

## Outcomes for permanent migrants in the Australian labour market



The integration of Australian Government datasets is providing new insights into the migrant experience and helping to inform government immigration policy.

The Productivity Commission used two integrated datasets during its 2015 public inquiry on Australia's migrant intake to conduct deeper and more definitive analysis into the variability of migrant outcomes in the Australian labour market. These were the [Australian Census and Migrants Integrated Dataset](#) (ACMID) and the [Personal Income Tax and Migrants Integrated Dataset](#) (PITMID).

These datasets were developed by integrating Australian Bureau of Statistics (ABS) Census data and Australian Taxation Office (ATO) data with the Australian Government's Settlement Database. This integration work was done collaboratively by the ABS, the ATO, the Department of Social Services (DSS) and the Department of Immigration and Border Protection (DIBP).

One focus of the inquiry was the effects of substantially increasing the charges associated with permanent migrant visas. The Commission developed a model, drawing on the ACMID and other supplementary datasets, to explore the impacts of increased use of immigration charges on the composition of Australia's permanent migrant intake, including on fiscal outcomes. This modelling enabled the Commission to make policy recommendations based on evidence.

The Productivity Commission's 2016 Inquiry Report [Migrant Intake into Australia](#) found that there were substantial differences for permanent migrants in the Australian labour market depending on their visa stream.

### Building a better understanding of the varied migrant experience

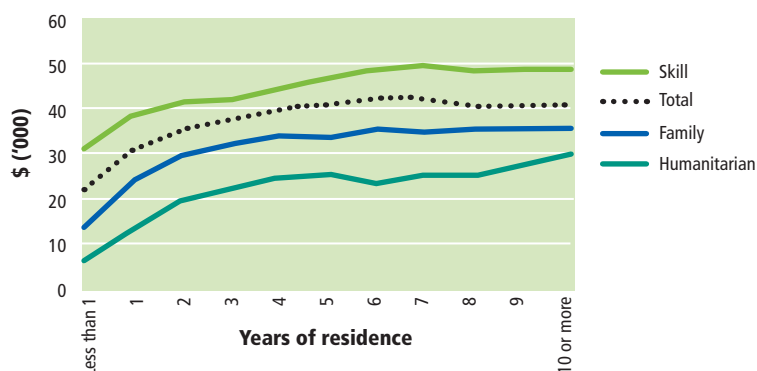
The Productivity Commission's analysis of integrated data from the ACMID uncovered wide variations in the migrant experience.

One example drawn on by the Productivity Commission was the median annual income of migrants by years of residence. Integrated data showed that skilled migrants had a median income in their first year of residence that was twice that of family migrants and three times that of humanitarian migrants. The data also revealed that the median income of all migrant streams grew over 10 or more years of residence with the median income of skilled migrants remaining consistently higher than other migrant streams (Figure 1).



**Figure 1. Earnings adjustments of permanent migrants over time**

#### a. Median annual income by visa stream by years of residence,



Source: Productivity Commission — Migrant Intake Into Australia, 2016

### Understanding the contribution of skilled migrants to the Australian economy

The largest number of migrants who arrived in Australia in 2014–15 came as part of the skill visa stream — 129,000 compared with 61,000 for the family stream and 14,000 for the humanitarian stream. Within the skill stream about half of the visas were for 'primary applicants' and half for 'secondary applicants' (their partners and dependent children).

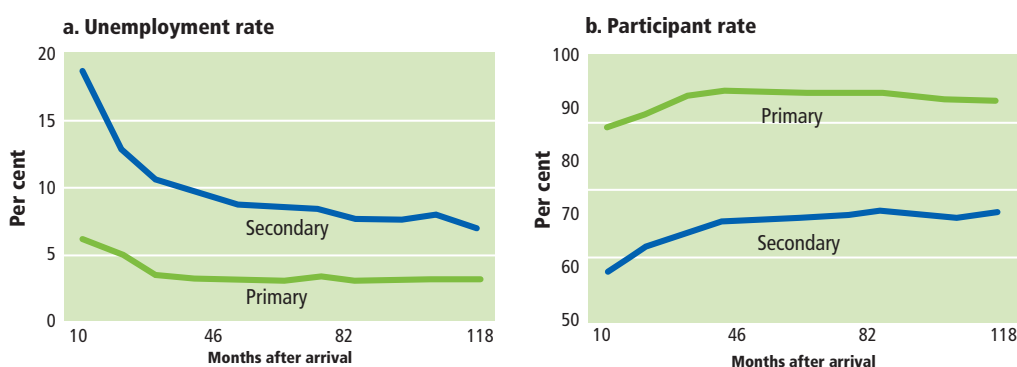
Without data integration it had not previously been possible to quantify the contributions of primary and secondary visa applicants to the Australian economy. A key finding from the inquiry was that the labour market outcomes of primary and secondary applicants from the skill stream were quite different and remained different over time. Secondary applicants continued to have higher unemployment rates and lower participation rates than primary applicants after 10 years of residence (Figure 2).

In response to this finding, the Productivity Commission recommended that migration policy be altered to significantly increase the number of points allocated to a primary applicant based on the skill and other traits of the secondary applicant. The suggested strategy, that may reduce skill shortages and increase economic prosperity over the long term, was to give greater weight to couples where both the primary and secondary applicants have skills in demand.

**Figure 2. Labour Market Outcomes for Primary and Secondary Skill Applicants**

Labour outcomes for primary and secondary applicants do not converge over time.

Skill stream immigrants arriving 2000 to 2011<sup>a</sup>



<sup>a</sup> Relates only to people aged 15 years and over. Source: ABS 2014c, Microdata: Australian Census and Migrants Integrated Dataset, 2011, Cat. No. 3417.0.55.001.

Source: Productivity Commission — Migrant Intake Into Australia, 2016

### Looking to the future

The Productivity Commission recognised the value of integrated data for evidence based policy and endorsed the collaborative approach of the ABS, the DSS, the DIBP and the ATO to data integration.

A second iteration of the ACMID will be produced incorporating data from the 2016 Census of Population and Housing. The PITMID is produced annually. This ongoing collaboration between Australian Government agencies to integrate public sector data will broaden the evidence base and provide fresh insights for policy into the future.

“The Australian Government, through its data integrating authorities, should continue to link the Settlement Database with other government administrative data sets — for example, data sets involving health and education services, and patent and trademark applications and business registry data — to support immigration and other policy development.”

Productivity Commission Inquiry Report 2016, Migrant Intake into Australia, Recommendation 9.2