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AUSTRALIA'S UNSUSTAINABLE MIGRATION PATH

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Executive summary

On 15 February 2024, the Australian Bureau of Statistics released data on the number of overseas arrivals to and departures from Australia up to and including the month of December 2023. Analysis of the new data on net permanent and long-term arrivals, as well as other existing data, identifies concerning trends in Australia's present migration policy settings:

- The 2023 calendar year was the first in history where Australia welcomed more than one million long term and permanent arrivals, at 1,091,210. By way of comparison, it took Australia ten years for the one-millionth post-Second World War migrant to arrive in Australia in 1955.
- Net permanent and long-term arrivals in 2023 totalled 447,790, the highest on record. The second highest net arrival year was 2008, at 327,680, approximately one-quarter less than what occurred in 2023.
- On a share of population basis, the 2023 intake was the highest since 1950, when Australia's population surged after the Second World War.
 - In 2023, net permanent and long-term arrivals were the equivalent to 1.68 per cent of Australia's resident population, compared with 1.85 per cent in 1950.

- Outside the immediate post-Second World War years, the next highest yearly level was 1.54 per cent recorded in 2008.

- Between 1945 and 2019, annual net new permanent and long-term arrivals as a proportion of the population was 0.79 per cent, or less than half what was recorded in 2023.

- The share of the Australian population born overseas is estimated to now be at a record 31 per cent. According to comparable data from 2020, Australia's overseas born population is higher than other nations in the Anglosphere: New Zealand is at 29 per cent, Canada at 21 per cent, the United States at 15 per cent, and the United Kingdom at 14 per cent.

Australia is a welcoming nation and Australians recognise the important role that immigration has played and can continue to play in the nation's economic and social development. But the failure to plan and to have in place policies to support the present intake levels undermines community support for migration and is inconsistent with the principles of a sustainable migration programme.

Introduction

The federal government's 2023-24 budget committed Australians to taking in 1.5 million new residents over the five years between the financial years ending 2023 and 2027.¹ On the basis of these budget estimates alone, IPA research and analysis found that, unless action is taken to either change or implement policies to support the intake, the cumulative housing shortfall can affect 252,800 families across the nation by 2028.²

In December 2023, the Australian Bureau of Statistics (ABS) published data on international migration to Australia for the 2023 financial year that revealed net overseas migration had significantly exceeded budgetary estimates.³ The release of new ABS data on permanent and long-term arrivals up to the end of the 2023 calendar year further supports the contention that the budget severely underestimated net overseas arrivals.

The new data, released by the ABS on 15 February 2024,⁴ shows total gross permanent and long-term arrivals in the 2023 calendar year totalled 1,091,210 and net permanent and long-term arrivals totalled 447,790. The ABS includes three categories which comprise the 'permanent and long-term arrivals' figure: 'permanent arrivals', 'long-term visitors arriving', and 'long-term residents returning'. The individuals counted in these categories are the same as which are included in the net overseas migration figure, with the exception of the 12/16 rule, which means a new arrivals counts as an overseas migrant if they stayed in Australia for 12 of the last 16 months.

As explained in this report, placing these figures in a historical context reveals both the gross and net arrival statistics to be the highest on record by a significant margin. This includes the period after the Second World War where the federal government managed a large-scale immigration programme based upon the justification that Australia needed a larger population for defence and development purposes, represented by the slogan 'populate or perish'. Migration throughout the period was targeted towards achieving a one per cent annual increase in population.

However, population levels now are higher now than they ever were under 'populate or perish'. Net permanent and long-term arrivals in 2023, as a percentage of Australia's resident population, was more than double the historical average from 1945 to 2019 (the post-Second World War to pre-Covid pandemic period).

Moreover, the latest available data suggests Australia to be home to the largest number of overseas born residents in history at 31 per cent. On a per capita basis, Australia is home to more migrants than anywhere else in the Anglosphere.

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- 1 Federal Government, *Budget 2023-24: Budget Strategy and outlook: Budget Paper No. 1* (Federal Treasury, May 2023).
 - 2 Daniel Wild, Kevin You, and Morgan Begg, *Mass Migration Induced Housing Shortage* (Institute of Public Affairs Research Report, June 2023).
 - 3 Australian Bureau of Statistics, *Overseas Migration, 2022-23 financial year* (13 December 2023).
 - 4 ABS, *Overseas Arrivals and Departures, Australia, December 2023* (15 February 2023).

A foundational principle of a successful and sustainable migration programme is that it has broad support in the existing domestic population.⁵ Australia is a welcoming and tolerant nation, and Australians recognise the important role that immigration has played in our economic development and as part of the national story.

However, the community goodwill towards migration that was witnessed in the post-Second World War period has been undermined by a failure to plan for, and to have the policies in place to support, the present intake levels. Recent surveys indicate that Australians do not support the present direction of immigration policy. A representative survey of 1,000 Australians commissioned by the IPA, in April 2023, suggests that 64 per cent of Australians believe the federal government's 'proposal to let in a further 650,000 migrants' over 2023 and 2024 was 'too many'.⁶ This is consistent with other surveys.⁷

Unplanned migration is also a strain on government resources such as schools, roads and hospitals, as well as housing. In addition to the IPA research into migration and housing mentioned earlier, IPA research has also established that Australia's migration programme is a major issue affecting cost-of-living. Because of the reliance on migration-driven population growth to achieve overall economic growth, Australians are approximately \$8,000 per year per person worse off.⁸

Immigration policy should be adapted to align with Australia's level of public infrastructure. In other words, governments must have policies in place to support an intake of people into the country, which is consistent with the provision and development of schools, roads, hospitals and housing, to accommodate an optimum and desirable level of migration that is capable of being broadly supported by the community.

5 See Wolfgang Kaspar, *Sustainable Immigration and Cultural Integration* (Centre for Independent Studies, 2002).

6 Institute of Public Affairs, *Worker Shortage and Immigration Poll* (April 2023): <https://ipa.org.au/wp-content/uploads/2023/04/IPA-Worker-shotage-and-immigration-poll-April-2023.pdf>.

7 Lisa Visentin, 'Majority of voters believe Australia's migrant intake is too high' (19 July 2023): <https://www.smh.com.au/politics/federal/majority-of-voters-believe-migration-intake-is-too-high-20230718-p5dp69.html>.

8 Kevin You and Morgan Begg, *Addicted to Migration: Australia's falling productivity and the cost of relying on migration for economic growth* (Institute of Public Affairs Research Report, December 2023).

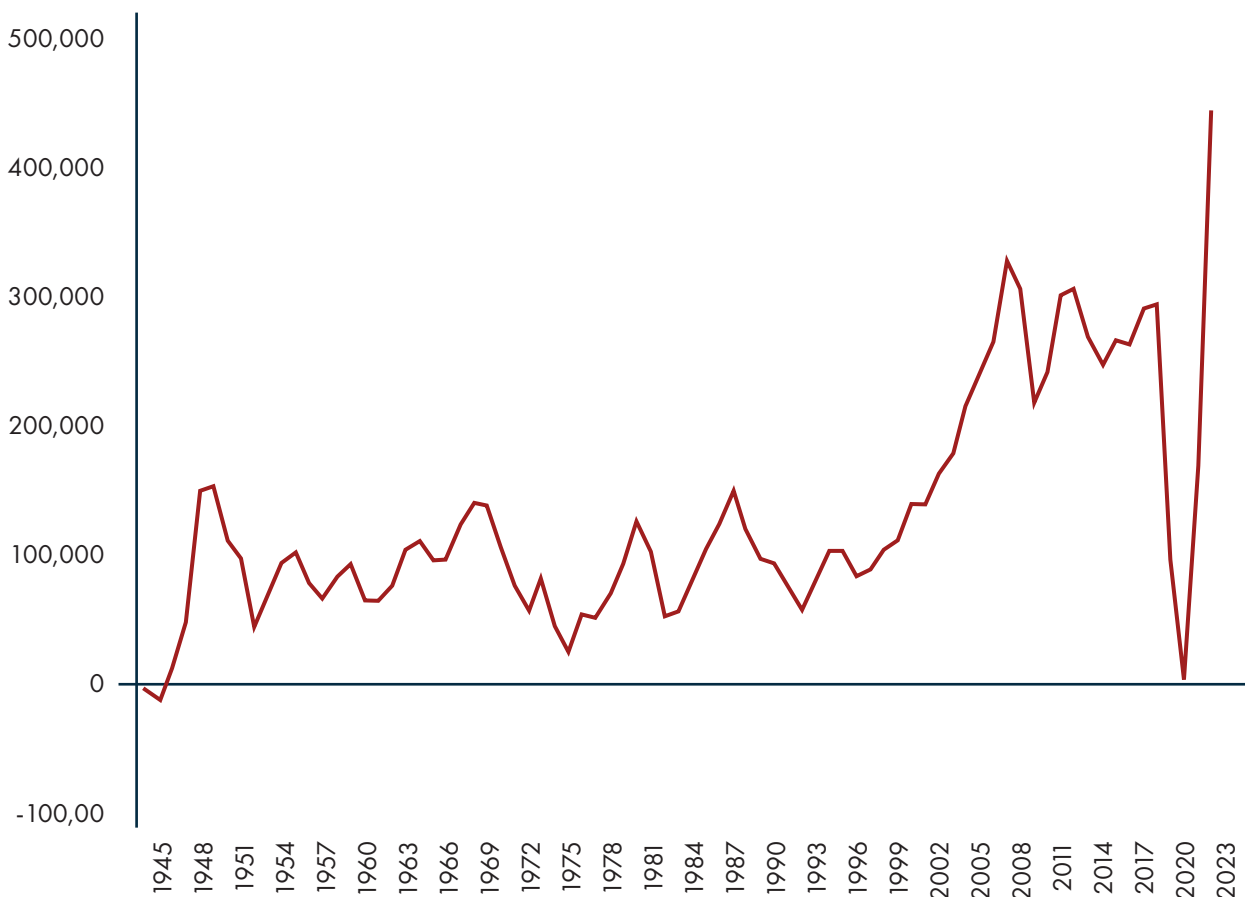
Net permanent and long-term arrivals the highest in history

ABS data shows that net permanent and long-term arrivals, in the calendar year 2023, at 447,790, are the highest on record. This figure represents the number of permanent and long-term arrivals in Australia minus the number of permanent and long-term departures from Australia.

Total permanent and long-term arrivals in 2023 were also the highest on record, at 1,091,210. The year 2023 marks the first calendar year in history, in which permanent and long-term arrivals exceeded one million.

The post-war pre-pandemic average, between the years 1945 and 2019 (inclusive) was 125,973, just over one quarter of the net intake for 2023.⁹ Over the last three years, net arrival numbers have consistently increased.

Chart 1: Post-Second World War net permanent and long-term arrivals, 1945 to 2023



Source: ABS, IPA

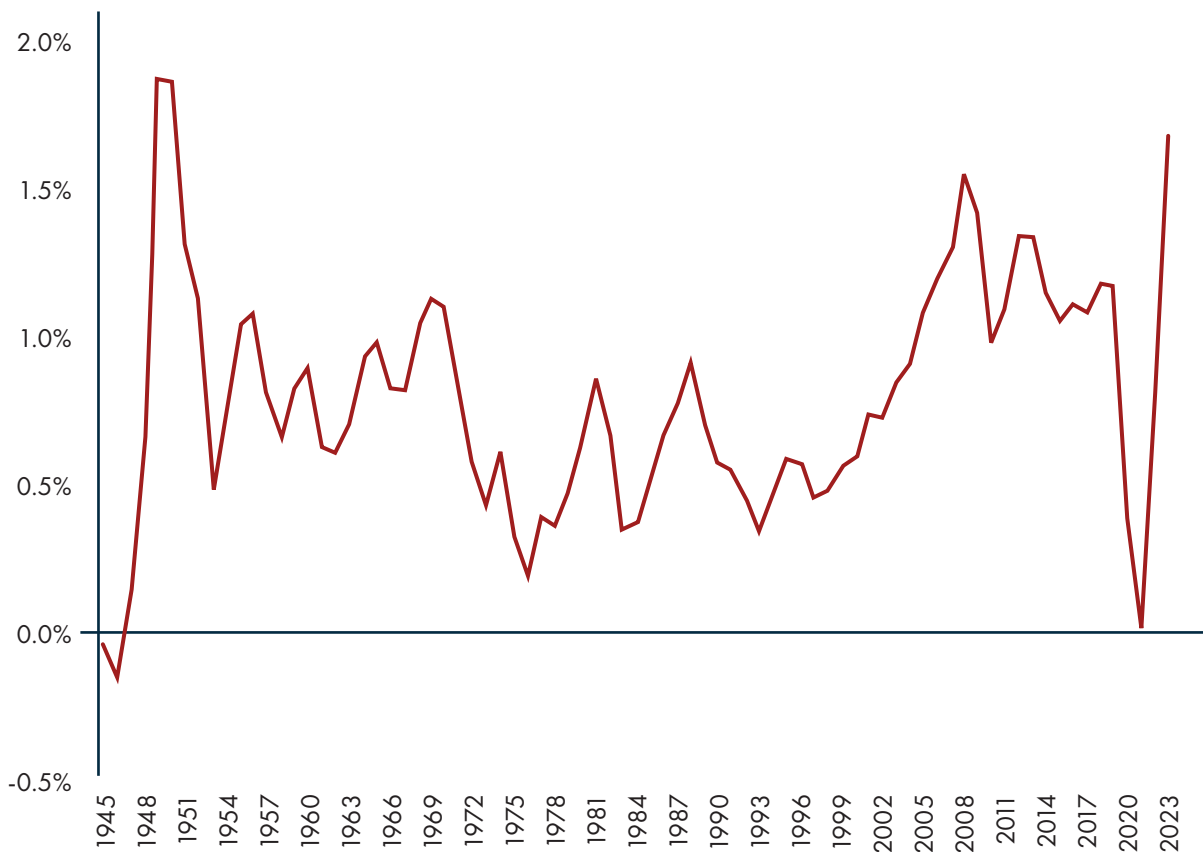
⁹ Pre-1997 arrival numbers are based on the ABS' net overseas migration, which, before 1972 was also based on the calendar as opposed to financial year.

Rate of net intake in 2023 more than double historical rate

Between 1945 and 2019, net permanent and long-term arrivals, in proportion to the existing resident population, averaged 0.79 per cent. In 2023, net permanent and long-term arrivals were equal to 1.68 per cent of the population. This was the third highest in any year and the highest ever since the migration boom of the 1950s from war-torn Europe.

In mid-2023, Australia's population was 26.64 million people. If net permanent and long-term arrivals were consistent with the long-term average of 0.79 per cent, then arrivals in 2023 would have been approximately 209,229. Instead, net permanent and long terms arrivals were 447,790, indicative of the arrival of 238,561 more people than what historical trends would have anticipated.

Chart 2: Net permanent and long-term arrivals as a share of the population, 1945-2023



Source: ABS, IPA

Comparing net permanent and long-term arrivals with net overseas migration

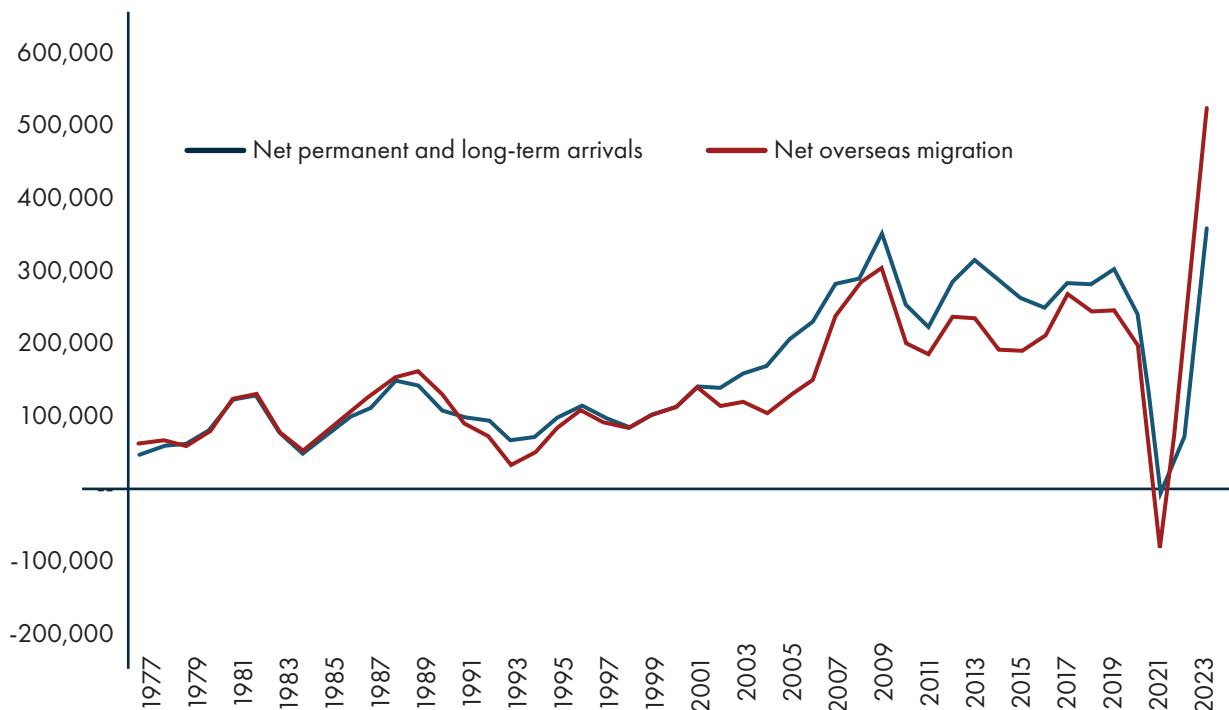
The most recent data for net overseas migration in the most recent full financial year (ending 2023), at 518,000 net migrants, is higher than the most recent data for net permanent and long-term arrivals. This is because the two are slightly different measures.

The unit of analysis of arrival and departure data is the journey, and is divided into three categories: 'permanent arrivals', 'long-term visitors arriving', and 'long-term residents returning'. In contrast, overseas migration data is based on the individual and follows the 12/16 rule, whereby an arrival counts as an overseas migrant if they stayed in Australia for 12 of the last 16 months.¹⁰ Conversely, a departure is counted as emigration or expatriation subsequent to the individual living overseas for 12 of the last 16 months.

Determination as to whether a person makes a permanent or long-term journey into Australia does not incorporate the 12/16 rule.¹¹ In addition, net overseas migration—as reported by the ABS—is based on the financial year. The analysis of net permanent and long-term arrivals in this report is based on the calendar year.

As Chart 3 illustrates, both measures move in the same direction over time. Since reporting for net overseas migration suffers from a delay, net permanent and long-term metric can act as a proxy to estimate net migration numbers which incorporate the second half of 2023.

Chart 3: Net permanent and long-term arrivals vs net overseas migration



Source: ABS, IPA

¹⁰ Australian Bureau of Statistics, *Overseas Migration Methodology* (15 December 2023): <https://www.abs.gov.au/methodologies/overseas-migration-methodology/2022-23-financial-year>.

¹¹ Australian Bureau of Statistics, *Overseas Arrivals and Departures Australia methodology* (16 January 2024): <https://www.abs.gov.au/methodologies/overseas-arrivals-and-departures-australia-methodology/nov-2023#scope>.

Overseas-born population highest since Federation and highest in Anglosphere

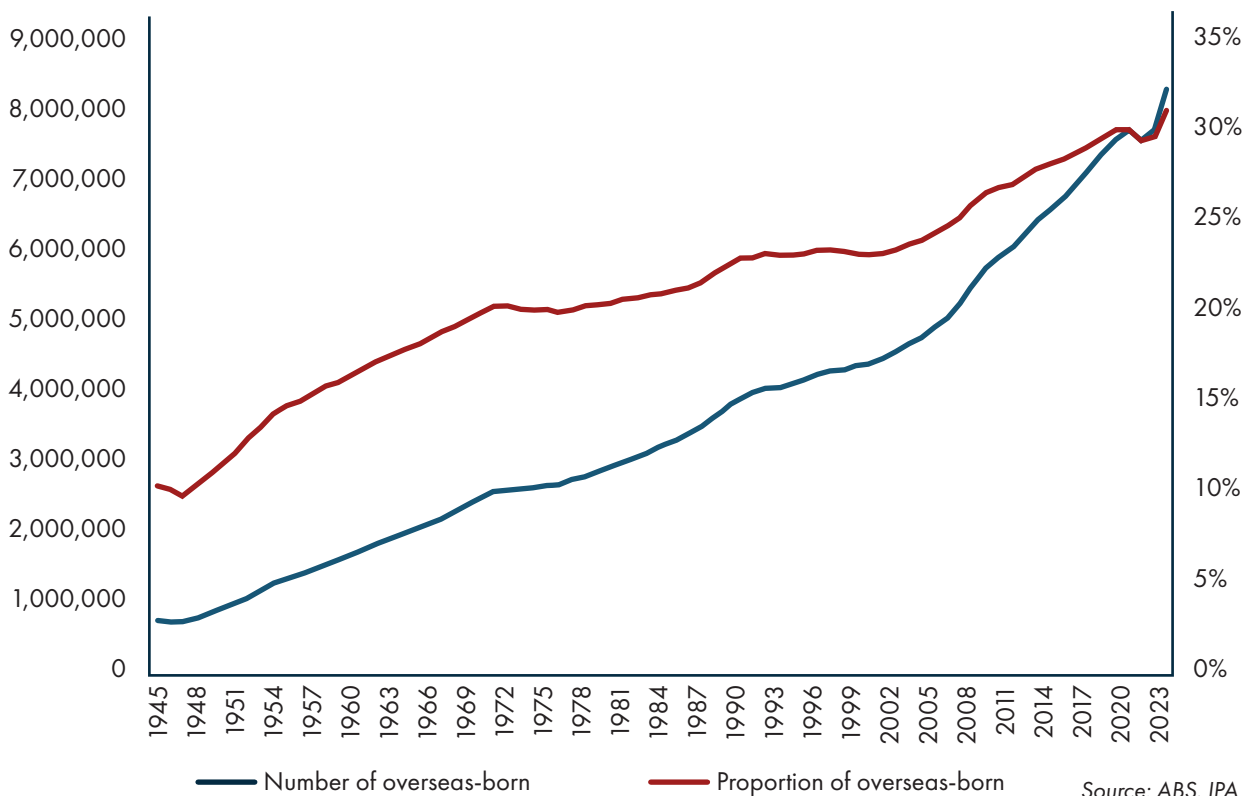
Today, Australia is expected to have the highest number of overseas-born residents than at any other time in history. In 2023, approximately 8.2 million Australian residents were born overseas and 18.44 million were born in Australia.

Overseas migration outnumbers natural growth (births minus deaths) by almost five-to-one, meaning that the share of Australia’s resident population born in

Australia is expected to undergo a continuous decline over the coming years. On the other hand, the share of Australia’s resident population born overseas is expected to continue to increase.

At present, approximately 31 per cent of the population was born overseas. This is the highest overseas-born proportion of the total population ever recorded.

Chart 4: Australia’s overseas-born population, 1945 to 2023



The Anglosphere consists of five English-speaking countries that are considered developed. They are: Australia, New Zealand, Canada, the United States, and the United Kingdom. Every country in the Anglosphere has a strong history of migration, and—with the exception of the UK—were large British colonial settlements.

An analysis of the latest available comparative data from the United Nations Department of Economic and Social Affairs, published in December 2020, suggests that Australia’s share of overseas-born

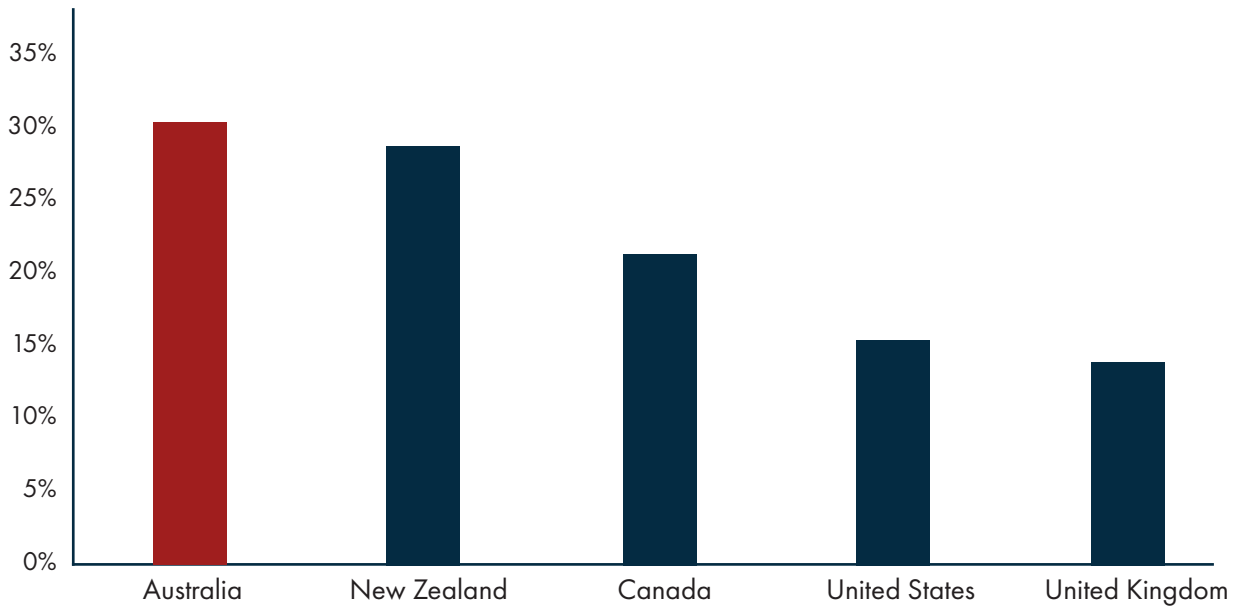
population is higher than other comparable nations in the Anglosphere.¹²

Consistent with the more recent estimate, Australia’s foreign-born population was found to be approximately 30 per cent of its total resident population, as of July 2020.

The country with the next highest level of foreign-born population was New Zealand, at 29 per cent, followed by Canada (at 21 per cent), the US (at 15 per cent), and the UK (at 14 per cent).

12 United Nations, *International Migrant Stock* (2020): <https://www.un.org/development/desa/pd/content/international-migrant-stock>.

Chart 5: Population born overseas among Anglosphere countries in 2020

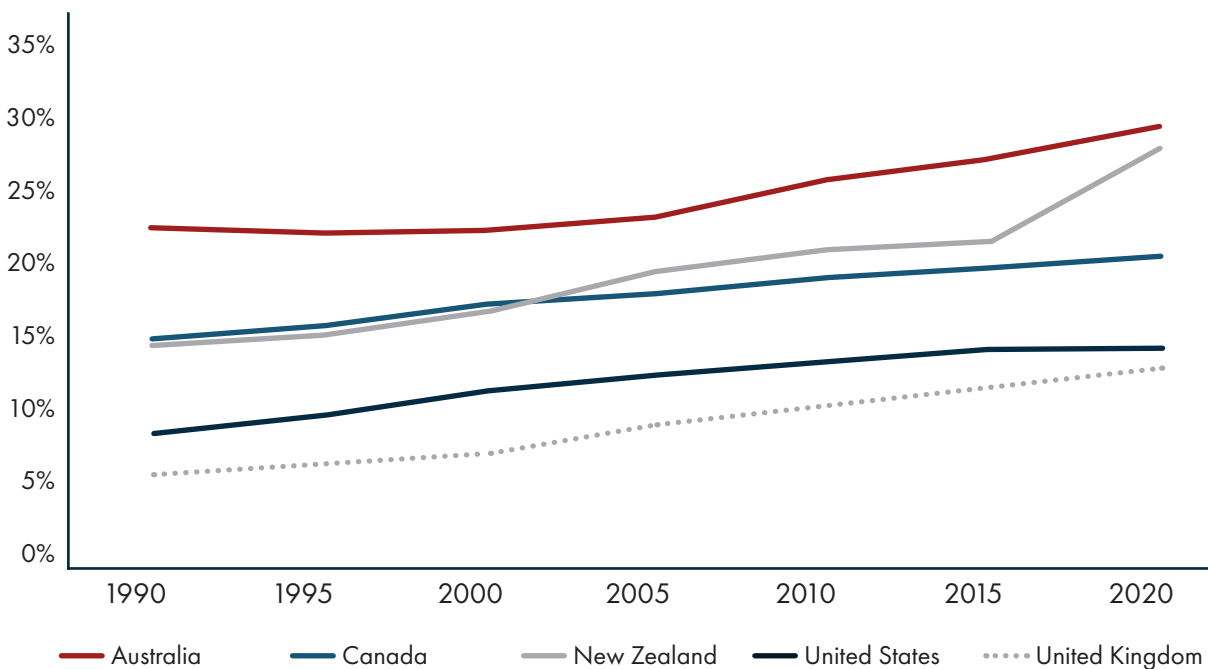


Source: UNDESA. Note: 2020 is the latest year for which comparable data is available.

Evidence shows that, since 1990, Australia consistently leads its counterparts in the Anglosphere for the share of foreign-born residents. Despite a spike in New Zealand’s migration intake between

2015 and 2020, New Zealand continued to trail Australia in the share of the population born overseas into the current decade.

Chart 6: Share of population born overseas, 1990 to 2020



Source: UNDESA



Conclusion

Australia is a welcoming and tolerant nation. Australians recognise the important role that immigration has played in our economic development and cultural diversity. However, more recently the volume of the population intake is at a level beyond community expectations. Recent surveys indicate Australians do not support the present direction of Australia's immigration policy, meaning the foundational principle of a successful and sustainable migration programme—that it have the broad support of the community—is being undermined.

Unplanned migration is also a strain on government resources such as schools, roads and hospitals, as well as housing. In the longer term, immigration policy should be adapted to align with Australia's level of public infrastructure. In other words, governments must have policies in place to support an intake of people into the country, which is consistent with the provision and development of schools, roads, hospitals, and housing, to accommodate an optimum and desirable level of migration that is capable of being broadly supported by the community.

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