Committee Secretary
Joint Standing Committee on Migration
PO Box 6021
Parliament House
CANBERRA ACT 2600

By email: jscm@aph.gov.au

April 29, 2011

Dear Sir/Madam

The Australian Psychological Society (APS) welcomes the opportunity to make a submission to the Joint Standing Committee on Migration's Inquiry into the economic, social and cultural impacts of migration in Australia.

Australian psychologists, along with members of other health professions, are aware of the rich benefits that multiculturalism has brought to Australian society, and also recognise that there is an ongoing process of mutual change and adjustment when groups and individuals from different cultures come into continuous contact with one another.

A key goal of the APS is to actively contribute psychological knowledge for the promotion and enhancement of community wellbeing. The APS therefore takes a stand against the destructive consequences of racism and xenophobia, both for populations and for individuals. It expresses deep concern over the adverse public health and mental health consequences of such prejudices, particularly as promulgated in sections of the media.

The APS has no interests or affiliations relating to the subject of the consultation and the representations submitted, other than our concern that the Australian Government be well-informed and effective in its strategies.

For further information about this submission please contact me on (03) 8662 3327.

Yours sincerely,

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Australian Psychological Society

Submission to the

Joint Standing Committee on Migration Inquiry into the economic, social and cultural impacts of migration in Australia

Department of the House of Representatives

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1. Overview

The Australian Psychological Society (APS) welcomes the opportunity to make a submission to the Joint Standing Committee on Migration's inquiry into the economic, social and cultural impacts of migration in Australia.

The APS is the premier professional association for psychologists in Australia, representing more than 19,000 members. Psychology is a discipline that systematically addresses the many facets of human experience and functioning at individual, family and societal levels. Psychology covers many highly specialised areas, but all psychologists share foundational training in human development and the constructs of healthy functioning.

Psychology has much to offer to community understandings and the promotion of a positive multiculturalism, with a view to embracing the rich diversity in Australian society. Specifically, the APS is well placed to contribute to this consultation by drawing on psychological research into social inclusion, including sense of belonging, identity and the importance of cultural maintenance to migrants and refugee individuals and communities. The substantial body of research on racism and prejudice is also identified and the need to address these as part of achieving a socially inclusive, multicultural society is acknowledged. Specific settlement programs and policies are prioritised in terms of their capacity to enhance the mental health and wellbeing of migrants and refugees, and finally research into the impact of socially inclusive and diverse communities on developing the economic capacity of both individuals and communities is cited.

The APS is not in a position to respond to all of the Terms of Reference of the Inquiry, as several of these are outside our area of expertise. Our response will focus mainly on the following Terms of Reference:

- **Multiculturalism, social inclusion and globalisation** - the role of multiculturalism in the Federal Government's social inclusion agenda
- **Settlement and participation** - Innovative ideas for settlement programs for new migrants, including refugees, that support their full participation and integration into the broader Australian society; and
- **National productive capacity** - the role migration has played and contributes to building Australia's long term productive capacity

Along with the submission, the APS draws the Committee's attention to the range of position statements, literature reviews, fact sheets and other resources it has produced, in particular those on racism, refugees, and media representations of ethnic groups. These resources can be accessed at: http://www.psychology.org.au/community/public_interest/

2. Recommendations

Based on the research outlined in this submission, and on the core principle that *multiculturalism is about everyone*, the APS recommends that:

1. *the national multicultural agenda promote an overarching vision for a diverse Australia which is inclusive and wide-reaching in its notion of 'multiculturalism' and makes explicit links to the benefits of diversity for the health and wellbeing of all Australians.*

2. *there should be an acknowledgement of Indigenous Australians as the first custodians of the land, and recognition of the role Indigenous Australians continue to play in contemporary multicultural society.*

3. *the Australian Government's social inclusion agenda explicitly acknowledge the importance of multiculturalism in achieving individual wellbeing and an inclusive society, and recognise and address the barriers migrants and refugees face to participating equally in that society.*

4. *policies and settings which promote a strong sense of identity and belonging among new migrants and refugees should be supported. Specifically initiatives that enable the maintenance of cultural heritage and identity while facilitating belonging within the new community will enhance mental health and wellbeing.*

5. *multicultural policy recognise that culture-based discrimination is a common challenge with far-reaching health, mental health, social and economic consequences for individuals and communities. Addressing racism and discrimination is key to ensuring a socially inclusive Australia and an important component in any multicultural policy.*

6. *non-migrants should be encouraged to see the benefits of a diverse society and supported in their responsibility to provide a welcoming and inclusive environment to newly arrived communities. Mechanisms which enable mainstream (receiving) individuals and communities to learn and benefit from the experiences of new communities should be explored, as these enhance the mental health and wellbeing of all Australians.*

7. *the needs and experiences of specific groups at risk of social exclusion and poor mental health should be acknowledged and addressed in the multicultural policy and associated programs. This includes, but is not limited to asylum seekers, migrant and refugee women, young people and international students.*

8. *strengthening the rights (and rights based frameworks) of all Australians, including migrants, refugees and asylum seekers is key to realizing individual mental health and a socially inclusive, multicultural society. Specifically, mandatory detention should only be used for a short period while security and health checks are being undertaken, the use of temporary visas should cease and the Racial Discrimination Act should be strengthened to ensure that people of all backgrounds are treated equally and have the same opportunities.*

9. *multicultural policy should acknowledge that effective settlement in the new community is key for optimal mental health and wellbeing among all migrants and refugees. Key components should include full family reunification; appropriate language and literacy supports (including mental health literacy); genuine community engagement so the diverse voices of migrant and refugee communities can be heard and enabled to identify and address their own needs; and measures to address poverty and inequality faced by marginalised communities.*

10. *Australia's multicultural policy should highlight the role that diversity can play in economic capacity building, identifying economic returns such as investment, consumption, volunteerism, knowledge transfer, cultural enrichment and social capital.*

3. Introduction

Overwhelmingly Australia has had a successful experience of multiculturalism over a period of five decades. Both individually and as a society, cultural diversity has been linked to better health, social and economic outcomes.

However forms of prejudice, racism and discrimination exist and inequalities among migrant and refugee communities have been well documented. For example, research points to negativity against Muslim Australians (Yasmeen, 2008), African Australians (Australian Human Rights Commission, 2010), asylum seekers (Pedersen, Watt & Hansen, 2008) and refugees generally (Fozdar & Torezani, 2008). These need to be addressed if Australia is to become a cohesive society.

While research has shown a high level of support for multiculturalism and immigration and that most reject blatantly racist attitudes, attitudes which may underlie discrimination and intolerance are held by a sizeable (through still a minority) of people (Dunn, 2011; VicHealth, 2008).

We are particularly concerned about the detrimental impacts of racism, discrimination and inequality on the mental health and wellbeing of migrants and refugees. There is international evidence that culture-based discrimination is a common challenge with far-reaching health, social and economic consequences for individuals and communities. In particular, there is compelling evidence of a link between ethnic and race-based discrimination and poor mental health and wellbeing (Paradies, 2006a). Evidence suggests that many Australian migrants and refugees experience discrimination and intolerance (Fozdar & Torezani, 2008). The perception of discrimination in the community by refugees significantly affects wellbeing and affects integration into Australian society (Davidson, Murray, & Schweitzer, 2008).

We encourage the national multicultural agenda to deliver an overarching vision for a multicultural Australia which is inclusive and wide-reaching in its notion of 'multiculturalism'. This involves moving away from the approach which has characterised recent debates in Australia that conflate issues of immigration and citizenship with cultural diversity, and goes beyond a focus on 'food and festivals' to foster a community wide understanding of multiculturalism. This agenda should address racism, discrimination and inequality experienced by migrants and refugees, and consciously work to ensure that our diversity

enriches social and community institutions and networks to ensure a stronger society for all (Babacan & Ben-Moshe, 2008).

While our understanding is that the role and experiences of Indigenous Australians is beyond the scope of this Inquiry, the APS believes that a truly multicultural society embraces, includes and addresses the experiences of all Australians, including Australia's First Peoples. We refer the Committee to the importance of acknowledging Indigenous Australians as the original custodians of the land, and recognising their unique spiritual, social and economic relationship with their land and waters in Australia. This formal acknowledgement should underpin the Inquiry, and governments, organisations and individuals should be encouraged to develop connections between Indigenous Australians, migrants, refugees and the broader community.

Recommendation 1: The national multicultural agenda promotes an overarching vision for a diverse Australia which is inclusive and wide-reaching in its notion of 'multiculturalism' and makes explicit links to the benefits of diversity for the health and wellbeing of all Australians

Recommendation 2: There should be an acknowledgement of Indigenous Australians as the first custodians of the land, and recognition of the role Indigenous Australians continue to play in contemporary multicultural society

4. Multiculturalism and Social Inclusion

Promoting multiculturalism is inherently linked with ensuring Australia is a socially inclusive community. Policies and services that promote fairness, inclusion and value cultural and linguistic diversity are key to building a inclusive, welcoming and safe community for all Australians. This has multiple benefits, one of which is enhanced mental health and wellbeing.

Migrants and refugees are at risk of experiencing social exclusion for a range or reasons. The lack of awareness and understanding by the mainstream community of the experience of migrants and refugees, lack of English language skills, inability to access interpreters or adequate settlement support, living in poverty and financial hardship, experience of displacement and loss or destruction of family and social supports exacerbates difficulties faced by migrants and refugees (WCC, 2008).

Social exclusion has been associated with a range of adverse health and wellbeing outcomes including depression, illness and poor health (Glover et al, 1998; Berkman & Glass, 2000). Key factors involved in the social inclusion (or exclusion) of migrants and refugees and identified in the psychological literature include sense of identity, belonging and cultural maintenance, and the experience of racism, discrimination and prejudice. These are discussed below, along with key groups at risk of social exclusion and poor mental health and wellbeing.

Recommendation 3: It is imperative that the government's social inclusion agenda explicitly acknowledge the importance of multiculturalism in achieving in achieving individual wellbeing and an inclusive society, and recognise and address the barriers migrants and refugees face to participating equally in that society.

4.1   Social identity, sense of belonging and cultural maintenance

Fostering a sense of identity and belonging is linked to individual and community wellbeing and has been shown to accelerate settlement of newly arrived communities. Leaving one's place of birth is not an easy decision and people typically leave a country because their life is in danger or in search of a better life (Bradatan et al, 2010). The psychological process of resettlement and the associated possible detrimental mental health consequences of resettlement are well documented (e.g., Davidson et al, 2008).

A social and cultural identity is created and maintained through interaction with people belonging to the same unit and language plays a major role in any human interaction. Therefore, an immigrant with little knowledge of the new country's language has few chances of developing connections with the new culture, people and society and is therefore more likely to remain connected to their original cultural group and/or to experience social isolation and exclusion (Bradatan et al, 2010).

Recent research has identified the process of developing a sense of cultural and social identity and belonging as complex and points to the need for migrants to maintain their cultural identity as key to sense of self, while supporting new ways to understand the self in the resettlement context. Supporting the creation of new social networks for emerging communities or the support for ESL to newly arrived migrant and refugee children (which have links to mainstream school experiences) are therefore important for facilitating a sense of belonging and identity among newly arrived migrants, and more broadly for enhancing mental health.

Recommendation 4: Policies and settings which promote a strong sense of identity and belonging among new migrants and refugees should be supported. Specifically initiatives that enable the maintenance of cultural heritage and identity while facilitating belonging within the new community will enhance mental health and wellbeing.

4.2   Racism, discrimination and prejudice

While the expression of racism and prejudice may have changed over recent decades from overt to more covert and subtle forms, there is strong evidence to suggest that it is still prevalent in Australia (Dunn, Forrest, Babacan, Paradies & Pederson, 2011; Paradies, 2006; APS, 1997).

There is international evidence which recognises that culture-based discrimination is a common challenge with far-reaching health, social and economic consequences for individuals and communities. In particular, there is compelling evidence of a link between ethnic and race-based discrimination and poor mental health and wellbeing (Paradies, 2006). Evidence suggests that many Australian migrants and refugees experience discrimination and intolerance (Fozdar & Torezani, 2008).). The perception of discrimination in the community by refugees significantly affects wellbeing and affects integration into Australian society (Davidson, Murray, & Schweitzer, 2008).

Racism is expressed and experienced in the current Australian context in a variety of ways from racist language and discourse, individual prejudice (such as stereotyping based on race or culture), the perpetration of negative stereotypes through the media (see the APS

Refugee position statement & Media representations paper) through to institutionalized racism in form of inadequate service delivery (Sanson et al, 1998, Paradies, 2006).

More recently, prejudice is high against asylum seekers and this prejudice relates to the rhetoric of both the media and government, who have perpetrated misunderstanding and misrepresented those seeking asylum and their circumstances (APS, 2010; Pedersen, Watt & Hansen, 2006) and more recently (Pedersen, Fozdar & Kenny, in press). Some myths associated with prejudice are set out in Pedersen Watt and Hansen such as: boat people are queue jumpers, they are illegal, and people who arrive unauthorised are not genuine refugees. Other myths are described by Pedersen Fozdar and Kenny; for example, "seeking asylum without authorisation from Australian authorities is illegal under Australian law", "refugees get all sorts of government handouts" and "giving temporary protection visas will stop asylum seekers coming to Australia by boat".

Evidence suggests that negative attitudes can move in a more positive direction with adequate education targeted at a range of levels and campaigns aimed at changing attitudes and promoting accurate and positive stories about migrants and refugees. For example, Pedersen, Walker, Paradies and Guerin (2011) identify the range of components required for an effective prejudice-reduction education program (including, while others have focused on the need for culturally competent services and training for all government funded services, government departments, the media and politicians (APS, 2007).

Child-rearing practices and education can have an impact on the beliefs which children develop concerning their own and other cultural groups and are also key to addressing racism and prejudice (APS, 2007).

Targeting public perceptions, including the use of accurate language and promotion of positive stories about groups must be part of the solution to addressing the misunderstandings and resultant social exclusion and poor mental health experienced by migrants and refugees. It is essential that government(s) lead this approach, and frame any resulting policy or research in ways that seek to enhance community perceptions and challenge misunderstandings (APS, 2010).

Recommendation 5: Multicultural policy must recognise that culture-based discrimination is a common challenge with far-reaching health, mental health, social and economic consequences for individuals and communities. Addressing racism and discrimination is key to ensuring a socially inclusive Australia and an important component in any multicultural policy.

4.3 Harnessing the benefits of diversity: Supporting receiving communities in their adaption to immigrant populations

As identified above, an inclusive, multicultural society is dependent upon the attitudes, behaviours and actions of the receiving community, as well as the settlement process of migrants and refugees. An effective multicultural policy needs to acknowledge and address ways in which individuals and communities in mainstream Australian society can effectively facilitate the involvement and settlement of new migrants and refugees.

There is a body of research in psychology which focuses on acculturation, a process which acknowledges the mutual changes that occur when groups and individuals from different cultures (e.g., refugees and mainstream communities) come into continuous contact with one another (Dinh & Bond, 2008). This research has demonstrated:

- that communities are enriched and transformed by migrants and refugees and the skills, perspectives and traditions they bring
- that more intercultural contact among different ethnic groups can facilitate a more positive context for inter-ethnic relationships, understanding, collaboration and unity, which is a mutual win-win situation for individuals, communities and society
- that it is important to encourage a community's interest in what refugees and migrants have to offer, via a non-competitive approach (emphasizing contributions to an area rather competition for jobs/houses)
- that receiving and migrant communities negotiate their relationships from different power positions
- the presence of newcomers might trigger reflection on the part of the mainstream community as to how it treats people from different backgrounds
- that multiculturalism is likely to be embraced more strongly where migrants reside, creating a magnet for newcomers to settle
- migrant wellbeing is not a matter of choice or charity, but a matter of justice… most communities would do well to consider their obligations to newcomers and treat immigration as an opportunity to reflect on their aspiration to become a just society.
- that facilitating dialogue and learning across communities, increasing understanding and community cohesion and exploring how mainstream organisations and communities can learn from and adapt the processes and supports refugee communities have put in place is important (WCC, 2008).

A major issue identified was the need to explain changes to allay fears and engage the whole community as stakeholders in supporting cultural diversity (Babacan & Ben-Moshe, 2008).

Recommendation 6:Non-migrants should be encouraged to see the benefits of a diverse society and supported in their responsibility to provide a welcoming and inclusive environment to newly arrived communities. Mechanisms which enable mainstream (receiving) individuals and communities to learn and benefit from the experiences of new communities should be explored, as these enhance the mental health and wellbeing of all Australians.

4.4   A focus on socially excluded groups

There are specific groups within migrant and refugee communities that are particularly at risk of social exclusion and therefore poorer mental health and wellbeing outcomes. We believe the multicultural policy should specifically address these groups and develop strategies for their inclusion.

Asylum seekers are particularly marginalised due to their uncertain visa status (and inability to plan for their future), often long journey to reach Australia, policies of deterrence - including immigration detention - which restrict rights and isolate asylum seekers and public attitudes of fear and misunderstanding (for one example, see Pedersen, Kenny, Briskman & Hoffman, 2008)
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Migrant and refugee women are particularly at risk of social isolation, often due to their visa status (e.g., women arriving on the 'women at risk' visa are often single mothers who have lost other adult family members) or their caring roles. Women face barriers participating in the community and accessing appropriate supports and services (such as ESL classes) due to their childcare responsibilities (often for other people's children in addition to their own) and lack of transport. Migrant and refugee women also have unique health issues that require culturally sensitive service delivery; for example, domestic and family violence services need be provided in culturally competent ways with a sensitivity to the role that culture plays in women's lives, without using cultural explanations or assumed norms to mask or minimise their experience of violence.

Young people from migrant and refugee backgrounds often act as cultural translators between their parents and the new culture or community. They are often required to undertake enormous responsibility within their family and community (e.g., interpreting during health appointments, explaining cultural practices) and also can be in Australia alone. Young migrants are often misrepresented by the media and broader society as being violent or belonging to gangs, and experience discrimination and isolation within the mainstream education system (Gifford et al, 2009). For example a study involving Sudanese and Pacific Islander young people found that racism and its negative impact on feeling safe in the community was a key concern for both groups, and young Sudanese men actually identified in and around school as a place where they felt less safe compared to other young people (Grossman & Sharples, 2010). Public gathering in both small and larger groups is perceived by young people in both communities as a critical part of socialisation and cultural reaffirmation and bonding, and was also seen as a key safety strategy for young people in both communities in relation to feeling and being safe in their local area (Grossman & Sharples, 2010). Young asylum seekers, particularly unaccompanied minors face additional hardship due to the uncertainty of their visa conditions (and therefore futures) and disconnection from existing family and community networks.

International students are also a group that faces many challenges in their lives in Australia. Students face isolation due to being away from their family and established community, and find it difficult to make connections to the broader community. Recent research has also highlighted many international students encounter racially or culturally discriminatory and demeaning events, and experience economic exploitation by both exploitative educational institutions and also unscrupulous employers (Jakubowicz &

Monani, 2010). Inadequate study skills and English language support, lack of access to adequate employment, and financial stress further compound this isolation.

Recommendation 7: The needs and experiences of specific groups at risk of social exclusion and poor mental health should be acknowledged and addressed in the multicultural policy and associated programs. This includes, but is not limited to asylum seekers, migrant and refugee women, young people and international students.

4.5   Human rights, social exclusion and mental health

It is important that the Australian Government through its multicultural policy acknowledge and uphold the rights of migrants, refugees and asylum seekers. Australia has obligations under the UN refugee convention to uphold the fundamental right of refugees to seek protection by adopting a fair refugee status determination process. Ensuring the right to safety, security and nurturance of ethnic and cultural beliefs is also essential for psychological health. Research examining the mental health of refugee claimants in immigration detention has shown the deleterious effects of detention, including that detention is a negative socialisation experience and has the potential to exacerbates the impacts of other traumas (Davidson et al, 2008). Similarly, the temporary protection visas have been associated with psychiatric distress among refugee claimants released into the community on a temporary visa (Davidson et al, 2008). The Australian Human Rights Commission has also argued that international students in Australia have a discernable set of human rights, including their right to security, non-discrimination, housing, employment, discrimination and information (AHRC, 2010). More generally, it is imperative that all people are afforded the right to freedom from discrimination as enshrined in *The Racial Discrimination Act*, ensuring that people of all backgrounds are treated equally and have the same opportunities. A strengthening of the rights based frameworks more generally (e.g., a national human rights act) and raising the awareness of rights among migrants and refugees should also be a key component of the multicultural policy.

Recommendation 8: strengthening the rights (and rights based frameworks) of all Australians, including migrants, refugees and asylum seekers is key to realizing individual mental health and a socially inclusive, multicultural society. Specifically, mandatory detention should only be used for a short period while security and health checks are being undertaken, the use of temporary visas should cease and the Racial Discrimination Act should be strengthened to ensure that people of all backgrounds are treated equally and have the same opportunities.

5. Settlement and Participation

Effective settlement in the new community is key for optimal mental health and wellbeing among all migrants and refugees. Conversely, those who face barriers to re-settling are at risk on a range of mental health outcomes including isolation, depression and family breakdown. Settlement policies and approaches should be evidence based, drawing on what works to enhance new migrants sense of belonging. Psychological research and practice has identified a range of factors linking settlement and enhanced mental health and wellbeing, as outlined below.

5.1   The importance of family

Recognising the primary importance of the family to mental health, wellbeing and sense of belonging, strengthening families is a key settlement strategy. Research has shown that the presence of family can have a therapeutic effect on people who have survived traumatic experiences, and plays a pivotal role in providing emotional, physical and economic support to refugees upon resettlement (APS, 2010). One of the key factors in promoting good settlement therefore is reunification with family. This is a problematic area for people with a refugee background who do not have the funds to sponsor family members to Australia. They remain permanently separated from family members, which has detrimental impacts on their mental health, and arguably to their long term settlement prospects. In addition, the recent policy which restricts unaccompanied minors 18 years and over from applying for their parents to migrate to Australia is one such example of a policy which does not prioritise keeping families together. Therefore enhancing family reunion, especially for single parents and young people arriving alone in Australia is important (Nickerson et al, 2010; Refugee Council of Australia, 2009). Strengthening families so that they can better support their young people should also be a key priority for the settlement services (Gifford et al, 2009).

5.2   Language support, cultural identity and mental health literacy

It is widely acknowledged that language can be both a barrier and enabler for social inclusion, of the importance of acquisition of English language to full participation in community, the need for adequate, ongoing and accessible ESL support, with flexible delivery to ensure all new migrants and refugees have the opportunity to benefit (eg; mothers, migrants who have been in Australia for many years).

The importance of cultural maintenance for maintaining ethnic identity, language and connection to home country has been well documented. The policy should accept language maintenance as key to social and cultural identity and as such the value of a multi-lingual society should be celebrated. Provision of adequate interpreter and translation services are key here.

In particular, promotion of mental health literacy in the language of the communities is needed. For the older generations such as Greek, Italian and Vietnamese, there is quite a lot of material. For the newer and smaller communities (e.g., subgroups of Sudanese and Burmese) there is very little material in their languages. A multi-component health promotion strategy is needed because some people with a refugee background do not have literacy in their native language. Multiple strategies are required to reach the communities, e.g.,

community development, community radio etc. For many communities, counseling is not a familiar or culturally appropriate form of assistance. Mental health services need to develop culturally appropriate ways of supporting communities, which requires engagement with migrants and refugees, information provision around help-seeking for mental health problems, and training health professionals in communicating about such issues with diverse communities. Access and use of interpreters is also imperative for mental health support.

5.3 Self-determination and community participation

Evidence shows that if people are involved in issues which impact on their lives (self-determination, empowerment) initiatives are more likely to be effective, and wellbeing is enhanced. Migrants and refugees should be engaged and supported to have a key voice in both the development of the multicultural policy and in all settlement programs. Community-led initiatives, such as the establishment of community support networks and community owned and operated venues (community centres) are one example.

5.4 Addressing inequality and poverty

Psychological research has demonstrated the link between poverty, social exclusion and poor mental health outcomes (PSYSR, 2010). Addressing poverty and inequality among migrants and refugees involves improving actual infrastructure, as well as access to adequate housing, income support and transport. Access to education and employment opportunities is also key to enhancing mental health and settlement outcomes, while barriers to participation such as childcare, transport or interpreters are also key to realising full participation and effective settlement.

Recommendation 9: Multicultural policy should acknowledge that effective settlement in the new community is key for optimal mental health and wellbeing among all migrants and refugees. Key components should include full family reunification; appropriate language and literacy supports (including mental health literacy); genuine community engagement so the diverse voices of migrant and refugee communities can be heard and enabled to identify and address their own needs; and measures to address poverty and inequality faced by marginalised communities.

6.   National productive capacity

While extensive comment on the role of migration in the national productive capacity is beyond the scope of APS expertise, we draw the committee's attention to research conducted by Ben-Moshe et al (2005) highlighting the role that diversity can play in economic capacity building. In brief, this research suggests that building community capacity in regional areas will lead to greater community harmony, which in turn leads to greater economic success, thus making it more likely to attract and retain immigrants in regional communities. This study confirmed that immigration, if properly managed, can provide a stimulus to the local economy. The study found that harmonious communities were more likely to be entrepreneurial. These communities tended to create local initiatives to address social problems as well as initiatives of a socio-economic nature. The dividends of building community capacity in regional areas are clearly fed back to the community as economic returns such as investment, consumption, volunteerism, knowledge transfer, cultural enrichment, and building social capital.

If the integration of immigrants is poorly handled, however, the results may result in social exclusion of certain groups leading to a host of social problems which impact upon economic growth and development. Isolation of culturally diverse groups, within a community setting in particular, restricts the economic and social benefits of immigration and can, in turn, generate anti-social behaviour that compounds the problems of both the immigrant group and the community at large. Social exclusion contributes to diminished community leadership, limiting bridging social capital which is a key component of optimal economic outcomes.

The research found that supporting multiculturalism and community capacity building in diverse communities therefore avoids the costs of social exclusion: such as the non-use and underutilisation of labour, welfare dependency, limited education and skills training, extra policing, non-investment, and leakage (i.e. people going elsewhere to access services).

Recommendation 10: Australia's multicultural policy should highlight the role that diversity can play in economic capacity building, identifying economic returns such as investment, consumption, volunteerism, knowledge transfer, cultural enrichment and social capital.

7.   Conclusion

The Australian Government has a historic opportunity to celebrate Australia's linguistic and cultural diversity, by reclaiming multiculturalism and connecting it with social justice, human rights, and inclusive participation. Multiculturalism should embrace diversity rather than impose a set of cultural priorities (or values) on everyone, and needs to address racism and prejudice to ensure optimal individual and community mental health and wellbeing. As stated by Jakubowicz and Monani (2010):

> *Multiculturalism requires a politics of recognition, of reciprocal engagement and respect. Respect for difference does not require endorsement of different values; core values that speak of democracy, freedom, tolerance and opportunity are trans-cultural, and are the necessary framework for ensuring harmonious social relations. (p.22).*

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