

Migration and Population Study  
Productivity Commission  
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***Re: FECCA Submission to Economic Impacts of Migration and  
Population Growth Position Paper***

Submitted by:

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Authorised by:

Ms Voula Messimeri  
FECCA Chairperson



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FECCA is the national peak body representing and advocating for, diverse cultural and linguistic communities. Our role is to advocate, lobby and promote issues on behalf of our constituency to government, business and the broader community. FECCA promotes Australian multiculturalism, community harmony, social justice, community participation and the rejection of discrimination to build a productive, culturally rich Australian society.

FECCA is pleased to comment on the draft position paper, entitled *Economic Impacts of Migration and Population Growth* made available for public consultation and input by the Productivity Commission. We acknowledge the quality of the investigation in terms of its scope, which reflects the views of a multitude of individuals and organisations. However, we are concerned that the study overlooks some of the important issues that we believe are closely related to the economic impacts of migration and population growth.

Our main concern arises from the nature of the framework and the methodological design of the study, in that it separates the economic aspects of migration from its social components. This is mainly prompted by the focus of the study on the labour market aspects of migration and its quantitative methodology. We argue that the general limitations of quantitative analysis are too restrictive and do not paint a complete picture of the long term impacts and opportunities that can be gained from immigration.

We appreciated the opportunity to make an initial submission to the Productivity Commission during the first stage of the inquiry, and are pleased to see some of the points that we raised acknowledged. For example, in relation to provisional services for immigrants to enhance their participation in the Australian economy as quickly as possible, your report acknowledges some of the problems in skills assessment and recognition processes. Yet, the issues that we raised in our initial submission, such as discriminatory practices by many employers; the 'closed shop' practices of professional bodies such as in medicine and pharmacy; the effect of two year exclusion period from government assistance; and inadequate assistance provided to new migrants to assist them in securing employment through the Job Network are not addressed in your report. FECCA considers these issues as serious impediments to productivity and economic growth.

While the paper does note issues of concern to FECCA such as; lower participation rate during the first five to fifteen years (p55); same skilled immigrants working in less skilled occupations than do Australian-born people; and in less skilled occupations compared with their occupation prior to migration (p51) the actual cause of these issues raised by FECCA have not been given due consideration.

Similarly, your report concludes that changes to the migration selection criteria have improved the English language skills of migrants (p153). However, this improvement is limited to skilled migration, and does not represent a true picture of other migration categories, most evidently the humanitarian stream. Your report indicates that 10% of all migrants speak English “not well” or “not at all” (p49). We highlighted several issues regarding English language tuition in our initial submission, particularly in relation to barriers to access for temporary protection visa holders and the need for longer term tuition for some humanitarian entrants, particularly from countries in Africa. We are disappointed that these issues were not considered in the position paper.

FECCA argues strongly that effective English language training that meets the needs of all migrants and humanitarian entrants is indispensable to sustaining economic productivity. It therefore deserves close scrutiny and effective policy responses to ensure that we are able to effectively access the skills in our multicultural workforce. While your draft report consistently raises the importance of English skills in relation to productivity, it remains silent on addressing the problems regarding the development of English skills of migrants. One reason for this might be the fact that 10 percent of all migrant population does not represent a significant number in the whole picture. But, from FECCA’s point of view creating a cohesive multicultural society, which is accepting and values all people, whatever their cultural or linguistic background, is imperative to increasing economic productivity. Access to settlement services, including English language tuition, that effectively meets the needs of new entrants, and provide the best springboard possible to employment and education, is vital to achieving this.

We are concerned about the strong focus on skilled migration in the position paper. As we indicated in our initial submission, skilled migration is a sensible and practical solution to the problems facing the Australian workforce. Yet, we are equally concerned that Australia must have a balanced immigration policy, which also focuses on other migration categories such as family and humanitarian streams. We believe that a holistic approach to migration is important to achieve a good balance between economic development, encouraging family reunion and fulfilling our international and moral obligations to provide a safe haven for refugees fleeing conflict and persecution. Potential economic gains derived from skilled migration must not be allowed to outweigh our other commitments. For example, family reunion enhances both economic efficiency and personal wellbeing of immigrants. Workforce productivity is likely to fall if moral support for immigrants is not readily available. In the long run, difficulties in family reunion could in fact create a chronic shortage of skilled labour simply because returning back to their homeland could become a serious proposition for dissatisfied immigrants. The impact of this tendency would greatly exacerbated in times of economic downturn. FECCA acknowledges that there are difficulties in measuring the impact of cultural issues on productivity in quantitative terms. However, it would be equally

difficult to provide a realistic picture of immigrants without acknowledging a clear link between their well being and economic productivity.

We also would like to stress the strong gains that can be made from the productive diversity of the Australian workforce. As you acknowledge, immigrants can contribute to Australia's export performance through their knowledge of home country markets. Their ability to interpret precisely what is required in different business cultures, along with their already established contacts, provide the essential networking skills crucial to have a competitive edge in the global economy. This might again be a difficult issue to quantitatively measure, but as in the success story of Ms Vakulina that we referred in our submission, the contribution of immigrants to Australia's export effort is an undeniable resource for the development of economic productivity. Your paper suggests that this contribution might be achieved without recourse to an increase in permanent migration, by utilising immigrants entering Australia on a temporary basis and that they could be used as a vehicle for transferring specialised human capital (p.120). However, we argue that the shorter the engagement of migrants in this process, the less productive their contribution will be. The real challenge for Australia is to unearth what is already existing among immigrants and to make their contribution permanent.

Finally, we would like to emphasise the long term gains that can be made through migration. We would like the Commission to consider the story of Thao Nguyen, who came to Australia as a child as a refugee and became Australia's Youth Ambassador to the United Nations, or Khao Do, Young Australian of the Year 2005, who has become a successful filmmaker, contributing to Australia's film industry. The contribution of these individuals to the Australian economy may not be visible in economic terms, but the image of Australia they depict in the international arena and the example they set for new migrants is imperative not only to the economic but also to the social and cultural wealth of Australia.

FECCA would welcome the opportunity to discuss our submission in greater detail. If you would like to do so, please do not hesitate to contact either the FECCA Chairperson, Voula Messimeri, on 0414 532 529 or the FECCA Director, Sharon Ride on (02)6282 5755.