



**Sustainable
Australia**
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Sustainable Population Party
(soon to be Sustainable Australia)
submission

**Productivity Commission review into:
Migrant Intake into Australia**

"You can't grow forever in a finite world," Dick Smith AC.

"Immigration is a rather lazy way to try to grow your economy," Mr Hockey told ABC radio.¹

*"State and territory borrowing for capital expenditure over the last seven years drove their finances backwards from \$37 billion in the black in 2006 to \$69 billion in debt in 2013,"
The Grattan Institute.²*

¹ <http://www.macrobusiness.com.au/2015/03/hockey-immigration-lazy-way-grow/>

² <http://grattan.edu.au/report/budget-pressures-on-australian-governments-2014/>



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17 December 2015

Migrant Intake into Australia
Productivity Commission
GPO Box 1428
Canberra City ACT 2601
migrant.intake@pc.gov.au

Dear Sir/Madam

Re: Submission - Migrant Intake into Australia: Draft Report

Thank you for the opportunity to make a submission to respond to the Productivity Commission's inquiry into immigration.

Introduction

The Sustainable Population Party (soon to be renamed Sustainable Australia) is an independent, grassroots community movement advocating for an economically and environmentally sustainable Australia. We are a group of committed Australians from backgrounds in business, science, the environment, health, academia, demography, politics and many other ordinary citizens; from World War 2 Diggers to migrants born on every inhabited continent on Earth.

The Sustainable Population Party was registered as a federal political party by the Australian Electoral Commission on 23 September 2010.

Initial submission

Sustainable Population Party made a submission arguing that the Australian government should stabilise Australia's population as soon as possible, being within a generation, predominantly by lowering immigration to the level of emigration. This submission is available to be found in the 'Initial submissions' section of the enquiry website.

Response to Productivity Commission draft report

This submission will make particular reference to the Productivity Commission draft report, which we believe to be fundamentally flawed and impervious to real world evidence.

Aged dependency ratio

A prime example of the flawed methodology of the draft report is the assumptions regarding the so-called 'aged dependency ratio'.



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The draft report states that:

“Without further net migration, the Commission projects that the age dependency ratio — the ratio of those aged 65 years and above to those aged 15 to 64 years — would increase from around 23 older persons to every 100 working-age individuals in 2014 to around 59 older persons by 2060. In contrast, a continuation of the current long-term trend in net migration is projected to limit the increase in the age dependency ratio to around 44 older persons to every 100 working-age individuals over the same period.”

The problem with this analysis is that this so-called ‘working age’ of 15-64 is not representative of real world labour-force participation. This theoretical definition fails to account for increasing youth unemployment (15-24), and it fails to account for growing employment of people 65 and above. It fails to take into account that there will be less young dependants under 15 in a more aged population. This simplistic analysis also fails to recognise that there are many other sources of tax revenue besides personal income tax (including company tax and GST).

When analysing workforce participation and *real* dependency ratios, it is therefore appropriate to look at total labour-force participation of **all** citizens, including those above 65. On this front, it is good news, despite significant ageing and a greater share of over 65s. If we look at Australia since 1980, in the same period as our average age has increased by about seven years to 37, workforce participation has also increased, from 62 to 65 per cent. So we’ve aged and *lowered* real dependency. This was covered in my 2014 article in the Sydney Morning Herald.³

Furthermore, a recent study was undertaken across all OECD countries to look at the labour-force participation as percentage of the population aged 15 plus, by age structure.⁴ Real world evidence from comparable OECD countries shows **no statistically significant association** between the proportion of people aged 15 plus in the labour force and the proportion aged 65 plus.

In other words, the Productivity Commission’s claims regarding workforce participation and related economic flow-ons such as national output, incomes and GDP per capita are baseless. They should be immediately retracted and the draft report rewritten.

Twentieth century – Sustainable immigration level

According to The Australian Population Research Institute (TAPRI), over the 100 years of the twentieth century Australia had an average immigration intake of around 70,000 per year.⁵ In the twenty first century this has been allowed to blow out to around 200,000 per year.

³ <http://www.smh.com.au/comment/ageing-is-no-ticking-timebomb-20140424-zqyy8.html#ixzz3uSXojCYu>

⁴ <https://theconversation.com/the-tenuous-link-between-population-and-prosperity-38291>

⁵ <https://theaustralianpopulationresearchinstitute.files.wordpress.com/2014/12/migration-to-australia-finalv2.pdf>



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This rate of immigration has Australia on track for our population to surge from the current 23 million to over 40 million in 2050 and 60-80 million by the end of the century, despite it being unpopular. According to Galaxy polling, 70 per cent of Australians reject this growth.⁶

Returning our annual immigration intake from the current 200,000 down to the long term average of 70,000 would allow Australia to (according to TAPRI) achieve an immigration level close to the recent level of emigration. With immigration near the level of emigration, Australia's population would likely stabilise at around 26-30 million by mid century. This is the preferred level indicated in the referenced Galaxy poll.

In order to achieve a sustainable and democratic population outcome, Australia needs an immigration program that is better, not bigger.

Key recommendations

Australia has a rich history of immigration, and a reputation as an open and tolerant nation. This was largely achieved throughout the twentieth century with a sustainable and manageable immigration program. In order to help ensure the long term viability of Australia's immigration program, and a related tolerant and cohesive society, we need to quickly return to this sustainable and manageable immigration level.

The Productivity Commission should re-write its draft report based on real world dependency assumptions, rather than the outdated dependency theories of the traditional 'working age' of 15-64. This will demolish many of the draft report's claimed economic gains from high immigration, and demand different conclusions (including lower immigration).

Sustainable Population Party recommends that rather than aiming for a false and 'lazy' economy of rapid population growth, Australia's government must focus on the quality of life of its current citizens.

This quality of life can be underpinned by adopting the abovementioned key population policy - returning our annual immigration intake from the current 200,000 down to the long term twentieth century average of 70,000 - which would likely **stabilise Australia's population within a generation**.

Please don't hesitate to contact us to discuss our broad sustainability-based agenda:
www.VoteSustainable.org.au/contact_us

Yours sincerely

William Bourke
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Sustainable Population Party
www.VoteSustainable.org.au

⁶ <http://www.news.com.au/tablet/massive-thumbs-down-for-big-australia/story-fnehlez2-1226560309280>