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BANKWEST CURTIN ECONOMICS CENTRE

FINDING A PLACE TO CALL HOME

Immigration in Australia

Focus on the States Series, No. 7/19
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About the Centre

The Bankwest Curtin Economics Centre is an independent economic and social research organisation located within the Curtin Business School at Curtin University. The Centre was established in 2012 through the generous support of Bankwest, a division of the Commonwealth Bank of Australia. The Centre's core mission to deliver high quality, accessible research that enhances our understanding of key economic and social issues that contribute to the wellbeing of West Australian families, businesses and communities.

The Bankwest Curtin Economics Centre is the first research organisation of its kind in WA, and draws great strength and credibility from its partnership with Bankwest, Curtin University and the Western Australian government. The Centre brings a unique philosophy to research on the major economic issues facing the State.

By bringing together experts from the research, policy and business communities at all stages of the process – from framing and conceptualising research questions, through the conduct of research, to the communication and implementation of research findings – we ensure that our research is relevant, fit for purpose, and makes a genuine difference to the lives of Australians, both in WA and nationally.

The Centre is able to capitalise on Curtin University's reputation for excellence in economic modelling, forecasting, public policy research, trade and industrial economics and spatial sciences. Centre researchers have specific expertise in economic forecasting, quantitative modelling, micro-data analysis and economic and social policy evaluation. The Centre also derives great value from its close association with experts from the corporate, business, public and not-for-profit sectors.

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Foreword

What are the key issues and challenges relating to immigration in Australia?

Where do immigrants come from, where do they settle, and what types of jobs do they do? How do migrants affect the wages? To what extent do we see skills mismatch among migrants entering our workforce? Does discrimination and bias remain an issue in our society? Are we doing enough to support the forced immigrants to Australia?

This seventh report in BCEC's *Focus on the States* series seeks to provide insights into these questions and many more. We explore the profile and evolution of immigration in Australia over recent years, and undertake a comprehensive assessment of the contributions immigrants make to Australia's social and economic development.

The report provides new evidence to better inform the debates on the labour market impact of immigrants and highlights the positive impact of immigrants on Australian economy.

It also explores the extent of acceptance of multiculturalism in Australia and provides an assessment of immigrants' health and wellbeing. There is a special focus on humanitarian migrants in the report through an analysis of a new longitudinal dataset of humanitarian migrants to Australia.

Immigration is a defining feature of Australia's economic and social life and will shape the nature of tomorrow's Australia.

I hope this report goes some way to shed light on this vitally important issue. I'd like thank the many stakeholders from the government, policy and community who gave us valuable insights that helped shape the ideas behind our research.

Professor Alan Duncan
Director, Bankwest Curtin Economics Centre
Curtin Business School, Curtin University

Executive summary

This seventh report in the BCEC's *Focus on the States* series explores the profile and evolution of immigration in Australia over recent years, and undertakes a comprehensive assessment of immigrants' contributions to Australia's social and economic development. The report also sheds light on the wellbeing of immigrants and their ability to take a meaningful and valued role in Australian society.

With increasing immigration, there is also increased interest and relevance to understand its impact on Australia's labour market. We observe increase in immigrant density across most industries and occupations. The concern that immigrants may adversely affect the employment and wage situation of native-born workers continues to dominate the public debate. Our results dispel such concerns. They highlight that the rise in immigration is in fact associated with rising wages for native-borns.

Migrants have, on average, more accumulated years of education than the Australian born population. But are their skills well-utilised? This report shows that only 60 per cent of migrants from a non English-speaking background are working in well-matched jobs. Moreover, not only are the migrants from non English-speaking background more likely to be over-educated for their jobs, they also incur the greatest wage penalty associated with this mismatch. We estimate that achieving a perfect match between the educational qualifications of these migrants and the jobs they hold could deliver a potential gain to the economy of up to 6 billion dollars per annum.

Our report finds that Australia has some way to go to become a truly multicultural society. We find that a significant share of native-born Australians – particularly those in the older age cohorts – have unfavourable attitudes towards certain groups, such as asylum seekers, Muslim Australians and African Australians. We provide empirical evidence to bear on the extent to which knowledge and exposure to such minority groups can mitigate the bias against them. The greater the knowledge and exposure, the fewer the negative attitudes and stereotypes.

The majority of immigrants in Australia take pride in this country, speak the language and identify with the values and norms of the majority. At the same time, preserving their primary cultural identity is important for the social wellbeing of immigrants. The report shows that complete assimilation may come at a cost of social wellbeing although it may enhance the economic status of immigrants. Yet, 70 per cent of native-born Australians oppose government assistance for ethnic minorities to preserve their traditions.

Are we doing enough in meeting the needs of the worlds' displaced populations? Not nearly as much as many other developed and developing countries do. Our comprehensive assessment based on newly released data on Australia's humanitarian migrants suggests, however, that those who are in this country are settling in well and can even see their socio-economic outcomes improve over the years. The report highlights the role of education and training in Australia for the chance to find a job at a similar skill level to which humanitarian migrants were holding in their home country.

Key findings

Profile of immigration

A profile of migrants to Australia

- More than a quarter (26.3%) of Australia's population were born in a country other than Australia – equivalent to nearly 6.2 million at the time of the 2016 Census
- Australia's overall population grew by a sixth (3.54 million) between the 2006 and 2016 Censuses, while the number of people born overseas rose by some 40% (1.76 million) over the same decade
- More than 90 per cent of permanent skilled visa and family visa holders are concentrated in the 20 to 50 age range.
- Most of Australia's migrants are in the 30 to 34 year age band, around 820,000 overall, with citizens and those on permanent skilled visas accounting for nearly 60 per cent of this total.

How has immigration changed in Australia?

- Under 5 per cent of Australia's immigrants were from Asia in 1966. By 2016, Asian migrants comprised close to a half of the total immigrant population of Australia, at around 2.75 million.
- The number of migrants to Australia from Africa has increased from 10,000 in 1981 to over 388,000 by 2016 – representing over 7 per cent of the immigrant population.
- The growth of new permanent entrants on skilled visas accelerated over the course of the resource-driven economic boom, reaching a peak with nearly 150,000 new entrants in 2008.
- Australia has taken an average of around 14,000 humanitarian migrants per year since the start of the millennium. The recent exception was in 2016, with over 23,000 new humanitarian migrants moving to Australia, largely from Iran and Syria.

Characteristics of Australia's immigrant population

- India tops the list as the largest source country of permanent migrants currently entering Australia under the skilled visa stream, with nearly 28,000 Indian immigrants in 2018.
- The number of skilled visa migrant arrivals from Pakistan has increased by 184 per cent over the past decade, making it the fourth largest origin of skilled visa migrants in Australia in 2018.
- The number of permanent skilled migrants entering Australia from the United Kingdom has dropped substantially from 24,600 in 2008 to under 5,400 in 2018 – a decline of 78 per cent.
- The annual arrival of permanent skilled migrants from South Africa also fell from a peak of nearly 11,000 in 2008 to 2,600 by 2018.
- The top five source countries in 2018 for permanent humanitarian migrants into Australia were Iraq, Syria, Myanmar, DRC Congo and Afghanistan.
- Around 3,650 humanitarian migrants from Iraq were received into Australia on permanent visas in 2018.
- The number of permanent humanitarian migrants from Syria has increased thirty seven fold over the course of the past decade; over 2,100 Syrian humanitarian migrants on permanent visas entered Australia in 2018.

Labour market impacts

Labour market outcomes of immigrants

- The labour force participation is significantly higher for migrants selected for their labour market skills under points-based and employer-sponsored visa streams than for native-born Australians.
- There was nearly a 17 percentage points difference in the labour force participation rates of points-based migrants and native-born Australians in 2016.
- In 2016, the unemployment rate was under 3 per cent across all three groups – points-based visa migrants, employer-sponsored migrants, and native-born Australians.
- Full-time employment was more prevalent among the points-based migrants (68.5%) and employer-sponsored migrants (65%) than among natives (57.5%).
- The Health Care and Social Assistance sector employed the largest shares of skilled migrants in 2016, with 19 per cent of employee-sponsored migrants and 16.5 per cent of points-based visa migrants working in the sector.
- 15 per cent of points-based migrants and 10 per cent of employer-sponsored migrants were employed in Professional, Scientific and Technical services in 2016.
- Migrants are concentrated at higher skilled occupation levels, with 55 per cent of points-based visa migrants and 46 per cent of employer-sponsored migrants employed as professionals or managers.
- Professionals are the largest occupational grouping with 43 per cent of points-based visa migrants, 31 per cent of employer-sponsored migrants and 21 per cent of native-born Australians employed in this occupation.

How do migrants affect the Australian labour market?

- There has been an increase in the immigrant share of the Australian workforce across most industries and occupations.
- Migrant workers represent over 40 per cent of the professional workforce in more than half of Australia's industry sectors.
- The migrant share of the labourer workforce has risen most strongly in Wholesale Trade (up by 8.8 percentage points to 44 per cent of all workers), in Manufacturing (up 4.4ppt to 48 per cent of all workers) and in Administrative and Support services (up 5.9ppt to 48 per cent of all workers).
- There is a positive net wage benefit to native workers from increases in the share of migrant workers.
- A one percentage point increase in the share of migrant workers leads to an increase of 2.4 percentage point in the real wages of native-born workers.
- Skilled migrant workers drive positive benefits across Australia's industry sectors through increased productivity, innovation and knowledge spillovers.
- The key finding in this report accord with other research which shows that a greater share of migrant workers leads to increased full-time employment, more hours of work and higher wages among native workers.
- There is no evidence to support the contention that an increase in the share of migrant workers leads to systematically worse labour market outcomes for native-born workers.

Key findings (continued)

Are migrant skills and education well utilised?

- 48 per cent of immigrants from non English-speaking countries have a tertiary degree, compared to 36 per cent of immigrants from English-speaking countries and 33 per cent of native-born Australians.
- Nearly 16 per cent of individuals born outside the English-speaking countries had a postgraduate degree, compared to 6 per cent of native-born Australians.
- In the period from 2006 to 2016, the number of foreign-born individuals holding a tertiary degree has increased by 77 per cent. This compares to a 30 per cent increase for the native-born population.
- 35 per cent of recent immigrants have pursued further studies after arriving in the country.
- A quarter of individuals who already possessed a postgraduate degree on arrival completed another postgraduate degree after they had arrived in Australia.
- There were 812,104 enrolments in the international education sector in 2019. Half of these were in higher education.
- Migrants born outside the main English-speaking countries are more likely to feel their skills are under-utilised compared to migrants from English-speaking countries and native-born workers. Over 15 per cent self-assess as being over-skilled for their job.
- Australian-born workers and migrants born in one of the main English-speaking countries experience similar level of skills mismatch. Three quarters are 'correctly matched'.
- Only 60 per cent of migrants from a non English-speaking background are working in well-matched jobs. Potentially, this represents a substantial opportunity cost to the economy from underutilised skills.
- We estimate that in 2017, there were 715,000 migrants from a non English-speaking background with more years of education than is normally required for their job.
- Compared to similar Australian-born workers, migrants from the main English-speaking countries earn 3.2 per cent higher wages, while those from non-English backgrounds earn 5.5 per cent lower wages.
- A migrant with low English proficiency typically earns around 12 per cent lower hourly wages than otherwise similar workers. We estimate that this accounts for one third of the overall wage penalty of 5.5 per cent experienced by migrants from non English-speaking backgrounds.
- Migrants from non English-speaking background are not only more likely to be over-educated for their jobs, they also incur the greatest wage penalty associated with this mismatch.
- On average, migrants who were born in one of the main English speaking countries receive a higher pay off to each year of education completed than native-born workers.
- Skills mismatch accounts for one third of the lower hourly earnings experienced by migrants from non English-speaking countries.
- Achieving a perfect match between the educational qualifications of migrants from non English-speaking backgrounds and the jobs they hold could deliver a potential gain to the economy of up to$6 billion dollars per annum.
- Only a very small fraction of the large wage penalty associated with low English proficiency can be attributed to English language barriers exacerbating skills-mismatch experienced by those migrants.

Wellbeing and social cohesion

Health and wellbeing

- In younger age cohorts in Australia, the foreign-born population has physical health advantages over the native-born population.
- Around 70% of foreign-born Australians but only 60% of native-

born Australians aged 18-24 assessed their health as excellent or very good in 2017.

- The foreign-born physical health advantage disappears for older age cohorts.
- Unhealthy behaviours are more common among the native-born population compared to the foreign-born population.
- As of 2017, nearly 86% of foreign-born Australians reported being satisfied or very satisfied with their lives overall.
- The share of Australians satisfied with their lives has increased over the past 16 years. However, less people are very satisfied now compared to 16 years ago.
- In 6 out of 8 domains of life satisfaction, a higher share of foreign-born Australians were very satisfied in 2001 than in 2017.
- Feeling socially isolated or having a lack of companionship was more common for native-born Australians than for immigrants in 2017.

Bias and discrimination

- Based on the latest data from the World Values Survey, over the quarter of South Koreans, 9% of Australians and only 3.6% of Swedes said they don't want immigrants as neighbours.
- 47% of native-born Australians surveyed in 2012 thought they should have priority for jobs.
- As of 2014, nearly 21% of foreign-born females in Australia thought they had been discriminated against when applying for a job – an increase of 2.2ppt from 2008.
- The rate of perceived discriminatory treatment is significantly lower among foreign-born males compared to females, and has been decreasing over time.
- 32% of native-born Australians surveyed in 2013 agreed that immigrants take jobs away from people who were born in Australia.
- In 2014, only 17% of university graduates but over half of individuals without a degree said 'the true Australian way of life is disappearing'.
- Asylum seekers and Muslims Australians are particularly unfavourably treated in Australia based on individual reports elicited in 2013.
- Over 53% of native-born Australians admitted to having unfavourable attitudes to asylum seekers and to Muslim Australians in 2013.
- Unfavourable attitudes to different minority groups in Australia are less prevalent in younger generations.
- 71% of builders but only 35% of generation Y surveyed in 2013 said they felt unfavourably towards Muslim Australians.
- According to survey data of 2016, there are significantly more negative predispositions towards Muslims than towards representatives of other major religions in Australia.
- 22% of native-born Australians surveyed in 2016 said they would feel negative about having a Muslim neighbour; under 6% would oppose a Buddhist neighbour.
- Negative attitudes towards Muslims are more prevalent among those who know less about the Muslim religion.
- The share of individuals opposed to having a Muslim neighbour in 2016 was 13% among natives who knew the most about Islam and 30% for those who knew the least.
- Exposure to Muslims, be these relatives, friends, neighbours, schoolmates or colleagues, brings down the rate of anti-Muslim attitudes.
- Among individuals who believe that Islam has a lot or something in common with their own religion, the share of those opposed to having a Muslim neighbour is 10%.
- In 2013, nearly half of the Australians born to Australian parents opted for reducing the number of immigrants in Australia.
- There is an increasingly large share of 1st generation immigrants who believe immigration should be cut.

Key findings (continued)

- In 2013, 68% of native-born Australians believed Australia should take stronger measures to exclude illegal immigrants.

Support for multiculturalism

- 87% of males and nearly 90% of females surveyed in 2013 felt immigrants should retain their culture of origin alongside adopting Australia's culture.
- In 2013, 70% of native-born Australians disagreed that ethnic minorities should be given government assistance to preserve their traditions.
- Being an Australian citizen is as important to 1st generation immigrants as it is to 2nd generation immigrants.
- 67% of foreign-born and 88% of native-born Australians surveyed in 2013 said they would rather be a citizen of Australia than of any other country in the world.
- The vast majority of both native- and foreign-born Australians surveyed in 2013 said respecting Australian political institutions and laws, having Australian citizenship, feeling Australian and speaking English are important to be 'truly Australian'.
- Over 60% of native-born but only 20% of foreign-born Australians surveyed in 2013 thought being born in Australia was important to being truly Australian.
- As of 2016, 73% of immigrants from non English-speaking countries were linguistically integrated, speaking English very well or well plus their own language.
- 18% of immigrants from non English-speaking countries were linguistically separated in 2016 – they did not speak English very well or well but spoke their own language.
- The share of linguistically assimilated immigrants from non English-speaking countries was just under 8% in 2016.
- The share of individuals who report being 'very satisfied' with life overall is the highest among those who are linguistically integrated, that is they speak both English as well as their own language.
- Assimilation may bring economic returns to immigrants from non English-speaking countries. The share of individuals who report being very satisfied with their employment opportunities and financial situation is the highest among linguistically assimilated immigrants and is the lowest among the linguistically separated immigrants.
- Maintaining primary cultural identity is important to the social wellbeing of immigrants in Australia.
- The share of individuals who report very high satisfaction with their home, feeling part of their community, and amount of free time they have, is higher among linguistically integrated and separated groups compared to those who are linguistically assimilated.

Humanitarian migrants

Humanitarian Migration in Australia and Globally

- In 2018, there were 20,356,406 refugees seeking asylum from persecution in countries around the world.
- In the same year, there were 2.3 refugees residing in Australia per 1,000 inhabitants, which placed it 51st in the world.
- In comparison, Sweden accommodated 24.4 refugees per 1,000 inhabitants and Germany 12.8 refugees per 1,000 inhabitants.
- Between January 2009 and August 2016, the Australian government granted 142,480 humanitarian visas. Of these humanitarian migrants, just over 60 per cent settled in either New South Wales or Victoria.

- Western Australia had the fourth largest settlement of humanitarian migrants during this period, some 10.8 per cent of the total.

A profile of humanitarian migrants in Australia

- Humanitarian migrants who settled in Australia where made up of a number of different family structures.
- The largest proportion where single person family structures, which made up 42.9% of all the humanitarian migration units.
- Couples with children made up the second largest proportion at 34.5%, followed by single parents at 11.1% and couples with no children at 6.2%.
- The most common forms of trauma or persecution experienced by humanitarian migrants were: wars and conflict (cited by 58 per cent), political or religious persecution (52 per cent), extreme living conditions (36 per cent), and violence (19 per cent).
- After being in Australia for four years, the percentage of male humanitarian migrants who reported their overall health as being poor or very poor increased from 12 per cent in 2014 to nearly 16 per cent in 2018.
- For female humanitarian migrants, this increased from 18 per cent in 2014 to 22 per cent in 2018.

Making Australia Home

- Feeling safe (77 per cent) was the most common reason given for helping humanitarian migrants settle in Australia.
- Four fifths of humanitarian migrants found it hard or very hard to find housing when they first arrived in Australia.
- Some of the most common reasons why humanitarian migrants found it hard or very hard to finding housing were: costs of living (cited by 58 per cent), language difficulties (55 per cent), and no references or rental history (53 per cent).
- In their first year in Australia, 43 per cent of humanitarian migrants experienced one or more types of financial hardship.
- The most common financial hardship experienced by humanitarian migrants in their first year in Australia was being unable to heat/cool home (28 per cent), followed by not being able to pay bills on time (20 per cent).

Finding a job and studying

- Of those humanitarian migrants in the labour force in their first year in Australia, only 29 per cent reported being in paid work. By 2018, this had more than doubled to 63 per cent.
- Humanitarian migrants cited no Australian work experience (59.0%); English not good enough (54.6%); and no qualifications or skills (37.1%) as the main reasons for finding it hard to get a job in their first year in Australia.
- Humanitarian migrants who had worked as technicians and tradespersons prior to arriving in Australia had the lowest level of occupational skill level mismatch, at 40.6 per cent.
- Humanitarian migrants who had worked in field of sales prior to arriving in Australia had the highest level of occupational skill level mismatch, at 92.3 per cent.

Introduction

This seventh report in the BCEC's *Focus on the States* series explores the profile and evolution of immigration in Australia over recent years, and undertakes a comprehensive assessment of the contributions immigrants make to Australia's social and economic development.

Australia has one of the highest shares of foreign-born populations in the OECD. This hasn't always been the case. A number of policy changes have over time shaped both the size and the composition of immigrant population in Australia. We provide an overview over how the patterns of immigration have changed over time, where current immigrants come from and where they settle. We also highlight the contribution of immigrants to Australia's population growth.

The growth in the immigrant share of Australia's population has led to debates over the impact that immigrants have had, or will have, on various aspects of life in Australia, including employment and wages. This report provides evidence to better inform these debates. We explore the employment patterns of immigrants by different visa types and compare them with those of native-born Australians. We then analyse the effect of immigration on the wages of native-born Australians by skill and occupation. We provide further analysis on job and skill mismatch among immigrants entering the Australian workforce.

The report devotes some much-needed attention to the health and wellbeing of immigrants and their ability to take a meaningful and valued role in Australian society. Since immigrants comprise such a high share of Australia's population, their health is an important determinant of the health of the population in general. We explore the immigrant/native differences in health outcomes, as well as the question of which behaviours pose specific health risks. We also provide an assessment of immigrants' wellbeing, by first looking at their reports on social and emotional wellbeing, but also indirectly, by exploring whether anti-immigrant bias is present in Australia. Not only do we examine the presence of bias against different groups, we also point out the role of familiarity and exposure to immigrants in reducing it.

Multiculturalism is a reality in Australian society. But how much support and tolerance is there for multiculturalism? And what is immigrants' cultural identity of to Australia? We describe their attachment to Australia and assess the degree to which they identify with Australian majority values. We use measures of language proficiency to classify immigrants into four states of cultural identity: integration, assimilation, separation, and marginalisation. Finally, we assess whether the economic and social wellbeing of immigrants varies by their cultural identity, based on this classification.

What is Australia's role in meeting the needs of the world's displaced populations? Our research explores how we fare, relative to other countries, in providing home to refugees and asylum seekers. We then focus on a large nationally representative cohort of Australian refugees and describe their journeys to Australia and how they settled this country. Our analysis documents in detail the experiences of immigrants in the labour market, as well as their social and emotional wellbeing since arriving in Australia.


Profile
of immigration

A profile of migrants to Australia

More than a quarter (26.3%) of Australia's population were born in a country other than Australia – equivalent to nearly 6.2 million at the time of the 2016 Census.

Australia's overall population grew by a sixth (3.54 million) between the 2006 and 2016 Censuses, while the number of people born overseas rose by some 40% (1.76 million) over the same decade.

More than a quarter (26.3%) of Australia's population of 23.4 million people were born in a country other than Australia – that represents nearly 6.2 million people at the time of the latest 2016 Australian Census who were born overseas (Table 1). To put this into context, Australia's overall population grew by just over a sixth (18%, around 3.54 million) between the 2006 and 2016 Censuses, while the number of people born overseas rose by some 40% over the same decade – by some 1.76 million between 2006 and 2016.

Nearly a third (32.2%) of Western Australia's 2016 population of 2.5 million were born overseas, the largest migrant population share across all states and territories. WA's foreign born population includes relatively high shares of permanent skilled migrants (12% of the total overseas-born population) and special New Zealand citizen visa holders (also 12% of the foreign-born population).

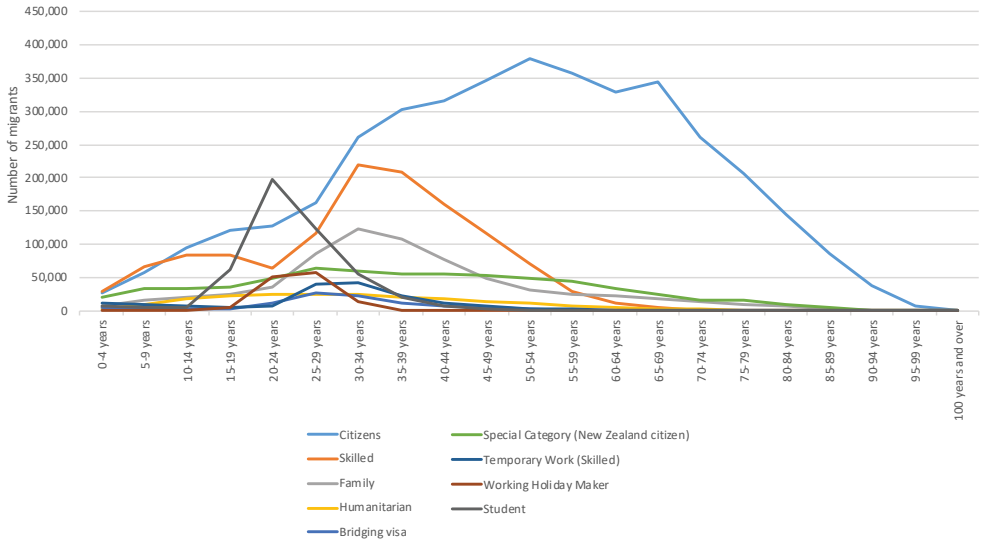
Nearly a third (32.2%) of Western Australia's 2016 population of 2.5 million were born overseas, the largest migrant population share across all states and territories. Table 1 also shows that WA's foreign-born population includes the highest shares of permanent skilled migrant visa holders (12% of the total overseas-born population), driven by the high demand for skilled workers over the period of the state's resources boom. Queensland is home to the largest number of special New Zealand citizen visa holders (217,000, equivalent to 21% of the foreign-born population), while ACT has the largest share of overseas student visa holders, around 11% of the territory's foreign-born population.

Table 1 Breakdown of Australian population – by migrant type and state/territory

Population breakdowns (2006, thousands)									
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
Total population (2006)	6,549.2	4,932.4	3,904.5	1,514.3	1,959.1	476.5	192.9	324.0	19,853.0
Native-born (2006)	4,521.2	3,434.5	2,935.3	1,120.1	1,279.2	396.7	148.2	236.5	14,071.5
% total population	69.0%	69.6%	75.2%	74.0%	65.3%	83.2%	76.8%	73.0%	70.9%
Foreign-born (2006)	1,552.3	1,169.9	698.2	306.8	530.5	50.4	26.4	70.2	4,404.8
% total population	23.7%	23.7%	17.9%	20.3%	27.1%	10.6%	13.7%	21.7%	22.2%
Migrant status not stated (2006)	475.8	328.1	271.1	87.4	149.3	29.4	18.3	17.4	1,376.7
% total population	7.3%	6.7%	6.9%	5.8%	7.6%	6.2%	9.5%	5.4%	6.9%
Population breakdowns (2016, thousands)									
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
Total population (2016)	7,480.2	5,926.6	4,703.2	1,676.7	2,474.4	510.0	228.8	397.4	23,397.3
Native-born (2016)	4,899.2	3,845.5	3,343.8	1,192.6	1,492.9	411.5	157.5	270.0	15,613.0
% total population	65.5%	64.9%	71.1%	71.1%	60.3%	80.7%	68.8%	68.0%	66.7%
Foreign-born (2016)	2,072.5	1,680.3	1,015.9	384.1	797.7	61.2	45.4	105.2	6,162.2
% total population	27.7%	28.4%	21.6%	22.9%	32.2%	12.0%	19.8%	26.5%	26.3%
Migrant status not stated (2016)	508.6	400.9	343.5	100.0	183.9	37.2	25.9	22.2	1,622.1
% total population	6.8%	6.8%	7.3%	6.0%	7.4%	7.3%	11.3%	5.6%	6.9%
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
Citizens	1278.4	979.2	558.4	238.6	466.9	38.7	23.4	67.9	3651.6
% total population	17.1%	16.5%	11.9%	14.2%	18.9%	7.6%	10.2%	17.1%	15.6%
Of which:									
Moved from permanent	338.1	253.4	149.2	51.1	155.6	3.8	8.6	21.3	973.5
Permanent residents	332.0	288.9	141.2	60.9	147.2	7.6	10.0	15.4	998.2
% total population	4.4%	4.9%	3.0%	3.6%	5.9%	1.5%	4.4%	3.9%	4.3%
Of which:									
Skilled	161.0	153.9	73.3	34.3	95.6	3.4	6.2	8.8	531.4
Family	143.9	108.2	57.5	18.7	45.0	2.4	3.5	5.8	385.1
Humanitarian	26.9	26.8	10.3	8.0	6.5	1.8	0.3	0.8	81.4
Other Permanent	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.3
Temporary visas	442.4	370.4	343.3	52.7	178.3	11.4	13.6	22.7	1434.7
% total population	5.9%	6.3%	7.3%	3.1%	7.2%	2.2%	5.9%	5.7%	6.1%
Of which:									
Bridging visa	37.8	32.5	13.8	4.9	11.6	0.6	1.0	1.4	103.7
New Zealand citizen	132.9	122.5	216.6	13.2	92.3	4.5	4.8	3.8	590.6
Temporary Work (Skilled)	63.0	39.8	21.9	4.8	22.6	0.8	2.7	2.2	157.9
Working Holiday Maker	24.9	16.2	20.3	2.7	10.8	0.6	2.0	0.6	78.0
Student	163.1	140.9	62.2	24.4	35.0	4.3	2.2	11.6	443.7
Other Temporary visa	20.6	18.5	8.6	2.6	6.0	0.5	0.9	3.1	60.8
Discrepancy	19.8	41.7	-27.0	31.9	5.3	3.5	-1.6	-0.9	77.7

Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Australian Census of Population and Housing 2016; ABS Australian Census and Migrants, 2016; Australian Census and Temporary Entrants, 2016. 'Discrepancy' relates to the (small) statistical error in matching foreign-born respondents between the three relevant Censuses. 'Migrant status not stated/n.a' relates to those that either don't state, or provide insufficient information, on their country of birth, and who therefore cannot be attributed either status of native-born or foreign-born.

Figure 1 Components of migrant population, by age, 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Australian Census of Population and Housing 2016; ABS Australian Census and Migrants, 2016; Australian Census and Temporary Entrants, 2016.

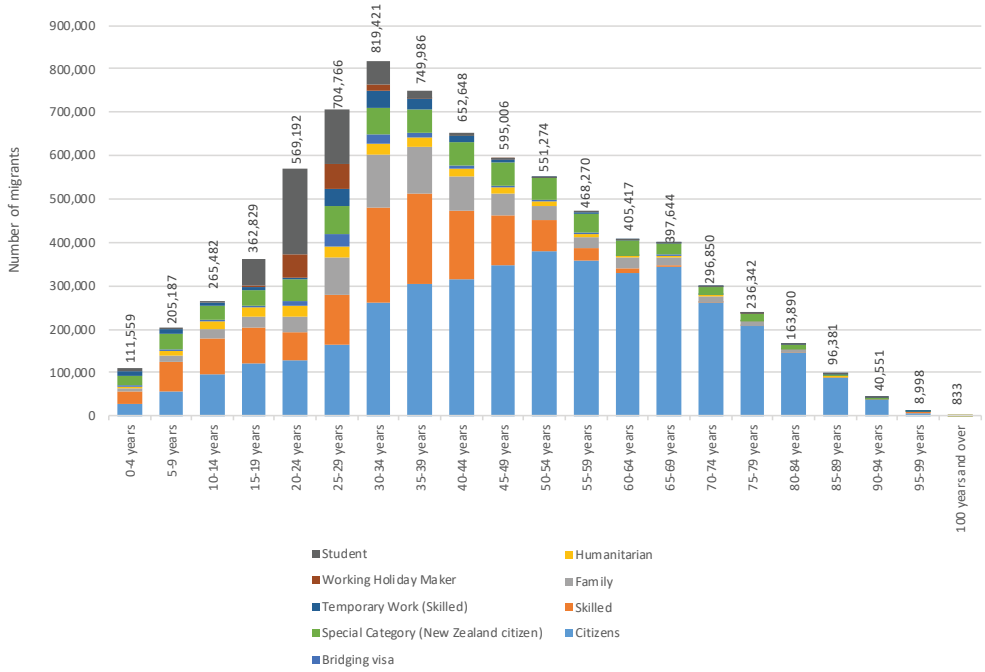
More than 90% of permanent skilled visa and family visa holders are concentrated in the 20 to 50 age range.

To see the age composition of migrants to Australia, Figure 1 shows the counts of non-native born migrants by broad category (cizitens, permanent residents and temporary visa holders) as well as more detailed breakdowns within these categories.

The age profile of Australia's 3.65 million foreign-born citizens quite reasonably covers the broadest range, with more than half aged 50 and over. Of course, a large share of these citizens have transitioned from temporary and permanent visas since their arrival.

More than 90 per cent of permanent skilled visa and family visa holders are concentrated in the 20 to 50 age range, along with their children, while student visa holders are naturally concentrated mostly in the 20 to 24 age band.

Figure 2 Number of migrants to Australia, by age and migrant class, 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Australian Census of Population and Housing 2016; ABS Australian Census and Migrants, 2016; Australian Census and Temporary Entrants, 2016.

Most of Australia's migrants are in the 30 - 34 year age band, around 820,000 overall, with citizens and those on permanent skilled visas accounting for nearly 60 % of this total.

A clearer picture of the age distribution of non-native born Australians emerges when the numbers of migrants are grouped across migrant visa classes within each age band. Figure 2 shows the counts of non-native born migrants by broad category (cizitens, permanent residents and temporary visa holders) as well as more detailed breakdowns within these categories.

Taken together, most of Australia's migrants are in the 30 to 34 year age band, around 820,000 overall, with citizens and those on permanent skilled visas accounting for nearly 60 per cent of this total. Student visa holders contribute substantially to the numbers of migrants in the 20 to 24 age range, with nearly 200,000 in this age category accounting for more than a third of all migrants.

More than 3.2 million of the foreign-born migrants currently residing in Australia on permanent or temporary visas are aged between 20 and 50. This represents 86 per cent of all permanent or temporary visa holders, and is not surprising, given the added credits in most of Australia's points-based visas for those aged 18 to 24 years at the time of application (+25 points towards a score of 65+), those aged 25 to 32 (+30 points) and those aged 33 to 39 (+25 points).

What are the main characteristics of Australia's immigrant population?

Under 5% of Australia's immigrants were from Asia in 1966; by 2016 Asian migrants comprised over half of the immigrant population.

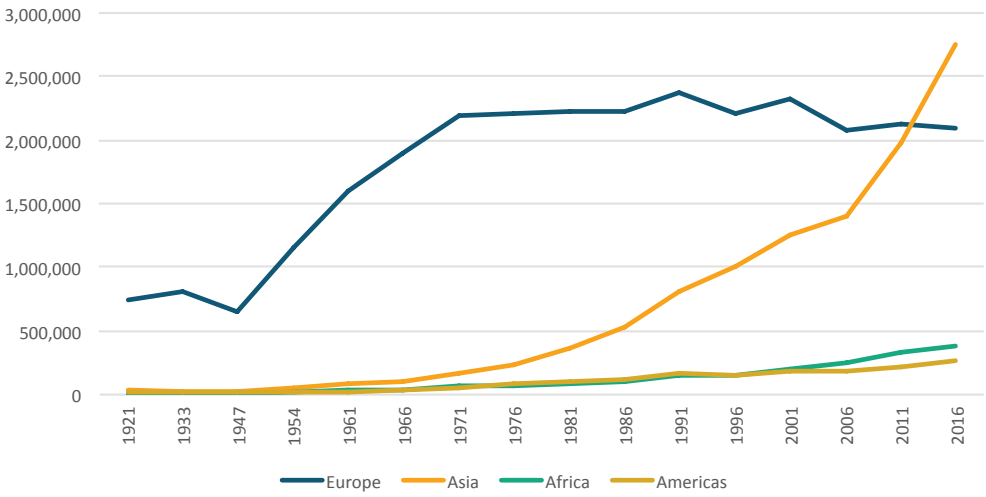
The number of migrants to Australia from Africa has increased from 10,000 in 1981 to over 388,000 by 2016 – representing over 7% of the immigrant population.

How has the ethnic makeup of Australia's foreign-born population changed over time? As Figure 3 shows in the period from 1921 to 1966 over 90 per cent of Australia's foreign born population were European migrants. The absolute number of European immigrants increased significantly in the post WWII period. In the period from 1947 to 1971 the number of European immigrants had more than tripled.

The ethnic composition of Australia's immigrant population started to change fundamentally in the 70s coinciding with the dismantling of the White Australia policy that forbade non-Europeans from migrating to Australia. This has led to a growing diversity in migrants' backgrounds. There has been a particularly significant increase in the number of Asian immigrants over the past 5 decades. Under 5 per cent of Australia's immigrants were from Asia in 1966; by 2016 Asian migrants comprised over half of the immigrant population.

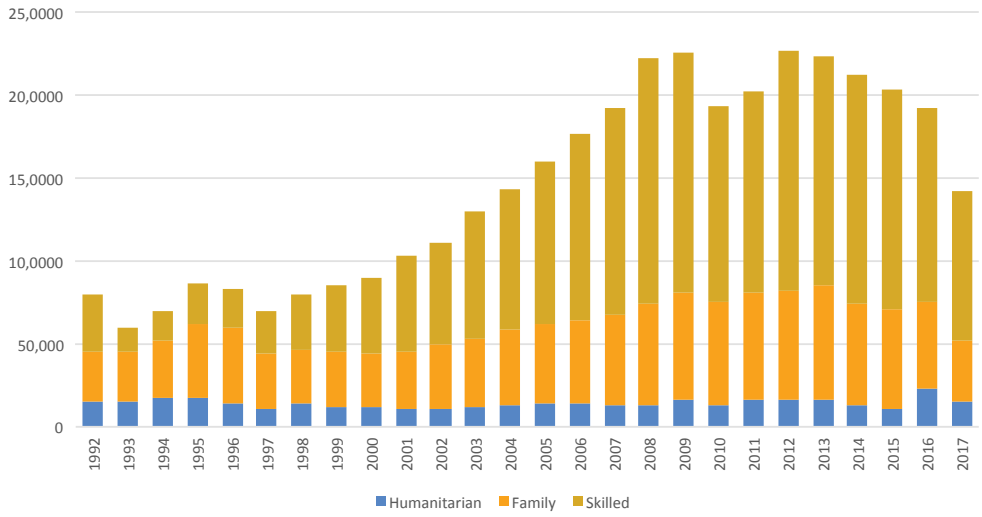
More recently, there has been a gradual increase in the number of immigrants from other parts of the world too. There were under 10,000 African immigrants in Australia in 1981. It had reached over 388,000 by 2016 – over 7 per cent of the immigrant population. The number of immigrants from Americas was over 266,000 in 2016, comprising nearly 5 per cent of Australia's immigrant population.

Figure 3 Immigrants to Australia by **region** of origin, 1921 to 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Australian Census between 1921 and 2016.

Figure 4 New permanent migration to Australia by visa stream, 1992 to 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations based on Department of Home Affairs, Settlement Database (SDB).

Turning to Australia's migrant intake by broad visa class, Figure 4 explores data on new permanent migrants collected from the Department of Home Affairs Settlement Database (SDB).

The analysis in Figure 4 shows just how strongly the inflows of skilled visa migrants into Australia are influenced by the economic landscape. The growth of new permanent entrants on skilled visas really accelerated over the course of the resource-driven economic boom from the start of the new millennium, reaching a peak with nearly 150,000 new entrants in 2008. Permanent migrants on skilled visas have since declined, following the Global Financial Crisis (GFC) and associated economic slowdown that impacted on Australia in 2008-09.

The number of new permanent entrants on family visas followed a similar profile over the period, peaking in 69,700 in 2013 before falling post-GFC. In number, new entrants on family visas amounted to around 51 per cent of the number of skilled permanent visas awarded in the same year.

By contrast, the number of new permanent migrants entering Australia on humanitarian migrants has been both relatively constant over the period, and substantially smaller in number, than those entering under the broad skilled and family visa streams – averaging around 14,000 per year since the start of the millennium. The recent exception to this average flow was in 2016, where the numbers of humanitarian migrants entering Australia rose to over 23,000, largely from Iran and Syria.

India topped the list as the largest source country of immigrants arrived under the skilled visa stream in 2018 Nearly 28,000 Indian immigrants arrived in Australia under the skilled visa stream in 2018.

The number of skilled visa migrant arrivals from Pakistan has increased by 184% over the past decades, making it the fourth largest origin of skilled visa migrants in Australia in 2018.

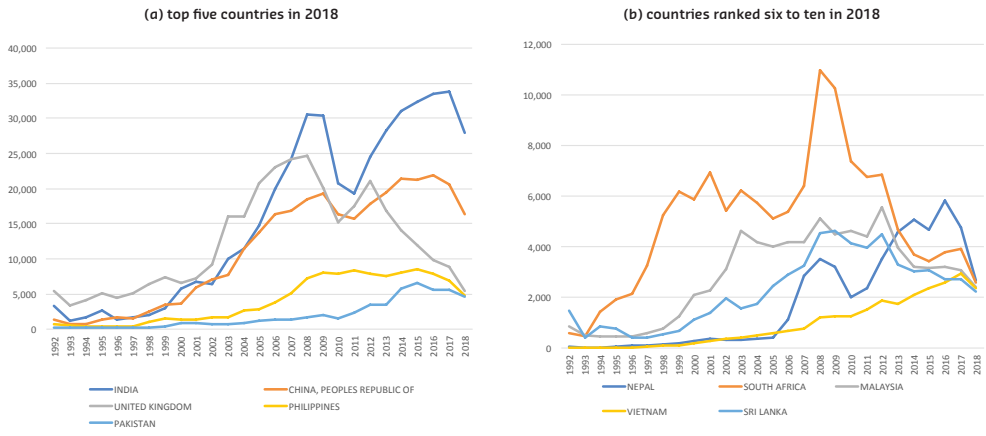
Table 2 New permanent arrivals to Australia (skilled visas) by country of origin, 2018, change 2008 to 2018 and 2013 to 2018

Country of origin	Number of migrants			Rank			Percentage change	
	2008	2013	2018	2008	2013	2018	2008-2018	2013-2018
India	30,602	28,308	27,992	1	1	1	-9%	-1%
China, Peoples Republic of	18,446	19,418	16,367	2	2	2	-11%	-16%
United Kingdom	24,606	16,891	5,358	3	3	3	-78%	-68%
Philippines	7,219	7,513	4,769	4	4	4	-34%	-37%
Pakistan	1,631	3,547	4,634	6	9	5	+184%	+31%
Nepal	3,525	4,573	2,675	5	7	6	-24%	-42%
South Africa	10,963	4,652	2,601	7	6	7	-76%	-44%
Malaysia	5,110	3,970	2,392	8	8	8	-53%	-40%
Vietnam	1,201	1,732	2,358	10	15	9	+96%	+36%
Sri Lanka	4,546	3,308	2,241	9	10	10	-51%	-32%
Korea	4,513	2,781	1,478	12	11	11	-67%	-47%
Iran	1,238	2,175	1,421	13	12	12	+15%	-35%
United States of America	1,064	1,640	1,306	15	16	13	+23%	-20%
New Zealand	732	1,819	1,281	20	14	14	+75%	-30%
Brazil	705	1,028	1,229	18	19	15	+74%	+20%
Hksar of the Prc	1,225	927	1,222	17	22	16	-0%	+32%
Indonesia	2,106	1,133	1,206	19	18	17	-43%	+6%
Bangladesh	1,673	2,031	1,114	14	13	18	-33%	-45%
Singapore	2,097	1,637	1,023	16	17	19	-51%	-38%
Ireland, Republic of	1,871	4,940	974	11	5	20	-48%	-80%
Italy	275	725	775	21	26	21	+182%	+7%
United Arab Emirates	354	499	739	26	30	22	+109%	+48%
Taiwan	617	437	737	23	34	23	+19%	+69%
Egypt	545	822	713	25	25	24	+31%	-13%
France	557	928	678	22	21	25	+22%	-27%
Canada	734	888	641	24	24	26	-13%	-28%
Colombia	459	651	553	28	27	27	+20%	-15%
Nigeria	237	446	546	29	33	28	+130%	+22%
Saudi Arabia	199	260	541	33	38	29	+172%	+108%
Germany	1,287	1,004	497	27	20	30	-61%	-50%
Zimbabwe	2,269	915	443	30	23	31	-80%	-52%
Thailand	656	457	401	32	32	32	-39%	-12%
Japan	1,037	635	356	31	28	33	-66%	-44%
Turkey	203	255	349	39	39	34	+72%	+37%
Russian Federation	561	502	347	34	29	35	-38%	-31%
Poland	255	495	319	36	31	36	+25%	-36%
Kenya	516	396	274	35	36	37	-47%	-31%
Netherlands, Kingdom of the	586	424	270	40	35	38	-54%	-36%
Bhutan	5	119	258	37	40	39	+5,060%	+117%
Spain	93	300	248	38	37	40	+167%	-17%

Source: Bankwest Curtin Economics Centre | Authors' calculations based on Department of Home Affairs, Settlement Database (SDB).

How many immigrants do arrive annually to Australia from different countries under the skilled visa category and how has this changed over time? India topped the list as the largest source country of immigrants arrived under the skilled visa stream in 2018 (Table 2). Nearly 28,000 Indian immigrants arrived in Australia under the skilled visa stream in 2018. However, the number of annual skilled visa migrant arrivals from India has gone down by 9 per cent over the past 10 years. The second largest number of skilled visa migrants in 2018 were from China. There were 16,300 skilled visa migrant arrivals from China in 2018. Yet this represents a decrease of 16 per cent relative to the annual number of skilled migrant arrivals observed in 2013. While the UK was the third largest source of skilled migrant arrivals in 2018, the number of annual skilled visa migrant arrivals from the country have gone out by 78 per cent from 2008-2018. Meanwhile, the past decade has seen significant increases in the annual arrivals of skilled visa migrants from a number of countries. The number of skilled visa migrant arrivals from Pakistan has increased by 184 per cent over the past decades, making it the fifth largest origin of skilled visa migrants in Australia in 2018.

Figure 5 New permanent arrivals to Australia (skilled visas), by country of origin, 1992 to 2018



Source: Bankwest Curtin Economics Centre | Authors' calculations based on Department of Home Affairs, Settlement Database (SDB).

Figure 5 takes a closer look at the evolution of skilled visa migrant arrivals over the past 26 years in the top five source countries based on migrant arrivals in 2018: India, China, the UK, Philippines and Pakistan (panel a). The number of skilled immigrant arrivals from India, the UK and China has been increasing till the late 2000s. After dropping significantly in the period from 2010-2011, we see the numbers recover in the subsequent years before they start dropping again. On the other hand, we observe a gradual increase in the number of skilled immigrants from Pakistan and Philippines over most of the observed period. By 2018 the number of skilled immigrants from Pakistan and Philippines had nearly converged with those from the UK.

Nepal, South Africa, Malaysia, Vietnam and Sri Lanka were among the six to ten largest sources of skilled migrant arrivals in Australia in 2018 (panel b of Figure 5). While the annual number of arrivals from these countries has been increasing in the beginning of the observed period, the past years have seen the annual arrivals gradually drop. The annual arrival of skilled migrants from South Africa had reached a peak of nearly 11,000 in 2008. By 2018, it had gone down to 2,600 converging with the number of Nepalese skilled migrant arrivals.

By 2018 the number of skilled immigrants from Pakistan and Philippines had converged with those from the United Kingdom.

Nepal, South Africa, Malaysia, Vietnam and Sri Lanka were among the six to ten largest sources of skilled migrant arrivals in Australia in 2018.

The annual arrival of skilled migrants from South Africa fell from a peak of nearly 11,000 in 2008 to 2,600 by 2018, converging with the number of Nepalese skilled migrant arrivals.

The top five countries based on the number of family visa migrant arrivals in 2018 were from China, India, Vietnam, Afghanistan and Philippines.

Only 809 Afghani migrants arrived in Australia in 2008 under a family visa; by 2018 this number had gone up by 137% reaching 1919 arrivals.

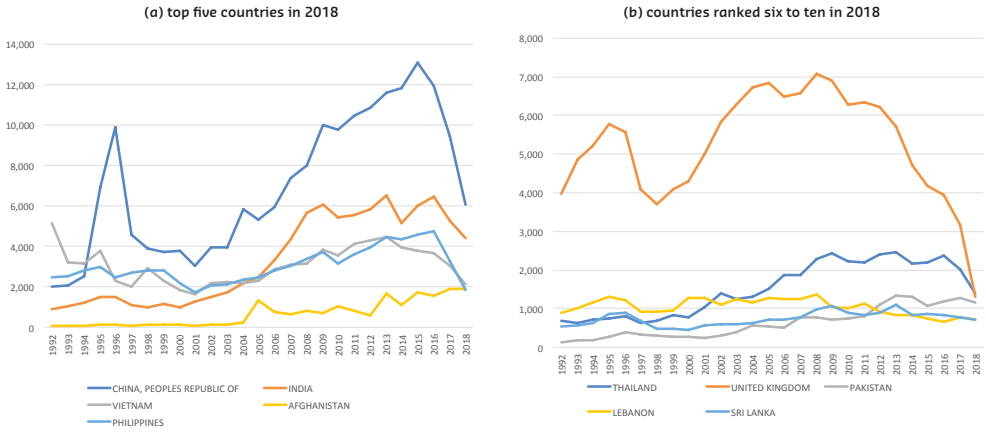
Table 3 New permanent arrivals to Australia (family visas) by country of origin, 2018, change 2008 to 2018 and 2013 to 2018

Country of origin	Number of migrants			Rank			Percentage change	
	2008	2013	2018	2008	2013	2018	2008-2018	2013-2018
China, Peoples Republic of	7,990	11,576	6,089	1	1	1	-24%	-47%
India	5,684	6,527	4,389	2	2	2	-23%	-33%
Vietnam	3,184	4,495	2,125	5	4	3	-33%	-53%
Afghanistan	809	1,663	1,919	8	8	4	+137%	+15%
Philippines	3,364	4,488	1,845	3	5	5	-45%	-59%
Thailand	2,276	2,455	1,402	6	6	6	-38%	-43%
United Kingdom	7,074	5,705	1,303	4	3	7	-82%	-77%
Pakistan	774	1,334	1,156	10	10	8	+49%	-13%
Lebanon	1,380	837	725	20	19	9	-47%	-13%
Sri Lanka	994	1,106	715	13	12	10	-28%	-35%
Cambodia	659	754	611	14	22	11	-7%	-19%
Malaysia	971	1,082	521	12	13	12	-46%	-52%
United States of America	1,998	2,069	483	7	7	13	-76%	-77%
Indonesia	1,291	1,315	464	9	11	14	-64%	-65%
Nepal	422	550	454	23	28	15	+8%	-17%
Iran	298	853	445	27	17	16	+49%	-48%
Bangladesh	606	631	420	25	26	17	-31%	-33%
Iraq	606	938	383	31	16	18	-37%	-59%
South Africa	1,309	1,012	340	18	15	19	-74%	-66%
Hksar of the Prc	542	736	329	16	24	20	-39%	-55%
Ethiopia	337	283	294	28	34	21	-13%	+4%
Korea, South	1,250	1,369	276	11	9	22	-78%	-80%
Russian Federation	169	227	241	33	36	23	+43%	+6%
Singapore	480	436	223	30	29	24	-54%	-49%
Canada	891	1,053	212	15	14	25	-76%	-80%
Fiji	914	767	207	26	21	26	-77%	-73%
Brazil	534	582	206	21	27	27	-61%	-65%
Germany	872	845	203	22	18	28	-77%	-76%
Taiwan	409	743	202	19	23	29	-51%	-73%
Egypt	273	314	193	32	32	30	-29%	-39%
Japan	1,066	810	188	17	20	31	-82%	-77%
Syrian Arab Republic	180	162	180	40	38	32	+0%	+11%
Turkey	463	359	174	34	31	33	-62%	-52%
Ukraine	100	104	163	37	40	34	+63%	+57%
Myanmar	171	302	138	38	33	35	-19%	-54%
Fyr Macedonia	328	242	130	35	35	36	-60%	-46%
Colombia	387	398	124	29	30	37	-68%	-69%
France	438	665	121	24	25	38	-72%	-82%
Kenya	197	188	121	36	37	38	-39%	-36%
Ghana	125	160	117	39	39	40	-6%	-27%

Source: Bankwest Curtin Economics Centre | Authors' calculations based on Department of Home Affairs, Settlement Database (SDB).

The top five countries based on the number of family visa migrant arrivals in 2018 were from China, India, Vietnam, Afghanistan and Philippines (Table 3). Over 6,000 Chinese migrants arrived in Australia in 2018 on a family visa – a decrease of 47 per cent relative to 2013. There has been a significant increase in the number of arrivals from Afghanistan over the past decade. Only 809 Afghani migrants arrived in Australia in 2008 under a family visa; by 2018 this number had gone up by 137 per cent reaching 1919 arrivals.

Figure 6 New permanent arrivals to Australia (family visas), by country of origin, 1992 to 2018



Source: Bankwest Curtin Economics Centre | Authors' calculations based on Department of Home Affairs, Settlement Database (SDB).

As panel a of Figure 6 shows, the number of annual arrivals from China under family visa stream has been increasing since early 2000s, following a drop in the mid-1990s. By 2015 it had reached a peak of 13,000 arrivals before significantly going down over the course of the subsequent three years. The annual numbers of family visa-based arrivals from China, India, Vietnam and Philippines have gone down significantly over the past decade. It is only in Afghanistan, out of the top family visa migrant countries of origin, that we see an increase in the number of arrivals in this period.

Thailand, the UK, Pakistan, Lebanon and Sri Lanka were among the six to ten largest sources of family migrant arrivals in Australia in 2018 (panel B of Figure 6). The number of family visa arrivals from the UK had been by far larger relative to the other top 6 to 10 source countries at the beginning of the decade. Yet, by 2018 it had gone down to 1,300 approaching the number of family visa arrivals from Thailand and Pakistan.

The number of family visa arrivals from the UK had been by far larger relative to the other top 6-10 source countries at the beginning of the decade. Yet, by 2018 it had gone down to 1,300 approaching the number of family visa arrivals from Thailand and Pakistan.

The top 5 source countries of annual humanitarian migrant arrivals in 2018 were Iraq, Syria, Myanmar, DRC Congo and Afghanistan.

The number of annual humanitarian migrant arrivals from Syria has increased thirty seven-fold over the course of the past decade. Australia received over 2,100 Syrian humanitarian migrants in 2018.

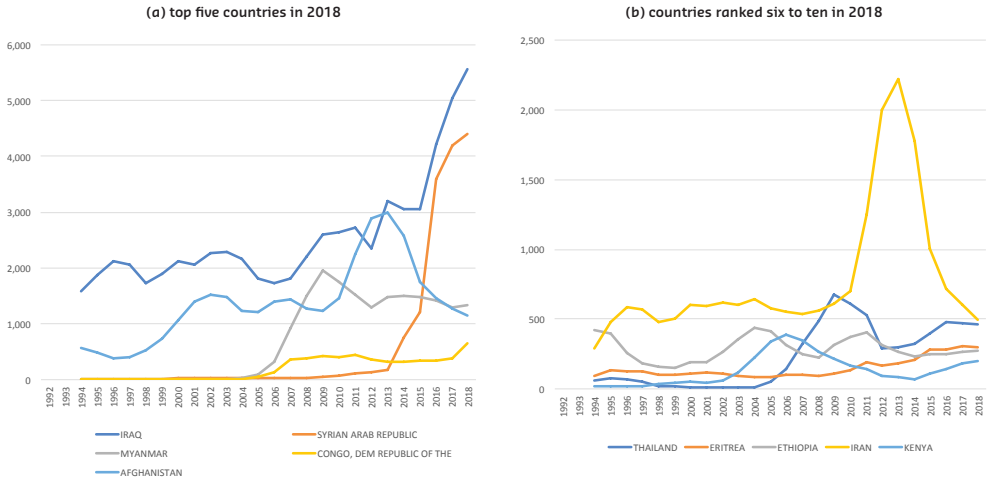
Table 4 New permanent arrivals to Australia (humanitarian visas) by country of origin, 2018, change 2008 to 2018 and 2013 to 2018

Country of origin	Number of migrants			Rank			Percentage change	
	2008	2013	2018	2008	2013	2018	2008-2018	2013-2018
Iraq	2,941	4,315	3,649	1	1	1	+24%	-15%
Syrian Arab Republic	57	229	2,192	25	14	2	+3,746%	+857%
Myanmar	1,918	1,747	1,548	2	3	3	-19%	-11%
Congo, Dem Republic of the	185	452	1,146	12	8	4	+519%	+154%
Afghanistan	788	2,178	739	3	2	5	-6%	-66%
Thailand	609	392	330	5	10	6	-46%	-16%
Eritrea	56	223	315	26	16	7	+463%	+41%
Ethiopia	198	260	309	10	13	8	+56%	+19%
Iran	557	1,522	259	6	4	9	-54%	-83%
Kenya	181	95	232	13	20	10	+28%	+144%
India	169	119	228	16	19	11	+35%	+92%
Burundi	171	37	217	15	27	12	+27%	+486%
Malaysia	50	224	205	27	15	13	+310%	-8%
Pakistan	289	812	183	9	5	14	-37%	-77%
Bhutan	307	528	146	8	7	15	-52%	-72%
Tanzania	196	12	143	11	36	16	-27%	+1,092%
Nepal	138	400	137	18	9	17	-1%	-66%
Tibet (So stated)	77	12	134	22	36	18	+74%	+1,017%
Uganda	85	13	121	21	35	19	+42%	+831%
Sudan	645	310	112	4	11	20	-83%	-64%
Turkey	35	49	79	32	24	21	+126%	+61%
Jordan	44	39	71	29	26	22	+61%	+82%
Egypt	175	571	60	14	6	23	-66%	-89%
Lebanon	64	77	57	24	21	24	-11%	-26%
Republic of South Sudan	-	3	54	51	43	25		+1,700%
Malawi	6	46	47	39	25	26	+683%	+2%
Rwanda	47	17	46	28	30	27	-2%	+171%
Central African Republic	11	3	37	37	43	28	+236%	+1,133%
Australia	99	198	31	20	17	29	-69%	-84%
Somalia	111	291	30	19	12	30	-73%	-90%

Source: Bankwest Curtin Economics Centre | Authors' calculations based on Department of Home Affairs, Settlement Database (SDB).

The top five source countries of annual humanitarian migrant arrivals in 2018 were Iraq, Syria, Myanmar, DRC Congo and Afghanistan. Over 3,600 Iraqi humanitarian migrants arrived in Australia in 2018. This is a decrease of 15 per cent, however, relative to 2013. At the same time, the number of annual humanitarian migrant arrivals from Syria has increased thirty seven-fold over the course of the past decade. Australia received over 2,100 Syrian humanitarian migrants in 2018. DRC Congo is another country that has gained in its significant as a source of humanitarian migrants. The number of humanitarian migrants from DRC Congo to Australia has increased more than 500 per cent over the past decade.

Figure 7 New permanent arrivals to Australia (humanitarian visas), by country of origin, 1992 to 2018



Source: Bankwest Curtin Economics Centre | Authors' calculations based on Department of Home Affairs, Settlement Database (SDB).
Series are presented as rolling averages over three years.

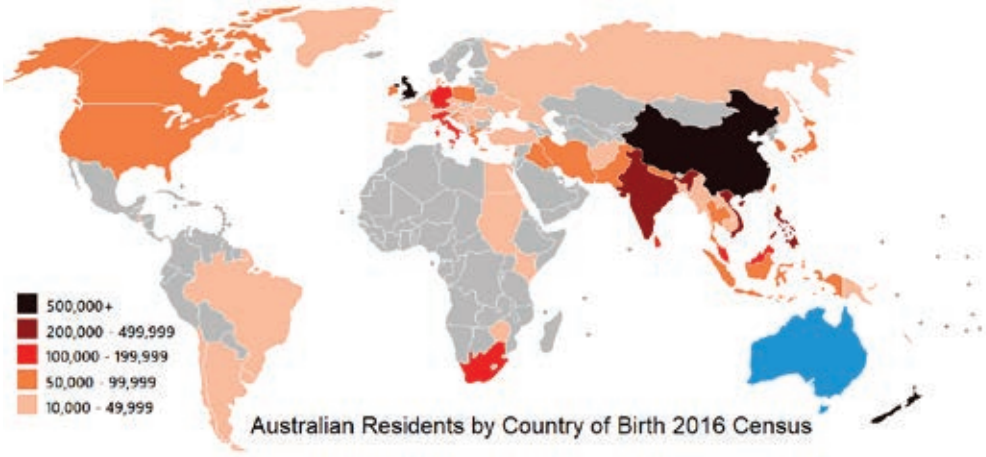
The number of annual humanitarian migrant arrivals from Iraq and Syria has been increasing since the early 2010s, coinciding with the crisis in the Middle East (panel a of Figure 7). At the same time, Australia has been receiving fewer humanitarian migrants from Afghanistan in 2018 compared to 5 years ago.

Thailand, Eritrea, Ethiopia, Iran and Kenya comprised the top six to ten countries based on annual humanitarian visa migrant arrivals in 2018 (panel B of Figure 7). The number of humanitarian migrants from Iran had increased significantly in the period from 2010-2012 before starting to go down again. There were 259 Iranian humanitarian migrant arrivals to Australia in 2018, a decrease of 83 per cent relative to 2013.

Thailand, Eritrea, Ethiopia, Iran and Kenya comprised the top 6-10 countries based on annual humanitarian visa migrant arrivals in 2018.

There were 259 Iranian humanitarian migrant arrivals to Australia in 2018, which represents a decrease of 83% relative to 2013.

Figure 8 Immigrant visa journeys



Source: Bankwest Curtin Economics Centre | Sourced from ABS Cat 3412.0 - Migration, Australia, 2016-17.

Where do immigrants settle?

As highlighted earlier in this *Focus on the States* report, migration has been a major contributor to Australia's population growth. Over 6.1 million of Australia's population are non-native born immigrants according to the latest ABS Census of Population and Housing for 2016, with greater shares of skilled migrants coming from the Asian continent over the last 50 years as the deleterious effects of the White Australia policy were progressively unwound.

So what choices are migrants making when deciding on a place to call home?

To gain some insights into the location decisions of Australia's migrant population, this section charts the overall population shares of migrants within geographical areas of Australia (Figure 9) using data from the latest 2016 Census, as well as changes in overall migrant shares between the 2011 and 2016 Censuses (Figure 10). Both charts use the SA2 Australian Standard Geographical Classification (ASGC) of small areas from the Australian Bureau of Statistics.

The role of visa settings in driving location choice

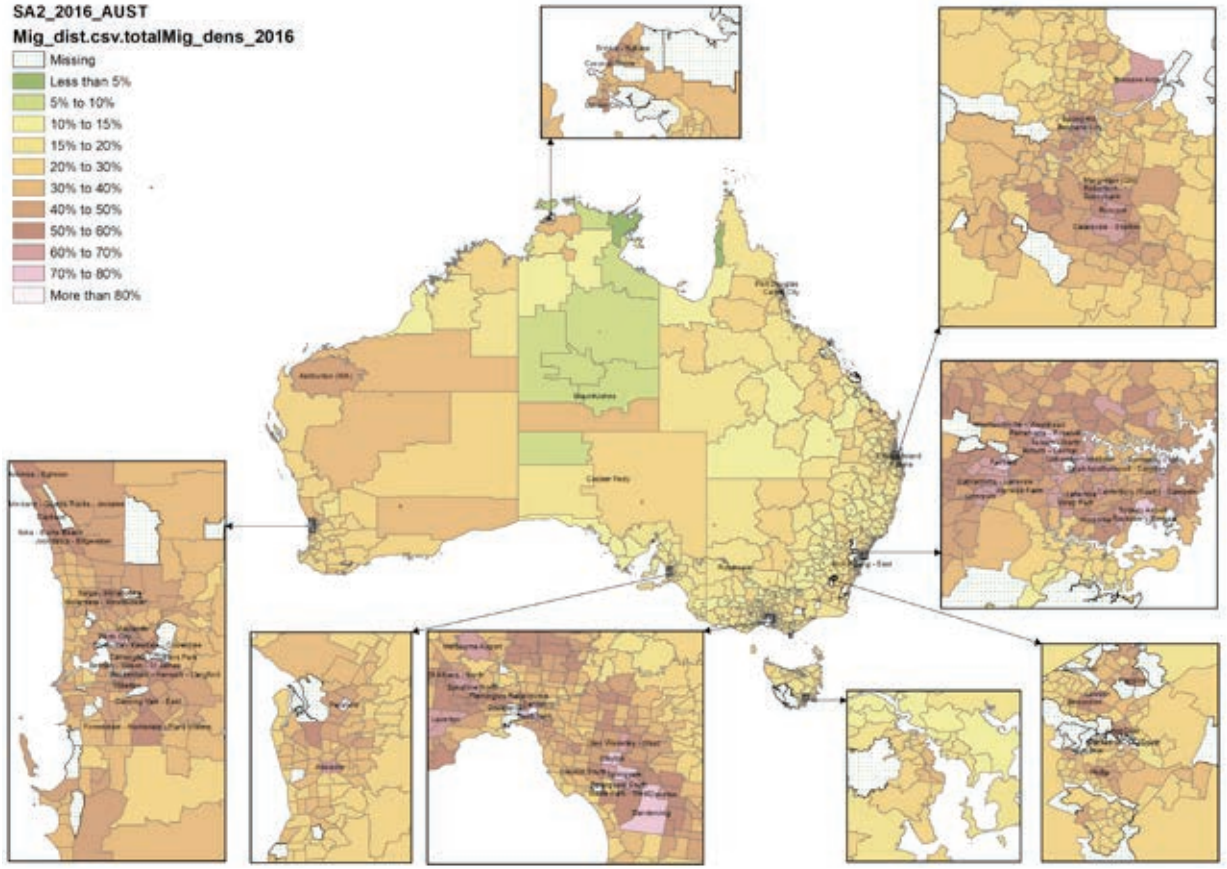
Where migrants settle, and the influence that visa policies - particularly those based on a points system – have in shaping migrants' location choices, is a source of keen interest for policy makers at both state and Federal level.

The points assessment for points-based visas[1] includes a 5 point credit for those studying in areas designated by the Federal Department of Home Affairs to be postcodes of regional Australia or low population growth metropolitan areas. State-sponsored A commitment to living and working in these designated areas for at least three years will create an eligibility for permanent residency.

A recent policy announcement by the Federal Government means that Perth and the Gold Coast will no longer be classified as major urban areas, but rather will return to a regional centre designation. The intention behind this regional status revision is to incentivise more skilled migrants and international students to locate to these cities, particularly through the points-based visa streams.

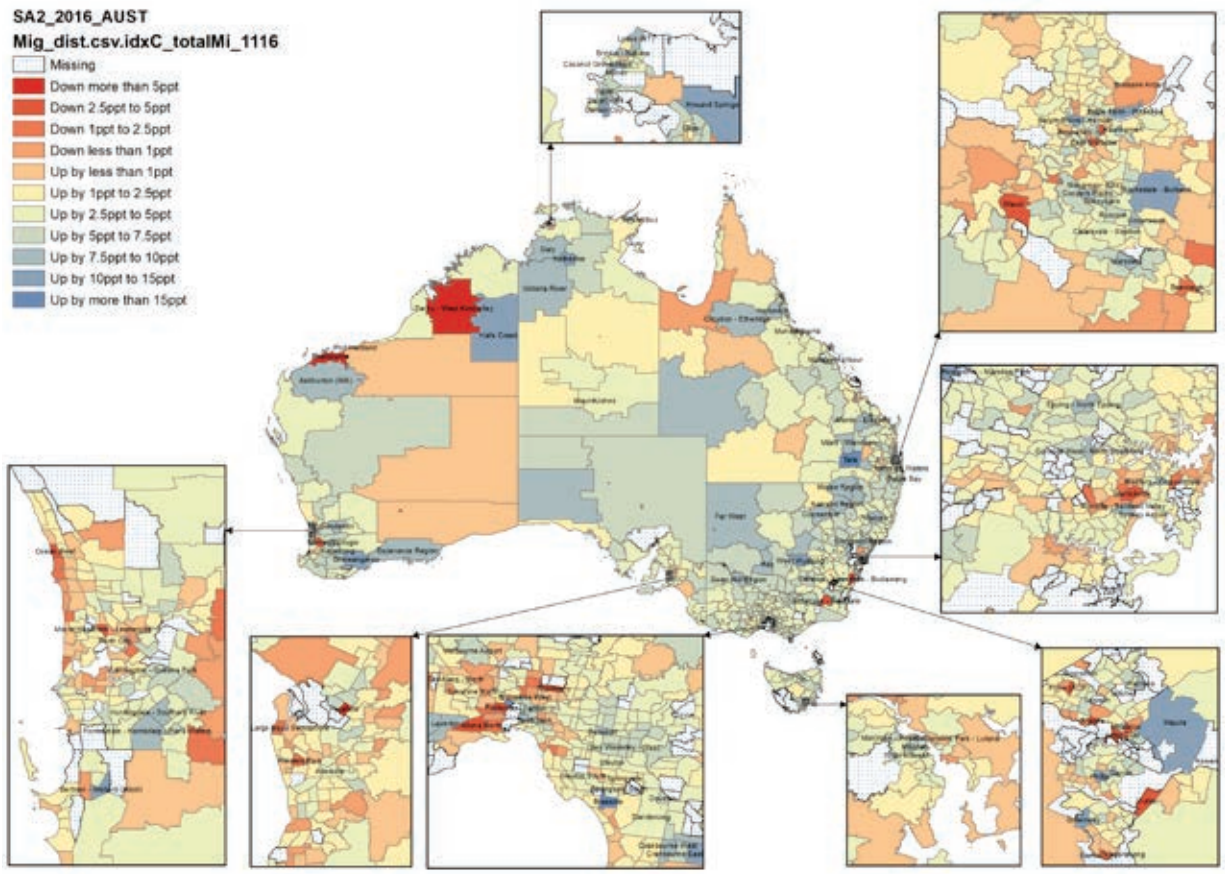
1 These include the Skilled Independent visa (subclass 189), the Skilled Nominated visa (subclass 190) and the State-nominated Skilled Regional (Provisional).

Figure 9 Migrants as a share of the local population, by SA2 geographical area of Australia, 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing, 2016.

Figure 10 Change in shares of migrants, by SA2 geographical area of Australia, 2011 to 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing, 2016.

The populations of Clayton, Dandenong and Springvale in Melbourne are over 70% migrant.

The immigrant share of the population in Halls Creek and Gnowangerup in WA has gone up by more than 15ppt from 2011-2016.

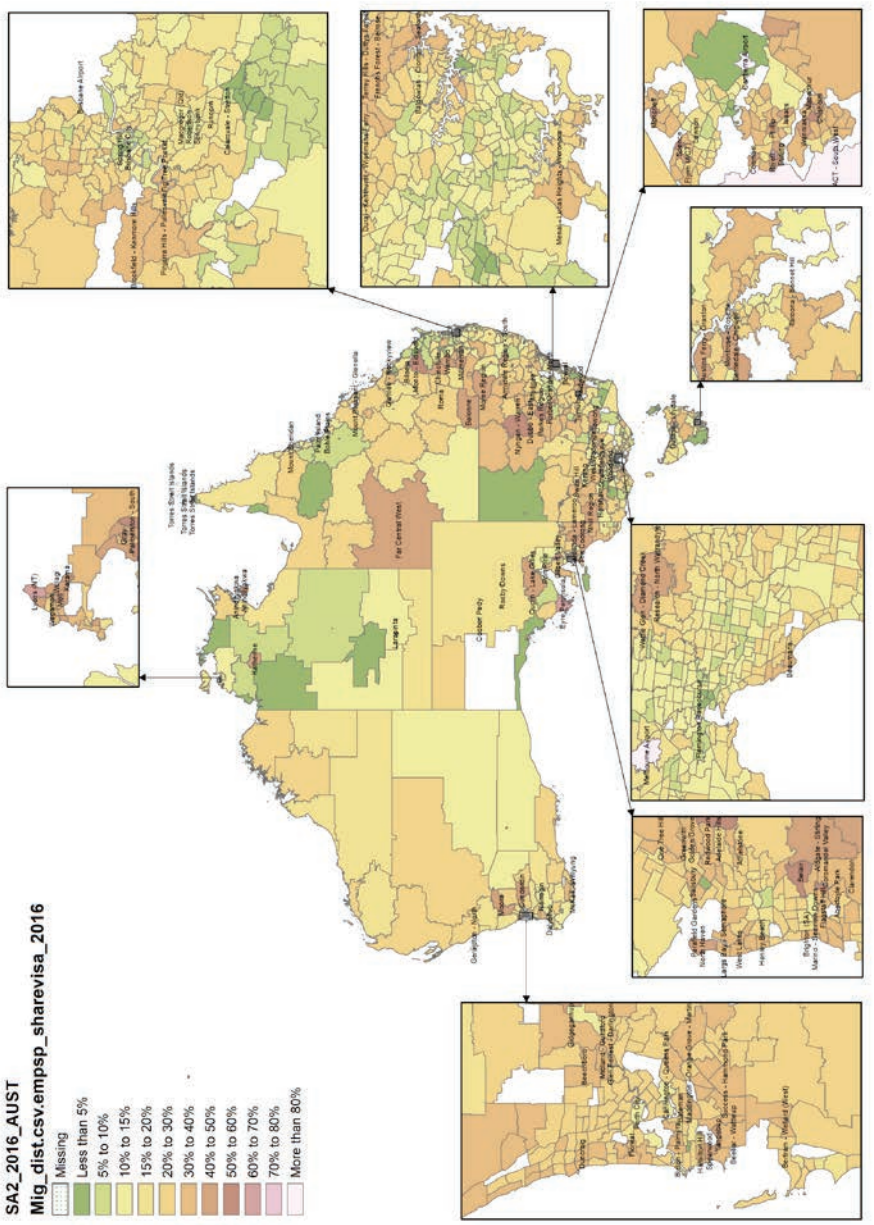
The first clear 'take home' from the map of migrant shares across Australia's localities in Figure 9 is the contrast between high concentrations of migrants in the urban areas of Melbourne and particularly Sydney relative to other parts of the country. In Sydney , Auburn, Cabramatta, Fairfield, Parramatta and Liverpool are among the suburbs where the majority of the population is foreign-born. Similarly, the populations of Clayton, Dandenong and Springvale in Melbourne are over 70 per cent migrant. In WA, Joondaloop, Mirrabooka in the north, and St James, Canning Vale, Harrisdale, Kenwick and Willeton in the South are some of the suburbs with high concentration of immigrant population.

In contrast, immigrant concentration is relatively low in most of the Northern Territory although in some places in Darwin it reaches over 40 per cent of the population. Tasmania's immigrant share of the population, relative to other places in the country, is relatively low and evenly spread across the state.

In the period from 2011 to 2016, there have been significant shifts in the immigrant share of the population in some parts of the country. In WA, there has been over 5 percentage points change in the foreign-born share of the population of Roebourne, Derby and West Kimberley. In the meantime, the immigrant share of the population in Halls Creek and Gnowangerup in WA has gone up by more than 15 percentage points from 2011 to 2016. The Esperance Region and Ashburton are among other regions of WA that have seen a significant increase in their foreign-born population share over the period from 2011 to 2016.

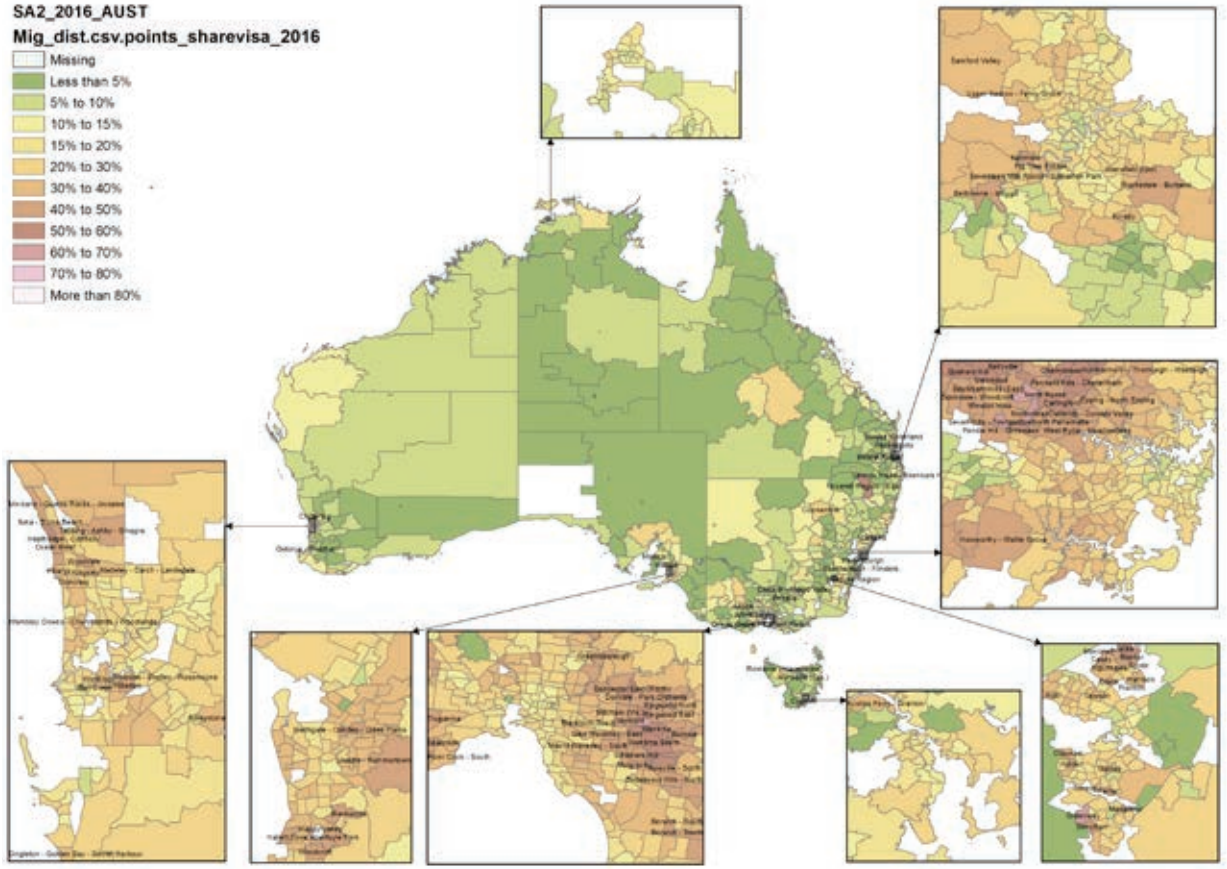
There have been some local shifts in the immigrant share of the population in the ACT area too. It has increase by over 10 percentage points in Majura, Philip and Greenway, but gone down significantly in Hume and Acton. Marrickville and Chippendale in Sydney and Wacol in Queensland have also recorded significant drops in their immigrant share of the population between 2011 to 2016. Meanwhile the immigrant share of the population in Rochedale-Burbank in Queensland has gone up by more than 15 percentage points.

Figure 11 Employer-sponsored visa holders as share of all migrants, by SA2 geographical area of Australia, 2016



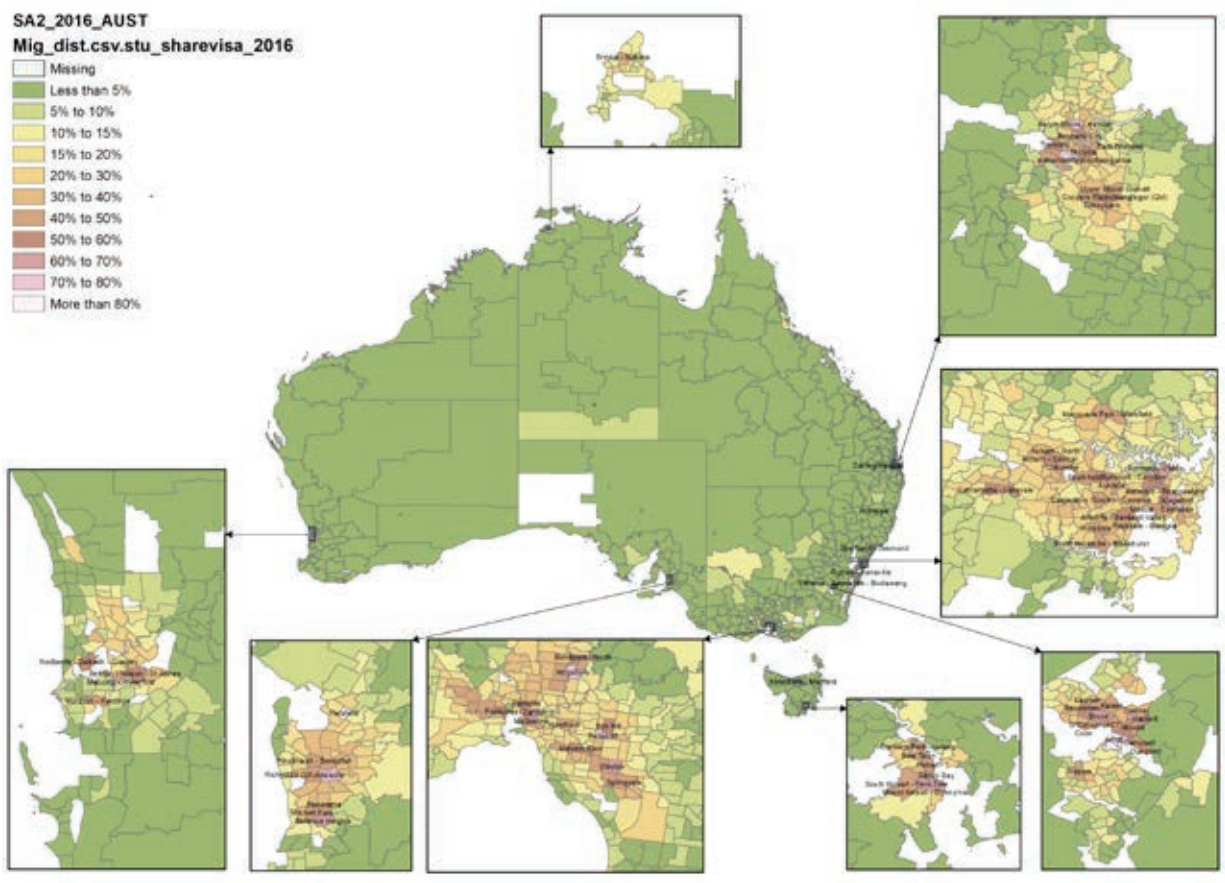
Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing, 2016.

Figure 11 (continued) **Points-based** visa holders as share of all migrants, by SA2 geographical area of Australia, 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing, 2016.

Figure 11 (continued) Student visa holders as share of all migrants, by SA2 geographical area of Australia, 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing, 2016.

The share of points-based migrants in the population of migrants is particulary high in some of the urban areas around the country, especially in New South Wales.

Employer-sponsored migrants are relatively more evenly spread across different parts of Australia, including regional areas.

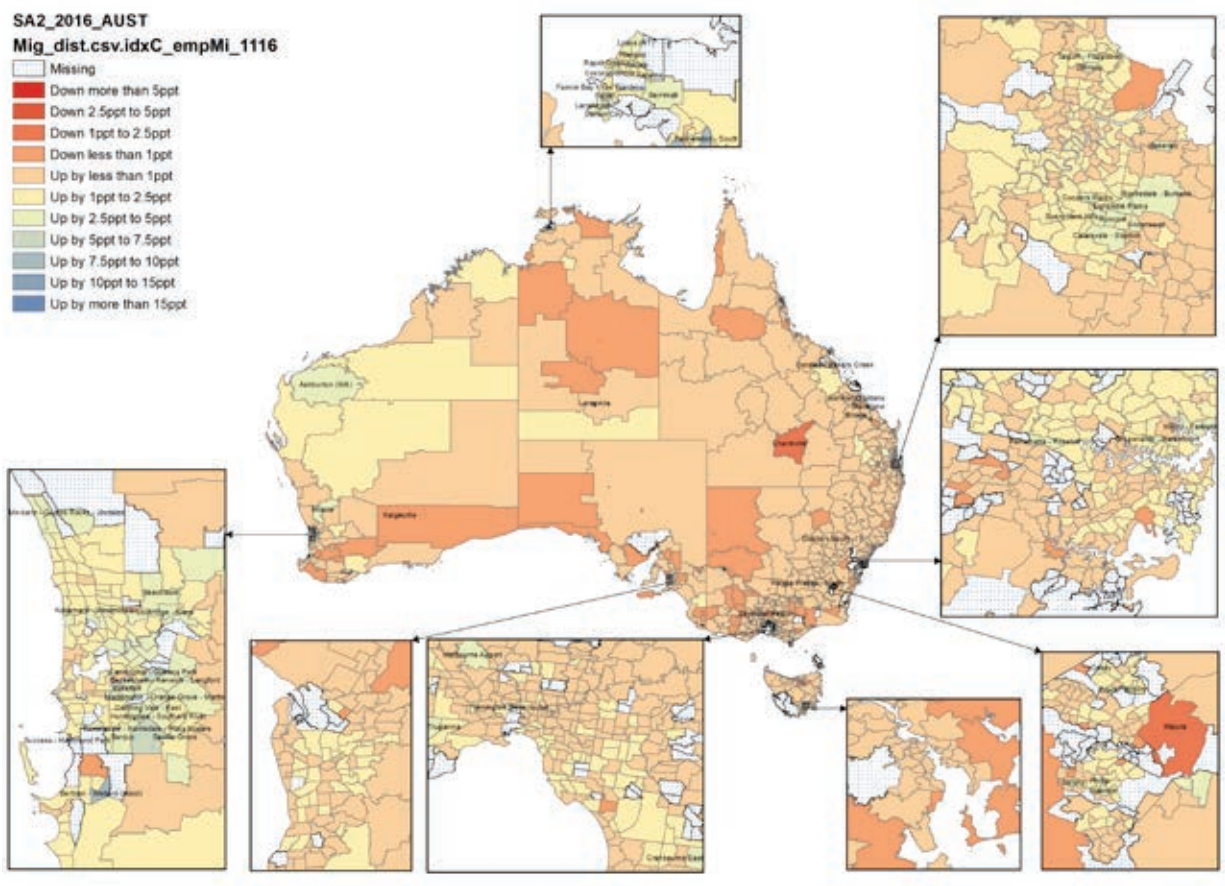
Are there differences in settlement patterns of immigrants arriving in Australia under different migration regimes? As Figure 11 shows, the share of points-based migrants in the population of migrants is particularly high in some of the urban areas around the country, especially in the New South Wales. The majority of immigrants in suburbs such as North Rocks, Toongabbie and Northmead in Sydney have arrived under a points-based visa. In large parts of the country, especially in regional areas in Northern Territory, South Australia and Queensland, the share of points-based visa migrants is under 5 per cent of the total migrant population.

Employer-sponsored migrants, on the other hand, are relatively more evenly spread across different parts of Australia, including regional areas. There are areas particularly in South Australia (Belair, Adelaide Hills), New South Wales (Nyngan – Warren, Parkes Region) and Queensland (Balonne and Far Central West part), where a significant share of the immigrant population have arrived under employer sponsorship.

Migrants on student visas are concentrated in suburbs adjacent to main universities. In WA, the share of student visa holders among immigrants is over 40 per cent in Dalkeith and Nedlands next to UWA, Wilson, St James and Waterford next to Curtin, and Murdoch – Kardinya next to Murdoch. Similar patterns can be observed in other places too. For example, the share of immigrants who hold a student visa is the highest in suburbs adjacent to the University of Canberra and the Australian National University in ACT.

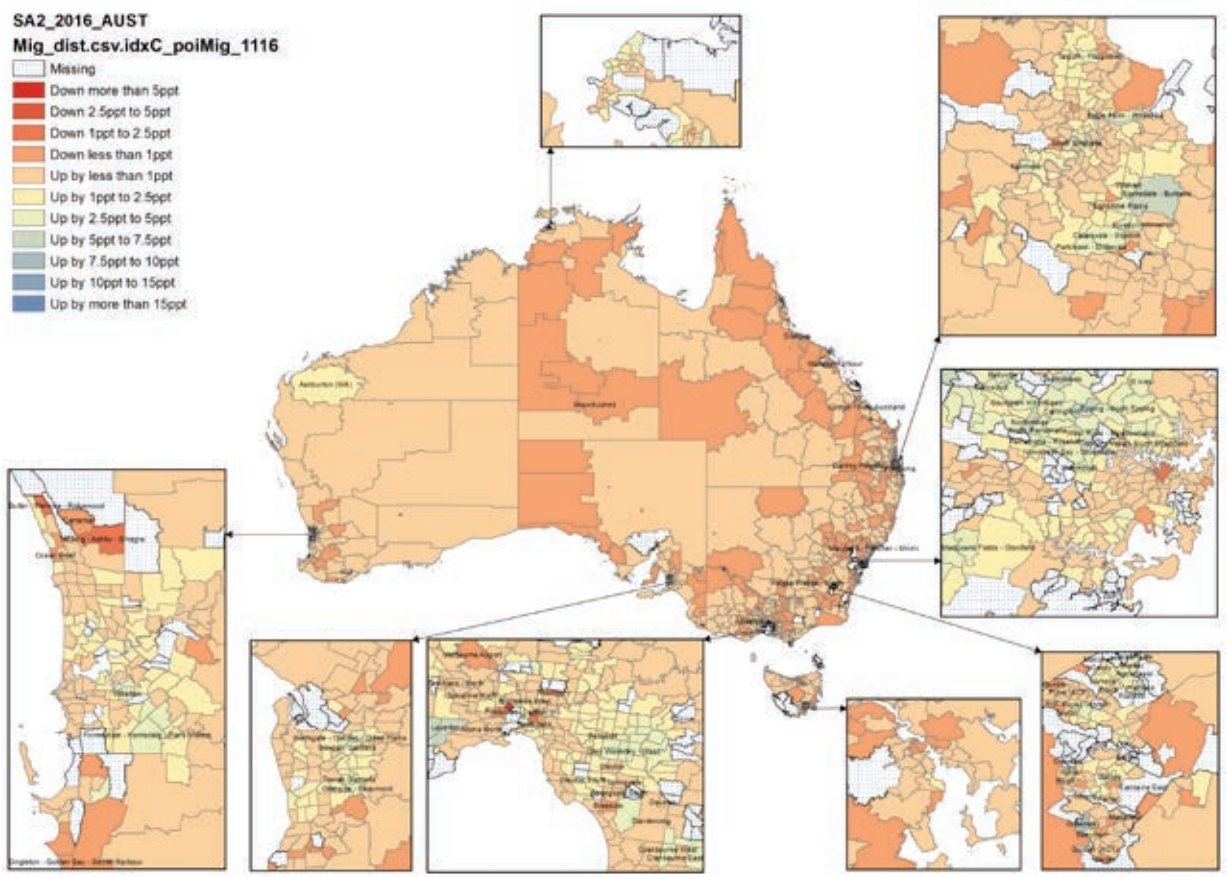
Figure 12 shows that there have been some changes in the distribution of points-based and employer-sponsored visa holders across the country in the period from 2011 to 2016. In WA. the share of employer-sponsored visa holders among all migrants has gone down slightly in Kalgoorlie but has increased in Wellard and Harrisdale. Meanwhile, in Asburton as well as in many parts of metropolitan Perth, the share of points-based visa holders among all migrants has gone up by 1 to 2.5 percentage points in the period from 2011 to 2016.

Figure 12 Change in shares of employer-sponsored visa holders among all migrants, by SA2 geographical area, 2011 to 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing, 2016.

Figure 12 (continued) Change in shares of **points-based** visa holders among all migrants, by SA2 geographical area, 2011 to 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing, 2016.

Conclusion

How has immigration changed in Australia? Where do our immigrants come from? And where in Australia do they settle? These are some of the questions this chapter has addressed.

Over quarter of Australia's population is now foreign-born. In the decade from 2006-2016, the number of foreign-born population has risen by 40 per cent. Asian migrants comprised nearly half of Ausralia's migrant population in 2016. But we have also seen an increase in the share of immigrants from other parts of the world, particularly from Africa which is now the source of over 7 per cent of Australia's immigrant population.

There has been an increase in the number of immigrants arriving in Australia on a skilled visa over the course of the resource-driven economic boom, reaching 150,000 new entrants in 2008.

Presently, India is the largest source country of permanent migrants entering the country under the skilled visa stream. The number of skilled visa migrant arrivals from Pakistan has increased substantially over the decades while the number of skilled visa migrant arrivals from the UK has gone down.

Immigrants, especially those on points-based visas, are highly concentrated in certain parts of the country, especially in some of the metropolitan areas of New South Wales and Victoria. The location of immigrants on student visas, on the other hand, appears to be closely aligned to the location of major universities across the country.


Labour
market impact of
immigration

Introduction

Increases to the share of immigrants in Australia's population give rise to increased interest in the economic consequences of immigration. What kind of jobs do immigrants have? What affect does this have on the labour market outcomes of native-born Australians? Are immigrants' skills well-matched with the jobs they do? This chapter responds to some of these questions, drawing on data from 17 waves of the HILDA Survey, the Survey of Income and Housing (SIH) and a number of ABS sources including historical Census data and the Australian Census and Migrants Integrated Dataset.

We explore the labour market outcomes of foreign-born Australians relative to the outcomes of native-born Australians. We provide evidence on key outcomes including labour force participation rate, employment status and distributions across occupations and industries. We then consider how the density of immigrants has changed by occupation and industry and analyse what this change implies for the wages of native-born Australians.

The education and skills of immigrants and how well they are utilised in the labour market is a central focus of this chapter. First, we look at the educational attainment of immigrants, relative to natives, and how it has evolved over time. We then provide evidence on the extent of skills mismatch across immigrant and native-born workers and evaluate the impact of this mismatch on the earnings.

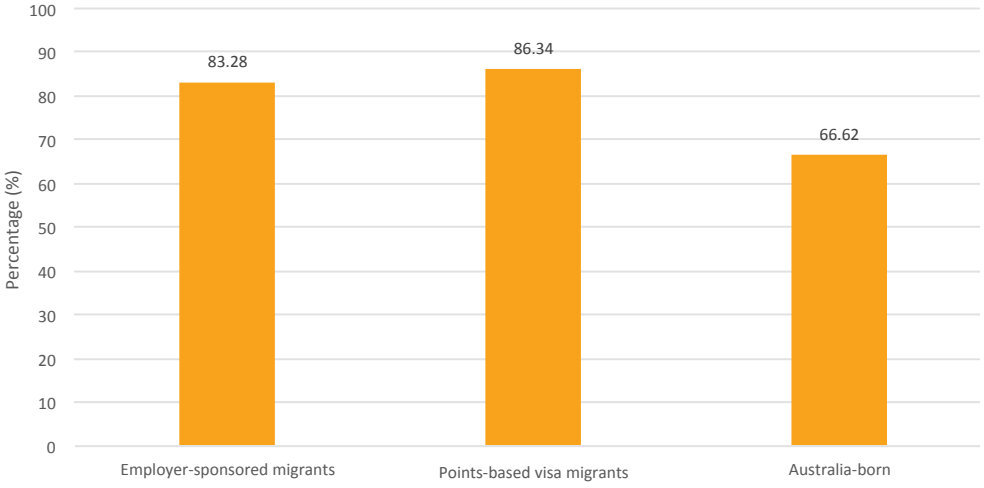
Labour market outcomes of different immigrants

How do immigrants compare to native-born Australians in their participation and employment rates? Figure 13 shows the labour force participation rates (the share of the working age population either working or seeking employment) for native-born Australians and immigrants with different visa types. The labour force participation rate is significantly higher for migrants selected for their labour market skills under points-based or employer-sponsored visa streams than for native-born Australians. At 86 per cent, the labour force participation of migrants selected under the points-based visa stream is the highest across the three groups. There was nearly 17 percentage points difference in the labour force participation rates of points-based migrants and native-born Australians in 2016.

Labour force participation rates are significantly higher among migrants selected for their labour market skills under points-based or employer-sponsored visa streams than for native-born Australians.

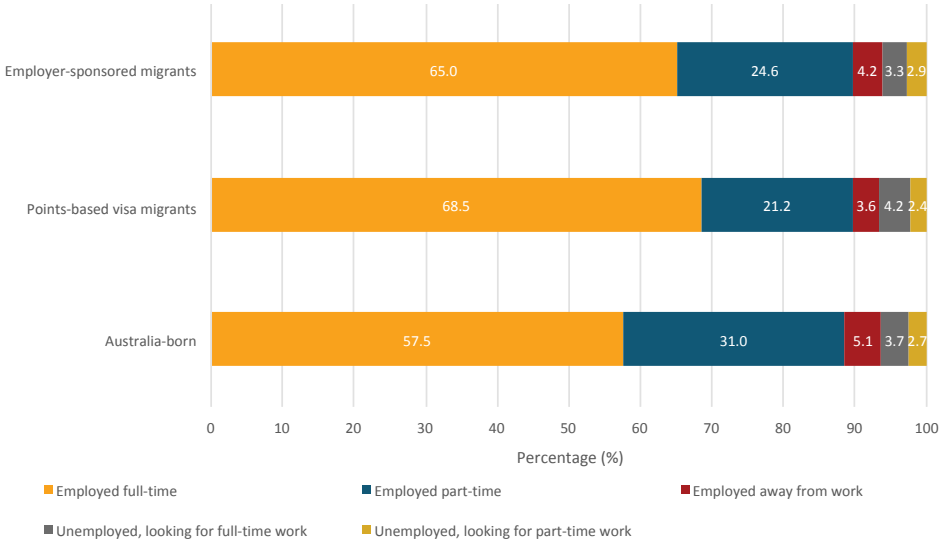
There was nearly 17ppts difference in the labour force participation rates of points-based migrants and native-born Australians in 2016.

Figure 13 Labour force participation by visa type, 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Australian Census and Migrants Integrated Dataset 2016.

Figure 14 Employment status by visa type, 2016

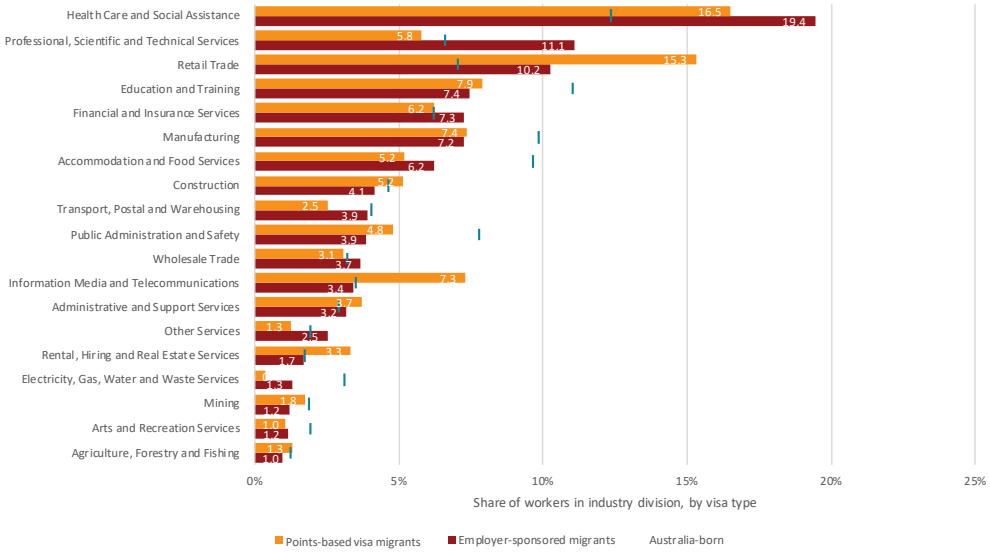


Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Australian Census and Migrants Integrated Dataset 2016.

In 2016, unemployment rate was under 3% for native-born Australians, points-based and employer-sponsored migrants. However, full-time employment was more prevalent among points-based migrants (68.5%) and employer-sponsored migrants (65%) than among natives (57.5%).

Figure 14 presents the employment status of individuals who were in the labour force in 2016. In 2016, the unemployment rate was close to 6.5 per cent across all three groups – points-based visa migrants, employer-sponsored migrants, and native-born Australians. However, full-time employment was more prevalent among points-based migrants (68.5%) and employer-sponsored migrants (65%) than among natives (57.5%). 31 per cent of native-born Australians were employed on a part-time basis and a further 5 per cent were working away from home.

Figure 15 The distribution of migrant workers across industry sector, by visa type, 2016

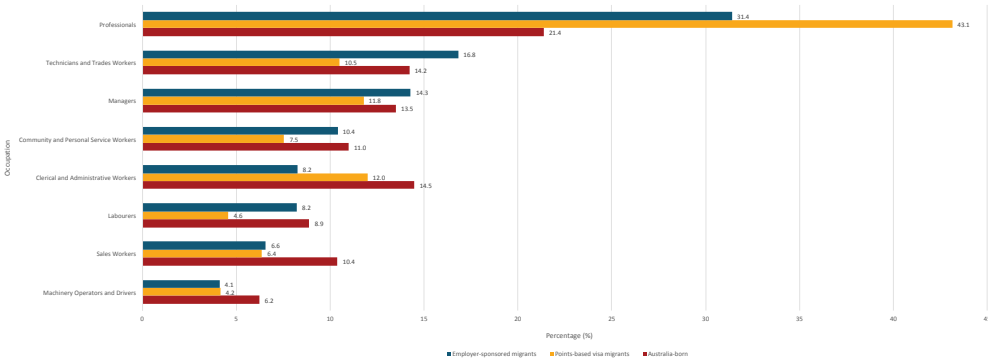


Source: Bankwest Curtin Economics Centre | Authors' calculations based on ABS Australian Census and Migrants Integrated Dataset, 2016.

The Health care and social assistance sector employed the largest shares of skill-based migrants in 2016. The industry was made up of 19% employee-sponsored migrants and 16.5% points-based visa migrants.

Where are immigrants employed? The Health care and social assistance sector employed the largest share of skill-based migrants in 2016. 19 per cent of workers in the sector in 2016 were employee-sponsored migrants and 16.5 per cent of points-based visa migrants. Only 4 per cent of employees were native-born Australians. The Professional, scientific and technical services industry employed the second largest shares of immigrants in the two groups. The share of workers in this industry was 15 per cent for points-based migrants and 10 per cent for employer-sponsored migrants in 2016. Less than 2 per cent of the Professional, scientific and technical services industry workforce in 2016 were native-born Australians. Retail trade, and Education and training were among that employed significant shares (over 7%) of points-based and employer-sponsored immigrants. On the other hand, only a very small proportion of immigrants were employed in Arts and recreation services and Agriculture, forestry and fishing in 2016.

Figure 16 The distribution of migrant workers across occupations, by visa type, 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Australian Census and Migrants Integrated Dataset 2016

What are the main occupations that immigrants work in? Migrants are concentrated in high skill occupations with 55 per cent of points-based visa migrants and 46 per cent of employer-sponsored migrants employed as professionals or managers. Professionals are the largest occupational grouping in Australia with 43 per cent of points-based visa migrants, 31 per cent of employer-sponsored migrants and 21 per cent of native-born Australians employed in this occupation. Machinery operators and drivers is the smallest occupational category employing around 4 per cent of migrants in both groups and 6 per cent of natives.

And what are the incomes enjoyed by immigrants in Australia? The concentration of very high earners – those whose weekly income is at least $3,000 – is the highest among the employer-sponsored migrants, over 10 per cent in 2016 (Figure 17). In comparison, only 6 per cent of points-based migrants and 5 per cent of native-born Australians had income of $3,000 or above on a weekly basis. Moreover, 12 per cent of employer-sponsored migrants, 13 per cent of points-based migrants but under 9 per cent of native-born Australians have incomes ranging from $2,000-2,999 per week. On the other hand, the proportion of individuals who earn under $500 per week is considerably lower among points-based and employer-sponsored migrants compared to native-born Australians. In 2016, 10 per cent of points-based migrants, 13 per cent of employer-sponsored migrants and 18 per cent of native-born workers had weekly income under $500.

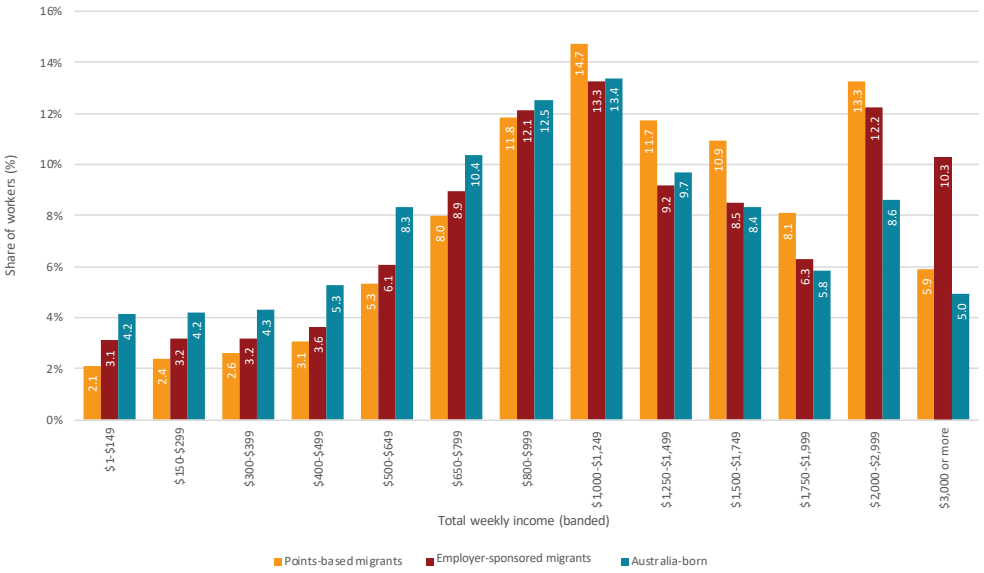
Migrants are concentrated in high skill occupations with 55% of points-based visa migrants and 46% of employer-sponsored migrants employed as professionals or managers.

Professionals are the largest occupational grouping with 43% of points-based visa migrants, 31% of employer-sponsored migrants and 21% of native-born Australians employed in this occupation.

WA's foreign-born population has the second highest employment rate in the country, at 61%.

In 7 out of the 8 states and territories, employment rates among permanent residents visa holders are at least as high as among the foreign-born citizens and temporary residents.

Figure 17 Total personal weekly income (employed persons only), by migrant visa type, 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Australian Census and Migrants Integrated Dataset 2016.

How do employment rates of the different groups of the population vary by states and territories in Australia? At 73 per cent, the employment rate of NT's foreign-born population is the highest across the states (Table 5). NT's native-born employment rate is only 63 per cent. WA's foreign-born population has the second highest employment rate in the country, at 61 per cent. WA has the highest share of foreign-born workers, at 40 per cent. On the other hand, Tasmania reports the lowest employment rates for both native- (57%) and foreign-born (44%) populations.

Foreign-born employment rates vary by residency status. In 7 out of the 8 states and territories, employment rates among permanent residents visa holders are at least as high as among the foreign-born citizens and temporary residents. In some cases, the differences are rather pronounced. In ACT, the employment rate is 68 per cent among permanent residents and only 50 per cent among temporary visa holders. Similarly, in Tasmania the employment rates of permanent residents are 14 percentage points higher compared to those among foreign-born citizens of temporary visa holders.

Table 5 Employment rate by state and territory and migrant visa type, 2016

Number of workers (thousands)									
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
Total population	3,376.9	2,734.1	2,133.3	745.4	1,155.6	216.3	102.1	205.4	10,669.1
Native born	2,230.8	1,853.2	1,558.9	562.6	693.6	186.5	70.4	145.1	7,301.1
% total population	66%	68%	73%	75%	60%	86%	69%	71%	68%
Foreign Born	1,146.1	880.9	574.4	182.7	462.0	29.8	31.7	60.3	3,367.9
% total population	34%	32%	27%	25%	40%	14%	31%	29%	32%
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
Citizens	721.4	527.7	321.5	117.6	271.9	20.0	16.9	41.9	2038.9
% total population	21%	19%	15%	16%	24%	9%	17%	20%	19%
Of which:									
Moved from permanent	230.4	180.6	108.9	38.5	104.7	4.3	6.7	15.8	689.8
Permanent residents	187.0	162.7	83.7	34.1	86.3	4.0	6.8	9.2	573.7
% total population	6%	6%	4%	5%	7%	2%	7%	4%	5%
Of which:									
Skilled	108.8	101.2	48.9	23.5	60.2	2.0	4.4	5.8	354.9
Family	72.4	54.8	32.6	9.1	23.8	1.7	2.2	3.1	199.7
Humanitarian	5.7	6.7	2.1	1.5	2.2	0.2	0.2	0.2	18.9
Other Permanent	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Temporary visas	251.3	195.8	197.7	23.0	111.7	5.2	9.8	10.4	805.0
% total population	7%	7%	9%	3%	10%	2%	10%	5%	8%
Of which:									
Bridging visa	16.8	14.4	6.9	2.0	6.3	0.3	0.6	0.8	48.1
New Zealand citizen	85.1	78.3	132.8	7.9	61.8	2.5	3.6	2.4	374.3
Temporary Work (Skilled)	46.3	28.1	14.9	3.1	15.3	0.5	1.9	1.5	111.6
Working Holiday Maker	17.7	11.5	13.6	1.8	7.9	0.5	1.5	0.4	55.0
Student	71.9	51.0	24.5	6.8	17.0	1.2	1.7	3.7	177.7
Other Temporary visa	13.5	12.4	5.1	1.4	3.5	0.3	0.6	1.5	38.3
Employment rate (thousands)									
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
Total population	59%	60%	61%	57%	63%	55%	66%	68%	
Native-born	61%	64%	62%	61%	64%	57%	63%	71%	
rank across states/territories	6	2	5	7	3	8	4	1	
Foreign-born	56%	53%	58%	48%	61%	44%	73%	60%	
rank across states/territories	5	6	4	7	2	8	1	3	
Among foreign-born	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
Citizens	55%	53%	56%	47%	59%	43%	71%	63%	
rank across states/territories	5	6	4	7	3	8	1	2	
Of which:									
Moved from permanent	71%	70%	73%	67%	73%	65%	82%	80%	
rank across states/territories	5	6	4	7	3	8	1	2	
Permanent residents	63%	62%	66%	61%	69%	58%	79%	68%	
rank across states/territories	5	6	4	7	2	8	1	3	
Of which:									
Skilled	78%	74%	76%	74%	77%	77%	85%	79%	
rank across states/territories	3	8	6	7	5	4	1	2	
Family	53%	53%	60%	51%	57%	60%	69%	57%	
rank across states/territories	7	6	2	8	5	3	1	4	
Humanitarian	26%	31%	27%	24%	40%	16%	60%	32%	
rank across states/territories	6	4	5	7	2	8	1	3	
Temporary visas	60%	57%	63%	47%	69%	49%	80%	50%	
rank across states/territories	4	5	3	8	2	7	1	6	
Of which:									
Bridging visa	47%	48%	54%	45%	58%	53%	71%	61%	
rank across states/territories	7	6	4	8	3	5	1	2	
Special Category (New Zealand citizen)	69%	71%	68%	64%	74%	59%	82%	70%	
rank across states/territories	5	3	6	7	2	8	1	4	
Temporary Work (Skilled)	84%	82%	81%	78%	81%	78%	84%	83%	
rank across states/territories	1	4	5	8	6	7	2	3	
Working Holiday Maker	74%	73%	74%	72%	77%	84%	82%	79%	
rank across states/territories	5	7	6	8	4	1	2	3	
Student	45%	37%	41%	29%	51%	29%	76%	34%	
rank across states/territories	3	5	4	7	2	8	1	6	

Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing 2016.

How do migrants affect the Australian labour market?

Immigrant made up more than 40% of the professional workforce in over half of the industries in 2016.

From 2011 to 2016, there was an increase in the immigrant share of the workforce across most industries and occupations. One exception was the Financial and insurance services sector where the shares declined in half of the occupations.

What is the representation of immigrants across industries and occupations? Professionals have one of the highest immigrant densities, with immigrant share more than 40 per cent of the total workforce in over half of the industries in 2016 (Table 6). As expected, the Agriculture, forestry and fishing sector is one of the least attractive industries for immigrants, with the proportion of immigrants in this workforce less than 20 per cent across most occupations.

Table 7 presents the evolution of migrant densities across industries and occupations between 2011 and 2016. There was an increase in the immigrant share of the workforce across most industries and occupations during this period. In some cases, the increase was substantial. For example, in Information, media and communications, we see the immigrant share of workers employed as machinery operators and drivers increased by 7.5 percentage points between 2011 and 2016. Another example is in Wholesale trade where the share of immigrants working as labourers has increased by 8.8 percentage points. An important exception is the Financial and insurance services sector where the immigrant shares declined in half of the occupations.

Table 6 **Shares of migrants in workforce share, by occupation and industry, 2016**

	Share of migrant workforce by occupation and industty, 2016 (%)							
	Managers	Professionals	Technicians and Trades Workers	Community and Personal Service Workers	Clerical and Administrative Workers	Sales Workers	Machinery Operators And Drivers	Labourers
Agriculture, Forestry and Fishing	14%	22%	20%	19%	17%	17%	17%	28%
Mining	32%	40%	21%	26%	29%	28%	18%	29%
Manufacturing	33%	41%	32%	36%	30%	23%	41%	48%
Electricity, Gas, Water and Waste Services	28%	39%	18%	25%	26%	35%	21%	22%
Construction	26%	40%	25%	32%	24%	26%	21%	28%
Wholesale Trade	36%	44%	33%	30%	33%	24%	34%	44%
Retail Trade	30%	41%	28%	30%	27%	24%	32%	26%
Accommodation and Food Services	40%	41%	58%	32%	34%	25%	38%	38%
Transport, Postal and Warehousing	31%	36%	28%	28%	34%	34%	39%	31%
Information Media and Telecommunications	36%	38%	32%	24%	32%	25%	33%	26%
Financial and Insurance Services	35%	41%	39%	41%	34%	34%	36%	39%
Rental, Hiring and Real Estate Services	30%	35%	30%	32%	25%	29%	25%	36%
Professional, Scientific and Technical Services	40%	40%	32%	38%	27%	34%	37%	33%
Administrative and Support Services	35%	39%	25%	36%	30%	34%	37%	48%
Public Administration and Safety	22%	28%	19%	23%	23%	24%	20%	22%
Education and Training	25%	25%	28%	24%	26%	29%	33%	33%
Health Care and Social Assistance	30%	39%	36%	38%	27%	30%	40%	38%
Arts and Recreation Services	23%	26%	23%	24%	21%	23%	22%	28%
Other Services	31%	35%	26%	33%	26%	30%	34%	39%

Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing 2016.

Table 7 Change in migrant workforce share, by occupation and industry, 2011 to 2016

	Percentage point change in migrant workforce share by occupation and industry, 2011-2016							
	Managers	Professionals	Technicians and Trades Workers	Community and Personal Service Workers	Clerical and Administrative Workers	Sales Workers	Machinery Operators And Drivers	Labourers
Agriculture, Forestry and Fishing	2.10	3.93	2.19	1.12	2.79	1.15	3.19	5.12
Mining	0.28	1.40	1.16	0.31	0.99	-1.45	1.29	5.96
Manufacturing	1.51	2.34	1.36	1.97	1.65	0.85	0.22	4.35
Electricity, Gas, Water and Waste Services	1.97	3.52	0.48	5.87	2.41	4.76	1.69	0.10
Construction	0.67	1.23	1.26	1.18	1.09	-0.85	1.59	1.78
Wholesale Trade	2.49	2.85	0.98	0.86	2.64	0.09	1.69	8.76
Retail Trade	2.35	3.64	2.63	3.55	2.52	2.41	4.07	2.89
Accommodation and Food Services	5.52	4.99	6.55	3.35	3.56	1.71	6.06	3.96
Transport, Postal and Warehousing	3.55	3.34	2.55	0.95	2.99	2.65	6.54	3.25
Information Media and Telecommunications	3.12	4.58	3.24	0.71	2.26	0.25	7.55	-0.34
Financial and Insurance Services	4.04	3.05	-3.39	-2.00	2.55	4.99	-3.21	-9.01
Rental, Hiring and Real Estate Services	3.61	5.19	3.44	1.45	2.46	5.08	2.64	2.60
Professional, Scientific and Technical Services	3.21	2.83	0.84	5.78	1.16	2.99	3.11	4.53
Administrative and Support Services	3.12	3.49	1.93	2.65	0.04	-0.10	5.52	5.85
Public Administration and Safety	1.29	1.49	0.97	1.48	0.50	1.40	1.42	2.01
Education and Training	2.63	1.17	1.72	2.90	1.82	3.08	2.52	4.78
Health Care and Social Assistance	3.03	2.60	2.55	5.70	1.39	1.27	3.24	3.81
Arts and Recreation Services	1.22	0.85	1.94	0.93	1.59	-0.09	2.68	2.52
Other Services	3.37	2.88	2.25	4.66	1.37	4.05	2.13	5.03

Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing 2011 and 2016.

Do these increases in the immigrant share of the workforce across industries and occupations have a negative impact on native-born workers' wages? Figure 18 presents the correlations between the changes in immigrant density and the changes in real wages of native-born workers by industry and occupation from 2011 to 2016. There are consistent positive relationships across all four skill-based occupational groups: (1) managers and professionals, (2) technicians and trade workers, machinery operators and labourers, (3) clerical and sales workers, and (4) community and personal services workers. That is, not only there is no negative impact on wages due to the presence of immigrants, we observe a positive effect.

Not only is there no negative impact on wages due to the presence of immigrants, we observe a positive effect on the real wages of native-born workers by industry and occupation between 2011 and 2016.

Figure 18 Change in migrant shares v**ersu**s change in real earnings of native-born workers, by occupation and industry, 2011 to 2016

Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing 2011 and 2016, and Survey of Income and Housing (SIH).

These results are consistent with previous empirical studies which found either positive or no relationship between immigration inflows and labour market outcomes of Australian natives. For example, using HILDA survey, Bond and Gaston (2011) show a positive correlation. Using the SIH, and an alternative an econometric approach, Breunig *et al*. (2017) find virtually no association between immigration share and the wages or employment rates of native-born workers. This is similar to those results reported by Sinning and Vorell (2012). However, in recent work, combining Census and SIH, Nguyen and Parsons (2019) provide evidence that immigration flows have positive impacts on natives' wages. Looking specifically at temporary migrants, Bablani and Clarke (2019) do not find any evidence that this type of visa stream harms labour market outcomes for Australian workers.

Table 8 Regression of change in migrant workforce share versus change in real earnings of native-born workers, 2011 to 2016

Summary statistics			
Number of observations	119		
F(4,115)	20.64		
Prob > F	0.000		
R-squared (adjusted)	0.398		
Dependent variable: Wage change for native workers	Coefficient	Std. Error	t-statistic
Share of migrants within occupation/industry class	0.024 **	0.010	2.26
Technicians/trades, machinery operators, labourers	0.080 *	0.040	2.00
Clerical and sales workers	0.142 ***	0.037	3.83
Managers and professionals	0.058	0.043	1.35

Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census of Population and Housing 2011 and 2016, and Survey of Income and Housing (SIH).

To assess whether the correlations in Figure 18 are statistically significant, the combinations of changes in migrant workforce shares and changes in real earnings of native-born workers were regressed along with controls for occupation class.

The results are presented in Table 8, and reveal a statistically significant association whereby an increase of one percentage point in the shares of migrants within an occupation or industry leads to an increase of 2.4 percentage point in the real wages of native-born workers.

This suggests that skilled migrant workers drive positive benefits across Australia's industry sectors through increased productivity, innovation and knowledge spillovers. This important finding accords with other research from the report's authors and others which also shows that a greater share of migrant workers leads to increased full-time employment, more hours of work and higher wages among native workers.

Are migrants' skills and education well utilised?

48% of immigrants from non English-speaking countries aged 25-64 had a tertiary degree in 2016. Only 36% of immigrants from English-speaking countries and 33% of native-born Australians were tertiary educated.

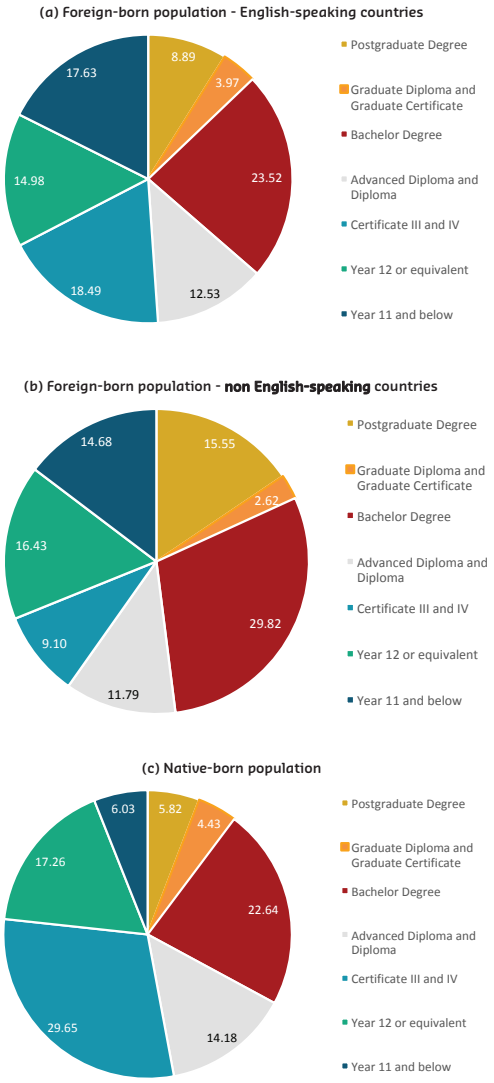
Nearly 16% of individuals from a non English-speaking country had a postgraduate degree in 2016 while less than 6% of native-born Australians did.

It is well established that individuals with more years of education earn higher wages than people with fewer years of education. Based on a basic model of wage determination using data from the HILDA Survey, we found workers typically earn around 6.6 per cent higher hourly wages for each additional year of education they complete (see Table 15 in Appendix A for full results for selected regression models). Human Capital Theory views this as arising from a causal relationship, in which the education gained increases the worker's productivity resulting in higher wages. Where the relative return on education investment is substantially greater than the cost of providing that education, both the worker and society as a whole benefit through higher total output and incomes.

As seen from Figure 19, educational attainment among migrants, especially among those from non English-speaking countries, is on average, higher compared to native-born Australians. This is largely a consequence of the skilled migration program targeting more educated workers. Among immigrants from non English-speaking countries aged 25 to 64, 48 per cent had a tertiary degree as of 2016. Only 36 per cent of immigrants from English-speaking countries and 33 per cent of native-born Australians were tertiary educated. Moreover, nearly 16 per cent of individuals from a non English-speaking country had a postgraduate degree in 2016 while less than 6 per cent of native-born Australians did. On the other hand, the prevalence of individuals with a certificate or diploma in the native-born population is nearly double that of the population who migrate from non English-speaking countries.

As seen in Figure 20, over the past 3 and a half decades there has been a significant increase in the number of individuals holding a tertiary degree in both the native- and foreign-born populations. As of 2016, almost 1.3 million immigrants in Australia were tertiary-educated; we had only 39,000 tertiary-educated immigrants in 1981. The number of tertiary-educated individuals has been going up at a higher rate in the foreign-born population than in the native-born population, especially in the past couple of decades. In the period from 2006 to 2016 alone, the number of foreign-born individuals holding a tertiary degree increased by 77 per cent. It increased by only 30 per cent in the native-born population.

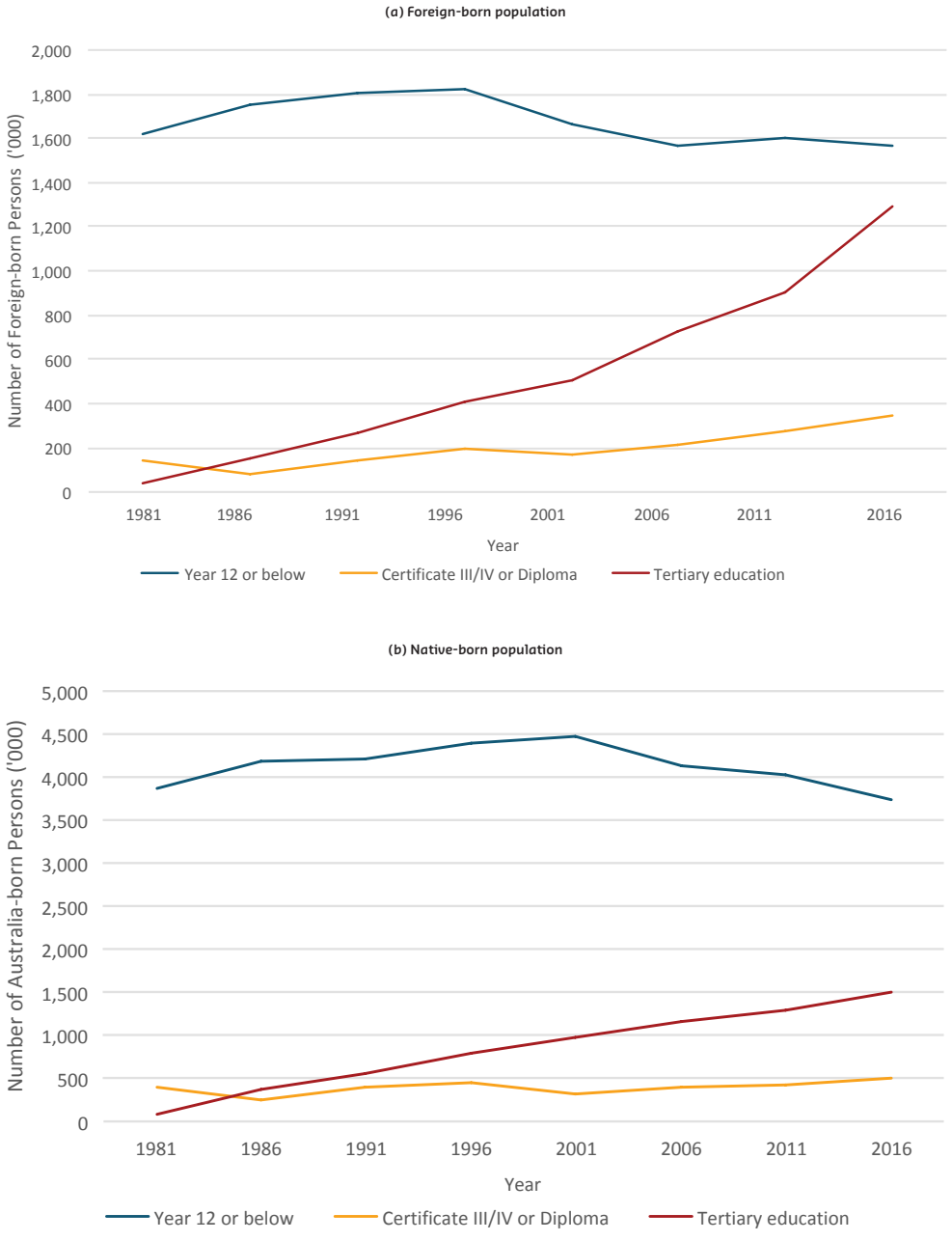
Figure 19 Population shares by educational attainment, 2016



Note: The sample includes individuals from 25 to 64 years of age.
Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Cat No 6250.

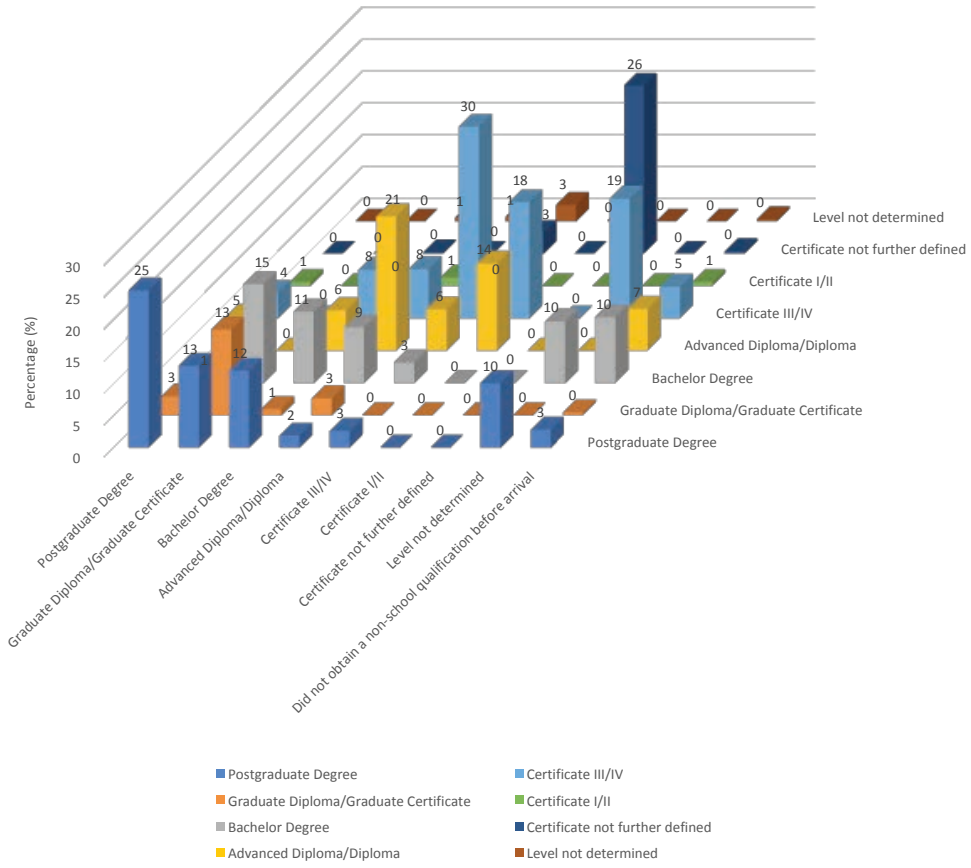
From 2006 to 2016, the number of foreign-born individuals holding a tertiary degree increased by 77%. It increased by only 30% in the native-born population.

Figure 20 Changes in educational attainment by population type, 1981 to 2016



Note: The sample includes individuals from 25 to 64 years of age.
Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Census 1921-2016.

Figure 21 Educational progression of immigrants since arrival to Australia, 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Cat 6250.0.

Given the nature of Australia's skilled-migration program, a significant share of immigrants have a degree on arrival. However, 35 per cent of recent immigrants, those who migrated between 2006 and 2016, have pursued further studies after arriving in the country. Figure 21 presents the educational progression of recent immigrants since arriving in Australia. A quarter of individuals who already possessed a postgraduate degree on arrival completed another postgraduate degree after they arrived in Australia. Similarly, one third of immigrants who already possessed a certificate III or IV on arrival, gained another certificate qualification at the same level in Australia. Potentially, this could be related to challenges associated with having their existing skills and qualifications recognised in Australia. However, we also see educational progression for many migrants groups too. For example, 12 per cent of bachelor degree holders and 13 per cent of diploma holders did a postgraduate degree after arriving in Australia.

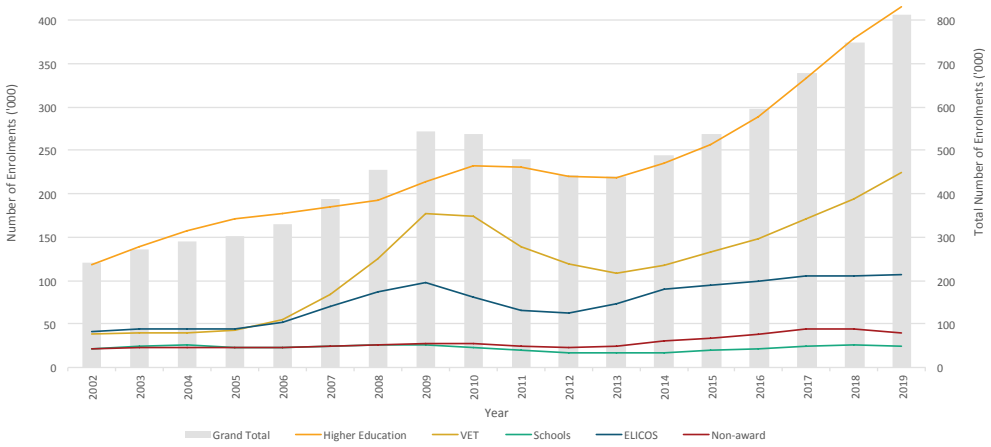
35% of recent immigrants have pursued further studies after arriving in the country.

A quarter of immigrants who already had a postgraduate degree on arrival completed another postgraduate degree in Australia.

There were 812,104 enrolments in the international education sector in 2019. Half of these were in higher education.

International student enrolments in Australia have increased annually from 2002 (240,349) to 2009 (543,133) (Figure 22). However, from 2010 to 2013, there was a decline in international enrolments, possibly associated with the global financial crisis. From 2014 onwards, the international education sector started to recover, reaching 812,104 enrolments in 2019. Higher education reports the highest enrolments throughout the education sector, with half of the total international enrolments being in higher education, in 2019. Since 2006, VET has had the second highest number of enrolments.

Figure 22 **International student enrolments, by sector, 2002 to 2019**



Source: Bankwest Curtin Economics Centre | Authors' calculations from Department of Education and Training (2019) Selected Education Statistics - Student Data.

The extent of the skills and education mismatch

With rising levels of educational attainment in Australia in recent decades, there has been growing concern about the incidence of 'over-education' and 'over-skilling'. Evidence has shown that workers who find themselves in jobs for which they are over-qualified tend to experience poorer outcomes, including lower wages and job satisfaction, than if they secure a job that more fully utilises their skills. In addition, there is also a social cost to over-education in the sense that workers may not be employed as productively as they could be, causing a lower social return on investment in education. Over-education is one form of the more general phenomenon of 'skills-mismatch'. Skills mismatch also occurs when workers are under-educated: that is, they are employed in a job but do not have the level of education or qualifications that are normally considered a standard requirement for that job.

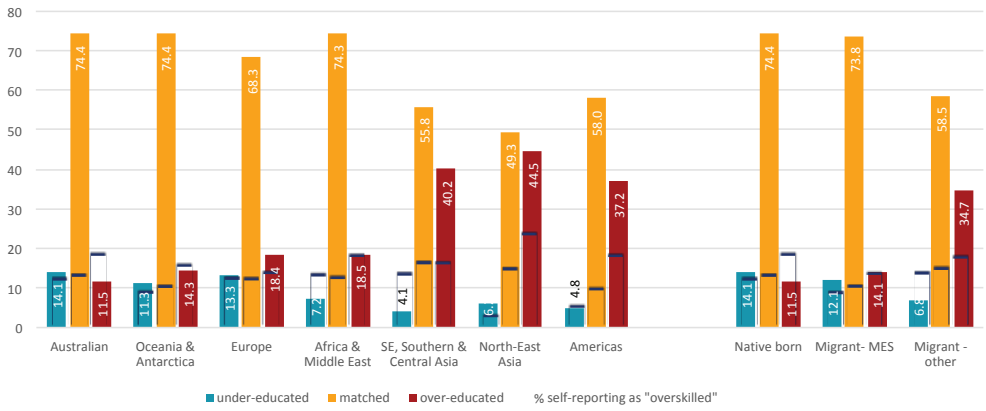
For a number of reasons, migrants are more likely to be subject to skills-mismatch. These include problems having their international qualifications recognised, the lack of transferability of skills gained in their home country to the Australian context, weaker networks and local knowledge when searching for jobs, and discrimination. These can be exacerbated by English language barriers.

So while Australia's migrant population is relatively highly skilled and well educated, there is a secondary question of how effectively that human capital is utilised in the labour market. This section presents evidence on this issue using two different perspectives: worker self-assessment of how well their skills are utilised and estimates of the return on education taking account of the incidence of under-education and over-education.

One common way of measuring skills mismatch is worker self-assessment. In HILDA, workers are asked how strongly they agree or disagree with the statement "I use many of my skills and abilities in my current job". Classifying people who disagreed with this statement — who responded 1, 2 or 3 on a scale ranging from 1 (strongly disagree) to 7 (strongly agree) — as being over-skilled, Figure 23 shows the proportion of migrants and native-born workers who self-assess as being over-skilled. Migrants who were born in a main-English speaking country are in fact less likely than native-born workers to feel their skills are under-utilised, while migrants from a non English-speaking background are more likely to feel their skills are not well utilised. Over 15 per cent of migrants originating from non English-speaking countries self-assess as being over-skilled for their job. Looking at the more detailed breakdown by broad region of origin, migrants from Asia struggle the most in securing jobs they feel utilise their skills and abilities.

Migrants born outside the main English-speaking countries are more likely to feel their skills are under-utilised compared to migrants from English-speaking countries and native-born workers.

Figure 23 Proportion of workers over-skilled, over-educated and under-educated, Australian-born, migrants born in the main English-speaking countries (MES) and other migrants



Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA 2001 to 2017.

A second approach to measuring skills-mismatch is to compare a worker's educational attainment to some 'reference' or 'required' level of education for their job. For each worker we calculate their years of education as the sum of the number of years of schooling they completed, plus an inferred equivalent years of education aligned with their highest post-school qualification attained. To establish the required reference level of education for specific jobs, we used Census data to calculate the mean years of education of workers in each occupation, down to the 51 '2-digit' occupations as categorised by the Australian and New Zealand Standard Classification of Occupations. For the 2016 Census, for example, the required level of education ranged from 11.1 years for mobile plant operators to 15.6 years for

Australian-born workers and migrants born in one of the main-English speaking countries experience a similar level of skills mismatch. Three quarters are 'correctly matched'.

Only 60% of migrants from a non English-speaking background are working in well-matched jobs. Potentially, this represents a substantial opportunity cost to the economy from under-utilised skills.

We estimate that in 2017, there were 715,000 migrants from a non English-speaking background with more years of education than is normally required for their job.

education professionals. To show the extent of skills-mismatch by migrant status, we classified workers as overeducated if their actual level of education was more than one standard deviation above the mean level of education 'required' in their occupation. Similarly, workers were classified as under-educated if their actual education years were more than one standard deviation below the requirement for their occupation (see Glossary for details).

The results of this exercise can also be seen in Figure 23. Compared to native workers, migrants born in the main English-speaking countries are marginally more likely to be over-educated and less likely to be under-educated for their jobs. In total a very similar proportion (three quarters) are correctly matched. However, the situation is starkly different for migrants from non English-speaking backgrounds, with one third completing surplus years of education relative to the requirements of the occupation they are working in. Only 60 per cent of migrants from a non English-speaking background are working in well-matched jobs. Potentially, this represents a substantial opportunity cost to the economy from under-utilised skills. Estimates from HILDA suggest there were 715,000 migrants from a non English-speaking background working in jobs for which they were over-educated in 2017 following this definition. By region, the incidence of over-education is markedly higher for workers who were born in Asia and in the Americas.

Note that the over- and under-education measure only capture 'vertical mismatch' in the level of education. There can also be 'horizontal mismatch' where people are working in jobs unrelated to the field of their qualification, and this type of mismatch is also likely to be more prevalent among migrants from a non English-speaking background. The self-assessed utilisation of skills reported above should capture both vertical and horizontal skills mismatch. It can be seen from Figure 23 that there is only a modest correspondence between the two measures: those who we have classified as under-educated for their jobs are generally less likely to assess their skills as being under-utilised, and those classified as over-educated are more likely to report being under-utilised. However, there are also some stark differences among migrants by region of origin. For migrants from the Americas and North East Asia (including China, Japan and the Koreas) there is a very strong association between over-education and skills mismatch, suggesting these migrants have greater difficulty securing jobs that match their educational qualifications. For migrants born in other Asian countries, Africa and the Middle East, and Europe the correlation is much weaker, with a mismatch in years of education seeming to play a lesser role in skills mismatch.

Migrants' returns to education and the effect of mismatch

Economists use statistical models known as 'wage equations' to estimate how individuals' earnings vary with their characteristics, such as by gender and age. These models are also used to estimate the differences in earnings associated with workers' different levels of education. As noted above, a simple wage equation based on HILDA data indicates that each additional year of education is associated with a 6.6 per cent increase in hourly wages. If we expand that model to include variables for migrant status, we find that migrants born in one of the main English-speaking countries earn an extra 3.2 per cent, on average, than native-born workers, while migrants with non English-speaking backgrounds earn 5.5 per cent less than Australian born workers with similar levels of education and other characteristics (Table 15 in Appendix A). The HILDA data also contain an indicator of English language proficiency for people who speak a language other than English at home. We classified these into two groups: those who reported speaking English 'well' or 'very well', and those who spoke English 'not well' or 'not well at all'. Extending the wage equation to include these variables shows that coming from a non English-speaking background and learning to speak English well is associated with a minor wage penalty of 1.5 per cent, but maintaining poor English proficiency reduces earnings by 12.4 per cent. Moreover, by controlling for these characteristics in the model, we can infer that poor English proficiency accounts for roughly one-third of the wage gap experienced by migrants who were born in non English-speaking countries.

Compared to similar Australian-born workers, migrants from the main English-speaking countries earn 3.2% more, while those from non-English backgrounds take home 5.5% less.

To assess the extent and impact of skills mismatch on migrants' labour market outcomes, we see if there are different pay-offs to years of education for each group. This is done by estimating the wage equations separately for Australian born workers, migrants from the main English-speaking countries and other migrants. Then, we use the ORU approach (for over-education, required-education and under-education) following seminal work by Freeman (1976) and Duncan and Hoffman (1981). In a standard wage equation, education is typically captured by including a variable for the number of years of education each individual has accrued.

The ORU approach involves augmenting the model by replacing the actual years of education with three separate variables for over-, required- and under-education. This can be explained by a numerical example. Assume an occupation requires exactly 12 years of education. For all workers in that occupation, the variable for required education takes on a value of 12, irrespective of their actual years of education. Over-education and under-education are defined as follows:

- If a worker in that occupation also has completed 12 years of education, then they are correctly matched. The variable for both over-education and under-education will be zero.
- If a worker in that occupation has completed 13 years of education, they are over-educated. They have 1 year of over-education and zero years of under-education.
- If a worker in that occupation has completed 11 years of education, they are under-educated. They have zero years of over-education and 1 year of under-education.

A migrant with low English proficiency typically earns around 12% less per hour than otherwise similar workers. We estimate this accounts for one third of the overall wage penalty of 5.5% experienced by migrants from non English-speaking backgrounds.

Given their occupations, the years of actual education for all workers can instead be expressed as a combination of the required level of education for their occupation plus years of under- or over-education, as shown more formally in Table 9. These enter the wage equation as continuous linear variables.

Table 9 **Measuring over-education and under-education (based on workers' actual years of education and their occupation's required education**

	Variable definition (formula)			Example (in years)			
				Required (E^R)	Actual (E^A)	Over-ed (E^O)	Under-ed (E^U)
Correctly matched	$E^A=E^R$	$E^U=0$	EO=0	12	12	0	0
Over-education	$E^A>E^R$	$E^U=0$	$E^O=E^A-E^R$	12	13	1	0
Under-education	$E^A<E^R$	$E^O=E^A-E^R$	$E^O=0$	12	11	0	1

Using the ORU specification gives a much richer picture of the processes taking place in the labour market. Because the standard wage equation focuses on the actual educational attainment of the worker, it only takes into account the effect of workers' attributes - the supply side of the labour market. In contrast, the ORU approach also incorporates the demand side by accounting for the level of education required by employers for different jobs, and any mismatch between the two.

A now substantial body of empirical results from the ORU approach across numerous countries has consistently shown that, compared to the implied return to education from the standard model, there are substantially higher returns to required years education, lower returns to years of excess education and a wage penalty for years of under-education. Our results, presented in Figure 24, mirror these findings. The bars show the estimated effects of education variables from random effects multivariate regressions with data from 17 waves of HILDA (spanning 2001 to 2017 – see Table 15 in Appendix A for full results for selected models). These are presented for all employees, and modelled separately for Australian-born workers, migrants born in the main English speaking countries and other migrants. The top set of bars show the return on actual years of education from a standard wage equation. The sets of bars below represent the returns on the ORU variables.

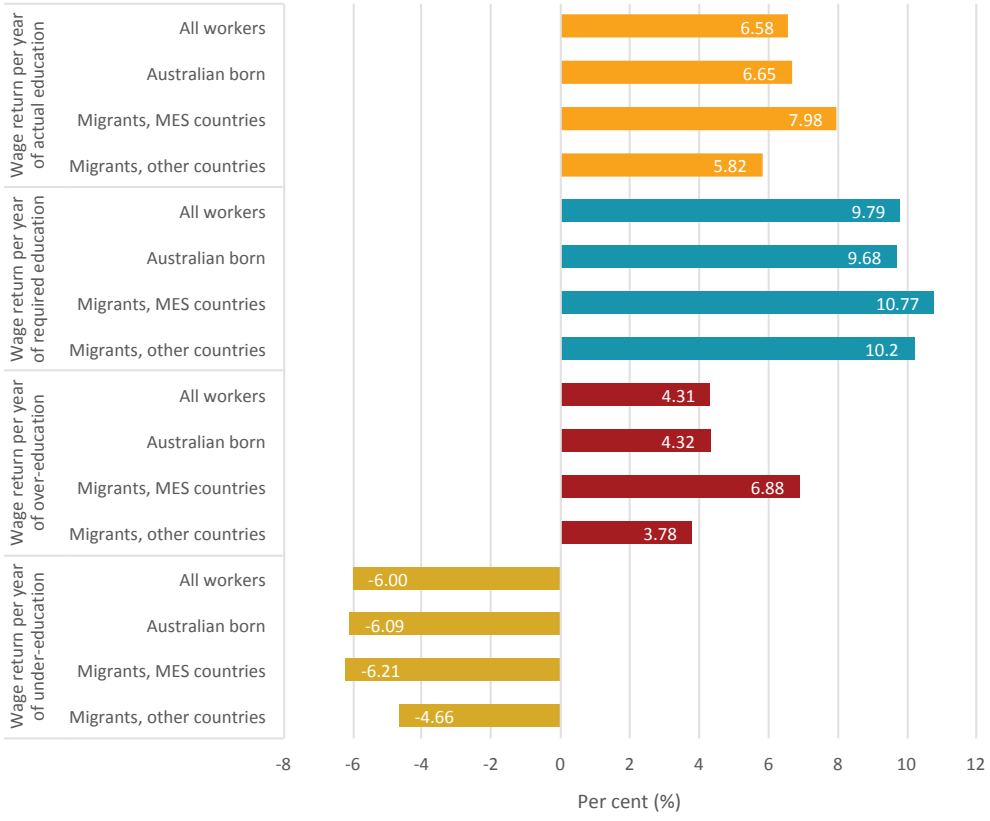
Concentrating on the results for all employees, compared to an estimated increase in hourly earnings of 6.58 per cent with each year of a workers' actual education (the top bar), the ORU approach implies a 9.79 per cent increase in earnings for each year of required education. So for any given level of education a worker has, there is a high payoff from securing work in occupations requiring a more educated workforce. However, there is a much more modest return (4.31%) for each year of education a worker has in excess to the requirement of their job. Put another way, much of the return is attached to the job, not the individual worker.

While there is a wage penalty of 6 per cent for each year of under-education, somewhat paradoxically this means that workers do well by being under-educated: for they have secured a higher paying job than would normally be the case for someone with their level of education. To see this, return to our example of the under-educated worker with 11 years of actual education but working in an occupation that normally requires 12 years. Compared to being in a correctly matched job requiring 11 years

of education, they will receive a 9.79 per cent premium for being in an occupation requiring 1 extra year of education, but incur a penalty of just 6 per cent for their year of under-education. Equally over-educated workers earn less than they would had they been able to secure a correct match, due to the relatively low return on excess education compared to required education.

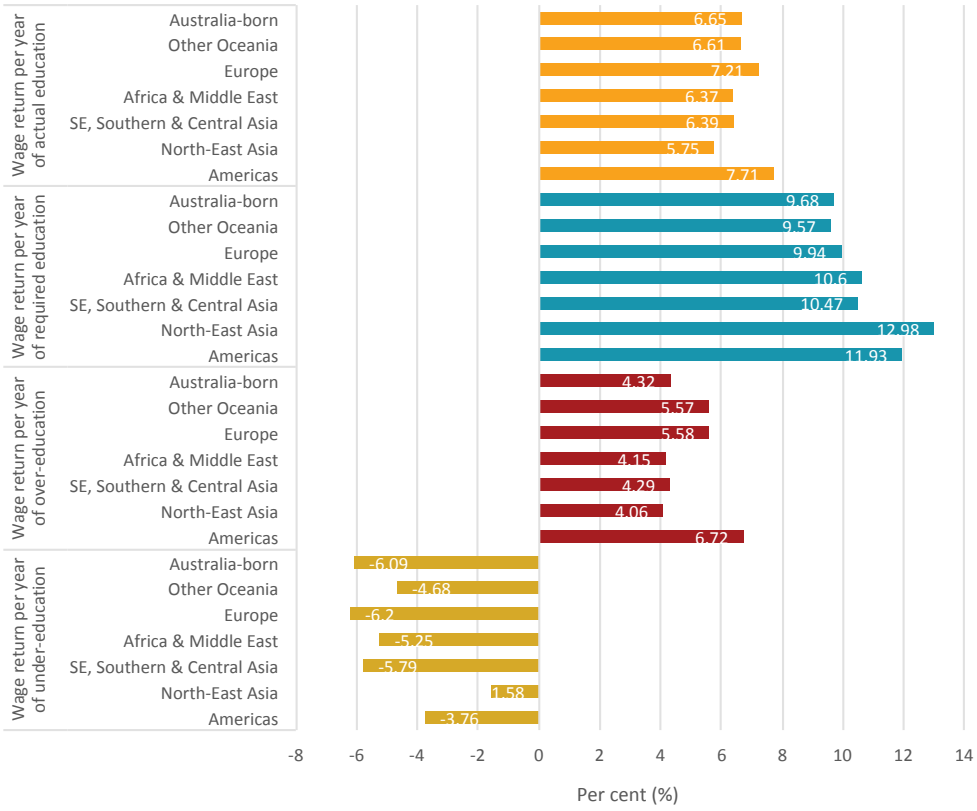
This general pattern holds when the wage equations are estimated separately for Australian-born workers, migrants from the main English-speaking countries and migrants from other countries. Though, migrants are estimated to receive a higher return for securing jobs requiring more years of education. These results are broadly consistent with much earlier analysis undertaken for Australia (Chiswick and Miller, 2010) based on 2001 Census data, but with our results suggesting a lower pay-off to education. This is likely to reflect the substantial increase in the average level of educational attainment of the population since that time.

Figure 24 **Returns on each year of education, standard wage equation and the ORU model, by migrant status**



Notes: Coefficients estimated by a random-effects wage equation using panel data from HILDA waves 1 to 17 (2001 to 2017). The dependent variable is hourly wages in real 2017 dollars, with controls for a time trend, gender, age, age-squared, marital, disability and part-time status, years of work experience and experience-squared. All presented coefficients in the figure are significant at the 1 per cent level. Full results for selected regression models are provided in Appendix A.

Figure 25 Returns on each year of education, standard wage equation and the ORU model, by region and migrant status



Notes: Coefficients estimated by a random-effects wage equation using panel data from HILDA waves 1 to 17 (2001 to 2017). The dependent variable is hourly wages in real 2017 dollars, with controls for a time trend, gender, age, age-squared, marital, disability and part-time status, years of work experience and experience-squared. All presented coefficients in the figure are significant at the 1 per cent level. ull results for selected regression models are provided in Appendix A.

Migrants from non English-speaking background are not only more likely to be over-educated for their jobs and incur the greatest wage penalty associated with this mismatch.

In Figure 24, migrants from non English-speaking backgrounds incur the largest penalty from being unable to secure a job that fully utilises their educational attainment. For each year of over-education they incur a net penalty of 6.42 per cent (or 10.20% penalty minus 3.78% benefit). This is particularly significant given the much higher incidence of over-education among migrants from non English-speaking backgrounds, as shown in Figure 23. Migrants from English-speaking backgrounds incur the lowest penalty from being over-educated. Differences in the transferability of education to the Australian context and in the quality of education between the main English-speaking and non English-speaking countries may be contributing factors in these differential results.

On average, migrants who were born in one of the main English-speaking countries receive a higher pay off for each year of education completed than native-born workers do.

We can also explore the extent to which skills-mismatch contributes to relative wage outcomes for migrants. As noted, after controlling for a basic set of individual characteristics, migrants from the main English-speaking countries earned higher wages (by 3.2%) and non English-speaking migrants lower wages (5.5%) relative to Australian-born workers.

The separate results for migrants presented in Figure 24 show that these differences can be partly attributed to differences in the returns to each year of education experienced by migrants from the main English-speaking countries (higher) and non English-speaking background migrants (lower). Including the ORU variables in place of actual years of education makes little difference to the estimated wage premium enjoyed by migrants from English-speaking countries. However, this skills mismatch accounts for one third of the lower hourly earnings experienced by migrants from other countries.

We can also use the results provide some appreciation of the potential gain to addressing skills-mismatch through something of a thought experiment. Based on the returns on required education, we can calculate what workers' earnings would be in a perfect world if every worker was in a job that exactly matches their actual level of education. For Australian-born employees and those from the main-English speaking countries, this would in fact make minimal difference to their earnings, because the effects of under-education and over-education largely offset one another. Using the HILDA person survey weights, we can estimate that this improved matching would generate higher output (or total wages) of around $2 billion per year. For migrants from non English-speaking countries, however, we estimate that this perfect labour market would deliver increased hourly earnings of around 0.5 per cent, and an aggregate increase in economic output of $6 billion per annum. We caution, however, that this will be an over-estimate to the extent that education in those countries is of lower quality or has lower transferability to Australia.

Finally, accounting for this skills mismatch has a minimal impact on the estimated wage penalty associated with low English proficiency, reducing the estimated penalty from 12.4 per cent to 11.0 per cent after allowing for over- and under-education. This suggests a lack of English proficiency results in lower earnings even when workers do secure jobs commensurate with their level of education, though it must be acknowledged that only a very small proportion workers – less than 1 per cent in the HILDA sample – report having poor or very poor English.

Effects of English language proficiency could be expected to generate differences in the returns on required, under- and over-education for migrants from different regions. However, Figure 25 reveals a remarkably consistent pattern for the results by region of origin. Migrants from North-East Asia and the Americas receive the highest returns on years of required education, and those from the Americas also experience a high return on excess education compared to other groups. Surprisingly, it is Australia-born employees and European migrants who are estimated to face the greatest penalty for years of under-education, possibly reflecting other positive attributes of migrants from other regions who manage to secure such jobs without qualifications.

Skills mismatch accounts for one third of the lower hourly earnings experienced by migrants from non English-speaking countries.

Achieving a perfect match between the educational qualifications of migrants from non English-speaking backgrounds and the jobs they hold could deliver an extra $6 billion to the economy per year.

Only a small fraction of the large wage penalty associated with low English proficiency can be attributed to English language barriers exacerbating the skills-mismatch experienced by those migrants.

Conclusion

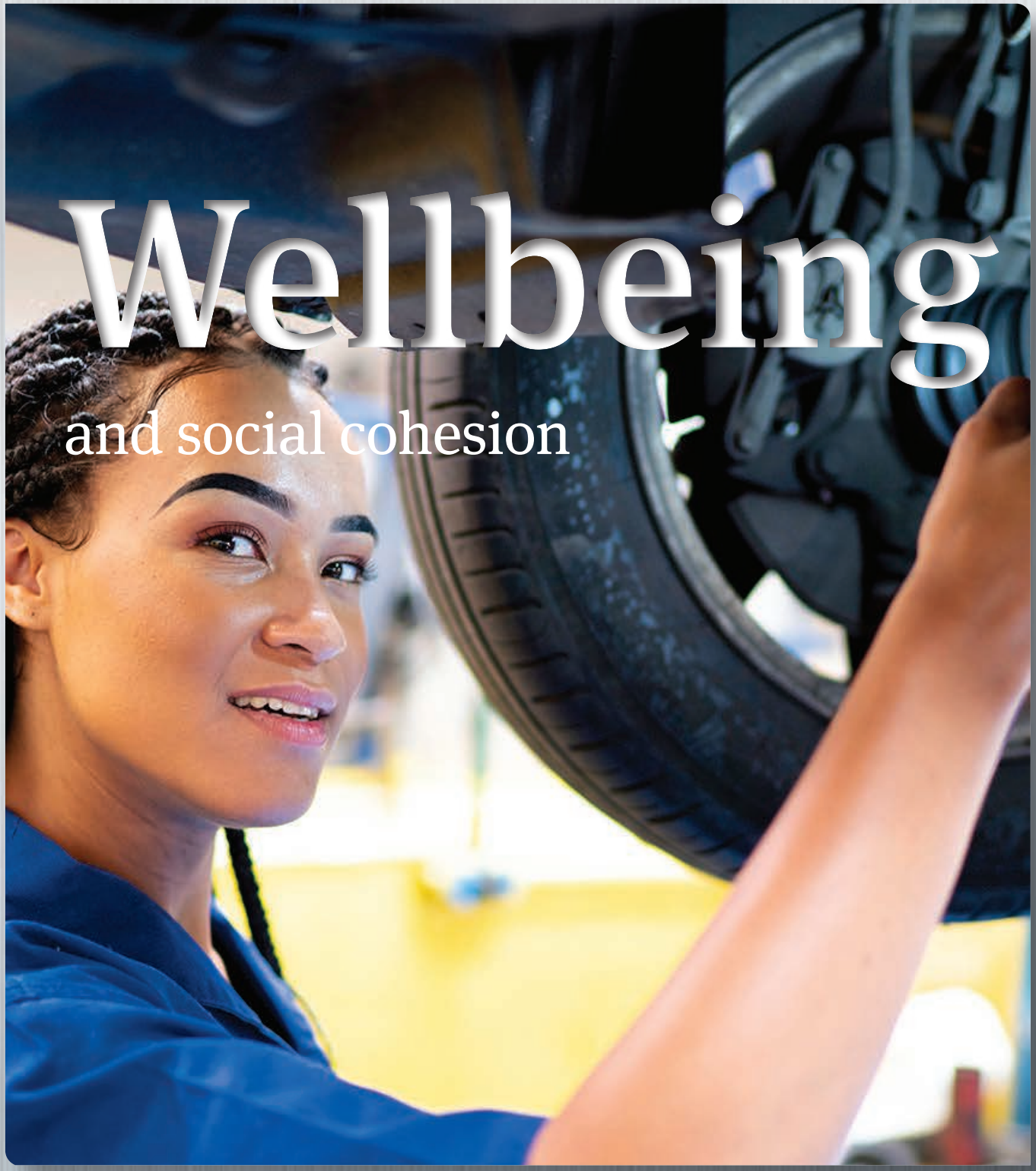
Labour force participation is higher for migrants who have arrived in Australia under points-based and employer-sponsored visa streams compared to native-borns. Within the labour force, foreign- and native-born workers have similar employment rates, although part-time employment is higher among native-born workers. The Health care and social assistance sector has the largest shares of immigrants in its workforce. Migrants are concentrated in high-skilled jobs with over the half of the total points-based visa migrants and 46 per cent of employer-sponsored migrants employed as professionals or managers.

Immigrants are highly concentrated in some occupations and industries, and in many cases, there has been an increase in the concentration in the 5 years from 2011 to 2016. But does this increase bring down the wages of native-born workers? Our results suggest the contrary: an increase in the immigrant share of the workforce is actually associated with an increase in native-born workers' wages.

Owing to its skilled migration policy, the educational attainment of Australia's foreign-born population is higher than that of the natives. But are these skills and education well utilised? Our analysis shows that a significant share of immigrants from non English-speaking countries are not well matched to their jobs with a significant share over-educated for what they do. Skill mismatch accounts for one third of the lower hourly earnings experienced by these migrants and is associated with significant costs to the economy.

Wellbeing

and social cohesion



Introduction

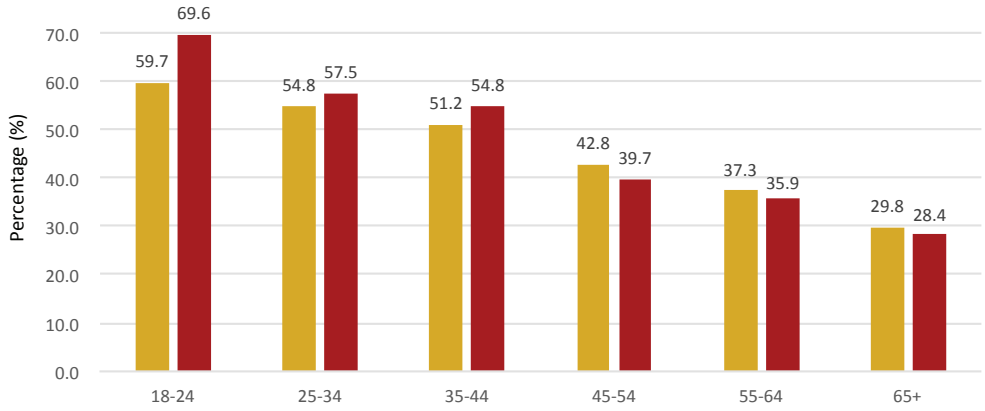
How healthy and happy are immigrants in Australia? How well do they integrate with the Australian society? Do they have the opportunity to maintain their original cultural identity and does this have implications for their wellbeing? This chapter provides insights into some of these questions drawing on 17 waves of the HILDA Survey, several recent waves of the Australian Survey of Social Attitudes, the World Values Survey and the National Health Survey 2017-18.

Our analysis explores the differences in both physical and mental dimensions of health between native- and foreign-born Australians. We also study the differences in overall wellbeing and social support. Furthermore, we provide an overview of bias and discrimination against foreign-born Australians and consider how prevalent this is among different groups. We finish with an analysis of multiculturalism in Australia, assessing the constraints and opportunities associated with maintaining one's cultural origin while adopting Australia's mainstream culture.

Health and wellbeing

How do the native-born and immigrant populations compare in terms of their overall physical health? We address this question in Figure 26 where we document the shares of individuals who assessed their health as excellent or very good in the native- and foreign-born populations in 2017, by age cohort.

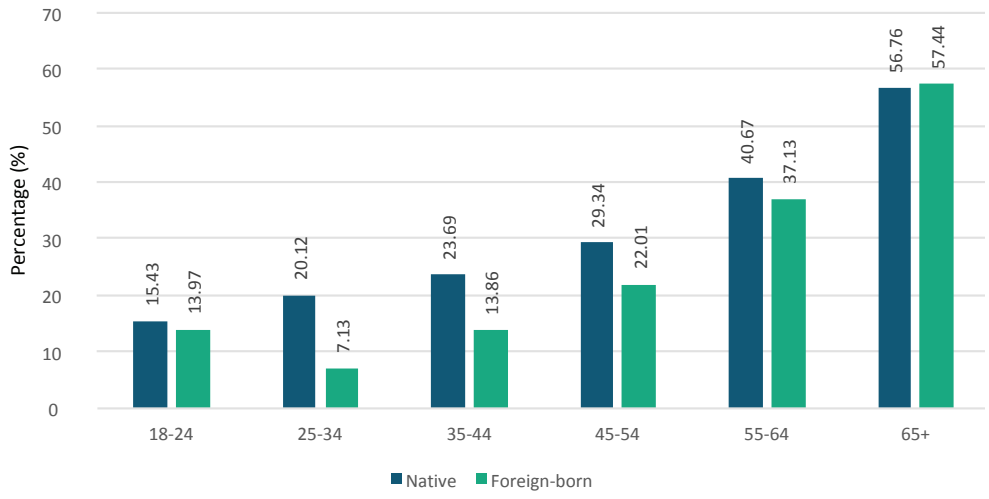
Figure 26 Share of individuals with excellent or very good self-reported health, by age and population type, 2017



Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA 2017.

In younger age cohorts in Australia, the foreign-born population has physical health advantages over the native-born population. For example, around 70 per cent of foreign-born Australians, but only 60 per cent of native-born Australians, aged 18 to 24 assessed their health as excellent or very good in 2017. The foreign-born physical health advantage disappears for older age cohorts, however. In fact, once people hit the age of 45, the share of individuals who report excellent or very good health is marginally in favour of the native-born Australians.

Figure 27 Share of individuals with long-term health condition, by age and population type, 2017



Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA 2017.

In younger age cohorts in Australia, the foreign-born population has physical health advantages over the native-born population.

Around 70% of foreign-born Australians but only 60% of native-born Australians aged 18-24 assessed their health as excellent or very good in 2017.

The foreign-born physical health advantage disappears for older age cohorts.

In 2017, the share of individuals with a long-term health condition was smaller in the foreign-born population relative to the native-born population across most age groups.

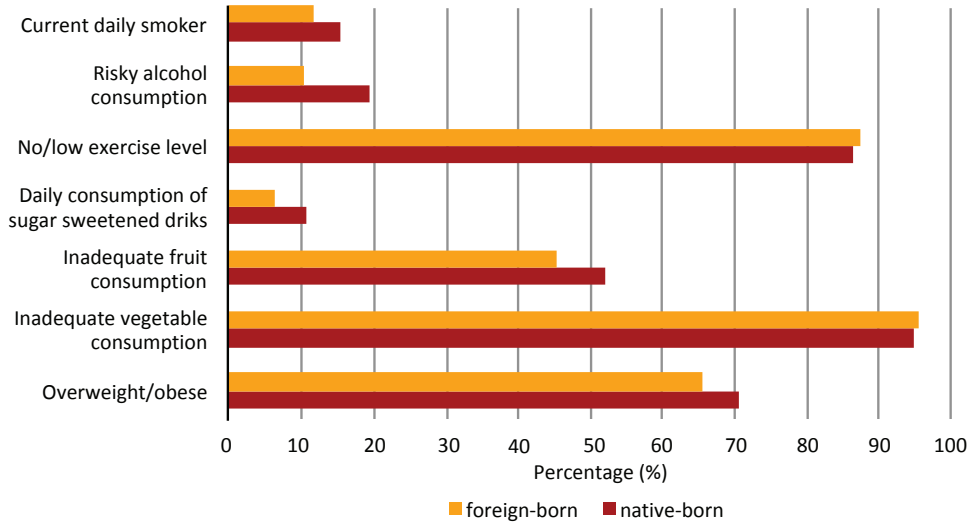
Unhealthy behaviours are more common among the native-born population compared to the foreign-born population.

In 2017-18, 51% of the native-born population and 44% of the foreign-born population didn't eat enough fruit.

How do native- and foreign-born populations compare in terms of the prevalence of long-term health conditions? In Figure 27, we see that in 2017 the share of individuals with a long-term health condition was smaller in the foreign-born population relative to the native-born population across most age cohorts. Potentially, this is due to the health screening process that immigrants have to pass to migrate to Australia. For some cohorts, the difference in the prevalence of long-term health conditions is striking. For example, there is a 13 percentage point difference in the share of individuals aged 25 to 34 with a long term health condition: just 7 per cent for foreign-born Australians compared with 20 per cent among native-born residents. By the age of 65, the two groups converge, with around 57 per cent of both groups reporting a long-term health condition.

A healthy lifestyle is important for maintaining a healthy life. How do natives and immigrants compare in terms of behaviours and outcomes that pose a risk to health? In Figure 28 we look at a range of behaviours, and in many of these we observe that unhealthy behaviours are more common in the native-born population compared to the foreign-born population. For example, in 2017-18, 15 per cent of native-born Australians were daily smokers, compared with only 11.5 per cent of foreign-born Australians. There is a 9 percentage point difference in the rate of risky alcohol consumption between native- and foreign-born populations, with native-borns consuming more. Not eating enough fruit is also more widespread among native-born Australians, at around 51 per cent, compared to around 44 per cent among immigrants. Native-born Australians also consume sugary drinks at higher rates than immigrants, and have a higher chance of being overweight or obese. There is not much difference, however, between the native- and foreign-born populations in terms of exercise levels and vegetable consumption. In both groups, the level of exercise and vegetable consumption is inadequate for over 80 per cent of individuals.

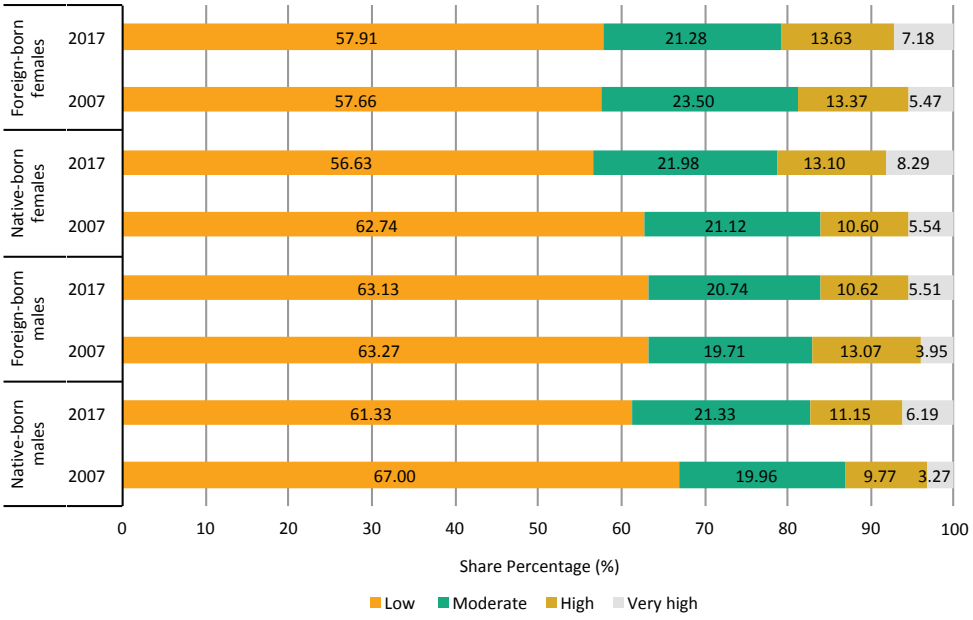
Figure 28 Health risk factors, by population type, 2017-18



Notes: Risky alcohol consumption refers to exceeding the National Health and Medical Research Council (NHMRC) 2009 guideline 1 for the consumption of alcohol of no more than 2 standard drinks per day. No/low exercise refers to not meeting the 2014 Physical Activity Guidelines.
Source: Bankwest Curtin Economics Centre | Authors' calculations from ABS Cat 4364.0 - 2017-18.

We now explore the mental health outcomes of native- and foreign-born populations. Figure 29 draws comparisons on the patterns of psychological distress in 2007 and 2017. Distress, on average, is more prevalent among females than males. Within each gender, there were no major differences in the shares of individuals with high or very high psychological distress between native- and foreign-born populations in 2017. However, there has been an increase in the prevalence of psychological distress since 2007 for some of these groups. The share of native-born females reporting high or very high psychological distress increased by over 5 percentage points from 2007 to 2017. In the same period, the share of foreign-born females with high or very high distress increased by only around 2 percentage points. Psychological distress has stayed fairly constant among foreign-born males with around 16 per cent reporting high or very high degrees of distress. For native-born males, however, this share increased by over 4 percentage points from 2007 to 2017.

Figure 29 Psychological distress, by population type and gender, 2007 and 2017



Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA 2001 to 2017.

As of 2017, nearly 86% of foreign-born Australians reported being satisfied or very satisfied with their lives overall.

The share of Australians satisfied with their lives has increased over the past 16 years, however, less people are very satisfied now.

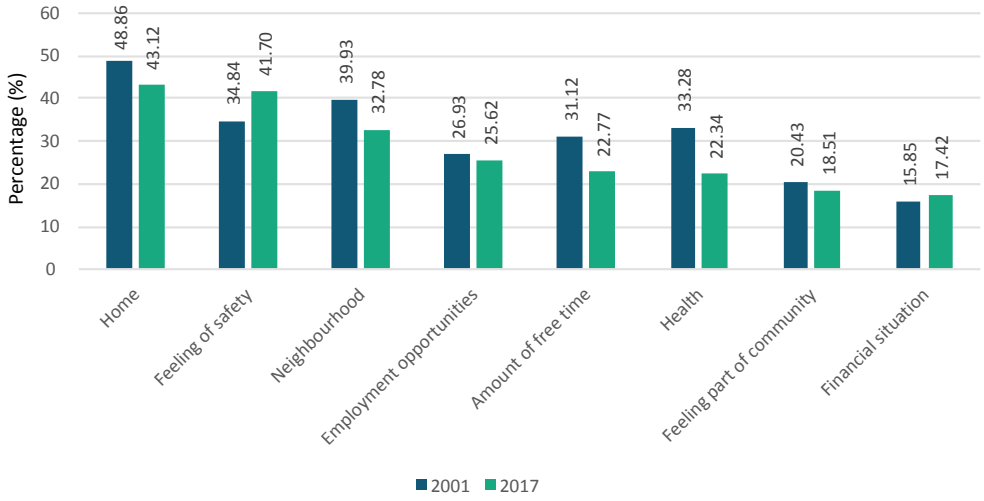
How happy are immigrants in Australia? Is the overall life satisfaction among immigrants different to that of native-born Australians?

Figure 30 shows that as of 2017, nearly 86 per cent of foreign-born Australians reported being satisfied or very satisfied with their lives overall. This share is just 1 percentage point higher among the native-born population. Furthermore, over the past 16 years, we see a 6.5 percentage point increase in the shares of both native- and foreign-born Australians who are satisfied with their lives overall. However, the share of individuals who are very satisfied with their lives has gone down in the same period, by 3 percentage points for foreign-born and by nearly 6 percentage points for native-born Australians.

Figure 30 Overall life satisfaction, by population type, 2001 and 2017

Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA 2001 to 2017.

Figure 31 Share of very satisfied foreign-born individuals, by life domain, 2001 to 2017



Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA 2011 and 2017.

In Figure 31, we further explore life satisfaction among foreign-born Australians using the share of very satisfied individuals by different life domains. In 6 out of the 8 domains considered here, a higher share of foreign-born Australians were very satisfied in 2001 than in 2017. In some domains this change has been drastic. For example, over 33 per cent of foreign-born Australians reported being very satisfied with their health in 2001, by 2017 this share had gone down to 22 per cent – a decrease of around 11 percentage points. Satisfaction with the amount of free time has also gone down in the same period. The share of foreign-born Australians who were very satisfied with the amount of free time they had was 23 per cent in 2017, a drop of over 8 percentage points from 2001.

A higher share of foreign-born Australians are very satisfied with their feeling of safety now compared to 16 years ago. In 2001, around 35 per cent reported being very satisfied with their feeling of safety, by 2017 this share had gone up to almost 42 per cent. There was also a small increase in the share of foreign-born Australians who were very satisfied with their financial situation. However, this domain has the lowest share of very satisfied foreign-born individuals, with only 17 per cent very satisfied. In comparison, foreign-born individuals are the most satisfied in the home domain: 43 per cent report being very satisfied with their home.

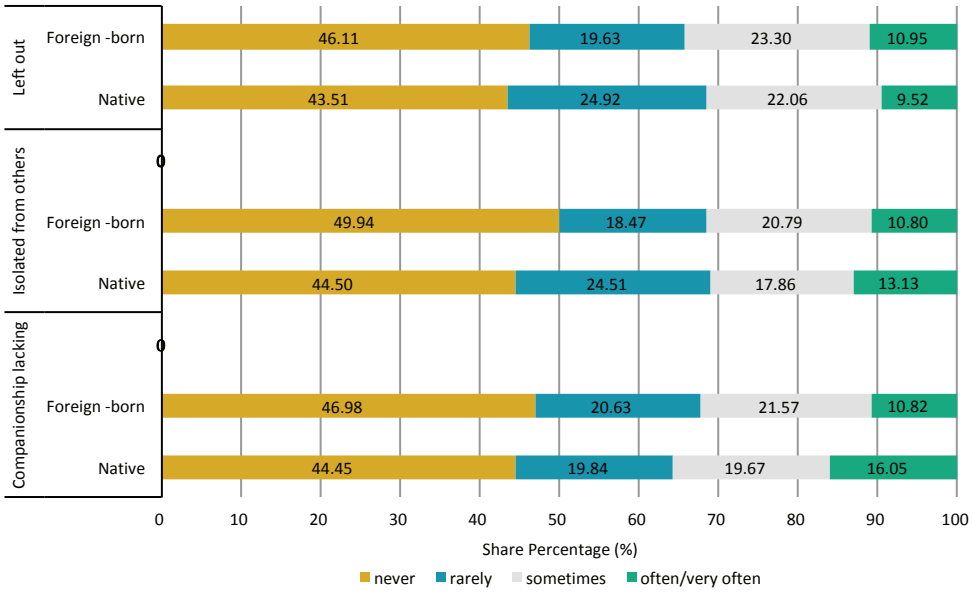
In 6 out of 8 domains of life satisfaction, a higher share of foreign-born Australians were very satisfied in 2001 than in 2017.

Over 33% of foreign-born Australians reported being very satisfied with their health in 2001; by 2017 this was down to 22%.

A higher share of foreign-born Australians is very satisfied with their feeling of safety now compared to 16 years ago.

43% of foreign-born Australians were very satisfied with their homes in 2017.

Figure 32 Perceived social connectedness, by population type, 2017



Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2017.

Feeling socially isolated or having a lack of companionship was more common for native-born Australians than for immigrants in 2017.

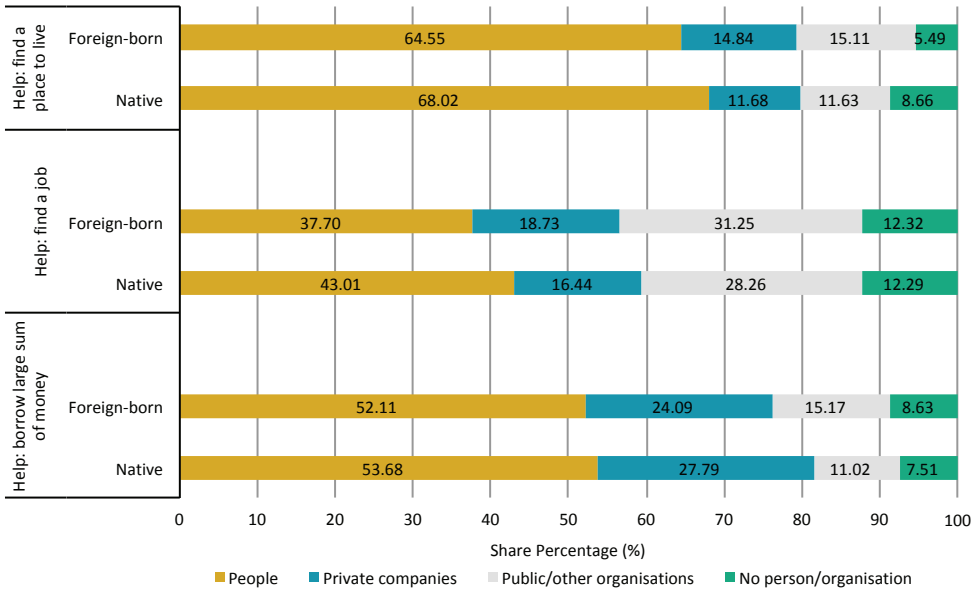
In 2017, 16% of native-born Australians and less than 11% of foreign-born Australians reported lacking companionship often or very often.

Being connected and supported in a society is an important source of wellbeing. In Figure 32, we look at how socially connected immigrants are, relative to native-born Australians. To do this, we analyse how often in the 4 weeks before the survey, the respondents felt left out, socially isolated or lacked companionship. Interestingly, social isolation and a lack of companionship appear to be more prevalent in the native-born population than among immigrants. In 2017, 16 per cent of native-born Australians, but less than 11 per cent of foreign-born Australians, reported lacking companionship often or very often. Native-born Australians felt more isolated from others (13%) than immigrants did (11%). Similarly, in 2017 half of the immigrant population (49%) said they never felt isolated from others whereas only 44 per cent of native-born Australians shared the same feeling. How often do people feel left out? In this respect, immigrants do not appear to hold the advantage - 11 per cent of immigrants and 10 per cent of native-born Australians reported feeling left out often or very often in 2017. And while a slightly higher share of immigrants say they never felt left out (46%), a much lower share (20%) said they rarely felt left out in 2017, compared to native Australians (25%).

Do immigrants receive the social support they need to successfully adjust to life in Australia? What are the sources of support for immigrants and natives when they need help to find a place to live, a job or borrowing money? Figure 33 provides some responses.

The relative reliance on people versus organisations varies between native- and foreign-born Australians, with immigrants more reliant on organisations, and natives on people. The differences are not substantial, however. When help is needed to find a place to live, 65 per cent of immigrants and 68 per cent of natives rely on people. In 2017, 38 per cent of immigrants and 43 per cent of native-born Australians relied on people when they needed help to find a job. The rest relied on different kinds of organisations. Among immigrants, 31 per cent rely on public and other organisations for help finding a job; 28 per cent of natives do the same.

Figure 33 Sources of social support, by population type, 2017



Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2017.

In the next section, we look at how immigrants are treated in Australia, particularly whether immigrants are subjected to bias and discrimination.

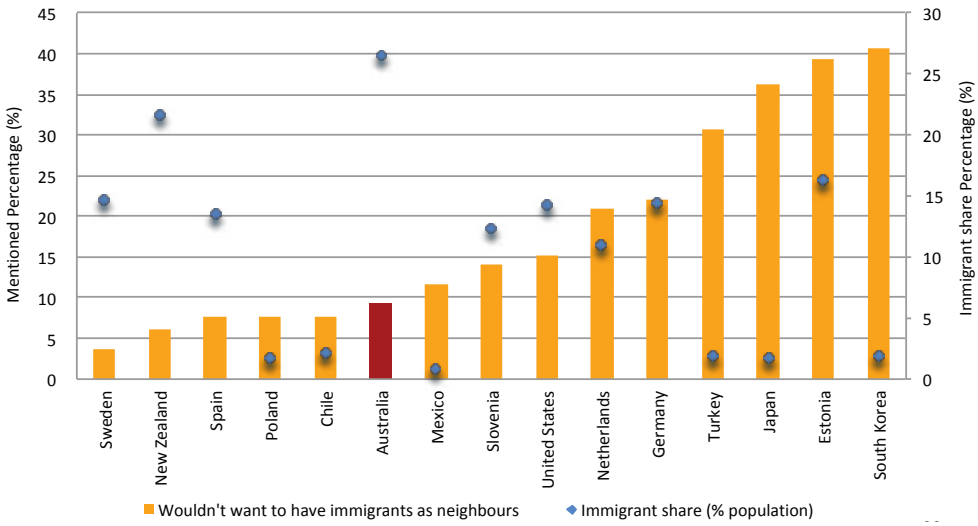
Bias and discrimination

Based on the latest data from the World Values Survey, over one quarter of South Koreans, 9% of Australians and only 3.6% of Swedes said they don't want immigrants as neighbours.

In many ways, immigration is more successful in Australia than in some other developed nations. We haven't seen the same major social and political upheavals and anti-immigrant rhetoric as other places (Gebremedhin and Mavisakalyan, 2013). Nevertheless, bias is present in Australia. Some studies have provided suggestive evidence for the existence of 'native flight' from immigrants in Australia, particularly from those who are more linguistically and culturally distant from the native population (Mavisakalyan, 2011). But how prevalent is such bias?

Figure 34 reports the share of native-born individuals in OECD countries who say they wouldn't want to have immigrants as neighbours, based on the latest wave of the World Values Survey conducted from 2010 to 2014. South Korea tops the list with over a quarter of Koreans not wanting immigrants as neighbours. Korea, meanwhile, has one of the lowest shares of immigrant population in the sample – under 2 per cent as of 2010. In Sweden, on the other hand, only 3.6 per cent of individuals mention immigrants as undesired neighbours – the lowest proportion in the sample. Nearly 15 per cent of Sweden's population were immigrants in 2010. In Australia, over 9 per cent of individuals say they don't want immigrants as neighbours. This response is larger compared to countries such as New Zealand, Spain, Poland and Chile but smaller relative to the United States, Germany and the Netherlands. This should be put into context – Australia's immigrant population share, at over 26 per cent, is the largest in the sample.

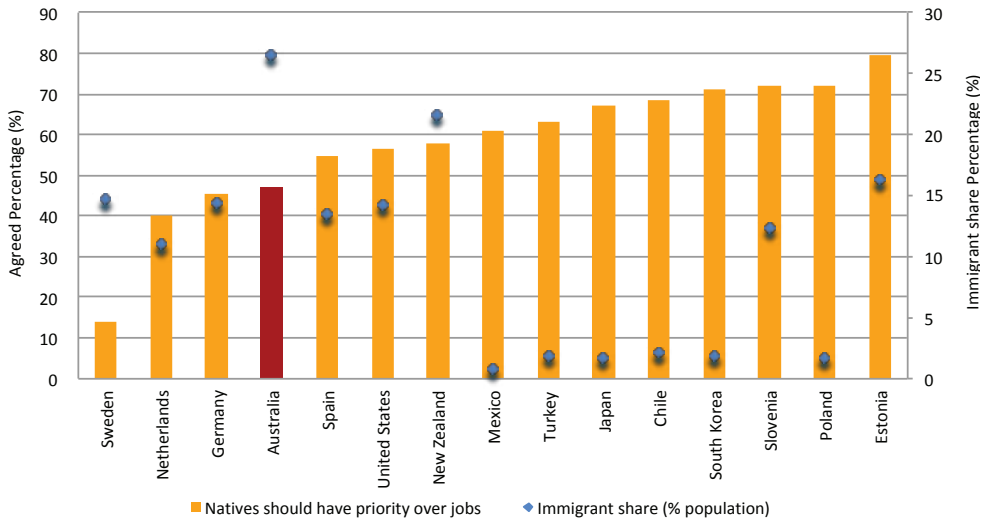
Figure 34 Attitudes to immigrants in OECD countries, native-born populations who don't want immigrants as neighbours, 2010 to 2014



Note: Sample is restricted to native-born populations.

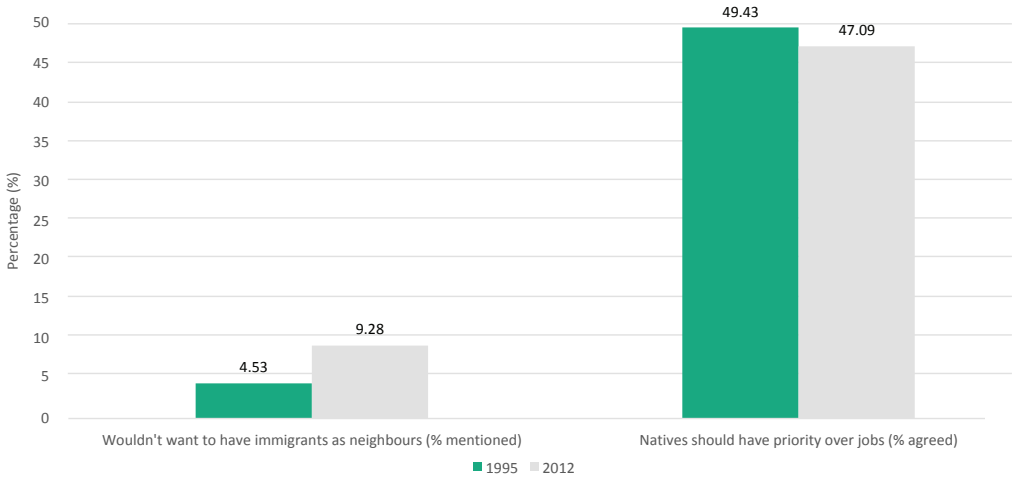
Source: Bankwest Curtin Economics Centre | Authors' calculations based on World Values Surveys wave 2010 to 2014 and World Development Indicators data on immigrant shares as of 2010.

Figure 35 Attitudes to immigrants in OECD countries, should employers give priority to native-borns when jobs are scarce, 2010 to 2014



Note: Sample is restricted to native-born populations.
Source: Bankwest Curtin Economics Centre | Authors' calculations based on World Values Surveys wave 2010 to 2014 and World Development Indicators data on immigrant shares as of 2010.

Figure 36 Changes in attitudes towards immigrants in Australia, 1995 and 2012



Note: Sample is restricted to native-born populations.
Source: Bankwest Curtin Economics Centre | Authors' calculations from World Values Surveys waves 1994 to 1998 and 2010 to 2014.

47% of native-born Australians surveyed in 2012 thought they should have priority for jobs.

The share of native-born Australians who say immigrants are undesirable neighbours has doubled in the period from 1995 to 2012.

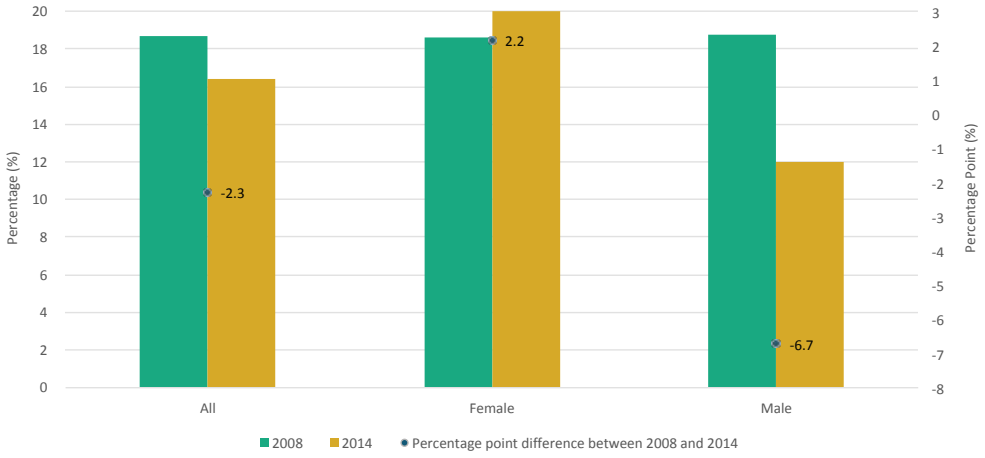
As of 2014, nearly 21% of foreign-born females in Australia thought they had been discriminated against when applying for a job – an increase of 2.2ppts from 2008.

The rate of perceived discriminatory treatment is significantly lower among foreign-born males compared to females, and has been decreasing over time.

The issue of jobs often dominates debates on immigration. Some see immigrants as a threat to native-born employment. Do the native-born population think they should have priority when jobs are scarce? Figure 35 shows that 47 per cent of native-born Australians think so. Openness to immigrants is the highest among the Swedes: only 14 per cent of the population surveyed in Sweden agree that native-borns should have priority for jobs. In the majority of OECD countries, however, much larger shares of the population think natives should be prioritised for jobs. Nearly 80 per cent of Estonians, for example, think the native-born population should be prioritised for jobs when jobs are scarce.

How have these attitudes evolved in Australia over time? We observe from Figure 36 that the share of native-born Australians who said immigrants would be undesirable neighbours doubled from 1995 to 2012. There was hardly any change in the share of Australians who believe natives should have priority for scarce jobs between 1995 and 2012.

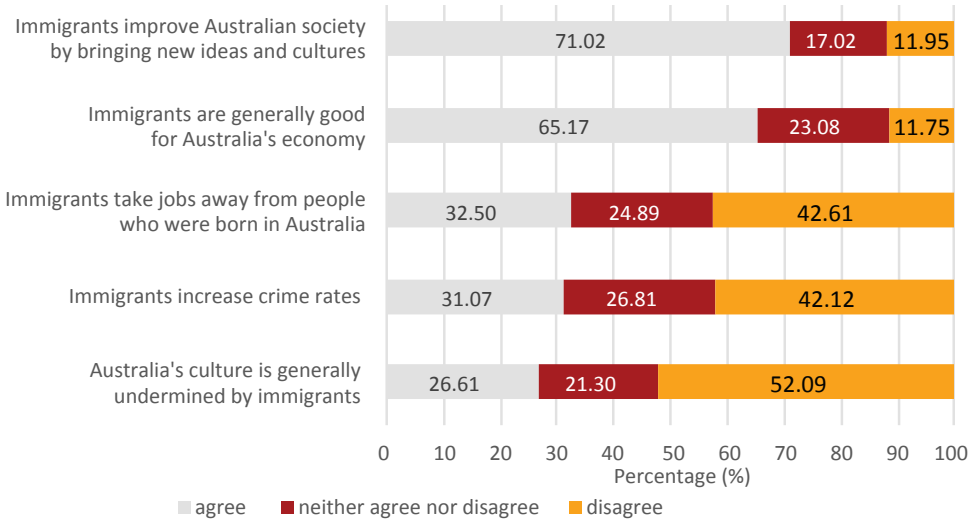
Figure 37 Rate of perceived job discrimination in the foreign-born population, 2008 and 2014



Note: Population is restricted to those who applied for a job in the 2 years preceding the survey.
Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA waves 8 and 14.

Do immigrants think they've been discriminated against when applying for jobs? Figure 37 shows the share of foreign-born Australians who believe they were unsuccessful in applying for a job with a new employer due to discrimination, in the 2 years before the survey. In 2014, nearly 21 per cent of foreign-born females in Australia thought they had been discriminated against when applying for a job. This represented an increase of 2.2 percentage points relative to 2008. The prevalence of perceived discrimination is significantly lower among foreign-born males, and has been decreasing over time. In 2008, around 19 per cent of foreign-born males in Australia reported having been discriminated against when applying for a job in the preceding 2 years. In 2014, the share had dropped to 12 per cent.

Figure 38 Perceptions of the effects of immigrants on Australian society and economy, 2013



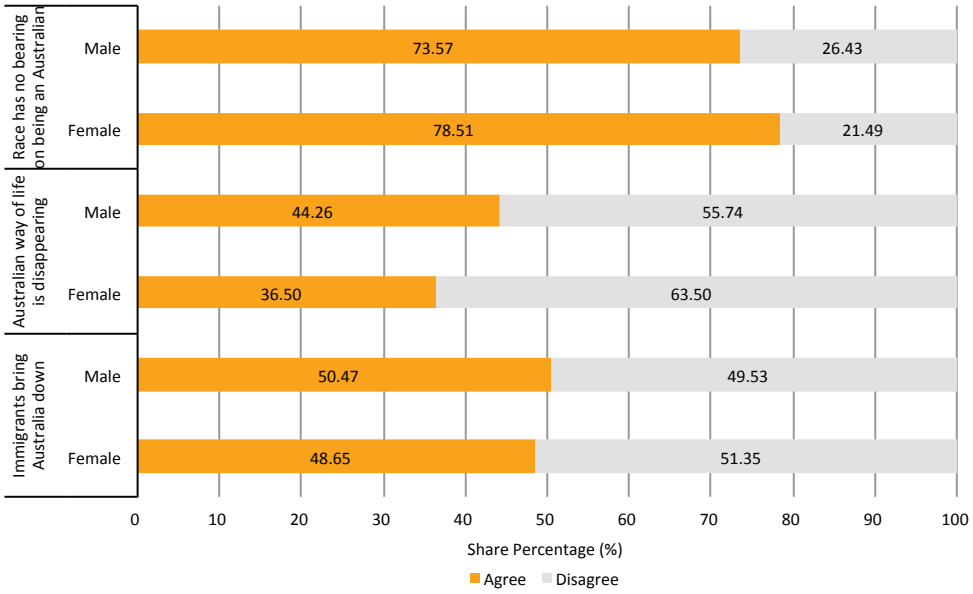
Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2013

A large share of native-born Australians perceive immigrants as a threat to jobs. As we see in Figure 38, 32 per cent of natives surveyed in 2013 agreed that immigrants take jobs away from people who were born in Australia, yet more than 65 per cent agreed that immigrants are generally good for Australia's economy. Furthermore, 71 per cent of native-born Australians surveyed in the same year expressed the belief that immigrants improve Australian society by bringing new ideas and cultures. This notwithstanding, over 26 per cent said Australia's culture is generally undermined by immigrants while more than one third thought immigrants increase crime rates.

32% of native-born Australians surveyed in 2013 agreed that immigrants take jobs away from people who were born in Australia.

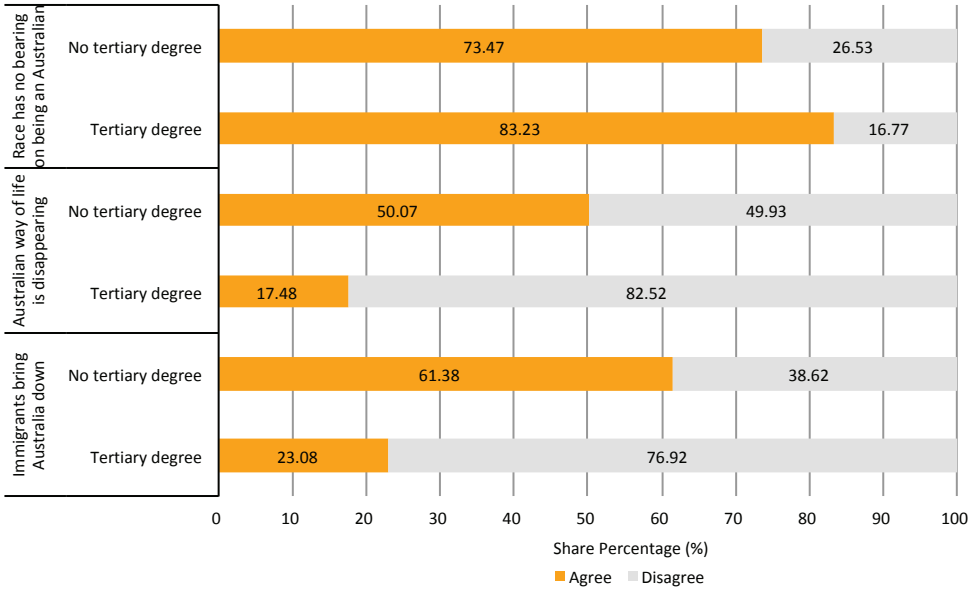
More than 65% surveyed in 2013 agreed that immigrants are generally good for Australia's economy.

Figure 39 Views on the effect of immigrants on life in Australia, by gender, 2014



Note: Sample is restricted to native-born populations
Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2014.

Figure 40 Views on the effect of immigrants on life in Australia, by educational attainment, 2014



Note: Sample is restricted to native-born populations
Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2014.

In Figure 39 and Figure 40 we further explore the views held by native-born Australians on the effect of immigrants on life in Australia. What proportion of native-born Australians think that 'no sooner do most foreign immigrants get here that they try to bring Australia down by refusing to abide by our laws'? 50 per cent of men and nearly 49 per cent of women. There are large differences in the share of those who hold this view by educational attainment. As we see in Figure 40, in 2014 only 23 per cent of Australians holding a degree but over 61 per cent of Australians without a degree thought immigrants would try to bring Australia down by refusing to abide by our laws.

What is the extent of the perceived threat? What proportion of Australians tend to think 'the true Australian way of life is disappearing so fast that we may have to use force to save it'? Over 44 per cent of men, but only 36 per cent of women. Again, we see differences by educational attainment. Figure 40 shows that only 17 per cent of university graduates perceive the Australian way of life to be disappearing. More than half of those who do not hold a degree share this view.

These observations notwithstanding, a vast majority of native-born Australians believe that racial background has no bearing on who can be a 'real Australian'. The proportion of those who share this belief is 78 per cent among females and 73 per cent among males. For university graduates, over 83 per cent believe that racial background has no bearing on who can be an Australian. Still, 73 per cent of Australians who do not have a tertiary degree hold this view.

Is one's background irrelevant to how one is perceived by the majority of Australia? In Figure 41, we explore native-born Australians' self-reported attitudes to different groups in 2013. Two groups appear to be particularly unfavourably perceived: asylum seekers and Muslim Australians. Over 53 per cent of native-born Australians admit to having unfavourable attitudes to these groups. Furthermore, 27 per cent of native-born Australians describe their attitude to African Australians as 'not favourable'. One in eight Australians (13%) exhibit unfavourable attitudes to Asian Australians. It is possible that the shares we report here underestimate the actual share of unfavourable attitudes to these groups, since it is unlikely that everyone will actually admit to holding such attitudes.

In 2014, 23% of Australians holding a degree but over 61% of Australians without a degree thought immigrants would try to bring Australia down by refusing to abide by our laws.

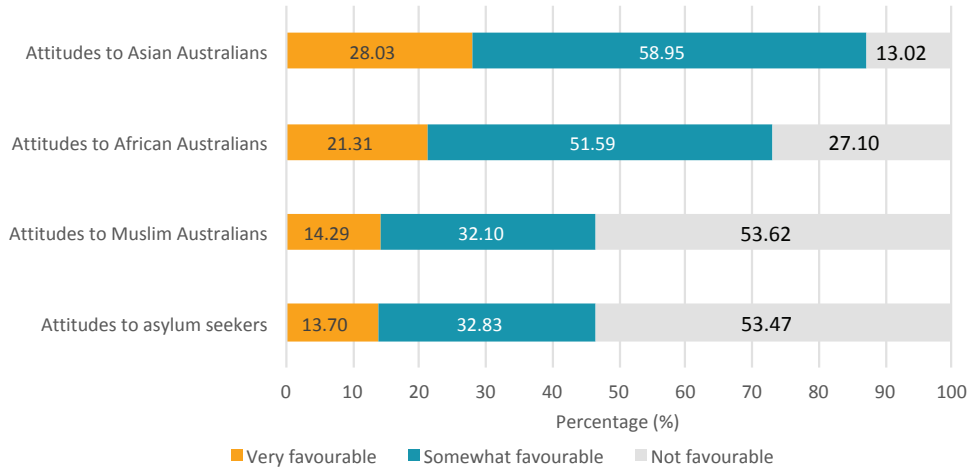
In 2014, only 17% of university graduates but more than half of individuals without a degree said 'the true Australian way of life is disappearing'.

The majority of native-born Australians surveyed in 2014 shared the belief that racial background has no bearing on who can be a 'real Australian'.

Asylum seekers and Muslims Australians are particularly unfavourably treated in Australia based on individual reports elicited in 2013.

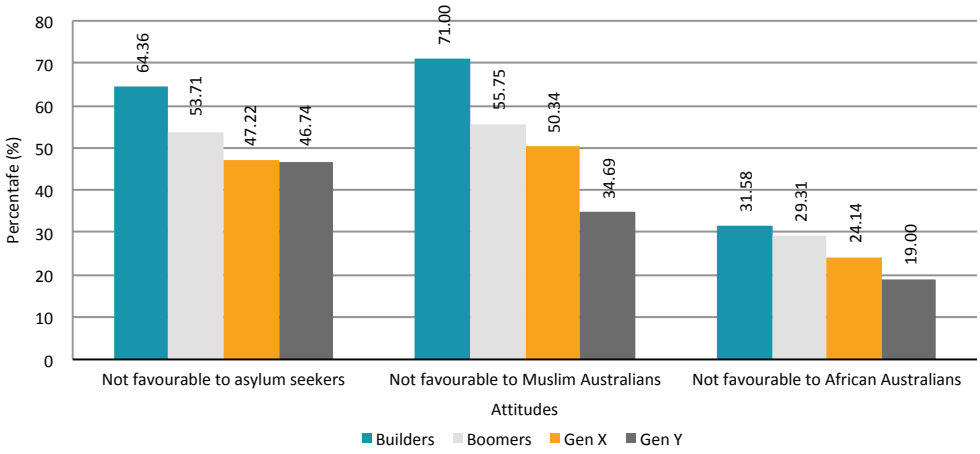
Over 53% of native-born Australians admitted to having unfavourable attitudes to asylum seekers and to Muslim Australians in 2013.

Figure 41 Self-reported attitudes to different minorities, 2013



Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2013.

Figure 42 Self-reported attitudes to different minorities, by generation, 2013



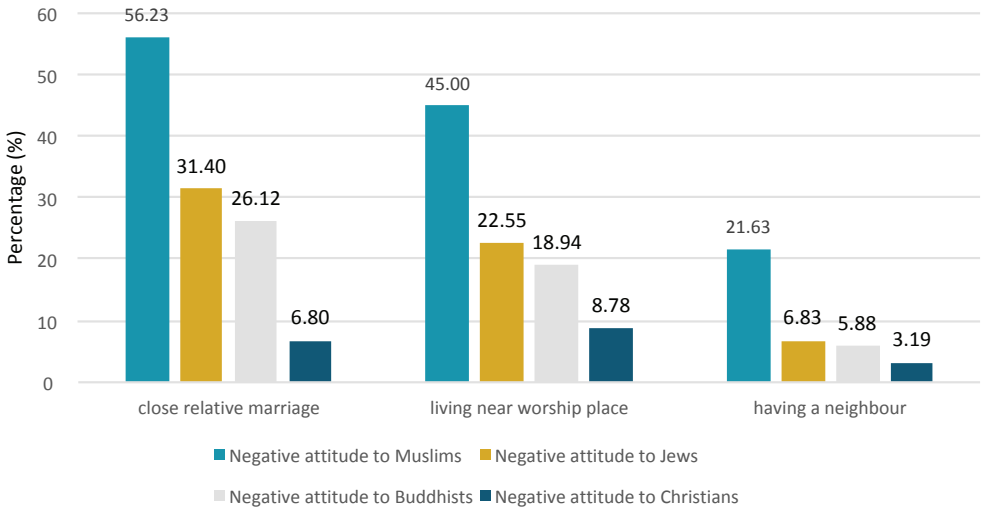
Notes: Individuals in the sample were born in the period from 1915 to 1995. Builders are born from 1915 to 1945; Boomers from 1946 to 1960; Gen X from 1961 to 1975; and Gen Y from 1976 to 1995.
Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2013.

Are the unfavourable attitudes to different groups equally characteristic in all generations of native-born Australians? Reassuringly, Figure 42 shows that these attitudes are less prevalent in younger groups. Over 64 per cent of the builder generation surveyed in 2013 felt unfavourably towards asylum seekers; around 47 per cent of members of generation Y shared the same attitude. Unfavourable attitudes towards Muslim Australians are even more prevalent among builders, at 71 per cent, yet only around 35 per cent of generation Y felt unfavourably towards Muslims in 2013. Finally, the share of individuals who described their attitudes to African Australians as not favourable in 2013 was 31 per cent among builders and 19 per cent among generation Y.

Unfavourable attitudes to different minority groups in Australia are less prevalent in younger generations.

71% of builders but only 35% of generation Y surveyed in 2013 said they felt unfavourably towards Muslim Australians.

Figure 43 Rate of negative predisposition to different religions, 2016



Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2016.

What is it about Muslims that generates such unfavourable attitudes? Could it be a dislike of religion in general, and if so, do these negative attitudes extend to those from other religions? In Figure 43 we explore the prevalence of negative predisposition to Muslims alongside Jews, Buddhists and Christians in three domains: concern over a close relative marrying someone from each religion; acceptance to living near a place of worship of each religion; and feelings about having a follower of each religion as a neighbour.

According to survey data in 2016, there are significantly more negative predispositions towards Muslims than towards representatives of other major religions in Australia.

22% of native-born Australians surveyed in 2016 said they would feel negative about having a Muslim neighbour, less than 6% would oppose a Buddhist neighbour.

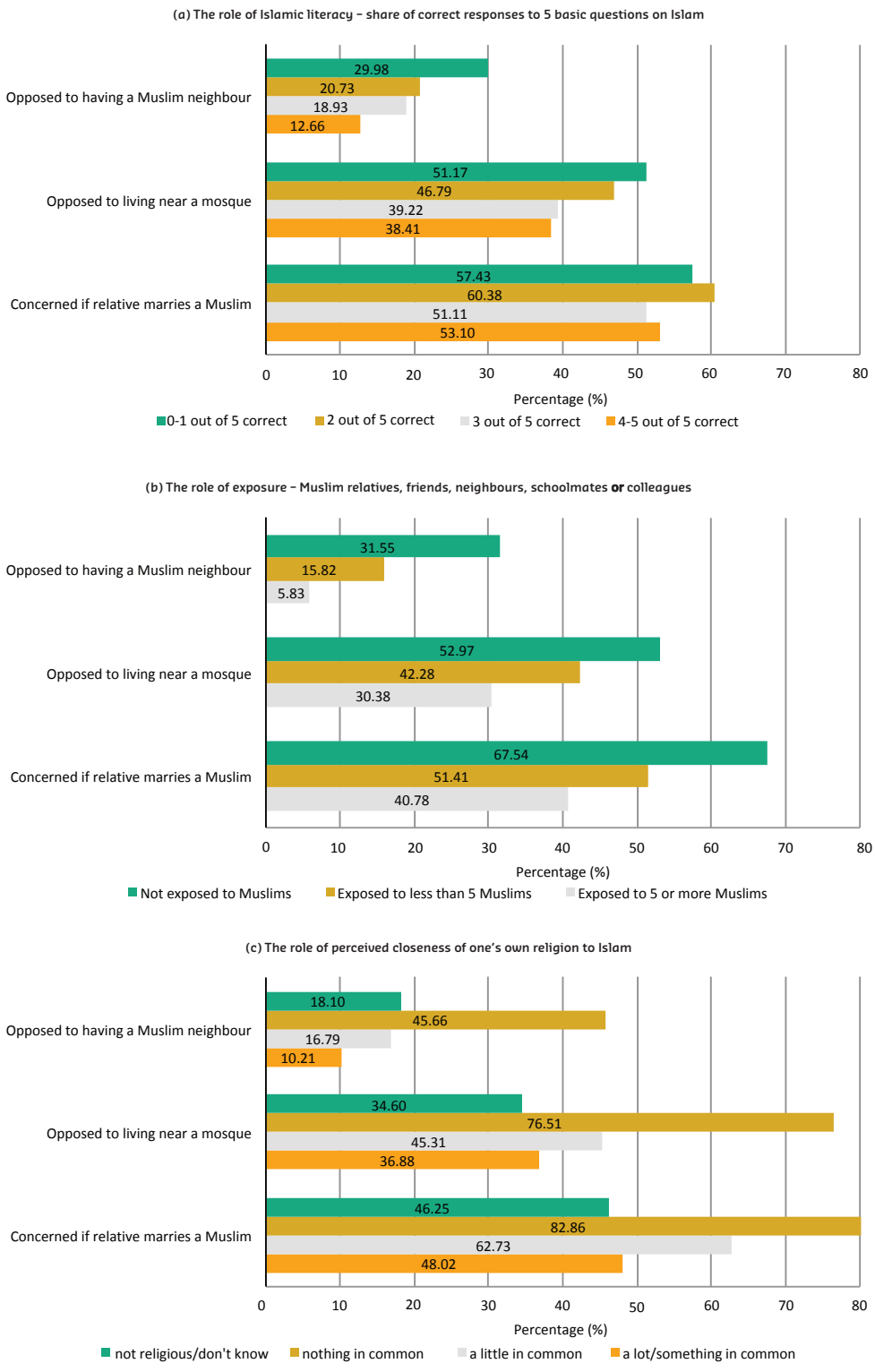
Negative attitudes towards Muslims are more prevalent among those who know less about Islam.

According to survey data in 2016, there are significantly more negative predispositions towards Muslims than towards representatives of other major religions in Australia. More than 56 per cent of native-born Australians surveyed in 2016 said they would feel concerned if a relative married a Muslim; only 26 per cent would have concerns over a marriage with a Buddhist. 45 per cent of native-born Australians surveyed in 2016 said they would oppose living next to a Mosque; only 9 per cent would not like to live next to a Church, and 19 per cent would oppose living next to a Buddhist temple. Finally, 22 per cent of native-born Australians surveyed in 2016 said they would feel negative about having a Muslim neighbour. In comparison, there is a high tolerance for neighbours of other religions – under 7 per cent would oppose a Jewish neighbour, under 6 per cent would oppose a Buddhist neighbour, and only 3 per cent would oppose a Christian neighbour.

What might explain these negative attitudes towards Muslims? Could it be a simple lack of familiarity? In Figure 44 we explore whether feelings about Muslims vary, at the first instance, depending on general familiarity of the religion (panel a). We construct a measure of Islamic literacy ranging from 0 to 5 based on responses to 5 basic questions about Islam (see Glossary and Technical Notes for details). It is clear that negative attitudes towards Muslims are more prevalent among those who know less about the Muslim religion. For example, the share of individuals who were opposed to having a Muslim neighbour in 2016 was 13 per cent among natives who knew the most about Islam and 30 per cent among those who knew the least about the religion.

How does exposure to Muslims, be these relatives, friends, neighbours, schoolmates or colleagues, affect anti-Muslim attitudes? According to panel b of Figure 44, it brings them down. In 2016, the share of individuals who said they'd be opposed to having a Muslim neighbour was 32 per cent among those with no exposure to Muslims and 6 per cent among those who were exposed to 5 or more Muslims. Such exposure affects attitudes across other domains of engagement with Muslims too. Sixty-eight per cent of native-born Australians with no past exposure to Muslims say they would be concerned if a relative married one. This share goes down to 41 per cent if the exposure goes up to 5 or more Muslims

Figure 44 Feelings about exposure to Muslims, 2016



The share of individuals opposed to having a Muslim neighbour in 2016 was 13% among natives who knew the most about Islam and 30% for those who knew the least.

Exposure to Muslims, be these relatives, friends, neighbours, schoolmates or colleagues, brings down the rate of anti-Muslim attitudes.

In 2016, the share of individuals who said they'd be opposed to having a Muslim neighbour was 32% among those with no exposure to Muslims and 6% for those exposed to 5 or more Muslims.

Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2016.

Among individuals who believe that Islam has a lot or something in common with their own religion, the share of those opposed to having a Muslim neighbour is 10%. Nearly 46% of individuals who think Islam has nothing in common with their own religion are opposed to having a Muslim neighbour.

The share of individuals who disagree with the statement that 'Muslims do not fit Australian society' increases as knowledge about the Muslim religion increases.

One of the reasons why averseness to Muslims might exist is a perception that their beliefs and values are different to one's own. If you think Islam is similar to your own religion, will this affect how you feel about Muslims? Panel C of Figure 44 suggests it does, but only if you identify with a religion. Only 10 per cent of native-born Australians who believe Islam has something in common with their own religion are opposed to having a Muslim neighbour. In comparison, nearly 46 per cent of those who think the Muslim religion has nothing in common with their own religion are opposed to having a Muslim neighbour and 83 per cent have concerns about a close relative marrying a Muslim. This share goes down to 48 per cent if people think their own religion has a lot or something in common with Islam.

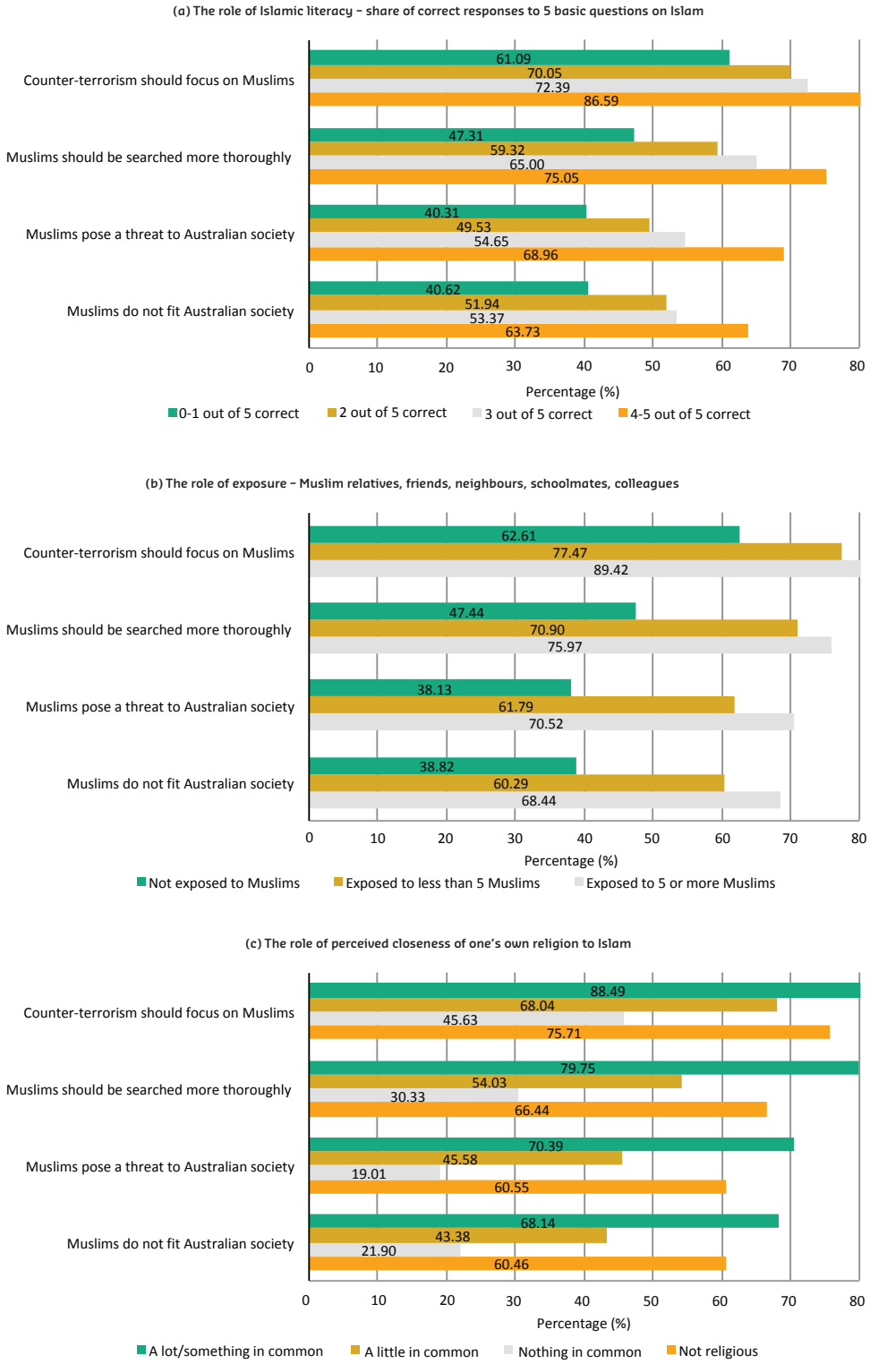
Feelings toward Muslims and Islam varies with the level of Islamic literacy, exposure to Muslims and perceived closeness, as we showed above. Do these factors also influence the beliefs people hold about Muslims? We explore this in Figure 45, where we report the share of native-born Australians who disagree with various negative statements about Muslims.

The share of individuals who disagree with the statement 'Muslims do not fit in with Australian society' increases as people have more knowledge about the Muslim religion. Nearly 64 per cent of native-born Australians with good level of Islamic literacy (correct responses to at least 4 out of 5 questions about Islam) disagree with the statement that 'Muslims do not fit in with Australian society' (panel a).

In comparison, only around 41 per cent of those with poor Islamic literacy (correct responses to none or 1 question about Islam) disagree with the same statement. Similarly, 69 per cent of individuals in the group scoring the highest on Islamic literacy disagree with the statement that 'Muslims pose a threat to Australian society'. In the group with the lowest scores in Islamic literacy, 40 per cent disagree that Muslims pose such threat.

Exposure also changes perceptions about Muslims. In panel B of Figure 45 we see that as the number of Muslims one is exposed to increases, the number of people who hold negative views about Muslims decreases. In 2016, the share of individuals who disagreed that 'Muslims pose a threat to Australian society' was 71 per cent for those exposed to 5 or more Muslims as their relatives, neighbours, schoolmates or colleagues, and 38 per cent among those with no exposure to Muslims. Should Muslims be searched more thoroughly than others in airports and stations? Seventy-six per cent of native-born Australians who are exposed to 5 or more Muslims do not think they should be. Only 47 per cent of those not exposed at all to Muslims share the same view.

Figure 45 Opposition to negative statements about Muslims, 2016



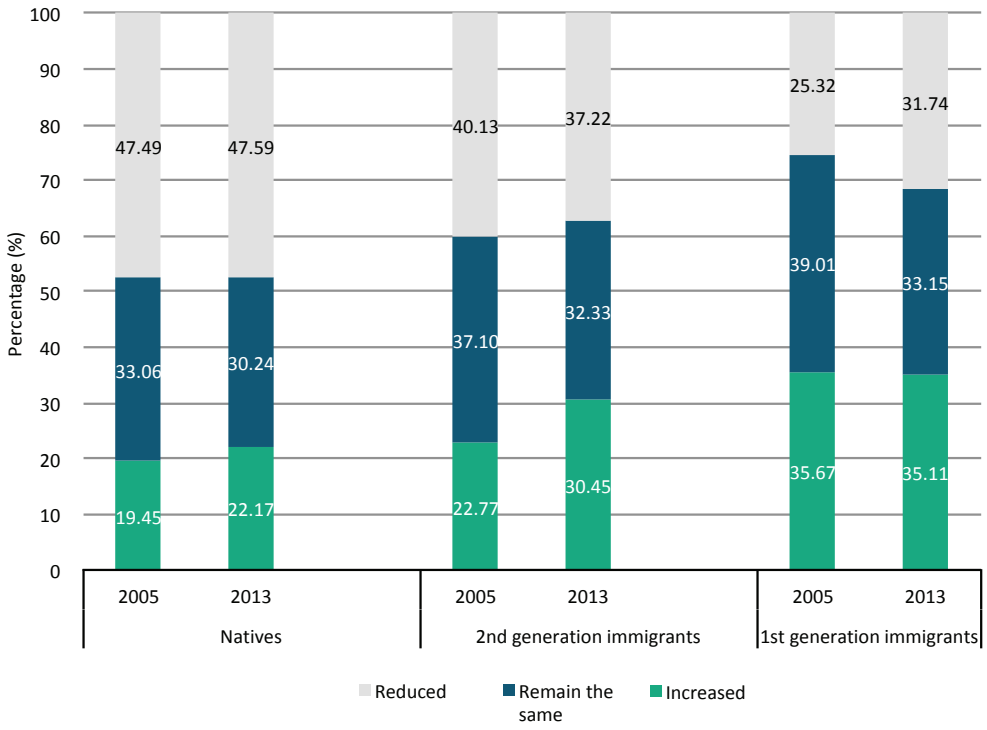
In 2016, 71% of people who knew 5 or more Muslims didn't agree that 'Muslims pose a threat to Australian society'. This dropped to 38% for those with no exposure to Muslims.

Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2016.

In 2016, 70% of individuals who felt their religion and Islam had things in common disagreed that Muslims pose a threat to Australian society.

Beliefs about Muslims vary with perceived closeness to Islam. In panel C of Figure 45 we observe large differences in the opinions of those who feel Islam has something in common with their own religion and those who feel it has nothing at all in common with their religion, if they do have one. Over 68 per cent of native-born Australians who believe their own religion has a lot or something in common with Islam disagree that Muslims 'do not fit in with Australian society'. Only 22 per cent of individuals who believe Islam has nothing in common with their own religion disagree with this view. Furthermore, 70 per cent of individuals who feel their religion and Islam have things in common disagree that Muslims 'pose a threat to Australian society'. Only 19 per cent of individuals who perceive their own religion has nothing in common with Islam disagree that Muslims 'pose a threat to Australian society'.

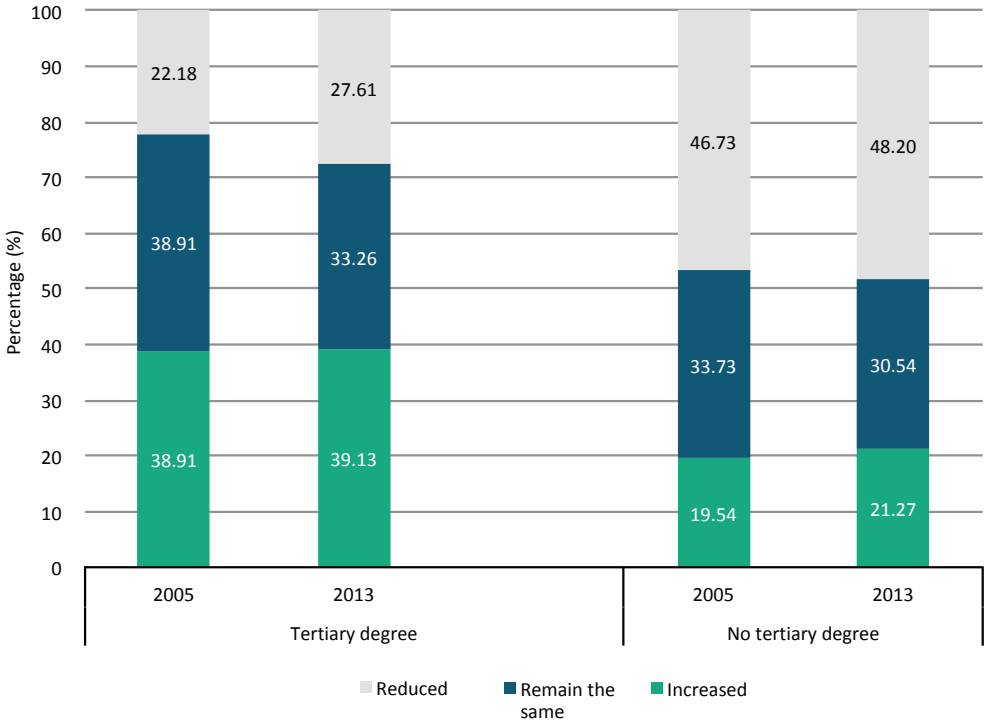
Figure 46 Views on the number of immigrants in Australia, by immigrant generation, 2005 and 2013



Notes: 1st generation immigrants are those born outside Australia; 2nd generation immigrants are those born in Australia but who have at least a parent born outside Australia; natives in this case are the native-born whose parents were also born in Australia.

Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2005 and 2013.

Figure 47 Views on the number of immigrants in Australia, by educational attainment, 2005 and 2013



Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2005 and 2013.

In 2013, nearly half of the Australians born to Australian parents opted for reducing the number of immigrants in Australia.

There is an increasingly large share of 1st generation immigrants who believe immigration should be cut.

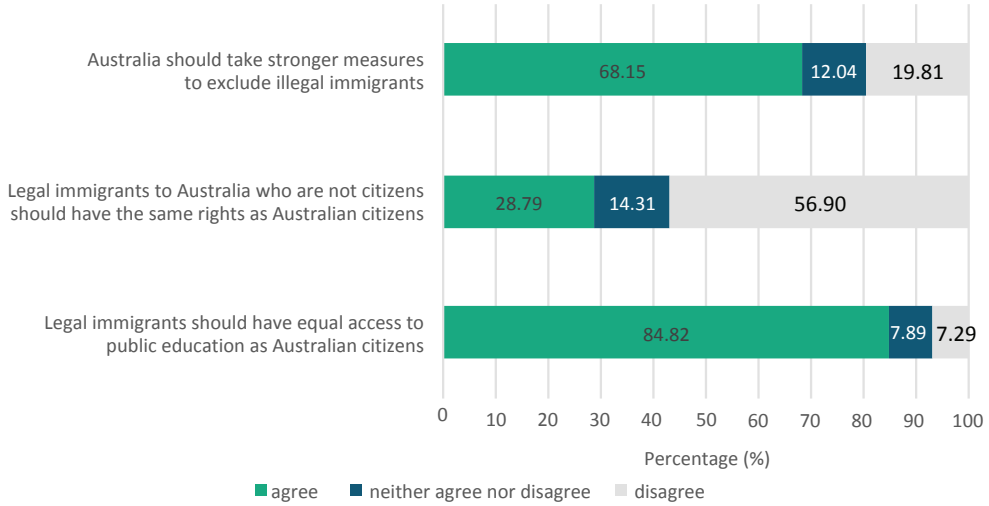
What do these views against different groups suggest for Australian support for immigration? Figure 46 and Figure 47 describe Australian views on whether the number of immigrants in Australia should be increased, remain the same, or be reduced. In 2013, nearly half of Australians born to Australian parents (referred to as 'natives' in this case) opted for reducing the number of immigrants in Australia. This share remained stable from 2005 to 2013. Among 2nd generation Australians, those born to a non-Australian parent, 37 per cent surveyed in 2013 thought the number of immigrants should be reduced, a decrease of 3 percentage points since 2005. There is an increasingly large share of 1st generation immigrants too, who believe immigration should be cut. Nearly 32 per cent in 2013 opted for this view. This represents an increase of 6 percentage points since 2005.

As of 2013, the share of individuals who favoured reducing the number of migrants into Australia was 28% among university degree holders and 48% among those without a degree.

In 2013, 68% of native-born Australians believed Australia should take stronger measures to exclude illegal immigrants

Only 29% of native-born Australians surveyed in 2013 believed legal immigrants who were not citizens should have the same rights as Australian citizens.

Figure 48 Public support for legal rights of immigrants, 2013



Notes: Population is restricted to native-born Australians.
Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2013

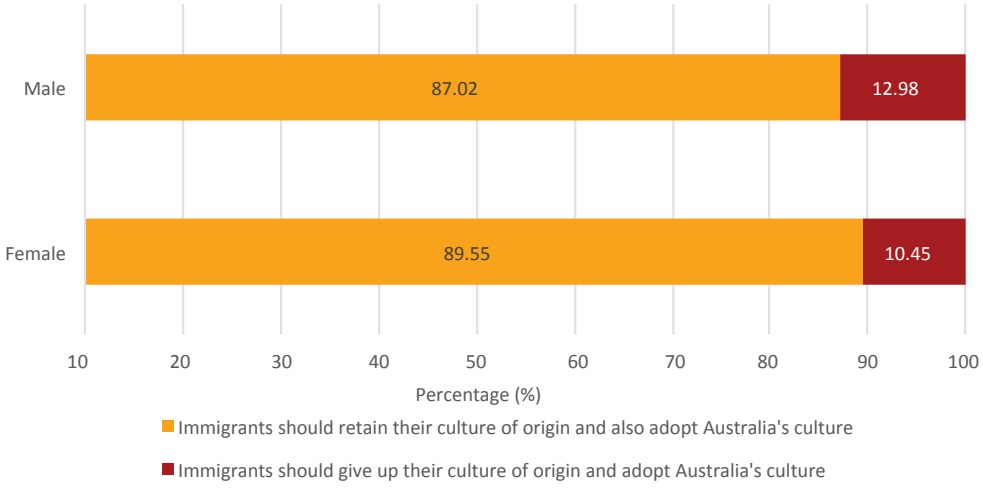
Views on the number of immigrants who should enter Australia vary by educational attainment. As of 2013, the share of individuals who favoured reducing the number of migrants into Australia was 28 per cent among university degree holders and 48 per cent among those without a degree.

In 2013, the majority of native-born Australians, over 68 per cent, believed Australia should take stronger measures to exclude illegal immigrants, as seen from Figure 48. Only 29 per cent of native-born Australians surveyed in 2013 believed legal immigrants to Australia who are not citizens should have the same rights as Australian citizens. However, the majority, nearly 85 per cent, believed legal immigrants should have equal access to public education as Australian citizens.

Support for multiculturalism

Australia is often seen as a multicultural society where the dominant and minority groups respect each other's cultures. But how does this work in reality? Figure 49 reassures that 87 per cent of males and nearly 90 per cent of females surveyed in 2013 held the view that immigrants should retain their culture of origin alongside adopting Australia's culture. Still, a non-negligible share of native-born Australians are in favour of assimilation. Nearly 10.5 per cent of females and 13 per cent of males agree that immigrants should give up their culture of origin and adopt Australia's culture.

Figure 49 Views on multiculturalism, by gender, 2013



Notes: A very small number of individuals in the sample express the view that immigrants should retain their culture of origin and not adopt Australia's culture. To ensure the reliability of the results, these are removed from the sample analysed here.
Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2013.

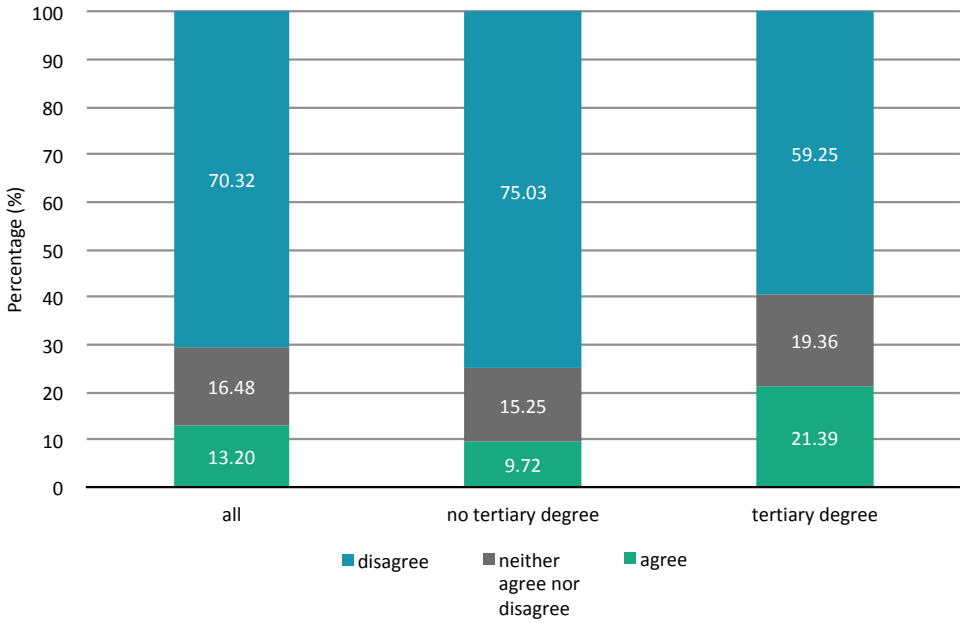
Maintaining a truly multicultural society where minorities are able to retain and enjoy their culture requires support. Should such support be provided by the government? The majority of native-born Australians do not think so. In 2013, 70 per cent of native-born Australians disagreed that ethnic minorities should be given government assistance to preserve their traditions (Figure 50). Support for government assistance to ethnic minorities to preserve their traditions increases with educational attainment. Over 21 per cent of individuals who hold a degree and only 10 per cent of individuals who do not hold a degree are in favour of government assistance.

87% of males and nearly 90% of females surveyed in 2013 felt immigrants should retain their culture of origin alongside adopting Australia's culture.

In 2013, 70% of native-born Australians disagreed that ethnic minorities should be given government assistance to preserve their traditions.

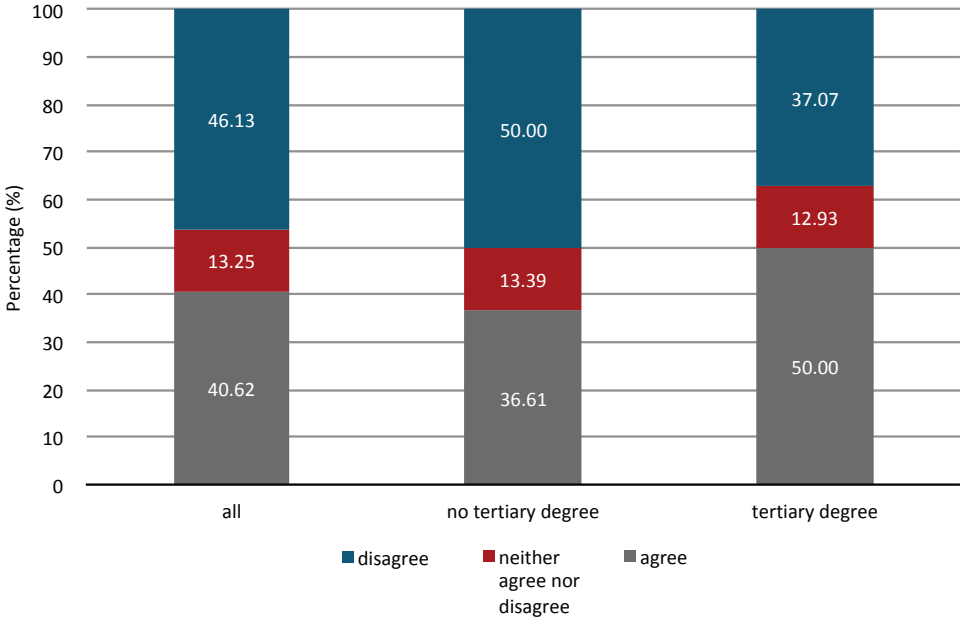
Support for government assistance to ethnic minorities to preserve their traditions increases with educational attainment.

Figure 50 Government assistance to preserve minority traditions, native-born opinions, by educational attainment, 2013



Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2013.

Figure 51 Ability of people who do not share Australia's customs and traditions to become fully Australian, native-born opinions, by educational attainment, 2013



Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2013.

Meanwhile, sharing Australia's customs and traditions is seen as a priority in the native-born population. As Figure 51 demonstrates, over 46 per cent of native-born individuals surveyed in 2013 did not think it was possible to become 'fully Australian' without sharing Australia's customs and traditions. This share is particularly high among individuals with no university degree, at 50 per cent.

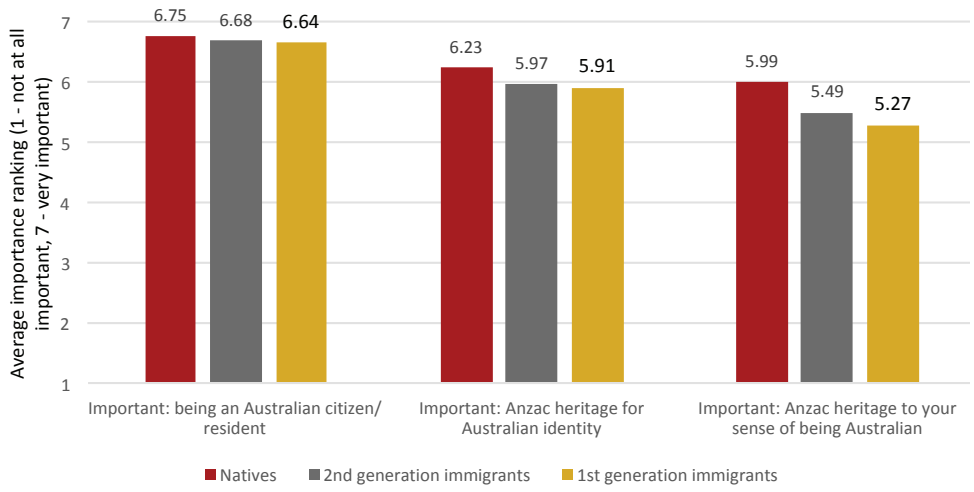
Do immigrants actually share Australia's culture? How different is their sense of Australian identity to that of the native-born population? Not too different, as Figure 52 suggests. Being an Australian citizen is more or less as important to 1st generation foreign-born immigrants as it is to 2nd generation immigrants – those born to a non-Australian parent. The importance of being an Australian citizen is only marginally higher for 3rd generation immigrants compared to these two groups.

Immigrants also appear to have a strong appreciation for the importance of the ANZAC heritage for Australian's national identity. As Figure 52 shows, on the scale from 1 (not at all important) to 7 (very important), immigrants rate the importance of the ANZAC heritage for Australian national identity at 5.9. In comparison, natives rate it slightly higher, at 6.2. The ANZAC heritage, however, has more bearing on natives (5.9) than immigrants (5.2-5.4) when it comes to having a sense of being Australian.

Over 46% of native-born Australians surveyed in 2013 didn't think it was possible to become 'fully Australian' without sharing Australia's customs and traditions.

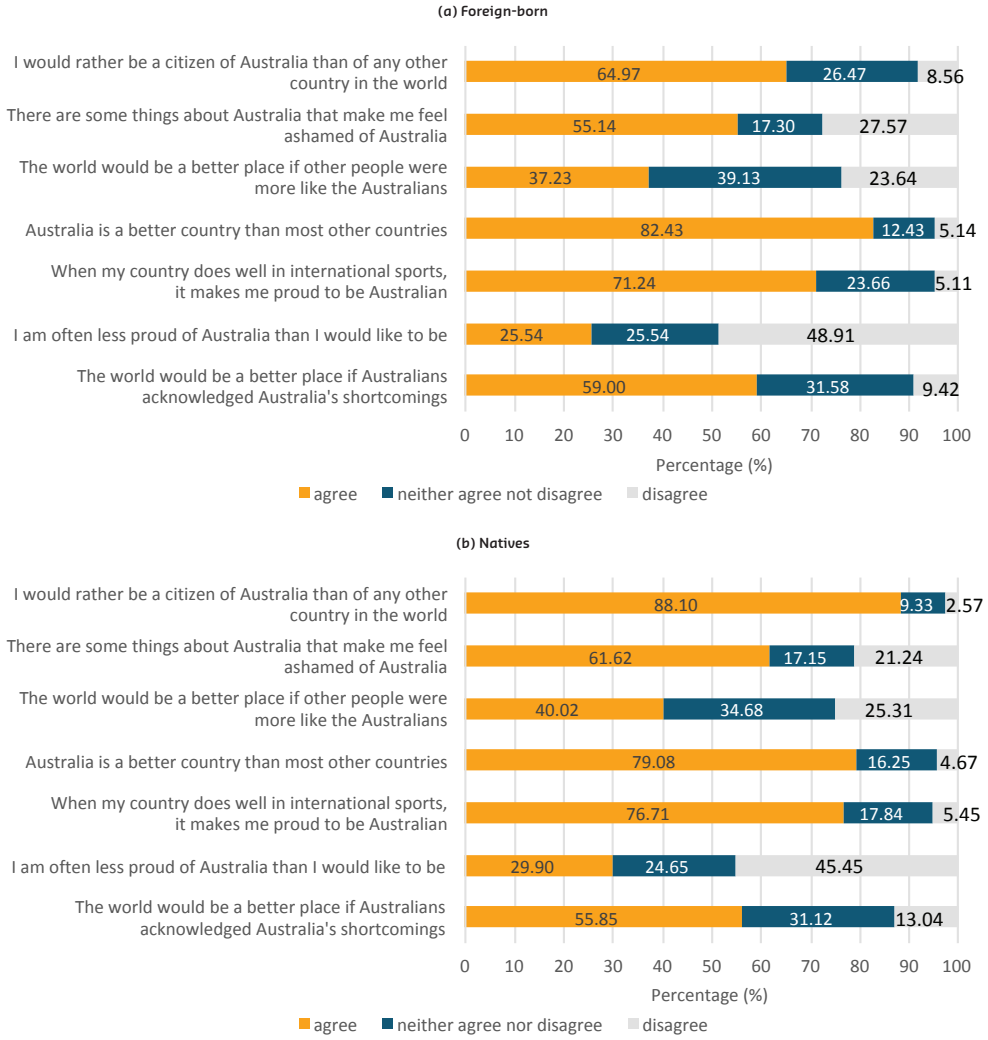
Being an Australian citizen is as important to 1st generation immigrants as it is to 2nd generation immigrants.

Figure 52 Identification with Australian identity and values by nativity, 2014



Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2014.

Figure 53 Attachment and pride in Australia, 2013



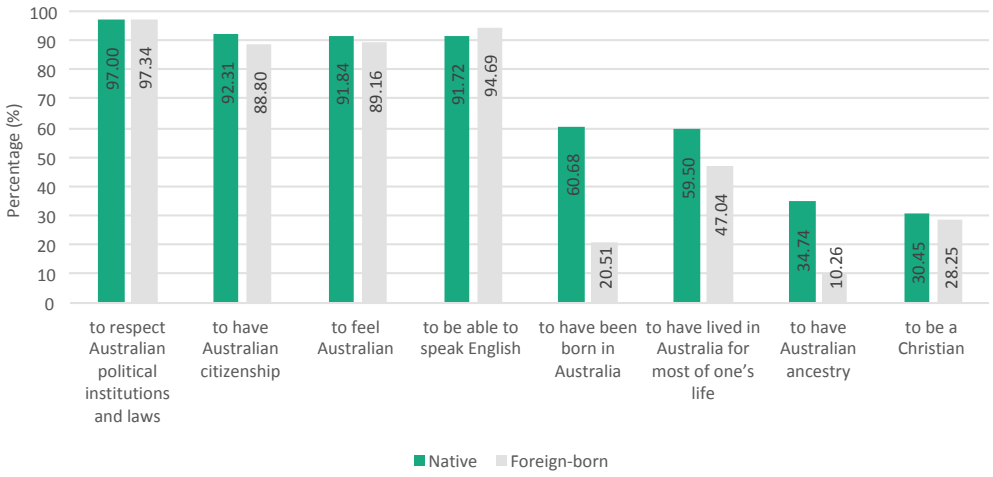
Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2013.

Immigrants in Australia also appear to have a high sense of attachment and pride with the country. Almost two thirds (65%) of immigrants surveyed in 2013 agreed that they would rather be a citizen of Australia than of any other country in the world. Among native-borns this share is higher, at 88 per cent. Yet, 82 per cent of foreign-born but only 79 per cent of native-born Australians believe Australia is a better country than most other countries. Indeed, native-born Australians are in some instances more critical of their country compared to immigrants. For example, 61 per cent of native-born but only 55 per cent of foreign-born Australians surveyed in 2013 admitted that there are some things about Australia that make them feel ashamed. Native Australians, however, do take more pride when their country does well in international sports compared to immigrants.

Nearly 77 per cent of native-born Australians and only 71 per cent of foreign-born Australians agree that when Australia does well in international sports, it makes them proud to be Australian.

Figure 54 further explores where immigrants and natives stand when it comes to what they see as important for being 'truly Australian'. Respecting Australian political institutions and laws is seen as important by 97 per cent of both native- and foreign-born individuals. Having Australian citizenship is also seen as important by both groups, with 92 per cent of native-born and nearly 90 per cent of foreign-born Australians agreeing. It is just as important, though, as 'feeling' Australian. English proficiency is another dimension important to a perceived sense of Australian identity, especially among the foreign-born. 91 per cent of native-born and nearly 95 per cent of foreign-born Australians think being able to speak English is important to be truly Australian.

Figure 54 The importance of different dimensions of Australian identity, 2013



Source: Bankwest Curtin Economics Centre | Authors' calculations from Australian Survey of Social Attitudes 2013.

Some other suggested dimensions of identity are seen as much less important by both natives and immigrants. There is more disagreement on these between the two groups too. Over 60 per cent of native-born but only 20 per cent of foreign-born Australians surveyed in 2013 thought being born in Australia was important to being truly Australian. Similarly, nearly 60 per cent of native-born Australians think living in Australia for most of one's life is important to true Australian identity while less than half of the immigrant population (47%) think the same. Australian ancestry is seen as important to being truly Australian by nearly 35 per cent of native-born Australians. Only 10 per cent of foreign-born Australians see Australian ancestry as important. Finally, around 30 per cent of native-born and 28 per cent of foreign-born Australians said Christianity is an important dimension of Australian identity.

67% of foreign-born and 88% of native-born Australians surveyed in 2013 said they would rather be a citizen of Australia than of any other country in the world.

61% of native-born but only 55% of foreign-born Australians surveyed in 2013 admitted there are some things that make them feel ashamed of Australia.

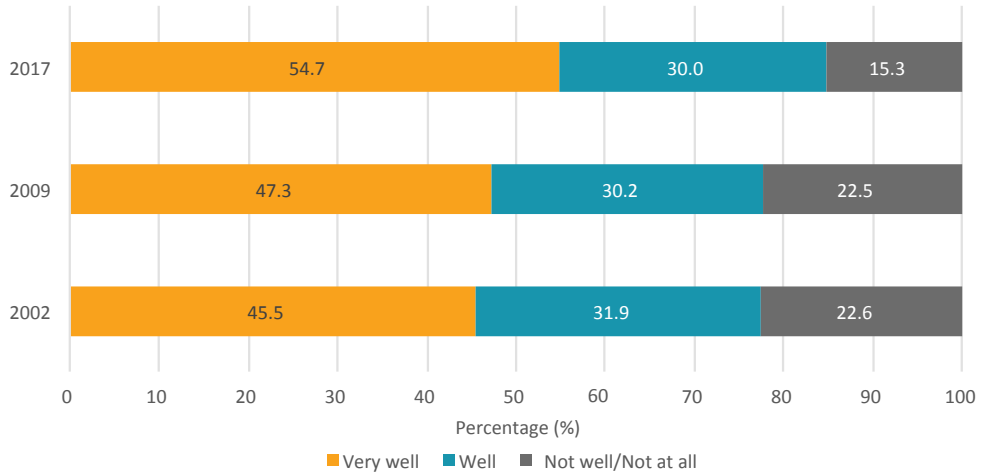
The vast majority of both native- and foreign-born Australians surveyed in 2013 said respecting Australian political institutions and laws, having Australian citizenship, feeling Australian and speaking English are important to be truly Australian.

Over 60% of native-born but only 20% of foreign-born Australians surveyed in 2013 thought being born in Australia was important to being truly Australian.

In 2017, nearly 85% of Australians born in non English-speaking countries said they spoke English very well or well.

English proficiency is inevitably important to integrating and feeling part of Australian society. How proficient in English are Australians born in non English-speaking foreign countries? According to the most recent wave of the HILDA survey (2017) nearly 85 per cent of immigrants spoke English either very well or well. The share of foreign-born individuals who self-assess their English proficiency as very good increased from around 45 per cent in 2002 to around 55 per cent in 2017.

Figure 55 Self-assessed English proficiency of immigrants from **non English-speaking** countries, 2002, 2009 and 2017

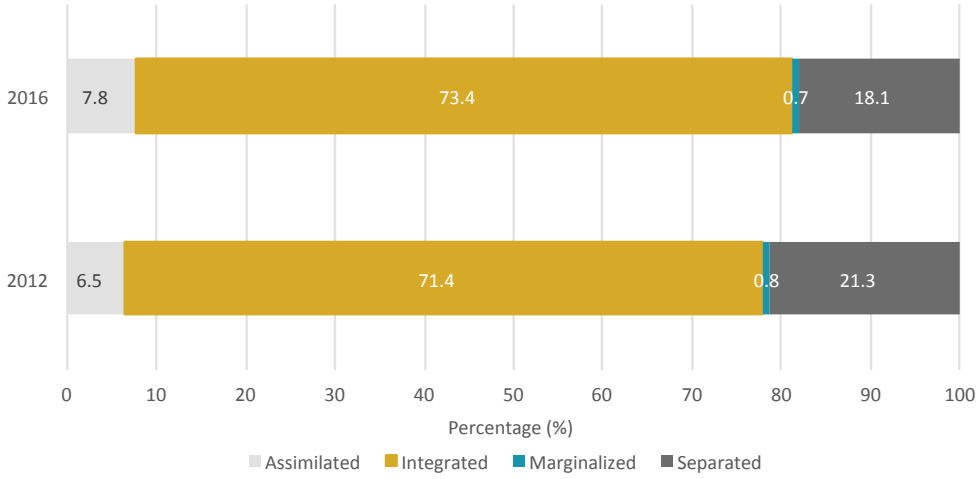


Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA 2002, 2009 and 2017.

Overall, it does appear that immigrants understand and embrace many dimensions of Australian cultural identity and are increasingly more proficient in English. How does this work together with maintaining their own minority cultural identity, especially under conditions where many Australians may see it as undesirable, as we have shown in the analysis above? The literature usually distinguishes between 'assimilated', 'integrated', 'marginalized' and 'separated' individuals in the context of immigrant cultural identity (Constant and Zimmermann, 2008; Constant et al., 2009). We apply this approach to the study of linguistic identity of immigrants, categorising as (1) *assimilated* those who speak English very well or well but are not able to read and have an everyday conversation in a language other than English; (2) *integrated* those who speak English very well or well and can read and have an everyday conversation in a language other than English; (3) *marginalised* those who do not speak English very well or well and are not able to read and have an everyday conversation in a language other than English; and (4) separated those who do not speak English very well or well but are able to read and have an everyday conversation in a language other than English.

Figure 56 shows the extremely small population of linguistically marginalised individuals in Australia, which is under 1 per cent. The share of linguistically assimilated and integrated individuals increased from 2012 to 2016. As of 2016, 73 per cent of immigrants from non English-speaking countries were linguistically integrated. The share of linguistically assimilated immigrants from non English-speaking countries was just under 8 per cent in 2016. At the same time, the share of linguistically separated individuals has decreased by around 3 percentage points from 2012 to 2016. 18 per cent of immigrants from non English-speaking countries were linguistically separated in 2016.

Figure 56 Linguistic identity of immigrants from **non English-speaking** countries, 2012 and 2016



Notes: We categorize (i) assimilated those who speak English very well/well but are not able to read and have an everyday conversation in a language other than English; (ii) integrated those who speak English very well/well as well as being able to read and have an everyday conversation in a language other than English; (iii) marginalised those who do not speak English very well/well and are not able to read and have an everyday conversation in a language other than English; and (iv) separated those who do not speak English very well/well but are able to read and have an everyday conversation in a language other than English.

Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA 2012 and 2016.

As of 2016, 73% of immigrants from non English-speaking countries were linguistically integrated, speaking English very well or well plus their own language.

18% of immigrants from non English-speaking countries were linguistically separated in 2016 – they did not speak English very well or well but spoke their own language.

The share of linguistically assimilated immigrants from non English-speaking countries was just under 8% in 2016.

The share of individuals who report being very satisfied with life overall is the highest among those who are linguistically integrated, that is they speak both English as well as their own language.

Assimilation may bring economic returns to immigrants from non English-speaking countries.

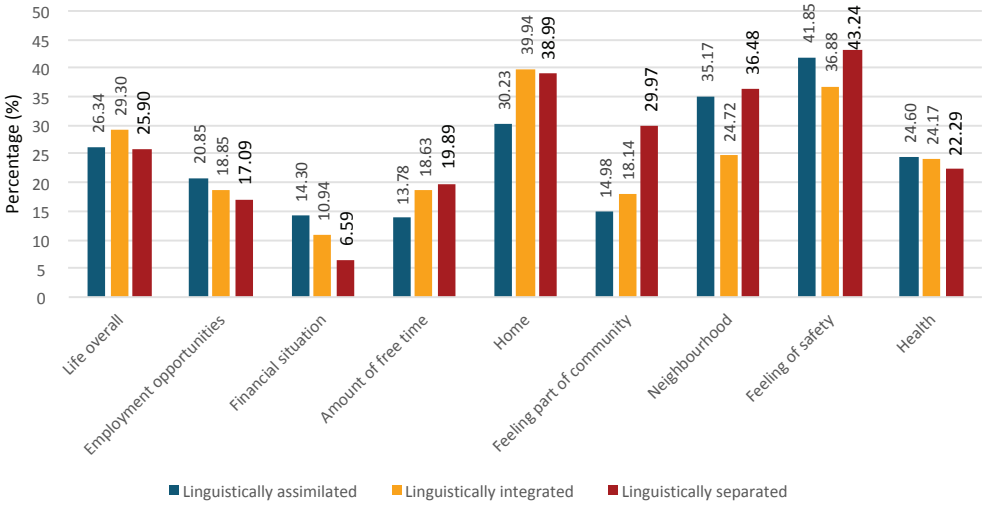
14% of linguistically assimilated immigrants but only 6.5% of linguistically separated individuals were very satisfied with their financial situation in 2016.

What are the implications of cultural identity on wellbeing? Does assimilation enhance wellbeing or are there costs associated with giving up one's primary cultural identity? We explore these questions applying the concept of linguistic identity defined above and consider how it relates, in the first instance, to overall life satisfaction. Figure 57 suggests that the share of individuals who report being very satisfied with life overall is the highest among those who are linguistically integrated, that is they speak both English as well as their own language. 29 per cent of linguistically integrated immigrants from non English-speaking countries are very satisfied with life. In comparison, among those who are either assimilated or separated, the share of people who were very satisfied is around 3 percentage points lower.

We then consider separate domains of wellbeing. In Figure 57 we see that assimilation may bring economic returns to immigrants from non English-speaking countries. The share of individuals who report being very satisfied with their employment opportunities and financial situation is the highest in the group of linguistically assimilated immigrants and lowest among the linguistically separated. 14 per cent of linguistically assimilated immigrants were very satisfied with their financial situation in 2016. Among linguistically integrated individuals this share was around 11 per cent, while only 6.5 per cent of linguistically separated individuals reported a very high level of satisfaction with their financial situation.

Assimilation does not yield the highest returns across all life domains, however. The share of individuals who report very high satisfaction with their home, feeling part of their community, and amount of free time they have, is higher among linguistically integrated and separated groups compared to those who are linguistically assimilated. 30 per cent of separated individuals report very high satisfaction with feeling part of their community compared to around 15 per cent of assimilated individuals who do so. Maintaining primary cultural identity, therefore, is important to the social wellbeing of immigrants in Australia.

Figure 57 Satisfaction in different life domains, by linguistic identity, 2016



Notes: We categorize (i) assimilated those who speak English very well/well but are not able to read and have an everyday conversation in a language other than English; (ii) integrated those who speak English very well/well as well as being able to read and have an everyday conversation in a language other than English; (iii) marginalised those who do not speak English very well/well and are not able to read and have an everyday conversation in a language other than English; and (iv) separated those who do not speak English very well/well but are able to read and have an everyday conversation in a language other than English.

Source: Bankwest Curtin Economics Centre | Authors' calculations from HILDA 2016.

Maintaining primary cultural identity is important to the social wellbeing of immigrants in Australia.

The share of individuals who report very high satisfaction with their home, feeling part of their community, and amount of free time they have, is higher among linguistically integrated and separated groups compared to those who are linguistically assimilated.

Conclusion

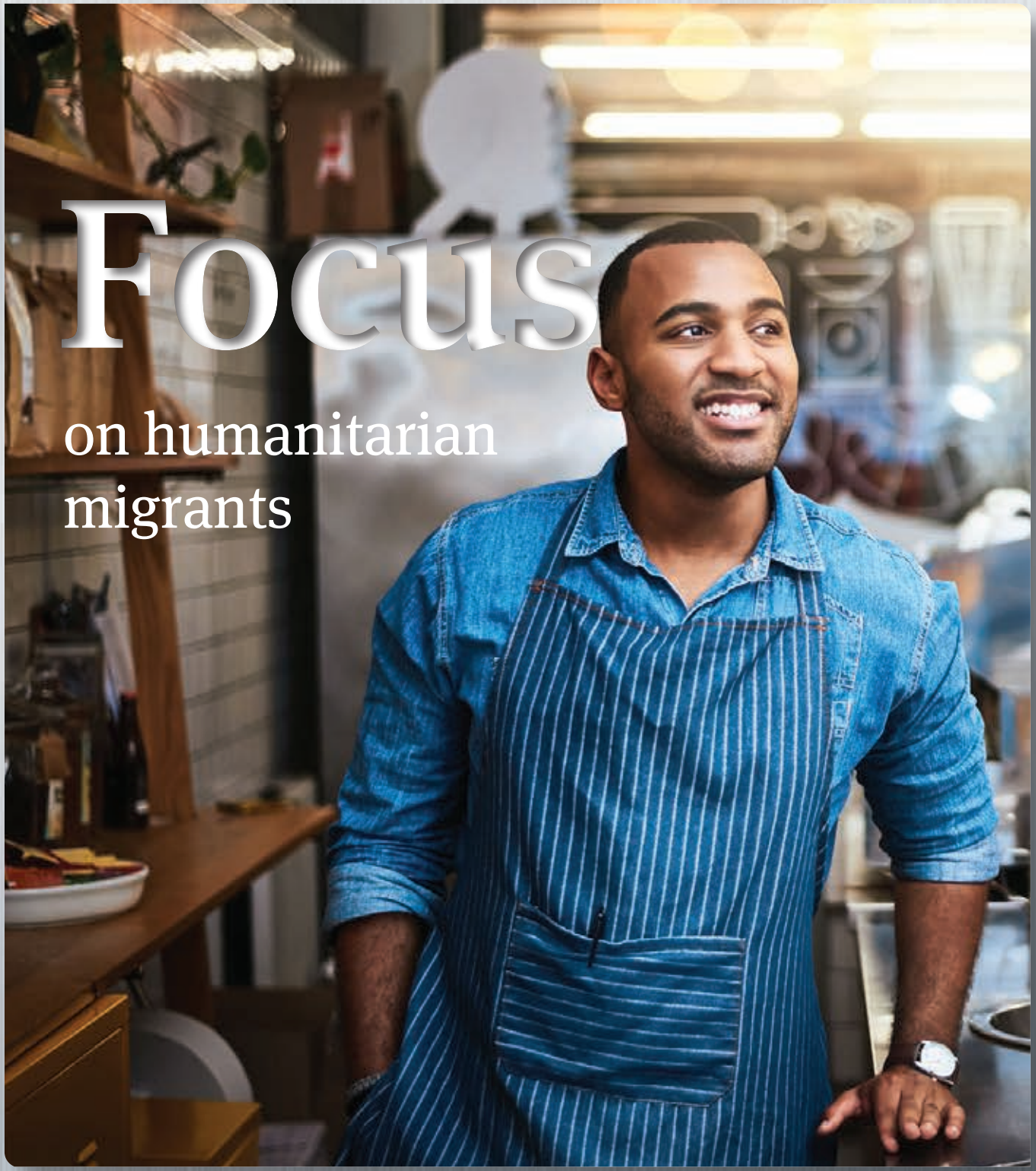
Immigrants in Australia often hold a health advantage over the native-born Australian population, especially at a younger age. A potential source of such difference in health outcomes that we highlight here are the differences in health behaviours. Daily smoking, risky alcohol consumption, daily consumption of sweetened drinks, not eating enough fruit, and obesity are more prevalent in the native-born population than among immigrants. We find no major differences in psychological distress across foreign and native-born females and males.

86 per cent of our immigrant population were satisfied or very satisfied with their lives overall in 2017. However, fewer immigrants were very satisfied compared to 16 years ago. Over this period, we've seen significant drops in the shares of immigrants who were very satisfied with their health, amount of free time, home and neighbourhood. However, a higher share of immigrants report being very satisfied with their feeling of safety and finances in 2017 compared to 16 years ago. We also explore social wellbeing and show that immigrants are less likely to experience feelings of social isolation and lack of companionship compared to native-born Australians.

Anti-immigrant attitudes are less prevalent in Australia compared to some other OECD countries, especially given the size of its immigrant population. Many forms of anti-immigrant bias can still be observed, and in some cases these have become more prevalent in recent years. Nearly half of Australians surveyed in 2012 said that native-born Australians should be prioritised for scarce jobs. According to reports by immigrants, many experience discrimination when applying for a job. Meanwhile, one third of Australians surveyed in 2014 think immigrants are taking jobs away from native-born Australians.

We find that certain minority groups are more unfavourably regarded in Australia. Over half of native-born Australians surveyed in 2013 admit to having unfavourable attitudes to asylum seekers and Muslim Australians, nearly one third feel the same way about African Australians. Such attitudes, however, are less prevalent among younger cohorts. We also show, for the case of Muslim Australians, that knowledge about the religion, exposure to people belonging to the religion, and perceived closeness of one's own religion to Islam mitigate unfavourable attitudes towards Muslims.

Australia is often seen as a truly multicultural society yet over 10 per cent of the population surveyed in 2013 still think immigrants should give up their culture of origin and adopt Australia's. Furthermore, over 70 per cent don't think ethnic minorities should be given government assistance to preserve their traditions. On the other hand, we see a large share of foreign-born Australians do feel Australian, share our values, speak our language and take pride in our country. Giving up one's primary identity – assimilation – may yield economic benefits to immigrants: linguistically assimilated immigrants from non English-speaking countries are more satisfied with their employment opportunities and with their financial situation compared to those who still identify with their primary cultural background. However, there are social benefits to maintaining one's primary cultural identity. We find that linguistically assimilated and separated immigrants are more satisfied with their home, feeling part of their community and amount of free time they have, compared to those who are assimilated.



Focus

on humanitarian migrants

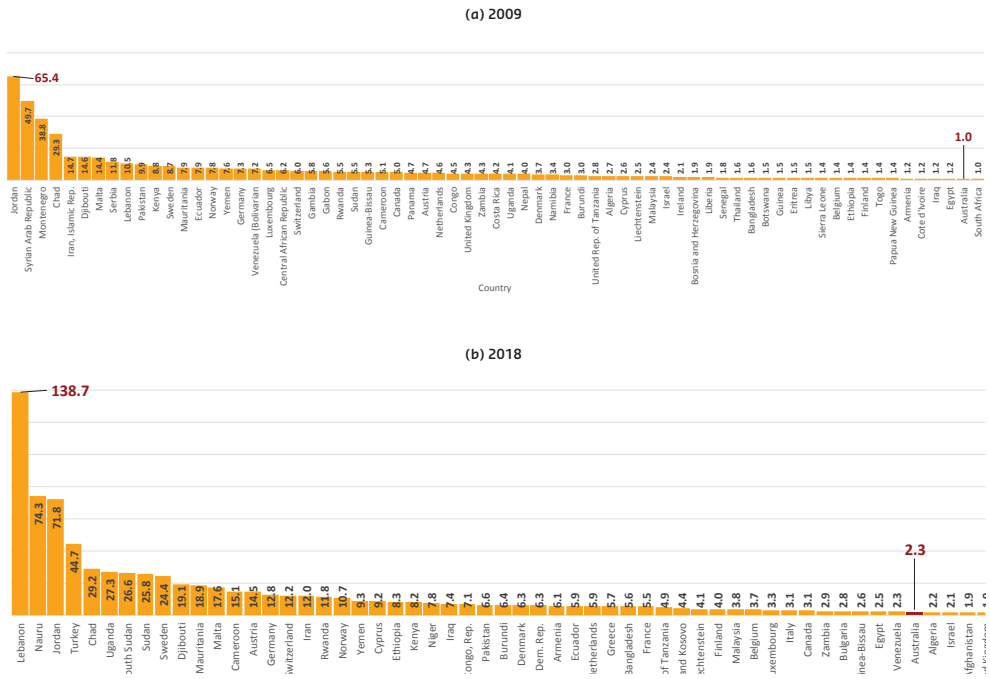
Introduction

Article 1 of the United Nation's Universal Declaration of Human Rights defines a refugee as a person who is unable or unwilling to return to their country of origin due to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion. In 2009, there were 10,965,538 refugees[2] seeking asylum from persecution in countries around the world. By 2018, this number had nearly doubled to 20,356,406. In 2009, there was 1 refugee residing in Australia per 1,000 inhabitants, which placed Australia 68th in the world in terms of the relative number of refugees residing in Australia. In comparison, Jordan had the highest relative number of refugees with 65.4 refugees per 1,000 inhabitants. Australia's ranking in terms of the relative number of refugees residing in Australia increased moderately by 2018 to 51st in the world, with 2.3 refugees residing in Australia per 1,000 inhabitants. However, this number is miniscule when compared with Lebanon, which had 138.7 refugees per 1,000 inhabitants in 2018 (see Figure 58).

[2] The UNHCR (2015) defines refugees as including individuals recognised under the 1951 Convention relating to the Status of Refugees; its 1967 Protocol; the 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa; those recognised in accordance with the UNHCR Statute; individuals granted complementary forms of protection; or those enjoying temporary protection. Since 2007, the refugee population also includes people in a refugee-like situation.

Focus on humanitarian migrants

Figure 58 Number of refugees per 1000 inhabitants by selected countries, 2009 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from UNHCR Population Statistics and World Bank Population Total Data.

In 2018, there were 2.3 refugees residing in Australia per 1,000 inhabitants. In comparison, Lebanon had the largest relative number of refugees, with 138.7 refugees per 1,000 inhabitants.

The remainder of this chapter will focus on the originating countries of humanitarian migrants who have come to Australia, the traumas they have experienced in their originating countries and the migration pathways they followed to get to Australia. In addition, it will also present an overview of some of the issues humanitarian migrants encounter when settling in Australia, such as finding a house and a job. Finally, it will present an overview of the physical and mental health status of humanitarian migrants in Australia, over time.

The analysis in the remainder of this chapter is based on data from the Building a New Life in Australia (BNLA) data set. The BNLA is a longitudinal study[3] that aims to trace the settlement journey of humanitarian migrants from the time they arrived in Australia through to the time when they become eligible for Australian citizenship. The study also provides data on selected characteristics of the humanitarian migrants prior to their arrival in Australia. The BNLA data set is made up of migration units, which are comprised of all the individuals who migrated to Australia under the same humanitarian migration application. Each migration application has a principal applicant, who is the person on the visa application upon which the application is approved. The current data set includes five waves and covers the period between 2014 and 2018. The initial wave (wave 1) contains observations for 4,207 individuals, who made up 1,509 migration applications.

3 A longitudinal study follows the same group of people over a number of years.

Humanitarian migration in Australia and around the world

The right of every person to seek asylum from persecution in other countries is enshrined in Article 14 of the United Nation's Universal Declaration of Human Rights. The Declaration was proclaimed by the United Nations General Assembly on the 10th December 1948, in Paris. The protection of humanitarian migrants today, which Australia is a party to, is based around the United Nation's 1951 Convention Relating to the Status of Refugees and its 1967 Protocol. The Convention, entered into force on 22 April 1954.

A fundamental obligation under the Convention is that of non-refoulement (Article 33), which states a country will not return a refugee, against their will, to a country where they fear persecution or threats to their life. Another fundamental obligation under Article 31 of the Convention is that refugees who enter or stay in a country illegally should not be penalised. This recognises that the seeking of asylum can require refugees to breach immigration rules. The Convention also provides some minimum standards in relation to the treatment of refugees, which include the right to access work, primary education, the legal system, and refugee travel documents (UNHCR, 2010).

There are a number of different types of humanitarian and refugee visas under the current Australian refugee and humanitarian program. The applicable type of visa depends if a person is applying for asylum outside of Australia (offshore) or within Australia (onshore). One type of offshore visa is the refugee visa.

Table 10 Refugee visa subclasses (offshore), Australia, 2019

Visa Subclass Name	Subclass	Circumstances of Refugee
Refugee	200	For people who the United Nations High Commissioner for Refugees (UNHCR) has referred to Australia for resettlement.
In-Country Special Humanitarian	201	For people who are still living in their country and have been unable to leave.
Global Special Humanitarian	202	With this visa, people can move to Australia if they face substantial discrimination or human rights abuses, and have a proposer, and stay in Australia permanently with their immediate family.
Emergency Rescue	203	For people who the UNHCR has referred to Australia as they are in immediate danger.
Women at Risk	204	For women who do not have the protection of a partner or a relative and are in danger of victimisation.

Source: Department of Home Affairs, Refugee and Humanitarian Program.

To be eligible to apply for a refugee visa, a person must be outside of Australia, subject to persecution in their home country, meet the compelling reasons criteria, and meet health, character and national security requirements. There are five subclasses of refugee visas, listed in Table 10. For people applying for a visa inside of Australia, they can apply for a protection visa (onshore). The type of protection visa a person can apply for depends if they are deemed to have arrived in Australia legally or illegally[4]. The subclasses of protection visas are listed in Table 11.

[4] People who arrive in Australia without a valid visa are deemed to have arrived illegally.

Table 11 Protection visa subclasses (onshore), Australia, 2019

Visa Subclass Name	Subclass	Circumstances of Refugee
Protection	866	For people who arrive in Australia legally. This visa is for people who are in Australia and want to apply for protection. It lets them stay in Australia permanently if they arrived on a valid visa, engage Australia's protection obligations and meet all other requirements.
Temporary Protection (TPV)	785	For people who are deemed to have arrived in Australia illegally. This visa is for people who arrived in Australia without a valid visa, and want to apply for protection. It lets them stay in Australia temporarily if they engage Australia's protection obligations and meet all other requirements for the visa.
Safe Haven Enterprise (SHEV)	790	For people who are deemed to have arrived in Australia illegally. This visa is for people who arrived in Australia illegally and want to apply for protection. It lets then stay in Australia temporarily if they engage Australia's protection obligations and meet all other requirements for the visa.

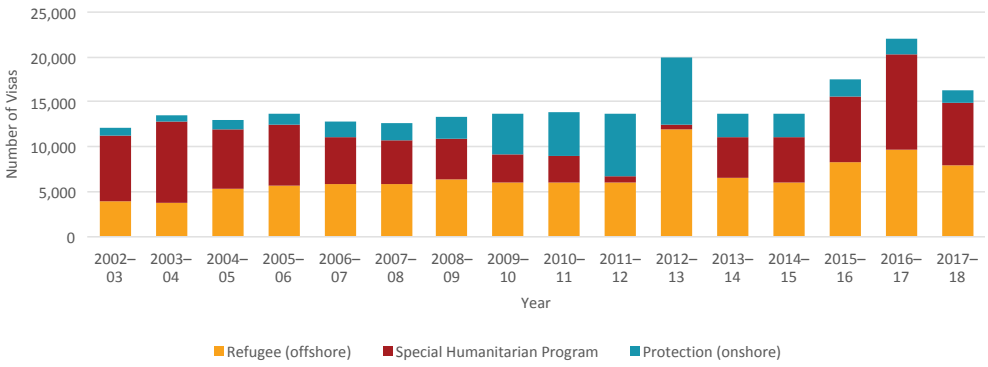
Source: Department of Home Affairs, Refugee and Humanitarian Program.

In December 2014, legislation was passed in the federal parliament to reintroduce temporary protection visas. There are a number of significant differences between a protection visa (866) and the temporary protection (785) and safe haven enterprise (790) visas. One is that people who are granted a protection visa can stay in Australia permanently. In contrast, people who are granted a temporary protection visa can only stay in Australia for three years and safe haven enterprise visa holders for five years. Another is that people seeking asylum from persecution who are deemed to have arrived in Australia illegally cannot apply for a protection visa. Hence, asylum seekers are penalised based on how they arrived in Australia. This penalising of asylum seekers based on how they arrived in Australia is in possible contravention of Article 31[5] of the United Nation's 1951 Convention Relating to the Status of Refugees.

[5] Article 31 states that: *"The Contracting States shall not impose penalties, on account of their illegal entry or presence, on refugees who, coming directly from a territory where their life or freedom was threatened in the sense of article 1, enter or are present in their territory without authorization, provided they present themselves without delay to the authorities and show good cause for their illegal entry or presence".*

Over a sixteen-year period, between 2002-03 and 2017-18, the Australian government granted 235,711 humanitarian visas. Figure 59 shows the composition of humanitarian visas granted for each year, over that period. There are a number of interesting observations that can be drawn from this chart. First is the gradual increase in the number of protection (onshore) visas that were granted between 2002-03 and 2012-13, and then a dramatic decline in 2013-14. Second is the decline in the number of special humanitarian program visas granted as the number of protection (onshore) visas granted increased, and then a dramatic increase in 2013-14. Finally, the number of refugee (offshore) visas granted remained relatively stable over the period, except for 2012-13 where the number of refugee visas granted approximately doubled relative to previous years.

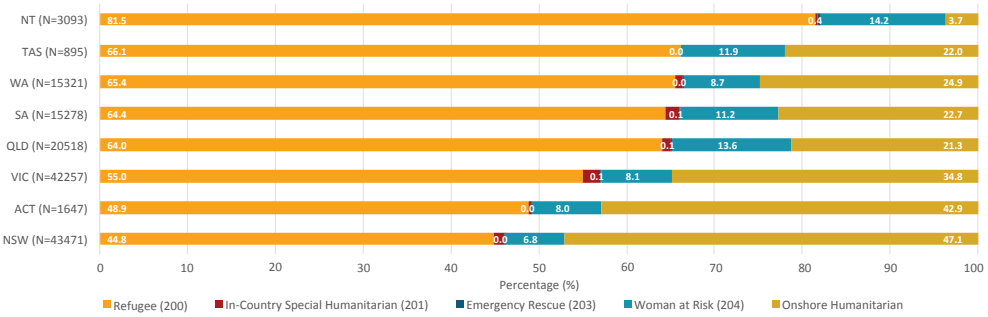
Figure 59 **Humanitarian program visa grants, 2002-03 to 2017-18**



Source: Bankwest Curtin Economics Centre | Author's calculations from Department of Home Affairs, Historical Migration Statistics, 2019.

To provide an indication of where humanitarian migrants settle in Australia, data from the 2016 Census and Migrants Integrated Dataset was analysed. The data show between January 2009 and August 2016, the Australian government granted 142,480 humanitarian visas. Of these humanitarian migrants, just over 60 per cent settled in New South Wales (30.5%) and Victoria (29.0%). Western Australia had the fourth largest settlement of humanitarian migrants during this period, at 10.8 per cent. Around two thirds of the humanitarian visas granted were refugee (offshore) visa subclasses, made up mainly of refugee (200) subclass visas (84.2%). The remaining third were protection (onshore) visas. Figure 60 shows the number of humanitarian migrants located in each state and the distribution of humanitarian visa subclasses within each state.

Figure 60 Distribution of humanitarian visa subclasses, **by state,** migrants who arrived **between** 1 January 2000 and 9 August 2016



Source: Bankwest Curtin Economics Centre | Author's calculations from Australia Bureau of Statistics, Australian Census and Migrants Integrated Dataset, 2016.

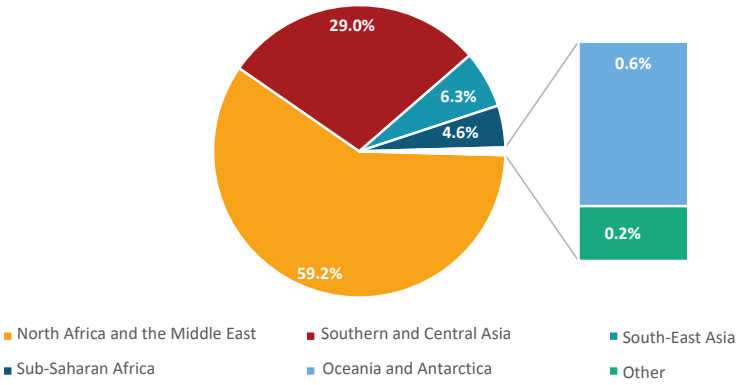
Amongst Australia's states and territories, the Northern Territory had the highest concentration of humanitarian migrants who had been granted a refugee (200) visa subclass (81.5%), and the lowest concentration of humanitarian migrants who had been granted a protection visa subclass (3.7%). Conversely, New South Wales had the lowest concentration of humanitarian migrants who had been granted a refugee (200) visa (44.8%) and the highest concentration of humanitarian migrants who had been granted a protection visa (47.1%). Western Australia had the third highest concentration of humanitarian migrants who had been granted a refugee (200) visa (64.4%) and the fourth highest concentration of humanitarian migrants who had been granted a protection visa (24.9%).

Of the 142,480 humanitarian visas granted between Jan 2009 and Aug 2016 in Australia, WA had the fourth largest settlement of humanitarian migrants during this period, at 10.8%.

A profile of humanitarian migrants in Australia

Humanitarian migrants who settle in Australia, come from countries all around the world. Figure 61 shows the distribution of the country of birth of humanitarian migrants in the BNLA survey. The largest proportion were from North Africa and the Middle East (59.2%), with humanitarian migrants coming from Egypt, Libya, Sudan, Iran, Iraq and Syria. The second largest proportion were from Southern and Central Asia (29.0%), with humanitarian migrants coming from Malaysia, Bhutan, India, Nepal, Pakistan, Sri Lanka, and Afghanistan.

Figure 61 Country of birth of humanitarian migrants in Australia, 2014

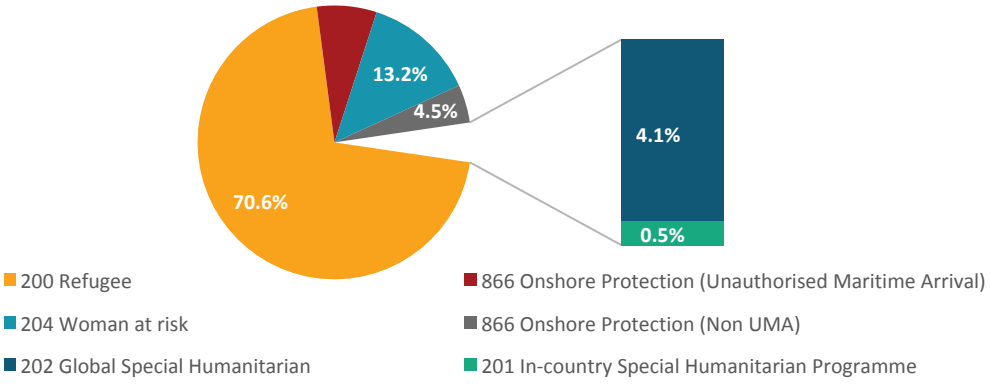


Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

A range of different humanitarian and refugee visas are granted to humanitarian migrants by the Australian government, with the type of visas dependent upon the person's circumstances. 88.4 per cent of visas granted in the survey were for refugee visas (offshore). Within this, 70.6 per cent were refugee visas (subclass 200), 13.2 per cent were women at risk visas (subclass 204), and the remaining 4.1 per cent of were for global special humanitarian (subclass 204) and in-country special humanitarian programme (subclass 201) visas. The remaining 11.6 per cent of all visas granted were protection (onshore) visas, which comprised of 7.1 per cent onshore protection (unauthorised maritime arrival) visas and 4.5 per cent onshore protection (non unauthorised maritime arrival) visas[6].

6 Refugees in the BNLA sample arrived in Australia before the reintroduction of temporary protection visas.

Figure 62 Humanitarian migrant visa subclasses granted by Australia, May to December 2013

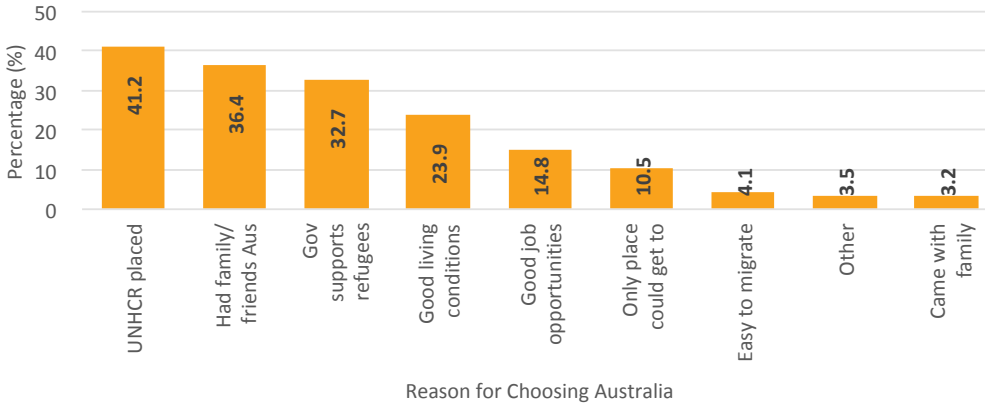


Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

Humanitarian migrants in the survey gave a range of reasons[7] for choosing to migrate to Australia, shown in Figure 63. The top four most common reasons were that they were referred by the United Nations High Commissioner for Refugees (UNHCR) to Australia for settlement (41.2%), they had family or friends in Australia (36.4%), the Australia Government supported refugees (32.7%), and the living conditions in Australia are good. Interestingly, only 4.1 per cent thought Australia was an easy place to migrate to.

7 The total percentage for all reasons for migrating to Australia adds up to more than 100 per cent because respondents could give multiple reasons for migrating to Australia.

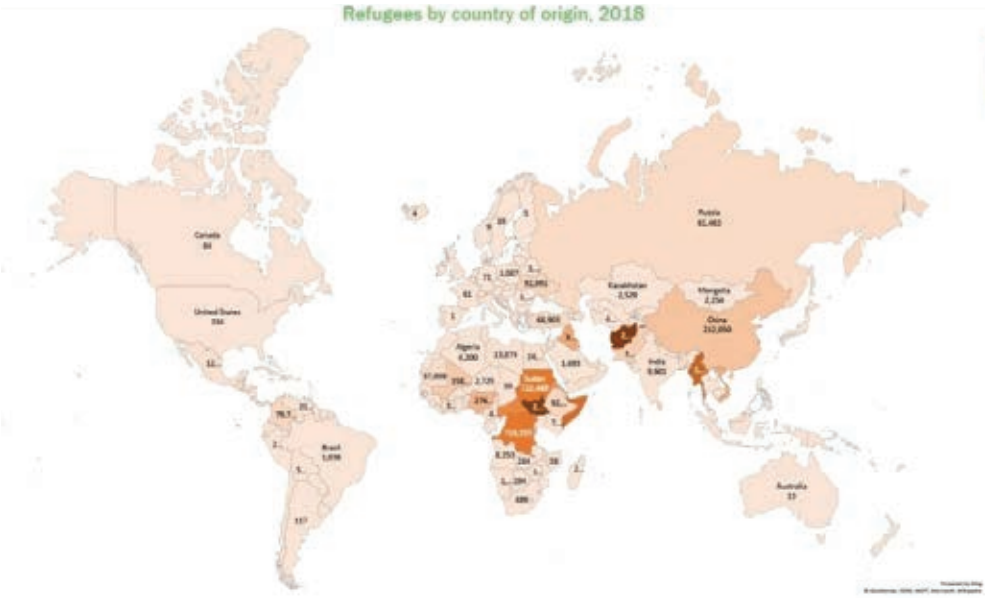
Figure 63 Reasons for choosing to migrate to Australia, humanitarian migrants, **May to December 2013**



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

People in need of international protection usually flee first to neighbouring countries to save their lives. Some may then be resettled in another country through UNHCR programmes or country-specific humanitarian arrangements. In case of protracted crises, others are left with two choices if they are unable to go home: rebuild their life in the country of first asylum or move on to seek a better future further away (OCED, 2016).

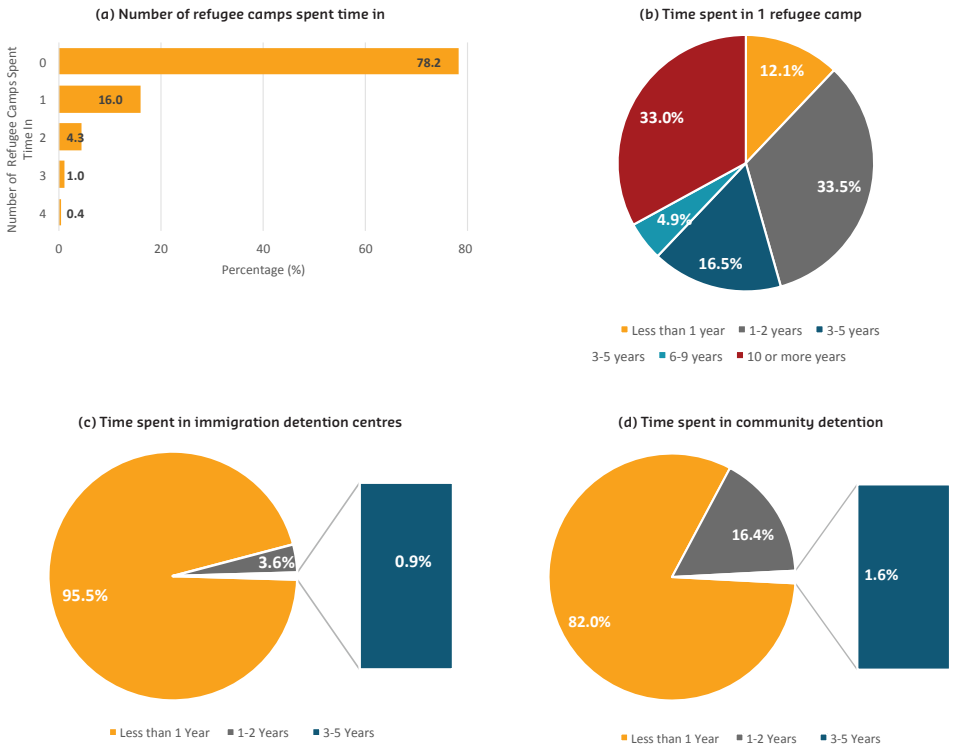
Figure 64 Migration pathways from country of origin to Australia



Source: Bankwest Curtin Economics Centre | Sourced from Refugee Council of Australia, 2018.

The location of people when they apply for a humanitarian visa, i.e. outside or inside Australia, determines where they may be located while they wait for their application to be processed. People who apply for a humanitarian visa outside Australia may reside in a refugee camp(s) in a country other than Australia or their country of origin before and while they wait for their humanitarian visa application to be processed. In contrast, people who apply for a humanitarian visa after arriving in Australia may spend time in an immigration detention centre, community detention or on a bridging visa class E (Department of Social Services, 2018). As can be seen from panel (a.) in Figure 65, 21.8 per cent of humanitarian migrants granted a humanitarian visa outside of Australia spent time in one or more refugee camps. Of those who spent time in one refugee camp (16%), the times in that one camp ranged between less than 1 year (12.1%) and 10 or more years (33%), see panel b in Figure 65.

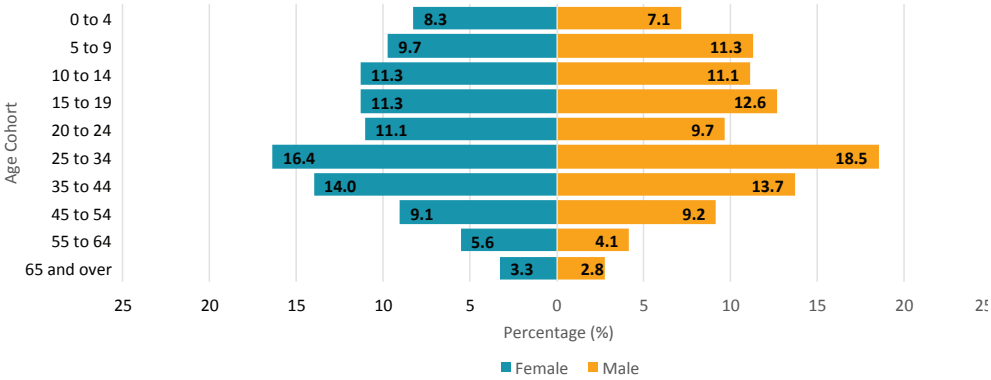
Figure 65 Time spent in humanitarian visa-processing locations, **before** 2014



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services, Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

In contrast, humanitarian migrants who applied for a humanitarian visa inside Australia and ended-up in an immigration detention centre spent the least amount of time waiting for their humanitarian visa application to be processed, with 95.5 per cent having their application processed in less than 3 months.

Figure 66 Age and gender composition of humanitarian migrants, 2014

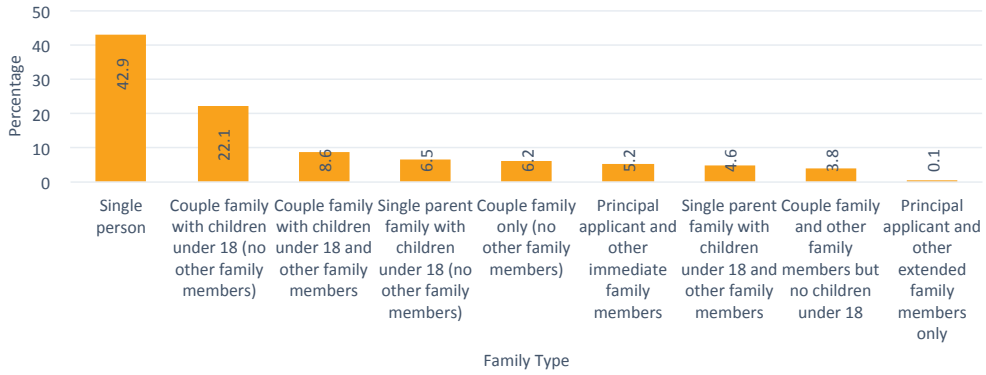


Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

There were a range of age cohorts and family structures amongst the humanitarian migrants in the BNLA survey. Figure 66 shows the age cohort distribution, by gender, for the humanitarian migrants when they first arrived in Australia in 2014. It can be seen that the age cohort distributions for females and males are similar; with the 25 to 34 aged cohort being the largest age cohort for both females (16.4%) and males (18.5%), followed by the 35 to 44 aged cohort. Notably, 68.1 per cent of female humanitarian migrants and 70.3 per cent of male humanitarian migrants were under 35 when they arrived in Australia.

The humanitarian in the survey where made up of a number of different family structures. The largest proportion where single person family structures, which made up 42.9 per cent of the humanitarian migration units. Couples with children (with or without other family members) made up the second largest proportion at 34.5 per cent, followed by single parents at 11.1 per cent and couples with no children and no other family member at 6.2 per cent. Principal applicants and other immediate family members and principal applicants and extended family members made up the smallest proportion at 5.3 per cent (see Figure 67).

Figure 67 Family structures of humanitarian migrants, 2014



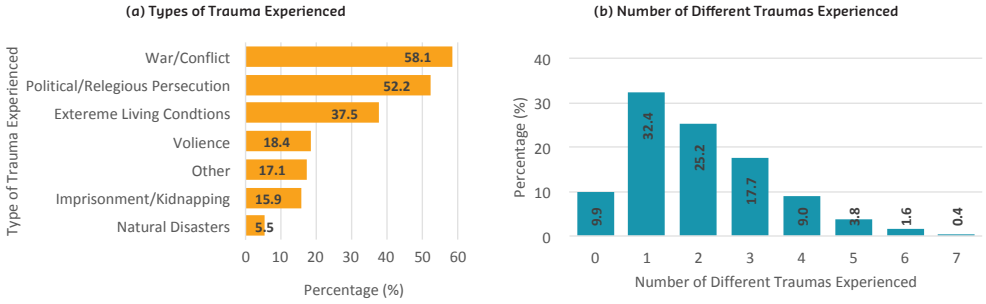
Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

It is important to remember that people fleeing their country of origin and seeking protection in another country do so because they have generally experienced some form of persecution or trauma in their country of origin. The types of persecution or trauma experienced by people can take many forms. The main types of trauma and persecution experienced by humanitarian migrants in the survey included war/conflict, political/religious persecution, extreme living conditions, violence, imprisonment/kidnapping, and natural disasters. The most common forms of trauma or persecution experienced by humanitarian migrants in the survey were war/conflict (58.1%), political or religious persecution (52.2%), extreme living conditions (37.5%), and violence (18.5%)[8]. Humanitarian migrants may also experience more than one type of trauma or persecution. Of the respondents in the survey, 57.8% had experienced two or more types of trauma or persecution (see panel (b.), Figure 68).

8 The total percentage for all types of trauma does not add up to 100% because respondents may have experienced more than one type of trauma or persecution.

The most common forms of trauma or persecution experienced by humanitarian migrants were war/conflict (58.1%), political or religious persecution (52.2%), extreme living conditions (37.5%), and violence (18.5%).

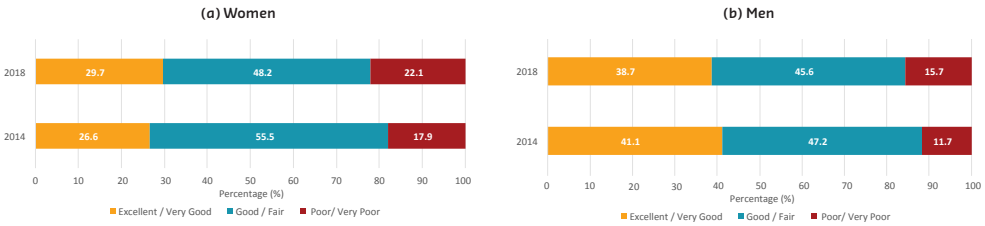
Figure 68 Trauma experienced by humanitarian migrants before arriving in Australia, prior to 2014



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

Being subject to persecution or trauma may have a detrimental effect upon people's overall health and their mental health. Figure 69 shows the overall health of humanitarian migrants by gender for the years 2014 (first year in Australia) and 2018. There a number of interesting points, that can be observed from this chart. One is that there were a higher proportion of male humanitarian migrants who reported their overall health as being excellent or very good in both 2014 and 2018 compared to female humanitarian migrants, with a 14.5 percentage point difference in 2014 and a 9 percentage point difference in 2018. Another interesting observation is that there was an increase between 2014 and 2018 in the percentage of both female and male humanitarian migrants who reported their overall health as being poor or very poor. For females, it increased from 17.9 per cent in 2014 to 22.1 per cent in 2018 and for males, it increased from 11.7 per cent in 2014 to 15.7 per cent in 2018.

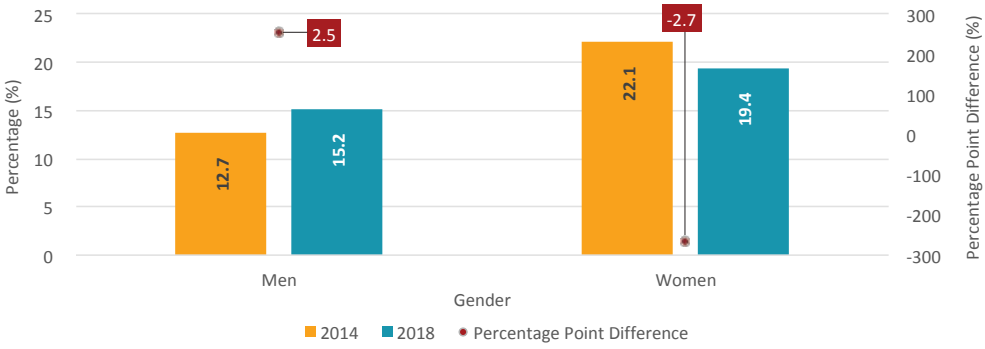
Figure 69 Overall health of humanitarian migrants by gender, 2014 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

As with overall health, there was a higher incidence of probable serious mental issues amongst female humanitarian migrants compared to that of male humanitarian migrants in 2014 and 2018 (see Figure 70). In 2014, 22.1 per cent of female humanitarian migrants had a probable serious mental issues compared to 12.7 per cent of male humanitarian migrants. In contrast to overall health, however, there was a 2.7 percentage point decline in the incidences of probable serious mental issues amongst female humanitarian migrants between 2014 and 2018, while there was 2.5 percentage point increase amongst male humanitarian migrants over the same period.

Figure 70 Incidences of probable serious mental health issues amongst humanitarian migrants, 2014 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

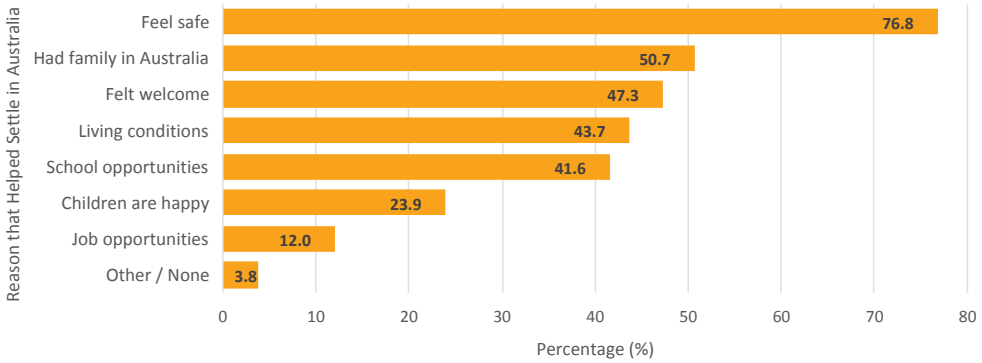
Four years after arriving in Australia, there was an increase in the percentage of both female and male humanitarian migrants who reported their overall health as being poor or very poor. For females, this increase from 17.9% in 2014 to 22.1% in 2018 and for males it increased from 11.7% in 2014 to 15.7% in 2018. In contrast to overall health, there was a 2.7 percentage point decline in the incidences of probable serious mental issues amongst female humanitarian migrants between 2014 and 2018, while there was 2.5 percentage point increase amongst male humanitarian migrants over the same period.

Making Australia home

Feeling safe (76.8%) was the most common reason given for helping humanitarian migrants settle in Australia. Some of the other main reasons that helped humanitarian migrants settle in Australia were having family in Australia (50.7%), feeling welcome (47.3%), living conditions (43.7%), and school opportunities for their kids (41.6%).

There are multiple factors that help or make it hard for humanitarian migrants to settle in another country. For humanitarian migrants in the survey, feel safe (76.8%) was the reason most given for helping them settle in Australia (see Figure 71). The feeling of being safe obviously strongly aligns with the reason why most people seek protection in another country i.e. to escape persecution and trauma in their country of origin. Some of the other main factors that helped people settle in Australia were having family in Australia (50.7%), feeling welcome (47.3%), living conditions (43.7%), and school opportunities for their kids (41.6%).

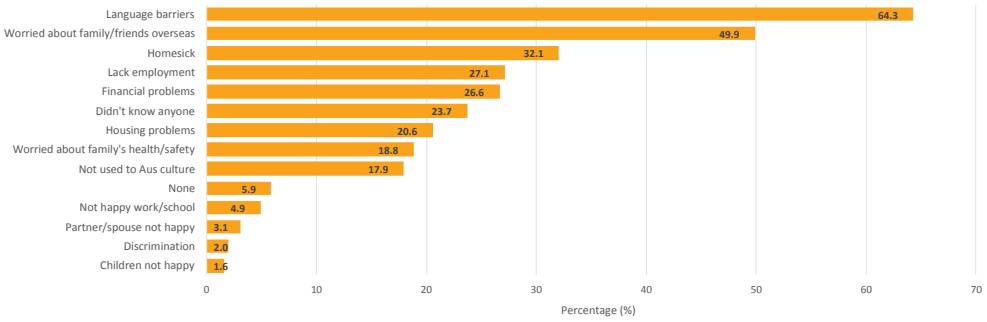
Figure 71 **Reasons that helped humanitarian migrants settle in Australia, 2014**



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

In terms of factors that made it hard to settle in Australia, the most significant factor for humanitarian migrants in the survey was the language barrier. The second most common factor was worrying about family and friends who remain overseas because they may also be subject to persecution. Some of the other factors that also contributed to making it hard to settle in Australia were lack of employment; do not know anyone; financial problems; and housing problems. Notably, only 2.0 per cent of respondents reported discrimination as an issue that made it hard to settle in Australia (see Figure 72).

Figure 72 Reasons that made it for hard humanitarian migrants to settle in Australia, 2014



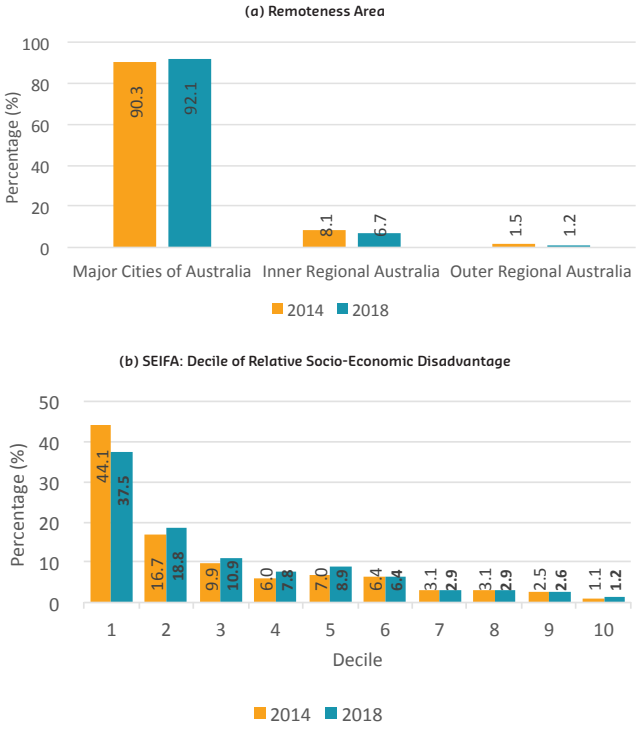
Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

Finding housing is one of the issues that can affect the process of humanitarian migrants settling in Australia. This section examines where humanitarian migrants choose to live, the reasons for choosing housing/neighbourhood, issues in finding housing, and perceptions of the neighbourhoods in which they choose to live. Figure 73 shows the remoteness area (panel a.) and decile of relative socio-economic disadvantage[9] of areas (panel b.) in which humanitarian migrants were living in 2014 and 2018. On arriving in Australia, the majority of humanitarian migrants in the survey were located in major cities around Australia[10], with only 9.7 per cent choosing to locate to inner or outer regional areas in Australia. Between 2014 and 2018 there was very little change in the distribution of humanitarian migrants living in major cities and regional areas.

The language barrier (64.3%) was the most common reason given that made it hard for humanitarian migrants to settle in Australia. The second most common reason was worrying about family and friends who remain overseas (49.9%). Other reasons included lack of employment (27.1%); financial problems (26.6%) ; and housing problems (20.6%).

9 The ABS's Index of Relative Socio-Economic Disadvantage is a socio-economic index that provides a summary of the economic and social conditions of people and households within an area. A low score indicates a relatively greater disadvantage; with many households in the area have low incomes and many people having no qualifications and working in low skilled occupations (ABS, 2013).
10 The BNLA survey does not contain information about in which capital cities refugees were located.

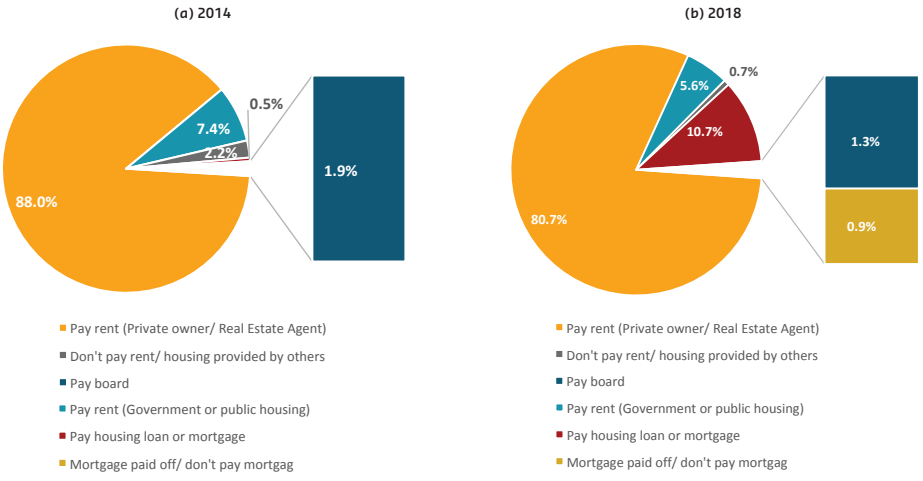
Figure 73 Location of housing of humanitarian migrants, 2014 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

The data also shows that 44.1 per cent of humanitarian migrants initially settled in neighbourhoods with the greatest socio-economic disadvantage (decile 1). However, the data suggests that as humanitarian migrants became more settled in Australia they moved up into areas that were less socio-economic disadvantaged. For example, by 2018 the percentage of humanitarian migrants living in neighbourhoods with the greatest socio-economic disadvantage had decreased by 6.6 percentage points to 37.5 per cent.

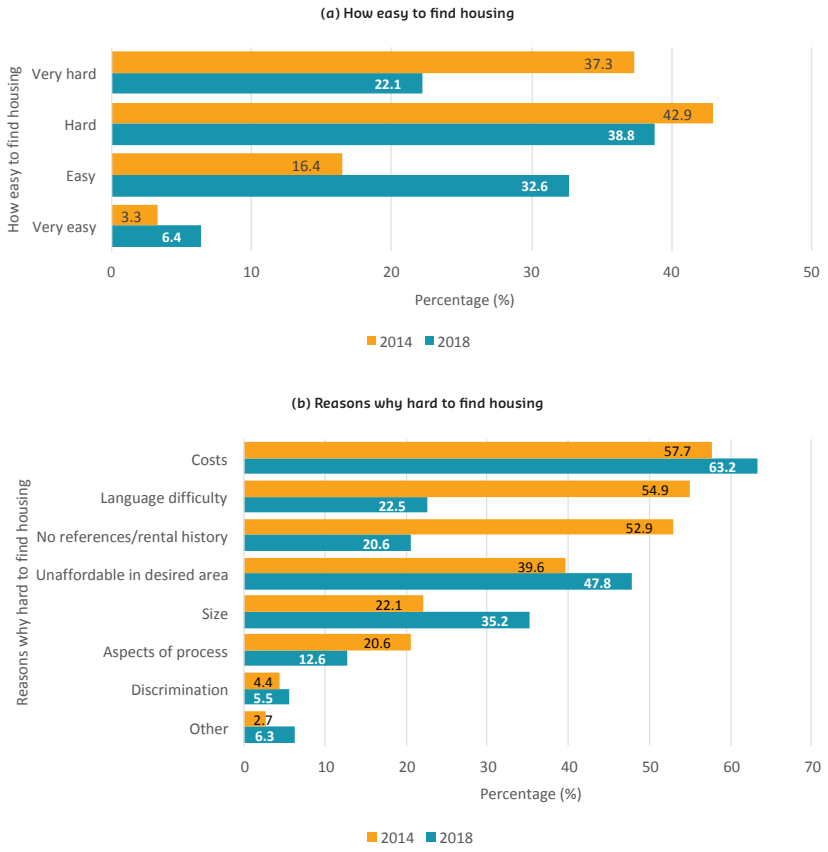
Figure 74 Housing tenure types of humanitarian migrants, 2014 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

The majority of humanitarian migrants (88%) in the survey rented housing through the private rental market when they first arrived in Australia (see Figure 74). Interestingly, only a small proportion (7.4%) gained access to government or public housing upon arrival. Over the four year period between 2014 and 2018, there was small change in the distribution of housing tenure types amongst humanitarian migrants, with 80.7 per cent still renting housing in the private rental market in 2018. The largest change was in those who secured a mortgage in order to purchase housing, which increased from 0.5 per cent in 2014 to 10.7 per cent in 2018.

Figure 75 Ease and issues in finding housing, 2014 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services, Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

In terms of the ease of finding housing, just over 80 per cent of humanitarian migrants in the survey said it was hard or very hard to find housing when they first arrived in Australia in 2014 (see Figure 74, panel (a.)). Some of the main reasons given by humanitarian migrants for why they found it hard or very hard to finding housing when they first arrived were cost (57.7%), *language difficulties* (54.9%), *no references or rental history* (52.9%), and *unaffordable in desired area* (39.6%). Other reasons that made it hard or very hard to find housing included size (22.1%) and aspects of the process (20.6%).

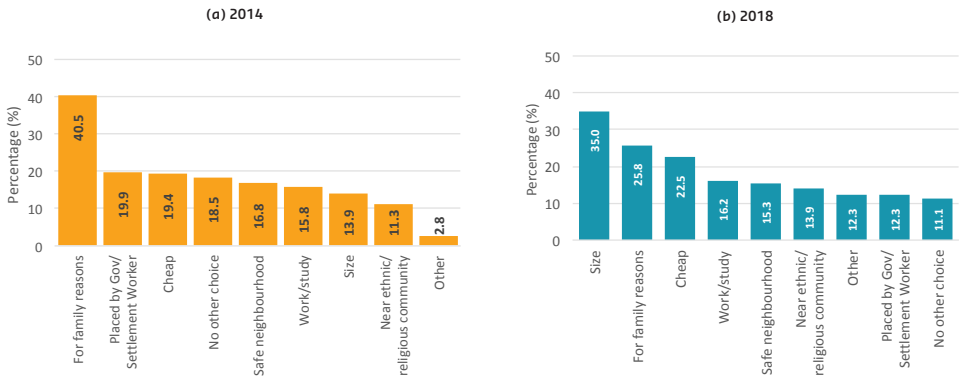
80% of humanitarian migrants reported that it was hard or very hard to find housing when they first arrived in Australia. Some of the main reasons why they found it hard or very hard to finding housing were cost (57.7%), *language difficulties* (54.9%), *no references or rental history* (52.9%), and *unaffordable in desired area* (39.6%). Other reasons that made it hard or very hard to find housing included size (22.1%) and aspects of the process (20.6%).

Of the humanitarian migrants who moved house in 2018, 61 per cent still reported that it was hard or very hard to find housing, with cost (63.2%) still remaining the most common reason why it was hard to find housing. *Unaffordable in desired area* (47.8%) and *size* (35.2%) moved up to be the second and third most common reasons reason why it hard to find housing. Notably, the percentage of humanitarian migrants who reported *language difficulties* (22.5%), *no references or rental history* (20.6%), and *aspects of the process* (12.6%) as reasons all declined between 2014 and 2018.

There are a number of factors that influence the choice of housing, be it renting or purchasing. In choosing a home upon arrival in Australia, the main reasons given by humanitarian migrants for choosing a home were *for family reasons* (40.5%); *placed by a government/settlement worker* (19.9%); *cheap* (19.4%); and *no other choice* (18.5%). In 2018, the ranking and importance of the reasons for choosing a home[11] had changed, with *size* (35%) being the main reason followed by *for family reasons* (25.8%); *cheap* (22.5%); and *work/study* (16.2%).

This suggests that upon arrival in Australia, humanitarian migrants may have had limited choice in the type and location of housing due to factors such as budget constraints and/or being placed in housing by a government/settlement worker. However, as they become more established in Australia, they are more able to find housing that is appropriate for their family needs. For example, the proportion of people who nominated size as a reason for choosing a home increased from 13.9 per cent in 2014 to 35 per cent in 2018.

Figure 76 Reason for choosing home

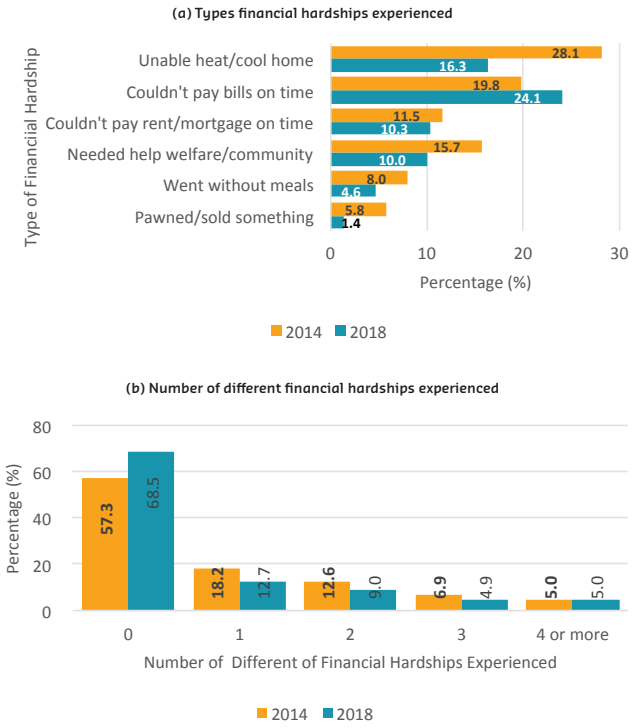


Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

11 People responding to this question had moved home in the last twelve months.

In their first year in Australia, 42.7 per cent of humanitarian migrants in the survey experienced one or more types of financial hardship. After four years in Australia, this had improved to 31.5 per cent (see Figure 77, panel (b.)). The range of financial hardships experienced by in humanitarian migrants in 2014 and 2018 are shown in Figure 76, panel (a.). In 2014, *Unable to heat/cool home* (28.1%) was the most common financial hardship experienced by in humanitarian migrants, followed by *Could not pay bills on time* (19.8%).

Figure 77 Type and number of financial hardships experienced, 2014 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services, Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

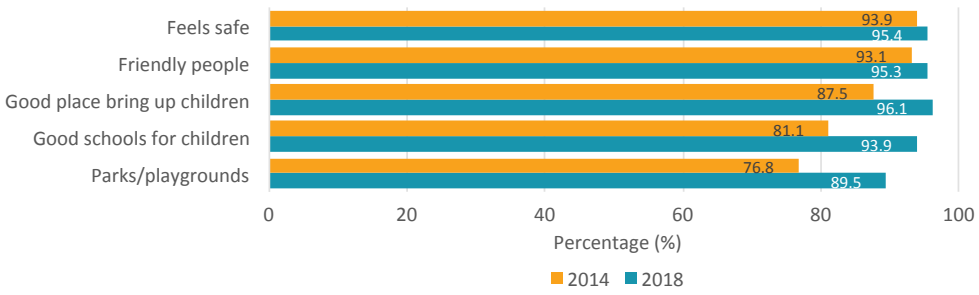
Between 2014 and 2018, the percentage of humanitarian migrants who experienced each of the different types of financial hardships decreased, except for *"Could not pay bills on time"*. Over the period, the percentage who *"Could not pay bills on time"* increased by 4.3 percentage points, from 19.8% to 24.1%. The largest decrease was in the percentage of humanitarian migrants who were *"Unable to heat/cool home"*, which decreased to 16.3 per cent in 2018: A declined of -11.7 percentage points over the period.

In their first year in Australia, 42.7% of humanitarian migrants experienced one or more types of financial hardship. The most common financial hardship experienced in their first year was *Unable to heat/cool home* (28.1%) followed by *could not pay bills on time* (19.8%).

Humanitarian migrants in the survey generally had a very good perceptions of the neighbourhoods in which they lived. In 2014, 93.9 per cent reported *feeling safe in their neighbourhood*, while 93.1 per cent felt that the *people in their neighbourhood were friendly*. These perceptions of *feeling safe and friendly people* in their neighbourhood had strengthened by 2018, increasing to 95.4 per cent and 95.3 per cent, respectively (see Figure 78).

In terms of bringing up children in Australia, the general perceptions of humanitarian migrants were that Australia was a good place to bring up children, with goods schools and access to parks and playgrounds. The percentage of humanitarian migrants who reported these perceptions all increased between 2014 and 2018, with a good place to bring up children increasing from 87.5 per cent to 96.1 per cent, goods schools for children increasing from 81.1 per cent to 96.1 per cent, and parks/playgrounds increasing from 76.8 per cent to 89.5 per cent.

Figure 78 Perceptions of neighbourhoods in which living, 2014 and 2018

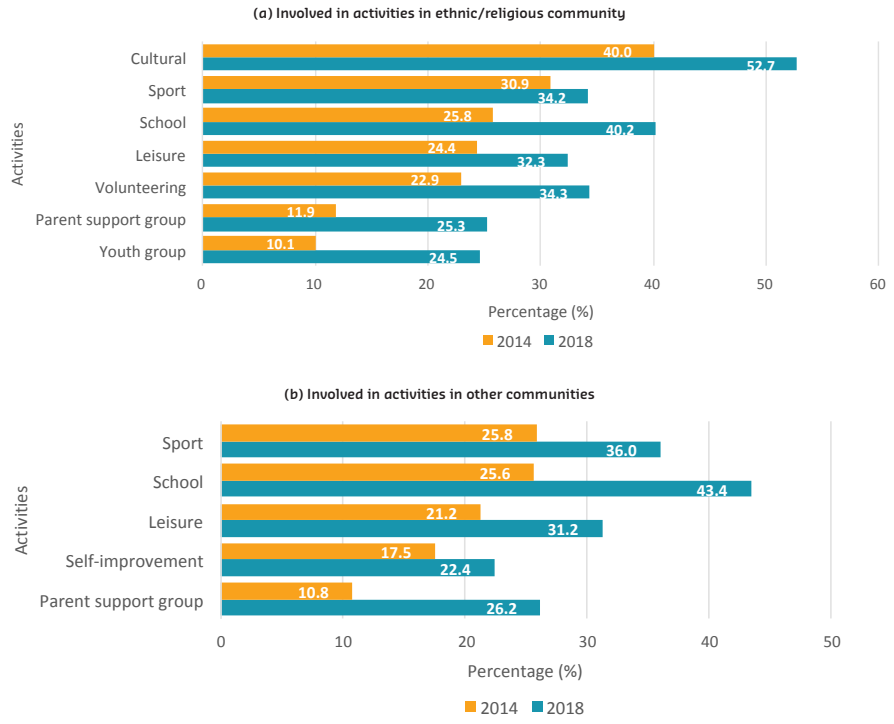


Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

Part of making any new country home is becoming involved in the local community. There are a number of community activities through which people can become involved in their local community, e.g. sport, volunteering, and leisure activities. Humanitarian migrants in the survey reported getting involved in a number of activities in their ethic/religious communities as well as activities in other community groups. Some of the common activities humanitarian migrants got involved in in their ethic/religious communities and other community groups were sport, school, and leisure.

Cultural activities were the most common activity humanitarian migrants got involved in in their ethnic/religious communities in 2014 (40.0%) and 2018 (52.7%). Sport (25.8%) was the most common activity humanitarian migrants got involved in in other community groups in 2014, but was surpassed by school activities (43.4%) in 2018. As can be seen from panels (a.) and (b.) in Figure 79, there was generally a substantial increase in the percentage of humanitarian migrants who got involved in community activities in their ethnic/religious and other communities between 2014 and 2018. For ethnic/religious community activities, the largest increase was in school activities which increased from 25.5 per cent in 2014 to 40.2 per cent in 2018. Involvement in school activities also saw the largest increase for activities in other communities, increasing from 25.6 per cent in 2014 to 43.4 per cent in 2018.

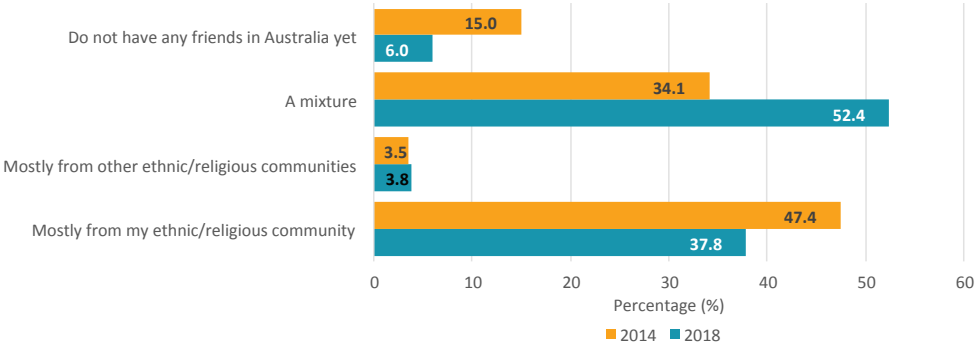
Figure 79 Humanitarian migrants involvement in community activities, 2014 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

Making friends is also an important part of settling into new country. *Don't know anyone* was one of the common factors the humanitarian migrants reported as making it hard to settle in Australia (see Figure 72). In their first year in Australia, 15.0 per cent of humanitarian migrants reported that they did not have any friends in Australia yet. However, by 2018 this had reduced to just 6.0 per cent. After four years in Australia, 52.4 per cent of humanitarian migrants reported having a mixture of friends from their own ethic/religious community and other ethic/religious communities; while 37.8 per cent reported having friends mostly from their own ethic/religious community.

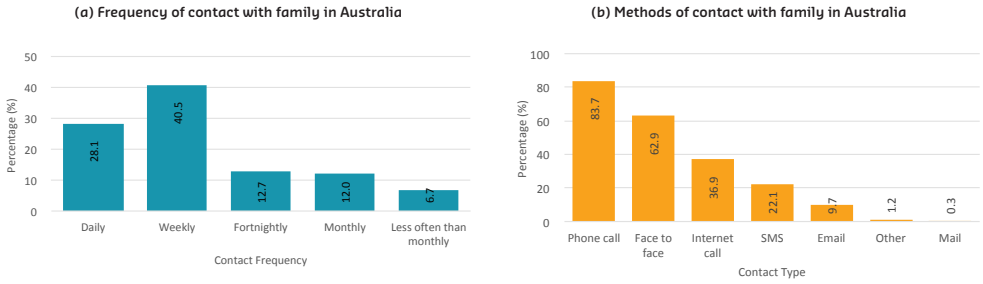
Figure 80 Have friends in Australia, 2014 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

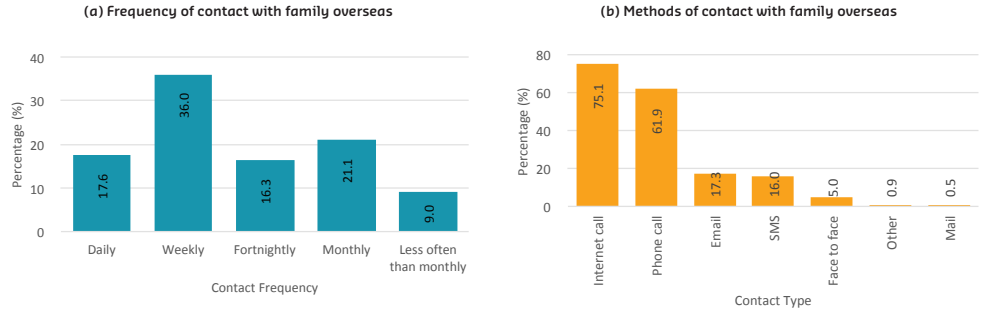
Staying in contact with family members is a very important part of most people's lives. So remaining in contact with family members who are overseas or located in other parts of Australia is essential for most people. Figure 81 and Figure 82 show the frequencies and methods of contacting family members in Australia and overseas for humanitarian migrants. For humanitarian migrants who were in contact with family members in Australia, 68.6 per cent made contact either daily or weekly. The most common methods of staying in contact with family members in Australia were by phone (83.7%), face-to-face (62.9%), and internet calls (36.9%). In respect to humanitarian migrants who were in contact with overseas family members, 53.6 per cent made contact either daily or weekly. The methods of staying in contact with overseas family members differed to that for family members in Australia, with internet calls (75.1%) being the most common, followed by phone (61.9%) and email (36.9%).

Figure 81 Contact with family in Australia, 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

Figure 82 Contact with family overseas, 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

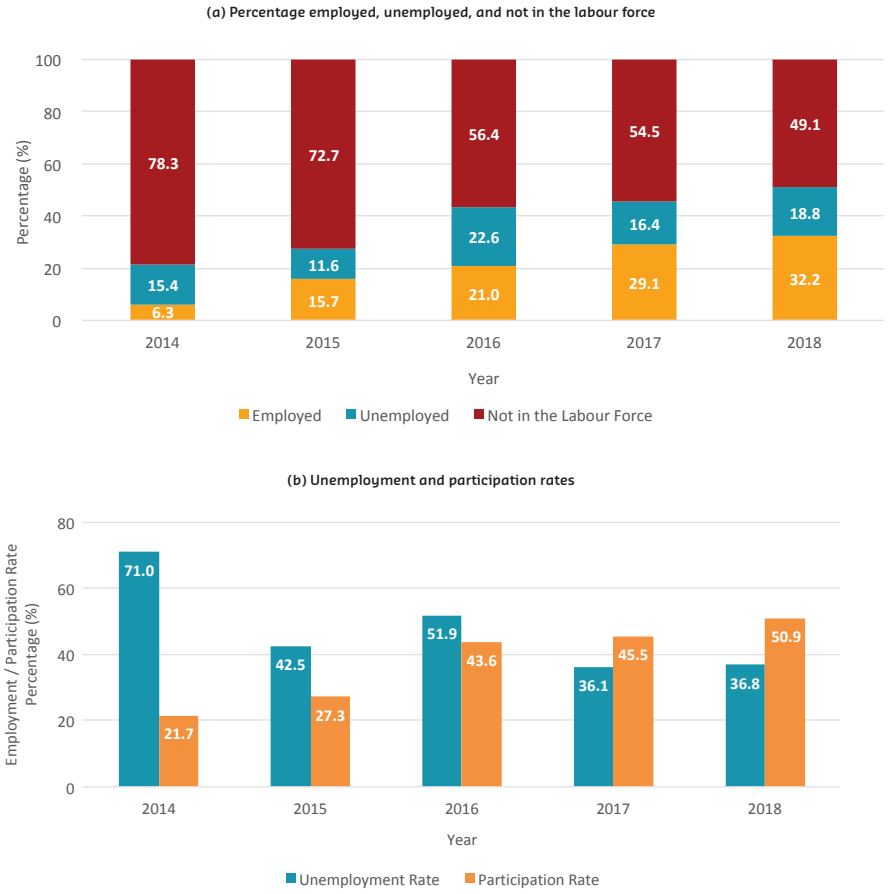
Finding a job and studying

In their first year in Australia, 21.7% of working aged humanitarian migrants (15 to 64 years of age) reported being in the labour force. This had increased to 50.9% by 2018. Of those in the labour force in 2014, only 29% reported being in paid work. However, by 2018 this had more than doubled to 63.2 %.

For any one moving to a new country, besides finding a home, employment is one of the other main initial issues that they need to resolve. In their first year in Australia, 21.7 per cent of working aged humanitarian migrants (15 to 64 years of age) reported being in the labour force. This had increased to 50.9 per cent by 2018. Of those in the labour force in 2014, only 29 per cent were reported being in paid work. However, by 2018 this had more than doubled to 63.2 per cent (see panel (b.) in Figure 83).

Panel (a.) in Figure 83 shows the percentage of working aged humanitarian migrants who were not in the labour force, unemployed, and employed between 2014 and 2018. In interpreting the data in this chart, it is important to note that the percentage of people employed and unemployed are not equal to the employment rate and unemployment rate for humanitarian migrants, respectively. From the chart it can be seen that over period between 2014 and 2018 there was a steady increase in the percentage on working aged humanitarian migrants who enter into the labour force.

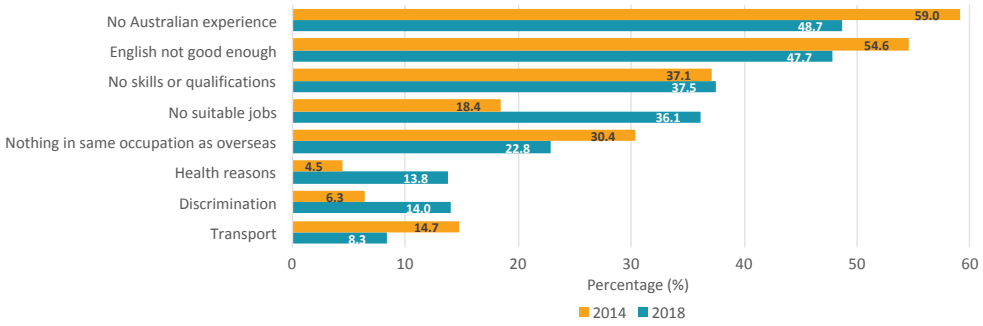
Figure 83 Humanitarian migrant labour force statistics, individuals aged 15 to 64, 2014 to 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

The low initial employment rate of 29.0 per cent for working aged humanitarian migrants in 2014 can be associated with a number of different reasons. Some of the main reasons reported by humanitarian migrants in 2014[12] as to why it was hard to get a job in Australia were *no Australian experience* (59.0%); *English not good enough* (54.6%); *no skills or qualifications* (37.1%); *nothing in the same occupation* (30.4%); and *no suitable jobs* (18.4%). As can be seen from Figure 84, the percentage of humanitarian migrants who reported, No Australian experience and English not good enough, as reasons why they found it hard to get a job decreased between 2014 and 2018. The decrease in the percentage of humanitarian migrants who reported *"English not good enough"*, as reason why they found it hard to get a job decreased from 54.6 per cent in 2014 to 47.8 per cent in 2018.

Figure 84 Reasons why hard to get a job, 2014 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

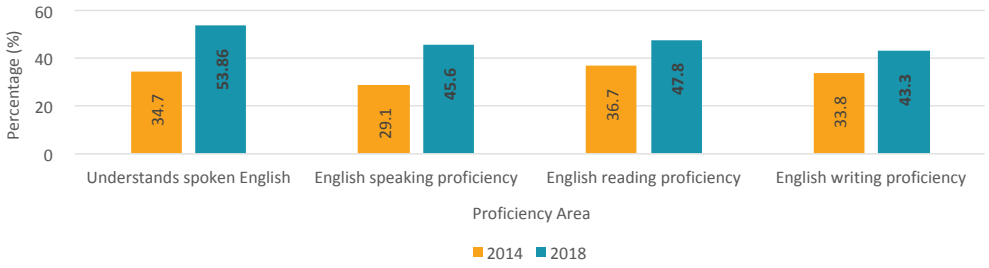
Some of the main reasons reported by humanitarian migrants as to why it was hard to get a job in their first year in Australia were *no Australian experience* (59.0%); *English not good enough* (54.6%); *no skills or qualifications* (37.1%); *nothing in the same occupation* (30.4%); and *no suitable jobs* (18.4%).

12 The total percentage for all reason why hard to get a job does not added up 100 per cent because respondents could provide more than one reason.

The language barrier was one of the most significant reasons that made it hard for humanitarian migrants to settle in Australia. The level of proficiency in understanding, speaking, writing, and reading English has an effect upon factors that also contribute to the easy with which people are able to settle in Australia. For example, it was one of the reasons given for why it was hard to find a job and finding housing.

As can be seen from Figure 85, around only 34% of humanitarian migrants understood, spoke, read, and wrote English well or very well on their initial arrival in Australia. However, by 2018 this had increase to around 48% across all four categories of English proficiency. This increase in the percentage of humanitarian migrants who understood, spoke, read, and wrote English well or very well aligns with the decrease in the percentage of humanitarian migrants who reported "*English not good enough",* as reason why they found it hard to get a job in Figure 84.

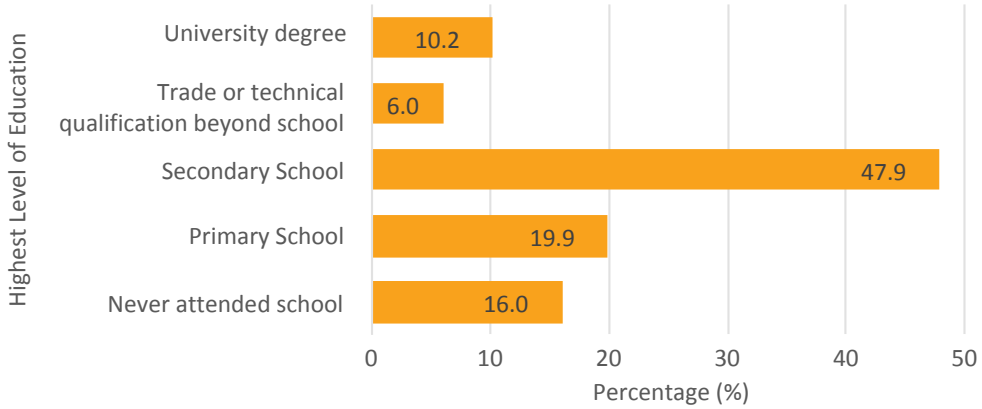
Figure 85 **Proficiency in understanding spoken, speaking, reading, and writing English, well or very well, 2014 and 2018**



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

When they first arrived in Australia, 54.3 per cent of humanitarian migrants reported that they only had nine or less years of schooling. Of the remaining balance, 18.6 per cent had twelve or more years of schooling; 6.0 per cent had a trade or technical qualification, and 10.2 per cent had a university degree (see Figure 86). The high proportion of humanitarian migrants with nine or less years of schooling may be a significant contributing factor to the 37.1 per cent of humanitarian migrants who reported that *No skills or qualifications* was one of the reasons why they found it hard to get a job in Australia in 2014. (see Figure 84).

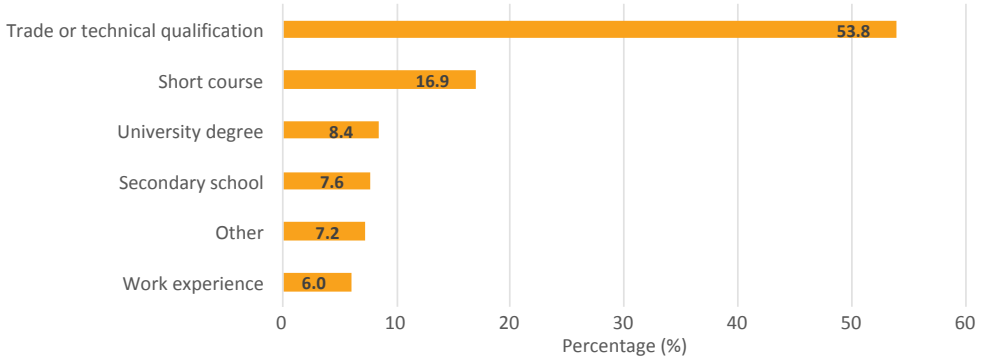
Figure 86 Highest completed level of education before arriving in Australia, 2013



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

Between 2014 and 2018, nearly 300 humanitarian migrants completed some form of study or job training in Australia. During this period, 8.4 per cent completed a University degree, 53.8 per cent completed a trade or technical qualification, and 7.6 per cent completed secondary school. In addition, 6.8 per cent engaged in some form of work experience, 16.9 per cent completed a short course, and the remaining 7.6 per cent completed other types of study (see Figure 87).

Figure 87 Study or job training completed post arrival in Australia, between 2014 and 2018



Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

Humanitarian migrants who work in a different occupation in Australia compared to that to which they worked in prior to arriving in Australia are defined as being occupationally mismatched. An occupational mismatch is defined as occurring where there is a difference in a person's level of education, skills, and competencies compared to those required by their current job. A mismatch can be vertical or horizontal. A vertical mismatch occurs where the skill level of an individual is not the one required for their current job. A horizontal mismatch occurs where an individual's skill level is of the correct level for the job, but their skills set does not match that required for the job (Maheteau *et al*, yyyy).

The Australian Bureau of Statistics (ABS) assigns a skill level, ranging between one and five[13], to each occupation in Australia[14]. One being the highest skill level and five being the lowest skill level. To examine the occupational skills (vertical) mismatch of humanitarian migrants, the average skill level for each major group ANZSCO occupation (as shown in Figure 88) is estimated based on the skill level attributed to each ANZSCO occupation by the ABS.

If an individual works in an occupation which is below their level of education, skills, and competencies they are defined as being overeducated and over skilled for that occupation. Conversely, if an individual works in an occupation which is above their level of education, skills, and competencies they are defined as being undereducated and under skilled for that occupation. Furthermore, if a worker is in an occupation in which their level of education, skills, and competencies match those required for that occupation, they are defined as being matched.

Figure 88 shows the occupations pre and post arrival in Australia for humanitarian migrant who were in paid work in 2018. The analysis includes humanitarian migrants who have completed further study since arriving in Australia. It shows that humanitarian migrants who worked as technician\trades person prior to arriving in Australia have the lowest level of occupational skills mismatch (38.9%). Conversely, humanitarian migrants who worked in the field of sales person prior to arriving in Australia had the worse level of occupational skills mismatch (93.7%).

13 Skill level 1 is commensurate with a bachelor degree or higher qualification; skill level 2 is commensurate with an associate degree; advance diploma or diploma; skill level 3 is commensurate with a certificate IV or certificate III including at least two years on-the-job training; skill level 4 is commensurate with a certificate II or III; and skill 5 is commensurate with a certificate I (ABS, 2005).
14 See ABS Cat. 1220.0 Table 5 for the ABS's ANZSCO occupation/skill level concordance.

Figure 88 Occupations pre and post arrival in Australia, 2018

Occupation Pre-Arrival in Australia - (Average Skill Level)	Occupation Post Arrival in Australia - (Average Skill Level)										
	Manager (1)	Professional (1)	Technicians / Trade (3)	Community / Personal Services (3)	Clerical and Adminstration Workers (4)	Sales (4)	Machine Operators (4)	Labourers (5)	Matched (%)	Over Skilled (%)	Under Skilled (%)
Manager (1)	11.2%	2.7%	24.2%	14.6%	0.4%	6.2%	8.5%	32.3%	13.8%	86.2%	0.0%
Professional (1)	9.4%	13.2%	18.9%	24.5%	9.4%	3.8%	7.5%	13.2%	22.6%	77.4%	0.0%
Technicians / Trade (3)	7.4%	0.9%	55.6%	5.6%	0.9%	2.8%	5.6%	21.3%	61.1%	30.6%	8.3%
Community / Personal Services (3)	12.0%	4.0%	24.0%	12.0%	4.0%	0.0%	8.0%	36.0%	36.0%	48.0%	16.0%
Clerical and Adminstration Workers (4)	0.0%	12.5%	25.0%	25.0%	0.0%	0.0%	25.0%	12.5%	25.0%	12.5%	62.5%
Sales (4)	6.3%	0.0%	37.5%	6.3%	0.0%	6.3%	0.0%	43.8%	6.3%	43.8%	50.0%
Machine Operators (4)	8.3%	0.0%	41.7%	0.0%	0.0%	4.2%	20.8%	25.0%	25.0%	25.0%	50.0%
Labourers (5)	8.0%	2.0%	30.0%	6.0%	2.0%	2.0%	20.0%	30.0%	30.0%	0.0%	70.0%

Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

In order to determine the effect of further study completed after arriving in Australia on occupational skills mismatch, the humanitarian migrants who were in paid work in 2018, were divided into two groups: those who had not completed further study since arriving in Australia; and those who had completed a university degree or a trade or technical qualification since arriving in Australia. Figure 89 shows the occupations pre and post arrival in Australia for humanitarian migrant who were in paid work in 2018 and had completed a university degree or a trade or technical qualification since arriving in Australia, and Figure 90 shows the occupations pre and post arrival in Australia for humanitarian migrant who were in paid work in 2018 but had not completed any further study since arriving in Australia.

For humanitarian migrants who completed a university degree or a trade or technical qualification since arriving in Australia and were employed in 2018, those who had worked as technician\ trades persons prior to arriving in Australia had no occupational skill level mismatch (0%). While those who worked in sales or as clerical and administrative workers prior to arriving in Australia had the highest level of occupational skill level mismatch (100%).

For humanitarian migrants who had completed a university degree or a trade or technical qualification since arriving, those who had worked as technician\trades person prior to arriving in Australia had no occupational skills mismatch (0%). While those who worked in sales or as clerical and administrative workers had the highest level of occupational skills mismatch (100%). Similarly for humanitarian migrants who had not completed any further study since arriving in Australia, those who had worked as a technician\trades person prior to arriving in Australia had the lowest level of occupational skills mismatch (40.6%) and those who worked in the field of sales had the highest level of occupational skills mismatch (92.3%).

Figure 89 Occupation pre and post arrival in Australia, further study post arrival in Australia, 2018

	Occupation Post Arrival in Australia - (Average Skill Level)										
Occupation Pre-Arrival in Australia - (Average Skill Level)	Manager (1)	Professional (1)	Technicians / Trade (3)	Community / Personal Services (3)	Clerical and Adminstration Workers (4)	Sales (4)	Machine Operators (4)	Labourers (5)	Matched (%)	Over Skilled (%)	Under Skilled (%)
Manager (1)	9.4%	9.4%	18.8%	25.0%	0.0%	6.3%	12.5%	18.8%	18.8%	81.3%	0.0%
Professional (1)	4.8%	14.3%	23.8%	38.1%	14.3%	4.8%	0.0%	0.0%	19.0%	81.0%	0.0%
Technicians / Trade (3)	0.0%	0.0%	87.5%	12.5%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Community / Personal Services (3)	33.3%	0.0%	0.0%	33.3%	0.0%	0.0%	0.0%	33.3%	33.3%	33.3%	33.3%
Clerical and Adminstration Workers (4)	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Sales (4)	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%	0.0%	50.0%	50.0%
Labourers (5)	0.0%	0.0%	33.3%	33.3%	0.0%	0.0%	0.0%	33.3%	33.3%	0.0%	66.7%

Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

Figure 90 Occupation pre and post arrival in Australia, no further study post arrival in Australia, 2018

Occupation Pre-Arrival in Australia - (Average Skill Level)	Occupation Post Arrival in Australia - (Average Skill Level)										
	Manager (1)	Professional (1)	Technicians / Trade (3)	Community / Personal Services (3)	Clerical and Adminstration Workers (4)	Sales (4)	Machine Operators (4)	Labourers (5)	Matched (%)	Over Skilled (%)	Under Skilled (%)
Manager (1)	11.2%	1.9%	25.1%	12.6%	0.5%	6.5%	7.4%	34.9%	13.0%	87.0%	0.0%
Professional (1)	10.7%	7.1%	21.4%	14.3%	7.1%	3.6%	10.7%	25.0%	17.9%	82.1%	0.0%
Technicians / Trade (3)	7.3%	1.0%	54.2%	5.2%	1.0%	3.1%	6.3%	21.9%	59.4%	32.3%	8.3%
Community / Personal Services (3)	9.5%	4.8%	28.6%	9.5%	4.8%	0.0%	4.8%	38.1%	38.1%	47.6%	14.3%
Clerical and Adminstration Workers (4)	0.0%	14.3%	14.3%	28.6%	0.0%	0.0%	28.6%	14.3%	28.6%	14.3%	57.1%
Sales (4)	7.7%	0.0%	38.5%	0.0%	0.0%	7.7%	0.0%	46.2%	7.7%	46.2%	46.2%
Machine Operators (4)	8.7%	0.0%	43.5%	0.0%	0.0%	4.3%	21.7%	21.7%	21.7%	21.7%	56.5%
Labourers (5)	8.5%	2.1%	29.8%	4.3%	2.1%	2.1%	21.3%	29.8%	29.8%	0.0%	70.2%

Source: Bankwest Curtin Economics Centre | Author's calculations from the Department of Social Services. Australian Institute of Family Studies, Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, Release 5.0, 2019.

There is evidence to suggest that one of the consequences of occupational mismatch for overeducated and over skilled workers is that they earn less than their well-matched equally qualified counterparts and similarly undereducated and under skilled workers also earn less than well-matched individuals doing the same job (Quintini, 2011).

For humanitarian migrants who had not completed any further study since arriving in Australia and were employed in 2018, those who had worked as technician\ trades persons prior to arriving in Australia had the lowest level of occupational skill level mismatch (40.6%) and those who worked in the field of sales prior to arriving in Australia had the highest level of occupational skill level mismatch (92.3%).

Conclusion

This chapter has focused on a number of aspects of humanitarian migration in Australia. A number of important findings emerged from the analysis of the Building a New Life in Australia (BNLA) survey data. In terms of settling in Australia, it was found that a number of factors helped or made it hard for humanitarian migrants to settle in Australia. The most common reason given by humanitarian migrants, which helped them settle in Australia, was *feeling safe* (76.8%). Some of the other main reasons that helped humanitarian migrants settle in Australia were *having family in Australia* (50.7%), *feeling welcome* (47.3%), *living conditions* (43.7%), and *school opportunities for their kids* (41.6%). The most common reason given that made it hard for humanitarian migrants to settle in Australia was *the language barrier* (64.3%). The second most common reason was *worrying about family and friends who remain overseas* (49.9%). Other reasons included *lack of employment* (27.1%); *financial problems* (26.6%); and *housing problems* (20.6%).

In relation to finding a home, it was found that 80 per cent of humanitarian migrants reported that it was hard or very hard to find housing when they first arrived in Australia. Some of the main reasons given as to why it was hard to finding housing were cost (57.7%), language difficulties (54.9%), no references or rental history (52.9%), and unaffordable in desired area (39.6%). Other reasons that made it hard or very hard to find housing included size (22.1%) and aspects of the process (20.6%). Of the humanitarian migrants who moved house in 2018, 61 per cent still reported that it was hard or very hard to find housing, with cost (63.2%) still remaining the most common reason why it was hard to find housing. Notably, the percentage of humanitarian migrants who reported language difficulties (22.5%), no references or rental history (20.6%), and aspects of the process (12.6%) as reasons all declined between 2014 and 2018.

Lack of employment was another issue that made it hard for humanitarian migrants to settle in Australia. Of those in the labour force, in their first year in Australia, only 29 per cent of humanitarian migrants reported being in paid work. A number of reasons were reported by humanitarian migrants as to why it was hard to find employment in their first year in Australia. The most common reasons were no Australian experience (59.0%); English not good enough (54.6%); no skills or qualifications (37.1%); nothing in the same occupation (30.4%); and no suitable jobs (18.4%).

Summary

and discussion

Summary and discussion

For this seventh report in the BCEC's Focus on the States series, we focus attention on the critical topic of immigration, one of the most important economic and social issues of our time – not just in Australia, but globally.

Migrants now account over a quarter of Australia's population, and the rapid growth in the migrant share has led to intense debates over the impact that immigrants have had, or will have, on various aspects of life in Australia, on labour market outcomes both of migrants and of native-born Australians, and as a contributor to the country's economic trajectory.

We believe our report contributes to a better understanding of immigration and its effects in Australia in a number of important ways:

- First, we provide new evidence on how the profile of immigration has evolved over the recent years, and on the locations where different types of immigrants are likely to settle.
- Second, we revisit the issue of immigrants' impact on the labour market and offer fresh insights on how the density of immigrants in different occupations and industries affects the wages of native-born Australians.
- Third, we explore the extent to which the education and skills of different groups of immigrants are aligned with the jobs they perform and how better matching could benefit the economy.
- Fourth, we study whether and to which extent bias against different minority groups is present in the Australian society and we also provide an assessment of multiculturalism and its implications for the well-beling of the immigrant population.
- Fifth, we take a comparative look at Australia's role in supporting the world's displaced populations and follow the journey of humanitarian migrants in adjusting to the life in Australia.

Our findings offer a number of novel and important insights on the contributions that immigrants make to Australia's social and economic development. The report highlights specific actions both to improve migrants' situations in Australia, to capitalise on the skills and talents of our migrant workforce, and to benefit from the diversity that immigration brings to our societies and communities.

Where do immigrants settle?

Where migrants settle, and the influence that visa policies have in shaping migrants' location choices, is a source of keen interest for policy makers at both state and Federal level.

An examination of location choices of migrants, both overall and by specific visa classes, reveals a number of 'take homes'. The first is the clear contrast that remains between the high concentrations of migrants in Australia's urban centres and the far lower migrant shares in most regional areas of the country, particularly in Sydney's Western suburbs around Parramatta, Auburn and Cabramatta; to the east of Melbourne around Glen Waverley, Doncaster and Ringwood; and Joondalup, Mirrabooka and Canning Vale to the north, north east and south east of Perth respectively.

The assessment for points-based visas include a 5 point credit for those studying in areas designated by the Federal Department of Home Affairs to be postcodes of regional Australia or low population growth metropolitan areas.

The recent announcement that Perth and the Gold Coast will return to a regional city designation should incentivise more skilled migrants and international students to locate to these cities, particularly through the points-based visa streams where living and working in these designated areas for at least three years will create an eligibility for permanent residency.

What are the labour market impacts of immigration?

Migrants are found to be concentrated in high-skilled jobs with over half of the points-based visa migrants and 46 per cent of employer-sponsored migrants employed as professionals or managers. Indeed, there has been an increase over the past years in the shares of skilled migrants working across many occupations and industries. This has given rise to a fairly regularly articulated view that the growing shares of migrant workers moving into Australia has a negative impact on the labour market outcomes of native-born workers.

So what evidence exists either to justify or to allay such a concern?

In this latest Focus on the States report, we find that that the increase in concentration of migrant workers across occupation and industries has contributed to an increase in the wages of native-born workers, in spite of what some voices have suggested. Specifically, a one percentage point increase in the share of migrant workers leads to an increase of 2.4 percentage points in the wages of native-born workers. Importantly, this finding aligns with other evidence from the report's authors, as well as a growing body of corroborating evidence from other research and policy agencies.

Rather than the idea that migrant workers drive down wages, our findings suggest that the skills of the migrant workforce are driving gains in productivity and innovation across industries in Australia, leading to positive spillovers in the labour market outcomes of native-born workers.

Public sentiments do feed into the design of immigration policies that regulate the size and the shape of immigration. Thus, the negative perceptions on the labour market impact of immigrants can be costly, especially given that, as our results suggests, native-born workers actually benefit from their presence. The report therefore highlights the need for evidence-based information campaigns to shape the public awareness on the economic benefits of immigration.

Matching skills to jobs

Australia's immigrant population is comparatively high-skilled and well-educated. However, this stock of human capital is not utilised as effectively as it could be. A significant proportion of immigrants from non English-speaking countries are not perfectly matched to their current jobs. Many are over-educated relative to their job's requirements. Not only is this a sub-optimal outcome for these individuals and one that affects their earnings and potentially performance and wellbeing; it is also likely associated with a significant loss to the economy.

Our results highlight the need for the stringent testing of immigrants to be accompanied by improved transferability of the skills acquired overseas. Policies to improve transferability could fall into several types. First, transferability could be increased by promoting occupationally-oriented English learning opportunities and opportunities for occupational retraining. Second, reducing the barriers to acceptance of recognised overseas credentials by Australian employers should be a priority. This would include campaigns to encourage employers to recognize and appreciate skills acquired abroad. One example of a successful initiative in this area is the WA-based Kaleidoscope program which raises employer awareness of the benefits of a diverse workforce and helps immigrants to obtain employment in their field of expertise through mentoring.

Bias and multiculturalism

Many forms of anti-immigrant bias are prevalent in Australian society. Asylum seekers, Muslim Australians and African Australians are among the groups that are particularly unfavourably perceived. Nevertheless, there has been a positive turn in attitudes towards different minority groups, particularly among younger generations. Around two-thirds of Gen Y's reported having a favourable attitude towards Muslim Australians compared to only 45 percent of Baby Boomers and 29 percent of our oldest generation – builders born prior to 1945. Based on a case study of Muslim Australians, our results suggest that information concerning the religion, exposure to people belonging to it, and perceived closeness of one's own religion to Islam mitigate unfavourable attitudes towards Muslims. How different are immigrants in their commitment to Australian society and its values? This report shows that a large share of foreign-born Australians do feel Australian, share our values, speak our language and take pride in our country. Despite this, it is still important for migrants to preserve some of their primary cultural identity to ensure their social wellbeing, although 70 percent of native-born Australians oppose government help for ethnic minorities to maintain their traditions.

Our results imply that providing support for ethnic communities to preserve their culture and traditions will enhance their wellbeing. But it is important that awareness on different cultures and traditions is shared widely in the population and especially among the native-born Australians, since this can serve to mitigate the bias they may be holding against certain groups. Opportunities for inter-ethnic engagement through multicultural festival and events are likely to increase mutual familiarity among different cultures and reduce the bias further. Raising evidence-based awareness on the benefits of immigration is likely to yield further benefits in this area.

Humanitarian migrants

Are we doing enough in meeting the needs of the worlds' displaced populations? Not nearly as much as many other developed and developing countries do. Australia takes in a very small share of refugees relative to their population each year, with 2.3 refugees per 1,000 Australians on latest figures. This compares to the 24.4 per 1,000 in Sweden and 12.8 per 1,000 in Germany. Humanitarian refugees are coming to Australia having experienced terrible persecution and trauma. More than 58 percent have experienced war or conflict and one in two political or religious persecution. Our results also suggest, however, that those who are in this country feel safe and can see their socio-economic outcomes improve over the years. Yet, there are things that make it hard for humanitarian migrants to settle in Australia, including language barriers, financial problems, lack of employment and social connections, among others.

Several types of policy interventions could be productive in this area:

- There is the need to raise awareness about the nature of humanitarian migration and on our duties as a party to international conventions relating to refugees and human rights in order to create an envoironment that is more supportive.
- Providing employers with an incentive to employ humanitarian migrants for an initial period of time would facilitate humanitarian migrants gaining Australian work experience when they first arrived in Australia and eventually landing on a job.
- Training in language and culture, professional bridging courses and mentoring to help with settling in Australia could further remove some of the challenges faced by humanitarian migrants.

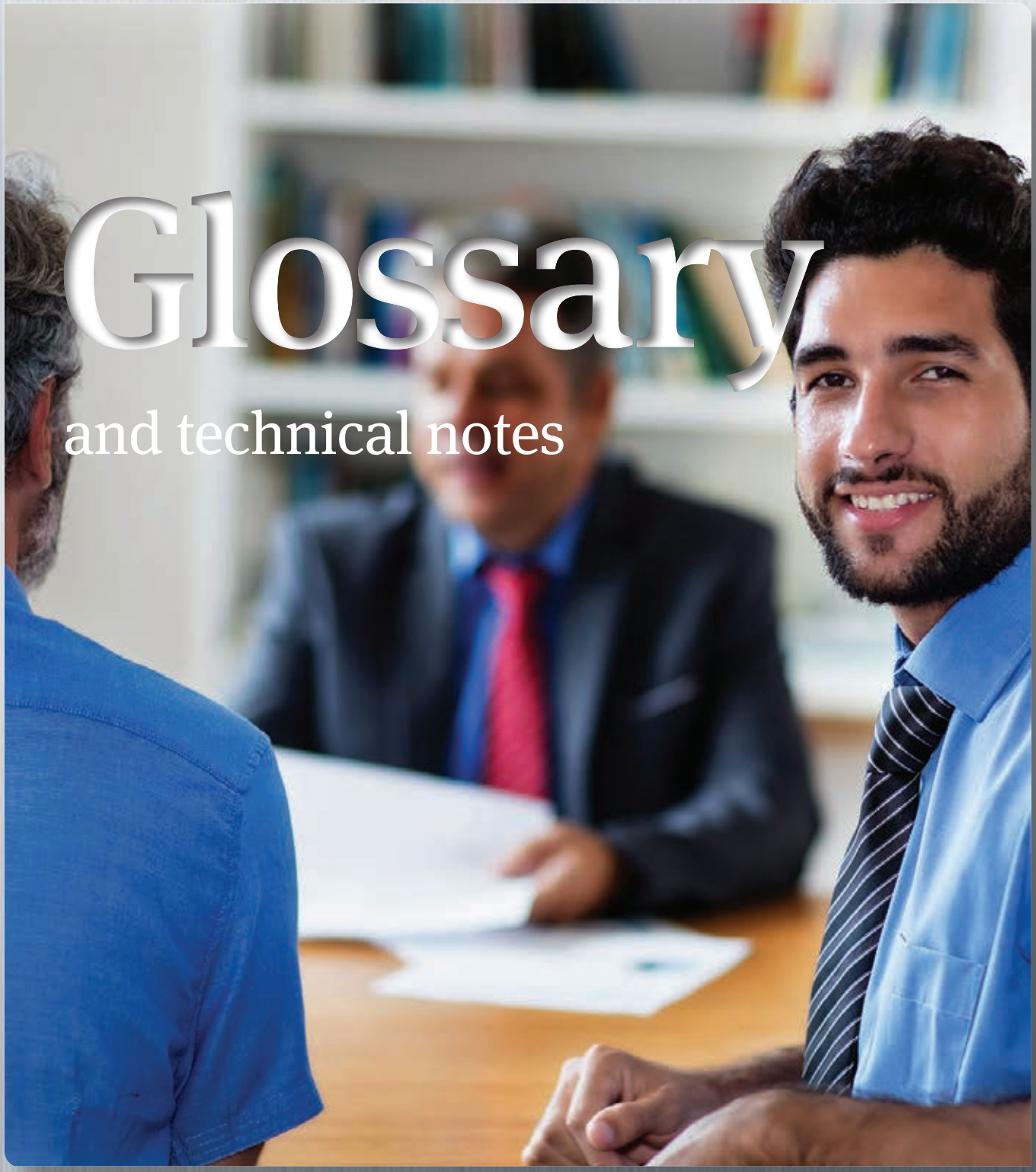
Table 12 Selected wage equations, dependent variable = log of hourly wage, random effects, HILDA Waves 1 to 17 (2001 to 2017)

	All workers		All workers		All workers		Australian born		Migrant – MES country		Migrant - other	
	β		β		β		β		β		β	
Constant	1.511	***	1.488	***	1.487	***	1.128	***	1.328	***	1.349	***
Wave (1-17)	0.012	***	0.012	***	0.012	***	0.01	***	0.011	***	0.009	***
Male	0.113	***	0.114	***	0.114	***	0.128	***	0.165	***	0.112	***
Age (years)	0.033	***	0.034	***	0.034	***	0.035	***	0.013	**	0.017	***
Age squared	0.000	***	0.000	***	0	***	0	***	0	***	0	***
Marital status:	—		—		—		—		—		—	
Married												
Never married	-0.068	***	-0.068	***	-0.068	***	-0.066	***	-0.046	***	-0.067	***
Separated	-0.027	***	-0.027	***	-0.028	***	-0.024	***	-0.031	**	-0.036	**
Has a disability	-0.011	***	-0.012	***	-0.012	***	-0.014	***	-0.01		0.004	
Works part-time	0.062	***	0.062	***	0.062	***	0.072	***	0.079	***	0.061	***
Work experience (years)	0.021	***	0.020	***	0.020	***	0.019	***	0.029	***	0.021	***
Work exp squared	-0.127	***	-0.117	***	-0.115	***	-0.087	***	-0.242	***	-0.227	***
Actual years of education	0.066	***	0.0660	***	0.0660	***						
ORU variables (years)							0.097	***	0.108	***	0.102	***
Required education												
Over-education							0.043	***	0.069	***	0.038	***
Under-education							-0.061	***	-0.062	***	-0.047	***
Migrant status			—		—							
Australian born												
Migrant – born MES			0.032	***	0.032	***						
Migrant - other			-0.055	***	-0.039	***						
NESB & English good					-0.015	**						
NESB & English poor					-0.124	***						
R-squared	0.30		0.30		0.30		0.34		0.29		0.27	
Wald chi-square	28152	***	28263	***	28327	***	26100	***	1933	***	2337	***
Observations	109,990		109,990		109,990		88,922		9,504		11,551	
Individuals	19,476		19,476		19,476		15,546		1,704		2,224	

Notes: ***, ** and * denote the estimate is significantly different from zero at the 1, 5 and 10 per cent level, respectively.

Glossary

and technical notes



Glossary and technical notes

Australian Survey of Social Attitudes

The Australian Survey of Social Attitudes (AuSSA) is Australia's main source of data for the scientific study of the social attitudes, beliefs and opinions of Australians, how they change over time, and how they compare with other societies. AuSSA focuses on a special topic each year, repeating that topic from time to time.

Employment rate

The number of employed persons expressed as a percentage of the civilian population in the same group.

Gross Domestic Product (GDP)

Gross Domestic Product (GDP) is an economic indicator of the value of a country's total output, calculated as the sum of the following measures: consumption expenditures; business investment; government spending; and net exports (defined as exports minus imports).

HILDA survey

The Household, Income and Labour Dynamics in Australia is a household-based panel study which began in 2001. It tracks information on economic and subjective well-being of the respondents along with family and labour market dynamics.

Islamic Literacy

Islamic Literacy is a measure of basic familiarity on Islam, ranging from 0-5, based on the number of correct responses to the following multiple choice 5 questions:

- What is the main religious text for Muslims, like the Bible for Christians?
  - Sunnah
  - Torah
  - Qur'an
  - Sharia
  - Don't know
- What does the word Ramadan indicate?
  - A traditional Muslim food
  - A Muslim community festival
  - A month when Muslims fast
  - A type of Islamic prayer
  - Don't know
- Is Jesus a revered Prophet in Islam?
  - Yes
  - No
  - Only for some Muslims
  - Don't know

- Is Islam an Abrahamic religiou as Judaism and Christianity are?
  - Yes
  - No
  - All Abrahamic religions are no longer relevant
  - Don't know
- Are the majority of Muslims Shia, Sufi or Sunni?
  - Shia
  - Sufi
  - Sunni
  - None of the above
  - Don't know

Labour force participation rate

The labour force participation rate is defined as the proportion of the population aged 15 years and over that is in the labour force, i.e. either employed or looking for work.

Percentiles

A percentile is a measure indicating the value below which a given percentage of observations in a group of observations fall. For example, the 20th percentile is the value (or score) below which 20 per cent of the observations may be found.

Required education

For the purposes of the ORU model, the required (or mean) level of education for each of the 51 occupations at the ANZSCO 2-digit level is defined using census data. Average years of education of workers in each occupation is based on the average years of schooling plus an inferred assignment of years of education for post-school qualifications: 0.5 years of education for a certificate I/II; 1 year for a Certificate III/IV; 1.5 years for a diploma; 2 years for an associate degree or advanced diploma; 3.5 years for a bachelor degree; 4 years for a graduate certificate or graduate diploma; 5.5 years for a master's degree; 8 years for a doctorate. The mean years of education of workers in each occupation was calculated for the 2006, 2011 and 2016 from the respective Census of that year; by linear interpolation for the intervening years; by extrapolation of the 2006-2011 linear trend by occupation for the years 2001-2005; and extrapolation of the 2011-2016 liner trend for 2017.

Satisfaction Classifications

Life satisfaction is a subjective measure of wellbeing. Survey respondents within HILDA are asked to rate their satisfaction levels with their job overall and certain aspects of their job on a scale of 0 to 10. Zero being totally dissatisfied and 10 being totally dissatisfied.

Distributional analysis was conducted to then classify responses into four categories as follows:

- 0 – 3: Dissatisfied
- 4-6: Not so satisfied
- 7-8: Satisfied
- 9-10: Very satisfied

Underemployment

Refers to the situation where employed persons who prefer and are available to work more hours than they currently do.

Unemployment rate

The unemployment rate is the proportion of the labour force that is unemployed.

Wage Price Index

The Wage Price Index measures quarterly changes in the price of wages. Changes in rates of pay arise from various sources including award variations, enterprise and workplace agreements, minimum wage setting, individual contracts and informal arrangements.

World Values Surveys (WVS)

The World Values Surveys is a collection of nationally representative surveys conducted in almost 100 countries which started in 1981. It is one of the largest cross-national, time series investigation of human beliefs and values, currently including interviews with almost 400,000 respondents.

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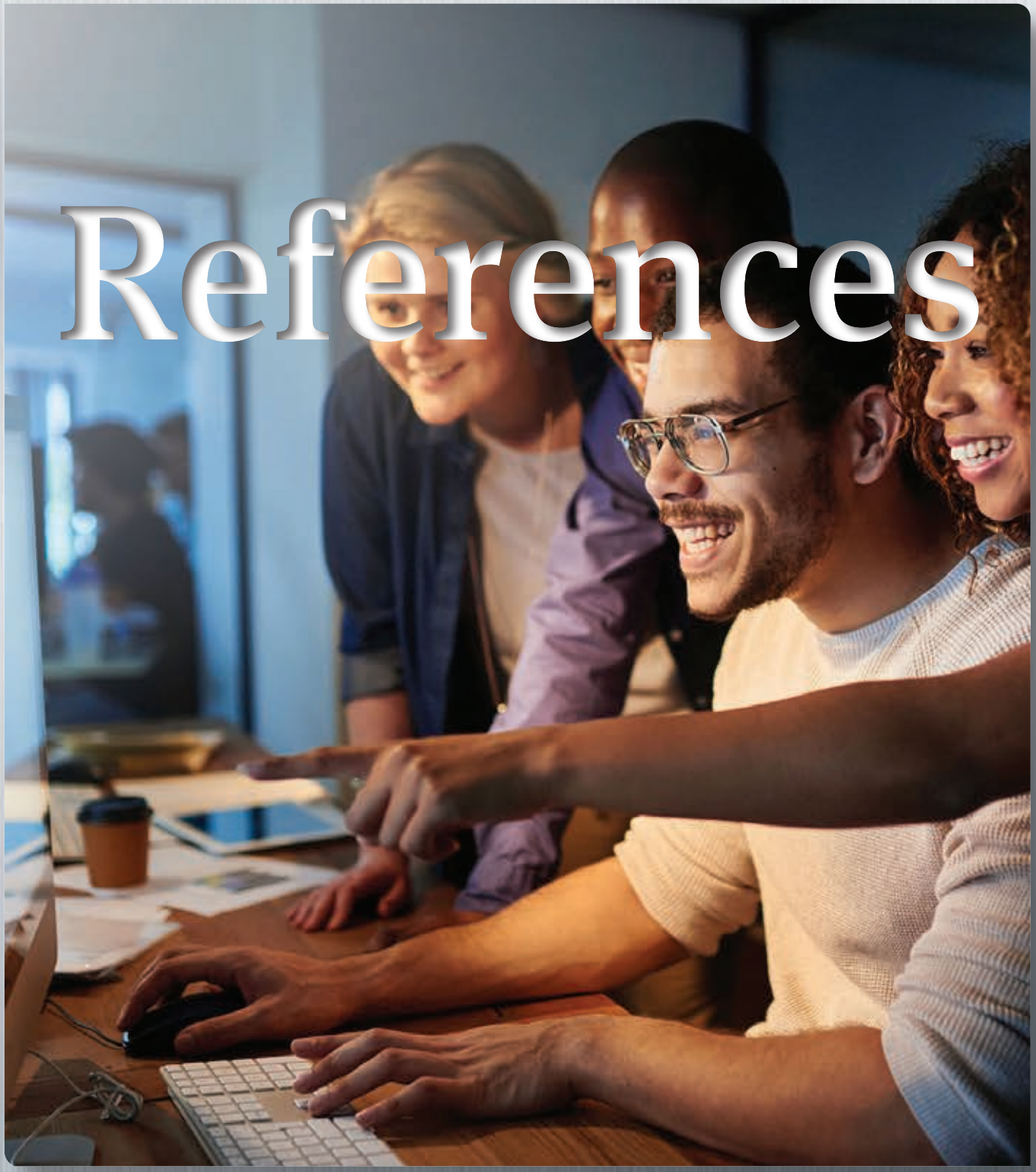

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Contact

Bankwest Curtin Economics Centre
Tel: +61 8 9266 2873
Email: bcec@curtin.edu.au

bcec.edu.au