
Skilled Migration Update



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2012 Migration Update

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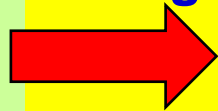
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Australia – Skilled Migration Context

Policy:

- Population = 22 million/ fertility rate = 1.9
- By 2011 world's highest percentage of permanent resident foreign-born: 25+% of the population (NZ 23%, Canada 20%, USA 11% in 2006)

Immigration goals =



Skilled category: Economic development

Family category: Reunion/ social cohesion

Humanitarian category: UNHCR commitments

Priority =

Around 60% of permanent intakes skilled in the past decade

Labor workforce policy:

Long term demand = domestic supply

Medium term demand = General Skilled Migration (permanent)

Short term demand = 457 Visa (temporary sponsorship)

Trend 1: Australia's Growing Reliance on Migrant Professionals (2006 Compared to 2001) – 2011 Data?

Occupation	2006 % Overseas-Born	2001 % Overseas-Born
Engineering	52%	48%
Computing	57%	48%
Medicine	45%	46%
Science		37%
Commerce/ business	40%	36%
Architecture		36%
Accountancy	44%	36%
Arts/ humanities		31%
Nursing	25%	24%
Teaching	25%	20%

Source: 2001 and 2006 Census data analysis, Australia and Canada; *The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia*, L Hawthorne, Institute for Research on Public Policy, Vol 14 No 5, 2008, Ottawa

The Challenge: Improving Outcomes in the First 5 Years (Case Study – 2001-06 Engineering Arrivals' Work Rates by 2006)

Source Country	Professional	Total Employed	Not in Labourforce or Unemployed
South Africa	67%	92%	8%
UK/ Ireland	62%	89%	11%
North Europe	58%	84%	16%
Canada/ USA	53%	87%	13%
Malaysia	42%	72%	28%
East Europe	35%	69%	31%
India	35%	77%	23%
Philippines	28%	82%	18%
Middle East/ North Africa	28%	57%	43%
Vietnam	24%	55%	45%
China	21%	55%	45%

Source: Analysis of 2006 Australian Census data by L Hawthorne

Trend 2:

Changing Pathways to Skilled Migration

Migration pathways:

1. New Zealand flows (36,416, with 41% annual growth)
2. International students (630,000 enrolled by 2010)
3. Temporary labour migration (457 visa - 131,341)
4. Permanent skilled migration (107,656)
5. Dependents of GSM migrants
6. Family and Humanitarian category migrants

Trend 3:

The Privatisation of Skilled Migration (Fast-Track/ Uncapped/ Power to Constrain Location)

1996+:

- **Deregulation** of temporary labour migration

2009:

- **70%** of all labour migrants sponsored

2010+:

- **Priority processing** for sponsored applicants

Medicine case study:



- **4/5 of all migrants = temporary** (17,190 compared to 2,790 permanent skilled migrants from 2005-06 to 2010-11)

July 2012+:

- **Two-stage selection**, strongly favouring sponsored applicants (as per New Zealand model)

Trend 4: Impact of Employer Preference on Skilled Migrant Source Countries

A. Government-Selected Permanent Skilled Category

1. India (21%)
2. China (18%)
3. **UK (14%)**
4. Malaysia (6%)
5. Indonesia (4%)
6. Sri Lanka (3%)
7. Republic of Korea (3%)
8. **South Africa (3%)**
9. Hong Kong SAR (3%)
10. Singapore (3%)

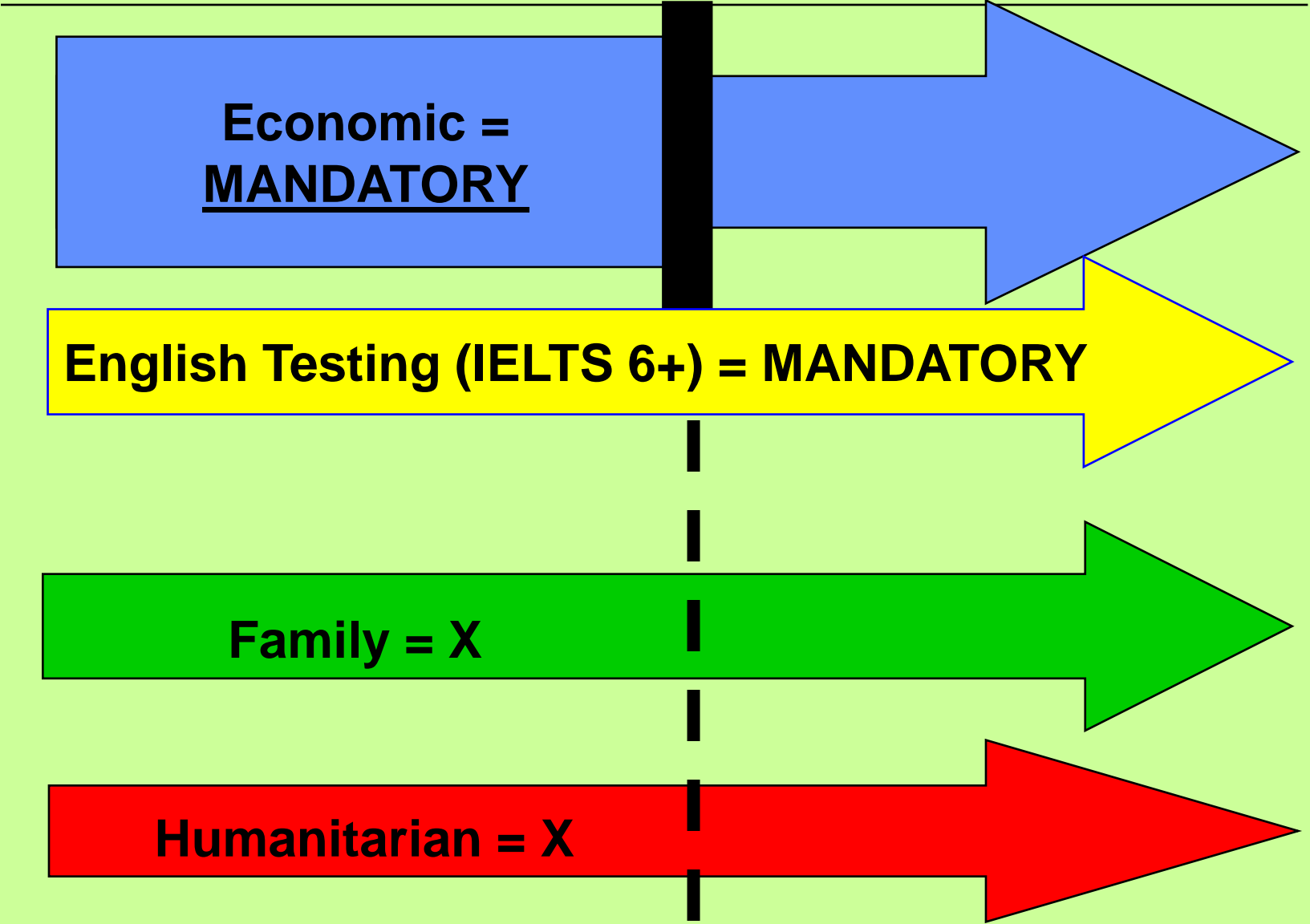
Native English speakers: 17%

B. Employer-Sponsored: Temporary Labour Category

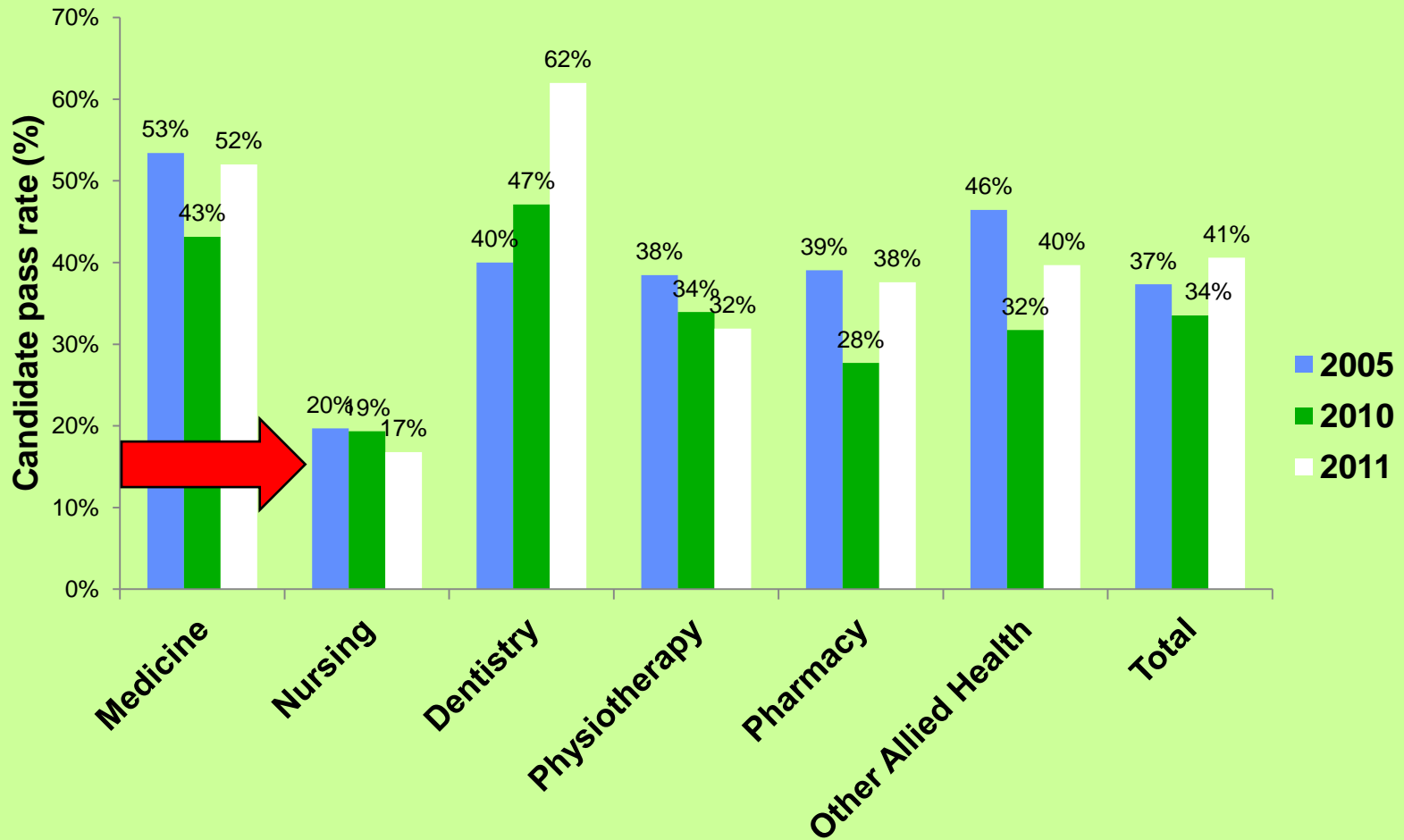
1. **UK (22%)**
2. India (13%)
3. **South Africa (8%)**
4. Philippines (7%)
5. **USA (6%)**
6. China (6%)
7. **Ireland (3%)**
8. **Canada (3%)**
9. **France (2%)**
10. **Germany (2%)**

Native English speakers: 42%
OECD members: 6

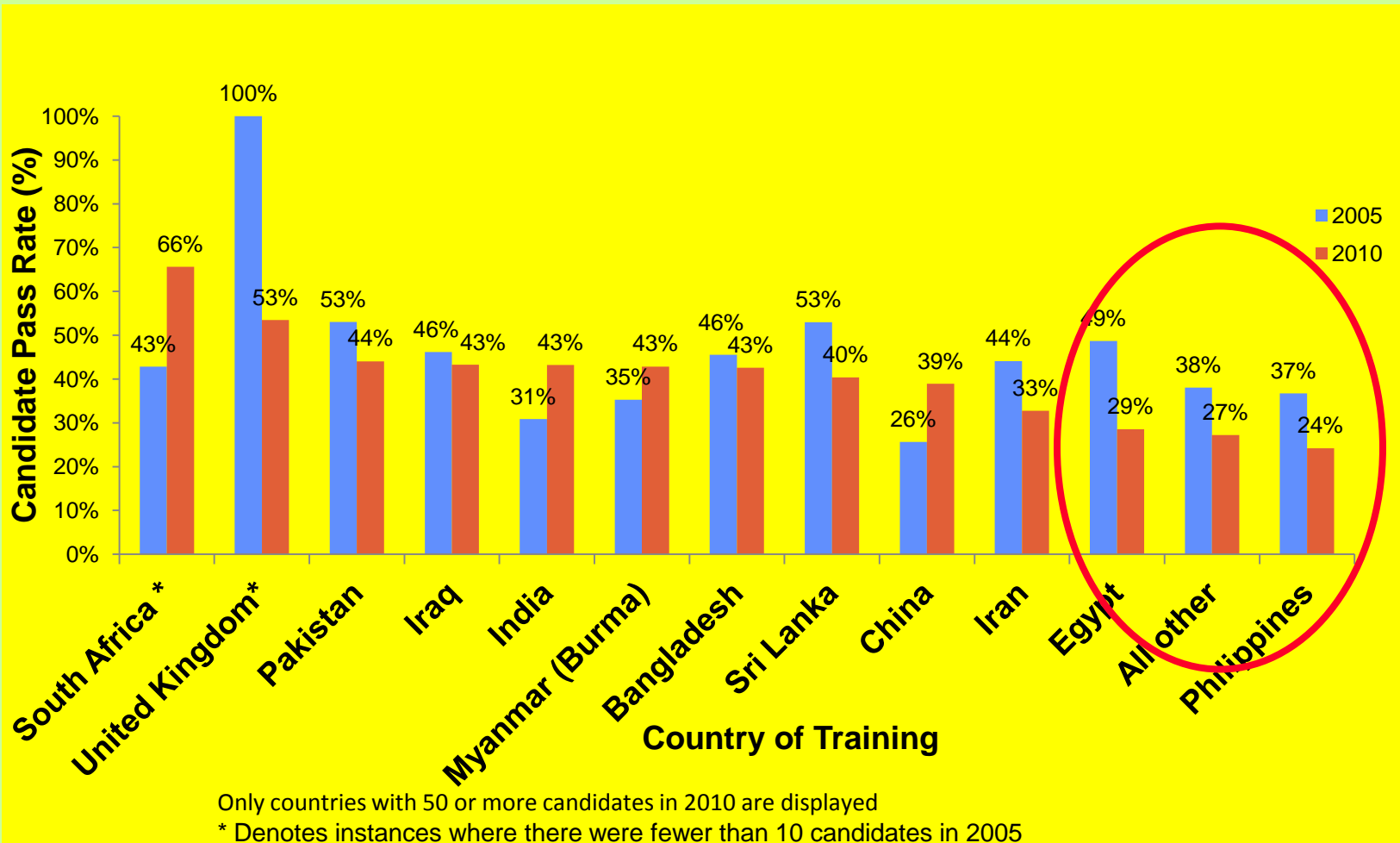
Trend 5: Pre-Migration Screening of Skilled Permanent and Temporary Migrants



Impact of English Language Testing on Skilled Migrants: Pass Rates by Major Health Field (Occupational English Test - 2005, 2010, 2011)



Impact of Requirement to Pass All Four Sub-Tests at One Sitting on Pass Rates by Select Country (All Health Fields, 2005 and 2010)



Trend 6: Regionalisation

State/ Territory migration plans:

- 2010+

2011-12 General Skilled Migration outcomes:

- 47,733 employer-sponsored (81% onshore) – compared to 10,000 (2003-04)
- 16,471 Regional Sponsored Migration Scheme (48% annual increase) – compared to 2,183 (2003-04)
- ‘Enables employers in regional and low population growth areas of Australia to sponsor highly skilled workers’
- **Western Australia** = 23.2% of the RSMS (including Perth)
- **Demand in the RSMS category 2011-12** = 29 866 (13,728 in 2010-11)

Case studies:

- Health workers in ‘areas of need’, engineering and trades (mining industry)



Trend 7: Limited Licensure to Practice in Australia in the Context of Temporary Labour Migration

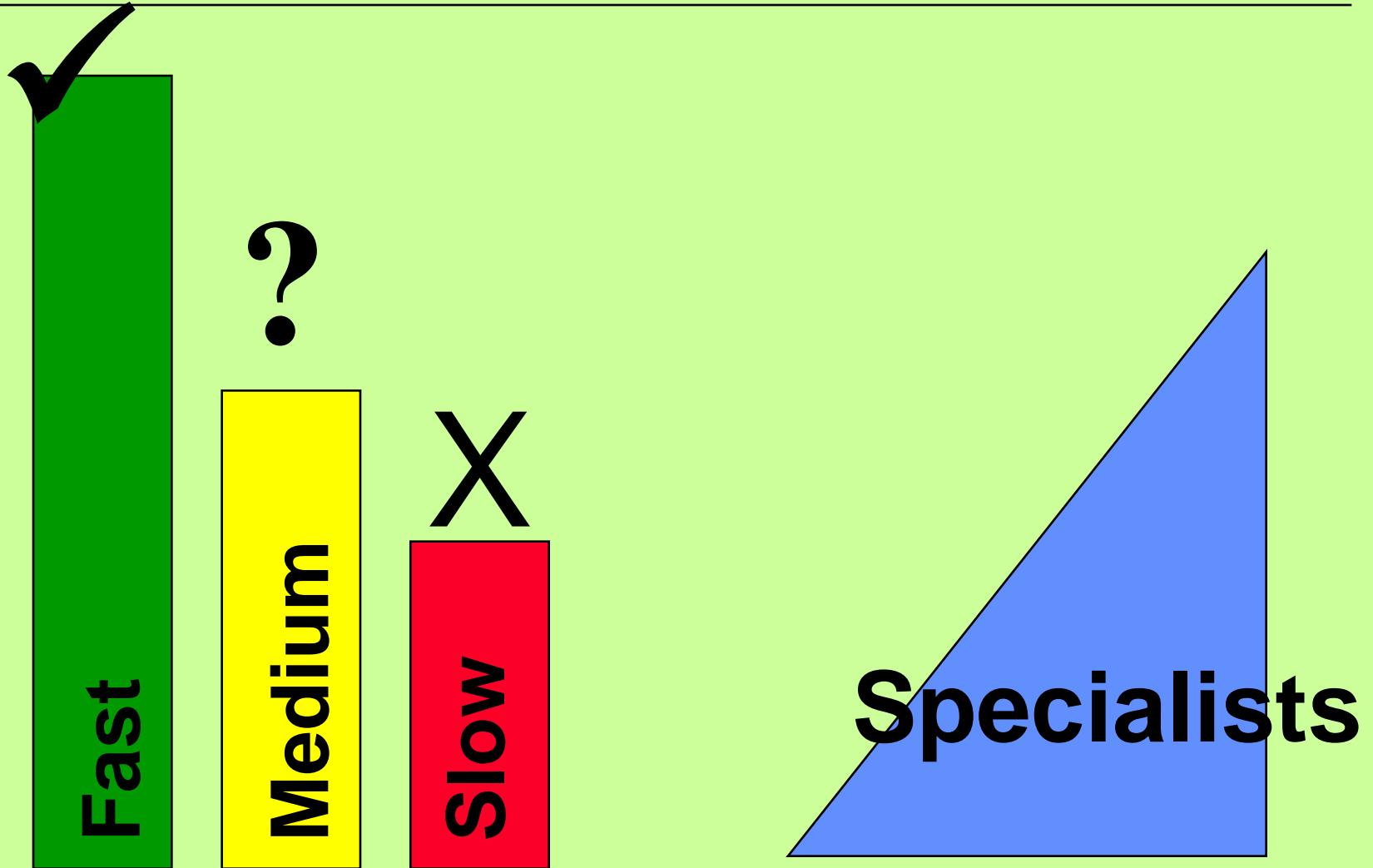
Top fields for permanent skilled migrants (2004-05 to 2009-10):

- **Accounting (32%)**
- Computing
- **Architecture (9%)**
- **Engineering (9%)**
- **Nursing (5%)**
- Trades

Top fields for temporary labour migrants:

- **Nursing (25%)**
- Computing
- Business
- **Engineering (10%)**
- Sales/marketing
- Trades

Case Study: Medicine 2008+ - Competent Authority Pathway/ Workplace Based Assessment (etc) – Impact on Source Countries



Trend 8: Transformation of the Study-Migration Pathway (2009-10 Students = 35% of Permanent Skilled Migrants Compared to 52% in 2005)


Nationality	2008 Enrolments	% of Total	Growth on YTD August 2007
China (38% migrate)	112,172	23.6%	18.8%
India (66% migrate)	80,291	16.9%	47.4%
Republic of Korea	31,667	6.7%	3.6%
Malaysia	20,449	4.3%	6.3%
Thailand	18,564	3.9%	9.8%
Hong Kong	16,827	3.5%	-5.0%
Nepal	14,605	3.1%	101.8%
Indonesia	14,071	3.0%	4.1%
Vietnam	13,367	2.8%	62.7%
Brazil	12,493	2.6%	26.4%
Other Nationalities	139,883	29.5%	9.2%
Total Enrolments	474,389	100.0%	18.5%

Fine-Tuning the Study-Migration Pathway 1999-2012


International student advantages:

- **Age:** Average = 24 years, long future productivity
- **Attributes:** English, acculturation, self-funding to train to local norms
- **Qualification recognition: Full**

BUT 2006 Skilled migration review:

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- Finds **83%** of former students employed at 6 months but salaries **20%** lower than offshore migrants (etc)

2007-2012 policy steps:

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- **2007-2010: Government removes perverse study-migration incentives** (requiring improved English ability, sector of enrolment, experience, and addressing over-concentration in select fields)
 - **2009-10: Former students = 4/5 of skilled category engineers selected, 2/3 of accountants, 50% of nursing and IT professionals**
 - **2011+: Guaranteed rights to temporary stay after qualifying in Australia = All students with Bachelor degree (2 years) Masters (3 years) PhD (4 years)**
 - **SkillSelect 2012+: Changed permanent skilled selection favours** high English language ability, advanced qualifications, experience, employer sponsorship

Fine-Tuning the Study-Migration Pathway: The Onshore Qualification Advantage

Country/ Region	Visa Status	Employed	Unemployed	Not in Labour Force
UK/ US/ Ire/ Canada/ NZ	Onshore	86.7	7.2	6.0
	Offshore	92.9	1.8	5.3
Europe	Onshore	91.2	5.3	3.5
	Offshore	91.7	5.6	2.8
India	Onshore	92.2	7.3	0.6
	Offshore	91.1	5.9	3.0
N Africa/ Middle East	Onshore	89.5	10.5	
	Offshore	71.4		28.6
Other Asia	Onshore	87.6	6.9	5.6
	Offshore	80.0	12.2	7.8
China	Onshore	74.8	10.9	14.3
	Offshore	54.7	27.4	17.9


Source: *Key Factors Influencing the English Language Proficiency, Workplace Readiness and Employment Outcomes of International Students*, S Arkoudis, L Hawthorne, C Baik, G Hawthorne, K O'Loughlin, E Bexley & D Leach, Department of Employment, Education and Workplace Relations, Canberra, 2009, 160pp

Changes to the Study-Migration Pathway - Justified by the Research Evidence?

Forthcoming study (Hawthorne & To):

'International Students as a Skilled Migration Resource – The Australian Experience 1999 to 2011' (2013 forthcoming), L Hawthorne & A To, *International Migration*

Graduate Destination Survey data 2007-2011:

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- **International students:** 79,046
 - **Domestic students:** 371,951

 - **11 fields:**
 - Sustained demand:** Medicine, dentistry, nursing, pharmacy, physiotherapy
 - Over-supply:** IT, accounting, business & commerce
 - Highly variable demand:** Engineering
 - Modest demand:** Education, law

 - **Employment outcomes @ 4 months:** Compared by field, qualification level, language background, source country, wage

Case Study: Outcomes by Field in Health (Bachelor Qualifications)

Medicine:

- **98.8** per cent of international students employed full-time, compared to 99.7 per cent of domestic graduates

Dentistry:

- **95.5** per cent compared to 93.5 per cent of domestic graduates

Pharmacy:

- **96.1** per cent compared to 97.6 per cent

Nursing (diploma to degree upgrade courses):

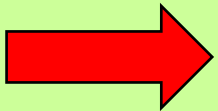
- **71.4** per cent (+17.6 per cent working part time) compared to 91.7 per cent

Physiotherapy:

- **66.7** per cent (with a further 15 per cent working part-time compared to 93.7 per cent)

Comparison:

- Employment rates for migrants by field in first 5 years across all immigration categories – medicine (53%), dentistry (37%)



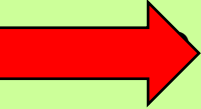
International Students' Employment Outcomes in Fields Associated with Limited or Highly Variable Demand (Compared to Australian Graduates)

Business and commerce:

- **39.7** per cent of international students employed full-time compared to 76.4 per cent of domestic graduates

Accounting:

- **35.2** per cent compared to **82.7** per cent

 **7,751 IS seeking employment (compared to 2,852 domestic graduates)**

Information technology:

- **42.3** per cent compared to 78.0 per cent
- **4,554 IS seeking employment (compared to 2,210)**

Engineering:

- **43.6** per cent compared to 86.4 per cent
- **1,236 IS seeking employment (compared to 1,341)**

Select Findings (Hawthorne & To)


Masters by coursework:

- **Differences** - more extreme
- **Serious wage differential** - even for former international students employed full-time

PhD:

- **Modest differences**
- **Highly beneficial to international students**
- **Engineering case study: 81%** of international students employed (compared to 88% domestic graduates)

Logistic regression:

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- **Significant factors favouring full-time employment = Permanent resident status, language background, and qualification level**
 - **Field = not significant**

Skilled Category Employment Outcomes @ 6 Months by 2006 – Global Comparisons (eg Canada)

Permanent outcomes @ 6 months:

- 87% employed or self-employed
- 70% working in their preferred occupation
- Markedly improved salary levels
- 93% satisfied with their migration and settlement

Temporary labour migrants @ 6 months:

- 99% employed in their field
- Encouraged to transit to permanent migration

Skilled Migrants' Employment Outcomes @ 18 Months (2007)

Findings:

- 89% employed or self-employed
- 70% working in their preferred occupation
- Significant job mobility (34% in different jobs)
- Markedly improved salary levels
- 93% satisfied with their migration and settlement

Skilled Migration and SkillSelect: Proportion of the 2012-13 GSM Program (68%) + Uncapped Temporary Migration

Program Stream	1998-99	2001-02	2006-07	2008-09	2009-10	2010-11	2011-12	2012-13
Skilled	35,000	53,520	97,920	114,777	107,868	113,725	125,850	129,250
Family	32,040	38,090	50,080	56,366	60,254	54,543	58,600	60,185
Special Elig.	890	1,480	200	175	501	417	550	565
Humanitarian	11,356	12,349	13,017	13,507	13,770	13,799	11,900	20,000

Policy Changes 2012+ (Following Points Test, MODL and Study-Migration Reviews)

1. **English and qualification level** = Key determinants of selection
2. **Convergence:** Temporary and permanent skilled application processes
3. **Expressions of Interest online applications:** Mandated, facilitating 'two-step' migration
4. **“Priority processing” = key determinant of selection:** Independent points-tested applicants ranked fourth or below/ sponsored applicants selected
5. **Fields:** Must be on the Skilled Occupation List to ensure eligibility for selection
6. **Occupational ‘caps’:** introduced
7. **New Zealand model:** 83-88% of skilled migrants selected already onshore and employed or with a job offer; 47% native English speakers
8. **Study-migration pathway:** Recalibrated to recruit degree-qualified students with high level English (IELTS 7-8)