

Adult Migrant English Program (AMEP) Impact Evaluation Project

Research paper D: Income support payment outcomes of AMEP clients (2022)

Executive Summary

- Using linked AMEP-DOMINO data, this paper investigates the relationship between Adult Migrant English Program (AMEP) participation and receipt of income support payments over time. While the methodology does not support a causal understanding of the link between AMEP participation and income support payments, it does provide the first insights into the association between the two and suggests that AMEP participation may be beneficial to improving income support pathways for migrants who undertake AMEP.
- By analysing the income support payments received by 200,000 AMEP clients over the course of six years, this paper documents the pattern of income support payment by client characteristics and demonstrates how that relationship evolves during the study period.
- AMEP clients with lower initial English proficiency were more reliant on accessing income support. About 50% of all AMEP clients received some type of income support during the 2009-2015 reference period.
- New Start Allowance (NSA) was the dominant type of income support received by male AMEP clients (63%). Parenting Payments were the dominant form of income support received by female AMEP clients (42% combined single/partnered), followed by NSA at 29%.
- AMEP clients became less dependent on government income support from year two post- AMEP enrolment (for males) or year four (for females) and the rate of the decline in income support dependence appeared more pronounced for males.
- AMEP clients were less likely to rely on income support when they exited AMEP, and this pattern was more apparent for males.
- Overall, AMEP clients reduced their use of income support over time, compared with their status at program entry. This suggests that AMEP participation may lead to better client outcomes.

Introduction

The Adult Migrant English Program (AMEP) Impact Evaluation Project helps the Australian Government to better understand the drivers of AMEP participation, and the broader impacts participation have on employment and welfare outcomes for migrants. It consists of topical papers that utilise the broad ranging government information held within the Australian Bureau of Statistics' (ABS) Multi-Agency Data Integration Project (MADIP).

The AMEP Impact Evaluation Project began as a collaborative research initiative between the Department of Education, Skills and Employment (DESE) and the Australian Research Council Centre of Excellence for Children and Families Over the Life Course (the Life Course Centre) in July 2019. Jurisdiction over the AMEP subsequently moved from DESE to the Department of Home Affairs (the Department), making the Department custodians of the AMEP data and the key stakeholder in the AMEP Impact Evaluation Project.

This research paper has been co-funded by the Australian Government in partnership with the Life Course Centre.

Aim of the paper

The aim of this paper is to determine if participation in the AMEP is associated with reduced dependence on income support payments. Before now, it has not been possible to identify income support payment outcomes of AMEP clients. Newly linked AMEP-DOMINO (Social Security and Related Information) data in MADIP offers a unique opportunity to investigate this research question for the first time

Results

Information displayed in this paper is derived from the Home Affairs AMEP client dataset linked to DOMINO (Social Security and Related Information) data. The AMEP client dataset was submitted into the MADIP for all AMEP clients enrolled from 1 July 2003 to 30 June 2019. There were 403,000 AMEP participants represented in this dataset. The linkage rate between AMEP and Migration data was about 99.4%, while the overall linkage rate for AMEP to the MADIP spine was around 86.3%. DOMINO contains income support history on individuals recorded between the 2009-10 and 2015-16 financial years. Out of the total 403,000 AMEP clients, about 200,000 clients have been matched with DOMINO data. Results are presented in financial year rather than calendar year, as this aligns with Departmental reporting around program budgets and the reporting for other MADIP datasets that support this analysis.

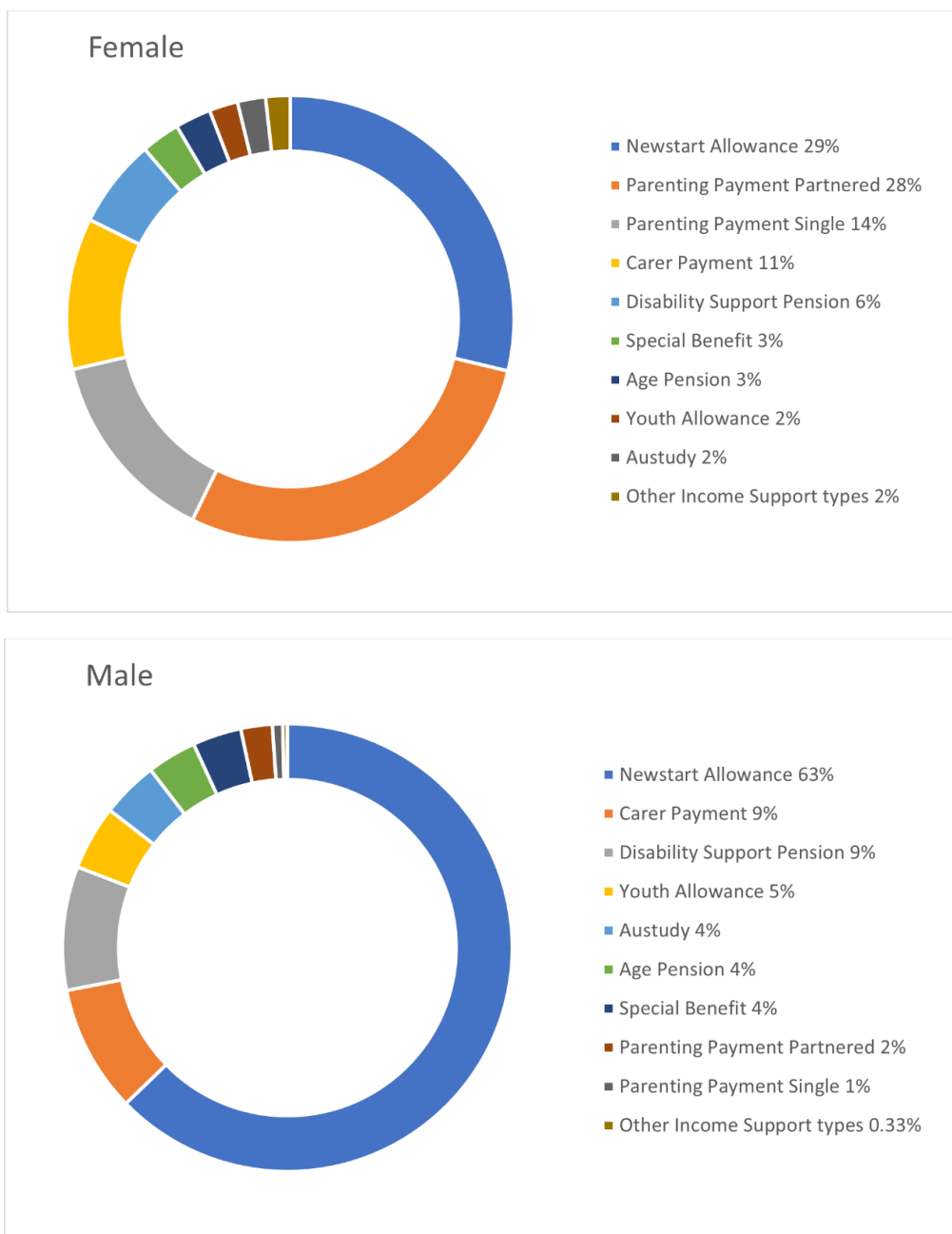
To provide timely preliminary evidence on the effects of AMEP participation on income support receipt outcomes, we have compared outcomes for the same clients at different points of their participation in the AMEP. As the longest duration of AMEP client outcomes that we could reliably observe in MADIP data (i.e., DOMINO) was six years and, on average, AMEP clients spent about three years engaged with AMEP, to maximize the time that we could observe and compare outcomes for the same clients, we distinguished two milestones: AMEP enrolment year and observed AMEP exit year. The latter milestone is identified, among those who are recorded as having exited the AMEP, by the last observation of a positive tuition hour in the AMEP data. This observed AMEP exit time was chosen over the recorded AMEP exit time because it captures the actual time spent at the AMEP. For each milestone, we have contrasted AMEP client outcomes by the time (in financial years) to/from this milestone.

AMEP-DOMINO matched data show that about 50% of AMEP clients received any type of income support during the 2009-2015 reference period and that male clients were slightly more likely (52%) than female clients (49%) to do so.

Figure 1, which reports the most common types of income support received by AMEP clients in any given year, also suggests a noticeable difference in the dominant types of income support received by gender. In particular, while New Start Allowance (NSA) was the most common and dominant type of income support received by male AMEP clients (63%), for female AMEP clients it was Parenting Payment that dominated (42% combined single/partnered), followed by NSA representing a much lower 29% of the income support received by females.

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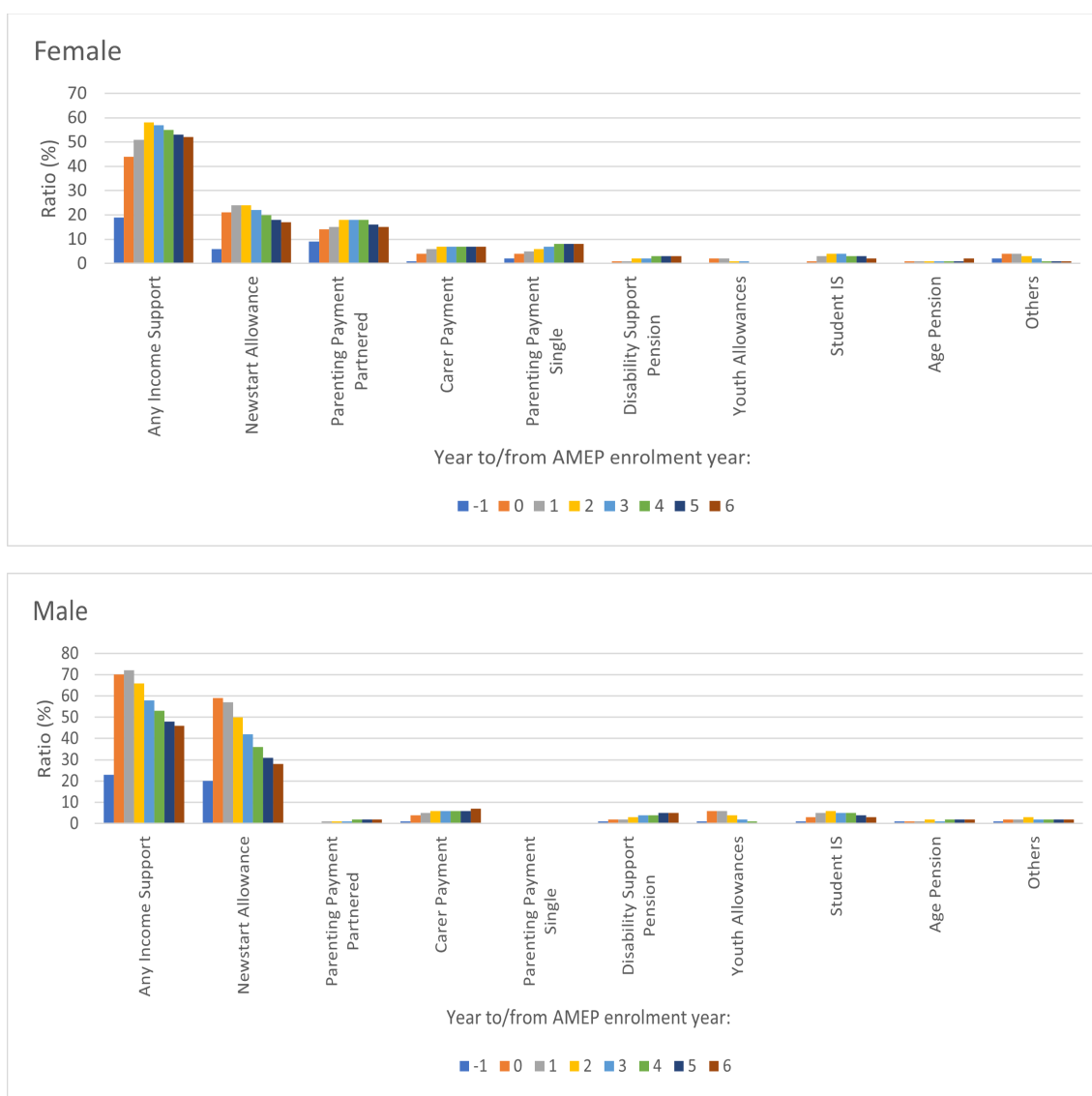
Figure 1: Linked AMEP – DOMINO. Type of income support received, by gender



Note: Figures (in percentages) are calculated for about 200,000 AMEP clients with any record in DOMINO data during 2009-10 to 2015-16 financial year period. For a small number of clients with multiple income support types per year, we assign the "most common" type for them.

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Figure 2: Linked AMEP – DOMINO. Income support receipt by time to/from AMEP enrolment year, by gender



Note: Year “- 1” refers to the year preceding the client’s AMEP enrolment year while Year “0” refers to the AMEP enrolment year. Year “1” indicates 1 year after the AMEP enrolment year and so on. Data: linked AMEP-DOMINO.

Figure 2 reports the proportion of AMEP clients with any type of income support receipt by income support type and by time to/from their enrolment year for AMEP. It shows that the proportion of clients receiving any income support increased substantially in the year they enrolled for AMEP, as compared to that in the previous year, and this pattern held for both males and females and for almost all types of income support for the first 2 years after enrolment. The sudden increase in income support assistance observed upon AMEP enrolment is consistent with mutual obligation requirements for receiving a range of income support payments, including Newstart Allowance (now called JobSeeker Payment) and Parenting Payment. Under these mutual obligation settings, income support recipients must undertake certain approved activities in order to receive income support payments, and AMEP is an approved activity under this arrangement. While Humanitarian and Refugee arrivals are exempt from waiting periods and can be fast-tracked onto relevant income support payments, most newly arrived migrants must wait to be eligible for income support payments. For migrants observed in these data who were not Humanitarian or Refugee arrivals, the waiting period to be eligible for income support payments was 2-years following arrival (from January 2019 the waiting period became 4-years). Figure 2 also suggests that overall income support receipt declined substantially from Year 2 onwards for male AMEP clients but remained elevated for female clients across the same period.

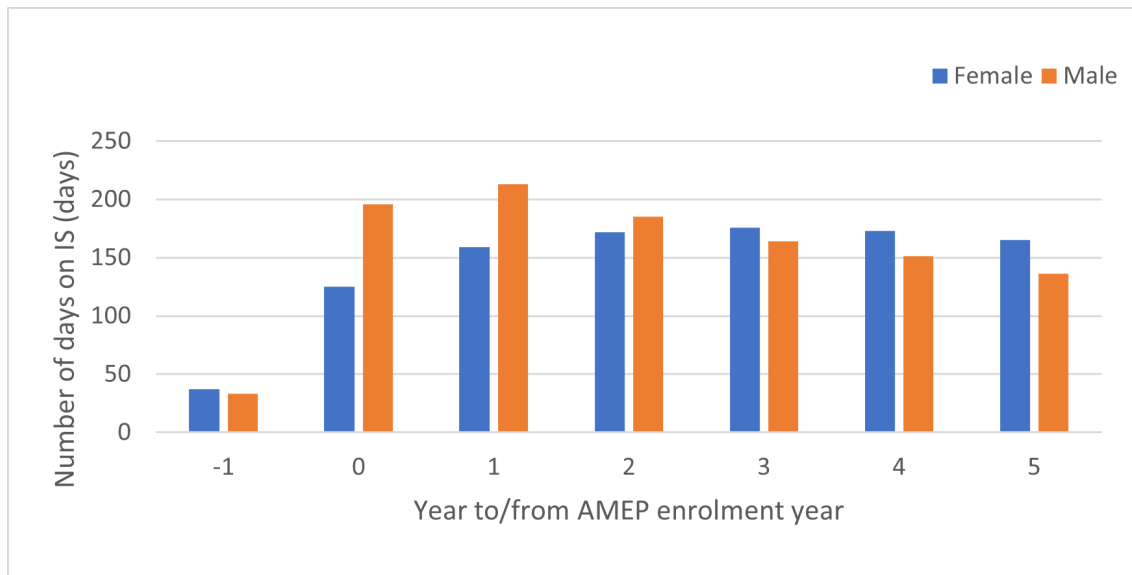
Figure 2 suggests that temporal changes observed in overall income support access were mainly driven by changes in demand for NSA. In particular, the proportion of males accessing NSA fell by more than half from the

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first year after AMEP enrolment (57%) to the sixth year (28%). While the proportion of females accessing NSA also decreased after their AMEP enrolment, the rate of decrease was much less pronounced, reducing from 24% in Year 3 post-enrolment to 17% in the sixth year.

The proportion of males and females receiving Parenting Payment or Carer Payment was quite stable over the six years following AMEP enrolment, suggesting that these income support types do not contribute to the overall decline in income support receipt observed above.

Figure 3: Linked AMEP – DOMINO. Number of days on income support by time to/from AMEP enrolment year

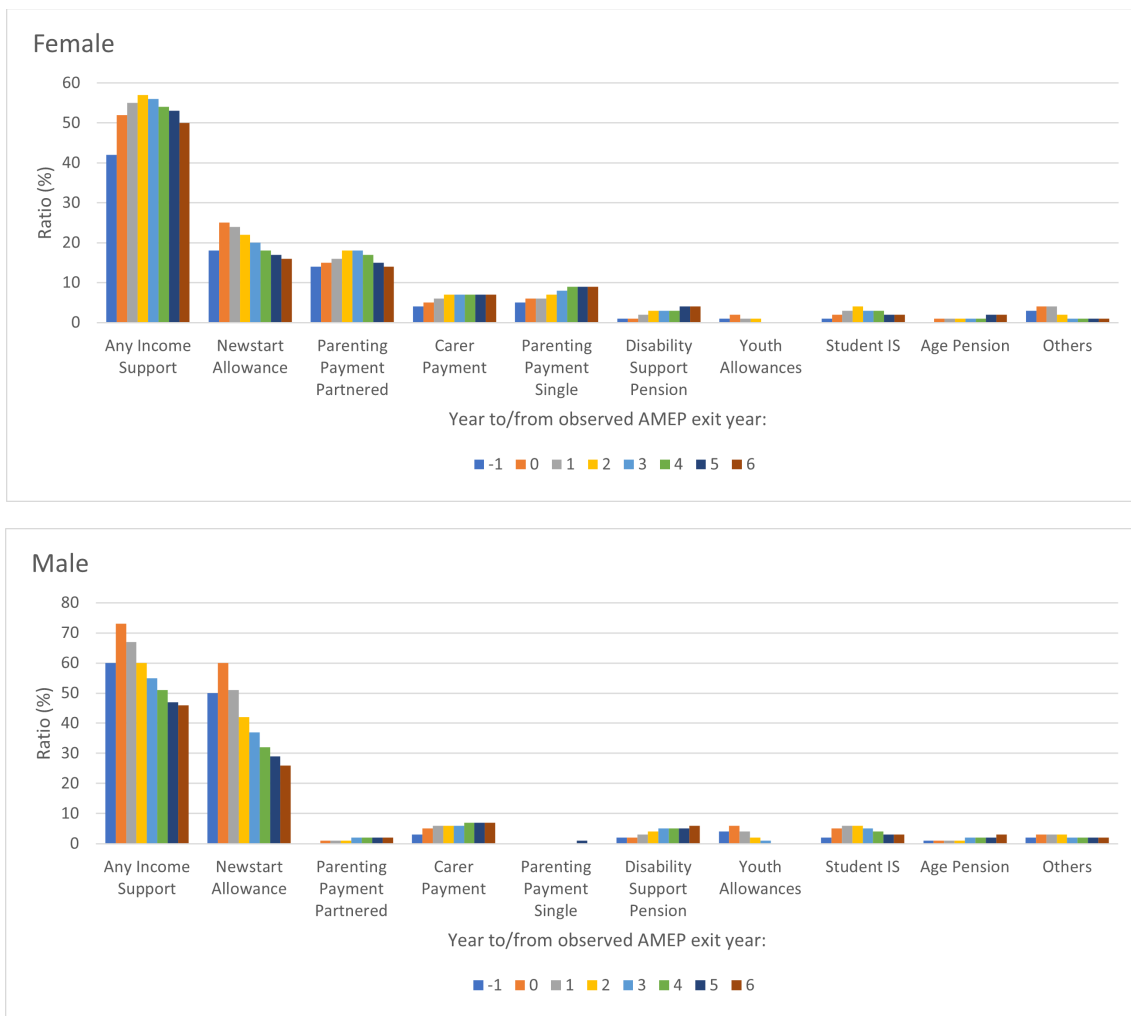


Note: Year “- 1” refers to the year preceding the client’s AMEP enrolment year while Year “0” refers to the AMEP enrolment year. Year “1” indicates 1 year after the AMEP enrolment year and so on. Data: linked AMEP-DOMINO.

Using the annual number of days on income support as an alternative measure of income support dependence in Figure 3, we confirm our observation from the previous Figure 2 that AMEP clients became less dependent on government income support from year 2 post- AMEP enrolment (for males) or year 4 (for females) and the rate of the decline in income support dependence appeared more pronounced for males.

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Figure 4: Linked AMEP – DOMINO. Income support receipt by time to/from observed AMEP exit year

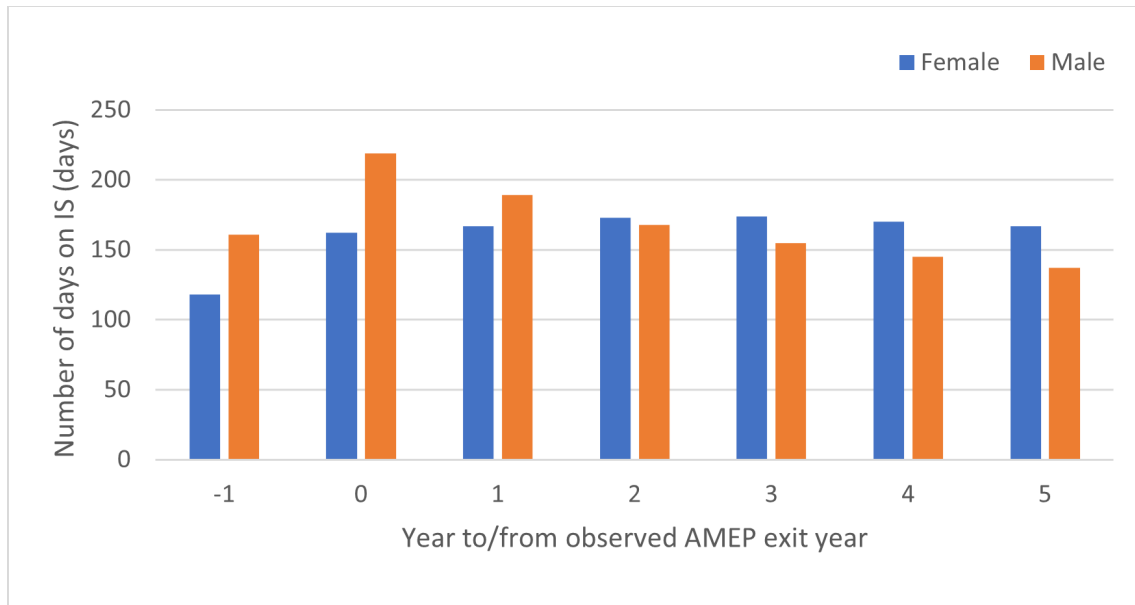


Note: Year “- 1” refers to the year preceding the client’s observed AMEP exit year while Year “0” refers to the observed AMEP exit year. Year “1” indicates 1 year after the observed AMEP exit year and so on. Data: linked AMEP-DOMINO.

Using the client’s observed AMEP exit as an alternative milestone, we observe from Figure 4 that AMEP clients were less likely to rely on income support when they exited AMEP, and this pattern appeared more pronounced for males. Furthermore, and consistent with what was observed in Figure 2, Figure 4 shows that the decline in income support access by AMEP clients was mainly driven by the fall in NSA receipt by both male and female clients.

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Figure 5: Linked AMEP – DOMINO. Number of days on income support by time to/from observed AMEP exit year

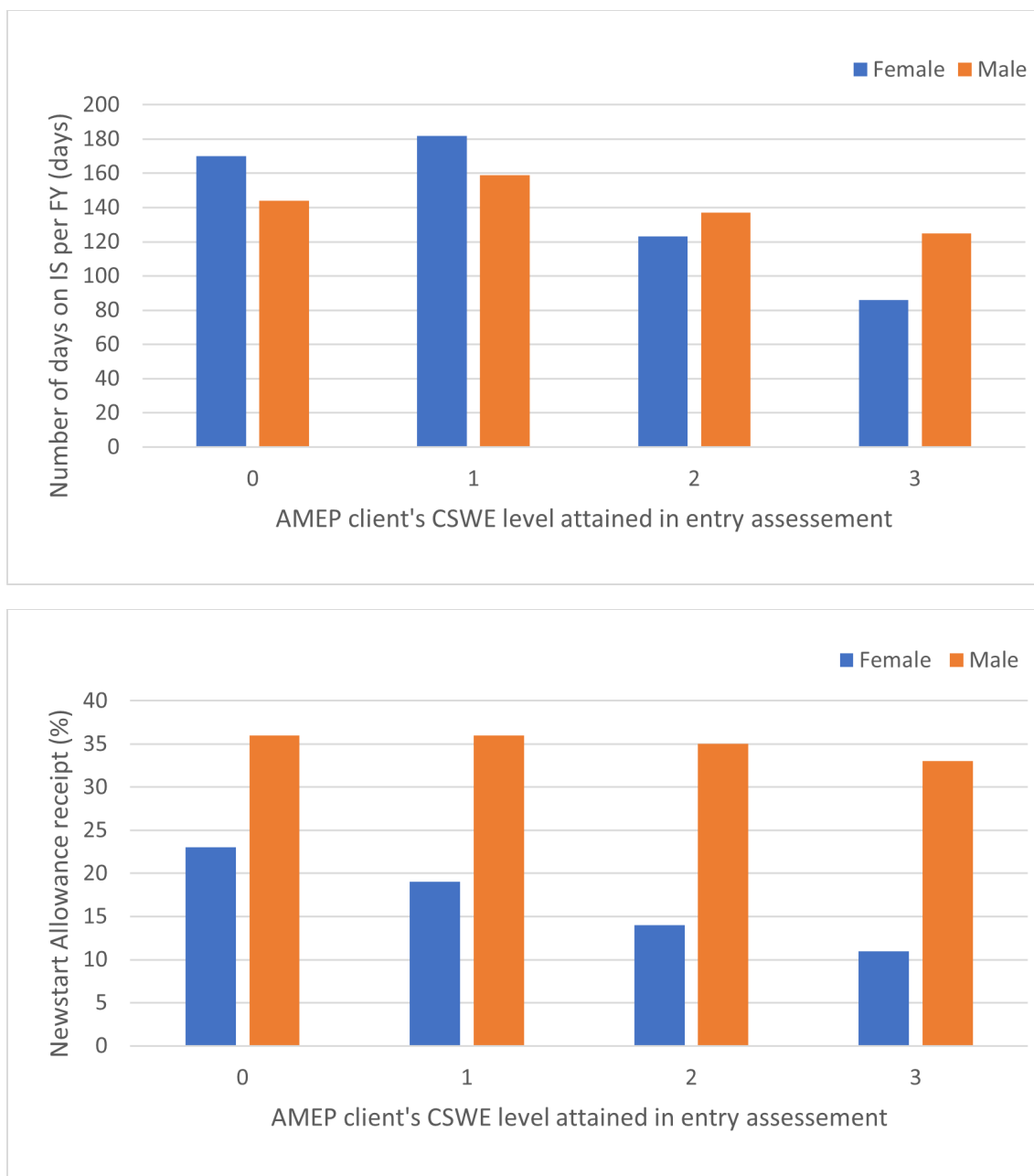


Note: Year “- 1” refers to the year preceding the client’s AMEP enrolment year while Year “0” refers to the AMEP enrolment year. Year “1” indicates 1 year after the AMEP enrolment year and so on. Data: linked AMEP-DOMINO.

Figure 5 reports the number of days that AMEP clients received any type of income support within a given financial year relative to their observed AMEP exit year. It also shows that AMEP clients, especially male clients, were less dependent on income support after they exited AMEP.

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Figure 6: Linked AMEP – DOMINO. Income support outcomes by initial English proficiency levels



Note: Data: linked AMEP-DOMINO for income support outcomes. Annual total wages are adjusted for Consumer Price Index (CPI), using 2009-10 FY CPI as the base, and are calculated among wage earners only. A higher attainment on Certificate in Spoken and Written English (CSWE) indicates a greater level of English proficiency.

Figure 6 shows a clear positive relationship between initial English proficiency levels and income support dependence, indicating that those with better initial English proficiency were much less reliant on income support. This evidence, when observed alongside the pattern of improved English proficiency following AMEP participation (see Research Paper A: *Profile of AMEP clients*), suggests that AMEP may help clients to move out of income support dependence by improving their English skills.

Conclusion

Using linked AMEP-DOMINO data, we have shown that AMEP clients reduced their dependence on income support over time, compared with their status at program entry. Additional results suggest greater English skills obtained from AMEP participation might have contributed to such improvements in income support outcomes.

Together, these results suggest AMEP is effective at reducing dependence on income support for AMEP participants, with positive results observed within two years of program completion and exit for males, and within four years for females. While it is encouraging that we see positive results for both genders, the rate of decline in income support dependence appears to be more pronounced for males. Future research will investigate why this might be the case, but it may have something to do with female roles in child rearing responsibilities and their associated income support payments. We make this assumption by observing that New Start Allowance (NSA) was the dominant type of income support received by male AMEP clients (63%), while Parenting Payments were the dominant form of income support received by female AMEP clients (42% combined single/partnered), followed by NSA at 29%.

Similar to our observation in Research Paper E: *Employment outcomes*, AMEP clients with better initial English proficiency may be less reliant on income support. This suggests there may be a sustained economic penalty for those AMEP participants who have the most limited initial English proficiency. Future research into factors such as home-language literacy, prior experience in education settings, linguistic distance, and opportunities to practice speaking English outside of AMEP classes, may help shed more light on this observation, providing the available data can support these investigations.

Data notes

1. Breaking down results into male and female is based on gender identity as recorded on the historical data sets used in the analysis presented here. None of these data sources provided gender-diverse identification options at the time of their collection, though most have now been updated to accommodate this for future collections. Therefore, representation of male and female in this paper may be skewed towards sex at birth, and not take into account a person's preferred gender identity.
2. AMEP program impacts have only provided descriptive outputs from AMEP linked to income support payment information. To provide deeper insights into program impact, further advanced modelling techniques and possible comparative analysis of outcomes against similar migrants who haven't participated in the AMEP would be required.
3. The current linked AMEP-MADIP dataset has incomplete tuition hours information for about 34,000 AMEP clients who enrolled in AMEP before 2011. This missing data issue means that some results may be biased, and care should be taken with interpretation.
4. Figures could also highlight the effect of spending time in a new country and being exposed to a new language.
5. The sample taken includes both English Speaking Background (ESB) and Non English Speaking Backgrounds (NESB) or Culturally and Linguistically Diverse (CaLD) migrants.
6. All client information used in this study was managed in a secure data environment, de-identified and access restricted only to authorised researchers.

Acknowledgment

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