CHAPTER 8. FUTURE MIGRATION AND POPULATION DISTRIBUTION

8.1 INTRODUCTION

Australian international migration has always been volatile with respect to numbers. While the level of immigration intake is strongly shaped by government policy, it is shifts in the national economy which has been the crucial factor in determining fluctuations in the level of migration to Australia. Hence anticipating future levels of migration, let alone where future migrants will settle, is a hazardous exercise. This chapter begins with a discussion of factors that are likely to impinge on future migration levels, including migration program sizes and compositions, variations in fertility and mortality, and factors such as changing economic and labour market conditions, social attitude and emerging environmental issues. There is then a discussion of the implications for population distribution in the States and Territories. This discussion also incorporates a consideration of some implications of these future migration scenarios related to:

- Population and migration policies
- Regional development policies and strategies
- Provision of settlement services
- Planning and delivery of government services
- Housing requirements
- Liveability, productivity and sustainability
- Community harmony, cohesion and acceptance of diversity.

These matters have been considered to some extent in earlier parts of the report and in this chapter these implications are summarised.

The chapter is organised as follows. The first part of the chapter addresses the issue of future levels of international migration at the national level. It is crucial to undertake this as a prelude to considering future regional population growth because the level of international migration will be a fundamental determinant of national population growth. Figure 8.1 demonstrates that net migration gain has been a major element in market growth since World War II but the upturn in recent years is especially notable. While this is partly an artefact of a change in the way net migration is calculated (Productivity Commission, 2010), net migration is becoming an increasingly important part of national population growth.

The importance of net migration to future national population growth is illustrated in Table 8.1 which indicates future levels of national population growth by age group as indicated by the Series B projections of the ABS projection series produced in 2005 and 2008. A striking difference is apparent not only in total annual population growth rates but especially in the key workforce age categories. *The key point here is the large difference in*

population growth rates that result from different net migration assumptions.

Table 8.2 shows the difference in the 2005 and 2008 net migration assumptions and this indicates that an annual net gain of 70,000 more were assured in the later projection. Accordingly it is important at the outset for us to consider scenarios of future national net migration gains.

Figure 8.1: Australia: Natural Increase and Net Migration, 1860-2010

Source: Australian Bureau of Statistics; Borrie, 1994

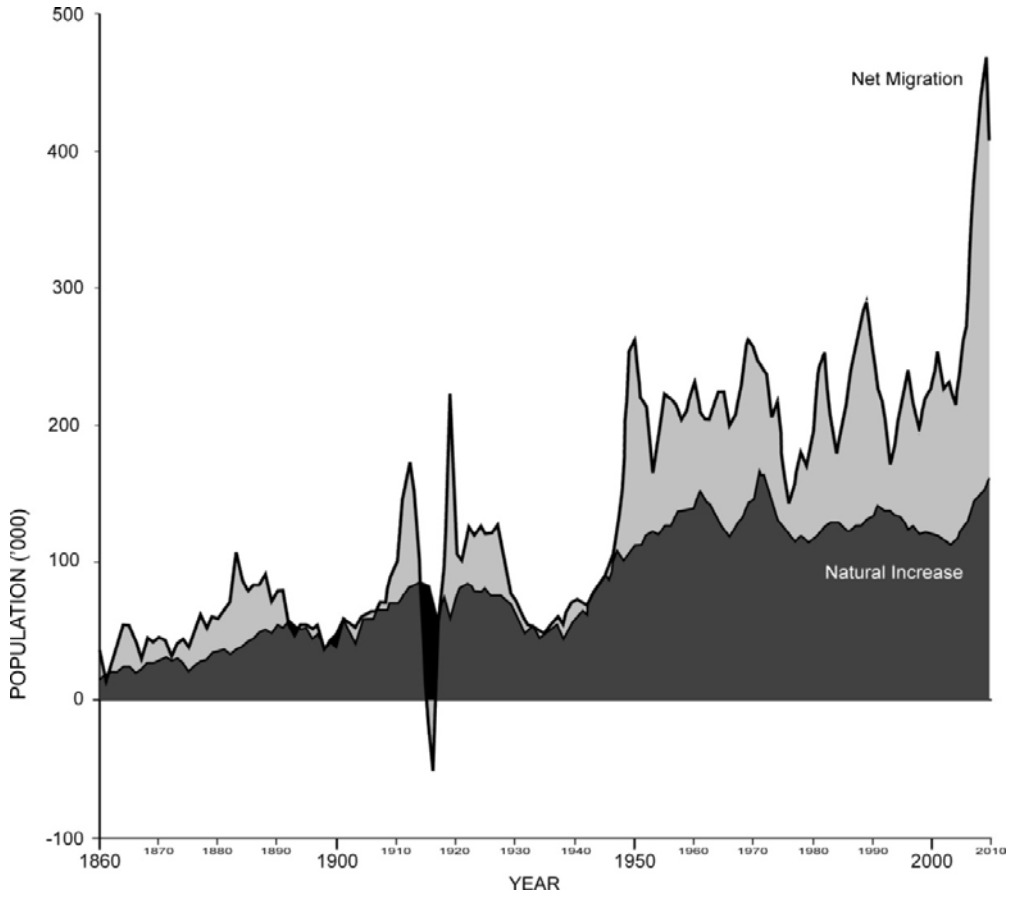


Table 8.1: Australia: Projected Growth Rates of the Population by Age, 2006-2031

Source: ABS 2005 and 2008 Projections, Series B

Age Group	2005			2008		
	2006-11	2011-21	2021-31	2006-11	2011-21	2021-31
	Percent Growth per Annum					
0-14	-0.07	0.19	0.27	0.77	2.20	1.48
15-24	0.52	-0.06	0.16	1.15	0.73	2.10
25-64	1.15	0.67	0.34	1.52	2.28	1.64
65+	3.00	3.50	2.60	2.98	3.49	2.69
Total	1.09	0.96	0.77	1.52	1.39	1.17

Table 8.2: Australia: Net Overseas Migration Assumptions, 2005 and 2008 Projections

Source: ABS 2005 and 2008 Projections

	2005 [1]	2008 [2]
Series A	140,000	220,000
Series B	110,000	180,000
Series C	80,000	140,000

1. From 2007-08 in Series A and C. From 2004-05 in Series B.
2. From 2010-11 in Series A and C. From 2007-08 in Series B.

The second part of the chapter focuses on future patterns of population distribution across Australia and the role of migration in that. While population projection at the national level involves many uncertainties the problems multiply at the regional level. There is a discussion of the role of policy since this undoubtedly will be of crucial importance in shaping future patterns of immigrant settlement, internal population movement and population growth. The final part of the chapter assesses some of the implications of a changing population distribution.

8.2 ASSESSING THE FUTURE OF INTERNATIONAL MIGRATION IN AUSTRALIA

8.2.1 Introduction

Anticipation of future population trends is a hazardous exercise since there are such a wide range of potential influences which can shape the demographic processes of fertility, mortality and migration, internal and international. This section will briefly consider the major factors which need to be taken into account in considering the potential future scale and composition of international migration to and from Australia. Some of the factors influencing the future population, such as ageing of the population, are quite predictable while others are much less certain. In addition, several of the key influences on international migration lie outside of Australia with global trends such as the Global Financial Crisis and developments in major origin countries being significant in shaping future trends.

The release of the Third Intergenerational Report (Swan 2010) has initiated a great deal of debate about the future of Australia's population with its anticipation that the nation's population will increase from 22 million in 2010 to 35 million in 2050. The reality is, however, that the nation faces a dilemma when planning the future course of its population growth. On the one hand there are strong pressures for growth – existing and anticipated labour and skill shortages and the passage of the baby boom generation out of the workforce and into retirement. On the other hand are the significant constraints that environment and climate change impose on population growth in Australia. Unfortunately in the national discourse on this issue there have been two extreme positions taken:

- One group proposes accelerated growth, stressing the first set of arguments and have aspirational high population targets.

- The second group advocates stopping growth, stressing the second set of considerations.

The reality is that a sound and responsible population policy must take into account *both* sets of arguments. There is a need for responsible, sustainable population growth recognising the environmental limits and in conjunction with environmental policies that stress more sustainable use of resources. There needs to be trade-offs and compromises to achieve growth with sustainability. Since immigration is currently, and will remain, an important driver of population growth these debates are of critical importance in setting immigration policy, targets and quotas. Before making recommendations about migration assumptions for projecting future population growth it is important to briefly consider the key drivers and influences of future migration which are likely to impinge on Australia.

8.2.2 Ageing of the Australian Population

As in other high income jurisdictions a prolonged period of low fertility has meant that Australia has an ageing population. However, this ageing is exacerbated in Australia by the impact of the post war baby boom generation, which is poised to move into the older age groups. They represent 25.7 percent of the total population and 41.8 percent of the workforce. As they age and retire from the workforce there are two very important impacts:

- Baby boomers departing the workforce will outnumber young Australians transitioning from education to work. Hence, current dependency levels will worsen.
- Eventually, baby boomers will make heavy demands on the health and aged care systems.

A fundamental point is that over the next two decades much population growth in Australia will be in the older age groups. Even with significant migration and maintaining fertility and current levels there will be little, if any, net growth in the younger working ages. It becomes apparent that we therefore need to maintain growth to counterbalance the massive growth of the older population.

The passage of the baby boom generation into retirement is not a prediction – it is fact. In the next two decades 40 percent of the current workforce will retire and without immigration there will not be sufficient numbers of young people entering the workforce to replace them, let alone provide new workers. Immigration alone is not a solution to the ageing issue. There are a large number of policy initiatives which will be required to cope with the ageing of baby boomers if severe economic problems are to be avoided. These are summarised in Table 8.3. The United Nations has stressed that there is no single solution to counterbalance demographic ageing but only a combination of a battery of policies will be effective. The demographic element involves both fertility and migration. International migration will play a role in offsetting the effects of ageing but that impact is limited because immigrants themselves age. From the perspective of ageing then, international migration will play a role but only a contributory one. A similar situation in other advanced countries will mean that competition for high skill migrants, which is already intense, will strengthen over the next two decades.

Table 8.3: Policies required to meet the Challenge of Ageing

Strategies for Baby Boomers
• Increased age at retirement
• Increased saving and preparation for retirement
• Reduced obesity and improved health
Strategies for the Rest of the Working Age Groups
• Increased productivity
• Increased workforce participation
Strategies in the Health and Aged Care Sectors
• Improved efficiency
• Preventative health
• Better models of funding and provision
Demographic/Population Strategies
• Maintaining fertility as near as possible to replacement level
• Immigration

8.2.3 Economic Drivers

While ageing of the Australian population is highly predictable, there is much less certainty in anticipating changes in the Australian economy. However, it is clear that economic conditions, generally, and job creation in particular are key factors influencing the future demand for immigration. While immigration will be needed to assist in replacement of baby boomers leaving the Australian workforce, to what extent are developments likely to create additional new job opportunities? Access Economics (2009) has developed a set of three scenarios for Skills Australia designed to help planners consider Australia's growth through to 2025.

Two of the scenarios – Open Doors and Low Trust Globalisation – envisage an industry and occupational structure that is driven by a greater global openness, with Australia being more trade-exposed in the traditional sectors of mining and agriculture as well as high-end services. The more conservative scenario – Flags – sees a protectionist response and a greater move to domestic self-sufficiency (Skills Australia, 2009, 4-5). Each of the scenarios projects the need for additional workers. Table 8.4 presents the net increases in employment by occupation category over the next 15 years. These projections are reasonably reliable at the Australia wide level, but their reliability lessens at more disaggregated levels, and with time (Richardson and Teese, 2008; Richardson, 2008).

Table 8.4: Projected Employment Growth by Scenario

Source: Access Economics, 2009

Average annual growth, 2010-2025	Open doors	Low-trust globalisation	Flags
		Percent	
Managers	2.0	1.2	0.7
Professionals	2.4	1.7	1.0
Technicians and Trades Workers	1.7	1.0	0.9
Community and Personal Service Workers	2.3	1.7	0.9
Clerical and Adminstrative Workers	2.3	1.7	0.8
Sales Workers	2.4	1.8	0.8
Machinery Operators and Drivers	1.9	1.1	0.9
Labourers	1.9	1.2	1.1
Total	2.1	1.5	0.9

McKissack *et al.* (2008) have concluded that labour demand in the next few years can only be met by increased population growth, especially in the resource rich states of Queensland and Western Australia (McDonald *et al.*, 2010), where existing labour shortages are at critical levels.

The impact of the Global Financial Crisis also needs to be factored into any consideration of future global international migration. The GFC has dampened the growth of global international migration which had been growing rapidly (OECD, 2009; Fix *et al.*, 2009), and has had an impact on Australian international migration (Hugo, 2010b) with the number of 457s falling for the first time since the visa was introduced. The government also announced a cut of 30,000 in the quota for skilled migrants. The impact of the GFC fell disproportionately on migrants, especially refugee-humanitarian settlers. However, while the GFC continues to impact significantly on the economies of other OECD countries the impacts on Australia have been limited and while net migration fell in 2009-10 it is anticipated that it will rebound.

8.2.4 The Environment and Climate Change

> 'That Australia is a dry continent is an intrinsic part of our national ethos, and the present distribution of population is in large measure related to the supply of water and the disposal of effluents … The availability of water constitutes one of the major factors in determining the size and distribution of Australia's population' (CSIRO 1973 – quoted in *National Population Inquiry*, 1975, 719-720).

Environmental factors as important constraints on population growth in Australia has long been recognised (Griffith Taylor, 1947) and water has been prominent in this discussion, especially in terms of its role in restricting agricultural development in the interior and north (Nix, 1988, 72). Moreover, there is evidence (Pittock and Nix, 1986) that for some time most of the water in south western and south eastern Australia, where the population is concentrated, is committed. At the present time, climate change is assuming greater significance.

A recent joint CSIRO/Bureau of Meteorology report (CSIRO and Australian Bureau of Meteorology 2010) has produced a contemporary snapshot of the extent to which Australia's climate has changed, especially in terms of:

- Increased warming.
- Decreased rainfall in southern and eastern Australia and increases in northern and western Australia.
- Increased sea level rises between 1993 and 2009 in southern and eastern Australia and in the north.

The key point is that most of Australia's population centres, containing almost 90 percent of Australia's population, are in the areas experiencing decreasing rainfall.

One of the major ways in which the environment and climate change have the potential to influence future net migration levels to Australia is through their impact on attitudes toward population growth in general and immigration in particular. The contemporary migration debate differs significantly in Australia from that in other OECD countries in the sense that the environment factor has a great deal more prominence. This was reflected when the newly created Ministry of Sustainability, Environment, Water, Population and Communities set up three panels on Population, one was devoted to Sustainability (Carr, 2010). Opinion polls show that Australians have major concerns about the environmental impacts of population growth (Betts, 2010). Accordingly, one of the major effects of environment and climate change on future immigration may be through public attitudes to the population-environment relationship.

8.2.5 The Role of Migration Networks

One of the most durable of myths about migration is that which suggests that all migrants are trail blazers moving into new contexts where they know nobody and have no social and economic connections. Most migrants move along channels trodden previously by friends and relatives and move to places where they have friends and relatives who assist them in settling in, getting a job, obtaining housing etc. Accordingly, migration theory (Massey *et al.*, 1993, 1998) indicates that migrant networks shape much migration. The fact that Australia has experienced substantial immigration in recent years has meant that the networks between Australia and origin countries have proliferated and strengthened. Potential migrants living in those origins now have a piece of social capital in Australia in the form of acquaintances, friends and family living there. This can be 'cashed in' if they move to Australia in the form of assistance, advice and information in getting a job, obtaining housing etc. This means that there is an increasing element of self-perpetuating momentum growing in the Australian international migration system. It also means that migration will continue to some extent regardless of the economic situation.

These social linkages operate of course through the family migration part of the Migration Program but also through the other elements of the program as well. It is apparent that almost all new settlers to Australia know someone in Australia before they arrive and that those people give them assistance through providing information and support after arrival.

The fact that the Family part of the Migration program has in recent years been relatively stable and becoming more and more restricted to partners and spouses has some implications:

- It may be a disincentive for skilled migrants to come to Australia because they cannot bring extended family members like parents with them (Hugo, 2007).
- It may impinge upon migrants' ability to adjust to life in Australia because of their inability to reunite their families.
- It also has some implications for immigration to regional areas. At present the SSRM Scheme is wholly restricted to Skilled Migration. However, as Skilled Migrants build up in number they will attract further immigrants through encouragement of compatriots to follow them including family migrants. This can be seen in the case of South Australia where two decades of low immigration had left the state with more limited migration networks than other mainland states, especially from more recent migrant origin countries. However, it is clear that the SSRM Scheme has built up a community of immigrants who are now bringing compatriots to the State (Hugo, 2010).

8.2.6 The Linkage with Temporary Migration

One of the most significant changes in Australian international migration history has been the proliferation of temporary migration categories and massive increases in temporary residents since the mid 1990s. This has transformed the Australian migration landscape so that at any one time in Australia there are over 600,000 persons temporarily present. These people consume resources, use infrastructure, and occupy housing and need to be considered in all planning. However, they are also very important because an increasing number of them apply for, and obtain, permanent residence in Australia. The large imbalance between temporary migrant arrivals and departures is largely a function of the rapid increase in the number of overseas students granted visas. The exponential annual growth experienced since the mid nineties will not continue, especially following the major changes made to regulations regarding student migration and the ability of students to obtain permanent residence. Nevertheless, there are between 100,000 and 200,000 former students currently in Australia on WHM visas who are hopeful of eventually being able to obtain permanent residence.

It is clear that there is a significant proportion of temporary migrants coming into Australia as 457s (Khoo *et al.* (2003) or students who have high expectations of converting to permanent residence. An important group among those who make the transition from temporary to permanent residence are those who enter Australia as students. Tan (forthcoming), has shown that some 31 percent of students applying to study in South Australia are motivated (at least in part) to do so by the prospect of being able to apply for Permanent Residence on completion of their studies. Further, 40.5 percent of Tan's sample had not made up their mind where they would go when they complete their studies. This opens up considerable potential for policy intervention to attract these significant numbers who had not yet made up their mind about their eventual location.

It is apparent that temporary migrants making the transition to permanent residence will continue to be an important part of Australia's net annual overseas migration gain. However, the massive differences between temporary resident arrivals and departures which have been observed in recent years will be substantially reduced and the major component of NOM in the future will return to be the excess of permanent additions over permanent departures. It would thus be foolhardy to project NOM over the next 10-20 years to be at the levels prevailing in 2008-09.

8.2.7 Emigration

International migration in Australia is usually perceived (at least implicitly) as a one-way process involving permanent settlement in Australia. Yet it is emphatically a two-way process involving both losses and gains. This has always been the case and is increasingly so as globalisation and enhanced means of transport and communication facilitate movement between countries. Accordingly, from a projection perspective, it is critical to factor in out-movement as well as in-movement – *it is net migration which influences population change*. Nevertheless it is important to bear in mind that outflows and inflows differ in their composition so that the net gains or losses of particular groups (e.g. age-sex categories) can be greater or lesser than for the total population. The key elements involving the loss of international migrants from regions of Australia are both overseas-born settlers who decide to leave Australia and return to their home country or move to a third country, and Australian citizens and residents who decide to move to another country. Through emigration there are substantial net losses in the 20s and early 30s age groups – the key age at which Australians mover overseas (Hugo, Rudd and Harris, 2001). Settler loss, too, is a significant factor with over a fifth of permanent settlers eventually leaving Australia.

8.3 SOME NET OVERSEAS MIGRATION (NOM) ISSUES

Australian immigration has reached unprecedented levels in recent years. Table 8.5 shows that NOM has almost trebled between 2003-04 and 2008-09. While there can be no doubting the contribution of net migration to population growth in Australia, the NOM data increasingly are not a strict indication of long term permanent additions to the Australian population.

Table 8.6 presents data prepared by DIAC and refers to the total number of permanent settlers arriving in Australia and the number of temporary residents who made the transition to permanent residence. It must be borne in mind that this is not a net figure but an annual flow. Accordingly to derive the impact on population growth we need to subtract the number of permanent departures. Hence the net figures derived using these data are much lower than for the ABS NOM. The difference lies in the importance of temporary migration. Clearly in recent years the numbers of temporary migrants entering the country, especially students, is much greater than those leaving and this has pushed up the NOM figures (McDonald, 2010). Accordingly it is really important in considering projections of future population growth to be not excessively influenced by the NOM figures in Table 8.5 and it is perhaps more indicative to use the numbers in

Table 8.6. The fact that 2008-09 represented a 'bubble' of a sudden upsurge in temporary migration gains so that they greatly outnumbered temporary migration losses in that year is evident in the fact that there was a considerable fall in NOM gain in 2009-10.

Table 8.5: Australia: Net Overseas Migration, 2003-09

Source: ABS 2010a, 11

Year	Net Overseas Migration
2003-04	99,966
2004-05	123,763
2005-06	146,753
2006-07	232,824
2007-08	277,332
2008-09	298,924

Table 8.6: Australia: Permanent Additions to Resident Population

Source: DIAC, *Immigration Update*, various issues

	Permanent Additions			Permanent	Net
Year	Onshore	Arrivals	Total	Departures	
2003-04	38,402	111,590	149,992	59,078	90,914
2004-05	43,895	123,424	167,319	62,606	104,713
2005-06	48,214	131,593	179,807	67,853	111,954
2006-07	51,759	140,148	191,907	72,103	119,804
2007-08	56,575	149,365	205,940	76,923	129,017
2008-09	66,598	158,021	224,619	81,018	143,601
2009-10	68,311	140,610	208,291	86,277	122,014

8.4 WHAT NET MIGRATION ASSUMPTIONS FOR AUSTRALIA SHOULD BE USED TO EXAMINE REGIONAL IMPACTS UP TO 2021?

There was a great deal of public discourse in 2010 about the rapid rates of population growth and the likely future trajectory of growth. The recommendation made here, however, is that there is no reason not to use the assumptions contained in the most recent set of population projections made by the ABS (2008). There is little to be gained in Australia by the proliferation of sets of projections with marginal differences in the assumptions which are adopted. It is our considered opinion, after an extensive analysis of recent population trends in Australia that the net international migration assumptions by the ABS for their most recent set of projections are the most appropriate to adopt in Australia's projection. Table 8.7 presents the three sets of assumptions relating to international migration. It will be noted that the median (Series B) figure of 180,000 is somewhat higher than the Permanent Additions minus Permanent Departures figure in

Table 8.6 but it is felt that the difference is variable given the significance of the recent increase in temporary migration and the increasing propensity for temporary migrants

to transition to permanent residence. Accordingly we believe there is no compelling reason to adopt different NOM assumptions for all of Australia.

Table 8.7: ABS Migration (NOM) Assumptions: 2008 Projections

High	220,000 per year by 2011 and constant thereafter
Medium	180,000 per year by 2011 and constant thereafter
Low	140,000 per year by 2011 and constant thereafter

In making the recommendation to maintain the ABS 'status quo' in net migration projections it is important to point to some underlying structural factors which are likely to maintain migration at a relatively high level in Australia. While international migration will always fluctuate with shifts in the global, national and state economies, there are some longer term underlying structural features which we consider are likely to maintain net migration gains at the current relatively high levels:

- Crucial here is the ageing of baby boomers into the retirement ages which will create a demand for *replacement* workers which will not all be able to be met by school leavers entering the workforce.
- The likely extension of the mining boom in the Australian economy and the continuation of skill in labour shortages.
- An increasing global 'war for talent' which will result in Australia losing talent to other countries but also gaining even larger numbers from other countries.
- The momentum injected by increasingly strong networks being built between migrants settled in Australia, and family and friends back in their origin countries.

On the other hand there are a number of forces which will operate to constrain expansion of migration beyond the levels included in the assumptions:

- An increasing appreciation of the impact of shortages of water and energy, especially the former.
- An increasing understanding of the potential impact of climate change.
- Increasing adoption of measures to increase workforce participation rates among the Australian resident population.
- Increasing of retirement ages to keep people in the workforce longer.
- Increasing emphasis on training and education to reduce reliance on skills from abroad.
- Increasing competition for skilled migrants from other countries, not only in Europe and North America but in Asia's growing economies.
- The impact of the Global Financial Crisis.

Our judgement of balancing these two sets of considerations is that the current ABS NOM projections for Australia should be adopted as the basis for making projections of population in Australia's regions.

Table 8.8: ABS Projections Series, Assumptions Used

Source: ABS, 2008, 11

	Net Overseas Migration (NOM)	Fertility	Net Interstate Migration (NIM)	Life Expectancy at Birth
Series A	220,000	High - 2.0 babies per woman	Large flows (1)	High
Series B	180,000	Medium - 1.8 babies per woman	Medium flows	Medium
Series C	140,000	Low - 1.6 babies per woman	Small flows (1)	Medium

Source: ABS, Population Projections, Australia, 3222.0, 2006 to 2101, Page 11

Notes:

(1) The large interstate flows assumption corresponds to large net interstate migration losses for NSW, Victoria and SA. For these states, the small interstate flows assumtion yields greater population growth

The full set of assumptions for the projections is given in Table 8.8. Currently Australian fertility is tracing closest to the Series A figure but over the 2016-21 period it is likely to fluctuate between a TFR of 1.8 and 1.9. From the perspective of the present study variations between regions in fertility are unlikely to have a major impact on changing population distribution. Accordingly our focus should be on:

- Changes in the extent to which newly arrived immigrants settle in particular parts of Australia.
- Changes in which Australian residents move between the states and territories.

The ABS has adopted the practice of allocating NOM between states/territories and between capital/rest of state according to the ratios which prevailed over the 2001-2006 period. This in effect represents the Australian 'non-metropolitan' population.

An official definition of 'regional' is currently under consideration by the ABS but the present study has used the population outside of the capital city statistical divisions as regional. Table 8.9 presents the ABS assumptions which see small changes up to 2011 after which the distribution of NOM between the states remain constant. The small changes include:

- An increase in the NSW share from 31.1 to 31.5 percent.
- An increase in the Queensland share from 18.9 to 19.0 percent.
- A decrease in the South Australia share from 7.2 to 6.5 percent.
- An increase in the Western Australia share from 14.4 to 14.5 percent.
- An increase in the Tasmania share from 0.7 to 0.8 percent.
- A decrease in the Northern Territory share from0.7 to 0.6 percent.
- An increase in the ACT share from 0.5 to 0.6 percent.

Table 8.9: Assumed Net Overseas Migration: State/Territory Share

Source: ABS, 2008, 29

Year ended 30 June	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
	Percent							
2008	31.1	26.5	18.9	7.2	14.4	0.7	0.7	0.5
2009	31.2	26.5	18.9	7.0	14.4	0.8	0.7	0.5
2010	31.3	26.5	19.0	6.7	14.5	0.8	0.6	0.6
2011-2056	31.5	26.5	19.0	6.5	14.5	0.8	0.6	0.6

These changes are miniscule and basically are projecting a status quo in the distribution of where new immigrants settle in Australia. Some comments on the changes include:

- There is no real justification for seeing NSW increase its share since its share has decreased in recent times and the clear (albeit small) indication of gateway cities being less significant.
- The increases in Queensland and Western Australian seem justified and perhaps need to be increased further given recent trends in settlement.
- There seems little justification for the decrease in South Australia given the increase in that state's share in recent years (Hugo, 2010a).
- There is little justification for the changes to Tasmania and the territories.

Another aspect of the projections is that the ABS assumes that the rates between Capital City and Rest of State (considered here as the regional population) remains constant throughout the projection period. As with the distribution of migrants between states we would argue that this assumption needs to be changed in the next set of population projections. This study has demonstrated a small but significant tendency for migrants to settle outside of the capital cities to a greater extent than in the past. Moreover, this trend is being observed in North America and Europe.

Hence we would suggest that the 2008 based ABS projections regarding where immigrants settle have some limitations given the analysis undertaken in the present study. Nevertheless, they can be used as indicative with the understanding that they are likely to:

- Understate the extent to which immigrants settle in non-metropolitan Australia.
- Overstate settlement in NSW and Tasmania.
- Understate settlement in Queensland, Western Australia and, to a lesser extent, SA.

Before examining the implications of the projections for population growth in different parts of Australia it is worth comparing the performance of these projections against the ABS estimates of the actual net migration increases in the states and territories for the period 2005-09 for which we have data. Table 8.10 shows the ABS estimates of net overseas migration in the states and territories for this period. Table 8.11 compares the actual net migration with that projected by the ABS Projections Series A which has the highest levels of net migration – 220,000 per annum. It is apparent that even these most optimistic assumptions have underestimated substantially the level of net migration by 41.8 percent. The other Series (B and C) would understate the actual level by even more. Table 8.11 shows that the underestimates apply across each state and territory with NSW and Victoria being close to the national average, Queensland being slightly below and Western Australia

slightly over, South Australia and Northern Territory well below the national average and ACT substantially above it. The effect of the net gain in temporary migrants is most evident in the ACT, NSW and Victoria. This underestimation of NOM in the first few years of the projection period should not change the decision to use the established ABS projections to examine the potential impact of international migration on regions up to 2021. As indicated earlier they are inflated by the one-off excess of temporary resident gains over temporary resident departures.

Table 8.10: States: Net Overseas Migration, 2005-09

Source: ABS, 2010

State	2005-06	2006-07	2007-08	2008-09
NSW	38,523	73,468	87,226	89,474
Vic	39,561	62,483	73,482	81,235
Qld	32,952	46,263	54,052	58,035
SA	9,813	14,638	15,324	17,327
WA	22,335	31,454	41,184	45,179
Tas	1,166	1,433	1,871	2,144
NT	1,891	1,116	1,646	1,864
ACT	501	1,967	2,545	3,666
Australia	146,742	232,822	277,330	298,924

Table 8.11: Australian States: Comparison of Actual Net Gain of Migrants Compared with Series A, ABS Projections, 2006-09

Source: ABS, 2008; ABS, 2010a

	Actual Total Estimate	Projected 2008-09	Difference to Series A
New South Wales	250,168	176,381	41.8
Victoria	217,250	153,513	41.5
Queensland	158,350	107,246	32.3
South Australia	47,289	40,826	15.8
Western Australia	117,817	81,678	44.2
Tasmania	5,394	4,188	28.9
Northern Territory	4,626	4,051	14.2
Australian Capital Territory	8,178	2,748	197.6
Total Australia	809,080	570,631	41.8

8.5 PROJECTED POPULATION GROWTH IN REGIONS

8.5.1 Introduction

In this section we will assess the projected populations for regional (i.e. outside the capital statistical divisions) parts of each state and territory. One of the major limitations of regional planning in Australia is the lack of a national system of population projections of the nation's regions. Such an initiative is important if an effective national approach to regional planning is to be achieved. The approach taken here is to consider each state or territory separately, using two sets of population projections to assess projected regional population growth over the next decade or so. These projections are:

- The ABS capital city/rest of state projections to indicate the scale of NOM.

- Projections of regions within each state/territory which have been undertaken by state based government agencies. While there is no common methodology or set of assumptions to these projections they are indicative of areas which are anticipated increases in this population and where NOM is likely to play a role.

8.5.1 New South Wales

Table 8.12 shows the projected net international and interstate migration for NSW over the 2006-21 period. A continuation of the pattern of net international migration gain in Sydney and internal migration loss is anticipated and this will certainly be the case. The net international migration gain varies between 892,810 (59,521 per year) for Series A and 627,228 (41,813 per year) in Series C. Although Sydney's proportion of the national immigration intake has declined in the last decade, the Series A projections are closest to the actual experience of the first few years of the projection period. The level of intake in Sydney will depend not only on the level of the national intake but also the extent to which current initiatives to encourage immigrants to settle away from gateway cities are successful. Sydney will continue to be the largest single destination of new arrivals but its dominance is likely to be reduced. The net internal migration losses to non-metropolitan NSW and other parts of Australia range between 662,000 (44,133 per year) for Series A and 321,000 (21,400 per year) for Series C. Currently the patterns are similar to Series B but this may increase as more of the large baby boomer cohorts in Sydney age into the pre-retirement and retirement years and participate in 'sea change' or tree change migration.

In addition there is evidence that high housing costs, congestion, long journeys to work etc. are influencing the location decisions of young families. Hence there is some indication that the net migration losses may be toward the higher end of the projections.

Turning to non-metropolitan NSW, Table 8.12 indicates that the projections of net international migration gain are quite low ranging between 56,710 and 3,781 per year) in Series A to 7,612 (507 per annum) in Series C. Clearly, the higher projections are most likely to be the case and may prove too small if initiatives to encourage immigrant settlement outside gateway cities are given greater emphasis, which seems possible, by future governments. Newcastle and Wollongong have been significant poles of attraction for immigrants and will continue to be so but there is increasing evidence of immigrant settlement in smaller centres. The projections of net internal migration gain range between 260,000 (17,333 per annum) in Series A and 127,000 (8,467 per annum) in Series C. There are some developments which would suggest that the existing tendencies for net migration from Sydney to non-metropolitan NSW will increase in the future:

- The ageing of baby boomers into the pre-retirement and retirement age groups and some indications that they will move more than earlier generations reaching this stage of the life cycle.
- Indications that government may encourage growth in selected regional countries through the setting up of a national department of regional development.
- Increasing development of number of sectors of the economy such as mining and tourism which are strongly non-metropolitan based.
- Increasing push from Sydney of high house prices, congestion, pollution and other negative externalities of population size.
- Increasing focus on environmental factors influencing settlement such as access to water, avoidance of high quality agricultural land.

- Development of transport and communication (e.g. broadband) which facilitates more economic activity being able to locate outside of Sydney.

Table 8.12: New South Wales: Total Projected Change in Population Due to Net International and Internal Migration, 2006-21

Source: ABS, 2008

Projection	Sydney	Rest of State
Net Overseas Migration		
Series A	892,810	56,710
Series B	760,018	32,162
Series C	627,228	7,612
Net Internal Migration		
Series A	-662,000	260,000
Series B	-479,000	195,000
Series C	-321,000	127,000
Net Migration		
Series A	230,810	318,710
Series B	281,018	227,162
Series C	306,228	134,612

It is interesting to note in Table 8.12 that there are quite different outcomes between the Series A (high national growth) and Series C (low national growth) scenarios. In the high growth scenario Sydney's net growth is somewhat lower than that in non-metropolitan NSW and in the low growth scenario Sydney grows substantially more than the rest of NSW.

Table 8.13 presents projections from the NSW Department of Planning which indicate likely patterns of growth over the 2006-21 period in statistical divisions. A clear pattern is in evidence where growth rates are anticipated to be significantly higher in coastal non-metropolitan NSW than inland. The two SDs based on the cities of Newcastle and Wollongong are anticipated to increase at 0.9 and 0.8 percent per annum respectively – slightly less than Sydney's projected growth. More rapid growth is anticipated in South Eastern (1.2 percent per annum), while Richmond-Tweed (1.1 percent) and Mid North Coast (0.9 percent) are also anticipated to experience significant growth. In all other SDs, growth is anticipated to be 0.3 percent per annum or less. Indeed, in Northern and North Western-Far West a small decline in population is anticipated. Nevertheless, within the inland areas there is likely to be growth in regional centres like Queanbeyan, Wagga-Wagga, Armidale, Dubbo, Orange and Bathurst.

Table 8.13: New South Wales: Projections of Population of Statistical Divisions, 2006-21

Source: NSW State and Regional Population Projections: 2008 Release, NSW Department of Planning

Statistical Division	2006		2011		2016		2021		Annual growth rates		
	Number	%total	Number	%total	Number	%total	Number	%total	2006-2011	2011-2016	2016-2021
Sydney	4,282	62.8	4,550	63.3	4,822	63.8	5,104	64.3	1.2	1.2	1.1
Hunter	618	9.1	651	9.1	683	9.0	716	9.0	1.0	1.0	0.9
Illawarra	415	6.1	435	6.1	456	6.0	475	6.0	0.9	0.9	0.8
Richmond-Tweed	230	3.4	245	3.4	260	3.4	275	3.5	1.3	1.2	1.1
Mid North Coast	297	4.4	314	4.4	331	4.4	347	4.4	1.1	1.1	0.9
Northern	180	2.6	180	2.5	179	2.4	177	2.2	0.0	-0.1	-0.2
North Western and Far West	139	2.0	137	1.9	135	1.8	133	1.7	-0.3	-0.3	-0.3
Central West	179	2.6	180	2.5	182	2.4	183	2.3	0.1	0.2	0.1
South Eastern	207	3.0	221	3.1	235	3.1	249	3.1	1.3	1.2	1.2
Murrumbidgee	154	2.3	156	2.2	159	2.1	161	2.0	0.3	0.4	0.3
Murray	115	1.7	118	1.6	120	1.6	121	1.5	0.5	0.3	0.2
Total NSW	6,816	100.0	7,187	100.0	7,562	100.0	7,941	100.0	1.1	1.0	1.0

8.5.2 Victoria

Victoria's projected growth is summarised in Table 8.14 and it will be noted that the projections of net international migration gain are slightly lower than those for Sydney but the overall total net migration growth is anticipated to be greater for Melbourne than Sydney so that it is expected that Melbourne will continue to close the gap in population size between the two cities over the projection period. Accordingly, the total population size of Sydney in 2021 is anticipated to be between 5.1 million (Series C) and 5.15 million (Series A) while that for Melbourne is between 4.6 million (Series C) and 4.9 million (Series A).

Table 8.14: Victoria: Projected Change in Population Due to Net International and Internal Migration, 2006-21

Source: ABS, 2008

Projection	Melbourne	Rest of State
Net Overseas Migration		
Series A	749,824	50,476
Series B	631,625	36,175
Series C	513,425	21,875
Net Internal Migration		
Series A	-204,500	34,500
Series B	-153,000	73,000
Series C	-88,500	112,000
Net Migration		
Series A	545,324	84,976
Series B	478,625	109,175
Series C	424,925	133,875

Melbourne, during the 1990s, reduced its share of the national immigrant intake (Hugo, 2008c) compared with Sydney but has increased its share in more recent years. The projected intakes of new immigrants range between 749,824 (50,000 per annum – 10,000 less than Sydney) and 513,425 (40,900 per year – only slightly lower than Sydney). Present levels of intake would suggest that the higher projected levels are most likely to be relevant. The Government of Victoria (2004) has an established history, and indeed an official policy,

of increasing that state's share of the immigrant intake with most expected to settle in Melbourne. Melbourne has not experienced the same degree of net internal migration loss as Sydney and indeed recorded small net gains in several years over the last decade or so. However, the projections anticipate that Melbourne will experience significant net internal migration losses ranging from 204,510 (13,634 per annum) in the Series A projections to 88,500 (6,000 per annum). These are small compared with Sydney – 44,133 to 21,400 each year – but are larger than previously experienced. There are several reasons to suggest that net migration loss from Melbourne may increase over the next decade. Melbourne's rapid growth in recent years had produced pressures similar to those being reported in Sydney (Birrell, 1991) and retirement of baby boomers, who made up 19.4 percent of Melbourne's 2006 population, is likely to add to the increase in net internal migration loss.

Turning to non-metropolitan Victoria, the Government of Victoria (2004) a decade ago set the challenging objective of lifting the level of population growth in the non-metropolitan sector of the state to one percent per annum, and since then have had success in lifting this growth rate. The ABS projections suggest that net international migration gains in non-metropolitan Victoria are likely to range between 50,476 and 21,875 over the 2006-21 period. The higher figures seem most likely to be appropriate given recent trends in increasing settlement of new immigrants in non-metropolitan areas not only in the regional centres of Geelong, Bendigo and Ballarat but in areas like Shepparton. Hence these projections may prove to be underestimates depending upon the policies regarding immigrant settlement. The net internal migration gains are projected to range between 34,500 (Series A) and 112,000 (Series C). These levels are substantially lower than the net gains in non-metropolitan areas anticipated for NSW. The processes discussed earlier are likely to lead to greater redistribution of population from metropolitan to non-metropolitan areas in Victoria as well as New South Wales so it is possible that the projections may be underestimates and growth in non-metropolitan Victoria may be greater than projected. This is especially given the case that the Population Policy of Victoria (Government of Victoria, 2004) includes an initiative to encourage population growth in non-metropolitan areas.

The projections of population growth in statistical divisions made by the Department of Sustainability and Environment in Victoria are provided in Table 8.15. It is interesting that, unlike NSW, these projections indicate that the fastest rate of population growth in the state will be in the capital Melbourne. Nevertheless there are several SDs in which quite rapid growth rates are anticipated – Barwon, Central Highlands, Loddon, Goulburn, East Gippsland and Gippsland. These areas are located in an arc around Melbourne and include substantial regional cities (e.g. Geelong, Bendigo), sea change and, especially, 'tree change' areas. Only in the dry farming areas of Wimmera, Mallee and Western District are low rates of population growth (or even decline) anticipated.

Table 8.15: Victoria: Projections of Population of Statistical Divisions, 2006-21

Source: Department of Sustainability and Environment, *Victoria in Future (VIF) 2008* (based on the 2006 Census)

Statistical Division	2006		2011		2016		2021		Annual growth rates		
	Number	%total	Number	%total	Number	%total	Number	%total	2006-2011	2011-2016	2016-2021
Melbourne	3,744,373	73.0	4,082,871	73.6	4,396,918	74.0	4,704,719	74.3	1.7	1.5	1.4
Barwon	269,988	5.3	291,182	5.2	312,203	5.3	333,752	5.3	1.5	1.4	1.3
Western District	102,386	2.0	105,738	1.9	108,580	1.8	111,586	1.8	0.6	0.5	0.5
Central Highlands	147,542	2.9	158,265	2.9	168,970	2.8	179,960	2.8	1.4	1.3	1.3
Wimmera	50,019	1.0	49,284	0.9	48,256	0.8	47,366	0.7	-0.3	-0.4	-0.4
Mallee	91,854	1.8	93,469	1.7	93,864	1.6	94,117	1.5	0.3	0.1	0.1
Loddon	175,220	3.4	188,998	3.4	203,240	3.4	218,338	3.4	1.5	1.5	1.4
Goulburn	202,098	3.9	215,765	3.9	228,581	3.8	241,861	3.8	1.3	1.2	1.1
Ovens-Murray	96,406	1.9	101,524	1.8	105,482	1.8	109,431	1.7	1.0	0.8	0.7
East Gippsland	82,952	1.6	87,644	1.6	92,086	1.5	96,759	1.5	1.1	1.0	1.0
Gippsland	165,472	3.2	175,070	3.2	184,735	3.1	194,888	3.1	1.1	1.1	1.1
Total - Victoria	5,128,310	100.0	5,549,810	100.0	5,942,913	100.0	6,332,777	100.0	1.6	1.4	1.3

There are a number of regional centres in Victoria where there is either a long history of immigrant settlement (e.g. Geelong, Shepparton) or there have been concerted efforts to attract immigrants in recent times (Warrnambool, Ballarat). It can be anticipated that there will be a significant inflow of immigrants into non-metropolitan Victoria over the next decade.

8.5.3 Queensland

Queensland has been the fastest growing state or territory in Australia for several decades (Hugo, 2003) and this is anticipated to continue into the future. Table 8.16 shows the projected net internal and international migration for Queensland and the overall projected gains are much greater than for any other state ranging from 1.09 million (Series A) to 642,970 (Series C). It is interesting that for the state as a whole, net overseas migration is likely to make a greater contribution to Queensland's anticipated growth than internal migration over the 15 year projection period. This is quite a different pattern to the past when net internal migration from the rest of Australia had been the major contributor (Hugo, 1999c).

Table 8.16: Queensland: Projected Change in Population Due to Net International and Internal Migration, 2006-21

Source: ABS, 2008

Projection	Brisbane	Rest of State
Net Overseas Migration		
Series A	337,727	235,683
Series B	284,545	193,895
Series C	231,386	152,084
Net Internal Migration		
Series A	92,500	424,000
Series B	47,300	333,700
Series C	-4,500	264,000
Net Migration		
Series A	430,227	659,683
Series B	331,845	527,595
Series C	226,886	416,084

Brisbane is anticipated to grow by between 430,227 (Series A) and 226,886 (Series C) over the 2006-21 period and it is clear from Table 8.16 that net international migration is the dominant component of net migration growth. This anticipated growth ranges between

337,727 (22,515 per annum) and 231,386 (15,360 per annum). Brisbane is clearly becoming one of Australia's major gateway cities for new immigrants after decades of having a limited role in welcoming new immigrants, and this change will intensify over the next decade. Much of the growth of Brisbane over recent decades has been fuelled by internal migration but the projected trends range from +92,500 (4,167 per annum) to a net loss of 4,500. It would seem that Brisbane is moving toward the established pattern in other Euro-American gateway cities of net international migration gain but net internal migration loss (Price and Benton-Short, 2008).

Non-metropolitan Queensland is anticipated to grow by between 659,683 (over 40,000 per year) and 416,084 (almost 30,000 per annum) due to migration and hence will be the dominant region of non-metropolitan population growth in Australia. It is important to note that net international migration will be an important part of the anticipated growth with net gains of between 235,683 and 152,084 being anticipated. Much of this is clearly expected to occur in the rapidly growing urban centres of the Gold and Sunshine Coasts while coastal urban centres, especially in the north, will also receive many new migrants. However, the largest element in non-metropolitan growth will be from net internal migration gain which is expected to range between 424,000 and 264,000 over the projection period. It is interesting that the Queensland government has recently announced initiatives to redirect population growth away from the south eastern corner of the state (McDonald *et al.*, 2010).

Table 8.17: Queensland: Projections of Population of Statistical Divisions, 2006-21

Source: Queensland Government Population Projections to 2056: Queensland and Statistical Divisions, 3rd edition, 2008

Statistical Division	2006		2011		2016		2021		Annual growth rates		
	Number	%total	Number	%total	Number	%total	Number	%total	2006-2011	2011-2016	2016-2021
Brisbane	1,820,400	44.5	2,004,092	43.9	2,204,647	43.7	2,392,069	43.7	1.9	1.9	1.6
Central West	11,565	0.3	11,295	0.2	11,580	0.2	11,815	0.2	-0.5	0.5	0.4
Darling Downs	227,074	5.5	246,137	5.4	264,827	5.3	284,888	5.2	1.6	1.5	1.5
Far North	247,589	6.1	272,527	6.0	290,774	5.8	307,948	5.6	1.9	1.3	1.2
Fitzroy	200,604	4.9	224,753	4.9	243,492	4.8	262,703	4.8	2.3	1.6	1.5
Gold Coast	518,059	12.7	601,074	13.2	683,934	13.6	759,212	13.9	3.0	2.6	2.1
Mackay	159,869	3.9	185,103	4.1	211,289	4.2	231,658	4.2	3.0	2.7	1.9
North West	33,212	0.8	37,200	0.8	35,750	0.7	35,700	0.7	2.3	-0.8	0.0
Northern	209,588	5.1	236,035	5.2	263,828	5.2	285,419	5.2	2.4	2.3	1.6
South West	26,408	0.6	26,334	0.6	26,800	0.5	27,473	0.5	-0.1	0.4	0.5
Sunshine Coast	295,125	7.2	339,663	7.4	381,458	7.6	421,343	7.7	2.9	2.3	2.0
West Moreton	72,713	1.8	82,084	1.8	93,736	1.9	105,514	1.9	2.5	2.7	2.4
Wide Bay-Burnett	269,340	6.6	301,416	6.6	328,210	6.5	352,974	6.4	2.3	1.7	1.5
Total - Queensland	4,091,546	100.0	4,567,713	100.0	5,040,325	100.0	5,478,716	100.0	2.2	2.0	1.7

Table 8.17 presents the Queensland Government's projections of population growth in statistical divisions and a pattern of strong population growth in south eastern and coastal parts of the state is anticipated. An analysis of population growth in Queensland over the 1996-2007 period (McDonald *et al.*, 2010, 33) found the following major patterns:

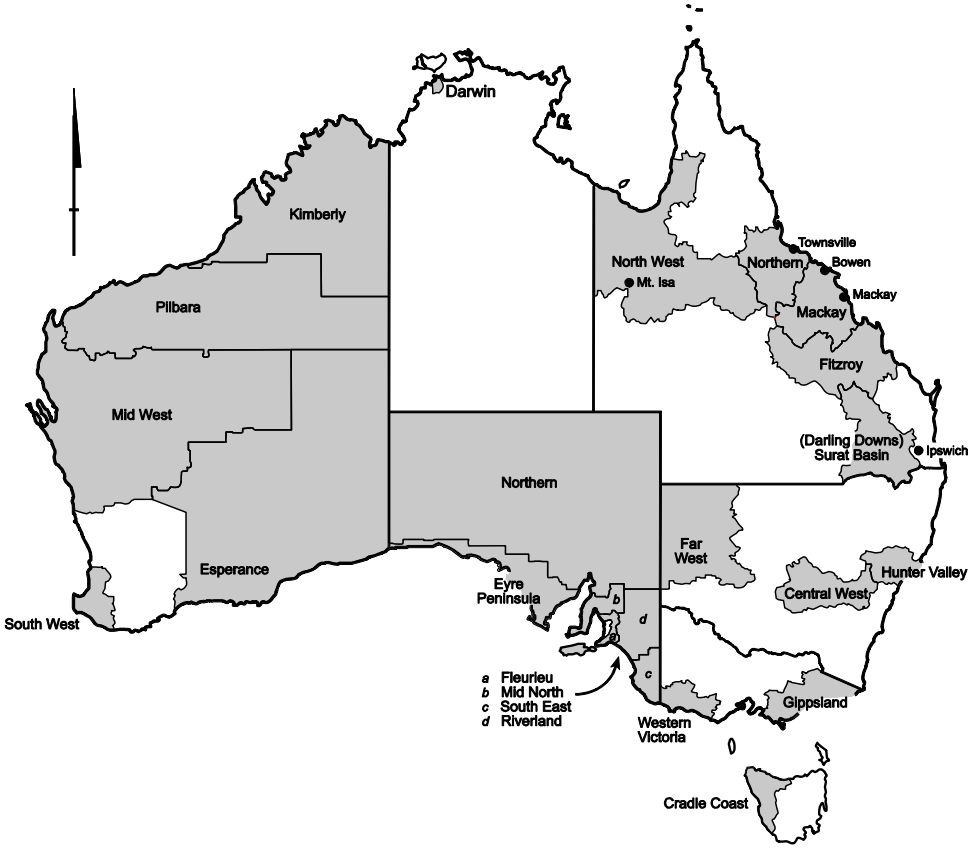
- Rapid growth in South eastern Queensland – 2.6 percent per annum.
- Very rapid growth in some coastal cities – Hervey Bay (4.8 percent), Mackay (3.2 percent), Cairns (3.4), Gladstone (2.8) and Townsville (2.6).
- A decline in population in Southwest, Coastal West and North West repeating the pattern in NSW of falling off in population growth rates as we move inland.

These patterns are reflected in the projections of expected population change over the next decade with expected rapid growth in the Southeast but also in coastal tourist/retirement centres and in resource extraction regions. The recent devastating floods and cyclones are unlikely to change this. Indeed the massive reconstruction effort could see an increased

immigration to the areas which undoubtedly will have a significant overseas immigration element.

The increasing significance of mining and resource extraction and processing in the Australian economy has particular salience for regional Queensland where a significant part of this activity is located. However, the implications for regional population growth are unclear. Mining is a quintessentially regional based activity as Figure 8.2 demonstrates. At the 2006 census, mining employed 90,833 Australians and this has subsequently increased by probably 50 percent. It has been conclusively demonstrated by McMahon and Remy (2001) in a cross-national study that the mining industry has a profound impact on regional communities, especially in remote areas with a local multiplier effect of more than 3. In Australia, however, the fly in-fly out and drive in-drive out phenomenon has meant that this local multiplier impact is being muted. In 2006, 31.3 percent of those employed in the mining industry were enumerated in cities with more than 100,000 people and the two largest groups living in Perth and Brisbane. Clearly, careful consideration needs to be given of the potential role of mining to facilitate regional development. In this consideration, however, it must also be borne in mind that while mining played an important role historically in developing non-metropolitan urban areas, many such centres went into rapid decline as the deposit was exhausted or global mineral prices declined (Blainey, 1963). In addition there are documented cases where the premature and sudden closure of a mining activity can have a devastating impact on local communities as in the case of the BHP Billiton Raventhorpe Nickel Operation in Western Australia (Browne, Buckley and Stehlik, 2009).

Figure 8.2: Location of Mining Regions Identified by Australian Minerals Council



8.5.4 South Australia

South Australia has been the antithesis of Queensland in population growth trends over recent decades with low growth rates involving very low international immigration levels and net interstate migration loss. In response the South Australian government (2004a and b) developed a population policy which had the targets of:

- Increasing net international migration gains of business, skilled and humanitarian migration to 3,760 per year by 2008.
- Reaching zero net interstate migration by 2008.

It has exceeded the first target, but has been unsuccessful in the second (Hugo, 2009). South Australia's success in substantially increasing its absolute and relative share of the immigrant intake has been due to a number of factors (Hugo, 2008a) which include:

- Economic growth creating job opportunities for international migrants.
- Establishment of a series of institutions and structures by government to increase immigration to the state.
- Introduction of the State Specific and Regional Migration Scheme.

Future international migration will be influenced by changes in these three factors. Whether or not Adelaide retains its status as being eligible for all SSRM categories will be important since the state receives a disproportionate share of SSRM migrants. However, the fact that the state has had the chance to build up a group of recent immigrants that can serve as anchors for new migrants may counterbalance this effort (Hugo, 2010a).

Table 8.18: South Australia: Projected Change in Population Due to Net International and Internal Migration, 2006-21

Source: ABS, 2008

Projection	Adelaide	Rest of State
Net Overseas Migration		
Series A	180,859	18,191
Series B	151,982	14,338
Series C	123,103	10,487
Net Internal Migration		
Series A	-96,400	26,900
Series B	-61,600	18,100
Series C	-11,500	-5,500
Net Migration		
Series A	84,459	45,091
Series B	90,382	32,438
Series C	111,603	4,987

Table 8.18 shows that the anticipated range of net international migration gain in Adelaide is between 180,859 (12,000 per annum) and 123,103 (8,200). However recent data indicates that NOM in South Australia has been above the high projection assumptions (Series A – 12,000) for the last 3 years. Nevertheless, it would appear that the Series A assumptions would be reasonable to accept for the next decade. International migration is clearly the dominant migration driver of growth in Adelaide with a continuation of net interstate migration losses being anticipated. This loss is partly to other areas of the state of South Australia but also to interstate net migration loss. As was indicated earlier, this net

migration loss to the state is a considerable concern to the state government and one of the objectives of its population policy is to achieve zero net interstate migration. Table 8.18 shows that the anticipated net internal migration loss is expected to be between 96,400 and 11,500 and it would seem that it is most likely to be closer to the higher than the lower level, despite the state government's policy. This is a function of two elements:

- Adelaide's peripheral location in relation to Australia's major global cities of Sydney, and to a lesser extent, Melbourne which means many young people will always migrate up the urban hierarchy (Hugo and Hinsliff, 2007).
- The increased levels of international migration to the state and the fact that the overseas-born leave the state to a greater extent than the Australia-born (Hugo and Hinsliff, 2007).

Turning to non-metropolitan South Australia, it is important to note that South Australia is the most primate of the Australian states in that it has the highest concentration of its population in the state capital (73.2 percent in 2006). Accordingly, it is anticipated that relatively low levels of immigration intake are anticipated for the non-metropolitan part of the State – ranging between 18,191 (Series A) and 10,467 (Series C). This is a realistic expectation which could be modified if:

- The anticipated expansion of the mining industry in the state lead to a big increase in demand for workers in the north and west of the state (Hugo, 2010a).
- Increased initiatives to facilitate regional development in non-metropolitan parts of the state (the southeast as well as the north).
- Greater effort is made to settle immigrants in regional areas.
- The expected effects of net internal migration range between a net gain of 26,900 and a net loss of 5,500 over 15 years. As is the case with international migration this is realistic if the status quo is maintained but if there are changes as suggested above the region is likely to have higher levels of net internal migration gain.

An issue of particular concern in South Australia is the internal migration of new international migrants, in particular those who came to Australia under the SSRM scheme who are obligated to remain in South Australia for an initial period of three years (Hugo, 2008a). A key question relates to the retention of those migrants. How many of them will remain in South Australia after the period of compulsory settlement in the state expires? This is an issue of significance for the rest of Australia since the SSRM Scheme is likely to be the main mechanism by which more immigrants are directed to non-metropolitan areas. South Australia has been the main beneficiary of the SSRM Scheme so it is interesting to look in some detail at the relationship between internal and international migration in that State. In this context it is interesting to look at their past patterns of interstate migration. Table 8.19 shows that former immigrants have accounted for a disproportionately large part of the net migration loss of the state for each of the four intercensal periods. Former immigrants have comprised 40.8 percent, 42 percent, 27.1 percent, 30.5 percent and 30.6 percent of the net migration out of the state over the last five intercensal periods while in migrants have made up less than a quarter of the state's population. This is indicative of a longstanding pattern in South Australia of immigrants settling in the state and subsequently moving to another state. The reduction in the 1991-96 period is partly a function of a decline in the significance of international migration into the state in the 1980s. This pattern is one of concern to policy makers who have been very effective in increasing international migration into the state in the last five years.

Table 8.19: Net Interstate Migration by Birthplace, South Australia, 1981-86, 1986-91, 1991-96 and 1996-2006

Source: ABS 1996, 2001 and 2006 Censuses (unpublished data); Bell 1992 (Table 6.5 and 6.34), 1995 (Table 3.5 and 3.6)

Birthplace	1981-86	1986-91	1991-96	1996-2001	2001-06	1981-86	1986-91	1991-96	1996-2001	2001-06
	Number					Percent				
Australia	-5100	-2299	-13087	-7243	-5329	-59.2	-58.0	-72.9	-69.5	-69.4
MES countries	-2119	-1299	-3178	-1347	-1302	-24.6	-32.8	-17.7	-12.9	-17.0
Other countries	-1399	-366	-1681	-1837	-1043	-16.2	-9.2	-9.4	-17.6	-13.6
Total	-8618	-3964	-17946	-10427	-7674	-100.0	-100.0	-100.0	-100.0	-100.0

Table 8.20 shows the numbers of interstate in migrants and out migrants for South Australia over the 1996-2001 period. It shows that immigrants are underrepresented compared to the Australia-born in both in and outmigration but especially the former. However, the figures on outmigration could be a little misleading. This is because of the very low level of immigration into South Australia in the early 1990s and late 1980s. This has meant that the 'population at risk' of interstate outmigration was greatly reduced and the bulk of the state's overseas-born migrants had been in the state for several decades and was well settled in the state. However, it is to be noted in Table 8.20 that the migration effectiveness ratio indicates that the redistributive impact has been significantly greater for the overseas-born than it has been for the Australia-born. This is especially the case for those from NES backgrounds. Hence, whereas the loss of Australia-born through interstate migration is counterbalanced to a high degree by increasing Australia-born persons, this is much less the case for the overseas-born, especially the NES group.

Table 8.20: South Australia: Interstate Migration, 1996-2001, 2001-2006

Source: ABS Census Data 1996, 2001 and 2006

	Population-1996	In migration 1996-2001	In migration as % population-1996	Out migration 1996-2001	Out migration as % population-1996	Net migration 1996-2001	Net Migration as % population-1996	Migration Effectiveness Ratio
Australia-born	1,077,533	45,792	4.2	53,035	4.9	-7,243	-0.7	-7.3
Mainly English speaking origin	151,690	5,316	3.5	6,663	4.4	-1,347	-0.9	-11.2
Langauge other than English origin	163,255	3,936	2.4	5,773	3.5	-1,837	-1.1	-18.9

	Population-2001	In migration 2001-2006	In migration as % population-2001	Out migration 2001-2006	Out migration as % population-2001	Net migration 2001-2006	Net Migration as % population-1996	Migration Effectiveness Ratio
Australia-born	1,118,386	40,037	3.6	45,366	4.1	-5,329	-0.5	-6.2
Mainly English speaking origin	144,862	4,401	3.0	5,703	3.9	-1,302	-0.9	-12.9
Langauge other than English origin	155,498	3,698	2.4	4,741	3.0	-1,043	-0.7	-12.4

Table 8.21: South Australia: Interstate In and Out Migrants by Birthplace Region, 1996-2006 and 2001-2006

Source: ABS Census Data 1996, 2001 and 2006

Birthplace Region	Interstate In migrants, 1996-2001		Interstate In migrants, 2001-2006		Interstate Out migrants, 1996-2001		Interstate Out migrants, 2001-2006		Net Migration 1996-2001	Net Migration 2001-2006
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	
Oceania and Antarctica, excluding Australia	1,165	11.3	1,096	11.7	1,140	8.4	1,196	10.0	25	-100
North West Europe	4,675	45.5	3,930	41.8	6,107	44.9	5,144	43.1	-1,432	-1,214
Southern and Eastern Europe	966	9.4	782	8.3	1,289	9.5	1,070	9.0	-323	-288
North Africa and Middle East	224	2.2	332	3.5	417	3.1	494	4.1	-193	-162
South-East Asia	1,027	10.0	932	9.9	1,477	10.9	1,205	10.1	-450	-273
North-East Asia	285	2.8	408	4.3	527	3.9	499	4.2	-242	-91
Southern and Central Asia	295	2.9	562	6.0	542	4.0	634	5.3	-247	-72
Americas	376	3.7	392	4.2	560	4.1	472	4.0	-184	-80
Sub-Saharan Africa	276	2.7	378	4.0	423	3.1	558	4.7	-147	-180
Not stated, Inadeq desc, OS Visitor	978	9.5	595	6.3	1,122	8.2	661	5.5	-144	-66
	10,267	100.0	9,407	100.0	13,604	100.0	11,933	100.0	-3,337	-2,526

The country of origin of immigrants migrating into and out of South Australia is shown in Table 8.21. This indicates that the Northwest Europe-born were by far the largest group among in migrants and out migrants to South Australia over the 1996-2006 period. This has been a consistent pattern over the 1996-2006 period. Moreover, they accounted for 43 percent of the net migration loss in 1996-2001 and 48 percent in 2001-2006. Among this group the United Kingdom are the largest single birthplace group. It is interesting that there were net losses among all of the birthplace categories except the Oceania-born in 1996-2001, who are predominantly New Zealanders. The latter were the second largest group of in migrants and fourth largest of out migrants. Southern Europeans are also a significant group among out migrants. Southeast Asia-born persons made up a tenth of the in migrants and out migrants.

The projections of population in South Australian SDs, made recently by the Department of Planning and Local Government, are presented in Table 8.22. These indicate that there is an expectation that overall growth of the state population will fall from 1.2 percent per annum to 2006-11 and 2011-16 to 1 percent in 2016-21. There will be more than double this growth rate in the Outer Adelaide SD which contains sea change and tree change areas as well as peri-urban development. Elsewhere population growth is anticipated to be less than 0.6 percent although mining is likely to attract some immigrant settlement.

Table 8.22: South Australia: Projections of Population of Statistical Divisions, 2006-21

Source: Department of Planning and Local Government, Government of South Australia, 2010

Statistical Division	2006		2011		2016		2021		Annual growth rates		
	Number	%total	Number	%total	Number	%total	Number	%total	2006-2011	2011-2016	2016-2021
Adelaide	1137354	73.2	1174872	73.0	1204165	73.0	1232805	73.0	0.7	0.5	0.5
Outer Adelaide	126289	8.1	138377	8.6	147371	8.9	156168	9.3	1.8	1.3	1.2
Murray Lands	68978	4.4	69669	4.3	69924	4.2	70008	4.1	0.2	0.1	0.0
South East	63726	4.1	64898	4.0	65505	4.0	65926	3.9	0.4	0.2	0.1
Eyre	35078	2.3	36103	2.2	36520	2.2	36799	2.2	0.6	0.2	0.2
Northern	76546	4.9	77945	4.8	78685	4.8	77806	4.6	0.4	0.2	-0.2
Yorke and Lower North	45230	2.9	46494	2.9	47663	2.9	48728	2.9	0.6	0.5	0.4
Total - South Australia	1553201	100.0	1608358	100.0	1649833	100.0	1688240	100.0	0.7	0.5	0.5

8.5.5 Western Australia

Western Australia has been a consistently rapidly growing state over a long period (Hugo, 1996). Table 8.23 shows the projected levels of net international and net internal migration over the 2006-21 period. Perth, like other capitals, relies predominantly on net international migration for net migration growth. The projections range between 390,768 (26,000 per annum and 265,530 (17,000 per annum). Current levels of international migration would indicate the Series A projections are the most appropriate. The rapidly growing economy, especially the mining sector, will mean that international migration to Perth will remain very strong over recent intercensal periods. Perth has been experiencing small gains or small losses through net internal migration over recent intercensal periods and the projections reflect this. Series A assumes a small net gain (2,300) while Series C expects a similar size net loss (-19,100).

Table 8.23: Western Australia: Projected Change in Population Due to Net International and Internal Migration, 2006-21

Source: ABS, 2008

Projection	Perth	Rest of State
Net Overseas Migration		
Series A	390,768	46,742
Series B	328,144	36,896
Series C	265,530	27,040
Net Internal Migration		
Series A	2,300	55,200
Series B	-	37,500
Series C	-19,100	17,600
Net Migration		
Series A	411,068	101,942
Series B	328,144	74,396
Series C	246,430	44,640

Turning to the rest of state in Western Australia, Table 8.23 shows that the ABS projections have relatively modest expectations about international migration. This is despite the expected rapid growth of the non-metropolitan economy, especially in mining. These net gains vary between 46,742 (Series A) and 27,040 (Series C). Figure 8.2 shows that Western Australia has some of the most extensive mining areas and there is an expectation that there will be a considerable expansion in mining activity over the next decade. Accordingly there have been strong indications of labour shortage. The key question, however, remains the extent to which the jobs being created in the mining industry result in increased settlement in non-metropolitan Western Australia. The dominance of Fly In-Fly Out and Drive In-Drive Out schemes in that state, like Queensland means the local multiplier effects on regional development are quite muted. Nevertheless, the ABS non-metropolitan assumptions for net overseas migration would seem low. It is interesting, however, that it is anticipated that Western Australia will experience significant net internal migration into non-metropolitan areas, especially under the Series A assumptions. It may well be that the 'mining industry' will 'suck workers in' from Perth and elsewhere in Australia rather than attract recently arrived immigrants. This is an established pattern in the Australian mining industry whereby the high wages offered attract workers who have work elsewhere in Australia to move to remote areas.

Projections of Statistical Division populations made by the Western Australian government are presented in Table 8.24. Substantial growth is anticipated for Perth but there are two non-metropolitan SDs which are expected to grow even faster – the mining areas of Kimberley and South West. The Pilbara is expected to increase its population at only half the average for the State. Significant growth is expected in Perth's peri-urban areas but slow growth is anticipated in the dry farming areas.

Table 8.24: Western Australia: Projections of Population of Statistical Divisions, 2006-21

Source: Western Australia Tomorrow, Population Report No. 6, WA Planning Commission, Queensland

Statistical Division	2006		2011		2016		2021		Annual growth rates		
	Number	%total	Number	%total	Number	%total	Number	%total	2006-2011	2011-2016	2016-2021
Perth	1498000	73.1	1614600	73.0	1734300	73.0	1849200	73.0	1.5	1.4	1.3
South West	224000	10.9	251000	11.4	277500	11.7	302300	11.9	2.3	2.0	1.7
Lower Great Southern	55000	2.7	57400	2.6	59900	2.5	62000	2.4	0.9	0.9	0.7
Upper Great Southern	17700	0.9	17800	0.8	18100	0.8	18700	0.7	0.1	0.3	0.7
Midlands	53700	2.6	56800	2.6	61000	2.6	64900	2.6	1.1	1.4	1.2
South Eastern	56400	2.8	59000	2.7	60900	2.6	62900	2.5	0.9	0.6	0.6
Central	62300	3.0	64600	2.9	66600	2.8	68400	2.7	0.7	0.6	0.5
Pilbara	42900	2.1	44400	2.0	46600	2.0	48200	1.9	0.7	1.0	0.7
Kimberley	38600	1.9	44900	2.0	51400	2.2	57900	2.3	3.1	2.7	2.4
Total - WA	2048600	100.0	2210500	100.0	2376300	100.0	2534500	100.0	1.5	1.5	1.3

8.5.6 Tasmania

Table 8.25 shows the projected net migration gains for Hobart and the rest of Tasmania. As the only state without a primate city settlement system it is not surprising that there is only a slightly greater net gain expected for Hobart than the rest of the state. The annual net international migration gains for Hobart range between 13,912 (Series A) and 9,390 (Series C) while those for the non-metropolitan part of the state are from 10,058 to 6,600. Their internal migration assumptions range from a small net gain of 7,300 (Series A) to a net loss of 6,100 (Series C). For the non-metropolitan sector the pattern is somewhat similar.

The anticipated net migration gains and population growth levels in Tasmania over the next decade are lower than for the mainland states and it is likely that this will be the case. However, it is worth mentioning that in the longer term climate change may influence Tasmania's population growth. Like New Zealand, Tasmania is likely to not suffer substantial water deficits as a result of climate change. Moreover, work by Holmes (1973) reported in the National Population Inquiry (1975, 722-23) and reported in Table 8.26 shows that in terms of water potentially available (ignoring all other factors) Tasmania could support 90 million of the hypothetical 280 million that the nation could support. Hence the longer term outlook for Tasmanian regions may be for greater population growth. A recent CSIRO (2010) report found that climate change could result in a significant shift of the Australian dairy industry from the mainland to Tasmania.

Table 8.25: Tasmania: Projected Change in Population Due to Net International and Internal Migration, 2006-21

Source: ABS, 2008

Projection	Hobart	Rest of State
Net Overseas Migration		
Series A	13,912	10,058
Series B	11,644	8,336
Series C	9,390	6,600
Net Internal Migration		
Series A	7,300	6,700
Series B	500	-6,000
Series C	-6,100	-18,900
Net Migration		
Series A	21,212	16,758
Series B	2,144	2,336
Series C	3,290	-12,300

Table 8.26: The Maximum Permissible Population of Australia, Limited by Water Potentially Available

Source: National Population Inquiry, 1975, 722

Drainage Division	Fraction of water that could be utilized	Maximum permissible population
		(millions)
(a) Tasmania	0.5	90
(b) North-East Coast	0.2	70
(c) South-East Coast	0.4	60
(d) Murray-Darling	0.1 to 0.5 of $14\ Ml\ yr^{-1}$	23
(e) Timor Sea	0.075	23
(f) Carpentaria	.05	13
(g) South-West Coast	0.3 of $3.6\ Ml\ yr^{-1}$	4.5
(h) South Australian Gulf	0.4	0.8
(i) Indian Ocean	0.03 of $4.9\ Ml\ yr^{-1}$	0.6
(j) Lake Eyre	0.02	0.4
(k) Bulloo-Bancannia	0.02	0.04
(l) Western Plateau -	water can be imported as, for example, by the Kalgoorlie pipeline.	
	Total Population	about 280

Note: It is to be emphasized that the figures in this table refer to water used in rural and urban areas for domestic and industrial use, but exclude irrigation.

Table 8.27 shows the anticipated population change in Tasmanian SDs according to the State Government projections. It shows a relatively even pattern of low population growth across the island with slightly higher rates in Hobart.

Table 8.27: Tasmania: Projections of Population of Statistical Divisions, 2006-21

Source: Demographic Change Advisory Council, Population Projections (Medium Series), Tasmania

Statistical Division	2007		2011		2016		2021		Annual growth rates		
	Number	%total	Number	%total	Number	%total	Number	%total	2007-2011	2011-2016	2016-2021
Greater Hobart	214 276	43.4	221276	43.6	229 472	43.9	237 482	44.2	0.8	0.7	0.7
Southern	29 544	6.0	30 395	6.0	31162	6.0	31741	5.9	0.7	0.5	0.4
Northern-Tas	139 466	28.3	143 371	28.3	147 780	28.3	152 050	28.3	0.7	0.6	0.6
Mersey-Lyell	110 085	22.3	112 082	22.1	114 160	21.8	115 989	21.6	0.5	0.4	0.3
Total - Tasmania	493 371	100.0	507 111	100.0	522 579	100.0	537 247	100.0	0.7	0.6	0.6

Note: These projections were prepared for Tasmanian LGAs. Derwent Valley-PtB, Kingborough-PtB and Sorell-PtB have been included in Greater Hobart Statistical Division.

8.5.7 Northern Territory

Projecting, and indeed measuring, population growth in the Northern Territory has long been difficult because of a high level of mobility in its population, both Indigenous and non-Indigenous (Hugo, 1991). The projected pattern for the Northern Territory is shown in Table 8.28 and shows a similar pattern to the other small states and territories with small variations in net international migration gains but net internal migration ranging from small gains under Series A assumptions and net losses under Series C. The bulk of net gains are in Darwin which has a long history of having a significant overseas-born community (Hugo, 1991).

Table 8.28: Northern Territory: Projected Change in Population Due to Net International and Internal Migration, 2006-21

Source: ABS, 2008

Projection	Darwin	Rest of State
Net Overseas Migration		
Series A	13,670	4,840
Series B	11,874	3,606
Series C	10,060	2,390
Net Internal Migration		
Series A	11,500	2,500
Series B	1,300	-6,800
Series C	-9,300	-15,700
Net Migration		
Series A	25,130	7,340
Series B	13,174	-3,194
Series C	760	-13,310

The future of the Northern Territory population is tied up very much with considerations of the population of the extensive part of Australia classified as Remote or Very Remote under the ABS Remoteness Classification. Remote Australia has 85.6 percent of the national land area but only 2.3 percent of the population. The role of Remote Australia in Australia is often underestimated and is almost certainly to become more important in the future. In any discussion about the future of population growth those Australians who live in remote environments must be considered and factored in. There are some characteristics of these populations that highlight future issues for any population strategy.

- It is relatively young, more likely to be Aboriginal, and with fewer educational qualifications and increased health demands.

- It is likely to be experiencing a natural increase in population – young people having children at an earlier age.
- It is likely be internally mobile – that is, movement around remote Australia is likely to be regular and sustained.
- It is a population that remains difficult to 'count' regardless of efforts by the ABS and others to do so. It is therefore regularly either 'over' or 'under' enumerated which has a direct impact on the capacity of governments to deliver services.
- There are urban environments within remote Australia that are increasingly under pressure as a result of these population characteristics. For example, since the Federal intervention, Alice Springs has become a 'feminised' community – with a high population of women working in the service sector and community support environments.
- At the other end of the spectrum, some remote environments are increasingly male dominated (see above with resources sector) and some cities (such as Darwin) are likely to be more influenced by young, wealthy, mobile and demanding males.
- The internal migration (movement) between outlying areas in remote Australia and urbanised towns and cities remains among the least well documented aspect of national migration patterns.
- The demands for skilled labour in remote Australia remains very high. In the public sector agencies of the Northern Territory for example, there is a very high turn-over rate (calculated at around 35 percent per annum) which places the delivery of services, as well as the retention of human capital, at risk. Such population transitions are also influenced by salary scales which are much higher in the resources sector which then 'cannibalises' other sectors, and leaves them weak and under staffed.

The projections available from the Northern Territory Treasury are only for Darwin and Rest of Territory as shown in Table 8.29. They indicate that the Northern Territory is expected to grow at a faster rate than the nation as a whole over the next decade – 1.4 percent per annum with the rate being twice as high in the Darwin area than elsewhere in the Territory.

Table 8.29: Northern Territory: Projections of Population of Statistical Divisions, 2006-21

Source: Northern Territory Treasury, Northern Territory Population Projections, 2009

Statistical Division	2006		2011		2016		2021		Annual growth rates		
	Number	% total	Number	% total	Number	% total	Number	% total	2006-2011	2011-2016	2016-2021
Darwin	114,361	54.3	127,844	55.7	140,241	57.0	153,393	58.3	2.3	1.9	1.8
Northern Territory-Balance	96,267	45.7	101,833	44.3	105,913	43.0	109,841	41.7	1.1	0.8	0.7
Total - Northern Territory	210,628	100.0	229,677	100.0	246,154	100.0	263,234	100.0	1.7	1.4	1.4

Note: Darwin Statistical Division is defined as Greater Darwin and comprises Darwin, Palmerston and Litchfield.

8.5.8 Australian Capital Territory

The ACT is predominantly an urban population but in the Australian settlement system is by far the largest non-coastal city and represents in many ways the most successful example of decentralisation. Table 8.30 shows that there are quite substantial differences between the high growth (Series A) and low growth (Series C) scenarios. For the former there is a net gain of both international (19,030) and internal (21,652) migrants. However, for Series C there is a smaller net gain of 13,090 international migrants and a higher net loss

of 18,348. Accordingly, while Series A sees a net migration gain of 40,682, Series C results in a net migration loss of 5,258. It is interesting that the ABS sees the ACT under Series A, the scenario which is currently the best fit with actual trends, experiencing a greater net gain from internal migration than international migration. However, in a low growth scenario it is expected to experience a net migration loss from internal migration and a net gain of 13,090 from international migration.

Table 8.30: Australian Capital Territory: Projected Change in Population Due to Net International and Internal Migration, 2006-21

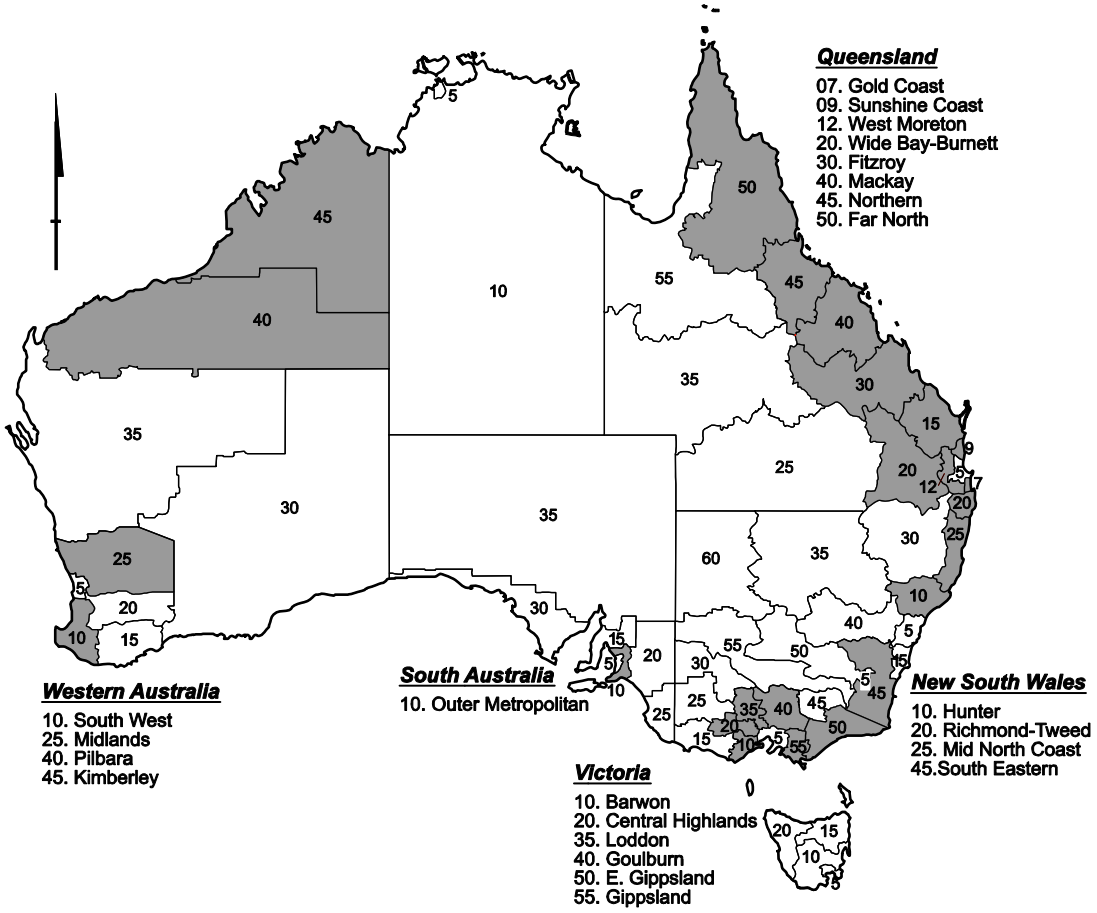
Source: ABS, 2008

Projection	Australian Capital Territory
Net Overseas Migration	
Series A	19,030
Series B	16,060
Series C	13,090
Net Internal Migration	
Series A	21,652
Series B	2,152
Series C	-18,348
Net Migration	
Series A	40,682
Series B	18,212
Series C	-5,258

8.5.9 Summarising a Scenario of Future Regional Population Change

This section has used ABS projections and regional projections made by State and Territory governments to present a picture of anticipated population change in non-metropolitan Australia. From this analysis it is possible to identify the statistical divisions in regional Australia that are anticipated to experience population growth near or above the national average over the next decade. Figure 8.3 shows the distribution of Statistical Divisions outside the capital cities that official State/Territory population projections indicate will have population growth rates above 1 percent per annum in the next decade. The SD is a quite large unit for an analysis of population change and there will be instances of SDs with lower rates of population growth which include communities which are much faster growing. This will be the case in some remote areas like Nathan, South Australia for example, where individual mining communities like the Roxby Downs-Olympic Dam area will grow quite rapidly.

Figure 8.3: Australia: Non-Metropolitan Statistical Divisions with Population Projected Growth at More than One Percent per Annum, 2011-21



Nevertheless, Figure 8.3 indicates the likely pattern of areas with substantial regional population growth over the next decade. This report has shown that the mix of natural increase, net internal migration and net international migration varies in that growth between regions. International migration is playing an increasing role and it is likely that this trend will continue in the next decade.

The regional growth areas can be classified into a number of types with differing levels of international migration involvement.

- Peri-Urban Areas around major cities – While this includes significant tree change-sea change movement involving mainly non-migrants there are also immigrants involved filling the expanding job opportunities.
- Mining Areas – Much of the growth is being met by internal migration driven by high wages but again there is some migrant involvement as there has been in earlier mining booms in Australia.
- Coastal Areas – Much is being driven by sea change based internal migration but associated job opportunity growth means that immigrants also are involved in this growth.

It is important to point out that it is *not* only rapidly growing areas that will experience an influx of immigrants over the next decade. Experience in Australia over the last 10 years and experience in Europe and North America suggests that in other regional areas where the effects of ageing in reducing the locally available labour force are exacerbated by the outmigration of young Australians, immigrants are increasingly filling jobs. These are jobs in primary production and processing of primary production. This has involved new immigrants moving into some non-metropolitan areas which have a long tradition of CALD settlement. There are often immigration and horticulture based communities near cities and in the Murray-Darling Basin. However, they also include towns and abattoirs (e.g. Young, Naracoorte), forestry and some intensive agriculture.

The extent to which new immigrants settle outside Australian capital cities in the next decade will be shaped by a number of ongoing trends:

- The continued growth in non-metropolitan based economic activity creating jobs – obviously mining and tourism but also food production and processing.
- Ageing of non-metropolitan populations exacerbated by significant net internal loss of the 15-29 age category to major cities.
- Sea change and tree change migration which will undergo a substantial increase with the retirement of baby boomers.

These processes will produce an increase in immigrant settlement outside the capitals in the next decade. However, this trend could be significantly enhanced by policy.

8.6 POLICIES TO INFLUENCE WHERE MIGRANTS SETTLE

There have been several major shifts in Australian international migration policy over the last decade which need to be taken into account in formulating population policy at the state and local level. These changes have increased the ability of state and local government to influence where immigrants settle in Australia. Previously this ability has been extremely limited with all immigration policy being national in the sense that all immigrants could settle where they wished. *The potential now to directly influence not only who migrates to Australia but also where in Australia they settle is significant and increasing in importance*. In particular, three new elements of the Australian immigration system introduced since the mid 1990s have increasingly channelled immigrants to settle in particular parts of Australia (Hugo, 1999b; 2004a; 2008a; forthcoming a):

- The introduction of a suite of State Specific Regional Migration Schemes (SSRM) which make it possible for some potential immigrants to Australia who are not able to earn sufficient points in the Points Assessment Test to enter the country if they undertake to settle in designated parts of the country for at least their initial three years in the country.
- The introduction of the 457 temporary skilled worker scheme to allow employers to readily and quickly sponsor the long term temporary immigration of people with skills that they need. These people are tied to the employer who brings them in to the country, and hence, the newcomers are compelled to go to the particular areas.
- Following a *Review of Settlement Services for Migrants and Humanitarian Entrants* (DIMIA, 2003), the development by DIAC of a new approach to identifying and establishing new regional locations for humanitarian settlement and settling new arrivals in those locations.

An important point about these initiatives is that they are building upon a trend across all settlement countries for more migrants to settle outside the major gateway cities which have hitherto dominated initial immigrant settlement. Moreover, it has been demonstrated in this Report that these trends are evident in Australia since 2001 and undoubtedly the three policy elements have had some influence on this.

It is apparent that state/territory and local governments are playing an increasing role in shaping where migrants settle and in assisting them in their settlement. For example, the state of South Australia has played a major role in both developing the SSRM scheme and in taking advantage of it by undertaking a number of initiatives:

- It was the State which most placed pressure on the federal government through lobbying. It succeeded in getting the number of SSRM categories considerably expanded.
- It set up or expanded a number of State-based institutions which had the role of using the SSRM regulations to actively recruit migrants to come to the State, especially in the United Kingdom and more recently in India and the Philippines. Immigration SA concentrated on skilled migrant recruitment and Education SA on students.
- It expanded the range of services it supplied to assist the settlement of immigrants in the State not only through Multicultural SA, its settlement agency, but through mainstream departments like Education, Health and Housing.
- The Premier lobbied the federal government to have a higher proportion of refugee and humanitarian settlers placed in South Australia.

There are also instances in Australia where local government has taken advantage of the new SSRM schemes to attract overseas immigrants to Australia directly to their community. Local governments like Ballarat, Warrnambool and Shepparton in Victoria have developed strategies to attract and retain immigrants to their communities (Hugo, 2008b).

While there has been a great deal of scepticism of the ability to influence where immigrants settle, there is much in recent experience which would indicate that it is a viable and effective approach to maximising the impact of international migration on overcoming regional labour shortages. There is evidence from a number of countries that many migrants settled in regional locations subsequently gravitate to 'gateway' cities often after they fulfilled any residential qualifications that they were required to meet under their visa conditions. In the Australian context there has also been evidence that new immigrants directed to settle in peripheral areas subsequently move to gateway locations.

One of the earliest attempts on Australia to direct immigrants where to settle (Hugo, 1999b) was the 2-year bonding system applied to the settlement of displaced persons (DP) and some other European groups in the early post war years (Kunz, 1988) which allocated settlers to areas suffering labour shortages, often in remote non-metropolitan locations. The most famous example of this was the direction of substantial numbers of Europeans to the Snowy Mountains. The group was dispersed to a wide range of areas suffering labour shortages. These included the development of hydro electric schemes in Tasmania, forestry areas in Western Australia (Hugo 1989-92), isolated railway sidings, mining areas and other remote areas where it was difficult to attract people in the tight labour market of the early post war years. Displaced persons were under a bond for two years to work where they were allocated by the federal government. At the expiration of the two years the majority moved out of these non-metropolitan areas to the nation's major cities (although some stayed in

these non-metropolitan locations as was shown in the 1986 and 1991 *Atlas of Australian People* series) (Hugo 1989–92, Hugo and Maher [eds.], 1995–98).

Also in the early post war years the South Australian government was active in attracting migrants from the United Kingdom to settle in the state by offering a package of incentives (assisted passage provided by the federal government, housing provided by the South Australia Housing Trust and a guaranteed job, usually in the rapidly expanding manufacturing sector of the state). This was highly effective in making that state a major destination of immigrants from the UK coming to Australia in the 1950s and 1960s (Hugo, 1988). In both of these cases the policies were initiated where there was a significant labour shortage and the programs were initiated to attract people to fill the jobs.

In the 1980s efforts were made to settle Vietnamese refugees in non-metropolitan areas where communities had undertaken to provide support to the new arrivals. However, Burnley (1989) has shown that many of these eventually gravitated to gateway cities like Sydney where there were large Vietnamese communities which offered ethnic specific services, ethnic specific job opportunities, ethnic specific social support etc.

Most interest has been focused on the State Specific and Regional Migration Scheme. In May 1996 the annual meeting involving Commonwealth, State and Territory Ministers for Immigration and Multicultural Affairs established a working party on regional migration which could herald a new era in patterns of migrant settlement. The working party examined ways in which a higher proportion of migrants might settle in regional Australia. They concluded that:

- There is a greater capacity to influence the location decisions of skilled migrants than family migrants since the former are less influenced by the location of relatives and friends than the latter.
- Skilled migrants have better employment outcomes and bring substantial economic benefits to regional Australia.

In March 1997 the relevant Commonwealth, State and Territory ministers for immigration and multicultural affairs endorsed a set of key principles for the regional migration mechanism:

- Be sufficiently flexible to allow States and Territories to use these selectively and in a manner appropriate to their own needs.
- Be non-discriminatory.
- Be grounded in the findings of research.
- Not impact negatively on employment and training opportunities for existing residents.

An array of different visa categories has been introduced but they are associated with only the skilled categories. In 2008-09 (DIAC, 2010, 39) they involved 33,474 places – 29.2 percent of the total skill stream. This set of visa categories introduced progressively over the last decade give particular advantages such as extra points or waiving of particular conditions to potential setters willing to settle outside of the major areas of immigrant settlement. The categories have varying residence requirements but many mainland state capitals, except Adelaide, are excluded. South Australia as a whole (including the Adelaide metropolitan area) is eligible for virtually all categories. This partly reflects the fact that the state has been among the most enthusiastic supporters of, and strongest lobbyers for, the State Specific and Regional Migration Scheme (Hugo, 2005b).

For several of these visas, settlers are required to remain in the regions nominated for initial settlement for at least two years and to demonstrate that they have settled effectively before being granted full permanent residence. The key question then becomes to what extent the migrants remain in the original area once they have met the residential requirements. Retention problems among international migrants have been well documented (e.g. Waldorf, 1995; Iredale, 2001; Han and Humphries, 2006) and much interest surrounds the extent to which SSRM migrants will be retained in the peripheral areas of their initial settlement.

Little evidence is available on this issue, but two surveys report the situation in South Australia. One, conducted in 2006 of 504 SSRM settlers found 11.3 percent intended to move interstate once they had fulfilled the residential requirements (Hugo, 2008a, 143). A more recent study of 1,215 state sponsored migrants (Tan *et al.*, 2010, 47) found only eight percent intended to leave the state within the next three years. It has been demonstrated that overseas migrants have had a greater tendency to leave South Australia over several decades (Hugo and Hinsliff, 2007). Nevertheless, the limited evidence which is available would indicate that the majority of new migrants deliberately settled outside the gateway cities are remaining in those areas.

What are the factors which influence whether settlers remain in more peripheral locations once they have met any residential time requirements? This is evident from the research which is available (Hugo, 2008a, 2010a). It is important to recognise that if new immigrants are not able to get a job which meets their expectations, effectively enter the housing market and adjust satisfactorily to education, service and community contexts they will certainly move on after completing their period of compulsory residence. It is clear that appropriate employment opportunities are a necessary and critical requirement for encouraging migrants to settle outside the gateway cities.

Retention issues in the contemporary environment are also related to the presence of many more dual career households than previously was the case. This situation presents additional challenges for small regions seeking to attract and retain skilled and professional workers in dual career households. The ability to provide suitable employment opportunities at higher levels for both partners is limited in smaller economies than in the larger cities. Moreover, this factor influences the migration of the types of households which regions are seeking to attract – young, highly qualified skilled workers.

It must be stressed that employment is not the only deciding factor in the settlement of migrants and that it is a necessary rather than a sufficient reason for migration. Adjustment and satisfaction levels in other areas especially children's education, the development of social networks and integration into the local community are important factors in deciding whether a household settles permanently in a location. Fortunately these factors can be influenced somewhat by government policies and programs and this is one area that regional communities could concentrate on. Given the broader political emphasis on integration and developing strong and cohesive communities, regions could build on these programs and incorporate additional integration strategies targeted directly at migrants moving in from other states. It needs to be stressed here though that it is not only state government which is involved, local and regional government and local communities play a major role in influencing the adjustment of migrants, both internal and international.

Given the increased settlement of immigrants outside of the main gateway cities in recent years it is imperative that detailed research be undertaken into the factors which influence whether or not they are retained in those communities.

8.7 IMPLICATIONS OF FUTURE MIGRATION FOR REGIONAL AUSTRALIA

8.7.1 Population Policy

The last year has seen an unprecedented focus on the future of Australia's population in both government and public discourse. In December 2010 the Minister for Sustainability, Environment, Water, Population and Communities launched an issues paper entitled *A Sustainable Population Strategy for Australia* (Burke, 2010). Australia has hitherto never had an integrated and comprehensive population policy although it has had many policies which influence population size, composition and distribution. However, the present government is committed to the development of a Sustainable Population Strategy. What are some of the implications of the present report for this strategy?

- A national population policy must address issues of population distribution as well as population size and composition. There is a considerable diversity of population growth and decline across Australia's regions and local communities and the policy implications which flow from them are equally diverse. A national population policy needs not only to take this diversity into account but it needs to engage other levels of government – state, regional and local. Efforts by states and local governments to develop their own population policies must be integrated with the national strategy.
- International migration is becoming an increasingly important part of regional population growth, especially in areas of rapid development. This trend is likely to increase during the next decade because of ageing of regional populations being exacerbated by outmigration of youth and creating labour shortages, especially in areas of economic growth.
- An important task of a national population strategy is the encouragement and facilitating of internal and international migration into regions of labour shortage. This will be closely related to investment in infrastructure since migrants, internal and international, will not settle in communities deficient in health, education, transport and other infrastructure.
- The analysis in this study has demonstrated that both Australians and international migrants will move to where there are opportunities. A national population policy must not make the mistake of attempting to attract internal and international migrants by artificially creating jobs in those areas. Regional growth areas must have the economic potential to sustain larger populations. A population policy should not fly in the face of market trends but act to 'grease the rails' of existing population flows which are both economically and environmentally sustainable.
- Consideration of the role of the baby boomer generation in regional development must be an important part of any national population policy for the next two decades. To what extent the tendency identified here for baby boomers to move to 'sea change' and 'tree change' areas upon retirement continues and increases will influence the rate of population growth in many regional communities in each of the states. Evidence has shown that this generation is relatively well off, especially those who move to regional areas, so their movement can be an important catalyst and economic multiplier for growth in local employment. Planning for, and facilitating, their process so that it is environmentally sustainable (especially where it is directed to ecologically fragile areas such as some coasts) is a complex but important task for national, local and state governments.

- The Indigenous population is disproportionately represented in regional Australia compared with the non-Indigenous so a national population strategy needs to explicitly consider this group as a major element in regional populations and their development.

8.7.2 Immigration Policy

Australian immigration policy has two main components:

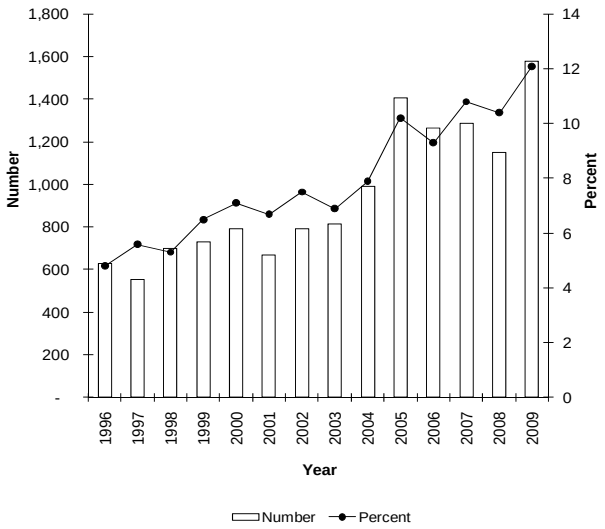
- Permanent settlement which comprises a number of visa categories (Economic/Skill, Family, Refugee-Humanitarian and Other, mainly New Zealanders) in which numbers are fixed each year by government.
- Temporary migration which comprises a number of category (Temporary Skilled Workers, Students and Working Holiday Makers) but where numbers are market driven although the government sets the regulations in which they operate.

Immigrants of both types settle in Australia in a different way to the resident population and have an important impact in shaping population distribution. Taking first of all permanent migration there has been a general tendency for a greater proportion of settler arrivals to settle outside capital cities.

Figure 8.4 shows, for example, how humanitarian settlers have in recent years shown a greater propensity to settle outside capital cities. This has partly been facilitated by the fact that humanitarian settlers have a greater proportion of settlers who derive from rural community backgrounds than other visa groups. Case studies indicate that while such settlement has some problems by and large the experience of refugee settlement in non-metropolitan areas has been positive. While to some extent local social capital is playing the role played by ethnic networks and formal immigrant post-arrival services in the capitals, there is a need for relevant specific service provision and sensitising of mainstream services to the needs of new settlers.

Figure 8.4: Australia: Settlement of Refugee-Humanitarian Settlers Outside Capital Cities, 1996-2009

Source: DIAC, unpublished data



The patterns for other settlement visa categories are given in Figure 8.5 (Family migrants) and Figure 8.6 (Economic/Skill migrants). The extent to which the visa categories are settling outside of the gateway cities varies but there are indications that the proportion is increasing.

Temporary migrant workers are playing an increasing role in meeting workforce needs in some non-metropolitan areas although we know very little about how this is happening. Figure 8.7 shows how they have been especially important in mining areas in Western Australia and Queensland, in tourism areas and in horticultural/intensive agricultural areas.

Figure 8.5: Australia: Settlement of Family Migration Settlers Outside Capital Cities, 1996-2009

Source: DIAC

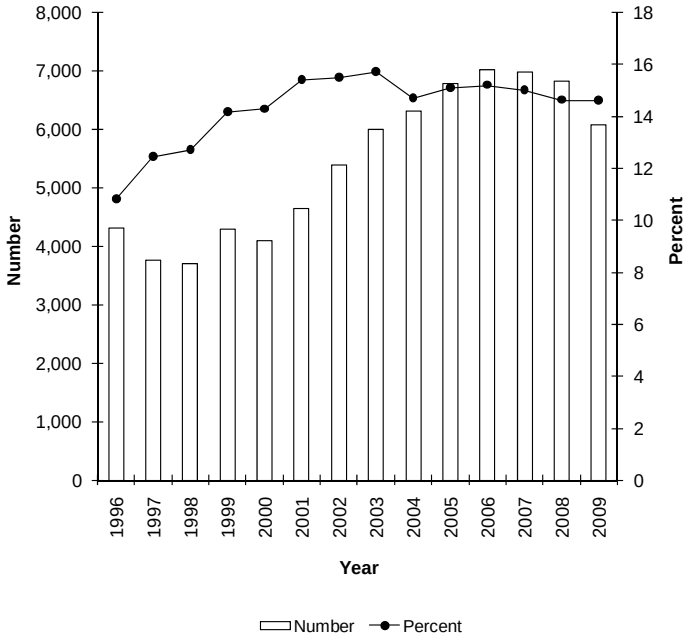


Figure 8.6: Australia: Settlement of Skilled Migration Settlers Outside Capital Cities, 1996-2009

Source: DIAC

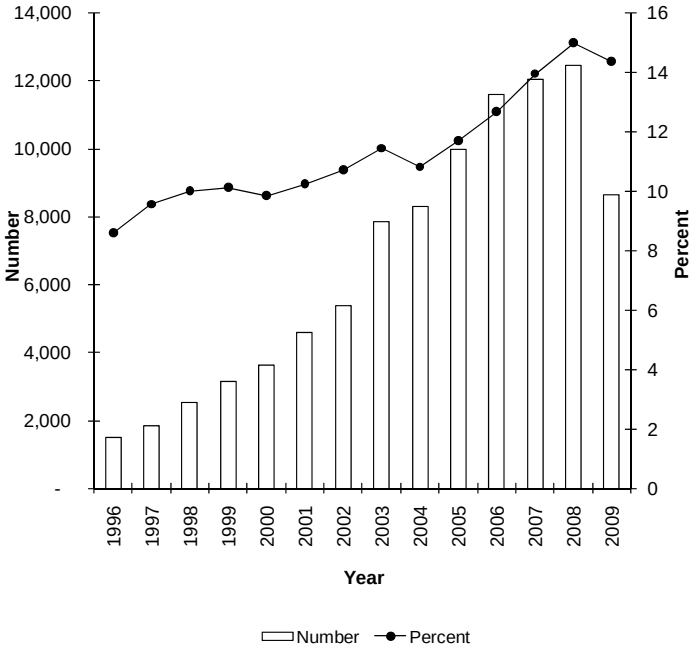
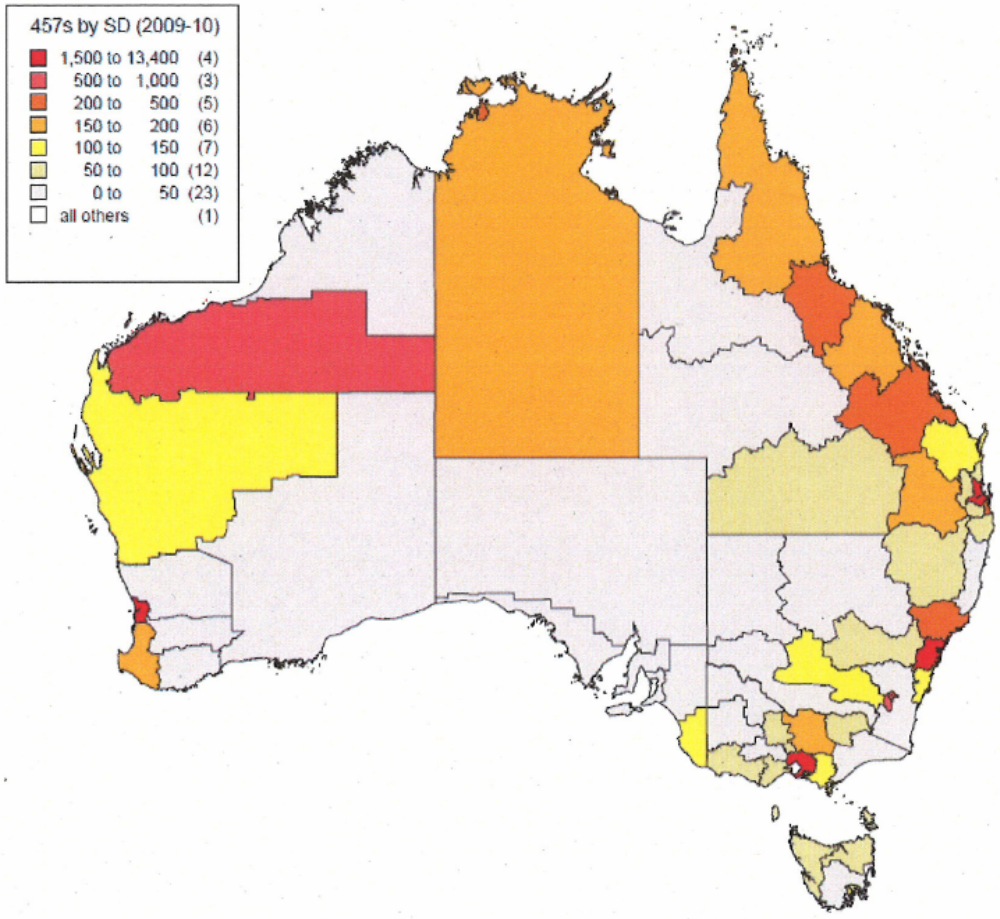


Figure 8.7: Australia: Location of Temporary Skilled Migrants

Source: Cully, 2010



Research on settlement of migrants in non-gateway locations (e.g. Hugo, 2008b, 2009; Khoo *et al.*, 2003; McDonald *et al.*, 2010; Burnley and Murphy, 2004) suggests several generalisations regarding immigration to non-metropolitan which need to be borne in mind in developing policy relating to attracting people and employment to regional areas:

- Those most attracted to such areas typically comprise young families. Young single adults and couples are more attracted to large city lifestyles. Retirees and those in the pre-retirement years are also important.
- Employment is important, but not the only driver. Availability of appropriate employment for both men and women (it is often not enough if there is employment for only one of the family) is a necessary condition for migration but it is often not sufficient for them to move.
- The liveability and lifestyle dimensions are of crucial importance to families thinking of settling in non-metropolitan areas. In particular the availability of good schooling for children is crucial. Accessibility to good health and other services is crucial. In this context the initiatives by state and territory governments to further centralise such services fly in the face of efforts to achieve decentralisation.

- Availability of affordable and appropriate housing is of the utmost importance to families considering migration to non-metropolitan areas.
- The importance of local communities welcoming new arrivals and helping them settle in is crucial. The early stages of settlement are crucial in determining whether the newcomers will stay. This is especially the case for international migrants.

It is apparent that international migration is playing an increasing role in meeting the workforce needs in regional Australia. However, little is currently known about this role, especially for temporary migration. Immigrants, both permanent and temporary, still overwhelmingly choose to settle in Australian gateway capitals but as is the case in other major immigrant nations a greater proportion are moving to non-metropolitan areas. As Australia moves toward a greater focus on regional development in response to environmental pressures and shifts in economic structure, international migration will play an important role. It is apparent that the full mix of permanent and temporary migration types are involved in regional areas. In the absence of a knowledge base of the role that international migrants are playing in regional labour markets it is not possible to recommend any shift in the current balance of permanent and temporary migration types to accommodate the needs of regional areas. The trialling of a Pacific Seasonal Worker Pilot Scheme underway at present will also need to be considered in this context. One of the recommendations of the present study is that a comprehensive analysis be undertaken to accurately establish the current and potential future role of international migration, both permanent and temporary, in meeting regional labour needs.

8.7.3 Regional Development Policy

The broad structure of Australia's settlement system has been in place for 150 years and the question needs to be asked as to whether this settlement system is an optimal one to facilitate Australia moving toward a more economically and environmentally sustainable future. It is increasingly being asked whether modifying Australia's long established settlement system based on capital cities could deliver several medium and long term dividends such as:

- A release of the economic potential of regions which has been held back by lack of infrastructure investment.
- Achievement of a better balance between the distribution of people and the distribution of water in Australia.
- Relieving the pressure of rapid growth in and near the capital cities and hence saving scarce quality agricultural land and providing the opportunity to catch up in infrastructure.
- Reducing the extent of pollution and environmental degradation in large cities.
- Increasing housing availability and affordability.
- Reducing journey to work costs overall.

The key to shifting the balance of growth from the large cities to regional areas, however, is infrastructure. Mining and tourism, among other industries, provide the economic basis for sustainable economic development in several parts of Australia but they need infrastructure investment. Developing smart models in which activities like mining and tourism can see a benefit themselves in investing in that infrastructure in partnership with government provides a potential way forward.

A key question relates to where investments in infrastructure need to be targeted. While backlogs in the existing 'sinks' of rapid population growth need to be filled there is also a need to think strategically about where infrastructure investment is targeted. In particular, the following question needs to be investigated carefully:

- 'Given that Australia is likely to experience a significant continued increase in population (albeit not at the high levels of 2008-09) is there a case for providing infrastructure to facilitate growth in some regions outside of the capital cities where there is both the economic potential to sustain a much larger community, the resources available to support a larger population and with appropriate policy and safeguards the ability to absorb population growth without compromising environmental sustainability?'

The backlogs in contemporary hotspots of growth make it difficult to redirect infrastructure investments.

During the post war period there have been two major attempts to change the Australian settlement system through decentralisation of population growth away from the capital cities:

- The 1950s and early 1960s saw a considerable discourse on decentralisation and some attempts to shift growth to regional centres (Hugo, 1999b).
- In the Whitlam years (1972-76) there were attempts to facilitate growth in regional centres like Albury Wodonga.

These attempts achieved very little decentralisation and were routinely produced to argue that 'decentralisation does not work in Australia'. However, there are a number of reasons why this issue should be revisited, including the following:

- Earlier attempts at decentralisation were half hearted. Indeed a popular saying was that 'Decentralisation is everybody's policy but nobody's program' indicating that it was a laudable goal but no governments were prepared to commit the large investment required.
- Early attempts at decentralisation often flew in the face of established economic reality by offering incentives for enterprises to relocate from a large city to a regional centre where they could not operate as profitably as they could in the capital.

It could be argued that the current context is different for the following reasons:

- The Australian economy is structurally different than it was when previous efforts at decentralisation were attempted with many economic activities no longer needing to be located in a major port gateway city to be profitable.
- The revolution in transport and communication have made it possible for many economic activities to be 'footloose' in that they are not constrained to be located in large cities.
- There is a significant shift in internal migration trends which indicate that many Australians living in the capitals wish to live in regional locations. Australians preferences for what type of commonly built environment and ecological context they wish to live in has become more segmented as compared with the dominance of the suburban model in early post war decades.
- Environmental constraints have become more pressing with population growth.

- The costs of living in large cities – transport, journey to work times, housing are exerting push influences on city residents more than at any time in the past.
- There is a reversal occurring in the post war trend of an increasing proportion of new immigrants settling in gateway cities. This has indicted that immigrants can play a role in any initiative to increase growth in non-metropolitan areas.
- The passage of baby boom cohorts into the retirement stage of the life cycle means that there will be a large group of city residents who are no longer tied to living in the city by the necessity of living close to a workplace.
- There has been the emergence of substantial job shortages in many regional areas due partly to the growth of non-metropolitan based enterprises – especially those associated with the production and processing of food and other natural resources. It also has been a function of the fact that the low fertility and ageing trends which have influenced the nation have been exacerbated in non-metropolitan areas by the outmigration of young people to large cities to pursue education, seek a more diverse labour market and/or enjoy the 'bright lights' and greater range of social opportunities in large cities.

In most Australian states and territories there have been developed regional plans to provide a framework for their development. Such plans are a critically important prerequisite for accommodating growth (or decline) in a sustainable way. It needs to be stressed that there is a direct relationship between population growth and infrastructure need and that provision of appropriate infrastructure in a timely way in the places where it is needed is crucial. It is apparent that governments (federal, state and local) have important and key roles to play in the provision of this infrastructure. However, the current growth of population and anticipated increases raises the question of how increases in infrastructure can be funded when there are clearly backlogs of existing need for infrastructure. Governments will play a role but increasingly models involving public-private partnerships and user pays elements will need to be considered.

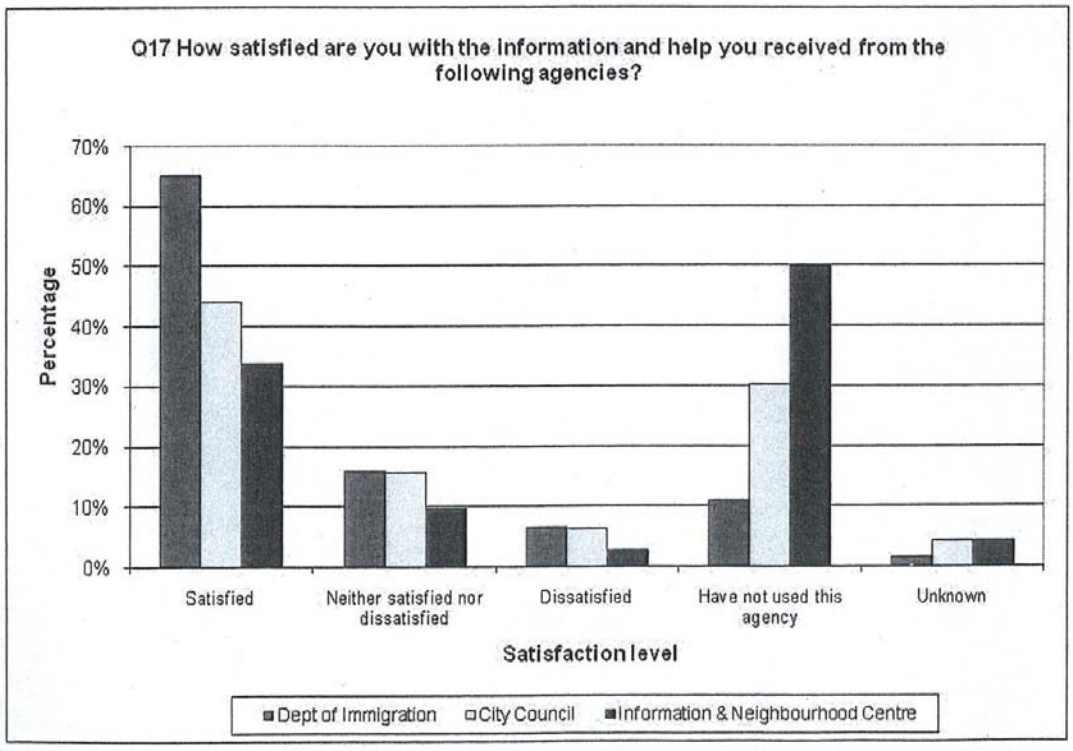
Regional development in Australia may be entering a new era which will have important implications for Australian population and immigration policy. It is crucial that these considerations are central to the new efforts at national level to craft a new regional development policy.

8.7.4 Settlement Services

Research on immigrant settlement in regional areas has drawn attention to the importance of immigrant settlers having access to appropriate services in their early years of settlement in destinations. This is a critical element to their longer term settlement. A range of policies like those under the SSRM Scheme can ensure that immigrants are directed to initially settle and work in particular areas but the key issue is the extent to which they remain in those areas. A recent study by Collins (2009) of immigrants in regional areas found that access to services and amenities was critical to the level of satisfaction of immigrants. Figure 8.8 presents some results of his study which indicates a relatively high level of satisfaction with DIAC services. Some 90 percent of respondents had used DIAC services and two thirds of them were satisfied.

Figure 8.8: Immigrant Settlers in Regional Areas: Satisfaction with Help and Information Received from Government Agencies, 2008

Source: Collins, 2009, 46



Clearly, providing settlement services outside of capital cities presents some significant challenges for DIAC. In some regional communities experiencing settlement of new immigrants there is a tradition of settlement of CALD communities so new groups are more easily catered for but there are two elements to the new immigration to regional areas which need to be considered:

- There are significant numbers of new birthplace groups who have very small communities in Australia – e.g. some of the African groups.
- While some settlement is occurring in places where there is a history of NES settlement there is also significant movement to areas where there is no such tradition. Certainly, having a pre-existing NES group in a community does not necessarily mean it will be more accommodating to new groups than mono-cultural communities. In some instances this has been the case, such as in Shepparton in Victoria. However, successful settlement of diverse groups in regional areas requires a cultural acceptance in the host community, supported by community activities which celebrate diversity regardless of the community's makeup.
- Accessibility to services is a key factor, recognising that accessibility is not only influenced by physical proximity. There are often language and cultural barriers that can stand in the way of new groups accessing services even if they are available.

There are a number of issues associated with the new pattern of immigrant settlement in regional Australia. Firstly, the immigrants add an element of diversity to what in many regional areas have been strongly Anglo Saxon dominant societies. It is true that immigrants

from MES countries make up the majority of regional settlers and most are skilled migrants who are not likely to have substantial language and cultural barriers to adjustment. Nevertheless the numbers from more diverse backgrounds are significant. Regional communities lack both formal post-arrival services as well as established communities of similar ethnic backgrounds that can provide informal support during initial settlement. A particular problem relates to the lack of interpreter services which can be a barrier to non-English speaking groups accessing health, education and other services. The dearth of formal and informal support services has in some areas been countered by the mobilisation of local community groups, organisations and local government. In several instances it has been one or two local leaders who have played a key role in this respect, indeed it may be that this is necessary for such mobilisation of local social capital. The types of assistance which have been given by communities includes organising welcoming events, appointment of a local sponsor family for day to day assistance, development of welcome packages including not only information but coupons for local services and shops and assistance in getting children into school and local sporting organisations.

The enthusiasm with which some communities have welcomed migrants has been at odds with conventional stereotypes of regional populations having conservative and even racist attitudes. Indeed in many cases the newcomers are seen as valuable additions to communities which have been struggling to maintain services, losing young populations and not been able to fill job vacancies, while the cultural diversity they add has been embraced with enthusiasm. There have however also been instances of backlash. In one South Australian community the local abattoirs recruited a number of Chinese workers and an individual circulated a letter which expressed strong views in opposition. However, this was quickly counterbalanced by the general community organising a welcome barbeque and the local newspaper running a large banner headline 'WELCOME' on the arrival of the migrants. Issues remain however about the injection of new elements of diversity into regional communities which have not previously been multicultural. Undoubtedly the adjustment of new migrants in regional communities and of the communities to the migrant is a topic of needed research.

Despite the lack of empirical information on settlement of new immigrant groups there are a few policy dimensions which are clear.

- Regional settlement will involve less clustering of immigrant groups and make provision of post-arrival services more difficult than is the case where immigrants mainly settle in capital cities. It will be necessary to consider new ways of provision to accommodate these needs.
- There will be less informal support available from existing ethnic communities which is often available in large cities.
- There is a need to heavily involve local government in the process of supplying needed post-arrival services.

8.7.5 Planning and Delivery of Government Services

It has been established earlier that the *sine qua non* of immigrant settlement in regional areas is the availability of quality services, especially health and education services. In this respect it is useful to examine results of a survey of SSRM immigrants who settled in South Australia. The reasons given by 501 respondents for considering a move to South Australia are presented in Table 8.31

Table 8.31: Reasons Given by SSRM Settlers for Considering Settling in South Australia, 2006

Source: Hugo, 2008, 141

Reason	Percent Saying Very Important
Lifestyle	63.2
Education for children	62.6
Community safety	60.2
Employment	50.0
Health/medical	48.1
Career and promotion	44.3
Income	39.2
Further education	32.5
Community networks	21.4
Cultural diversity	21.1

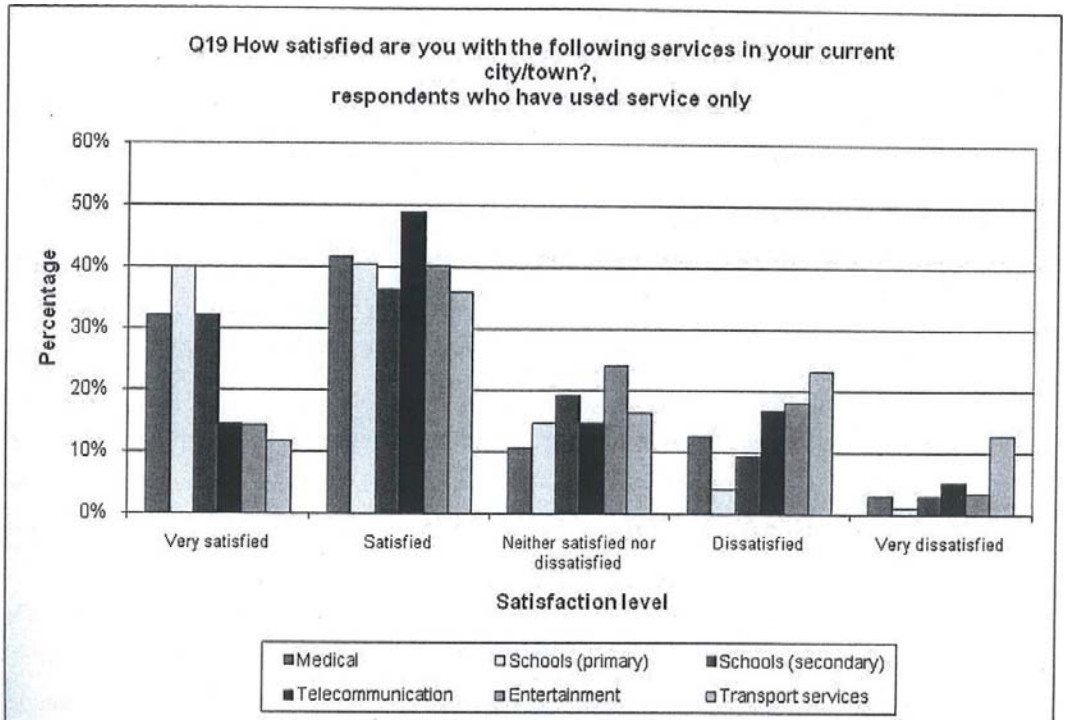
The respondents were asked to rank a number of potential reasons for considering moving to South Australia and the proportions ranking those reasons as very important in their decision are shown in Table 8.31. It is very interesting to note that while employment and work are important, the two most mentioned reasons were lifestyle and education of children while community safety is also ranked highly. This points to an important element in regional migration which has been explored elsewhere (Hugo *et al.*, 2006). It would seem that while the availability of suitable employment is a *necessary* condition for attracting immigrants to peripheral areas, it alone is often not *sufficient* to attract them. The key elements in them making the move relate to factors such as lifestyle, availability of suitable employment for partners, availability of appropriate schooling for children and the appropriate provision of a range of services and social and economic opportunities. Hence while the availability of employment is basic it is often other elements which are crucial in the decision to migrate to peripheral areas.

It is clear that provision of high quality services, especially health and education, is critical to immigrants first of all choosing to settle in regional areas and secondly remaining in those areas. Collins (2008) had similar findings in his study of immigrants settling in regional areas. Figure 8.9 shows that a majority of respondents indicated that they were happy with education and health services but there is a great deal of dissatisfaction with transport services. He concludes (Collins, 2008, 46):

- ‘inadequate amenities including public transport were overwhelmingly the biggest problem rural immigrants encounter once they moved into their current place’.

Figure 8.9: Immigrant Settlers in Regional Areas: Satisfaction with Services

Source: Collins, 2008, 46



Clearly, issues of service provision are not only important from a planning perspective of anticipating the future demand for goods and services in regional localities. They are of basic importance in attracting migrants (both internal and international) to regional communities in the first place, and retaining them once they settle there. This points to the need for state and local government to not only provide services, but to provide them in a 'migrant friendly' way. This can only be achieved if there is close coordination between migration state, regional development and local authorities to give early warning of the numbers and types of immigrants who are likely to settle in areas.

8.7.6 Housing Requirements

Having access to affordable, secure, healthy housing is fundamental to the wellbeing of Australians. Housing has significance for wellbeing and liveability beyond its shelter functions. It is clear that the Australian housing market is currently under stress and it is a barrier to wellbeing of a significant number of Australians and this is especially the case in growing regional areas. There are a number of indications of disequilibrium in the Australian housing market:

- The National Housing Supply Council (2010) estimated that there were 178,000 more potential house buyers than available houses and that this 'housing gap' is widening.
- There is an estimated shortage of almost half a million dwellings that are both affordable and available to people in the bottom 40 percent of the income distribution.
- The Henry Tax Review (Roux and Stanley [eds.], 2010) found that in mid 2009, 418,000 individuals and families paid more than 30 percent of their income on housing.

It is apparent that housing is a major constraint on regional development with housing shortage and affordability issues being significant in non-metropolitan as well as metropolitan areas. Demand for housing is closely linked to population growth but for much of the recent era, growth in demand has outpaced that of population. Continued high levels of population growth undoubtedly put pressure on housing markets, inflating prices and influencing housing affordability. It is readily apparent that housing is a major constraint on regional population growth and any initiatives to accommodate a greater proportion of immigrant intake in regional areas should include consideration of the pressure that it will place on local housing markets. There is general recognition that Australia is experiencing a housing crisis but this is often seen as being a crisis in Australia's major cities. Strategic initiatives to overcome the crisis must include full consideration of regional areas.

8.7.7 Liveability, Productivity and Sustainability

The Issues Paper on *A Sustainable Population Strategy for Australia* (Burke, 2010) emphasises the importance of population processes in influencing Australia's future liveability, productivity and sustainability. What are the implications of regional population growth and migration's role in that growth, for these important objectives? Liveability is considered to be the attributes of a place that contribute to the wellbeing and quality of life of its residents – the many characteristics that make a city or region the type of place people want to live in now and in the future (VCEC, 2008, 7). One of the major dimensions of the recent population discussion in Australia has been regarding population growth in cities which has captured considerable public attention. This has sprung in part from anxiety about the potential loss of 'liveability' associated with growth. By international standards Australian cities are relatively safe, prosperous and clean as indicated by their strong performance in international liveability rankings, such as those published by The Economist, Mercer and Monocle. The 2010 Economist Liveability Index, for example, ranked Melbourne, Perth, Sydney and Adelaide in the top 10 of the 140 cities surveyed. However, there is some concern 'that there are some aspects of liveability that can be improved, often in specific locations within cities' (Infrastructure Australia, 2010, 93). Undoubtedly most Australians will continue to live in large cities and enhancing the liveability of those cities is an important priority. Population growth undoubtedly has put pressure on liveability in Australian cities through increased pressure on infrastructure, housing, environment etc. and redesigning our cities so that they are more liveable for more people is a national challenge (Infrastructure Australia, 2010).

From the perspective of the present study the following questions relating to liveability are relevant:

- To what extent would absorbing a greater percentage of Australian population growth in regional areas relieve pressure within capital cities and facilitate redesign in the capitals to enhance liveability of their residents?
- To what extent can regional development enhance the liveability of regional communities and provide more Australians with opportunities to settle in liveable regional communities?

The present study cannot answer these questions but it is of relevance that the study has shown that more Australians are migrating out of capitals than are moving into them. Moreover, the research which has been undertaken into this phenomenon has demonstrated the significance of lifestyle and liveability in the decisions of those movers (Burnley and Murphy, 2004).

As has been indicated earlier a key issue in regional development and attracting and retaining internal and international migrants in regional areas is infrastructure and this impinges not only upon liveability but also productivity and sustainability in regional areas. In this context it is interesting to examine the results of a study undertaken for Regional Cities Victoria by Essential Economics (2009). This study demonstrated that there are significant costs and efficiencies associated with adding greater population to the Outer suburbs of Melbourne. SGS (2008) estimate that the extra costs of congestion and greenhouse gas emissions associated with population growth in Melbourne is $6,270 per annum per additional person. The Regional Cities Victoria study estimated the costs of providing critical 'hard infrastructure' in regional cities to support higher population outcomes compared with congestion inefficiencies associated with a similar level of growth in metropolitan Melbourne and found that by 2036:

- The additional cumulative cost of providing critical infrastructure to support a redistribution of approximately 50,000 persons (25% Scenario)[4] from metropolitan Melbourne to the Regional Cities is estimated to be $1.0 billion; this compares with inefficiency costs of $3.1 billion associated with the same number of persons being accommodated in metropolitan Melbourne.
- The additional cumulative cost of redistributing approximately 115,000 persons (30% Scenario) between metropolitan Melbourne and the Regional Cities is estimated to be $2.1 billion compared to inefficiency costs of $7.0 billion associated with this level of population being accommodated in metropolitan Melbourne

The Regional Cities Victoria (2009, 83) concludes that there are a number of Net State Benefits are associated with the redistribution of population growth from metropolitan Melbourne to the Regional Cities, including the following:

1. Efficient use of taxpayer funds associated with the provision of infrastructure and resources to support population growth.
2. Redistribution of population growth reduces stress on metropolitan Melbourne infrastructure and reduces associated congestion and greenhouse gas emission costs.
3. Better economic and social outcomes for regional communities are likely to be achieved, such as:
    - Enhanced investment opportunities for business
    - Improved skills base
    - Industry diversification
    - Improved service provision
    - Enhanced lifestyle
    - Support for small towns
    - Improved social outcomes

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[4] The Report identified three population scenarios for the period 2006-2036:

Base Case – 21 percent of future Victorian population growth occurs in regional areas

Medium Case – 25 percent of future Victorian population growth occurs in regional areas

High Case – 30 percent of future Victorian population growth occurs in regional areas

Turning to issues of productivity, the Third Intergenerational Report (Swan, 2010) shows that counterbalancing the impacts of ageing of the Australian population will necessitate increases in the three 'Ps' –population, participation and productivity. It is the latter which is most significant. Achievement of increments in productivity is critical to Australia's future. It is unclear what the implications for productivists are of diverting a greater proportion of national population growth toward regional centres. Certainly the modelling undertaken for Regional Cities Victoria presented above would point to a productivity dividend but this would require more detailed investigation.

Striving for economic growth and improved wellbeing of the Australian population need not be, and indeed must not be, at the cost of the environment. Too often in discussions of population, economic growth and environmental sustainability are seen as alternatives but that need not be the case. The key challenges for Australian governments and indeed the Australian people is achieving a balance not only in policy and programs but in the behaviour of individuals, families and businesses which takes fully into account environmental sustainability goals. This is not an easy process and involves hard decisions not only by governments but by business and by individual Australians. What is needed to achieve growth with sustainability is, as the Victorian State of the Environment Report (Commission of Environmental Sustainability Victoria, 2010, 2) points out:

- '… the value of environmental services will need to be brought more comprehensively, transparently and explicitly into decision making. This will mean changes, but the sooner we act to improve the health of our environment the less dramatic the changes will need to be'.

At the outset we must divest ourselves of the notion that the relationship between population growth on the one hand and environmental degradation on the other is a simple one to one causal relationship. The relationship is a much more complex one and needs to be understood if population policy and environmental policy are to be integrated to move toward a more sustainable future. Four decades ago, Ehrlich (1968) summarised the population-environment relationship in the formula I=PAT where:

I – is the extent of environmental impact

P – is the size of the 'population'

A – is 'affluence' or the per capita consumption of resources

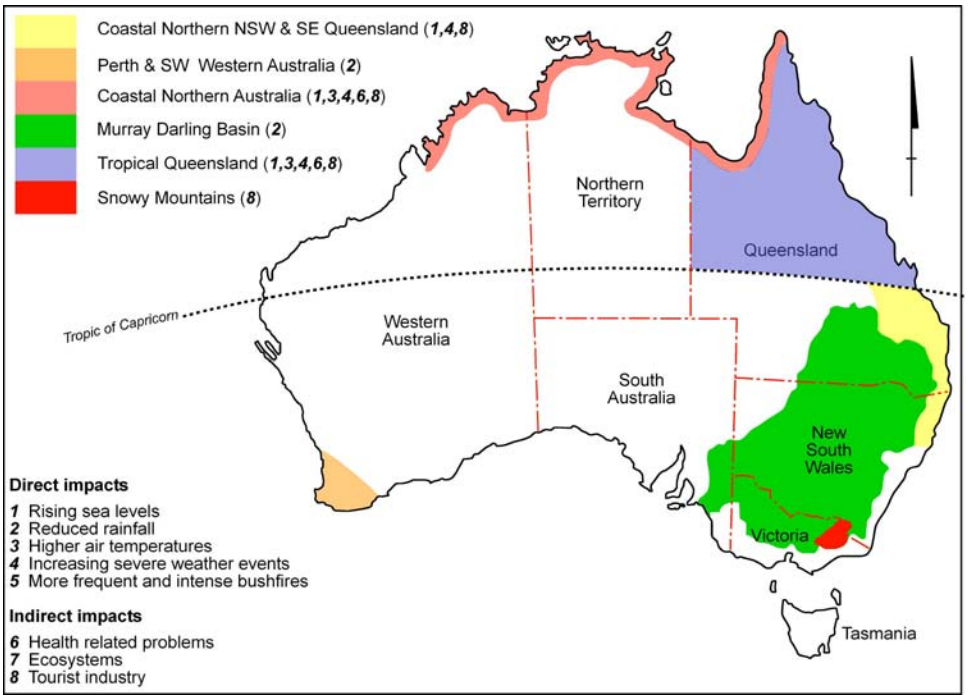
T – is 'technology' or the way in which the population uses the environment

In this conceptualisation the number of people is clearly an important influence on environmental impact but population growth alone will not reduce impact on the environment if the per capita consumption of resources continues to increase and non-sustainable practices are continued in the way in which the environment is used. Small populations can have devastating negative effects on the environment if they do not adopt sustainable environmental practices. This is well illustrated in the massive impact that the small number of European settlers had on the Australian natural environment in the 19th century.

The implications of regional development for moving toward sustainability are also unclear. Certainly to the extent that pressures on metropolitan environments are reduced by diverting population growth elsewhere there are environmental dividends. On the other hand many regional environments are also fragile and subject to deterioration if population densities increase. Moreover, it is apparent from Figure 8.10 that many of the 'hot spots' of future climate change impact in Australia are located in regional areas.

Figure 8.10: Climate Change Impact Hotspots

Source: Climate Action Network, http://cana.net.au/



One of the elements to consider in the discussion on regional development is the extent to which there will be better *matching* achieved in the distribution of people and the distribution of natural resources. Water is a key environmental issue which has an all important population dimension and the development of water and population policy needs to be an integrated process. Water must be an important consideration in decision making about the location of future investments and while the mismatch between water and population in Australia does *not* call for a wholesale redistribution of population there are a number of important population dimensions as we face a drier future for south eastern and south western Australia:

- Agriculture uses 50 percent of water in Australia (ABS, 2010d).
- The implications for agriculture need to be fully worked through. Do we need to consider some intensive agriculture being phased out in south eastern Australia and more developed in northern Australia and Tasmania where there is assured sustainable water supplies? If the science means such a redistribution is deemed necessary there are a number of population elements which need to be considered:
    - The agricultural workforce in Australia is the oldest of any sector. To what extent can intensive agriculturalists be brought out so they can retire into local communities and hence maintain local economies where they have established social networks?
    - To what extent can the skills built up in irrigated agriculture in areas like the Murray-Darling Basin be utilised to develop new specialised agriculture elsewhere? This was the way the agriculture frontier progressed in Australia in the 19th and 20th centuries. How can this process be carried out in the 21st century to fully compensate those displaced, facilitate their migration and

settlement elsewhere and encourage the growth of new agricultural industries in new parts of Australia?

These processes are not easy. They need to be given time and they must be based on not only the best science but the best social science as well and the rights and welfare of the Australians involved must be protected.

- Changing Australians' behaviour in the use of water, especially in cities, is clearly an area of enormous possibility. Response to recent water shortages in Australian cities has demonstrated conclusively that given appropriate information Australians can and will considerably modify their behaviour with respect to water consumption. Building on this experience to make better and less use of water is crucial. Indeed, this experience can be built upon to change other environmentally relevant behaviours as well. Again a combination of the best science and social science together with full engagement of the community will be necessary in this area.
- An additional part of the national strategy will also involve the traditional Australian response to expanding populations – seek other water sources (Troy, 2008). However, while in the past this has involved building new resources and pipelines there is a great deal of scope to develop new technologies of water storage (especially in aquifers), capturing run-off and water reuse.

There has in the past been a tendency to see environmental policies like those relating to water and climate change as being totally separate from economic and social policies. A key to achieving environmental sustainability must be the integration of policy making so that economic and social policies do not produce unexpected negative environmental consequences. Agricultural, urban, immigration and other policy decisions need to be informed by what environmental consequences they may engender. The Victorian State of the Environment Report 2008 (p. iv) has identified the challenges as follows:

- We need to decouple economic activity from environmental degradation and adopt economic practices which are environmentally friendly.
- We need to develop resilience in natural systems to ensure productivity and ecosystem services are durable.
- We need to use natural systems in such a way that they remain available for productive purposes and ecosystem services vital to the health of water and air.
- One-fifth of the continent is now under some form of Aboriginal tenure, including much of the world's most intact savannah ecosystem. 'Caring for country' policies that support Indigenous land management practices need to be greatly expanded (Commonwealth of Australia, 2009).
- We need to implement strong policies to contain growth of capital cities, improve urban design, coordinate transport provision, create efficiencies in the use of water and energy and to reduce the vulnerabilities of the motor dependent city.
- Climate change is the dominating environmental force at present and will remain a major focus of government action.
- As individuals, communities and a society we need to accept our responsibilities in the sustainable use of the earth.

Clearly sustainability outcomes must be a crucial element in discussions about development of areas outside of the capitals.

8.7.8 Community Harmony, Cohesion and Acceptance of Diversity

Australia is one of the most ethnically diverse nations due primarily to post war migration. This diversity has been an undeniable strength in post war development especially in the era of globalisation. Yet many challenges remain as the country seeks to on the one hand celebrate diversity and lever off the opportunities it provides while on the other building social cohesion and resilience (Roux and Stanley, 2010, 52). There are significant challenges which the nation faces in this area despite a high degree of success in achieving the transition from an almost homogenous Anglo-Celtic society to one of considerable diversity.

One of the neglected dimensions of Australia's ethnic diversity is the fact that there is considerable variation between communities in the extent of diversity. Post war immigration has predominantly involved settlement in Australia's large cities – a trend which is most marked for immigrants of culturally and linguistically diverse (CALD) backgrounds. Where there has been settlement in non-metropolitan areas it has been limited largely to regional cities and rural areas with intensive agriculture. While it is a generalisation the dry farming and pastoral areas of rural Australia have remained largely Anglo-Celtic. Hence the trend toward more immigrants settling in non-metropolitan areas raises issues of community harmony, cohesion and acceptance of diversity. While these remain significant issues for all Australia they have a particular significance in areas where there is little or no history of diversity.

There are a number of questions which flow from an increased significance of international migrant settlement in regional areas (Hugo and Moren, 2008, 475). These can only be raised here but research is needed in this rapidly changing area. Research questions include:

- What is the role of international migration in reversing decades of population stability or decline, in particular non-metropolitan areas? How does it differ from the other elements in counter-urbanisation like gentrification of the countryside? Is immigrant settlement in non-metropolitan areas a new post-rural exodus phase in OECD nations? There has been much discussion of a "post productionist" era developing in rural areas of OECD countries in which a range of economic activities, beyond primary production, are developing, including telecommuting, commuting, tourism, dormitory suburbs, and sea and tree change lifestyle living. Along with this economic transformation, there is a "demographic convergence" with rural populations becoming more like those in metropolitan areas, and part of this convergence may well involve an increased presence of immigrant settlers.
- What are the changes being wrought in the social, economic and demographic structures of non-metropolitan areas by the influx of international migrants and what are their implications?
- What are the identities and transnational relations being shaped by international migrants settling in non-metropolitan areas?
- What forms of international migrant mobility are influencing rural areas – permanent settlement, replacement migration, circular migration, commuting harvest worker migration, refugee settlement etc. and what are their impacts?
- What are the patterns of social integration of migrants in non-metropolitan areas? How do they interact with and contribute to existing communities? How does their 'otherness' become incorporated into local communities?

- What role do overseas migrants play in the revival of declining areas – the retention of services like schools, in maintaining the viability of local communities?
- How does the process of integration differ between metropolitan and non-metropolitan areas?
- What policy interventions are influencing the flow of international migrants into non-metropolitan areas? What are their impacts? Does international migration have a role to play in regional development strategies?
- Should immigration issues be integrated into regional development strategies?

There is currently a lack of empirical evidence relating to these questions which would provide the basis for effective policy intervention at state/territory and national level. In order to provide such an empirical base, the following research is needed:

- A review of the current state of knowledge in OECD countries of new developments in non metropolitan populations, and the dynamics of internal and international migration in these areas. This review would contain an assessment of policy initiatives relating to that migration and to the integration of migrants communities into non metropolitan areas.
- When the results of the 2011 census are available there should be a thorough analysis of population change over the last decade at the community level across non metropolitan Australia. This would involve measurement of the nature and role of natural increase/decrease, internal migration and international migration, and an analysis of the economic activities of immigrants and internal migrants.
- The development of a typology of immigrant settlement in non metropolitan areas, along with in-depth case studies of each type of settlement. This would involve both quantitative and qualitative techniques to investigate patterns of adjustment and integration, economic engagement, host community engagement, social implications and wider social and cultural change within those communities.
- The current involvement of temporary migrants (457s, Working Holiday Makers and Students) in non metropolitan communities needs to be assessed using secondary data from existing surveys (for example, of WHMs) and DIAC. Again, there needs to be a typology of types of engagement of temporary migrants in non metropolitan communities and detailed case studies of each type to examine their impact.

This research is a necessary prerequisite to any policy intervention by Federal, State and Local government in this area. It would certainly appear, however, that in the new discussions of regional development in Australia international migration potentially has a key role to play.

One of the encouraging findings of studies of the new immigrant settlement in regional Australia is that while there have been significant issues relating to the acceptance of new groups into rural communities there have been a number of real success stories. Collins (2009, 48) found that 95 percent of respondents to his survey indicated that they were made welcome since moving to their current place and two thirds said they were made to feel ‘very welcome’. The settlement of some African groups in regional communities has involved problems in some communities associated with them being from a quite distinct and different group to the majority resident population. One NSW city, Tamworth, went so far as the town council voting to reject the resettlement of five Sudanese families in the city although it later voted to overturn the decision (*Asian Migration News*, 15-31 January 2007). On the other

hand, many other communities and local governments have been proactive in attracting refugees and welcoming them to the community. One such community is Murray Bridge (2006 population 18,364) in South Australia whose Mayor declared Murray Bridge a 'Refugee Friendly Town'. The City was galvanised following a desperate Afghani refugee committing suicide in 2002 and the community subsequently mobilised to support refugee and humanitarian settlers. Service clubs, church groups, local government and the Regional Development Board have become involved in assisting refugee-humanitarian settlers adjust. The city is a food processing centre and several refugees have gained work in these industries.

There will undoubtedly be problems associated with the settlement of distinctly different groups in communities which hitherto have been relatively homogeneously Anglo-Celtic. However, there is evidence, as discussed earlier in this report, that many regional communities have belied 'redneck' stereotypes and embraced newcomers. It is clearly very important to engage local communities in the planning of the settlement of such groups and also in ongoing efforts to assist in settlement.