

New migrant Outcomes

**Results from the third longitudinal
survey of immigrants to Australia**

August 2007

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Executive summary

This report describes key findings from the department's third Longitudinal Survey of Immigrants to Australia – LSIA 3.

Survey description

The LSIA 3 is a survey of approximately 10 000 Primary Applicants (PAs) from the Family and Skill stream who either:

- arrived in Australia between December 2004 and March 2005; or
- were granted their visa onshore between December 2004 and March 2005.

So far, migrants have been surveyed in two waves - wave one was run in August 2005 (approximately six months after arrival or grant of visa onshore) and wave two was run 12 months later. A third wave is planned for 2008.

Main Findings

Employment Outcomes

The most significant finding of the report is the dramatic reduction in the unemployment rate between wave one and wave two of LSIA 3. This improvement is experienced by both streams with Skill stream unemployment falling from 9 per cent at wave one to 3 per cent at wave two, and Family stream unemployment falling from 20 per cent to just 6 per cent.

The labour market participation rate was also very high at wave two – ranging from 70 per cent for Family stream PAs to in excess of 90 per cent for Skill stream PAs. This participation rate was well above the Australian average, and significantly higher than previous LSIA's.

The likelihood of ending up in a skilled job varied widely for different types of skilled migrants. At wave two of LSIA 3, only about half of the jobs held by Concessional Family/SAL¹ PAs and 60 per cent of the jobs held by Former Overseas Student PAs were in skilled occupations. In comparison, almost 80 per cent of jobs held by Offshore Independent PAs and more than 90 per cent of jobs held by Business Skills/ENS/RSMS² PAs were skilled.

For Skill stream PAs there was a clear correlation between higher IELTS test scores and better employment outcomes. This is a strong endorsement of the Government's changes to the skilled migration points test.

¹ Skilled Australian Linked

² Employer Nomination Scheme/Regional Sponsored Migration Scheme

Earnings

At wave two of LSIA 3, PAs from the Skill stream had median earnings of \$47 000 pa. This was approximately \$10 000 higher than the earnings of Family stream PAs.

There was also a significant improvement in earnings between wave one and wave two, with around half of those surveyed increasing their earnings by more than \$5000 pa.

Regional migrants

Skilled PAs living in regional areas or areas of low population growth had particularly strong employment outcomes. At wave two of LSIA 3, 97 per cent of these migrants were in the labour force, unemployment was at less than 1 per cent and median earnings were \$50 000 pa.

Assets transferred

Almost 60 per cent of those surveyed brought in assets of one form or another.

The median value of funds brought in varied widely. Business Skills/ENS/RSMS migrants who brought funds into Australia had brought an average of \$150 000 worth of funds since arrival. This was at least five times more than that for migrants from other categories.

Qualifications and their assessment

The vast majority of PAs from both the Family stream and the Skill stream had a post school qualification. Offshore Independent PAs were the most likely to be qualified – with 96 per cent having a post school qualification. Although they were the least qualified group, almost 70 per cent of Family stream PAs also had a post school qualification. This is much higher than the Australian average of 52 per cent.

Of those who required assessment, some 98 per cent of overseas qualifications were recognised by Australia's assessing bodies. Not all qualifications were accepted unreservedly however, in just over a quarter of cases there were some further requirements or additional training that had to be completed.

English Ability

At wave two, 83 per cent of all PAs (both Family and Skill stream) said they could speak English 'well' or better. This figure was little changed from the situation at wave one.

Those surveyed tended to be less confident in their ability to write English. For example, 57 per cent of family migrants and 74 per cent of skilled migrants said that they could read English well. This was about 5 percentage points higher than the proportion who could write English to this level.

Approximately 1 in 6 Family stream PAs still had poor English reading, writing and speaking skills at wave two.

Settlement

Between wave one and wave two, there was some progression up the housing scale for both Skill stream and Family stream PAs. Fewer people were living with a sponsor/relative and more people were paying off or owning their home. Renting however still remained the most common form of tenure.

The overwhelming majority of migrants appear satisfied with Australian life. Some 98 per cent of those surveyed said that they had been made to feel welcome since coming to Australia and 96 per cent said that they felt that they were settling into Australian society. The things most liked about Australia were its people and its climate. Around a third of those surveyed could not think of anything that they disliked about Australia.

With increased time and familiarity with Australia, migrants were more likely to take part in community activities. Some 85 per cent of those surveyed at wave two had participated in at least one community activity, compared with only 71 per cent at wave one.

Racism

Over 40 per cent of those surveyed thought that there was either a lot of racism or at least some racism in Australian society. This was slightly more than the number who thought that Australia had little or no racism.

Former Overseas Student PAs, people from mainly English speaking countries and people who speak English as their best language were more likely to say that there is some racism in Australia.

Partners

Around three-quarters of the partners of skilled PAs had post school qualifications. Their employment outcomes were inferior to skilled PAs however, with median incomes of around \$15 000 pa less and an unemployment rate that was about 6 per cent.

Use of DIAC website

Just under half of those surveyed had used the DIAC website to find out about Australian life. The DIAC website appears to present significant barriers to poor English speakers – with low rates of usage and low levels of awareness about the availability of translated pages on the website.

1. Introduction

This report describes findings from the department's third Longitudinal Survey of Immigrants to Australia – LSIA 3. The LSIA 3 is a survey of approximately 10 000 Primary Applicants (PAs) from the Family and Skill stream, and so far comprises two survey waves. Wave one of the survey was run in August 2005 (approximately six months after arrival or grant of visa onshore). Migrants were then surveyed again 12 months later (wave two).

So that the results for LSIA 3 can be put in context, some of the findings have been compared against the department's two previous longitudinal surveys – LSIA 1 and LSIA 2.

Aims of the report

The main aim of this report is to assess the employment outcomes of recently arrived Skill stream (and to a lesser extent Family stream) migrants. This will be done in absolute terms by comparing unemployment rates, participation rates and earnings for Skill stream PAs with the national average. It will also be done in relative terms by comparing these and other job-related outcomes between:

- Different categories of Skill stream and Family stream migrants. This will identify which migrants are currently performing better in the Australian labour market.
- Different waves of LSIA 3. This will show the how migrants' employment situation improves with an additional twelve months in Australia.
- Different LSIAs. This will show the effect of policy changes and underlying economic conditions on employment outcomes.

As a secondary aim this report will describe other aspects of migrant life for different categories of migrants.

These include English proficiency, qualification assessment, use of government services, fund transfers, mobility, the things most liked and disliked about Australia and community participation.

Description of the surveys

The three LSIA's are spaced at approximately five year intervals.

- LSIA 1 surveyed around 5,000 PAs and their Migrating Unit Spouses who arrived in Australia between September 1993 and August 1994.
- LSIA 2 surveyed around 3,000 PAs and their Migrating Unit Spouses who arrived in Australia between September 1998 and August 2000.
- LSIA 3 surveys almost 10,000 PAs who either :
 - arrived in Australia between December 2004 and March 2005; or
 - were granted their visa onshore between December 2004 and March 2005.

Survey waves

Migrants in all LSIA's were surveyed in two waves. Wave one was done 6 months after arrival/grant of visa and wave two was conducted 12 months later.

For LSIA 1, there was also a third survey wave coinciding with the period 42 months after arrival. A third survey wave is also planned for LSIA 3 in 2008.

Weighting

Before the survey data was analysed in depth it was weighted to help account for biases caused by non-response. For example, migrants from the skill stream and migrants from mainly English speaking countries had lower rates of response and were therefore weighted more heavily in the sample.

How the LSIA 3 differs from previous LSIAs

There are some significant differences between the LSIA 3 and previous LSIAs. Care should therefore be taken when comparing findings between these surveys. These eight differences are explained below.

Difference 1 – LSIA 3 is a shorter survey

The LSIA 3 survey has far fewer questions than LSIA 1 and LSIA 2. It covers fewer topics and the topics are examined in less detail. The topics it does cover however are those of the greatest policy relevance. For instance in LSIA 3 there is only one question on income – however it is about the most significant component of a person's income ie their gross annual salary from all their jobs. In contrast LSIA 2 has a whole topic related to income; there are questions on earnings *for each job*, total wage and salary income, business income, investment income, overseas income and household income.

So that comparisons on content can be made, survey forms for LSIA 3 are included in appendices 1 and 2. Survey forms for LSIA 1 and LSIA 2 can be found at <http://www.immi.gov.au/media/research/lisia/lisia08.htm>.

Difference 2 – LSIA 3 uses a different methodology

The method used in LSIA 1 and LSIA 2 of personally interviewing survey respondents face to face was not a viable option for LSIA 3. Instead, a mail back survey was used in wave one of LSIA 3 and a phone survey was used in wave two. Due to this difference in methodologies, questions have had to be simplified in LSIA 3.

Difference 3 – LSIA 3 was designed to be quicker to process

As the LSIA 3 used a shorter questionnaire, had simpler questions and did not rely on face to face interviews, the time spent on fieldwork was shorter and the survey was quicker and easier to process.

Difference 4 – LSIA 3 included onshore migrants

At the time of LSIA 1 and LSIA 2 the onshore component of the migration programme was relatively small. Currently the onshore component is 30 per cent. Therefore to get a more representative sample, onshore migrants have been included in LSIA 3.

Difference 5 – LSIA 3 included regional migrants

As LSIA 1 and LSIA 2 used face to face interviews, it was not cost-effective to travel to regional parts of Australia to survey migrants. The mail-back and phone interview methodology used in LSIA 3 meant surveying migrants in the regions was no more expensive than surveying migrants in the cities. Therefore regional migrants were included in LSIA 3. This has considerably increased the utility of the results, given the large increase in state-specific and regional visas in recent years.

Difference 6 – LSIA 3 only surveys Primary Applicants

In LSIA 1 and LSIA 2, Migrating Unit spouses and PAs were interviewed separately using similar questionnaires. Almost all analysis of the LSIA however, has looked at outcomes for PAs only. Therefore it was seen as cost effective to only seek information from PAs in LSIA 3. It should be noted however, that some information about the spouse is collected via the Primary Applicant and is reported in this document.

Difference 8 – LSIA 3 does not survey Humanitarian migrants

The department has recently completed a separate survey of Humanitarian migrants, therefore it was decided not to include them in the LSIA 3 on the basis that this group has significantly different characteristics, experiences and settlement outcomes than Migration Program entrants.

2. LSIA 3 demographics

Visa subclasses

The main focus of the LSIA 3 is PAs coming to Australia via the Family or Skill stream. As a result, the visa subclasses covered are wide and varied. Table 2.1 shows the most common visa subclasses included in the survey. As can be seen from this table, spouses are by far the most common visa subclass in the Family stream and Skilled Independent Overseas Students are the most common Skill stream visa.

Table 2.1 : Most common visa subclasses for LSIA 3

Skilled/Family Stream	Visa subclass	Number	Per cent
Family Stream	Spouse (provisional) (offshore)	2258	23%
Skill Stream	Skilled Independent Overseas Student (onshore)	1501	15%
Family Stream	Spouse (offshore)	978	10%
Family Stream	Spouse (Extended Eligibility) (onshore)	856	9%
Family Stream	Spouse (onshore)	648	7%
Skill Stream	Skilled – Independent (offshore)	601	6%
Skill Stream	Employer Nomination (onshore)	496	5%
Family Stream	Prospective Marriage (offshore)	473	5%
Skill Stream	Skilled – Designated Area Sponsored (offshore)	260	3%
Skill Stream	Skilled – Australian Sponsored (offshore)	236	2%
Skill Stream	Skilled Australian Spon. Overseas Student (onshore)	169	2%
Family Stream	Contributory Parent (offshore)	162	2%
Skill Stream	Employer Nomination – RSMS (onshore)	128	1%
Skill Stream	Skilled Designated Area Spon. Oseas Student (onshore)	111	1%
Family Stream	Parent (offshore)	102	1%
Skill Stream	Employer Nomination – RSMS (offshore)	93	1%
Skill Stream	State/Terr Sponsored Business Owner (offshore)	91	1%
Family Stream	Remaining Relative (offshore)	89	1%
Skill Stream	Labour Agreement Business Employment (onshore)	83	1%
Family Stream	Child (offshore)	63	1%
Skill Stream	State/Terr Sponsored Business Owner (onshore)	53	1%
Skill Stream	Employer Nomination (offshore)	50	1%
Skill Stream	Skilled – State/Terr Nominated Independent (offshore)	46	0%
Family Stream	Interdependency (onshore)	44	0%
Skill Stream	Established Business In Australia (onshore)	43	0%
Family Stream	Interdependency (provisional) (offshore)	31	0%
Other skilled		121	1%
Other family		79	1%
Total		9865	100%

From the point of view of reporting the survey findings, the individual visa subclasses are organised into various ways.

When reporting employment outcomes and things such as qualification recognition and use of skills it is important to compare how different categories of skilled migrants are performing relative to each other. Therefore the visa subclasses are reported using one of five categories – Family, Business/ENS/RSMS, Concessional Family/SAL, Former Overseas Student PAs and Offshore Independents. The composition of these five reporting categories is given in table 2.2.

When reporting other information such as migrant demographics, satisfaction with Australia and participation in community events, it is more convenient to classify people as either Skill stream or Family stream migrants.

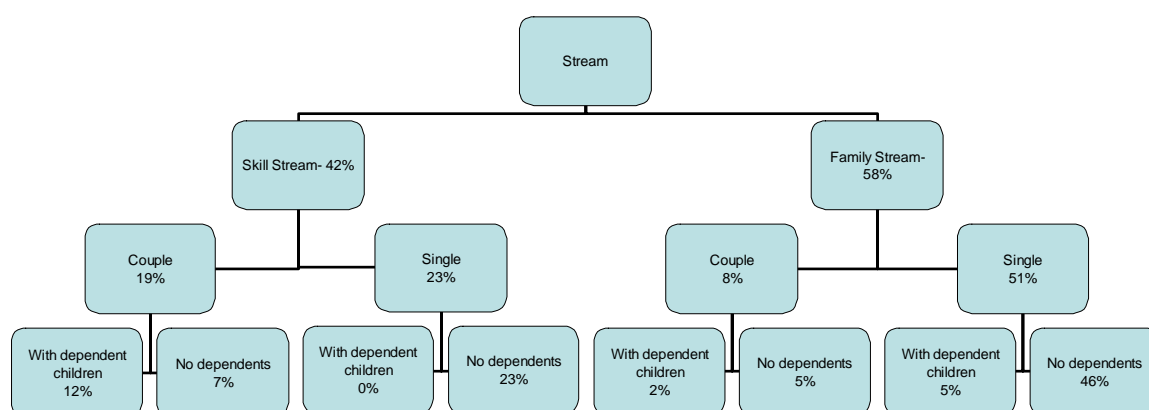
Table 2.2 : Composition of the five reporting categories

Family	
<i>Visa Subclass (name)</i>	<i>Visa Subclass (code)</i>
Spouse	100, 801, 820, 309, 300
Child	101 802
Parent	103 804
Preferential Family	104
Interdependency	110, 814, 826, 310
Aged dependent relative	114, 838
Remaining Relative	115, 835
Orphan Relative	117
Contributory Parent	143, 864
Business/ENS/RSMS	
Regional Sponsored Migration Scheme	119, 857
Labour agreement	120, 855
Employer nomination	121, 856
Distinguished talent (Australian support)	124, 858
Business owner	127, 840, 160
Investment-Linked	131, 844
Business Talent	132
Skill Matching	134
Senior Executive (Provisional)	161
Investor (Provisional)	162
State/Territory Sponsored Business Owner (Provisional)	163, 892
State/Territory Sponsored Senior Executive (Provisional)	164
State/Territory Sponsored Investor (Provisional)	165
Business skills	805
Established business in Australia	845
State/Territory sponsored regional established business in Australia (REBA)	846
Concessional Family SAL	
Skilled – Australian-linked	105
Skilled – Australian-Sponsored	138
Skilled – Designated Area Sponsored	139
Former Overseas Students	
Skilled – Independent Overseas Student	880
Skilled – Australian-Sponsored Overseas Student	881
Skilled – Designated Area-Sponsored Overseas Student	882
Offshore Independents	
Skilled – Independent	136
Skilled – State/Territory Nominated Independent	137

Types of migrating units

Almost all Family stream PAs came to Australia under a spouse visa. Therefore the vast majority of these people were single person migrating units at the time of visa application and were without dependents. The majority of Skill stream migrants were also single without dependents. In fact the proportion of single people in LSIA 3 is higher than for other LSIA's as the LSIA 3 includes a high proportion of Skilled Independent Overseas Students. This particular group of skilled migrants is somewhat younger than other skilled migrants on average and is therefore less likely to have dependents or a partner.

Figure 2.1 : Breakdown of migrating unit structure

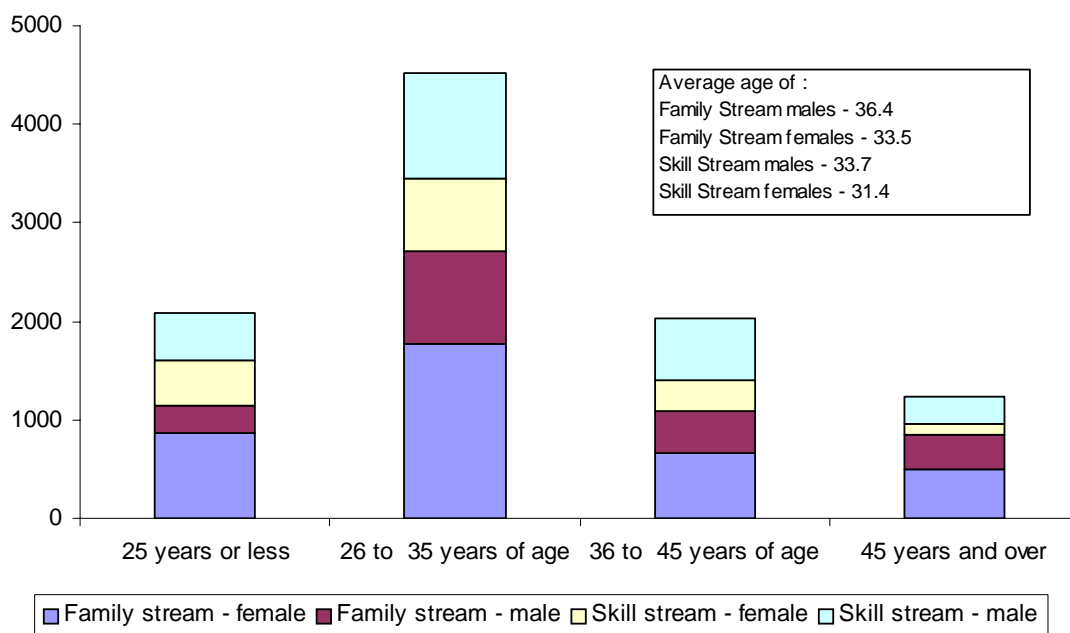


Age and gender

Overall, 60 per cent of Skill Stream PAs and 34 per cent of Family stream PAs surveyed were male. Figure 2.2 below shows two things :

- Almost half of those surveyed are in the 26-35 year age cohort.
- Males in the survey had an average age that was two to three years older than females.

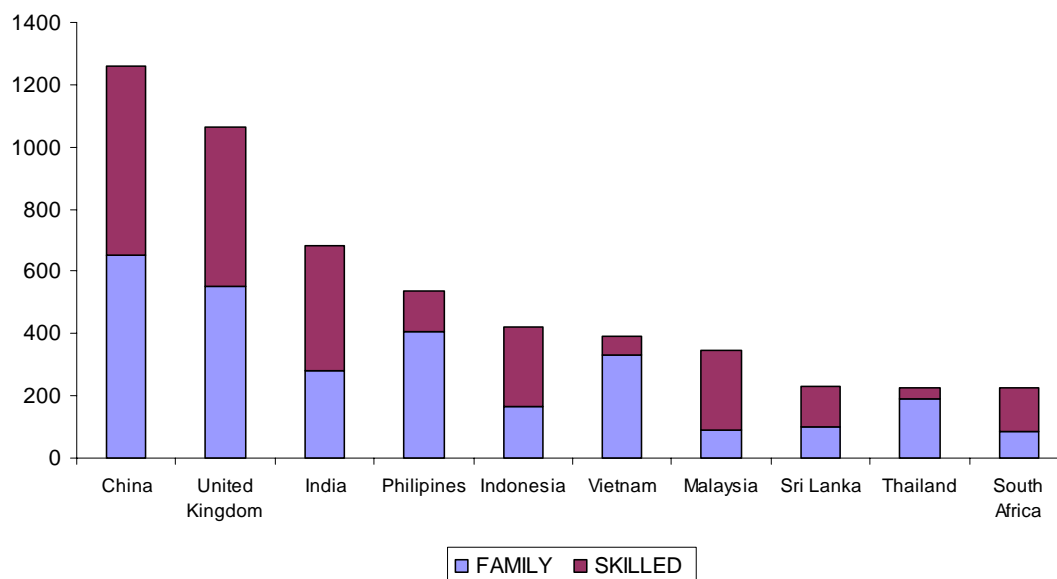
Figure 2.2 : Age and gender profile of migrants



Where migrants came from

China, the United Kingdom and India were the main birthplaces for migrants in the survey. Between them, these countries accounted for almost one-third of those surveyed. Among the other major source countries, the Philippines, Thailand and Vietnam had high proportions of family migrants. Indonesia, Malaysia and South Africa provided a high percentage of migrants from the Skill stream.

Figure 2.3 : Most common migrant birthplaces



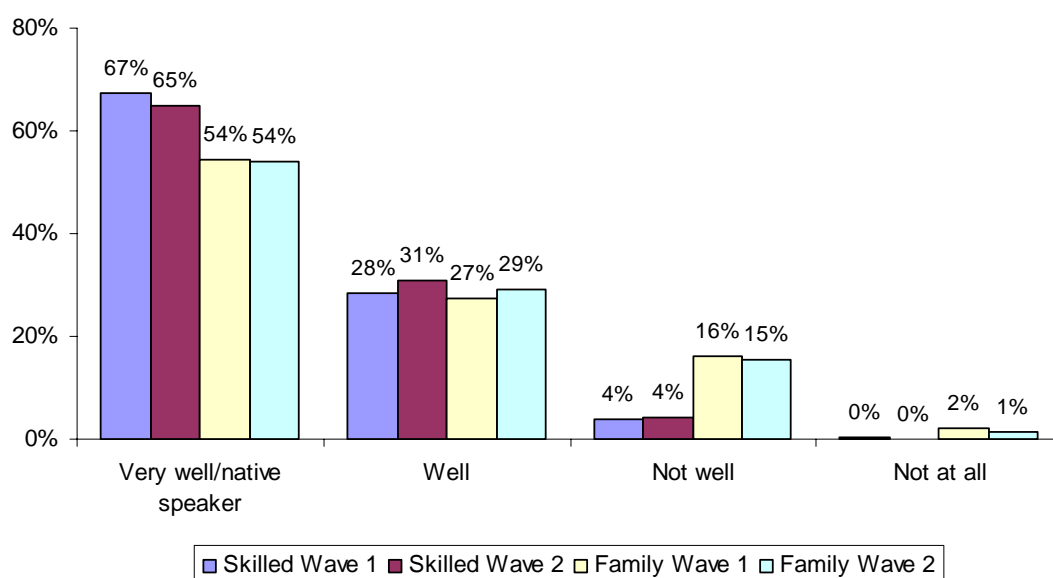
In terms of English and non-English speaking countries, 17 per cent of Family stream migrants came from mainly English speaking countries³ and 83 per cent came from mainly non-English speaking countries. The corresponding percentages for the Skill stream were 20 per cent and 80 per cent.

English ability

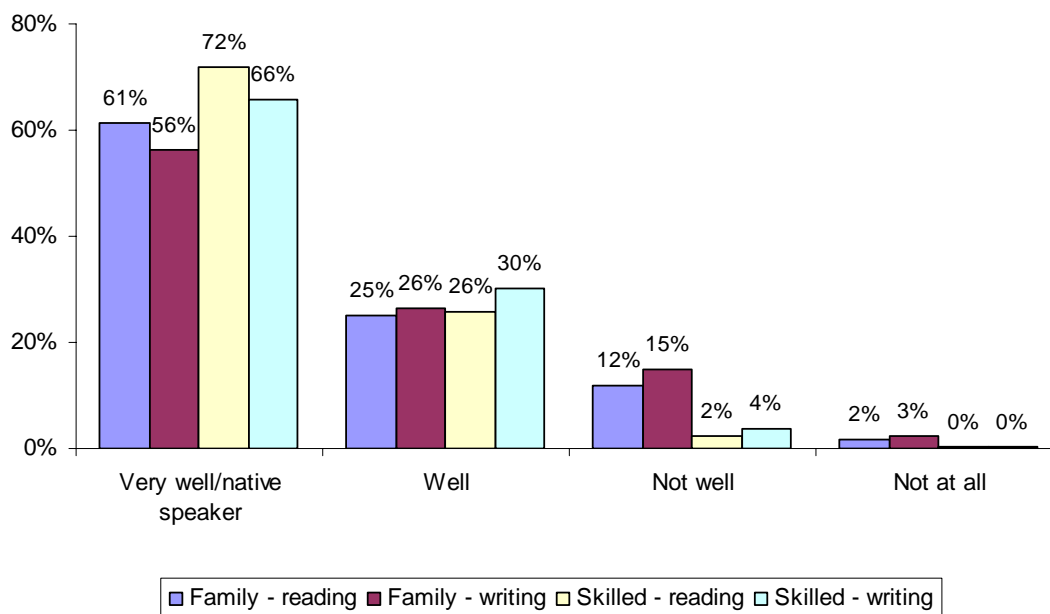
In both waves of LSIA 3, migrants were asked to provide a self-assessment of their spoken English Proficiency. As can be seen from figure 2.4, the English ability of migrants hardly changed in the 12 months between wave one and wave two. In fact there was a slight decline in the (self assessed) English ability of those from the Skill stream.

In the second wave of LSIA 3, respondents were also asked about their English Proficiency in terms of reading and writing. As can be seen from figure 2.5, migrants from both streams tended to be less confident in their ability to write English compared with their reading ability. For example 61 per cent of family migrants and 72 per cent of skilled migrants said that they could read English very well or were native speakers. This was about 5 percentage points higher than the proportion who could write English to this level. One issue of concern, is that about 1 in 6 Family stream PAs still had poor English reading, writing and speaking skills after 18 months.

Figure 2.4 : Spoken English proficiency at wave one and wave two



³ Defined by the Australian Bureau of Statistics as Australia, New Zealand, South Africa, The United Kingdom, USA, Canada and Ireland.

Figure 2.5 : Reading and writing proficiency, wave two


Related to English Proficiency is the use of the Adult Migrant English Program (AMEP) and the Translating and Interpreting Service (TIS). Migrants' use of these services was asked in both wave one and wave two of LSIA 3. It is therefore possible to track changes in the usage of these services.

Table 2.3 : Use of AMEP and TIS, wave one and wave two

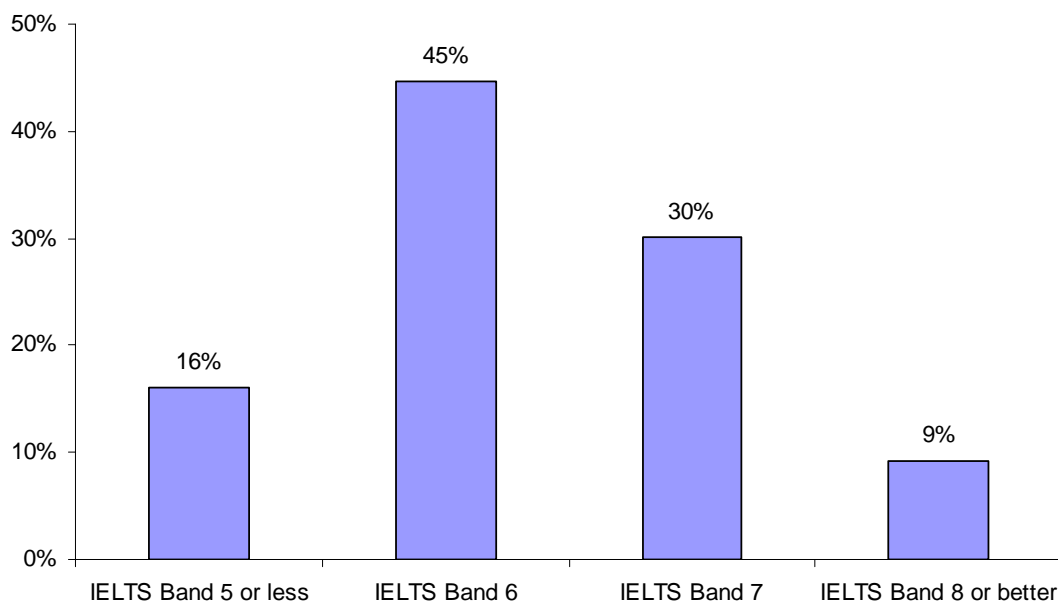
	Business Skills /ENS/RSMS	Concessional Family/SAL	Family	Former Overseas Student	Offshore Independent	Total
Used AMEP in Wave 1	9%	10%	27%	1%	12%	19%
Used AMEP in Wave 2	7%	6%	18%	1%	4%	12%
Used TIS in Wave 1	4%	4%	6%	3%	7%	6%
Used TIS in Wave 2	3%	3%	7%	2%	5%	5%

As can be seen from table 2.3, AMEP was used by about 1 in 5 migrants in wave one – with usage being highest for Family stream migrants (around 27 per cent) and lowest for Former Overseas Student PAs (one per cent). It is extremely unlikely that any Former Overseas Student PAs, or any skilled PA for that matter would have to use these services – as they are aimed at people without functional English. It is therefore probable that these respondents are indicating attendance at AMEP courses by other members of the migrating unit. In wave two, use of AMEP dropped by about a third, presumably because people are completing their tuition.

Translating and Interpreting Services were used by around six per cent of migrants in wave one and five per cent in wave two. There was no great variation in the use of TIS between different categories of PAs.

Some skilled PAs are required to have their English competency assessed through the International English Language Testing System (IELTS). In this test candidates receive a band score ranging from 1 (a non user of English) to 9 (an expert user of English). To qualify for skilled migration to Australia, applicants must have a command of English at least at the vocational level, ie a *“partial command of the language, coping with overall meaning in most situations, though is likely to make many mistakes. Should be able to handle basic communication in own field.”*⁴ As can be seen from figure 2.6, most migrants who reported their IELTS score have a band score of at least 6, meaning that they are competent users of English and have a *“generally effective command of the language despite some inaccuracies, inappropriacies and misunderstandings. Can use and understand fairly complex language, particularly in familiar situations.”*

Figure 2.6 : IELTS test scores



By themselves these results are not particularly revealing. Where they do become more interesting is when they are cross-tabulated against various outcomes. It then becomes possible to see to what extent a higher IELTS score will result in a better employment outcome for example. This is explored in chapter 5 of this report.

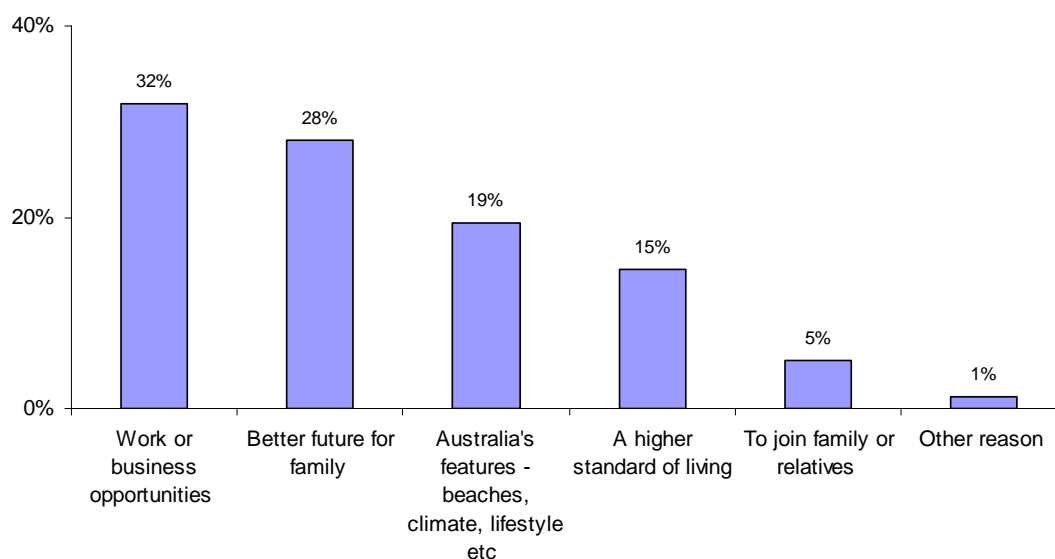
⁴ Reference IELTS 2006 Handbook

3. Migration decisions

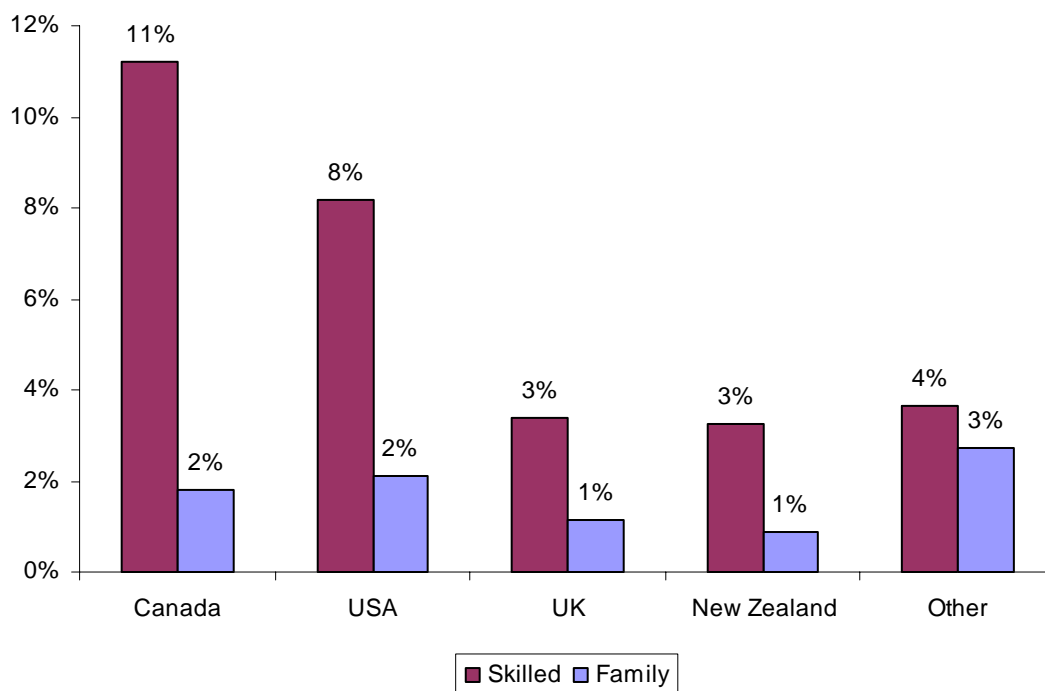
Why they came to Australia

Among skilled migrants there were a diverse range of reasons for coming to Australia. Comparable numbers of skilled migrants came to Australia because it offered a better future for their family or for work opportunities. Australia's features and the promise of a better standard of living were also seen as important by skilled migrants.

Figure 3.1 : Main reason for migration : Skill stream



Around 15 per cent of those surveyed also said that they considered migrating to other countries besides Australia. Due to their different motivations, it is not surprising that Skill stream migrants were around three times more likely to have considered other migrant destinations than Family stream migrants. Figure 3.2 shows that Canada and the USA were the most preferred alternatives to Australia.

Figure 3.2 : Most common alternative destinations

Those that had considered other countries were then asked to list the reasons why they eventually chose Australia ahead of these other countries. As can be seen from figure 3.3a and 3.3b, migrants from the Family stream gave a very different range of responses than Skill stream migrants. Having a spouse or other family member living in Australia was the dominant reason for Family stream migrants choosing Australia ahead of other countries. Australia's climate and lifestyle were more important factors for migrants from the Skill stream.

Figure 3.3a : Main reason for choosing Australia ahead of other destinations : Family stream

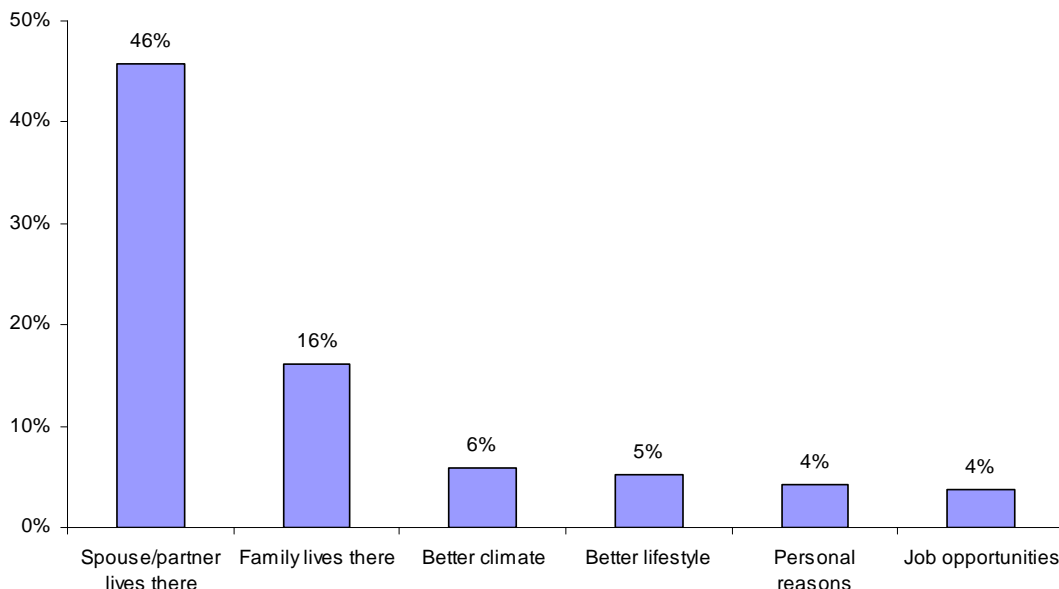
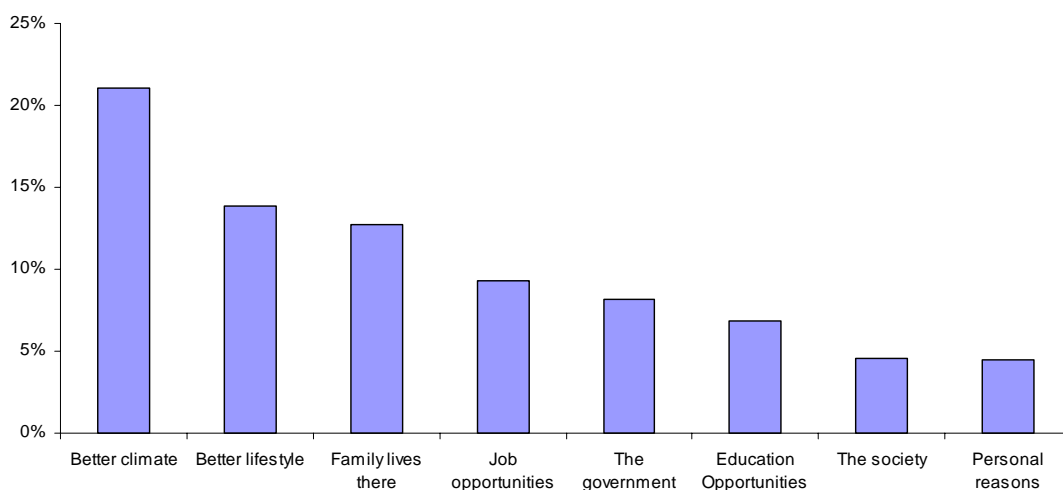


Figure 3.3b : Main reason for choosing Australia ahead of other destinations : Skill stream

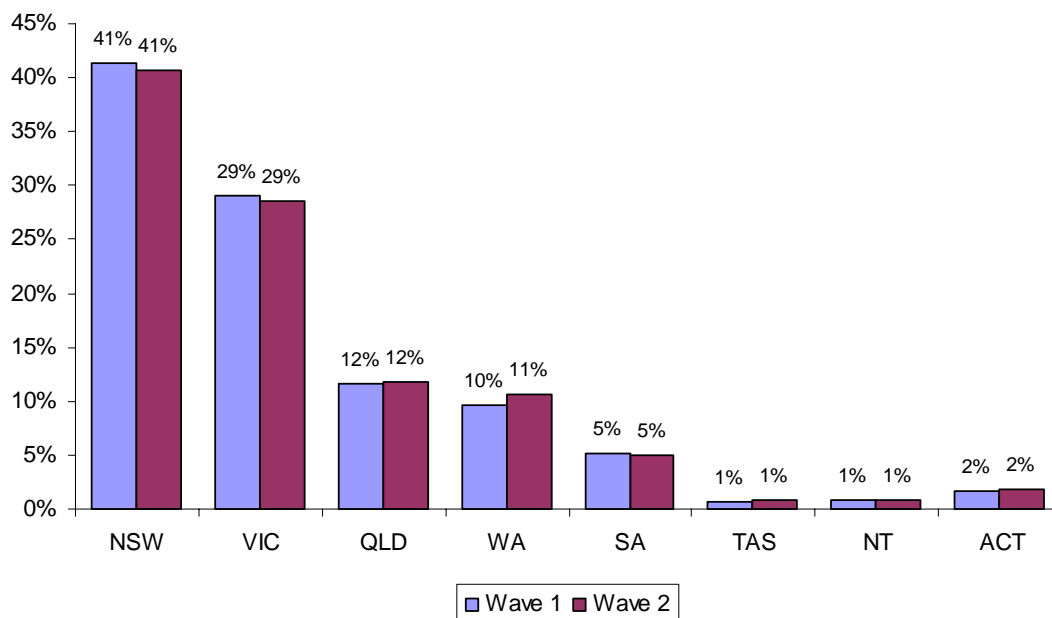


Where they live

Overall there is almost no variation in the state by state distribution of migrants between wave one and wave two. New South Wales remains the most popular state with over 40 per cent of migrants living there followed by Victoria (29 per cent), Queensland (12 per cent) and Western Australia (11 per cent). There is also little variation between waves in the proportion of

migrants living in regional areas⁵. At wave one of LSIA 3, 15 per cent of those surveyed lived in regional areas. By wave two, this figure was virtually unchanged at 14 per cent.

Figure 3.4 : Locations of migrants



Although the net movement between states is minimal, this may disguise significant interstate migration. For example, if 1,000 migrants move from Victoria to Queensland and 1,000 migrants move from Queensland to Victoria – this represent a significant amount of interstate migration but no net movement. The longitudinal nature of the LSIA 3 enables this type of movement to be measured.

The following table shows that in most instances the actual amount of movement is modest. For example in the 12 months between wave one and wave two, 35 migrants moved to New South Wales (mostly from Victoria) and 40 left New South Wales (again mainly to Victoria) – for a net loss of 5 migrants.

The exception to this is the Australian Capital Territory which had a relatively high interchange of migrants with New South Wales and Victoria, for a net gain of only two migrants.

⁵ For brevity these are referred to as regional areas – a fuller description is regional areas and areas of low population growth. A definition of these areas is included in Appendix 3.

Table 3.1 : Interstate movements between wave one and wave two

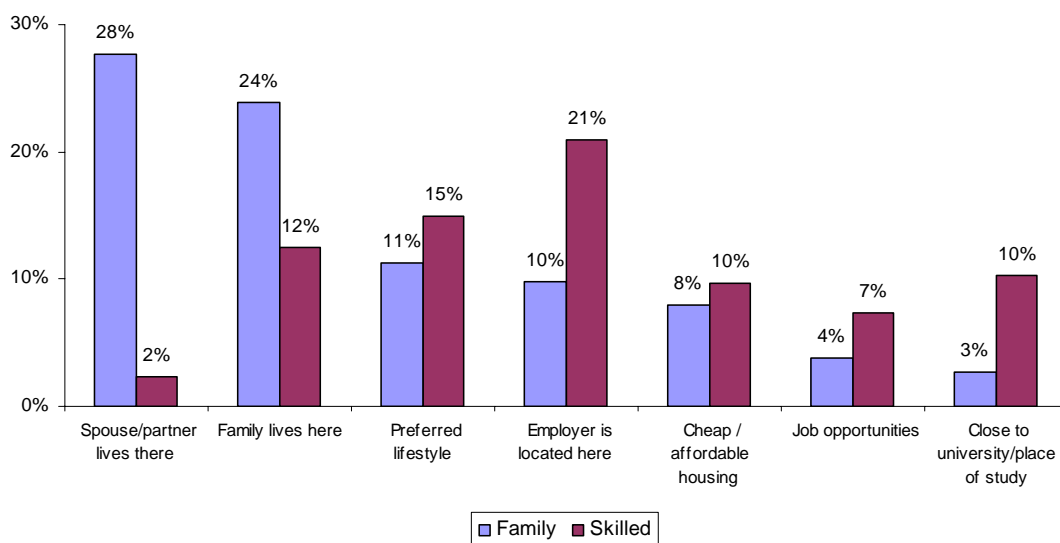
State/Territory	Movement between Wave 1 and Wave 2	Net loss/gain
New South Wales	35 in, 40 out	loss of 5
Victoria	25 in, 40 out	loss of 15
Queensland	21 in, 9 out	gain of 12
Western Australia	14 in, 9 out	gain of 5
South Australia	4 in, 9 out	loss of 5
Tasmania	1 in, none out	gain of 1
Northern Territory	2 in, none out	gain of 2
Australian Capital Territory	13 in, 11 out	gain of 2

Although the amount of interstate migration is low, there is a high rate of intrastate migration, with around a quarter of those surveyed changing address between wave one and wave two. This figure was the same for regional and non-regional areas and slightly higher than this for The Australian Capital Territory and South Australia.

Why they live there

Survey respondents were asked to identify their main reason for living in their current city or town. The responses to this question were broadly similar to people’s reasons for living in Australia – the presence of a spouse or other family members was most important for migrants from the Family stream, whereas employment and lifestyle reasons, as well as the presence of family were important for Skill stream PAs.

Figure 3.5 : Main reasons for living in city or town



4. Qualifications and their assessment

In this chapter the qualifications of PAs will be described from the following viewpoints.

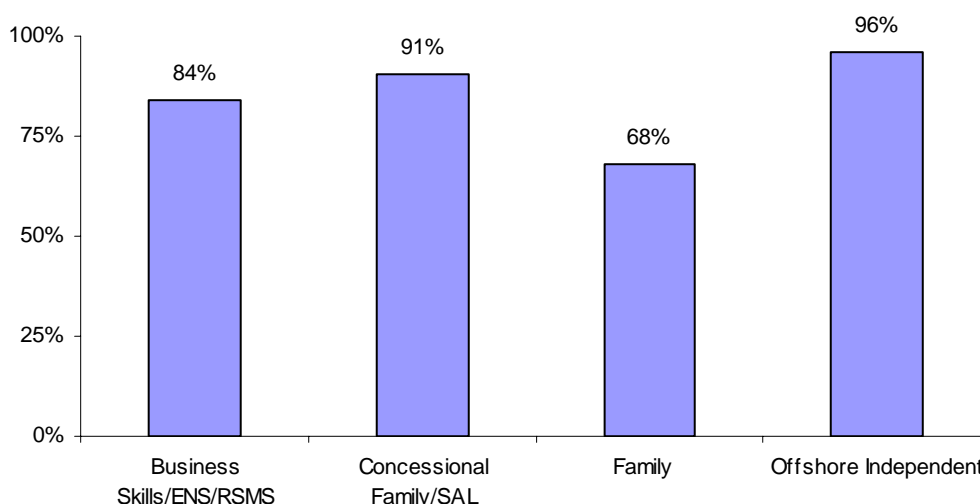
- Education attainment
- Field of study
- Country of qualification
- Assessment of qualification

The extent to which qualifications are used in people's main job is reported in the next chapter of this report.

Education attainment

In LSIA 3, the vast majority of PAs from both the Family stream and the Skill stream had a post school qualification. Apart from Former Overseas Student PAs⁶, Offshore Independent PAs were the most likely to be qualified – with 96 per cent having a post school qualification. Although they were the least qualified group, almost 70 per cent of Family stream PAs had a post school qualification. In comparison the ABS publication Education and Work, Australia⁷, states that only 52 per cent of the general population aged 15 – 64 have a post school qualification.

Figure 4.1 : Proportion with post school qualifications at wave one



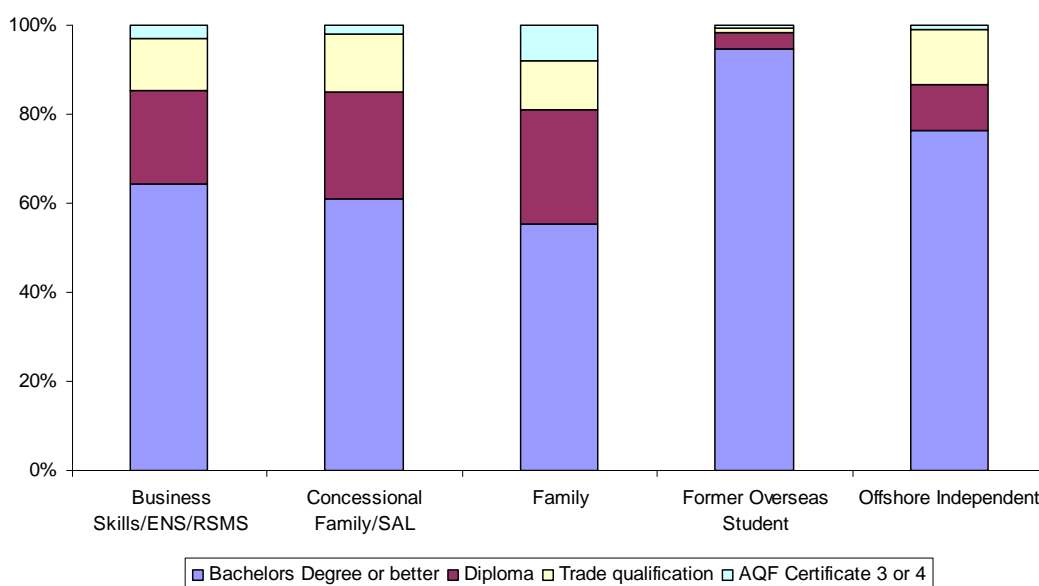
⁶ All Former Overseas Student PAs should, by definition, have a post school qualification

⁷ May 2006 cat no. 6227.0

Further analysis of the data shows the level of these Post school qualifications.

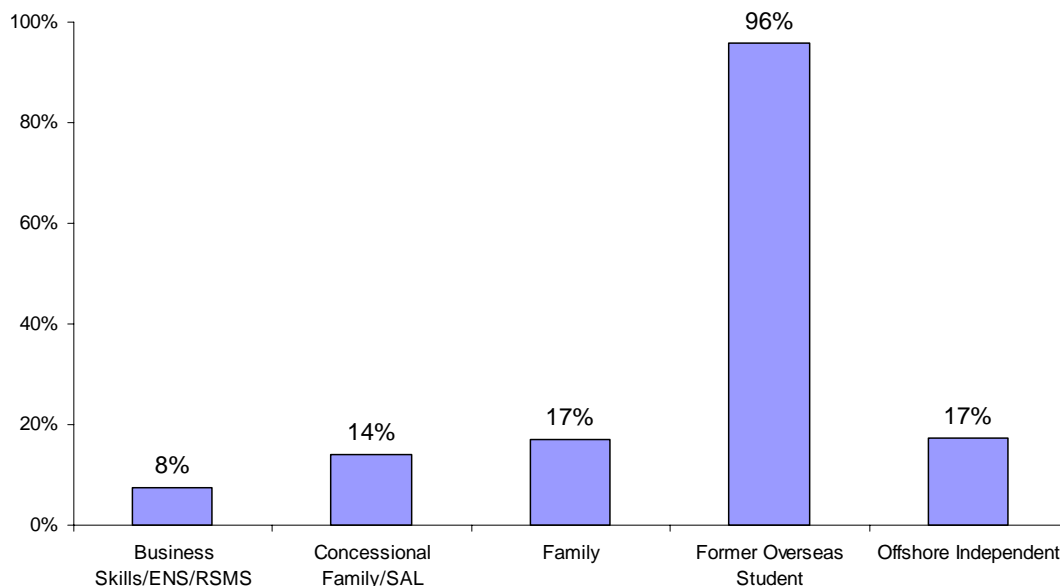
As can be seen from figure 4.2, most qualifications were obtained from universities, ie bachelors degree qualifications or higher. Family stream PAs were less likely to have these qualifications than other PAs and were more likely to have diploma, trade or certificate qualifications. Business Skills/ENS and RSMS migrants and Concessional Family/SAL also had relatively low numbers of university qualified PAs. In contrast, some 95 per cent of Former Overseas Student PAs - the youngest, most recently qualified group - had a bachelors degree qualification or higher.

Figure 4.2 : Level of post school qualifications, wave one



Country of qualification

For the majority of PAs qualifications were obtained overseas. The obvious exception to this are Former Overseas Student PAs – some 96 per cent of these migrants obtained their highest qualification in Australia. In comparison, less than 20 per cent of PAs from other streams had Australian qualifications.

Figure 4.3 : Proportion with Australian qualifications, wave one

Assessment of overseas qualifications

With so many qualifications obtained overseas, the assessment of these qualifications by Australian authorities becomes an important issue.

In the survey respondents with overseas qualifications were asked if their overseas qualification had been assessed by an Australian agency. Overall, 36 per cent of PAs had a qualification assessment done – this ranged from a low of 20 per cent for PAs from the Family stream to 83 per cent for Offshore Independent migrants. Former Overseas Student PAs were excluded from this analysis, as by definition they should have an Australian qualification already.

For those that had an assessment done, there were four possible responses:

1. The qualifications were recognised, and the person is able to work in the field for which they have trained.
2. The qualifications were recognised, but some additional training is required before they can work in the occupation for which they have trained. This could mean that the person was required to complete formal studies in some additional subjects, or undergo a period of supervised training.
3. The qualifications were recognised, but additional requirements needed to be met before they can work in the occupation for which they have trained. This could mean that they had to pass a competency exam, or attend an assessment interview,
4. The qualifications were not recognised and retraining is required.

Table 4.1 shows that qualifications were recognised in virtually all instances. Though around a quarter would need to complete additional training or meet some additional requirements before their qualification can be fully recognised. Not surprisingly, it is migrants from the Family stream, people who were not selected on the basis of skill, who are more likely to have to undertake these additional requirements.

Table 4.1 : Results of qualifications assessment, wave two

	Business Skills /ENS/RSMS	Concessional Family	Family	Offshore Independent	Overall
Proportion having qualifications assessed	40%	57%	20%	83%	36%
Proportion having qualifications ...					
Fully recognised	76%	71%	60%	77%	70%
Recognised, but additional requirements need to be met	16%	15%	21%	13%	16%
Recognised, but additional training needed	6%	12%	16%	9%	12%
Not recognised	2%	2%	3%	1%	2%

Field of study

Table 4.2 shows the variance in fields of study between different migrant groups. Former Overseas Student PAs and Offshore Independents have a high proportion with accounting or computer science qualifications. In fact, if other information technology (IT) fields are included, the proportion of Former Overseas Student PAs with IT qualifications is 30 per cent - meaning that over half of these migrants are concentrated in only two fields of study. In contrast, only 6 per cent of Business Skills/ENS and RSMS migrants have IT or accounting qualifications, instead they have high numbers with management, nursing and engineering qualifications.

Table 4.2 : Field of study by category, wave two

Business Skills/ENS/RSMS		
Business and Management		11%
Nursing		9%
Mechanical and Industrial Engineering		8%
Electrical and Electronic Engineering		7%
Concessional Family/SAL		
Business and Management		11%
Accounting		8%
Electrical and Electronic Engineering		8%
Family		
Business and Management		13%
Accounting		6%
Language and Literature		6%
Former Overseas Student		
Accounting		24%
Computer Science		14%
Business and Management		10%
Offshore Independent		
Accounting		17%
Electrical and Electronic Engineering		12%
Computer Science		11%

5. Labour market outcomes

In this chapter the following indicators of migrants' labour market success are discussed.

- Unemployment rates, participation rates and employment to population ratios
- Use of qualifications in job and skill level of job
- Satisfaction with current job

Most of the discussion will focus on the latest wave of data, ie LSIA 3 wave two with an examination of how factors such as educational attainment, English ability and country of origin are associated with labour market outcomes. To put the findings for wave two of LSIA 3 in context however, employment outcomes will be compared with wave two of LSIA 1 and LSIA 2 and with the first wave of LSIA 3.

Labour force measures

There are three labour force measures used in this chapter - unemployment rate, participation rate and the employment to population ratio. To obtain these measures it was first necessary to determine the labour force status of everyone in the survey. That is, whether a person is working, unemployed and looking for work, or not in the labour force.

Labour force status in the LSIA is derived from two questions:

1. A person's self-assessment of their current labour force status – ie whether they see themselves as working, unemployed and looking for work, or not in the labour force.
2. A description, based on a list, of a person's main activity. This includes working for wages and salaries, self-employed, running a business, unemployed and looking for work, studying, home duties, retired or setting up a business.

Thus a person will be defined as:

- *Working* if they described their current labour force status as working in question 1 or their main activity as working in question 2.
- *Unemployed and looking for work* if they describe their current activity as unemployed in question 1 and unemployed and looking for work in question 2.

- *Not in the labour force* if they *don't* describe their labour force status as working in question 1, but *do* describe their main activity in question 2 as either studying, home duties, voluntary work, retired or setting up a business.

The three labour force measures then follow:

- The *employment to population ratio* is the number of people employed *divided* by the entire working age population.
- The *participation rate* is the number of people working *plus* the number of people unemployed and looking for work *divided* by the entire working age population.
- The *unemployment rate* is the number of people unemployed and looking for work *divided* by the number of people working *plus* the number of people unemployed and looking for work.

For example, say there is a population of 1,000 people of working age. Assuming that 900 of these people are working, 60 are unemployed and looking for work and the remaining 40 people are not in the labour force, then:

- The employment to population ratio would be 90 per cent, ie $900/1000$.
- The participation rate would be 96 per cent, ie $(900+60)/1000$
- The unemployment rate would be 6.7 per cent, ie $60/(900+60)$.

Of the three measures the employment to population ratio is the most reliable, as the only variable is the number of people working, and people can clearly identify whether or not they are working.

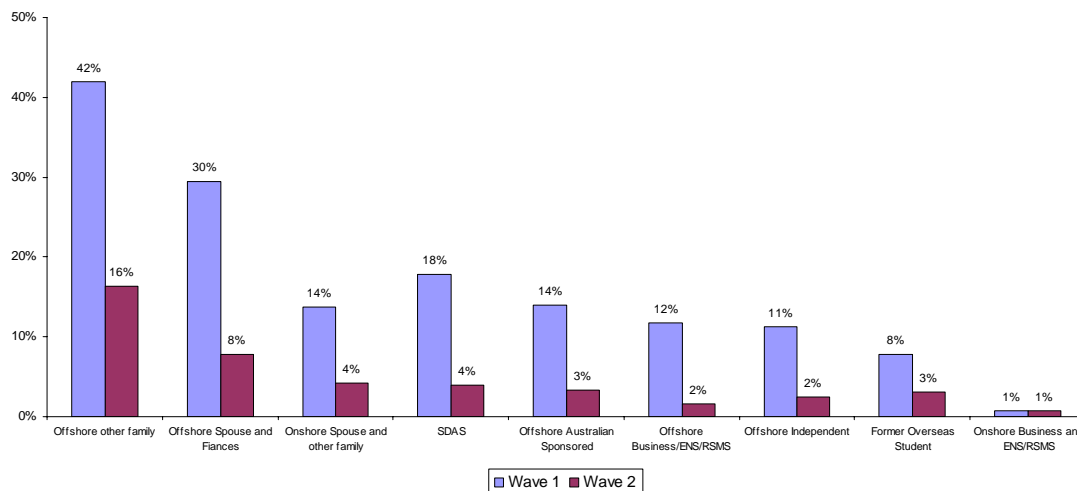
The other two measures – unemployment rates and participation rates, rely on the respondent being able to distinguish between whether they are unemployed or not in the labour force. Sometimes the distinction is not all that clear. It is in these circumstances that the two questions used in the LSIA are not as rigorous as the labour force module used by the ABS. This lack of rigour however, must be weighed up against the extra time and cost involved in going through the complete labour force module.

Lower unemployment

Probably the most significant finding of this whole report is the dramatic reduction in the unemployment rate from 15 per cent to 4 per cent between wave one and wave two of the LSIA 3 – a figure that is comparable to the national average of 4.7 per cent⁸. This improvement is experienced by both migrant streams with Skill stream unemployment falling from 9 per cent to 3 per cent and Family stream unemployment falling from 20 per cent to just 6 per cent. Figure 5.1 shows that the decline in the unemployment rate is also fairly uniform across the main migrant categories.

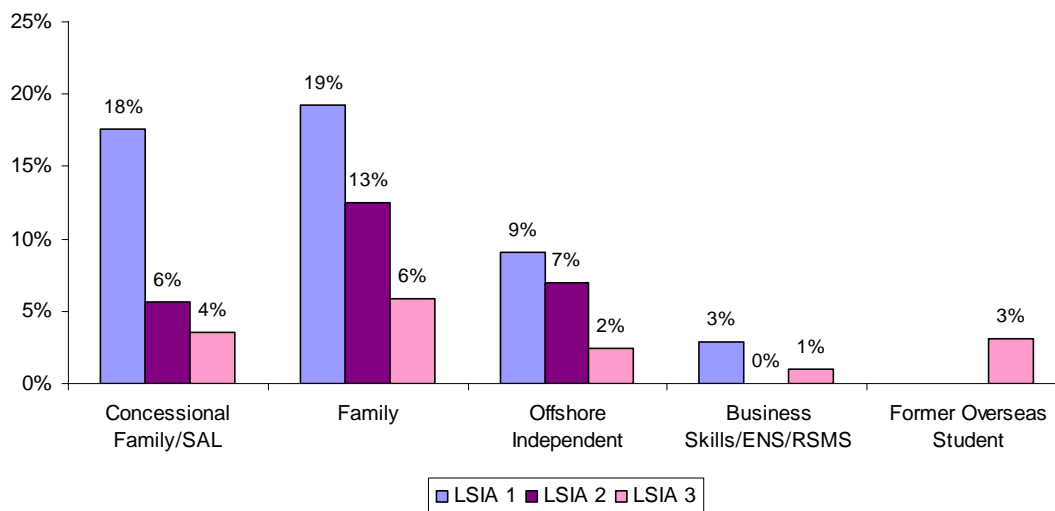
⁸ At September 2006, the approximate time of LSIA 3 Wave two

Figure 5.1: Unemployment rate by visa category



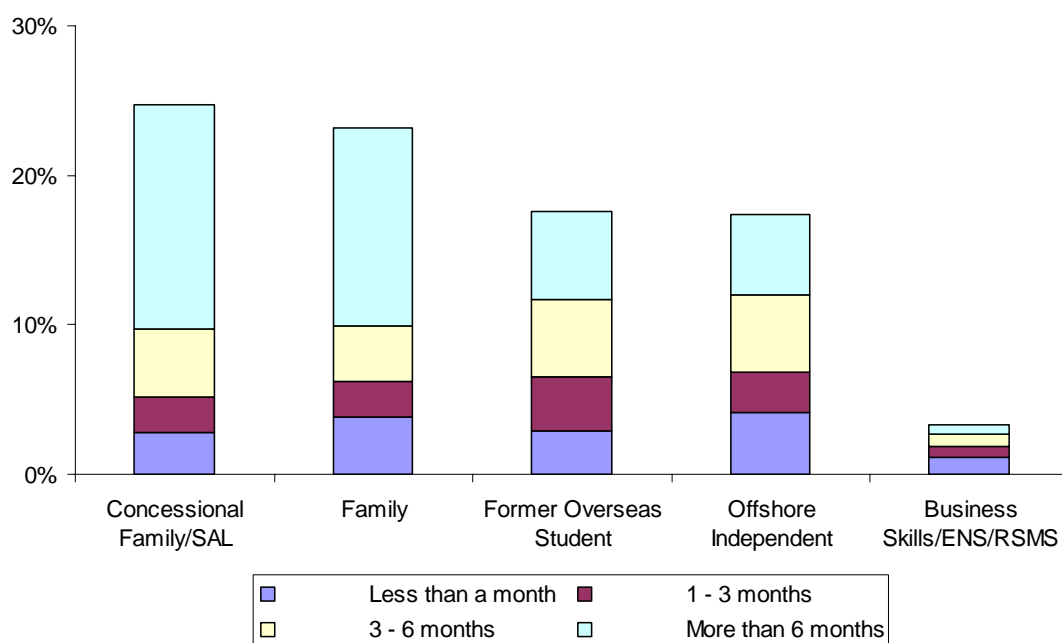
Compared with previous LSIA's the unemployment situation in LSIA 3 is also overwhelmingly positive. With the exception of Business Skills/ENS and RSMS migrants, the wave two unemployment rate in LSIA 3 was substantially lower than that for LSIA 1 and LSIA 2. This result is shown in figure 5.2.

Figure 5.2: Wave two unemployment rate : LSIA 1, LSIA 2 and LSIA 3



LSIA 3 also asked respondents to identify whether they had been unemployed at any stage in the preceding twelve months. As can be seen from figure 5.3, Business Skills/ENS/RSMS migrants fared far better than other migrants against this measure. This is not surprising, given that these migrants had the lowest unemployment rates at wave two of the survey. It is also worth noting that significant numbers (13 per cent and 15 per cent respectively) of Family stream PAs and Concessional Family/SAL PAs had been unemployed for more than half the year.

Figure 5.3: Proportion unemployed in the last twelve months, wave two



Improving participation rates and employment to population ratios

Table 5.1 below shows that participation rates – the proportion of the population in the labour market and the employment to population ratios – the proportion of the population that is actually working were higher in LSIA 3 than in previous LSIAs. Furthermore, these employment indicators were much higher than the national benchmarks at September 2006.

Table 5.1 : Participation rates and employment to population ratios, wave two

	LSIA 1	LSIA 2	LSIA 3	National Average Sep 2006
<i>Participation Rate</i>				
Business Skills/ENS/RSMS	94%	85%	96%	
Concessional Family/SAL	85%	87%	88%	
Offshore Independent Family	91%	92%	93%	
Family	55%	62%	70%	
Former Overseas Students	NA	NA	95%	
<i>Overall</i>	67%	74%	80%	64.9%
<i>Employment : Population Ratio</i>				
Business Skills/ENS/RSMS	91%	85%	95%	
Concessional Family/SAL	70%	82%	85%	
Offshore Independent	83%	86%	91%	
Family	45%	54%	66%	
Former Overseas Students	NA	NA	92%	
<i>Overall</i>	57%	67%	76%	61.8%

Skilled employment

In the survey respondents were asked to describe their current job and their job in their former home country. These job descriptions were then coded against version 2 of the Australian Standard Classification of Occupations codeframe (ASCO) to provide a 4 digit ASCO code for jobs held by respondents.

The ASCO codeframe has a hierarchical structure. This means that the first digit of ASCO is an indication of the broad skill level of the job. For instance professionals such as doctors, engineers, lawyers and scientists all have an ASCO code that starts with a 2, indicating that they are working in jobs with similar levels of skills and educational requirements.

From the point of view of this report, all jobs that have an ASCO code starting with 1,2, 3 or 4 will be classified as skilled occupations. This methodology therefore classifies managerial, professional, associate professional and trade occupations as skilled jobs. Non skilled jobs, ie those starting with 5,6,7,8 or 9 are clerical, labouring and intermediate production and transport jobs.

With the exception of Business/ENS/RSMS migrants, there was an overall decline in the skill level of jobs between Australia and the former home country for LSIA 3 (table 5.2). This is not a new finding however. Table 5.2 also shows a similar pattern for PAs in LSIA 2. The reasons for this vary. Most commonly there is the issue of some migrants having to settle for less skilled jobs because they are finding it hard to get employment in their preferred field. Other migrants coming to Australia use the opportunity of life in a new country to embark on a change in career.

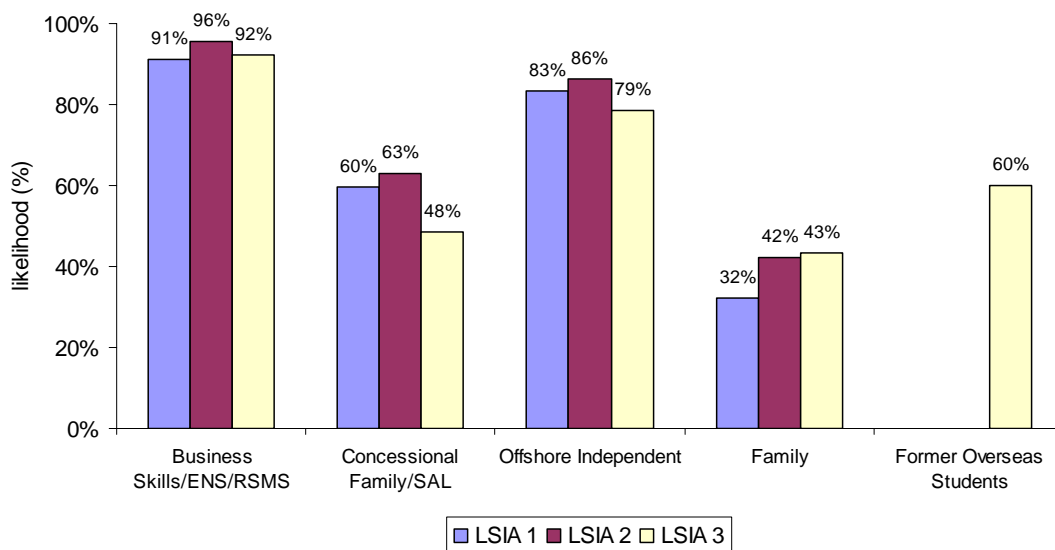
This decline in skill level was particularly pronounced for migrants from the Concessional Family/SAL category. This may be because these migrants come to Australia via either a reduced points test requirement (as a Skilled Area Sponsored migrant) or on a non-points tested basis, (as a Skilled Designated Area Sponsored migrant). This means that they are less likely to have the attributes that will ensure success in the labour market.

Table 5.2 : Likelihood of job being skilled : situation at wave two compared with situation in former home country

	Likelihood of job being skilled ...			
	LSIA 3		LSIA 2	
	In former home country	At Wave 2	In former home country	At Wave 2
Visa Category				
Business Skills & Employer Nomination	91%	92%	94%	96%
Concessional Family	76%	48%	79%	63%
Independent	94%	79%	96%	86%
Family	59%	43%	63%	42%

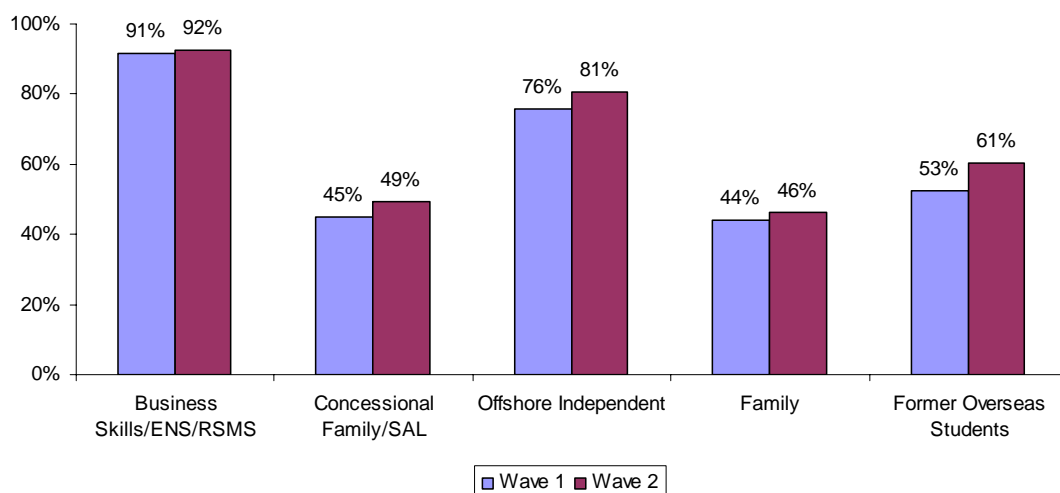
Between different LSIA's (figure 5.4) the likelihood of skilled employment in Australia was broadly comparable, with the exception of PAs from the Concessional Family/SAL group. In this instance, the likelihood of a job being skilled fell from around 60 per cent to less than 50 per cent.

Figure 5.4 : Likelihood of job being skilled, wave two



For the third LSIA, jobs held in wave two were slightly more skilled than jobs from wave one. To demonstrate this skills-transition, figure 5.5 reports on the proportion of skilled jobs for people who were working at both wave one and wave two. As can be seen from this figure, Former Overseas Student PAs had the greatest improvement in job skills between wave one and wave two.

Figure 5.5 : Likelihood of job being skilled, wave two versus wave one



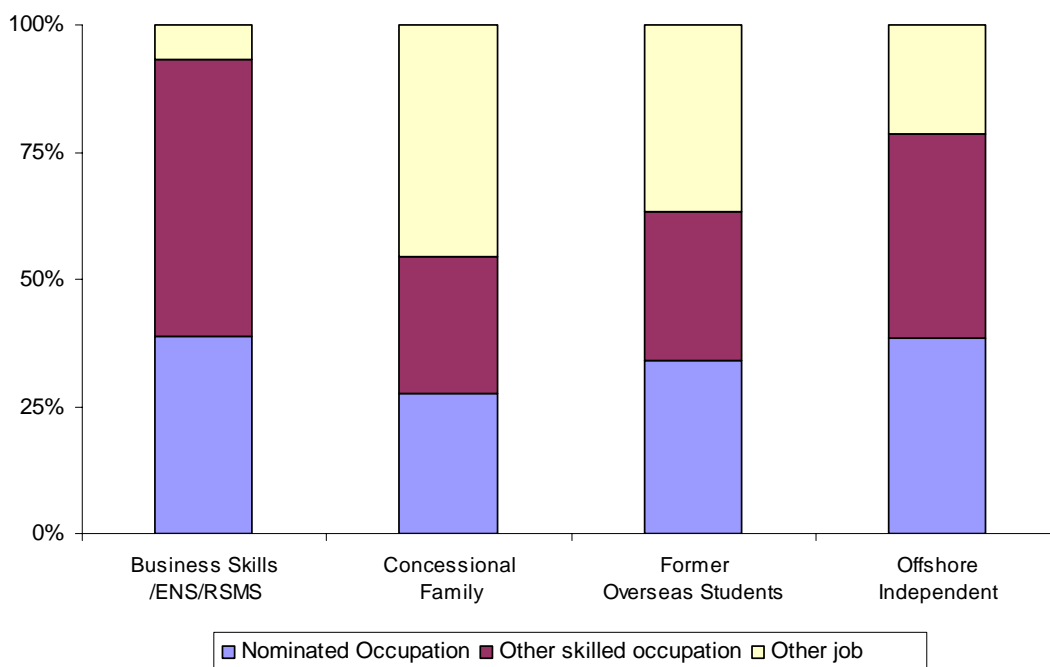
Nominated occupation

Having identified the likelihood of working in a skilled occupation, the next level of analysis is to establish how many skilled PAs are working in their ‘nominated occupation’.

A nominated occupation is specified by all people applying for a skilled visa. Such occupations must be on DIAC’s skilled occupation list and are, by definition, skilled jobs. Family stream applicants are not selected on the basis of skill, therefore they do not need to provide a nominated occupation.

Thus, it is an ‘ideal outcome’ if a skilled migrant is working in their nominated occupation in Australia, as it means that they are in a skilled job for which they are well suited. As figure 5.6 shows, PAs working in their nominated occupation are actually in the minority. Business Skills/ENS/RSMS PAs and Independent PAs are more likely to be working in a different skilled occupation. PAs from the Concessional Family/SAL category and Former Overseas Student PAs are more likely to be working in a non-skilled occupation.

Figure 5.6 : Likelihood of working in nominated occupation, wave two



Job satisfaction

In LSIA 3 there are three measures of job satisfaction. These are as follows:

- **Use of qualifications in the job** - Respondents were asked how often they used their highest qualification in their current job. Valid responses were often, sometimes or rarely/never. Respondents that did not use their qualifications often were then asked why they did not use their qualifications more often.
- **Attitude to job** – People were asked to give their attitude to their current job using the following scale – They liked the job, the job was okay, don't really care it's just a job, they disliked the job.
- **Whether working in preferred occupation** – People were asked if they were working in their preferred occupation. Valid responses were Yes and No.

As can be seen from table 5.3, most PAs liked their current job. Satisfaction was greatest for Business Skills/ENS/RSMS PAs with 85 per cent liking their job, and least for Former Overseas Student PAs and migrants from the Concessional Family/SAL migrants (63 per cent). Only around 2 per cent of those surveyed actually disliked their job.

Table 5.3 : Measures of job satisfaction, wave two

LSIA Category	Proportion who ...			
	Like job	Dislike job	Use qualifications often in job	Are in preferred occupation
Business Skills/ENS/RSMS	85%	2%	73%	94%
Concessional Family/SAL	63%	2%	54%	70%
Family	70%	2%	48%	70%
Former Overseas Student	63%	2%	61%	75%
Offshore Independent	70%	1%	71%	84%

Also, most skilled migrants used their qualifications often in their job – ranging from 54 per cent of Concessional Family/SAL PAs to 73 per cent for Business Skills/ENS/RSMS PAs. As expected, PAs from the Family stream were less likely than skilled migrants to use their qualifications in the workplace.

The majority of migrants said that they were in their preferred occupation.

Although these measures of satisfaction are collected independently of each other they are strongly correlated to each other and to skilled employment. For example, a person in a skilled job is more likely to make good use of their

qualifications and will therefore enjoy their job more and prefer it over a less skilled job. This is demonstrated in table 5.4 below.

Table 5.4 : How job satisfaction varies with skill level, wave two

Type of Job	Proportion who ...			
	Like job	Dislike job	Use qualifications often in job	Are in preferred occupation
Skilled job	78%	1%	72%	88%
Other job	59%	2%	35%	58%

Factors influencing employment outcomes

Having established that PAs coming to Australia under different visa categories have different unemployment rates and different likelihoods of skilled employment, the following two tables present employment outcomes against other migrant characteristics such as English proficiency, gender, birthplace and age.

As can be seen from table 5.5a, the Family stream migrants that are most likely to end up in employment or in skilled work are :

- **Male** – 81 per cent of males are employed, 7 per cent are unemployed and they have a 57 per cent chance of a skilled job. By comparison only 58 per cent of females are working and only a third of their jobs are skilled. Females do have a lower unemployment rate of 5 per cent however.
- **In the 26 to 35 year age range** – 72 per cent of these PAs are working, only 3 per cent are unemployed and 46 per cent of their jobs are skilled.
- **Speak good English** – Almost 80 per cent of those whose best or only language is English are working, and more than half their jobs are in skilled occupations. In comparison only 40 per cent of those who speak English poorly are working.
- **From mainly English speaking countries** – 83 per cent of people from these countries are working, only 2 per cent are unemployed and 60 per cent of their jobs are skilled. In comparison, only 61 per cent of other PAs are working, 7 per cent are unemployed and their chance of being in a skilled occupation is only 36 per cent.

Table 5.5a : Employment outcomes of family migrants by selected characteristics, wave two

Characteristic	Employment: Population Ratio (%)	Participation Rate (%)	Unemployment Rate (%)	Likelihood of job being skilled (%)
Gender				
Female	58	61	5	32
Male	81	88	7	57
Whether live in regional area/area of low population growth				
No	66	71	6	44
Yes	66	68	2	39
Age				
25 years or less	66	72	8	31
26 to 35 years of age	72	75	3	46
36 to 45 years of age	67	72	8	47
45 years and over	43	50	14	42
Spoken English Proficiency				
English - best or only language	78	80	3	52
Very well	75	77	3	45
Well	61	67	8	30
Not well	40	47	14	36
Not at all	28	33	15	43
Region of birth				
Mainly English Speaking Countries	83	85	2	60
Non English Speaking Countries	61	66	7	36
Overall	66	70	6	43

Similarly, table 5.5b shows that the skilled PAs most likely to end up in employment or in skilled work are :

- **Male** – 95 per cent of skilled males are employed, 2 per cent are unemployed and there is a 76 per cent chance that their job is skilled. Females still have good outcomes however, with 87 per cent working, an unemployment rate of only 3 per cent and a 62 per cent probability that their jobs are skilled.
- **Those with better IELTS scores** – Skilled PAs with an IELTS score of less than 7 have an unemployment rate of 5 per cent and less than a 60 per cent chance of skilled employment. In comparison, those skilled PAs with an IELTS band score of 7 have an unemployment rate of only 2 per cent and a 66 per cent chance of skilled employment. Those with a band score of 8 or higher perform even better – an unemployment rate of only 1 per cent and a 78 per cent chance of skilled employment. These findings are a clear endorsement of the Government's changes to the

skilled migration points test, where applicants with a proficient level of English will be awarded an additional 10 points.

- **From mainly English speaking countries** – 95 per cent of people from these countries are working, none are unemployed and almost 90 per cent of their jobs are skilled. Those from other countries still do well however, with 91 per cent working, 3 per cent unemployment and a two in three chance of skilled employment.
- **Older** – Among all age cohorts the likelihood of employment was very stable, with around 90 per cent working. The likelihood of skilled employment was strongly associated with age however, with only around 60 per cent of jobs held by younger PAs being skilled compared with 85 per cent of jobs held by PAs aged 45 years and over. A likely explanation for this is the concentration of Former Overseas Student PAs (a group less likely to be in skilled employment) among the younger age cohort and an over-representation of Business Skills/ENS/RSMS migrants in the older cohort.

Table 5.5b : Employment outcomes of skilled migrants by selected characteristics, wave two

Characteristic	Employment: Population Ratio (%)	Participation Rate (%)	Unemployment Rate (%)	Likelihood of job being skilled (%)
Gender				
Female	87	90	3	62
Male	95	97	2	76
Whether live in regional area/area of low population growth				
No	91	94	3	69
Yes	97	97	0	84
IELTS Band Score				
IELTS 8 or better	96	97	1	74
IELTS 7 - 7.5	96	97	2	66
IELTS less than 7	86	91	5	58
Age				
25 years or less	92	95	3	59
26 to 35 years of age	92	94	3	69
36 to 45 years of age	92	94	2	81
45 years and over	90	92	2	85
Region of birth				
Mainly English Speaking Countries	95	95	0	87
Non English Speaking Countries	91	94	3	66
Overall	92	94	3	67

6. Earnings and other income

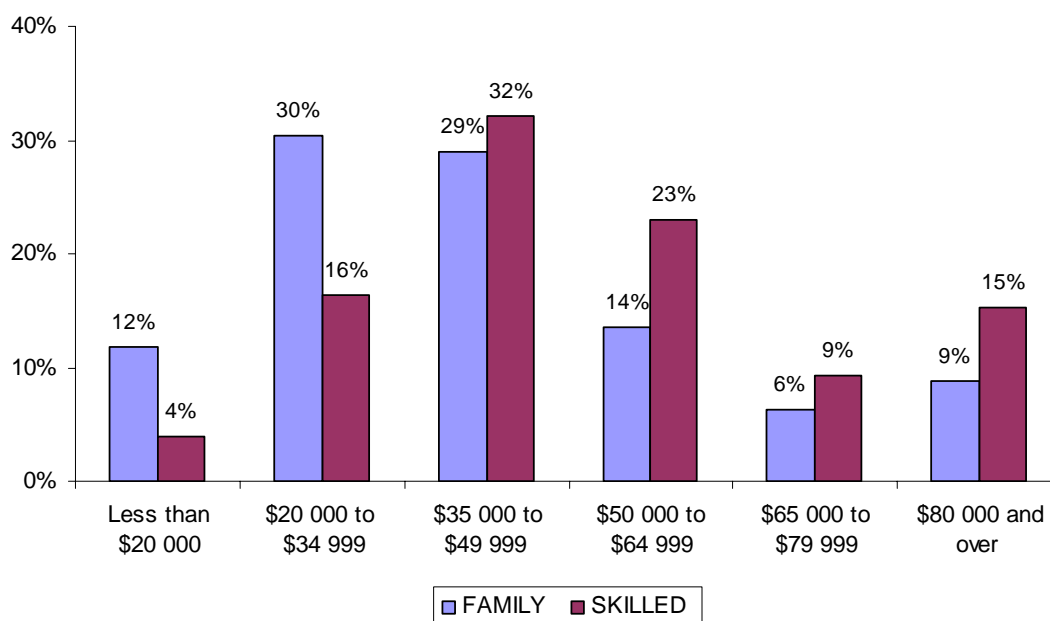
In both waves of LSIA 3, survey respondents were asked to state their income from their main job. This information combined with information provided on hours worked per week, enabled the hourly rate of pay to be calculated. Respondents were also asked if they or their spouse were receiving any government benefits.

In this chapter these aspects of people's income and the hours they need to work for this income are reported for each of the major visa categories and other key variables. Changes between waves one and two of LSIA 3 are also highlighted.

Earnings

Figure 6.1 shows the earnings distribution for Skill stream and Family stream PAs at wave two of LSIA 3. As can be seen from this figure, Skill stream PAs are generally better paid than Family stream PAs. In fact, further analysis of the data shows that the median income of Skill stream PAs is around \$10 000 more per annum ie \$47 000 compared with \$37 000. In terms of an hourly pay rate – Skill stream PAs earned around five dollars more per hour than Family stream PAs (median pay rates at wave two of \$24 per hour versus \$19 per hour).

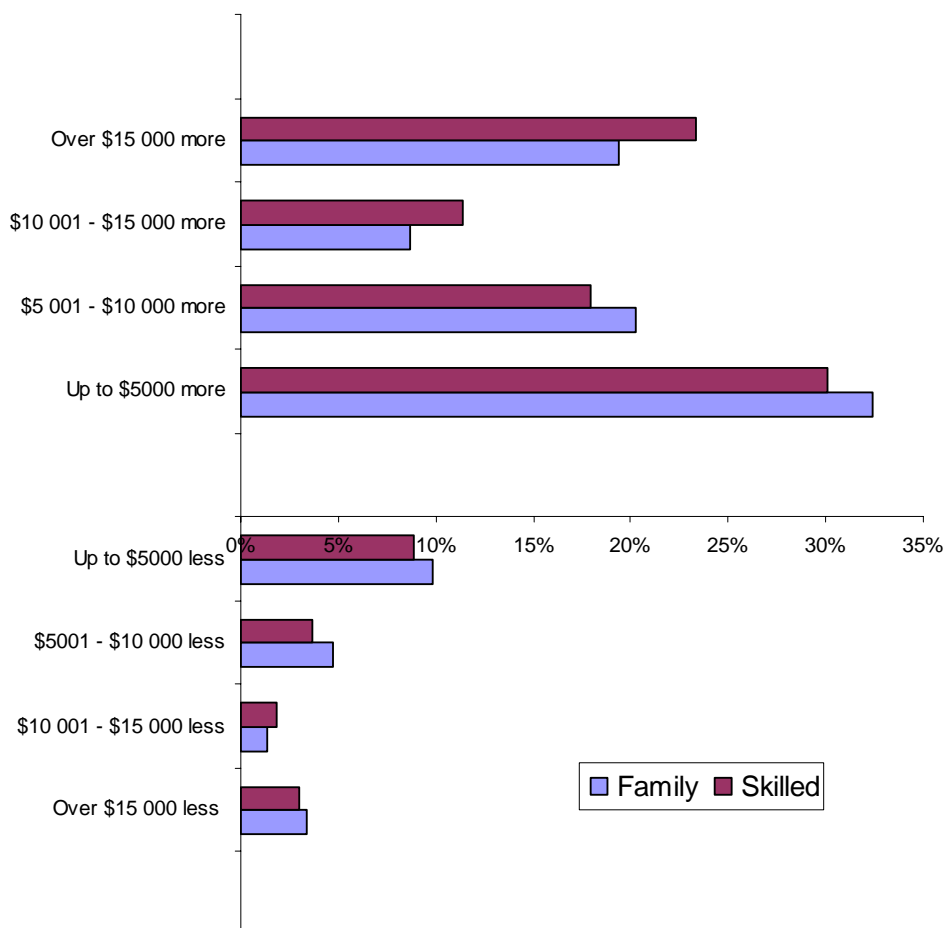
Figure 6.1 : Annual earnings distribution, wave two



Analysis of changes in earnings for those PAs who were working in both wave one and wave two, shows significant improvements in the 12 month period between the wave one and wave two survey. As can be seen from figure 6.2, around half of these PAs had an increase in earnings of more than \$5000 pa. Another one-third of PAs had either unchanged earnings or an increase in earnings of up to \$5000 pa. Only about 1 in 6 actually recorded a decrease in earnings. Improvements in earnings were slightly higher for migrants from the Skill stream.

This improvement in earnings, combined with the lower unemployment, the higher labour force participation and the greater use of skills noted in chapter four continues to demonstrate that the labour market outcomes in wave two were significantly better than in wave one.

Figure 6.2 : Changes in annual earnings between wave one and wave two



Having established that earnings have improved between wave one and wave two of LSIA 3, table 6.1 compares median earnings and hourly rates of pay for different categories of migrants. As can be seen from this table, the people most likely to enjoy higher incomes are :

- **Business Skill/ENS/RSMS migrants** – these migrants had median earnings of around \$70 000 pa at wave two
- **Male** – median earnings of males were \$47 000 pa at wave two. This was around \$11 000 more than the female average.
- **Older** – median earnings of those aged 36 to 45 was \$50 000 pa.
- **Good English speakers** –those whose best language was English had median earnings of \$50 000 pa. Those from a mainly English speaking country had median earnings of \$54 000 pa.
- **Highly skilled** – PAs with a university qualification had median earnings of \$45 000 pa, those working in a highly skilled job had median earnings of \$55 000 pa.

Hours worked

For Family stream PAs, 72 per cent of those working were in a full-time job – ie a job of 35 hours or more per week – at wave two of LSIA 3. This is little changed from the equivalent wave one figure of 73 per cent. Skill stream PAs were more likely to be in a full-time job – with 88 per cent of jobs being full-time at wave two and 85 per cent at wave one.

In terms of averages, Family stream PAs worked an average of 37 hours per week at wave two and Skill stream PAs worked 40 hours per week.

Figure 6.3 shows the distribution of hours worked for Family and Skill stream PAs at wave two. As can be seen most Skill stream PAs were concentrated in the 35 to 40 hours group. Family stream PAs had more variability in their working hours.

Figure 6.3 : Hours worked per week, wave two

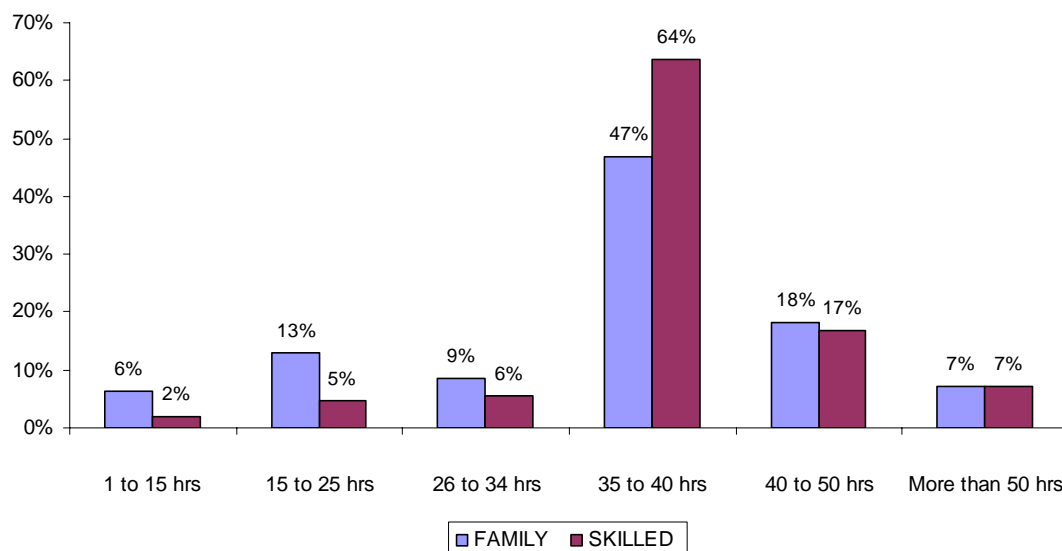


Table 6.1 : Median earnings and rates of pay by selected characteristics

	Annual Earnings \$pa		Pay rate (\$/hr)	
	Wave 1	Wave 2	Wave 1	Wave 2
LSIA Category				
Family	32 000	37 000	16.97	19.23
Concessional Family/SAL	32 760	40 000	17.55	21.02
Business Skills/ENS/RSMS	60 000	70 000	28.85	33.65
Offshore Independent	48 000	55 000	23.08	27.78
Former Overseas Student	35 000	40 000	17.31	20.24
Age				
25 years or less	31 800	37 000	16.19	19.23
26 to 35 years of age	37 000	43 000	18.47	21.63
36 to 45 years of age	44 000	50 000	22.44	24.29
45 years and over	40 000	40 000	20.38	22.44
Gender				
Female	30 000	36 000	17.09	19.78
Male	40 000	47 000	19.23	23.50
Birthplace				
Mainly English Speaking Countries	49 500	54 000	23.67	26.44
Non English Speaking Countries	33 000	40 000	17.17	20.00
English Proficiency				
English best or only language	42 000	50 000	21.14	24.04
Speaks English very well	36 362	42 000	18.27	21.63
Speaks English well	29 040	36 000	16.03	19.23
Does not speak English well	23 000	28 000	13.74	17.31
Does not speak English at all	16 700	26 000	16.06	14.42
IELTS score				
IELTS 8 or better	42 500	51 000	21.26	24.04
IELTS 7 - 7.5	39 000	45 000	19.23	23.79
IELTS 6 - 6.5	32 760	40 000	17.21	19.23
IELTS 5 - 5.5	32 000	36 400	16.48	19.23
IELTS Less than 5	28 000	30 000	14.17	16.00
Skilled migrant did not do IELTS	45 000	50 000	21.63	25.64
Post school qualifications at wave 1				
Bachelors Degree or better	39 000	45 000	19.23	22.77
Diploma/certificate/trade qualification	35 000	40 000	17.17	19.71
None	29 640	35 000	16.54	18.43
Regional or low population growth area				
No	36 000	41 000	18.46	21.47
Yes	35 000	40 000	17.71	20.51
Full or Part-time job				
full-time	40 000	45 000	19.23	21.68
part-time	18 000	22 000	15.38	19.23
Skill level of job				
Highly skilled	50 000	55 000	24.04	28.21
Other skilled	38 750	42 000	18.42	21.37
Unskilled	29 500	35 000	15.87	18.22

Government payments

In wave one of LSIA 3, PAs were asked if they or their spouse received any of the following government benefits.

- New Start Allowance
- Family Assistance
- Disability Payment
- Carer Allowance
- Parenting Payment

For wave two, the list of possible payments received was expanded to include rent assistance and to separately report on family tax benefits and family assistance.

To simplify the reporting of these variables, responses to Family Assistance, Parent Payment and Family Tax Benefits are summarised in this report as General Family Payments.

Table 6.2 below reports on the incidence of the various government payments for all households surveyed. Please note that this includes payments for households where a PA is living with a non migrating unit spouse.

As can be seen from table 6.2, General Family Payments are by far the most common government payments received – ranging from around 5 per cent of households containing Former Overseas Student PAs to over 30 per cent for Concessional Family/SAL and Offshore Independent Households. The only other point of interest was the relatively high proportion of Family stream households getting Newstart benefits (around 4 per cent).

Table 6.2 : Government payments received by household

	Business Skills/ENS/RSMS	Concessional Family/SAL	Family	Former Overseas Students	Offshore Independent
Percent receiving income at wave 1					
Newstart Allowance	0%	0%	4%	0%	0%
General Family Payments	14%	30%	19%	5%	31%
Disability Payment	0%	0%	2%	0%	0%
Carer Allowance	0%	0%	1%	0%	1%
Special Benefits	0%	0%	2%	0%	0%
Percent receiving income at wave 2					
Newstart Allowance	0%	0%	4%	0%	0%
General Family Payments	16%	35%	23%	6%	33%
Disability Payment	0%	0%	1%	0%	0%
Carer Allowance	0%	0%	1%	0%	0%
Special Benefits	0%	0%	1%	0%	0%
Rent Assistance	1%	4%	1%	0%	2%

Assets transferred

In wave two of the LSIA 3, respondents were asked to indicate whether they had brought any of the following assets into Australia since arrival.

- Funds, such as money or income from shares and investments
- Personal effects, such as jewellery, household goods, artwork and electronic equipment
- Capital equipment, for example machinery, tools or computers used for work

Almost 60 per cent of those surveyed brought in assets of one form or another. Examined in more detail, 42 per cent brought in personal effects, 35 per cent brought in funds and 5 per cent brought in capital equipment. As table 6.3 shows those most likely to bring in assets of any type were Business Skills/Employer Nomination/RSMS migrants. Former Overseas Student PAs and Preferential Family migrants were the least likely to bring in assets.

Table 6.3 : Characteristics of assets transferred since arrival, wave two

Business Skills/ENS/RSMS	Concessional Family/SAL	Family	Former Overseas Students	Offshore Independent	Overall
<i>Proportion bringing in any assets at all</i>					
79%	66%	54%	52%	75%	59%
<i>Proportion bringing in funds</i>					
57%	49%	29%	30%	54%	35%
<i>Proportion bringing in personal effects</i>					
59%	46%	41%	32%	51%	42%
<i>Proportion bringing in capital equipment</i>					
12%	7%	4%	5%	8%	5%
<i>Median value of funds brought in (\$)</i>					
150 000	30 000	20 000	20 000	30 000	30 000
<i>Median value of personal effects brought in (\$)</i>					
30 000	15 000	5 000	3 000	10 000	5 000
<i>Median value of capital equipment brought in (\$)</i>					
10 000	3 000	3 000	3 000	2 000	3 000

The median value of funds brought in varied widely. Business Skills/ENS/RSMS migrants who brought funds into Australia, had brought an average of \$150 000 worth of funds since arrival. This was at least five times more than that for migrants from other categories. The value of personal effects (\$30 000 on average) and capital equipment (\$10 000 on average) was also higher for these migrants.

7. Selected settlement measures

In both wave one and wave two of the LSIA 3 there are a number of questions asked that are indicators of successful settlement. These questions are as follows:

Wave one questions only

- Things that are most liked and disliked about Australia
- Whether they feel there is racial discrimination in Australia

Wave one and wave two questions

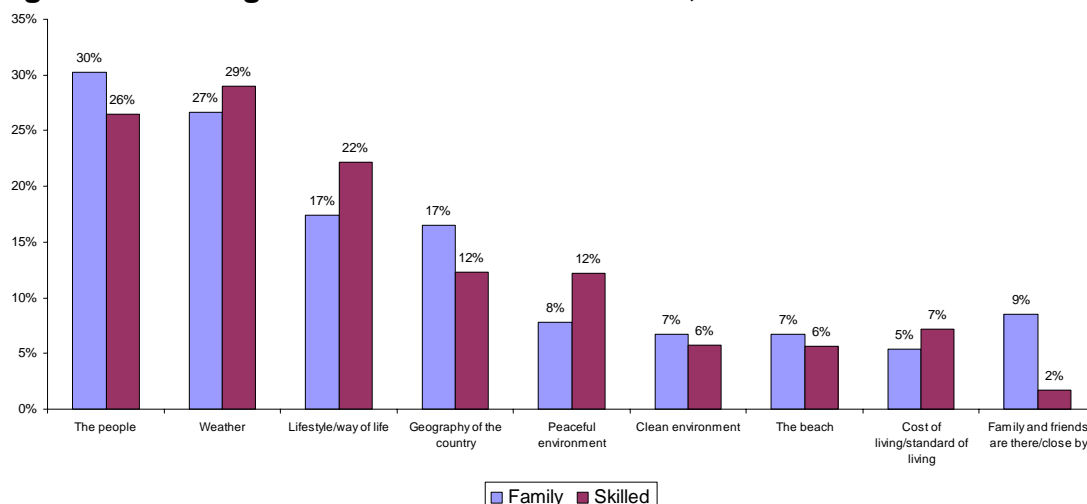
- Whether they have been made to feel welcome since coming to Australia
- Whether they have regularly attended community activities
- How many neighbours they talk to
- Housing arrangements

Things liked and disliked

Survey respondents were asked to identify things that they most liked and disliked about Australia. Respondents could identify as many likes or dislikes as they wished.

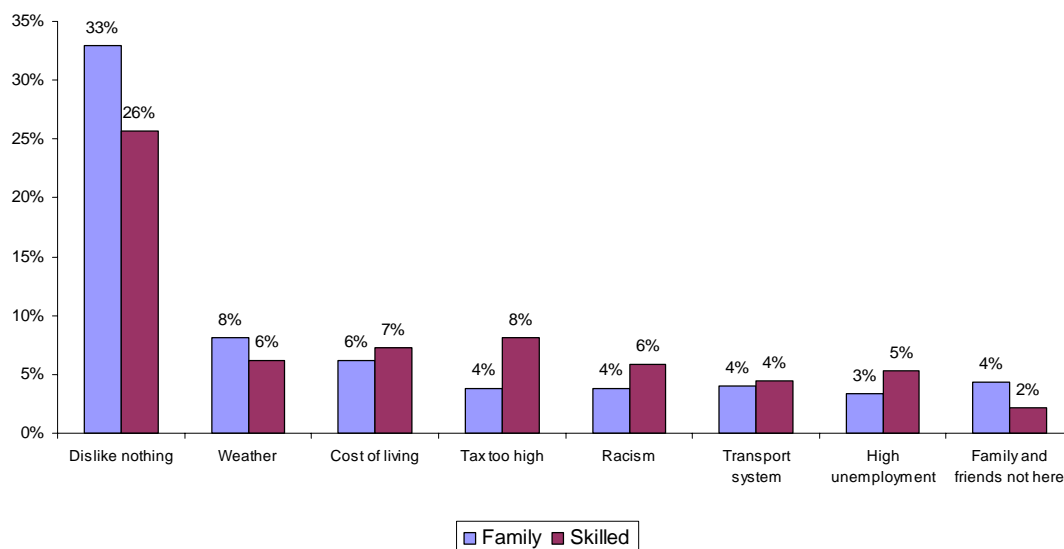
In looking at the things migrants like about Australia (figure 7.1) what is most interesting is the high level of consistency between the Family stream and the Skill stream. For example, migrants from both groups rate the Australian people and the Australian climate as the two things they like most about Australia. This high degree of similarity is in contrast to the very different reasons these two groups have for migrating to Australia.

Figure 7.1 : Things most liked about Australia, wave one



When it comes to what migrants dislike about Australia, the overwhelming answer from both streams of migrants was nothing – that is, around a third of migrants could not think of anything that they disliked about Australia. Next was Australia’s weather – disliked by between 6 to 8 per cent of migrants, followed by the cost of living, tax rates and racism.

Figure 7.2 : Things most disliked about Australia, wave one



Racism

In wave one of LSIA 3, people were asked if they thought there was racial discrimination in Australia. There were five possible responses to this question:

1. There is a lot of racial discrimination
2. There is some racial discrimination
3. There is little racial discrimination
4. There is no racial discrimination
5. Do not know

Responses to this question are summarised in figure 7.3. This figure shows that more than 40 per cent of PAs thought that there was either a lot of racism or at least some racism in Australian society. This was slightly more than the 39 per cent of PAs who thought that Australia had little or no racism. Almost 1 in 5, had not come to any conclusion about Australia’s levels of racism.

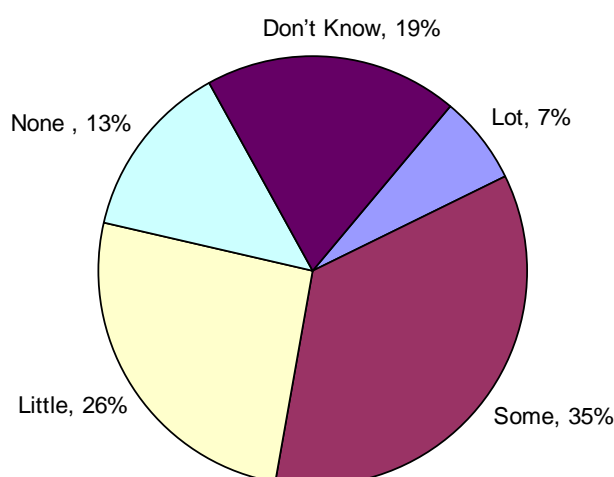
Further analysis of the data shows that perceptions about racism vary among different types of PAs

Some groups reported quite high levels of racism in Australia - 51 per cent of Former Overseas Student PAs, 60 per cent of people from mainly English speaking countries and 53 per cent of people who spoke English as their best language said that Australia had at least some racism. Furthermore, 13 per cent of those from mainly English speaking countries said Australia had a lot of racism – a figure that was more than double that for persons from non English speaking countries.

Other groups reported relatively low levels of racism. Only 19 per cent of poor English speakers and 34 per cent of those aged over 45 said that there was either some or a lot of racial discrimination in Australia.

There was no significant variation in racism perceptions between genders or between regional/low population growth areas and the rest of Australia.

Figure 7.3 : Perceptions about Racism, wave one



Housing arrangements

Between wave one and wave two of LSIA 3, there was some progression up the housing scale for both Skill stream and Family stream PAs. There were less people living with a sponsor or other relatives – down from 36 per cent to 14 per cent for Family stream PAs and more people paying off or owning their own home. Renting however still remained the most common form of tenure for PAs from both streams.

Table 7.1 : Tenure type

	Family Stream		Skill Stream	
	Wave 1	Wave 2	Wave 1	Wave 2
Living with sponsor or relatives	36%	14%	9%	6%
Own home	6%	18%	5%	12%
Paying off home	17%	25%	9%	16%
Renting	40%	44%	77%	66%

Whether made welcome

Virtually all (98 per cent) of PAs surveyed in wave two of LSIA 3 - said that they had been made to feel welcome since coming to Australia. This outstanding result was consistent regardless of a migrant's gender, visa category, regional origins, English Proficiency or whether they lived in a regional area or area of low population growth.

The same question was asked in wave one of the survey – in this instance, 94 per cent of these same migrants said that they had been made to feel welcome.

Importantly, 96 percent of those surveyed also said that they felt that they were settling into Australian society.

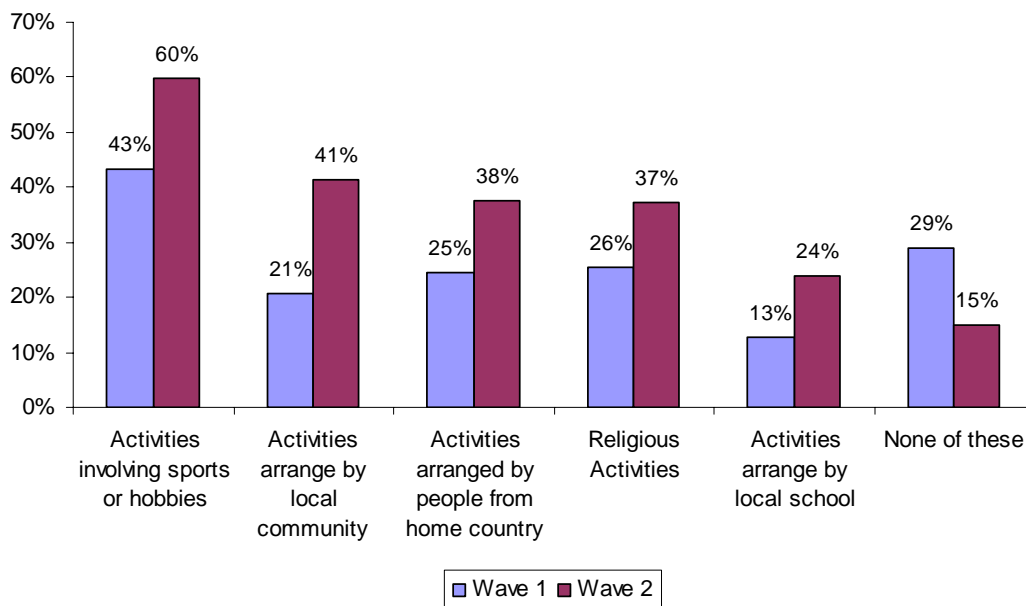
Community involvement

An important indicator of successful settlement is participation in local community activities. By doing this, a new migrant is demonstrating an increased commitment to their new community and an increased social engagement – that is they are mixing with people from outside their immediate family and workplace environment in a more relaxed and social atmosphere. Figure 7.4 summarises the activities that new migrants were engaged in at wave one and wave two of the survey.

As can be seen from this figure, with increased time and familiarity with Australia, respondents were more likely to take part in community activities. Some 85 per cent of those surveyed had participated in at least one activity in the 12 months preceding the wave two survey, compared with only 71 per cent at wave one.

Equally importantly, activities involving sports or hobbies or arranged by the local community were the two most common types of activity. These types of activities generally involve dealing with people from the wider community and are therefore particularly valuable in terms of migrant settlement and acceptance.

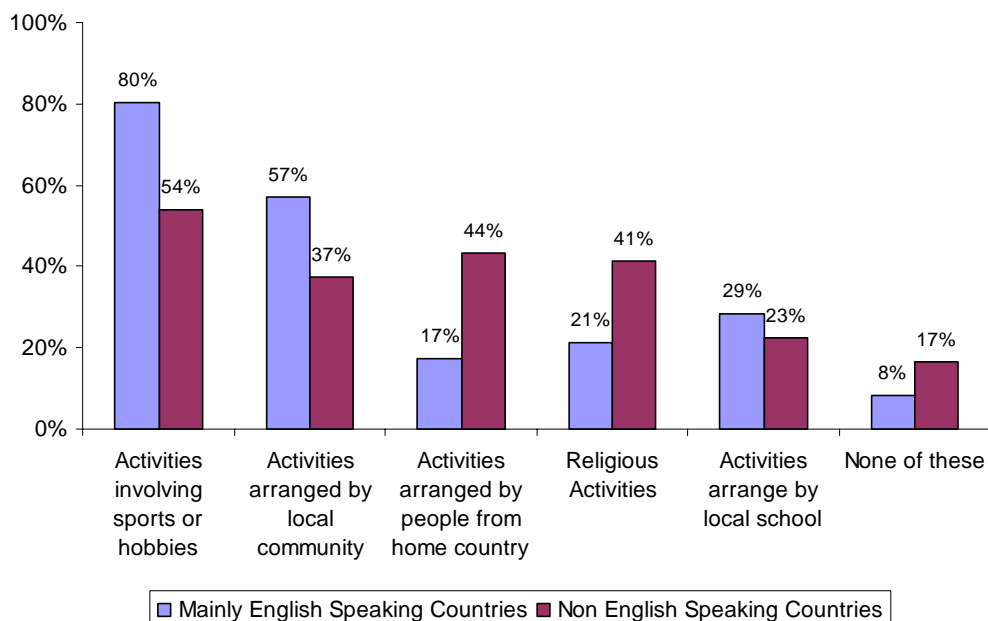
Figure 7.4 : Participation in community activities



Further analysis of the above data in figure 7.5 shows a wide variability in types of community activities by people from non-English speaking countries compared with those from mainly English speaking countries.

For people from non-English speaking countries, religious activities and activities arranged by people from their home country were far more significant than for people from mainly English speaking countries. In contrast, people from mainly English speaking countries were much more interested in activities that involved sport or hobbies.

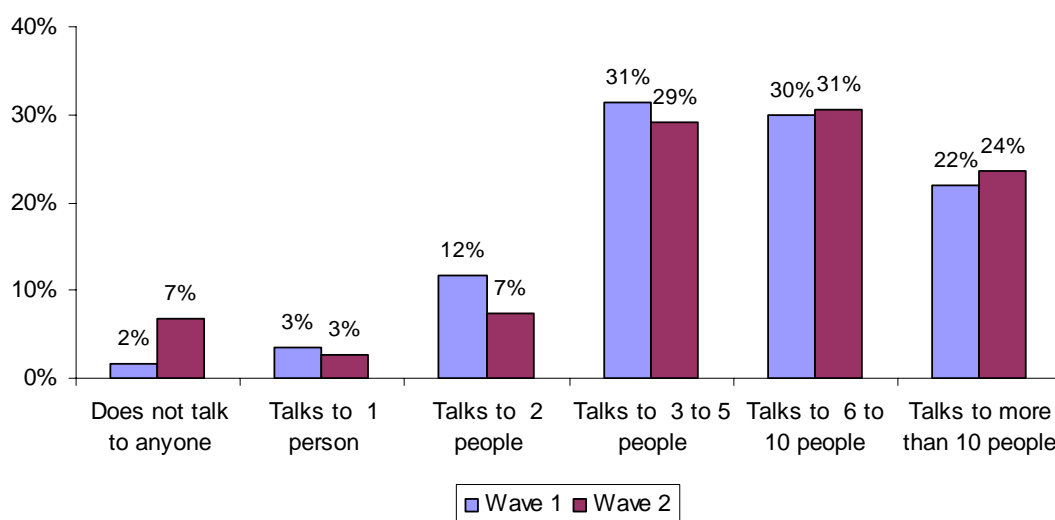
Figure 7.5 : Community participation by birthplace, wave two



How many neighbours they talk to

Talking to neighbours is another indicator of participation in the wider community. As can be seen from figure 7.6, most people surveyed talk to quite a few of their neighbours. For example around a quarter talk to more than ten people and another 30 per cent talk to six or more people. Only around 7 per cent of those surveyed in wave two and two per cent of those surveyed in wave one claimed not to talk to any of their neighbours.

Figure 7.6 : Number of neighbours talked to

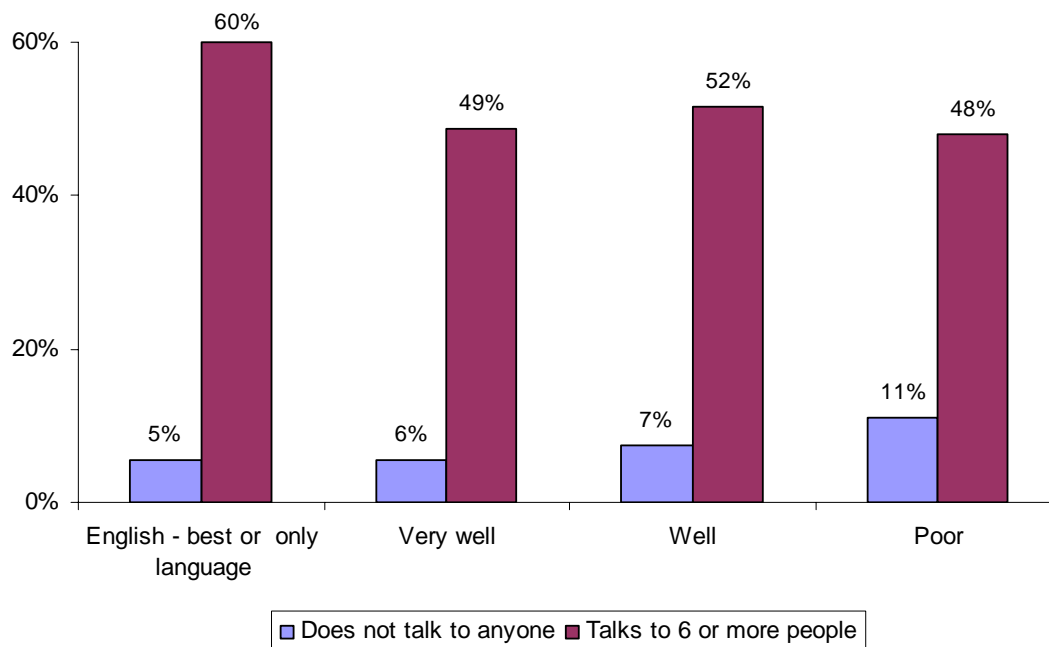


Intuitively, the biggest obstacle to communicating with neighbours would be a lack of proficiency in English. This is demonstrated to some extent in the figure 7.7.

As can be seen from this figure, those with better English are only slightly more likely to talk to many of their neighbours than those with poor English – ie those who do not speak English well or do not speak English at all. A possible explanation for this is that migrants are moving into areas where their neighbours come from similar origins, so therefore the ability to speak English need not always be a pre-requisite to successful communication.

Of more significant concern, is the 11 per cent of PAs with poor English who do not talk to any of their neighbours.

Figure 7.7 : Number of neighbours talked to by English proficiency, wave two



Use of the DIAC website

In wave one of LSIA 3, respondents were asked if they had ever used the DIAC website to learn more about life in Australia. As can be seen from table 7.2, just under half of those surveyed indicated that they used the DIAC website for this purpose, with usage being slightly lower for PAs from the Family stream, similar for those from mainly English speaking countries and Non-English speaking countries and much lower for people with poor English.

This latter finding is not surprising. The DIAC website is written predominantly in English with only some parts such as the “Client Service Charter” and “Life in Australia Booklets” written in a range of other languages. Poor English speakers would therefore find it very difficult to navigate through the DIAC website to find translated pages.

Table 7.2 : Use of DIAC website by selected characteristics

Category	
Business Skills/ENS/RSMS	52%
Concessional Family/SAL	57%
Family	41%
Former Overseas Student	53%
Offshore Independent	61%
Birthplace	
Mainly English Speaking Countries	46%
Non English Speaking Countries	47%
Unknown birthplace	0%
English Proficiency	
English best/only language	48%
Speaks English very well	55%
Speaks English well	49%
Does not speak English well	29%
OVERALL	47%

Confirming this, is the finding that around two-thirds of those who spoke English well or better were aware that the DIAC website contained translated pages. In contrast less than half of poor English speakers (the target audience for this sort of information) knew that this information was available.

Clearly there are some significant barriers experienced by people with poor English. From a client-service perspective, this should signal the need to increase the website's popularity and accessibility among poor English speakers.

8. Migrating unit spouse outcomes

Although the LSIA 3 wave one and wave two surveys were directed at the Primary Applicant there were some questions that were related to the experiences of their migrating unit spouse.

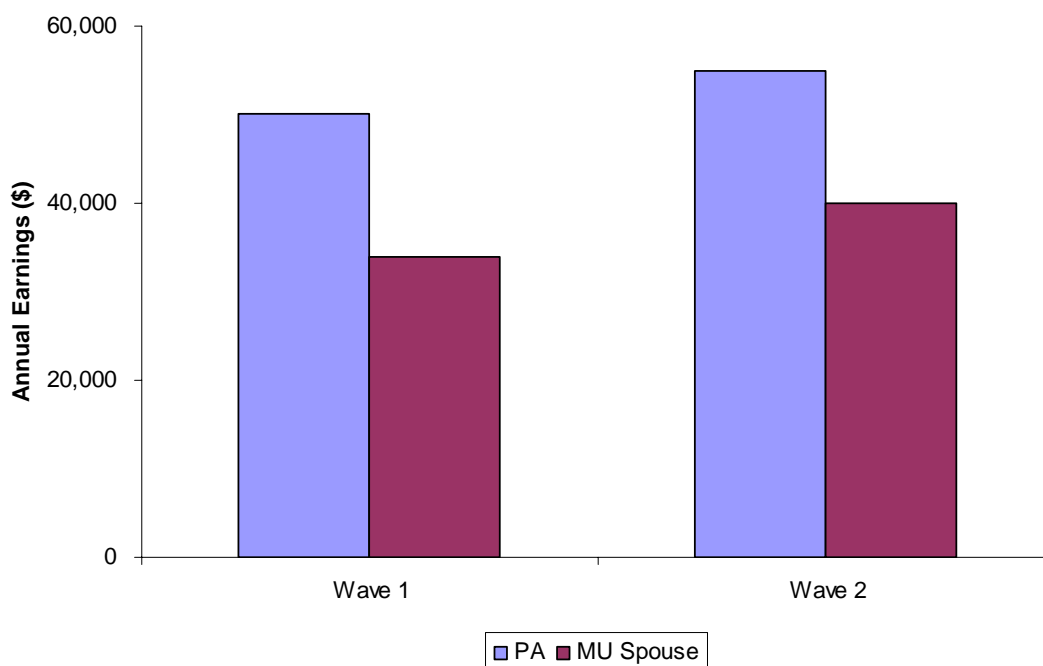
Specifically these questions were:

- Earnings (wave one and wave two)
- Overseas qualifications (wave two only)
- Labour force status (wave two only)

Earnings

Of those that are working, figure 8.1 below shows that migrating unit spouses from the Skill stream⁹ earn, on average, about \$15 000 pa less than Skill Stream PAs.

Figure 8.1 : Median earnings of Skill stream PAs and their migrating unit spouses



⁹ There are very few Family stream PAs with migrating unit spouses

Overseas qualifications

Table 8.1 below shows that around three-quarters of migrating unit spouses of Skill stream PAs have a post-school qualification. Furthermore, around two-thirds of those qualifications are a bachelor degree or higher.

The main fields of study are business and management (12 per cent of all qualifications), accounting (8 per cent) and computer science (6 per cent).

Table 8.1 : Level and field of study : migrating unit spouses, wave two

Level	(% reporting)
Doctorate	2%
Masters degree	15%
Bachelor degree/Post graduate diploma	33%
Diploma	16%
Trade qualification	4%
AQF certificate 3 or 4	5%
No Post School qualification	25%
Field	
Business and management	12%
Accounting	8%
Computer science	6%
Electrical and electronic engineering and technology	6%
Teacher education	4%
Medical studies	4%
Nursing	4%

Labour force status

Table 8.2 shows that migrating unit spouses have quite high rates of unemployment and lower rates of labour market participation compared with their accompanying PA. The differences in unemployment rates are most marked for Offshore Independent PAs, whereas the differences in participation rates are greatest for migrants from the Business Skills/ENS/RSMS category.

Table 8.2 : Labour force status of Skill stream PAs and their migrating unit spouse, wave two

	Business Skills/ENS/RSMS	Concessional Family/SAL	Former Overseas Students	Offshore Independent	Overall
Spouses					
Unemployment Rate	3%	8%	3%	10%	6%
Participation Rate	69%	80%	76%	65%	70%
Primary Applicants					
Unemployment Rate	1%	4%	3%	2%	2%
Participation Rate	97%	84%	95%	92%	93%