

The cost of Australia's asylum policy: a guide to sources

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This factsheet provides a guide to sources on the financial cost of Australia's asylum policy and the economic contribution of refugees to the communities in which they settle

How much does Australia's asylum policy cost?

The exact financial cost of Australia's asylum seeker policy can be very difficult to establish. This is because expenditure ranges across a number of government programs and portfolios.

Sources detailing expenditure in this area of policy are listed below.

Sources

National Commission of Audit

In April 2014, the National Commission of Audit [reported](#) that between 2009-10 and 2013-14 annual expenditure on the detention and processing of asylum seekers who arrived by boat increased from \$118.4 million to \$3.3 billion.

The Commission reported that it cost:

- \$400,000 a year to hold an asylum seeker in offshore detention;
- \$239,000 to hold them in detention in Australia;
- less than \$100,000 for an asylum seeker to live in community detention; and,
- around \$40,000 for an asylum seeker to live in the community on a bridging visa while their claim is processed

Australian National Audit Office

A 2017 report from the Australian National Audit Office, [Offshore Processing Centres in Nauru and Papua New Guinea: Contract Management of Garrison Support and Welfare Services](#), identified issues with the Department of Immigration and Border Protection's management of

contracting in respect of offshore processing centres. This was a companion report to a 2016 [audit](#) that made similar findings.

Senate Estimates

Some details on expenditure for individual detention centres, both onshore and offshore, can be found through Senate Estimates [transcripts and additional documents](#). Figures can include operational and/or health care costs for the Manus Island Regional Processing Centre; Nauru Regional Processing Centre; Christmas Island Immigration Detention Centre; and onshore facilities.

Federal Budget

Australia's 2017–18 [Federal Budget](#) includes funding for offshore processing and refugee settlement arrangements at an estimated cost of \$713,641 million. While this is down from more than \$1 billion in 2016–17, the figure is higher than was projected under the forward estimates in last year's budget. News outlets have attributed the increase to uncertainty over the progress and outcome of the US–Australia resettlement arrangements for refugees held on Nauru and Papua New Guinea's Manus Island. The projected cost for the management of asylum seekers offshore over the forward estimates 2018–21 is expected to decrease to around \$430 million per year.

The Australian government funds Regional Cooperation Arrangements that assist 'regional partners to manage asylum seeker populations', at a total of \$52.6 million for the 2017-18 financial year. This is a slight decrease from the \$55.4 million allocated under the 2016–17 Federal Budget, and these funds will [reportedly](#) be directed to the international Organization for Migration (IOM).

Within Australia, the cost of 'compliance and detention' is estimated at around \$1.2 billion in the 2017–18 financial year, a decrease of almost \$300 million from the estimated final expenditure in 2016–17.

Committee Inquiries

Reports from committee inquiries relating to asylum policy may include references to the cost of services or facilities. Recent reports include:

- Senate Standing Committee on Legal and Constitutional Affairs, Serious allegations of abuse, self-harm and neglect of asylum seekers in relation to the Nauru Regional Processing Centre, and any like allegations in relation to the Manus Regional Processing Centre, [2017 report](#).
- Select Committee on the Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre on Nauru, [2015 report](#)
- Senate Standing Committee on Legal and Constitutional Affairs, Incident at the Manus Island Detention Centre from 16 to 18 February 2014, [2014 report](#)
- Joint Select Committee on Australia's Immigration Detention Network, [2012 report](#)

Studies of Detention Costs

- A 2016 report produced by Amnesty International, titled [‘Island of Despair: Australia’s Processing of Refugees on Nauru’](#), estimates that the operations on Nauru and Manus cost the Australian government \$573,000 per person, per year. This figure excludes the costs associated with litigation, reviews and inquiries conducted by government appointees and agencies.
- A 2016 [report](#) by UNICEF and Save the Children examined the human and economic cost of Australian asylum policy in the previous four years, and estimated that expenditure on boat turn-backs, onshore and offshore detention and other programs amounted to more than \$9.6 billion.
- A 2015 [report](#) by the International Detention Coalition on alternatives to detention found that Australia spends [twice as much](#) detaining an asylum seeker onshore than the United States, Canada, or countries within Europe, at an estimated \$655 per person per day.
- A 2011 study indicated that the cost of mental health care over the course of one person’s lifetime can [increase considerably – by up to 50% more than the average person, or \\$25,000](#) - if that person has been held for a lengthy period in immigration detention.
- A 2007 [study](#) jointly published by Oxfam Australia and A Just Australia estimated that processing asylum seekers on Manus, Nauru and Christmas Island during the period 2001 and 2007 cost around \$1 billion.

What economic contribution do refugees make to their community?

Studies have shown that refugees can bring material, cultural and demographic benefits to the communities in which they settle. While refugees may find it difficult to get jobs initially, over time their labour participation rate increases and they can make a significant economic contribution.

Studies examining the economic contribution of refugees are listed below.

Australian studies

- A 2017 study led by Professor Jock Collins of the University of Technology Sydney, titled [From Refugee to Entrepreneur in Sydney in Less than Three Years](#), examines the success of refugee entrepreneurs who took part in Settlement Services International’s ‘Ignite Small Business Start-ups Program’, an initiative which facilitates business creation for people from refugee backgrounds who are keen to establish a small business or expand an existing one.
- A 2017 report by the Centre for Policy Development (CPD), [Settling Better: Reforming Refugee Employment and Settlement Services](#) analyses the data from a longitudinal study carried out by the Australian Institute of Family Studies - *Building a New Life in Australia*, which follows the experiences of humanitarian migrants spanning from their early months in Australia through to their eligibility for citizenship.

- A 2016 [‘factcheck’](#) in *The Conversation*, authored by Dr Lisa Hartley and Dr Caroline Fleay of Curtin University, examines some myths and questions around labour market outcomes for refugees and government spending on refugee resettlement.
- The National Centre for Longitudinal Data has found that the vast majority of newly resettled refugees are literate in their own language and just over half understand spoken English on arrival: [Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, initial findings](#), September 2015
- According to an analysis by the Australian Bureau of Statistics, humanitarian entrants to Australia are more entrepreneurial than settlers arriving through other streams of the immigration program: Australian Bureau of Statistics, [Linking Migrant Settlement Records to Personal Income Tax Data: Report on Personal Income of Migrants, Experimental](#), Australia, 2015
- A study of Karen refugees in the Victorian town of Nhill found their resettlement helped to address labour shortages and demographic decline, and boosted the local economy by \$41.5m: AMES and Deloitte Access Economics, [Small Towns, Big Returns: economic and social impact of the Karen resettlement in Nhill](#), AMES, March 2015.
- A 2013 paper produced for the Multicultural Development Association by social researcher Richard Parsons explores existing research on the economic contribution of refugees to the Australian community, and finds that refugees ‘do make significant economic contributions to Australia, although substantial barriers may be constraining and delaying contributions’: R. Parsons, [Assessing the economic contribution of refugees in Australia](#), Multicultural Development Association, 2013
- A 2016 article also authored by Parsons, titled [Refugees: Economic Burden or Opportunity?](#), provides an updated overview of studies assessing the economic impact of refugees on Australia, as well as some studies concerning other countries of resettlement, including the European Union, United Kingdom, Canada and the United States.
- A study commissioned by the Department of Immigration and Citizenship found that refugees who settle in Australia are a young and entrepreneurial cohort: G. Hugo, [A Significant Contribution: the economic, social and civic contributions of first and second generation humanitarian entrants: summary of findings](#), Department of Immigration and Citizenship, 2011.

International Studies

- [Refugees Work: A Humanitarian Investment that Yields Economic Dividends](#), a 2016 report from the Tent Foundation and Open Political Economy Network, demonstrates how investing one Euro in welcoming refugees can yield nearly two Euros in economic benefits within five years.
- [The Refugee Surge in Europe: Economic Challenges](#) is a 2016 study published by the International Monetary Fund. Among other conclusions, the report finds that through efficient labour market integration refugees can make a contribution to long-term economic growth and can help to ‘counter some of the adverse fiscal effects of population aging’.

- A 2014 study from the University of Oxford Refugee Studies Centre, [Refugee Economies: Rethinking Popular Assumptions](#) critically examines five myths about the economics of hosting refugees using qualitative and quantitative data.
- The German Institute for Economic Research (DIW) released a 2015 report called [Integrating refugees: A long-term, worthwhile investment](#) on the movement of refugees into Germany.

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