

Executive Summary

E1. Background

Despite the significance of migration in the Australian story, it is not until recently that we have had the information that enables us to obtain a good appreciation of the experience of recent migrants in settling into their new country of residence. 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 Department of Immigration and Multicultural and Indigenous Affairs commissioned two world class surveys of recent migrants. The first was conducted in 1993/4 (Cohort 1) and the second in 1999/2000 (Cohort 2). Migrants were interviewed about six months after arrival. Further waves of interviews were conducted 12 months and 24 months after the first wave (although for Cohort 2 it is currently intended only to have two waves).

The information collected in this Longitudinal Survey of Immigrants to Australia (LSIA) provides a unique insight into a number of important questions. These include the extent to which people who migrate under different visa categories have different outcomes; the impact of personal attributes such as English language proficiency, age, country of origin, formal education, prior work status and gender on economic independence; and the role played by Australian migrant services in assisting settlement. It is also possible to investigate whether changes in the overall state of the economy and in government policy have had a substantial effect on the early integration of migrants into employment.

In this report we use information from the first waves of both Cohort 1 and Cohort 2 to describe and compare the characteristics and experience of these two groups of recent migrants.

E2. Characteristics of Migrants

Changes in migrant selection criteria produced substantial changes in the main characteristics of migrants between the two cohorts. Compared with Cohort 1, Cohort 2 had a higher proportion of people who were highly educated, fluent in English, employed, and reliant on

their own wage earnings. The other side of the coin was that Cohort 2 had a smaller proportion who had little education, spoke little or no English, were unemployed and reliant on social welfare support. These differences were large. For example, the proportion who were employed about six months after arrival in Australia rose from 33 to 50 per cent, while the proportion who had less than Year 12 education fell from 23 to 14 per cent (these figures refer to both primary applicants and migrating spouses).

E3. Labour Market Experience

Finding a job is a crucial step in successful settlement into Australian life for migrants who are not dependent family members. Migrants who are able to find employment are able to establish financial independence, to contribute their talents to Australia’s productive effort, and to integrate more readily into Australian society via the contacts they make on the job. Key indicators of this experience include participation in the labour force, employment and unemployment.

On all measures, *the labour market outcomes six months after arrival in Australia are substantially better for Cohort 2 than they were for Cohort 1*. This is true for each of the visa categories other than Humanitarian and Business skills/ENS, and is true for men and women, Primary Applicants and spouses of Primary Applicants. For the Concessional family/skilled Australian-linked, the Independent and the Preferential family/family stream migrants (84% of all Cohort 2 migrants), those in Cohort 2 had higher employment, lower unemployment and lower non-participation in the labour force. Table E3.1 shows the labour force status, six months after arrival, of the two cohorts (Primary Applicant and migrating unit spouse).

Table E3.1: Labour Force Status of Primary Applicant and Migrating Unit Spouse, Cohorts 1 and 2 (per cent)

Labour Force Status	Cohort 1	Cohort 2
Employed	33	49
Unemployed	21	10
Not in labour force	46	41

One reason for the good employment outcomes of Cohort 2 is the high level of their educational qualifications. Not only do they come highly qualified, but increasingly they are able to find jobs which use their qualifications. Thus Australia, and the migrants themselves, are better off in two ways in terms of the human capital that has been acquired with the

migrants of Cohort 2. The first is that the total level of human capital is very high. The second is that greater use is being made of that human capital in the workplace.

The difference in the extent of unemployment between the two cohorts is explained by the greater proportion of people in Cohort 1 who experienced a spell of unemployment. For Cohort 2, 38 per cent experienced some unemployment during their first six months in Australia. The comparable figure for Cohort 1 is 50 per cent. This implies that the greater unemployment experienced by Cohort 1 was largely a reflection of more people experiencing some unemployment in the process of job search, rather than people typically being stuck in long periods of unemployment.

There were two big differences between the cohorts in the type of problems they encountered in finding work. These were a) a reduction in problems caused by inadequate English and b) a reduction in problems caused by insufficient jobs. Both a general improvement in the labour market and the effects of the changes in migrant selection criteria seem to be at work here.

E3.1 Why did Cohort 2 have better Employment Outcomes?

On the basis of analysis not fully reported here, we conclude that the most likely explanations for the superior employment outcomes of Cohort 2 compared with Cohort 1, six months after arrival, are that:

- ❖ They had better levels of English and educational qualifications and fewer people with low levels of each of these attributes;
- ❖ They are likely to be of higher employability in ways that are not captured in the observed variables;
- ❖ There was an overall strengthening of the labour market;
- ❖ They may have more actively sought jobs soon after arrival.

E4. Material Standard of Living

E4.1 Income

The presence of family already in Australia remains an important drawcard for migrants. This family is a major source of support—providing help with housing, finances, employment and information. They contribute a great deal to the ease of settlement and the initial standard of living of new migrants. The income of the migrating unit is often much smaller than the income of the household in which they initially live. For example, while one-quarter of migrating families report income of less than \$309 per week, only 10 per cent of the households in which they live do so.

Migrants in Cohort 2 had considerably higher personal incomes than did the earlier group, especially if they came under the more ‘economic’ visa categories of Independent or Business skills/ Employer Nomination Scheme. These groups were the least likely to have active support from family already in Australia. Overall, 83 per cent of recent migrants in Cohort 2 felt that they had sufficient income to meet their basic needs. The group having the biggest struggle was the Humanitarian migrants, most of whom had social welfare payments as their principle source of income, and had to rent their houses on the private market. It is therefore not surprising that they felt financially squeezed.

There are large differences in degrees of financial comfort depending on where people have migrated from. People from the high income English speaking countries overwhelmingly feel their incomes are adequate to meet their basic needs. In contrast, people from Oceania, the Middle East, Africa and Central and South America, some of whom will be Humanitarian migrants, are having quite a struggle.

We conclude that Cohort 2 migrants have substantially higher incomes, in most of the visa groups, than do Cohort 1 migrants. The exceptions are the Humanitarian and Preferential family/family stream migrants. One reason for the higher incomes is undoubtedly because a much higher proportion of the second cohort was employed, including in jobs that generated a substantial weekly income. Many others were living in families where others were the prime income earner. By Cohort 2, very few migrants were relying on Government payments as their principal source of income (Humanitarian migrants excepted). The Concessional family/skilled Australian-linked and Independent migrants have seen a large rise in their typical income—indeed almost a doubling. Much of this is attributable to their relative success in finding adequate employment. The big change in the distribution of income between the cohorts is the fall in the proportion of Primary Applicants and spouses who received small amounts of income and a rise in the proportion who received over \$672 per week.

E4.2 Housing

The speed and ease with which migrants are able to find decent accommodation is an important dimension of the settlement experience.

Overall, the quality of housing that recent migrants are able to find is reassuringly high. The migrants themselves say this, and 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, especially those who do not have substantial private income. 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.

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 six per cent thought it was poor. More than any other group, Independent migrants in Cohort 2 reported difficulty in finding a place to rent.

E5. Location

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.

It is interesting to ask whether new migrants go disproportionately to the same places that are net gainers from internal movement. The answer is 'no'. 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).

Relative to their population shares, 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 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.

The main reasons given by migrants for their choice of State, vary by State. 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. 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 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.

Most migrants make up their minds where they want to settle before they arrive in Australia. They then carry out their intentions. 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.

E6. Immigration Choices and Satisfaction with Life in Australia

The two cohorts of migrants are remarkably alike in their immigration motivations and their stated likes and dislikes about Australia. Overall, negative aspects of life in the former home country in respect to the social, political and economic conditions, as well as employment, were *not* given as important reasons for migrating. Where they were, it was the context of people’s lives—the climate, the political system and pollution and overcrowding, with which migrants expressed dissatisfaction. It is quite apparent that the attraction of Australia and its opportunities, natural attributes and lifestyle, together with family who had already migrated, were the predominant reasons for migration, with the so-called ‘push’ factors much less important. Most migrants come to Australia as an active choice rather than because their circumstances at home are bleak. It is encouraging for Australia that people who feel that they have satisfactory options nonetheless choose to migrate here.

Employment and access to services and facilities and even language barriers were not high on the list of major dislikes about Australia as expressed openly by respondents. By contrast, the physical attributes, such as climate, environment and the natural beauty of Australia, together with lifestyle, quiet/peaceful environs and friendly people were the most popular things about

Australia. It is important that we do not presume that economic factors drive immigration, or for that matter emigration from Australia, as employment or economic-led migration does not feature prominently here as a considered response from those interviewed in the LSIA surveys.

Perhaps the most pleasing result from this section is the high levels of satisfaction that migrants express about their life in Australia. Very few report being dissatisfied. This general contentment is reinforced by the fact that most intend to become citizens and those who do not say it is because they cannot have dual citizenship. Most would also encourage others to migrate as they have done.

E7. Health

Overall, migrants had very good health on arrival in Australia. A little over 90 per cent of both Cohort 1 and Cohort 2 respondents reported having no long-term health conditions that restrict them in physical activity or work. The same proportion reported believing their health over the last month was either good or very good—about 10 percentage points more than the Australian population.

In addition to inquiring about physical health, LSIA also investigated the psychological wellbeing of migrants. Seventy four per cent of the migrants in both cohorts were found to have normal psychological health. This means that 26 per cent of the migrants indicated symptoms of significant psychological distress. This contrasts with 8 per cent for the Australian population.

It is not surprising that migrants experience higher levels of psychological distress than do the general population, considering the major changes occurring in the lives of the migrants. Their high level of psychological distress is likely to be a result of the stress of moving to a new country and leaving their family, friends and the familiarity of home behind. In fact, a change in residence or living conditions is considered by psychologists to be one of the most stressful and disruptive events that can occur in one's lifetime. Moving to a different country would involve at least 19 of the 43 life changes considered to be the most stressful, such as changes in job, financial state, and family contact. It therefore can be expected that a significant number of the migrants would be depressed and stressed only three to six months

following arrival in Australia. Furthermore, Humanitarian migrants are likely to have experienced a range of stressful events, in the factors that qualified them for such a visa. In Cohort 2 Humanitarian migrants are much more likely to display psychological distress than are the other groups. This difference was much more muted in Cohort 1.

Overall, there was no difference in the prevalence of psychological distress between Cohorts 1 and 2. This conceals the fact that in Cohort 2 the significantly higher levels of psychological distress in the Humanitarian visa group was offset by the significantly lower levels in the Business skills/ENS group. Among the Humanitarian migrants from the Balkans and the Middle East, psychological distress was much higher among those who came in Cohort 2 than for the same group in Cohort 1.

E8. Conclusion

This overview of many aspects of the migration experience provides a generally optimistic and positive view of the outcomes of Australia's contemporary migration program. In reflecting on the findings, we need to be cognisant of the fact that we are here looking at migrants who have been in Australia for only about six months. On almost all measures, outcomes can be expected to improve as the period of settlement extends. We know from earlier work that this is especially true for Humanitarian migrants.

Migrants come to Australia for positive reasons that are related mainly to the desire to join family already here, or to enjoy the greater opportunities, the uncrowded, unpolluted, attractive environment and the delightful climate. They appreciated also the peaceful, friendly and democratic civil life. Overwhelmingly, they were happy with their decision to migrate and would encourage others to do so.

Recent migrants have done extremely well in obtaining jobs and earning an adequate income. This is reflected in the generally satisfactory standards of living that they report. They are generally well housed, helped in this by the ability to stay with family who were already here. This happy story does not apply to Humanitarian migrants, who in many respects have a different experience from other migrants.

Humanitarian migrants clearly come with many disadvantages. They have relatively low levels of education and English language proficiency and quite high levels of psychological distress. Initially, they find it hard to obtain employment and as a result have low levels of income and relatively poor housing. They rely, early on, mainly on government social welfare benefits. Despite these outward signs of hardship, they are overwhelmingly happy to be in Australia, and are the most likely to say that they intend to take out Australian citizenship.

What has Australia gained from its recent migrants? We here do not canvass the many non-economic benefits that migrants may bring.

Australia, and the migrants themselves, are better off in two ways in terms of the human capital that has been acquired with the migrants of Cohort 2. The first is that the total level of human capital is very high. The second is that substantial use is being made of that human capital in the workplace. In addition, recent migrants were physically very healthy, if suffering quite high levels of stress from the experience of migration. Many migrants with lower levels of economic independence were supported after arrival by family and friends already here. This support unquestionably helps their adjustment to their new country, and reduces the need for support from government or not-for-profit organisations.

Finally, migrants do not tend to go to parts of Australia that already have fast-growing populations. Their settlement patterns to some extent counter, rather than aggravate, internal population flows.

Australia has carefully tailored its migration program to meet the twin goals of providing economic benefit and assisting family re-union. From the evidence of this report, it has been very successful in this.