



**Australian Government**  
**Productivity Commission**

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**PRODUCTIVITY COMMISSION**

**INQUIRY INTO MIGRANT INTAKE**

**MR P LINDWALL, Presiding Commissioner**  
**MS A McCLELLAND, Commissioner**

**TRANSCRIPT OF PROCEEDINGS**

**AT PRODUCTIVITY COMMISSION, MELBOURNE**  
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**MR LINDWALL:** Good morning. Welcome to the public hearings for the Productivity Commission Inquiry into the Migrant Intake into Australia. My name is Paul Lindwall; I'm the Presiding Commissioner for this inquiry, and my fellow Commissioner is Alison McClelland.

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The inquiry started with a reference from the Australian Government in March this year, and it finishes next March, and covers the impacts of migration to Australia and the scope to use alternative methods for determining the intake, including through the greater use of charges.

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We released an issues paper in May and have talked to a range of organisations and individuals with an interest in these areas. In August we held a workshop on economic modelling, used to inform the inquiry. We released a draft report a few weeks ago, in November, and have received about 80 submissions since the release of the issues paper. We are grateful to all the organisations and individuals who have taken the time to meet with us, prepare with submissions and appear at these hearings.

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The purpose of these hearings is to provide an opportunity for interested parties to provide comments and feedback on the draft report, which will assist us in preparing our final report, which is to be provided to the government in March next year.

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Following these hearings in Melbourne, hearings will also be held in Canberra and Sydney. We will then be working towards completing a final report, as I said, provided to the government in March 2016, which will take 25 sitting days before they have to release it under our Act.

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Participants and those who have registered their interest in the inquiry will automatically be advised when the final report is released by government, which can be, as I say, up to 25 sitting days.

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We like to conduct all hearings in a reasonably informal manner but I remind participants that a full transcript is being taken. For this reason, comments from the floor cannot be taken but at the end of the day's proceedings I will provide an opportunity for anyone who wishes to do so to make a brief presentation. Participants are not required to take an oath but are required, under the Productivity Commission Act, to be truthful in their remarks. Participants are welcome to comment on the issues raised in other submissions. The transcript will be made available to participants and will also be available on the Commission's website following the hearings.

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For any media representatives attending today, some general rules apply. Please see one of our staff for a handout which explains the rules.

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(Housekeeping matters)

Participants are invited to make opening comments of no more than five minutes. Keeping their opening comments brief will allow us the opportunity to discuss matters in greater detail.

5 I would like to now welcome Denis McCormack.

**MR McCORMACK:** You said five minutes?

10 **MR LINDWALL:** Yes, for an introduction. Then you can have questions and answers.

**MR McCORMACK:** Firstly, I'd start with giving you both these.

15 **MR LINDWALL:** Thank you. Could you start by giving your name and who you're representing, if yourself or an organisation?

20 **MR McCORMACK:** Denis McCormack. My comments are sort of on behalf of a very loosely-knit, very small cooperative that puts together information for the website, [www.reduceimmigration.wordpress.com](http://www.reduceimmigration.wordpress.com). It's been going since, I think it's, July 2013, so it's not a huge backlog of monthly archive to have a look at. We don't post all the time because there are newspapers and there are radios and there are TVs, and a lot of stuff gets covered in the general public interest in the mainstream media but a hell a lot of it doesn't. Hence, we felt the need to put this website up.

25 I've been trying to get an item on the national agenda since 2007 - that was the first time it was launched. The idea is that, in order for us, as a nation, to have a mechanism to flush out what is the public will, what is the electorate's will, do they want - as it seems, by a majority - to see whatever government we elect reduce immigration, for a whole range of reasons that both you Commissioners have probably heard many times before; environmental, social, cultural, economic.

35 We don't believe that we can continue, in a finite world, breaking our neck nationally to keep expanding a non-sustainable system that we have at the moment by bringing in more and more and more people, as has been the plan since the post-World War II migration system started. We're all aware of the reasons why that started, being the shock that was administered to our part of the world with the Second World War, and it was very easy to understand back then why the idea of "populate or perish" was backed by a majority of the population, but the whole migration industry is all that most people seem to see these days, in terms of management, because there has been so much growth generated by mass immigration expanding the population at an unnatural rate for so long that there are just not - there's not 40 the folk or cultural or managerial memory of doing things another way. What we're proposing is, now that there are a lot of signs around, that we need to cut back on what is arguably the world's highest, or second highest, and it rotates between highest and second highest and third highest, per capita 45

immigration program in the world - that we need to honestly see, honestly ask what the population honestly feel about it.

5 Polls don't work. They might give you some idea but they are not accurate. A lot of people will tell a pollster whatever the politically-correct thing is to say because they don't want the hassle of what might be forthcoming, should they really be honest. Similarly, you've got bipartisanship at the top, unfortunately, supported by the Greens, to ensure that there is no coherent challenge to the status quo.

10 Australia pioneered the modern tools of democracy. In the mid-1850s, Victoria was the first place in the world to actually harness the secret ballot to get a result. Our system then spread right across the rest of the colonies and it spread right around the world. There are so many social and political  
15 innovations to go with all the incredible positive institutions and ways of doing things and inventions across every sphere of human activity. So much good has come out of this country and I believe, the way we're going, it's going to be all wasted and dribbled into the sands because of a managerial attitude which says "more is better". When Joe Hockey came out and said,  
20 some months back, it might have been about the time that he was initiating this inquiry, that mass immigration is a lazy way to grow the economy, I couldn't agree more, and I thank him and the others around him that actually got yet another inquiry up but I must say, in closing my five minutes of remarks, that I don't hold a lot of hope.

25 I've been going to these sessions since 1988. I first got involved in the immigration issue after having spent a couple of years in the People's Republic of China in the early '80s and, first-hand, lived what it's like to live with a population problem and a "quickly becoming shagged-out country" due  
30 to the massive population. I came back here and I started to see my own society in a whole different way. I came at the immigration population being from an environmental perspective. I thought, "There's no need to look at anything else. It should be just the science and the facts." There is an enormous amount of literature that's been generated over a very long time -  
35 I've probably got one of the best private collections in the country of books and seminars and so forth that have been put out on this stuff.

40 We really need to, sort of, give the people a say. In the end it's a matter of opinion. I've seen so much of the literature that's been produced by inquiries, as well-intended as they may be - I first got involved in the Fitzgerald Inquiry, back in 87-88. That opened my mind enormously. There were 47 words, in a report that thick, on the environmental impacts of rising population growth; 47 words, I seem to recall. I thought, "Well, we can improve on that," and we have. There's been a hell of a lot more discussion  
45 of it since that time and a lot more inquiries and I thought it was going to be all over when the Australian Academy of Sciences picked it up for Barry Jones's inquiry in 94, which I also participated in.

That must be the five minutes by now.

5 **MR LINDWALL:** Yes, that's fine. In our report we did projections with our modelling to 2060. We looked at various options, one of which would be a zero NOM - in other words, net overseas migration would be zero from here on to 2060 and the population would grow to about to 27 million, if I'm not - that's what it says, 27 million in 2060. Another scenario, which was our alternate scenario, was - - -

10 **MR McCORMACK:** Sorry, when was the net overseas migration - - -

**MR LINDWALL:** Effectively, from now.

**MR McCORMACK:** Okay.

15 **MR LINDWALL:** If the government was to decide - - -

**MR McCORMACK:** Overnight. Yes.

20 **MR LINDWALL:** - - - that, overnight, it would effectively reach 27 million in 2060 - - -

**MR McCORMACK:** That sounds like a good plan.

25 **MR LINDWALL:** On the alternative, which is that it goes in recent trends and then converges back to the long-term average, over about 60 years, which is .6 per cent of population per annum, again, till 2060, the population would increase to about 40 million. That's 13 million extra people.

30 **MR McCORMACK:** Is that saying 70,000 to 80,000 as the 60-year - - -

**MR LINDWALL:** No, it's more. Remember that we have temporary and permanent migration and, over recent years, the temporary has grown at a faster rate than permanent. Temporary is driven by, as much as other things, economic activity and so on.

35 **MR McCORMACK:** But economic activity largely is motor-driven by a mass immigration. It's the Ponzi Scheme conveyor belt, whereby you've got to bring in more people to build more houses and more infrastructure for more people, and on it goes.

40 **MR LINDWALL:** That wasn't my question. Between those two scenarios, one of 27 million to 2060, based upon a zero NOM going forward and one about the long-term average of about 40 million to 2060, you would obviously prefer the former to the latter. Are you arguing for zero NOM or you're  
45 arguing for lower immigration, and, if so, how much lower?

**MR McCORMACK:** It's in our submission that we're looking for - - -

**MR LINDWALL:** About 60,000, I think. Is that right?

**MR McCORMACK:** We're trying to be as generous and accommodating to a system as we can and we're suggesting 70 to 80 thousand.

5 **MR LINDWALL:** We did modelling for 100,000 and the population in 2063 would be 32 million, if you had had 100,000 and you kept it at 100,000 until then. Obviously, 70 to 80 would be a bit less than that but you can see that between 27 and 32 is the type of range we're talking about, and a few million here or there, I guess. I guess my argument is, do these numbers seem, over a  
10 very long period of time, by the way - do you think that an extra million or a fewer million really makes that much impact on the environment of Australia, given it's as - - -

**MR McCORMACK:** Numbers can be argued in any way you like but when  
15 you multiply each individual by their impact, under the current over-consuming regime, yes, it makes a difference, but, you know, I'd prefer the lower number rather than the higher number. I founded - I was one of the founding members of Australians Against Further Immigration, a political party - we started as a lobby group in 88 and it turned into a political party  
20 in 90. We stood in - specialised in by-elections but we stood in federal elections as well. It's got to be said, when you look at the numbers of votes that we got back then, it exceeds what, say, the Sustainable Population Party are getting today, with a hell of a lot more resources and wider-spread membership and much better technology to get the word out, et cetera, et  
25 cetera, et cetera.

I'm not particularly upbeat about the capacity for Australians today to be able to get the message. We're led, unfortunately - we're all utterly reliant on  
30 media, and the media are so in the pocket of the business lobby that I have not been able to get - bear in mind, after AAFI, I've been working with Graeme Campbell, who was the federal member for Kalgoorlie ALP 91. He started Australia First, which was AAFI's immigration and scrap-multicultural policy, plus a whole range of other core nationalist policies on foreign ownership and defence and et cetera, et cetera, et cetera. You can imagine  
35 how many people I spoke to over that period of time. The only Prime Minister I haven't spoken to since Bob Hawke is Paul Keating and perhaps Kevin Rudd, but I can't be sure.

Kevin Rudd was working in the embassy in Peking and he was Ross  
40 Garnaut's tea boy. When I came back from the Gobi Desert, after teaching out there for a year, and I was asked to report in on my way out of the country, I went to the embassy and said, "Look, I've got some concerns. I've heard stories out in the middle of the Gobi Desert that would make your hair curl about locals out there, screwing our immigration system." So I had a  
45 young, bland, idiotic chap sit in a conference room and fall asleep over his notepad, with very little interest, and I think that was Kevin Rudd but - the 30 years are up, so I might be able to point out but, the point is, I've spoken to all Prime Ministers, including the present one, over the years, meeting them at various talkfests, and I know - well, the first immigration minister that I got to

know properly - I met Robert Ray but my local member was Gerry Hand and he was good enough to buy one of the best books that has ever been produced on immigration and population and sustainability in Australia. It's still in about 40 specialist libraries. It was a 900-print run, it was that thick, it had  
5 essays from every expert in the country, and myself and one other poor bastard funded the thing but it still stands as the bible on all these issues.

What was your question again?

10 **MR LINDWALL:** I think you've answered it. I was saying - is there an optimal population, I guess, I'm asking?

**MR McCORMACK:** Yes. In the current global environment, the sooner we reach population stability, which is after all the UN has gone, the better.

15 **MR LINDWALL:** There's a difference between global population stability and Australian population stability, though.

20 **MR McCORMACK:** I know. I know, and they're all going to be hard to achieve but, the point is, we have more control over it than most people, just because of the youth of our nation - I'm talking about the history of it - and the control we have. A runaway train really does get the speed. If you looked at the Reduce Immigration site, there was a recent posting that outlined, on  
25 1987 statistics, supplied by the authorities here, the government here, to the UN Population Fund - they produced a business-card-sized calculator, only this thick. When it was given to me in the States, I couldn't believe the technology. It has actually proved - it was programmed. It got all the results back from 160-odd countries of what they thought was their best guess of their population going forward. This little business card, which I still have at  
30 home, was pre-programmed with all those countries' future demographic scenarios. We, based on that information that was given to the UN to give that card, are now a tad over 2 million people more than that card suggested. When I press "Australia" on that card, the little calculation comes up, 21-million-something-or-other-hundred-thousand, and we know we're over  
35 that.

There are all sorts of overshoots that are happening.

40 **MR LINDWALL:** Mr McCormack, I should give my fellow Commissioner a chance to ask a question.

**MR McCORMACK:** Sure.

45 **MS McCLELLAND:** Given that we've only got a few minutes before we finish at 10.30 with your presentation, you might want to think about my questions and get them back to us. My two questions are - you said there is a lot of information about environmental impacts of population. It would be useful for us to have what you think is the most expert report, so that we can draw on it, because we have been interested in finding the latest information



about that. So, what you consider, really, is the best report on that would be helpful for us. I don't know whether you want to answer it now or get back to us about that.

5 **MR McCORMACK:** Population, Immigration and Sustainable  
Environments: The limits to Australia's Growth, edited by Dr Joseph Wayne  
Smith, Flinders University Press, 1991. It is still completely relevant. It even  
has Dr Christabel Young, the doyenne, the queen of Australian demography -  
10 her excellent work on why we need to cut back, why we need to reduce  
immigration.

**MS McCLELLAND:** Thank you.

15 **MR LINDWALL:** Have you got another question?

**MS McCLELLAND:** I think my other question relates to flush out the  
public and how you do that, how you would do that in a way that would be, I  
suppose, acceptable for people, that you really had understood the - - -

20 **MR McCORMACK:** It would follow the pattern of the "No Damns"  
campaign. Dr Jeff Mosley, who was the best president the ACF never had,  
was the ACF CEO during the Franklin River Dam business. He and a number  
of others who were involved in that support the reduced immigration write-on.  
25 What we're suggesting, failing everything else - the idea would be to have the  
government, when they run the gay-marriage enabling plebiscite, or advisory  
towards enabling plebiscite, on the same piece of paper, they could easily  
include "Would you like your federal government to reduce immigration,"  
just plain and simple, easy to understand. That would tell you what most  
people want.

30 **MS McCLELLAND:** Would you do that on a once-off basis or would you  
do it every so often?

35 **MR McCORMACK:** You could do it every so often but to break the back of  
this jammed figure of 190,000 that the coalition said they would trim and  
haven't - it would actually break that nexus and, if it wanted to be done again,  
it could be done on a regular basis.

40 **MS McCLELLAND:** Thank you.

**MR LINDWALL:** Thanks very much, Mr McCormack. You've got about  
two minutes, if you want to add anything.

45 **MR McCORMACK:** I want to get stuck into the whole concept of  
multiculturalism and the way it has been allowed to run riot at the expense of  
traditionally white European Australia. The whole thing is out of control. It  
is an industry in itself. The whole diversity thing is way out of control. There  
is so much information around that, after you get past a critical point and the  
major demographic becomes diluted, crazed, disenfranchised about the

5 long-term future of their country, it is in no way, shape or form a chauvinist or racist position to say, “Hey, what are we going to do when the core of Australia is diluted and a traditionally predominantly white Australia is a thing of the past and whites become a minority here? What is going to happen then?” The Joni Mitchell syndrome, the big yellow taxi, you don’t know what you’ve got till it’s gone.

10 A hell of a lot of people across administrative Australia and the managerial classes have not given enough thought to this. This will be the bone of big trouble in the future. It is in no way a problem - the world is not short of Chinese people or Indian people or African people but what it’s getting short of is Anglo, Celtic Europeans because they are being impinged upon by populations around the world. For a whole range of historical, cultural reasons - they’ve taken up a lot of our other technology but the birth-control thing just didn’t quite get there in time. I’d like to have more to say on that, in question time or whenever, because - I think the multicultural lobby is on this afternoon, isn’t it?

20 **MR LINDWALL:** We have some - - -

**MR McCORMACK:** Yes.

**MR LINDWALL:** Thank you, Mr McCormack.

25 **MS McCLELLAND:** Thank you, Mr McCormack.

**MR McCORMACK:** I will endorse, in advance, pretty much everything the next speaker is going to say.

30 **MR LINDWALL:** Thank you. Michael Bayliss is our next witness. Would you like to say your name and who you’re representing, for the record, please?

35 **MR BAYLISS:** Sure. I’m Michael Bayliss, representing Victoria First, as the president, and the Sustainable Population of Australia VicTas branch has asked me to present on their behalf too.

**MR LINDWALL:** Would you like to make an introductory statement of five or so minutes?

40 **MR BAYLISS:** Yes. I guess our argument is based on Kelvin Thomson’s, who founded Victoria First, the current Labor MP for Wills, and that’s based on a 14-point plan that he presented to Parliament in 2009. It’s for net overseas migration to go down from current levels to 70,000 per annum. It’s not at the expense of the humanitarian program, which him and us would like to see go up, long-term levels, to 20,000 per annum. We are looking at GDP-growth-based migration to be reviewed, so, for example, the skilled migration programs maybe go down to 25,000 per annum, to reduce official incentives for large families. Much of this is based on the Australian Academy of Science report in 94 that said a population of around the 23 to

26-million range is most ideal before structural change needs to be implemented, when we consider environmental and other issues.

5 I guess I want to reinforce that most of us come from an environmental perspective where the impact on an ecosystem is a combination of per capita and a multiplied-by population, so I think we have a stance to - against when population growth is GDP-based rather than a humanitarian intake, and we recognise we have a part in the world to have a generous humanitarian program that maintains a population growth that is within the  
10 recommendations from the Australian Academy of Science.

15 Reading through the current paper, the paper did outline what - there are some kind of shortcomings, I guess, in some of the research at the moment, so - and what further research areas are needed. I guess my main concern coming from that is that there's a quality system, so the skilled migration program does allow for people coming in to be secured employment and jobs, and that's not at the expense, as well, of other demographics, such as our youth population, refugees, people coming in from the humanitarian program, women.  
20

I'm just going to read out some of the areas that I think the paper identified as shortcomings. That's impact on skills and training, incentives for domestic workers, total impact on the youth labour market, limited information on the official impact of immigration, also an uncapped temporary migration program that - can be difficult to audit long-term population trends, just from my perspective, reading the paper, if - permanent migration - there's a significant stream that comes from that - and that there seems to be kind of a dilution of identifying genuine skills shortages too. I just think, if we're going to have a fair system where people migrating into Australia are secured employment, that really needs to be - that information available on where the skill shortages are and that the system is not being exploited.  
25  
30

35 Just in terms of the economic gains, the paper made a good argument, especially where the migration - skilled migration program is now and the population growth will contribute to 5 per cent of GDP per capita, I think I read.

40 **MR LINDWALL:** Because of the demographics of it, yes, in terms of the lessening of the impact of the ageing population. Particularly, yes.

45 **MR BAYLISS:** Of course. Yes. I would recommend reading a paper by Katharine Betts that kind of debunks the ageing-population myth. I think we have to keep in mind that, yes, over retire age - not contributing to the economy through the job market but a lot do contribute volunteer-wise and are still paying for services and also have to recognise working age, have families, and so there's also the dependent age, between the ages of birth and 17, that are also not working and also are using services, and an investment time from the parents for the children as well that needs to be taken into account, in my opinion.

Also need to balance that out between the infrastructure costs, so - look, I'm referring to a study done by O'Sullivan, I think, from the University of Queensland that suggests, for every 1 per cent of population growth, you're looking at about, around, 6.5 to 7 per cent of GDP that needs to not only replace the existing infrastructure but add on new infrastructure. At a growth rate of around 1.7 per cent, you're looking at quite a high percentage of GDP, in conjunction with a gross fixed capital formation, say, retrofitting the inner suburbs, the per capita costs of infrastructure can be quite high. For example, the East West Link tunnel that amounted, I think, to costs of about a billion dollars per kilometre.

I think there needs to be more research done into the benefit of the tax and economies from the migration program versus the infrastructure costs. I do wonder if population growth is - GDP-based population growth is fantastic for the economy, then why are state governments finding it very difficult to afford infrastructure? There seems to be, in the media and (indistinct) from Infrastructure Australia that funding this infrastructure is very difficult, and I just - - -

**MR LINDWALL:** I can say that, just to interrupt there for a second, we produced a report on public infrastructure last year and part of the answer to your question is the way in which projects are selected, and a lot of large projects have negative net benefits, hence they're obviously difficult to get funding for. Please continue.

**MR BAYLISS:** How much longer do I have?

**MS McCLELLAND:** I think you've used your five minutes. Unless you want to say anything - - -

**MR LINDWALL:** Do you have any final points?

**MR BAYLISS:** There was a part on environment and town planning issues and I just - on town planning, I don't think we're building our cities very well. Most population growth is going towards our capital cities. There are issues with regional development, providing infrastructure there, which the paper outlines, and I do think that town planning needs to happen before population growth, rather than an ad hoc response, which I think is happening at the moment through suburban sprawl and cheaply-built high-rise - and not for it to be an ad hoc response but to have it carefully planned beforehand to - - -

**MR LINDWALL:** Which goes to my first question. It's about the - as you know, our current system, as you say - the permanent intake is set to a quota set by the government and the temporary one is effectively uncapped for most of the categories, like the 457 visa, for working holidaymakers and so forth. You can see in some of the charts in our report how closely-aligned to economic activity the temporary migration moves. For example, after the mining boom, it's come off quite a lot. In terms of trying to reduce

immigration as you propose, how would you address the temporary migration - it sounds like you're proposing a cap on temporary migration, effectively, I guess. If you want a cap, how do you manifest it?

5 **MR BAYLISS:** Yes. Look, I think other avenues should be explored; like, perhaps instead of a temporary migration system, have a job-exchange system. So, for example, you know, if there's an engineer, an Australian engineer, in Australia - that both spend time in respective countries - so you still have that exchange of knowledge and ideas and insights from other  
10 countries but I think there are other ways around it, other than the temporary migration system.

I think there are just so many - from what I gather from the paper, there are a lot of avenues to transition from the temporary to the permanent, through  
15 employer sponsorship and through the point-based system, and I think, if genuine skill shortages are more known than they are at the moment and there's more government regulation than the kind of diffusion to the employers to decide, it would just be a lot easier to monitor and audit and say, "Look, now there's currently more people than there are jobs available, so let's review that." I did read in the paper that during recessions that skilled migrants, especially those coming from the student in to the permanent  
20 stream, are more affected than other sectors of the population. To me, that just seems a little bit unfair.

25 **MR LINDWALL:** On the humanitarian intake that you're proposing to increase somewhat - I think that's about 13,000 to - - -

**MS McCLELLAND:** I think he said to 20.

30 **MR BAYLISS:** 20,000, yes.

**MR LINDWALL:** Do you have any comment about the integration and services provided to the humanitarian immigrants to best help them adjust to life in Australia and perhaps get a job and all the rest of it? Are our services  
35 about right or is there any way we could improve them?

**MR BAYLISS:** I think town planning plays a large result in providing affordable housing for people to come into Australia through the humanitarian program, have services and affordable housing and strong communities. I  
40 have identified, there are issues in traditional inner-city areas, such as Footscray, that have typically been an - amazing multicultural hubs through our past humanitarian programs, that I feel are being affected by the gentrification and the rising house prices, which are through population growth policies that I think are pushing people from past humanitarian streams further out. I personally know a few Turkish families, through my  
45 work, around the Hume area and Broadmeadows, who are affected by the diffusion of infrastructure and social services but don't have the option to relocate to the inner-city areas, where the infrastructure in past decades and from past governments has been a lot better.

I think the town planning model plays a huge role and I think population policy also plays a huge role, ironically, in what people coming from the humanitarian system can access and what we can afford to provide for them.

5

**MS McCLELLAND:** I just wanted to explore a little bit more about your comment about population - GDP growth. Are you concerned, just generally, about the extent of economic growth and would you like that reduced? I just want to tease out your basic concern there. Would you like lower growth and lower living standards generally to help the environment or would you like lower overall growth but the same GDP per capita growth - just your concerns about growth and how that relates to environmental impact, just to be clear about that.

10

15

**MR BAYLISS:** It's a very interesting question and very multi-pronged. I think the impact on the environment, which I'm very passionate about and most people with Victoria First are - a combination of per capita impact and the number of people. I think the way that towns are designed and the way they are kind of puts people into needing to access services in a certain way that doesn't allow to explore other alternatives, such as high-rise - you're dependent on electricity and, for instance, you might have options for a water tank. I think we really have to explore what Australia's carrying capacity is going to be in future generations and have a look at - can we keep growing on a finite continent and a finite planet? That's going to be affected by climate change and the carrying capacity and agricultural capacity is going to go down. What's the end point?

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25

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I think we do have to be very mindful that there is an end point to the extent that we can grow, population-wise, GDP per capita. I think, in the current system, where population growth is in conjunction with a negative-gearing model, you might get an increase of GDP growth all around but the real growth per capita might be affected if a lot of that income stream is going to people who own capital and own property and things like that, through the current model, unless there are regulations on that. So, you might see growth all around but who's that going to? Did that answer the question?

35

**MS McCLELLAND:** Yes. Thank you.

**MR BAYLISS:** All right. No worries.

40

**MS McCLELLAND:** I suppose my other question - you know, your proposal to reduce skilled migration - one of the reasons why you would be concerned about that is that they're people who actually find it easy to find employment on their own and most easily integrate into the Australian society footprint. Do you have any concerns about reducing that number? That's some of the - been some of the benefits of the skilled migration, you know, the easy integration, particularly into the labour market in Australia.

45

**MR BAYLISS:** I think the main thing is that it's never going to disappear. There are still people who are going to come in from the skilled migration channels, and the great percentage of those come from - from the skilled migration channels come from other English-speaking countries, such as the  
5 UK, through the New Zealand and the - from Ireland. So, if you're looking into the easier integration, that might be one because - you know, through the university education streams in other countries or by virtue of being from those countries. Like, there's less of a language barrier when entering, like, a uni-lingual society such as Australia.

10

It would be a shame, from my perspective, if skilled migration is pursued at the expense of the humanitarian program. We have had fantastic humanitarian programs in previous decades that have been about a quarter of our migration intake that have really enriched Melbourne. I - just Victoria  
15 Street in Richmond and Footscray, and I think Melbourne has done a fantastic job at integration, through the humanitarian programs - - -

20

**MS McCLELLAND:** Are there any features of those programs? I might be repeating the question that Paul asked earlier. Were there any features of those programs that it would be important for us to think about now, in terms of improving how humanitarian people fit into Australian society, or integrate, and do well?

25

**MR BAYLISS:** Ensure that they have training, ensure that there are employment opportunities, ensure there are adequate services in inner-city areas, ensure that there is affordable housing.

30

**MS McCLELLAND:** We have a question in our report about how to improve important services to migrants generally, particularly humanitarian, and we would be interested in any information about that.

35

**MR BAYLISS:** And the costs towards providing the services to people who - the humanitarian program not to be at risk or sacrificed for, you know, projects elsewhere.

40

**MR LINDWALL:** Do you think that the intake that Australia has, higher or lower, as it may be, affects world population growth in any significant way?

**MR BAYLISS:** No, I don't. The world's population growth rate is so high that I don't think it really affects - however many people Australia take in, I think the world's population - the world's poor are - they're growing at about 80 million a year, so - - -

45

**MR LINDWALL:** My question then is - I agree with that - - -

**MR BAYLISS:** Yes.

**MR LINDWALL:** Some people might, say, argue that Australia, if we cut our immigration rates to a very low level, is not pulling its weight, if you like,

in terms of its contribution to people movement in the world and - yes, you might be concerned about the environmental and social and other impacts on Australia (indistinct) and concerned about the impacts outside of Australia and that every extra person we're taking is a person who is less-harmed than they would be in their other country (indistinct).

**MR BAYLISS:** I want to tackle that question from a couple of angles. It would be fantastic if Australia could still be in a position to be a net exporter of agriculture and resources, rather than it be consumed by urban sprawl and, you know, subsumed by infrastructure as well. I think as these resources become more scarce worldwide, Australia is in a position to provide that - would be advantageous for the world and for Australia economically.

Also, change happens - and this is from the United Nations Population Fund - not through the movement of people but finding the root cause of what's causing population growth and inequality worldwide. You tend to find, wherever there is an inequality of gender in countries overseas, that families tend to be larger and, I think, every year there is about 22 million unwanted pregnancies that are reported worldwide. So I think a very generous foreign aid program at the grass roots and is geared towards providing equality for women and access to family planning services, non-coercive and - you know, so women can have a say that "This is the family size that I would like" - you would see change worldwide. That does take money, and Australia has lessened its foreign aid program, unless it's changed very recently, I think, much to our detriment. I think Australia should be listening to the United Nations population and really be going into those discussions as to how we can make a proactive change - countries of those choice.

I think people generally would rather stay in their home country if they could - I mean, I'm sure we all would - and to pack your bags and leave, not sure where you're going to end up would be incredibly harrowing. What if we can do our bit to make sure that people don't have to reach that decision in the first place?

**MR LINDWALL:** One more question from me, and I think it's about it, really. What do you think about the option that we've been asked to look at of having a price-based entry system, where, instead of having a skilled entry system, which of course you say should be reduced - but we allocate the 25,000 quota, as you're proposing, by price rather than by qualitative criteria?

**MR BAYLISS:** I have a few strong concerns about that. I don't - I just don't feel comfortable with buying one's passage into other countries, you know. It can be based on "who has the most money" comes in, and that's just very - sits uncomfortably with me, from a social fairness perspective. There would still have to be government regulations in place to ensure that people are not buying their way into Australia for jobs that no longer exist during recessions, or anything like that. So, you would have to be very careful that - not going to



have a price-based system and then not have any internal auditing around that. Yes, I have concerns.

5 If some were turned around and - said that money would be used to provide services for people for the humanitarian program or for more infrastructure or for building sustainable communities in regional Australia, for further growth, that's one thing but I, you know, have my doubts.

10 **MS McCLELLAND:** Thank you very much.

**MR LINDWALL:** Thank you, Mr Bayliss.

**MR BAYLISS:** Thank you very much.

15 **MR LINDWALL:** I think we're scheduled now for a short break.

**ADJOURNED** [10.58 am]

20 **RESUMED** [11.15 am]

25 **MR LINDWALL:** I think we've got Mr Philip Lillingston. Is that correct?

**MR LILLINGSTON:** That's correct.

30 **MR LINDWALL:** Would you like to give your name and background, or perhaps the organisation you're representing, for the record, please?

**MR LILLINGSTON:** My name is Philip Lillingston. I represent no one else but myself. I have had an interest in immigration and, coincidentally, actually paid immigration for probably a good 15 years.

35 **MR LINDWALL:** Do you want to give a five-minute introduction?

40 **MR LILLINGSTON:** Yes. I would like to start off by thanking you for inviting me here and allowing me to speak today. I would especially like to thank the Commission for publishing a draft report before the final report is released, so as to let people like myself and possibly others in this room to know where you're heading, and, if we have a second submission, direct it in a more appropriate direction.

45 What I would like to do in my allotted time is give a short précis explaining my submission, titled "Simple, Equitable and Beyond Abuse", briefly describe one of the virtues of the system I have mentioned and briefly address one aspect of the draft report, and then submit myself to questions.

For the sake of the argument, I shall take a guess that \$60,000 would be the market price established by auction for the price of a residence visa to Australia. A précis of my suggestion for the new system is, it is an immigration auction system, where all applicants have to do is successfully bid for a price, pay the price and then pass health, character and security checks to be granted a visa. It is simple: no professional qualifications, job history, job offers, references, marriage certificates, proof of filial relationships would be needed. No retention of migration agents. No investment of 18 months of one life, going through various bureaucratic and judicial levels, after which success is not guaranteed. It will be equitable, subject to HCS, health, character and security, checks and possibly age and also possibly discounts in prices for children of applicants. Apart from that, all applicants will be treated equally. It will be beyond abuse. Bribery, forgery, soliciting mendacity or offering false affection would no longer be pathways to gaining permanent residence.

One specific aspect I would like to highlight about my system is the democratic aspect to choose the humanitarian intake. Article 2f of the terms of reference request examination of “opportunities for Australian citizens to be altruistic towards foreigners, including refugees”. It is interesting to note that the Treasurer referred to the opportunities for citizens rather than their government. The reasons for this may be twofold. A natural cynicism in democracy is where the people are not always completely trusting of their politicians to put their self-interests aside, and the nature of a democratically-elected executive, federal executive, which can only be appointed by a majority vote and must, in practice, leave approximately half the population unrepresented.

Thus, one of the goals of the Productivity Commission Inquiry is to search for opportunities where all Australian citizens can themselves, if they so wish, directly have an input into the humanitarian intake. The existing system has no means to facilitate this and, to the best of my knowledge, neither does any published submission which opposes a price-based system.

I won't go into the specifics now but, under a price-based system, all the majority of adult Australians would have to do, in fact, was to donate 29 cents a day to their chosen NGO, non-government organisation, to finance an intake of 24,000, a figure which is higher than the recent annual intakes.

From the draft report, I would like to list advantages of a price-based system not mentioned in that report:

- (1) Democratic, as I previously mentioned;
- (2) It introduces a deterrent against fraud, deceit and criminal behaviour;
- (3) Improves the character of successful applicants;
- (4) Minimisation of apparent corruption in the visa-ranking system;

(5) No absolute refusal, subject to HC&S checks, for applicants;

5 (6) Significant decrease in non-skilled immigrants, which in itself is not a virtue but the fact that there is a decrease in non-skilled immigrants opens up more places for skilled immigrants.

Done.

10 **MR LINDWALL:** Thank you. You could have gone a little bit more. That was fine. Could I start by saying that in our draft report, very briefly, we assessed the current system, we looked at the price-based proposal, noted a few concerns sort of then came out that - we didn't particularly favour a price-based system, you know that today, and then we suggested, in chapter 13 of  
15 the report, hybrid options that would have aspects of a price-based system, so we might go there in a second.

20 One of the key concerns with the price-based system is not per se that there's something wrong with it, although some people would argue that, but it was that - how does a country like Australia introduce a price-based system when all of our competitor countries, the United States, Canada, New Zealand, the UK, European countries in general, and so forth, do not have it? If you took the argument, which I think we did, that - if you were to rank the contribution of potential immigrants and then immigrants according to fiscal and social and environmental - not so much environmental impacts, which is  
25 more based upon population per say, but fiscal and social, that the higher-skilled ones tend to integrate better, get a job fairly easily and make a high net fiscal contribution, tax over benefits, over their lifetime, quite substantially. They're the ones that are most mobile and they can then go to  
30 an alternative country, such as the US or Canada, say. How do we implement a system like that, with a high price, which might discourage the very immigrants that are likely to make the best fiscal contribution to Australia?

35 **MR LILLINGSTON:** It is quite true that highly-skilled immigrants will initially look to Australia and say, "I don't want to pay \$50,000. I'll go somewhere else," but there are other factors that must be taken into account. Under the current system, your implication is that these talented and motivated applicants will get in, but we don't know that. What we know is that people who present themselves as motivated and talented will get in,  
40 while at the same time some motivated and talented, motivated and dedicated, due to the imperfect science of character judgment, will not get in. We'll still miss them anyway.

45 An applicant who is very adept at soliciting glowing references, as well as showing himself in his best light in an immigration interview, may be equally smart enough to realise that the job he would probably get on arrival would not be enough to justify his \$50,000 investment also.

As mentioned elsewhere in the report, there is an unmistakable surplus of willing migrants throughout the world; it's not like 60 years ago, when we had to pay £10 to get what we call Pommie immigrants to come out here. To quote - first-world countries with pleasant climates offering places can afford to be choosy. To quote the draft report, "Reductions in travel costs and advances in information technology have also led to a substantial increase in the level of immigration."

It must also be remembered that, even among first-world countries, Australia really is a prime objective for many seeking the promised land. It is a liberal democracy, using the world's most pervasive language, with a first-world standard of living, extremely agreeable climate, low crime and minimal civil unrest. Add to that the fact that the proposed tariff system eliminates the application of a lot of red tape, as well as freeing applicants from any employment obligations on arrival, for those who lead busy lives and can afford it, it would be a short, simple and unencumbering process. The current situation for Australia is that it is a seller's market.

**MR LINDWALL:** Seller's market maybe in immigrants generally but I'm not entirely convinced that it's a seller's market in terms of the very higher-skilled immigrants, who - I don't think there's necessarily a very large oversupply of highly-skilled immigrants, potential immigrants.

**MS McCLELLAND:** Just adding to that, I guess - I mean, just - yes, because this is quite an important point, I think.

**MR LINDWALL:** Yes, it is.

**MS McCLELLAND:** It is sort of the basis of - it's behind our recommendation, what it does to the composition of the intake, the charge. There are other concerns too but it is a critical one. It is the idea that - is there that amazing surplus of highly-skilled people who really want to come here and will come here rather than the US and Canada, which are the two main competitors, but with places like Malaysia being increasingly - Singapore being increasingly competitors - and quite often we are not the first. We're often - for people who come here, we might be their third. So, it is something that's worth really thinking about and it is thought about in our PE modelling. I was wondering whether you had had a chance to look at the way we went about doing this through our PE model, which is now on the website, and whether you've got comments on the actual model that we use to try and determine this composition effect.

**MR LILLINGSTON:** I did look at the modelling. I found it rather complex. I think you're more professional than I am, so it was probably done correctly but I found it rather complex. It goes to the point of "What about the really high-skilled?" I think it's a moot point; they're just going to go to America or Japan, Germany, anyway, no matter what we charge or don't charge. Apart from the really high-level - but the high-level, I think, are obviously still going to come, especially - this is only anecdotal but Europe has quite a lot of

5 first-world countries which appear to be, in contemporary circumstances, having a lot of problems there. There must be a lot of talented people there who are looking for somewhere else to go. People generally, I think, migrate round - I can't believe that Australia making it a little more difficult is really going to stop people who would like to come to this country.

**MS McCLELLAND:** It is the empirical question and how we try and determine it is the issue. We've tried to do it through this modelling.

10 **MR LINDWALL:** The price that we spoke of, \$50,000, for example - your proposal is for an action, in other words, you set the quota and then the price drops out, it becomes endogenous, as an economist would say, I guess.

15 **MR LILLINGSTON:** To the quota, yes.

**MR LINDWALL:** Yes. You don't really have a view on the appropriate level of the quota, which, of course, goes to this population-growth question. Your contention is that having an auction is a superior way of charging a migration system, subject to the health, character and security check, then an alternative of setting a fixed price and then seeing what we get out of it.

**MR LILLINGSTON:** Yes.

25 **MR LINDWALL:** One option is, you can set the price and the number of people - come will be, of course, determined endogenously, so the price is fixed, or, as you're proposing, you set the quota and then the price is the variable. Why do you think that's better? I know you've written it here but it's handy if I - - -

30 **MR LILLINGSTON:** I think it's very superior because, with a fixed price, you might get more people than their allocations, so you have a problem there, or you have less people than allocations.

35 **MR LINDWALL:** You might set too high a price or too low a price.

**MR LILLINGSTON:** Yes, set too high a price or set too low a price. I think the important thing was, with government - with our economy is for the Parliament to decide how many we should allow in this quarter or this year, and that is very pivotal, so this is the best way to facilitate that, with an auction system.

45 **MR LINDWALL:** Do you think potential immigrants would be put off by not knowing the price that they might have to pay or would it be more that you enter the auction and - you gave examples of eBay, as a case in point. It can be run that way and you set the price that you're willing to pay, a shadow price or something like that, and then you wait to see if you're accepted or not at the maximum price that you, as a potential immigrant, are willing to pay?

**MR LILLINGSTON:** Electronic online auctions are much superior to traditional auctions. eBay is an example. You see something you like, you value it at \$10,000 and you just put in a bid for \$10,000. Hopefully, the market price will be \$5000 and, if it is that, you get what you want and you get your 5000 back, you only pay the \$5000. It's immeasurable to traditional auctions, plus the fact that you don't have to be hanging around right at the end, the last minute, to get in that extra bid; you can put your bid in, then walk away and forget - well, you wouldn't forget about it but walk away until tomorrow and then find out how it went. The same thing here; one bid, that's all you need.

**MR LINDWALL:** One of the arguments used, as opposed to simplifying the system with a price-based system, is that it allows a person who is going to earn a considerable sum over his or her life in this country, compared to the alternative, to offset that initial levy. Would you see the availability of capital being important? How would the person, who may be poor initially but comes to Australia and, over his or her lifetime, earns more than enough money to repay that loan - should the loan be over a period of - should it be - they might lend money from - borrow money from people in their own country with some sort of egregious terms to it. How does one prevent that?

**MR LILLINGSTON:** They can also borrow money on egregious terms to buy a house. I don't think it's really anything to do with us, their financial relationships. It's unfortunate that some people won't be able to come in because they can't afford the fee but their place is going to be taken by somebody who could afford to pay it and, obviously, the fact that they could afford to pay it means they're productive or they have wealthy friends. In either case, they're not going - if it's by a donation of the money, they're not going to be given just \$50,000 and that's it, because they get here and then they've got to get a job and there's no welfare for them, initially. Obviously, if they're going to be given money, they're going to be given significantly more than that. So, as much as there will be some, the probability is that it will be all productive people who win the bids.

**MR LINDWALL:** How do you address the - going back to the modelling we were discussing here, where our model showed that it put people into skilled migrants, excluded humanitarian for the basis that we were talking about before - but it had skilled immigrants and family immigrants and people who are currently not eligible, they don't meet the criteria that we have in our present system, and, effectively, the model showed that the number of skilled immigrants fell and the number of family stayed pretty much the same, and the number of people who were currently ineligible went up quite a lot, almost, basically, offsetting the skill (indistinct) skill. Since the people who are currently not eligible fail the test for a number of reasons, (a) they may not have the skills, (b) they may be of a higher age than the current level, why is it that - one could posit that the people who are currently in the ineligible category are less likely to be able to make a net contribution to the society than the people in the current skilled criteria. If we're substituting from one to the other, we may end up with a fiscal detriment.

Our model basically found that, yes, you get the short-term revenue from the fee but, over time, we get lower tax receipts from the immigrant, we pay more in services and, on net, it's pretty square. There's a bit of an error bound around it. There's a nice chart in our report showing that. You don't agree with that, I guess.

**MR LILLINGSTON:** It's just hard to imagine a group of people in that - who win the bid, have all this money, plus have money to keep them going once they initially get in, who are not long-term productive. It just doesn't - - -

**MS McCLELLAND:** I guess a question is, if you've got a lot of money - one of the - the basis of our modelling is, you come to Australia because you think you can get more money by coming to Australia than you can by staying where you are.

**MR LILLINGSTON:** Yes.

**MS McCLELLAND:** If you've got lots of money where you are, why would you come to Australia? You know, it's this "willingness to pay, plus capacity to pay" dichotomy. If I'm able to pay that money, doesn't it also imply that I might be doing quite well where I am?

**MR LILLINGSTON:** Yes.

**MS McCLELLAND:** So, the motivation to come might not be quite - to improve my position might not be quite the same. It's where that surplus group is and who they are that you're talking about that will be willing to come. Sorry, I probably interrupted you.

**MR LINDWALL:** No.

**MS McCLELLAND:** I was trying to - this distinction between willingness to pay and capacity to pay is quite an important one. How we can tease that out is - you implied that the people who had capacity to pay are the people who are going to make the greatest contribution, and also the ones that are going to be most wanting to come.

**MR LILLINGSTON:** I'm sorry, I'm having trouble getting my head around that.

**MS McCLELLAND:** I've probably confused you. I'm sorry if I have.

**MR LILLINGSTON:** People who are moderate earners overseas, save up their money, come here and they're just moderate earners here but, I mean, they're still earners. I can't see how we've lost out by them.

**MS McCLELLAND:** They might not be anywhere near as significant as a contributor in Australia than the ones that haven't got the money to pay. That's the point.

5 **MR LILLINGSTON:** Okay, but there's always - a basic problem with this argument is that, the skilled ones who don't have the money that we let in, how do we know they are skilled? They tell us?

10 **MR LINDWALL:** There is some assessment of that. The major part of that is driven by employer nomination through, say, the 457 visas for temporary migration and so forth, so most of them come with a job.

15 **MS McCLELLAND:** By and large, also, when we look at how they go, the data tells us that they do well here, better than those who don't have the skills. So, the data tells us, on the whole, while there are probably better ways that we could improve that identification of skills - because if you look at the information in our report that skilled people do much better in the labour market - the people we have identified as skilled do much better in the labour market than those we don't - indicates that we're doing some kind of  
20 identification correctly, even though it might not be perfect.

**MR LILLINGSTON:** If the skilled people can convince you they're skilled, then obviously they can convince a bank or friends that they're skilled to borrow money. It's always suspicious about somebody who allegedly is  
25 skilled but they just don't have the money. \$50,000, obviously, is a lot but, in the scale of it, it's not really that much; I'm sure you could borrow it off family - pay it back in five or 10 years, or something.

30 **MR LINDWALL:** Do you think - we had a recommendation on this, in terms of the investor visa, the significant investor visa, and the premium investor visa. Couldn't you see the significant investor visa as almost a revealed preference of a pricing system? It's a bit different buying assets rather than putting money directly into what we've called consolidated revenue but, nonetheless, they're high-wealth people, who - and you can see  
35 the composition of the immigration intake for the significant investor visa, small intake though it is, but the fact is that the data that they matched with the tax data showed that they paid pretty low tax overall, compared to, say, the humanitarian intake. Isn't that an interesting sub-sample that might give you an indication of the risks of having a price-based system? The other part of  
40 my question is, would you agree that, if you wanted to move to a price-based system, you should pilot it in some way, you shouldn't just change the whole system from what it is now to some new system, without doing some sort of trial?

45 There are two parts to that question. Firstly, is the significant investor visa a way of determining the likely types of people who might be attracted to a price-based system, or not, and, secondly, whether, if we were to go to a price-based, you would recommend having a pilot of some sort.



**MR LILLINGSTON:** With regards to the investor visa, I had a friend who worked in the immigration department about 25 years ago, and things might have changed now. He said there was a big hassle; somebody would borrow money, put it into their bank account and get in on the investor visa and then give it back to the mate, who would then give it to somebody else, like that.

Investor visa - we're only talking a small amount - - -

**MR LINDWALL:** Small numbers, yes.

**MR LILLINGSTON:** Yes, but you're talking about an example. I would - - -

**MR LINDWALL:** The other thing - sorry, I should say that the other thing about the investor visa is the age range of the people who apply for it is pretty old, which I suppose is understandable, since they've got the accumulated wealth.

**MR LILLINGSTON:** I think there might be a misunderstanding here. I do not believe the price-based system should be used because of the money, even though the money is important. I think, for the other reasons I mentioned earlier, especially getting rid of abuse in the system, is very important. Plus, the democratic (indistinct) of the humanitarian intake and - well, yes, and getting rid of not only the abuse of the system but also some people who can just get here because they have family or something, and it's immaterial to them - if they really want to come, they'd go somewhere else. It's much more important to Australia that we have suitors wanting Australian citizenship who are very, very keen, not someone who is looking for any port in a storm. I think the auction system really helps to do that, separate the wheat from the chaff.

**MS McCLELLAND:** I've got a question about the humanitarian but also a question about price generally. Maybe I should ask them both - give them both to you and you can answer them in whatever order you think is most appropriate. In relation to the charge, do you think - we made a decision that should only apply to permanent immigrants from the - not temporary and permanent - and I was wondering about your view about that decision. Then I've got a question about the humanitarian intake, but I might leave that.

**MR LILLINGSTON:** Okay. Yes. I thought the permanent immigration question was enough for me to get my head around. I don't have a lot to say about the temporary, except for the fact that I think it's a good idea for people coming here on the temporary to put a deposit down of, say, \$2000 or something, just to keep them honest while they're here and they don't try and drop out of the system, or something. Sorry, your second question?

**MS McCLELLAND:** You mentioned earlier about, in our terms of reference, how we had the opportunity for people to be altruistic, I think you mentioned that.

**MR LILLINGSTON:** Yes.

5 **MS McCLELLAND:** I was thinking about, in relation to the humanitarian program, we had this pilot that we talk about in our draft report, the Community Proposal Pilot, whereby, if people pay a certain amount, I think it's 50,000, they can come in under the - people can sponsor people to come in under the humanitarian. It seems to me that that is an opportunity for people to be altruistic and I was wondering whether you'd looked at that pilot, 10 because - you know, you could expand that pilot and we sort of suggested maybe it will be expanded but we haven't said in what way, whether it should be part of the existing quota or in addition to the quota. Just in relation to your point about the opportunity for altruism, whether you had looked at that pilot in our report and had any views about it.

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**MR LILLINGSTON:** I apologise for not noticing that.

**MS McCLELLAND:** That's all right.

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**MR LINDWALL:** I can understand.

**MS McCLELLAND:** It just seemed to me, it was related to your point.

25 **MR LILLINGSTON:** Okay. I'd like to get to the point. Over the last few years, we've had the boat people coming to Australia and all the kerfuffle with that. One point that's come to notice is, a lot of these people are paying the smugglers something like \$15,000, or so, to get in, which leads one to believe that these people in the home countries are somewhat productive there, they probably have trades and all that. If we had this pilot system of 30 \$15,000, obviously, it is going to be susceptible to corruption where somebody who was quite talented and skilled would normally pay \$50,000 but if he can get a few friends to declare that he's a refugee, then, he can just come in on 15,000. I think a virtue of this system is, it's so clean in the way that so many people are treated equally. When I did the maths on how much 35 it would cost each person to bring in refugees, I was surprised at how little it turned out to be; 29 cents - - -

**MR LINDWALL:** That's based on a \$50,000 price.

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**MR LILLINGSTON:** Yes, based on a - yes, we're all in the air on that. 29 cents per person per day, and that's not every Australian, that's only if we're talking about the majority of Australians, which is half of adult Australians, and if it's less than that who are willing to pay, then, that means that less than the majority of Australians really care that much about 45 humanitarian intake. That would still be a correct reaction to what Australia thinks. Do you see my point there?

**MS McCLELLAND:** I don't quite get that point.

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**MR LINDWALL:** I'll say it again. If less than half of adult Australians are willing to pay this money, it means that the majority of adult Australians, which effectively are voting Australians, which effectively is Australians - the majority of those adult Australians don't care that much about humanitarian intake. So, therefore, if we are a democracy, that is a correct result anyway, even if the intake does drop down. I'm not saying it would but, if it dropped down, that is not a problem, that is not a fault in the system; it only means this is how Australians really think and we should ultimately - the goal of our politicians is to respond to how Australians think about everything.

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**MR LINDWALL:** Can I go back to that - we didn't really discuss the question I had before about having a pilot - not a pilot for the humanitarian but a pilot for a price-based system per se. Have you had a chance to look at some of the options that we put up in chapter 13 of the report? We called them hybrid options.

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**MR LILLINGSTON:** I was very confident in my own systems. I wanted to look at the criticisms of it in the report but I didn't go into the alternate suggestions. Coincidentally - - -

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**MR LINDWALL:** I can outline, say, for example, conceptually, we could have a new intake, which is like the proposal you have, with only health, character and security check, with a fixed quota, a small quota to start with, and you could auction it off or you could have a price, and that could be a pilot scheme. Would you see that as a pilot scheme? You have the current system as it is, with whatever the intake that government determines, and they have a new add-on, which would be a small amount initially and it could be auctioned. For people who don't meet the skilled criteria, they could go through this other means, and that could be, then, a trial for how attractive that scheme might be, both in public acceptance but also in its efficacy. Then, later on, you could determine - you could review that and see if it should be increased and the rest of the system shrunk and eventually overtaken. That's one approach. Would you see merit in that or do you see that your scheme should go - we should change immediately, or whenever, from our current system to your proposed system?

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**MR LILLINGSTON:** Coincidentally, I prepared my final comments I was hoping to be allowed to say. If I could say them now, it might answer your question.

**MR LINDWALL:** Yes.

45  
**MR LILLINGSTON:** I would like to begin with an analogy. If the Productivity Commission was asked to undertake a study of the feasibility of changing Australia's road system from left-hand drive to right-hand drive, there was one conclusion that would not be reached. The report would not say that, "Considering the number of unknowns about changing the system, we advise that Australia should engage in a five-year trial period during which all traffic signs and road markings must move from one side to the other. Then,

after five years, if it doesn't work out, we'll change it all back again." This is the type of decision that has to be correct the first time but, with immigration, it is different; it can be trialled. We do have a lot of unknowns, page 16 of the report, "There is no precedent for such a system, there is considerable uncertainty around a price-based system, potential consequences, for the reasons outlined below. The actual impacts of such a system are likely to remain highly uncertain." Page 148, "As such, the magnitude and possibly size of the revenue impact of adopting a migration fee is uncertain. Page 414, "The projections indicate that the direction of change for all age groups is subject to considerable uncertainty." Page 425, "The modelling of the draft report has not been able to fully explore the uncertainty."

Changing to what might be a temporary system would be almost effortless. I don't want to degrade the work of the immigration department but there is no infrastructure involved; it would be somewhat - quite easy. During the five-year period, for the sake of comparisons, statistics could be kept on the actual revenue stream from visa purchases, the decrease in administration costs from the current system, the average income tax paid by immigrants, crimes committed by new immigrants, cost of government social services, other indicators for positive or negative contributions to the community.

When you talk about a smaller system of just 10,000 places or something, the fact that the other system is running with it would have such an adverse effect on it - - -

**MR LINDWALL:** Obviously. Yes.

**MR LILLINGSTON:** Yes, then it would be very difficult but if you put it to the government that "For five years we trial this," it's easy to do. If some people can't get in because it turns out that the price - for some reason a lot of good people don't get in, they just wait five years until the system has changed, it's not an impractical thing, but I believe Australia could really, really benefit from this and I believe it's something worth trialling.

**MS McCLELLAND:** I've just got a couple - I think we've got time for a couple more questions, have we?

**MR LINDWALL:** Yes.

**MS McCLELLAND:** I think it's 12 o'clock we're finishing. One of the things that the terms of reference asked us to do is to look at the - to look at limiting welfare to the people who would pay the charge. We're trying to interpret what is meant by limiting welfare. So, when we did our modelling, our interpretation was that the current system limits welfare; you know, you don't get any payment until you've been here for two years and you don't get things like the age pension until you're there for 10 years. That's limiting but we've had - some response was, "Well, no, it should be limited more than that." Do you have a view about what should be meant by "limiting welfare" under the terms of reference?

**MR LILLINGSTON:** I'm also embarrassed to say that I knew - the plan was that - I knew it existed now. I didn't realise it was so short, just two years.

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**MS McCLELLAND:** Two years for an unemployment payment but 10 years for an age pension.

**MR LILLINGSTON:** Yes, 10 years for the pension. Yes, I do. I think it definitely has to be a longer period.

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**MS McCLELLAND:** Do you have a view about how long or any information about how long?

**MR LILLINGSTON:** Not really but I think it would have to be at least 10 years. If someone, as we refer to, manages to get the \$50,000 and then hopes to stay alive on a wing and a prayer in Australia, it shouldn't be like a two-year period; they just get by on that and then they go straight onto unemployment. It should be a serious period.

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**MS McCLELLAND:** They probably would need more than 50,000, then, to provide some - - -

**MR LILLINGSTON:** Yes

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**MS McCLELLAND:** Would it be more than just payments? Would it be limited access to services, and what are we talking about? Would we be talking about health or an education; what sort of - or is it mainly payments?

**MR LILLINGSTON:** Considering they have done a health check to get in, I don't think they should be limited to healthcare, and not education. I think, pretty much just unemployment and housing went with that as well.

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**MS McCLELLAND:** So we would have that assessed at that - - -

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**MR LILLINGSTON:** Yes. Definitely. Yes.

**MS McCLELLAND:** Thank you for that.

**MR LINDWALL:** That's an important point because you could also require people to have private health insurance before entering, I suppose, to offset some of the medical costs but it wouldn't be particularly sensible to refuse medical services to people who've fallen over - and a heart attack in the street or something like that, just because they - - -

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**MR LILLINGSTON:** They were so happy to arrive in the promised land.

**MR LINDWALL:** Yes.

**MR LILLINGSTON:** Can I make a point on that?

**MR LINDWALL:** Yes. Please.

5 **MR LILLINGSTON:** One of the points brought up in the report was that,  
with an open system like this, middle-aged people or elderly people would  
come in and then they wouldn't be as productive as young people. I think a  
simple way to address this is not to deny them entry but to have a varying  
10 degree of limitation on benefits, depending on how old you were. For  
someone who's older, they might have to go longer without certain benefits,  
or even older before they can collect a pension, just so we're not overbalanced  
if we have too many old people and it's a bigger drain on the fiscal health in  
Australia.

15 **MR LINDWALL:** Would you be in favour, therefore - I think you alluded to  
this earlier - of having differential pricing for younger people, say, than older  
people?

20 **MR LILLINGSTON:** No, not visa pricing, it's got its own price, but in  
government benefits.

**MR LINDWALL:** My final question, I guess, unless you say something that  
I need to ask you about, is about the sponsorship option that we were talking  
about. The Australian Government Actuary did a study of older immigrants  
25 for the - have you heard of the Contributory Parent visa?

**MR LILLINGSTON:** I remember reading about it. I'm not - - -

30 **MR LINDWALL:** It's about 47,000 or someone and it's for people who  
would otherwise have to bring their family, their parents, in, who would have  
to wait very long periods of time - can pay a sum, \$47,000-odd, and it's  
expedited. It's very close to about 50,000 we're talking about. The actuary  
found that the net cost, on average, of a 65-year-old, or something like that,  
immigrant is about \$260,000 in present-value terms, so the 47,000 is way  
35 below the 260,000 - - -

**MR LILLINGSTON:** The cost in pension benefit - - -

40 **MR LINDWALL:** Pension benefits and other benefits that are provided.  
One could argue that if you wanted to sponsor people you should have a more  
fiscally-reflective price for that.

45 **MR LILLINGSTON:** I think it just goes to my previous comment, I  
suppose. The older you are, the less able you are to collect government  
benefits.

**MR LINDWALL:** By delaying it for a while.

**MR LILLINGSTON:** Yes. Delaying it, yes.

**MR LINDWALL:** Yes.

**MS McCLELLAND:** I have no more questions, thank you.

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**MR LINDWALL:** That's fine. Thank you very much for your contribution, Mr Lillington.

**MR LILLINGSTON:** Thank you for all the time and the questions.

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**MR LINDWALL:** I should talk a bit about timing. We're scheduled now - it's almost 12 o'clock - to have a lunch break and then come back at 12.35. Then we've got two other presentations till about 1.35. Then there's time till about 2 o'clock for any other additional contributors who want to either add to their remarks or make new presentations, of short duration.

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**LUNCHEON ADJOURNMENT**

**[11.58 am]**

20

**RESUMED**

**[12.35 pm]**

**MR LINDWALL:** Julie, if you would like to give your name and who you represent for the record and we can get started, and then perhaps give us a five-minute introduction, if you like.

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**DR CONNOLLY:** Sure. My name is Dr Julie Connolly. I am a manager with MDA. As an organisation, we're a not-for-profit and a non-government organisation but we prefer to be known for not what we're not but what our purpose is. Our purpose is very much about building prosperity in Queensland by capitalising on cultural diversity. As an organisation, we're particularly informed by a commitment to social justice and human rights. Most of our work is with refugees and asylum-seekers. We receive funding under what's known as the Humanitarian Settlement Services Program, for example. That's one of our major contracts. That's basically who we are.

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I'd like to thank you for the opportunity. I've been fascinated by the comments that have been made thus far. I think it was an excellent report, really comprehensive, and very thought-provoking. As an organisation, we haven't actually been through it all yet. What I'm going to speak to specifically are draft recommendation 6.1 and information request 6.1 and 6.2, which go specifically to - - -

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**MR LINDWALL:** Social - yes.

**DR CONNOLLY:** Yes. Overall, I think the impression of the organisation was that this is going to be a commitment to the wellbeing of the Australian

5 population and the nuanced outstanding of what wellbeing was, consisting of economic, social and environmental factors is well received. I think we also have a commitment in ensuring that the system itself abides by principles of natural justice, so it's fair, it's transparent and possibly simplified. I think that's the overarching comment that I wanted to make.

10 We welcome the fact that the humanitarian intake was effectively quarantined from some of the considerations, particularly with regards to fees and qualitative criteria. We think that there's a strong rationale that that continue to be the case, that the humanitarian intake is in fact quarantined, and, if other qualitative criteria were to be included in determining what that intake looks like, we would have to go through a bit of process of working through what the rationale for that might be moving forward. I think there's a kind of implicit - and, in some instances, explicit - bias in the system currently to find people who are linked. I don't know that that's been worked through in terms of whether or not the people who are most vulnerable and most able to benefit from resettlement in Australia are identified through a process of linking with people who are currently settled in Australia. That is an open question for us and something that we discuss with the department on a regular basis.

20 That's just our general comments.

25 In terms of draft recommendation 6, which is about a review of the mix and the extent of settlement services, with particular emphasis on the AMEP program and also employment outcomes and social integration outcomes, I think you would probably be aware that both the AMEP and the SEE, which is the Skills for Education and Employment, which follows AMEP, have just been reviewed. One of the recommendations in that review was about whether or not the system is sufficiently personalised, so whether the 30 510 hours is adequate and appropriate to all people who come to Australia. In our experience, there is a portion of the humanitarian who are pre-literate in their own language and 510 hours doesn't necessarily take them far enough.

35 We appreciate that there are financial considerations about what would be an appropriate model in that instance but we would be very interested in seeing further, I suppose, innovation in the way that that education is provided for people. We are also really interested in an emphasis on digital literacy. What we find is not only are people needing to understand the English language but being able to access our systems and services, which are 40 increasingly available through digital methods. That's something that's quite important to us.

45 In terms of economic integration or access to the labour market, the responses are twofold. Firstly, when we did some internal focus groups with our workforce, that's quite diverse, including both people from a refugee background and a migrant background, one of the things that those who had come through the migrant pathway, either first or second generation, commented on was that there was not a lot of support for initial orientation



beyond English language acquisition. That means everything from knowing that you swim between the flags on Australian beaches to the fact that if you want to see a medical specialist you've got to go to a GP first. There's a whole heap of information that people don't have ready access to, so the provision of greater advice around orientation is very important and would be hugely well-received.

In terms of access to the labour market, the issues are often not so much, particularly with the migrant group as they currently are constituted, because of the high skill level - so it's not about having requisite skills but understanding how you navigate the local labour market, what it means, what are the cultural norms that are operative in Australian workforces. I understand that Job Services Australia, so the new contracts, enable there to be a volunteer stream, so that people who are not recipients of Centrelink benefits can nonetheless access those services to find out about rrésumé writing. It might be the case that a very simple pathway of referral could enable people who come here without that local knowledge to get access to that knowledge, so that they could expedite their entry to the labour market. That was at least what people told us about the first 18 months being resident in Australia.

In terms of the humanitarian intake, I think a lot could be done to facilitate their entry into the labour market. One of the things about the way that the system works is you have providers like us who do humanitarian support, you have the English language providers, and then the Job Services system sits way out over here. They're not well-integrated as a series of services. I think that's something that was brought up - Ernst & Young have just done a review of the HSS program.

**MS McCLELLAND:** Sorry? Who?

**DR CONNOLLY:** Ernst & Young. I don't know if it's publicly available. I know the Department of Social - DSS have it. They've made some comments about the importance of, I suppose, innovation in this space. The challenge for organisations like mine who do this work is that we are tightly circumscribed by time-sensitive contractual KPIs. Reading the Ernst & Young report in light of the Harper Review and its emphasis on competition in human services was of some interest to us, to try and work out what the kind of parameters for government contracts are going forward, in terms of the ways that we can structure our work to get the best outcomes for our client group, so it's something that we're considering currently.

With regards the general question about supporting multiculturalism - I think this is the request for information 6.2 - and also racial discrimination, I think the way we think about it is about social inclusion and social cohesion, and the way that you - I think the areas where there could be significant amounts of work done to improve both integration, inclusion and cohesion are actually with our major service systems. We know, for example, in Queensland, that people from cold backgrounds are 25 per cent more likely to

die from diabetes-related illness than the general population. We know that their hospitalisation rates for vaccine-preventable illness are 20 per cent higher than the Australian broader population. So, it seems to me that some of the kind of areas of meaningful reform might have to do with those bigger systems, the way that people access them, how accessible they are. Part of that goes back to the initial questions about orientation. Part of it goes to questions of diverse workforces, the way that data is collected in those systems, so that they can reflect on their own assess-ability.

10 So, I think, in terms of integration and cohesion, there's work that can be done with health systems, the police, and I can speak to that further if you like, but they were the general comments that I wanted to make.

15 **MR LINDWALL:** Thank you very much. On the issue of innovation, which I think - it's certainly true that you'd want your services to be more innovative and more customisable to clients. The thing that I always notice in government contracts is that government contractors want to reduce risk to themselves, they don't want a scandal and things like that, and they put up these KPIs which are easier to measure and they think that they can't allow 20 too much flexibility to the contractor because the contractor might have an incentive to choose less-difficult tasks rather than difficult tasks and go to easier people rather than harder. How do you think you can encourage innovation with that type of mindset that government has and have reasonable KPIs, if you want to have KPIs, that allow flexibility but also stop abuse, if 25 you like?

**DR CONNOLLY:** Absolutely. I think the question is - in terms of each KPI, the question is, what is the outcome that sits behind that? For example, in our HSS program, we have a series of KPIs regarding housing; for 30 example, you know, within so many weeks, people must be in long-term accommodation in the private rental market, for example. Rather than having that achieved within six weeks, for example, you might say, "At the length of the contract, we would expect these kinds of outcomes for people." I think there are ways of doing that by working with the sector to kind of co-design 35 outcomes measures that make sense of the outputs that are KPI-sensitive.

For example, another one in the HSS program is that within, I think, three weeks of settlement - of coming to Australia - an initial doctor's appointment has been made, so that people can have their health assessed, whether or not 40 they've had the relevant vaccines, for example. There are good public health reasons why that should take place, it should absolutely be prioritised, but ideally you would, at the end of a contract, have people who are very literate in the Australian health system, now how to access services and have had their immediate needs addressed. I'm not sure whether or not that end could 45 not actually be achieved by something that wasn't quite time-sensitive in that way.

I think, in the Ernst & Young report there was some discussion about the revision of those KPIs so that they were more outcome-focused and that they

would be co-designed with the sector. So I think there is real potential to do that.

5 **MR LINDWALL:** This 510 hours for the English language, some people use less and some people would use more, obviously.

**DR CONNOLLY:** Absolutely. Yes.

10 **MS McCLELLAND:** Can I just take up that innovation point further before we go off it? I think you said that you thought there was scope for further innovation in relation to the English speaking. Did you have some ideas about what that innovation - - -

15 **DR CONNOLLY:** No. I'm not an expert in that at all but I have been working - in Queensland, Brisbane TAFE provides the AMEP program and I think they do an excellent job, they provide some case-management wrap-around support for people but we, as organisations, work quite separately from each other and we do that because we're responsive to our own - we all have different KPIs that we work to. So, we try and formulate, I  
20 suppose, ways of working more effectively together, so that we're trying to achieve the same things for our clients. Having scope to do that would be really exciting.

25 **MS McCLELLAND:** Can I also just pick up this point about the orientation idea?

**DR CONNOLLY:** Certainly.

30 **MS McCLELLAND:** I guess we did put high priority on orientation to the labour market. We had been told, by people that we visited before the draft report and, I think, also in submissions, that there was a gap for the partners of skilled immigrants who often were finding it difficult to get in the labour market, and there was a gap of general orientation to the labour market. I  
35 guess it's a matter of priorities, given governments have to think about resources, you know. Where would you put the highest priority? Would it be to be working more with a general orientation to everything or would you put a higher priority to the labour market orientation, and what about these partners of the skilled?

40 **DR CONNOLLY:** Sure. Part of it I would see as an early intervention, in order to ensure that people further down the track down find themselves in dependent situations. I think there is a justification for investment early in people's settlement journeys to ensure that they can integrate in Australia effectively. I think that there are - particularly with regards health, for  
45 example, there would undoubtedly be cost savings for the Australian Government if more emphasis was placed early in the process of settlement to ensuring people have access to the health services that they require, to ensure that they don't have chronic illness, for example, subsequently. I do think

there might be some room to manoeuvre about the level of investment, or at least there are some arguments to be made.

5 The question about the relationship between the broader orientation and the  
specific labour market orientation, I think there are some areas of overlap.  
One of the issues - I mean, there are quite specific things about what it means,  
what a CV looks like in the Australian context, how you respond effectively  
to selection criteria, for example, in order to demonstrate your capacity to do  
10 work. There are some specific things that people do require a little bit of  
orientation around so that they can participate in those competitive processes,  
but some of those issues around culture cross both the labour market and  
within the Australian context more generally, so, yes, understanding how  
bureaucracy works in Australia, how conceptions of meritocracy function.  
They're in fact, I think, reasons why, when you're talking about skilled  
15 migration, Australia is a particularly competitive option.

Our reputation for fairness and meritocracy is something that has been  
noted, particularly by our workforce, that's a market workforce, as a factor  
that is attractive about Australia. Understanding how that works is quite  
20 important for people, I think.

**MR LINDWALL:** Also, I guess, trust in the authorities, such as the police,  
where there's a lot of corruption in some countries and people hold back  
informing, say, domestic violence or something like that.  
25

**DR CONNOLLY:** Yes. We've done some really interesting work recently  
on domestic violence. You know that Queensland had the Bryce Report and  
there's a series of policy discussions taking place at the moment about how to  
implement systems that are more effective in dealing with a particular  
30 problem. One of the things that we noted is that the number of women from  
culturally and linguistically-diverse backgrounds seems to be  
underrepresented in accessing services. When we talk to communities where  
those problems arise, there are some instances in which police, for example,  
don't access interpreters but rely on other community leaders in order to help  
35 them make sense of what has happened, which means that women's voices  
sometimes get silenced. So, there are lots of opportunities like that to think  
about the way that we provide those kinds of services to people.

**MS McCLELLAND:** In terms of the settlement questions, the other - you  
40 mentioned the need to integrate the various things better and you also talked  
about the job network being - you know, the way that you get particular health  
or to get work - now, we want to know whether there is a case for a specialist  
employment migrant service, or is the job network the best way to do it? Do  
you have a view about that?  
45

**DR CONNOLLY:** The current - Job Services Australia - I believe that was  
tendered in such a way that there were no longer specialist services. There  
had been previously. So, it's a little hard to know what the impact of that will  
be as yet. I think our early indications are that we need to work with some of

the job service providers in order to bring them up to speed, particularly around the complexity with the humanitarian intake. I'm not sure about migrants more broadly.

5 I think, with the humanitarian intake, when we talk about the settlement  
journey there, what we talk about is helping people regain independence and  
hope. That's a really big part, particularly for people who have been in camps  
or other forms of detention for long periods of time, and lost that sense of  
10 independence and aspiration. Working with people around that is part of a  
much bigger process. We would like to see the services that we offer better  
integrated, at the very least, yes, so that people can understand what their  
aspirations are in the Australian context.

**MS McCLELLAND:** How you integrate services - it's easier to say than do.

15

**DR CONNOLLY:** I know. I know. And part of the - you know - and I  
think there are models available. I think there are ways that - we get together,  
already, you know, different providers get together to talk about how we can  
do better jobs with referral pathways, for example. There are client-led  
20 possibilities, having consumer voice front and centre in the work that we do.  
Yes, there is a range of ways.

**MS McCLELLAND:** Yes.

25 **MR LINDWALL:** In our report we said that providing services to the  
humanitarian intake is important, et cetera, et cetera, but we said it was a  
government decision as to quota. Do you have any comment on the quota? Is  
there a more scientific way of determining it or is it totally a political  
decision?

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**DR CONNOLLY:** I don't think there's a scientific way of determining it. I  
do think, as a nation, we have a capacity, we have greater capacity, for a  
higher take but I don't think there's an empirically-testable way of  
determining which of those, unfortunately, very many millions of people who  
35 should have access to resettlement. I know the UNHCR says that permanent  
resettlement is but one form of durable solution. There are others, like, return,  
and I think those are really important things also.

40 **MR LINDWALL:** What about the importance of people from the same  
culture and the same language already in situ, in terms of selecting our  
humanitarian intake?

45 **DR CONNOLLY:** I think it's a very interesting question and I don't know  
that there's any data that would help us make sense of that. At the moment  
the Department of Immigration does seem to prefer people with existing links.  
The theory is that people with existing links will settle more quickly, or more  
easily. Again, I don't actually know whether or not that is the case. I think  
what we have is such an incredibly-diverse group of people, who generally

come to Australia speaking multiple languages, that they can find access to communities of different sorts quite easily.

5 One of the things that we did recently with our client base was a narrative project around living in Queensland, to kind of collect stories from people about their experiences, so that we better understand their journey. Overwhelmingly, the feedback was that what they want is more access to the Australian community. So, if we think of it in terms of social capital, the kind of bonding capital is easy for them to formulate, it's quite easy, it seems, for 10 people to kind of develop communities but it's also about the bridging capital; it's how do we get access to the Australian community. That's what people want.

15 **MR LINDWALL:** That's a two-way street, obviously.

**DR CONNOLLY:** Yes.

20 **MR LINDWALL:** What about programs to encourage migrants to go to regional areas and - is that generally successful or - - -

25 **DR CONNOLLY:** Yes. We have had incredible success in both Toowoomba - in Toowoomba we have a lot of - there's a specific visa category, the Woman at Risk visa category. These are women who have had - from a refugee background, were being selected by the UNHCR largely because they're without family support in the camps, so they're at specific risk of sexual and - other forms of protection. They're doing exceptionally well in Toowoomba, interestingly enough. We have had really good success in Rockhampton with the Hazara community moving in and taking jobs in the meatworks during the mining boom. So, I think people do move for 30 opportunities when they're available to them but it depends precisely on what the labour market is like.

35 **MS McCLELLAND:** You said, when you mentioned that you thought - in relation to information request 6.2, about improving multiculturalism and acting on discrimination, you said you thought the answer was on major service systems and you would expand on that. Would you like to expand on that now?

40 **DR CONNOLLY:** Sure. The other thing I did want to say that I forgot, if you don't mind, is that one of the things that we're having increasing discussions about as well is the way that levels of racial and religious vilification on social media have started to affect our communities. We haven't come up with a way of addressing that yet but it's something that we're thinking about, how do we - I really don't know. It's an issue. I have 45 no idea of what the response to the issue is but that is for a question for us.

I think, when I was - can I give you a little example? We've been doing a bit of work at the moment in preparation for NDIS. Since about 2012, the Australian Government have included people with different kinds of disability

in the humanitarian program. Up until that point, it was much less likely. Ensuring that our clients have access to that kind of support around social participation is important, and one of the things that we noted immediately was that it wasn't front and centre of the NDIA. They've been working for a number of years now before they've kind of started to seek some expert advice. The reason why that's important is, this is a classic example of a concept, disability, that doesn't travel across cultures very well, so people don't necessarily think of themselves as disabled and, if they did, they wouldn't necessarily think that they should then access an individualised funding scheme in order to support their social access, just for example. That wasn't something that was thought about from the initiation of that scheme. Of course, that will change over time and, hopefully, it will ultimately be equally accessible for people, despite their cultural diversity, but in the first instance it wasn't considered important.

That would be an example of the way that, when we design our bigger system - I suppose, for us, multiculturalism isn't an aspiration, it's kind of a fact of life, it's just the way things are these days. So, yes, as systems are emerging, as they develop, understanding cultural diversity and what that means should be something that's taken into consideration much earlier on.

**MS McCLELLAND:** Is that how you understand multiculturalism? There's a variety of different views about what it is. Do you want to expand a little bit on what you think it is in Australia?

**DR CONNOLLY:** I suppose I think it as a descriptive rather than a normative concept.

**MS McCLELLAND:** You can do both if you like.

**DR CONNOLLY:** Yes. You could argue that it's a normative concept but it seems to me that it describes the fact that, within a country like Australia, there are many people from many different cultural backgrounds living here. To that extent, it describes us.

**MS McCLELLAND:** We're multicultural?

**DR CONNOLLY:** Yes.

**MS McCLELLAND:** Yes.

**DR CONNOLLY:** Understanding that in the way that we deliver everything from policing to - and, you know, the health services is quite important.

**MS McCLELLAND:** As normative?

**DR CONNOLLY:** I don't think I have a definition of that as a normative concept.

**MS McCLELLAND:** You think it's a definition of what is, rather than what should be.

**DR CONNOLLY:** Yes.

5

**MS McCLELLAND:** Some people regard - yes. Okay. Thank you.

**DR CONNOLLY:** Yes. I'm sure that there are undoubtedly hugely-divergent opinions on that but in terms of the way that I think about it I just think of it as a descriptive concept that describes something that is current and present in Australian society.

10

**MS McCLELLAND:** Okay.

**MR LINDWALL:** Can you distinguish the differential settlement outcomes of people who have come through the refugee rather than humanitarian intake, as in those chosen by the UNHCR versus where the government has gone and selected them directly, which is the latter, if I'm not mistaken?

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**DR CONNOLLY:** We just have one program, the humanitarian program, where - this is for offshore applicants, and then there are onshore applicants, which are separate. I don't believe we have any data that would suggest any specific difference between the outcomes of those two programs.

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**MR LINDWALL:** Because the latter has been growing and is relative to the former, basically.

25

**DR CONNOLLY:** Yes. I think one of the issues that isn't discussed in the paper, which is of interest to us - the government has reintroduced forms of temporary protection for onshore asylum-seekers, known as the legacy caseload, who are currently having their applications for protection processed, so it's quite likely that we'll see the granting of these visas over the next couple of years, both the temporary protection and the special humanitarian

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**MR LINDWALL:** I think that's right, yes.

**MS McCLELLAND:** In relation to that, I thought we'd raised in the report whether the lack of access to labour market services might have some detrimental impact on integration down the track for that group.

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**DR CONNOLLY:** Yes, and I understand that they will have access to some - those who are successful in obtaining that visa will have access to some job service support through Centrelink. Most of that cohort have now received - not all but most have work rights currently, they're on BVEs and currently have work rights. I know, as a sector and as an agency, we're hugely interested in ways of finding pathways for people into employment because it assists so much with integration and stability. It is an issue and it would be worth considering - I suppose the reason I raise it in this instance is that, in - I

45



understand, internationally, there is a great deal of pressure to come up with better solutions to deal with the kind of refugee crises that exist and that there are a number of nations that are considering more temporary pathways as a way of helping to manage that. I was just curious about actually whether the Productivity Commission had given that any thought in the formulation of this report. Can I ask you a question?

**MS McCLELLAND:** No, well, we didn't, not really. No. I mean, we've run out of time, I think.

**MR LINDWALL:** We've got a couple more minutes, yes.

**MS McCLELLAND:** I did want to ask about your views about the question I asked before about the community - the CPP, the community- -

**MR LINDWALL:** Actually, not a lot of (indistinct) planned.

**MS McCLELLAND:** Whether you have a view about that and what should happen there.

**DR CONNOLLY:** I think the first thing to say is that in terms of the question you asked about whether or not that should come out of the general allocation, I would keep it as separate from the general allocation. I think that is a preference because, as I stated, the criteria for entry under the humanitarian program has to do with vulnerability and that that should be retained as a criteria that the Australian Government uses to determine who should have access. I think that the CPP hasn't been operative in Queensland, so we don't have any direct experience of the settlement outcomes. We do know that there are charitable organisations in Queensland who would be interested in sponsoring people under that program, although they've indicated that the current fee is probably too high for them.

**MS McCLELLAND:** Okay, all right. Thank you for that.

**MR LINDWALL:** Have you got any more?

**MS McCLELLAND:** No, they were my main questions.

**MR LINDWALL:** I think they were my questions. Did you have anything more to - there's a few more minutes if you've got anything else you want to add that you haven't - - -

**DR CONNOLLY:** No. As I said earlier, it was a comprehensive report. We're working through some of the implications.

**MR LINDWALL:** And you'll put a submission in?

5 **DR CONNOLLY:** Yes, I hope to. I realise I haven't spoken to the kind of – the question of fees, et cetera, chapters 12 and 13, but we hope to be able to comment on that as well subsequently. But thank you for the opportunity.

**MR LINDWALL:** Thank you.

10 **MS McCLELLAND:** Thank you very much.

**MR LINDWALL:** Well, we've got a few more minutes. Is Geoffrey Holman here? We could go straight on to you if you are ready, sir. Then we have more time later on.

15 **MR HOLMAN:** I've got some dot points.

**MR LINDWALL:** Sorry?

20 **MR HOLMAN:** They're dot points of this, I just wondered whether - - -

**MR LINDWALL:** You sent me through something.

**MS McCLELLAND:** If you sent them through we've got them.

25 **MR LINDWALL:** We've got them.

**MS McCLELLAND:** It's okay, we've got them.

30 **MR HOLMAN:** They may not get (indistinct) but I was going to talk to those, really.

**MS McCLELLAND:** We have them.

35 **MR HOLMAN:** Okay, good.

**MR LINDWALL:** If you want to give your name and your organisation, if you haven't, and then perhaps give us a bit of an introduction for five or so minutes.

40 **MR HOLMAN:** Okay. Well, I'll probably just – I'll give myself a brief introduction, then I'll just go straight into the presentation, which I think is – I don't think will take too long.

45 **MR LINDWALL:** Okay.

**MR HOLMAN:** My name is Geoff HOLMAN. I am a private citizen, so I don't represent anyone. But I've got an interest in this subject. I've had

an interest for many years. I do have a few concerns about the draft report as I understand it. It's quite a lengthy report, so it's not that easy to actually – I found that as a problem with it actually, that I couldn't really come to grips with it in quite the way I wanted. I mean, it seemed to be  
5 lacking in that executive summary which I thought was – I don't know why, but there is key points instead. I like an executive summary so I can just see what it's all about before I get - - -

10 **MR LINDWALL:** There is the overview.

**MS McCLELLAND:** The overview is meant to do that, along with the key points.

15 **MR LINDWALL:** Whether we failed in that objective, but that is the objective of that, yes.

20 **MR HOLMAN:** Okay. Well, what I've – my main concern really is that – well, my main thoughts on it really are that there needs to be a better data source, a modelling source, to take account of future circumstances. I mean, as I said, it's a very comprehensive report. But it doesn't seem to come to grips with the – it seems to be based very much on past modelling, modelling taken from previous reports by yourselves or other people in terms of productivity. As I understand it – I mean, this is what I was trying to discern what the policy was reading through it.

25  
It seems that the policy, as I understood it, from the report is an economic one essentially. It's got not a lot to do with the humanitarian aspects, as I understand it anyway. It's more to do with – I mean, I can't actually quote the line in the report but it is a reference to the policy that you make in the report. The reference concerns the economic aspects of immigration essentially. As I understand it as well, the economic justification depends very much on the productivity, this productivity number that you've come up with, which I think is - - -

35 **MR LINDWALL:** I'll talk about it in a second.

40 **MR HOLMAN:** I mean, I may have got it completely wrong. But the productivity is a very hard issue to grapple with, I would think. I mean, I don't know where you start doing it. Essentially really all you can do is compare, I suppose, sort of GDP from one year to the – from this year compare it with last year or 10 years ago to see where it's all heading. Really that is the point or part of the point anyway.

45 At the present time we're depending on past information, historical information, to predict the future to come up with numbers. I mean, a lot of this is to do with numbers of migrants or, as I see it, population; really, it's a population issue. Migrants are just an important part of the

population growth mix. We seem to be coming into a new era now where – I mean, climate change is the issue, it seems to me. To base – well, it's more than climate change really. It's use of fossil fuel.

5           In the past we've been able to essentially bring in more people using  
more and more fossil fuels to increase growth and productivity. It's been  
quite a simple operation to do that. But for the future it's going to be  
different. I think of it in terms of leverage. In the past you've been able to  
10           leverage population and fossil fuels and virtually unlimited fossil fuels and  
very low cost fossil fuels. I mean, it's been happening – Australia is not  
the first country to do this. It's been happening all over the world since  
1750 or whenever it was that the steam engine was invented.

15           But it seems that the future will be different. I mean, I don't know  
quite what the future has got in store for everyone. I probably won't be  
around too long, anyway, to enjoy it. But it's certainly going to be more  
problematic than the past in order to make predictions about population  
growth and immigration or migrant increases. So what I'd like to see –  
and I tried to spell it out in here – is a better way of collecting the data  
20           together and a better way of modelling it.

          We have now the advantage of super powerful computers which, of  
course – I mean, I suppose they've been around for about the past 20 or 30  
years now. But I mean it's a fairly modern innovation the giant Cray-type  
25           supercomputers. They're obviously used for many applications now. I  
know the BOM, Bureau of Meteorology, they use them and I guess the  
IPCC use them too for their predictions. Essentially, what I'd like to see is  
a better way of modelling an integrated model, taking into account just  
about everything. I mean, it's more or less a model of society would be  
30           ideal, but that might be stretching a bit too far. It's not an easy thing to do  
and I wouldn't know where to begin. I'm not pretending to be a modelling  
expert or computer expert or really an expert on anything.

35           **MR LINDWALL:** This is not a computer like the universe and  
everything.

40           **MR HOLMAN:** Yes. I feel that if there's a better way of collecting the  
data – I mean, of course, there are many things involved in it. You've got  
to collect the data first. I don't feel at the present time you have all the  
data that you need in order to feed into the model that you have, which – as  
you mentioned one or two models that you use in the report. But, as I  
understand it, they're sort of individual models. There's not an integrated  
model. I don't know. I mean, this is my understanding of the way you  
arrived at your - - -

45           **MR LINDWALL:** I'll talk to that in a second.

**MR HOLMAN:** Yes, do that, please. But without this – I mean, it seems that we’re, as a nation, wallowing a bit. We’re somewhat directionless. It’s all very well to discuss things like well, let’s say multiculturalism. But unless we – I think in the future we’re going to face a situation where probably increasing the population numbers is going to be a disadvantage economically. That justification is no longer going to be there for it. In fact, I think it will be the opposite.

I think we’ll have leveraging down in future as – I mean, it’s hard to say. I mean, there may be other energy sources that come along which are better. There’s a lot of talk about fourth generation nuclear power station and that sort of thing which might come along and solve the problem. But it would only be creating other problems for future generations once again. I don’t know the ins and outs, of course, of fourth generation, but they’re supposed to be far, far improved upon current nuclear systems.

But it’s still a very artificial – I mean, the whole economy is really so integrated now in various ways that it only takes one thing to fall over and you’ve got the – you know, like the dominos tumbling over. You’ve got a series of repercussions running through the system which are going to be very hard to manage. That’s one of the problems with essentially basing one’s – basing the future on a magic solution, if you like, like fourth generation nuclear power.

Essentially, what I’m putting in here, what I’ve suggested here are – I’ve listed a number of areas that I think should be included in the model. Perhaps you are including them at the moment. There’s no way of knowing from the report, as far I read it.

**MR LINDWALL:** Perhaps I should talk to that, unless you’ve got any final comments?

**MR HOLMAN:** Yes.

**MR LINDWALL:** It’s true, we have two models principally. We also did some econometric work to look at labour market impacts from immigration. All models by definition use past data because you can’t predict the future. They posit relationships between the data that’s collected and based upon economic theory and other things to go forward. In the case of say what we call the general equilibrium model to examine the overall impact upon the economy, that’s a fairly well-respected model for this type of purpose.

You can look at the past fertility trends and you can look at past death rates, you can look at life tables that the ABS produces and life expectancy. That’s pretty reliable in terms of demographic projections. We can also look at the immigration rates over the recent past and in the

longer- term trend. The average is 0.6 per cent per annum. So our model took all of that, compared a scenario of zero immigration going forward to a scenario of the long-term average or resuming back to the long-term average and showed, for example, that there's a 13 million difference in population in 2060. So a lot of this is going forward.

Now, when you're talking about productivity, I mean, we look at productivity in two ways: labour productivity, the amount of output from a given labour input; and then multifactor productivity, which takes into account capital, machinery and so forth. We just used long-term trends for our model in terms of productivity going forward. There's no other basis for doing that. But we did say there is some argument that having an additional number of people in can give a positive productivity boost. So we conceptualised that as an increase of 1 per cent to each point upon the average log-term or the more recent labour productivity going forward.

That's just a guess. There's no science in that. In fact, it doesn't show much difference in outcomes actually. But it was useful to do that. So the other model we did was a partial equilibrium model to look at the impact of a price. But if you want to go beyond that and incorporate, for example, climate change models or other economic models, I suspect that (a) it becomes less tractable and (b) you get into what I'd call the problems of false precision, that people take the modelling results as if they're meaningful; and they're not necessarily.

So you take the model and results you see in front of you and you say, "Well, they're interesting and they're informative, but don't take them as a literal truth."

**MS McCLELLAND:** Can I just a couple more things to that. In terms of the economic modelling that showed that immigration will have a benefit, that wasn't based on productivity. That was based on the fact that who we bring in are more likely to be in the workforce, and that helps. So that was based on – that's the main assessment. But in terms of the general assessment that we made in our report and that informs our recommendation, it is not just the economic modelling. We say that very clearly because the economic modelling can only take into account certain things.

We say that we have the objective, that the objective should be to improve the wellbeing of the Australian people. That has economic, social and environmental aspects. So we have tried to use research that covers all of those and not all of them can be measured in a monetary term. But that does not mean that we do not take them into account in forming our assessment about what we should do about migration intake. So I just thought I needed to add that.

**MR HOLMAN:** I take all that on board. But the fact remains you're still using – you have to use really past data. I mean, you've got nothing else to use for this. I just think that we've reached a stage now where we are moving from one era to another era.

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**MR LINDWALL:** This is speculative. I mean, put yourself in 1914 - - -

**MR HOLMAN:** It is really. It may be speculative, but that's what I'd like to see in the model, some sort of speculative – what I call a probabilistic aspect of the modelling, so that people can look at it and say, “Well, if this happens” – I mean, you take droughts, if you have a 10-year drought, that's going to have an enormous effect on productivity, on economic growth and all sorts of things and expenditures of various types. I don't know enough about it, but I would think it's possible to say that the probability of a 10-year drought is a certain percentage or 1 in 10 or whatever.

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**MR LINDWALL:** That's estimable, yes.

**MR HOLMAN:** If you've got that sort of information, then I think it should really be incorporated in a future model. We seem to be going on in the way that we've gone on for – I mean, which has worked for the past two or three hundred years, really, which has been carried on through the rest of the world for the past two or three hundred years. But there comes a time – and I think the time is now – when we've left that era behind or we're about to leave that era behind. We've seen – I mean, I'm old enough to remember sort of 1950 essentially. I've got a vague memory of it anyway.

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It was in 1947 that you could see on the chart – you could see the CO2 level starting to rise. I think that was following the end of World War II that perhaps all the – I don't know – but there was a general demand and more labour around. So you had this sort of – people turned to industry to keep employment up or to meet demand possibly, possibly both. And you had this steep climb in the use of fossil fuels. That use of fossil fuels has been the mainstay of productivity growth for the past 60 or 70 years, say 60 years at least, and much longer in reality.

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If we don't – and that productivity growth, which is really dependent on fossil fuels – I mean, it wouldn't have happened without fossil fuels, the use of fossil fuels essentially – must soon start to diminish, I think. I mean, as I say, I don't profess to be an expert on this. But, I mean, if you take the word of experts, then it has to be a change. I think that change is taking place now. I think the interest in the climate talks in Paris, et cetera is a sign that things are going to change.

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**MR LINDWALL:** I agree on that, but this is a report about immigration

to Australia. What you're talking about – the key drivers of climate change going forward, not to Australian immigration, will be India and China, all wanting to rightfully increase their standards of living. You're right about alternative energy sources, but, in the end, this is not a report about energy sources.

**MR HOLMAN:** No, I know it isn't. That's why I was sort of reluctant to raise it. But it's a changer. It's – what's the word that's used now – it's disruptive, very highly disruptive. It means change between one era and another era. That's why I tend to think that we need another and better system of modelling so that we can put in some of these predictive things. Another area would be – where's the area of infrastructure which is another interest of mine actually. If you take infrastructure expenditure, I mean, we can't basically keep up with our growing population now. There may be other changes that take place to diminish the demand for infrastructure.

If, for example, in – well, I mean, take the drought situation, the 10-year drought, that would have an enormous impact on all sorts of expenditures and maintenance work and that sort of thing for roads. Then if you take rising sea levels, for example, then you've got another issue there. I can see a situation occurring, perhaps not now but in five or 10 years' time, when we have to spend 50 per cent of our – I'm just throwing that number out really. But it seems a reasonable sort of assumption, 50 per cent of our infrastructure spend simply on repairing and replacing and adapting the infrastructure we've got without building any new infrastructure to cater for this expanding population.

Of course, there may be all sorts of efficiency gains from – I mean, I was listening to somebody on the radio the other day about the use of electric motorbikes. I think it was in Taiwan or somewhere. That sort of thing could make a huge difference, but - - -

**MR LINDWALL:** Self-driving automobiles.

**MR HOLMAN:** Well, anything like that. But they're going to make a change but it's only a change for so long. I mean, eventually – okay, it depends how the electricity powering these motorbikes is going to be generated of course. I mean, it could make a big difference. But increasing populations both here and in the rest of the world – and this is why I think we've got to put in – we can't conduct – have a model which doesn't take into account what is happening in the rest of the world in various ways. I know it's a very complex thought, but that's why I say I think it's going to need a giant computer to manage it and a very skilled workforce as well.

**MR LINDWALL:** Might I point out – just say that the United Nations



did estimates of world population growths about five years ago I remember reading them. They were saying then that the population of the world would peak around about 2060 and then start declining. They've more recently updated. I think it goes to 2100 and it keeps growing till then.  
5 These things are well beyond the scope of this report in terms of world population growth.

**MR HOLMAN:** Yes, I realise that. But it's still – the report is looking at projections for migration. It's just a thought that in the future there are  
10 going to be these major disruptive events - - -

**MR LINDWALL:** Perhaps you're right.

**MR HOLMAN:** - - - that will change things.  
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**MS McCLELLAND:** Yes. I mean, I think it's whether those – the possibility of these disruptive events can be put into the assumptions that we use for our modelling in any way or used to interpret the results of our modelling in any way and which key assumptions you might challenge as a  
20 result of that. That's what you'd have to think through when you're doing what we're going to be doing between the draft and the final. That's what we need to think about as a result of your comment. If you're going to go away and think about it, giving us a submission, it would be what are the key assumptions you might want to challenge, what are the key things you  
25 would want to take into account when you're interpreting our model as well. That's what I've been thinking about as you've been giving that – making your comments to us.

**MR LINDWALL:** What's in control of the Australian Government is the  
30 quota for the permanent intake in terms of immigration. It's the rules around temporary immigration. It can either make it larger or smaller. As you can see in our projections, if we stopped immigration today it would  
- - -

**MR HOLMAN:** Yes, I know that. That's probably impossible to stop  
35 immigration today. But I'm thinking of – I think what the nation needs now is a plan for the next 30 years. Unfortunately, it's all tied in with electoral cycles as well, economic and electoral cycles. But I would like to – I mean, this is sort of a – and this is something that I'd like to think that a  
40 model would be able to do is project forward about 30 years. I don't know how far it would be able to project forward. If you put in all the probabilities, et cetera into the model and you can say, "If this occurs, this occurs, and the probability of this is that," then we're going to - - -

**MS McCLELLAND:** I think you can do that. I mean, it's how accurately  
45 you can measure it. But it's what you put into the model that says if that occurs or that occurs. What assumptions on what occurrences do you put

into the model?

**MR HOLMAN:** I agree with you. But you have a lot of options then. You have to have options.

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**MS McCLELLAND:** So that's what we have to look at.

**MR HOLMAN:** I know it's not an easy thing to solve and I'm not intending – I can't solve it here obviously. None of us can. But I just feel that we need more – it needs to – we need to have a better system of looking at the future, trying to predict the future based on what we know already about the future. And we do know – people do know a lot about the future.

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15 **MR LINDWALL:** Well, they know something.

**MR HOLMAN:** I mean, what's likely to happen.

**MR LINDWALL:** Can I just say I think you're having more faith in this capacity of models than I do.

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**MR HOLMAN:** Yes, maybe I do, possibly. I can see the problems with them.

25 **MR LINDWALL:** What they miss is what we all think of what the future will bring, and we all have our own speculations of that. But what it misses are major disruptive events which can be in a positive or a negative sense.

30 **MR HOLMAN:** Yes.

**MR LINDWALL:** If you're in July or August 1914, who would think that the next five years there'd be a major conflagration killing hundreds of millions of people around the globe? But these type of things do happen. How do you model that?

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**MR HOLMAN:** Well, that's true, you can't model that, but you can – well, you could model it if you were able to predict it. I mean, you could model essentially, based on current knowledge, the food situation or the water situation. One part of the model – I mean, it doesn't have to be about numbers. It can – I mean, I am really suggesting as many models as are needed in order to create – to feed data into a main model, if you like. Things like food security and water security for the future, these would impinge on what we think the population should be into the future.

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If we haven't got an idea – I mean, obviously we don't know what the future holds and this is why I'd like – obviously the model and the

planning will have to be revised and reviewed on a continuing basis.

**MR LINDWALL:** You have to be flexible.

5 **MR HOLMAN:** It'd have to be very flexible. But if we at least had an  
idea of where we might be in 30 years or I think in terms of a hundred  
years really – that would be – if that were possible. Say the next 30 years  
and then a rolling program to examine the next 30 years or even the next  
10 five years – review it fairly frequently so that we can update the model or  
continuously update the model essentially. Then we'd be in a much better  
position to face the future rather than, as I see it, carrying on with  
predictions based on essentially historical data.

15 I know that historical data will play a part in it and there are other  
aspects of modelling. Obviously you know more about modelling than I  
do. But I mean other aspects of modelling, for example demographics,  
which are fairly sort of straightforward sort of models, I would think  
actually.

20 **MR LINDWALL:** But even those can go wildly astray.

**MR HOLMAN:** Well, they could do. But if the - - -

25 **MR LINDWALL:** A pandemic comes along or something.

**MR HOLMAN:** But I mean if you realise that – if there was an  
understanding that, for example, there was a 10-year drought and that sort  
of event were to occur, then you could adjust your population expectations  
accordingly. You could say well, the lowest risk scenario is to aim for this  
30 - - -

**MS McCLELLAND:** I think we've made that point and it's which events  
you would try and put into the assumptions.

35 **MR HOLMAN:** I think you'd have to - - -

**MS McCLELLAND:** We've taken that point on.

40 **MR HOLMAN:** Yes. I think you'd have to put in the worst – essentially  
the worst situation that you can foresee occurring and work around that  
rather than – I mean, the risk of having too many people here or too large a  
population, if you like, both here and in the rest of the world, is that people  
are demanding resources all the time of one form or another. There may  
not be those resources to go around, in which case we've created a  
45 situation – and I think we are creating that now, not just here but  
everywhere, basically creating a situation where it's going to be absolutely  
unsupportable. I mean, I'm in favour really looking at the future in order

to make a transition between now and the future essentially so that we can manage a transition of everything really that's needed and needs a transition. It's not easy, I realise that. I'm probably not the best person to talk to this.

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**MR LINDWALL:** But you've made a very erudite case and I thank you for appearing, Mr Holman.

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**MR HOLMAN:** I hope so. It's something that I can't see that we've – I mean, unless we come to grips with this as soon as possible, then we're going to be – I think we're going to be in really big trouble or we could be in really big trouble. It does seem obvious that we cannot keep growing forever. Even if the population were to keep growing forever, Australia's population might – if the world tapers off, as it's suggested perhaps in the year 2100, then there's nothing to say that Australia's population would not keep growing beyond 2100. It could easily double in the next hundred years after that. No reason why not.

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**MS McCLELLAND:** Thank you very much, Mr HOLMAN.

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**MR HOLMAN:** All right then, okay.

**MR LINDWALL:** Thank you very much.

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**MR HOLMAN:** Thanks very much.

**MR LINDWALL:** We've got your contribution here and if you wanted to add anything else, you'd be most welcome.

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**MS McCLELLAND:** Submissions by 18 December. Thanks very much.

**MR HOLMAN:** Thank you.

**MR LINDWALL:** I think we've got Mark Allen now. Is that right?

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**MR ALLEN:** Yes. Thank you. Thanks for having me out.

**MR HOLMAN:** I didn't know there was anyone after me. I thought I was the last.

40

**MR LINDWALL:** Same basis, Mark. If you'd like to give your name and your organisation, if you have one, or as a private citizen. Then give us a brief introduction for five minutes or so.

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**MR ALLEN:** My name is Mark Allen. I run workshops called Population Permaculture and Planning and I have a Facebook page called Population Permaculture and Planning for people to talk about those

issues. So I'm not sure whether or not I could call it an organisation as such but that's basically what I do and that's the format of the workshops that I do. Basically, I used to work as a town planner. I'm coming from a town planning perspective.

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What I'd like to say is that at the current rate of population growth it's very, very difficult for cities like Melbourne and Sydney to create and expand in a sustainable and resilient way. Melbourne's population is expected to double by sometime in 2040 at current growth. That is an enormous amount of infrastructure that's needed in a very short amount of time. Good planning is considered planning, well-considered planning. At the moment a lot of the planning is ad hoc and on the hoof. We're getting a lot of suburban sprawl. We're getting a lot of very poor quality, high-density development that is actually aimed at a very narrow demographic.

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The high-density development that's going up in Melbourne is not stopping suburban sprawl. It's mainly small, one-bedroom units aimed mainly as an investment market. What I'm saying is that we really, really do have to think about the fact that we are a nation of urban conurbations, not of boundless plains. In fact, many other countries, because they have a large number of satellite towns and are able to absorb population growth ironically, a lot of smaller countries are able to absorb population better because they have more infrastructure over a wider area. So even though we think Australia is a big country, what's another million or two here or there, we have to accept the fact that the area that those people will be going into is actually quite finite.

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Now, I'm quite happy and comfortable with the idea of expanding our regional town networks, that we have less emphasis on the major cities. But that would require a major amount of upfront infrastructure spending. For example, we would need to look at things like high-speed rail and recreating town planning models so that we could look at building a better network of satellite towns. If Melbourne was to expand at a slower rate we could have more considered planning and we could focus more on the middle suburbs rather than suburban sprawl and the middle suburbs where there's a lot of post-war housing to gradually over time replace that with duplexes and more medium density without having to rely upon the dichotomy of high rise or suburban sprawl.

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But that takes time. It takes time to convert middle suburbs into medium-density suburbs because people live there and it needs to be a graceful transition. Developing brownfield sites, very important, and there are many brownfield sites in Melbourne that can be developed and many areas of Melbourne can be enhanced with better population. But these things, again, take time, more considered development. You look at Fishermen's Bend, for example, which is a particularly famous development, that's going to take 80,000 people. That's less than one

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year's population growth in Melbourne, less than one year, and yet this is a major, major infrastructure project.

5 If we continue at this current rate of population growth we're not going to create sustainable resilient towns. We're going to lose our food belt, our ability to feed ourselves, which is going to increase the food miles that we have. We're going to put more pressure on biodiversity at the fringe. We're going to increase social isolation on the fringe and a whole other range of issues as well. And Michael touched earlier on as well  
10 about the gentrification of multicultural communities, which will actually force more people out to the fringe.

I think one of the main issues is that the difference between one or two million people in your modelling is significant because we are looking at  
15 an urban conurbation model of infrastructure. Another thing I just wanted to quickly touch on was about the ageing population. I think we also need to take into account that people as they grow older are contributing more and more to society. My parents are both in their late 70s, they're both doing a lot of voluntary work, they're both very active. If you look at  
20 other countries around the world that have slower rates of population growth, certainly Scandinavian countries, they seem to manage okay on lower rates of growth.

Also with the issue of GDP, just touching on that as well, there are  
25 many countries in the world with slower rates of population growth as Australia that are doing well in terms of their economy. Look at Japan, for example. So I think it's very much a kind of a neo-Liberal sort of attitude that you need to have high population growth in order for GDP. There are lots of models around the world, but that's not necessarily true. Yes, I  
30 think that's pretty much everything I really wanted to add on top of everything else. Thank you for your time.

**MS McCLELLAND:** Thank you.

35 **MR LINDWALL:** Did you want to ask - - -

**MS McCLELLAND:** No, happy just to - - -

40 **MR ALLEN:** Thanks very much. Thank you.

**MS McCLELLAND:** Thank you very much.

**MR LINDWALL:** Now, Mr Geoff Leach. I've got curiously a good friend of mine who lives in Byron Bay, Geoff Leach.  
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**MR LEACH:** No, I live in North Melbourne.

**MS McCLELLAND:** I think there used to be an Essendon footballer called - - -

**MR LEACH:** That was Leek, Geoff Leek.

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**MR LINDWALL:** Anyway, please, if you want to give your name and organisation, if you have one, and then give us a presentation. Yes.

**MR LEACH:** Geoff Leach and I'm representing myself. I'm a member of various organisations, but today I'm here just representing myself as a private citizen, a citizen who inner Melbourne – in fact, of North Melbourne. I'd like to link together a few topics that have been talked about today. I come here a bit unprepared in that I haven't read the report.

**MR LINDWALL:** You're like the majority of the population of Australia, I suspect.

**MR LEACH:** Well, in amongst the audience here I suspect it's only a minority that have read much of it.

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**MR HOLMAN:** Two.

**MS McCLELLAND:** No, no, there's some others.

**MR LINDWALL:** There's some others.

**MS McCLELLAND:** I can promise you that.

**MR LEACH:** There'll be some others.

30

**MR HOLMAN:** Only in a paper copy really. That's why I don't like reading it on the computer. But anyway, sorry.

**MR LEACH:** Several things I'd like to put it together. Have I got it right, I've got five minutes?

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**MR LINDWALL:** Yes.

**MR LEACH:** Up to five minutes.

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**MR LINDWALL:** In this it doesn't matter too much.

**MR LEACH:** Sure, thank you. The first thing I'd like to do is support comments and opinions that I've heard through today, in particular the ones that have centred around a call for a reduction in our overseas migration and a lowering of our population peak, a lower peak population, if you like. I've looked at the last three generations of intergenerational

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reports. There's a bit of irony in that, but their output in five years or so. In those we've seen the estimate for our peak population go from around 26 million to mid-30s to 40s to 50s over the space of only 15 years.

5           There's a lot of disquiet – my sense of it is there's a lot of disquiet amongst Australian society about that extraordinary growth which is rarely canvassed politically. We've almost got bipartisan support for a high immigration, high population growth policy with people – some of them are here today – speaking their minds in forums that aren't the mainstream political forums really. Neither party seems to want to really canvass Australia's population policy as a first-class policy to put to the people.

15           The Labor Party I believe had a little bit of a go of it under the rubric, under the euphemism of Big Australia versus Little Australia, but then it fizzled. And we don't really see discussion about an explicit population policy for Australia any more. Of course, we have to link that to net overseas migration where net overseas migration is the largest component of our population growth. Without the near-highest net overseas migration – sorry, without the near-highest population growth in the world driven or underpinned mostly by net overseas migration, our population – and I've heard you talk about a 26 million - - -

**MR LINDWALL:** 27 million.

25           **MR LEACH:** 27 million projection. I've seen 26 million. I think that was in one of the intergenerational reports. That would be our peak. I want to link a couple of things here. Sure, there's much disquiet amongst, I believe, the Australian populace about a population policy that they have very little – given very little ability to politically speak explicitly about. The biggest component of that is net overseas migration, somewhere between 55 per cent and 65 per cent, around – and the last 10 years or so, the last decade or so, has been two-thirds, roughly; by far the biggest contribution. About 10 years ago it was dramatically increased. In that intergenerational reports, the first one, I think 2005, thereabouts - - -

35           **MR LINDWALL:** 2002 I think.

40           **MR LEACH:** 2002 was talking about a population of 26 million. It is 2006/07 that we saw a doubling and then some of our net overseas migration. Environmental concerns. I come at this issue in part from an overarching environmental concern on a global scale. I'm a technologist, a scientist by background. I tend towards technological optimism, *The Ascent of Man*, Bronowski. Ever since Lucy stood on her hind legs and smashed something with a bone which became a tool and then we had fire and so on. It's been an amazing march in civilisation.

45           But there are limits to growth. On a worldwide scale we're now



facing what many people think is the potential for environmental catastrophe, the catastrophists. I'm almost in that camp now, even though I'm a technological optimist and the fantastic world that we live in now has been by virtue of our technological progress, our exponential improvement  
5 in technology over that time. I'm well versed in exponential trends and compound growth is just another form of it and I know what it means to have compound growth, even if it's only 1 to 2 per cent, in population, what that means over time.

10 Of course, you've heard all the anecdotes, by 2200 if our current worldwide population growth is to continue – and that's not the projection – but if it was to continue we'd all be standing shoulder by shoulder throughout the planet surface. That's the nature of exponential growth. Environmentally, a model, a picture where continuing growth is a good  
15 thing just seems to be the wrong picture on a global scale. I've heard you ask the question that Australia is just some tiny fraction of that. I don't think it is. Symbolically – and I'll go to the environmental issue – I find it perplexing that there's environmental conference after environmental conference talking about and focusing on emissions, yet the issue – the  
20 high-level aid issue of population is not even mentioned there.

So we've got this gathering of tens of thousands of people in Paris talking about emissions, yet population stabilisation or even reduction as a part of the whole question of emissions, even taking into account improved  
25 technology, it's not even on the agenda. It's bewildering that that is the case. So an overarching environmental concern, even if you're a technological optimist, you want to hedge your bets in a scenario that we might otherwise be facing an environmental catastrophe.

30 How catastrophic could that be? Well, there's a genre of discussion that tends towards the post-Apocalyptic scenarios. Environmental crash precipitates an economic crash, precipitates population crash where one in a hundred survive. That's not just decimation, more (indistinct). I want to link that a little bit now to the issue of Australia's contributions, population  
35 thinking. There's a lot being made of how Australia wants to be seen to be responsible in terms of emissions and that we're going to reduce our emissions by 20 or 30 per cent. But we're only one per cent of the world's emissions. So what does it matter?

40 That's the analogy that I'd like to use for the population thinking. That Australia has got a role equal to its reduction or thinking about emissions and emissions reductions to do with population. Why would it be any different? Sure, again, on both scores it's only one per cent, a tiny smidgen of the overall global scenario, but nonetheless, we are falling over  
45 ourselves to talk about and to demonstrate our environmental ability, yet, no discussion about the population issue.

Sure, we could simply say actually when we think about this the Australian population and a peak population of 26 or 32 million in your answer to Denis earlier is something that could be seen to be posited as an environmentally responsible – more than that – required approach.

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**MR LINDWALL:** You'll have to wrap it up shortly.

**MR LEACH:** Shortly, okay. I want to talk about planning a little bit because I get involved in local planning issues a lot. And Mark talked about it just before. I won't reinforce everything that he said about – I live in North Melbourne. We're under huge pressure to develop that kind of thing, what we can see out through the window there in North Melbourne, which was previously a little village, urban village, not suburban, urban village. The whole of the city of Melbourne is under enormous development pressure to house not just the – to house the 100,000 people who are coming to Melbourne every year under our highest in the world or second highest in the world population growth rate.

There's discussion-benefits, there's benefits and dis-benefits in terms of productivity. There's a lot of discussion about the modelling earlier. I think if you took into account the angst and the social capital, some of those more nebulous measures, but even some of the direct measures, the number of people who are fighting issues around planning as they don't want, nor should they have to put up with, two and three storey developments on their northern boundary with balconies looking in their backyard.

Now, I'm not sure where you live, but these sorts of fights are going on and consuming enormous amounts of people's time in Melbourne and Sydney as the drive to double the population of those cities goes on because no one seems to have any way of really coming up with a different settlement pattern that's going to fly. Sure, we can talk about high-speed rail, but it just doesn't seem like it's ever really going to get up without a spend of 50 to a hundred billion dollars that no one is seriously contemplating.

**MR LINDWALL:** I think I have to leave it there, I'm afraid.

**MR LEACH:** Okay, thank you.

**MR LINDWALL:** We have to allow time for our final speaker and we've got to be out by 2.00. Thank you, Geoff.

**MS McCLELLAND:** Thank you.

**MR LINDWALL:** Denis McCormack again, you wanted to have a right of reply, I think. Is that right?

**MR McCORMACK:** Well, just a few general comments.

**MR LINDWALL:** You better say your name again just for - - -

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**MR McCORMACK:** Denis McCormack, North Fitzroy. The issues just outlined by Geoff and the previous speaker are completely relevant. The issue comes down to confidence in the future. I can feel confidence ebbing away at Australia's future because of this open-ended experiment of population growth, rapid population growth, in combination with the sociocultural overlay of official multiculturalism. It could be said that before Arthur Philip came here and dropped anchor that the place was already multicultural. Different types of Aborigines, depends on who you talk to, 300 tribes, X number of languages, a lot of not so much Rousseau-ian sort of romantic but there was a lot of cut and thrust and we have no written records, but there was a lot of anthropological work done. There was a lot of basic primitive living. They had their ways.

20 But somebody was going to come here eventually. One of the great empires of industrialised countries was going to come here. I think everybody in this country today should thank their lucky bloody stars that the Brits made it stick here, because if you look at the results of some of the other empires it's not pretty. I'm making the case that anthropologically it was already multicultural. We're now in what our  
25 fourth decade of multiculturalism policy. Still nobody can nail down what it means. What it really means is what Malcolm Fraser said years ago. It's an enforcement all-government approach to multiracialism on a greater and greater scale.

30 I think we're losing our social and national coherence as a result of a rapid melting away of the underpinning principles that this country was founded on in 1901. You can have too much diversity. If you look around the world at any conflict that you might like to read about in the papers, invariably it's a scrabble of over-resources, jurisdictions, geographical  
35 management in areas of diversity bequeathed to people today through historical circumstance.

40 I travelled around India a decade ago to talk to people about cultural diversity. Indians wear it like a yoke of life. They have no choice. They know it's there. When you read the massive Indian newspapers you see horrible things every day printed up in the paper about what genders and castes and races and ethnic groups and linguistic groups, religious groups and cultural groups can do to each other. I don't think this country can stand much more of the pressure that it's put on it and the great change of  
45 ethnicity, race and language.

There are millions and millions of dead Australians today who knew

the value of the Immigration Restriction Act. We need to take serious notice of what our forebears put in place instead of the bowdlerized versions of Australian history that are bandied around today in the name of multiculturalism. Multiculturalism and diversity can be overdone. We  
5 have always had small numbers of other people here and they've been pretty well looked after. There have been glitches here and there. But the great scientist of the 20th century, Garrett Hardin, said beware of shallow-thinking compassionate people.

10 It's all very well to feel guilty about your success compared to the rest of the world and want to open the borders, as so many people would have you do, but there are consequences to that and we wouldn't be doing the world any favours and nor can we be so rapidly degrading our society in a non-sustainable fashion, we don't make a contribution to the world's future  
15 at all. The more life there is, the cheaper it becomes. Having lived in China for a couple of years, I saw that firsthand where people of the same ethnic group, culture and village, if they knocked somebody over in the road with a government vehicle they were driving, they sometimes backed back over them to make sure they were dead because it was easier to make  
20 a one-off payment to the family than it was to have a lien on your salary for the rest of your life because you'd crippled someone.

There are all sorts of things that the average person in this country just has not yet considered about the rapid change that we're all having to undertake because of this government policy force fed. Anybody has the  
25 capacity to make a decision on this personally in the ballot box by reducing – by writing “reduce immigration” on the blank space at the top of their ballot papers, exactly the same fashion as the NO DAMS. Have a look at the website. If anybody would like to – can solve it – I don't think that the environmental concerns are any greater or lesser than the social concerns.  
30 They are all relevant and all equal of let's say calm, considered discussion and debate.

We can't have that at the moment because it is simply off the record.  
35 The fact that our demography and our demographic future has been completely drawn out from under our feet by an undemocratic world's highest immigration program per capita is just ridiculous. Thank you very much for your patience.

40 **MR LINDWALL:** Thank you very much. I don't think there's anyone else. So I think that concludes today's proceedings. It resumes tomorrow here and then we're in Canberra next week.

45 **MATTER ADJOURNED AT 2.02 PM UNTIL TUESDAY, 8 DECEMBER 2015 AT 1 PM**