

The Impact of Recent Immigration on the Australian Workforce
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The economic impetus from the mining boom has plateaued. As a consequence, so has the impact of the boom on overall economic activity. This is contributing to a slow-down in employment growth in Australia.

This paper examines the implications of this slow down in employment growth for Australia's immigration policy. This is currently operating at record high levels, without any downward adjustment to take account of the employment slowdown. The study is an update of a larger study entitled *Immigration Overshoot* released by CPUR in late 2012.ⁱ

The update examines the latest information on the number of recently-arrived migrants who have found employment in Australia, including 2011 Census data which was not available at the time of the publication of *Immigration Overshoot*.

The main finding is that the number of migrants arriving in Australia since the beginning of 2011 who found jobs is equivalent to the total number of new jobs created in Australia over the same period. This has had a harmful impact on the level of employment, participation in the labour market and the working conditions of other Australians, particularly young people.

Recent employment and immigration trends

During the boom years, there was a huge increase in employment. Between the November Quarters of 2007 and 2010, the ABS estimates that employment increased by 642,000.ⁱⁱ That is an annual average of 214,000 net new jobs a year.

Since November 2010, the annual increase in the net number of people employed in Australia has slowed sharply. It was 89,000 between the November Quarters of 2010 and 2011 and 124,000 between the November Quarters of 2011 and 2012. The implication is that employment growth has slowed to about 100,000 a year.

During the years of very rapid employment growth to 2010 the Australian Government pursued a policy of increasing the inflow of migrants, on the grounds that there was a shortage of domestic skilled workers and that, without further expansion in immigration, serious skill shortages would eventuate. There have been no changes in this immigration policy since the slowdown in employment growth post November 2011. Quite the contrary!

The Australian permanent resident immigration program has been increased to a record high level of 210,000 for the 2012-13 program year – up from 180,000 in 2010-11 and 198,000 in 2011-12. The Government has also maintained its very liberal approach to the entry of migrants holding temporary visas. It continues to encourage employers to sponsor 457 visa holders, regardless of the industry, occupation or location of the employer (for migrants with qualifications at trade level and above). Further, there are no caps on the number visas issued to Working Holiday Makers, visitors or students, nor any restrictions on the movement of New Zealand citizens to Australia.ⁱⁱⁱ

The stock of these temporary residents currently in Australia is enormous. By December 2011, there were one million temporary residents in Australia (not including New Zealanders). Most are of working age and most have work rights while in Australia.^{iv} Detail on the composition of the 'other' category, the extent of the work rights of each temporary visa category and the propensity of visitors who do not have work rights to nevertheless work while in Australia is provided in *Immigration Overshoot*.^v

Table 1 Stock of temporary entrants as at 31 December 2009, 2010 and 2011 by major visa group

Visa group	2009	2010	2011
Students	324,555	291,199	254,681
Working Holiday Makers	116,805	114,158	130,612
Visitors	365,534	372,147	367,971
457s	119,018	116,012	128,602
Others	112,803	146,171	163,973
Total	1,038,715	1,039,687	1,045,839

Source: DIAC, Immigration Update, various issues

Excludes New Zealanders

Includes primary and secondary visa holders

One indication of the potential labour market impact of recently arrived migrants is the Government's estimates of the growth in Net Overseas Migration (NOM) resulting from current immigration policy settings.

NOM is a count of all arrivals who meet the definition of an Australian resident (minus all resident departures). To be included a person must have stayed in Australia for 12 out of the 16 months that elapsed after arrival in Australia. It does not matter whether the person is a returning Australia citizen, a recently-arrived permanent resident or a person holding a temporary visa. Residents who leave Australia (whether they be Australian or overseas born) are deleted from NOM if they stay overseas for 12 months out of the 16 months after their departure. This definition is used by both the Australian Bureau of Statistics (ABS) and the Department of Immigration and Citizenship (DIAC).

On this definition, DIAC has estimated that NOM was 173,500 for the year ending June 2011 and 206,500 for the year ending June 2012. DIAC forecasts (as of September 2012) that, if the current policy settings remain in place, NOM will increase to 224,800 for the year ending 2012-13 and 232,400 for the year ending June 2014.^{vi}

Most of the growth in NOM is expected to come from temporary migrants. By 2011-12, they contributed well over half the total NOM for that year.^{vii} While not all of those measured in NOM will enter the workforce, the growth in NOM, and thus of people here for stays of at least 12 months out of the 16 months after arrival, is an indicator of their likely numbers.

Measuring the participation of recent migrants in the Australian workforce

The best evidence of the impact of recently-arrived overseas-born permanent and temporary residents upon the labour market is the ABS Labour force Survey estimates of employment by time of arrival in Australia.

To be included in this count, migrants (whether holding permanent resident or temporary resident visas) must meet the same definition of a resident as is used in DIAC's estimates of NOM. This means that the ABS Labour Force Survey results will underestimate the impact of temporary migrants on the Australian labour market, because they exclude those among the one million temporary residents who do not meet the NOM definition. It is likely that thousands of temporaries who do not stay for the required 12 months will work in Australia for short periods.

Nevertheless, the ABS Labour Force Survey estimate of the number of recently-arrived migrants in the civilian population who meet the NOM definition is enormous. The survey does not indicate whether these migrants hold permanent residence or temporary residence visas, but the huge size of the count indicates that it must include very large numbers of temporary residents.

As of November 2012, the ABS Labour Force Survey identified 382,300 persons aged 15 plus who arrived in Australia since January 2011 and who met the NOM definition. Of these, 240,300 were estimated to be in the workforce, 214,100 of whom were employed and another 26,000 were unemployed (10.8 per cent of those who are in the workforce).

In what follows, we will continue to refer to this cohort as recently-arrived residents. Our interest is in the implications of their arrival on the Australian labour market for the employment prospects of the group of people who resident in Australia before 2011. We call this group the incumbents. They are defined as all those Australian-born persons and overseas-born persons who arrived in Australia prior to 2011 (the great majority of whom would hold permanent residence visas). The welfare of incumbents should be the Australian Government's first priority. If, as we argue, the maintenance of high immigration is undermining their employment situation, then the immigration policy settings should be adjusted accordingly. Such an adjustment would be in keeping with the federal Labor Government's policy platform, which seeks to ensure that Australia's skilled migration program:

... has the necessary tests and checks, and resources to ensure the integrity of the system and recognise the primary right of Australian workers to Australian jobs,

And:

...is underpinned by rigorous safeguards to ensure that employers have made all possible efforts to fill positions locally in order to protect the primary rights of Australian workers to Australian jobs and ensure that migrants are not filling the jobs that Australians could be undertaking^{viii}

Implications of recently arrived migrant workers for the employment of incumbents

The ABS Labour Force survey finding that 214,100 of the residents who arrived in Australia since January 2011 were employed as of November 2012 indicates that these newly-arrived residents added just over 100,000 to the employed workforce in both 2011 and 2012. (We cannot be precise about the numbers who have gained employment in 2011 and 2012 because the ABS only provides

information on the workforce situation of the total of those arriving since January 2011 as of November 2012).

This means that recently arrived residents have filled roughly the same number of jobs as the net number of new jobs created in Australia since January 2011.

As noted above, the growth in the employed workforce was 89,000 between the November Quarters of 2010 and 2011 and 124,000 between the November Quarters of 2011 and 2012, or 213,000 in total.

These figures also mean that over this two year period there has been no net growth in the number of incumbents who are employed. This would not matter if there was no net growth in the incumbent workforce (or potential workforce if workforce participation rates do not decline). But this is not the case.

CPUR's projection of the incumbent workforce (in the absence of any net overseas migration) indicates that it will grow by around 100,000 a year over the next six years.^{ix} The number is approximate because the projection is heavily influenced by the assumptions made about the workforce participation rate of the resident population. Until recently, participation rates have been increasing, especially amongst the older age groups.

If the incumbent workforce is growing by around 100,000 per year, but there has been no increase in the number of incumbents in jobs, then this must mean that some aspiring new entrants are missing out on employment, some who were in jobs are now unemployed and some have dropped out of the labour force, either because they were retrenched, have retired early or are discouraged by the difficulty of obtaining employment. It could also be that they are discouraged because competition for available jobs means that the pay and conditions available have deteriorated.

We cannot put precise numbers on these categories. However there is increasing evidence, detailed below, that each of the factors listed has contributed to the halt in employment growth amongst incumbents.

Some may argue that the apparent success of many recently-arrived residents in finding work provides a net benefit for incumbents because (so it is claimed) many of these recently-arrived residents are filling skilled jobs (as in mining where locals are not available) or in unskilled work (as in horticulture), where residents are reluctant to take on the work under the pay and conditions offered. If this were the case, such success might provide a boost to the economy and thus to the creation of jobs for incumbents.

However, the recently-arrived migrants filling such jobs constitute a tiny proportion of the recent migrant workforce. The great majority of migrants arriving since January 2011 are resident in the major cities. As noted, most are temporaries and, for the most part, they are competing with locals for relatively low-skilled employment, including jobs which offer entry-level positions for young job seekers among the incumbent population.

As for those who have been selected under Australia's permanent-entry skilled program, the frequent claim that they are providing a highly-skilled augmentation of our workforce is largely

mythical. This point is document below when we examine the employment outcomes for recently-arrived migrants with graduate-level credentials.

Implications for incumbents

a) Unemployment

As noted, the finding that recently-arrived residents are occupying the equivalent number of jobs to the net growth in the employed workforce since January 2011 must mean that more incumbents are becoming unemployed or are not participating in the workforce.

The following table provides an estimate of the increase in the number of incumbents who are unemployed. We focus in this table on the Australian-born so as to remove any confusion about whether the ABS Labour Force Survey estimates of unemployment may be being inflated by recently-arrived residents.

Table 2 Unemployment levels - Australian-born workforce, November quarter 2007 to November quarter 2012

	Persons
Nov. 2007	335,000
Nov. 2008	338,000
Nov. 2009	418,000
Nov. 2010	405,000
Nov. 2011	430,000
Nov. 2012	418,000

Source: ABS, Labour Force Survey, data cube E10 to November 2012

There was a sharp increase in the number of the Australian born who were unemployed between November 2008 and November 2009. This was a consequence of Global Financial Crisis. The experience since November 2009 is striking. Despite a renewal of employment growth in Australia after November 2009, there was no subsequent decline in the number of Australian born who are unemployed. Their number remains over 400,000 (418,000 in November 2012).

The worsening of the labour market from the perspective of all incumbents is further documented in Table 3. This table details the number of persons receiving Newstart and Youth Allowance benefits. In the case of the Youth Allowance the table only includes those aged 16 to 21 who are looking for fulltime work. It does not include those receiving assistance as students. These benefits are only available to the Australian-born and migrants holding permanent residence visas who have resided in Australia for two years (except for those entering on the Humanitarian program).

Table 3 Newstart and Youth Allowance recipients, November 2008 to November 2012

	Newstart	Youth Allowance	Total
Nov. 2008	437,270	64,053	501,323
Nov. 2009	570,291	83,725	654,016
Nov. 2010	551, 840	79,935	631,775
Nov. 2011	540,527	75,664	616,191
Nov. 2012	581,309	90,753	672,062

Source: Department of Education, Employment and Workplace Relations, Labour Market and Related Payments, a monthly profile, November 2012

That 672,062 Australians (almost all of whom would be incumbents) need to rely on unemployment benefits – up by 55,871 between November 2011 and November 2012 - ought to be ringing alarm bells in policy circles.

The surge in the number of young people on the Youth Allowance in the year to November 2012 is a particular worry. Local analysis of youth unemployment by the ABS shows very high levels in lower income areas of Melbourne's north and west, in Sydney's western suburbs, parts of Adelaide and in the Sunshine Coast of Queensland.^x *The Australian* reports a spokesman for the Federal Department of Education, Employment and Workplace Relations as saying that youth unemployment in northern Adelaide has recently reached 42.6 per cent. It cites a local Anglicare executive who puts this down to 'significant competition for every low-skilled job advertised in the northern suburbs'.^{xi}

These findings are mirrored in the recent decline in workforce participation by young people detailed below. Young people without post-school credentials face serious problems in obtaining work in the current labour market. Most have to begin their working life in relatively low skilled entry-level jobs, such as in the hospitality and retail areas. Yet these are the very industries that have been hardest hit in the recent slow down in employment growth. They are also the industries in which temporary migrants are most likely to seek employment.

The recent ABS estimates for employment by industry show that almost all recent employment growth is occurring in three industries – Health care and social assistance, Education and training, and Professional Scientific and Technical Services. Generally, these industries require people with post-school qualifications. On the other hand, employment growth has slowed or contracted in the last couple of years in the manufacturing, retail, construction, accommodation and food services industries, all of which do offer opportunities for entry-level workers without post-school qualifications.

The result is ferocious competition for the available employment. This is showing up in anecdotal accounts of exploitation, particularly of temporary migrants in the hospitality industry. Paying below minimum wage levels in restaurants appears to be widespread. Temporary migrants are especially vulnerable because they often do not know the local award rules and because they cannot access labour market benefits. They therefore have little choice but to accept sub-award payments. In doing so, however, they have undermined the availability of work and the conditions offered for incumbent youth.

A recent *Sydney Morning Herald* article on the issue attracted hundreds of comments, almost all of whom cited examples of how widespread these practices were.^{xii} Though often well informed about competition from temporary migrants, none of the respondents could cite the big picture we have documented. None appeared to know that there was a stock of a million temporary residents in Australia, most of whom were hungry for work and living in the capital cities.

b) Workforce participation

As noted it is also likely that the squeeze in the Australian labour market will show up in declining workforce participation rates. As shown in Table 4, this turns out to be the case. We cannot indicate what share of this decline is due to incumbents delaying entry to the workforce, such as by staying

on in school longer, by giving up on seeking work or by retiring earlier than they might wish. However the overall numbers are significant.

By November 2010, the ABS Labour Force Survey estimated that the participation rate of the resident population aged 15 plus in the labour force was 65.6 per cent. By November 2012 it had fallen to 64.8 per cent.^{xiii} If the November 2010 rate had applied as of November 2012, there would have been another 153,000 persons in the labour force. The decline in participation has been especially severe amongst young incumbents aged 15 to 19 and 20 to 24.^{xiv}

The following table details ABS Labour Force Survey estimates of participation rates by age group for males and females as of November 2010, November 2011 and November 2012. As might be expected from the above comments, the steepest decline is amongst males and females aged 15 to 19. Men are worst affected with the overall participation rate falling from 72.4 per cent in November 2010 to 71.3 per cent in November 2012. There are declines in all age groups except for males aged 60 to 64 and 65 plus. The decline for women is less – from 59 per cent to 58.5 per cent.

Table 4 Australia, males and females, labour force participation rate by age

Age	Men			Women		
	Nov. 2010	Nov. 2011	Nov. 2012	Nov. 2010	Nov. 2011	Nov. 2012
15-19	53.6	50.7	50.8	56.0	56.6	53.7
20-24	81.1	80.9	82.1	74.5	74.6	73.6
25-34	91.7	91.7	89.9	73.1	73.5	74.3
35-44	91.3	91.4	90.9	75.5	75.7	76.0
45-54	89.1	88.3	87.9	78.7	78.1	77.5
55-59	81.2	80.2	80.4	65.7	65.5	64.9
60-64	62.1	61.7	63.4	43.2	43.5	44.9
65 plus	16.3	17.0	16.5	7.7	7.1	8.1
Total	72.4	71.8	71.3	59.0	58.7	58.5

Source: ABS, Labour Force Survey - data cube LM1 to November quarter 2012

Myths about migrant skills

The Australian Government and advocates of high migration argue that the points-tested and employer-sponsorship components of the migration program (whether under the permanent entry skilled program or the temporary entry 457 visa program) are delivering a highly skilled augmentation of to the Australian workforce. This influx has predominantly been of professionals – thus the ‘highly skilled’ claim.

As noted, the argument is that the skills these migrants add to the workforce will boost the economy and thus indirectly provide additional job opportunities for incumbents.

These assertions were criticised in *Immigration Overshoot*, mainly on the grounds that the permanent entry and temporary entry skilled programs are poorly targeted to select migrants with skills actually in short supply in Australian. One indicator is that the occupation with the largest number of principal applicants visaed in 2011-12 under the permanent entry skilled categories was cooks. Cooks were also the largest single occupational group under the 457 visa program in the July-August quarter of 2012.^{xv}

Unfortunately it is not possible to document the employment outcomes of recently arrived permanent or temporary migrants by visa subclass. The ABS does not report (or gather) such information.

However the 2011 Census does provide a window on these outcomes. We focus on those with degree-level qualifications, since they dominate the skilled programs. The population drawn on in the census counts includes those who meet the resident definition detailed above. However in the case of those on temporary resident visas (such as those on student visas or 457 visas), it is left to respondents to decide whether they meet the resident definition and fill out the census form. The count will include some who arrived under other programs including via family reunion. In addition some of the degree-qualified will be former overseas students who have completed degree-level training in Australian universities and who are still in Australia on a temporary entry visa.

The statistics reporting job outcomes in Table 6 include all overseas born persons who arrived in Australia in the past five years, were still here as of August 2011, were aged 25 to 34 and were residents (as defined above). This age group was chosen because it includes the largest group of recently arrived skilled migrants. If the migrants hold skills needed in Australia, this should show up in a strong record of employment in managerial and professional positions.

This group is also of particular interest in the context of the Commonwealth Government's aspiration to increase the stock of degree-qualified people in Australia. The Government's target is to increase the proportion of 25 to 34 year olds with degrees to 40 per cent by 2025. The Government has been in celebration mode on this issue recently because it appears from ABS Survey data that its policies of opening up opportunities for university training appear to be working. The ABS reports that the percentage of 25 to 34 year olds with degrees has increased from 31.8 per cent in 2008 to 36.8 per cent in 2012.^{xvi}

In reality, this surge in the proportion of those aged 25-34 with degrees has little to do with recent increases in university enrolment levels. These will have an impact on the share of the 25-34 year old cohort with degrees over the next decade. But as Table 5, shows most of the recent growth in this share is attributable to migration. The Table indicates that 72 per cent of the growth in the number of degree qualified persons between 2006 and 2011 were overseas-born. Some of these would have come to Australia as children. But as can be concluded from Table 6, the great majority are people who arrived in Australia over the years 2006 and 2011. They include a mixture of persons who entered Australia with degrees and those who trained here as overseas students and have stayed on either as permanent or temporary residents.

Table 5: Persons aged 25-34 years with bachelor degree or higher qualifications, 2006 and 2011

Birthplace	Persons		Change 2006-2011		% of change 2006 to 2011
	2006	2011	Persons	% change	
Australia-born	447,328	514,591	67,263	15	28
Overseas-born	249,158	421,652	172,494	69	72
Unknown	6,662	5,374	-1,288	-19	0
Total	703,148	941,617	238,469	34	100

Source: Australian Bureau of Statistics, Census 2011; Table Builder

Table 6 provides details of the occupational outcomes for these 25-34 year old recent arrivals who hold degree qualifications. For comparison purposes, the first panel provides parallel information for all Australian-born graduates aged 25-34. The Table shows the occupational outcomes by major field of qualification for those who were employed, both for the Australian-born and for migrants who arrived in Australia between 2006 and 2011. The final column on the right of the Table indicates the proportion of these persons who reported that they were not employed. This group includes those who were unemployed and those not in the workforce – perhaps because of home duties or enrolment in further education..

Table 6 classifies these degree qualified people by whether they are Australian-born, and in the case of recent migrant arrivals by whether they were born in Main-English-Speaking (MESB) countries (mainly the UK and New Zealand – but also the USA and Canada and South Africa), or in all other countries which are denominated as Non-English Speaking (NESB) countries. The latter number is almost four times larger than the former, 160,187 (as opposed to 41,739). Some 50,142 of the NESBs were born in India and another 21,450 in China (not shown in the Table).

Table 6: Persons aged 25-34 with a bachelor degree or higher qualification by birthplace and year of arrival by percentage in employment by occupation and percentage not employed, 2011

Country of birth and field of highest qualification	Total persons	Per cent of each birth-place group qualified in field	Per cent of persons											Not employed	Total persons
			Occupation of employed persons												
			Managers	Professionals	Technicians and Trades Workers	Community and Personal Service Workers	Clerical and Administrative Workers	Sales Workers	Machinery Operators and Drivers	Labourers	Inadequately described	Not stated			
<i>Australia-born (incl Ext Terr)</i>															
Natural and Physical Sciences	32,829	6.4	9.0	50.0	7.3	4.7	8.4	3.1	0.7	1.6	0.8	0.2	14.1	100.0	
Information Technology	21,120	4.1	13.0	61.0	8.8	1.4	5.2	1.7	0.5	0.6	1.6	0.1	6.1	100.0	
Engineering and Related Technologies	29,523	5.7	13.8	69.4	5.1	0.8	3.3	0.9	0.6	0.6	0.6	0.2	4.7	100.0	
Architecture and Building	10,928	2.1	15.9	54.6	9.3	1.5	8.0	2.0	0.3	0.9	0.4	0.2	7.0	100.0	
Agriculture, Environmental and Related Studies	12,139	2.4	16.9	42.5	7.9	3.7	10.2	3.1	1.2	3.6	1.1	0.1	9.6	100.0	
Health	77,132	15.0	3.3	77.9	0.8	5.0	3.1	1.0	0.2	0.3	0.3	0.1	8.0	100.0	
Education	86,455	16.8	4.0	75.6	0.5	3.8	3.3	1.1	0.2	0.3	0.2	0.1	10.9	100.0	
Management and Commerce	105,735	20.5	21.8	44.6	1.3	2.8	14.5	5.5	0.4	0.6	1.1	0.2	7.3	100.0	
Society and Culture	85,411	16.6	9.0	51.2	1.3	8.7	13.6	2.7	0.4	0.6	1.2	0.2	11.2	100.0	
Creative Arts	41,798	8.1	10.5	47.4	4.6	5.2	11.1	6.1	0.8	1.2	0.7	0.2	12.1	100.0	
Food, Hospitality and Personal Services	1,065	0.2	24.7	10.0	3.3	14.5	23.1	8.1	0.9	1.3	0.8	0.0	13.3	100.0	
Mixed Field Programmes	12	0.0	33.3	0.0	0.0	0.0	0.0	41.7	0.0	0.0	0.0	0.0	25.0	100.0	
Field of study inadequately described	8,667	1.7	13.0	31.9	3.9	8.0	18.5	6.4	0.7	1.3	1.9	0.4	14.1	100.0	
Field of study not stated	1,789	0.3	12.2	37.6	2.9	5.1	11.1	4.1	1.0	1.7	2.6	5.9	15.8	100.0	
Total	514,603	100.0	10.9	58.4	2.6	4.5	8.9	3.0	0.4	0.7	0.8	0.2	9.5	100.0	
<i>Main-English-speaking-born persons who arrived 2006-2011</i>															
Natural and Physical Sciences	4,019	9.6	8.6	55.3	4.7	2.9	6.3	2.5	0.5	1.4	0.7	0.2	17.0	100.0	
Information Technology	1,761	4.2	13.1	61.8	8.0	0.6	4.7	1.4	0.5	1.0	1.6	0.2	7.0	100.0	
Engineering and Related Technologies	3,794	9.1	11.8	70.6	5.9	0.6	2.9	1.2	0.7	1.0	0.5	0.1	4.7	100.0	
Architecture and Building	1,467	3.5	8.5	52.6	12.1	1.8	11.4	1.6	0.7	2.3	0.5	0.0	8.6	100.0	
Agriculture, Environmental and Related Studies	671	1.6	11.0	44.3	6.6	4.3	9.1	3.7	0.9	5.2	1.3	0.0	13.6	100.0	
Health	5,509	13.2	2.3	78.5	1.0	3.7	2.6	0.9	0.2	0.5	0.2	0.1	10.0	100.0	
Education	3,016	7.2	5.3	59.1	0.8	7.5	5.2	2.1	0.3	1.2	0.1	0.2	18.3	100.0	
Management and Commerce	9,119	21.8	20.3	45.2	1.5	2.6	13.5	5.6	0.3	1.2	0.7	0.1	8.9	100.0	
Society and Culture	8,072	19.3	12.2	40.5	1.9	7.1	15.5	4.3	0.5	1.6	0.9	0.1	15.4	100.0	
Creative Arts	3,589	8.6	10.2	41.6	5.6	6.7	12.0	7.2	0.8	2.2	0.5	0.2	13.0	100.0	
Food, Hospitality and Personal Services	93	0.2	23.7	8.6	9.7	14.0	19.4	5.4	0.0	4.3	0.0	0.0	15.1	100.0	
Mixed Field Programmes	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	
Field of study inadequately described	450	1.1	12.2	32.2	4.2	4.7	15.8	9.1	0.0	3.6	2.0	0.0	16.2	100.0	
Field of study not stated	176	0.4	13.1	35.2	2.8	4.0	12.5	6.3	0.0	2.3	2.8	5.1	15.9	100.0	
Total	41,739	100.0	11.5	53.3	3.3	4.1	9.6	3.6	0.5	1.4	0.7	0.1	11.8	100.0	
<i>Non-English-speaking-born* persons who arrived 2006-2011</i>															
Natural and Physical Sciences	10,815	6.8	3.1	23.8	6.7	5.5	4.4	4.3	1.9	6.8	0.4	0.3	42.8	100.0	
Information Technology	20,399	12.7	4.5	36.9	7.6	4.0	5.1	5.9	3.3	6.1	1.3	0.5	24.9	100.0	
Engineering and Related Technologies	20,512	12.8	5.3	39.5	8.5	2.9	4.5	3.6	3.0	6.4	0.8	0.3	25.2	100.0	
Architecture and Building	2,342	1.5	3.4	30.5	11.8	4.1	5.0	3.1	1.5	4.9	0.3	0.1	35.1	100.0	
Agriculture, Environmental and Related Studies	1,839	1.1	5.7	12.9	9.9	6.1	4.2	4.0	3.3	12.0	0.9	0.7	40.4	100.0	
Health	17,497	10.9	0.9	51.0	1.8	11.9	1.6	2.2	0.9	3.1	0.3	0.3	26.0	100.0	
Education	6,754	4.2	2.2	16.5	3.5	13.3	4.8	4.3	2.7	8.6	0.4	0.4	43.2	100.0	
Management and Commerce	50,483	31.5	6.2	18.4	3.2	7.3	15.5	8.6	2.8	8.3	0.8	0.5	28.4	100.0	
Society and Culture	17,816	11.1	3.6	13.9	3.7	11.1	9.8	5.2	2.5	8.3	0.5	0.4	40.9	100.0	
Creative Arts	5,309	3.3	4.5	19.7	4.7	9.9	7.0	6.5	1.8	7.6	0.6	0.3	37.5	100.0	
Food, Hospitality and Personal Services	1,353	0.8	9.6	1.8	21.4	17.3	8.4	5.2	4.7	10.5	0.9	1.0	19.2	100.0	
Mixed Field Programmes	4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	
Field of study inadequately described	3,620	2.3	2.2	7.0	5.5	9.0	6.0	5.5	9.6	14.3	0.4	0.7	39.7	100.0	
Field of study not stated	1,444	0.9	3.3	9.8	5.9	8.2	4.2	5.5	4.6	9.5	1.2	4.0	43.8	100.0	
Total	160,187	100.0	4.4	26.5	5.1	7.5	8.5	5.7	2.7	7.2	0.7	0.5	31.1	100.0	

* Non-English-speaking persons includes a few persons coded under supplementary codes.

Source: Australian Bureau of Statistics, Census 2011, Table Builder

The Australian-born 25 to 34 year olds are concentrated in the health, education, management and commerce and society and culture qualification fields. The number holding qualifications in the science and technical fields (natural and physical sciences, IT, engineering, architecture and building, and agriculture, environmental and related studies) is low – just 20.7 per cent. However the overall employment record of the Australian-born graduates is good (see the bottom line of the first panel). Only nine per cent were not employed and 11 per cent were occupying managerial positions and 58 per cent professional positions. As might be expected this record is especially strong for those with engineering, health and education qualifications (nearly 70 per cent or more of whom held

professional jobs). But 51.2 per cent of those with society and culture credentials also reported that they occupied professional positions.

The job outcomes for recently arrived migrants

There is a sharp difference in the outcomes for the MESBs and the NESBs. In the case of the MESBs, the share holding natural and physical science and engineering qualifications is higher than that for the Australian-born. Also the share holding professional or managerial positions is similar to that of the Australian-born. But, as noted they are only small component of the influx of degree qualified migrants.

This influx has been dominated by NESBs. Some 160,187 with degree qualifications were enumerated. The share holding engineering and IT credentials (both 13 per cent) is relatively high. Not surprisingly the largest category were those with credentials in management and commerce (32 per cent). This outcome is consequence of the high proportion of overseas students who have completed accounting courses in Australia and then sought to stay on in Australia.

The stand-out outcome for the NESBs is the very high 31 per cent share who are not employed – compared with 9 per cent of the Australian-born and 12 per cent of the MESBs. In addition the share of those who were occupying managerial or professional positions is far lower than for the MESBs or the Australian-born.

The bottom line of the NESB panel shows that as well as the 31 per cent not employed, only four per cent of all the NESBs occupied managerial positions and just 26 per cent held professional positions. By comparison, 58.4 per cent of the Australian-born and 53.3 per cent of recently arrived MESBs with degree qualifications reported being employed in professional occupations. In the case of those with management and commerce credentials, the share of the NESBs holding professional employment was just 18.4 per cent.

Most of the NESBs with degree qualifications were employed in occupations spread across the sub-professional fields, though mainly in community and personal service and clerical and administrative fields. As noted, in pursuit of such employment they contribute to the ferocious competition for available employment in these occupations.

We conclude that the widely stated assertion that Australia is importing a highly educated addition to its skilled workforce which is helping to fill skill vacancies is largely incorrect. It applies to the small number of MESBs but not to the majority of the much larger NESB group.

Conclusion

The slow down in employment growth in Australia is starting to bite on the employment situation of incumbents. This bite is being exacerbated by the Australian Government's immigration policies. These policies are delivering large numbers of migrants who have succeeded in occupying all of the net number of new jobs created in Australia over the past two years. This is occurring at a time when the potential workforce amongst incumbents continues to grow (assuming the continuation of past workforce participation and employment rates). The consequences for incumbents are increasing

unemployment, a declining level of labour force participation and, in less skilled entry-level occupations, ferocious competition for available jobs. Incumbents, especially young people, appear to be the losers in this competition.

There is a strong case for a re-evaluation of migration policy in these circumstances. The Australian Government appears to be operating on two assumptions. The first is that employment growth will continue at pre-2011 rates and the second that migrants are filling important skill vacancies in the workforce. The recent slowdown in employment manifestly falsifies the first assumption and the poor record of recently arrived degree-qualified NESB migrants in gaining professional and managerial positions belies the second.

In *Immigration Overshoot*, we advanced a suite of alternative immigration policies focussing on better targeting of the skill selection system and a contraction in the rights of employers to sponsor migrants either for permanent residence or temporary residence visas. Employers should only have this right if – as the Labor migration policy statement cited above states – they can prove there is a genuine shortage of the skills of the sponsored migrants. In the case of temporary migrants there needs to be changes to policy on their rights to enter the workforce which take into account the interests of incumbents.^{xvii}

ⁱ Bob Birrell and Ernest Healy, *Immigration Overshoot*, Centre for Population and Urban Research, Monash University, November 2012

ⁱⁱ ABS, *Employed Persons*, quarterly data to November 2012, (ST E10)

ⁱⁱⁱ For documentation of these points see *Immigration Overshoot op. cit.*

^{iv} *ibid.*, p. 22

^v *ibid.*, pp- 21-26

^{vi} DIAC, *The Outlook for Net Overseas Migration*, September 2012, p. 9

^{vii} *ibid.*

^{viii} ALP Policy Platform, Chapter 2, paragraph 66

^{ix} Bob Birrell, Ernest Healy, Katharine Betts and T. Fred Smith, *Immigration and the Resources Boom Mark 2*, CPUR, July 2011, p. 10

^x *Immigration overshoot*, *op. cit.*, p. 27

^{xi} 'Coalition lashes "hypocritical" Labor over rising youth unemployment', *The Australian* January 28, 2013, p. 4

^{xii} Sarah Whyte and Clay Lucas, 'Underclass of restaurant employees in Sydney grossly underpaid,' *Sydney Morning Herald*, January 18, 2013 <<http://www.smh.com.au/nsw/underclass-of-restaurant-employees-in-sydney-grossly-underpaid-20130117-2cwoa.html#comments> accessed 30 January 2012>

^{xiii} ABS, *Labour Force*, December 2012, p. 8, *Labour Force*, December 2010, p. 8

^{xiv} *Immigration Overshoot*, *op. cit.*, p. 27

^{xv} *ibid.*, pp. 4-5

^{xvi} ABS *Education and Work, Australia*, May 2012, Table 8

^{xvii} *Immigration Overshoot*, *op. cit.*, pp. 28-34