

How are skilled migrants doing?

Summary

The Australian government has doubled the skilled migrant intake since 2001. This has been justified on the grounds that these migrants will fill skilled vacancies in Australia. To this end, most skilled migrants assessed under the points-tested skilled visa categories have to nominate an occupation on the government's Migrant Occupations in Demand List if they are to be selected.

The great majority of skilled migrants currently arriving have professional qualifications. The scale of the intake is breathtaking. By census date August 2006, there were 212,812 migrants in Australia who arrived here over the years 2001 to 2006 and who possessed degree-level qualifications. By comparison, there were only 116,000 undergraduate domestic completions from Australian universities in 2005.

Some 90,416 of the 212,812 degree-qualified migrants in question were aged 20 to 29 while the other 122,396 were aged 30 to 64. The majority of the younger group were former overseas students who completed courses at Australian universities. Almost all were from Non-English-Speaking-Countries (NESC). The older group were recruited offshore, mainly under the skilled-migration visa categories and again, most came from NESC countries.

How are these skilled migrants doing in the Australian job market? Those from Main-English-Speaking-Countries (MESC) are doing very well. Like Australian-born residents with degree-level qualifications, the great majority were employed in professional or managerial positions by 2006. However, the NESC-origin migrants are doing poorly. Only 22 per cent of those aged 20–29 were employed in professional or managerial positions and only 36 per cent of those aged 30 to 64.

This poor outcome is despite the high demand for those with professional qualifications in the fields migrants are being selected to fill. For example, there is a serious shortage of accountants in Australia. Yet, amongst recently-arrived migrants with degree qualifications in accounting, only 25 per cent of the 20 to 29-year-old NESC group and 43 per cent of the 30 to 64-year-old NESC group were employed in professional or managerial positions by 2006.

The worst performed group are the younger NESC migrants. This is despite the fact that most of this group were trained at Australian universities and were assessed by Australian accrediting authorities as meeting the professional standards in their field before gaining their permanent residence visa.

Their difficulties cannot just be a product of their lack of job experience because most Australian-born 20 to 29-year-old graduates are finding such professional or managerial positions. Rather, the main problem is the limited English language communication skills of former overseas students. Australian universities do not have the resources to bring overseas students who begin with poor English skills to the standards required for professional practice. The difficulties lecturers face in this regard are described in the accompanying article by accounting lecturer, Tony Burch.

At present near half of all overseas students enter Australian universities via pathways, such as foundation years, which allow them to avoid meeting the IELTS level 6 English language standard. This is the English proficiency standard required before the Department of Immigration and Citizenship will issue a higher education student visa for persons living overseas in order to attend an Australian university. There is no parallel requirement for overseas students who enter their courses after completing their pathway courses.

In addition, the migration program now features a wide range of state-specific and relative sponsored visa sub-categories which are bringing in large numbers of skilled migrants. These programs involve relatively weak assessment criteria. For those entering with degree qualifications the job outcomes are also poor, except where employer sponsorship is involved. The largest of these state-specific visa categories is the Skilled Designated Area Sponsored visa subclass. The job outcomes are poor and most of the migrants selected are settling in Melbourne.

Policy Implications

In September 2007, the Australian government introduced tighter selection criteria for the points-tested skilled migrant visa categories. These may lead to better employment outcomes, but until this outcome is established, there should be no increase in the skilled migration program.

In the meantime the Australian government should turn its attention to assisting the tens of thousands of recently-arrived degree qualified migrants to find professional or managerial positions—as by the provision of bridging courses.

Australian universities should be required to establish a minimum English standard of IELTS 6 before allowing overseas students to begin professional courses.

The government should cull some of the most poorly targeted visa subclasses, beginning with the Skilled Designated Area Sponsored subclass. The migrants being selected under these visas are not helping to fill skilled occupations in short supply. Instead, they are adding to the problem migration is intended to deal with, which is the massive skill shortages generated by the expansion of Australia's cities at the same time as the mineral industry is gearing up its operations.

HOW ARE SKILLED MIGRANTS DOING?

■ **Bob Birrell and Ernest Healy**

Skill shortages have prompted the Australian government to double the skilled migration program since 2001–02. This article examines the employment outcomes for all skilled migrants who arrived in Australia between 2001 and 2006. Those from Main English Speaking Countries (MESCC) are successfully finding professional or managerial jobs consistent with their qualifications. However, only a minority of those from non-English-speaking countries (NESCC) have achieved a similar outcome. This is a serious matter because the majority of Australia's skilled migrants are being drawn from NESCC birthplaces. The most rapidly growing component of this NESCC group, former overseas students who have studied in Australia, are having the least success in finding professional employment.

Australia has experienced a boom in job creation in recent years. This has mainly been at the skilled end of the workforce and particularly among those holding professional qualifications. However, as the accompanying article in this issue notes, the level of domestic training has fallen way below that needed to fill these skilled occupations.¹ In response, the Coalition Government turned on the skilled migration tap. It increased the skilled component of the settler migration program from 53,520 in 2001–02 to 102,500 in 2007–08.

Other sources of permanent migrants have also increased, including spouses and New Zealand citizens. This is partly because immigration begets more migration, most obviously when skill-selected migrants return home for a bride or groom or sponsor other family members. The bigger the recent migrant base the larger these flow-on movements become. To take one spectacular example, in 2006–07 some 39,075 spouses arrived in Australia from overseas or were granted visas onshore, up from 33,994 in 2004–05.² By comparison there are currently only about 111,000 marriages in Australia a year.

The incoming Labor Government has inherited this situation. The current signs are that it intends to open the immigration tap even further. In February 2008, the new

government added a further 6000 skilled visas to the 2007–08 skilled program. These numbers include both the skilled workers and their dependants. To our knowledge the incoming government is not basing its immigration decisions on any systematic review of the merits of the Coalition policy. It seems to be assuming that the migrant influx actually efficiently fills skill vacancies. However, there has been no recent public release of data on migrant employment outcomes that would support such an assumption. This article fills this vacuum. It provides information from the two main sources of data on migrant employment outcomes: the 2006 census and the Longitudinal Survey of Immigrants to Australia (LSIA).

The skilled migration program has expanded on two fronts. The main front is the points-tested skilled visa categories. The other, though not as large, is the state-specific visa categories, the ostensible goal of which is to increase the flow of skilled migrants to regional areas.

THE POINTS-TESTED VISA CATEGORIES

Professionals dominate the intake under the points-tested skilled visa categories. These visa categories are the main source of professional migrants coming to Australia. In

2005–06 there were 26,822 permanent arrivals to Australia who indicated a professional occupation out of a total of 48,865 arrivals who indicated that they were skilled, that is, that they were managers, professionals, associate professionals or tradespersons. In addition, during 2005–06, a further 13,698 skilled visas were issued within Australia to former overseas students who had completed their courses in professional fields at Australian universities.³

Given the serious shortages of professionals in Australia in the health, accounting and engineering fields (among others) the incoming migrant professionals should be being snapped up by employers. This is the case for the minority coming from the UK, New Zealand, South Africa and North America—countries hereafter referred to as Main-English-Speaking Countries (MESCC).

But there is a large body of evidence showing that migrants with professional qualifications from Non-English-Speaking Countries (NESCC) have, in the past, struggled to find professional employment in Australia.⁴ Various factors appear to be involved, including training and experience which is not relevant to Australian employers' needs. Many of these migrants also have not possessed the English language communication skills required for professional practice in Australia.

Partly because of these concerns, since 1999 the Australian government has privileged skilled migration applications from former overseas students who have completed courses in Australia. From mid-1999 former overseas students have been given an additional five points on the selection test if they possessed Australian qualifications accredited by the relevant Australian accrediting authority. Previously, such people had had to apply for a skilled migration visa from overseas but, from mid-2001, they were permitted to apply onshore in Australia for permanent residence and

were encouraged to do so immediately after graduation. They were only permitted to apply onshore if they did so within six months of completing their Australian course. Finally, former overseas students who applied onshore were exempted from the requirement, which applies to skilled migrants applying from overseas, that they must possess work experience in their nominated occupation.

Former overseas students, almost all of whom come from NESCC countries have responded strongly to these rule changes. By 2005–06 nearly half the principal applicants visaed under Australia's points-tested Skilled-Independent migration category came from the ranks of these students.

In a further move to target the selection system to occupations in short supply, the Coalition Government focused its selection on migrants with occupations listed on the Migrant Occupations in Demand List (MODL). The decision to place an occupation on the MODL is made by the Department Immigration and Citizenship (DIAC) on the basis of advice from the Department of Education, Employment and Workplace Relations (DEEWR). To be included, an occupation usually has to be in 'national shortage' as indicated by DEEWR's survey of the employment market. Applicants with occupations on this list received an extra 15 points on the selection grid.⁵ These 15 points are currently crucial for selection under the points tested categories.

In the case of professional occupations, health occupations (including medical practitioners, nurses, physiotherapists and pharmacists) have dominated the MODL list since 2004. But accounting was added in September 2004 and civil engineering in May 2005. Almost all the traditional construction, electrical and metal trades were added in September 2004 or April 2005. Hairdressing has been on the MODL

since May 2001 and cooking was added in May 2005. The addition of the traditional trades has improved the prospects of selection for tradesperson in these fields who apply from overseas. As we detail later, the addition of cooking has given enormous impetus to this field of study in Australia for overseas students.⁶

On the face of it, these selection rules should have delivered professionals who met employer needs. Yet evidence has been mounting that they have not. The largest single occupational category within the skilled migration program has been accounting. As noted, accounting was added to the MODL in September 2004. In 2005–06, 3471 accountants entered Australia as settlers with permanent residence visas, most of whom would have been visaed under the offshore Skill-Independent (category 136) visa subclass.⁷ Another 6,559 former overseas students with Australian accounting degrees gained onshore skilled migration visas in 2005–06. This 11,000 influx was larger than the around 6,500 domestic annual completions in accounting degrees.⁸

Despite this huge migrant intake, the shortage of accountants continues. The message, growing increasingly insistent from within employer ranks, was that migrant accountants (including those trained in Australia) often lacked the communication skills they were looking for.⁹

In September 2007 the Coalition Government did tighten the visa requirements for skilled migrants, especially those who had been trained in Australia. However, it is far too early to decide whether the reforms have improved the employment situation for skilled migrants.

STATE-SPECIFIC VISAS

The Coalition Government promoted a suite of state-specific visas over the past decade.

This reflected complaints from some state governments (mainly South Australia and Victoria) and from regional areas that their skill needs were being neglected. The distinctive feature of these state-specific visas is that they involve concessional entry, that is, concessional relative to the selection criteria for the Skilled-Independent visa subclasses.

The largest of these state-specific visas, the Skilled Designated Area Sponsored visa subclass, allows relatives in ‘designated areas’ to sponsor brothers, sisters, uncles, aunts, nieces, even cousins. The sponsored migrant must meet the minimum English standard and have an occupation listed on the Skills Occupation List (SOL). The SOL covers most professional, associate professional, management and trade occupations regardless of whether they are in short supply in Australia. In addition, the sponsored migrant must have his/her credentials recognised by the relevant accrediting authority in Australia. There is no points test, nor any requirement that their occupation be in short supply in Australia.

Since 2007 this visa has only been initially available on a provisional basis. Applicants must first work in a ‘designated area’ for two of the three provisional years before they will be eligible for permanent residence. One might imagine that ‘designated areas’ consisted of regional towns and remote areas. In fact Melbourne and Adelaide are ‘designated areas’, though not Sydney, Brisbane and Perth. Most of the migrants sponsored under this visa category are settling in Melbourne.¹⁰

It is hard to see the sense of allowing this open-ended visa category to flourish. Why would a Labor government want to continue, let alone expand, a visa category that delivers thousands of people to a city that is already bursting at the seams, unless there was evidence that this visa category was helping to meet skill shortages?

DATA SOURCES FOR THE STUDY OF MIGRANT EMPLOYMENT OUTCOMES

There are two sources of data on the occupational outcomes for migrants recently arrived migrants. One is the 2006 census. For this study, the CPUR purchased a customised 2006 census matrix, which contains information on residents' field and level of qualification, year of arrival (if not born in Australia), age and birthplace and their employment status and occupation if employed. The matrix allows an investigation of the employment outcomes for persons with degree-level qualifications, by field of qualification, by time of arrival in Australia and birthplace. This means that persons qualified in key fields like account-

ing, information technology and engineering can be identified, as well as their situation in the Australian labour market as of census date August 2006. The focus here is on migrants arriving in Australia between 2001 and 2006.

The other source is DIAC's Longitudinal Survey of Immigrants in Australia (LSIA), the most recent version of which is titled LSIA 3, wave 2. This provides information on the labour market situation as of late 2006 on some 5000 principal applicants in the Family and Skilled migrant streams. The migrants in question either arrived in Australia between December 2004 and March 2005 or, if former overseas students, were visaed during this period.

Table 1: Age distribution of migrants visaed under the onshore overseas student 880 visa subclass and offshore 136 visa subclass, 2001–2002 to 2004–2005, principal applicants only

Age group	Program year				Total	Share of total (per cent)
	2001–2002	2002–2003	2003–2004	2004–2005		
Onshore 880 visa subclass						
20–24	1770	2912	4307	6508	15497	43.7
25–29	2623	3234	4641	4922	15420	43.4
30–34	721	733	1030	1220	3704	10.4
35–39	147	139	169	244	699	2.0
40–44	12	17	28	65	122	0.3
45–49	1	2	2	4	9	0.0
Total ¹	5284	7049	10188	12978	35499	100.0
Offshore 136 visa subclass						
20–24	1	937		4	942	2.0
25–29	976	4430	528	464	6398	13.3
30–34	3761	4091	4137	3761	15750	32.7
35–39	3030	2400	4344	4291	14065	29.2
40–44	1622	1273	2198	2244	7337	15.2
45–49	872	404	865	906	3047	6.3
Total ¹	10263	13535	12073	11672	47543	98.8

Source: DIMA/DIAC, visas issued data, dataset held by CPUR

Note: ¹ Total includes age invalid or unknown.

we now turn to the relative merits of the two sets of data for this inquiry.

CENSUS STRENGTHS AND WEAKNESSES

The strength of the census is that it provides a complete enumeration of workforce outcomes for migrants and allows comparisons with outcomes for Australian residents. The main weakness of the census is that there are no data on the visa category of persons born overseas when they became permanent residents of Australia, nor any indication of whether they entered as principal applicants or as accompanying family members. The census also does not provide information on when or where qualifications were obtained.

Fortunately, age data makes it possible to differentiate fairly accurately those skilled migrants who applied from overseas (and thus held overseas qualifications) and those who obtained permanent residence in Australia after completing their qualifications here. The former group are mainly aged in their thirties or above and the latter in their twenties. Table 1 is derived from unpublished visa issued data provided by DIAC. It indicates that 87 per cent of those visaed under the main onshore student skilled visa category (880) were aged 20 to 29 at the time their permanent resident visa was issued (at least over the four years 2001–02 to 2004–05 for which the CPUR holds the relevant data). On the other hand, 83.4 per cent of those visaed under the main Skilled–Independent offshore subclass (category 136) were aged over 30 when their visas were issued.

Thus to age categories 20 to 29 and 30 to 64 fairly closely match migrants visaed under the onshore student program and the offshore Skilled–Independent category respectively. (Table 1 does not include persons over the age of 49 because persons

over this age are not eligible for selection.) As a consequence, the census-based employment outcome data reported below for the younger age group provide a good indicator of the employment outcomes for migrants who are former overseas students. Likewise, the outcomes for the older age group are indicative of the situation of skilled migrants visaed from offshore locations.

These assertions depend on the assumption that most of those with degree qualifications, whether onshore or offshore applicants, were selected under the skilled visa subclasses. This proposition can be checked. Table 1 shows that there were 35,499 visas issued under the 880 visa category over the years 2001–02 to 2004–05, some 90 per cent of which were issued to degree qualified students. A further 15,000 880 visas were issued in 2005–06. There were another 5000 visas issued over the five years in question to the other, smaller onshore overseas-student skilled visa categories (881 and 882). Therefore, the potential stock of former overseas students with Australian degree qualifications who were in Australia as of 2006 and who arrived between 2001 and 2006 would have been about 55,000. Almost all of these migrants were born in NES countries. According to Table 2, there were 74,563 persons enumerated in the 2006 census who arrived 2001–2006, who were aged 20 to 29, who held degree qualifications and who came from NES countries. The implication is that, about 20,000 of the 74,563 entered Australia via pathways other than through the onshore former overseas-student skilled visa categories.

In the case of migrants aged 30 to 64, most of those with degree qualifications enter Australia via the Skilled–Independent group (visa subclass 136) and the state specific visa categories. However, there is an additional stream of permanent

residents whose stated occupations imply that they also hold degree qualifications. Most of these would have entered via the family stream or are New Zealand citizens who state that they intend to stay permanently in Australia.¹¹

It may be that permanent residents with degree qualifications who enter Australia outside the skill-selected visa categories do not do as well as their skill-selected counterparts in gaining professional or other skilled jobs. To the extent this is the case, the census-based tables presented below understate the job outcomes of the skill-selected migrants.

For some purposes however, the visa category of migrants is irrelevant. Whatever their entry pathway all are now members of the Australian community. If they cannot put their qualifications to work the Australian government should know about this. It might prompt policy initiatives to help them into the professional workforce and thus reduce the need to recruit overseas. The strength of the census is that, because it is a complete enumeration, it provides the required information.

STRENGTHS AND WEAKNESSES OF THE LSIA

As indicated, the main strength of the LSIA is that it identifies the visa category of those surveyed as well as the other variables available in the census, including field of qualification, level of qualification and occupation in Australia. However, LSIA 3, waves 1 and 2, only survey principal applicants in the skill and family stream.

The main weakness of LSIA 3 is that it was not based on a scientifically-drawn sample. The 2005 LSIA differed from earlier versions, which were based on such a sample. LSIA 3 began with an initial survey in 2005 of some 20,600 migrants who arrived or, in the case of former overseas students, were visaed in the

period December 2004 to March 2008 and for whom DIAC had address information. The around 10,000 who responded are likely to have been those with more settled addresses and employment situations. The same point applies to the 5000 DIAC was able to contact (out of the original 10,000 who responded in wave 1) when the second wave was conducted 12 months later. Thus it is arguable that the LSIA incorporates a response bias which favours migrants with stable addresses who were doing relatively well in the Australian labour market.

As far as the skill selected migrants are concerned, the LSIA findings are likely to be influenced by the response bias described above. This means that the level of success it reports for degree qualified migrants obtaining professional positions is likely to be an overstatement of the actual rate for all skill-selected migrants. The findings from the LSIA will be reported after an analysis of the census results.

OCCUPATIONAL OUTCOMES AS REPORTED IN THE 2006 CENSUS

Table 2 shows the outcomes for all overseas-born persons aged 20 to 29 and 30 to 64 who indicated that they possessed a degree level qualification or above and who arrived in Australia over the years 2001 to 2006.

The job outcomes revealed in the 2006 census are similar to those in the 2001, 1996 and 1991 censuses. Recently-arrived persons holding degree-level qualifications born in MESC countries do almost as well in the labour market as do similarly qualified Australia-born persons. The proportion who had obtained professional or managerial positions by 2006 was 57 per cent for the 20 to 29-year-old MESC-born group and 65 per cent for the 30 to 64-year-old MESC-born group.

Similarly, little has changed regarding

Table 2: Job outcomes of Australia-born and overseas-born persons (who arrived 2001 to 2000) aged 20 to 27 and 30 to 64 years with degree qualifications by birthplace regions and job outcomes, 2006 (per cent)

	Managers	Profs	Technicians and trades workers	Community and personal service wkr, clerical/administrative, and sales workers	Operatives and labourers	Total employed ¹	Unemployed	Not in the labour force	Total %	Total N ²
MESC ³	9	48	3	21	3	85	4	12	100	15,725
Northern, western, southern and eastern Europe	5	32	3	23	4	70	7	23	100	5,398
North Africa and the Middle East	3	19	4	15	6	49	9	41	100	2,938
South East Asia	3	22	4	23	9	61	8	31	100	14,273
China excl SARs and Taiwan Province	2	14	2	22	9	51	13	36	100	15,529
North East Asia	2	16	3	19	5	46	8	45	100	5,760
India	3	19	4	28	14	70	9	20	100	20,653
Bangladesh, Pakistan, Sri Lanka	3	15	5	25	16	65	8	26	100	4,824
Other NESc	4	26	4	26	12	73	8	18	100	5,188
Total NESc ³	3	19	4	24	10	61	10	29	100	74,563
Total overseas-born	4	24	4	23	9	65	9	26	100	90,416
Australia	8	56	3	21	2	91	2	7	100	339,400
MESC	18	47	3	12	1	84	3	13	100	41,236
Northern, Western, Southern and Eastern Europe	12	40	4	14	3	76	5	18	100	10,704
North Africa and the Middle East	5	25	4	12	6	53	11	36	100	5,148
South East Asia	7	23	5	18	10	68	7	25	100	17,207
China excl SARs and Taiwan Province	6	20	6	18	9	65	10	24	100	9,744
North East Asia	9	17	4	14	4	52	6	42	100	8,417
India	7	31	4	21	6	74	8	17	100	14,131
Bangladesh, Pakistan, Sri Lanka	4	30	4	16	11	70	8	21	100	6,528
Other NESc	9	36	4	15	7	75	6	18	100	9,052
Total NESc	8	28	4	17	7	68	7	24	100	80,931
Total overseas-born	11	34	4	15	5	74	6	20	100	122,396
Australia	16	51	2	12	1	87	1	11	100	1,116,397

Source: ABS, 2006 Census, customised dataset held by CPUR

Notes: ¹ Total includes inadequately described, not stated and not applicable

² Total includes labor force status not stated

³ For an explanation of MESC and NESc see text p. 2.

the difficulties that persons from NESC birthplaces have in the Australian labour market. Only 22 per cent of the NESC-born group aged 20 to 29 who were degree qualified held professional or managerial positions by 2006 and only 36 per cent of the 30 to 64-year-old NESC-born group. Those born in China, North-East Asia, India and Bangladesh/Pakistan/Sri Lanka-born are experiencing the greatest problems in finding professional and managerial positions, particularly among those in the 20 to 29-year-old age group. The largest group among these four regions was the India-born. There were 20,653 persons aged 20 to 29 from India with degree qualifications who arrived in Australia between 2001 and 2006. By census date in 2006 only 22 per cent of these migrants had found professional or managerial positions. The parallel figure for the China-born, at 16 per cent, was even lower.

The most surprising finding, given the assumptions about the value of Australian training which underpin the prioritisation of former overseas students in the selection system, is that the share of the 30 to 64 NESC-born age group who achieved a professional or managerial outcome (36 per cent) was considerably higher than that of the younger group (22 per cent). This finding applies to all the birthplace groups listed under the NESC-born category. This raises the question, pursued later, whether Australian training actually bestows an advantage in the Australia labour market as is assumed under current DIAC selection policy.

We now explore occupational outcomes by field of qualification. Tables 3a and 3b provide details of occupational outcomes for recently arrived migrants by each major field of qualification for the 20 to 29 and 30 to 64-year-old age groups.

The tables show that in the case of the NESC-born persons, those in the 30 to 64

age group consistently outperform the 20 to 29-year-old age group in each of the fields of qualification listed. This is despite the fact that most of the younger age group would have gained their degree qualifications in Australia. In the case of those with degree qualifications in engineering, Table 3b shows that 47 per cent of the 30 to 64-year-old NESC-born group had found professional or managerial positions by 2006. Yet only 28 per cent of the 20 to 29-year-old counterparts with engineering qualifications had found such positions.

Tables 3a and 3b also confirm the aggregate finding shown in Table 2 that, for each of the qualification fields listed, the MESC and Australia-born groups do considerably better than their NESC-born counterparts in gaining professional or managerial positions. This is a serious matter because it means that large numbers of NESC-born migrants are wasting their qualifications. This is clearly the case with the engineers just mentioned. Table 3a shows that some 8,231 20 to 29-year-old NESC-born migrants with degree qualifications in engineering (who arrived between the years 2001 and 2006) were in Australia at the time of census. As noted, only 28 per cent of this number had found jobs as managers or professionals by 2006. This wastage was much worse for 20 to 29-year-old NESC-born migrants with IT, accounting and other business qualifications.

The situation for medically-qualified NESC-born persons who arrived between 2001 and 2006 was also less than satisfactory. Only 40 per cent of the 1,006 NESC-born with medical qualifications who were aged 20 to 29 were employed as doctors and 59 per cent of their 4,106 counterparts aged 30 to 64. By contrast, 85 per cent and 81 per cent respectively of the MESC-born who were medically-qualified were employed as doctors.

TABLE 5A: AUSTRALIAN-BORN AND OVERSEAS-BORN PERSONS (WHO ARRIVED 2001 TO 2009) AGED 20 TO 29 YEARS, WITH BACHELOR DEGREE OR HIGHER, BY FIELD OF QUALIFICATION AND JOB OUTCOMES, 2006 (per cent)

Birthplace group	Field of qualification	Managers	Professionals same field	Professionals other field	Tech and trades workers	Comm. & clerical/admin and sales wkrs	Machine operators/drivers & labourers	Inad. descr. not stated	Total employed	Unempl.	Nor in labour force	Total %	Total ¹ N	
MESC ²	Natural and physical sciences	6	21	23	5	16	3	1	75	3	22	100	1,776	
	Information technology	7	46	12	10	10	3	1	89	4	7	100	700	
	Engineering and related technologies	7	43	22	6	7	3	1	88	2	9	100	1,039	
	Architecture and building	13	37	15	12	11	0	0	89	4	7	100	288	
	Medical studies	2	85	2	1	0	0	1	91	1	8	100	389	
	Nursing	0	89	1	0	0	0	0	94	1	5	100	716	
	Balance of health	4	48	19	1	14	2	0	88	2	9	100	873	
	Education	4	53	5	1	18	2	0	83	3	13	100	1,018	
	Accounting	9	57	22	0	4	0	2	93	2	5	100	692	
	Balance of business, human resource and marketing	17	31	5	2	30	1	1	82	4	7	100	2,642	
	Society and culture/creative arts	9	9	26	3	31	3	0	82	4	14	100	4,939	
	Total ³	9	48	26	3	21	3	1	85	4	12	100	15,725	
	MESC ²	Natural and physical sciences	2	7	11	5	16	8	1	49	8	42	100	4,463
		Information technology	3	18	5	6	23	14	2	71	9	19	100	13,395
Engineering and related technologies		3	11	14	5	16	14	1	66	9	25	100	8,231	
Architecture and building		2	27	6	10	12	7	0	64	8	28	100	1,251	
Medical studies		0	40	5	1	7	3	0	58	10	32	100	1,006	
Nursing		0	53	0	1	14	4	0	73	6	21	100	1,195	
Balance of health		1	27	7	2	17	6	1	60	8	31	100	2,216	
Education		1	14	3	3	20	8	1	49	10	40	100	2,312	
Accounting		2	18	5	1	31	10	2	69	10	21	100	9,703	
Balance of business, human resource and marketing		4	9	3	2	31	9	1	59	10	30	100	16,942	
Society and culture/creative arts		2	3	9	3	24	8	0	51	11	38	100	10,563	
Total ³		3	19	9	4	24	10	1	61	10	29	100	74,563	
Australia-born		Natural and physical sciences	6	21	21	9	21	4	1	82	3	15	100	27,819
		Information technology	7	48	11	12	11	2	2	93	3	4	100	16,285
	Engineering and related technologies	8	49	24	5	6	2	1	94	1	4	100	19,242	
	Architecture and building	11	47	7	11	13	2	1	92	2	6	100	6,177	
	Medical studies	1	83	6	1	3	0	0	94	1	6	100	3,314	
	Nursing	1	86	2	0	4	0	0	94	1	5	100	18,368	
	Balance of health	3	57	14	2	16	0	0	93	1	6	100	24,410	
	Education	2	79	1	0	8	1	0	93	1	6	100	50,122	
	Accounting	6	68	11	0	9	1	0	96	1	3	100	14,382	
	Balance of business, human resource and marketing	18	34	6	1	32	2	1	94	2	4	100	54,882	
	Society and culture/creative arts	7	21	23	3	33	2	0	89	3	8	100	86,301	
	Total ³	8	56	23	3	21	2	1	91	2	7	100	339,400	

Source: ABS, customised 2006 census dataset held by CPUR

Notes: ¹ Total includes labour force not stated

² For an explanation of MESC and NESC see text p. 2

³ Total includes the following fields of study: 'Mixed field programmes' and 'Balance of food, hospitality and personal services' (not shown in table)

Table 3b: Australia-born and overseas-born persons (who arrived 2001 to 2006) aged 30 to 64 years, with bachelor degree or higher, by field of qualification and job outcomes, 2006 (per cent)

Birthplace group	Field of qualification	Managers	Professionals same field	Professionals other field	Tech. and trades workers	Comm. & pers. service clerical/admin and sales wkr	Machine operators/drivers/labourers	Inad. descr. not stated	Total employed	Unempl.	Not in labour force	Total %	Total N ¹	
MESC ²	Natural and physical sciences	18	18	33	4	9	1	1	83	2	14	100	3,716	
	Information technology	17	45	13	5	7	1	1	89	3	8	100	1,996	
	Engineering and related technologies	25	33	21	5	7	1	1	93	2	5	100	4,252	
	Architecture and building	17	32	19	9	12	1	0	90	2	8	100	873	
	Medical studies	2	81	6	1	1	0	0	92	1	7	100	1,350	
	Nursing	3	77	3	0	4	0	0	87	1	11	100	2,989	
	Balance of health	6	45	23	1	8	0	1	83	2	15	100	2,105	
	Education	5	50	74	6	11	1	0	83	3	22	100	3,724	
	Accounting	28	37	14	1	8	1	1	89	2	9	100	2,327	
	Balance of business, human resource and marketing	35	22	9	2	17	1	1	86	3	11	100	6,559	
	Society and culture/creative arts	15	14	27	2	18	2	1	79	3	17	100	10,098	
	Total ³	18	47		3	12	1	1	84	3	13	100	41,236	
	NESC ²	Natural and physical sciences	6	13	20	6	12	7	1	65	7	27	100	6,293
		Information technology	7	34	9	7	13	7	2	79	7	14	100	6,890
Engineering and related technologies		10	18	19	10	10	10	1	78	7	15	100	11,321	
Architecture and building		6	28	9	12	10	6	0	72	7	20	100	1,426	
Medical studies		1	59	7	2	5	2	0	76	6	18	100	4,106	
Nursing		1	62	1	1	10	1	0	76	3	20	100	2,773	
Balance of health		4	21	16	3	14	5	1	64	7	29	100	3,041	
Education		2	24	4	2	16	7	1	56	8	35	100	5,676	
Accounting		7	28	8	2	23	7	1	75	8	17	100	7,231	
Balance of business, human resource and marketing		14	12	7	3	25	8	2	70	8	22	100	13,914	
Society and culture/creative arts		7	6	13	3	20	7	1	56	8	35	100	14,645	
Total ³	8	28		4	17	7	1	68	7	24	100	80,931		
Australia-born	Natural and physical sciences	17	20	30	5	12	2	1	86	2	12	100	76,663	
	Information technology	18	42	14	6	8	1	1	91	2	7	100	62,005	
	Engineering and related technologies	26	30	22	5	6	2	1	92	1	7	100	63,851	
	Architecture and building	18	46	10	7	8	1	1	91	1	7	100	19,861	
	Medical studies	2	84	6	0	1	0	1	95	0	5	100	23,933	
	Nursing	5	65	4	1	9	1	0	85	1	14	100	98,419	
	Balance of health	8	21	1	1	10	1	1	89	1	10	100	60,152	
	Education	11	59	5	1	8	1	0	86	1	13	100	248,443	
	Accounting	22	44	11	1	11	1	1	91	1	8	100	61,900	
	Balance of business, human resource and marketing	37	22	10	1	18	1	1	90	2	8	100	139,078	
	Society and culture/creative arts	13	25	24	2	18	1	1	84	2	14	100	246,479	
Total ³	16	51		2	12	1	1	87	1	11	100	1,116,397		

Source: ABS, customised 2006 census dataset held by CPUR

¹ Total includes labour force status not stated

² For an explanation of MESC and NESC see text p. 2.

³ Total includes the following fields of study: 'Mixed field programs' and 'Balance of food, hospitality and personal services' (not shown in table)

THE ACCOUNTING EXPERIENCE

As stated earlier, accountants are the largest single professional occupational group of migrants currently being attracted to Australia. Moreover, most of these accountants were former overseas students who completed their accounting qualifications at Australian universities. Their experience in the Australian labour market is a central indicator of where the increased emphasis on onshore former overseas students is taking the skilled migration program.

Table 4 provides details of the job outcomes for recently arrived migrants who specified that their degree qualifications were in accounting. Accounting has been listed on the MODL since September 2004. Given employers' need for accountants the migrants in question should have done well in the accounting labour market.

There is clearly strong employer demand for MESC-born and Australia-born accountants. Around 80 per cent of these accountants, whether aged 20 to 29 or 30 to 64, were employed as managers or professionals. The strength of the job market for degree qualified accountants who were Australia-born is indicated by the finding that 68 per cent alone were employed as accountants.

This is not the case for the NESC group. Only 43 per cent of the 7,231 30 to 64-year-old NESC group were employed as managers or professionals and 25 per cent of the much larger 9,703-strong 20 to 29-year-old group. Just 22 per cent of 20 to 29-year-old accountants among the China-born group had found professional or managerial positions by 2006 and 21 per cent of the India-born group. Almost all of these China and India-born accountants would have been trained in Australia. If Australian training was an advantage they should have done better than their older, overseas-trained

counterparts. But they did not. Those with accounting qualifications in the 30 to 64-year-old age group from China and India actually did a little better. Some 38 per cent of the China-born in this age group had found professional or managerial positions by 2006 and 44 per cent of the Indians.

THE TRADE SITUATION

There are relatively few recently-arrived migrants with Certificate III and IV level qualifications.¹² As Table 5 shows, in 2006 there were 42,589 persons born overseas who arrived in Australia between 2001 and 2006 and who possessed such qualifications. By contrast, there were 212,814 persons born overseas who arrived during the same period who held degree level qualifications (Table 3).

The country-of-origin make up of the Certificate III and IV migrants was also quite different from the degree-qualified group. The latter were predominantly drawn from NESC birthplaces. In the case of the certificate qualified group, only 45 per cent came from NESC birthplaces.

As Table 5 shows, the pattern of job outcomes for the Certificate III and IV level group is similar to that described above for the degree qualified group. The certificate group from MESC birthplaces do better in finding positions as technicians or trades workers or as managers or professionals than do their counterparts from NESC birthplaces. As with the degree qualified, the job outcomes for the older NESC group are better than for the younger group. There were 12,260 NESC-born persons aged 30 to 64 who reported that they held certificate level qualifications. Of these, 40 per cent held positions as managers, professionals, technicians or tradespersons as of 2006. By contrast, only 30 per cent of 6,962 certificate qualified persons from NESC birthplaces who were aged 20 to 29 held such positions.

The low inflow of 20 to 29-year-old

Table 4: Australia-born and overseas-born persons (who arrived 2001 to 2006) aged 20 to 29 and 30 to 64 years with a bachelor degree or higher in accounting by birthplace region and job outcomes, 2006 (per cent)

Birthplace/birthplace group	Managers	Accountants	Other professionals	Technicians and trades	Comm. & pers. service clerical/admin and sales w/ks	Machine operators/drivers & labourers	Total employed ¹	Unemployed	Not in the labour force	Total %	Total ² N
MESC ³	9	57	22	0	4	0	93	2	5	100	692
Northern, Western, Southern and Eastern Europe	3	35	11	2	22	3	79	9	13	100	192
North Africa and the Middle East	6	16	1	3	26	7	60	10	30	100	207
South East Asia	2	23	10	1	30	6	72	8	20	100	1,670
China excl. SARs and Taiwan Province	2	16	4	1	30	8	62	12	26	100	3,526
North East Asia	1	22	6	0	27	5	62	13	25	100	397
India	3	14	4	1	36	15	74	9	16	100	2,556
Bangladesh, Pakistan, Sri Lanka	3	14	3	4	33	20	78	6	16	100	607
Other	3	35	8	2	25	8	82	7	10	100	548
Total NES ³	2	18	5	1	31	10	69	10	21	100	9,703
Total overseas born	3	21	6	1	29	9	71	9	20	100	10,407
Australia	6	68	11	0	9	1	96	1	3	100	14,382
MESC ³	28	37	14	1	8	1	89	2	9	100	2,327
Northern, Western, Southern and Eastern Europe	13	35	11	1	14	5	79	5	16	100	269
North Africa and the Middle East	7	9	6	3	15	9	49	14	37	100	280
South East Asia	7	23	8	2	24	9	72	7	20	100	2,046
China excl SARs Taiwan Province	4	30	4	2	24	6	71	10	18	100	1,256
North East Asia	5	27	7	2	16	4	62	8	28	100	380
India	8	28	8	1	28	7	81	8	10	100	1,483
Bangladesh, Pakistan, Sri Lanka	5	31	7	1	23	12	81	7	11	100	681
Other	12	38	13	1	15	6	86	3	10	100	836
Total NES ³	7	28	8	2	23	7	75	8	17	100	7,231
Total overseas born	12	30	9	1	19	6	78	6	15	100	9,564
Australia	22	44	11	1	11	1	91	1	8	100	61,900

Source: ABS, 2006 Census, customised dataset held by CPUR

Notes: ¹ Total includes inadequately described, not stated and not applicable

² Total includes labor force status not stated

³ For an explanation of MESC and NES³ see text p. 2.

Table 5: Australia-born and overseas-born persons (who arrived 2001 to 2006) aged 20 to 29 and 30 to 64 years with Certificate level III or IV qualifications by job outcomes for all areas and for cooking, 2006 (per cent)

Birthplace/birthplace group	Managers	Professionals	Technicians and trade workers	Comm. and pers. service, clerical/admin and sales workers	Machinery operators/drivers and labourers	Total employed ¹	Unemployed	Not in the labour force	Total %	Total ² N
All trades areas										
MESC ³	5	9	47	17	13	86	4	9	100	5,254
NESC ³	2	5	23	19	16	64	8	27	100	6,962
Australia	6	10	41	25	10	87	4	8	100	354,826
30 to 64 years										
MESC	9	7	45	13	11	85	4	10	100	18,024
NESC	4	3	33	14	17	73	6	20	100	12,260
Australia	12	5	33	19	13	84	3	13	100	1,089,785
Cooks										
chefs/cooks other technicians and trades										
20 to 29 years										
MESC	5	1	61	5	10	91	4	5	100	450
NESC	1	1	52	4	10	77	5	16	100	613
Australia	5	1	56	0	9	86	4	9	100	13,718
30 to 64 years										
MESC	10	1	44	5	13	84	5	11	100	618
NESC	3	1	62	4	7	82	4	14	100	792
Australia	12	3	35	4	15	82	3	15	100	26,361

Source: ABS, 2006 Census, customised dataset held by CPUR

Notes:

¹ Total employed includes inadequately described, not stated and not applicable

² Total includes labour force status not stated

³ For an explanation of MESC and NESC see text p. 2.

MESC-born certificate group relative to their older counterparts is about to change. There has been a remarkable surge in enrolments in vocational education and training (VET) courses in Australia over the last few years, most of which has occurred in the hospitality field—with cooking being the dominant discipline. VET commencements for overseas students in the hospitality field increased from 10,782 in 2005 to 18,524 in 2006 to 30,492 in 2007.¹³ As a consequence, the number of onshore Skilled-Independent visas issued to cooks (and to a lesser extent, hairdressers) will surge over the next few years. For this reason we have added data to Table 5 on the outcomes for overseas born persons with Certificate III and IV qualifications in cooking.

The numbers of trade qualified cooks who had arrived in Australia between 2001 and 2006 was relatively small, but may give an indication of what to expect when the projected avalanche of locally-trained cooks obtain permanent resident visas. So far, the trade-qualified cooks from both MESC and NESC countries are doing fairly well, with around half working as chefs or cooks. This good outcome partly reflects the serious shortage of cooks prepared to work under the wages and conditions that Australian employers offer, but which migrants may be prepared to accept, at least for a time. In addition, it is likely that cooks with limited English language skills do not face the same barriers to employment in cooking as do their university qualified counterparts with accounting, IT or engineering credentials when they seek professional positions.

JOB OUTCOMES AS MEASURED BY LSIA 3, WAVE 2

Table 6 provides data from the LSIA3, wave 2 survey conducted by DIAC. The LSIA responses were from migrants (principal applicants) who arrived in Australia

or were visaed onshore in the period December 2004 to March 2005. The Table provides information on those who were surveyed as part of wave 2 which occurred roughly eighteen months after they arrived or were visaed. The census results detailed above, were for all those arriving in Australia between 2001 and 2006. In other respects, Table 6 matches the census findings detailed above. But it is limited to information on principal applicants in the key skilled migration visa subclasses where the migrant has indicated that he or she possesses degree-level qualifications.

The job outcomes for visa categories 136 and 880 are better than those drawn from the census for all degree qualified migrants aged 30 to 64 and 20 to 29 which we have used as a rough proxy for these two skilled visa categories. These better results are to be expected given that a minority of those included in the census data entered Australia as accompanying family members or as sponsored family members.

It will no doubt remain a controversial matter as to how far these better results reflect a response bias deriving from the manner in which the LSIA respondents were selected. As noted earlier, LSIA 3 wave 2 respondents are self-selected by their willingness to respond to the DIAC survey and by the fact that their addresses could be found.

In some respects, the LSIA results are consistent with those of the census. They show that the skilled migrants drawn from overseas via visa category 136 (who tend to be older) are doing better than migrants from the onshore former student visa categories (880 and 881). Some 61 per cent of the 136 category migrants were employed in professional or managerial positions. In the case of the 880 category, according to the LSIA data, less than half (48 per cent) had obtained professional or managerial positions by 2006 and only 34

Table 6: Occupation and labour force status of principal applicants with bachelor degree or higher by major visa subclass, 2000 (per cent)

Visa category	Managers and administrators	Profes.	Associate profs. and trades	Advanced clerical and sales & service	Interm. clerical, sales & service	Interm. product and transport	Element clerical, sales & service	Labourers and related	Unempl. Looking for work	Not in workforce ¹	Other	Total %	Total N
Regional Sponsored Migration Scheme ² (119/857)	7	69	15	1	5	1	0	0	0	1	0	100	97
Employer nomination ² (121/856)	18	63	10	1	4	0	0	0	1	1	1	100	295
Skilled—Independent (136)	4	57	10	1	11	1	4	2	2	4	4	100	335
Skilled—Australian-Sponsored (138)	5	33	12	3	14	2	9	9	3	7	5	100	103
Skilled—Designated Area Sponsored (139)	1	28	9	3	22	9	8	4	4	8	3	100	116
Skilled—Independent Overseas Student (880) ³	1	47	10	4	20	1	7	2	3	1	4	100	1046
Accountants (880)	1	41	6	7	29	1	6	1	3	2	4	100	275
Skilled—Australian-Sponsored Overseas Student (881)	2	32	8	6	23	4	11	3	1	1	8	100	108

Source: DIAC, LSIA3 Survey, Wave 2

Note: ¹ Includes home duties, retired or no longer working

² Onshore and offshore applicants combined

³ Includes Accountants (880)

per cent of the smaller 881 visa category (who include former overseas students who gain points concessions through being sponsored by relatives in Australia).

Table 6 also includes data on the outcomes for those who obtained 880 visas whose nominated occupation was accounting. As noted earlier, accounting is currently the largest occupation category under the onshore program. Only 42 per cent of the accountants in this group who responded to the LSIA 3 wave 2 survey had obtained professional or managerial positions by 2006.

The LSIA data provide a useful supplement to the census in that they allow us to identify outcomes for the smaller visa categories. It is significant that the two categories listed where employers play a role in providing a predetermined job for the incoming migrant show the best results. These visa categories are the employer nomination and Regional Sponsored Migration Scheme (RSMS) categories.

The LSIA provides information on the outcomes for principal applicants sponsored on a concessional basis by relatives resident in Australia. In the case of Skilled-Australian-Sponsored visa which is points tested (though with bonus points for sponsorship) only 38 per cent of those with degree qualifications were employed at the professional or managerial level by 2006. The situation was worse for the Skilled Designated Area Sponsored visa subclass, discussed on page 3 above. Only 29 per cent of principal applicants in this category with degree qualifications had found professional or managerial positions by 2006.

POLICY IMPLICATIONS

The current record high migration program is justified to the electorate by the assumption that it is delivering skills in short supply across Australia. For the most part the skilled program is recruiting professionals

with occupations designated as in short supply (as indicated by their inclusion on the MODL). The very high number of accountants currently gaining permanent residence visas is an indication that this priority is shaping the occupational mix of those selected.

The problem is that many of these skilled migrants are not gaining professional or managerial employment. Those drawn from MESC countries are very successful in doing so, however less than half of those drawn from NESC countries are achieving this outcome. Within the latter group those achieving permanent residence via the onshore former overseas student visa categories are the least successful. This is a serious matter because the share of the overall skilled program that this component comprises has been increasing.

The main implication of these findings is that there is no justification for an 'across the board' increase in the migration intake. If the objective is to fill skilled vacancies, any expansion should be limited to the visa categories where employers are involved in locating work for the intending migrant. The employer nomination and RSMS visa categories meet this criterion. The skill-tested offshore and onshore categories to varying degrees do not. The government should discontinue the worst performing of these visa categories. The state-specific Skill Designated Area Sponsored category (139) should be first go. Not only does it lack any targeting to skill vacancies, it exacerbates the problem skilled migration is intended to resolve. This is because this visa category adds thousands of residents each year to Melbourne, thereby adding to the city building tasks the city is struggling with and to the demands for scarce construction workers.

The Labor government would be better advised to focus on increasing domestic training. The census results leave little

doubt that employers are snapping up Australian raised and locally trained professionals. Admittedly increased domestic training is a medium term strategy. In the mean time the government should turn its attention to the thousands of recently arrived NESC professionals who are unable to gain professional employment. They are now part of the Australian community and, with the appropriate bridging courses, many could quickly put their training to use. The merit of the census results is that they leave no doubt about the huge scale of this underutilisation. There will be controversy over which visa stream is contributing most to the problem. But the aggregate data show that there are thousands of recently arrived degree-qualified persons who cannot gain professional employment in Australia.

Table 2 showed that only 22 per cent of the 90,418 NESC-born 20 to 29-year-old degree-qualified persons who arrived in Australia between 2001 and 2006 were employed in professional or managerial positions. Similarly, only 36 per cent of their 80,931 counterparts aged 30 to 64 had found such employment.

A core weakness with the current skilled migration framework is its prioritisation of former overseas students. Before there is any further expansion in the program the reasons for their poor outcomes need to be understood. To its credit, the former Coalition government introduced some significant reforms to this program as of September 2007. These new rules stipulate a higher minimum standard of English and, in the case of the former overseas students, add the requirement that they gain a year's experience in their nominated occupation in Australia or complete a professional year in their field before they are eligible to apply for permanent residence. These reforms may improve the professional job prospects of these former overseas students. But, this is

by no means assured. It will take some time to establish whether these new requirements translate to improved job market outcomes.

IS AUSTRALIAN TRAINING A DISADVANTAGE?

We advanced the heretical thought earlier that Australian training may actually disadvantage migrants in the Australian job market. This flows from the finding that the older cohort of NESC-born professionals, most of whom would have been trained offshore, are doing better than the younger, Australian-trained group. However, there is another key difference between the two groups of NESC-born migrants. This is that the older group would almost always have had some experience in their nominated occupation, because this is a condition of eligibility for the skilled-independent visa category. By contrast the younger group, having been trained in Australia, would normally not have had work experience in the field that they gained their Australian qualifications in.

But lack of job experience does not seem to be a sufficient explanation for the relatively poor labour market outcome for the younger group. If this was the case, how are we to explain the excellent occupational outcomes of the 20 to 29-year-old Australia-born cohort reported earlier?

This leads to a further puzzle. Both the Australia-born and NESC-born cohorts of 20 to 29-year-olds have graduated with qualifications from Australian universities. In the case of accounting, all would have completed courses covering the curriculum required by the Australian professional accounting bodies—the CPA,¹⁴ the Institute of Chartered Accountants in Australia and the National Institute of Accountants. These bodies also assess the credentials of all those with accounting qualifications who wish to apply for

permanent residence under the skilled-migration program, whether they apply offshore or onshore. Similar arrangements apply for the other professions. In these circumstances, how is it that thousands of former overseas students trained in Australia are not finding professional or managerial jobs?

One possibility is discrimination. We have no way of invalidating this possibility. There is ample anecdotal evidence that employers are reluctant to employ NESC-born professionals. But this reluctance does not seem to be a product of prejudice directed at their birthplace or culture. NESC-born accountants, for example, are regarded as keen workers and as technically capable of doing much of the work required. Rather, the concern is that they lack the English communication skills needed in contemporary professional work.

Until recently, no English test was required of applicants for permanent residence who were former overseas students and were applying onshore. This was because DIAC assumed that, having studied in Australia, they would have achieved an International English Language Testing System (IELTS) level 6, or 'competent English' in DIAC's terms. It was not until 2005–06 that DIAC required former overseas students to undertake a formal IELTS test as part of their permanent residence visa application. The results of this testing for applicants who succeeded in getting their permanent resident skilled visa in 2005–06 showed that about a third fell short of the level 6 'competent' standard. This third only reached the minimum English standard of IELTS 5 or 5.5, which DIAC labels as 'vocational English'.¹⁵ Vocational English is best described as rudimentary, well short of what is required for university studies or professional practice in Australia. Competent English is much better. Persons at this level can manage normal

commercial and social relationships. They have a better base for university studies but, unless their English improves, will still fall short of the level of English communication skills normally expected of university students or professionals in Australia.

In these circumstances, it may be argued that it is not the quality of the training at university level that is to blame, but rather the limited communication skills of the students taking the courses. Nevertheless, the universities cannot evade some responsibility. As the accompanying article in this issue of *People and Place* by Tony Burch indicates, where overseas students cluster in campuses or courses customised to meet these students' needs, the teaching has to adjust to their communication capacity.

Universities could insist that overseas students take remedial communication courses sufficient to achieve professional standards before allowing them to complete their studies. This is a demanding option, since it may imply a longer period of study and, in a competitive market for students, may undermine enrolments in any university that does insist on the possession of professional English standards on graduation. Alternatively, universities could refuse to enrol students whose English is inadequate for their studies. Some universities have tightened their standards recently, but there is no requirement for them to do so, nor any pressure from DEEWR for such action.

When overseas students come direct to Australia's universities from overseas, they have to reach the IELTS 6 standard before DIAC will issue a higher education visa. But up to half of the intake of overseas students enter universities via various non-university pathway programs conducted while they are in Australia, the entry to which does not require meeting the IELTS 6 standard. Not surprisingly, the students

with the weakest language skills dominate the ranks of those who enter universities via these pathways. Universities could insist on certain English standards before entry but, with a few exceptions, do not.

The then Commonwealth Department of Education, Science and Training and representatives from universities and vocational colleges interested in overseas student education met in August 2007 to discuss this issue. In the final report from this meeting, it was declared that those present did not support the imposition of a compulsory English test before students began their courses. The report declared:

There is no support to limit the number and variety of Australian pathway programs leading to higher level studies and very little support for a move to a single, universal English entry standard. The issues are widely seen as being too complex to be amenable to a single, simplistic solution.¹⁶

The analysis in this paper indicates that a number of unresolved issues about the operation of key components of the skilled migration program remain. We need to resolve them before further expansion of the program can be justified.

References

- ¹ B. Birrell, E. Healy and T. F. Smith, 'Labor's education and training strategy: building on false assumptions?', *People and Place*, vol. 16, no 1, March 2008
- ² Department of Immigration and Citizenship (DIAC), *Immigration Update*, 2006–07
- ³ Unpublished data drawn from DIAC immigration arrivals and departures and visa issued files
- ⁴ See for example, B. Birrell and L. Hawthorne, *Immigrants and the Professions in Australia*, Centre for Population and Urban Research, Monash University, 1997; L. Hawthorne, *Labour Market Barriers for Immigrant Engineers in Australia*, Bureau of Immigration and Population Research, 1994.
- ⁵ B. Birrell, L. Hawthorne and S. Richardson, *Evaluation of the General Skilled Migration Categories*, Department of Immigration and Multicultural Affairs, Canberra, 2006, pp. 24–25
- ⁶ B. Birrell, E. Healy and B. Kinnaird, 'Cooks galore and hairdressers aplenty', *People and Place*, vol. 15, no. 1, March 2007
- ⁷ B. Birrell, *The Changing Face of the Accounting Profession in Australia*, CPA Australia, 2006, p. 5
- ⁸ *ibid.*, pp. 4–6
- ⁹ K. Watty, 'Quality in accounting education and low English standards among overseas students: is there a link?', *People and Place*, vol. 15, no. 1, 2007, pp. 26–27; B. Jackling 'The lure of permanent residency and the aspirations and expectations of international students studying accounting in Australia', *People and Place*, vol. 15, no. 3, 2007, pp. 37–39
- ¹⁰ Birrell et al., 2006, *op cit.*, p. 50
- ¹¹ There is no systematic evidence available on this issue. However the data provided on settler arrivals by occupation and visa subclass for 2003–04 provide one source of such evidence. See B. Birrell, V. Rapson and T. F. Smith, *Immigration in a Time of Domestic Skilled Shortages: Skilled Movements in 2003–04*, DIAC, 2005, p. 16.
- ¹² Certificates III and IV are offered by institutions providing technical and further education in Australia (TAFEs). They replace the former categories of trade certificates. Certificates I and II are relatively new qualifications which recognise basic vocational skills <<http://www.aqf.edu.au/cert.htm>>.
- ¹³ Australian Education International, unpublished statistics, 2008
- ¹⁴ CPA is the name of the body formerly called the Australian Society of Certified Practising Accountants
- ¹⁵ Australian Education International, 2008, *op. cit.*, p. 59
- ¹⁶ Australian Education International, Final Report, Outcomes from a National Symposium: English Language competence of International Students, August 2007, November 2007, p. 9

