Immigration has a transformational effect on Australia. We rightly celebrate the social and cultural contributions of multiple generations of migrants.

However for too long, the economic contribution of migration to Australia has been devalued. Claims migrants steal jobs or undermine the labour market blur the public perception. Of course these claims are based on a premise that does not hold up. An economy is dynamic.

In the first analysis in nearly a decade, the Migration Council earlier this year released a report on the economic impact of migration to Australia. The verdict is clear: migration is central to Australia’s future prosperity.

Based on current trends, Australia’s projected population will be 38 million by 2050 and migration will be contributing $1,625 billion (1.6 trillion) to Australia’s GDP. Moreover, migration will have added 15.7 per cent to our workforce participation rate and 5.9 per cent in GDP per capita growth. Without migration, the population would stagnate and our economy would go backwards.

Overall, by 2050, each individual migrant will on average be contributing approximately 10 per cent more to Australia’s economy than existing residents. The economic impact of migration flows through into every aspect of the economy. It has a profound positive impact not just on population growth, but also on labour participation and employment, on wages and incomes, on our national skills base and on net productivity.

Too often, immigration gets dragged into a population debate where new migrants become the scapegoats for other policy failures. Transport. Infrastructure. Education. Healthcare. Migration does not take these policies backwards. This ignores the positive effects both fiscally and for the economy more broadly.

In addition, distributive effects get ignored. As Australia prioritises skilled migration, people who work in lower skilled occupations are rewarded. Increased domestic demand drives up wages at the bottom. One study estimates immigration accounted for up to 4 per cent of wage growth for lower skilled workers in Australia from 1990 to 2000.

The world is becoming more mobile. Australia is already well placed on this front. Out diversity and social cohesion mean we can attract a unique population of migrants. But governments and policy makers should not rest easy as global competition to attract migrants will only increase in the future. Further, we can complement the economic contribution that migrants make by enabling better settlement support and promoting easier access to English language for those who cannot speak it.

Hard work is required to build on our proud modern history of migration.

Henry Sherrell is a Policy Analyst for the Migration Council of Australia. He will be leading the Economic Growth: What is the Contribution of Migration on Day 1 of Migration 2015.