



Population & Immigration

Policy Background

- In 2017 Australia's population reached 24.77 million people.
- During the course of 2018 Australia's population will reach 25 million.
- Over the last decade there have been three distinct population cycles, driven primarily by net overseas migration (NOM), but also to a smaller extent by a mini natural population boom. Over the last ten years (to December 2017) Australia's population has increased by 15 per cent or by nearly 3.3 million people.
- The latest population figures for Australia incorporate revisions which reflect the rebasing of population estimates from 2011. These revisions occurred as a result of information gleaned from the 2016 Census (a Census is taken in Australia every five years).
- Latest estimates highlight that population growth over 2016 – 2017 was faster than initially thought.
- Both population growth and the main determinant of this growth – NOM – are cyclical. The latest estimates show that this population growth cycle peaked in early 2017 (at a rate of 1.69 per cent) and slowed moderately through the remainder of the year.

Policy Issues

- The cyclical nature of population growth and the relatively fast pace of growth will always present significant challenges for policy makers. This environment also presents challenges for agencies and industry sectors relied upon to provide adequate services, infrastructure and shelter.
- As the main determinant of population growth, the fluctuating nature of NOM has a crucial impact on workforce participation numbers, national skills' capacity, productivity and economic output.
- As Australia's population grows and ages there will naturally be a significant increase in areas of expenditure such as health, welfare and aged pensions.
- A sensible immigration policy ensuring a relatively high intake of skilled migrants each year can mitigate the adverse budgetary impacts from an ageing population. Skilled migrants (who fill gaps in the labour force that domestic workers can't fill) are younger in age and generate additional taxation revenue, in addition to providing a transfer of technology experience and knowledge which benefits Australia's growth potential.
- Research by the HIA provides a mid-range projection where with a reasonable rate of growth in population and household incomes, around 184,400 new dwellings starts on average will be required over the next 30 years to achieve a balance in housing supply and demand. A slow rate of growth in both population and incomes sees this projection slip to only 131,370 starts.

HIA's Policy Position on Population & Immigration

1. Australia should promote and maintain a population growth rate sufficient to secure ongoing growth in Australia's economic performance, workforce capacity, national productivity and standard of living. To this end, it follows that caps and limits need not be placed in categories such as skilled and business migration.
2. Australia's population growth policies should target working aged skilled migration and business migration so as to mitigate the rate of decline in the proportion of our working aged population compared to those aged 65 and over.
3. HIA supports a managed migration program that delivers adequate skilled migrants in construction and building professions and trades to meet Australia's ongoing housing needs.
4. HIA values employer sponsorship as the most reliable method for matching skilled migrants with the demands of the labour market.
5. For the residential building industry, employer sponsorship rules should be contemplated that allow industry groups to sponsor contractors in the residential building industry.
6. The residential building industry should be consulted in the development of skilled migration programs to provide guidance on the verification of overseas skills, licensing and qualification benchmarks.
7. HIA should identify and prosecute policies and measures that will give effect to the foregoing policy including on a regional basis.
8. HIA will participate, as appropriate, in overseas marketing activities by the Commonwealth.