

# Are Immigrants Over-represented in the Australian Social Security System?

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AUSTRALIAN SOCIAL SECURITY SYSTEM?

Peter Whiteford

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**ARE IMMIGRANTS OVER-REPRESENTED IN THE  
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## **Abstract**

This paper discusses the statistics that are commonly used to assess whether immigrants are more or less likely than people born in Australia to be receiving social security payments. The paper shows that many earlier discussions of this issue which have concluded that immigrants are substantially over-represented in the social security system have involved invalid comparisons. These have tended to systematically over-estimate the extent to which immigrants receive social security payments and under-estimate the level of social security receipt among the Australian-born population. The paper presents new estimates of receipt of social security payments in 1989 through a comparison of administrative data from the Department of Social Security and population estimates from the Australian Bureau of Statistics. The paper adjusts for the errors identified in earlier analysis of the issues. It is concluded that while a relatively small number of overseas birthplace groups do appear to be more likely to be receiving social security payments, the extent to which this occurs is much smaller than previously estimated. It is also concluded that most groups of immigrants appear to be less likely to be receiving social security payments than are people born in Australia.

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# 1 Introduction

The receipt of social security payments by immigrants touches on a wide range of social policy issues. The purpose of this paper is to discuss the specific issue of whether immigrant groups are 'over-represented' in the social security system. It focuses on the statistics that are commonly used in discussing this issue. The paper is structured as follows. Section 2 discusses the widely held view that immigrants are far more likely than Australian-born to be receiving social security payments through a review of the debate on this issue over the past decade or so. The paper then discusses how over-representation might be measured, referring in detail to estimates prepared by the Australian Bureau of Statistics (ABS) in *Overseas Born Australians 1988* (ABS, Cat. No. 4112.0). The paper argues that these and similar estimates have generally not been comparing like with like, and the ABS estimates also contain a fundamental statistical error that makes their results meaningless. These shortcomings are set out in Section 3 of the paper, which discusses the eligibility conditions for different social security payments, and their interaction with the age characteristics of different immigrant groups. Section 4 of the paper presents new estimates of social security receipt among different birthplace groups in 1989. As far as possible, these estimates correct for the problems identified earlier. The paper concludes with a discussion of ways of improving the statistics on immigrants' receipt of social security payments.

## 2 The Current Debate on Representation

### 2.1 Issues in the Debate

One feature of recent debate about Australia's immigration program is the view that immigration involves substantial costs to the Australian community. In part, this concern reflects the judgement that immigrants in general or sub-groups, either from particular birthplaces or recent arrivals, are in some sense 'over-represented' in the social security system. That is, immigrants are more likely than persons born in Australia to be receiving social security payments.

The explanations for this vary. One view is that immigrants are disadvantaged and receive social security benefits because of discrimination

in employment, or because occupational segmentation has led immigrants to be concentrated in industries and jobs where they are vulnerable to unemployment, or where they are more likely to run the risk of suffering from work-related injuries. Alternatively, over-representation may be considered to result from failures of the immigrant selection process or from failures of the settlement process and associated services. Or, it may be felt that there is either active exploitation by immigrants of the social security system, or that certain groups have developed some sort of culture of dependency on social security benefits. One implication of these latter views is that immigrants or those from particular source countries may add disproportionately to social security outlays and therefore represent an unwarranted burden on the taxpayer.

Opinions of this sort are widespread, not only in Australia. Commenting on the United States, for example, Tienda and Jensen note that 'officials at the Office of Management and Budget and the Immigration and Naturalisation Service, Members of Congress, and the general public continue to believe that immigrants prefer welfare to work' (1985: 3). In a 1986 US poll 47 per cent of respondents felt that 'most immigrants wind up on welfare' (Jensen, 1989).

Related views have been expressed in Australia for many years. The level of receipt of invalid pension by immigrants has been the subject of long-standing controversy, particularly in relation to the extent of back injuries among immigrants from Mediterranean countries (Rubinstein, 1982). A study of applicants for invalid pension over a twelve month period in 1976-77 (Hackett, 1979) is said to have found that after rates of invalidity were standardised by age, sex and occupation, Greek-born Australians had three times the invalidity rate of Australian-born, fifteen times the rate of disability due to 'vertebral disease', and twelve times the rate of neurosis (cited in Rubinstein, 1982). These issues became very prominent following the raids by Commonwealth Policy on Greek-born invalid pensioners in 1978 - the so-called Social Security Conspiracy case (Grimes, 1980).

Increasing unemployment in the early 1980s also concentrated attention on the receipt of social security payments by immigrants. Between June 1981 and June 1983, the total number of unemployment and sickness beneficiaries increased by 88 per cent, with the number of Australia-born beneficiaries increasing from 263,000 to 469,000 (79 per cent) and the

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number of overseas-born beneficiaries increasing from 79,000 to 176,000 (123 per cent) (Whiteford, 1991: 32).

Concern expressed about immigrants' receipt of social security payments has encompassed different birthplace groups. In 1982, Birrell argued that 'the 25,000 New Zealanders who settle in Australia each year and come in virtually unchecked ought to be looked at. New Zealand is virtually exporting its unemployment problems to us' (cited in Norman et al., 1983). In *All for Australia* (1984), Blainey noted:

An increasing number of Australians seem to be resentful of the large number of Vietnamese and other south-east Asians who are being brought in, have little chance of gaining work, and are living - through no fault of their own - at the taxpayers' expense. (Blainey, 1984: 25)

It is doubtful whether any group of immigrants in our history have had such high levels of unemployment as these Asian immigrants of the first half of the 1980s ... (Blainey, 1984: 73)

Again in 1990, Blainey observed:

Today, however, large numbers of new migrants live entirely on the public purse and contribute nothing to the nation ... We are importing too many unemployed ... In the 1980s, for probably the first time in Australia's history, we have recruited an alarming proportion of migrants who long after their arrival do not work but receive large public subsidies ... The total taxpayers' subsidy for these migrants who cannot cope is enormous. (Blainey, 1990: 17)

In the *Weekend Australian* in March 1991, Wood suggested:

A lot of Australians facing higher housing costs, particularly in Sydney, are going to start looking hard at immigration again. The migrants themselves are increasingly unable to afford housing in Sydney, but will continue to come there for family and other reasons and end up as social security beneficiaries. ... as of May 1990, an incredible 56.1 per cent of all unemployment and sickness and special benefit recipients receiving government rental assistance in Sydney were migrants. (Wood, 1991: 9)

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It has also been argued that it is perfectly rational for people who leave countries much poorer than Australia under conditions of social, political or economic disruption to accept reliance on the social security system as an improvement in their circumstances rather than see it as a failure of immigrant settlement (Ellard, 1970). In a discussion of recent family reunion immigrants, Birrell (1990b) similarly argued:

In making the move to Australia most [family reunion immigrants] appear to be well aware of the social welfare system and their 'rights' regarding its benefits. Far from taking any burden off the welfare system they have proved to be significant beneficiaries. ... We shouldn't be surprised or even critical of this response. The naivety lies with those who imagine poor migrants will not make the best of any opportunities open to them. (Birrell, 1990b: 53)

Whatever the merits of these arguments, information on the degree of reliance of different immigrant groups on social security payments may be regarded as one useful indicator of the success or otherwise of immigration selection and settlement programs. This is because such reliance - or at least long-term dependence on income-tested benefits by people of working age - may be taken as indicating lack of economic success in settlement. Economic success in settlement is one of the main objectives of the Australian immigration program and, presumably, an important objective for immigrants themselves. From the point of view of immigrant groups, this issue may also be a major concern, since receipt of social security payments is generally associated with lower standards of living and possible stigmatisation and marginalisation. This perspective has been put by the Ethnic Affairs Commission of NSW in the context of variations in unemployment rates:

The variations [in unemployment] are very great and indicate unequivocally that at any one time some immigrant groups require particular attention and assistance ...

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The Commission is very conscious that public discussion of these facts can have a double-edged effect. There is always the danger that distinguishing features, such as particularly high levels of unemployment, can be used against immigrant groups to stereotype them as unemployable, lazy and generally unsuitable. After all, similar arguments have been used against the Australian-born unemployed.

... If particular areas of disadvantage are not identified, remedial strategies cannot be developed. It is however imperative that public awareness should include a thorough understanding of the reasons for high unemployment rates in particular immigrant groups to forestall discriminatory stereotyping. (1984: 1-2)

Immigration policies may also have significant implications for the development of social security policies. If immigrant groups are over-represented in the social security system, then there may be additional budgetary costs associated with specific or increased immigration intakes. The perception that particular groups are likely to be receiving benefits may also undermine support for social security and immigration programs. Both may come to be perceived as having costs that exceed their benefits for the community, and the longer-term sustainability of programs may be undermined. This may lead in turn to policy changes that reduce the adequacy or coverage of income support programs, particularly as they effect immigrants. From the perspective of a class-based analysis, unemployment and receipt of benefits may be interpreted as arising from the basically unequal distribution of resources in society, and any responses to limit eligibility, for example, may be seen as part of the process of blaming the victim for the failures of economic and social policy.

The receipt of social security payments by immigrants therefore touches on a wide range of important social policy issues. The main purpose of this article, however, is to discuss the statistics which are commonly used as the basis for judging whether immigrants are more or less likely than Australian-born to be receiving social security benefits.

## **2.2 Measuring Over-Representation**

Initially, it might appear to be a fairly straightforward exercise to determine whether immigrants are over-represented in the social security system or

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not. All that is required is a comparison of the details of country of birth of social security recipients with those for the population as a whole. If 5 per cent, say, of the Australian-born population are receiving unemployment benefit and 10 per cent, say, of some other birthplace group are receiving unemployment benefit, then it would appear to be obvious to conclude that the immigrant group is over-represented on unemployment benefit. Alternatively, if immigrants are around 25 per cent of the total population of Australia, but as noted by Wood (1991) account for an 'incredible' 56 per cent of benefit recipients receiving rent assistance in Sydney, then it also appears to be simple commonsense to conclude that immigrants are taking a disproportionate share of social security benefits.

This sort of statistical approach has been used by Birrell (1990a), who notes that Middle-Eastern and Asian-born workers in late 1989 made up around 9 per cent of persons receiving unemployment benefit, more than double their share of the total population. Similarly, Hugo (1990) used 1986 Census data and 1987 data from the Department of Social Security to estimate and compare the proportion of persons from each birthplace receiving payments.

One of the most comprehensive examples of this approach is included in the major publication of the Australian Bureau of Statistics (ABS) *Overseas Born Australians 1988*. This publication estimated rates of receipt of social security pensions and benefits per 1000 population of the same birthplace in mid-1986, by comparing ABS data on the estimated resident population from different birthplaces and Department of Social Security data on pensioners and beneficiaries from those birthplaces. These results are shown in Table 1. Part A of the table gives the results for pensioners and Part B for beneficiaries.

This table suggests very considerable over-representation of immigrants in the social security system. The proportion of the population from different birthplaces receiving social security pensions is highly variable, ranging from around 150 per thousand (i.e. 15 per cent) of the Australian-born population, to around 280 per thousand (28 per cent) of Italian-born Australians, and to more than 36 per cent of Polish-born Australians. The number of overseas-born beneficiaries was 48.9 per thousand (i.e. 4.89 per cent) compared to 37.8 per thousand (3.78 per cent) for Australian-born, and when the wives of beneficiaries and dependent children of pensioners and beneficiaries are added in, the differences appear even more striking. Just

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**Table 1.A: Receipts of Main Government Pensions<sup>(a)</sup>: Category of Pension by Birthplace, June 1986**  
**(Rate per 1,000 population of the same birthplace<sup>(b)</sup>)**

Birthplace	Age	Category of Pension <sup>(c)</sup>						Total Pensioners and Dependent Children
		Invalid	Supporting Parents	Widows	SEA/RA <sup>(d)</sup>	Total Pensioners	Dependent Children	
Australia	76.9	18.4	11.3	8.6	1.0	116.2	31.9	148.1
Overseas	107.7	34.0	9.7	13.1	0.5	164.9	35.6	200.6
Total <sup>(e)</sup>	83.6	21.8	11.0	9.6	0.9	126.9	32.8	159.7
Overseas								
Germany	94.4	32.6	11.1	17.6	0.4	156.1	37.4	193.5
Greece	75.6	84.6	5.1	16.2	0.3	181.7	52.1	233.8
Italy	150.6	72.7	4.0	13.9	0.4	241.6	37.4	278.9
Netherlands	113.6	32.3	7.2	12.0	0.5	165.6	29.8	195.5
New Zealand	43.5	8.9	16.4	6.5	0.4	75.8	36.5	112.3
Poland	260.6	57.8	7.2	16.4	0.3	342.2	22.6	364.7
UK & Ireland	140.1	20.4	10.9	12.4	0.5	184.3	31.3	215.6
Yugoslavia	67.6	68.7	7.9	14.9	0.3	159.4	45.0	204.3

- Notes:**
- (a) Excludes pensioners paid overseas.
  - (b) Estimated resident population at 30 June 1986.
  - (c) Where relevant, includes wives and carers.
  - (d) Sheltered Employment Allowance and Rehabilitation Allowance (including wives).
  - (e) Birthplace not stated have been included in total, but not pro-rated between birthplaces.

**Source:** Australian Bureau of Statistics, 1988, Cat. No. 4112.0, p. 152.

**Table 1.B: Receipts of Main Government Benefits: Category of Benefit by Birthplace, May 1986**  
(Rate per 1,000 population of the same birthplace<sup>(a)</sup>)

Birthplace	Category of Benefit							Beneficiaries, Dependent Spouses and Dependent Children
	Unemployment	Sickness	Special	Total Beneficiaries	Estimated Number of Dependent Spouses	Beneficiaries and Dependent Spouses	Dependent Children	
Australia	33.4	3.7	0.7	37.8	7.7	45.5	11.9	57.5
Overseas	40.3	5.9	2.6	48.9	18.5	67.4	31.0	98.3
Total <sup>(b)</sup>	35.1	4.2	1.2	40.4	10.1	50.5	16.1	66.5
Overseas								
- English-speaking	36.6	4.0	0.8	41.4	11.4	52.8	14.6	67.3
- Non-English speaking	43.3	7.3	4.1	54.7	24.1	78.8	43.8	122.6
Africa	27.5	4.6	2.6	34.8	12.2	46.9	17.9	64.8
South Africa	21.3	2.6	2.6	26.5	6.9	33.4	9.0	42.4
Other	30.7	5.7	2.7	39.0	14.9	53.9	22.4	76.4
America	44.5	4.6	3.1	52.3	18.5	70.7	30.8	101.5
Canada	31.3	2.8	0.3	34.5	8.0	42.4	10.0	52.5
USA	26.9	2.6	0.8	30.3	8.1	38.4	11.7	50.1
Other	60.9	6.6	5.7	73.2	29.1	102.3	50.8	153.1
Asia	65.5	7.2	9.3	81.5	37.3	118.8	88.6	207.4
India	22.7	3.3	3.1	29.1	10.4	39.6	13.6	53.2
Indo-China <sup>(c)</sup>	140.0	8.3	22.6	170.9	66.4	237.4	192.8	430.2
Lebanon	130.0	20.9	8.7	159.6	97.9	257.5	269.1	526.6
Turkey	97.7	18.8	5.2	121.6	68.9	190.5	121.1	311.6
Other	28.8	3.5	6.1	38.4	15.9	54.3	23.7	77.9

Continued ...

**Table 1.B: Receipts of Main Government Benefits: Category of Benefit by Birthplace, May 1986**  
(Rate per 1,000 population of the same birthplace<sup>(a)</sup>)  
(Continued)

Birthplace	Category of Benefit							
	Unemployment	Sickness	Special	Total Beneficiaries	Estimated Number of Dependent Spouses	Beneficiaries and Dependent Spouses	Dependent Children	Beneficiaries, Dependent Spouses and Dependent Children
Overseas (continued)								
Europe	32.5	5.7	1.1	39.3	14.9	54.1	18.8	73.0
Germany	35.6	5.8	0.7	42.1	16.7	58.8	19.1	77.8
Greece	33.8	10.6	1.5	45.9	26.3	72.2	37.2	109.4
Italy	21.0	6.3	0.9	28.2	15.0	43.1	20.6	63.7
Malta	27.8	7.5	0.8	36.0	20.3	56.4	33.0	89.4
Netherlands	24.7	4.0	0.6	29.3	14.7	44.0	19.1	63.1
Poland	33.5	6.8	4.0	44.3	16.9	61.2	18.3	79.5
UK & Ireland	32.8	3.9	0.5	37.2	11.4	48.7	13.8	62.5
Yugoslavia	39.3	10.7	1.8	51.8	19.7	71.5	24.6	96.0
Other	41.9	8.0	2.7	52.6	18.6	71.2	22.2	93.4
Oceania	63.6	5.6	2.5	71.7	13.9	85.7	24.3	109.9
New Zealand	63.6	5.5	2.0	71.1	12.7	83.8	20.9	104.7
Other	63.9	5.8	4.8	74.5	19.6	94.1	39.4	133.5

**Notes:** (a) Estimated resident population at 30 June 1986.  
(b) Includes birthplace not coded and grants prior to National Benefits System.  
(c) Kampuchea, Laos and Vietnam.

**Source:** Australian Bureau of Statistics, 1988, Cat. No. 4112.0, p. 154.

under 6 per cent of the total Australian-born population were in families receiving unemployment, sickness or special benefits in 1986 compared to more than 12 per cent of the population born in non-English speaking countries. Only immigrants born in the USA or Canada, South Africa or India are estimated to have lower rates of benefit receipt than the Australian-born population. Including the number of dependants, the rate of receipt of unemployment, sickness or special benefit was more than 10 per cent for persons born in New Zealand, 31 per cent for persons born in Turkey, 43 per cent for persons born in Indo-China, and nearly 53 per cent for persons born in Lebanon. That is, the rates of receipt of benefits are apparently more than 5 times as high for people born in Turkey than for Australian born, 7.5 times higher for people born in Indo-China, and more than 9 times for people born in Lebanon.

These ABS figures for receipt of unemployment, sickness or special benefit have been cited a number of times (Betts, 1990; Young, 1990; and Jones, 1990) as indicating very high levels of welfare dependency in these birthplace groups.

This paper will argue, however, that these apparently simple and straightforward procedures for determining representation and over-representation are not valid and are likely to produce highly misleading conclusions. In addition, the estimates produced by the ABS in the 1988 publication are essentially meaningless because of an apparent misunderstanding of the administrative statistics used.

### **3 Shortcomings with Previous Estimates**

#### **3.1 Data on Social Security Receipt and Behaviour**

The basic problem with statistical comparisons of the type described above is that they are not comparing like with like. First, in considering whether some groups are over-represented in the social security system, what is of interest is whether individuals from those birthplaces are either more or less likely than otherwise similar individuals born in Australia to be receiving social security payments. It is not simply the **level** of receipt of payments that is of interest, but it is the 'proclivity' of different groups to receive payments that is significant (Jensen, 1989) - that is, are immigrants

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**behaving** differently from persons born in Australia, but who have otherwise similar characteristics?

To resolve this properly would require some form of multivariate statistical analysis rather than the simple comparisons shown previously. This is because there are a large number of individual characteristics associated with the likelihood of receiving social security payments, including: age, sex, family status, educational status, work history, and wealth. There is, however, no single Australian data source that combines information on receipt of social security payments with detailed data on small birthplace groups and characteristics of individuals from those birthplaces. The Census does not collect information on receipt of social security payments, and the 1986 Income Survey provides information on only eight major birthplace groups, which may aggregate information about persons from very different birthplaces and with different characteristics.<sup>1</sup> For example, the 1986 Income Survey indicates whether people were born in Asia, which includes birthplaces with very high levels of receipt of social security payments, such as Lebanon and Vietnam, as well as birthplaces with extremely low levels of receipt of payments, such as Malaysia and Hong Kong. The Income Surveys do not collect information on either category of entry or English-speaking ability, and the duration of residence data in the Surveys from 1986 on are restricted to the decade of arrival in Australia.

There is a good deal of information about the labour market status of immigrants, but labour market status is not identical with social security status. For example, unemployed married women will not usually receive unemployment benefit because of the operation of the income test on joint family income. Recipients of unemployment benefit may have part-time work, which will not exclude them from benefit receipt, but implies that they will not be counted as unemployed by the ABS. On the other hand, the long-term unemployed may be receiving unemployment benefit, but might be considered outside the labour force by the ABS, if they had not recently taken active steps to look for a job.<sup>2</sup> With other pension payments, the situation is similar - people can receive sole parent pensions or invalid

1. The 1990 Income Survey, released since the work undertaken for this paper, has the same highly aggregated birthplace data as did the 1986 Survey.
2. See Bradbury (1988) for further discussion of the differences between definitions used in the various statistical series.



pensions and be either in work, unemployed or not looking for work. Even though it could be expected that groups with very high unemployment rates or very low labour force participation rates will be more likely to be receiving benefits, labour market status as measured by the Bureau of Statistics should therefore not be used as a direct indicator of receipt of social security payments.

Given these data limitations, estimates of representation are necessarily based on comparison of various administrative data with population estimates from the ABS. This is the method used by the ABS to produce the results shown in Tables 1.A and 1.B, and provides the basis for the corrected estimates which are presented later in this paper. While these data cannot resolve questions about the **behaviour** of individuals or particular birthplace groups, it will be argued that appropriate analysis of administrative statistics on receipt of benefits (Department of Social Security, 1989) in combination with the ABS population data (Australian Bureau of Statistics, 1990) strongly suggests that most of the difference between levels of social security receipt for many birthplace groups reflects characteristics that are unrelated to individual or cultural behaviour.

These group characteristics are a product of the changing nature of the Australian immigration program and its effects on the age distribution of the populations born in different countries, and of the interaction between this and eligibility conditions for social security payments. In addition, there are important aspects of the operation of the social security system that have not been well understood by persons making the sorts of simple statistical comparisons quoted above. The effect of these factors has been to systematically underestimate the level of social security receipt in the Australian-born population and substantially overestimate this level for the immigrant population.

### 3.2 Eligibility for Social Security Payments

When assessing receipt of social security payments, there are certain features of the Australian system that should be appreciated. The system is non-contributory and is financed from general taxation revenue. The system is 'categorical', in that assistance is provided to people who experience contingencies such as unemployment or invalidity, as well as those over retirement age. Basic payments are of two main types: 'pensions', which are

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payable to the elderly, to invalids, carers and lone parents, and 'benefits' which are payable to the unemployed<sup>3</sup> and sick, including special benefit, which is paid to people in hardship not eligible for other payments. The means tests applying to pensions are less restrictive than those applying to benefits, and some other aspects of the pension system are also more generous.

The unit of payment for benefits is the 'income unit', while for pensions it is the individual. This means that a husband and wife in an invalid pensioner couple, for example, will each receive a pension in their own right, while for beneficiaries the same combined payment will be made to one claimant, usually the husband. This affects the administrative statistics produced, since pensioner couples will be counted as two individuals, while beneficiary couples will be counted as one unit. As well, data from the Department of Social Security are a by-product of the payment system, which means that there is information on the birthplace of both adults in a pensioner couple, but for beneficiary couples birthplace data are only available for one person, usually the husband. In addition, there is no information on the country of birth of any dependent children of either pensioners or beneficiaries.

Beneficiaries must be Australian residents but, under certain conditions, pensions are portable and can be paid to former Australian residents living overseas. Pensions have residence requirements that mean that unless the event qualifying claimants for a pension (e.g. becoming disabled or widowed or a sole parent) occurred in Australia, then they will have to wait either five or ten years to receive a pension. (To receive an age or invalid pension, claimants must generally have been resident in Australia for ten years, while eligibility for a sole parent pension requires either five years continuous residence immediately prior to the claim or ten years continuous residence at any time.) While waiting to become residentially qualified for pensions, many recent immigrants may receive benefit payments instead. This implies that some overseas-born beneficiaries would be pensioners, if it were not for the residence requirements. That is, despite the fact that the Australian system of income support is basically categorical, there is an

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3. What was unemployment benefit was superseded by Newstart Allowance (NSA) and Job Search Allowance (JSA) from July 1991, but since this article mainly deals with 1989 and earlier data, it will continue to refer to unemployment benefit.

element of what might be called 'category drift'; if individuals do not satisfy eligibility requirements for one payment, then they will often be found to be receiving a similar level of social security assistance in the form of another benefit. This means that rates of receipt of benefit and of pension should not be examined separately, but should be combined, if overall reliance on the social security system is to be accurately assessed and valid comparisons between groups made.

Despite the complementarity of pension and benefit payments, much of the discussion of immigrants' receipt of social security payments has calculated rates of receipt for unemployment, sickness and special benefit as one category, without considering how receipt of these payments might be affected by the eligibility conditions for other payments. In the case of special benefit, around 55 per cent of recipients were born overseas, and around 70 per cent of these persons were receiving this payment because they were not eligible for a pension because of the residence requirements. In turn, around 85 per cent of this group were over age pension age. It follows that these people are not of working age, and should actually be compared with the population of those over age pension age. This is very important. For example, only 12 per cent of Vietnamese-born Australians of age pension age are receiving an age pension, but if the elderly receiving special benefits instead are added-in, then social security coverage of the Vietnamese elderly is estimated to rise to around 70 per cent. The apparent receipt of benefits by Vietnamese-born people of working age falls by the same number.<sup>4</sup>

Similar factors may affect receipt of sickness benefit. A Department of Social Security sample survey in 1989 found that around 70 per cent of the Vietnamese-born long term sickness beneficiaries in their sample had lived in Australia less than ten years, compared to around 10 per cent of those long-term beneficiaries born in Europe, and under 3 per cent of those born in the United Kingdom (see Whiteford, 1991: 46). Persons whose invalidity occurred before they arrived in Australia are not eligible for a pension until they have ten years residence, but they may receive sickness benefit and could be expected to be more likely to become long term

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4. Proportionately, the rise in coverage among those of retirement age is much greater than the fall in coverage among those of working age, because the elderly account for less than 5 per cent of the Vietnamese-born population.

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beneficiaries. This suggests that differences between the rate of receipt of sickness benefit for different birthplace groups may partly reflect eligibility conditions for invalid pension.

Similarly, receipt of unemployment benefit by Vietnamese-born women between the ages of 35 and 60 is between 5 and 10 times higher than for Australian-born women of the same age. But Vietnamese-born women have the highest rate of widowhood of any birthplace group in the Australian population. If they have not satisfied the residence conditions for sole parent pension, because their husband either died or was left in Indochina, then they may receive unemployment benefit instead. A recent survey of non-English speaking sole parents (from Vietnam, Turkey and Central and South America) found that around a quarter of their sample were receiving unemployment benefit rather than, as might be expected, sole parent pensions (Cass, Wilkinson and Webb, 1991).

These examples have been restricted to people born in Vietnam, but similar effects are possible for other birthplace groups, particularly those who have been resident in Australia for comparatively short periods. The main point to note is that a valid comparison of receipt of social security payments between different groups should take account of all payments that individuals may receive, not just a sub-set of them.

In this context, none of the figures given by the ABS (1988) or by those pointing to the high level of welfare dependency among immigrants includes persons receiving pensions from the Department of Veterans' Affairs (DVA). Service pensions are payable to qualified veterans (including those from allied countries) from the age of 60 years for men and 55 years for women. At June 1989, nearly 400 thousand persons were receiving income support payments from the DVA (i.e. not including war widow or disability pensions).<sup>5</sup> This is around 12 per cent of the population 55 years and over, and is also greater than the total number of people receiving unemployment benefit at that time (around 350 thousand). The DVA does not collect information on country of birth of its pensioners, but

5. In addition to service pensions which are paid as income support, the Department of Veterans' Affairs pays war widows and war disability pensions, which are intended as compensation for service-related injuries or death. These compensatory payments do not preclude receipt of other pensions, either age or service, and in estimating rates of receipt it is important that those receiving both types of payment are not double-counted.

the 1986 Income Survey conducted by the ABS shows that in that year around 85 per cent of persons receiving DVA payments were born in Australia, around 12 per cent were born in the United Kingdom or Ireland, and the remaining 3 per cent were born in other countries (mainly European). Service pensions paid by DVA are direct substitutes for DSS payments, such as age pension and invalid pension for some age groups. Given this, failure to take account of their receipt dramatically affects estimates of pension receipt for older Australian-born and people born in the United Kingdom.

### 3.3 The Effect of Age Distribution

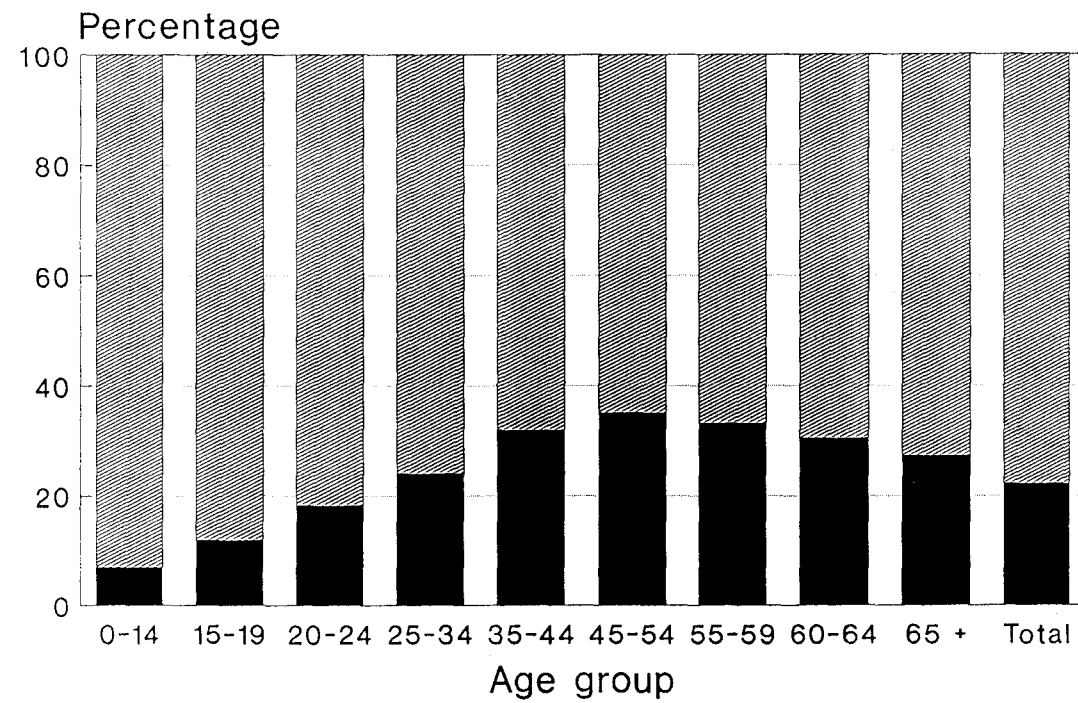
The ABS results given in Table 1 above are also misleading because they take no account of the large differences between the age distribution of people born in Australia and those born in other countries. Figure 1 shows the proportion of each age group in 1989 either born in Australia or overseas. While overseas-born Australians account for just over 22 per cent of the total population, it can be seen that they constitute only 7 per cent of the population under 15 years of age, and around a third of the population 35 to 64 years of age.

Figure 2 shows the proportion of each age group in 1989 born in a selection of countries. For example, Australians born in Italy accounted for around 0.1 per cent of all persons under 15 years of age, but for more than 5 per cent of the population aged 55 to 59 years. The height of the line for each birthplace group is a reflection of the absolute level of immigration from each birthplace, while the degree to which each group is to the right of the Figure is mainly a consequence of modal age, which in turn reflects the main period of immigration intake from each country and the characteristics of persons who migrated to Australia at that time.

The fact that children born overseas account for only 7 per cent of all children under 15 years of age, or that 0.5 per cent of the Italian-born population are children compared to more than 26 per cent of the Australian-born population, does not mean that immigrants do not have many children. Not unexpectedly, their children born in Australia are counted as Australian-born. This is significant because children under the age of 15 years are not directly eligible for pensions or benefits. For

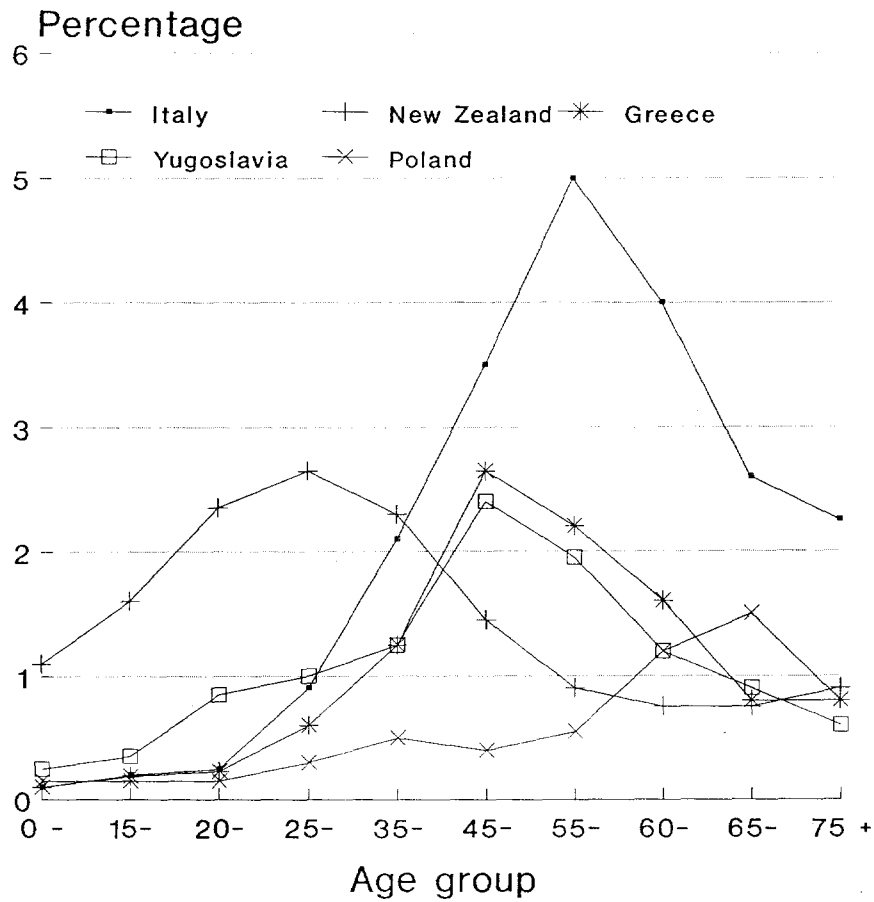
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Figure 1: Percentage of age group  
born overseas, Australia, 1989



Source: Australian Bureau of Statistics,  
Cat.No. 3221.0, 1990.

Figure 2: Percentage of total population  
in age group born in selected countries,  
Australia, 1989



Source: Australian Bureau of Statistics,  
Cat. No. 3221.0, 1990

example, unemployment and sickness benefits are payable to men aged 16 to 64 years and women aged 16 to 59 years. About 60 per cent of persons born in Australia fall into these age groups. In contrast, nearly 80 per cent of residents born in New Zealand, just over 80 per cent of residents born in Vietnam, and 85 per cent of Australians born in Lebanon fall into these age groups. This means that even if the proportions of the eligible age group from each birthplace and receiving benefits were identical, then the proportions **of the total population** receiving unemployment and sickness benefit would be between 30 and 40 per cent higher for these overseas born groups than for the population born in Australia. All groups born in other birthplaces have a lower proportion of children in their populations than do the Australian-born population (because their children born in Australia are counted as Australian-born in the population statistics). The calculation of rates of social security receipt as a proportion of the total population including children will therefore raise rates for all overseas birthplace groups relative to the Australian rate.

In addition, very different proportions of different birthplace groups may be eligible for age pensions. Eligibility for age pension is restricted to residentially qualified males aged 65 years or over and women aged 60 years or over. Just under 15 per cent of the Australian-born population are aged 60 years or over, compared to around 30 per cent of the Italian-born population and more than 45 per cent of the population born in Poland. This means that the level of age pension receipt will be much higher for these (and other) population groups simply because of their age distribution.

Rates of receipt of other social security payments may be strongly related to age. For example, receipt of invalid pension is much higher for persons 55 to 64 years of age than for younger age groups in all birthplace groups in the population. Overall, around one person in thirty in the total population in 1986 had been born in Italy, Greece or Yugoslavia, but around one in twelve persons aged 55 to 64 had been born in these countries. This difference in age composition would appear to have a major impact on the measured level of receipt of invalid pension in these and other birthplace groups.

Consider Table 2, which shows receipt of invalid pension by age for a small selection of birthplace groups in 1989. Receipt of invalid pension for persons born in Australia is strongly age-related; rising from 0.7 per cent for



**Table 2: Receipt (%) of Invalid Pension by Age, Selected Birthplaces, 1989**

Birthplace	Age (years)						Total	Age Standardised Rate
	15-19	20-29	30-39	40-49	50-59	60-64		
Australia	0.7	1.4	2.1	3.9	9.5	18.8	3.4	3.4
UK/Ireland	0.2	0.6	1.1	2.2	7.6	17.7	3.4	1.4
Germany	0.2	0.6	1.5	3.0	9.5	26.4	4.7	1.6
Greece	0.6	1.0	3.3	8.4	19.0	38.8	12.0	3.8
Italy	1.0	1.0	2.2	6.0	14.8	29.5	10.3	2.9

**Source:** Whiteford, 1991.

15 to 19 year olds (both men and women) to 1.4 per cent for persons in their twenties, 2.1 per cent in their thirties, 3.9 per cent in their forties, 9.5 per cent in their fifties, and 18.8 per cent for Australian-born men<sup>6</sup> in their early sixties. Overall, 3.4 per cent of the Australian-born population aged 16 to 64 (59 for women) were receiving an invalid pension in 1989.

At any age, the proportion of persons born in the United Kingdom or Ireland and receiving an invalid pension is lower than for comparable persons born in Australia - in fact, up to 50 years of age rates of receipt are much lower. But the total level of receipt for UK/Ireland is the same as for persons born in Australia. This is because persons from the British Isles are more concentrated in the older age groups, where rates of receipt are higher. That is, the total level of receipt can be thought of as the weighted average of the age specific rates of receipt, where the weights differ substantially between birthplace groups in line with their age structure.

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6. Women receive age pension from age 60.

The other figures in Table 2 show rates of receipt for persons born in Germany, Greece and Italy. It can be seen that the total level of pension receipt for persons born in Greece is nearly 4 times as high as the Australian-born average, although for specific age groups it is never much more than twice as high and is lower for younger age groups. (It should also be noted that these figures do not include receipt of service pensions among men 60 to 64 years of age; it is estimated that 10.5 per cent of Australian-born men aged 60 to 64 and 8.6 per cent of the same age men born in the British Isles are receiving this payment.) This implies that differences between the overall level of receipt of invalid pension for specific birthplaces is related to differences in the age composition of the population of working age, as well as to the age-specific levels of receipt.

The final column of Table 2 attempts to take account of these differences between different birthplace groups. This percentage shows what the total level of receipt of invalid pension would be if each birthplace group had the same age composition as the Australian-born population (which by definition remains unchanged). That is, the age specific rates are applied, but the weight given to each age group is adjusted to be the same as the Australian weight. It is apparent that this 'age adjusted' level of receipt is very different from the other figures shown, with the rate of receipt for persons born in the British Isles being about half the rate for the Australian-born population, while persons born in Greece are now estimated to be only somewhat more likely to be receiving this payment rather than four times more likely. These results should not be misinterpreted. The 'unadjusted' figure is the actual level of receipt of invalid pension for each birthplace. What this procedure suggests is that most of the gross difference between total receipt for birthplace groups is due to differences in the age composition of the populations.

These differences between age compositions have different effects for different pension and benefit payments. Among those below retirement age, invalid pensioners are the most affected group, but age differences of this sort are calculated to raise the apparent level of receipt of sole parent and widows pension for women born in Europe, but are estimated to lower the level of receipt of unemployment and sickness benefit. For example, 3.6 per cent of the population of labour force age who were born in Greece were receiving unemployment or sickness benefit in 1989. It is estimated that if

the population born in Greece had the same age composition as the Australian-born population, this rate of receipt would have been 4.7 per cent. That is, age differences will 'inflate' the apparent level of receipt of some payments, but 'deflate' that of others.

These factors mean that comparisons between groups with different age distributions must be made with great care, and that rates of receipt of payment for **the total population** from each birthplace are not directly comparable. Similarly, comparisons of the share of benefits for people from particular birthplaces with **the total population** share of that birthplace are potentially misleading. The age distribution of specific birthplace groups reflects the past history of Australian immigration policies, not the behaviour of individuals born in different countries.

A point already noted is that many dependent and adult children of immigrants were born in Australia, and of course are counted as part of the Australian-born population, rather than as part of the birthplace group of their parents. There is no recent data source that identifies in detail the birthplace of the parents of people receiving social security payments, nor is there one that identifies whether the dependent children of immigrants receiving social security payments were themselves born in Australia or elsewhere.

At a general level, this raises the question of whether the level or likelihood of social security receipt would differ between the population from a particular birthplace and the 'ethnic' population that includes offspring of immigrants from that birthplace. This would appear to be an important question. It is possible that the sorts of statistical distortions introduced by the very different age structures of different birthplace groups would be less significant if a wider definition of the population were used. As well, an important aspect of an evaluation of immigration policies is an assessment of the circumstances of the second and later generations.

It has been argued by Morrissey (1984) that use of birthplace statistics leads to an underestimate of the problems facing immigrants in Australia, because the 'ethnic share' of unemployment is much greater than the immigrant share. This also implies that the ethnic share of the social security population is likely to be much higher than the birthplace share, both for specific groups and for immigrants in general. But it does not follow that the **rate** of receipt of social security payments would be higher if the

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relevant population were defined more broadly. It seems likely that while the ethnic **share** of social security receipt would be higher than the birthplace **share**, that the **rate** of receipt would be lower because the 'second generation' is more likely to be of the younger economically active age group.<sup>7</sup>

More specifically, this issue is related to the fundamental statistical error in the method used by the ABS in calculating rates of benefit and pension receipt in 1986. In calculating these rates they included spouses and dependent children of beneficiaries and the dependent children of pensioners, even though the Department of Social Security does not collect information on the birthplace of beneficiaries' spouses or of any children. This means that the rates of receipt referred to above (and widely cited) include people in the numerator - spouses and children of persons from particular birthplaces, but who are not themselves from the same birthplace - who are not in the denominator - all persons from that birthplace. In the case of a number of birthplaces (Lebanon, Malta), there are more children of beneficiaries from these birthplaces than there are children in total born in these countries.<sup>8</sup> It is because of this that the ABS estimates of benefit receipt are simply wrong.

What these factors suggest is that estimates of immigrants' receipt of social security payments compared to that of all Australian-born population should be age-specific and look at receipt of **all** income support transfers. Children should not be included in the eligible population, because children are not directly eligible for payments and there are no available data on the birthplace of children of social security recipients. Rates of receipt should be calculated separately for those of labour force age and for those of retirement age.

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7. See Whiteford (1991: 11-12) for further discussion of this point.

8. The ABS publication showed for example that Lebanese-born beneficiaries had about 17,000 dependent children who were included in the calculated level of receipt in Table 1.B, but in fact there were only around 5,000 Lebanese-born children under the age of 15 years resident in Australia at the time. Even if all these children born in Lebanon were in families receiving unemployment or sickness benefit, the level of receipt among this population would be around 34 per cent rather than 53 per cent as estimated by the ABS. This is still an overestimate, because it counts spouses of beneficiaries all as being born in the same country as their partners.

#### 4 Social Security Receipt in 1989

New estimates of social security receipt have been prepared on the basis argued for above. A number of points should be noted. The results are based on a comparison of administrative statistics from the DSS and DVA with ABS data on the estimated resident population in 1989. This means that estimates for some birthplace groups of interest (e.g. Turkey) cannot be prepared, because they are not included in the ABS publication for 1989. Also, the ABS publication only provides population estimates for persons born in Vietnam, while the DSS provides information on pensioners from Vietnam, Laos or Kampuchea, but DSS data for beneficiaries refer to Indochina as a whole. As a result, the estimates given below for Vietnam are based on the assumption that beneficiaries born in that country are the same proportion of all Indochinese beneficiaries as they are of pensioners and have the same distribution of characteristics. Other such assumptions required for this analysis are detailed in Whiteford (1991).

These sorts of problems (or some of them) might have been avoided if the 1986 Census had been used as the basis for comparison, but it was decided to base the analysis on the more recent population data since the situation in 1986 is now of limited interest, and some problems would still remain. Differences can be expected between the results for 1989 to be presented here and those for 1986 given in the ABS publication referred to earlier, simply because unemployment was much lower in 1989 than 1986.<sup>9</sup> The main difference in the results, however, will be attributable to the greater accuracy of the analysis reported here compared to the relatively crude approach used by the ABS. Given the effort here to ensure a comparison of like with like, it is believed that the results presented below amount to the most accurate available.

The research on which this article is based (Whiteford, 1991) looked separately at receipt of invalid pension, service pension, sole parent and widows pension, age pension, unemployment benefit, sickness benefit, special benefit and family allowance supplement. For each payment, there

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9. Given that unemployment has risen substantially since 1989, the level of benefit receipt in 1991 could be expected to be higher than the results about to be discussed. This is likely to be true both for immigrants and for people born in Australia, however, and the factors noted above will still apply. This suggests that the analysis should be repeated, once the results of the 1991 Census are available.

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are very different patterns between different birthplace groups, and issues arise that require further research. In particular, Australian-born unemployment and sickness beneficiaries tend to be under the age of 35 years, receive benefits for shorter periods, and tend not to have dependants. Some groups of overseas-born unemployment and sickness beneficiaries tend to be older, more likely to receive benefits for six months or more, and are more likely to be married and have dependent children. In part, these differences may result from the 'category drift' discussed above, particularly the longer average durations of benefit receipt. These differences may also be the result of differing causes of unemployment for different groups. In considering the overall results that follow, it is important to remember that the nature and experience of social security receipt may differ significantly between birthplace groups.

Table 3 shows the overall results, comparing receipt of all pensions and benefits for the total population from each birthplace, for the population aged 15 years and over, and then for the population over retirement age and for the population of labour force age. Finally, where data availability allows, an age-adjusted rate of receipt is calculated. For these birthplaces where an age-adjusted rate is not shown, this is because the DSS does not publish information on the age distribution of invalid or sole parent pensioners from these birthplaces.

As a first point, it can be seen that the exclusion of children from the denominator increases the calculated rates of receipt for overseas born from 21.3 to 22.9 per cent, but the increase for the population born in Australia is much greater, from 16.2 to 22.0 per cent. That is, most of the gross difference between levels of receipt for the total population (either Australian or overseas born) is related to differences in the age composition of different groups. This point is reinforced when the population over 15 years of age is further decomposed into those of working age and those over retirement age, since the total level of receipt is a weighted average of the specific rates for each age group. There are quite large variations between the levels of receipt of payments for those over retirement age. This could be a result of either differences in private incomes or assets among different groups (lower levels of receipt could be caused by higher levels of either private income or assets) or due to lower levels of take-up of entitlements

**Table 3: Estimated Total Proportion of the Population Receiving any Pensions or Benefits by Birthplace, 1989**

Birthplace	% of total population	% of population 15 years and over	% of retired <sup>(a)</sup>	% of working age <sup>(b)</sup>	Age adjusted <sup>(c)</sup>
Germany	23.1	23.8	71.5	12.4	8.1
Greece	25.9	26.2	80.2	18.0	9.8
Italy	30.7	30.9	81.7	15.5	6.7
Malta	21.0	21.4	68.7	14.4	-
Netherlands	23.8	24.3	72.4	10.8	5.8
Poland	41.2	43.8	78.2	16.6	9.5
UK/Ireland	24.5	25.5	77.9	9.3	7.2
Yugoslavia	23.0	23.7	77.3	16.5	10.8
<b>Total Europe</b>	<b>26.0</b>	<b>26.9</b>	<b>77.6</b>	<b>12.5</b>	-
United States	4.7	5.5	26.6	3.5	-
Other America	10.5	12.2	44.7	9.6	-
<b>Total America</b>	<b>8.9</b>	<b>10.2</b>	<b>41.9</b>	<b>7.5</b>	-
China	9.5	9.8	25.0	4.6	-
Hong Kong	2.6	3.2	36.4	2.1	-
India	12.7	13.7	47.4	6.7	-
Lebanon	25.3	27.4	75.6	24.2	-
Malaysia	3.5	4.1	28.4	3.2	-
Philippines	8.4	10.5	50.7	7.6	-
Vietnam	18.1	21.5	69.2	19.6	-
<b>Total Asia</b>	<b>12.8</b>	<b>14.7</b>	<b>43.6</b>	<b>11.9</b>	-
Egypt	20.4	21.2	54.0	12.8	-
South Africa	6.6	8.0	36.2	4.4	-
Other Africa	9.0	10.0	50.5	6.6	-
<b>Total Africa</b>	<b>14.3</b>	<b>16.0</b>	<b>76.6</b>	<b>7.3</b>	-
New Zealand	10.6	12.3	69.7	7.8	-
Other Oceania	9.2	10.7	40.4	8.8	-
<b>Total Oceania</b>	<b>10.4</b>	<b>12.0</b>	<b>65.1</b>	<b>8.1</b>	-
<b>All Overseas</b>	<b>21.3</b>	<b>22.9</b>	<b>76.5</b>	<b>11.5</b>	-
<b>Australia</b>	<b>16.2</b>	<b>22.0</b>	<b>79.5</b>	<b>10.5</b>	<b>(10.5)</b>
<b>Total</b>	<b>17.4</b>	<b>22.2</b>	<b>78.7</b>	<b>10.7</b>	-

**Notes:** a) Includes females aged 60 years and over and males aged 65 years and over.  
b) Includes males aged 15 to 64 years and females aged 15 to 59 years.  
c) Population of labour force age only.

**Source:** Whiteford, 1991.

among some immigrant groups. It is probable that the very low levels of pension coverage among some Asian birthplace groups are associated with a higher degree of family support, consequent upon the requirement that those sponsoring their relatives to come to Australia under the family reunion provisions given an assurance of support.<sup>10</sup>

It is receipt of social security payments by those of working age that is most relevant to the question of over-representation, since receipt of transfers by those over retirement age is widespread and relatively uncontroversial. The results given in Table 3 differ markedly from common views expressed about immigrants' receipt of social security payments, and these results also differ from the results given in the ABS publication referred to earlier. There are two factors partly explaining this divergence. First, as noted, the level of unemployment was much lower in 1989 than in 1986. Second, these figures do not attempt to include the spouses of beneficiaries or the dependent children of pensioners and beneficiaries. This second factor will tend to understate the level of benefit receipt for those birthplace groups where many beneficiaries are married to spouses from the same birthplace. It should be emphasised again, however, that there is no suitable information on the birthplace of spouses and children of recipients of benefits. Accordingly, the procedure used by the ABS was simply wrong.

The major reason for the differences between these and the earlier ABS figures is that, with some exceptions, immigrants appear to have a lower level of social security receipt than do Australian-born. In many cases, the differences are very large. Persons born in the main European source countries do have a higher level of receipt of pensions or benefits, but most of this appears to be due to their older age structure. Once account is taken of the fact that many more in these groups are aged between 45 and 64 years, then the 'age-adjusted' level of benefit receipt falls below the Australian average for all groups except those born in Yugoslavia, which is only slightly above the Australian-born level.

Some Asian birthplaces, particularly China, Hong Kong and Malaysia, have much lower levels of receipt of pensions or benefits than do other birthplace groups. These particular birthplaces also have very low levels of receipt

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10. Under these provisions, the sponsor of an immigrant becomes liable to repay any special benefit paid to that immigrant.



among those of age pension age. Persons born in either Lebanon or Vietnam have much higher levels of receipt of payments - although certainly not like the levels suggested by the ABS. The differences are of the order of 2 to 2.5 to 1, rather than 8 or 9 to 1. The level of receipt for people born in Egypt is higher than the Australian-born average, but this is probably related to the age composition of this population. In brief, this table strongly suggests that the ways in which statistics on receipt of social security payments by immigrants have been used in the past have given a very misleading picture of the true situation.

## **5 Concluding Remarks**

### **5.1 Other Issues**

It may be considered that this re-analysis of statistics on receipt of social security payments is not precisely relevant to questions about over-representation of either recent immigrants or those who came to Australia under specific entry categories. As data from the DSS do not include information on either immigrant category of entry or on period of arrival, the re-analysis of statistics reported here can not be used directly either to support or refute such concerns.

It is possible, nevertheless, to make some inferences from the type of information already presented. The following points can be made. Working-age immigrants who have come to Australia from New Zealand and from other parts of the South Pacific have lower levels of social security receipt than persons of workforce age born in Australia. Analysis of the 1986 Income Survey (Whiteford, 1991) also suggests that people born in New Zealand had low levels of social security receipt and were also estimated to be paying very high levels of income tax.

It is known from ABS data that refugees, particularly recent refugees, have high levels of unemployment and may therefore be more likely to be receiving payments. The results in Table 3 show that people from Vietnam do have a high level of receipt of social security payments. It is also possible that recent immigrants from Lebanon, even if not officially classified as refugees, have come to Australia under circumstances similar to that of refugees.

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The evidence relating to family reunion immigrants is mixed. Some small-scale surveys suggest that this group has a high unemployment rate and is likely to have a high level of social security receipt (Morrissey, Mitchell and Stillson, 1988). Nevertheless, some birthplace groups for whom family reunion has been important, such as the Philippines, Fiji, Hong Kong and Malaysia, have low levels of social security receipt both among those of workforce age and those over retirement age.

The available data do not allow a firm conclusion on the issue of whether the current immigrant intake is more likely to be receiving social security payments than were past immigrant groups at the same stage of settlement, after controlling for general increases in unemployment. It can be noted again that many large current intake groups, including people from Hong Kong, Malaysia, China, the Philippines, India and New Zealand actually have very low levels of social security receipt. Those birthplaces highly represented in the special humanitarian category do have high levels of reliance on social security payments, but the considerations determining the intake under this form of entry differ markedly from those applying to other parts of the immigration program.

## 5.2 Conclusion

The main conclusion of this paper is that considerable care needs to be taken in interpreting apparently straightforward statistics on receipt of social security payments. Simple statements involving comparisons of the level of receipt for the total population are likely to be misleading because of the very different age structures of different birthplace groups. Many previous statements on this issue appear to have been made without a detailed understanding of the nature and eligibility conditions of the social security system. As a consequence, comparisons have been based on an incomplete set of benefit and pension payments and the results have been unreliable because of the differential effects of residence requirements on birthplace groups, depending upon their period of residence. These two factors are themselves inter-related and the errors introduced are likely to reinforce rather than cancel each other out.

In a sense this conclusion is statistical rather than substantive. That is, the statistics discussed here do not prove either that immigrants are over-

represented or under-represented in the social security system. It should be emphasised, however, that earlier analysis that has used the same type of statistical comparisons (ABS, 1988; Birrell, 1990a; Blainey, 1990; Wood, 1991) should definitely not be taken as establishing immigrant over-representation in the social security system.

This paper has, however, supported the view that Australians born in Vietnam and in Lebanon probably have much higher levels of social security receipt than do all other immigrant groups, although the differences between levels of receipt for these groups and the Australian-born average are not nearly so great as previous commentators have suggested. This result implies that after Aborigines, these groups are likely to have the lowest economic status in Australian society. Further analysis of factors underlying this would seem to be a prerequisite for the development of appropriate policy responses.

Given the limitations of the data and considering recent increases in unemployment, ongoing research and statistical monitoring would be desirable. If there is interest in understanding the changing circumstances of immigrants and in putting the sorts of findings discussed above in a more comprehensive framework, some sort of longitudinal survey would appear to be the most appropriate approach. Such a survey would be expensive, but it would be the best means of settling the questions outstanding about immigrant groups and the receipt of social security payments.

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