

17 November 2010

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A land of opportunity – Australia leads the way as a multicultural nation

Australia continues to be a leading multicultural nation, attracting one of the highest proportions of overseas born residents at 25 per cent of the total population, compared to the OECD average of 11 per cent, according to the latest AMP.NATSEM Income and Wealth Report.

Australia's immigrant population on a per capita basis is almost double that of the United States, and more than twice that of the United Kingdom.

England and New Zealand remain the two major source countries of migrants to Australia, attracting around 30 per cent of total migrants. In the 10 years to 2006, China toppled Italy for third spot, accounting for 5 per cent of total migrants to Australia.

Against this backdrop, the AMP.NATSEM Income and Wealth Report: *Calling Australia Home* explores the characteristics and contributions of Australia's overseas born population, examining aspects of the migrant experience including education, work, wealth and wellbeing.

AMP Financial Services Managing Director Craig Meller said Australia's recent history and current landscape is very much one of migration, with generations of migrants having influenced the country's economic wellbeing and cultural diversity.

"Modern Australia is a nation built from the labour, skills and traditions of migrants. Almost all of us has either experienced arriving here from elsewhere, or have heard the stories of our friends, colleagues, parents or grandparents who have made Australia their home," Mr Meller said.

"The major shifts in Australia's immigration policy over the years have resulted in a rich and culturally diverse nation and migrants have also made a significant contribution to the nation's productivity," Mr Meller added.

Key Report Findings:

The AMP.NATSEM report differentiates migrants into two groups. Migrants born in the main English speaking countries – Canada, New Zealand, Ireland, the United Kingdom, United States and South Africa – are referred to as "Born in MESC" and migrants born in non-main English speaking countries are referred to as "Born in non-MESC".

According to the report, most migrants arrive in Australia when they are young, with 40 per cent of recent permanent adult migrants moving here aged 25-34 years, and 22 per cent aged 34-44 years.

Over the past decade, an increasing number of migrants have entered Australia under the skilled migration program – approximately 115,000 permanent migrants came to Australia in 2008 under this category, accounting for 62 per cent of total migrants.

Education levels among migrants tend to match or even exceed those of the Australian born population. Forty six per cent of males born in non-MESC aged 25-34 years have a bachelor degree or above, compared with 20 per cent of Australian-born men in the same group.

Most migrants are urban dwellers. More than 60 per cent of migrants who were born in MESC live in Sydney, Melbourne, Brisbane and Perth, with an even higher figure of 79 per cent for non-MESC migrants, but only 49 per cent of the Australian-born population.

Asylum seekers make up a very small proportion of migrants. Australia's humanitarian migration program, through which refugees are accepted, makes up around seven per cent of Australia's total migrant intake, and asylum seekers make up only around one-fifth or less of this group.

Overall, Australia has a ratio of 10 refugees per 10,000 head of population compared to 87 per 10,000 in Sweden and 50 per 10,000 in Canada.

NATSEM author and Research Fellow Riyana Miranti said migrant participation in the labour market is one indicator of the successful contribution of migrants to the economy. Around 50 per cent of migrants are in the prime working age population of 25-54 years, compared to only 39 per cent of Australian born.

"With most migrants arriving here during the prime working age, it is not surprising that they have a high level of participation in the labour market, which is a clear indicator of their successful contribution to the economy," Dr Miranti said.

However in some cases the skills of many migrants have not been fully utilised with many highly educated non-MESC migrants working in low or medium skilled occupations. Only 19 per cent of Australian-born tertiary educated people aged 35-54 years are working in a low or medium skilled occupation, and 20 per cent of MESC migrants, compared with 38 per cent of non-MESC migrants. Similar differences are apparent in the 25-34 years age group.

"Labour market barriers may be experienced by this group of well-educated migrants, possibly including difficulties in having their qualifications recognised, or competing with those with native English-speaking backgrounds," Dr Miranti said.

For the working age population of 25-64 year olds, migrants born in MESC have the highest earnings per week at \$1,358, followed by Australian-born at \$1,266. Non-MESC migrants earn the least with average earnings of \$1,145.

Overall, non-migrant households with an average net worth per adult of \$387,200 are about five per cent wealthier than migrant households at \$370,400.

Non-migrant households take the lead in superannuation savings and investments with \$143,600 in total compared with \$124,600 for non-migrant households.

While non-migrant households are wealthier than migrants in general, migrant households are ahead of their Australian-born counterparts in terms of property-related assets with \$262,700 in property compared to \$250,800 for non-migrant households.

"The report suggests that this difference could be due to migrants living in urban areas where property is more expensive," Mr Meller said.

“Meanwhile non-migrant households may have been able to accumulate superannuation and investments over a longer period of time,” Mr Meller added.

The image of Australia as a land of opportunity is also captured in the data around job satisfaction, with a large majority of people being happy with their employment opportunities, especially in the younger age groups. Only a small minority of both Australian born and migrant individuals are ‘dissatisfied’ with their sense of being part of the local community.

“Migration is embedded in our history, has significantly contributed to the country’s economic wellbeing and culture, and will undoubtedly play a significant role in shaping Australia’s long-term future,” Mr Meller added.

Calling Australia Home is the 27th AMP.NATSEM Income and Wealth Report. Since 2001, AMP and NATSEM have produced a series of reports that open windows on Australian society, the way we live and work – and our financial and personal aspirations. AMP publishes these reports to help the community make informed financial and lifestyle decisions and to contribute to important social and economic policy debate.

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