Introduction

Cities have two core roles. The first is the agglomeration of production and consumption, which will be discussed in Chapter 3 (Productivity). The second is receiving people and goods and distributing them to where they need to go. Freight centres, for example, receive goods from outside the city, distribute them and send goods produced in the city to other cities. The *State of Australian Cities 2012* discussed this function in some detail. City size is not necessarily a guide to the extent of this function. For example, billions of dollars worth of freight passes annually through the relatively small city of Geraldton in Western Australia.

People also flow through cities and this movement will be examined in this chapter. The first section looks at the role cities play in internal or residential migration in Australia. It shows that major cities in Australia have markedly different patterns of internal migration, suggesting the migration patterns are very sensitive at the margins at least to shifting economic fortunes. This chapter also in a feature article examines an important but seldom discussed section of urban populations – foreign students.

Cities also act as distribution points for people flowing across national borders. In Australia, two cities – Sydney and Melbourne – dominate the international flow of people. These are the so-called ‘global cities’. The *2011 State of Australian Cities* showed that a key part of the population structure of these cities is international migrants arriving and internal migrants leaving at a slightly slower rate. In the second section of this chapter what is meant by migration is explored in more detail. It shows that international population movement within and between global cities is changing rapidly in both extent and complexity.

For the first time, maps have been used in State of Australian Cities reporting to reveal the geography of population change. Some of these have been used in the text as examples, while the full range can be accessed online using the supplementary online map application.

Key findings

**Internal migration**

- Australia has one of the highest population growth rates in the OECD. Around half this comes from net overseas migration. Since the average growth of major cities is slightly above the national rate, this suggests many Australian cities have some of the highest growth rates in the developed world.
• In the 2011–12 year, the larger capitals grew almost 50 per cent faster than the rest of the country. Over the last five years, the previously high population growth rates in regional Queensland’s major cities have moderated. Growth rates in Darwin and Perth remained particularly strong.

• There are large differences in the age and gender moving to and from individual capital cities. Canberra, Darwin, Perth and to a lesser extent Brisbane are attracting high numbers of male 15–24 year olds. Sydney is losing significant numbers of residents across all age groups but overseas migrants are taking their place at a rate that keeps Sydney growing, albeit below the national average.

Student tourism

• Australia is the third most popular market for international students in the world. Australia’s international student market generates more than $15 billion for the nation every year.

• One in every 16 persons living in the City of Sydney is an international student while for the City of Melbourne it is one in five. Large numbers of international students also commute into these areas for study.

• China is the largest source country of international students for Australia, particularly for higher education, followed by India, South Korea, Vietnam and Malaysia.

• The rapid increase in international student numbers since 2000 has created accommodation and transport stresses, particularly for Melbourne and Sydney. While there has been some progress in building more student accommodation, most international students rely on the private rental market.

• There has been a fall in the numbers of international students since 2010, particularly in the Vocational Education and Training (VET) sector, which has been traditionally dominated by Indian students.

International migration

• International migrants are dividing into two types:
  – The first are from the skilled migrant scheme (about half of net overseas migration) and are part of the international gateway function of the global cities of Sydney and Melbourne. This stream is characterised by temporary and visitor migrants who mostly live in or near city centres.
  – The second stream is made up mainly of citizen migrants who usually reside at a distance from city centres. This group increasingly leads transnational lives and are critical to the international connectedness of cities.

• Ninety-six per cent of Australia’s 29 million annual border crossings are short term movements. On any day, there are more than a million temporary visa holders in Australia (this figure does not include New Zealanders).
• The rise in the proportion of international ‘sojourners’ in the Australian population especially in the larger capital cities is challenging traditional definitions of what is meant by ‘migrant’. A significant proportion will not settle permanently in Australia.

• Current patterns of international migration seem closely aligned with the increasing role of knowledge-intensive transactional industries in Australia. Eighty-five per cent of 457 Visa holders live in capital cities and half of these live in the inner city mainly working in transaction industries.

• Skilled migrants living outside city centres often work in industries that do not fully utilise their skills.

Population overview

International context

As shown in Figure 2-1, between 2000–2010 (the last complete period for which figures are available) Australia’s population growth rate was one of the highest in the Organisation for Economic Cooperation and Development (OECD). The Net Overseas Migration (NOM) component of Australia’s population growth averaged 55 per cent during this decade (ABS 2012a). Without it, Australia’s growth would be around the OECD average of 0.7 per cent. Since this is below replacement rate, without international immigration Australia would quickly move to a position of structural ageing and the total population would begin to fall.

Many European countries and some Asian ones (Japan and China) are entering a period of structural ageing that on current trends will become more severe over the next three decades. This is expected to have a significant impact on their Gross Domestic Product (GDP) growth (McDonald 2012). The number of migrants seeking to come to Australia has created the fortunate position of being able to largely determine population growth, NOM has been used to balance to some degree the ageing of its population as the so-called ‘Baby Boomer’ cohort enters the retirement phase. This is expected to cushion the fall in living standards that may have occurred as the working age component of the population shrinks (McDonald 2012).
Figure 2-1  
Population growth rates of OECD countries, 2000–10

Source: OECD 2012
National context

As shown in Figure 2-2, there has been a wide variation in the population growth of major cities during the 2001–11 decade. Taken as whole, growth was particularly strong for cities in northern and western Australia, with Toowoomba a notable exception. Aside from Melbourne, growth was subdued in the south-eastern parts of the country.

**Figure 2-2  Population growth by major city, July 2001–June 2006 and July 2006–June 2011**

Source: ABS 2012b
Figure 2-3 shows the difference in growth between the first and second halves of the 2001–2011 decade. In general, cities with high growth rates often displayed high variability. Perth and Darwin’s growth, for example, accelerated during the second half of the decade while on the Gold and Sunshine Coasts, the strong growth they experienced in the first half of the decade moderated significantly. Toowoomba is an exception. Examination of intercensal population estimates by the ABS (2012b) suggest that this city’s population growth may have been severely affected by major floods in early 2010.

Source: ABS 2012b
Population growth within cities

Map 2-1 uses Melbourne as a case study to show population change within a major city between 2001 and 2011. Immediately noticeable is the fall in the population of peri-urban areas. In terms of the numbers of people involved however, the dark blue areas are more significant. The areas of strongest growth in Melbourne in the first ten years of the century were on the fringe or in the centre. The middle ring suburbs registered either modest growth or in some cases, declines.

Map 2-1  Population change in Melbourne, 2001–11

Map 2-2 represents the population pattern of 40 years ago. While the pattern of outward expansion is evident, population loss is particularly intense in the inner city suburbs. Forty years later, the population trend has been reversed in the inner areas of Melbourne and the red areas in Map 2-2 are the areas now showing modest or even negative population growth.
Australia’s fastest growing capital city – Perth, shows the same pattern of population change in an even more pronounced way, as shown in Map 2-3. Perth’s CBD is growing rapidly, but there is also a distinct outer-ring of growth particularly to the north and south. Conversely mid-ring suburbs mostly registered either modest growth or population reduction.
Neither of these maps (or their online counterparts for other cities) shows evidence of widespread urban consolidation in Australia’s major cities. In other words, the outward geographic spread of the major cities shows little sign of abating; indeed it only varies in scale between cities.
Part 1: Internal migration

Australia has one of the most ‘residentially mobile populations of any country and this is especially so in Australia’s 18 major cities (Hugo and Harris 2011, p. 3). Residential mobility within Australia has two components: domestic movers and domestic migrants. Migration implies moving on a long term or permanent basis within Australia. Moving, is a more fluid population flow and does not necessarily have the permanency that is associated with migrating. Domestic movers and migrants differ from overseas migrants who are not able to move as freely due to visa approvals and qualifying restrictions.

Domestic migration and population change

The 1996 Census introduced two questions; ‘place of residence one year ago’ and ‘place of residence 5 years ago’. This made it possible to better understand both movement and migration patterns in Australia. More recently, movement data for inter-Census years have been improved using Medicare change of address data in conjunction with Census projections and Defence Force data (ABS 2009). This information system is experimental and is still being revised to account for issues such as people who move more than once during the given time and the lag in registering change of address with Medicare (ABS 2009). The patterns identified in the data are however, consistent with a detailed analysis of the 1996, 2001 and 2006 ABS migration matrices conducted by the Department of Infrastructure and Transport.

Population change is measured by the number of births and deaths and the number of movers and migrants, taking into account both net overseas migration (NOM) and net internal migration (NIM) for a given city or area (ABS 2012e). NIM is the net population change for an area due to individuals arriving and departing from an area over a given period of time.

Understanding why people move is complex. In 2005, Hugo led a team that attached a survey to Australia Post redirection forms asking for the reasons that people moved (Hugo et al. 2005). This showed a complex range of factors were behind the decision to migrate. The Department also explored this issue by analysing the characteristics of where people were moving from and those of where they move to. It found that, while economic conditions were an important influence, there were also a host of other factors at work. The ABS has also indicated that there are a wide range of factors behind migration patterns (ABS 2012d). While there seems to be no clear cut reason why people move domestically, it is possible to know where they are moving to and from.
Migration between cities

In 2010–11, cities which experienced NIM losses did not necessarily experience population decline. Likewise, cities which experienced NIM gains did not necessarily experience growth. This is because the loss or gain of NIM interacted with the other determinants of population change – births, deaths and NOM – to determine the actual population of each city. Figure 2-4 shows the natural population change, births and deaths, along with the NIM of Australia’s 18 major cities for the year 2010–11.

Figure 2-4  Residential population change in major cities, 2010–11

Of Australia’s 18 major cities, six had net losses of domestic migrants, while 12 had net gains. Australia’s three largest cities – Sydney, Melbourne, and Brisbane – were all net losers of domestic migrants despite high overall population growth rates. Sydney has increased its population by 6.6 per cent since 2006; however, it saw net loss of 20,249 domestic migrants – almost four times greater than the next highest net loser of domestic migrants – Melbourne. Overall, Melbourne has increased its population by 9.7 per cent; however, it lost 5,540 domestic migrants to other parts of Australia. Perth gained more domestic migrants than any other city, with 4,977 more people moving there than departing during the 2010–11 period. The next highest net gainers of domestic migrants were the regional cities of Newcastle, Gold Coast – Tweed and the Sunshine Coast.
Emerging characteristics of net internal migration in Australian cities

The impact of NIM on population change is being experienced differently by each of Australia’s 18 major cities. Figures 2-5 and 2-6 show the net number of domestic migrants as a percentage of the estimated population for each of Australia’s major cities at one-year intervals between 2006 and 2011. Over this period some cities have shown little to no change year to year, while others have been in varying states of decline or growth.

As shown in Figures 2-5 and 2-6, cities that have experienced declines in NIM rates have followed different trajectories. Darwin displays one of the most rapid turnarounds, moving from being a net gainer in 2006 to a net loser in 2011. This extreme is not entirely unexpected as Darwin has always had a large fluctuation in population (State of Australian Cities 2012, Golebiowska and Carson 2009, p. 40).

Figure 2-5  Capital city net internal migration as a percentage of estimated residential population by year, 2006–07 to 2010–11

Source: ABS 2012c and 2012e
The Gold Coast – Tweed has also witnessed a consistent decline, losing close to two per cent of its net gains from 2006 to 2011. Unlike Darwin, the decline in Gold Coast – Tweed has not shifted the city from being a net gainer to a net loser of domestic migrants. Cairns and the Sunshine Coast have also experienced declines in the rate of NIM gains between 2006 and 2011. However, the trajectory of both has been different, with the decline in Cairns being consistent year on year, while the Sunshine Coast has been characterised by rapid ups and downs. Canberra- Queanbeyan shows a horseshoe pattern: NIM in 2006 reflected a 0.6 per cent gain before dipping to a 0.16 per cent loss and then growing again to a 0.31 per cent gain.

The experience of cities with increases in NIM rates is also varied. Albury-Wodonga has experienced steady growth in NIM and has gone from being a net loser to net gainer of people. Townsville has also gone from being a net loser to net gainer of domestic immigrants. Unlike Albury-Wodonga, Toowoomba's gains were the result of rapid growth from 2007 to 2009 and, after peaking in 2009–10, its rate is now declining. Perth has experienced overall growth in NIM gains, although there have been years of losses followed by gains. Sydney remains a net loser of NIM; however, the percentage of net losses in Sydney has decreased from 2006 to 2011.
Interestingly, the pattern of difference is counteracted by a convergence towards 2010–11. In the latter part of the study period, all major cities except Darwin and Canberra-Queanbeyan show a convergence towards smaller percentages of NIM gains or losses. Within the convergence, however, there is still a level of difference, with each of the 18 major cities still having their own specific experience of NIM.

For each of the cities with available data, there is a higher prevalence of male net domestic migrants than female net domestic migrants. Figure 2-7 shows the averaged ratio of male and female domestic migrants between 2006 and 2011. Darwin has the highest ratio of males to females, with 99.8 per cent of all net migrants being male and only 0.2 per cent being female. Perth has the next most significant ratio, with 92 per cent of domestic migrants being male and only eight per cent being female. Sydney and Adelaide have the closest ratio, with both having 52 per cent net male migrants and 48 per cent net female migrants.

Figure 2-7 Male and female net internal migration as a percentage of total by major city average, 2006–11

Source: ABS 2012e
Figure 2-8 shows that the age structure of NIM is different for each city. Sydney is losing people from all age groups, with the largest losses being in the 25 to 64 year age group. In contrast, Hobart is losing people in only the 15 to 24 year age group and gaining people of all other ages. Melbourne, Brisbane and Adelaide are losing people aged 0 to 14 and 25 to 64 but gaining people aged between 15 and 24 as well as those over 65 years of age. Canberra is losing people aged 25 to 64 years and people aged over 64, gaining population aged 15 to 24 years and displaying no change in those aged 0 to 14 years. Darwin is a net loser of birth to 14 year olds and those aged 65 plus but a net gainers of 15 to 24 year olds and 25 to 64 year olds, although both to different extents in each city. Perth is a net gainer across all age categories.

Figure 2-8  Age structure for net internal migration by selected major city, averaged, 2006–11

Source: ABS 2012e
Net and gross movements of people

The average net loss or gain from NIM for each of Australia’s 18 major cities was less than 0.5 per cent of the averaged estimated resident population between 2006 and 2011, as shown in Figure 2-9. The Sunshine Coast was the highest average net gainer, with domestic migrants accounting for 1.19 per cent of the city’s population over the period. Sydney was the highest average net loser, with domestic migrants accounting for -0.48 per cent of the city’s population over the period.

Figure 2-9 Net internal migration as a proportion of estimated resident population by major city, averaged, 2006–11

Source: ABS 2012c and 2012e

The flow of domestic migrants between Australian cities is much greater than the net gain or loss, as illustrated in Figure 2-10. While the net gain or loss from domestic migration for the 18 major cities is less than 1.25 per cent of the population, the percentage of people arriving or departing is much higher.

Darwin has the highest average flow of people moving to and from the city as a percentage of the estimated population of all the major cities, as can be seen in Figure 2-10. Between 2006 and 2011 people arriving to Darwin equalled 5.0 per cent of the averaged estimated resident population. During the same period, the average number of people departing Darwin equalled 4.9 per cent of the averaged estimated population. The net gain, however, is 0.11 per cent, highlighting the point that the gross number of domestic movers into and out of our cities (known as ‘churn’) is significantly higher than indicated by the net gain or loss.
Migration within cities

Considering the flow of domestic migrants within cities is important to understanding how population distributions change on a micro scale. However, study of the movements of people within our major cities is hindered by the limited data available. Accordingly, the cases presented below are limited to Sydney, Melbourne and Brisbane using geographical classification of inner, middle and outer areas developed by the Bureau of Infrastructure, Transport and Regional Economics (BITRE) in their report series Population Growth, Jobs Growth and Commuting flows which has covered Perth, Sydney, Melbourne and South-East Queensland (BITRE 2010, 2011a, 2012 and 2013).

The largest flows of domestic migrations are occurring within our capital cities. Domestic migrations from one place within Sydney, Melbourne and Brisbane to another place within the same city accounted for 60 per cent to 75 per cent of total migrations of each of the cities – see Figure 2-11. The remainder of migrations for the three cities were made by migrants to or from intrastate or interstate which is explored in the next section.
Figure 2-11 Intracity, intrastate and interstate departure and arrival flows for Sydney, Melbourne and Brisbane, averaged, 2006–11

Note: The proportions are based on the total number of people departing or arriving to the city or moving within the city. Movements to and from intercity, intrastate and interstate are shown as a proportion of total arrivals and departures to the city, excluding people moving to and from the city from outside Australia.

Source: ABS 2012e

The migration flow patterns of movement within each of the three cities display both similarities and differences, as seen in Figure 2-12. The middle and outer suburbs of Sydney and Brisbane had relatively similar flows in and out of them. The inner areas of Brisbane and Sydney had proportionally less flows. In contrast, Melbourne had a significantly larger proportion of people living in the city moving into and out of its outer areas to other areas of the city and less people moving into and out of the inner city area.
Intrastate and interstate migration

The experience of interstate domestic migration for Sydney, Melbourne and Brisbane is more uniform than the intrastate flows between 2006 and 2011. This is illustrated in Figures 2-13 and 2-14. All three cities had similar percentages of those migrating interstate from the city and those migrating interstate to the city. Brisbane had a higher proportion of intrastate arrivals and departures than Sydney and Melbourne.
Figure 2-13  Intrastate arrivals and departures for Sydney, Melbourne and Brisbane, averaged, 2006–11

<table>
<thead>
<tr>
<th>City</th>
<th>Intrastate Departures</th>
<th>Intrastate Arrivals</th>
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<tbody>
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<td>Brisbane</td>
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<td>Melbourne</td>
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<td>Sydney</td>
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Note: Movements to and from intrastate are shown as a proportion of total arrivals and departures to the city, excluding people moving to and from the city from outside Australia. This figure contains information which is included in Figure 2-11 but has been included as a separate figure to demonstrate intrastate trends more clearly.

Source: ABS 2012e

Figure 2-14  Interstate arrivals and departures for Sydney, Melbourne and Brisbane, averaged, 2006–11

<table>
<thead>
<tr>
<th>City</th>
<th>Interstate Departures</th>
<th>Interstate Arrivals</th>
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<tr>
<td>Brisbane</td>
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<td>Melbourne</td>
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<td>Sydney</td>
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Note: Movements to and from interstate are shown as a proportion of total arrivals and departures to the city, excluding people moving to and from the city from outside Australia. This figure contains information which is included in Figure 2-11 but has been included as a separate figure to demonstrate interstate trends more clearly.

Source: ABS 2012e
The flow of people migrating intrastate from Sydney, Melbourne and Brisbane is less than the flow of people migrating within different areas of cities. Figure 2-15 shows that the outer areas of Sydney, Melbourne and Brisbane all had the highest intrastate and interstate in and out flows as a percentage of the resident population, followed by the middle and inner areas respectively. All areas of Sydney and Melbourne had relatively even in and out flows as a percentage of the resident population for intrastate and interstate domestic migration. Brisbane, however, lost a significant number of people from the outer suburbs, although it is not clear how many were movements to the adjacent Gold Coast and Sunshine Coast.

### Figure 2-15

Intrastate and interstate departures and arrivals for Sydney, Melbourne and Brisbane as a proportion of estimated resident population by inner, middle and outer area, averaged, 2006–11

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<thead>
<tr>
<th></th>
<th>Inner</th>
<th>Middle</th>
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<td>Brisbane</td>
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Note: This figure is based on the population of people departing or arriving to the city or moving within the city outside Australia. Movements to and from intercity, intrastate and interstate are shown as a proportion of total arrivals and departures to the city, excluding people moving to and from the city from Australia.

Source: ABS 2012e

Map 2-4 uses Sydney as a case study to show interstate migration within the city. It illustrates that the destination for many interstate migrants into Sydney is the so called ‘global arc’ from the Kingsford Smith Airport to the northern suburbs. Map 2-5 shows two areas of Sydney are the loci of interstate departures, Parramatta and central Sydney. Both these areas are experiencing high levels of population churn and the balance was in the negative in 2010.
Map 2-5  Origin area for people moving from Sydney to other states, 2010
Map 2-6 shows that while Sydney is losing people to other states from all areas of the city, some are more affected than others. The areas experiencing the highest losses interstate are the same areas that have high levels of international migration (described in the next section).

Map 2-6  Net movement in and out of Sydney to other states, 2010
Internal migration conclusion

Much of the discussion about internal migration in Australia focuses on net population gains and losses. This has seen expressions such as ‘sea change’, ‘tree change’ and ‘the big shift’ enter the national lexicon. In reality, these net gains and losses are often a fraction of the number of people moving between places. Rather than internal migration being a mass movement of people from, for example, the ‘bush to the coast’, a better characterisation would be rivers of people moving around Australia forming social and economic linkages across the nation.

Previous work by the Department of Infrastructure and Transport has shown this movement has been remarkably stable for at least the last 20 years for which data is available. This section has shown that the movement is highly sensitive at the margins to social and economic movements. While the movement to the north and west of the continent is of long standing, it is accompanied by high rates of population churn in those areas growing above the national growth rate. In other words, a lot of people are moving to places like Darwin and the Sunshine Coast but a lot of people are leaving as well. It only takes a slight variation one way or the other to tip a high growth area into a low growth area. This is shown by the difference in population growth in centres in the first five years of the century and their growth rates since then.

This section also shows the crucial role in internal migration played by the outer suburbs of the larger capital cities. They are also experiencing high growth and high churn and like the smaller regional cities of the north and west, would be impacted by small movements in the balance of people moving in or out.

Hobart aerial.
Image courtesy of Sam Rosewarne and the Mercury
Tourism for the purposes of education

Since the 1990s, Australia has become a major destination for international students market (Figure 2-16). International students are generally in one of the following four streams:

- **ELICOS**: provides English language tuition and prepares overseas students for progressing to further study within Australia. The initial English language or bridging course is often the first point of contact for international students and acts as a pathway to other education institutions.
- **Secondary schools**: includes government and non-government institutions.
- **Vocational education and training (VET)**: including TAFEs, dual sector universities and private colleges. This provides practical training and education, preparing trainees for jobs at various levels, from trades to professional positions.
- **Higher education**: enrolment in universities.

International students take courses across many disciplines but over 50 per cent are enrolled in commerce or marketing courses in both the VET and higher education sectors.

International education activities generate over $15 billion of export income annually, making it Australia’s fourth largest export industry. This revenue supports about 130,000 full-time equivalent positions (Deloitte Access Economics 2013).

**Figure 2-16** International visitors to Australia for the purposes of education by sector, 1994–2012

According to the OECD *Education at a Glance 2012*, Australia, with 6.6 per cent of the market, was the third most popular destination for international students in the world in 2010, behind the United States (16.6 per cent) and the United Kingdom (13 per cent).
However, Australia has the highest average in the OECD of international students as a proportion of all onshore higher education students (21.3 per cent in 2011).

Of the 5,691,791 tourists to Australia aged 15 years and over during the year ended 31 December 2012, six per cent were visitors for the purposes of education. Visitors for the purposes of education spent, on average, 142 nights in Australia – the longest average duration of all tourist groupings. This represents a total of 51 million nights in Australia or 25 per cent of all international visitor nights. International visitors for the purposes of education are also predominantly based in our major cities and their presence there, like other tourism streams, provides a significant economic boost.

International students across higher education, vocational and English Language Intensive Courses for Overseas Students (ELICOS) spend an annualised average of $42,531 per annum (Davidson et al. 2010) while studying in Australia. Their families contribute most of the money for program fees, living expenses and travel and recreation activities; however, income from working is also important to fund travel and recreation activities (Davidson et al. 2010). Figure 2-17 shows that around 50 per cent of that spending ($15.7 billion in 2011), flows through to local shops and the retail sector, accommodation providers, travel services and other community enterprises. (DIICCSRTE 2013).

Figure 2-17  Export income from education, type of expenditure, 2002–11

Source: ABS 2013

Figure 2-18 shows the numbers of international students enrolled in vocational and higher education in our major cities. In recognition of the economic contribution that international students make to cities, state and local governments have developed initiatives to promote their respective cities as quality study destinations. Perth Education City, Education Adelaide and Study Melbourne complement the well-established marketing strategies that universities and many other educational providers around Australia have in place to
recruit international students. Local and state governments have also organised events such as Brisbane Welcomes International Students, Perth International Student Festival and the NSW International Student of the Year Awards which highlight the contribution made by individual students in that State.

Figure 2-18 Number of onshore international students enrolled in the vocational education and training and higher education sectors in major cities, 2011

Source: AEI 2012

Figure 2-16 shows a decline in enrolments since 2010, which has been felt most heavily in the VET sector. Reports of violence against international students – particularly Indian students, a large proportion of whom are enrolled in VET (Figure 2-19) – gained widespread media attention in 2009 and has been cited as a reason for the 37 per cent decline in VET enrolments between 2008–09 and 2010–11 (DIICCSRTE, 2013). However, the 2010 report of the Review of the Education Services for Overseas Students (ESOS) Act 2000 conducted by the Hon. Bruce Baird found that some of the rapid growth in international student numbers from 2005 included people on student visas who were not genuine students. It found that some students undertook an education in order to gain permanent residence without any intention of finding a job related to their course of study. This expansion of non-genuine student numbers was helped by some agents and institutions whose business practices were dubious and sometimes illegal. In 2010, changes to skilled migration requirements effectively severed the connection between studying certain courses and a near guaranteed path to permanent residency. This led to a dramatic reduction in the numbers of non-genuine students taking certain VET courses, including hospitality management, hairdressing and cookery (Australian Government, 2011).
Other challenges, including the global financial crisis and rising costs, including the high value of the Australian dollar, have also affected international student enrolments. Despite this, higher education enrolments, which account for the majority of enrolments and in excess of 65 per cent of the fee revenue, have only declined slightly and are expected to begin growing again by 2014 (Australian Government 2011).

Maintaining the high quality of teaching and research at Australian universities is critical if they are to continue to attract international students. However, other factors also affect decisions on where to study, such as the level of integration with Australian nationals, access to student support services and appropriate and affordable health facilities, accommodation and transport.

Access to accommodation

The 2012 International Student Survey (ISS) showed that 88 per cent of international respondents across all sectors were satisfied or very satisfied with living in Australia, an increase of two per cent on the 2010 survey (AEI 2013). However, the 2012 ISS showed a satisfaction rating of just 51 per cent for both living and accommodation costs compared to 61 per cent in 2010 and 60 per cent in 2011. These levels are consistent with other surveys that have found the majority of international students are satisfied with their accommodation. However, as the author of a report commissioned by a local council in Sydney noted, ‘being satisfied does not equate with living in optimal conditions for study and lifestyle’ (Judd 2012, GML Social Research 2011, p. 13).
In the United States and the United Kingdom students regularly move from their home to a geographically separate area to study and reside in purpose-built accommodation but Australian domestic students have traditionally studied at their local university or TAFE and often live at home. The prevailing model in Australia has therefore been a commuter student model. Before 2000, those students requiring student accommodation represented a relatively small minority of the overall student population on most Australian campuses. The large increase in demand from international students for accommodation over the last decade has therefore posed particular difficulties.

This demand is demonstrated by Figure 2-20 which shows that even if all on-campus beds in Melbourne and Sydney were quarantined for international students, this would still only provide accommodation for less than 19 per cent of them. The increased demand for accommodation due to the growing numbers of international students has seen a growth in purpose-built student housing on and off campus, including an additional 6,211 properties built with the support of the Australian Government’s National Rental Affordability Scheme. However, evidence suggests the majority of international students are renters in the private housing market.

Figure 2-20  International students and beds in university on campus accommodation in selected cities, 2011

Source: Adapted from AEI's Onshore higher education international students as a proportion of all onshore students by university 2011

Generally, these private renters sought to live close to the institutions where they are studying at because of the lower transport costs and increased study and social opportunities. With many institutions located in the inner suburbs of our major cities, many students also seek to live in these centres. In the City of Melbourne, 18,353 international
students reside in the Local Government Area (LGA), equating to approximately one in five of all residents and a further 15,147 international students travelling into the city to study (City of Melbourne 2012). The City of Sydney (2013a, 2013b) estimates that 10,714 international students live in that LGA alone, representing one in 16 residents.

With many international students reliant on part-time work, inner cities are also attractive due to their higher job densities. Students are required to work more hours to support their study than ever before. The Group of Eight, a committee of Australia’s foremost universities, indicates that students now work three times the hours of their counterparts in 1984 (Ong and Ramia 2009). International students are allowed to work up to 40 hours per fortnight during the semester and unlimited hours during semester breaks (Department of Immigration and Citizenship 2011).

In 2011, the Inquiry into International Student Accommodation in New South Wales, by the NSW Legislative Assembly, was told that due to rising rents in Sydney’s inner city international students were competing with other groups seeking low-cost housing and were often outbid by those groups. The inquiry also noted that the shortage of accommodation meant that international students were often forced into living arrangements outside the mainstream rental sector, including share housing, boarding houses and lodgements in private housing. When coupled with a lack of local knowledge about tenancy arrangements, international students sometimes faced unfair practices by landlords, including arbitrary evictions and overcrowding.

Other cities have experienced similar issues to Sydney. The ABS (2011a) estimates that 27 per cent of full-time international students in Australia live in an overcrowded property, compared to 11 per cent for domestic full-time students. Brisbane City Council released a report in 2008 with similar findings to the NSW Legislative Assembly. In response, the Council which had already increased house inspections in suburbs with high concentrations of international student residents, passed amendments to its House Code, reducing the number of unrelated people allowed to reside in one household from six to five in an effort to combat overcrowding.

Figure 2-20 shows that Canberra has the highest proportion of on-campus accommodation for international students. This is mainly due to the Australian National University (ANU), which has an innovative policy of guaranteeing accommodation for all undergraduates originating from outside the local area in their first year, including international students. Since 2008, the ANU has built four lodges which are operated by a specialist student accommodation manager. The lodges house 2,303 undergraduate and postgraduate students who support the creation of 29 new commercial opportunities on the edge of Canberra’s CBD, which borders the ANU campus.

Access to transport

A key determinant for international students when deciding where to live is transport costs. Universities Australia (2010) has recommended that government travel concessions for full-time students be extended to all full-time international undergraduates.

Before October 2012, transport concessions for international tertiary students were available in all States and Territories except New South Wales and Victoria which account for almost 60 per cent of the overall international student population. These states argued that such concessions would be an unreasonable impost on their budgets and that international students should be self-sufficient in terms of meeting living costs.
In October 2012 the New South Wales Government announced that it would trial a scheme that offered concession rates to international students. The new program provides discounts on MyMulti2 and MyMulti3 tickets, which allow travellers to use multiple transport options in the greater Sydney area. However, three universities popular with international students – the University of Technology Sydney, the University of Sydney and the University of New South Wales are not included in the greater Sydney area.

International student contribution to domestic tourism

Beyond their obvious contribution to Australia’s education sector, international students represent an opportunity for the broader tourism industry. Research in 2010 showed that while study is the key reason for being in Australia, international students are undertaking travel activities before, during and on completion of their studies (Davidson et al 2010). Of the 6,000 students surveyed, 85 per cent had undertaken holiday travel while studying in Australia. Most of these trips were one to three days (38 per cent) and day trips (24 per cent). For the majority of students (84 per cent), the average Australian holiday spend was less than $1,000 per trip. However, with most students (64.5 per cent) travelling in groups, this represents a significant tourism contribution. The research also indicates that over 70 per cent of international students expected at least two or more friends and two or more family members to visit them in Australia during their studying periods. The majority of these visitors (40 per cent) stay for one to two weeks. Only 36 per cent of these international visitors will stay in commercial accommodation. Nearly half will stay with other international students.
Part 2: International migrant settlement patterns – Migration and Australia’s global cities

Contributed by the Department of Immigration and Citizenship

Introduction

The long history of forming connections through migration has now reached new thresholds as a result of the expanding scope and penetration of information and computer technologies and cheaper, faster and more frequent international transport. As a result, the social and economic networks linking locations, institutions and people have unprecedented depth and density. The ‘networked society’ is stretching social, economic, political and cultural spaces across national borders and is at the centre of the globalisation processes integrating Australia into the Asia-Pacific region and the globe. One of the biggest policy challenges confronting Australian global cities is that of developing integrated approaches that are able to capitalise on the transnational character of migration.

Currently the urban geography of immigrants is of two types. The first, overtly linked to the global dimension of the city, is centred on its core business districts. It is defined in terms of the dynamism of knowledge-based and transaction industries such as finance, accounting and management services and characterised by large temporary resident and visitor populations.

The second not only has temporary resident populations but also citizen migrant communities groups that increasingly live transnational lives. These areas, generally at some distance from city centres and once thought of as ethnic enclaves, are now potential hubs connecting Australia to other countries through the daily lives of migrants. To a large extent, these areas are as much a part of the story of a city’s globalisation as the city centres.

Global cities function not only as hubs and gateways of human diversity and mobility and as important nodes for innovation, economic growth and social change, but they are potentially also sites for the production of new inequalities and social divisions. The splintering of city governance into rich and poor suburbs and the lack of administrative capacity to distribute the benefits that accrue at the city’s centre are both difficult policy challenges.

This section looks at the different ways in which migration—and people movement more broadly—is fundamental to Australia’s global cities, such as Sydney. It feeds off and feeds into their development, at once contributing to their local character and also defining them as global.

Temporary resident population

The scale of temporary migration in Australia is large and growing. It is particularly important to examine temporary migration, complementing the traditional focus on permanent migration, to understand the changing human mobility structure of major cities.

On any given day, there are around one million temporary visa holders resident in Australia (not including New Zealanders), a stock of people that is steadily churning as visas expire, their places taken by new arrivals (Table 2-1, Figure 2-21).
# Table 2-1: Temporary entrants in Australia, 31 December 2012

<table>
<thead>
<tr>
<th>Visa holder component</th>
<th>31/12/2011</th>
<th>31/12/2012</th>
<th>% change</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Temporary visa holders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visitor visa holders</td>
<td>368,050</td>
<td>401,940</td>
<td>9.2%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Student visa holders</td>
<td>254,700</td>
<td>242,210</td>
<td>-4.9%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Working holiday maker visa holder</td>
<td>134,840</td>
<td>162,480</td>
<td>20.5%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Temporary skilled (subclass 457) visa holders</td>
<td>128,690</td>
<td>157,110</td>
<td>22.1%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Bridging visa holders</td>
<td>110,890</td>
<td>102,010</td>
<td>-8.0%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Skilled graduate (subclass 457) visa holders</td>
<td>21,910</td>
<td>38,210</td>
<td>74.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Other temporary visa holders</td>
<td>25,040</td>
<td>26,340</td>
<td>5.2%</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Total Temporary visa holders</strong></td>
<td><strong>1,044,130</strong></td>
<td><strong>1,130,290</strong></td>
<td><strong>8.3%</strong></td>
<td><strong>64.6%</strong></td>
</tr>
<tr>
<td>New Zealand (subclass 444) visa holders</td>
<td>587,100</td>
<td>618,570</td>
<td>5.4%</td>
<td>35.4%</td>
</tr>
<tr>
<td><strong>Total Temporary entrants in Australia</strong></td>
<td><strong>1,631,230</strong></td>
<td><strong>1,748,870</strong></td>
<td><strong>7.2%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Source: Department of Immigration and Citizenship

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**Figure 2-21: Temporary entrants in Australia, 2007–12**

![Bar chart showing temporary entrants in Australia from 2007 to 2012](chart.png)

Source: Department of Immigration and Citizenship

Australia’s resident population is defined by the ABS using the 12/16 rule (anyone in Australia for 12 out of the previous 16 months). As shown in Figure 2-22, the temporary migration component of the resident population grew strongly from 2004–05 until 2008–09, largely due to the contribution of international tertiary students, working holiday makers and to a lesser extent 457 visa holders. In recent years this growth has moderated due mainly to a fall in the number of international students. In the year ending December 2012 temporary migration contributed a total of 113,200 to the count of Australia’s resident population. The forecast for the year ending December 2013 is that this figure will rise to 122,900.
The 12-in-16 month rule means the vast bulk of the almost 30 million international border crossings per year have no bearing on overall population numbers. It also means that people who are not permanent residents of Australia can be counted as additions to the population, so long as they satisfy the residency rule. The wide application of this definition reflects how much transnational mobility is now accepted as characterising Australia’s residential population. It has useful applications, such as for understanding occupancy rates, rental demand, dwelling composition and house prices in the urban areas most affected by high levels of mobility. It also raises the question about even more open definitions that factor in additional mobile population groups.

The changing composition of population growth in favour of the temporary component is particularly noticeable in areas of higher education. As discussed earlier significant proportions of those residing in inner Melbourne and Sydney are international students (Hill, 2013).

In addition to the international student component of the temporary resident population, the inner city statistical subdivisions of Sydney and Melbourne are the nominated job location for approximately 15 per cent and 11 per cent, respectively, of the national total of 15,800 (2013) 457 visa holders. In the case of Sydney, the lower Northern Sydney statistical subdivision is the nominated position location for about seven per cent (Figure 2-23).

It is difficult to know whether this means that a similar proportion of 457 visa holders work and/or live in the inner city areas, since the place of residence or work may not coincide with the company’s official address, it nevertheless indicates the contribution of skilled temporary international workers to the inner city.
Analysis of the industry divisions of 457 visa holders suggests that skilled workers are drawn to industries that agglomerate in inner city areas. For example, the majority of 457 applications lodged for Sydney tend to concentrate in financial and insurance services and information media and telecommunications firms (Figure 2-24).

Source: Department of Immigration and Citizenship
International visitor population

One of the major impacts on people movement patterns as a result of faster and more frequent international transport is the massive growth in short-term international visitors. On the global scale, while the overall levels of international migration have remained remarkably constant between two and a half and three per cent of the global population (de Haas 2011), international tourist arrivals have shown virtually uninterrupted growth with the total international arrivals reaching, for the first time, one billion in 2012 (UNWTO 2013).

In Australia, the short-term movement category now constitutes 96 per cent of the 29 million crossings annually of Australia’s international borders (ABS 2013a). Short-term visitor arrivals and departures and short-term resident departures and returns represent 1,292 crossings for every 1,000 people of the Australian population. In 2001–02 there were 16.9 million border crossings, representing 865 crossings per 1,000 Australians.

Figure 2-25 provides a measure of the overall increase in short-term visitor arrivals and resident departures. Contrary to the prevailing view held of the Australian resident population, short-term resident departures have continued to exceed short-term visitor arrivals since the year ended June 2008.

In general, the increase in flows of short-term international visitors has been described as an increase in ‘people movement intensity’ (Andersen and Dalgaard 2011). People movement intensity is defined not only in terms of the volume of in-flows associated with a visa category, but more importantly, the frequency and regularity of movement both in and out of a city, state or nation. Migrants, whether permanent or long-term (e.g. more than 12 months and less than five years) can become part of the short-term departures and arrivals population, adding to movement intensity.

In this regard, increases in people movement intensity is an indicator of both the globalisation and transnationalism of a place (Caselli 2012) and a marker of the relative level of exposure that a society has to foreign influence through temporary in- and outflows of travellers. The societies which are most exposed to the flows of people obtain useful cross-border technologies, ideas, and organisational strategies and gain the transformative edge (Andersen and Dalgaard 2011).
Figure 2-25 Short-term visitor arrivals and resident departures in Australia, 2002–12

One of the key characteristics of a global city is that it is a hub not merely for a high volume of finance, information and knowledge flows but the flows of a large international visitor population. The areas of the city most affected by the constant flow of people are sometimes better understood in terms of the nature of flows, rather than stocks of residents. For this reason it has been suggested that in the areas most affected by high levels of people movement intensity a different concept of what constitutes the population should be used (Hugo 2004).

For example, in the City of Sydney, while there are only a little more than 180,000 residents, over two million international visitors come to the city each year (City of Sydney 2013a). In addition, it is estimated that a further 483,000 people travel to the city on any day to shop, be educated, conduct business or simply to be entertained. This is in addition to the 385,000 people who arrive every day to work in the local area (City of Sydney 2013a). The resident population of the City of Melbourne is a little over 100,000. Over 1.3 million international visitors come to the city each year, and a further 282,000 people travel to the city on any day to shop, study, conduct business or be entertained. In addition, it is estimated that a further 384,000 people arrive every day to work. (City of Melbourne 2013).

Importantly, a major component of the visitor population, across all the categories (holiday, family education, business, work), is return visitors or migrants (Figure 2-26). This circularity perhaps best captures the transnational character of today’s visitor flows and provides a useful insight into specific migration corridors.
The transnational character of the visitor population suggests the formation and stretching of a social and economic space across national borders. As seen in Figure 2-27, approximately 90 per cent of the visitor population in the trans-Tasman migration corridor are circular migrants. This is indicative of the degree of economic and social integration of Australia and New Zealand. The full character of the geography of a transnational space is best understood by looking at the migration corridors that currently connect Australia’s gateway cities to the rest of the world.
For example, a study by Richard Hu (2013c) has found that the number of people moving between Sydney and Shanghai has more than tripled between 2002 and 2011, from around 100,000 to 350,000. There was a large increase in the proportion of work and business related travellers (such as employment, business and conference) while the proportion of people travelling for personal reasons (such as holidays and visiting friends or family) has decreased. Employment was the main stated reason for travel between Sydney and Shanghai in both 2002 and 2011 followed by business. As the migration corridor between Sydney and Shanghai becomes even more established, return visits and circular migration are likely to become the dominant form of people movement within the visitor population.

Intra-company transfers in the banking, finance and professional services, aerospace, pharmaceuticals, electronic engineering, consulting and mining industries also shape cities. They include long-term, short-term and commuting assignments, rotations, extended business travel (30 to 90 days), business travel (up to 30 days) and virtual mobility. These patterns of mobility stretch across all long and short-term visa categories. In some cases there may be important incentives for seeking permanent residency and citizenship in a particular country when this status provides greater opportunities of transnational mobility (Beaverstock 2012). The standard rationale for acquiring citizenship is that it consolidates settlement in the destination country. However, in a more mobile and transnational setting, citizenship acquisition in Australia and another country can just as easily facilitate mobility – a form of mobility capital – giving greater freedom of movement between Australia and the other country.
Benefits of visitor movement intensity

Visitor population and related services are among the biggest contributors to Australia’s services exports. In particular, with the number of business travellers to Australia rising 5.1 per cent to 1.1 million in 2011–12, the business travel services exports rose 19 per cent to $3.9 billion. Education-related and recreational travel services remain Australia’s largest services exports ($15.1 billion and $11.8 billion respectively). Passenger and other transport services (including cargo and baggage handling, agents’ fees associated with freight transportation and airport and port charges) were also among the top six contributors – $2.6 billion and $2.2 billion respectively (Department of Foreign Affairs and Trade 2013a, 2013b).

There may also be a strong relationship between the intensity of visitor movement and the diffusion of knowledge and technology (Andersen and Dalgaard 2011) with beneficial productivity and trade outcomes. On the basis of recent work that builds on Frankel and Romer’s influential article ‘Does Trade Cause Growth’ (1999) there is at least a question raised concerning the linkage between increases in travel intensity and increases in the level of TFP (total factor productivity) and GDP per worker. A basic point made by Frankel and Romer (1999) is that ‘trade’ has to be taken as a proxy for a whole host of interactions between countries, including ‘the exchange of ideas, communication and travel’. Building on this understanding, economists Andersen and Delgaard (2011) argues that there is a causal nexus between cross-border people movement and increases in a country’s GDP.

Short-term temporary in and out flows of people have been identified as not only feeding directly into productivity and trade in services exports, but also encouraging the urban transnational flow of technology, ideas and knowledge. These are central to the intra-city agglomeration processes that speed up the exchange of ideas within growth industries (Taylor 2012). This model of international diffusion is probably also affected by long-term and permanent moves and resident departures. Recent literature on transnationalism and global migration questions the traditional distinction between short and long-term and permanent flows as a way of understanding cross-border and cultural interactions. This has implications for any model of international diffusion (de Haas 2010) and the economic benefit that connection to the global economy entails. More importantly it raises questions as to whether urban areas with low levels of international people movements are being excluded from such benefits.

Migration and global cities

Australia has long been seen as an ‘immigration country’. This image is now being challenged by new patterns of mobility and settlement.

In the case of refugees and to lesser extent family migrants, Australia is viewed as a place to settle, to become citizens with a view to building a future in Australia. However, in the case of many of the highly mobile professionals Australia, or indeed anywhere, is not viewed as a place to settle permanently. It is just as readily an origin country for emigration as a destination country for immigration and just as readily a place to visit and temporarily reside as it is a place to settle.

International people movement tends to be seen as movement from country to country. However, this really only applies to the refugee component which is often driven by political conflict internal to a nation. The highly skilled, talented and wealthy component
of cross-border people movement is better described as ‘transnational’ as it corresponds primarily to the formation of common economic, social and cultural spaces among a network of cities—across rather than between countries. Within this pattern of mobility and settlement, cities such as Sydney and Melbourne are fast becoming hubs for high levels of transnational people movement. They are defined just as much by the level of people mobility as their settlement patterns.

This dual nature sees high levels of transnational mobility linked to an educated and affluent cosmopolitanism, counterpoised with high levels of localism often linked to disadvantage. On the one hand, there is the overt branding of a city as global and on the other hand there is the historical understanding of a city as national. On the one hand, there is the opening up of the city’s prime real estate to a global market and increasing volumes of short and long-term temporary flows of people. On the other there is a segment of the citizen population without easy access to the opportunities and vibrancy that define a city’s direction and growth.

Defining a city as national or global is also a definition of the very meaning of the term global. This struggle extends to the classification and ranking of a city as a ‘global city’ (Robinson 2002). The term global is typically linked to a purely economic process defined by global flows of information, knowledge, finance, services and goods (Taylor 2012). Global cities are usually ranked by the volume of flows between the offices of the high growth advanced producer services industries that agglomerate in a selective number of cities (Taylor 2012). If this image of the global includes the movement of people, it usually relates to intra-company transfers and the talented, professional and creative class of people most directly involved in the agglomeration of high growth industries (Beaverstock 2002). In the case of this group of people, the gates of the city are flung wide open (de Haas 2011).

What is often missing is the way that migration systems, corridors and networks function to form a transnational space between origin and destination urban locations (Castles et al. 2012, Samers 2002), where people participate not only economically, but also socially, culturally and politically. Cities like Sydney and Melbourne which rank highly on both economic globalisation (Taylor 2011) and immigration indices (Price and Benton-Short 2007), it is important that the full extent of their diversity and transnational connections is factored into urban planning. Currently, it has been argued that, a lot of planning concerning the global dimension of the city is focused on the business and tourist hubs and not the suburbs where those migrants live and even less important, it seems, are the suburbs outside the business districts and low on a global migration index (Hu 2013a).

Global cities: migration and social polarisation

The global city is home to skilled and unskilled workers, to short and long-term residents, to documented and undocumented migrants and to professionals and refugees. The differences and disparities among the residents of global cities have led some to see the global city as a place of have and have-nots, where transnational elites are served by a migrant ‘servant class’ (Hamnett 2012, Sassen 1991) prepared to do the 3D (dirty, dangerous and demeaning) jobs, and commonly linked to irregular or illegal migration.

Much of the focus on the relationship between migration and global cities has looked at the possible link between migration and inequalities, divisions and polarities within global cities (Fainstein 2001, Mollenkopf and Castells 1991, Sassen 1991, Friedmann 1986, Friedmann and Wolff 1982). In this context, the division between high and low-skilled migration streams is thought to duplicate a class division within the global labour pool which is then embedded
in the settlement patterns of a city. In turn, the settlement patterns give rise to the spatial segregation of migrants, social polarisation (Hamnett 2012, Baum 2008, 1997) and ethnic structuring of the city (Burnley 2004, 1999, 1989, Burnley and Murphy 1994).

This focus on migration as a driver of social polarisation in global cities can be traced back to John Friedmann (Friedmann 1986, Friedmann and Wolff 1982). He advanced seven hypotheses based on the role of such cities within the global flows of knowledge, finance and labour. This focus was subsequently developed by Sassen (1991) who argued that social polarisation is an inevitable outcome of the changes in industrial structure and associated changes in occupation and migration to global cities. Mollenkopf and Castells (1991) have also adopted this ‘two cities’ approach to global cities (see Fainstein et al. 1992, for a critical review of this literature).

Hamnett (2012) on the other hand, has argued that the evidence regarding global city formation and the concentration of the services sector in such locations is more supportive of the claim of income inequality rather than social polarisation. Further, he argues that it does not follow that a growth in the services sector necessarily leads to high skill/high wage and a low skill/low wage labour markets but that middle skill/income service jobs are also produced (clerks, sales and personal service workers). Hamnett’s work highlights the fact that where social polarisation does occur, it is more likely to be where labour is being drawn from low paid jobs in the services, manufacturing and construction sectors.

Others, while not denying the inequalities within global cities, emphasise the unique social and cultural activities that take place within them. These are often described as transnational and ‘diasporic’, referring to the persistent and multiple connections between ‘here’ and ‘elsewhere’ enacted by migrant communities (Nagel 2012, Vertovec 2007).

Little attention has been paid to understanding how differing forms of mobility benefit global cities (Samers 2002). More recent global city theory is looking at the different stages of restructuring that global cities undergo, the variation of skills and backgrounds of migrant labour, and the operation of migrant networks and the rights and protections afforded migrant labour. It is now evident that any understanding of global cities must take into account the social, civil and political dimensions of migrant transnationalism (Samers 2002).

**Global Sydney: migration and spatial segregation**

A distinctive characteristic of Sydney compared with some other global cities is that while there are suburbs with high proportions of foreign-born residents, they are not dominated by a single birthplace group (Hu 2013a, Hugo 2008a). Moreover, more recent immigrant arrivals are more dispersed than earlier generations of arrivals. As Hugo (2008) has noted, there is increasing bifurcation, in both global migration and Australian immigration, between skilled and unskilled migration (Hugo 2008, Hawthorne 2005). The former are both permanent and temporary and the latter arrive largely through the humanitarian program and family-reunion. Since the mid 1990s, the balance in Australia has moved in favour of highly educated, skilled higher income migrants and these cohorts tend to settle in more dispersed patterns rather than reinforce pre-existing ethnic settlement patterns.

Hugo gives the example of two important birthplace groups. The Vietnamese, who arrived in Australia predominantly under the humanitarian and family migration programs, have often experienced difficulties getting jobs. They are the most concentrated ethnic group in Sydney; 35.2 per cent living in the Statistical Local Area of Fairfield, which has 4.6 per cent of the total...
Sydney population (ABS 2011b). In comparison, the Chinese, who entered Australia largely under the skilled component of the immigration program, are much less concentrated and live in wealthy and poorer suburbs (Hugo 2008).

Baum (2008) has found Sydney to be the most socially polarised of the Australian capitals, topping a General Deprivation Index in both highest and lowest relative deprivation. As highlighted by Bill Randolph and Darren Holloway (2005) (drawing on the Australian Bureau of Statistics Index of Relative Socio-Economic Disadvantage – SEIFA) the city has witnessed a stark socio-spatial diversification in the past 30 years, with a progressive ‘suburbanisation of disadvantage’, particularly in the Western and South Western areas.

This has been confirmed in the ‘VAMPIRE’ Index at Griffith University’s Urban Research Program by Jago Dodson and Neil Sipe (2008) which assesses household and suburb vulnerability by examining factors such as mortgage rates, oil prices and inflation risks. The study found that Sydney displayed a more defined spatial patterning of change and increase in vulnerability across the 2001–06 period than less ‘globalised’ Australian capitals like Brisbane, with a major west-central and south-west region (across Liverpool and Parramatta) registering the greatest vulnerability. The ‘two-Sydney’s’ thesis is seen by some researchers to be enhanced by the trend of higher-end jobs for skilled migrants and low-income service occupations for other types of migrants (Healy and Birrell 2003).

More recent work conducted at the Australian and New Zealand School of Government at the University of Canberra by Hu (2013a, 2013b, 2013d) also describes the impact of migration and people movement on Sydney’s development. This study looked at migrant globalism, economic globalism and global mobility as follows:

- The Global Migration Index (GMI) is adopted from a study conducted by Price and Benton-Short (2007a), which ranks cities as global immigrant cities. The GMI is a weighted index that considers four key factors: percentage of foreign born population; total foreign born population; percentage of population born in non-English speaking countries; and whether any one ethnic or national group makes up more than 25 per cent of the foreign born population.
- The Global Competitive Index (GCI) looks at how well Sydney’s work force integrates into the global knowledge economy. The GCI is weighted to consider the following indicators based on place of work: workers in knowledge-intensive industries; workers in highly-skilled occupations; workers with a university qualification; and workers’ income.
- The Global Mobility Index (GloMo) looks at the mobility of the residential population. The GloMo is also a weighted index that looks at the total movements (international and domestic) into Sydney’s LGAs in terms of three indicators: total international movements (not differentiating between Australian citizens or overseas born); total movements by persons without Australian citizenship (international and domestic); and total number of domestic moves (from outside the Sydney region).

The study indicates that in Sydney, migrant globalism (represented by the GMI) does not have the same geography as global Sydney defined in terms of the knowledge economy (GCI). Instead, the mobility dimension of Sydney (GloMo) more closely tracks the geography of Sydney’s knowledge economy (see maps 2-7 to 2-9). This provides insight into the economic importance of mobility and challenges the idea that areas of migrant settlement are those of highest mobility.
Map 2-7  Global immigration to Sydney, 2011

Global Migration Index 2011
Local Government Area

-1.613 to -0.719
-0.602 to 0.111
0.214 to 0.731
0.732 to 1.725

Source: Hu 2013a
Map 2-8  Global Competitive Index for Sydney, 2011

Note: The Global Competitive Index is a weighted index based on proportion of workers in knowledge intensive industries those in highly skilled occupations, workers with a university degree and workers income.

Source: Hu 2013b
Map 2-9  Residential mobility in Sydney, 2011

Source: Map supplied by Department of Immigration and Citizenship
One of the findings of Hu’s work (2013a, 2013b, 2013d) is the close relationship between the urban planning map of Sydney as a Global City (see the Map in Figure 2-28), and the GCI and GloMo mapping of Sydney, with shared focus on an arc from the west, across the north and down through the CBD. However, their only major overlap with areas of high GMI (reflecting transnational migration concentrations across the south-west) is the cities of Parramatta and Sydney. For example, the planning, GCI and GloMo maps do not reflect the transnational dimension of LGAs that have: large migrant populations (e.g. Blacktown); a high percentage of foreign born population (e.g. Auburn); or a dominant foreign born community (e.g. Burwood, Kogarah and Hurstville in which, despite their overall dispersal, the China-born constitute more than 25 per cent of the total overseas born population) (Hu 2013a). This would suggest that governments may need to focus on migrant led transnational connectivity on areas outside the traditional global arc of Sydney (Vertovec 2007, Appadurai 2000)
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Map 2-10 Sydney's global economic corridor, 2013

Hu’s (2013a, 2013b, 2013d), geospatial mapping of Sydney shows three distinct geographies: LGAs associated with migrant globalism integrated into areas identified with economic globalism (for example the cities of Sydney, Parramatta and Ryde); LGAs associated with migrant globalism not integrated into areas identified with economic globalism (for example the cities of Blacktown and Fairfield) and LGAs not integrated into areas associated with either economic or migrant globalism (for example the cities of Wollondilly and Hawkesbury).
The trend between 2001 and 2011 was towards higher levels of dispersal for migrants with high levels of human and/or financial capital. This is demonstrated by the fact that while overseas-born populations as a percentage of total population increased in 40 of Sydney’s 43 LGAs, there were fewer LGAs with a high share of migrants from one cultural group in 2011 than 2001.

Fairfield, while dropping slightly on the GMI, remains the prime LGA for humanitarian stream settlement (Vietnamese in the 1970s and now Iraqi refugees). This fact can be partly attributed to the formation of strong transnational migrant networks, but also to the relatively lower costs of housing and rent in Fairfield. It is also one of the lowest ranking areas on Hu’s GMI and one of the most disadvantaged in the ABS’s Socio-Economic Indexes for Areas (SEIFA) ratings (ABS 2013b).

Blacktown has the fastest growing resident migrant population in greater Sydney. On current trends it will replace Fairfield at the top of Hu’s GMI by 2016. Blacktown is a hub of people with links to urban areas in the Philippines and India. The type of migrants coming to Blacktown are not predominately low-skilled migrants or humanitarian entrants but rather skilled migrants who are more likely to be highly educated, compared to an average person in Blacktown or within the broader community. They are also more likely to fill unskilled (e.g. clerical/admin workers, labourers, drivers) and low skilled industry occupations (e.g. transport, construction and manufacturing sectors) than the average person in Blacktown and Australia. Of the migrants arriving in 2007 and 2010, 28.2 and 27.3 per cent respectively held Bachelor degrees or higher. This is significantly more than the average of all people in Blacktown (13 per cent) and Australia (15.2 per cent). Of the skilled (Bachelor degree or above) migrants arriving in Blacktown from 2010 until Census night 2011, just 48.7 per cent were working in skilled jobs. This is a significantly lower use of their qualifications than for the average of all graduates in Blacktown (65.4 per cent) or Australia (77.7 per cent).

The Blacktown example indicates occupational polarisation associated with migration. Unlike its more usual form with separate flows of low skilled and skilled migration, occupational polarisation in Blacktown results from a skilled migrant cohort filling low skilled positions. This has planning implications for state and territory governments which can locate businesses and transport opportunities to best meet the needs of the area’s labour force. For example, those relating to the development of the Western Sydney Employment Area (WSEA) that will locate a range of businesses and provide the transport infrastructure in close proximity to this growing pool of skilled labour (NSW Department of Planning and Infrastructure 2013b).

The City of Sydney, North Sydney and Parramatta also have growing resident migrant populations with large transnational visitor populations. The resident migrant population in these areas are the most integrated into global networks associated with the knowledge economy. Resident overseas students are also a pool of talent for transnational corporations that derive the benefit from agglomeration. Wollondilly and Hawkesbury are the city areas least integrated either into transnational migrant networks or the people to people networks within the knowledge economy.

Hu’s mapping of Sydney based on the GCI shows Sydney’s global nature in terms of the agglomeration of Advanced Producer Services (APS) firms. In these terms, the City of Sydney is easily the most global LGA in Sydney. Figure 2-28 shows that APS firms are overwhelmingly located in dense parts of Sydney with forty-five per cent of the workers in the APS industry divisions agglomerating in the City of Sydney. Consistent with the state
government’s mapping of Global Sydney, North Sydney has the highest concentration of APS workers (51 per cent of the workforce in North Sydney works in this industry division). Furthermore, in line with the mapping of the ‘Global Economic Corridor’ (Map 2-10) which extends through the Macquarie Park Business District in Ryde, the Ryde LGA experienced the biggest increase on the GCI between 2001–11.

Figure 2-28 Workers in knowledge-intensive industries in Sydney, 2011

Hu’s project (2013a, 2013b, 2013d) emphasises that in a global city like Sydney, one needs to take a wider perspective so as to get the full picture of the interrelation between people movement, the emergence of new social divisions and the formation of a new ‘production geography’. It does this by showing that a map of the mobility of Sydney’s residential population more closely matches a Sydney that is integrated into the global economy than transnational migration systems.

It is not simply a matter of concluding that potential social divisions in Sydney are internal to a migrant population – although no doubt there is some validity to this claim. Rather, the more troubling divisions are those between a Sydney defined in terms of an economic globalism and those defined by a localism. On the one hand, there are areas of Sydney that attract resources and accumulate opportunities, wealth and power: it is a Sydney defined in terms of transnational mobility and flows rather than settlement. On the other hand, there are areas of Sydney defined in terms of a shared history, identity and attachment to place. Castells (2010) argues that the division between globalism and localism ‘is the most fundamental contradiction emerging in our globalised, urbanised, networked world’. This presents opportunities for approaches to social cohesion policy that cut across the typical divisions and issues based on ‘old’ versus ‘new’ Australians. Such approaches could bring 21st century opportunities, not just for socially excluded migrants, but also—and perhaps even more so—for many Australian-born.

Knowledge-intensive industries and people movement

The co-incidence between the map of the economic globalism of Sydney (that is, the GCI map, Map 2-8) and the map of the mobility intensity of Sydney’s residential population
People movement, and by extension transnational people movement, is fundamental to the economic modelling of the agglomeration of knowledge-intensive industries (Davis and Dingle 2012). The agglomeration effects associated with these industries depend heavily on the exchange of ideas and knowledge. People movement is central to that exchange. This issue is particularly relevant at a time when there is pressure to raise productivity and when competition is growing amongst OECD countries for a global pool of skill and talent (de Haas 2011).

Traditionally, the focus of urban and regional development policy has been on business climate and measures to attract new businesses and support the growth of existing industry (Asheim 2012). An alternate view is that the attractiveness of cities is based on an above-average level of human capital, the quality of universities and their positions as infrastructural hubs (for example airports with the best international flight connections). The presence of these is said to encourage knowledge intensive business services – the highly value added and/or research based industrial and service activities.

Richard Florida argues in *The Rise of the Creative Class* that ‘people climate’ (factors that positively affect the location of people) is important to the health of the ‘business climate’ (factors that positively affect the location of businesses) (2002). Sometimes, says Florida, a ‘people climate’ can be the most important factor. People, particularly those who work in the growing high-technology and creative industries do not follow jobs; rather, jobs in these industries follow people (Florida 2002).

The creative core has the highest skill levels and accounts for most of the innovation by the creative class. However, even if the Bohemians are relatively few and account for only a modest part of the creative class’s contribution to economic growth, they have the most specialised preferences and pioneer the preferences of the creative class in general. The preferences of the Bohemians flow through the rest of the creative class, stimulating its ‘bourgeoisie-Bohemian’ (‘bobo’) ethos.

This perspective runs contrary to what has been common wisdom for years – namely, firms that create jobs have to be attracted through fiscal or structural (cluster and innovation) policies to promote regional growth and development (Asheim and Coenen 2005). In contrast, Florida argues that in the knowledge economy, it is crucial to improve people climate by creating and catering to diversity, openness and tolerance in addition to more conventional factors of urban attractiveness, such as a rich cultural scene, interesting architecture and well-developed recreational facilities. The presence of a tolerant environment offers diversity and quasi-anonymity, which are treasured by the creative class and provide space for people who do not fit into the common norms. This again increases the opportunities for innovative thinking and for the further development of new competitive knowledge.

According to Florida (2002) both business and people climate scenarios show how different factors may act as key drivers of skilled people movement intensity within the knowledge economy. Such movement intensity remains central regardless of whether we think it is the business or people climate that constitutes the most important factors for urban agglomeration. In this way, an increase in the urban stocks of a creative class and the urban agglomeration of people associated with creative activities drives the knowledge economy. Figure 2-29 presents a schematic form of the argument.
A positive ‘people climate’ is the basis for the formation of a business climate with human capital and talent attracting new high-technology industries, stimulating urban economies (Jacobs 1969) and consequently fosters the economic growth of cities. In this way, multicultural policy could be seen as part of a feedback loop where a cosmopolitan ‘people climate’ influences subsequent flows of people.

In Australia, we are seeing real changes, whereby some parts of Australia are integrated more than others into these processes of social transformation. In this process, the workers in the knowledge economy of central Sydney or Melbourne may have more in common with similar workers in London or San Francisco than they do with others on their own city.

The idea of a two-speed economy is familiar. What is now being suggested is the idea of a two-speed or multi-speed society measured in terms of people-movement intensity and rankings of global connectivity. This is a society undergoing transformations and change at different rates and in different ways. It will also be a society where some sectors of the population have more access than others to the networks, flows of knowledge, capital and innovation that define urban development in the 21st century. This picture of Australia takes us beyond the issues traditionally associated with multiculturalism to concerns about the division between globalization and localism.

**International migration conclusion**

This picture of Australian global cities as they currently exist takes us beyond familiar frameworks of immigration and settlement. New lines of division are emerging between globalization and localism—that is, between urban spaces within society that derive their meaning and identity from global mobility and connectedness, and those which find them in connection to a local place.

These emerging divisions are embedded in the concept of the ‘global’ that guides policy directions and decisions concerning which areas and activities are essential to the global integration of the city. To what extent should policy-makers at all levels of government consider the people-to-people transnationalism of migrant geographies in the context of the development of the global city? To what extent should they consider the localism not directly associated with the hubs of economic and migrant globalization and, to what extent do traditional models of locally-defined communities need to adjust to a world characterised increasingly by transnational connections and interests, and high mobility?

Governments will need to carefully consider the relationship between migration strategy and urban development and the management and governance of urban spaces to ensure opportunities and benefits are realised for all Australians by addressing the unevenness of Australia’s social and economic integration into the global economy and transnational communities.
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