PC Inquiry into Migrant Intake

Presentation to the Australian Institute of Family Studies

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18 August 2015

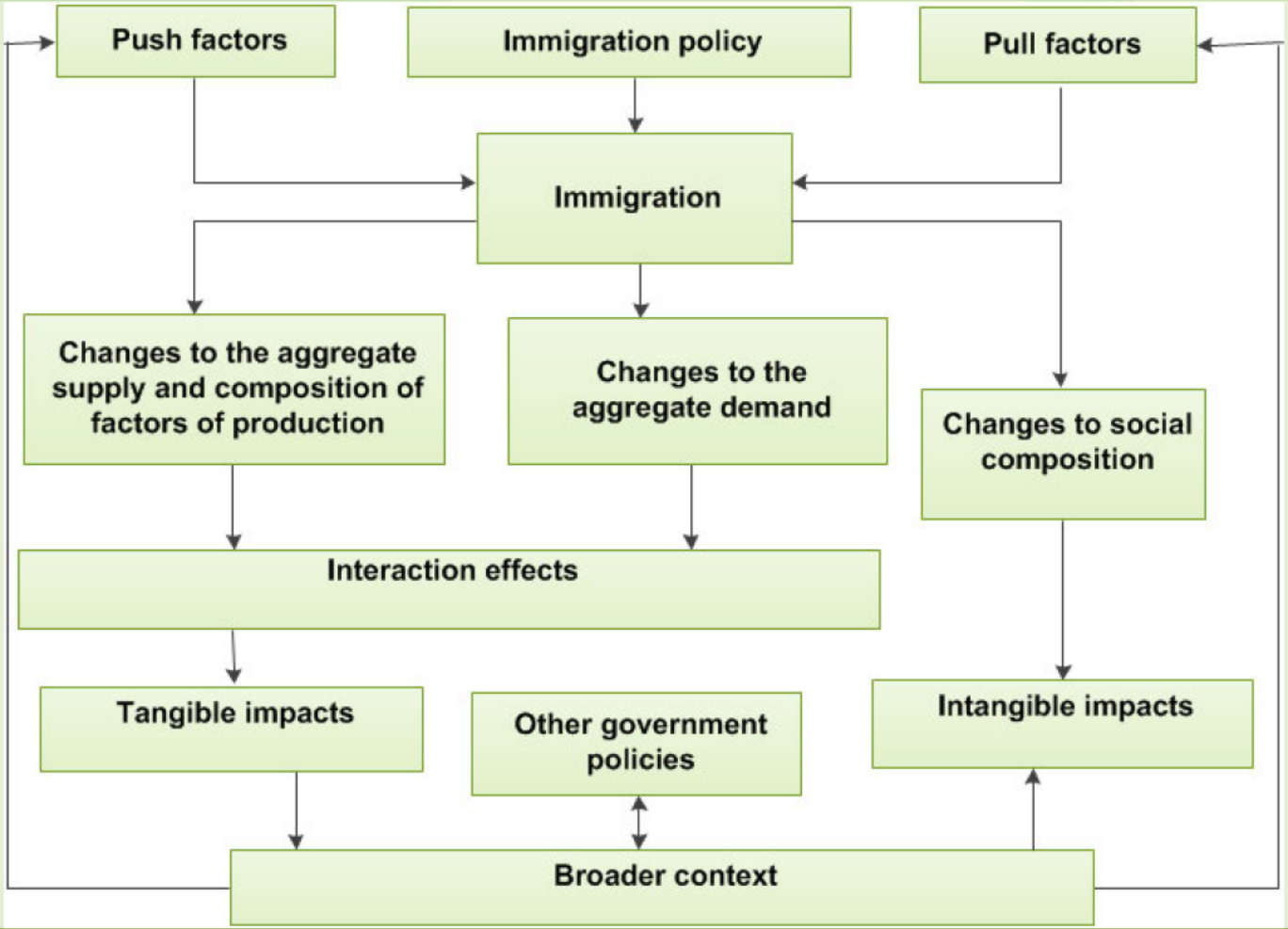
Terms of Reference: 3 key components

- Costs and benefits of immigration
  - *Including to Government budgets (entry charges, government services, taxation*
  - *Income, wealth and living standards of citizens (economic, social and environmental dimensions)*
- Examination of alternative methods, including through an entry charge as the primary basis for selecting migrants
- Optimal interaction of temporary and permanent immigration

The Commission's approach

- Stakeholder consultations
  - *Meetings with over 80 stakeholders, covering government agencies, statutory bodies, community groups and academics*
  - *66 submissions received*
- A data intensive inquiry – evidence from Australia and overseas
- Modelling work
  - *GE modelling to assess the economy-wide and distributional impacts of immigration*
  - *Partial equilibrium modelling to assess the impacts of a charge*

An integrated framework



Tangible and intangible impacts

- Tangibles - those elements whose value can be expressed through market prices (eg, wages, cost of living)
- Intangibles – difficult to put a dollar value on (eg, social cohesion and safety)
- A broad economic approach is not simply about 'money, markets and materialism'

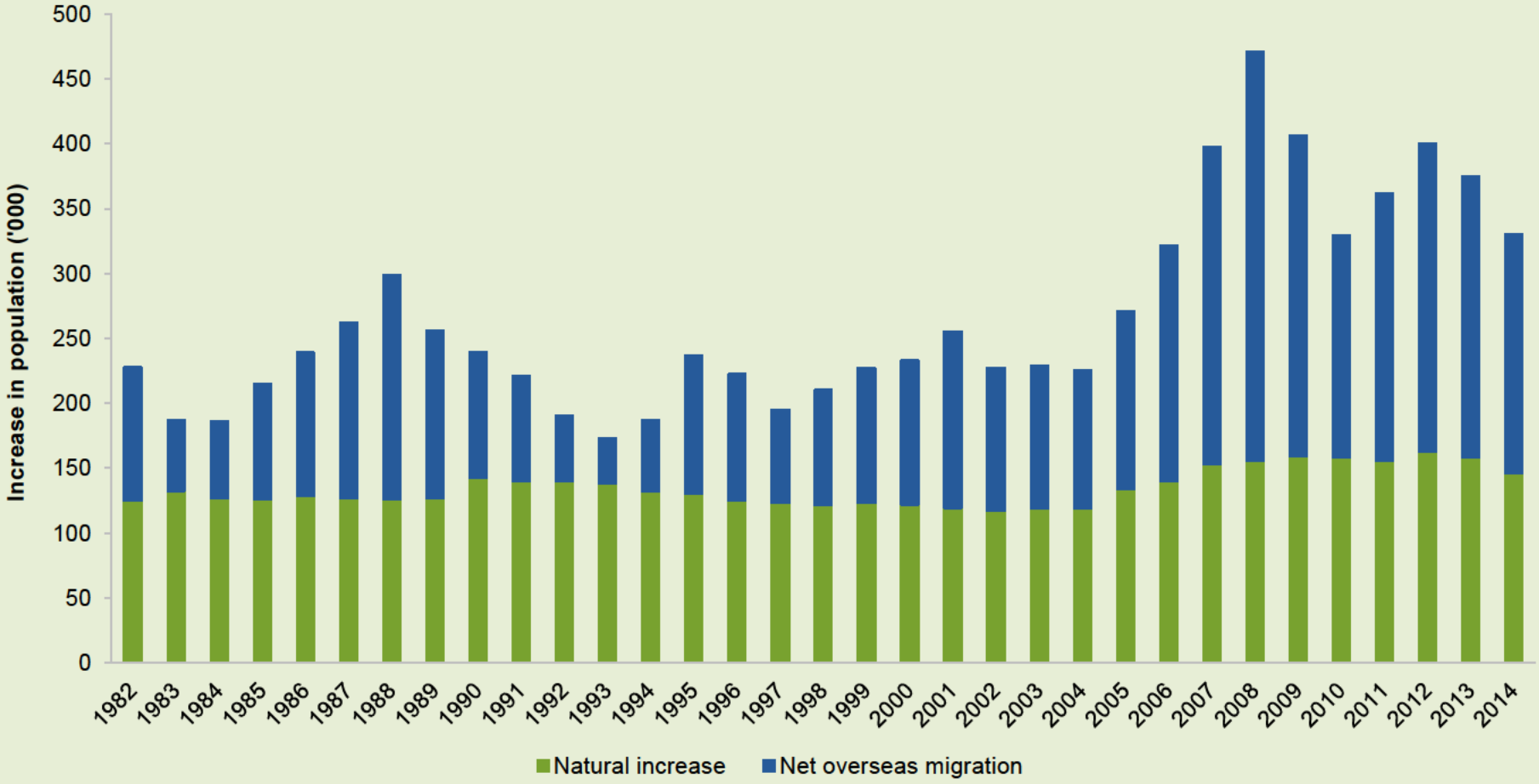
Some broad trends

- Migration has become more temporary, which tends to react to the economic cycle
- People are moving multiple times
- A focus on skilled migration and employer sponsored pathways
- Forced migration and the number of refugees has been increasing

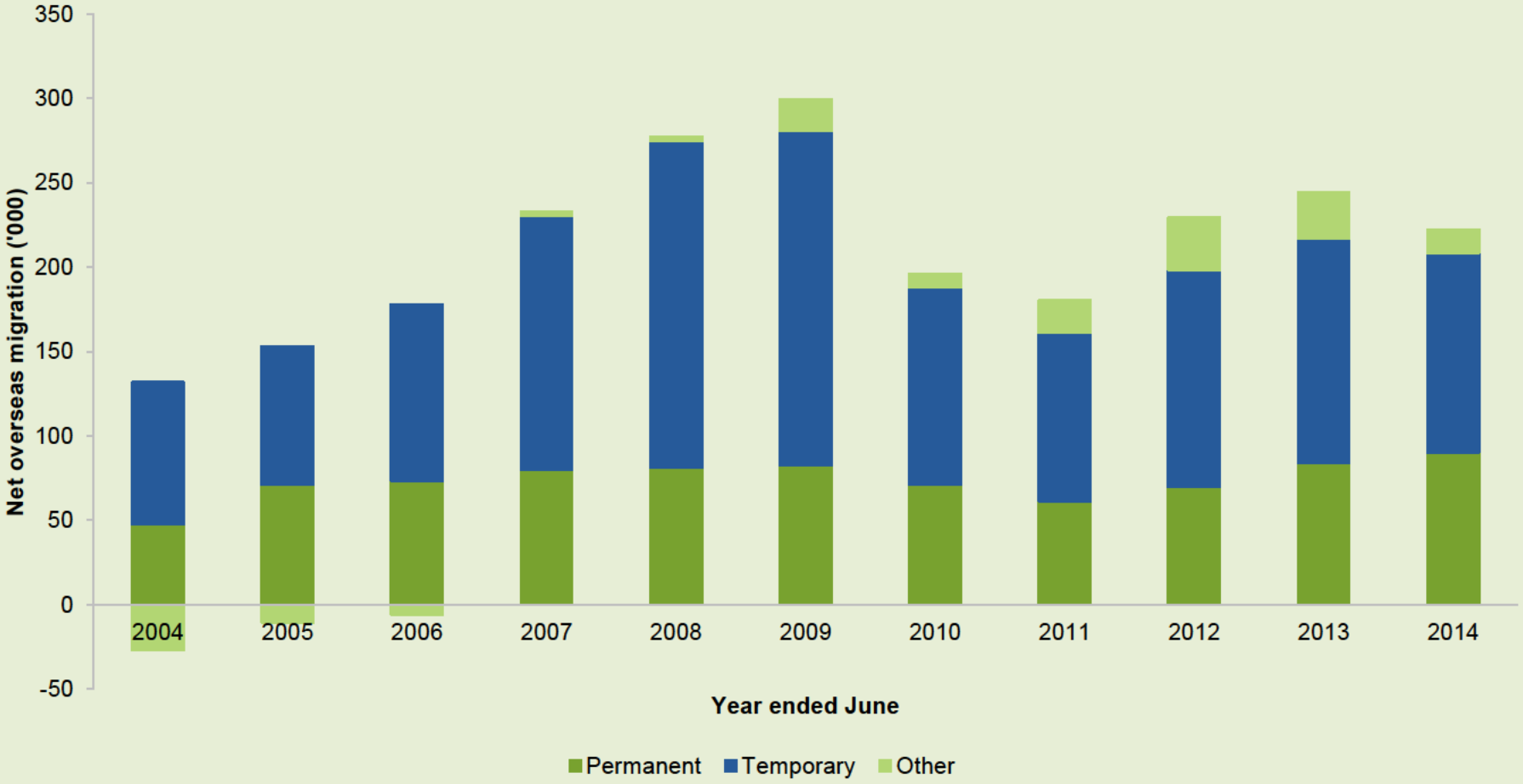
Australia has a large immigrant population



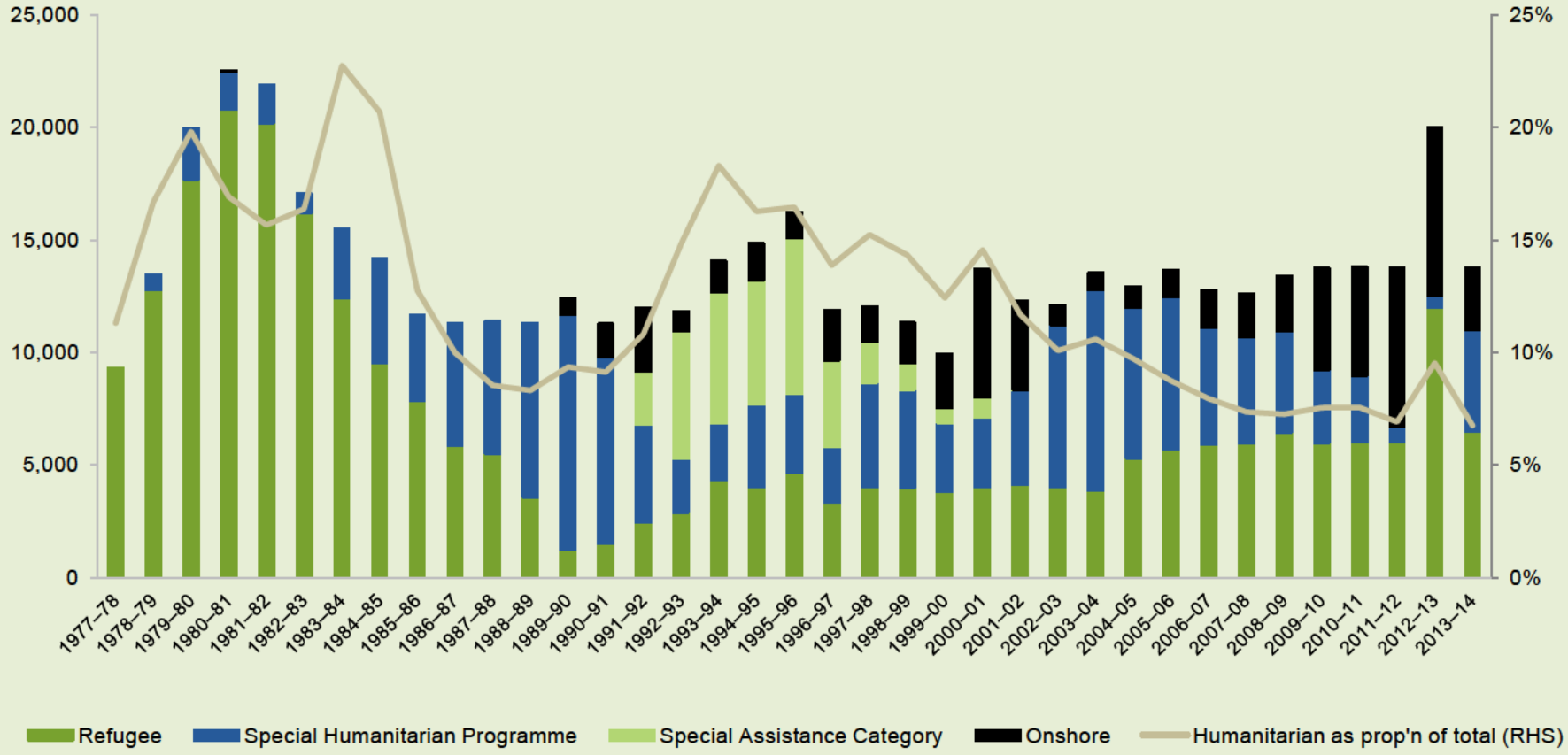
Immigration now drives population growth



Most immigration is temporary



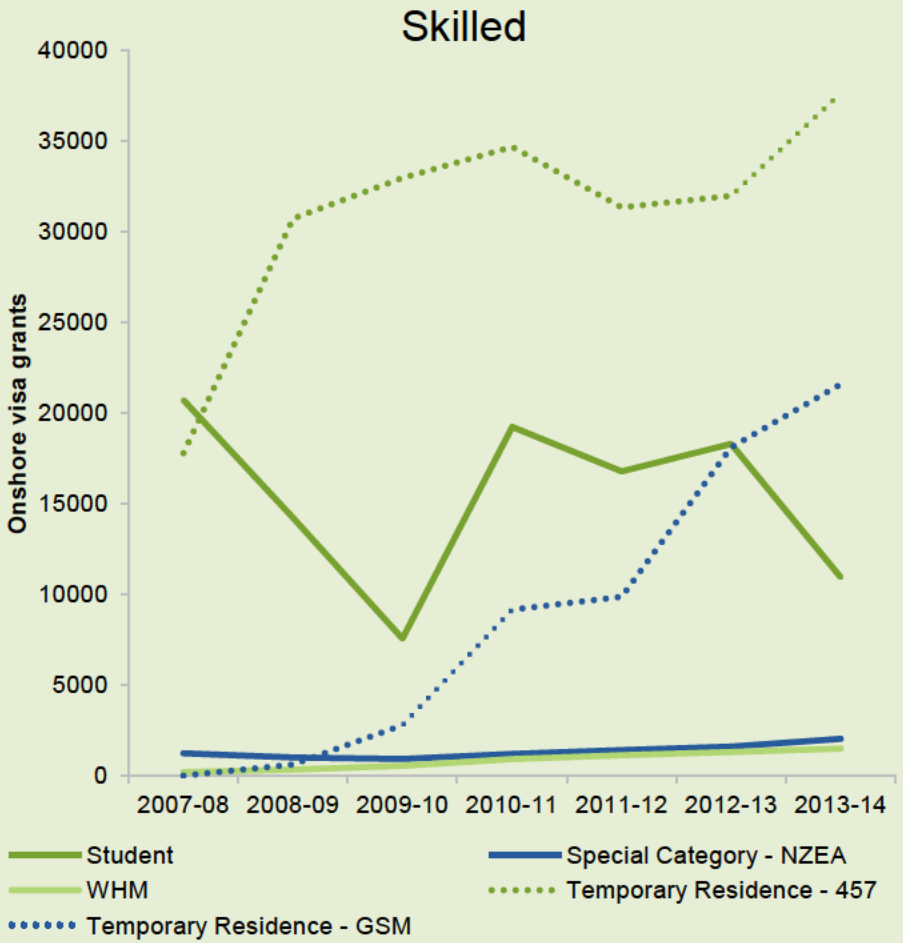
The humanitarian program

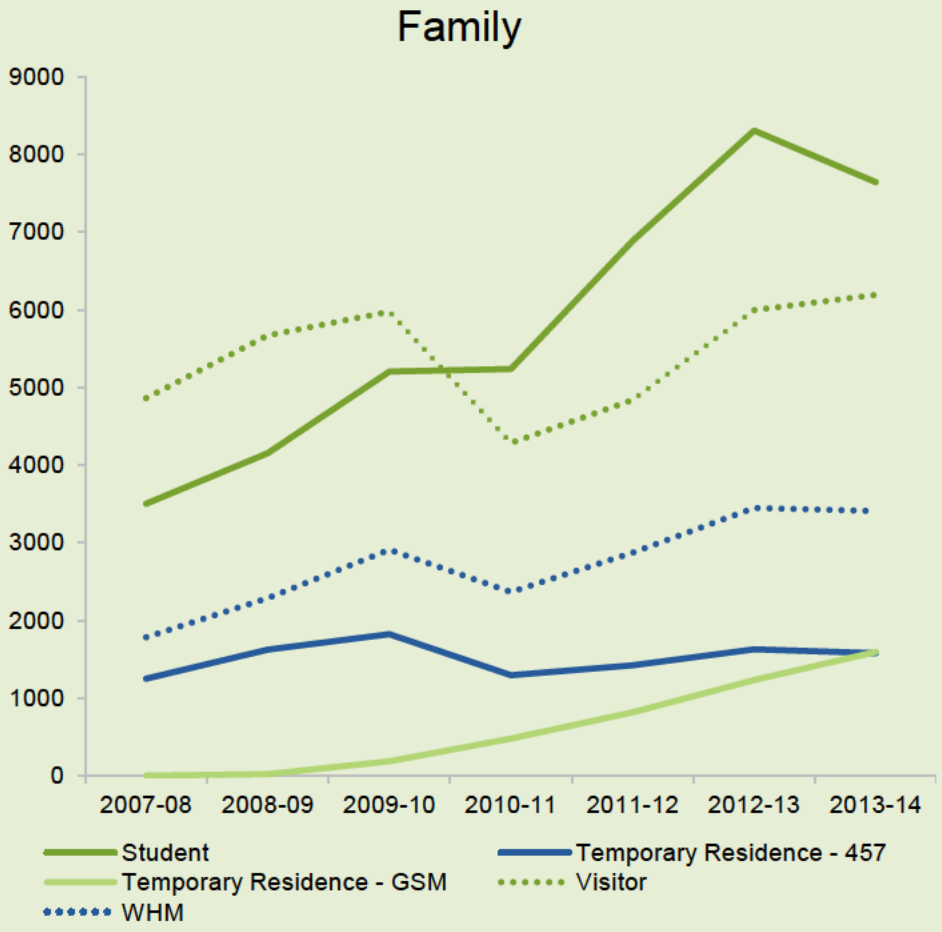


The balance between permanent skilled and family



The links between temporary and permanent immigration



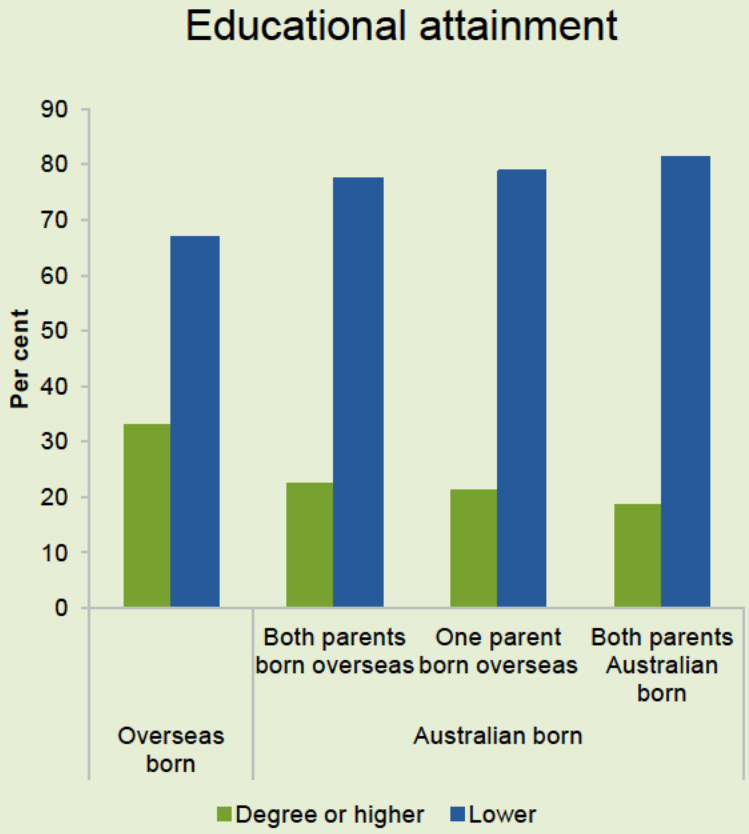


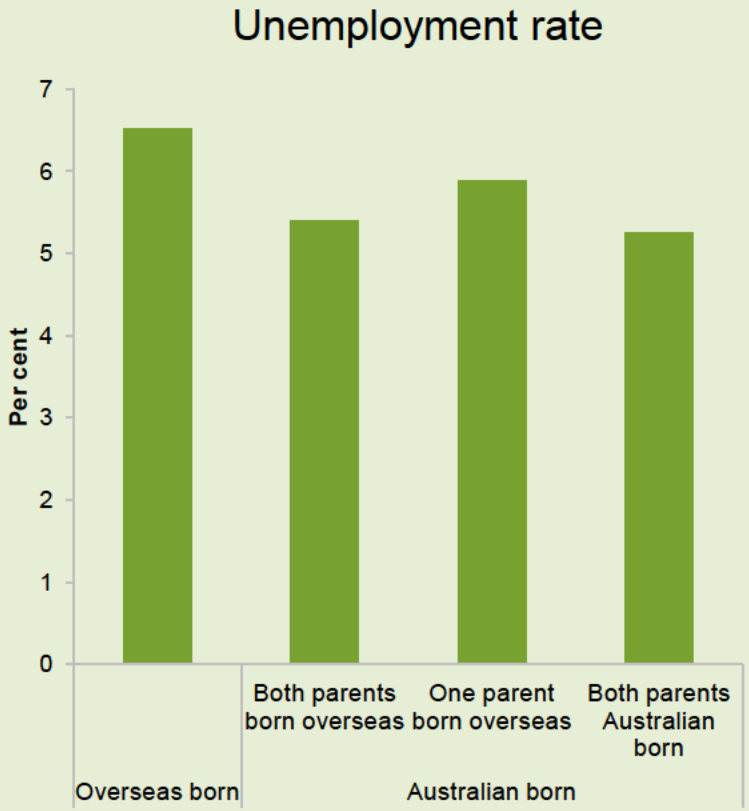
Social integration - fairly positive

- Australia scores relatively highly on a range of indicators:
  - *90.3% of the population think their city/area of residence is a good place for migrants (OECD average was 73%)*
  - *In 2012, 56% of foreign-born respondents reported a sense of belonging to a great extent and 35% to a moderate extent*

- Key drivers of integration are English, education and employment

Second generation immigrants outperform children of native born parents





Settlement patterns influence integration

- Immigrants tend to live in Australia's two largest cities
  - *In 2011, just under half of all immigrants in Australia lived in Sydney or Melbourne*
- Most immigrants live in urban areas
- Most immigrants choose to settle in the inner city and near universities
- There is some evidence of geographical clustering by visa class

Family reunion is important for immigrant settlement

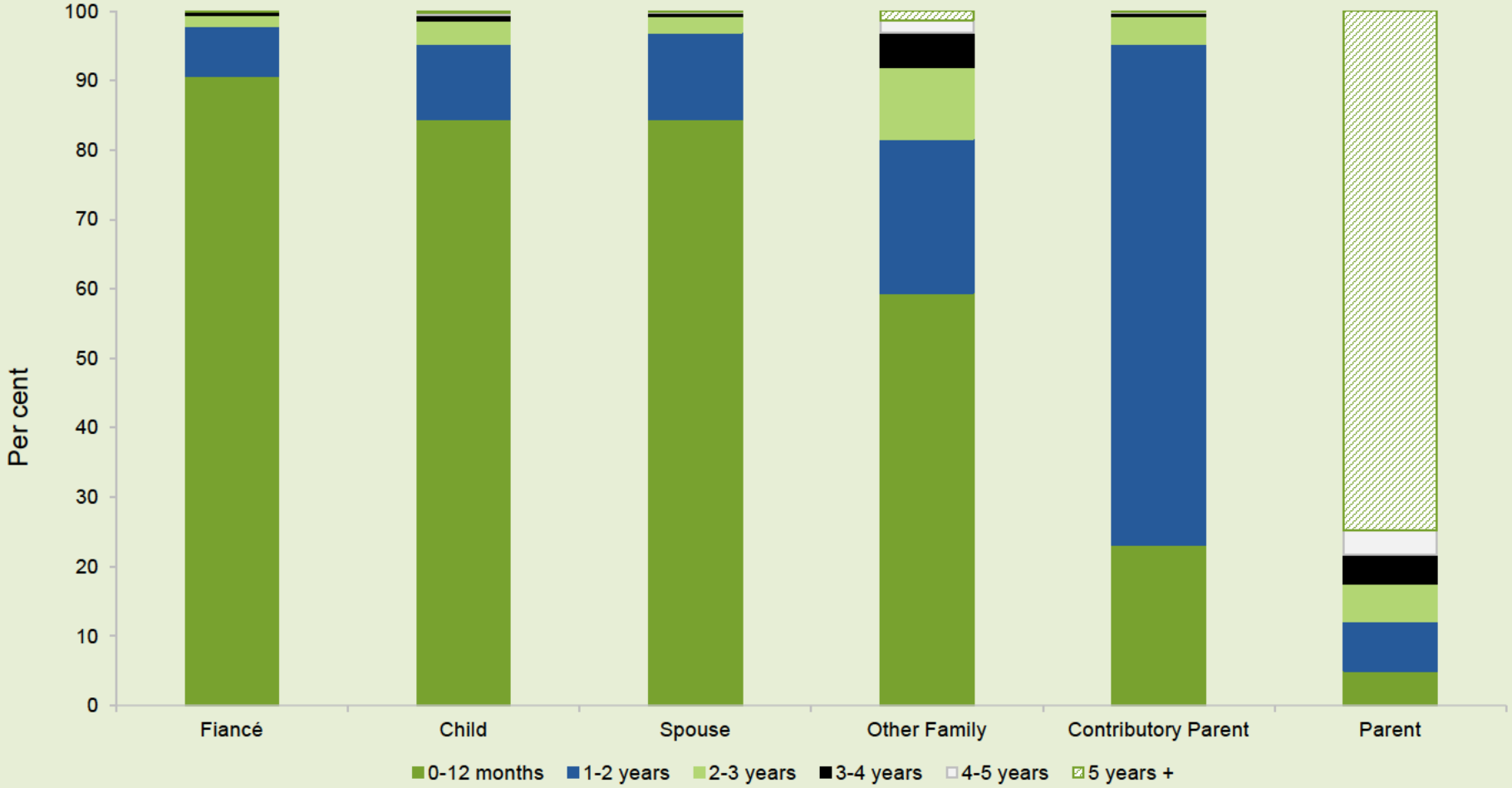
- 'Family separation continues to be … one of the greatest challenges facing refugee and humanitarian entrants in Australia. The limited availability of timely and affordable family reunion options … has a significant negative impact on their settlement outcomes …' (Refugee Council of Australia, sub. 20)

- 'Prolonged separation causes significant and at times debilitating distress to people who are living involuntarily apart from their families.' (Australian Red Cross, sub. 23)

The family and skilled streams are linked

- Being able to bring family is an important consideration for potential skilled immigrants.
  - *40 per cent of those that transition from a 457 visa to permanent work employer sponsored visa are under the age of 18 (they are dependents to the primary applicant)*

Processing times of applications in the family stream are long



The Contributory Parent Visa makes for an interesting case study

- The Commission has been asked to consider the scope for using a charge to determine migrant intake
- Parents are split into contributory (charge of around $47000) and non contributory (charge of around $6000) visas subclasses
- The contributory processing time is 12-24 months, while the non-contributory is around 25 years
- The contributory parent charge seeks to recognise the costs associated with elderly parents migrating
  - *However, it still does not cover the full costs to the Government (around $280 000)*

Views on charging families

- '… it is fanciful to think that public servants or Ministers implementing the family-reunion permanent migration stream can discern which family connections are more important than others.' (Liberal Democratic Party, sub. 46)
- 'Australian immigration policy should maintain a skills and family based system as opposed to price-based mechanism.' (Migration Council Australia, sub. 50)
- 'There are clear implications for the wellbeing of migrants and their families and resultant increased costs to government should wellbeing decrease.' (Department of Social Services, sub. 62)
- 'We suggest $300,000 per capita for each successful permanent immigrant. No group or family discounts should apply.' (Reduce Immigration, sub. 48)

Next steps

- Draft report released - mid November
- We will seek further information and feedback
  - *Public hearings (early- mid Dec)*
  - *Submissions (due 18 Dec)*
- Final report to Government - mid March 2016