



Submission to the Productivity Commission Migrant Intake into Australia

The Multicultural Development Association (MDA) is committed to building a flourishing multicultural Queensland in which people from different cultural and linguistic backgrounds have an opportunity to thrive and contribute.

MDA has provided specialist settlement support for over 13 years. We currently settle every newly arrived refugee in Brisbane, Rockhampton and Toowoomba. Our current client base includes refugees and asylum seekers. In the past year we have worked with more than 4000 clients from over 66 different countries. A core component of our work is creating welcome by forging connections within and between community groups to facilitate the settlement journey and contribute towards a socially cohesive society.

Introduction

MDA welcomes the opportunity to make a submission to the Productivity Commission Inquiry on Migrant Intake into Australia. MDA is committed to a flourishing multicultural society in which diverse people have opportunities to thrive and contribute. Our work is *about* migration and we believe that an outright program of welcome and support at the initial settlement phase goes a long way to create successful migrants and citizens.

Through 2013-14 MDA had 235 staff members representing 47 countries and 64 cultural identities. In preparation for this submission we consulted with our own multicultural workforce, asking questions about Australia's current Migration Program (its design, procedures and implications of fairness); benefits accrued to the Australian society through the migration program and possible considerations for any future redesign of the program. Staff also considered government efforts to boost social cohesion and migrant participation in Australian life.

Key Recommendation

Australia's migration policy should include the following objectives:

- To continue to meet Australia's commitments to human rights broadly, and particularly to provide protection for refugees and including rights to family formation;
- To ensure that migration selection processes are fair, and provide applicants with access to natural justice;
- To ensure that migrant intake promotes national development and prosperity;
- To increase the humanitarian intake and facilitate family reunion for people from a refugee background already resident in Australia;
- To facilitate the inclusion of migrants in Australia's economy, culture and society and thereby promote social cohesion;
- To facilitate pathways to permanent residency and citizenship for migrants looking to remain in Australia;
- To develop an administrative framework that reduces complexity and compliance costs in the migration process.

Background

This inquiry is timely, not just because public debate about the treatment of asylum seekers continues and further changes to the *Migration* and *Citizenship Acts* have been mooted. It is estimated that the global population is expected to expand by 3 billion by the end of this century. Economic globalisation is unlikely to abate. Australia, like most of the global north, has a rapidly aging population and an estimated trillion dollar deficit in retirement savings, with implications for the future of the labour force. Climate change and related weather events are likely to result in pressures on people movement, perhaps even creating a new class of refugees, at the very least adding to the numbers of people already forcibly displaced by conflict around the world. All of these factors are likely to accelerate people movement across the globe, driving emigration and intensifying the demand for immigration to Australia. MDA submits that Australia's migration policy should be developed with this context uppermost in mind.

In this context both Australia's national, economic interests and its humanitarian concerns can be addressed through expanding the migration program. There are most definitely productivity gains to be had through an expansion of Australia's migration program. Expanding the labour force has immediate impact on local markets for goods, and particularly services. But increasing cultural diversity likewise increases Australia's international competitiveness. Migrants arrive with significant social capital in their countries of origin which cannot be discounted in any assessment of the economic impact of migration. There has been much research that demonstrates the manifold benefits of migration, which we will not rehearse here. But MDA would like to recommend that the Productivity Commission use an expansive definition in costs and benefits in its analysis of the impact of migration, not limited to economic indicators

It is imperative that Australia's response to the above trends is not freighted by an implosion of visa categories driven by short term political considerations. A simple system of visa types allowing for greater flexibility across the work, study and family streams with fewer constraints on travel and other conditions is advisable in a world where spouses are economically active, not dependent and work and study, and where students work and workers with families study. Quarantining the humanitarian program is a central plank of our commitment to global human rights. Nonetheless, people from a refugee background also work, study, holiday, and have families. The constraints imposed by Australia's migration system impose unnecessary limits on our conceptual frameworks, our migration imaginary.

In addition to controlling people movement, Migration Policy also sends important messages about social inclusion. Policy can promote social cohesion by reducing the variety of constraints on visa categories that limit social participation, particularly employment, communicating to both migrants and Australian citizens that immigrants do not truly belong, that they must be subject to additional controls. MDA submits that a significantly simpler system of visa categories would promote social cohesion. Administrative and compliance costs would also be reduced by creation of a simpler system of visa types.

In addition to the creation of a simpler system with the capacity to be more responsive to demand and the drivers for migration, MDA would welcome further investment in settlement services for recent migrants, not just humanitarian entrants. This was a strongly stated preference of staff members who had migrated to Australia, often under the skilled migration program, only to find it surprisingly difficult to navigate the Australian labour market. MDA knows from over a decade of experience that settlement is a dynamic process of adaptation to a new environment. Access to advice and support in the initial stages can make a huge difference.

There are additional arguments for simplifying the current system. Staff also raised concerns about the seeming arbitrariness of the current system, with many waiting significant periods, up to many years, to hear about applications for permanent residence, for example. Many have spent significant sums of money in these applications, only for an indefinite wait. Others suggested that the complexity of the system encourages corruption and fraud. Simplified and responsive channels, increasing accessible people movement, could remove this temptation.

Another significant theme in our consultation was a felt lack of support and encouragement to apply for Australian citizenship. For some there was a reluctance to apply due to a lack of employment security. For many, however, the journey to feel truly part of the Australian community was

incomplete. The discussions kept circling back to the question of why there were not settlement supports during the initial phase of settlement, which could facilitate social inclusion.

Analysis of Treasurer's proposal

The challenge articulated by the terms of reference developed for the Inquiry, and subsequently by the Issues Paper itself, is how to marry the multiple objectives of Australia's migration policy to the governance structures determining the level of immigration and the characteristics of migrants allowed entry into Australia. In other words what mechanisms for selection will promote the breadth of objectives associated with the Australian Migration Program? A range of combinations of extant selection mechanism – quotas, qualitative requirements, and financial imposts – could be devised. However, the Treasurer, Mr Hockey, has requested that the Productivity Commission give specific consideration to the development of a system in which financial imposts are the sole or primary mechanism determining entry.

This proposal is remarkable for its simplicity. Despite the proposal's seeming elegance, in our consultations it raised equity and fairness concerns. Not all the skilled migrants who joined our discussion, for example, would have had sufficient liquid assets to both pay increased visa fees and retain sufficient monies to support themselves during any period of unemployment during the first few years of settlement. In this part of the consultation it was noted that costs of living in Australia, particularly housing costs, are relatively high. These concerns might be marginally moderated if financial imposts associated with migration could be collected through the tax system, once migrants had attained employment. Nonetheless, financial imposts were thought to be too blunt a mechanism to determine entry. The opportunity costs include exclusion of people, possibly with lower skill levels, but most definitely without significant capital. The latter, however, is neither a determinant of character, productivity nor capacity to contribute to Australian cultural life more broadly.

Excluding the humanitarian program from any increase in financial imposts is an absolute must. In this instance, the use of fees would be contrary to the imperative to protect vulnerable people, many of whom have had to flee persecution and leave behind assets.

Despite these reservations, our consultations suggest that there is significant interest in and appetite for the design of a migration system that is fairer, more transparent and simplified. MDA look forward to being part of further consultations on this subject.