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Australia's Immigration Selection System and Labour Market Outcomes in a Family Context: Evidence from Administrative Data

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ABSTRACT

Australia's Immigration Selection System and Labour Market Outcomes in a Family Context: Evidence from Administrative Data

This paper examines the efficacy of Australian points system in a family context among working-age permanent resident immigrants who arrived between 2000 and 2011 when there was a major focus on skills selection. 67% of these immigrants were granted a skilled visa while 25% hold a spousal visa (spouses of Australian citizens). More than half of the skilled visa recipients are the spouses of the primary applicants. Primary applicants among skilled visa holders are assessed for their skills in line with Australian points system but secondary applicants, such as spouses, among skilled visa holders and spousal visa holders are not subject to any skills assessment before becoming permanent residents. We study differences in economic outcomes by permanent visa types and the role of points system factors in explaining these differences using Personal Income Tax and Migrants Integrated Dataset and Australian Census Longitudinal Dataset. We find that primary skilled visa holders earn at least 26-28 percent higher than spousal visa holders and this is similar for both genders. However, spouses of primary skilled visa holders earn 13-18 percent higher than spousal visa holders. This difference is higher among females than males. Occupation differences can account for nearly half of the differences in income and can entirely capture the role of education and English proficiency. Primary skilled immigrants and their spouses have higher rates of labour force participation and employment than spousal visa holders starting in the first year of arrival and the gap is much higher for primary skilled visa holders but these differences do not disappear quickly.

JEL Classification: J12, J13, J24, J31, J61, J62

Keywords: points system, immigration, administrative data, Australia

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1. Introduction

The number of international migrants worldwide has continued to grow over the past two decades reaching 258 million in 2017 up from 173 million in 2000 (UN 2017). This increase had significant effects on the social and political situation of the immigrant receiving countries. Accordingly, there has been a lot of discussions on which immigrants will be allowed to settle in these countries. In the last decade, skills selection through points system became an important immigration policy in some developed countries to choose immigrants. Forty-three countries around the world have increased the proportion of skilled workers in their immigration intake (UN 2017). This trend is a response to the low economic performance of existing immigrants and the increasing demand for a skilled workforce in receiving countries. There is a general belief that immigrants who are selected based on their skills would do better in the labour market compared to other immigrants (De Silva, 1997; Cortes, 2004). However, the skills that some immigrants obtain in their home countries may not be completely transferable across borders to their host countries (Aydemir & Skuterud, 2005). For example, the unemployment rate of skilled immigrants in Australia between 1980 and 1996 was around ten percent (Miller & Neo, 1997). In addition, in Canada, many skilled immigrants were reported to be underemployed. Hence, the efficacy of the skill selection policy has been studied extensively in immigrant receiving countries such as Australia and Canada.

Skills selection is based on points system in Australia and Canada where a primary applicant is assessed based on demographic characteristics and if one's total points are above a threshold, a permanent visa is granted for the applicant. During the period of this study, the factors that contribute to Australian points system can be summarized as: occupation, age, English proficiency, work experience, education and settling in a rural area. Primary applicants with more work experience, education and English skills, residing in rural areas who are younger and whose occupation lies in the occupation list (that is generated by the Australian government) receive higher points, are more likely to pass the points threshold and become permanent residents. The primary applicant can apply to the skilled visa together with family members who are called secondary applicants while spouses of the primary applicants make up the biggest group among secondary skilled visa

holders. These secondary applicants are not assessed for their skills in the points system during the study and are granted a skilled permanent visa once the primary applicant is successful. Indeed, secondary applicants make up a bigger part of the skilled visa holders during the study.

A body of literature focuses on individual migrants to investigate the efficacy of the selection based immigration policy. That is, these studies compared the economic outcomes of primary applicants among skilled visa holders to other permanent visa holder immigrants. Jasso and Rosenzweig (1995) find that skilled workers have better occupational outcomes than immigrants under kinship entry in the US although the difference narrows as the immigrants' duration of residency in the US increases. Kalena (2004) shows that immigrants selected for their skills perform better than refugees at the time of landing but refugees surpassed skilled workers later due to a greater degree of improvement in English. On the other hand, Constant and Zimmermann (2005a) find that employer-sponsored workers are more likely to work full time than refugees and family-sponsored workers in Germany. Sweetman and Warman (2013) report that immigrants who came through economic class visas have better earnings than other immigrants in Canada in the long run. Cobb-Clark (2000) finds that skilled immigrants have better economic outcomes than other visa types in Australia. The gap in participation rates increases with the time of residency in Australia while the gap in employment rates decreases. Koslowski (2014) reports that Canada's point test system selects higher educated immigrants than those of Australia and the US. However, Canada's higher unemployment and underemployment rates make the selection the least efficient for achieving its economic goal, while Australia's policy is the best at selecting high-skilled migrants who are employed in positions that utilize their education and skill¹.

On the other hand, focusing only on primary applicants in empirical studies leaves many interesting questions unanswered, as the "migrating unit" often includes a husband, wife, and children (Cobb-Clark & Connolly, 2001). While the majority of places under the migration program are allocated to the skilled stream, many of those granted visas under this stream are in fact family members rather than primary applicants whose

¹ However, Clarke et al. (2019) compares university-educated immigrants across US, Canada and Australia who arrived from similar countries and find that immigrants in the US appear to have higher employment performance than immigrants in other countries.

skills are directly tested in the points system. Indeed, 55% of visas under the skilled migration stream during the study were granted to dependents of the primary applicants while spouses of the primary applicants make up the largest group in terms of people in the labour force. The family investment model developed by Sandell (1977) and Mincer (1978) postulates that spouses are tied movers who migrate because of the net gain for the family, even though they may experience a loss in their returns. Several studies have presented empirical evidence in support of this hypothesis (Baker & Benjamin, 1997; Banerjee & Phan, 2015; Basilio et al., 2009; Beach & Worswick, 1993; Cobb-Clark & Crossley, 2004). On the other hand, human capital of primary applicant is expected to be positively correlated with that of their spouse due to positive assortative matching². However, the correlation is probably less than one and can be very low for some immigrants which means that labour market performance of secondary applicants can be much lower than the primary applicants among skilled permanent visa holders³. Indeed, spouse of the primary applicant under skilled visa stream has been found to have lower investment in job search in Australia (Cobb-Clark et al., 2005) and lower rates of employment and labour force participation than the primary applicant in Canada (Aydemir, 2011; Sweetman, & Warman, 2010). Thus, it is vital to examine not only primary applicants but also the secondary applicants under skilled visa stream while examining the efficacy of the points system in the immigration literature.

In the light of these discussions, this study seeks to add to the current knowledge on the efficacy of Australian points system using two different administrative datasets on immigrants who have arrived between 2000 and 2011. Efficacy (success) of points system have been studied by examining a variety of economic outcomes of immigrants while we focus on one dimension of economic wellbeing in this paper, labour market outcomes of immigrants. During the period of the study, Australia granted permanent visas to around 200 000 immigrants each year while 67% of these immigrants hold skilled visas and 25% hold spousal visas (spouses of Australian citizens). Among skilled visa holders, more than half of the immigrants are secondary applicants

² Positive assortative matching refers to a positive correlation between the values of the traits of husbands and wives such as education, language skills and age.

³ The correlation between an immigrant's years of schooling and his/her spouse's years of schooling by visa type is estimated as follows in the census data by the authors: 0.45 for skilled visa; 0.58 for business visa; 0.59 for humanitarian visa; 0.68 for parent visa; 0.56 for spousal visa; 0.74 for relative visa; 0.57 for other visa types.

while spouses of primary skilled applicants make up the largest group. Primary applicants among skilled visa holders are assessed for their skills in line with Australian points system. However, secondary applicants, such as spouses, among skilled visa holders and spousal visa holders are not subject to any skills assessment before becoming permanent residents. In our empirical analysis, we follow the majority of the previous literature which compares economic outcomes of skilled immigrants to economic outcomes of other immigrant groups to test the efficacy of the points system. The proportion of skilled immigrants in Australia have increased rapidly over recent decades (Boucher, 2007) from 47% in 1995 to 87% in 2011, making it the country with the largest skilled intake in relative terms in the world (UN, 2017). Thus, understanding the efficacy of the point test system for Australia – the largest immigration country in relative terms, and the one with the most considerable focus on skilled entry – can provide important policy implications for other immigrant-receiving countries around the world. For example, Germany and the US are now discussing the possibility of adopting an immigration system similar to Australia’s in order to increase their number of skilled immigrants.

We compare the economic outcomes of primary applicants as well as secondary applicants under skilled stream to permanent residents under other visa streams. On the other hand, our focus is on comparing economic wellbeing of primary skilled visa holders and their spouses to economic outcomes of spousal visa holders. We focus on these three immigrant groups because i) these three groups are the largest permanent resident visa groups while the proportion of these groups in overall immigration intake is expected to increase in the future and thus are most important for immigration policy in terms of economic significance, ii) primary skilled visa holders’ skills are directly tested by the points system while spouses of primary skilled visa holders and spousal visa holder’s skills are not tested by the points system.

We have several contributions to the literature. *First*, Australia’s immigration policy was revised in 1997 to place more emphasis on skill selection (Hawthorne, 2005) in both quantity and quality. However, most of the previous literature on Australia focuses on pre-2000 period. Therefore, understanding the effectiveness of the revised points system in the post-2000 period is important for designing sound immigration policies that will attract the most skilled immigrants. *Second*, we can study the labour market performance of spouses of

primary skilled visa applicants thanks to high quality administrative data on all immigrants. This information is critical for correct identification of points system success. *Third*, labour market information such as earnings and wages and migration information such as year of arrival and visa types are not subject to measurement error. These information, unlike survey data, are not self-reported and are not in intervals. Indeed, these data are made available as continuous variables through income tax records from Australian Taxation Office and settlement records from Department of Immigration. *Fourth*, data on the entire population of permanent resident immigrants who arrived between 2000 and 2011 provide a unique opportunity to examine the role of each factor in points system in explaining economic outcomes across immigrants. *Fifth*, we study differences in sources of income, such as investment income and foreign income, across visa types and provide a complete picture on economic wellbeing of immigrants.

We use two administrative datasets that provide complementary information for our analysis. The Personal Income Tax and Migrants Integrated Dataset (PITMID) links migration data of every permanent resident immigrant who arrived between 2000 and 2011 to their income tax records in 2010 and 2011. The Australian Census Longitudinal Dataset (ACLID) links a random 5% sample of 2011 census records to the 2006 census and 2011 settlement records. The settlement records in both datasets relate to immigrants who migrated to Australia under permanent visas with arrival dates after 1 January 2000. Hence, the permanent resident immigrant sample in the 2011 census is comparable to the sample in PITMID. Both datasets provide information on each immigrant's permanent visa type, year of arrival and applicant status (primary applicant/secondary applicant). Information on age, education, English skills, country of birth⁴, rural residence, three-digit occupation and industry categories enables us to explore selection mechanisms that are stated in the Australian points system.

We estimate regressions for around two million working-age immigrants. Our results document that skilled immigrants, including primary and secondary applicants, earn around 26% more annually than immigrants under a spousal visa controlling for a rich set of factors. The earnings gap is twice larger when we

⁴ Proportion of immigrants by country of birth are presented in the Online Appendix Tables 8 and 9.

take the average over all of the non-skilled visa categories. In addition, skilled immigrants are 8% more likely to be in the labour force, 3% less likely to be unemployed, 14% more likely to be full-time employed and 25% more likely to be a white-collar worker compared to spousal visa holders. Primary skilled visa holders, whose skills are directly assessed by the points system, earn at least 26-28 percent higher than spousal visa holders and this is similar for both genders. Among females, primary skilled visa holders are 15% more likely to be in the labour force, 4% less likely to be unemployed, 19% more likely to be full-time employed and 30% more likely to be a white-collar worker compared to spousal visa holders. These differences are smaller in magnitude among male immigrants. However, spouses of primary skilled visa holders earn 8-13% higher than spousal visa holders. This difference is smaller among females than males. Among females, spouses of primary skilled visa holders are 7% more likely to be in the labour force, 4 percent less likely to be unemployed and 4 percent more likely to be full-time employed than spousal visa group. These differences between spouses of primary skilled immigrants and spousal visa holders are smaller in magnitude among male immigrants.

We observe the same pattern when we look at sub-income categories such as investment income and continue to find that skilled visa holders have better economic outcomes than immigrants under spousal visa group. Including 3-digit occupation fixed effects decrease the coefficient on skilled visa by around 50 percent considering log income. In addition, 3-digit occupation fixed effects can entirely capture the role of education and English proficiency in an income regression. Large differences in economic outcomes across skilled and spousal visa holders exist in the first year after arrival. The economic indicators for these immigrant groups improve over time while such differences never disappear completely.

Overall, our findings show that in the post-2000 period, Australian immigrants selected by the points system do much better in the labour market than other immigrants and this gap has been increasing over time, from 20% in 2000 to 50% in 2010. They also do better in sources of income other than employment such as investment income. Immigrants who come to Australia as spouses of Australian citizens (spousal visa holders) do much worse in the labour market than primary skilled immigrants as well as their spouses. However, the skilled visa premium is much lower for the spouses of the primary applicants than the primary applicants

among skilled immigrants. In terms of gender differences, the income/wage gap between primary skilled visa and spousal visa recipients are similar across men and women. However, the income/wage gap between spouses of primary skilled visa and spousal visa recipients are higher among women than men.

2. Data and Descriptive Statistics

This study uses two large administrative datasets that provide complementary information that is necessary for analyzing the differences in the economic outcomes of all immigrants who arrived in Australia after between 2000 and 2011. PITMID links the information from settlement records on the **entire** population of permanent resident immigrants to their income tax records from the two financial years in 2010 and 2011 with a breakdown of total personal income. That is, every permanent resident who arrived between 2000 and 2011 are included in this dataset which also includes information on permanent visa types, year of arrival and age, gender, marital status, country of birth, 3-digit industry and occupation categories. The primary applicant on a visa is the person whose skills are tested by the system directly while the secondary applicants are family members of the primary applicant. Immigrants can apply for residency while they are either overseas (offshore) or in Australia (onshore). Information on three-digit visa subclasses is recorded for each immigrant. We grouped these subclasses into major visa classes (using the correspondence tables from the Department of Immigration and Citizenship website) as skilled, family (spousal, parents, child, and relative), business, humanitarian and other⁵. Skilled visa includes primary and secondary applicants while spousal visa makes up most of the family visa stream.

Despite its administrative nature with several advantages, the PITMID dataset lacks some information. First, data on the English proficiency and education of immigrants are not available. These are the most important criteria in the point system for skilled immigrants, and probably play a crucial role in their success

⁵ Other visa group makes up a very tiny proportion of all immigrants and are composed of groups such as former citizens, former permanent residents and discretionary visas such as only remaining relative visa who is granted to only remaining relative of an Australian citizen or permanent resident or eligible New Zealand citizen who is in Australia.

in a new labour market. Second, we cannot examine labour market participation and unemployment because these information are not recorded in this dataset. Third, economic outcomes are available for only two years in the PITMID data which does not allow a longitudinal analysis.

Therefore, we complement our empirical analysis with our second administrative data set. ACLD is a 5% random sample from the 2011 census that is matched to records from the 2006 census and the 2011 settlement database. The linkage rate is close to 100 percent for the regression sample in this study. That is, nearly everyone in the working-age population is present in both censuses. The permanent visa class, primary application status, on-/off-shore visa status, and year of immigration are available for all immigrants who migrated to Australia between 2000 and 2011. Hence, the immigrants in the 2011 census are from the same immigrant sample as PITMID. The use of census information on the relationships in the household makes it possible to identify the secondary applicants as spouses to the household head for all immigrants.

3.1 Descriptive Statistics

Table 1.1 reports summary statistics for the variables that are used in the analysis of the PITMID dataset. Immigrants under the skilled stream account for a majority of immigrants (67%), followed by immigrants under spousal visas (25%). Of the entire sample, 78% is made up of primary applicants. Information on the relationships between the primary and secondary applicants is available only for offshore visas. More than half of all immigrants (53%) lodged their applications overseas.

Table 1.2 provides information on the demographic characteristics of the sample. Minimum and maximum values are not provided due to confidentiality agreement with the Australian Bureau of Statistics. A little over half of the tax data (53%) comes from the financial year 2010–11. The average age of the sample is 35, while 54% of the sample is male and married. The majority of immigrants (59%) come from a non-English speaking background. About a third of immigrants (33%) work as professionals, while 10% work as managers. The average yearly total individual income is 55,816 AUD. Employment income is the largest component of total income (55,227 AUD). The average wage is 36,972 AUD per year, while the average business income (12% of immigrants report a positive income) is 18,266 AUD. More than half of the

immigrants (59%) report positive income from an investment, though the average investment income is relatively low, at 1,839 AUD. A small number of immigrants (4%) report foreign income, at an average of 7,921 AUD per year.

3. Empirical Framework

In this section, we describe our estimation framework. Our baseline empirical analysis evaluates the differences in the economic outcomes of permanent resident immigrants by visa categories. We include control variables one-by-one in line with factors on the points system to observe the role of each factor in explaining the gap in economic outcomes between visa types. The regression model that includes all of the control variables can be described as follows:

$$Y_{it} = \alpha_0 + \beta_1 \text{SpousalVisa}_{it} + \beta_2 \text{HumanitarianVisa}_{it} + \beta_3 \text{BusinessVisa}_{it} + \beta_4 \text{ParentVisa}_{it} + \beta_5 \text{RelativeVisa}_{it} + \beta_6 \text{OtherVisa}_{it} + Z_{it} + \varepsilon_{it} \quad (1)$$

Where Y_{it} is the outcome variable for person i in year t . Z_{it} is a vector of control variables that are commonly used in the previous literature that could explain differences in outcome variables. ε_{it} is composite measurement error. The first outcome variable in our empirical model is the log of total annual income.⁶ We believe that the total income may capture immigrants' economic performances better than wages, as it includes bonuses and other extra payments. However, some visa categories such as business visas are designed specifically to bring investment into the country, meaning that focusing only on income could be misleading. Thus, we also use several other indicators, including (log of) wages, employment income, taxable income, business income, investment income and foreign income⁷, in order to sketch a more complete picture of income differences between visa categories.

⁶ This is total personal income excluding Government pensions and allowances. Note that we add 1 to income so that log can be defined, in order to avoid losing observations due to zero earnings.

⁷ Foreign income includes foreign pensions and annuities, foreign employment income, foreign investment income foreign business income and capital gains on overseas assets.

We estimate equation 1 using pooled OLS⁸ where we begin by including dummies for each visa group (SpousalVisa_{it}, HumanitarianVisa_{it}, BusinessVisa_{it}, ParentVisa_{it}, RelativeVisa_{it}, OtherVisa_{it}), with the skilled visa dummy being the reference group, a male dummy, an onshore application dummy, and a year dummy. We cluster robust standard errors at the country-of-birth level, and include other control variables (age, marital status, years since arrival, dummy variables for being the primary applicant and living in cities, and fixed effects for the state, country of birth, occupation, and industry) one-by-one in each column.

These variables are stated either directly or indirectly in the selection criteria by the Australian point test system and are factors that are likely to influence selection and will explain differences between visa categories. In addition to differences at the person level, we also account for heterogeneity at broader levels that may potentially explain visa class selection and outcome variables. For example, the number and proportion of state-sponsored applications under the skilled stream are based largely on the labour demand and labour shortages for specific industries and occupations (given that they are in the occupation list). Thus, the relative proportions of visa classes are likely to be associated with the state's economic structure and labour market opportunities. We therefore control for state and industry fixed effects in order to account for such potential heterogeneity. We estimate equation 1 in all regressions except Table 10 that will be described below. For brevity, in most of the specifications, we present the results only for the visa class variables that are of primary interest in this study, however the full regression results are available upon request from the authors.

We also evaluate evolution of immigrant outcome variables from 2006 to 2011 using OLS in ACLD across different subsamples as follows:

$$Y_{it} = \alpha_0 + \beta_1 \text{YearDummy} + \mu_0 + \varepsilon_{it} \quad (2)$$

Where Y_{it} is the outcome variable for person i in year t . YearDummy equals to one for the year 2011 and 0 for the year 2006. μ_0 is individual fixed effect. Table 10 estimates this equation using OLS. Thus, β_1 captures the simple difference (absolute change) between an immigrant's outcome in year 2011 and the same immigrant's outcome in year 2006.

⁸ Unreported Probit regression results for dummy outcome variables are similar to OLS results.

4. Empirical Results

5.1 Comparison of Skilled Visa Holders to Other Immigrants

Table 2 compares log income of skilled visa holders to other visa groups including primary and secondary applicants for all visa classes. Column (1) shows that the earnings differences between skilled immigrants and other visa classes are quite large, even after including observable characteristics. The earnings gap between skilled immigrants and spousal visa holders, the second-largest visa category, is around 30%. Immigrants from humanitarian and parental visas are the most disadvantaged in the labour market, with annual incomes that are 65% and 70% less than those of skilled immigrants, respectively. The earnings gap is even larger for business visa holders, at almost 60%. Overall, skilled immigrants earn roughly 44% more than the rest. These differences in personal income between skilled immigrants and other entries for Australia are higher than the figure of 38% found for Canada by Aydemir (2011)⁹.

We explore the factors that can influence earnings and visa selection simultaneously by incorporating the covariates one by one in columns (2) to (6). We control for state, country of birth, occupation, and industry fixed effects one by one in columns (7) to (10). The coefficient of spousal visa category in columns (2) to (8) shows that the visa application status (primary vs. secondary applicant) has some effects on the estimate (from columns (4) and (5)). Adding other covariates, namely age, having a partner or not, years-since-arrival, urban residence, state dummies and country of birth dummies, changes the coefficient of spousal visa very slightly. On the other hand, the occupations in which immigrants work emerge as the most important factor for explaining the earning differentials between skilled and spousal visas. The coefficient of spousal visa decreases in absolute value by 43% (from column (8) to column (9)) when we include occupation fixed effects (at the three-digit level). This implies that skilled immigrants have higher incomes because they tend to work in higher-paid occupations, such as managers or professionals. The coefficient of the spousal visa category changes slightly (by 4%) when industry fixed effects are incorporated (from column (9) to column (10) and is

⁹ It is important to note that this study examines midterm to long-term labour market outcomes compared to Aydemir (2011) who studies short-term outcomes.

statistically significant at the 0.1% level in the last column. The result in the last column indicates that, after controlling for all cofactors, skilled immigrants earn 26% more than immigrants who come as the spouse of an Australian citizen. Similarly to the difference in column (1) in Table 2, the earnings gap is most substantial for parental visas, at 36%, followed by humanitarian visas (34%) and business visas (31%). The average earnings difference between skilled immigrants and their non-skilled counterparts is roughly 29%.

Regardless of visa categories, males fare much better in the labour market than females, resulting in an income that is significantly higher (33% higher). The incomes of immigrants who currently have partners (married or de facto) are 3.9% higher than those of their non-partner counterparts. Meanwhile, onshore application, years-since-arrival, and age are associated positively with income. Onshore applicants have incomes that are 5.7% higher than those of offshore applicants. One additional year of residence in Australia results in a 3.6% higher income, while an additional year of age brings only about a 0.07% increase in income. Age can be a proxy for work experience in general, while years-since-arrival and an onshore visa application are more likely to reflect work experience in Australia. Years-since-arrival and an onshore visa application are also positively correlated with a higher accumulation of host-country-specific human capital and a better understanding of and integration into the Australian labour market. Primary applicants earn 23% more than secondary applicants. Finally, immigrants who live in major cities earn 5% more than those residing in rural and remote areas on average.

Figure 1 illustrates the estimated coefficients of all visa categories relative to the skilled visa (as in column (10) of Table 2) by year of arrival. The gap gets wider over time, indicating that the point system has been selecting better performing immigrants recently. Figure 2, which shows the skilled visa premium (estimated coefficient of the skilled visa relative to un-skilled visas) over time, also suggests that immigrants who are screened for skills have better economic outcomes as the coefficient of the skilled visa group gets stronger in absolute value over time.

Table 3 finds that the coefficients on the spousal visa for wages, employment income, and taxable income (columns 1, 2, and 6) are very similar to the coefficient for the white-collar occupation dummy (column

8), again confirming that wage differences between the skilled and non-skilled visa groups can be explained mostly by occupation. In particular, skilled workers earn around 25–27% more than immigrants who arrive under a spousal visa when wages, employment income, and taxable income are considered. Skilled immigrants earn more income from investment on average than those in any other visa category except business visa holders, who earn 79% more investment income than skilled immigrants. The results in column (8) show that skilled immigrants are 25% more likely to work as managers or in professional occupations than spousal visa holders or those from other visa groups, except for business visas.

5.2 Selection of Skilled Immigrants Among Primary Applicants

This section tests the efficacy of the point test system by restricting the sample to primary applicants. Among primary applicants, 53% of immigrants were on a skilled visa and 43% were on a spousal visa. The divergence in labour market outcomes between primary skilled applicants and primary applicants under other categories is a good indicator of the direct selection of the point system because primary economic applicants, rather than their dependents, are assessed on their characteristics by the point system. We examine immigrants by gender because men and women generally have different labour market profiles. The regression results in Table 4A show that primary male immigrants in the skilled class have 26% higher average total individual incomes than their counterparts who arrive as spousal immigrants.

Similarly, economic principal immigrants have higher earnings when wages, employment income, investment income, and taxable income are considered. However, the spousal visa group reports higher levels of foreign income than the skilled visa group. Table 4B shows that the gap in total income between primary applicants under the economic stream and spousal visa class is even higher for women than men (29%). Among both men and women, primary skilled immigrants are more likely to work in white-collar occupations than are spousal visa holders but the gap is larger among females (30%) than males (22%).

5.3 Selection of Skilled Immigrants in a Family Context

Family investment theory argues that family migration may result in a gain for one immigrant but a loss for his/her spouse. Thus, it is rational to choose the immigrant with the strongest economic profile as the primary applicant in order to raise the likelihood of success. Thus, principal applicants may gain from migration while their spouses experience a deterioration in their careers. On the other hand, assortative matching in marriage market suggests that the partners of skilled visa applicants will tend to share common characteristics and human capital with their spouses (the principal economic applicants), and hence will perform well in the new labour market. This section compares the labour market outcomes of *spouses of primary skilled visa* holders to those of *spousal visa* (spouse of an Australian citizen) holders. It is important to note that settlement records keep track of the relationship between primary and secondary applicants only for the subsample of offshore applicants in Australia which accounts for 53% of total observations. Indeed, Regression results for all economic outcomes, with the spouse of economic primary applicants being the reference group, are reported in Panels A and B of Table 5 for males and females respectively.

The results in Panel A of Table 5 indicate that male spouses of economic primary applicants have better economic outcomes than their male counterparts who come as the spouse of an Australian citizen. The total average income of the former is 12.4% higher than that of the latter, while the former are 20% more likely to work in white-collar jobs than the latter. Male spouses of primary skilled immigrants also earn more than other male visa holders. However, the spouses of economic immigrants have less foreign income than their counterparts and mostly earn similar levels of business income to other visa groups. The results in Panel B of Table 5 show that female spouses of economic class visa holders earn 8% more than female spouses of Australian citizens. The white-collar occupation gap between these two groups is 15%. Investment and business incomes appear to be similar for spouses of economic class and other visa holders, while they report lower investment incomes than spousal visa holders.

5.4 Complementary Evidence from the Australian Longitudinal Census Data

The PITMID does not include information on English proficiency, education, labour market participation and unemployment. It also does not allow longitudinal analysis. As a result, we complement our analysis thus far with ALCD in the year 2011, where the immigrants are from the same sample. One caveat is that the income results are likely to be biased using this dataset because the income variable is self-reported and is on a scale 1–12 in the census data. Therefore, we provide estimations using log income only to assess the inclusion of education and English skills and do not display income differences in the rest of the tables.

Table 6 displays the results of regressions that are similar to those in Table 2. The changes in the magnitudes of the spouse visa coefficients across columns (1) to (10) are relatively similar to those in Table 2. The total income differential between skilled immigrants and the spouse class in column (1) is 41%. Controlling for age, having a partner, and years since arrival (columns (2) to (4)) does not have a significant impact on the coefficient of the spousal visa, whereas adding the application status covariate results in an increase in the spousal visa coefficient from 0.4 to 0.52 (column (4) and (5)). Including living in an urban area, state fixed effects and country-of-birth fixed effects leads to a slight change in this coefficient, in the range 0.46–0.52. Similar to PITMID data estimations, occupation is the most important factor in determining earnings differences between visa classes. After controlling for occupation (at the three-digit level), the coefficient of the spousal visa decreases by 172%, from 0.457 to 0.168.

Interestingly, including years of schooling and English ability makes only small changes to the coefficient of the spousal visa. This is understandable, as occupation probably captures information regarding educational attainment and English proficiency when explaining income differentials.¹⁰ This implies that our estimations using PITMID data that include occupation fixed effects are indeed very close to the actual estimates even without controlling for education or English ability.

¹⁰ There is a big literature on the role of education and English skills in explaining occupational choice among immigrants (i.e. Chiswick & Taengnoi, 2007; Chiswick, Lee, & Miller, 2005b; Banerjee, & Phan, 2015)

The coefficient of the spousal visa remains stable when wages, industry and religion fixed effects are included in the model. After controlling for all of these factors, the result in column (12) indicates that skilled immigrants' income is 15% higher than that of spousal immigrants, with the estimate being strongly significant at the 0.1% level. This gap can be attributed to the difference in unobserved characteristics between the immigrants from these two visa categories. This figure is smaller than that estimated in column (10) of Table 2, which uses the PITMID dataset (26%). This can probably be explained by the fact that the total income variable in ALCD is self-reported and is available in intervals but income is provided by tax records as a continuous variable in the PITMID dataset.

Next, we investigate the differences between visa classes using other labour market indicators. Table 7 reports the results using ALCD for the preferred specification when a full array of covariates is controlled for, as in column (10) of Table 2. In columns (1) to (3), the outcome indicators are dummies: not in the labour force, unemployed, and employed full-time. The results show that spousal visa immigrants are more likely to be out of the labour force and unemployed than skilled immigrants (8% and 3.2% higher in probability, respectively). Meanwhile, skilled workers are 14% more likely to work full-time than spousal visa immigrants. When occupational skill (on a scale from one to five, with higher values indicating a greater skill) is considered as an outcome in column (4), skilled immigrants have higher levels of occupational skill (0.57) than spousal visa holders, all else being equal. As has been highlighted already, immigrants' occupations are very important in determining the income differences between skilled immigrants and those coming to Australia on spousal visas and other categories of visa. Using the PITMID dataset, Table 3 found that skilled workers are 25% more likely to work in white-collar occupations than are spousal immigrants. Column (5) of Table 7 also uses the white-collar occupation dummy as the outcome variable and finds that skilled immigrants are 15.4% more likely to work in white-collar occupations than spouse visa immigrants.

Next, we investigate the selection of the points test system in Table 8 by assessing the differences in economic performance among primary applicants in different visa classes. For both males and females, skilled primary immigrants generally fare better than spousal visa immigrants. The differences in indicators between

skilled and spousal visa immigrants are more prominent for females than for males. The difference in labour force participation between skilled and spousal visas is 1.4% and statistically significant at the 10% level for males, but more than ten times larger and statistically significant at the 1% level for females. Skilled immigrants are less likely to be unemployed (1.7% for males and 3.7% for females), and more likely to work full-time (9.7% and 19.2% for males and females respectively). Also, skilled immigrants have higher levels of occupational skill and are more likely to work in white-collar occupations (14.5% vs. 19.3% for males and females respectively).

Table 9 explores the differences in economic performance between the spouses of primary skilled immigrants and spousal visa holders. The spouses of primary skilled visa holders are more successful in the labour market than those who arrive as the spouse of an Australian citizen across both genders. Compared to spousal visa holders, the spouses of primary skilled immigrants are more likely to participate in the labour force (7.3% for female spouses and 4% for males), less likely to be unemployed (4.2% for female spouses), and more likely to work full-time (around 4.2–4.8% for females and males). Among males, spouses of primary skilled immigrants are around 7% more likely to work in white-collar occupations than spousal visa holders. Thus, the findings confirm our previous results in this paper that skilled immigrants have better economic outcomes than spousal visa holders but the points system does a better job in selecting primary applicants under skilled visa stream than spouses of primary applicants.

Next, we examine the evolution (from 2006 to 2011) of economic performance of new immigrants who arrived in Australia *in the year of 2006* when the 2006 census was conducted. Table 10 reports the mean values of the skill indicators in the years 2006 and 2011 for skilled immigrants (primary and spouse) and spousal visa immigrants by gender. The results show that the proportion of immigrants who are out of the labour force decreases between 2006 and 2011, with the difference being significant at the 1% level for all groups except for male spousal visa holders. The improvement in absolute value is largest for the skilled female spouse group, while the largest percentage change belongs to skilled male spouse group. The proportion of immigrants who are unemployed also decreases significantly over time for all groups. The group of male

spousal visa holders does the best job of improving their employment status (largest absolute change and second-largest percentage change). Skilled male spouses and female spousal visas also show good improvements in this indicator. When the proportion of full time employed is considered, skilled female spouses and female spousal visas top the list, with 150% and 131% increases in this indicator, respectively. Skilled male spouses have the largest increase in absolute value for this indicator. The largest and second largest increases in working hours are found for skilled male spouses and female spousal visas respectively (5.82 hours for the former and 3.77 hours for the latter over five years). Real income increases by 1.7–4.56% for all groups. Male spousal visas and skilled male spouses take the first and second positions in raising incomes over five years. The propensity to work in white-collar occupations changes very little over time. The likelihood of being in school decreases significantly for almost all groups with the exception of skilled male spouses and skilled female spouses. Years of schooling increases significantly for skilled primary applicants. Meanwhile, male spousal visas and skilled male primary holders improve their English abilities to the largest extent. Overall, the results suggest that large gaps in economic performance between skilled and spousal visa holders exist in the first year of arrival and these differences decline over time but do not disappear within 5 years of arrival. This findings are in line with Chiswick et al. (2005a, 2005b) who reported that immigrants' economic outcomes get better over time while skilled immigrants much have higher earnings growth and occupational skills change compared to other visa groups within 3.5 years of arrival in Canada.

5. Robustness Check and Sensitivity Analysis

Our regressions include the skilled primary applicant as the independent variable while controlling for the primary applicant dummy. We checked the robustness of our estimations by excluding the primary applicant dummy from the regressions (Online Appendix Table 1) and found that the results remained similar.

Regressions studying the selection in a family context using the income tax data could be estimated only for the offshore applicants. This is because the settlement records in Australia do not include information on the relationship between the secondary applicants and the primary applicant for onshore visa applications.

However, we can obtain these estimates for both onshore and offshore applicants using the census data. Thus, we can assess the potential bias in the estimates by subsample regressions (Online Appendix Tables 2-7) in the PITMID and ACLD by onshore and offshore applications. All of these results confirm that estimates (coefficient on skilled visa, coefficient on primary skilled visa, coefficient on spouse of primary skilled visa) are higher among onshore visa applicants than among offshore visa applicants. This implies that coefficient on spouse of primary skilled visa using income tax data are biased downwards.

Immigrants may have different rates of adjustment after arriving in the host country depending on their skills and background characteristics. We test whether earning differentials between skilled immigrants and spousal visa immigrants disappear over time by allowing interactions between years since migration (0–11) and different visa types. Unreported results show that, although the gap between skilled and non-skilled immigrants does decrease over time, it takes around 18 years for spousal visa immigrants to catch up with skilled immigrants in terms of earnings using the income tax data.¹¹

We also check the robustness of our results to the use of different sub-samples (unreported but available upon request). First, regressions in PITMID data are estimated for the years 2010 and 2011 separately, and the estimates are similar. Second, we restrict the sample to immigrants aged 36–44, as the income of this age group is related most closely to permanent income. The results are similar, indicating that the main analysis captures the permanent income rather than transitory income. Further, it is argued that similarities between the sending and receiving countries are associated positively with the transferability of skills into the new labour market. Thus, we estimate regressions for immigrants from English speaking background as one group and immigrants from non-English speaking background as another group. The results confirm the existence of significant earnings differentials between skilled immigrants and non-skilled immigrants in both samples, though the gap is larger for immigrants from ES countries. Finally, the coding of the year of arrival means that it is possible that some immigrants may have first arrived before 2000 but have been coded as 2000. We check whether erroneous coding could be causing a bias by estimating the preferred specification excluding those

¹¹ Interestingly, Adsera & Chiswick (2007) report that the foreign-born residents in Europe can catch-up to the native-born in terms of earnings in around 18 years.

who arrived before 2000 and find that our results are similar. PITMIT regressions do not include information on factors such as religion and working hours. Our regressions do not control for household composition or children. There could also be other circumstances that are likely to vary across migrants. For instance, the financial pressures are lower for the spousal visa group (compared to couples who migrate together) since the spouse is already established in Australia. Thus, we conducted an estimation (unreported) to control for potential unobservable characteristics using the method by Oster (2016) and find that our results are probably biased downwards and indeed, the true effects are much larger.

6. Conclusion

Immigrant-receiving countries around the world are using policy tools attract more skilled labour force. The points test system is used to screen for the best immigrants in order to achieve this goal. It grants points based on various criteria including age, education, work experience, and English proficiency. This paper examines the efficacy of Australian points system in a family context among permanent resident immigrants who arrived after 2000 when there was a major focus on skills selection.

We use two administrative datasets which provide information on the entire population of immigrants who arrived between 2000 and 2011. The information in these datasets such as wages, income and year of arrival are free from measurement error as they are recorded by the government agencies and are available as continuous variables. During the study period, 67% of immigrants were granted a skilled visa while 25% hold a spousal visa (spouses of Australian citizens) while secondary applicants make up a larger share of skilled visas than primary applicants. Primary skilled applicants are tested by the points system while secondary skilled applicants and spousal visa holders are not subject to any skills test before becoming a permanent resident.

Our results document that skilled immigrants, including primary and secondary applicants, earn around 26% more annually than immigrants under a spousal visa controlling for a rich set of factors. The earnings gap is twice larger when we take the average over all of the non-skilled visa categories. In addition, skilled

immigrants are 8% more likely to be in the labour force, 3% less likely to be unemployed, 14% more likely to be full-time employed and 25% more likely to be a white-collar worker compared to spousal visa holders. Primary skilled visa holders, whose skills are directly assessed by the points system, earn at least 26-28 percent higher than spousal visa holders and this is similar for both genders. Among females, primary skilled visa holders are 15% more likely to be in the labour force, 4% less likely to be unemployed, 19% more likely to be full-time employed and 30% more likely to be a white-collar worker compared to spousal visa holders. These differences are smaller in magnitude among male immigrants.

However, spouses of primary skilled visa holders earn 8-13% higher than spousal visa holders. This difference is smaller among females than males. Among females, spouses of primary skilled visa holders are 7% more likely to be in the labour force, 4 percent less likely to be unemployed and 4 percent more likely to be full-time employed. These differences between spouses of primary skilled immigrants and spousal visa holders are smaller in magnitude among male immigrants.

Including 3-digit occupation fixed effects decrease the coefficient on skilled visa by around 50 percent considering log income. In addition, 3-digit occupation fixed effects can entirely capture the role of education and English proficiency in an income regression. Large differences in economic outcomes across skilled and spousal visa holders exist in the first year after arrival. The economic indicators for these immigrant groups improve over time while such differences never disappear completely.

Our results have important policy implications for future immigration policy and research. Our findings reveal that secondary applicants, spouses in particular, are lagging behind primary applicants under skilled visa stream in labour market performance. Policies could be implemented to decrease this gap. For instance, Australian government has adopted changes in the immigration policy that came into effect in November 2019, which award points not only to primary applicant's characteristics and skills but also to spouse of the primary applicant's human capital. Also, the primary applicant under a skilled visa application will pay a much higher application fee if the spouse do not meet the English proficiency requirement which will be used for English language classes after arrival. Whether or not these policies will achieve the intended results will be an

important venue for future research. Second, spousal visa holders who come as the partner of Australian citizens do much worse in the labour market than primary and secondary applicants under skilled visa holders. As skills of these partners cannot be tested, policies could be implemented to increase their skills after their arrival such as including compulsory English classes and job training courses as conditions in their permanent visas. Third, future empirical work could consider using 3-digit occupation fixed effects as a proxy for language skills and education in the absence of information on these variables when analyzing selection of immigrants by the points system in regression models.

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Table 1.1: Summary Statistics of Permanent by Visa Types from Tax Data.

Variables↓	Mean	Standard Deviation	Non-missing Observations
Permanent Visa Types:			
Skilled Visa	0.67	0.47	1,999,631
Spousal Visa	0.25	0.44	1,999,631
Humanitarian Visa	0.04	0.19	1,999,631
Business Visa	0.02	0.14	1,999,631
Parent Visa	0.01	0.10	1,999,631
Relative Visa	0.01	0.09	1,999,631
Child Visa	0.00	0.04	1,999,631
Other Visa	0.00	0.03	1,999,631
Permanent Visa Classification by Application Type:			1,999,631
Primary Applicant	0.78	0.41	1,999,631
Secondary Applicant	0.22	0.41	1,999,631
Onshore Visa	0.47	0.50	1,999,631
Offshore Visa	0.53	0.50	1,999,631

Note: All variables are dummy indicators. The sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Personal Income Tax and Migrants Integrated Dataset.

Table 1.2: Demographic Characteristics. Tax Data.

Variables↓	Mean	Standard Deviation	Non-missing Observations
Male	0.54	0.5	1,999,631
2011 Dummy	0.53	0.5	1,999,631
Age in Years	35.3	8.01	1,999,631
Married	0.54	0.5	1,780,114
Never Married	0.34	0.47	1,780,114
Year of Arrival	2006	3	1,999,631
Years since Arrival	4.98	2.95	1,999,631
Non-English Speaking Background	0.59	0.49	1,386,696
Manager	0.1	0.3	1,756,474
Professional	0.33	0.47	1,756,474
Technician	0.13	0.34	1,756,474
Community Worker	0.1	0.3	1,756,474
Cleric	0.13	0.34	1,756,474
Sales	0.05	0.22	1,756,474
Operator	0.03	0.18	1,756,474
Labourer	0.12	0.32	1,756,474
Total Individual Income	558.16	698.59	1,998,645
ln Total Individual Income	5.93	1.06	1,970,324
Components of Total Individual Income:			
ln Wage	5.22	1.46	1,755,464
ln Employment Income	5.98	0.97	1,823,799
Business Income Dummy	0.12	0.33	1,999,631
ln Business Income	4.57	1.55	192,389
Investment Income Dummy	0.59	0.49	1,999,631
ln Investment Income	1.75	1.54	1,031,780
Foreign Income Dummy	0.04	0.21	1,999,631
ln Foreign Income	2.58	2.05	77,407
ln Taxable Income	5.89	1	1,973,329
Abroad Income Dummy	0.02	0.13	1,999,631

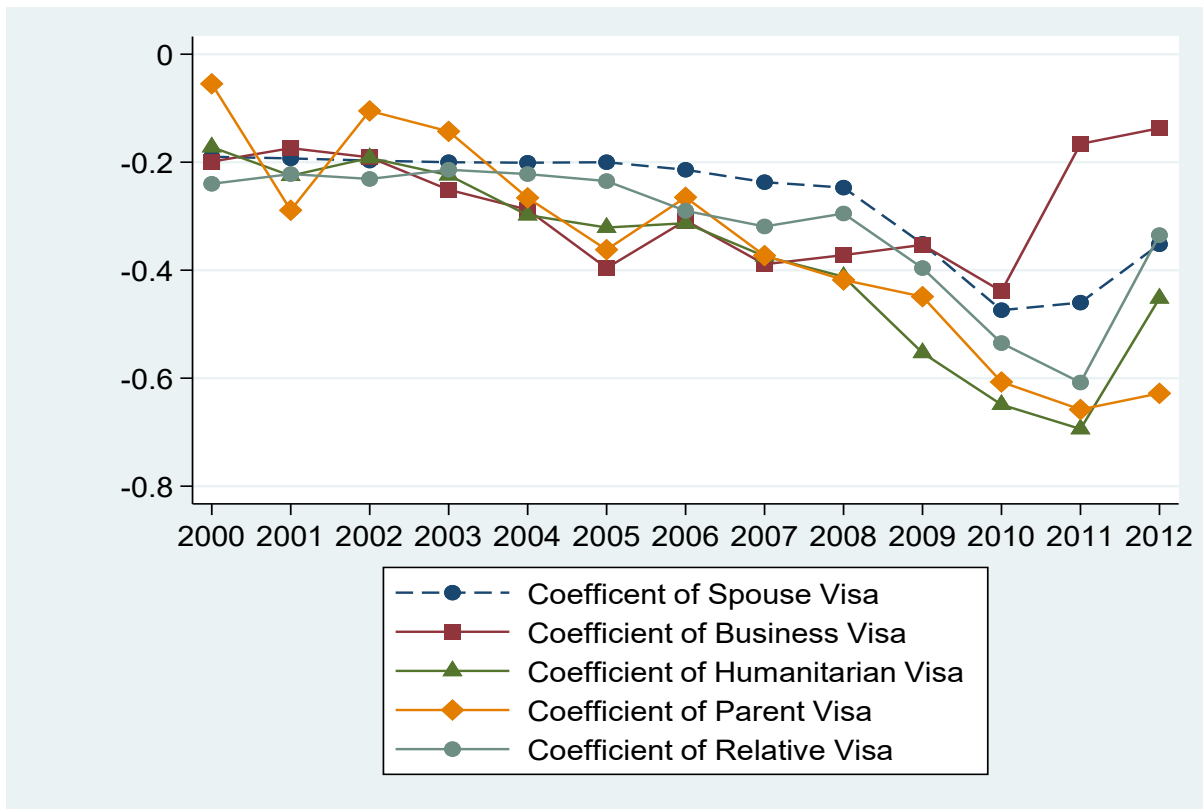
Note: The sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Personal Income Tax and Migrants Integrated Dataset.

Table 2: Relationship between Visa Types and ln Total Individual Income. Tax Data.

<i>Mean Dependent Variable=5.93</i>	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Skilled Visa					Reference Group					
Spousal Visa	-0.303***	-0.293***	-0.293***	-0.320***	-0.432***	-0.434***	-0.434***	-0.478***	-0.272***	-0.261***
	(7.75)	(7.70)	(7.70)	(8.61)	(12.05)	(11.74)	(12.16)	(20.55)	(21.89)	(24.10)
Humanitarian Visa	-0.645***	-0.654***	-0.652***	-0.709***	-0.700***	-0.704***	-0.699***	-0.589***	-0.332***	-0.341***
	(8.30)	(9.82)	(9.33)	(10.27)	(9.63)	(9.70)	(10.10)	(14.24)	(9.50)	(10.84)
Business Visa	-0.587***	-0.715***	-0.714***	-0.750***	-0.682***	-0.675***	-0.679***	-0.526***	-0.354***	-0.311***
	(6.51)	(8.68)	(8.79)	(11.45)	(9.20)	(8.82)	(9.94)	(15.11)	(8.90)	(9.32)
Parent Visa	-0.698***	-0.943***	-0.941***	-0.854***	-0.878***	-0.886***	-0.873***	-0.705***	-0.397***	-0.359***
	(6.71)	(7.87)	(8.14)	(8.24)	(8.22)	(8.50)	(9.01)	(9.77)	(8.16)	(8.11)
Relative Visa	-0.464***	-0.524***	-0.520***	-0.552***	-0.590***	-0.598***	-0.592***	-0.502***	-0.290***	-0.286***
	(8.09)	(9.39)	(9.40)	(10.27)	(10.47)	(10.73)	(11.37)	(18.85)	(12.13)	(14.34)
Child Visa	-0.279***	-0.146*	-0.143*	-0.293***	-0.367***	-0.377***	-0.388***	-0.466***	-0.258***	-0.250***
	(4.69)	(2.47)	(2.24)	(5.79)	(7.13)	(7.25)	(7.76)	(12.86)	(7.35)	(8.23)
Other Visa	-0.109*	-0.244***	-0.243***	-0.309***	-0.312***	-0.311***	-0.310***	-0.377***	-0.215***	-0.207***
	(2.37)	(6.16)	(6.19)	(7.19)	(7.12)	(6.37)	(6.38)	(10.56)	(5.91)	(6.19)
Onshore Visa	0.0179	0.0667**	0.0677***	0.0777***	0.0571**	0.0542*	0.0502*	0.0717*	0.0486**	0.0574***
	(0.67)	(3.06)	(3.34)	(3.61)	(2.75)	(2.55)	(2.28)	(2.40)	(2.91)	(4.04)
Male	0.420***	0.413***	0.413***	0.414***	0.349***	0.348***	0.349***	0.334***	0.323***	0.327***
	(9.58)	(9.83)	(9.59)	(9.56)	(8.94)	(8.92)	(8.94)	(8.50)	(8.66)	(9.84)
2011 Dummy	0.0652***	0.0609***	0.0609***	0.0421***	0.0427***	0.0441***	0.0440***	0.0503***	0.0406***	0.0393***
	(13.08)	(11.74)	(11.93)	(11.24)	(10.73)	(11.33)	(11.04)	(15.43)	(8.85)	(8.75)
Age in Years		0.0142***	0.0141***	0.0108***	0.0121***	0.0123***	0.0114***	0.00326	0.00830***	0.00729***
		(6.14)	(6.41)	(5.22)	(5.36)	(5.31)	(5.12)	(1.57)	(6.98)	(7.69)
Has a Partner			0.0108	0.0101	0.0489	0.0471	0.0494	0.0534*	0.0433*	0.0383*
			(0.40)	(0.38)	(1.96)	(1.89)	(1.94)	(2.04)	(2.47)	(2.28)
Years since Arrival				0.0340***	0.0333***	0.0344***	0.0358***	0.0424***	0.0367***	0.0357***
				(7.80)	(7.99)	(7.76)	(7.83)	(13.95)	(16.81)	(17.41)
Primary Applicant					0.367***	0.368***	0.372***	0.415***	0.237***	0.228***
					(19.39)	(19.89)	(20.41)	(17.69)	(9.57)	(10.87)
Urban Residence						0.00790	0.0199	0.103***	0.0576***	0.0501**
						(0.18)	(0.51)	(3.93)	(3.41)	(3.31)
Observations	1970324	1970324	1970324	1970324	1970324	1929558	1929558	1929558	1718014	1708953
Adjusted R-squared	0.077	0.087	0.087	0.095	0.112	0.114	0.118	0.176	0.286	0.318
State Fixed Effects	No	No	No	No	No	No	Yes	Yes	Yes	Yes
Country of Birth Fixed Effects	No	No	No	No	No	No	No	Yes	Yes	Yes
Occupation Fixed Effects	No	No	No	No	No	No	No	No	Yes	Yes
Industry Fixed Effects	No	No	No	No	No	No	No	No	No	Yes

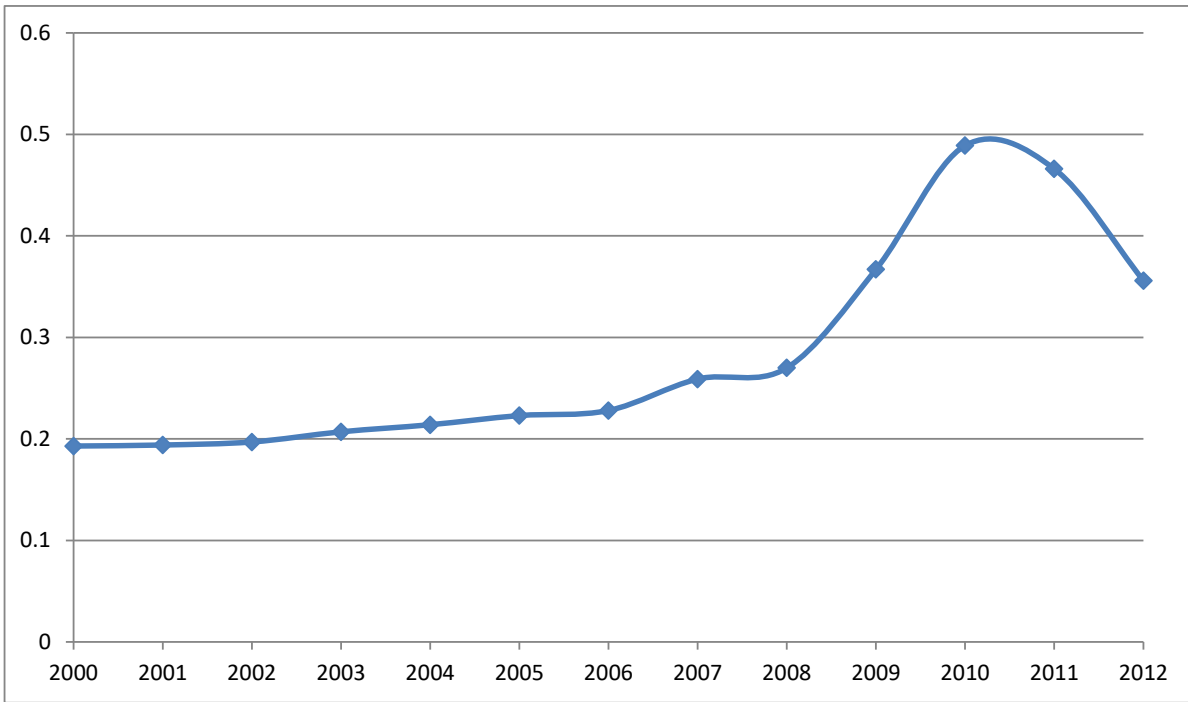
Note: OLS regressions. Outcome is total individual income in logs. Regression sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Personal Income Tax and Migrants Integrated Dataset. Omitted categories are: Skilled Visa, Female, Offshore Visa, 2010 Dummy, Does not Have a Partner, Secondary Applicant. Robust standard errors are clustered at the country of birth level while absolute *t*-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Figure 1: Coefficients on Permanent Visa Types Relative to Skilled Visa by Year of Arrival



Note: Each point on the curve represents the OLS coefficient on the corresponding permanent visa type relative to skilled visa in the corresponding year of arrival controlling for other factors when the outcome variable is log of total individual income using Personal Income Tax and Migrants Integrated Dataset.

Figure 2: Coefficient on Skilled Visa by Year of Arrival



Note: Each point on the curve represents the OLS coefficient on the skilled dummy relative to unskilled visa types in the corresponding year of arrival controlling for other factors when the outcome variable is log of total individual income using Personal Income Tax and Migrants Integrated Dataset.

Table 3: Relationship between Visa Types and Components of Individual Income. Tax Data.

Dependent Variable→	(1) ln Wage	(2) ln Employment Income	(3) ln Business Income	(4) ln Investment Income	(5) ln Foreign Income	(6) ln Taxable Income	(7) White Collar Occupation Dummy
<i>Mean Dependent Variable →</i>	5.22	5.98	4.57	1.75	2.58	5.89	0.43
Skilled Visa	Reference Group						
Spousal Visa	-0.254*** (8.22)	-0.272*** (23.99)	-0.00503 (0.13)	-0.173*** (7.09)	0.0900** (2.65)	-0.245*** (24.95)	-0.249*** (11.92)
Humanitarian Visa	-0.283*** (7.19)	-0.334*** (10.41)	-0.0195 (0.17)	-0.321*** (7.93)	-0.554 (1.53)	-0.233*** (11.84)	-0.339*** (18.62)
Business Visa	-0.311*** (11.84)	-0.448*** (11.41)	0.0910 (1.47)	0.787*** (10.09)	0.371*** (5.62)	-0.296*** (9.02)	0.0767 (1.26)
Parent Visa	-0.362*** (10.40)	-0.426*** (9.31)	-0.246** (3.02)	0.0106 (0.18)	0.0361 (0.55)	-0.368*** (7.98)	-0.283*** (21.26)
Relative Visa	-0.254*** (7.09)	-0.291*** (13.31)	0.0309 (0.29)	-0.134*** (3.70)	0.0582 (0.49)	-0.236*** (13.08)	-0.314*** (17.16)
Child Visa	-0.283*** (5.34)	-0.261*** (7.78)	-0.282 (1.37)	-0.281*** (5.57)	0.689 (0.94)	-0.211*** (8.57)	-0.285*** (15.65)
Other Visa	-0.296*** (3.75)	-0.207*** (6.15)	0.149 (0.55)	-0.349* (2.47)	-0.157 (0.60)	-0.192*** (5.76)	-0.232*** (12.08)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES
Observations	1658944	1710387	100858	873883	56713	1708263	1153201
Adjusted R-squared	0.181	0.294	0.066	0.088	0.208	0.308	0.052

Note: OLS regressions. Outcome in columns (1)-(6) are wage, employment income, business income, investment income, foreign income, taxable income in logs. Meanwhile in column (7), outcome is a dummy variable for having a white collar occupation. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Personal Income Tax and Migrants Integrated Dataset. Robust standard errors are clustered at the country of birth level while absolute *t*-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Table 4: Selection of Skilled Immigrants through Australian Points System among Primary Applicants. Tax Data.

Dependent Variable→	(1) ln Total Individual Income	(2) ln Wage	(3) ln Employment Income	(4) ln Business Income	(5) ln Investment Income	(6) ln Foreign Income	(7) ln Taxable Income	(8) White Collar Occupation Dummy
Panel A→ Sample of Male Primary Applicants								
Skilled Visa	Reference Group							
Spousal Visa	-0.261*** (20.48)	-0.291*** (9.62)	-0.269*** (19.73)	-0.0632 (1.36)	-0.285*** (16.69)	0.145*** (3.73)	-0.255*** (21.28)	-0.218*** (7.11)
Humanitarian Visa	-0.444*** (13.75)	-0.408*** (8.83)	-0.448*** (12.29)	-0.0981 (0.95)	-0.296*** (6.52)	-1.235 (1.92)	-0.330*** (11.92)	-0.395*** (16.42)
Business Visa	-0.594*** (34.21)	-0.581*** (12.87)	-0.763*** (23.68)	-0.157 (1.34)	1.107*** (9.44)	0.253** (2.83)	-0.586*** (33.46)	0.0886 (1.38)
Parent Visa	-0.542*** (12.10)	-0.538*** (14.32)	-0.585*** (12.04)	-0.376* (2.52)	-0.117* (2.04)	-0.201 (1.89)	-0.550*** (12.44)	-0.295*** (12.34)
Relative Visa	-0.363*** (13.06)	-0.332*** (6.23)	-0.367*** (13.35)	0.0835 (0.58)	-0.0290 (0.57)	0.237 (0.95)	-0.324*** (12.62)	-0.328*** (13.26)
Child Visa	-0.268*** (7.39)	-0.255*** (3.43)	-0.280*** (6.84)	0.0245 (0.08)	-0.259*** (3.81)	1.478 (1.01)	-0.218*** (7.15)	-0.264*** (9.28)
Other Visa	-0.417*** (5.79)	-0.580** (3.30)	-0.428*** (6.55)	0.548 (1.63)	-0.400* (2.39)	-0.0790 (0.25)	-0.413*** (6.60)	-0.286*** (8.97)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES	YES
Observations	790722	767134	790780	55697	393887	28187	790570	537188
Adjusted R-squared	0.355	0.207	0.322	0.098	0.097	0.212	0.347	0.121
Panel B→ Sample of Female Primary Applicants								
Skilled Visa	Reference Group							
Spouse Visa	-0.285*** (23.40)	-0.251*** (8.31)	-0.300*** (22.19)	0.00118 (0.03)	-0.0979*** (3.69)	0.0376 (0.59)	-0.260*** (23.47)	-0.295*** (13.41)
Humanitarian Visa	-0.361*** (15.80)	-0.299*** (7.70)	-0.345*** (14.10)	-0.127 (0.69)	-0.412*** (7.78)	0.229 (0.49)	-0.251*** (10.69)	-0.411*** (22.09)
Business Visa	-0.480*** (22.68)	-0.355*** (4.62)	-0.666*** (24.70)	0.0279 (0.11)	0.839*** (22.00)	0.486** (2.64)	-0.450*** (22.33)	0.0848 (0.73)
Parent Visa	-0.332*** (7.65)	-0.331*** (9.92)	-0.410*** (8.97)	-0.325 (1.63)	0.0325 (0.48)	0.123 (1.01)	-0.345*** (6.92)	-0.421*** (21.05)
Relative Visa	-0.282*** (10.87)	-0.244*** (6.41)	-0.300*** (11.75)	-0.165 (0.89)	-0.210*** (4.36)	-0.00665 (0.05)	-0.216*** (12.13)	-0.415*** (18.30)
Child Visa	-0.163*** (4.24)	-0.264*** (4.54)	-0.165*** (4.06)	-1.163 (1.39)	-0.382*** (4.65)	0.237 (0.54)	-0.137*** (4.38)	-0.279*** (11.51)
Other Visa	-0.246*** (3.63)	-0.313** (2.87)	-0.270*** (4.25)	0.365 (1.52)	-0.370 (1.49)	-0.764 (1.59)	-0.218*** (3.75)	-0.391*** (7.59)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES	YES
Observations	551757	535796	552562	24430	298113	16180	551374	366667
Adjusted R-squared	0.276	0.134	0.260	0.042	0.086	0.235	0.252	0.168

Note: OLS regressions. Outcomes in columns (1)-(7) are individual income, wage, employment income, business income, investment income, foreign income, taxable income in logs. Meanwhile in column (8), outcome is a dummy indicator for having a white collar occupation. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Personal Income Tax and Migrants Integrated Dataset. Controls in Table 2 Column 10 exclude male dummy and primary applicant dummy. Robust standard errors are clustered at the country of birth level while absolute *t*-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Table 5: Selection of Skilled Immigrants through Australian Points System in a Family Context. Tax Data.

Dependent Variable→	(1) ln Total Individual Income	(2) ln Wage	(3) ln Employment Income	(4) ln Business Income	(5) ln Investment Income	(6) ln Foreign Income	(7) ln Taxable Income	(8) White Collar Occupation Dummy
Panel A→								
Sample of Male Offshore Applicants								
Skilled Visa: Spouse of the Primary Applicant	Reference Group							
Skilled Visa: Primary Applicant	0.112*** (5.83)	0.0867** (3.09)	0.107*** (5.76)	0.124 (1.14)	-0.0899 (1.06)	0.556** (2.78)	0.110*** (7.71)	0.0195 (0.80)
Skilled Visa: Parent of the Primary Applicant	-0.584*** (20.51)	-0.359*** (6.12)	-0.720*** (14.49)	0.735*** (9.76)	0.810*** (12.38)	-1.640*** (14.08)	-0.554*** (52.63)	0.0382 (0.36)
Skilled Visa: Sibling of the Primary Applicant	-0.159 (0.74)	0.0691 (0.26)	-0.175 (0.76)	-0.412*** (5.19)	-0.394 (1.02)	NA (0.94)	-0.186 (0.94)	-0.180 (1.44)
Skilled Visa: Child of the Primary Applicant	-0.385*** (10.17)	-0.377*** (4.96)	-0.407*** (10.63)	0.000447 (0.00)	-0.133 (1.37)	0.365 (1.11)	-0.354*** (9.04)	-0.119*** (3.44)
Skilled Visa: Other Relative of the Primary Applicant	-0.0171 (1.17)	-0.0376* (2.06)	-0.0216 (1.29)	-0.0657 (0.88)	0.0127 (0.39)	0.0798 (0.78)	-0.0170 (1.27)	-0.0341*** (4.48)
Spousal Visa	-0.124*** (6.34)	-0.131*** (3.85)	-0.137*** (6.97)	0.103 (0.77)	-0.334*** (3.92)	0.674** (3.08)	-0.119*** (7.37)	-0.198*** (5.09)
Humanitarian Visa	-0.311*** (7.87)	-0.251*** (5.25)	-0.318*** (8.16)	-0.00904 (0.06)	-0.258* (2.56)	-0.100 (0.19)	-0.190*** (8.24)	-0.338*** (8.74)
Business Visa	-0.351*** (15.30)	-0.355*** (10.54)	-0.491*** (16.59)	0.106 (0.78)	0.822*** (6.78)	0.919*** (4.11)	-0.345*** (16.29)	0.133** (2.74)
Parent Visa	-0.231*** (6.65)	-0.202*** (4.34)	-0.279*** (7.10)	-0.0425 (0.34)	-0.0595 (0.72)	0.208 (1.14)	-0.244*** (7.80)	-0.221*** (8.55)
Relative Visa	-0.205*** (9.77)	-0.163*** (4.02)	-0.212*** (10.30)	0.158 (0.82)	-0.0325 (0.37)	0.371 (1.61)	-0.168*** (8.71)	-0.302*** (7.82)
Child Visa	-0.314*** (9.02)	-0.351*** (5.46)	-0.339*** (9.49)	-0.156 (0.50)	-0.345** (2.79)	4.345*** (23.57)	-0.257*** (9.45)	-0.304*** (10.75)
Other Visa	-0.122*** (3.74)	-0.309*** (3.97)	-0.136*** (3.70)	0.325 (1.48)	-0.356*** (4.61)	0.760** (2.72)	-0.136*** (4.98)	-0.147*** (4.67)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES	YES
Observations	472797	457691	472836	34115	230118	19823	472724	325450
Adjusted R-squared	0.337	0.192	0.307	0.082	0.088	0.217	0.326	0.133
Panel B→								
Sample of Female Offshore Applicants								
Skilled Visa: Spouse of the Primary Applicant	Reference Group							
Skilled Visa: Primary Applicant	0.231*** (10.56)	0.173*** (6.32)	0.258*** (10.64)	-0.0562 (0.47)	-0.00369 (0.06)	0.243* (2.60)	0.232*** (10.68)	0.186*** (3.96)
Skilled Visa: Parent of the Primary Applicant	-0.0697 (0.43)	-0.463* (2.04)	0.0127 (0.07)	NA (1.02)	0.491 (1.02)	-1.350*** (19.69)	-0.0818 (0.54)	-0.245*** (4.13)
Skilled Visa: Sibling of the Primary Applicant	-0.116 (0.57)	-0.258 (0.59)	-0.0928 (0.45)	NA (0.55)	-0.322 (0.55)	NA (0.27)	0.0420 (0.27)	0.259 (1.26)
Skilled Visa: Child of the Primary Applicant	-0.0893* (2.38)	-0.185*** (4.09)	-0.105* (2.29)	0.395* (2.16)	-0.254*** (3.54)	1.633*** (3.78)	-0.0500 (1.69)	0.0102 (0.47)
Skilled Visa: Other Relative of the Primary Applicant	-0.0308*** (3.51)	-0.0268* (2.34)	-0.0240* (2.28)	-0.104 (1.69)	0.00883 (0.18)	0.226* (2.06)	-0.0208* (2.53)	-0.0560*** (4.81)
Spouse Visa	-0.0803** (3.26)	-0.0841** (3.17)	-0.0713** (2.84)	-0.0289 (0.24)	-0.106 (1.34)	0.328** (2.69)	-0.0520* (2.09)	-0.152** (3.14)
Humanitarian Visa	-0.127* (2.06)	-0.0940 (1.30)	-0.0921 (1.47)	0.00414 (0.02)	-0.486*** (5.17)	-0.309 (0.73)	-0.0116 (0.35)	-0.191*** (5.29)
Business Visa	-0.138** (2.78)	-0.153*** (5.16)	-0.286*** (5.87)	0.229 (1.97)	0.835*** (10.58)	0.621*** (5.22)	-0.122* (2.45)	0.194** (2.67)
Parent Visa	-0.0484 (0.96)	-0.0668 (1.52)	-0.108* (2.30)	-0.282 (1.84)	0.136* (1.98)	0.414** (2.79)	-0.0623 (1.13)	-0.158*** (5.36)
Relative Visa	-0.0683 (1.93)	-0.0537 (1.25)	-0.0607* (2.00)	-0.131 (0.79)	-0.204** (2.61)	0.257 (1.85)	-0.000624 (0.02)	-0.206*** (4.95)
Child Visa	-0.0208 (0.46)	-0.179** (2.92)	-0.0121 (0.27)	-1.013 (1.42)	-0.398*** (3.44)	0.674*** (4.32)	0.00198 (0.05)	-0.172*** (3.93)
Other Visa	0.00889 (0.15)	-0.0925 (1.26)	0.0263 (0.39)	0.211 (0.88)	-0.611*** (7.20)	-0.0933 (0.22)	0.0345 (0.66)	-0.127** (3.04)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES	YES
Observations	410336	398434	411179	18542	211609	14424	410075	281910
Adjusted R-squared	0.237	0.122	0.223	0.044	0.082	0.234	0.218	0.168

Note: OLS regressions. Outcomes in columns (1)-(7) are individual income, wage, employment income, business income, investment income, foreign income, taxable income in logs. Meanwhile in column (8), outcomes is a dummy indicator for having a white collar occupation. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Personal Income Tax and Migrants Integrated Dataset. Controls in Table 2 Column 10 exclude male dummy and onshore applicant dummy. Robust standard errors are clustered at the country of birth level while absolute *t*-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Table 6: Relationship between Visa Types and In Total Individual Income. Census Data.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Skilled Visa	Reference Group													
Spousal Visa	-0.412*** (8.64)	-0.406*** (8.41)	-0.400*** (8.43)	-0.395*** (8.27)	-0.521*** (10.59)	-0.523*** (10.56)	-0.518*** (10.36)	-0.457*** (11.41)	-0.168*** (7.60)	-0.163*** (7.34)	-0.134*** (6.23)	-0.163*** (12.17)	-0.161*** (12.43)	-0.148*** (10.99)
Humanitarian Visa	-0.695*** (10.67)	-0.699*** (10.63)	-0.712*** (10.93)	-0.718*** (10.83)	-0.721*** (10.49)	-0.719*** (10.43)	-0.711*** (11.10)	-0.358*** (6.51)	-0.236*** (5.56)	-0.238*** (5.47)	-0.165*** (3.18)	-0.142** (2.77)	-0.127* (2.36)	-0.128* (2.58)
Business Visa	-0.381*** (6.55)	-0.398*** (7.29)	-0.414*** (7.34)	-0.420*** (7.09)	-0.381*** (6.40)	-0.378*** (6.48)	-0.399*** (6.90)	-0.284*** (5.87)	-0.225*** (10.29)	-0.222*** (10.22)	-0.176*** (9.09)	-0.163*** (6.19)	-0.161*** (6.09)	-0.163*** (6.02)
Parent Visa	-0.862*** (8.38)	-0.896*** (8.31)	-0.914*** (8.70)	-0.888*** (9.38)	-0.896*** (9.43)	-0.893*** (9.55)	-0.874*** (9.47)	-0.687*** (6.77)	-0.187*** (3.59)	-0.179*** (3.36)	-0.142** (2.63)	-0.112 (1.79)	-0.105 (1.60)	-0.0842 (1.23)
Relative Visa	-0.536*** (11.14)	-0.541*** (10.97)	-0.571*** (11.75)	-0.582*** (11.85)	-0.618*** (12.28)	-0.616*** (12.38)	-0.600*** (12.57)	-0.408*** (7.51)	-0.212*** (4.23)	-0.212*** (4.26)	-0.152*** (3.37)	-0.144*** (3.40)	-0.150*** (3.41)	-0.134*** (3.36)
Other Visa	-0.339** (3.12)	-0.359** (3.21)	-0.385** (3.23)	-0.387** (3.00)	-0.388** (2.97)	-0.388** (2.98)	-0.372** (2.79)	-0.329* (2.49)	-0.386*** (4.67)	-0.344*** (4.34)	-0.307*** (4.13)	-0.331*** (3.74)	-0.325*** (3.67)	-0.285** (2.81)
Male	0.712*** (14.97)	0.708*** (15.24)	0.715*** (15.54)	0.713*** (15.48)	0.649*** (15.52)	0.650*** (15.69)	0.651*** (15.77)	0.612*** (17.69)	0.340*** (8.13)	0.312*** (8.40)	0.300*** (8.37)	0.259*** (16.10)	0.261*** (16.59)	0.208*** (15.10)
Age in Years		0.00222 (1.23)	0.00272 (1.60)	0.00167 (0.94)	0.00203 (1.10)	0.00189 (1.02)	0.00140 (0.78)	-0.00384* (2.30)	-0.000266 (0.27)	0.000184 (0.19)	0.000903 (0.92)	0.00184* (2.06)	0.00174* (2.10)	0.00160* (2.02)
Has a Partner			-0.124*** (4.47)	-0.118*** (4.22)	-0.0820** (2.66)	-0.0826** (2.69)	-0.0841** (2.75)	-0.114*** (4.22)	0.00129 (0.06)	-0.0123 (0.63)	-0.00923 (0.51)	-0.00107 (0.07)	0.00137 (0.08)	0.0112 (0.77)
Years since Arrival				0.0118*** (3.46)	0.0112** (3.24)	0.0114** (3.19)	0.0121** (3.26)	0.0165*** (4.22)	0.00563** (3.15)	0.00614*** (3.48)	0.00679*** (3.45)	0.00712*** (5.63)	0.00696*** (5.62)	0.00685*** (5.72)
Primary Applicant					0.289*** (9.92)	0.289*** (9.92)	0.292*** (10.16)	0.321*** (12.11)	0.141*** (10.60)	0.137*** (10.72)	0.122*** (10.00)	0.127*** (7.65)	0.128*** (7.44)	0.120*** (7.75)
Urban Residence						-0.0486 (1.05)	0.00791 (0.20)	0.115*** (3.51)	0.0857*** (4.40)	0.0785*** (4.33)	0.0710*** (4.04)	0.0585** (2.69)	0.0542* (2.49)	0.0480* (2.11)
Years of Schooling											0.0367*** (11.65)	0.0265*** (9.37)	0.0266*** (9.40)	0.0261*** (9.87)
English Ability												0.133*** (17.35)	0.132*** (15.53)	0.125*** (16.01)
Observations	38434	38434	38137	37227	37227	37227	37227	37227	27009	26955	25873	19558	19160	19005
Adjusted R-squared	0.211	0.211	0.213	0.214	0.226	0.226	0.229	0.294	0.326	0.347	0.358	0.359	0.359	0.402
State Fixed Effects	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country of Birth Fixed Effects	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Occupation Fixed Effects	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Fixed Effects	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes
Religion Fixed Effects	No	No	No	No	No	No	No	No	No	No	No	No	Yes	Yes
ln Wage	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes
Onshore Visa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: OLS regressions. Outcome is total individual income in logs. Regression sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Australian Longitudinal Census Data in the year 2011. Omitted categories are: Skilled Visa, Female, Offshore Visa, Does not Have a Partner, Secondary Applicant. Robust standard errors are clustered at the country of birth level while absolute t-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Table 7: Relationship between Visa Types and Labour Market Indicators. Census Data.

Dependent Variable→	(1) Not in the Labour Force	(2) Unemployed	(3) Full-time Employed	(4) Occupational Skill	(5) White Collar
Skilled Visa			Reference Group		
Spousal Visa	0.0797*** (9.37)	0.0324*** (6.42)	-0.143*** (16.47)	-0.570*** (15.76)	-0.154*** (15.07)
Humanitarian Visa	0.0832*** (4.56)	0.0283 (1.90)	-0.136*** (7.11)	-0.248** (2.86)	-0.0732** (2.70)
Business Visa	0.0784*** (3.62)	-0.00441 (0.71)	-0.0646** (2.78)	-0.0548 (0.51)	0.0389 (1.18)
Parent Visa	0.134* (2.52)	0.00800 (0.35)	-0.112** (3.03)	-0.169 (0.82)	0.00630 (0.14)
Relative Visa	0.0231 (1.09)	0.0175 (0.56)	-0.0993** (2.83)	-0.282* (2.16)	-0.0519 (1.17)
Other Visa	-0.0275 (0.46)	0.0319 (0.79)	-0.130 (1.54)	-0.143 (0.50)	-0.0916 (0.79)
Controls in Table 6 Column 14	YES	YES	YES	YES	YES
Observations	27818	20996	27818	19382	19382
Adjusted R-squared	0.261	0.042	0.263	0.276	0.231

Note: OLS regressions. Outcomes from columns (1)-(3) and (5) are dummy variables. Occupational skill is on a scale 1-5 where higher values indicated more skill. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Australian Longitudinal Census Data in the year 2011. Robust standard errors are clustered at the country of birth level while absolute t -statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Table 8: Selection of Skilled Immigrants through Australian Points System among Primary Applicants. Census Data.

Dependent Variable→	(1) Not in the Labour Force	(2) Unemployed	(3) Full-time Employed	(4) Occupational Skill	(5) White Collar
Panel A→	Sample of Male Primary Applicants				
Skilled Visa	Reference Group				
Spousal Visa	0.0143 (1.80)	0.0167*** (3.94)	-0.0974*** (10.07)	-0.598*** (10.36)	-0.145*** (7.62)
Humanitarian Visa	0.147*** (5.98)	-0.0205 (1.77)	-0.194*** (5.94)	-0.412*** (3.38)	-0.0814* (2.11)
Business Visa	0.0447 (1.41)	0.0141 (1.19)	-0.0934* (2.24)	-0.159 (1.07)	0.0723 (1.38)
Parent Visa	0.171* (2.21)	0.0607 (1.49)	-0.222** (2.62)	-0.525** (2.98)	-0.0667 (0.94)
Relative Visa	0.0236 (0.81)	0.0446 (1.83)	-0.0908** (2.85)	-0.363** (2.61)	-0.0270 (0.54)
Other Visa	-0.000884 (0.02)	-0.0309* (2.36)	-0.105 (0.59)	-0.447 (0.94)	-0.143 (0.75)
Controls in Table 6 Column 14	YES	YES	YES	YES	YES
Observations	9839	8924	9839	8402	8402
Adjusted R-squared	0.201	0.037	0.206	0.292	0.274
Panel B→	Sample of Female Primary Applicants				
Skilled Visa	Reference Group				
Spousal Visa	0.147*** (9.43)	0.0374*** (4.14)	-0.192*** (12.39)	-0.637*** (8.21)	-0.193*** (8.69)
Humanitarian Visa	0.0796** (2.77)	0.0515 (1.12)	-0.132*** (4.23)	-0.490** (3.06)	-0.157** (3.01)
Business Visa	0.188*** (4.13)	-0.0698*** (3.65)	-0.188*** (5.80)	-0.306 (1.64)	-0.120 (1.69)
Parent Visa	0.189*** (3.38)	0.00783 (0.18)	-0.153*** (3.39)	-0.305 (0.70)	-0.113 (0.92)
Relative Visa	0.0956* (2.43)	-0.0329 (0.97)	-0.183*** (4.87)	-0.568** (2.98)	-0.175** (3.10)
Other Visa	-0.132** (3.25)	0.224 (1.39)	-0.268 (1.54)	-0.183 (0.31)	-0.195 (0.64)
Controls in Table 6 Column 14	YES	YES	YES	YES	YES
Observations	10631	6854	10631	6176	6176
Adjusted R-squared	0.236	0.051	0.148	0.298	0.230

Note: OLS regressions. Outcomes from columns (1)-(3) and (5) are dummy variables. Occupational skill is on a scale 1-5 where higher values indicated more skill. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Australian Longitudinal Census Data in the year 2011. Robust standard errors are clustered at the country of birth level while absolute t-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Table 9: Selection of Skilled Immigrants through Australian Points System in a Family Context. Census Data.

Dependent Variable→	(1) Not in the Labour Force	(2) Unemployed	(3) Full-time Employed	(4) Occupational Skill	(5) White Collar
Panel A→					
	Sample of Male Applicants				
Skilled Visa: Spouse of the Primary Applicant	Reference Group				
Skilled Visa: Primary Applicant	0.0234 (1.16)	-0.0114 (0.65)	0.0558 (1.79)	0.497*** (6.04)	0.0720* (2.49)
Skilled Visa: Parent of the Primary Applicant	-0.0143 (1.01)	-0.00620 (0.61)	0.0154 (0.78)	0.103 (1.70)	0.0168 (0.85)
Skilled Visa: Child of the Primary Applicant	0.116 (1.51)	0.157 (1.87)	-0.306** (3.08)	0.451 (1.19)	0.0569 (0.46)
Skilled Visa: Other Relative of the Primary Applicant	0.0856 (1.05)	0.0464 (0.98)	-0.163 (1.46)	0.0652 (0.23)	0.127 (1.58)
Spousal Visa	0.0395* (2.19)	0.00611 (0.35)	-0.0476 (1.60)	-0.0940 (1.10)	-0.0722* (2.60)
Humanitarian Visa	0.159*** (5.93)	-0.00734 (0.37)	-0.149*** (3.63)	-0.0669 (0.57)	-0.0269 (0.74)
Business Visa	0.0779** (3.10)	0.00365 (0.25)	-0.0444 (1.46)	-0.360* (2.48)	0.144** (2.67)
Parent Visa	0.151* (2.59)	0.0115 (0.41)	-0.101 (1.84)	-0.215 (1.21)	0.0677 (1.11)
Relative Visa	0.0442 (1.28)	0.00885 (0.36)	-0.0226 (0.38)	-0.130 (0.69)	0.0440 (0.69)
Other Visa	0.0159 (0.30)	-0.0376 (1.70)	-0.0807 (0.57)	0.103 (0.25)	-0.0754 (0.50)
Controls in Table 6 Column 14	YES	YES	YES	YES	YES
Observations	11936	10780	11936	10153	10153
Adjusted R-squared	0.201	0.037	0.197	0.279	0.266
Panel B→					
	Sample of Female Applicants				
Skilled Visa: Spouse of the Primary Applicant	Reference Group				
Skilled Visa: Primary Applicant	-0.0810*** (3.58)	-0.000334 (0.01)	0.153*** (6.47)	0.495*** (4.17)	0.197*** (4.42)
Skilled Visa: Parent of the Primary Applicant	0.00543 (0.28)	0.00596 (0.52)	-0.0200 (1.11)	-0.0431 (0.88)	-0.0179 (0.97)
Skilled Visa: Child of the Primary Applicant	-0.0719 (1.00)	-0.0263 (0.56)	0.117 (1.37)	-0.133 (0.34)	-0.000490 (0.00)
Skilled Visa: Other Relative of the Primary Applicant	-0.182** (3.35)	-0.0296 (0.75)	0.185* (2.04)	-0.784*** (4.38)	0.326*** (6.68)
Spousal Visa	0.0703** (3.30)	0.0420 (1.67)	-0.0418 (1.83)	-0.147 (1.77)	-0.000250 (0.01)
Humanitarian Visa	0.0290 (1.03)	0.0721 (1.83)	-0.0149 (0.63)	-0.0623 (0.38)	0.0495 (0.98)
Business Visa	0.0697 (1.78)	-0.0246* (2.07)	-0.00640 (0.19)	0.00309 (0.02)	0.0281 (0.51)
Parent Visa	0.120 (1.83)	0.00304 (0.09)	-0.0413 (0.98)	-0.0367 (0.13)	0.0705 (1.18)
Relative Visa	0.00169 (0.04)	0.0235 (0.42)	-0.0370 (0.78)	0.0295 (0.22)	0.0298 (0.61)
Other Visa	-0.0705 (0.73)	0.0868 (1.18)	-0.0960 (0.82)	-0.390 (0.91)	0.0336 (0.21)
Controls in Table 6 Column 14	YES	YES	YES	YES	YES
Observations	15882	10216	15882	9229	9229
Adjusted R-squared	0.221	0.042	0.133	0.268	0.199

Note: OLS regressions. Outcomes from columns (1)-(3) and (5) are dummy variables. Occupational skill is on a scale 1-5 where higher values indicated more skill. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Australian Longitudinal Census Data in the year 2011. Robust standard errors are clustered at the country of birth level while absolute t-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Table 10: Evolution of Economic Wellbeing by Visa Type among Immigrants Who Arrived in 2006. Census Data.

Visa Type↓	Person Indicators→	(1) Not in the Labour Force	(2) Unemployed	(3) Full-time Employed	(4) White Collar	(5) Being in School	(6) Years of Schooling	(7) English Ability
<u>Male Skilled Primary Applicant</u>								
	2011 Mean	0.04	0.02	0.79	0.46	0.08	15.50	2.66
	2006 Mean	0.11	0.13	0.68	0.44	0.15	15.04	2.50
	Absolute change	-0.07***	-0.11***	0.11***	0.02	-0.07***	0.47**	0.16***
	Percentage change	-61.90	-81.68	16.03	3.83	-48.00	3.10	6.49
<u>Female Skilled Primary Applicant</u>								
	2011 Mean	0.11	0.04	0.66	0.65	0.08	16.46	2.62
	2006 Mean	0.27	0.22	0.40	0.72	0.21	16.00	2.51
	Absolute change	-0.16***	-0.18***	0.26***	-0.06	-0.13***	0.46**	0.12
	Percentage change	-60.52	-80.73	63.68	-8.79	-61.54	2.89	4.55
<u>Male Spouse of the Skilled Primary Applicant</u>								
	2011 Mean	0.06	0.04	0.74	0.52	0.05	15.51	2.53
	2006 Mean	0.23	0.26	0.38	0.43	0.09	15.22	2.58
	Absolute change	-0.17***	-0.22***	0.36***	0.08	-0.05	0.3	-0.05
	Percentage change	-75.33	-84.71	95.51	19.21	-48.91	1.97	-1.78
<u>Female Spouse of the Skilled Primary Applicant</u>								
	2011 Mean	0.31	0.07	0.31	0.40	0.12	14.49	2.55
	2006 Mean	0.61	0.27	0.12	0.49	0.09	14.37	2.51
	Absolute change	-0.29***	-0.20***	0.19***	-0.09	0.03	-0.12	0.04
	Percentage change	-48.10	-72.69	150.00	-18.16	33.70	0.83	1.55
<u>Male Spousal Visa</u>								
	2011 Mean	0.09	0.06	0.74	0.40	0.14	14.39	2.44
	2006 Mean	0.16	0.37	0.41	0.29	0.25	14.15	2.12
	Absolute change	-0.07	-0.32***	0.33***	0.11	-0.12**	0.24	0.32**
	Percentage change	-44.17	-84.45	80.10	35.84	-45.60	1.69	15.37
<u>Female Spousal Visa</u>								
	2011 Mean	0.41	0.06	0.32	0.35	0.12	14.34	2.33
	2006 Mean	0.60	0.29	0.14	0.31	0.23	14.20	2.24
	Absolute change	-0.19***	-0.23***	0.18***	0.05	-0.11***	0.14	0.09
	Percentage change	-31.27	-78.67	131.16	15.03	-46.78	1.00	3.84

Note: Indicators (1)-(5) are dummy variables; (6) and (7) are continuous variables. English ability is on a scale 0-3. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia in 2006 using Australian Longitudinal Census Data. Robust standard errors are clustered at the country of birth level while absolute t-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Online Appendix Table 1: Selection of Skilled Immigrants through Australian Points System in a Family Context.

No

Control for Primary Applicant Dummy. Tax Data.

Dependent Variable→	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	ln Total Individual Income	ln Wage	ln Employment Income	ln Business Income	ln Investment Income	ln Foreign Income	ln Taxable Income	White Collar Occupation
Panel A→								
Sample of Male Offshore Applicants								
Reference Group								
Skilled Visa: Spouse of the Primary Applicant	0.148***	0.117***	0.142***	-0.00772	0.105**	0.225**	0.153***	0.0810***
	(8.54)	(7.24)	(7.60)	(0.12)	(3.23)	(2.98)	(10.23)	(4.97)
Skilled Visa: Primary Applicant	-0.584***	-0.360***	-0.721***	0.737***	0.809***	-1.641***	-0.555***	0.0370
	(20.81)	(6.17)	(14.61)	(9.79)	(11.96)	(13.92)	(53.12)	(0.34)
Skilled Visa: Parent of the Primary Applicant	-0.158	0.0704	-0.174	-0.413***	-0.387	0	-0.184	-0.177
	(0.73)	(0.26)	(0.76)	(5.24)	(1.01)	(.)	(0.93)	(1.42)
Skilled Visa: Sibling of the Primary Applicant	-0.382***	-0.374***	-0.404***	-0.00760	-0.120	0.354	-0.351***	-0.115**
	(10.18)	(4.97)	(10.64)	(0.04)	(1.25)	(1.11)	(9.05)	(3.33)
Skilled Visa: Other Relative of the Primary Applicant	-0.0174	-0.0378*	-0.0218	-0.0643	0.0116	0.0811	-0.0173	-0.0345***
	(1.20)	(2.06)	(1.31)	(0.86)	(0.35)	(0.79)	(1.30)	(4.51)
Spousal Visa	-0.0883***	-0.100***	-0.103***	-0.0282	-0.141**	0.345***	-0.0767***	-0.137***
	(5.51)	(5.50)	(6.89)	(0.40)	(3.27)	(4.18)	(4.99)	(3.44)
Humanitarian Visa	-0.286***	-0.230***	-0.295***	-0.0935	-0.128	-0.221	-0.161***	-0.297***
	(6.91)	(4.96)	(7.34)	(0.68)	(1.42)	(0.49)	(6.31)	(7.86)
Business Visa	-0.331***	-0.338***	-0.471***	0.0300	0.935***	0.681***	-0.321***	0.171**
	(14.46)	(8.84)	(16.70)	(0.25)	(6.80)	(4.73)	(15.82)	(3.22)
Parent Visa	-0.203***	-0.178***	-0.253***	-0.150	0.0920	-0.0512	-0.211***	-0.174***
	(7.03)	(4.63)	(7.16)	(1.30)	(1.29)	(0.46)	(7.77)	(7.11)
Relative Visa	-0.177***	-0.139***	-0.186***	0.0533	0.123*	0.0824	-0.136***	-0.256***
	(10.62)	(4.06)	(11.43)	(0.34)	(2.06)	(0.40)	(8.83)	(8.35)
Child Visa	-0.277***	-0.319***	-0.303***	-0.298	-0.144	4.013***	-0.213***	-0.240***
	(8.31)	(4.88)	(8.58)	(1.04)	(1.52)	(16.03)	(8.16)	(13.00)
Other Visa	-0.104**	-0.293***	-0.118**	0.256	-0.253***	0.463**	-0.114***	-0.115***
	(3.25)	(3.83)	(3.28)	(1.34)	(3.89)	(3.23)	(4.30)	(3.40)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES	YES
Observations	472797	457691	472836	34115	230118	19823	472724	325450
Adjusted R-squared	0.337	0.192	0.306	0.082	0.088	0.216	0.325	0.133
Panel B→								
Sample of Female Offshore Applicants								
Reference Group								
Skilled Visa: Spouse of the Primary Applicant	0.249***	0.201***	0.267***	-0.0715	0.0252	0.188***	0.248***	0.274***
	(22.88)	(13.41)	(19.18)	(1.80)	(0.49)	(3.90)	(24.84)	(10.93)
Skilled Visa: Primary Applicant	-0.0704	-0.464*	0.0123	0	0.490	-1.349***	-0.0824	-0.249***
	(0.43)	(2.04)	(0.07)	(.)	(1.02)	(19.72)	(0.55)	(4.23)
Skilled Visa: Parent of the Primary Applicant	-0.116	-0.258	-0.0927	0	-0.321	0	0.0421	0.260
	(0.57)	(0.59)	(0.45)	(.)	(0.55)	(.)	(0.28)	(1.27)
Skilled Visa: Sibling of the Primary Applicant	-0.0887*	-0.184***	-0.105*	0.395*	-0.253***	1.633***	-0.0494	0.0130
	(2.37)	(4.08)	(2.28)	(2.16)	(3.49)	(3.78)	(1.68)	(0.61)
Skilled Visa: Other Relative of the Primary Applicant	-0.0311***	-0.0272*	-0.0242*	-0.104	0.00839	0.226*	-0.0210*	-0.0574***
	(3.54)	(2.39)	(2.31)	(1.69)	(0.17)	(2.06)	(2.55)	(4.84)
Spousal Visa	-0.0625***	-0.0566***	-0.0619***	-0.0443	-0.0772*	0.274**	-0.0355*	-0.0652*
	(4.52)	(5.40)	(3.76)	(0.72)	(2.48)	(3.37)	(2.45)	(2.55)
Humanitarian Visa	-0.119*	-0.0814	-0.0878	-0.00258	-0.473***	-0.315	-0.00400	-0.153***
	(2.11)	(1.23)	(1.49)	(0.01)	(5.44)	(0.76)	(0.14)	(5.08)
Business Visa	-0.134**	-0.146***	-0.284***	0.227*	0.843***	0.611***	-0.118*	0.219*
	(2.79)	(4.33)	(5.79)	(2.08)	(12.20)	(5.39)	(2.43)	(2.44)
Parent Visa	-0.0388	-0.0518	-0.103*	-0.292	0.152**	0.384*	-0.0532	-0.111***
	(0.79)	(1.42)	(2.12)	(1.88)	(3.24)	(2.61)	(0.97)	(7.01)
Relative Visa	-0.0541	-0.0316	-0.0531	-0.143	-0.181***	0.207	0.0126	-0.137***
	(1.61)	(0.99)	(1.61)	(0.96)	(4.58)	(1.58)	(0.47)	(6.98)
Child Visa	-0.00266	-0.151*	-0.00241	-1.029	-0.369***	0.619***	0.0189	-0.0835***
	(0.06)	(2.57)	(0.06)	(1.45)	(5.17)	(5.22)	(0.57)	(4.07)
Other Visa	0.0203	-0.0747	0.0324	0.197	-0.591***	-0.123	0.0451	-0.0718*
	(0.36)	(1.05)	(0.50)	(0.88)	(7.24)	(0.31)	(0.90)	(2.18)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES	YES
Observations	410336	398434	411179	18542	211609	14424	410075	281910
Adjusted R-squared	0.237	0.122	0.223	0.044	0.082	0.235	0.218	0.168

Note: Outcomes in columns (1)-(7) are individual income, wage, employment income, business income, investment income, foreign income, taxable income in logs. Meanwhile in column (8), outcome is a binary indicator for having a white collar occupation. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2012 using Personal Income Tax and Migrants Integrated Dataset. Controls in Table 2 Column 10 exclude male dummy, onshore applicant dummy and primary applicant dummy. Robust standard errors are clustered at the country of birth level while absolute t -statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Online Appendix Table 2: Relationship between Visa Types and Components of Individual Income. Offshore Applicants. Tax Data.

Dependent Variable→	(1) ln Wage	(2) ln Employment Income	(3) ln Business Income	(4) ln Investment Income	(5) ln Foreign Income	(6) ln Taxable Income	(7) White Collar Occupation
Skilled Visa							Reference Group
Spousal Visa	-0.204*** (11.72)	-0.258*** (19.11)	0.0218 (0.42)	-0.154*** (5.43)	0.0820 (1.96)	-0.232*** (16.14)	-0.256*** (7.87)
Humanitarian Visa	-0.237*** (4.30)	-0.310*** (5.66)	-0.0244 (0.16)	-0.312*** (3.79)	-0.232 (0.78)	-0.196*** (6.59)	-0.312*** (9.15)
Business Visa	-0.274*** (9.17)	-0.421*** (11.65)	0.182* (2.29)	0.859*** (9.07)	0.494*** (4.72)	-0.263*** (7.56)	0.134* (2.08)
Parent Visa	-0.209*** (7.29)	-0.303*** (8.73)	-0.160* (2.11)	0.0687 (1.21)	-0.0352 (0.49)	-0.258*** (6.91)	-0.238*** (14.71)
Relative Visa	-0.202*** (5.97)	-0.268*** (10.14)	0.00439 (0.04)	-0.0904* (2.21)	-0.0780 (0.76)	-0.214*** (9.57)	-0.313*** (11.12)
Child Visa	-0.394*** (8.92)	-0.363*** (13.11)	-0.480 (1.69)	-0.320*** (6.11)	1.057* (2.06)	-0.306*** (15.79)	-0.327*** (15.04)
Other Visa	-0.258*** (4.15)	-0.141** (3.26)	0.333 (1.73)	-0.475*** (8.92)	0.0798 (0.40)	-0.133*** (3.80)	-0.172*** (7.53)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES
Observations	856125	884015	52657	441727	34247	882799	607360
Adjusted R-squared	0.179	0.296	0.062	0.083	0.223	0.309	0.139

Note: Outcomes from columns (1)-(6) are wage, employment income, business income, investment income, foreign income, taxable income in logs. Meanwhile in column (7), outcome is a binary indicator for having a white collar occupation. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2012 using Personal Income Tax and Migrants Integrated Dataset. Robust standard errors are clustered at the country of birth level while absolute t -statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Online Appendix Table 3: Relationship between Visa Types and Components of Individual Income. Onshore Applicants. Tax Data.

Dependent Variable→	(1) ln Wage	(2) ln Employment Income	(3) ln Business Income	(4) ln Investment Income	(5) ln Foreign Income	(6) ln Taxable Income	(7) White Collar Occupation Dummy
Skilled Visa	Reference Group						
Spousal Visa	-0.354*** (7.93)	-0.310*** (12.60)	-0.0518 (1.36)	-0.211*** (10.41)	0.0701 (1.79)	-0.285*** (12.93)	-0.250*** (19.72)
Humanitarian Visa	-0.339*** (9.97)	-0.362*** (14.25)	-0.0464 (0.35)	-0.340*** (10.80)	-0.433 (1.10)	-0.280*** (13.34)	-0.353*** (15.22)
Business Visa	-0.412*** (10.72)	-0.506*** (19.01)	-0.108 (0.80)	0.655*** (7.10)	0.137 (0.83)	-0.381*** (21.02)	-0.0689 (1.61)
Parent Visa	-0.536*** (3.37)	-0.799*** (5.20)	0.646 (1.81)	-0.0162 (0.10)	0.361** (3.07)	-0.556*** (5.29)	-0.344*** (4.05)
Relative Visa	-0.365*** (4.89)	-0.335*** (8.78)	0.0607 (0.29)	-0.206** (3.08)	0.234 (0.64)	-0.293*** (7.98)	-0.320*** (8.47)
Child Visa	-0.248* (2.30)	-0.264** (3.13)	0.416 (1.24)	-0.0870 (0.47)	0.432 (0.48)	-0.206* (2.59)	-0.192*** (4.49)
Other Visa	-0.359* (2.02)	-0.300*** (4.15)	-0.232 (0.31)	-0.179 (0.65)	-0.412 (0.54)	-0.273*** (4.06)	-0.308*** (7.18)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES
Observations	802819	826372	48201	432156	22466	825464	545841
Adjusted R-squared	0.192	0.305	0.081	0.098	0.191	0.321	0.118

Note: Outcomes from columns (1)-(6) are wage, employment income, business income, investment income, foreign income, taxable income in logs. Meanwhile in column (7), outcome is a binary indicator for having a white collar occupation. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2012 using Personal Income Tax and Migrants Integrated Dataset. Robust standard errors are clustered at the country of birth level while absolute t -statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

**Online Appendix Table 4: Selection of Skilled Immigrants through Australian Points System among Primary Applicants.
Offshore Applicants. Tax Data.**

Dependent Variable→	(1) In Total Individual Income	(2) In Wage	(3) In Employment Income	(4) In Business Income	(5) In Investment Income	(6) In Foreign Income	(7) In Taxable Income	(8) White Collar Occupation Dummy
Panel A→	Sample of Male Primary Applicants							
Skilled Visa	Reference Group							
Spousal Visa	-0.233*** (19.60)	-0.213*** (9.97)	-0.241*** (18.68)	-0.0185 (0.32)	-0.253*** (11.80)	0.109* (2.30)	-0.226*** (19.95)	-0.215*** (4.07)
Humanitarian Visa	-0.452*** (9.92)	-0.385*** (7.94)	-0.447*** (9.73)	-0.266* (2.21)	-0.235* (2.21)	0.288 (0.39)	-0.311*** (11.00)	-0.369*** (7.57)
Business Visa	-0.431*** (17.88)	-0.407*** (9.41)	-0.619*** (19.79)	-0.0138 (0.08)	1.189*** (7.68)	0.323 (1.94)	-0.426*** (20.45)	0.169** (2.98)
Parent Visa	-0.354*** (12.89)	-0.292*** (8.42)	-0.390*** (11.68)	-0.245 (1.71)	-0.0509 (0.89)	-0.346** (3.36)	-0.365*** (13.87)	-0.244*** (6.97)
Relative Visa	-0.323*** (14.24)	-0.242*** (6.28)	-0.328*** (14.20)	0.0830 (0.45)	0.0551 (1.03)	-0.113 (0.48)	-0.283*** (12.91)	-0.344*** (8.82)
Child Visa	-0.416*** (13.13)	-0.421*** (6.54)	-0.435*** (12.30)	-0.257 (0.87)	-0.297*** (3.76)	3.791*** (22.56)	-0.356*** (14.33)	-0.329*** (9.94)
Other Visa	-0.282*** (7.17)	-0.511*** (5.61)	-0.317*** (6.13)	0.752* (2.26)	-0.344*** (4.23)	0.283** (3.16)	-0.319*** (9.65)	-0.195*** (7.02)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES	YES
Observations	390868	378329	390863	28710	191412	16557	390802	268723
Adjusted R-squared	0.342	0.194	0.310	0.088	0.093	0.233	0.332	0.139
Panel B→	Sample of Female Primary Applicants							
Skilled Visa	Reference Group							
Spousal Visa	-0.315*** (12.50)	-0.417*** (8.68)	-0.325*** (12.30)	-0.123* (2.05)	-0.324*** (13.85)	0.175** (3.03)	-0.311*** (12.75)	-0.233*** (16.66)
Humanitarian Visa	-0.440*** (12.83)	-0.417*** (7.42)	-0.443*** (10.26)	-0.0131 (0.10)	-0.345*** (8.67)	-0.859 (1.15)	-0.344*** (9.50)	-0.393*** (16.34)
Business Visa	-0.761*** (17.38)	-0.748*** (11.35)	-0.895*** (16.10)	-0.361 (1.73)	1.001*** (8.30)	-0.0344 (0.14)	-0.752*** (16.19)	-0.0534 (0.92)
Parent Visa	-0.909*** (10.32)	-1.152** (3.09)	-1.148*** (6.07)	0.0653 (0.67)	-0.955* (2.22)	-0.168 (0.36)	-0.851*** (9.68)	-0.429* (2.59)
Relative Visa	-0.411*** (6.14)	-0.489*** (4.48)	-0.416*** (5.83)	0.0696 (0.24)	-0.249** (2.70)	0.791 (1.34)	-0.376*** (5.94)	-0.294*** (5.99)
Child Visa	-0.255** (2.68)	-0.233* (2.06)	-0.291** (2.80)	2.038 (1.60)	-0.180 (0.85)	0.905 (0.61)	-0.240** (2.67)	-0.163*** (3.48)
Other Visa	-0.562*** (5.55)	-0.696* (2.40)	-0.552*** (5.38)	0.317 (0.45)	-0.483 (1.77)	-0.499 (0.61)	-0.530*** (5.53)	-0.360*** (6.19)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES	YES
Observations	399854	388805	399917	26987	202475	11630	399768	268465
Adjusted R-squared	0.391	0.233	0.357	0.122	0.107	0.190	0.384	0.122

Note: Outcomes in columns (1)-(7) are individual income, wage, employment income, business income, investment income, foreign income, taxable income in logs. Meanwhile in column (8), outcome is a binary indicator for having a white collar occupation. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2012 using Personal Income Tax and Migrants Integrated Dataset. Controls in Table 2 Column 10 exclude male dummy and primary applicant dummy. Robust standard errors are clustered at the country of birth level while absolute *t*-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Online Appendix Table 5: Selection of Skilled Immigrants through Australian Points System among Primary Applicants. Offshore Applicants. Tax Data.

Dependent Variable→	(1) ln Total Individual Income	(2) ln Wage	(3) ln Employment Income	(4) ln Business Income	(5) ln Investment Income	(6) ln Foreign Income	(7) ln Taxable Income	(8) White Collar Occupation Dummy
Panel A→ Sample of Male Primary Applicants								
Skilled Visa	Reference Group							
Spousal Visa	-0.307*** (24.13)	-0.259*** (20.89)	-0.324*** (27.43)	0.0396 (0.73)	-0.0969* (2.60)	0.0544 (0.46)	-0.280*** (22.11)	-0.324*** (15.83)
Humanitarian Visa	-0.367*** (8.63)	-0.332*** (7.24)	-0.360*** (8.05)	0.174 (0.65)	-0.572*** (5.22)	0.865*** (4.06)	-0.234*** (8.12)	-0.385*** (14.45)
Business Visa	-0.466*** (22.50)	-0.296*** (4.31)	-0.669*** (27.00)	0.262 (1.63)	0.915*** (14.58)	0.328 (1.65)	-0.449*** (21.82)	0.244** (3.34)
Parent Visa	-0.261*** (5.36)	-0.237*** (7.42)	-0.339*** (6.53)	-0.246 (1.28)	0.0846 (1.27)	0.0358 (0.22)	-0.285*** (4.98)	-0.366*** (17.80)
Relative Visa	-0.293*** (8.69)	-0.229*** (5.95)	-0.315*** (9.91)	-0.0867 (0.54)	-0.212*** (3.92)	-0.0380 (0.29)	-0.227*** (9.15)	-0.400*** (19.97)
Child Visa	-0.236*** (5.78)	-0.360*** (5.67)	-0.248*** (5.79)	-0.969 (1.38)	-0.454*** (4.95)	0.525*** (4.73)	-0.216*** (6.66)	-0.333*** (16.51)
Other Visa	-0.228** (2.99)	-0.348** (2.61)	-0.259** (3.20)	0.444 (1.68)	-0.674*** (9.08)	-1.190*** (3.39)	-0.206*** (3.42)	-0.371*** (5.83)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES	YES
Observations	278098	270280	278559	12295	141627	9257	277912	190305
Adjusted R-squared	0.260	0.124	0.245	0.047	0.083	0.255	0.237	0.226
Panel B→ Sample of Female Primary Applicants								
Skilled Visa	Reference Group							
Spousal Visa	-0.300*** (11.58)	-0.312*** (6.59)	-0.314*** (10.83)	-0.0365 (0.64)	-0.121*** (5.45)	-0.0188 (0.26)	-0.281*** (11.13)	-0.271*** (15.21)
Humanitarian Visa	-0.370*** (16.83)	-0.295*** (4.82)	-0.345*** (14.96)	-0.284 (1.33)	-0.328*** (5.55)	0.367 (0.71)	-0.275*** (10.24)	-0.452*** (17.87)
Business Visa	-0.531*** (16.60)	-0.514*** (6.55)	-0.681*** (16.55)	-0.238 (0.60)	0.708*** (7.25)	0.653 (1.38)	-0.496*** (14.44)	-0.258** (2.98)
Parent Visa	-0.825*** (5.83)	-0.578*** (3.43)	-1.079*** (5.97)	1.789*** (11.07)	1.090*** (7.76)	0.229 (0.90)	-0.786*** (5.20)	-0.718*** (11.09)
Relative Visa	-0.279*** (6.28)	-0.314*** (5.00)	-0.289*** (6.21)	-0.214 (0.51)	-0.156 (1.74)	-0.157 (0.47)	-0.227*** (5.42)	-0.444*** (12.38)
Child Visa	-0.206 (1.79)	-0.246 (1.75)	-0.194 (1.63)	-2.822*** (3.43)	-0.0489 (0.17)	0.0156 (0.02)	-0.131 (1.54)	-0.199* (2.52)
Other Visa	-0.232** (3.06)	-0.168 (1.76)	-0.242** (2.97)	-1.006*** (8.37)	0.197 (0.41)	0.00773 (0.01)	-0.188** (2.81)	-0.463*** (7.19)
Controls in Table 2 Column 10	YES	YES	YES	YES	YES	YES	YES	YES
Observations	273659	265516	274003	12135	156486	6923	273462	176362
Adjusted R-squared	0.296	0.150	0.279	0.058	0.094	0.224	0.273	0.123

Note: Outcomes in columns (1)-(7) are individual income, wage, employment income, business income, investment income, foreign income, taxable income in logs. Meanwhile in column (8), outcome is a binary indicator for having a white collar occupation. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2012 using Personal Income Tax and Migrants Integrated Dataset. Controls in Table 2 Column 10 exclude male dummy and primary applicant dummy. Robust standard errors are clustered at the country of birth level while absolute *t*-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Online Appendix Table 6: Selection of Skilled Immigrants through Australian Points System in a Family Context. Offshore Applicants. Census Data.

Dependent Variable→	(1) Not in the Labour Force	(2) Unemployed	(3) Full-time Employed	(4) Occupational Skill	(5) White Collar
Panel A→	Sample of Male Applicants				
Skilled Visa: Spouse of the Primary Applicant	Reference Group				
Skilled Visa: Primary Applicant	0.0234 (1.16)	-0.0114 (0.65)	0.0558 (1.79)	-0.497*** (6.04)	0.0720* (2.49)
Skilled Visa: Parent of the Primary Applicant	-0.0143 (1.01)	-0.00620 (0.61)	0.0154 (0.78)	-0.103 (1.70)	0.0168 (0.85)
Skilled Visa: Child of the Primary Applicant	0.116 (1.51)	0.157 (1.87)	-0.306** (3.08)	-0.451 (1.19)	0.0569 (0.46)
Skilled Visa: Other Relative of the Primary Applicant	0.0856 (1.05)	0.0464 (0.98)	-0.163 (1.46)	-0.0652 (0.23)	0.127 (1.58)
Spousal Visa	0.0395* (2.19)	0.00611 (0.35)	-0.0476 (1.60)	0.0940 (1.10)	-0.0722* (2.60)
Humanitarian Visa	0.159*** (5.93)	-0.00734 (0.37)	-0.149*** (3.63)	-0.0669 (0.57)	-0.0269 (0.74)
Business Visa	0.0779** (3.10)	0.00365 (0.25)	-0.0444 (1.46)	-0.360* (2.48)	0.144** (2.67)
Parent Visa	0.151* (2.59)	0.0115 (0.41)	-0.101 (1.84)	-0.215 (1.21)	0.0677 (1.11)
Relative Visa	0.0442 (1.28)	0.00885 (0.36)	-0.0226 (0.38)	-0.130 (0.69)	0.0440 (0.69)
Other Visa	0.0159 (0.30)	-0.0376 (1.70)	-0.0807 (0.57)	0.103 (0.25)	-0.0754 (0.50)
Controls in Table 6 Column 14	YES	YES	YES	YES	YES
Observations	11936	10780	11936	10153	10153
Adjusted R-squared	0.201	0.037	0.197	0.279	0.266
Panel B→	Sample of Female Applicants				
Skilled Visa: Spouse of the Primary Applicant	Reference Group				
Skilled Visa: Primary Applicant	-0.0810*** (3.58)	-0.000334 (0.01)	0.153*** (6.47)	-0.495*** (4.17)	0.197*** (4.42)
Skilled Visa: Parent of the Primary Applicant	0.00543 (0.28)	0.00596 (0.52)	-0.0200 (1.11)	0.0431 (0.88)	-0.0179 (0.97)
Skilled Visa: Child of the Primary Applicant	-0.0719 (1.00)	-0.0263 (0.56)	0.117 (1.37)	0.133 (0.34)	-0.000490 (0.00)
Skilled Visa: Other Relative of the Primary Applicant	-0.182** (3.35)	-0.0296 (0.75)	0.185* (2.04)	-0.784*** (4.38)	0.326*** (6.68)
Spousal Visa	0.0703** (3.30)	0.0420 (1.67)	-0.0418 (1.83)	0.147 (1.77)	-0.000250 (0.01)
Humanitarian Visa	0.0290 (1.03)	0.0721 (1.83)	-0.0149 (0.63)	-0.0623 (0.38)	0.0495 (0.98)
Business Visa	0.0697 (1.78)	-0.0246* (2.07)	-0.00640 (0.19)	0.00309 (0.02)	0.0281 (0.51)
Parent Visa	0.120 (1.83)	0.00304 (0.09)	-0.0413 (0.98)	-0.0367 (0.13)	0.0705 (1.18)
Relative Visa	0.00169 (0.04)	0.0235 (0.42)	-0.0370 (0.78)	0.0295 (0.22)	0.0298 (0.61)
Other Visa	-0.0705 (0.73)	0.0868 (1.18)	-0.0960 (0.82)	-0.390 (0.91)	0.0336 (0.21)
Controls in Table 6 Column 14	YES	YES	YES	YES	YES
Observations	15882	10216	15882	9229	9229
Adjusted R-squared	0.221	0.042	0.133	0.268	0.199

Note: OLS regressions. Outcomes from columns (1)-(3) and (5) are dummy variables. Occupational skill is on a scale 1-5 where higher values indicated more skill. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Australian Longitudinal Census Data in the year 2011. Robust standard errors are clustered at the country of birth level while absolute t-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Online Appendix Table 7: Selection of Skilled Immigrants through Australian Points System in a Family Context. Onshore Applicants. Census Data.

Dependent Variable→	(1) Not in the Labour Force	(2) Unemployed	(3) Full-time Employed	(4) Occupational Skill	(5) White Collar
Panel A→					
	Sample of Male Applicants				
Skilled Visa: Spouse of the Primary Applicant	Reference Group				
Skilled Visa: Primary Applicant	0.0318 (1.07)	-0.0314 (1.38)	0.0557 (1.37)	-0.461*** (4.22)	0.0963** (2.68)
Skilled Visa: Parent of the Primary Applicant	-0.110*** (4.42)	-0.0408 (1.51)	-0.195 (1.08)	0.280 (0.44)	-0.154 (0.98)
Skilled Visa: Child of the Primary Applicant	0.0899 (1.17)	0.144 (1.62)	-0.279** (2.73)	-0.338 (0.86)	0.0216 (0.17)
Skilled Visa: Other Relative of the Primary Applicant	0.0696 (0.85)	0.0385 (0.76)	-0.159 (1.46)	0.0534 (0.18)	0.0962 (1.16)
Spousal Visa	0.0484 (1.81)	-0.0135 (0.58)	-0.0263 (0.76)	0.112 (0.84)	-0.0497 (1.33)
Humanitarian Visa	0.152*** (4.76)	-0.0456 (1.33)	-0.110 (1.74)	0.297 (1.82)	-0.0982 (1.82)
Business Visa	0.0931** (2.90)	-0.0161 (0.62)	-0.0630 (1.22)	-0.0423 (0.32)	0.0436 (0.92)
Parent Visa	0.121 (1.93)	-0.00674 (0.17)	-0.0713 (0.84)	-0.152 (0.57)	0.116 (1.44)
Relative Visa	0.0528 (1.11)	-0.00512 (0.17)	0.0134 (0.20)	0.0261 (0.13)	-0.0158 (0.22)
Other Visa	-0.0444 (1.47)	-0.0423 (1.76)	-0.0760 (0.41)	-0.0245 (0.05)	-0.0469 (0.29)
Controls in Table 6 Column 14	YES	YES	YES	YES	YES
Observations	4888	4482	4888	4245	4245
Adjusted R-squared	0.158	0.023	0.157	0.249	0.239
Panel B→					
	Sample of Female Applicants				
Skilled Visa: Spouse of the Primary Applicant	Reference Group				
Skilled Visa: Primary Applicant	-0.0595 (1.65)	0.000402 (0.01)	0.143*** (3.72)	-0.735*** (4.83)	0.268*** (3.92)
Skilled Visa: Parent of the Primary Applicant	0.0897 (1.24)	-0.00890 (0.18)	-0.0220 (0.22)	-0.216 (1.01)	0.0530 (0.83)
Skilled Visa: Child of the Primary Applicant	-0.0275 (0.39)	-0.0382 (0.79)	0.0812 (0.94)	-0.0487 (0.11)	0.0632 (0.45)
Skilled Visa: Other Relative of the Primary Applicant	-0.151** (3.01)	-0.0302 (0.78)	0.140 (1.53)	-0.840*** (4.55)	0.359*** (6.49)
Spousal Visa	0.0866** (3.01)	0.0297 (1.25)	-0.0505 (1.30)	-0.112 (0.83)	0.0787 (1.39)
Humanitarian Visa	0.0388 (0.94)	-0.0228 (0.40)	-0.0171 (0.47)	-0.278 (0.92)	0.118 (1.30)
Business Visa	0.0486 (1.11)	0.00343 (0.17)	-0.0183 (0.36)	-0.0712 (0.44)	0.0549 (0.90)
Parent Visa	0.226** (2.79)	0.0699 (0.70)	-0.105* (2.03)	-0.311 (1.16)	0.189* (2.24)
Relative Visa	0.0355 (0.69)	-0.0220 (0.36)	-0.00331 (0.04)	-0.117 (0.67)	0.0816 (1.33)
Other Visa	0.151 (0.97)	-0.0654 (1.95)	-0.114 (0.81)	0.0824 (0.36)	-0.278*** (4.73)
Controls in Table 6 Column 14	YES	YES	YES	YES	YES
Observations	5854	3999	5854	3654	3654
Adjusted R-squared	0.217	0.053	0.14	0.248	0.184

Note: OLS regressions. Outcomes from columns (1)-(3) and (5) are dummy variables. Occupational skill is on a scale 1-5 where higher values indicated more skill. White collar occupation dummy is equal to 1 if respondent is a manager or professional and 0 otherwise. Sample consists of permanent resident immigrants who are aged 25-65 and arrived in Australia between 2000 and 2011 using Australian Longitudinal Census Data in the year 2011. Robust standard errors are clustered at the country of birth level while absolute t-statistics are in parentheses. ***, **, * indicate significance at the 1, 5 and 10 percent, respectively.

Online Appendix Table 9: Proportion of Immigrants by Country of Birth in Census Data

Country of Birth	Percentage
India	12.35
England	12.27
China (excludes SARs and Taiwan)	11.3
South Africa	5.22
Philippines	.5
Malaysia	2.72
Sri Lanka	2.58
Korea, Republic of (South)	2.47
Indonesia	2.44
VietNam	2.32
Iraq	1.99
United States of America	1.76
Fiji	1.73
Japan	1.71
Bangladesh	1.7
Zimbabwe	1.64
Scotland	1.54
Lebanon	1.52
Thailand	1.44
Singapore	1.31
Ireland	1.25
Hong Kong (SAR of China)	1.2
Germany	1.11
Pakistan	1.05
Taiwan	<1
Canada	<1
Afghanistan	<1
Sudan	<1
Turkey	<1
Netherlands	<1
Iran	<1
France	<1
Croatia	<1
Cambodia	<1
Brazil	<1
New Zealand	<1
Bosnia and Herzegovina	<1
Burma (Myanmar)	<1
Italy	<1
Russian Federation	<1
Nepal	<1
Former Yugoslav Republic of Macedonia	<1
Poland	<1
Egypt	<1
Wales	<1
Colombia	<1
Ethiopia	<1
Kenya	<1
Northern Ireland	<1
Argentina	<1
Romania	<1
Mauritius	<1
Israel	<1
Syria	<1
Switzerland	<1
Serbia	<1
Peru	<1
Sweden	<1
Ukraine	<1
Chile	<1
Zambia	<1
Liberia	<1
Nigeria	<1
Papua New Guinea	<1
Denmark	<1
South Eastern Europe, nfd	<1
Venezuela	<1
Mexico	<1
Eritrea	<1
Greece	<1
Hungary	<1
Jordan	<1
Sierra Leone	<1
Spain	<1
Czech Republic	<1
Ghana	<1
Bulgaria	<1
Samoa	<1
Belgium	<1
Albania	<1
Slovakia	<1
Tonga	<1
Kuwait	<1
East Timor	<1
Somalia	<1
Finland	<1
Malta	<1
Laos	<1
Portugal	<1
Congo, Democratic Republic of	<1
Tanzania	<1
Norway	<1
South Sudan	<1
Armenia	<1
Kazakhstan	<1
Burundi	<1
Brunei Darussalam	<1
Macau (SAR of China)	<1
Uruguay	<1
Uganda	<1

Note: This table presents the sample percentages by country of birth in PITMIT dataset. Due to Australian Bureau of Statistics regulations, very small cells cannot be clearly presented. There are also some immigrants from the following countries in the sample: United Kingdom nfd, Morocco, Gaza Strip and West Bank, Saudi Arabia, Kyrgyz Republic, Ecuador, Trinidad and Tobago, Malawi, Namibia, Solomon Islands, Moldova, Kosovo, Belarus, Estonia, Algeria, Libya, Qatar, United Arab Emirates, Mongolia, Uzbekistan, Jamaica, Botswana, Lesotho, Vanuatu, Kiribati, French Polynesia, Channel Islands, Isle of Man, Guernsey, Jersey, Austria, Luxembourg, Gibraltar, Cyprus, Slovenia, Montenegro, Eastern Europe nfd, Lithuania, Tunisia, Middle East nfd, Bahrain, Oman, Yemen, Bolivia, Guyana, Paraguay, Belize, Dominica, St Vincent and the Grenadines, Virgin Islands United States, Burkina Faso, Congo, Guinea, Southern and East Africa nfd, Angola, Djibouti, Mozambique, Rwanda, Seychelles, Guam, Iceland, Latvia, North Africa nec, Maritime South-East Asia nfd, Southern Asia nfd, Georgia, Turkmenistan, Costa Rica, Guatemala, Cuba, Haiti, Gambia, Comoros, Reunion