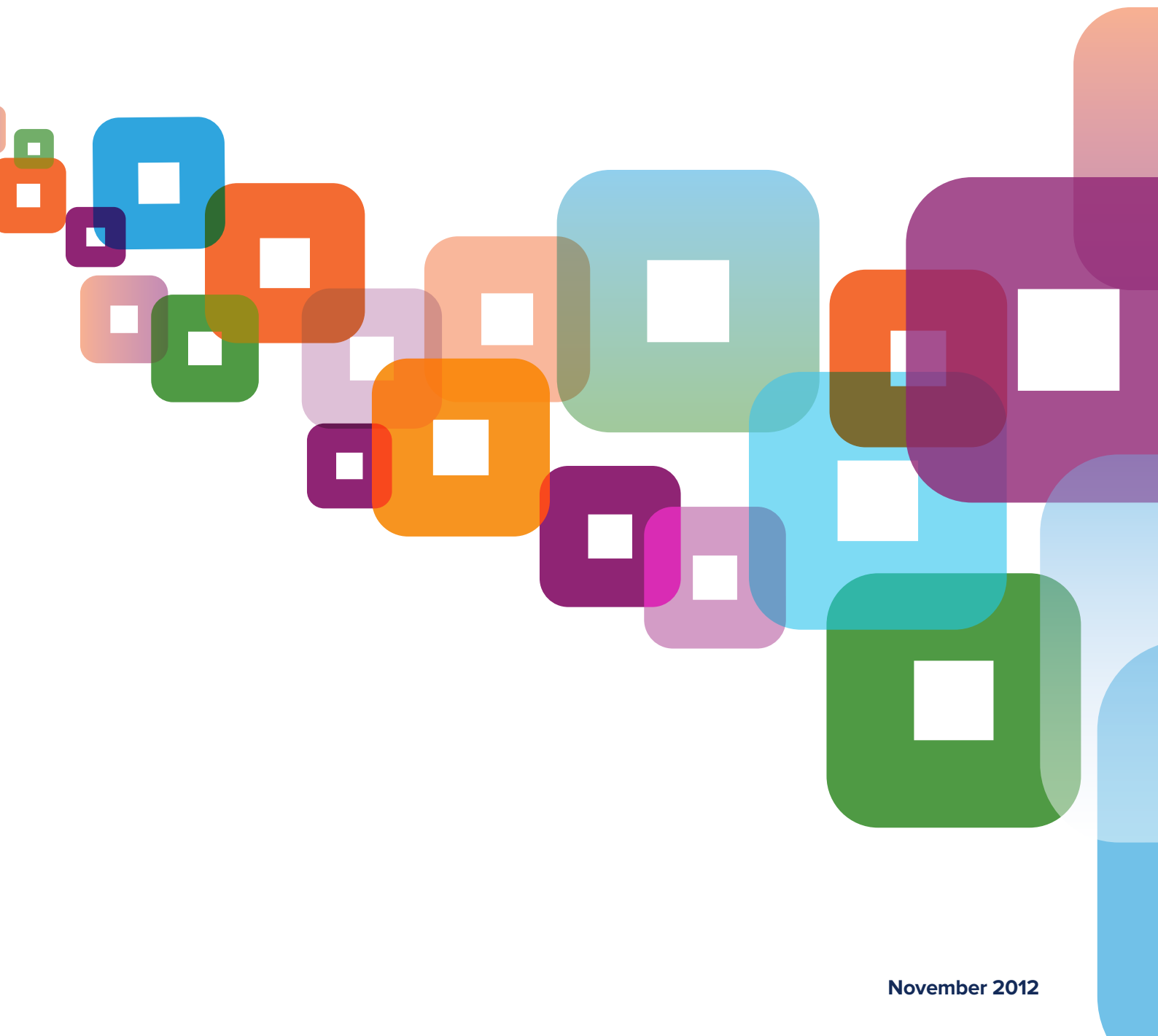




Government of **Western Australia**
Department of **Local Government**
Office of **Multicultural Interests**

The Economic and Social Contribution of Migrants to Western Australia



November 2012



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The NSW Community Relations Commission report, *The economic advantages of cultural diversity in Australia*, was released in October last year. That report was based on a literature review by Professor John Nieuwenhuysen and Professor Des Storer. This report is also based on work by Professor Storer commissioned by the Office of Multicultural Interests. As a result, some aspects of the report (particularly figures and tables) are also found in the NSW report. As the information is publicly available in various formats, the NSW Community Relations Commission does not consider this to be a breach of its copyright.



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Minister's message

I believe the majority of West Australians are very proud of our State and what has been achieved to date. We have a relatively strong economy, we live in a safe place, we socialise with respect and understanding and we have significant opportunities for current and future residents to aspire to.

Western Australia could not have achieved what we have today without the contribution of migrants, initially as early settlers in the nineteenth century, as nation builders in the twentieth century and more recently as skilled workers.

The contribution of migrants over many decades can be observed in names, buildings and places and is experienced in understated ways, such as how each of us may be influenced by tastes, style and entertainment. Today all West Australians benefit by having a culturally diverse community in which to live.

According to the 2011 Census, our State has the highest proportion of migrants in its resident population, with 31 per cent born overseas, compared with the Australian average of 27 per cent. Western Australia also has the fastest growing population of all the states and territories with 60 per cent of the increase coming from overseas migration.

The contribution that all migrants, whether on skilled, business or humanitarian visas, have made to the economic, social and cultural development of Western Australia is reflected upon in this summary. It considers the impact of contemporary migration on Western



Australia and the potential dividends to be gained from the State's multicultural population as it increases its investment, skills and cultural connectivity to the Pacific and Indian Ocean Rim countries, Asia and the new markets of Africa.

I commend this document to a broad audience in anticipation that it will add to the awareness and value of Western Australia being a place enriched by our cultural diversity and the latent opportunities that diversity provides.

A handwritten signature in black ink, appearing to read 'John Castrilli'.

Hon G M (John) Castrilli MLA

Minister for Citizenship and Multicultural Interests

November 2012



Executive summary

Immigration has been integral to the development of Australia's population, economy and society. Australia in 2012, with a population of 21.5 million, is one of the most culturally diverse nations in the world.

Western Australia (WA) exemplifies not only the past success but also the future potential of Australia's migration program and cultural diversity. Today, WA is the State with the highest proportion of migrants in its resident population, with around one in three people born overseas, compared with the Australian average of 27 per cent. Migrants and their children comprise more than 50 per cent of the State's population. WA also has the fastest growing population of all the States and Territories: it increased by 2.9 per cent over the year to 31 December 2011 (60.9 per cent coming from overseas migration), compared with the Australian average of 1.4 per cent. This is one reason why in 2010 Perth was ranked eighth on the International Liveable Cities Index, a survey that measures a number of areas including diversity and standard of cultural events.

In terms of source countries of permanent settlers, WA continues to attract proportionally more people from the United Kingdom (UK) and South Africa than the Australian average. Over the past five years the proportion of Chinese intending to settle in WA has increased (from 2.4 per cent in 2006–7 to 4.6 per cent in 2010–11). Settlers from India, Malaysia, Vietnam and Singapore have remained in the top 10 source countries with India replacing Italy in the top five source countries. Between the 2006 and 2011 Censuses there has been an increase in the number and proportion (11.6 per cent to 14.5 per cent) of people speaking a language other than English (LOTE) at home. More than 325,000 people speak a LOTE at home.


The State's share of the national population is projected by the ABS to grow to 11 per cent (3.0 million) by 2026 and 12 per cent (4.3 million) by 2056.

The economic returns from migration and cultural diversity are many and far-reaching. They include:

- ▣ an injection of skilled labour to WA's workforce
- ▣ job generation
- ▣ economic growth
- ▣ a significant fiscal contribution
- ▣ increased productivity through innovation and business formation
- ▣ enhanced trade links and international markets
- ▣ supporting regional development and repopulation.

Recent analysis of the migration (including humanitarian) program has indicated that over the first 10 years of settlement, migrants will provide a net fiscal benefit of over \$10 billion (DIAC 2012a). For WA, the net fiscal contribution for their first year of settlement would be \$355 million, comprising \$115 million from permanent migration and \$240 million from '457' temporary visa holders.

In 2010–11, international education was Australia's third largest export industry, generating over \$15 billion, despite decreasing by 12.5 per cent from the previous year (DFAT 2011). Besides contributing directly through course fees, overseas students are entitled to work for up to 20 hours per week, and spend money on essential goods and services. WA's total value added was \$795 million and this resulted in the employment of 6835 people.



The economic contribution of migrants also extends beyond the traditional supply and demand studies that have influenced the focus on skills in the Australian migration program. Researchers have argued that the congregation of people from diverse cultural backgrounds—and with a range of skills—stimulates new ideas, and that greater and more diverse concentrations of creative capital lead to higher rates of innovation, and also high technology, business formation, job generation and economic growth.

For the past 20 years, successive Australian governments have recognised the benefits of tapping the education, language and cultural skills and knowledge of migrants. The reality remains that global trade and the migration of workers will continue to shape the environment in which Australian, and Western Australian companies operate. In this context the cultural diversity of the Australian workforce, and particularly the WA workforce, will only increase.

The challenges and opportunities of ‘the Asian Century’ are more obvious for WA than for any other State. Today, seven out of 10 of WA’s major trading partners are in Asia, with growing trade links to Africa. In 2011, China was WA’s largest export market (\$52.6 billion, or 43 per cent). China was also the State’s third largest source of imports. In importance of export markets, China is followed by Japan (\$22.7 billion or 19 per cent), South Korea (\$10.5 billion or 9 per cent) and India (\$5.4 billion or 4.5 per cent).

More than 160 Western Australian companies are involved in Africa, reflecting an increasing interest in the region (Intierra 2012). In 2011, more than 130 Western Australian mining companies were active in 415 projects across 42 African countries—this represented more

than 70 per cent of all Australian Stock Exchange listed companies involved in Africa’s resources sector (Department of State Development 2011).

WA’s diversity has contributed to the State in ways beyond those measurable in direct economic terms. It has enriched the cosmopolitan vibrancy of Perth as shown by its residents’ choices of food, as well as artistic, recreational and cultural pursuits.

WA’s diversity will attract further migration: international as well as interstate, temporary workers as well as permanent settlers, tourists and students as well as business visitors and investors. It will help to consolidate our links with our neighbours, and with the rest of the world.



Introduction

Immigration has been integral to the development of Australia's population, economy and society.

The challenges that confronted Australia at the end of World War II were seen in unambiguous terms—to build the nation, to 'populate or perish'. As a result of postwar immigration policies, Australia's population has grown to nearly 23 million. Without migration it would be around 13 million. Today, nearly 27 per cent of the population are migrants, and more than 45 per cent are either migrants or the offspring of migrants (ABS 2011: Cat. 3412.0).

As with the rest of Australia, migration has grown and shaped WA's population, and the State's postwar development owes much to its migrants. Migration in the 1950s and 1960s established a critical population base, and migrants opened up rural industries, provided workers for new mining ventures, built houses and established infrastructure. Since the mid-1990s, migration policies have been extensively fine-tuned, aimed at obtaining the skills needed to meet labour market requirements—to increase productivity, to supplement the existing labour market, to provide services for an ageing population and, increasingly over the past decade, to harness the resources sector.

Today, WA has the fastest growing population of all States and Territories in Australia. WA's population increased by 2.9 per cent over the year to 31 December 2011 compared with an overall 1.4 per cent for Australia. More than 60 per cent of this growth came from international migration. Today, around 31 per cent of people living in WA are overseas-born, compared with 27 per cent for Australia as a whole (ABS 2011: Cat. 3101.1).

This report summarises the contribution that migrants and cultural diversity have made to the development of Australia, and to Western Australia. It looks at the labour market status of migrants and compares outcomes according to category of entry—skilled, family and humanitarian. It considers the potential impact on WA (costs as well as benefits) of contemporary migration, with its focus on skills and temporary movements, and continuing intakes of humanitarian and family reunion migrants. It concludes by noting the potential dividend to be reaped from WA's multicultural population as the State increasingly interacts, in terms of trade, investment and people movements, with nearby countries in the Pacific and Indian Ocean Rim, Asia and the new markets of Africa.

Postwar migration —building a diverse nation

The economic contribution that contemporary immigration is making to Australia and WA has been built on post-World War II immigration policies and programs. These were based initially on the need to rapidly increase the population, which was less than seven million at that time. The population had remained small because of low birth rates and low immigration throughout the 1930s, and a period of economic depression, as well as war losses. Projections made by government planners in 1945 estimated that, without migration, Australia's population would peak at 8.2 million in 1980, and then fall to eight million by 2000 (Markus et al. 2009: 54). For Australian re-constructionists this was unacceptable. A small population would mean a small economy and, it was thought, leave Australia vulnerable. This became the rationale for postwar immigration: populate or perish.

At the time of the 1947 Census, Australia was seen as a large country with a small population. Its economy was essentially based on rural products that were traded with Great Britain for manufactured goods. Secondary industry had developed only on a limited scale, and even this had been operating at well below capacity in the pre-war depression. Great Britain was the focus for trade and the model for Australia's institutions. Most people (more than 70 per cent) lived in coastal cities. In 1947, only 9.8 per cent of Australia's population was born overseas, and only three per cent was born in non-English speaking countries.

The immediate postwar immigration programs dramatically changed the country. By the 1976 Census, some four million migrants had entered Australia, of whom three million remained, giving birth to two million children. Immigration had accounted for nearly

60 per cent of Australia's population growth and nearly 58 per cent were of non-British origin from mainly European countries. This immigration revolution transformed the Australia of 1947 into one of the most diverse and multicultural of all industrialised societies.

By 1976, migration had already changed the nature and shape of Australian society. Cities had become large, complex and sprawling. The economy was based not only on primary and mineral production but also on secondary industry. Most of the workforce was employed in secondary or tertiary industries. Postwar economic migration had become associated with the postwar economic boom in the minds of the general public and policy makers (Storer 1985:2).

DEMOGRAPHIC CHANGE 1947—1976

The first five years of postwar migration policies (which had the specific goal of increasing the population through immigration by one per cent each year) resulted in 480,000 people migrating to Australia. Of these, 310,000 received assistance (including paid passages).

They included 118,000 British, and 165,000 'displaced persons' (Dutch, German, Polish, Latvian, Estonian and others) selected from European refugee camps. In addition, 170,000 unassisted migrants arrived from the UK (70,000), Italy (30,000), Greece/Cyprus (12,000) and the Netherlands (10,000) (Armit 2007).

The migrants selected over this period were initially provided with camp-style accommodation in capital cities (for example, Graylands in Perth) and in a number of regional centres (for example, Northam in WA). From these centres migrants were assigned contracts with employers, working on postwar reconstruction projects (for example, building housing, schools and hospitals), revitalising rural industries (for example, as



labourers on farms, or developing new fruit orchards, market gardens, or sugar cane fields), or developing infrastructure (road, rail and major nation-building projects such as the Snowy Mountain Scheme). Many of these early postwar migrants were involved in expanding and revitalising food processing industries, including meat and fish processing. Many quickly became the mainstay of small businesses, such as milk bars, delicatessens and cafes.

In 1952, the scheme to take refugees displaced following World War II was terminated, and new arrangements put in place to resettle refugees as determined by the new United Nations High Commission for Refugees (UNHCR), established in Geneva. Between 1952 and 1962, around 70,000 such refugees were resettled, including 30,000 Yugoslavs and Italians leaving Yugoslavia; 14,000 Hungarians (after the 1956 revolution); and 7000 White Russians from China (APIC 1977: 26).

Following on the success of this initial postwar migration, the program expanded rapidly. The 1950s and 60s were times of rapid economic growth in Australia, requiring a growing supply of workers. Secondary industries rapidly expanded, along with construction industries, behind high tariff walls. Economic growth in the 1960s was consistently above five per cent, and unemployment below two per cent. The mineral boom of the 1960s, especially in WA, led to record increases in foreign investment. Some 1.1 million migrants entered Australia between 1952 and 1960, and another 1.3 million entered in the 1960s. Immigration intakes peaked in the late 1960s at more than 180,000 per year. The 1960s remains to this day the decade of highest migrant intake.

Australia's British heritage, and economic and humanitarian events around the world, influenced early


source countries. The UK remained the major source country throughout the 1950s and 60s, averaging around 45 per cent of the annual intakes.

At various times the Netherlands, Germany, Italy, Greece, Yugoslavia, Malta and, later, Turkey were important source countries. The late 1960s saw Australia enter migration agreements with Turkey (1967), Yugoslavia (1970), and, in the early 1970s, with some Central and South American countries. Up until 1975, less than three per cent of all migrants came from Asian or African countries.

1977–1995

The first half of the 1970s saw a dramatic reduction in the migration intake due to unfavourable economic circumstances (following rapidly increased oil prices, and including rising unemployment). Migration declined from 170,000 in 1970 to 52,000 in 1975–76, the lowest intake since 1945. Following a major government review (known as the 'Galbally' review) in 1978 of post-arrival programs and services, there was significantly expanded investment and rapid development of programs to assist migrants to settle in Australia, and to promote a harmonious, multicultural society (Galbally 1978).

Migration continued, having now become integral to Australia's development. Between 1977 and 1990, some 1.1 million migrants came to Australia, even during and following an economic recession in 1982–84, and during a period of severe structural change to the Australian economy, marked by a reduction in the need for unskilled labour in manufacturing and other industries. Over this period, migration comprised mostly family reunions, including those following large intakes of Middle Eastern and Asian humanitarian entrants. In the years 1976–1990, some 95,000 refugees came from Vietnam; another 25,000 came from Laos and



Cambodia; and 20,000 from Lebanon. Around 2000 new Polish refugees were also resettled after 1989.

The increase in family reunion migration, and its predominance in the program, became a focus of community debate and government concern about declining support for migration. In September 1987, the Hawke (Labor) Government commissioned a major review of Australia's immigration policies. A committee, chaired by Dr Stephen FitzGerald, was commissioned to explore the relationship between immigration and Australia's economy; Australia's social and cultural development as a multicultural society; the capacity of Australia to receive future significant immigration; and the administrative and legislative processes that would be required.

The recommendations of the report were tabled late in 1988. Their acceptance by the Hawke Government marked a watershed in the development of Australia's migration program. Modifications to the migration program were made in the early 1990s, and more radical changes, following the election of the Howard (Coalition) Government, introduced in 1996. Since this time it has focused strongly on skills, and on meeting labour market needs.

While family and humanitarian entry has continued, these migration categories have been capped in terms of numbers entering each year through pre-set quotas and tight integrity and management controls.

POSTWAR MIGRATION TO WESTERN AUSTRALIA

The history of postwar migration to WA is similar to that of Australia as a whole, with the main difference being the higher proportion of UK-born people coming to WA, compared with other States and the national average. Also, fewer people from Southern Europe, the Middle East and Asian countries settled in WA

compared with NSW and Victoria, primarily because of less development in WA of large manufacturing and secondary industries over this period. Nevertheless, the 1991 Census shows that WA had become the State with the highest proportion of people born overseas (27 per cent), compared with Australia overall (22 per cent). By 1991, WA had increased its non-English speaking migrant proportion to nearly 12 per cent, compared with the Australian average of 13.5 per cent (DIMIA 2002).

The population of WA recorded in the 1947 Census was less than 480,000, of whom around 280,000 lived in Perth. Perth was a small city with a very homogeneous, essentially British, population. Only 10,000 people, or 3.5 per cent of Perth's population, were born overseas in a country other than the UK, Ireland or New Zealand. These non-English speaking background residents had come for the most part from European countries. The main countries of origin of people born overseas living in Perth in 1947 were the UK (41,345), Italy (2132), Yugoslavia (1405), New Zealand (NZ) (1355), Greece (1146), Germany (391), Poland (202) and the Netherlands (184). Together with 3826 people from 'other' countries, they comprised a total overseas-born population for Perth of 52,986.

Between 1947 and 1952 migration increased the WA population by more than 120,000, some 90,000 of whom had settled in Perth. Around 40 per cent of these migrants were from the UK (most coming on assisted packages). Fifty per cent of the others were either assisted refugees from displaced camps across Europe (including many Dutch, Germans, Poles, Latvians and Lithuanians), or unassisted migrants from Europe (including those from Italy, Yugoslavia, Malta and the Netherlands). In the initial years, assisted migrants were provided with 'Nissan Hut' hostel-type accommodation at Graylands, and refugees were housed at a hostel



(Holden) at Northam. Assisted migrants and refugees were able to stay in these hostels until they obtained employment, when they were expected to find their own accommodation.

As in the rest of Australia in the 1950s and 1960s, migration to WA built upon the success of the initial years of postwar migration. Even though WA did not develop the same large-scale manufacturing and secondary industries as NSW and Victoria, it did need tradesmen and labourers for postwar reconstruction (building houses, schools, hospitals, shopping centres and transport infrastructure) as well as to develop new mining regions.

Migrant workers were also needed to reinvigorate the rural sector, to develop vegetable gardens, fruit orchards and vineyards, and to fill jobs in smaller manufacturing and oil refining and expanding service industries.

In terms of settlement patterns, many migrants from the UK established themselves in outlying suburbs of Perth, including Medina, Kwinana and Rockingham, and in the town of Mandurah, south of Perth, where many worked in oil refinery and associated industries. They also congregated in suburbs such as Victoria Park, Welshpool, Kewdale, Gosnells, Armadale and Kalamunda, where many worked in industrial transport industries. Migrants from other European countries tended to be more dispersed.


In the 1950s and 1960s many migrants from the Netherlands, Italy, Germany, Greece and Malta worked as tradesmen and labourers on postwar building and construction jobs, in the mining industries, in the revitalisation of rural industries and in smaller manufacturing and secondary industries.

Dutch and German migrants mainly worked as craftsmen and tradesmen (painters, builders, carpenters, fitters, electricians, bakers and pastry cooks). Few Dutch migrants were employed in tertiary industries. Italians, Yugoslavs and Greeks were concentrated as semi-skilled labourers in the rural sector (especially market gardens, wine grape growing and wine making and fruit orchards), or in the manufacturing industry, in food processing of primary produce, as labourers on major infrastructure projects, or in the expanding mining industries in the Goldfields, Murchison and Pilbara regions.

Some of the non-English speaking background migrants filled less desirable, low paid jobs. They were concentrated in smaller manufacturing, and worked as cleaners and orderlies in hospitals or other service industries. Non-English speaking migrants also became the mainstay of milk bars and small shops and cafes (Jupp 2001).

By 1976, WA had grown to 1.2 million people and Perth had more than doubled in size to 806,000 (67 per cent of the WA population). The overseas-born population of Perth had doubled to 32 per cent and the proportion of overseas-born from non-English speaking countries had trebled, from 3.5 per cent to 10.5 per cent. The main countries of origin of the overseas-born in Perth in 1976 were the UK (144,553), Italy (24,968), the Netherlands (8534), Yugoslavia (8313), NZ (5631), Germany (5345), Greece (3958) and Poland (3159). Together with 50,824 people from 'other' countries, they comprised a total overseas-born population for Perth of 254,246 (United Nations 1982).

As in the rest of Australia, migration to WA slowed in the late 1970s to mid-1980s because of economic circumstances. Between 1976 and 1986, the population of WA increased by only 120,000 (from 1.2 million in



1976 to 1.32 million in 1986). Almost 70,000 of this increase came from overseas migrants. The overseas-born in 1986 comprised 29 per cent (387,000) of the WA population.

The UK-born still made up more than 40 per cent, while the Asia-born comprised only 3.2 per cent of the overseas-born. Of this Asia-born population, 22 per cent came from South-East Asian countries.

AUSTRALIA'S MIGRATION PROGRAM —THE CHANGING RATIONALE

Much has changed since the postwar years when the imperative for Australia's migration was 'populate (preferably with British or northern European heritage) or perish'. The White Australia policy was dismantled in the 1960s and officially abolished in 1972. Since the late 1970s, Australia has opened its economy to the world. The tariffs that protected Australian manufacturing were dismantled. As the Australian economy adjusted and developed we had less need for unskilled migrants, and more need for skilled migrants.

The impetus driving Australia's migration program has shifted from population and nation-building to the pursuit of economic, particularly labour market, objectives. Meeting economic needs has been the official public policy objective for migration since the 1980s, following the FitzGerald review. As noted above, this examined the relationship between migrants and the economy, and looked at the effects of immigration on the labour market and economic development. Its final report, *A Commitment to Australia*, emphasised the importance of the migration program being, and being perceived to be, in the national economic interest (FitzGerald 1988).

Over the past 20 years, through an increasingly refined points system¹, the skilled component of the annual migration program has become increasingly targeted to select people with the specific skills (professional, trades, technical) needed to fill job vacancies and thus grow the economy. As noted earlier, family migration nevertheless dominated the program (comprising 70 per cent) in the 1980s and early 1990s. From late 1996, following the election of the Howard Government, the migration program was re-balanced away from family towards skilled migration, and skills criteria were further tightened. For the past 15 years, skilled migrants have comprised the bulk (70 per cent) of the program, and skilled migrants have been required to meet selection criteria, including high levels of English (mandatory since 1996), educational qualifications and vocational experience. Associated changes, for example excluding new migrants (except for humanitarian entrants) from accessing welfare benefits for two years, reinforced the labour-market focus of Australia's migration program.

Public opinion has reflected these changes. A comprehensive study of attitudes to immigration showed consistent public support over the decade 1996–2007, following the rebalancing of the migration program to pursue national economic objectives (Markus et al. 2009: 126).

¹ The points test is the method used by the Australian government for assessing the applications of people who apply to migrate under the general skilled category. Points are awarded according to age, English language competency, occupational skills and qualifications. Points can also be allocated to persons sponsored by a family member, an employer, a regional body or a State government, who are prepared to live in a designated area.



Australia's cultural diversity

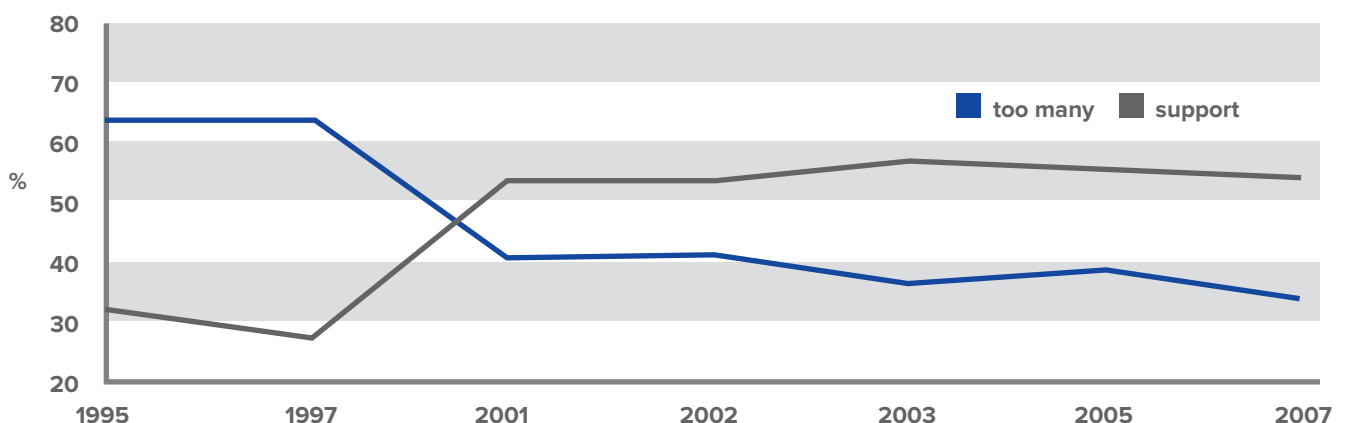
The FitzGerald Committee concluded that the focus of Australia's migration policy should be the selection of migrants whose skills and experience would be of economic benefit to Australia. It did not suggest that these migrants be further selected on the basis of birthplace, race, ethnicity or religion, as had occurred under the White Australia policy. The Australian migration program has remained non-discriminatory. When the administration of the program was codified between 1992 and 1994, non-discrimination, including on gender grounds, was built into migration legislation.

At the time of the FitzGerald review, many migrants and their ethnic organisations and supporters believed that a greater focus on skills, including English language, would favour greater intakes from the United Kingdom,

Western Europe and North America. In fact, as shown in the tables below, numbers and proportions of settlers from Asia have increased. The economic and labour-market focus of the migration program in recent decades has increased Australia's skills and grown our economy, while our cultural diversity has increased. Over the period 1971–2006, the number of Australian residents born in the UK and in other Western European countries hardly changed, while the number born in other parts of the world rose dramatically. The number of Australian residents born in Asia increased by over 1.3 million. Other significant increases came from the countries of Latin America (100,000), the Pacific (110,000), and Africa (200,000) (Markus et al. 2009: 57).

Australia's population has continued to diversify since 1996. DIAC's statistical publication *Population Flows* shows that in the 13 years between June 1996 and

Figure 1: Attitudes to the Immigration Intake, 1996-2007



Source: Markus et al., 2009, p126.

June 2009, Australia's resident population grew by nearly 20 per cent, from 18.3 million to 22 million. The overseas-born population grew by double this amount (nearly 40 per cent) from 4.3 million to 5.5 million (DIAC 2010). This far outstripped the 15 per cent growth of the Australia-born. Table 1 illustrates Australia's changing ethnic composition and cultural diversity.

CENSUS TO CENSUS CHANGE

In Australia the number of China-born migrants increased between the 2006 and 2011 Censuses from 206,589 to 318,970 and remains the third-largest contributor of the overseas-born population. The India-born population has also increased. It has grown from 147,105 to 295,963 making it the fourth-largest contributor.

The number of migrants from South-East and South Asian countries continued to grow: the Philippines (120,539 to 171,234), Vietnam (159,846 to 185,037), Malaysia (92,333 to 116,196), Hong Kong (71,803 to 74,955), Korea (52,761 to 74,537), Sri Lanka (62,256 to 86,415) and Indonesia (50,974 to 63,162). All experienced numerical increase but rates of growth vary greatly.

Older European source countries present a mixed picture. While they remain relatively large in number, some, such as Italy (199,210 to 185,402) and the Netherlands (78,922 to 76,049) are decreasing, while Germany (106,524 to 108,002) has increased slightly.

Table 1: Overseas-born—Top 10 countries of birth, 1996, 2006 and 2011

Country of birth	1996	2009	2011 (place of usual residence)	% share 1996	% share 2009	% share 2011
United Kingdom	1,164,140	1,188,250	1,096,294	27.3	20.4	16.9
New Zealand	315,060	529,180	483,396	7.4	9.1	7.5
China	121,150	350,980	318,970	2.8	6.0	4.6
India	84,780	308,540	295,363	2.0	5.3	4.5
Italy	259,130	219,340	185,402	6.1	3.8	2.9
Vietnam	161,160	208,850	185,037	3.9	3.5	2.8
Philippines	102,680	168,500	171,234	2.4	2.9	2.6
South Africa	61,750	149,020	145,683	1.4	2.6	2.2
Malaysia	83,050	129,580	116,196	2.0	2.2	1.8
Germany	120,760	128,840	108,002	2.8	2.2	1.7
Other (includes not stated)	1,782,210	2,440,560	3,384,297	41.8	42.0	52.2
Total	4,258,870	5,816,640	6,489,874	100.0	100.0	99.7

Source: ABS Migration, Australia (3412.0).



At the 2006 Census, 9.9 per cent of the Australian population lived in WA, rising to 10.4 per cent in 2011. Nearly one-third of the WA population (30.7 per cent) was born overseas, compared with Australia overall at 24.5 per cent. In 2006, WA already had the highest proportion (21.9 per cent) of overseas-born, the next largest being NSW and Victoria, each with 23.8 per cent.

As indicated, at the time of the 2011 Census, 30.7 per cent of WA's population was born overseas, compared with the national average of 27.4 per cent (Table 2). People born in the UK accounted for a significant proportion (33.5 per cent) of the WA overseas-born population. Other major source countries were New Zealand (10.3 per cent), South Africa (5.1 per cent), India (4.4 per cent), Malaysia (3.6 per cent), Italy (2.8 per cent) and the Philippines (2.5 per cent).

Table 3 shows that 18,441 migrants who entered Australia in 2010–11 indicated their intention to settle in WA. This comprised some 14.5 per cent of the total 127,458 permanent arrivals in that program year, making WA the third most popular state for settlement. The top source countries for WA's intended settlers were NZ (21.7 per cent), the UK (15.9 per cent), India and South Africa (both 7.9 per cent), China (4.6 per cent) and Malaysia (4.4 per cent).

WA continues to attract proportionally more UK and South African settlers than the Australian average. It has significantly fewer China-born settlers than the Australian average. However, over the past five years the proportion of Chinese intending to settle in WA has increased (from 2.4 per cent in 2006–7 to 4.6 per cent in 2010–11). Although people born in China were not in

Table 2: WA overseas-born population by major countries of birth—2011 and 2006 Censuses

Country of birth	Persons 2011	% Overseas-born 2011	Persons 2006	% Overseas-born 2006
United Kingdom (England, Northern Ireland, Scotland and Wales)	230,420	33.5	208,110	39.1%
New Zealand	70,738	10.3	47,394	8.9
South Africa	35,326	5.1	22,021	4.1
India	29,916	4.4	15,153	2.8
Malaysia	24,969	3.6	19,702	3.7
Italy	19,477	2.8	20,943	3.9
Philippines	17,234	2.5	6,886	1.4
China	16,692	2.4	8,001	1.5
Republic of Ireland	14,293	2.1	8,998	1.7
Singapore	13,973	2.0	11,793	2.3
Other*	215,178	31.3	162,812	30.6
Total overseas-born**	688,216	30.7% total WA population	530,553	26.8% total WA population

* Other = Total overseas born less the countries listed

** The total excludes people who did not state their country of birth

Source: DIAC, Australian Population Flows 2011.

Table 3: Settler arrivals by birthplace 2010–2011 (top 10 source countries to Australia)

Birthplace	Australia	%	Intended settlement WA	%
New Zealand	25,772	20.2	4,010	21.7
China	14,611	11.5	844	4.6
United Kingdom	10,944	8.6	2,925	15.9
India	10,566	8.3	1,418	7.7
Philippines	5,048	4.0	650	3.5
South Africa	4,752	3.7	1,467	8.0
Vietnam	3,339	2.6	244	1.3
Sri Lanka	3,225	2.5	283	1.5
Iraq	2,998	2.4	251	1.4
Malaysia	2,737	2.1	820	4.4
Subtotal	83,992	65.9	12,912	70.0
Other	43,466	34.1	5,529	30.0
Total	127,458	100%	18,441	100%

Source: DIAC, 2012, *Immigration Update 2010–11*.

the top 10 source countries of those intending to settle in WA in 2006, they had risen to fifth position by 2010–11. Settlers from India, Malaysia, Vietnam and Singapore have remained in the top 10 source countries.

MIGRATION CATEGORIES

The most direct and obvious economic contribution of skilled migrants comes from their employment, from the role they play in filling job vacancies and from the way they reduce skill ‘bottlenecks’. It comes from the skills, qualifications and work experience for which they have been selected, through the permanent migration program, or through one of the many temporary work or business programs.

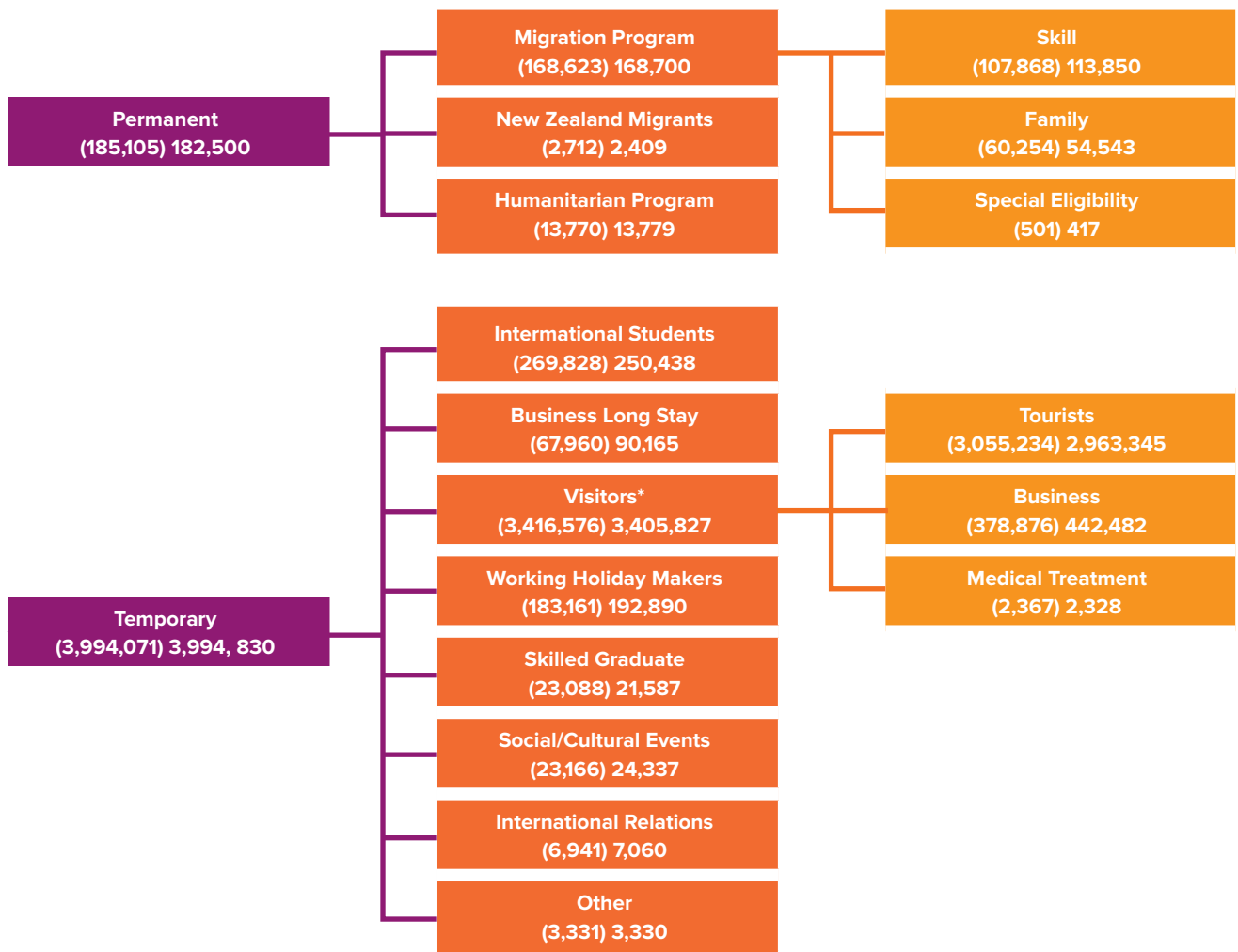
It is significant that not only has there been a policy shift in the permanent program towards skilled migrants, but there has also been a dramatic increase in the number

of skilled migrants coming under temporary skilled programs. These programs aim to provide flexibility to respond to labour demands and shortages.

The migration program’s visa categories and sub-categories, and the numbers of visas issued within them, reflect this focus. Figure 2 below sets out Australia’s migration programs and its categories in a schematic way, showing both permanent program outcomes and temporary resident visas for 2009–10 and for 2010–11. It also provides information for the two other permanent entry streams—New Zealand residents and humanitarian entrants. (The humanitarian program is not based on the potential economic contribution of applicants, but on their humanitarian need.)



Figure 2: Permanent Outcomes and Temporary Entry Visa Grants (2009–2010), 2010–2011



* Excludes 28,644 visitor visas granted onshore – to prevent double counting from visa renewals.

Source: Population Flows 2011 and DIAC's 2012 report to the OECD.

Note: 'International students' are student visa-holders.

Permanent entrants

Skilled

As described above, the focus of Australia's migration program in recent decades has been squarely on the labour market, to obtain needed skills and fill job vacancies. In 2010–11, 113,725 migrants arrived as skilled, permanent migrants. The top 10 source countries were China (20,441), the UK (18,091), India (17,331), the Philippines (7849), South Africa (7959), Malaysia (4192), Sri Lanka (3846), South Korea (3282), Ireland (2934) and Iran (1813).

General

General skilled migrants are those who apply to come independently and meet the requirements of the points test. They may gain extra points if they are sponsored by either a State or Territory government, or by other skilled family members already resident in Australia. In 2010–11, 36,167 persons came as independent migrants (without sponsorship), 16,175 came with a State or Territory sponsorship, and 9117 came with a skilled family sponsorship.

Employer-sponsored

Employer-sponsored skilled migrants are those who are sponsored by employers. These migrants have jobs waiting in Australia. They still must meet points, health and character requirements. In 2010–11, 44,345 skilled migrants were employer-sponsored.

Business

The business skills program aims to attract overseas business owners, senior executives or investors. People applying for a visa in this category are generally granted an initial four-year visa, during which time they can apply for a permanent visa. Business skills applicants generally have to show that they can establish a business in Australia that will develop links with international markets, produce goods and services that otherwise would be imported, introduce new and/or improved technology, and add to the commercial activity and competitiveness within sections of the Australian economy. In 2010–11, some 7800 business visas were granted in Australia. Nearly two-thirds of these went to people from China. Other Chinese from Hong Kong (120), Malaysia (414), Singapore and Taiwan were prominent in obtaining business visas.

WA received 22,047 skilled stream permanent migrants in 2009–10 and another 19,715 in 2010–11. Table 4 shows over half of these came under employer-sponsored programs in 2010–11. Other major skilled visa categories were skilled independent (23 per cent), skilled Australia linked and skilled family sponsored.



Table 4: Skill stream permanent additions by category, WA 2009–10 and 2010–11

Category	2009–10		2010–11	
	Persons	%	Persons	%
Employer sponsored	10,058	45.6	10,652	52.8
Skilled independent	5,190	23.5	4,073	20.5
Skilled Australian linked	5,085	23.1	4,156	21
Business skilled	836	3.8	616	3.1
State/Territory nominated	449	2	35	0.2
Skilled independent regional	401	1.8	12	0.1
Distinguished talent	16	0.1	27	0.2
Designated area sponsored	12	0.1	10	0.1
Total	22,047	100	19,715	100

Source: DIAC, *Population Flows 2010* and DIAC, *Immigration Update 2010–11*.


It is interesting to note that less than one per cent of permanent business visa holders (616) settled in WA out of the 7800 business visas issued in Australia in 2010–11. Over 75 per cent of business visa migrants settled in NSW, primarily Sydney. The great majority were Chinese, from China, Hong Kong, Malaysia and Taiwan. They were attracted to Sydney because of the long history of Chinese settlers, the large numbers of Chinese business ventures and family ties. As the Chinese community grows in WA, it should attract further business skills migration.

More than two-thirds of skilled stream permanent migrants to WA were born in one of five countries—the UK (24 per cent), South Africa (17 per cent), India (11 per cent), the Philippines (10 per cent) and China (8 per cent). It should be noted that permanent additions do not include the large numbers of skilled New Zealanders who come under special arrangements as skilled settlers.

Family migration

As with the skills categories, Asia-born migrants comprise six out of the top 10 source countries in the family categories. In descending order the main source countries are China (16.6 per cent), the UK (11 per cent), India (8.1 per cent), Vietnam (6.1 per cent) and the Philippines (5.4 per cent).

In 2010–11, there were 12.6 per cent more females than males in the permanent migration program. The main reason for this is the predominance of females in the family stream. Females access the majority of family stream places, as this stream mostly comprises partner visas, and females tend to apply for these visas more often than males.



Within the skill stream, there were 11.3 per cent more males than females. This is partly because skilled male primary applicants outnumbered skilled female applicants by about two to one. This male over-representation is partly offset because the spouses of skilled primary applicants are mainly female (DIAC *Population Flows* 2012c).

Of the 54,500 family entrants settling in Australia in 2010–11, some 7000 settled in WA (*Immigration Update* 2012: 10). The UK accounted for around 19 per cent of these migrants. Other major source countries were India, China, Thailand and the Philippines.

Of these family visas, more than two-thirds were dependant spouses, and 12 per cent were fiancée visas. Another 12 per cent were parent visa categories.

The humanitarian program

Humanitarian entrants—beginning with the arrival of displaced people from postwar Europe—were counted as part of the general annual migration program until the late 1970s, when refugees started arriving from countries within the region. Since 1978, Australia has had a separate permanent Humanitarian Program, under which different criteria apply. People have been settled not on the basis of their labour-market or economic potential, but on the basis of their need for a safe haven. Source countries and regions have changed over the years. In the late 1970s and 1980s, many came from Vietnam, Laos and Cambodia, with a significant number from Eastern Europe. In more recent years, the main source regions and countries have been the Middle East and Africa, as well as Asia. Refugees who come from refugee camps near their countries of origin are selected by the Australian Government in conjunction with the UNHCR.

Figure 2 indicates that in 2010–11 some 13,779 humanitarian visas were issued, 8971 from offshore resettlement (that is, chosen from camps), and 4808 from onshore asylum seekers assessed as requiring Australia’s protection. Of the onshore asylum seekers, 2700 were irregular maritime arrivals (IMAs) and 2108 were ‘other’ (mainly visa over-stayers who arrived as visitors or students). The top 10 source countries for offshore visas were Burma (Myanmar), Iraq, Bhutan, Afghanistan, the Republic of the Congo and the Democratic Republic of Congo, Ethiopia, Somalia, Sudan, Liberia and Sierra Leone. The top five source countries for irregular maritime arrivals (IMAs) who received protection visas were Afghanistan, Sri Lanka, ‘Stateless’, Iraq and Iran. The top five source countries for ‘others’ who received protection visas in 2010–11 were China, India, Pakistan, Iran and Egypt (DIAC 2011d).

Population Flows 2011 records WA as receiving 2248 humanitarian entrants in 2010–11. This was 17 per cent of the total humanitarian intake that year. Of these, 1431 were granted visas onshore (IMAs and ‘others’) and 817 were offshore humanitarian entrants, either refugees (517) or special humanitarian entrants (300). Some 60 per cent of the humanitarian entrants who settled in WA in 2010–11 were born in three countries: Afghanistan (32 per cent), Iraq (16 per cent) and Sri Lanka (13 per cent).



Temporary entrants

Of the approximately four million temporary entries into Australia each year (see Figure 2), the largest number comprises tourists or visitors (75 per cent) and short-term business visitors (11 per cent). These temporary entrants have three-month (maximum) visas with no work rights. Those temporary entrants with work rights are business long-stay ('457') (sponsored by employers on four-year, renewable visas), students who are able to stay for the duration of their approved courses of study, and working holiday makers (12-month renewable visas, with work rights for six months with any one employer).

As discussed earlier, the number of people on long-term temporary skilled visas has grown rapidly over the past decade, such that they comprise an increasingly significant proportion of the overseas-born. Temporary residents are counted as part of Australia's population if they have been in Australia for 12 months or more over a 16-month period.

At June 2011, temporary residents included:

- ▣ 131,340 long-stay business residents ('457' visas)
- ▣ 111,900 working holiday makers
- ▣ 24,420 skilled graduate visa holders
- ▣ 17,200 on social, cultural or international relations visas
- ▣ the largest groups were citizens of India, China, the UK and the Republic of Korea.

The main categories of temporary skilled entrants making positive contributions to the economy of WA are temporary business long stay (up to four years) '457' visa holders and international students.

According to *Population Flows 2011*, there were 18,460 people (9280 primary visa holders and 9180 dependants) granted '457' visas to WA in 2010–11. This increased the total number of '457' visa holders living in WA on 30 June 2011 to 24,500. Similar to permanent skilled visa entrants, the top '457' visa-holders were from the UK (6470), the Philippines (4400) and South Africa (2080). Other major source countries include India (1230), Ireland (1400) and China (1150) (DIAC 2012b).

Figures released from DIAC show a significant increase in numbers of '457' visas in the 2011–12 financial year. Over the 10 months to the end of April 2012, some 13,250 primary visas were granted for workers bound to be employed in WA. Ninety per cent of these are managers, professional people or skilled tradespersons. The main source countries remain the UK, followed by the Philippines, Ireland and then the United States (US). China only provided three per cent of these workers (David Uren 2012: 7).

Students

In December 2011, 554,889 international students were enrolled in Australia, of which 241,445 were in higher education, 169,844 attended a vocational education and training (VET) provider and 95,093 were in an English language course (Australian Education International 2012). As at 31 March 2012, the top 10 source countries for international students in Australia were, in descending order, China, India, South Korea, Malaysia, Vietnam, Indonesia, Nepal, Thailand, Saudi Arabia and Hong Kong.

In December 2011, 32,137 international students were enrolled in WA, of which 17,441 were in higher education, 8250 attended a VET provider and 4029 were in an English language course (Australian Education International 2012). As at 31 March 2012, the top 10 source countries for international students in WA were, in descending order, China, Malaysia, India, Singapore, Indonesia, South Korea, Vietnam, Brazil, Saudi Arabia and Mauritius.

Tourists

Tourism to WA has consistently been above national trends over the past decade (*Population Flows 2011: 121*). In 2011, WA had 738,100 international visitors, 48,600 more than in 2010. The State also earned \$1.98 billion dollars through international visitors, representing an average of \$2685 per visitor, and experienced significant growth from 2010 for visitors travelling for:

- international business (18.6 per cent)—20,400 more visitors than in 2010
- visiting friends and relatives (4.8 per cent)—12,900 more visitors than in 2010
- holiday and leisure (3.8 per cent)—12,400 more visitors than in 2010.

In 2011, WA had 13.6 per cent of international visitors and 11.7 per cent of international nights spent in Australia. This was a 7.1 per cent increase in international visitors from December 2010 and represented a significant market share of tourists coming to Australia from Malaysia (28.1 per cent), Singapore (27.7 per cent), the UK (24.4 per cent) and Indonesia (24.2 per cent) (Research Tourism Western Australia 2012).



The economic dividend

The economic returns from migration and cultural diversity are substantial. They include:

- ▣ an injection of labour to WA's workforce
- ▣ filling crucial skills gaps
- ▣ job generation
- ▣ economic growth
- ▣ a significant fiscal contribution
- ▣ increased productivity through innovation and business formation
- ▣ enhanced trade links and international markets
- ▣ supporting regional development and repopulation.

LABOUR FORCE

The economic focus of migration has intensified over the past 15 years as governments have developed more targeted and more tightly managed migration programs aimed at obtaining the skills to meet changing labour market requirements. Evidence shows that the policies and programs of the Australian migration program have, in measurable ways, proved successful. The skilled migrants entering over the past 15 years have had high levels of workforce participation and low levels of unemployment, thus directly contributing to economic growth and prosperity. As well as filling labour market gaps, these skilled migrants contribute fiscally to Australian and State Government budgets through their taxes.

Besides the rebalancing of the migration program towards skills, the other big change over the past 15 years has been the rapid growth in temporary migration. The increasing number of temporary workers coming especially on long-term temporary '457' business visas is providing a more flexible response to labour market 'bottleneck' needs. Their fiscal contribution is also significant—such temporary migrants, as noted above, come with fewer costs than permanent settlers in that although they pay taxes, they are not entitled to Medicare, welfare, free education or other benefits.

The trends of the past 15 years are expected to intensify over the coming decade. Labour market projections made by Australian National University researchers Peter McDonald and Jeremy Temple in 2008 indicated that to maintain the then labour market growth rate of 1.18 per cent a year over the next decade would require a net overseas migration intake of at least 180,000 a year.

Within this, the majority would need to be skilled migrants to replace the movement of older workers out of the workforce, and the lack of local workers because of low levels of fertility.

Research by the Chamber of Commerce and Industry WA in 2010 suggested that some 488,000 workers would be required by 2020 (2010: 9). The WA Department of Training and Workforce Development (DTWD WA) says '275,000 workers will be provided through natural population growth and existing migration ... this suggests that WA may experience a deficit of up to 150,000 workers by 2017' (2012: 3).

EMPLOYMENT OUTCOMES

Research by Dr Thomas Liebig of the OECD on the *Labour Market Integration of Immigrants in Australia* concluded: 'Migrants in Australia, as a whole enjoy much better labour market outcomes than migrants in all other (OECD) countries. It has the lowest migrant unemployment rates in absolute terms, and the lowest rates compared to native-born populations' (Liebig 2007: 45).

In August 2011, the Australian Bureau of Statistics (ABS) recorded the Australian labour force as comprising some 12.07 million people 'of which some 3.32 million were overseas-born and 1.34 million from the mainly English speaking countries (MESC) of New Zealand, Canada, USA, UK, South Africa and Ireland. The remaining 1.98 million migrants were from non-English speaking countries (NESC)' (ABS 2012: Cat. 6291).

Table 5, based on the ABS *Labour Force Survey* of August 2011, shows the labour force status of these groups at that time.

Table 5 shows that:

- Australia-born and MESC migrants are more strongly represented in the workforce than are NESC migrants
- MESC migrants have the lowest unemployment rates, and NESC have the highest unemployment rates
- the female participation rate for NESC migrants (51 per cent) is considerably below female MESC migrants (68 per cent) and Australia-born females (69 per cent).

The poorer employment and participation outcomes for NESC migrants overall is because of the large numbers of NESC migrants entering under the humanitarian and dependant family categories which are not based on skill levels.

Table 6 indicates that both NESC and MESC migrants are more likely to be employed in professional occupations than are the Australia-born. MESC migrants are also more likely, due to the skills focus of the migration program, to be employed as managers than NESC migrants or the Australian-born. Also, NESC migrants are significantly over-represented in lower-skilled jobs.

Table 5: Employment Status of civilian population aged 15 years or more, by birthplace, 2010–11

Category	Employment rate (%)	Unemployment rate (%)	Participation rate (%)
Australian born males	71.1	5.0	74.8
Australian born females	59.2	5.1	62.4
Australian born	65.1	5.0	68.6
MESC born males	71.7	3.9	74.6
MESC born females	58.5	5.0	61.6
MESC born	65.3	4.4	68.2
NESC born males	63.5	4.9	66.8
NESC born females	47.6	6.6	51.0
NESC born	55.3	5.6	58.6
Total Overseas-born	63.3	5.1	66.6

Source: *Labour Force, Australia (6291.0)*, ABS.



Table 6: Occupation by birthplace, August 2011

Occupation	Australia (%)	MESC (%)	NESC (%)	Overall (%)
Managers	13.1	15.1	11.0	13.0
Professionals	20.0	25.7	25.6	21.6
Technicians and Trade Workers	14.8	13.9	12.0	14.2
Community and Personal Service Workers	9.9	8.6	9.6	9.7
Clerical and Administrative Workers	15.6	14.7	12.9	15.1
Sales Workers	10.2	6.9	7.6	9.4
Machinery Operators and Drivers	6.8	6.9	6.9	6.8
Labourers	9.6	8.2	14.4	10.3
Total	100.0	100.0	100.0	100.0

Source: DIAC, 2012, *Trends in Migration, Australia, 2010–11*, p96.

Table 7: Industry by birthplace, August 2011

Industry	Australia (%)	MESC (%)	NESC (%)	Total (%)
Agriculture, Forestry and Fishing	3.4	1.3	1.1	2.8
Mining	2.1	3.2	0.8	2.0
Manufacturing	7.7	8.3	11.0	8.3
Electricity, Gas and Water Supply	1.3	1.2	1.1	1.2
Construction	9.7	9.8	6.0	9.1
Wholesale Trade	3.4	3.6	4.2	3.6
Retail Trade	11.4	8.3	9.5	10.8
Accommodation and Food Services	6.4	4.7	10.4	6.9
Transport Postal and Warehousing	5.0	5.1	5.7	5.1
Information Media and Telecommunications	1.7	2.1	1.9	1.8
Finance and Insurance Services	3.6	4.7	4.1	3.8
Rental, Hiring and Real Estate Services	1.8	2.0	1.2	1.7
Professional, Scientific and Technical Services	7.0	9.9	9.5	7.7
Administrative and Support Services	3.2	4.0	5.0	3.6
Public Administration and Safety	7.0	5.5	5.0	6.5
Education and Training	8.0	8.6	5.6	7.6
Health Care and Social Assistance	11.1	12.2	13.6	11.7
Arts and Recreation Services	2.0	1.9	1.1	1.8
Other Services	4.1	3.9	3.6	4.0
Total	100.0	100.0	100.0	100.0

Source: DIAC, 2012, *Trends in Migration, Australia 2010–11*, p97.




Table 7 shows that NESC migrant workers are over-represented in the health care and social assistance, accommodation and food services, and manufacturing industries. They are under-represented in construction, public administration, and safety and educational training industries. MESC migrant workers are notably over-represented in mining and construction. Less than one per cent of NESC workers are in mining jobs.

All migrants have higher representation in professional, scientific and technical services, but are significantly under-represented in the agriculture sector.

Employment outcomes—WA

There are no data currently available on the labour market status (employment status, occupation and industry of employment) of migrants in WA that are directly comparable with the DIAC and ABS data above.

The ABS publication *Migration and Mobility in Western Australian* (June 2008) provides data on the labour force characteristics of migrants who arrived in WA between the 2001 Census and the 2006 Census. The characteristics of the overseas-born labour force in WA it describes are similar to those of the overseas-born Australia-wide. For example, it says ‘of the 43,553 recent arrivals working at the time of the 2006 Census, the highest proportion were working in the health care and social assistance industry (12 per cent); some 11 per cent were working in manufacturing; and 10.5 per cent were working in accommodation and food services’ (ABS 2008: 7).

It goes on to show that the overseas born were more highly represented in occupations as professionals (24.5 per cent), technical and trade workers (17 per cent) and labourers (14 per cent), compared with the total WA population (18 per cent, 15 per cent and 11 per cent

respectively). In the professional occupation group, 28 per cent were employed as health professionals and in the labourer occupation group over one third were employed as cleaners and laundry workers.

In terms of self-employment, around 40 per cent of WA small business operators are born overseas, which is higher than the Australian average of around 30 per cent (ABS 2003; ABS 2010c). Seven out of every 10 businesses owned by migrants who came under the business skills program to WA employed one to four people (DIAC 2010). Applying these estimates to 2011-sourced statistics, small businesses owned by migrants employ between an estimated 59,000 to 237,000 individuals (ABS: Cat 8165, 2011). Research also shows that ethnic business owners generally maintain cultural and commercial links to their home countries, thus creating ‘niche’ export markets (Stromback and Malhotra 1994; Chavan and Agrawal 2002), and having a positive effect on export trade (Hugo 2011).

In recent years, the demand for skilled labour has intensified because of the activity in the resources sector. The Minister for Immigration and Citizenship, Chris Bowen, in a speech to the Minerals and Metals Association in July 2011, detailed the extent of investment projected for the resources sector and the associated skilled labour requirements. He described how \$55 billion was invested in the mining industry in Australia in 2010–11. WA is at the heart of this new investment. Of the \$174 billion in planned investment in Australia, he noted that \$109 billion was to be spent in WA—more than double that identified for Queensland (Bowen 2011).



Skilled labour is required not only for mining projects, but also for related industries in Perth, including construction, manufacturing, retail and financial services.

In terms of skilled migrants, Western Australia in 2010–11 received:

- more than 25 per cent of Australia's permanent employer-sponsored migrants (in 2010–11), up from 12 per cent in 2005–10
- 20 per cent of all '457' visa holders (18,460) (primary and dependant) in 2010–11. Of the 9000 primary visa holders, the Immigration Minister, in his speech to the Minerals and Metals Association in July 2011, estimated that half would work directly in designated regions outside of Perth: in the north-west and south-west of WA (29 per cent in construction, and 21 per cent in mining) (Bowen 2011).

Even with such growth, the demand continues for more skilled migrants, particularly for industries associated with the resources sector. DTWD WA, drawing on research from the Chamber of Commerce and Industry of WA and Monash University, has argued that based on current workforce needs, and on current trends of natural population growth and migration, WA will require an additional 150,000 skilled workers by 2017 (DTWD 2012: 3). It has recently indicated that 76,000 of these will be required by 2015.

Employment outcomes by visa category

Statistical data show how the category of visa (skilled, family or humanitarian) affects the contribution that migrants make to the Australian economy. Such evidence has been perceived by government as important for effectively managing the program, and thus maintaining public support for migration into the future. The main surveys that assess the labour market performance of migrants are the Longitudinal Survey of Immigrants to Australia (LSIA) and the Continuous Survey of Australia's Migrants (CSAM). LSIA surveys covering three cohorts have been published so far—LSIA 1 (migrants who arrived between September 1993 and August 1995), LSIA 2 (arrived between September 1999 and August 2000) and LSIA 3 (arrived between December 2004 and March 2005).

The first survey of the CSAM was conducted in September 2009, and rolling surveys are conducted every six months. The results of such labour market surveys are fed into a Migrant Fiscal Impact Model in order to assess the impact of migration, and of different visa categories and cohorts, on the Australian Government budget. The model was first developed by Access Economics in 2002, based on the first two LSIA surveys. Access Economics updated the model in 2008. It has subsequently been updated to include CSAM findings, most recently in 2010–11.

Extensive reports, including academic research based on these surveys, are publicly available (see the DIAC website at <http://www.immi.gov.au/media/publications/research/>). In terms of labour market outcomes, the research based on LSIA surveys shows that:

- ▣ each cohort had significantly better labour market outcomes than its earlier cohort
- ▣ each cohort of migrants (including skilled and family streams) had higher labour force participation rates, and lower unemployment rates, than the national average at the time of the surveys
- ▣ people coming under the skilled stream had significantly higher participation, and significantly lower unemployment rates, than the national average.

Table 8 shows that people entering under the business skills, employer-nominated and regional sponsored schemes had 97 per cent participation rates in

late 2006–07. This compares with 93 per cent for those entering under the general skilled category and 70 per cent for family entrants. The Australian average labour force participation rate in 2006–07 was 65 per cent. Further data from this LSIA 3 survey shows that by 2006–07 business skills and employer-sponsored migrants had only a one per cent unemployment rate after 18 months residence in Australia. Family category residents at that time had six per cent unemployment. The Australian average, in 2006–07, was 4.8 per cent.

The CSAM surveys undertaken in late 2009 and 2010 confirmed the same trends in labour market outcomes for more recent migrants, some of whom arrived in 2009–10 at the height of the global financial crisis.

Table 8: LSIA 3 participation rates—Principal applicants

Migration categories	Time since arrival/grant of visa	
	Six months	18 months
Business skills/ENS*/RSMS**	97%	96%
Concessional family/SAL***	86%	88%
Former overseas student	93%	95%
Offshore independent	92%	93%
Family	75%	70%

*ENS—Employer Nomination Scheme,

**RSMS—Regional Sponsored Migration Scheme,

***SAL—Skilled Australian Linked.

Source: DIAC 2011, Media Fact Sheet 14, 'Migrant Labour Market Outcomes'.



Table 9: Employment outcomes of recently arrived Migrants, 2010

Visa category	In skilled work (%)	In other jobs (%)	Not working (%)	In full-time work (%)	Participation rate (%)	Unemployment rate (%)	Median full-time earnings (A\$)
Family stream	19	31	55	30	69	29	40,600
Skill stream							
Employer sponsored	91	6	4	92	97	1	65,000
State/Territory sponsored and skilled Australian sponsored	67	22	12	74	99	10	60,000
Skilled independent (offshore applicants)	76	10	14	76	96	10	78,000
Skilled independent (onshore applicants)	56	36	8	70	97	5	44,700
Other skill stream primary applicants	45	38	18	63	89	7	41,000
All skill stream primary applicants	71	22	8	75	97	4	52,000
Skilled graduates	68	30	2	68	100	1	41,000

Source: DIAC 2012, *Trends in Migration, Australia 2010–11*, p98.

Table 9 shows that in October 2010:

- recently arrived skilled migrants had a participation rate of 97 per cent, well above the national average of 65 per cent
- the unemployment rate of recently arrived (within six months) skilled migrants was four per cent, considerably lower than the national average of 5.2 per cent
- skilled migrants sponsored by an employer had the best employment outcomes. They had negligible unemployment (one per cent) and 91 per cent were working in a skilled job
- unemployment for dependant families accompanying primary applicants under the skilled program was relatively high at 29 per cent. This could be due to a range of factors, such as employment not being the main motivation for migration, or being new to the Australian labour market, and being less likely than their skilled migrant partners to have the qualifications and experience being sought by employers.

FISCAL CONTRIBUTIONS

The net fiscal impact of immigration is the difference between the taxes and other contributions migrants make to public finances and the public benefits and services they receive. This impact depends on the characteristics of migrants, their impacts on the labour market and the characteristics and rules of the welfare system, among other factors.

As stated earlier, migration over the past 15 years has contributed to economic growth by bringing to Australia people who are concentrated in the working ages of 25–44, who have high propensity to work

and have high-level English language, education and occupational skills. It is difficult to measure the overall contribution of skilled migrants. However, as discussed above, one indicator is their impact on labour market participation and employment growth. Another is the fiscal impact that migration has on Australia's budget bottom line. As noted above, Access Economics' *Migrants' Fiscal Impact Model*, commissioned by DIAC, examines the effect of migration on the Australian Government's budget, in terms of revenue and outlays. Data on migrants' attributes, such as income, are used to estimate tax and other contributions (DIAC 2011b).

Table 10: Migrants' Net Impact on the Australian Government budget by visa category 2010–11 (A\$ million)

Visa Category	Visa Grants in 2010-2011	Net Fiscal impact (A\$ million)				
		Period of Settlement in Australia (Years)				
		1	2	3	10	20
Family Stream						
Parent	8,499	-7.7	-5.6	-6.0	-7.7	-9.4
Parent and Other	46,044	-16.8	76.9	48.2	244.1	242.3
Family Stream Total	54,543	212.3	60.0	43.0	200.9	146.4
Skill Stream						
Skilled Independent	36,167	163.0	223.3	283.7	384.2	439.5
Skilled Australian Sponsored	9,117	5.4	12.2	13.0	17.3	21.1
State/Territory Sponsored	16,175	68.3	80.2	86.6	104.7	138.1
Business Skills	7,796	44.9	44.3	46.2	33.2	24.1
Employer Sponsored	44,345	465.9	478.8	485.7	493.3	530.8
Skill Stream Total	113,725	747.4	838.7	915.1	1,032.8	1,153.6
Humanitarian Stream	13,799	-247.3	-69.4	-62.0	-12.3	48.4
Total Fiscal Impact of Permanent Migration	182,067	712.4	829.2	896.1	1221.4	1348.5
Business Long Stay Visa	90,120	889.3	954.5	383.1	441.0	585.9

Source: DIAC 2012, *Trends in Migration 2010–11*, p109.



Modelling of the fiscal contribution of 170,000 migrants in the 2009–10 permanent migration program showed that it was around \$880 million in the first year of arrival, and around a billion dollars in each successive year. This is consistent with earlier findings that estimated that over the previous 10 years, people who came to Australia under the migration program contributed \$9.6 billion to the Australian budget. Recent analysis of the 2010–11 migration (including humanitarian) program projects that over the first 10 years of settlement, these migrants will provide a net fiscal benefit of over \$10 billion (DIAC 2012a).

Table 10 shows the contributions and costs of migrants and humanitarian entrants over 20 years, and the contribution that temporary ('457') visa-holders make to the budget. It is estimated that the 90,000 '457' workers who entered in 2010–11 contributed \$890 million in their first year of residence, and nearly \$1 billion in their second year.

The fiscal contribution of migrants—WA

Table 11 below is based on the numbers of migrants in each visa category who entered in 2010–11 and who indicated their intention to reside or settle in WA.

The table shows that migrants (including humanitarian and temporary) who came to WA in 2010 provided a total net fiscal contribution for their first year of settlement of \$355 million, comprising \$115 million from permanent migration and \$240 million from '457' temporary visa holders.

According to the Access Economics model, the 19,700 skilled permanent migrants who entered WA in 2010–11 contributed \$127 million to the Australian Government's budget in their first year of settlement.

Table 11: Fiscal Contribution of WA Migrants 2010–11 (A\$ million)

Visa Category	Visa Grants 2010-11		Net Fiscal Impact (1st. Year)	
	Australia (number)	WA number (per cent)	Australia (A\$ million)	WA (A\$ million)
Family	54,500	7,100 (13%)	212.3	27.5
Skill	113,700	19,700 (17%)	747.4	127.0
Humanitarian	13,800	2,200 (16%)	-247.3	-29.5
Total Fiscal Impact			712.4	115.0
Temporary Long Stay Business (457 visas)	90,100	24,500 (27%)	889.3	240.0

International education

In 2010–11, international education was Australia's third-largest export industry, generating over \$15 billion, despite decreasing by 12.5 per cent from the previous year (Department of Foreign Affairs and Trade 2011). Besides contributing directly through course fees, overseas students are entitled to work for up to 20 hours per week, and spend money on essential goods and services. WA's total value added was \$795 million and this resulted in the employment of 6835 people.

According to *The Economic Implications of Fewer International Higher Education Students in Australia*:

- ▣ in 2009, total value added by international higher education students, including both student and student visitors' expenditure, was \$9.3 billion
- ▣ this resulted in additional employment of 102,387 FTE positions of which 83,050 were created outside the education sector
- ▣ in 2009, on average, each international higher education student studying in Australia generated \$50,874. This represents growth in per-student export earnings of 157 per cent since 2002 (Phillimore and Koshy 2010).

Education-related tourism (family and friends who visit international students) is one of the many indirect benefits of international education to the Australian economy. On top of this, international graduates are attractive employees for Australian companies because they have the language skills and networks to do business in their own countries and they understand the Australian culture (Australian Universities Group of Eight 2012).

According to Professor Alec Cameron, the inaugural Dean of the Australian School of Business at the University of New South Wales:

International students foster long-term goodwill and international understanding between Australia and the countries from which students originate. Due to the foresight of schemes such as the Colombo Plan, many business and government leaders in the Asia-Pacific region are alumni of Australian universities. They have fond memories and appreciation of their formative years spent in Australia. This influences their perceptions of Australia and promotes Australia's reputation in the region (Cameron 2010).

These long-term temporary residents add to the skill pool and economic development of Australia.

Tourism

The WA tourism industry is a major contributor to the WA economy. In 2008–09 the WA tourism industry contributed \$5.92 billion dollars to the WA economy, employed 39,000 people directly and a further 33,600 indirectly, and was the only tourism industry in Australia to grow in terms of visitor numbers and spending (Spurr, Ray et al. 2011).

Tourism to WA has also been above national trends over the past decade. In 2010–11 425,000 tourists visited WA. Research shows that migration encourages inbound tourism flows. At the end of June 2011 there were 24,480 overseas students in Australia. The major source countries for these students are China and India.



Positive impacts on the economy that result from migration include:

- ▣ inbound tourism stimulated through visits by families and relatives (VFR tourism) and also through making return visits to their country of origin
- ▣ influence on the extent of visitation to Australia for business, study and holidays
- ▣ a 10 per cent increase in migrants to Australia will increase GDP by \$74 million and additional spending associated with additional VFR tourism equates to \$15 million in GDP.

It is suggested that the enrichment to Australia's cultural life by migrants also makes Australia a more attractive tourism destination. The establishment of restaurants, shops, events and facilities such as 'Chinatown' are such examples (Dwyer, L 2010).

Short-term tourism forecasts expect strong growth in arrivals from Asia. The three markets with the strongest expected growth in 2012–13 are China (13 per cent), Indonesia (11 per cent) and India (6.8 per cent).

Long-term tourism forecasts predict that Asia's share of inbound arrivals will increase from 41 per cent in 2010–11 to 45 per cent in 2020–21, and that average annual growth rates for Asian markets will be around 4.3 per cent over this period (Tourism Research Australia, International Visitor Survey 2010).

REGIONAL DEVELOPMENT

Skilled migrants are by their nature migratory workers, so it is not surprising that those entering the Australian labour market have a higher level of internal mobility than the Australia-born (Hugo and Harris 2011). However, this internal mobility is mostly between the major capital cities, rather than to the regions. Hugo and Harris describe how 92 per cent of migrants arriving between 2001 and 2006 settled in the four capital cities of Sydney (39 per cent), Melbourne (28 per cent), Brisbane (14 per cent) and Perth (13 per cent). Less than two per cent settled in non-capital regions.

There has been a range of initiatives taken by the Australian and some State Governments over the past decade to tap into migrants' mobility, and encourage new skilled migrants to work and settle in regional areas, including in WA. These efforts commenced in the 1990s, when additional points were provided to people proposed for sponsorship (by families, employers and regional bodies) who were prepared to settle in designated regional areas. They have since expanded into a wide range of schemes that aim to entice skilled migrants into the regions.

Regional migration schemes aim to address skill shortages that exist in specific regions in States and Territories. Visas that can be issued under these arrangements include:

- ▣ regional sponsored migration scheme
- ▣ skilled-regional sponsored (provisional) visa for up to two years
- ▣ skilled-regional (sub-class '887') permanent visa
- ▣ sponsored medical practitioners to regions (via '457' visas)

- ▣ sponsored business skills to regions
- ▣ special regional incentives to allow working holiday makers (WHM) in regional areas to obtain an extension of their stay, via a second visa (WHM visas are initially for 12 months).

These schemes have flexible criteria and entry concessions, recognising the circumstances of different regional areas. They receive priority processing by DIAC.

The Australian Government announced further regional initiatives in its May 2011 budget. Two of these were emphasised by the Minister in his speech to the Mining and Metals Association:

- ▣ an increase in the number of regional sponsored migration scheme places, from 12,000 to 16,000 a year, Australia-wide
- ▣ the designation of Perth as a regional migration city.

Recent initiatives have also included:

- ▣ A new skilled migration selection model, to be known as 'SkillSelect'. SkillSelect comprises a new process to select migrants, and includes a database accessible to prospective employers. Enterprise Migration Agreements (EMAs). These are custom-designed, project-wide agreements, aimed at providing temporary workers for major projects in the resources sector.
- ▣ A Jobs Board, to provide information to employers and Australian workers about job seekers and vacancies in the resources sector.

Regional Migration Agreements. These are agreements based on skilled migration needs identified by local organisations, including regional councils, development organisations, chambers of commerce and unions.

Such agreements and arrangements suggest that the WA economy will be increasingly dependent on the economic contribution of skilled and semi-skilled migrants. Increasing numbers of these skilled migrants are being directly employed in the resources sector in the north-west, and in those industries in Perth and the south-west that support and service the resources sector.

PRODUCTIVITY AND INNOVATION

There has been further thinking in recent years about the economic contribution of migrants beyond the traditional supply and demand studies that have influenced the focus on skills in the Australian migration program. A range of studies, particularly in the US, has argued that the congregation of people from diverse cultural backgrounds, and with a range of skills, stimulates new ideas. For these theorists, innovation is most likely to flow where there are a variety of perspectives, and these are provided through a culturally diverse community.

Professor Richard Florida (University of Toronto), in his book *The Rise of the Creative Class*, argues that 'regional economic growth is powered by creative people, who prefer places that are diverse, tolerant and open to new ideas. Greater and more diverse concentrations of creative capital lead to higher rates of innovation, high technology, business formation, job generation and economic growth'. Florida tested this thesis through analysis of 50 US cities, and found a clear correlation between diversity and relative prosperity and economic achievement, especially in those cities with high proportions of foreign-born residents. He found that these cities tended to be those with the highest levels of technological innovation (Florida 2002: 2).



Theorists like Florida have argued that economic prosperity in multicultural societies increases not only through migrants' skills, labour and experience, but also through people's interactions in their workplaces and communities. Diversity stimulates new ideas, new ways of seeing and doing things, and innovations that enhance economic prosperity.

Another study by Professors Gianmarco Ottaviano (University of Bologna) and Giovanni Peri (University of California) concluded that cultural diversity (based on migrants' country of origin) complements production and boosts native-born wages in US cities (Ottaviano and Peri 2006).

Another European study, a socioeconomic impact analysis of cultural diversity by Baycan and Nijkamp, found that:


... diverse societies are more efficient in terms of cultural vitality, and economically more successful than culturally-homogeneous societies. Diversity fosters creativity and innovation, contributes to entrepreneurship, enhances productivity, and promotes economic growth. Being linked to creative activities, diversity offers a major source of competitiveness for multicultural cities; and assists the cities' efforts to boost their international profile, attracting investments and a well-educated, creative workforce; and, therefore, contributes to the improvement of the creative capacities of cities and regions.

Colgate University (USA) economics professor Chad Sparber, in a review of diversity and production in US industries 1980–2000, noted that the employment of a diverse workforce generates productive diversity across most sectors of the US economy. While this productive diversity is most beneficial for those industries employing highly educated workers, it is beneficial across most sectors (Sparber 2007).

In Australia, an early assessment of the dividend to be gained from a diverse workforce was provided by Professor John Nevile of the University of NSW in 1990. His research concluded that postwar immigration had provided a substantial source of technological change for Australia. He found that an increased rate of innovation of 0.6 per cent was associated with growth of one per cent in total output, and that this growth was optimised by population growth of 1.25 per cent a year (Nevile 1990).

Other Australian studies have shown notable per-capita economic benefit from the migration of people from diverse cultural backgrounds, especially where these migrants are skilled. Professors Bruce Chapman and Glenn Withers, from the Australian National University, summarised their findings as follows:

- a growing market, outstripping capacity, engenders confidence for investment
- an increasing large and skilled labour force ensures the best added value
- fresh perspectives and new ways of doing things enhance innovation
- a culturally diverse workforce provides trade links and global integration (Chapman and Withers 2002: 260).



Professor Graeme Hugo (University of Adelaide) has elaborated on the reasons why immigration and cultural diversity have contributed to the productivity and efficiency of the Australian economy in more recent years. He notes that the non-discriminatory and selective nature of the migration program has meant that:

- ▣ migrant populations are never representative either of the populations of the receiving or sending countries
- ▣ migration on the whole is selective in that it is as a rule the more educated and more skilled risk takers and entrepreneurs who succeed in gaining entry
- ▣ the intake policy's special criteria, such as the points system, emphasise the tendency to the greater skill, education and entrepreneurial talent of migrants
- ▣ as a result, there is substantial business and general economic success among migrants as evidenced by their disproportionately high representation in the *Business Review Weekly's* 11 most wealthy Australians list (Hugo 2009).

Humanitarian entrants are a part of this picture. The Refugee Council of Australia's report on the Economic, Civic and Social Contributions of Refugees and Humanitarian Entrants states:

... that although there may be short term costs as refugees resettle and adjust to their new surroundings ... once successful integration has occurred refugees are able to quickly make permanent cultural, social and economic contributions and infuse vitality ... Refugees are often entrepreneurs as they face the need to set up and establish themselves in a new environment ... in the 2000 Business Review Weekly annual "Rich 200" list which showed that five of Australia's eight billionaires were people whose families had originally come to the country as refugees.



Building on the benefits

Building on the benefits of migration and our cultural diversity requires addressing a number of issues and challenges. Some of these require further research.

THE SECOND GENERATION

In 2011, the Census recorded that there were 46.3 per cent of people living in Australia with one or both parents born overseas. In 2007, Thomas Liebig remarked in his report that given the size of the second generation, he was surprised how little research had been conducted into their education attainment and labour market integration. He could find only three studies:

- a study based on 1996 Census data carried out by a team of researchers from the ANU (Siew-Ean Khoo, Peter McDonald and Dimi Giorgas, with Bob Birrell from Monash University)
- a study by Melbourne University, based on their 2003 *Household, Income and Labour Dynamics Australia* (HILDA) survey
- a 2004 study of educational outcomes undertaken under the OECD's Program for International Student Assessment (PISA).


Liebig reports that the HILDA survey shows that the second generation have, on average, a higher educational attainment than the children of the Australia-born and have higher employment participation and lower unemployment rates (Liebig 2007: 46). With respect to educational outcomes, he draws on international data provided by the OECD-PISA research. In this, Australia was the only OECD country to register no significant difference in mathematics and reading literacy scores between the second generation

and children of the Australia-born (Liebig 2007: 47). For Liebig, these findings both explain and reflect the relatively positive nature of public discourse on immigration in Australia.

He contrasts this with what he describes as the negative public discourse and insecurity of migrant status found in most European countries.

He then draws on the Siew-Ean Khoo et al. 2002 study of Second Generation Australians to explain the literacy data reported above. This study, primarily based on data from the 1996 Census, remains the most comprehensive investigation of the demographic and socio-economic situation of the Australia-born children of postwar migrants. At the time, this second generation comprised nearly 3.4 million persons out of a population of 17.9 million (that is, 19 per cent). It was the most culturally diverse group of Australia-born Australians ever, as sources of migration had extended from Europe to Asia and other regions over the previous 30 years.

The study took a cohort approach, focusing on children aged 0–14, youths aged 15–24 and adults aged 25–34 and 35–44. It covered information including birthplace, occupation, education level, parental income and income. It found that the second generation as a whole were doing significantly better than their peers with parents born in Australia. It found that the second generation's parents were more qualified than parents who were Australia-born, a situation in stark contrast to European countries.



In 2010, the ABS released a publication based on data collected in the 2006 Census, titled *A Picture of the Nation*. This included a report on the second generation. Its key findings were:

- second generation Australians have higher education levels compared with third generation plus Australians, and generally have higher than equivalent levels compared with first generation (that is, migrant) Australians. Some second generation migrants have very high education levels. For example, 48 per cent of the second generation with Chinese ancestry hold a bachelor degree or higher qualification compared with 23 per cent of all Australia-born people
- as a consequence of higher education attainment, the second generation are more likely to be professionals
- as with earlier studies, the 2006 Census indicated that unemployment among the second generation was lower than for first generation Australians. In 2006, the average unemployment rate for first generation Australians was six per cent. For the second generation it averaged four per cent. This average masked some important variations according to ancestry. For example, unemployment was lower for those with Italian, Greek, Dutch, German and Maltese ancestry (all around three per cent), while it was higher for those with Turkish, Vietnamese and Lebanese ancestry (all around 11 per cent) (ABS 2010 Cat. 2010).

A 2009 ABS *Survey of Education and Training* shows the labour market outcomes for the second generation have continued to improve since the 2006 Census.

Data from this survey enabled comparison between the education levels obtained by children of the Australia-born with Australia-born children of migrants, and with overseas-born children of migrants. This survey found that overseas-born children of migrants had the highest proportions with tertiary education qualifications (36 per cent) compared with 29 per cent of Australia-born children of migrants, and 23 per cent of children of the Australia-born. These results would appear to reflect the emphasis that has been placed on selecting migrants with high-level skills over the past 15 years. Most recent arrivals are likely to have come either as skilled migrants or as dependants of skilled migrants (ABS 2010 Cat. 6278).

Of particular interest are the outcomes for second generation humanitarian entrants. As described above, first generation humanitarian migrants are struggling in today's labour market. Case studies of the children of humanitarian migrants have indicated improvement on their parents' education and occupation status.

A study by Graeme Hugo and his colleagues at the University of Adelaide of second generation humanitarian settlers found some positive pointers for the future. It found the second generation had much higher levels of labour force engagement than their parents. Importantly, they found that the proportion of recent refugee arrivals aged 15–24 who were attending an educational institution was higher than for other migrants, and for the Australia-born. This, they concluded, indicated the potential for greater labour-force participation. It also found that second generation humanitarian migrants were making greater civic contributions to their local communities, to local governments and to their own ethnic and religious organisations (Hugo 2011).



Managing Australia's cultural diversity

For the past 20 years, successive Australian governments have recognised the benefits of a multicultural society. The broader economy and society are enhanced not only through the direct application of skills that migrants bring to the workforce, but also by tapping the education, language and cultural skills and knowledge of these migrants.

The Diversity Council of Australia (DCA) 'Issues Paper on Australia in the Asian Century' states:

... Australian businesses with workforce profiles characterised by cultural diversity, intercultural capability, international experience and a global mindset are well positioned to capitalise on culture. Such a workforce has the capacity to generate the market insight and innovative business solutions that organisations urgently need to thrive and grow in complex regional and global operating environments. More specifically, it:


- ▣ *enables businesses to better understand and service the needs of increasingly culturally diverse client bases, both locally and regionally.*
- ▣ *opens up business networks, assisting organisations to identify and enter new local, regional and international markets.*
- ▣ *assists with the development of domestic niche marketing. Forty three per cent or 8.8 million consumers in the domestic market are either born overseas or have at least one parent born overseas. Thus, Australian businesses that want to reach their 'whole' market and make their goods and services accessible to all potential buyers cannot afford to ignore such a critical mass of consumers or assume that the 'whole' market has homogenous tastes and preferences.*

A workforce characterised by cultural diversity, intercultural capability and international experience can also assist organisations to widen their customer reach and enter new and/or increase market share in overseas markets.

Global trade and the migration of workers will continue to shape the workforce environment in which Australian, and Western Australian, companies operate. The multicultural diversity of the Australian workforce, and particularly the WA workforce, will only increase. The need to understand and respond to this diversity will increase. The potential dividends to be reaped from this workforce will also increase.

The Diversity Council Australia, Deloitte Touche Tohmatsu, ANZ, Mallesons Stephen Jaques and Goldman Sachs' recently released survey Capitalising on Culture, which examined cultural diversity in senior leadership roles, stated:

.... 40% of participants were bi or multilingual, approximately 30% possessed a multiple cultural identity and just over 20% had a high degree of global experience. Senior executives and pipeline executives were proficient in a total of 80 different languages. Over 60% had lived and worked in countries besides Australia and over 50% regularly interacted with clients and colleagues overseas in their current role. Collectively, survey participants had lived and worked in 114 different countries and had regular business interactions with at least 72 different countries. These measures of Australian leaders' diversity capability tell a positive story in relation to Australian organisations' ability to access new local, regional and international markets and business opportunities.



The Committee for Perth publication, *Perth@3.5 Million and Beyond* explores Toronto, Canada, as a case study for how governments, industry and the community can expand the benefits of diversity through a number of strategies such as:

- ▣ increasing awareness of the economic benefits immigration can bring to the city and country
- ▣ highlighting the long-term benefits of multiculturalism to Australia and Western Australia and building pride in Perth as a multicultural city
- ▣ public education about multiculturalism and discrimination—through schools and the media
- ▣ programs to address skill gaps, increase employment opportunities, raise incomes, reduce poverty and promote equality for all, including newcomers
- ▣ fostering a ‘knowledge economy’ and increasing levels of ‘human capital’ in the city (that is, educational attainment)
- ▣ developing innovative support and outreach programs for minority groups, at-risk groups and new arrivals in the city
- ▣ celebrating multiculturalism through festivals and events.



Conclusion—future directions

Today, around one in three people in WA was born overseas. Migrants, together with their Australia-born children, make up over half the State's population. The contribution that migration has made to the WA population and economy over the past 60 years has been enormous.

Australia's reputation as a hospitable country and as a rewarding place to work will be important in attracting and maintaining its future workforce. WA is well-placed to lead the sorts of changes that will be needed if Australia is to realise the full potential of the economic benefit that can be gained through migration over the next decade.

The Australian Government has stated in its issues paper seeking input towards a White Paper on Australia in the Asian Century '... the greatest influence on the future prosperity of Australia is the dramatic shift of economic power and, as a result, strategic weight to Asia' (2012: 1). For no State is this more obvious than WA. Today eight out of 10 of WA's major trading partners are in Asia. In 2010–11, China was WA's largest export market (\$47 billion, or 42 per cent). China was also the State's largest source of imports. In importance of export markets, China is followed by Japan (\$21 billion or 19 per cent), South Korea (\$12 billion or 12 per cent), and India, Thailand and Singapore.

The issues paper warns 'Australia will face increasing competition for the opportunities arising in Asia ... our task will be to reinforce our strengths, while also expanding our area of competitive advantage in new sectors and markets ... we will need to adapt and innovate' (2012: 2). Innovative, flexible development of migration channels, of settlement strategies, and maximisation of the multicultural diversity dividend, not only of migrants, but of the increasing numbers of visitors and students from our Asian trading partners, will be required.

WA's cultural diversity has contributed to the State in ways beyond those measurable in direct economic terms. It has enriched the cosmopolitan vibrancy of Perth—for example, its residents' choices of food, as well as artistic, recreational and cultural pursuits. The strong WA economy and its increasing cultural diversity will attract further migration: international as well as interstate, temporary workers as well as permanent settlers, entrepreneurs, business migrants and investors, tourists and students. Migrants and cultural diversity are the link that connects this State with its neighbours and with the rest of the world.

The world has come to WA, and the community, business and government are well-positioned to show the leadership required to optimise the economic and social benefits of cultural, ethnic and religious diversity. WA's reputation as a hospitable State, with a strong economy and a diverse culture and society will be critical in attracting and maintaining its future workforce. WA is well-placed to lead the changes that will be needed if it is to realise the economic benefit of migration for all Western Australians.

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