

CABINET DYNAMICS OF IMMIGRATION POLICY

■ Peter Walsh

How has the Labor Government Cabinet dealt with the immigration issue since 1983? Former Minister, Peter Walsh, details his recollections.

With some misgivings I accepted an invitation to write this article. The misgivings arise from:

- a) the fact that major changes in Cabinet personnel have taken place since I left more than three years ago, and
- b) although numbers and categories for 1994-95 have been announced, signals about the direction of policy are confused.

Of the original Hawke Government's 27 member Ministry, only five are still Ministers. The cabinet of thirteen was increased to fourteen in June 1983 when Hawke corrected an earlier error by adding Finance Minister John Dawkins. Of the original fourteen member Cabinet, only three are still there. The turnover of Immigration Ministers has been even higher — seven in eleven years, five of whom had completed their stint within the first seven years.

This high attrition rate contributed to poor policy outcomes. Though some previous Ministers had shown signs of rising above the demands of vociferous lobby groups, only Gerry Hand was in the job long enough (three years, 1990-1993) to leave much of a mark. His immediate predecessor, Robert Ray (1988-1990), made some moves in the right direction, but also, with the benefit of hindsight, made the mistake of establishing the Bureau of Immigration Research (BIR). He was, however, constrained by Hawke's growing love affair with the ethnic industry and bizarre pre-emptive policy-making

during a tearful response to Tiananmen Square.

If anyone in the first Hawke Government (1983-84) regarded immigration as a priority policy issue, it was not apparent. Demand had been so flattened by recession that the net intake fell spontaneously to below 40,000. Ethnic activists were not, at that stage, skilled or well-heeled enough to press for compulsory increases in non-economic intakes. Stewart West (Minister, 1983-84) modified the refugee intake towards victims of right-wing totalitarianism in Latin America rather than victims of its left-wing versions in South East Asia.

As the recession faded away, intake targets were set somewhat higher. Actual intakes increased by much more as Cabinet sanctioned 'a sequence of blow outs and cave ins' (see 'Cassandra' *Australian Financial Review (AFR)*, 8 May 1990) in three successive years. There was some resistance to both the program's growing size and its increasingly permissive non-economic composition, but this fell short of the full frontal assault which came in early 1988 in a Cabinet debate on the 1987-88 and 1988-89 targets. With considerable force, the arguments were put inter alia that the program's size was significantly blowing out the Current Account Deficit, aggravating social infrastructure problems especially in the preferred destination of Sydney, and, with more than 40 per cent of some migrant groups unemployed in a stronger than usual

labour market after more than one year in Australia, that it was blowing out the welfare bill. The response from John Button, apparently accepted by most of the Cabinet, was that if 'we', which at that time still contained ten of its original fourteen members, had spent most of last night thinking about this, 'we' would be able to answer those arguments.

There was a long-standing, widespread and uncritical acceptance — for which economists are largely to blame — that immigration is good because it stimulates economic growth. It would be a poor show indeed if it did not, since it would then be logically inescapable that it continuously reduces per capita income. It was believed by some that immigration was essential to offset our ageing population problem. No politician should be excused for believing that, at least since Christabel Young demonstrated its demographic falsity.

Argument about immigration's Current Account effect continues. The Economic Planning Advisory Council (EPAC) estimated that the late 1980s' program added to it between four to six billion dollars. The BIR (now BIPR) claims immigration has a negligible effect. Models of course can be programmed to produce any desired conclusion, but EPAC has much less vested interest in continuing immigration than does the BIPR. More importantly, when the Berlin Wall fell over, no economist that I know of disputed the prediction that the millions of East Germans migrating to the West would wipe out its (then very large) current account surplus. More importantly still, they did.

Politicians on both sides have allowed migration policy to be compromised by publicly funded 'multicultural' activists. The very existence of the BIPR and the Office of Multicultural Affairs is silent testimony to this.

Publicly, at a BIPR seminar in Brisbane last year, both Bob Hawke and former Liberal Immigration Minister Ian McPhee boasted of their success in foisting on the Australian people an immigration/multicultural policy which they do not want. Numerous individuals have sought, and eagerly accepted, the brokerage role and sinecures which governments have bestowed upon them. Whether these dependents do in fact represent the views of the larger ethnic communities they purport to represent is doubtful. Politicians often fail to distinguish between the amount of noise and the number of people making it.

As stated at the outset, I am less in touch with intra Cabinet dynamics in the '90s than I was in the '80s. Items from the public record, however, leave little room for believing that policy will be more rigorous or less (perceivedly) opportunistic in future than it has been in the past. In an April 21 letter to the *AFR*, Minister Bolkus trotted out the BIPR line asserting that (unspecified) 'research'; has shown that immigration has 'a slightly beneficial impact on a range of economic indicators', does not 'add more to demand than to supply' and 'has a negligible effect on wages, inflation and the balance of payments'. In the letter he claimed again that lowering pass marks for skilled immigrants actually benefited the skills component of the program. The writing style is confused, but he seems to be saying that it is better to have a less-skilled migrant than an unskilled migrant. That may be so, but it does not alter the fact that standards set for skills were debased last December.

When this was written there was no reason to believe that Paul Keating was as infatuated with the migration industry as was his predecessor, but there is some confusion about his remarks on immigration in the week of the *Working*

Nation statement. Twice in the week before next year's target was announced, he endorsed the Australian Council of Trade Unions' line precluding more, or any, emphasis on the skills component — even though his Minister's April 21 letter claimed skill shortages had been identified — but endorsed a larger intake of, by definition, unskilled migrants.

That line cut right across the *Working Nation* hypothesis that a skilled and trained workforce will, if not guarantee full employment, at least be an essential pre-requisite. It is tantamount to saying we do not have enough unskilled residents and will

therefore supplement the supply with immigration.

The program finally announced for 1994-95 cut 2,000 off the skilled component, added 2,000 to family reunion and 10,000 to the aggregate. Almost all the extra 10,000 can be attributed to recognising formally the Chinese who were in Australia when the Tiananmen incident took place. If that is regarded as a one-off, the program's size has not really increased. The danger is that the extra 10,000 will be incorporated into the ongoing program and that the 80,000 aggregate will become the base figure in future years, from which upward bids only will be accepted.

A NEW CONSTITUENCY OR A GLITCH IN THE SYSTEM? A NOTE ON RECENT AAFI FEDERAL BY-ELECTION RESULTS

■ Nick Economou

The anti-immigration party, AAFI, achieved an unusually high share of the vote for a single-issue party in recent Federal by-elections. The context of these by-elections, however, suggests AAFI will find it difficult to reproduce these results in future.

Traditionally a venue for the expression of voter dissatisfaction, by-elections have typically provided the space within which exceptional results have emerged that have been able to send reverberations through the political process. The axiomatic approach to by-elections is that such contests in which the fate of the government is rarely at stake provide voters the opportunity to register their dissatisfaction with the government. Indeed, it is possible to argue that by-elections can provide opportunities for voters to register their feelings on a range of other issues besides the questioning of the government's record.

The whole question of the role of by-elections has been thrown open again by the performance of the Australians Against Further Immigration (AAFI) party in the spate of by-elections that occurred between January and March in 1994. This performance — the broad contours of which are outlined in Table 1 — was remarkable. It appeared to register a not insignificant degree of public support for the party (an average primary vote across the four contests of 8.9 percent), a support that also seems to be rising. Certainly the extent of the party's vote in the by-election for the outer southern-Sydney suburb seat of Werriwa in January (7.2 per cent)