

1. Introduction

Modern Australia is a migrant country and it has a fine history of overall successful settlement of its new arrivals. Despite its significance in the Australian story, the experience of new migrants in settling into their new country of residence has not been well understood. Nor has there been good evidence from which to assess the consequences for successful settlement of changes in migration policy and services. For the first time we are now able to trace in detail the early settlement experience of two different cohorts of migrants. The information collected in the Longitudinal Survey of Immigrants to Australia (LSIA) provides a unique insight into a number of important issues. These include the labour force, income, expenditure, housing, location, reason for migration, language proficiency, qualifications, health and use of support services of recent migrants. The extent to which outcomes vary by sex, visa category, age, English language capacity and region of birth can be assessed. Since the LSIA has completed interviews with two cohorts of migrants, it is possible to investigate whether changes in the overall state of the economy and in government policy have had a substantial effect on any of these outcomes.

There are two groups of migrants in the LSIA data set. The first (Cohort 1) comprises 5192 primary applicants for permanent resident status (and an additional 1769 spouses who migrated with them). These people arrived in Australia between September 1999 and August 1995. They were interviewed over a two year period beginning in March 1994. Most were interviewed between three and six months after arrival. A second cohort of 3124 primary applicants (and 1057 migrating unit spouses) was interviewed over a one year period beginning in March 2000. They arrived in Australia over the period September 1999 to August 2000 and were interviewed three to six months after arrival. The survey was confined to migrants who obtained their visas offshore, and excludes New Zealanders.

Each cohort has been interviewed a second time, about twelve months after the first interview (when they had been in Australia about 18 months). Cohort 1 was interviewed a third time, about two and a half years after arrival.

The analysis in this report mainly covers Primary Applicants. The spouses who migrated with them and other family members are included where this is important for the analysis. We

report the outcomes of the Cohort 2 migrants on a wide range of variables. In most cases, we compare the Cohort 2 outcomes with those for Cohort 1.

There are several related reports that use data from the Longitudinal Surveys of Immigrants to Australia (LSIA). These include Cobb-Clark and Chapman (1999), Cobb-Clark (1999), Cobb-Clark (2001), VandenHeuvel and Wooden (1999) and Richardson et al, (2001). None has previously compared Cohort 2 with Cohort 1 on the full range of issues covered by the surveys.

This report provides a detailed examination of the experience of Cohort 2 migrants, six months after arrival in Australia, in the areas of housing and choice of location, the decision to migrate to Australia, satisfaction with their early life here, English language proficiency and learning, labour force, income, expenditure, qualifications, mental and physical health and use of support services. These experiences are compared with those of Cohort 1 migrants, at the same period after arrival. This report thus provides information on each of the main topics examined in the LSIA. In each case, the outcomes for Cohort 2 are compared with those for Cohort 1.

In the interval between the arrival of Cohort 1 (1993-5) and the arrival of Cohort 2 (1999-2000), there were several changes in policy and in the economy that were likely to affect the economic outcomes of recent migrants. Unemployment fell from around nine per cent to six and a half per cent. Employment rose by approximately 1.26 million people, or 16 per cent, between September 1993 and August 2000. At the same time, there was a considered change in migration policy that was directed to improving the employable skills of new migrants, and reducing the demands on taxpayer-supported services and payments. There were two main components to these policy changes. The first was a change to eligibility for social welfare payments. Between the arrival of migrants in Cohort 1 and those in Cohort 2, migrants (with the exception of those with Humanitarian visas) have been excluded from access to most social welfare payments for a period of two years after arrival.¹ The second was a change in the selection criteria for migrants. The intake of migrants in the skilled categories was

¹ Neither group of migrants was eligible for most social welfare benefits for the first six months after arrival. The exceptions were the general eligibility of Humanitarian migrants; the eligibility of all migrants for special support if their circumstances had changed substantially for the worse since approval of their visas; and a general eligibility for family allowances.

increased and the intake of those in the Preferential family/family and Humanitarian streams was decreased. There was a cap placed on the entry of parents under the Preferential family/family stream, which had the effect of reducing the average age of migrants in this category. For migrants entering under the Independent or Concessional family/skilled Australian-linked categories, applicants:

- ❖ had to meet higher minimum skill and English standards (at the vocational level) and a maximum age limit;
- ❖ were given preference if their occupation was in short supply; and
- ❖ were given preference if they had obtained their qualifications in Australia.

Migrants under the Business skills/Employer Nomination Scheme had to be under age 45, have vocational level English and have a commitment from their employer of at least three years' employment.

1.1 An Overview of the Two Cohorts

The analysis is reported for all people who migrated as a Primary Applicant. Where it is important for the analysis, the information is also reported for the migrating spouse of a Primary Applicant. On occasion, we include information on spouses of the Primary Applicant, where that spouse was already resident in Australia. There were about another 50 per cent of other people who migrated as part of the migrating unit in Cohort 2. Of these, only 13 per cent were over the age of 19 (most of whom were 20-24), and nearly all were the children of the migrating unit. Fewer than 100 were in the labour force. Most of the relevant questions were not asked of these people and we do not include them in the analysis.

The two cohorts are a little different in terms of some of the major socio-demographic characteristics. Table 1.1 gives an overview of how they compare.

While men comprise 45 per cent of both cohorts (Primary Applicant or spouse in the migrating unit), in Cohort 2 their chances of being a spouse rather than a Primary Applicant are higher than for Cohort 1.

There are some noticeable differences in the visa categories of the two cohorts. Cohort 2 has a higher proportion who migrated as Independent (30% compared with 20%) or Business

skills/ENS (8% compared with 5%); and a lower proportion who migrated as Preferential family/family stream (41% compared with 49%) or Humanitarian (8% compared with 16%). Since the experiences of the different visa categories vary systematically (eg, the Independent and Business skills/ENS categories have the highest rates of employment and the lowest rates of unemployment and conversely for Humanitarian), the changing composition will affect the overall performance of the two cohorts.

Table 1.1: Major Characteristics of Primary Applicants and Migrating Unit Spouses approximately Six Months after Arrival (per cent in each category)

	Cohort 1	Cohort 2
<i>Primary applicant or spouse, males, females</i>	%	%
Male, Primary Applicant	41	39
Female, Primary Applicant	38	38
Male, spouse	4	7
Female, spouse	17	17
<i>Visa Category</i>		
Concessional family/skilled Australian-linked	10	12
Independent	20	30
Preferential family/family stream	49	41
Business skills/ENS	5	8
Humanitarian	16	9
<i>Age</i>		
Average years	35	35
<i>Labour Force Status</i>		
Employed	33	50
Unemployed	21	10
Not in labour force	46	41
<i>Region of Birth</i>		
Oceania	2	3
UK, Ireland	16	15
Other Europe	18	14
Middle East, Nth Africa	10	10
SE Asia	20	16
NE Asia	14	16
South Central Asia	11	13
Nth America	3	3
Central South America	2	1
Other Africa	5	10
<i>Current Main Activity</i>		
Wage, salary earner	28	43
Own business	3	5
Other employed	2	2
Unemployed	21	10
Student	15	14
Home duties	23	21
Retired, pensioner	6	4

Table 1.1 cont:

Other	2	3
<i>Duration of Stay</i>		
Up to 3 months	14	3
>3 months < 6 months	75	55
> 6 months	12	42
<i>How well speak English</i>		
English only language or best language	31	38
Other language -		
Speak English very well	10	13
Speak English well	21	20
Speak English, not well	26	22
Not speak English	12	8
<i>Major source of income</i>		
Government payment	36	11
Wage, salary	31	50
Business	2	4
Investment	8	10
No income	23	26
<i>Level of highest qualification</i>		
Higher degree, post-graduate diploma	12	19
Bachelor degree	20	24
Diploma, certificate, trade	27	27
Year 12	17	16
Less than Year 12	23	14
(Total number)	6961	4181

Notes: (1) Cohort 1 arrived in Australia between September 1993 and August 1995

(2) Cohort 2 arrived in Australia between September 1999 and August 2000

The average age and region of birth is similar for the two cohorts, with the second cohort being a little less likely to come from Other Europe or SE Asia and a little more likely to come from NE Asia, South and Central Asia and Other Africa.

The timing of the two surveys has had the effect that the second cohort had been in Australia a bit longer at the time of interview than the first cohort. For example, 42 per cent of Cohort 2 had been in Australia for more than six months while this was the case for only 12 per cent of the first cohort.

Cohort 2 had a higher proportion (38% as compared with 31%) of people who were fluent speakers of English, and commensurately fewer who did not speak English well or at all. Cohort 2 migrants also had distinctly higher levels of formal education. The proportion with post-graduate qualifications has risen from 12 to 19 per cent while those with less than Year 12 has almost halved to 14 per cent.

The most striking difference between the two cohorts is, however, apparent in their employment experience. As Table 1.1 shows, the proportion employed rose from 33 to 50 per

cent. Most of the increase in employment is matched by a fall in the proportion who are unemployed, although there is also a higher participation rate among Cohort 2. The higher employment levels for Cohort 2 are reflected in the proportions who are wage and salary earners (which rose from 28% to 50%). There is a more than commensurate fall in the dependence on Government payments for people's main source of income. For Cohort 1, more people depended on Government payments than earned a wage. For Cohort 2, there were more than four wage earners for every person whose main source of income was Government payments.

We can conclude from Table 1.1 that Cohort 2 migrants were rather different from those in Cohort 1. The former group were weighted more to those selected on the basis of likely success in the labour market and less to those selected on family or humanitarian grounds. Partly for this reason, Cohort 2 migrants have, on average, better English language skills and more education. This provides part, but only part, of the explanation for the distinctly superior labour market outcomes of Cohort 2.

The remainder of this report is presented in thirteen sections. The first twelve each deal with a separate topic, namely housing and choice of location, the decision to migrate to Australia, satisfaction with their early life here, English language proficiency and learning, sponsor, labour force experiences, income, expenditure, remittances, qualifications, mental and physical health and use of support services.