

## 2. Housing Needs, Preferences and Location Decisions

### 2.1 Location Decisions

There are two questions of particular interest that may be examined using the data on housing circumstances and location. The first is, which part of the country do migrants settle down in, and why? The second is, how successful are they in finding satisfactory types of accommodation? We report on each of these questions in what follows.

#### 2.1.1 *Location and Mobility*

Australia is not indifferent as to where new migrants choose to settle. Some areas of Australia have quite rapidly growing populations, some have slow or no growth and some have falling populations. Population growth or decline has substantial social and economic effects. In any year, there is considerable internal migration, within localities, between metropolitan, urban and rural areas, and across State boundaries. This migration pattern is not random and the net flows have large consequences for both the recipient and the source areas. As Adam Smith put it, in another context, “A declining state is a melancholy state.” Some parts of Australia, both States and regions, would be pleased to be able to offset some of the internal migration outflow with an inflow from overseas migrants. Other parts of the country are faced with substantial pressure on housing and other infrastructure arising from rapid population growth. Thus the location decisions of new settlers have public as well as private consequences. For the benefit of those who are concerned with this public interest, we will set out as fully as possible the information about the location decisions and behaviours of new migrants that is available from the survey responses.

To put the location of recent migrants in context, the distribution and growth of the Australian population by State is reported in Table 2.1.

In 2000, there were net internal migration outflows from New South Wales, Western Australia, South Australia, Northern Territory and the Australian Capital Territory to Queensland and Victoria—the latter two being the only net gainers from internal migration. This was almost a repeat of the pattern for the previous year (1999). New South Wales, South Australia and Tasmania have experienced net outflows from interstate migration over most of

the past decade, while Queensland is the only State to have experienced continuous gains over this period. Victoria changed from a net loser to a net gainer in 1997-8. The total flows are large (much larger than the offshore migration flows). The total movements between the States in 2000 were 367,390 people: yet the sum of the gains to the two net inflow States was only 25,725. Over the same period, there was a net population gain for Australia of 51,200 permanent settlers and a further net 56,100 as long-term arrivals. A quarter of these arrivals were from New Zealand. About 70,000 arrived as part of the Government's Migration and Humanitarian program (ie, the subject of this report). (ABS a, 2001:6-8). Thus, arrivals under the formal migration program comprised about 16 per cent of the total movement of people into the States and Territories. However, they comprised about half of the net gains (ie long term arrivals plus net gains from internal migration) for those States that did gain.

It is clear from the figures given above that arrivals under the overseas migration program are large enough to have an impact on the demand for housing and other facilities. They either partially offset the net internal outflow of people from a State, or add to the net inflow for the gaining States.

Table 2.2 gives the distribution by State of residence of migrants (ie, the Primary Applicants) in each cohort, six months after arrival, distinguished by visa category. A comparison of the last column of Table 2.2 with Table 2.1 shows that New South Wales received substantially more than its share of migrants, Western Australia received slightly more, Victoria and the Australian Capital Territory had migration proportions that matched their populations and

**Table 2.1: Distribution and Growth of the Australian Population, 2000**

State	Total population, Dec. 2000 ('000)	Per cent of total	Per cent growth 2000
New South Wales	6,502.6	34	1.1
Victoria	4,797.4	25	1.3
Queensland	3,597.2	19	1.7
Western Australia	1,897.4	10	1.4
South Australia	1,500.5	8	0.3
Tasmania	470.1	2	-0.1
Northern Territory	196.3	1	1.0
Australian Capital Territory	312.4	2	0.8
Total	19,277.1	100	1.2

Source: ABS, 2001a, Australian Demographic Statistics, catalogue number 3101.0

the other States/Territories received less than their share. Where New South Wales has 34 per cent of the Australian population, it received 44 per cent of the migrants. Queensland, by contrast, with 19 per cent of the population received only 11 per cent of migrants.<sup>2</sup>

There is a substantial difference in the pattern of net internal migration compared with the destination of offshore arrivals. This is most apparent in the contrast between New South Wales and Queensland. For the last decade, New South Wales has seen a sustained net outflow of residents to other States/Territories, totalling a net 180,000 residents (ABS, 2001a: 6). This represents almost three per cent of its population, and is higher than the proportion leaving South Australia (2.5%). Yet while residents have been leaving, offshore migrants have been settling in disproportionate numbers. The opposite is the case with Queensland. Over the decade, Queensland attracted a net 343,000 residents from other parts of Australia (about 9% of its population). While residents were flocking to Queensland, offshore migrants were less likely to head north than they were to head west: whereas 13 per cent of migrants in Cohort 2 settled in Western Australia, only 11 per cent settled in Queensland. As a corollary of the different location patterns of internal and offshore migrants, the latter have not gone predominantly to those States with the fastest population growth. In recent years, New South Wales has had relatively slow overall population growth (1.1% in 2000) while the fastest growing State has been Queensland (1.7% in 2000). It is true, however, that South Australia and Tasmania, with low growth or falling populations, have received a relatively small share of offshore migrants. The internal and offshore migration patterns have reinforced each other for these two small States (and for the Territories).

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<sup>2</sup> The comparisons made between migrant destinations and the distribution of the Australian population are not strictly accurate. The migration figures describe the outcomes for the Primary Applicant, without taking account of the presence or absence of other family members. The demographic information for the Australian population covers all residents, including children. It is unlikely that this population difference accounts for the distinctions in population destination that we describe.

**Table 2.2: Location and Mobility of Migrant Households during first Six Months after Arrival by Visa Category and Cohort (per cent)**

State of residence six months after arrival	Cohort	Concessional family/skilled Australian-linked	Independent	Preferential family/family stream	Business skills/employer nomination scheme	Humanitarian	Total
New South Wales	1	42	48	44	41	39	44
	2	40	47	45	35	39	44
Victoria	1	24	19	26	20	35	26
	2	25	22	27	18	29	25
Queensland	1	11	10	12	16	8	11
	2	11	10	12	17	9	11
South Australia	1	5	6	5	5	6	5
	2	4	5	4	3	8	5
Western Australia	1	15	14	10	15	10	11
	2	16	15	10	23	12	13
Tasmania	1	+	1	1	+	1	1
	2	+	1	1	+	+	1
Northern Territory	1	+	+	1	+	+	1
	2	+	+	1	+	+	1
Australian Capital Territory <sup>1</sup>	1	2	2	2	+	2	2
	2	2	1	1	+	+	1
(Significance) <sup>2</sup>	(n.s.)	(n.s.)	(n.s.)	(n.s.)	(n.s.)	(n.s.)	(n.s.)

Notes: (1) Queanbeyan classified as Australian Capital Territory, non-capital city.

(2) Pearson Chi-square test, n.s. = not significant, + = number of observations very small (n<5).

Table 2.2 shows a remarkably similar pattern of destination across Cohorts 1 and 2. For the two cohorts as a whole, the proportions settling in each of the States/Territories is the same for Cohort 2 as it was for Cohort 1. Even more notable is that this is also true for each visa group. For migrants in each of the five visa categories, as well as for the combined total of migrants, there is no statistically significant difference in the pattern of settlement across the States and Territories between Cohorts 1 and 2. Where there do appear to be differences (eg, 12% of the sample of Humanitarian migrants in Cohort 2 settled in Western Australia whereas only 10% of the Cohort 1 sample did the same), statistical tests of significance show that these are likely to reflect not real differences but sampling error.

The location of settlement is broadly the same for the different visa groups, with some modest differences. The location pattern of the family-oriented migrants (Concessional family/skilled Australian-linked and Preferential family/family stream) looks much like that of the overall cohort. Independent migrants, however, are more likely than average to settle in New South Wales and less likely to settle in Victoria. Western Australia attracted a relatively high proportion of Business skills/ENS, Independent and Concessional family/skilled Australian-linked migrants and Queensland also received a disproportionate share of Business skills/ENS. Victoria, in contrast, attracted relatively fewer of the Business skills/ENS and more of the Humanitarian migrants. Negligible numbers of the Business skills/ENS migrants went to Tasmania or to the Territories, and few went to South Australia.

Most migrants go, at least initially, to the capital cities. Table 2.3 shows that six months after arrival, 90 per cent of migrants lived in one of the capital cities and this was the same for both cohorts and varied little across the visa categories. This 90 per cent compares with the 64 per cent of Australian residents who lived in the capital cities in 2000. While there is no doubt that recent migrants are more concentrated in capital cities than are the general population, there is some uncertainty about the precise proportion. The survey on which the conclusions in this report are based excluded from its scope people who lived in more remote parts of Australia. It is not possible to know exactly what proportion of migrants were therefore out of reach. However, it is known that about four per cent of the total immigrant population, from which the sample was drawn, have an intended or initial address that is outside the areas covered by the survey.

**Table 2.3: Location and Mobility of Migrants Six Months After Arrival, Cohorts 1 and 2 (per cent)**

	Cohort	Concessional family/skilled Australian-linked	Independent	Preferential family/family stream	Business skills/ employer nomination scheme	Humanitarian	Total
<i>Region of location 6 months after arrival<sup>1</sup></i>							
Capital city	1	90	93	88	92	93	90
	2	90	91	88	92	91	89
Non-capital city	1	12	7	12	8	7	10
	2	10	9	12	8	9	11
(Significance) <sup>2</sup>		(n.s.)	(n.s.)	(n.s.)	(n.s.)	(n.s.)	(n.s.)
<i>No. of times moved dwelling since arrival</i>							
None	1	44	33	66	34	38	54
	2	47	42	67	53	31	55
Once	1	49	55	30	53	56	40
	2	47	49	30	41	63	40
2 or more times	1	7	12	3	13	7	6
	2	7	9	3	6	6	5
(Significance) <sup>2</sup>		(n.s.)	(***)	(n.s.)	(***)	(n.s.)	(n.s.)

Notes: (1) Queanbeyan classified as Australian Capital Territory, non-capital city.

(2) Pearson Chi-square test, n.s. = not significant, \*\*\* = probability that the difference occurred by chance < 0.001.

We do not know if they actually resided, at the time of the survey, at this initial or intended address. This does suggest, however, that the bias associated with a limited geographical coverage of the survey is not large. A reasonable upper bound for the fraction living outside the capital cities is 15 per cent.

### *2.1.2 Do Migrants Move?*

We have seen that six months after arrival, most migrants are to be found in Sydney and Melbourne, and to a lesser extent in Brisbane and Perth. Is this where they first arrived, or have they moved to their current location after a deliberate decision to move from somewhere else?

Table 2.4 shows that migrants do not move within a short period of arrival: they stay in the State in which they first locate. This is true for both cohorts and across each of the visa categories. Not only do they stay in the State in which they first arrive, they stay in the capital city (or the non-metropolitan region, if that is where they first go). We can use the three waves of Cohort 1 to confirm that the initial pattern of settlement by State persists over the subsequent two years of residence in Australia. VandenHeuvel and Wooden (1999: 82) show that there is almost no change in the proportion of respondents in Cohort 1 to be found in each State, eighteen months and two and a half years after arrival in Australia. In saying this, it should be noted that longitudinal studies confront the problem of attrition of their sample: some people who responded to the first wave of questions are unable to be located to participate in the second wave. In the case of the LSIA, six per cent of respondents could not be located for the second wave and a further six per cent could not be located for the third wave. We do not know for sure, but it is reasonable to presume that the people who could not be tracked were more likely to have moved, including interstate, than those who could. If this is the case, then the mobility data from those who did respond underestimates the actual degree of geographical mobility of migrants in their early years of settlement. We do not, however, know by how much.

If there is any policy interest in altering the pattern of location of migrants soon after they arrive, Table 2.4 suggests that it is necessary to focus on where they first live. Indeed, it would be necessary to try to alter intended destination, since Table 2.5 shows that overwhelmingly migrants live where they intended to live before they arrived. Ninety-five per cent of migrants, in both cohorts, were living in the State that they intended to live in

prior to migration. This was most strongly true for Preferential family/family stream and Humanitarian migrants. It was least true for Independent migrants, about 10 per cent of whom were living in a different State from the one that they originally intended. Over 88 per cent of migrants intended to live in the capital city where they did live at the time of interview. This figure is the same for both cohorts. A further seven per cent intended to live in the non-metropolitan area where they did actually live. Together, therefore, 95 per cent of migrants were, six months after arrival, living in the place where they had intended to live before they arrived, and both cohorts were the same in this regard. There was some difference between the cohorts in the five per cent of migrants whose location was different from their initial plans. A higher proportion of Cohort 2 (4%) than Cohort 1 (2%) planned to live in a capital city, but in fact was living outside the metropolitan area.

### 2.1.3 *Choice of Location*

It is interesting then, to ask what influences the choice of location. Table 2.6 (a) shows the reasons for choosing their current place of residence, by cohort. The question about choice of place to live differed between Cohorts 1 and 2, so that it is not possible to make direct comparisons between the responses. Specifically, Cohort 1 was asked the main reason for choosing the *State* in which they lived at the time of interview. Cohort 2 was asked the main reason for choosing the *suburb or town* in which they lived at the time of interview.

Both cohorts were given an opportunity to nominate a reason that was not included on the list (recorded as 'other') and many more did so in Cohort 2. This is most likely to be because the options given were more appropriate to choice of State than to choice of neighbourhood (eg, preferred climate). Among the 'other' reasons recorded by Cohort 2 was proximity to transport and shops, which is hardly relevant to choice of State. More than two-thirds of both cohorts chose their location in order to join their spouse or to be near family. However, this proportion was lower for Cohort 2, partly because a significantly smaller number were joining a spouse who was already in Australia. In Cohort 2 there was some increase in the fraction that chose their location on the basis of lifestyle. Most of those who gave this option went to New South Wales or Western Australia. Indeed, 23 per cent of Cohort 2 migrants to Western Australia gave lifestyle as their reason.

**Table 2.4: The Mobility of Recent Migrants Across States and Regions, Cohorts 1 and 2 (per cent)**

	Cohort	Concessional family/skilled Australian-linked	Independent	Preferential family/family stream	Business skills/employer nomination scheme	Humanitarian	Total
<i>Change State since arrival</i>							
No	1	97	96	98	98	98	98
	2	97	99	98	100	98	98
Yes	1	3	4	2	2	2	2
	2	3	2	2	+	2	2
(Significance)		(n.s.)	(**)	(n.s.)	(n.s.)	(n.s.)	(n.s.)
<i>Change region of location since arrival<sup>1</sup></i>							
No change capital city	1	85	91	87	90	92	88
	2	89	88	85	91	89	87
No change non-capital city	1	11	6	10	7	6	9
	2	9	7	10	7	7	9
Change capital city to non-capital city	1	+	2	2	+	1	1
	2	+	3	2	+	3	2
Change non-capital to capital city	1	3	2	2	+	2	2
	2	+	3	3	+	+	3
(Significance) <sup>2</sup>		(n.s.)	(n.s.)	(**)	(n.s.)	(n.s.)	(**)

Notes: (1) Queanbeyan classified as Australian Capital Territory, non-capital city.

(2) Pearson Chi-square test, n.s. = not significant, \*\* = probability <0.01, + = number of observations very small (n<5).

**Table 2.5: A Comparison of Intended and Actual Place of Residence of Recent Migrants, Cohorts 1&2: (per cent)**

	Cohort	Concessional family/skilled Australian-linked	Independent	Preferential family/family stream	Business skills/employer nomination scheme	Humanitarian	Total
<i>Current state of residence different from intended state</i>							
No	1	95	91	97	96	97	96
	2	92	91	98	97	98	95
Yes	1	5	10	3	4	3	4
	2	8	9	2	3	2	5
(Significance)		(n.s.)	(n.s.)	(n.s.)	(n.s.)	(n.s.)	(n.s.)
<i>Current region of location different from intended region<sup>1</sup></i>							
No difference capital city	1	84	92	87	93	92	88
	2	90	91	87	92	90	89
No difference non-capital city	1	8	3	10	4	5	7
	2	7	3	8	3	9	6
Difference intended capital now non-cap.	1	4	4	3	+	3	3
	2	3	7	4	5	+	4
Difference intended non-capital now capital	1	4	2	2	+	1	2
	2	+	+	1	+	+	1
(Significance) <sup>2</sup>		(*)	(n.v.)	(***)	(n.s.)	(n.v.)	(***)

Notes: (1) Queanbeyan classified as Australian Capital Territory, non-capital city.

(2) Pearson Chi-square test, n.s. = not significant, \* = probability < 0.05, \*\*\* = probability < 0.001, n.v. = test not valid, + = number of observations very small (n<5)

Table 2.6 (b) displays the main reasons given by migrants for their choice of State, by State and by cohort. In order to keep the number of comparisons to a manageable size, several categories of response have been amalgamated. The motives have been reduced to four general categories. The first is a desire to reside with family and friends; the second is the existence of job opportunities; the third is preferred lifestyle or climate and the fourth is a residual category. For all States and both cohorts, the majority of migrants chose their destination to be near family or friends (the one exception being Western Australia for Cohort 2). Given that, there are some variations in motive between the States and the cohorts. If we compare the motivation for choosing a particular State with the overall percentage who give that motivation, we find that a relatively high proportion of both Cohort 1 and Cohort 2 migrants:

- ❖ chose New South Wales for its job opportunities;
- ❖ chose Victoria to be near family and friends;
- ❖ chose Queensland and Western Australia for their climate/lifestyle;
- ❖ had ‘other’ reasons for choosing South Australia and Tasmania.

Table 2.7 reports the main reasons for location choice, separately for each of the visa categories. It does so only for Cohort 2. Not surprisingly, the proximity of family was the predominant motive for people who migrated under the two family categories of Concessional family/skilled Australian-linked (69%) and Preferential family/family stream (80%). A further 10 per cent of migrants chose their location on the basis of where their friends were.

The location of friends was particularly important for Independent migrants, and important also for Business skills/ENS and Humanitarian migrants. Only three per cent indicated that the general availability of job opportunities was the key determinant of their location decision, and a further 10 per cent chose on the basis of preferred lifestyle (but not including climate). The Business skills/ENS and Independent migrants gave the greatest weight to lifestyle. Outside the family categories, over one-quarter gave ‘other’ as their reason. ‘Other’ is an aggregation of nine categories, each of which has only a small number of responses. The most frequently chosen of these nine categories was that the location was close to shops and transport.

**Table 2.6a: Main Reason for Choice of Current Location (per cent)**

Primary Applicant's main reason for choosing this location	Cohort 1	Cohort 2	Significance
Spouse/partner lived here	39	22	(***)
Employer is located here	4	6	(***)
Job opportunities	8	3	(***)
Family living here	32	32	(ns)
Friends living here	7	10	(***)
Preferred climate	2	1	(ns)
Preferred lifestyle	4	10	(***)
Other	4	17	(***)

**Table 2.6b: Main Reason for Choice of Current Location, by State (per cent)**

Primary Applicant's main reason for choosing this location	Cohort 1	Cohort 2	Significance <sup>2</sup>
<i>Partner/family/friends here</i>			
New South Wales	78	67	(***)
Victoria	86	69	(***)
Queensland	74	60	(***)
Western Australia	74	49	(***)
South Australia/Tasmania Territories <sup>1</sup>	75	62	(**)
Total	79	75	(n.s.)
Total	78	65	(***)
<i>Employer here/job opportunities</i>			
New South Wales	15	8	(***)
Victoria	7	8	(***)
Queensland	9	11	(***)
Western Australia	8	8	(***)
South Australia/Tasmania Territories <sup>1</sup>	10	9	(**)
Total	11	14	(n.s.)
Total	11	8	(***)
<i>Prefer climate/lifestyle</i>			
New South Wales	4	8	(***)
Victoria	4	7	(***)
Queensland	14	15	(***)
Western Australia	13	24	(***)
South Australia/Tasmania Territories <sup>1</sup>	6	11	**
Total	4	+	(n.s.)
Total	6	11	(***)
<i>Other</i>			
New South Wales	3	17	(***)
Victoria	3	16	(***)
Queensland	3	14	(***)
Western Australia	5	19	(***)
South Australia/Tasmania Territories <sup>1</sup>	8	18	(**)
Total	5	+	(n.s.)
Total	4	17	(***)

Notes: (1) Queanbeyan classified as Australian Capital Territory, non-capital city.

(2) Pearson Chi-square test, n.s. = not significant, \*\* = probability <0.01, \*\*\* = probability < 0.001, + = number of observations very small (n<5).

The reasons given by migrants for their choice of location make it clear that historical settlement patterns will be substantially reinforced by new migrants, at least so long as family remains an important selection criterion for immigration. A majority of new immigrants go to where past immigrants are living, in order to join family and friends. Once settled, there is little propensity to move to a different State. It is unlikely that government policy could or should alter this pattern.

The location of friends and family is less powerful in its impact on the 'economic' migrant categories of Independent and Business skills/ENS. For these groups, preferred lifestyle is an important factor, as is their employer's location. The data do not let us enquire into what aspects of quality of life are important to migrants (other than climate). But it is noteworthy that, while only 10 per cent of Cohort 2 migrants overall nominated preferred the lifestyle as their motivation in selecting their place of settlement, fully a quarter of Business skills/ENS migrants and 15 per cent of Independent migrants said that lifestyle was the determining factor.

If a State wishes to increase its share of the migrant intake, its best opportunity is likely to lie with a promotion of lifestyle and jobs, directed at Independent and Business skills/ENS migrants. This promotion would most effectively occur prior to the migrant arriving in Australia. The promotion of job opportunities is not likely to be effective if it is just a generalized affirmation of the fact that jobs are available. A more targeted approach, that involves overseas recruitment by firms using, for example, the Employer Nomination Scheme, is more likely to be successful. This is suggested by the fact that 11 to 13 per cent of Independent and Business skills/ENS migrants chose their location on the basis that their employer was there (very few migrants in the other visa categories gave this reason), whereas many fewer said that they were attracted by general job opportunities. The Regional Sponsored Migration Scheme, which was evaluated by Cully and Goodes (2000), is an example of a successful targeted approach to attracting migrants to areas where they might not normally go.

**Table 2.7: Reason for Choice of Current Location by Visa Category, Cohort 2 (per cent)**

	<b>Concessional family/skilled Australian-linked</b>	<b>Independent</b>	<b>Preferential family/family stream</b>	<b>Business skills/ employer nomination scheme</b>	<b>Humanitarian</b>	<b>Total</b>
Spouse/partner lived here	+	+	47	+	4	22
Employer is located here	+	13	2	11	+	6
Job opportunities	3	4	2	+	+	3
Family living here	69	17	34	21	49	32
Friends living here	5	24	1	12	12	10
Preferred climate	+	1	1	+	+	1
Preferred lifestyle	5	15	6	24	+	10
Other	16	25	8	27	29	17

*Notes:* (1) + = number of observations very small (n<5).

#### 2.1.4 Sources of Information

It is clear that most migrants make up their minds as to where they want to settle before they arrive in Australia. We look now at how they obtained the information on which to make this decision.

Migrants were asked which States they had considered living in, prior to their arrival in Australia, and whether they had obtained any information about particular States. Their answers are set out in Table 2.8 (a).

Panel (a) shows, for each State, the proportion of migrants who had considered living in that State. The information is provided for both Cohort 1 and Cohort 2. Virtually all migrants gave some thought to which State they would choose to live in (only 4% saying that they did not consider a particular State). The pattern across the two cohorts is very similar. It was possible for migrants to consider more than one State<sup>3</sup>, and it is clear that Cohort 2 migrants were more likely than their Cohort 1 counterparts to have done so. This is indicated by the fact that the percentage of the sample who considered a particular State was higher for every State for Cohort 2 than for Cohort 1, in about the same proportion. The only significant change in pattern is a slight increase in the proportion who considered Western Australia, among Cohort 2.

Overall, the pattern of prior interest in the different States closely matches the pattern of actual settlement. Almost half of all migrants considered living in New South Wales. A further 30 per cent considered Victoria, with about half that number considering each of Queensland and Western Australia.

Panel b) of Table 2.8 indicates whether people had prior information about specific States that was relevant to their decision about where to go. The question was asked in a somewhat different way for the two cohorts. This helps to explain the very large differences to be observed in the proportions who said that they did have such information. Cohort 1 was asked how much information they had, “a lot”, “a little” or “none”. Cohort 2 was simply

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<sup>3</sup> For this reason, the percentages add to more than 100.

**Table 2.8a: States of Australia considered for Living Before Immigrating to Australia, Cohorts 1 and 2 (per cent)**

	Cohort 1	Cohort 2	Significance <sup>1</sup>
New South Wales	46	51	(***)
Victoria	28	31	(**)
Queensland	14	16	(***)
South Australia	7	8	(n.s.)
Western Australia	12	17	(***)
Tasmania	1	2	(***)
Northern Territory	1	2	(**)
Australian Capital Territory	3	3	(*)
No particular State	4	4	(n.s.)

Notes: (1) Pearson Chi-square test, n.s. = not significant, \* = probability <0.05, \*\* = probability <0.01, \*\*\* = probability <0.001, + = number of observations very small (n<5).

**Table 2.8b: Have Information regarding States of Australia, Cohorts 1 and 2 (per cent)**

	Cohort 1	Cohort 2
New South Wales	63	25
Victoria	46	22
Queensland	38	13
South Australia	24	7
Western Australia	28	12
Tasmania	15	3
Northern Territory	16	3
Australian Capital Territory	25	5
No information on any State	12	49

Notes: (1) In Cohort 1, respondents were asked how much information they had about each State with responses of 'a lot', 'some', and 'none'. In Cohort 2, respondents were asked whether they obtained information about each State to help in deciding where to live with responses 'yes' or 'no'. Because the questions were different, we have not performed a significance test for this table.

asked to say yes or no to the question “Did you obtain information about (a given State) to help you in deciding where to live?” The respondents in Cohort 2 may have interpreted the act of obtaining information as being different from whether or not they actually had any information (as was asked for Cohort 1). The answer “none” for Cohort 1 has been treated in the table as being equivalent to the answer “no” for Cohort 2. To our eye, the difference between the proportions of each cohort who said that they had no prior information (12% of Cohort 1) or had not sought any information (49% of Cohort 2) are too large to arise solely from a genuine difference in behaviour. It is likely that the different way in which the question was asked has influenced the outcome. Indeed, we would expect that the proportion of migrants who did not obtain information to help them decide in which State to live would be higher for Cohort 1. This is because more of Cohort 1 were migrating to be with their spouse (39% as compared with 22% of Cohort 2) and presumably would not need to look further. The proportionate drop in the numbers of Cohort 2 migrants considering a particular

State was highest for the small States/Territories (Tasmania, Northern Territory and Australian Capital Territory) and higher for Queensland and South Australia than for Victoria, Western Australia and New South Wales.

Table 2.9 shows from where prospective migrants obtained their information about the characteristics of the State in which they were currently living, if indeed they did so. The ranking of the different sources of information by order of importance is the same for the two cohorts, but the reported extent of use is systematically smaller for Cohort 2 than for Cohort 1. Note that more than one source could be indicated. Thus the percentages do not add to 100. There was a difference in the way in which the lead-in to the question was worded in the two cohorts. The first cohort was asked how much information they had about the State. If they said “None” or “Don’t know” then they were not asked the next question about sources of information. The equivalent question for Cohort 2 asked whether the respondent had obtained information about the State to help in deciding where to live. If the answer was “yes” then they were asked the sources of information. It is possible, of course, to have information about the place that you are intending to go, while not using it to make the decision about where to go (eg, if you were joining a spouse already resident in Australia, or going to a job). This difference in question is most likely part of the reason for the smaller number of sources cited by Cohort 2.

For both cohorts, the most common source of information was from relatives and friends who live in Australia. The second most common source was from sponsors. Government embassy/agencies were quite important, as were the media and family/friends who had visited Australia. Most other sources were used by only a small number of migrants.

Table 2.10 takes a more fine-grained look at the sources of information used by Cohort 2 migrants, disaggregating them into the different visa categories.

**Table 2.9: Sources of Information regarding State of Current Location (per cent)<sup>1</sup>**

	<b>Cohort 1</b>	<b>Cohort 2</b>
Sponsor	27	12
Friends/relatives in Australia	56	32
Friends/relatives who have visited Australia	13	5
Australian or State government department/agency/embassy	19	7
Employer	2	1
Media	16	6
Community/religious organisations	1	0.4
Migration/travel agents	5	4
Education institution	6	2
Trade unions	+	+
Banks/financial institutions	1	1
Refugee agency official	0.4	+
Other	26	14

Notes: (1) More than one source could be indicated.

(2) + = number of observations very small (n<5).

(3) Because the questions for the two cohorts are not comparable, we do not report significance tests.

Friends and relatives are the most important source of information for people in each of the visa categories, but especially so for Concessional family/skilled Australian-linked, Business skills/ENS and the Humanitarian migrants. It is interesting that even for the non-family categories of Independent, Business skills/ENS and Humanitarian, more than one-third obtained information about the State in which they settled from family and friends resident in Australia.

The family categories of Preferential family/family stream (46%) and Concessional family/skilled Australian-linked (63%) relied heavily on a combination of sponsor and family and friends resident in Australia. The Independent and Business skills/ENS migrants made quite a lot of use of non-personal sources, especially the internet (both in general and the DIMIA site), Government agencies and private travel/migration agencies. It is clear that quite a wide range of sources are used, with differing emphasis according to the visa category of the migrant (in particular, whether they have family or friends already resident in Australia).

**Table 2.10: Sources of Information regarding State of Current Location by Visa Category, Cohort 2 (per cent)<sup>1</sup>**

	<b>Concessional family/skilled Australian- linked</b>	<b>Independent</b>	<b>Preferential family/family stream</b>	<b>Business skills/ employer nomination scheme</b>	<b>Humanitarian</b>	<b>Total</b>
Sponsor	13	+	20	+	3	12
Friends/relatives in Australia	50	34	26	40	39	32
Friends/relatives who have visited Aust.	6	9	3	10	2	5
Aust. or state government dept/agency/embassy	7	11	5	17	6	7
Employer	+	2	+	6	+	1
Media	11	11	4	5	3	6
Community/religious organisations	+	+	+	+	+	0.4
Migration/travel agents	5	8	1	11	+	4
Education institution	+	4	1	4	+	2
Trade unions	+	+	+	+	+	+
Banks/financial institutions	+	1	+	3	+	1
Refugee agency official	+	+	+	+	+	+
DIMIA web page on internet	7	12	2	9	+	5
General internet	11	16	3	12	+	7
Other	10	9	3	16	3	6

Notes: (1) More than one source could be indicated.

(2) + = number of observations very small (n<5).

### *2.1.5 Conclusion*

Most migrants make up their minds where they want to settle before they arrive in Australia. They then carry out their intentions, and are unlikely to move, at least to a different State, over the subsequent two or three years. Family and friends already resident in Australia are the main source of information and influence on the decision where to locate. People who migrate under the more economic visa categories of Independent and Business skills/ENS are more likely to choose locations on the basis of jobs and lifestyle. Quite large numbers now use the internet, other media and official sources to find out about places to live. But family and friends are still the most important source of information, even for the ‘economic’ migrants, and also for Humanitarian migrants. If there is any opportunity to influence the places of settlement of new migrants, it occurs before arrival, and mainly for Independent and Business skills/ENS migrants.

## **2.2 Housing**

The speed and ease with which migrants are able to find decent accommodation is an important dimension of the settlement experience. In this report we are not able to provide a comprehensive account of the success or otherwise of migrants in finding satisfactory housing, and what may determine that success. But we are able to give an overall picture of how recent migrants are housed and whether this has changed between the cohorts.

What constitutes decent housing is complex. Australia has a very high quality housing stock and little in the way of sub-standard housing. Therefore migrants are not likely to end up living in slums. But they may be forced to live in crowded conditions, such as sharing with relatives when they would rather not. They may also be forced to pay a high proportion of their income in rent or mortgage payments, so that not enough income is left for other essential purchases.

### *2.2.1 Housing Characteristics*

We begin with a description of the main characteristics of the housing occupied by migrants soon after arrival. The two cohorts are compared, and the migrants are distinguished by visa category.

Table 2.11 sets out the type of dwelling that migrants lived in six months after arrival. The most striking feature of this table is that the pattern of housing is the same for the two cohorts. This is true even when we disaggregate by visa category. We know that migrants in Cohort 2 (compared with Cohort 1) had on average better English skills, more education, considerably more employment and less unemployment and higher incomes. Fewer were Humanitarian migrants and more were Independent migrants. Despite these differences, the types of housing that they lived in were indistinguishable. Almost 50 per cent of migrants lived in separate houses and a further 13 per cent lived in semi-detached dwellings. One-third lived in a flat.

There is some difference between the two cohorts, however, in the nature of their tenancy. As compared with Cohort 1, more migrants in Cohort 2 were owner-occupiers (16% as compared with 11% for Cohort 1) and more were renting privately. Fewer were living rent-free with family and fewer were in other forms of accommodation. These differences are consistent with the generally higher incomes of migrants in Cohort 2 and are statistically significant for the cohorts taken as a whole.

There are also substantial differences in housing arrangements between the visa categories. Overall, the differences between the cohorts for each visa category were not statistically significant: the exception was for Preferential family/family stream, who were more likely to be buying and less likely to be living rent-free in Cohort 2 than in Cohort 1.

Not surprisingly, migrants in the two 'family' visa categories of Concessional family/skilled Australian-linked and Preferential family/family stream were much more likely than the rest to be living rent-free with family members. This was about equally true for both cohorts. So too were Humanitarian migrants. At 30-40 per cent, Business skills/ENS migrants had a relatively high level of home ownership (recall that at the time of interview migrants had been in Australia only about six months). Only a handful of migrants rented from the Government and these were most likely to be Humanitarian migrants.

**Table 2.11: Housing of Migrant Households Six Months after Arrival, by Visa Category (per cent)**

Dwelling type	Cohort	Concessional family/skilled Australian-linked	Independent	Preferential family/family stream	Business skills/ employer nomination scheme	Humanitarian	Total
Separate house	1	60	35	53	58	40	49
	2	55	36	52	59	35	47
Semi-detached house	1	10	14	13	17	14	13
	2	15	19	11	12	12	13
One or two storey flat	1	15	23	16	9	25	18
	2	17	20	18	7	26	18
Three or more storey flat	1	14	25	15	12	19	17
	2	12	24	16	20	26	18
Other	1	2	3	3	4	2	3
	2	2	2	4	3	+	3
(Significance) <sup>1</sup>		(n.s.)	(*)	(n.s.)	(n.s.)	(n.s.)	(n.s.)

Notes: (1) Pearson Chi-square test, n.s. = not significant, \* = probability <0.05, + = number of observations very small (n<5).

**Table 2.12: Tenancy of Migrant Households Six Months after Arrival, by Visa Category (per cent)**

Housing arrangements	Cohort	Concessional family/skilled Australian-linked	Independent	Preferential family/family stream	Business skills/ employer nomination scheme	Humanitarian	Total
Own or paying off	1	9	5	14	29	+	11
	2	11	11	19	41	+	16
Renting privately	1	48	73	42	55	60	51
	2	48	76	42	45	73	54
Rent from government	1	+	+	4	+	7	4
	2	+	+	3	+	11	3
Rent free family/other	1	26	9	28	10	13	22
	2	29	6	26	11	9	19
Other	1	17	13	13	4	20	14
	2	13	7	10	3	7	9
(Significance) <sup>1</sup>		(n.s.)	(n.v.)	(***)	(n.s.)	(n.v.)	(***)

Note: (1) Pearson Chi-square test, n.s. = not significant, \*\*\* = probability < 0.001, n.v. = test not valid, + = number of observations very small (n<5).

### 2.2.2 *Quality of Housing*

We can get some idea of the quality of the housing occupied by those migrants who were buying or renting privately, by examining the estimated value of their housing. This is only a crude measure for several reasons. The first is that the price of a house is strongly influenced by its location as well as by its physical characteristics. While a more detailed analysis of migrant housing could make some adjustment for the impact of location on the reported house value, it is beyond the scope of this report to do so. Note that a comparison of house prices across the cohorts is not likely to be affected by differences in location, since the distribution of migrants by State and by metropolitan/non-metropolitan was the same for the two cohorts, even when disaggregated to visa category level. The second is that house prices have changed between Cohorts 1 and 2, and in ways that will vary between locations. Since people have reported the value of their house using identified price ranges, and for Cohort 2 these ranges were quite broad, it is not possible to adjust for inflation of house prices when comparing between the two cohorts. We note that from March 1994 to March 2001, approximately the interval between interview dates for the two cohorts, the all capital cities consumer price index rose by 20 per cent (ABS b, 2001).

Despite these caveats, there is one strength to the data. Unlike most surveys that ask people to estimate the value of their housing, this one is likely to obtain quite accurate estimates. The reason is that by virtue of their recent arrival, migrants will have purchased their houses within the past six months, and thus be able to recall with accuracy the cost of the purchase.

Tables 2.13 look only at (a) those migrants who owned or were buying their own house and (b) those who were renting or paying a mortgage. It displays the results by visa category, which is a dimension of the comparison that is not subject to the problem of changing house prices.

Table 2.13 (a) shows that, where valid significance tests can be performed, the value of houses for the nine per cent of migrants who owned or were buying was higher for Cohort 2 than for Cohort 1. Specifically, there were fewer in the low price ranges of less than \$180,000 (63% for Cohort 1 and 33% for Cohort 2); and more in the high price range of more than \$250,000 (19% for Cohort 1 and 39% for Cohort 2). Preferential family/family stream migrants were the ones most likely to own low priced houses: Business skills/ENS

migrants were the ones most likely to own high priced houses. Humanitarian migrants did not own their own houses. The pattern for the other visa groups was similar to the average pattern for each cohort.

Table 2.13 (b) presents the information on the amount of weekly rent or mortgage payment made. Again there was a significant shift to higher weekly payment from Cohort 1 to Cohort 2, at least partly accounted for by inflation. A smaller proportion of Cohort 2 lived rent/mortgage-free, in part because of the change in the composition of the migrant intake. Family migrants and Business skills/ENS migrants were much more likely than the other groups to be living rent/mortgage-free. Part of the explanation for the Business skills/ENS migrants is likely to be that they own their own house without debt. There is also a proportion who are living in accommodation provided rent-free by their employer. This group also has the largest proportion who pay a high rent/mortgage (\$300 per week or more). Humanitarian migrants, while not much able to live rent-free, tend to live in lower cost rental accommodation, not surprisingly. By Cohort 2, however, over one-third were paying between \$150 and \$199 per week for their accommodation.

The absolute cost of accommodation does not tell us a great deal about the quality of housing and the degree of housing stress. In order to obtain a more complete picture of the housing circumstances of recent migrants, we look in more detail at the situation of those in Cohort 2. We begin with the answers to a question asked only of Cohort 2—“Do you consider your housing to be of a good, moderate or poor standard?” Sixty-four per cent said that they thought that their housing was of a good standard and only six per cent said they thought it was poor. This is a remarkably satisfactory outcome for a diverse group of migrants who have been in Australia only six months. More of a concern is that 12 per cent of Cohort 2 migrants who were renting said that they had problems in finding a place to rent. This was double the proportion of Cohort 1 migrants who reported such a problem. Table 2.14 gives a breakdown of judgements by migrants about the quality of their housing, by visa category.

**Table 2.13a: Housing of Migrant Households Six Months after Arrival, by Visa Category (per cent)**

Value of dwelling own or buying	Cohort	Concessional family/skilled Australian-linked	Independent	Preferential family/family stream	Business skills/employer nomination scheme	Humanitarian	Total
< \$120,000	1	21	16	27	+	+	24
	2	+	7	17	+	+	13
\$120,000 to \$180,000	1	34	41	42	17	+	39
	2	28	18	24	8	+	21
>\$180,000 to \$250,000	1	24	23	16	23	+	18
	2	25	29	30	15	+	27
>\$250,000	1	21	20	14	55	+	19
	2	43	44	29	76	+	39
(Significance) <sup>1</sup>		(n.v.)	(***)	(***)	(n.v.)	(n.s.)	(***)

Notes: (1) Pearson Chi-square test, n.s. = not significant, \*\*\* = probability < 0.001, n.v. = test not valid, + = number of observations very small (n<5).

**Table 2.13b: Levels of Rent or Mortgage Paid by Recent Migrants, by Visa Category (per cent)**

Weekly rent or mortgage <sup>1</sup>	Cohort	Concessional family/skilled Australian-linked	Independent	Preferential family/family stream	Business skills/employer nomination scheme	Humanitarian	Total
Rent free	1	34	12	40	28	16	31
	2	36	7	35	36	10	26
< \$100	1	8	18	12	3	28	14
	2	5	12	8	+	16	9
\$100 to \$149	1	27	33	34	11	39	26
	2	10	21	16	3	28	17
\$150 to \$199	1	19	24	17	17	17	18
	2	23	27	18	8	38	22
\$200 to \$299	1	7	11	7	22	1	7
	2	18	22	15	23	9	17
\$300 or more	1	5	3	2	20	+	3
	2	7	12	8	29	+	9
(Significance) <sup>2</sup>		(***)	(***)	(***)	(n.v.)	(n.v.)	(***)

Notes: (1) Excludes persons paying board (not asked in Cohort 2).

(2) Pearson Chi-square test, n.s. = not significant, \*\*\* = probability < 0.001, n.v. = test not valid, + = number of observations very small (n<5).

**Table 2.14: Standard of Current Housing by Visa Category, Cohort 2 (per cent)**

Standard of current housing	Concessional family/skilled Australian-linked	Independent	Preferential family/family stream	Business skills/ employer nomination scheme	Humanitarian	Total
Good	73	58	65	71	53	64
Moderate	25	36	29	26	35	30
Poor	3	7	6	3	12	6

**Table 2.15: Have a Problem getting Place to Rent by Visa Category, Cohorts 1 and 2 (per cent)**

	Concessional family/skilled Australian-linked	Independent	Preferential family/family stream	Business skills/ employer nomination scheme	Humanitarian	Total
Cohort 1	7	7	4	10	10	6
Cohort 2	11	20	4	14	17	12
(Significance) <sup>1</sup>	(*)	(***)	(n.s.)	(n.s.)	(*)	

Note: (1) Pearson Chi-square test, n.s. = not significant, \* = probability < 0.05, \*\*\* = probability < 0.001.

The Humanitarian migrants were the ones who were least happy with the quality of their accommodation, only half describing it as good and 12 per cent saying it was poor. The other less-than-content group was, surprisingly, the Independent migrants. Over one-third of this group thought that the standard of their housing was at best ‘moderate’ and another seven per cent thought it was poor. Of course, judgements about the quality of housing are subjective, and it may be that Independent migrants have higher expectations than some other groups. Table 2.15 does throw some light on the discontent of the Independent migrants. More than any other group, Independent migrants in Cohort 2 reported difficulty in finding a place to rent. This was a significantly higher percentage than for Cohort 1.

Table 2.14 suggests that overall, migrants judged the quality of their housing to be pretty satisfactory, with Concessional family/skilled Australian-linked and Business skills/ENS groups the most content: only three per cent of these two groups thought their housing was of poor standard. Despite this generally good outcome, more people in Cohort 2 had trouble finding somewhere to rent than was the case for Cohort 1, with the Independent and Humanitarian migrants having particular difficulty.

An additional insight into the quality of housing can be obtained by comparing the household size with the number of bedrooms in the house. Household here means the number of people living in the house, rather than the nuclear family. The relation between the number of people in the household and the number of bedrooms is not significantly different between the two cohorts. We find that one-third of migrants report having as many bedrooms as there are people in the household, while a further 17 per cent report having more than one bedroom per person. This means that over half of migrants report having ample accommodation, as indicated by this measure. If the household comprises a couple plus children, then a comfortable number of bedrooms would be one less than the number of people. From this we take it to be an indicator of crowding if the number of people exceeds the number of bedrooms by two or more. On this measure, about one in five recent migrants experienced some crowding, with six per cent reporting that they had three or more people in excess of the number of bedrooms. Given that many migrants stay initially with family who were already resident in Australia, this supports the view that the accommodation for most migrants, six months after arrival, is quite satisfactory.

It is likely that there is some measurement error in the precise estimates of the relation between household size and number of bedrooms, because an error in recording either variable will affect the comparison between them. For this reason, we do not attach great confidence to the precise numbers. Note, however, that the figures for each cohort are very similar, which is cause for greater confidence in their reliability.

### *2.2.3 Relation between Housing Status and Income*

We would expect there to be a strong correlation between income and housing status, and income and value of dwelling or level of weekly housing payment. The income that is relevant to the capacity to pay for housing is that of the family or the household, not just that of the Primary Applicant (many of whom had a spouse, some already resident in Australia). For the purpose of calculating income, the family is defined to comprise the Primary Applicant plus the migrating unit spouse or a spouse already resident in Australia, if any. Only a small number of migrating children had independent incomes and these have been excluded. The household is defined to comprise the family plus any other person aged over 14 who resides in the same house. It includes parents of the migrant, children over the age of 14, grandparents, siblings, uncles and aunts, nephews and nieces and people who have no family relationship.

The survey of Cohort 2 contains several measures of income. Each Primary Applicant and each migrating unit spouse is asked to report the level of income (in income ranges) that she or he receives from wages, from a business, from assets or insurance and in total. In addition, the Primary Applicant is asked to report the level of income (in income ranges) of his or her spouse and any other people living in the household. Finally, the Primary Applicant is asked to report the level of income (in income ranges) of the migrating unit. There is, of course, a difference between the Primary Applicant, the migrating unit, the family and the household. It is the last of these that is most relevant to understanding the nature and quality of housing. The migrating unit will differ from the family in the case where the Primary Applicant is joining a spouse who already lives in Australia. This was the situation for 22 per cent of Primary Applicants in Cohort 2. The migrating unit will differ from the household in the many cases in which new migrants live with family (or, less likely, with friends) soon after arrival. (Only 2% of recent migrants lived on their own.)

A value for household income can be obtained from the data, but it has two limitations. The first is that the information about other household members is obtained from the Primary Applicant, and thus is subject to more than usual error. The second is that no information was provided for about 30 per cent of other household members. In order to prevent the sample size from being diminished too extensively by the presence of missing values, we have imputed an income to each adult household member for whom we have no information from the survey. This is a somewhat complex process. If the person is recorded as being in employment, the imputed value is the average income for the other surveyed household members of the same age and sex who are employed. Likewise, if a person was recorded as being primarily a student (other than a school student), or looking for work, or 'other', then the average income of a person of the same age and sex and in the same activity category was imputed to them. An income of zero was imputed to school students for whom no information was given, since only one-third of students for whom we do have information had an income, and on average it was small. In total, such imputation was done for 9.5 per cent of non-migrating spouses and 37 per cent of other members of households. From the separate survey of migrating unit spouses we are able to obtain the personal incomes of people who migrated as spouses.

In order to give the reader a feel for the households in which migrants were embedded, six months after arrival, Table 2.16 reports the composition of migrants' households. It includes only people over age 14 (ie, potential income earners). Spouses are separated into those who accompanied the Primary Applicant and those already resident in Australia.

**Table 2.16: Composition of Households of Primary Applicants, Cohort 2**

<b>Relation to Primary Applicant</b>	<b>Number</b>	<b>Per cent</b>
Spouse (migrating)	974	17
Spouse (already resident)	1144	20
Son/daughter (own or in-law)	1090	19
Parent (own or in-law)	757	13
Sibling (own or in-law)	833	15
Aunt/Uncle/Nephew/Niece	225	4
Grandparent/child plus other relative	251	4
Not Related	469	8
<b>Total</b>	<b>5743</b>	<b>100</b>

Table 2.17 gives the distribution of family income and of household weekly gross income, by visa category. This table highlights the important difference between the two ways of viewing the living unit. While one-quarter of families report income of less than \$309 per week, only 10 per cent of households do so. And while a third of the Humanitarian migrants have family incomes of less than \$309 per week, only half as many of the households in which they live have such low incomes. Not surprisingly, the difference between family and household income is greatest for the family-based migrants, in the visa categories of Concessional family/skilled Australian-linked and Preferential family/family stream. For each of these groups, 27 per cent of families but only 10 per cent of households have incomes of less than \$309 per week. Conversely, where one-quarter of the families receive more than \$961 per week, about one-half of the households do.

We report (in Table 2.18) the link between the housing status of the migrating unit and income, for Cohort 2 only. The measure of income that is used is family income, since it seems unlikely that income received by more distant relatives or friends, even in the same household, would have much influence on the housing status of the migrating unit. The main exception to this expectation is that better-off households may be more able to offer accommodation on a rent-free basis to newly arrived migrants, and indeed there is some evidence to support this view. Whereas the propensity to live rent-free falls as family income rises, it rises as household income rises.

The general pattern is as one would expect, with significant differences in housing status that are associated with differences in income. The highest income families are more likely to own their own house outright or be buying (as a quarter of families with incomes of over \$961 per week are). Most of the high-income families who are not buying are renting privately. The low-income families are more likely to be living rent-free with family or friends or renting privately. The acceptance of rent-free accommodation is strongly linked to family income: the higher the income, the less the propensity to live rent-free. Those who rent from the government are almost entirely low (but not zero) income families.

**Table 2.17: Family and Household Income of Recent Migrants, by Visa Category, Cohort 2 (per cent)**

<i>Gross weekly family income</i>	<b>Concessional family/skilled Australian-linked</b>	<b>Independent</b>	<b>Preferential family/family stream</b>	<b>Business skills/ employer nomination scheme</b>	<b>Humanitarian</b>	<b>Total</b>	<b>(n)</b>
Zero	10	4	7	9	5	7	(212)
< \$309	18	10	20	10	39	18	(560)
\$309-\$577	18	13	23	7	46	21	(653)
\$578-\$961	29	35	24	18	7	25	(791)
> \$961	26	39	26	56	2	29	(903)
							(3124)
<i>Gross weekly household income</i>							
Zero	2	2	1	6	3	2	(56)
< \$309	9	7	8	8	15	9	(270)
\$309-\$577	10	12	20	9	48	18	(567)
\$578-\$961	23	24	23	17	18	23	(708)
\$961-\$1730	29	29	25	24	12	26	(797)
> \$1730	28	27	22	37	4	23	(727)
							(3124)

**Table 2.18: Housing Status by Income, Cohort 2 (per cent)**

Housing Status	Estimated Gross Weekly Family Income				
	Zero	< \$309	\$309-\$577	\$578-\$961	> \$961
Own or paying off	4	10	14	13	26
Renting privately	28	41	57	61	59
Rent from government	+	8	3	1	+
Rent free family/other	59	26	16	16	10
Other	9	15	9	9	5
(n)	(212)	(560)	(653)	(791)	(908)

Despite the expected overall pattern, the correlation between family income and housing status is not a tight one. Fourteen per cent of migrating units who report a family income of zero or less than \$309 per week say they have bought or are buying their own home. Indeed, the proportion that is buying shows no systematic relation with income until the highest income bracket is reached. Conversely, the proportion that live rent-free with family falls systematically with income, but still 10 per cent of families with incomes over \$961 per week are in this situation.

Table 2.19 (a) shows the link between family income and the value of the house, for those migrants who have or are buying their own home. Again we see the expected pattern, that the higher the income, the more likely is the family to buy a house and the more valuable is the house. Virtually no families that report zero income own or are buying a house, as one would expect. About half of the families that are buying a house have weekly incomes in excess of \$961. But again the relation is not a tight one. More than half of families with incomes of \$961 or more have houses worth over \$250,000. This is a far larger proportion than for any other income bracket. But families that report incomes of no more than \$309 per week are just as likely to be buying a house worth more than \$250,000 as they are to be buying one worth less than this (note that the absolute numbers of such families is small). The group that has the highest propensity to buy a cheap house is that earning the middle income of \$309-577 per week. But this group also has the highest propensity to buy quite expensive houses, worth \$180,000-\$250,000.

Table 2.19 (b) examines the link between family income and the amount of weekly payment on rent or mortgage. Of course, we expect that the higher the income, the higher the weekly housing payment, representing the purchase of better housing. We infer from Table 2.19 (b) that migrants with higher incomes are more likely to be able to live independently, either renting or buying their own home, and that they have better housing. There are no surprises

here. Indeed the relationship between income and cost of housing, is quite robust. Low-income families live rent-free or in low rent accommodation. As income rises, the proportion that lives rent-free falls and the propensity to pay higher rent/mortgage rises. The relationships are not exact—for example 18 per cent of families with incomes in excess of \$961 per week live rent-free and 10 per cent of families with income of less than \$309 per week were paying \$200-300 per week in rent/mortgage. This last statistic suggests errors in the data or that the weekly income figure does represent the longer-term income situation of the family, since it is clearly not sustainable to spend 65-100 per cent of family income on rent.

Table 2.19 (c) gives an interesting perspective on the quality of housing of migrating unit families. It compares the weekly rent paid by the migrating unit with the weekly income of the household in which they reside. In some cases the migrating unit and the household are the same. But in many cases recent migrants live with others who were already in Australia: recall that only two per cent of recent migrants live alone. About half of the households in which recent migrants lived had weekly incomes in excess of \$961. It is in these households that two-thirds (65%) of those new migrants who pay no rent are to be found. Only 20 per cent of the migrant families who paid no rent or mortgage themselves had incomes in excess of \$961 per week. Thus two-thirds of the new migrants who paid no rent or mortgage had much better housing than they could have afforded themselves, because they lived with family or friends who had quite high incomes.

The modal (most frequently occurring) housing cost for new migrant families in 2000 was zero (rent or mortgage). One-quarter of families paid no rent/mortgage. The next most frequent category, covering one-fifth of families, was a payment of \$150-\$200 per week. These families were very likely to be living without additional people in the household (or at least without additional income earners), since the income distribution of the family and the household was very similar. Indeed, the higher the weekly housing cost paid by the migrating family, the more the family and household income distributions looked the same. Thus it is clear that the families that benefited from the provision of low or no cost housing by relatives and friends were predominantly those who had both low family incomes and family/friends already resident in Australia who had comfortable incomes.

**Table 2.19a: Value of Dwelling by Family Income, Cohort 2 (per cent)**

Value of dwelling owned or being purchased	Estimated Gross Weekly Family Income				
	Zero	< \$309	\$309-\$577	\$578-\$961	> \$961
< \$120,000	+	10	23	21	6
> \$120,000-\$180,000	+	29	15	34	15
> \$180,000-\$250,000	56	13	50	21	23
> \$250,000	+	48	12	24	56
(number)	(8)	(54)	(93)	(100)	(228)

Note: (1) + = number of observations very small (n<5).

**Table 2.19b: Rent or Mortgage Payment by Family Income, Cohort 2 (per cent)**

Weekly rent or mortgage payment	Estimated Gross Weekly Family Income				
	Zero	< \$309	\$309-\$577	\$578-\$961	> \$961
Zero	66	39	21	21	18
< \$100	11	18	11	7	4
\$100 to \$149	5	14	23	24	11
\$150 to \$199	6	17	32	26	17
\$200 to \$299	10	10	12	15	27
\$300 or more	+	2	2	6	23
(number)	(192)	(458)	(576)	(709)	(844)

Note: (1) + = number of observations very small (n<5).

**Table 2.19c: Rent or Mortgage Payment by Household Income, Cohort 2 (per cent)**

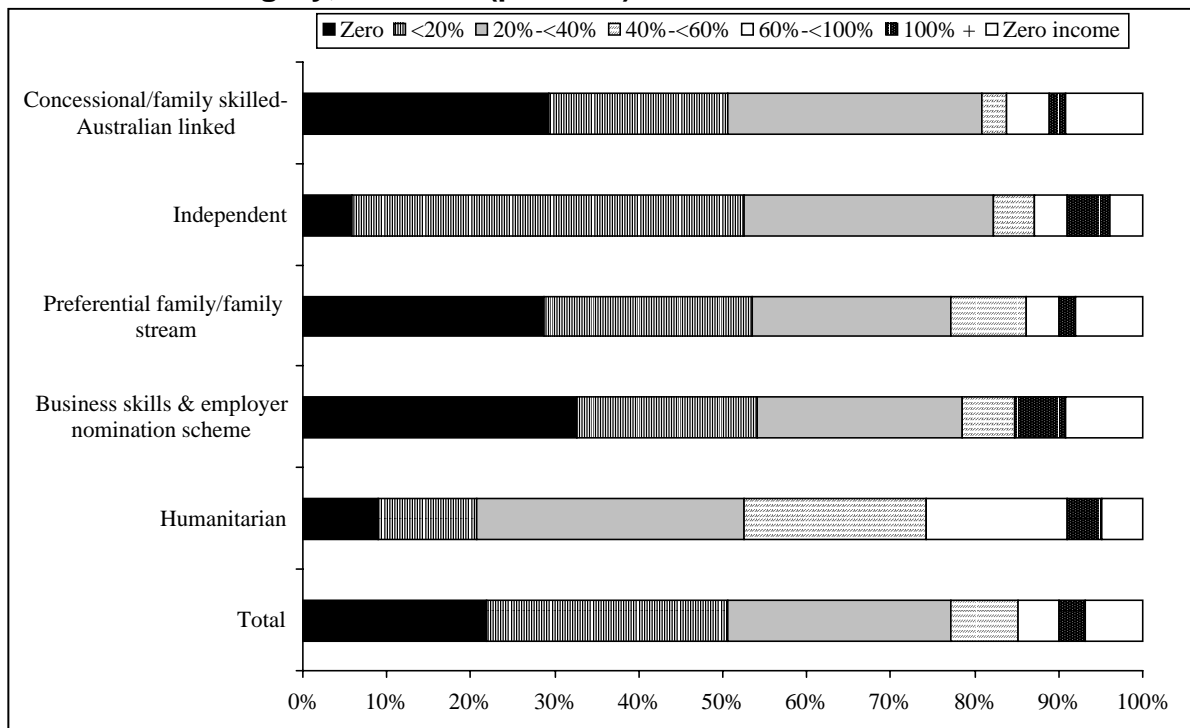
Weekly rent or mortgage payment	Estimated Gross Weekly Household Income					
	Zero	< \$309	\$309-\$577	\$578-\$961	> \$961	>1730
Zero	20	21	17	17	32	40
< \$100	17	23	10	7	8	6
\$100 to \$149	13	15	24	27	11	8
\$150 to \$199	15	24	35	27	19	8
\$200 to \$299	30	16	13	17	19	16
\$300 or more	+	2	2	6	10	22
(number)	(55)	(238)	(517)	(646)	(706)	(617)

Note: (1) + = number of observations very small (n<5).

To see the extent of housing stress for new migrants, we report in Figure 2.1 the level of weekly rent expressed as a percentage of weekly income. Figures are reported for family income, by visa category and in total. We do not report rent as a per cent of household income, although that would be an interesting comparison. The reason is that housing costs are those that the family says that it meets, and they may not fully reflect the housing costs of the household (indeed, they clearly do not for families that pay zero housing costs). Seven per cent of families report receiving zero weekly income. In these cases it is not possible to calculate housing payments as a percentage of income.

Housing stress can be viewed as having to pay more than 40 per cent of gross income in rent or mortgage payments (this is a figure that is consistent with, though somewhat higher than, that typically used in measures of poverty). On this measure, some 18 per cent of recent migrant families have housing stress (we have added in the 2% who say they have zero income yet make positive rent/mortgage payments). The figure is lowest for the Concessional family/skilled Australian-linked migrants (10%) and higher for Independent migrants (14%). But the group that records by far the highest level of housing stress is Humanitarian migrants. Fully 42 per cent of these migrants reported housing payments that were more than 40 per cent of family income. Note that this is also the group that has the largest difference between the per cent of family income and the per cent of household income that is spent on rent/mortgage. When the *family's* housing payments are expressed as a proportion of *household* income, the proportion that spend more than 40 per cent of income on housing falls to 29 per cent.

**Figure 2.1: Rent or Mortgage Payment as percentage of Income by Visa Category, Cohort 2 (per cent)**



#### *2.2.4 Conclusion*

The two cohorts of migrants look very similar in terms of the nature and quality of the housing they occupied six months after arrival in Australia. They are indistinguishable, even within each visa category, in the nature of the housing tenure.

Overall, the quality of housing that recent migrants are able to find is reassuringly high. The migrants themselves say this, and the evidence on crowding and value of residence supports their judgement. An important reason for this is the crucial role played by family and friends who are already resident in Australia. They clearly provide an initial secure base for many new migrants. Those who are close family members, such as spouses and parents, are likely to continue to share in the housing of their resident family members. Others will have an opportunity to establish themselves in independent accommodation as they are able to earn an adequate income.

Despite this optimistic overall conclusion, some migrants do struggle to find adequate and affordable housing. This is most clear for Humanitarian migrants. They are less able than many 'family' migrants to draw on the support of family who are already here. This is manifest in the relatively small proportion that is able to live rent-free. Instead they rely heavily on the private rental market and to a lesser extent on renting of public housing. Many have significant levels of financial stress, as indicated by having to pay a high proportion of their income in rent. They also have the highest level of dissatisfaction with their housing.

Perhaps surprisingly, the other group to show some signs of difficulty with housing is the Independent migrants. They have a relatively high level of unhappiness with the quality of their housing, and reported increasing difficulty in finding satisfactory rental accommodation, on which they rely very heavily. They are the least likely of any of the visa categories to be in rent-free accommodation, and thus must fend for themselves. They have virtually no access to public housing.