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## *The shaping of migrant society – Australia’s changing immigration strategy and policies*

### *Abstract*

The chapter overviews the key features of the current Australian immigration strategy: a set of relatively stable and consistent long-term goals and general principles that guide specific immigration policies, as well as the process of immigration governance by the Australian political elites. Special emphasis is placed on the dominant role of the Australian state (“migration state”) elites in managing the tension between the economic, socio-demographic and security principles (imperatives) and on the evolution of the immigration strategy over the last half a century. One distinctive feature of the Australian immigration strategy is its close integration with economic growth and labour market policies, sustaining national cohesion (integrative multiculturalism), mitigating the effects of population ageing, maintaining broad access to health services, safeguarding national security, and further strengthening political integration in the SE Asia region. The chapter highlights some general features of the Australian immigration strategy: its regulation and control by the state, “supra-partisan” (bi-partisan) character, pragmatic focus, flexibility, as well as its strong links with the demographic (population ageing) and national integration policies.

**Keywords:** immigration state, immigration strategy, Australian immigration, immigration governance

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## Introduction

The chapter focuses on the *current* Australian immigration strategy, and not on its historical evolution. This historical evolution, though, deserves a brief comment. Managing immigration has always been the key preoccupation of the Australian state and its ruling elites. In that sense, Australia was born as a post-colonial “migration state” (Hollifield, 2004). The backbone of the current strategy was formed by the reformist Labour and Liberal leaders in the 1970s–1990s, and underwent two important shifts, mainly in the “liberal” direction. It is being revived in the “post-pandemic” period of 2022+ in a largely unchanged form (Jupp, 2007; Fernandez et al., 2021; Adamson & Tsourapas, 2020; Australia’s 2023–24 Permanent Migration Program, 2023).

In the first shift (1970s–1990s), the key immigration policies were stripped of their racist overtones and linked with (multicultural) national integration, population and labour market policies. The old strategy aimed mainly at the reproduction of mostly British postcolonial society (pre-WWII), population expansion and security enhancement based on the “White Australia” and “populate or perish” principles. The new strategy abolished racial restrictions, endorsed ethnic and racial diversity, and linked immigration with the programme of integration (multiculturalism). It also stressed the importance of adjusting immigration – its volume and structure – to unemployment cycles and labour market demand. The most recent shifts respond to skill shortages generated by the “long boom” (as well as the recent “slowbalisation”), security-cum-humanitarian emergencies (refugee inflow), and the intensifying post-pandemic “brain-drain competition” (Fragomen Global Migration Trends Report, 2022).

This evolution of the immigration strategy in Australia should be seen as state-managed, state-controlled and bi-partisan (endorsed by the major parties), directed by the Australian political elites. The strategy reflects the elite-constructed, flexibly managed and skilfully sustained consensus about the desirability of mass immigration, as well as the key goals and the guiding principles of immigration programmes. It is also strongly integrated with economic, social-demographic, and cultural strategies of development. The broad elite consensus about immigration is reflected in the lasting public consensus about the desirability of state-controlled, skill-based, and “rejuvenating” mass immigration. Security concerns – about the dangers of terrorism, “immigrant crime”, and communal conflicts that the mass immigration may fuel – are defused in many ways: first, by carefully screening the candidates for immigrants; second, by facilitating swift integration and promoting “integrative multiculturalism”; and third, by quashing any attempts at anti-immigration fearmongering. Politicians attempting to capitalise on anti-migrant, xenophobic propaganda, face a condemnation by the mainstream political forces and the mass media. The flare-ups of xenophobic fears are, therefore, rare and politically ineffective.

Other important features of the Australian immigration strategy are its pragmatic and utilitarian (rather than ideological) character, as well as elasticity reflected in a swift adjustment of immigration policies to changing social conditions. For example, the numerical “targets” of immigration grow at the time of low unemployment and are curtailed at the time of increasing unemployment. Moreover, the key policies

forming the strategy are regularly monitored and adjusted to prevent dysfunctions. Consequently, the Australian immigration strategy appears stable but also elastic, continuous but also evolving in a “path dependent” way. Each consecutive iteration of immigration policies dovetails with its predecessors.

As signalled above, the Australian immigration strategy is, above all, pragmatic. It is not derived from any particular ideological stance, and therefore, appeals to all. Thus conservative Australians support its emphasis on family unity, communal support and ubiquitous references to “national interests”. Liberals praise its tolerant character, secularism, meritocracy, and endorsement of social diversity. Socialists are impressed by the egalitarian, anti-racist character, regional focus, as well as strong links with integrative adaptation policies. Unlike in Europe and the US, where ethnically diverse mass migration is socially divisive, most Australians follow their political leaders in consensually embracing mass – and increasingly ethnically diverse – immigration and its broad socio-economic and socio-demographic goals. There are occasional deviations from this broad consensus – triggered by such “problems” as terrorist incidents, publicised symptoms of ethno-specific crime, and flare-ups of inter-communal tensions – but the “problems” are interpreted as exceptions and “failures of delivery”, rather than consequences of the immigration strategy.

One of the key reasons for this persisting and wide endorsement is the obvious fact that the immigration strategy seems to be “working”. Australia enjoys long and high economic growth, a relatively egalitarian increase in prosperity and living standards (except for Aborigines), a sense of security (eroded most recently by China’s policies), and social stability. Migrants are seen as key contributors to these successes. Acts of terrorist violence are rare. The country attracts highly skilled and adaptable immigrants, mainly from the Asian region. It admits predominantly *young, healthy and skilled* workers with high “human capital”, with skills matching labour market demand. Moreover, most of these immigrants prove permanent. They *settle* in Australia and integrate successfully. Potential “threats” and “burdens” are sifted out in health and security screening. People with chronic diseases, criminal records and extremist involvements are seldom admitted. Illegal entrants, smuggled into Australia by sea and evading these checks, are “processed” in the detention centres. Immigrants from New Zealand, who can enter Australia without visa controls, are subject to deportation if they are found guilty of serious crimes. All these measures allay public concerns about security risks (terrorism, people smuggling, drug and arms smuggling, import of welfare “burden”, etc.). These concerns, nevertheless, reappear regularly due to sensational media reports, and they occasionally fuel anti-immigration and anti-refugee campaigns – but they fail to undermine the broad public consensus about the immigration strategy. The more recent (2010–2016) debates about “securitisation” of immigration governance, the growing emphasis on “border protection”, and increasing concerns over environmental effects (sustainability), reflect the growing preoccupation of Australian political elites with allaying public concerns about “risks” related to mass immigration, including the sudden inflow of refugees from the Middle East and South Asia. The message from political leaders is “immigration is under control”, and therefore, continues to serve well our national interests.

What helps to maintain this broad consensus is also the fact that the main immigration intake has been through the “skilled stream”, whereby the intending immigrants are first, screened for health and security, and then selected according to their labour skills using a point-based method. Most points are rewarded for the level of education, young age and language competence – the key factors maximising employability and swift integration. In its current form – described in more detail below – this selection system is attracting mainly young *students-graduates who are subsequently educated and trained in Australia*. Australia offers them not only opportunities for education and skilling – usually paid for individually or by sponsors – but also multiple pathways to permanent residency as well as settlement information and assistance. Those short and easy pathways from immigrant to citizen distinguishes Australia from most of European countries, where it is easy to get into the country, but difficult to acquire full citizenship rights.

This leads us to the final general feature of the Australian immigration strategy, namely, its backing by state-sponsored “settlement facilitation services”. Such services include settlement information and assistance, free language tuition, interpreting services, settlement grants and access to subsidised housing – all part of a broad programme of “integrative multiculturalism”. A paradox is that these services are most frequently used not by the “skilled entrants”, but by immigrants entering through other channels, mainly “family” and “humanitarian” ones. The immigrants entering through these streams – together about 35–40% of all immigrants – face more challenges in social adaptation, and – understandably – their integration path is longer.

### *The key features of the Australian immigration strategy*

One can summarise the key elements of the Australian immigration strategy in five points:

1. It has been a central element of the state-sponsored state-regulated and state-controlled programme of economic and social development (including “nation-building”) that actively supports *mass, controlled and permanent immigration*. Such immigration opens “pathways” to permanent *settlement that, in turn, aid stable economic and demographic growth, safeguards national security and contributes to both, social diversity and integration*.
2. The strategy clearly separates the *main “skilled stream” of immigration* that aims at securing a flexible labour force, from the “family stream” that aids social adaptation and integration of immigrants, and from the “humanitarian stream” that fulfils the political-legal, some say also moral, obligations accepted by the Australian government. Immigrants – who are screened for health and security – are selected principally according to their “human capital” and “cultural capital”.
3. The selection of immigrants is *universalistic and meritocratic (point-based)*, principally according to *skill, education, age, and command of English – the features that aid social integration*. There are also advantage points granted for familiarity with Australia, employment sponsorship, and special talents.

4. The immigration strategy is closely linked with *population policies and “multicultural” integration policies*. More recently, the immigration strategy has also been linked with *education policies* (attracting foreign students) “*securitised*” (tightened border security) and made more open to entrepreneurial immigrants.
5. The current strategy, while relatively stable, is also *flexible*. The scope and composition of immigration change depending on circumstances, thus providing a “buffer” at times of crises and a “boost” at time of boom. The outcomes are *monitored* and *evaluated* in terms of intended goals and unintended effects. Specific policies are *adjusted to economic and political circumstances*. This flexibility helps in sustaining broad elite support and wide public approval of the strategy.

This short summary of the key features of the Australian immigration strategy serves as a plan of the remainder of the chapter.

### *Mass, controlled, and permanent immigration*

The volume of immigration to Australia has been changing, depending on targets, and quotas set by governments that reflect the economic conditions. The targets are high at the time of economic boom and high demand for labour, and they are lowered at the time of slow growth and high unemployment. Thus in 1984, the net annual overseas migration dropped to c. 49,000 from over 128,000 in 1982; in 1993, it declined to 30,000 compared to over 124,000 two years earlier. At the peak of the COVID-19 pandemic in 2020–2021 it was reduced to a trickle compared to over 240,000 in pre-pandemic years. The current budget estimates (for 2022–2023) envisage a swift return to the pre-pandemic levels. These regular adjustments minimise social tensions that often accompany intense immigration. But they also slowed down post-crisis recovery by exacerbating labour shortages. As labour statistics show, immigrants not only fill the gaps in the shrinking (ageing) labour force but also are more flexible in their employment and more productive.

In the 1980s, immigration became the key component of population growth in Australia. In the pre-pandemic years (before 2020), immigrants accounted for the entire population increase (about 1% per annum.) This placed Australia among the most immigration-dependent and immigrant-rich countries in the world. While during the pandemic immigration was reduced, it is being restored to the pre-pandemic level now (2023), with only minor changes (more emphasis on skills). As a result, Australia has returned to its status as a “migrant society” and “migrant state” with about 30% of all citizens born overseas, and about half of the population having at least one parent born overseas (Jupp, 2007; Demography of Australia, n.d.)

As suggested earlier, the number of immigrants admitted annually typically reflects the strength of demand for labour and the “demographic considerations”. More recently, it also reflects concerns about environmental impacts, “urban congestion” and housing costs, especially in Melbourne and Sydney, where most immigrants settle. The changing “source countries and regions” also reflect security assessments (Jupp, 2007, Fernandez et al., 2021).

Australian immigration is – and always has been – “state-controlled” and “state-regulated”. However, it must be kept in mind that policy adjustments reflect changing political and economic circumstances, rather than changing public opinion. There is no specific immigration planning body and no specific immigration planning procedures. Rather, as argued earlier, there is a stable strategy endorsed by the federal state administration and its political executives, the federal government. This centralised “governmental (de facto, state) management” of immigration is relatively free of bureaucratic rigidity. It involves not just occasional reviews and policy adjustments, but also regular monitoring aiming at minimising the risks of “policy failures” and “dysfunctions”.

### *Selection criteria and entry streams*

While the “skilled” stream remains the largest of the three main channels of immigration, there has been a gradual shift of emphasis in the selection of skilled immigrants. In the past immigrants’ skills were assessed according to actual (current) “market demand”, as reflected by periodically updated lists of “occupations in high demand”. More recently, Australia has been moving towards a “hybrid” strategy balancing demand with supply. It results in selection favouring applicants with a high general education level. Typical immigrants are foreign students-graduates, who qualify for permanent residence upon successfully completing their studies in Australia. Many such applicants also have worked in Australia prior to applying for permanent residence. There are also plans for favouring immigrants with skills in the areas of science, technology, engineering, and mathematics (STEM).

While the overall regulation of selection processes is highly centralised in the hands of the senior staff in the Federal Ministry of Immigration, Citizenship and Multicultural Affairs and its influential Ministerial Advisory Council for Skilled Migration, there are also some consultations with states, territories, and local authorities<sup>2</sup>, mainly about sponsoring immigrants. The sponsors of skilled immigrants are mainly individual employers, states, and territories. Recently, sponsorship has also opened to local authorities and individual families. Sponsorship becomes a favourite regulatory tool in preventing immigrants’ overconcentration in Sydney and Melbourne – the favourite destination of immigrants.

The selection is two-staged. The candidates undergo, first, a general health and security screening, and then they are selected through a “points test”. They must score a minimum of 60 points to secure admission (visa). Points are granted for age, with maximum points (25) granted to applicants in the 25–32 age bracket: English language proficiency, recent skilled employment, and educational qualifications. Applicants are also awarded extra points for living (for a minimum of 2 years) in a “regional Australia/low population growth metropolitan area”, for recognised translator/interpreter level

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<sup>2</sup> Australia is a federation of six states and two large mainland “territories” (as well as some smaller territories outside the continent). There are three levels of government: federal, state (or territorial), and local.

skills in any of the community languages, for spouse meeting skill requirements, and for completing an approved professional development programme in Australia. Importantly, sponsored or nominated applicants are also awarded points.

This looks like an arcane system, but in fact, it is simple, clear, objective, and flexible. It also enjoys wide public support. It is credited with attracting (fee-paying) students to Australia, facilitating the social integration of skilled immigrants, and, last but not least, enabling Australia to increase its “regional engagement” by facilitating seasonal immigration of agricultural workers from Pacific Island states. Under the impact of this system the composition of the Australian immigrant-boosted labour force – and population in general – has become more racially and ethnically diverse. With skilled recruitment increasingly selecting foreign students from the Asian region (who form about half of the applicants in the skilled stream), the ethnic composition of the Australian population is undergoing a rapid change. In the pre-pandemic years, the largest number of (mainly skilled) immigrants came from India and China. The similar proportions are expected in the post-pandemic years.

The heavy emphasis on immigrant selection on Australian education and training is easy to justify. The locally acquired education gives the applicants not only high-quality and market-relevant skills, but also a good command of English, useful social contacts, and general knowledge about Australia, and therefore, a good chance of prompt employment and effective social integration. Favouring young entrants, in turn, helps rejuvenate the ageing Australian labour force, reducing the “dependency ratio” (dependent/working population), boosting productivity, and maximizing tax revenue (2021 Intergenerational Report, 2021).

The “family” stream has been declining in importance as a contributor to overall immigration. It no longer brings to Australia mainly the ageing parents and siblings of immigrants. Now, most immigrants coming through this stream are young partners (spouses and partners/fiancés), as well as young children of skilled immigrants – together they are expected to account for c. 80% of “family” entrances. Moreover, the partners of skilled immigrants have now, on average, better education and language skills than in the past. They further upgrade their skills through the Australian education system and enter the labour market early.

The “humanitarian” stream is the smallest of the three. It allows Australia to fulfil its legal-political-moral obligations towards refugees displaced by crises and conflicts, especially those conflicts in which Australia participated. While the consecutive Australian governments commit themselves to maintaining a high intake of “humanitarian entries”, in fact, the numbers remain low, partly due to difficulties in securing permissions for refugees to provide appropriate documentation and permissions to leave the most affected “source countries” (Afghanistan, Iraq, Syria, etc.).

Most of the current controversies in Australia concern the humanitarian stream of immigration open to refugees and asylum seekers. Historically, Australia has a long record of humanitarian assistance, especially after WWII, when nearly one million refugees and Displaced Persons settled in Australia, after the Vietnam War and communist takeover, when tens of thousands of Vietnamese refugees arrived by boats and planes, and after the destructive war in Lebanon, when a large number of civilians, both Christian and Muslim, were admitted and settled in Australia. The current wave

of refugees and asylum-seekers – mainly from Syria, Afghanistan, and North Africa (Somalia) – poses more problems, because of intensified security concerns in Australia, and due to the fact that some asylum seekers who arrived by sea, on smuggler boats, are seen as eroding the sensitive border security protection. While Australians remain sympathetic to refugees, and while the government accepts a large – but fluctuating – number of exiles and resettles them successfully, public and government sympathy does not extend to the illegally smuggled “boat people”. They are seen as “security risks”, “queue jumpers” and “asylum shoppers”. Since the 1990s, such “illegals” have been detained and “processed” in on-shore and off-shore centres.

This mandatory detention in isolated centres is highly controversial. While the governments argue that it is necessary as a deterrent discouraging people smuggling, stopping mass drownings, and preventing the entry of “undesirables”, the critics point to possible violations of human rights, international agreements, and as immoral. Largely in response to these concerns and criticisms, the last three governments have introduced some innovations in the governance of the “humanitarian stream”, which we mention below.

In addition to these three major streams through which about 90% of all immigrants enter Australia, there is also a less publicised “sub-stream” for “exceptionally gifted/talented” entrants. It has been widened, especially after the flare-up of political conflicts in Europe and Asia.

### *The “securitisation” of the humanitarian immigration stream*

The security measures introduced in Australia predate the post-9/11 fears of terrorism. They were triggered already in the 1980s by two waves of “ethno-specific” crime. Some of the immigrant-gangsters who appeared in the early 1980s were admitted through the “humanitarian” stream without proper security checks. These highly publicised cases, though far from typical, fuelled broad security concerns. They also triggered a backlash against admitting unchecked “illegals”<sup>3</sup>. This is why the smuggled boat people, who were arriving in the 1990s, were subject to mandatory detention in isolated centres. Their credentials have been thoroughly checked and screened, and those (minority) assessed as “not-genuine”, are deported after exhausting the legal appeal procedures. From the early 2000s, the Australian government introduced even harsher deterrents to illegal arrivals. The boat people arriving on Christmas Island and Ashmore Reef, the most popular people-smuggling destinations – lost their right to claim asylum in Australia. They can seek resettlement in another country or remain indefinitely in detention centres. Even more controversially, the smuggled “illegals” were detained outside the Australian territory

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<sup>3</sup> While reading this comment, one should keep in mind the fact that: only 7–9 % of all immigrants are admitted to Australia through the “humanitarian stream”; crime rates among immigrants are lower than among native-born (except for New Zealand immigrants); only about 1% of all immigrants are affected by “securitisation”; only less than 0.5 % of immigrants is subject to mandatory detention; people smuggling has been stopped; and the off-shore detention centres are being phased out.



(and legal protection) on Nauru and PNG’s Manus Island. This was a part of the controversial “Pacific Solution”, later extended through bilateral negotiations with Indonesia, Malaysia, and Vietnam, aiming at stopping illegal migrations, preventing people-smuggling, and reducing deaths at sea (drownings). It involves intelligence exchange, coordinated coastal patrolling, and joint security operations against people-smuggling gangs.

These new measures faced growing criticisms and opposition as ineffective and costly: boat arrivals peaked at over 20,000 in 2013, drownings exceeded 1,000, and costs of processing the smuggled immigrants reached 1 billion dollars. Consequently, the government has decided to close the most controversial offshore detention centres, fast-track the refugee-status procedures, negotiate resettlement of the remaining asylum seekers outside Australia, and improve border control through bilateral agreements with Pacific neighbours. We return to these issues below.

One can summarise the key features of the Australian strategy concerning refugees and asylum seekers in three points:

1. Australia accepts a large number of refugees (over 13,000 per year in pre-pandemic years), resettles them promptly and, typically, integrates them successfully. It does it in cooperation with the UN refugee agencies and in consultation with close neighbours. The current controversies concern mainly the “illegal entries” (the “boat people”).
2. Australian treatment of the “boat people” is inexplicably harsh, controversial, and frequently criticised – but also widely supported by the political elite and mass public. The most controversial aspects of this treatment – such as the banning of the “boat people” from applying for asylum in Australia, mandatory detention in isolated centres, slow processing, and offshore detention out of the Australian legal protection, parliamentary scrutiny, and media attention – polarises public opinion, occasionally embarrasses the government, and is regularly modified. However, it proved effective – the people smuggling by boats has ceased and the most controversial offshore centres are gradually “phased out”.
3. The core elements of the Australian refugee policies are seen as “working” in the sense of eliminating people smuggling and deaths at sea<sup>4</sup>, providing safe haven to refugees, regardless of their origins, race, religion, and ethnicity. The strict control measures – including “securitisation” – ally public concerns and reduce the anti-refugee backlash at home.

Most refugees admitted to Australia settle successfully and adapt well to the new life, though their social integration is slower than that of the mainstream skilled immigrants. This is mainly due to their involuntary migration, lower “human capital”, and English language command, as well as, on average, lesser compatibility of their skills and experiences with the requirements of the Australian lifestyle, and labour market. The asylum seekers with temporary protection visas are in a more precarious position. They are given the right to live in the community, but very little assistance

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<sup>4</sup> No refugee drownings near the Australian coast have been reported in the last five years. By contrast, the estimates of refugee deaths in the Mediterranean 2014–2019 have been estimated at 18,000.

in finding jobs and accessing affordable housing. They are in a sort of limbo: economically vulnerable, unable to work legally and unable to access the mainstream housing services that are open to permanent immigrant settlers. It must be remembered, though, that they constitute only a tiny minority of all Australian immigrants, and that the difficulties they experience are typically temporary: they either get permanent residence followed by citizenship or return to their countries of origin or migrate to another country.

### *Nexus with other policies*

Australian immigration strategy, as already mentioned, is closely interlinked and integrated with four other national strategies or policy areas – economic/labour market, demographic/ageing/health, and, perhaps most importantly, citizenship and integration/multicultural. More recently, the governance of immigration has also become gradually linked with foreign policy, mainly due to the collaborative suppression of people smuggling. One may also note a growing nexus between immigration and higher education policies. This relatively new development is due to the increasing admission of skilled immigrants through Australian higher education institutions. In the pre-pandemic years, 50–60% of all skilled immigrants came through the educational pathway, and Australian educational institutions became big magnets for intending immigrants, especially from China and India. This pattern seems to return in the post-COVID years. Mindful of the growing importance of foreign students – and growing opportunities for income – Australian universities and colleges internationalised their curricula and lifted their international ranking and reputation.

The nexus between skilled immigration and labour market policies is regarded as the most important for Australia's development. As the World Bank (2018, p. 233) report noted:

*High-skilled workers play a unique role in today's economy. They are innovators, entrepreneurs, scientists, and teachers. They lead, coordinate, and manage the activities of other high-skilled people in complex organisations – from multinational corporations to research centres to governments. They are also highly mobile, moving between jobs, and geographic locations. High-income destination countries depend on foreign talent to create and sustain many of their leading economic sectors, including many of those that are at the forefront of knowledge creation, and economic growth.*

High-skill migrations are growing due to rapidly increasing supply (education) and demand (skill shortages). So does the international competition for skilled and talented migrants. Australia is among the four top “takers” of highly skilled migrants (together with the USA, Canada, and Great Britain). It is not only among the key importers of skilled immigrants but also among the main beneficiaries of such an immigrant-friendly strategy. Moreover – thanks to the strategy of educating and skilling its immigrants predominantly “at home”, Australia is regarded not as “brain

draining” but “brain training”, and a “brain gaining” country (World Bank 2018, pp. 239–242; Australia’s 2023–24 permanent Migration Program, 2023).

The Australian immigration policies are closely linked with population policies (e.g., Productivity Commission, 2016, p. 3). Most of the population growth over the last two decades was due to mass immigration programmes. Moreover, “rejuvenating” immigration helps Australia to negotiate the dangerous “demographic cliff”: the increasing proportion of the aged and the decreasing proportion (and number) of the working-age population. Predominantly young immigrants mitigate age dependency that dampens growth in many ageing societies. It also mitigates the increase of health care and age care costs, as well as a cultural shift in a conservative direction. Mass immigration, like the one embraced by Australia (where the average age of immigrants is below 30, while the median age of the population approaches 50) does not prevent population ageing but transforms the “demographic cliff” into a less dangerous “demographic slide” (see: Pakulski, 2015).

Many commentators point to the benefits of a close link between the Australian immigration strategy and “integrative multiculturalism”. Australia not only accepts a large number of young and skilled immigrants and facilitates their naturalisation but also maximises their skill and adaptive potential by offering them assistance in social adaptation and integration. Permanent immigrants have opportunities to improve their English, upgrade their skills, and access numerous services that help in swift integration into local communities. Above all, the new settlers benefit from the migrant-friendly and supportive attitudes of native-born locals – a key factor facilitating swift social adaptation and effective integration. The latter is also fostered by multiculturalism: a set of policies that encourage acceptance and tolerance of all ethnic groups and religions, encouragement of social participation, countering xenophobia, and reduction of racial, ethnic, religious, and lifestyle discrimination.

The climate of ethnic tolerance and widespread acceptance of immigrants is particularly important in sustaining mass skilled immigration from the new “regional” (that is South and East Asian) regions. It works in two complementary ways: it makes Australia an attractive destination to the young, skilled, and entrepreneurial migrants; and it sustains – due to the largely positive outcomes of immigration strategy – wide social approval of immigrants and mass immigration-cum-integration programmes. As the recent report of the Pew Research Centre (2019) shows, Australia is among very few countries with predominantly migrant-approving populations and, at the same time, with a very relaxed liberal attitude to both immigration and emigration (out-migration).

There are two more important “nexuses” that are worth mentioning. The current immigration strategy is increasingly linked with higher education and with the “regional engagement” policies. Over the last five pre-pandemic years the number of fee-paying foreign students in Australian tertiary education institutions (higher and vocational) has nearly doubled, and higher education became the third (after coal and iron ore) major export and source of revenue amounting over to 32 billion dollars annually. This growth has been particularly rapid in higher education and vocational education and training (VET), both attracting in 2018 over 640,000 foreign students, about 30% from China and a further 20% from India. These education sectors have also become

the major recruitment grounds of skilled immigrants, who apply for visa extensions and permanent residence on graduation. The Australian universities, in turn, benefited (in 2018) financially from fees paid by foreign students (and sponsors) to the tune of c. \$28 billion. While the COVID pandemic caused a sudden dip in both the scale of immigration, as well as the foreign student recruitment, and earnings, both are expected to recover to the pre-pandemic levels in 2023–2024 (Australia’s 2023–24 permanent Migration Program, 2023; International Student Data 2018, n.d.).

### *Flexibility – the recent adjustments*

While the overall principles behind the Australian immigration strategy remain largely intact, the innovation in immigration governance – and regular policy adjustment – make it increasingly flexible. These adjustments can be summarised in a few points:

1. There are regular adjustments in immigration volume and composition – “tweaking” rather than serious alterations. The changes aim at making immigration, especially skilled immigration more attractive, and the immigration strategy more flexible, more congruent with the changing migrant supply, labour market demand, and social expectations. The “tweaking” helps in defusing the populist anti-immigration backlash.
2. More specifically, the policy adjustments aim at preventing excessive concentration of immigrants in major state capitals, especially Melbourne and Sydney, the two most migrant-rich cities that experience serious congestion and “infrastructural stretch”. They involve redirecting immigrants to the less populated regions suffering from labour and settler shortages. This is achieved by increasing the number of visas granted to immigrants sponsored by local employers and/or local governments, as well as offering financial incentives to foreign students studying and working in “regional Australia”. This trend is likely to intensify due to political pressures. It dovetails with the general trend towards adjusting immigration volume and content to employment opportunities, as well as to ease metropolitan congestion and minimise environmental degradation.
3. In the main skilled stream, the policy adjustments aim at maintaining congruence between skills and labour market needs (as well as the expectations of the employers), and upgrading immigrants’ skills and capacities, including linguistic skills. The pre-pandemic increase in student visas – which is likely to continue in the post-pandemic years, indicates a move towards a preference for the Australian-skilled (and educated) intake. Immigrants coming through this intake stream are best prepared for permanent immigration, they find jobs as easily and quickly as non-immigrants, acquire a good command of English, and integrate smoothly, as indicated by a high naturalisation rate.
4. There is a trend towards expanding the “educational” or “student” entry and pathways to settlement. These two categories have been seen as particularly successful from the employers’ (flexible labour) and communities’ (swift integration) points of view.

5. There seems to be a trend towards increasing recruitment of temporary immigrant workers, especially low-skilled workers, for (mostly seasonal) agricultural work. But it is surrounded by controversies. On the one hand, such temporary immigrants are in high (but seasonal) demand, and their earnings are lifelines to their families and communities. On the other hand, they are most vulnerable to exploitation and abuse. Monitoring their working condition is difficult, and adverse publicity of abuse damages the reputation of this stream.
6. There seems to be a trend in the family stream in facilitating the controlled entry of spouses/partners and children, as well as restricting the entries of aged parents to “supporting parents”. Elderly family immigrants may compete with non-immigrants for health and age care resources.
7. In the humanitarian stream – which is estimated to account for over 13,000 entries in 2023–2024 – the changes aim at responding in a flexible way to international emergencies. This results in increasing Special Humanitarian Programmes (special crisis-dependent and UN-negotiated intake of refugees), quicker processing of the detained immigrants in Australia, and faster resettling of the asylum seekers detained in the offshore detention centres. The latter become increasingly embarrassing for the Australian government, and they are likely to be phased out.

### *The outcomes*

Mass skilled immigration is credited with boosting growth and prosperity. Samuel Eslake, the Chief Economist of the ANZ Bank estimated in 2018 that half of the Australian economic growth during the pre-pandemic decade (2009 to 2018) was attributable to the predominantly skilled immigration (What the world can learn from Australia?, 2018). The mass skilled immigration has also rejuvenated Australia’s labour force and mitigated the costs of ageing. Those beneficial effects are also detectable among the immigrants themselves. They do well. Those who enter through the skilled and family streams have been successful in their career and social adaptation – more successful than immigrants from other streams. They are, on average, much younger than Australian-born workers, better educated and skilled, and more productive. Unlike some refugees, they integrate well with local communities, do not form immigrant “ghettos”, do not suffer from pathologies of mal-integration, and do not generate negative stereotypes that accompany social alienation.

Generally, the mass skill-based immigration strategy is supported by political leaders and business elites, as well as the population at large. It is seen (e.g., by the Australian Productivity Commission, 2016) as fulfilling its principal aims: maximising (and publicising) the economic and social benefits of mass skilled migration; maintaining effective control over immigration programmes and monitoring their outcomes; and maintaining flexibility of the programmes that facilitate their adjustment, as well as reduce political backlash. A recent survey confirms those diagnoses: about 40% of Australians support the current levels of immigration while only 25% would like to lower the intake.

It is difficult to estimate the scope of these impacts and to establish detailed causal links. Most probably causalities go both ways: immigration strategy boosts growth, and growth sustains immigration programmes. Perhaps the most important in maintaining this “virtuous circle” of mass immigration and growth are the labour market outcomes analysed in the recent World Bank Reports (2018–2022).

The labour market outcomes for immigrants, as the Australian Productivity Commission Report (2016) suggests, are mixed and similar to the market outcomes in the major OECD countries (World Bank, 2018). Australian immigrants have, on average, slightly lower employment rates than the local-born people. That, however, differs significantly between boom-and-bust periods, as well as between immigration streams. Skilled immigrants do not differ in unemployment rates from Australian-born peers. Their labour market outcomes improve rapidly, so even when they are disadvantaged at the start of their careers, their incomes soon catch up, and their socioeconomic statuses at the end of their careers are slightly higher than those of the Australian-born population. Immigrants entering through the family stream have worse outcomes than the population at large, and humanitarian stream immigrants lag behind even further. However, the differences are not wide, and the immigrants themselves do not express dissatisfaction.

Metropolitan concentration and congestion are serious problems. Most Australian immigrants settle in the most rapidly growing areas of NSW and Victoria, especially Sydney and Melbourne. The major state capitals are particularly popular because they offer the best chances of good employment, provide good settlement services, and contain established ethnic communities that facilitate adaptation. This contributes to rising house prices, pressures on the infrastructure (transport, schools, health services, etc.), traffic congestion, etc. At the same time, “regional Australia”, as well as the less popular states, suffer from declining population and labour shortages.

Recent studies contradict the opinion that mass immigration increases wage competition and depresses wages. They also demolish the myth of immigrants increasing the welfare burden. They show that immigrants have negligible – and if anything, positive – impact on wages and employment conditions. They do not increase unemployment in the long run, though some signs of competitive displacement have been detected among the least skilled categories. The rapid inflow of skilled immigrants is sometimes blamed for the unwillingness of employers to invest in upskilling their employees, but these effects are hotly debated.

Most studies indicate that immigrants have, on average, either a slightly positive or neutral fiscal impact. Young and skilled migrants generate more value than they consume; the older and less skilled ones prove net consumers. The overall impact depends on the age composition and balance, as well as the selection procedures and skill levels in particular streams. The overall impact in Australia is seen as positive because of the proportionate domination of young and highly skilled immigrants, who seldom rely on welfare services. In general, young skilled immigrants are seen by most observers as highly productive growth boosters and job creators (see: Australian Productivity Commission, 2016).

The findings of the reports also confirm that immigrants aspire to integrate, integrate well (find jobs, learn language, join associations, fit into the community, respect law,

etc.), are satisfied with life in Australia, and show high commitment to, and identification with, their new motherland. Further support for these conclusions comes from Census data on naturalisation – relatively high throughout. There are, however, some significant differences between major immigration streams. While skilled immigrants integrate swiftly and successfully – over 80% of them find employment within one year of immigration – refugees seem to lag behind. This is, doubtless, the result of their involuntary migration, the trauma of escape, long wait for the visa, lower level of “human capital”, and worse command of English. They note and appreciate, however, immigrant support services, as well as the general sympathy towards refugees.

Crime levels in Australia are also lower among immigrants than among native-born, except for New Zealand immigrants, some of whom are now deported back to New Zealand after sentencing by Australian courts. There are also very few signs of immigrant mal-integration, though most of these “social integration outcomes” are credited to Australia’s policies of “integrative multiculturalism”, rather than immigration strategy per se. Australia maintains a cultural climate of approval-cum-sympathy to immigrants, even at the time of widespread anti-immigrant backlash. As the recent Pew Research Centre data show, only 35% of Australians want to curb immigration, while the median proportion of such responses in Europe is 51%. There are, though, some signs of increasing public concerns about the numbers. The 2019 Lowy Institute poll showed that 49% of Australians saw immigration levels as “too high”, a 10% increase over the previous five years. Nevertheless, about 2/3 of respondents said that “overall, immigration has a positive impact on the economy”, that immigrants “strengthen the country because of their hard work and talents”, and “make Australia stronger” (Lowy Institute Poll, 2022).

Australians also maintain high levels of tolerance of ethnic diversity and low levels of inter-ethnic strife. The aggregated data showed that in 2014 the overall support for mass immigration (on the current level or above) has been oscillating in Australia and New Zealand at around 60–69%, compared with 50–57% in North America, and 30–38% in Europe (CEDA 2016).

While high and diverse immigration, in general, is accepted as a positive factor in Australia’s social and economic development, though there is less approval for mass immigration from Asia and Africa, disapproval of illegal immigration, and some concerns about “overconcentration” “congestion”, “infrastructure stretch”, and “house overpricing”, all attributed in some way (probably wrongly<sup>5</sup>) to high volume and heavy metropolitan concentration of immigrants. The Australian immigration strategy clearly has self-legitimising and self-perpetuating effects, but its legitimation requires some adjustments.

One important point needs to be added to these observations. The public attitudes to (“genuine”) refugees – but not necessarily the smuggled asylum seekers – are largely

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<sup>5</sup> Critics suggest that Sydney and Melbourne have very low population density (2,000 per square kilometre, less than half of most European capitals, and less than ¼ of most Asian capitals), that the “infrastructure stretch” and “urban congestion” result from poor urban planning and low infrastructural investment by state governments, and that the key factors behind house price increases were massive purchases by the US and Canadian investment funds, rather than high demand from immigrants.

sympathetic and supportive, especially in “regional Australia”. They seem to polarise between empathy and disapproval. The former reflects intense media coverage of refugee experiences – which generates widespread sympathy. The latter reflects security concerns and xenophobia mobilised by populist demagogues who target mainly African and Middle Eastern (Muslim) refugees.

It needs to be remembered that the effectiveness (success?) of the Australian immigration strategy is conditional on two broad factors: (1) elite consensus in supporting the current strategy and protecting it from derailing by anti-immigration “moral panics” and xenophobic populist attacks; and (2) persistence of a “virtuous circle” whereby positive outcomes of immigration programmes – monitored and publicised – feed into continuous public approval and support.

## Conclusions

Will Australia return in the post-pandemic years to its immigration strategy? The most recent statements by political leaders, the latest budget estimates, and the latest Intergenerational Report 2023 (Commonwealth Australia, 2023) suggest that it will. The predicted annual levels of net migration have been set at 235,000. But reaching this predicted level will depend on the global economic recovery and political stabilisation – both under a big question mark.

Australia has always been a unique “settler society”, the Australian nation is seen as an “immigrant nation”, and the Australian state is a good example of a (seemingly successful) “migration state”, where designing immigration strategies and management of migration processes – closely intertwined with other processes and policies – is a central preoccupation of political elites. This distinctiveness of Australian society, nation, and state should make us cautious in formulating general assessments, especially assuming that the Australian migration strategy is universally valid and applicable. Yet, even if it is not (or only partially), the successes of this strategy – so far – make it interesting and worth considering by political leaders and interested publics on other continents.

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