



Should we cut immigration?

The case against: Innes Willox, Chief Executive, Ai Group

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To see the benefits of immigration to our economy just look at Japan.

Traditionally, Japan has imposed formidable restrictions on immigration.

Because of this, its population peaked around 2010 and has fallen every year since. It has fallen by more than 800,000 in the past year alone.

Japanese Prime Minister Fumio Kishida recently rang the alarm. "Our nation is on the cusp of whether it can maintain its societal functions," he said. It's not just Japan. The populations of Germany, Greece, Italy, Spain, and South Korea are falling.

The same is true of just about all central and eastern European countries including Russia. Earlier this year, China registered its first population fall.

Immigration is a critical offset to the path of population decline seen in the fertility rate of our own population. On average, Australian women currently have around 1.8 children, while the rate to replace a population is 2.1 children.

While our population is ageing, it is doing so at a much slower rate than other rich countries. This is largely due to our immigration program.

The average age of migrants is less than the average age of the resident population, so migration slows the rate of population ageing and these positive impacts will grow over time.

This means the size of our productive workforce relative to our total population is boosted by

migration. This helps relieve the intensifying pressures on public spending and taxes implied by the growing proportion of aged people in our total population who on average pay less in taxes than those in work.

In turn this leaves Australia with more resources for other purposes even after we have built the additional housing required. Migration helps us "maintain societal functions".

Australia faces substantial challenges. Meeting our net zero emissions target will require changing our energy systems, industrial structure, transport arrangements, and the built environment.

Adapting to climate change will require major investments. Adapting to new technologies and geopolitical shifts will also entail ongoing changes to our economy and our workforce. Immigration has a central role in equipping us and providing the funding base to meet these challenges.

Critically, skilled migration will allow us to make more substantial progress sooner than if we rely only on our domestic workforce. Further, skilled migration has a central role in the development of the domestic education and training effort we need to ensure we continue to meet these challenges. We also benefit from the knowledge and technologies developed abroad that our skilled migrants bring with them.

Without question we can, and we should, improve our migration system. These improvements need to include lifting investment in new housing. More fundamentally, we need to maintain the level of our migration program.

Australians have much to do and much to achieve. A strong and healthy migration program has always been central to our success.

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