

The Social Costs and Benefits of Migration into Australia

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Abbreviations

ABC	Australian Broadcasting Corporation
ABS	Australian Bureau of Statistics
ACDE	Australian Council of Deans of Education (Incorporated)
ACE	Adult Community Education
ACT	Australian Capital Territory
AES	Australian Electoral Studies
AHURI	Australian Housing and Urban Research Institute
AIC	Australian Institute of Criminology
AIHW	Australian Institute of Health and Welfare
AMES	Adult Migrant English Service
AuSSA	Australian Survey of Social Attitudes
CALD	Cultural and Linguistic Diversity
CARSS	Centre for Applied Research in Social Science
CURF	Confidentialised Unit Record Files
DEST	Department of Education, Science and Training (Commonwealth)
DET	Department of Education and Training (NSW)
DEWR	Department of Employment and Workplace Relations
DFAT	Department of Foreign Affairs and Trade
DIAC	Department of Immigration and Citizenship
DIMA	Department of Immigration and Multicultural Affairs (now DIAC) Department of Immigration, Multicultural and Indigenous Affairs (now DIAC)
DIMIA	
ENS	Employer Nomination Scheme
ERFP	Estimated resident female population
ESL	English as a Second Language
FaSCIA	Department of Families, Community Services and Indigenous Affairs
FECCA	Federation of Communities' Councils of Australia
FYR	Former Yugoslavia Republic
FYROM	Former Yugoslav Republic of Macedonia
GSS	General Social Survey
HREOC	Human Rights and Equal Opportunity Commission
ICVS	International Crime Victim Survey
ISSP	International Social Survey Programme
LOTE	Languages Other Than English
LSIA	Longitudinal Survey of Immigrants to Australia
NESB	Non-English Speaking Background
NOM	Net Overseas Migration
NSW	New South Wales
NT	Northern Territory
OECD	Organisation for Economic Cooperation and Development

RAC	Research Advisory Committee
RSMS	Regional Sponsored Migration Scheme
SAR	Special Administrative Region (of China: Hong Kong and Macau)
SBS	Special Broadcasting Service
SCARC	Senate Community Affairs Reference Committee
SDAS	Skilled Designated Area Scheme
SLA	Statistical Local Area
SMS	Short Message Service
TAFE	Tertiary and Further Education
TFR	Total Fertility Rate
TPV	Temporary Protection Visa
TUS	Time Use Survey
UK	United Kingdom
USA	United States of America
VWS	Voluntary Work Survey

Executive Summary

Australia is one of the most multicultural countries in the world. Statistics indicate that around one quarter of the Australian population were born overseas and almost half (around 40%) have at least one parent born overseas. This is the broad context that frames the importance of comprehending the scale and nature of the social costs and benefits of migration into Australia. Using the four capitals framework for measuring Australia's progress, this study has synthesised a vast amount of evidence relevant to the topic. It has consolidated material from 49 different data sets and a large volume of existing although disparate research. Furthermore, original empirical material has been gathered through four community studies, two in regional Australia and two in metropolitan cities on the East Coast of the continent.

The main conclusion to be drawn from this study is that the social benefits of migration far outweigh the costs, especially in the longer term. The evidence that is available overwhelmingly supports the view that migrants to Australia have made and continue to make substantial contributions to Australia's stock of human, social and produced capital.

Most migrants have come to Australia to work, produce, and fill skills shortages. In addition, migrants are generally healthier than the resident population providing a further boost to human capital stocks. The migrant presence has also substantially increased the range and viability of available recreational and cultural activities for all Australians. Australia is characterised by relatively high levels of inter-marriage between migrants and the Australia-born, and this fact alone is evidence of the success of migration outcomes. These factors encourage most migrants to embrace Australian society, its political and cultural norms and to participate in various aspects of community life.

Migration has been critical to building the nation's stock of social capital. Over the past decade, social capital has received increasing attention by government policy makers because it is transferable within and between communities and many public and private benefits are thought to be derived from its nourishment. While social capital is difficult to measure the results contained in this research suggests that immigration has been critical in the development of Australia's world standing in part through its ability to enhance this nation's share of global bridging social capital. Australians are keen to develop bridging capital between those with different cultural heritages although some seek these opportunities more than others. With respect to bonding capital, migrants from particular ethnic groups also act as bonding agents for the next wave, assisting their cultural and economic integration in a multitude of ways that are immeasurable and hence largely invisible.

Migrants contribute in positive ways to the productive diversity of Australia through investment in housing, in the transformation of urban areas, the creation of new businesses, the supply of products, the provision of new and different skills, and through other types of entrepreneurial activities. From the perspective of the host country, migration contributes substantially to Australia's capacity for innovation, productive diversity and economic prosperity, opening up valuable cultural and business opportunities with the rest of the world. As an island continent in the southern hemisphere the benefits to Australia, while incalculable, clearly have been enormous. Although most migrants initially settle in metropolitan areas, those who move elsewhere help to ameliorate critical skills shortages and replenish the stock of social and human capital in regional Australia facing widespread rural population decline.

Most social costs associated with migration are short term and generally arise from the integration phase of the settlement process. While issues such as lack of English proficiency, cultural integration, infrastructure inadequacies and religious fundamentalism were raised as matters of concern to the host community in the focus groups, it is difficult, on the basis of the interview data, to gauge the actual social costs involved. Other matters raised were mostly short-term integration issues or cultural conflicts that understandably arise from the chasm between migrating from a refugee camp or war-torn part of world to the comparative security of Australia, and the time it takes to learn new ways of living, speaking, and relating with members of the host culture. However these are issues that tend to fade in the longer term.

While most migrants entering Australia are skilled, some humanitarian or preferential family groups from refugee camps, upon arrival in Australia, may lack education and English language skills. Development of social capital in the form of linkages between migrant groups and the host community is inevitably influenced by the extent to which people share a common language. The evidence amassed in this report suggests that the ability to communicate with the host community is absolutely vital, not only for practical reasons of attaining employment and attending education, but also for building cross cultural understanding, social cohesion, and social capital networks. A lack of proficiency in English presents barriers to participation not only in employment but also in education and training and in leisure, cultural and sporting activities. However, most migrants, including those arriving through the humanitarian intake, have over time learnt English, acquired qualifications and done well. Furthermore, they are generally ambitious for their children to achieve and to have better opportunities in life. Most cherish Australian values of political freedom, justice and equality and express immense appreciation for the security and wellbeing they enjoy in this country. Hence many of the benefits of migration accrue to the second generation, while most of the personal costs of migrating are born by the first generation. These costs may include cultural isolation, separation from family and friends left behind, problems with acquiring English literacy, lack of recognition of overseas qualifications, under-employment, unemployment and welfare dependency.

There seems to be no doubt that policies of multiculturalism have encouraged the right sort of environment for cultural diversity to be generally not only accepted but also enthusiastically embraced by migrants and host communities alike. This does not mean that tensions do not exist and that racism and prejudices are not experienced at times but there seems to be wide-ranging acceptance within Australian society of the cultural and religious diversity that migration brings.

Governments in Australia and around the world only have a limited capacity to control factors influencing immigration patterns through planning intake quotas of various visa streams. Immigration is a dynamic policy field, where outlooks can be rapidly superseded as international settings unfold. Migration is no longer confined to poor people seeking a better life but relates to a large and growing cohort of people living as global citizens seeking careers and personal development across the world. The notion of immigration as a form of permanent relocation may itself become superseded. Progressively more employers have a global view of labour recruitment, recognising sponsored temporary skilled workers as essential for successful operations. The ability to attract migrants will probably be influenced by their perceptions about Australian society in general and the ease with which their re-settlement and acceptance can be accomplished. To date, Australia has, on the whole, been a beacon to the rest of the world but more research into how local factors impact upon the success or otherwise of the settlement process warrants further research.

1: Introduction

1.1 Background to the project

Australia is one of the most culturally diverse societies of the 21st century. Over six million migrants have entered Australia since 1945 and almost a quarter of all Australians today were born overseas (ABS 2004d). Since the 1958 *Migration Act*, immigration to Australia has become increasingly planned through migrant intake targets, caps and quotas for various visa streams. In the financial year ending June 2006, permanent settler arrivals to Australia through migration Programmes totalled 106 495 people, mostly through Skilled Migration and Family Reunion Programmes.¹ The total number of settler arrivals included 12 113 through the Humanitarian Programme.² A further 48 214 onshore applicants were granted permanent settler status³ (DIMA 2006g). Having a planned immigration Programme is especially important in a globalised world where the reduction of national barriers to trade and financial investment has spawned cross-border flows of goods, financial resources, information *and* people.

The economic impact of immigration has been studied extensively in Australia (see Access Economics 2004; Garnaut et al. 2003) as it has in other western countries (for example, Coleman and Rowthorn 2004). Of course, the effect of migration extends well beyond its economic impact and yet the social impact of migration is less well understood. Consequently, the research team was asked by the Department of Immigration and Citizenship (DIAC) to examine the social costs and benefits of migration to Australia.

1.2 Project scope and framework

An inherent difficulty in assessing the social costs and benefits, or social impact, of migration to Australia is the problem of conceptualising and measuring these. 'Social impacts' are clearly multidimensional as this report illustrates. The research team sought guidance on how to conceptualise social impact from a range of other authoritative sources (notably several ABS publications: *Measuring Australia's Progress* 1370.0; *Measuring Wellbeing* 4160.0; and *Australian Social Trends* 4102.0). Similarly, the OECD's *List of Social Concerns Common to Most OECD Countries* provides insight into what might be deemed fundamental social concerns from an international perspective.

¹ This comprised 34 771 family migrants sponsored by family members in Australia; 59 507 places for skilled migrants; and 104 places for special eligibility migrants who have lived in Australia for 10 years (Resolution of Status Visa) (DIMA 2006g).

² The Humanitarian program comprises 5190 places for refugees from overseas and another 6923 places within the special humanitarian program.

³ Of this total, 11 172 were family sponsored; 31 994 were skilled; and 197 were special eligibility migrants. A further 4851 were granted permanent settler status under the Humanitarian Program (DIMA 2006g)

Following the ABS framework used in *Measuring Australia's Progress*, national assets can be viewed as comprising several forms of capital. In each case, the capital in Australia as a destination country can be augmented, remain unchanged, or diminish as a result of the impact of migration. It is common to differentiate four sorts of 'capital': (1) *human capital* (incorporating the knowledge, skills, health status and recreational lifestyle of the population); (2) *social capital* (including attachment to social groups and trust in government and business); (3); *produced and financial capital* or *productive diversity* (to be seen in such things as the money, machinery and infrastructure which help the economy and society to function) and (4) *natural capital* (as evidenced primarily in the condition of the biophysical environment). These 'capitals' can be divided into different components, thereby providing a conceptual schema for the evaluation of the social impact of migration (Table 1.1). This conceptual schema has fundamentally shaped our analysis of the social costs and benefits of migration to Australia, and the organisation of this report into discrete chapters that address how migration impacts on each of these capitals. (Limits to this study's capacity to assess the social impact of migration to Australia are listed in Appendix 1A)

Table 1.1: Assessing the social impact of immigration

Human capital – Chapter 3

Work, welfare payments, workplace skills and education
Physical and mental health
Leisure and recreation

Social Capital – Chapter 4

Community life and civil society
Social networks and neighbourhood
Culture and diversity
Crime and justice

Produced and financial capital – Chapter 5

Housing
Infrastructure
New businesses, goods and services

Natural capital – Chapter 6

Environmental impact
Population impact
Sustainability

Definition of a migrant

There are legal, social, academic and commonsense ways of defining who constitutes a migrant. In this study the scope has been confined to lawful migration to Australia through four main streams: skilled, business, family and humanitarian streams. DIAC definitions are included at the end of this chapter.

