

## Factsheet

### THE COST OF AUSTRALIA'S ASYLUM AND REFUGEE POLICIES: A SOURCE GUIDE

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*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.*

#### **How much does it cost to detain asylum seekers?**

In 2021 the annual cost, per person, to the Australian government of detaining and/or processing refugees and asylum seekers has been estimated as follows:

- almost [A\\$3.4m](#) to hold someone offshore in Nauru or Papua New Guinea;
- [A\\$362,000](#) to hold someone in detention in Australia; and
- [A\\$4,429](#) for an asylum seeker to live in the Australian community on a bridging visa while their claim is processed

#### **Other resources**

In the 2021-2022 financial year, final expenditure by the Australian government on offshore processing will be [A\\$957 million](#) (up from a projected cost of \$812 million). While the cost of offshore processing in 2022-23 is set at a lower figure of just over [A\\$482 million](#), with annual costs decreasing over the forward estimates, the Kaldor Centre has [noted](#) that each year the Australian government's expenditure on this offshore system consistently exceeds the amount originally budgeted.

The Kaldor Centre's Policy Brief no. 11, titled '[Cruel, Costly and Ineffective: the failure of offshore processing in Australia](#)', lists the annual financial costs of establishing and maintaining offshore processing in Papua New Guinea and Nauru, and reports that the system of offshore processing has cost 'on average at least A\$1 billion per year, and reached upwards of A\$1.49 billion in 2017-18'. Authors Madeline Gleeson and Natasha Yacoub [note](#) that 'this figure is significantly more than it would have cost to allow asylum seekers to reside in the community in Australia while their claims were processed'.

The Refugee Council of Australia has compiled a [detailed list](#) of offshore processing costs by category, and notes that processing asylum seekers offshore has cost the Australian government [A\\$9.65 billion](#) from July 2013 to the 2021-2022 financial year.

In February 2021 the Kaldor Centre's Madeline Gleeson made a [submission](#) to the United Kingdom House of Commons detailing the economic and human costs of Australia's offshore processing model.

In 2019 the Asylum Seeker Resource Centre, Save the Children and GetUp! published a report titled '[At What Cost?](#)', outlining the human and financial costs of Australia's offshore detention policies. The report [found](#) that offshore detention and processing cost around A\$9 billion over the period 2016 to 2020. The report built on a 2016 [publication](#) by UNICEF Australia and Save the Children, which stated that Australia's policy of onshore and offshore detention, and of [turning back boats](#), had cost [A\\$9.6 billion](#) between 2013 and 2016.

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

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.

Some additional details on expenditure for individual detention centres, both onshore and offshore, can be found through [Senate Estimates](#) transcripts and related documents, and through [federal budget](#) papers. The Commonwealth Parliamentary Library has a [guide](#) to terminology and concepts in the Budget, and a [publication](#) outlining costs of asylum policy.

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

- Joint Select Committee on Australia's Immigration Detention Network, [2012 report](#);
- Select Committee on the Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre on Nauru, [2015 report](#); and
- Senate Standing Committee on Legal and Constitutional Affairs, Incident at the Manus Island Detention Centre from 16 to 18 February 2014, [2014 report](#)

## **What economic contribution do refugees make to a 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. This contribution can be facilitated by appropriate policy responses. Studies examining the economic contribution of refugees are listed below.

## Australian resources

- Deloitte Access Economics found that if Australia's annual humanitarian resettlement program was gradually increased over a five-year period to 44,000 people per year, this would boost the nation's economy and sustain 'on average an additional 35,000 full-time equivalent jobs' annually for the next 50 years. The study, titled [Economic and Social Impact of Increasing Australia's Humanitarian Intake](#) (2019) was commissioned by Oxfam Australia.
- National Centre for Longitudinal Data found the vast majority of newly resettled refugees are literate in their own language and just over half understood spoken English on arrival: [Building a New Life in Australia: The Longitudinal Study of Humanitarian Migrants, initial findings](#), September 2015
- A large study commissioned by the Department of Immigration found that refugees 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
- A study of Karen refugees in the Victorian town of Nhill found their resettlement helped address labour shortages and demographic decline, and boosted the local economy by A\$41.5m: AMES & Deloitte Access Economics, [Small Towns, Big Returns: economic and social impact of the Karen resettlement in Nhill](#), March 2015.
- There is as yet no evidence that refugees pose a net cost to the host community over the long-term: R. Parsons, [Assessing the economic contribution of refugees in Australia](#), Multicultural Development Association, 2013
- Those who arrive in Australia under the Humanitarian Program have been found to be more entrepreneurial than other migrants: Australian Bureau of Statistics, [Linking Migrant Settlement Records to Personal Income Tax Data](#), Report on Personal Income of Migrants, Experimental, Australia, 2015

## International resources

- [Refugees Work: A Humanitarian Investment that Yields Economic Dividends](#), a 2016 Tent Foundation and Open Political Economy Network report, shows that investing one Euro in welcoming refugees can yield nearly two Euros in benefits in five years.
- [The Refugee Surge in Europe: Economic Challenges](#), a 2016 study by the International Monetary Fund (IMF), finds that if appropriate policies are implemented – particularly facilitating labour market integration – refugees can make a lasting positive contribution to economic growth.
- 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 Organisation for Economic Co-operation and Development (OECD) has found that migrants contribute positively to three key areas: labour markets, the public purse and economic growth. See [Is migration good for the economy?](#)
- The German Institute for Economic Research (DIW) released a 2015 report called [Integrating refugees: A long-term, worthwhile investment](#).