Australia, a migration giant

Author: Jonathan Pryke

Date: September 12, 2013

Earlier this month I wrote an in brief discussing some ground-breaking analysis published in the OECD’s International Migration Outlook 2013. That piece was only scratching the surface of the wealth of migration information reported on in the OECD report. What is particularly striking is how Australia stands out from the pack in a number of ways, as a migration giant.

In summary, the OECD report shows that Australia is one of the top three countries in the world in terms of: proportion of population born overseas; net migration inflow rate; proportion of foreign students in tertiary education; and share of working holiday makers worldwide.

Our foreign-born population

There are only three OECD countries with more than a quarter of their population born overseas, and one of them is Australia. The other two are Luxemburg (which is tiny) and Switzerland. Almost 6 million (26.6%) of the Australian population in 2011 were born overseas, including this blog’s author (and our new Prime Minister).

The OECD report shows that between 2001-2005 migrants (on average) accounted for half of Australia’s population growth. Between 2006-2010 migrants (on average) accounted for over 70% of Australia’s population growth. (In 2011 this proportion was back down to 60%).
High levels of migration are not a new phenomenon. While Australia does have one of the highest proportions of foreign-born populations in the OECD the rate of growth in Australia’s foreign-born population rate over the past decade has been much lower than the majority of OECD nations.

Source: International Migration Outlook 2013.
Note: The red bar denotes the growth rate of Australia’s foreign-born population between 2001 and 2011. The green bar denotes the OECD average.
Datasets available here.

Taking a look further back in time we can see that Australia’s foreign-born population has been steadily growing over the past half-century, with the growth rate in foreign-born Australian’s growing at under 20% a decade (or 2% a year, on average).
The composition of our migration population shows much more rapid change. This graph compares the composition of the 2011 intake with the 2001-2010 average. It shows that the proportions coming from China, India and the Philippines has grown, while that from UK has fallen.

Net migration inflow

Australia’s net migration intake is also the second highest in the world, again after Luxembourg. Australia is only one of three countries with net migration inflows above 10 per thousand population.

Source: International Migration Outlook 2013.
Notes: Averages for 2008-2010 are based on 2009-2010 for Australia and Ireland, on 2008 and 2010 for Japan and on 2008 for Greece.
It is not only permanent migrants who are bolstering Australia.

In 2011-2012 almost 680,000 temporary migrants entered Australia, mostly international students (37%) and working holiday makers (33%).

Australia has the second largest percentage of international students as a portion of total tertiary enrolments of any OECD country (and presumably the world), once again falling in behind Luxembourg. In 2010, 271,200 tertiary students, about one-fifth of the total tertiary student body, were international students. Tuition fees for a year of undergraduate coursework at a decent Australian university can range between A$20-30,000. This equates to anywhere between $5-8 billion in additional revenue for the tertiary sector alone. Factoring additional living costs provided by international students, the overall benefit to Australia is huge.

We have documented in the past the adverse impact working holiday makers (and in particular backpackers) have had on the taking up of the Australian government’s Seasonal Workers Program. The report shows that Australia in fact runs one of the two biggest working holiday schemes in the world. In 2011 almost 45% of the world’s working holiday makers were located in Australia. Germany is the other giant, accounting for 47% of total seasonal workers in 2011.
Jonathan Pryke is a Research Officer at the Development Policy Centre.