Settlement and Circulation of New Zealanders Living in Australia: Patterns, Dynamics and Analysis

Report for Year 2 (2006)

Summary

The second year of this three-year programme has been devoted primarily to the analysis of data that inform on the characteristics of New Zealanders in Australia and their international mobility. Using a unique longitudinal dataset provided by the Australian Department of Immigration, Multicultural and Indigenous Affairs (DIMIA, now replaced by the Department of Immigration and Citizenship, DIAC)) on 126,193 New Zealand (NZ) citizens arriving in Australia for a stay of 12 months or longer between 1 August 1999 and 31 July 2002, we tracked all subsequent 931,921 moves of these migrants out of and back into Australia, up to July 2005. Data on a similar group of migrants from the United Kingdom (a “control group”) were also analysed. In addition, we studied the trends in movements between NZ and Australia using arrivals, departures and census data from both countries. Procedures were also developed for extracting multi-level (individual, family, household) census data on migrants in the family contexts.

We found that policy changes in 2001 that removed labour market-related social security eligibility of new NZ migrants to Australia increased the probability of remigration from Australia among those who had intended to settle permanently. Moreover, subsequent migrants also make more overseas trips and stay away from Australia for longer. We also found that there is a high degree of circularity in the trans-Tasman flows. New Zealanders in Australia are a young population and have a high level of labour force participation. However, controlling for age differences the NZ and Australia-born populations are similar. This is not the case for the Australia-born in NZ. The latter are quite a selective group in terms of income, education and occupation.

Results were reported at a number of forums, including an invited presentation by Professor Jacques Poot at an international conference at the Australian National University. Several papers are close to submission to journals. Presentation of some aspects of this research by Lynda Sanderson at the 2006 NZ Association of Economists conference won the Jan Whitwell Prize for the best student paper. Lynda also completed her MPhil thesis, which was highly commended by the external examiner.

Introduction

This project is concerned with the mobility behaviour of New Zealanders who migrated to Australia between August 1999 and July 2002. The settlement and subsequent mobility of New Zealanders in Australia is important from demographic, socio-economic and policy perspectives because one in ten New Zealand (NZ) citizens lives in Australia and NZ is Australia’s second largest country source of migrants, after the United Kingdom. Moreover, Trans-Tasman migration is a major driver of NZ’s international migration system. Besides micro-level (unit record) cross-sectional data derived from the Australian census in August 2001, the project also uses a unique longitudinal dataset provided by DIMIA on New Zealand citizens arriving in Australia for stays of 12 months or longer between 1 August 1999 and 31 July 2002. This dataset tracks all subsequent moves of these migrants out of and back into
Australia, up to July 2005. This information is of considerable interest to gain a better understanding of the notable volatility in trans-Tasman migration and to assess the impact of the removal of labour market-related social security eligibility for New Zealanders in Australia, implemented since March 2001.

To identify the effects of the social security arrangements on other factors influencing migration flows at the time, a similar data set for a ‘control group’ of United Kingdom citizens is also obtained. The policy changes did not affect the latter group. Consequences of the policy change on both the likelihood of onward (or return) migration and migrants ‘attachment’ to Australia are investigated. The results, together with an analysis of the living arrangements and socio-economic characteristics of New Zealand migrants to Australia using 2001 census data for both Australia and NZ, allow us to establish the social and economic contexts within which recent NZ migrants are situated. In addition, the study provides evidence of growing complexity of circulatory patterns in the trans-Tasman migration system, that are consistent with the new paradigm of international migration.

Progress

**Objective 1: trace patterns of circulation/return migration using the flow data and ID matching procedures focussing on movement experiences between August 1999 and August 2005.**

Significant progress was made along this line of inquiry that attempts to identify relationship between ongoing mobility patterns, and personal and environmental circumstances, including institutional barriers. The results confirm that ongoing migration patterns are far more complex than traditional migration paradigms suggest, with repeat and return migration and ongoing mobility being an important part of actual migration experiences. Differences between intended duration of stay as recorded upon arrival and actual duration are also analysed. It was found, for example, that as the intended duration increases from one to five years, the proportion of people actually carrying out their intention decreases from about 60% to about 10%. Much of this descriptive work has been reported in Lynda Sanderson’s MPhil thesis and in a working paper that will be submitted later this year to *International Migration Review.*

**Objective 2: situate these trans-Tasman migrants in their social contexts using 2001 census data thus enabling the mover population to be examined with reference to a relevant total population and all the associated socio-economic data on this population.**

A breakthrough was made in the analysis of the Australian unit record census data files, the Basic Confidentialised Unit Record Files (Basic CURF). In the original data structure of the Basic CURF, each individual in the census record is a single row and each variable (e.g. birthplace, age, gender) is a single column. A dwelling identifier in the variable list identifies individuals belonging to the same household/family. Using SPSS 13, the original Basic CURF is restructured so that each household/family is consolidated into a single row in the new file, and the individuals in the family appear in multiple new columns. The restructured data file can now be used to analyse migrants in their family contexts. This analysis will continue in year 3 of the project, and research findings will be submitted for publication in refereed journals.
**Objective 3:** use the linked (by association) flow and stock data on contemporary trans-Tasman migration to develop models that have the potential to assist with interpreting and forecasting patterns of movement by New Zealanders living in Australia.

Using the longitudinal data on subsequent international mobility of NZ and UK migrants to Australia arriving between August 1999 and July 2002, a wide range of statistical models were estimated with *Stata* software. One set consisted of models of duration of stay and the associated hazard rate of re-migration from Australia. It was found that the risk of remigration among New Zealanders declines nonlinearly with age and is less for migrants from NZ who were born in third countries (sometimes referred to as “backdoor migrants”). Hazard rates initially increase during the first few months after arrival, but then decrease due to what is referred to in the literature as “cumulative inertia”. Other models tested differences among those who re-migrated from Australia between those who returned to NZ and those who moved elsewhere. As expected, non-New Zealand born migrants to Australia are less likely to return to NZ. In addition, highly skilled migrants are more likely to move on to other destinations rather than return to NZ. This has implications for policies aiming to maintain links with New Zealand’s diaspora in order for these migrants to make a contribution to economic development. Other models analysed the likelihood of prolonging or curtailing the intended duration of stay in Australia, the proportion of time migrants spend abroad and the number of trips made.

In many of these lines of inquiry there has also been an assessment of the impact of the removal of labour market-related social security eligibility and some other policy changes affecting New Zealand migrants to Australia, implemented between February and June 2001. United Kingdom migrants to Australia, who were not affected by the policy changes, provided the ‘control group’. Using hazard models, we found that the policy changes increased the probability of remigration from Australia among those who had intended to settle permanently. Competing risk models suggested no difference between the impact of the policy changes on onward or return moves. Settlers arriving after the policy changes were more likely migrate again, to have lower attachment to Australia, and to make more trips away.

**Additional work**

Specifying the hypotheses to be tested in the empirical research required a theoretical foundation for the new paradigm of international migration which encompasses the growing complexity of patterns of settlement and short-run mobility over the life course. The new paradigm replaces the traditional perspective of migration as a once-in-a-lifetime change of country of residence. A mathematical model has been developed that describes the cost benefit calculus that migrants must undertake when considering international migration. Although such cost-benefits models have a long tradition in economics, the novel aspect of our model is that it takes the costs and benefits of subsequent mobility, i.e. regular trips back home, into account. The model captures these aspects within a framework of achieving the best expected outcome up to a time of planned retirement.

A second model is currently being developed that captures specifically the issue of the costs and benefits of maintaining links with family and friends back home, while living overseas. Moreover, while being overseas, job-related information and skills in the home country may also depreciate unless regular return trips are undertaken. For this model, team members
Professor Jacques Poot and Lynda Sanderson have joint forces with University of Waikato colleague Professor Philip McCann who has a strong background in economic geography. Several testable hypotheses result from this model, such as that high income/skill migrants are more likely to make frequent trips of short duration, whereas low income/skill migrants make fewer trips, but of longer duration. Such hypotheses are being tested by with the DIMIA dataset in year 3 of the project.

**Changes to Objectives**

The programme is on track to meet the objectives as set out in the proposal. Additional work is being undertaken as interesting patterns are discovered. During the third and final year of the project, much attention will be devoted to submitting research findings to refereed journals.

The only problem with the available data (but anticipated at project development) is that the longitudinal mobility data provide only limited information on personal characteristics that can be used for a causal analysis. In some countries, governments permit the linking of data from different administrative databases that would generate a much larger range of explanatory variables. European reviewers have recommended this approach for our project. This could be done in principle if the mobility data could be linked to Australian census data at the individual level. However, this linking is not permitted at present due to concerns about privacy and confidentiality of data.

Another data problem is the relative difficulty in accessing unit record data derived from the Australian census. These data are essential for the development of the methodology for situating trans-Tasman migrants in their social contexts, but they are only available at the University of Adelaide so that the NZ researchers must travel to Adelaide to use the data base. Negotiations between the Australian and NZ government that would provide greater access in either country to the other country’s micro data are currently taking place and provide great promise for the future. However, this is unlikely to be implemented before the completion of this project. The current project therefore allows Dr Elsie Ho to spend at least a month each year in Adelaide to analyse the Australian data.