission, 22

⁴ Productivity Commission, 23

It is agreed that overseas migration “may not be the exclusive contributor to some”⁵ of the issues, however such migration has obviously been part of the population growth in turn aggravated by the absence of meaningful decentralisation policies. The current supply of vital infrastructure such as water, electricity and transport has been identified increasingly as a detrimental factor on urban amenity, and immigration has somewhat mistakenly been identified in broadsheet media as the cause⁶. API considers that retarded investment in such infrastructure over the past decades has almost certainly led to the general perception that such infrastructure has not been sufficiently modernised and amplified. This is evident in the recent decision by the NSW Government to construct the Sydney Metro project, which has been described by Premier Mike Baird as follows:

“The second harbour rail crossing has been talked about for decades – today for the first time residents of Sydney know the funding is there to make it a reality.”⁷

Clearly such projects as the Sydney Metro (and others) provide strong evidence that the demand for infrastructure has lagged behind the demand of a growing population. Hence it is questionable whether overseas immigration can be allocated significant responsibility for any reduction in the urban amenity of existing residents of Australia’s largest cities, such as Sydney and Melbourne.

The absence of a meaningful decentralisation policy almost certainly lies at the heart of the current perception that infrastructure and transport is aged and until recently inadequately funded to permit modernisation and amplification.

What has been the impact of Australia’s immigration programs on the environment? How direct is the relationship between immigration policy and domestic environmental outcomes and how can the latter be improved through immigration policy?

Population growth comprises not only natural fecundity but also internal and overseas immigration, notably to the largest Australian cities, all of which “can have implications for the natural environment”⁸.

It is noted the only statutory metropolitan plan for large cities in Australia has been the 1951 *County of Cumberland Planning Scheme Ordinance* which set out the various land uses permissible throughout the (then) Sydney metropolitan area. Subsequent metropolitan plans have not been statutory, merely being described as strategic, relying upon statutory planning at the Local Government level, currently in NSW under the *Environmental Planning and Assessment Act 1979*. As previously mentioned, there has been an absence of attention to decentralisation at both the Commonwealth and State Government levels and accordingly, Local Government planning instruments have been unable to fill this void.

API considers that a statutory planning document for the Sydney metropolitan area would assist in understanding just which areas are identified for residential land use, industrial, commercial and retail, while reserving other land for public purposes.

⁵ Productivity Commission, 22

⁶ *The Canberra Times* (2015), “Restrict immigration and take the pressure off our infrastructure,” (28 May), 2

⁷ Media release, “Funding secured: Sydney Metro to be a reality,” (5 June)

⁸ Productivity Commission, 23

The API NSW Division would be pleased to provide any further information or clarification desired by the Productivity Commission and arrangements can be made by contacting Gail Sanders OAM, NSW . In particular the API would be keen to provide an amplification of this submission at subsequent Productivity Commission hearings.

Yours sincerely,

John Sheehan LFAP
Chair, Government Liaison and Past President
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NSW Division

Appendix 1 – Submission Committee

Associate Professor Andrew Kelly FAPI
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Gail Sanders OAM (**Committee Secretary**)
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John Sheehan LFAPI (**Committee Chair**)
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