

SETTLEMENT INDICATORS AND BENCHMARKS

Report submitted to the Department of Immigration and Multicultural Affairs

By

Siew-Ean Khoo and Peter McDonald

Australian Centre for Population Research
Research School of Social Sciences
The Australian National University

October 2001

CONTENTS

	Page
ACKNOWLEDGMENTS	iii
EXECUTIVE SUMMARY	iii
INTRODUCTION	1
Terms of reference	1
Data and methodology	1
Outline of the report	2
1. INDICATORS OF IMMIGRANT SETTLEMENT	3
Indicators of social participation	4
Indicators of economic participation	4
Indicators of economic wellbeing	5
Indicators of physical wellbeing	6
Benchmarks	7
Summary	7
2. INDICATORS OF EARLY SETTLEMENT EXPERIENCE	8
Indicators of social participation	8
Indicators of economic participation	18
Indicators of economic wellbeing	28
Indicators of physical wellbeing	34
Other indicators	39
Summary	44
3. LONGER-TERM SETTLEMENT INDICATORS AND BENCHMARKS	45
Indicators of social participation	46
Indicators of economic participation	50
Indicators of economic wellbeing	69
Indicators of physical wellbeing	73
Summary	73
4. FACTORS ASSOCIATED WITH POSITIVE SETTLEMENT OUTCOMES	77
English proficiency	77
Citizenship status	79
Employment status	80
Income	81
Home ownership	82
Mental health status	83
General health	83
Summary	84
5. CONCLUSIONS	86
Indicators of settlement success	86
Uses and limitations of the indicators and benchmarks	87
Further research	88
Summary	88

References
Appendices

90
92

ACKNOWLEDGMENTS

The authors would like to acknowledge the support and helpful comments on earlier drafts of the report received from officers of the Department of Immigration and Multicultural Affairs. Particular thanks in this regard are due to Roger Carter, Project Manager, and Lin White and Lyle Baker of Settlement Policy and Planning Section, and Jane Young of Statistics Section.

Our greatest thanks go to Edith Gray of the Demography Program, Australian National University, for her painstaking work in preparing the data files, tables and figures and for her contribution to the overall presentation of the report.

EXECUTIVE SUMMARY

The terms of reference for this study are to develop a set of indicators of potential and actual settlement success of immigrants in Australia and to establish a set of benchmarks based on the Australian-born population against which the settlement indicators can be measured.

The study is based on data from the three waves of the Department of Immigration and Multicultural Affairs' Longitudinal Survey of Immigrants in Australia (LSIA1). Data for primary applicant migrants who participated in all three waves of LSIA1 are used to obtain indicators relating to the first 3½ years of settlement. Indicators of longer term settlement are based on data from the 1996 Census of Population and Housing, supplemented by data from the Labour Force Status and Other Characteristics of Migrants Survey 1999 and the Survey of Mental Health and Wellbeing 1997, conducted by the Australian Bureau of Statistics. Indicators obtained from these sources are based on the settlement experience of the total overseas-born population by duration of residence. The settlement indicators are compared against benchmarks based on the Australian-born population and the total Australian population.

The Department of Immigration and Multicultural Affairs' Settlement Services Guide describes settlement success as 'active economic and social participation in Australian society as self-reliant and valued members' (p.9). This definition accords with more general concepts of wellbeing and implies a multi-dimensional approach to examining immigrant settlement. Previous studies of immigrant settlement have also pointed to the importance of social and economic adaptation and physical and mental wellbeing. Therefore, the study examines indicators within the following four dimensions of immigrant settlement:

- Social participation
- Economic participation
- Economic wellbeing
- Physical wellbeing

The main indicators of social participation examined in this study are English proficiency, participation in education by young adults and Australian citizenship. Since English is the language of commerce, instruction and almost all daily interchange in Australia, proficiency in English is an important indicator of the ability of immigrants to participate fully in Australian society. Citizenship also bestows rights and entitlements that allow for greater participation in Australian society.

The indicators of economic participation examined in this study include the labour force participation rate, employment and unemployment rates, occupational status and job satisfaction. Economic wellbeing is indicated by level of income, whether income is received in the form of government pensions or allowances and home ownership.

Three indicators of physical wellbeing are examined. The first is an indicator of physical health and is based on the presence or absence of a long-term health

condition. The second is an indicator of mental health status. The third indicator is based on self-assessment of general health status.

Settlement success is indicated by positive outcomes measured by these indicators. Since outcomes are likely to vary among different groups of migrants, the indicators are presented according to migrants' current age or age on arrival, sex and migration category.

Key findings

The indicators show that settlement outcomes experienced during the first 3½ years after arrival in Australia vary for male and female migrants according to their age and migration category. These findings are in line with Australia's migration program, which selects people on the basis of skill, family ties or humanitarian concerns. People arrive with different skills, abilities and experiences and these are reflected in the different lengths of time they take to achieve parity with the Australian-born population or the total Australian population. For humanitarian entrants, the process is longer than for other migrants.

The indicators of longer-term settlement confirm that migrants' social and economic participation and economic wellbeing generally improve with length of residence. When compared with benchmarks based on the Australian-born population, many indicators show that migrants achieve outcomes similar to the Australian-born population within a time frame of about 10 years.

The approximate period for achieving parity with the Australian-born population or the total Australian population according to the following indicators are:

<i>Indicator</i>	<i>Period</i>
English proficiency	15+ years
Citizenship	15+ years
Labour force participation rate	5-10 years
Unemployment rate	5-10 years
Occupational distribution	10 years
Income	5-10 years
Home ownership	10 years

The above findings suggest that migrants are more likely to achieve parity with the Australian-born population or the total Australian population in economic participation and wellbeing before they achieve parity in social participation as measured by the above indicators.

Indicators of early settlement experience

Three indicators of English proficiency are examined. These relate to proficiency in speaking, reading and writing English. Proficiency in speaking English generally increases with length of residence for all migrants regardless of sex, age on arrival or migration category. More migrants indicate on arrival that they can read or write English well rather than speak it well. Perhaps because of this, LSIA1 indicates little change in the reading and writing proficiency indicators over the first 3½ years of

settlement. Indeed the indicators show a decline in English reading and writing proficiency among older migrants during this period.

Participation in education by both male and female migrants aged 15-24 also increased during the early settlement period, with 20 per cent participating at 3½ years after arrival, according to LSIA1. The increase is particularly notable for entrants in the Humanitarian category, about 25 per cent of whom are doing some form of study. It would appear that these migrants perceived a greater need for further education or retraining prior to entry into the labour force.

At 3½ years after arrival, two-thirds of all primary applicant migrants in LSIA1 had become or applied to become Australian citizens. Entrants in the Humanitarian category have the highest rate of citizenship, with over 91 per cent having citizenship or having applied for it. The most common reasons given are that they plan to stay here permanently, they feel Australian and want to bring their children up here. Migrants aged 35-64 are the most likely and those aged 65 and over the least likely to become citizens.

The indicators of economic participation show that labour force participation rates and employment rates increase with duration of residence for men and women in all migration categories. LSIA1 data confirmed that at least 80 per cent of males in all migration categories are in the work force at 3½ years after arrival. Employment rates at this time after arrival are also over 80 per cent for both men and women aged 15-64.

There is little change in the indicators of occupational status during the early years of settlement. Differences are notable by migration category with over 80 per cent of migrants in the Skill categories employed in skilled occupations compared with less than 50 per cent and 30 per cent among those in the Family and Humanitarian categories respectively.

Job satisfaction is also highest for Skill migrants and lowest for humanitarian entrants. The job satisfaction indicator also increases with duration of residence for migrants in the Independent category

Economic wellbeing also increases with length of settlement, as measured by the three indicators. The income indicator, which measures the proportion of migrants with incomes above the average weekly earnings of Australians in full time employment, shows the greatest increase among migrants in the Independent category.

The second indicator, the percentage receiving government pensions or allowances, increases during the early years of settlement for some groups of migrants such as those in the Family migration categories and decreases for others such as humanitarian entrants, although it remains high for this group. Further research is needed to examine the reasons for the different pattern of changes in this indicator for different visa groups.

The third indicator of economic wellbeing – home ownership – increases rapidly with length of residence for migrants in all categories. At 3½ years after arrival, nearly 40 per cent of migrants surveyed in LSIA1 owned or were paying off their homes.

While migrants' economic wellbeing improves during the early years of settlement, their physical wellbeing appears not to, according to the three indicators based on LSIA1. The first indicator – the proportion with a long-term condition – increases for both men and women during the early years of settlement, particularly among humanitarian entrants.

The second indicator – the mental health score – shows that on arrival migrants have better mental health than Australian residents. However, the score increases slightly during the early years of settlement, indicating a decrease in the level of mental health. The increase is observed for men and women in all age groups.

The third indicator is the proportion reporting good health. About 90 per cent of migrants report having good health on arrival. About three years later, the proportion declines slightly to 84 per cent.

Two additional indicators are obtained from LSIA1 data that can be considered to be measures of settlement success from the migrant's perspective. These are satisfaction with life in Australia and permanent settlement intention. The indicators show that more than 90 per cent of migrants are satisfied with their life and intend to settle permanently.

Longer term settlement indicators and benchmarks

According to the English proficiency indicator from the 1996 Census, 88 per cent of former immigrants with 10-15 years residence can speak good English and therefore are able to participate in the daily interchange in Australian society. There are considerable differences by age, however, with the proportion close to 100 per cent in the 15-24 age group but just 65 per cent in the 65+ age group.

The proportion of migrants who have become Australian citizens also increases with duration of residence. Among former migrants with more than 10 years residence, three out of four have become citizens.

At more than 10 years of residence, the overseas-born population has a similar labour force participation rate as Australian-born residents of the same age. For overseas-born men and women aged 25-64, parity with the rate for Australian-born residents of the same age is achieved after five years of residence.

During the first five years of settlement, migrants have much lower employment rates and much higher unemployment rates than the Australian-born labour force. With longer residence, they again achieve parity with the Australian-born and with all Australian residents on these measures. Those in the main working ages 25-44 achieve parity more quickly.

Differences in occupational distribution between the overseas-born and the Australian-born population also become smaller with length of residence. The

overseas-born who have been resident for more than 10 years have an occupational distribution that is very similar to that for the Australians-born.

The economic wellbeing indicators also show that former migrants are likely to achieve parity with Australian-born residents after about 10 years' residence. Overseas-born men and women aged 25-44 with residence of more than 10 years are on par with their Australian-born peers in terms of the proportion with income above the average weekly earnings of full time workers.

The same pattern is observed according to the home ownership indicator based on census data. Indeed overseas-born persons aged 25-64 who have been resident for more than 10 years are more likely than all Australians in the same age group to own their homes.

According to the indicator on income from government payments, 20 per cent of former migrants receive a government pension or allowance as their main source of income. The proportion increases with duration of residence for some migrants and decreases with duration of residence for others. Although it decreases with duration of residence for humanitarian entrants, of those who are resident for more than 10 years one-third are dependent on government payments as their main source of income.

The indicators of physical wellbeing show that overseas-born residents appear to have similar if not slightly better health status than the Australian-born population of the same age group. While the proportion of people with a physical condition increases sharply with age, the mental health scores show only small differences by age group.

Factors associated with positive settlement outcomes

One of the objectives of the study is to examine which indicators are important measures of settlement success. Statistical analyses are undertaken using data from the three waves of LSIA to examine the factors associated with positive outcomes as measured by a set of key indicators from the four dimensions of social participation, economic participation, economic wellbeing and physical wellbeing.

The results show that ability to speak good English is highly correlated with positive outcomes as measured by the indicators of economic participation, economic wellbeing and physical wellbeing. It is an important prerequisite for settlement success as measured across these dimensions. This is not surprising since English is the language of commerce, instruction, political and judicial institutions, social interchange and the mainstream media. Inability to speak good English places restrictions on full social and economic participation in Australian society and this appears to impact on one's economic and physical wellbeing.

Besides the ability to speak good English, participation in employment is also significantly correlated with positive outcomes as measured by the indicators of economic and physical wellbeing. It is therefore an important indicator of settlement success. Although not all migrants arrive with the objective to participate in the labour market, of those who do, participation in employment is an important factor in contributing to positive outcomes in the other dimensions of settlement.

Better health is also correlated with improvements in English language skills and gaining employment. Since English proficiency and employment are both associated with positive settlement outcomes according to most of the indicators, physical wellbeing is also an important factor in settlement success.

The results indicate that the four dimensions of immigrant settlement are closely related to one another. This makes it difficult to differentiate their relative contributions to settlement success and to rank them in order of importance. There have also been strong arguments against the combination of different dimensions of wellbeing into a single scale or index on the grounds that it imposes an artificial homogeneity to the data and that no clear interpretation can be placed on the result. The four dimensions of settlement discussed in this report are best considered as an interlinked system, with policy directed at each of them to achieve the best settlement outcomes.

The settlement indicators and benchmarks discussed in this study provide a basis for monitoring migrants' progress in settling in Australia across a range of dimensions and comparing their status to the Australian-born or total Australian population. The findings are based on analysis of available quantitative data. Further studies in the field of social research that examines the migration experience and the qualitative aspects of settlement may identify other indicators of settlement that will build on the findings of this report.