
Two-Step Migration in Australia and New Zealand

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Australia's Growing Reliance on Overseas-Born Professionals by Field (2001)

Occupation	Australia-Born	Overseas-Born
Engineering	52%	48%
Computing	51%	48%
Medicine	54%	46%
Science	63%	37%
Commerce/ business	64%	36%
Architecture	64%	36%
Accountancy	64%	36%
Dentistry	65%	35%
Arts/ humanities	69%	31%
Nursing	76%	24%
Teaching	80%	20%



Source: Adapted from 2001 Census data.

Employment Outcomes for Degree-Qualified Migrants 1996-2001 Arrivals (2001 Census)

	Own Profession	Other Profession	Admin/Management	Sub-Profession	Other	Unemployed	NILF	Not Stated	Number
South Africa	23.6%	19.2%	14.0%	10.2%	14.3%	4.4%	13.5%	0.9%	9097
UK/Ireland	22.2%	22.5%	12.9%	9.2%	15.9%	4.0%	12.5%	0.8%	26595
New Zealand	19.2%	17.7%	11.3%	10.8%	25.6%	4.7%	9.9%	0.9%	14957
USA/Canada	14.4%	21.2%	14.2%	8.2%	12.7%	4.4%	23.7%	1.2%	8565
India	12.9%	12.3%	3.6%	5.6%	31.7%	10.8%	21.4%	1.6%	14626
Philippines	9.3%	5.8%	1.7%	5.7%	42.5%	7.9%	26.0%	1.2%	6566
China (exc. Taiwan)	9.2%	8.7%	3.3%	5.1%	24.3%	10.0%	38.0%	1.2%	14039
Malaysia/HK/Singapore	9.2%	8.0%	3.1%	3.9%	11.7%	7.7%	55.8%	0.6%	13011
Lebanon	8.7%	7.7%	2.6%	7.2%	25.7%	9.6%	36.7%	2.0%	586
Viet Nam	5.9%	7.2%	0.6%	4.6%	25.8%	13.5%	41.6%	0.8%	1552
Iraq	5.7%	3.7%	0.3%	2.4%	18.6%	26.4%	42.4%	0.5%	1904
Indonesia	4.7%	4.2%	2.2%	3.4%	26.8%	11.4%	46.5%	0.8%	7198
Taiwan	3.8%	6.9%	4.3%	2.9%	12.1%	7.0%	62.2%	0.8%	2229
Other	10.1%	10.1%	4.7%	5.4%	25.4%	9.2%	33.7%	1.5%	56921
Average	11.4%	11.1%	5.6%	6.0%	22.4%	9.4%	33.1%	1.1%	

Employment Barriers for Overseas-Qualified Migrants: The Research Evidence (1990s)

1. **English/ effective communication skills** in a 'lean' workforce without 'backroom' jobs
2. **Credential recognition**
3. **Technological 'fit'** (eg engineering, medicine, nursing)
4. **Ancillary professional knowledge:**
 - Management style
 - Industrial relations/union issues
 - Occupational health and safety
 - Duty of care (etc)
5. **Interview style** (type and location of information)
6. **Supply and demand** in the Australian workforce ('niche' economies)

Source: *Labour Market Barriers for Immigrant Engineers in Australia*, L Hawthorne, Australian Government Publishing Service, 1994

Addressing the 'Deficits' – Eg Migrant Engineer Employment Bridging Courses

1. **Language:** English for engineers
2. **Employment:** Job-seeking strategies for engineers, including orientation to professional engineering in Australia
3. **Technical upgrades:** Computer skills for engineers (eg AutoCAD)
4. **Career conversion:** IT graduate diplomas or Management degrees
5. **Accreditation** : Institution of Engineers Australia or technical accreditation training (eg taking 2-4 additional subjects in local civil engineering standards)
6. **Examination preparation:** Intensive training to prepare for pre-registration examinations
7. **Further engineering study** (PG): eg Masters of Computer Engineering, PhD

Skilled Migration Selection Changes in Australia: 1999+

Reduction of human capital model of selection:

1. **Mandatory pre-migration English language testing for all Principal Applicants:**

- Independently validated

2. **Mandatory pre-migration qualifications screening:**

- By relevant professional or trade regulatory body, where these have the power to control access to employment

3. **'Select for success' among potential applicants:**

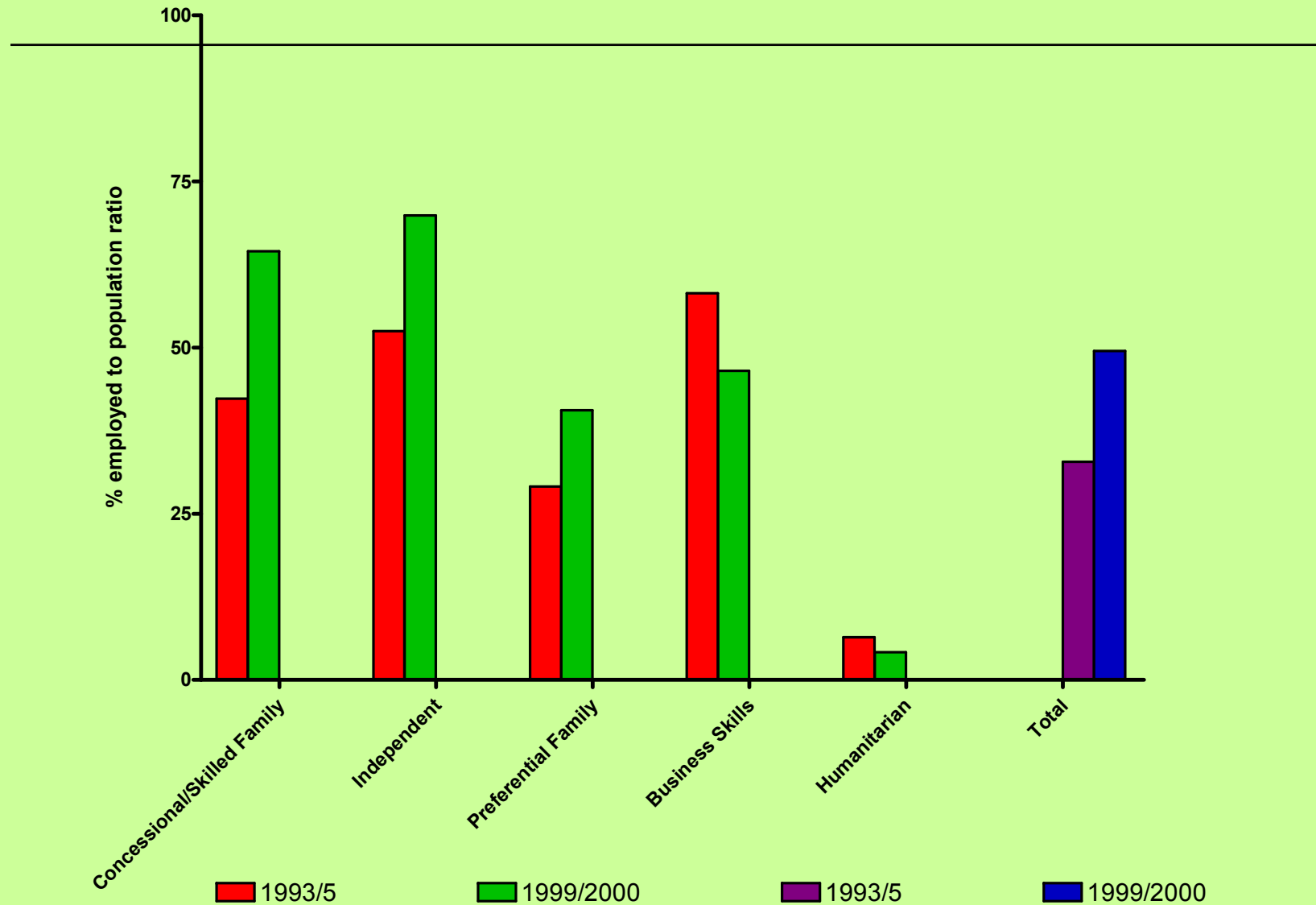
- Privileging of former students (now over 50% of all skill migration applicants): young, recognised qualifications, competent English ability
- Trained to employer requirements

4. **Factor labour demand into field-specific selection:**

- Return of 'occupations in demand'; bonus points for job offer, local experience etc

5. **De-regulation of temporary flows and opportunities for two-step migration**

Employment Outcomes by Migration Category 6 Months Post-Arrival (LSIA): Mid 1990s cf 2000



The Attractions of Temporary Migration (Australia)

1996+:

- De-regulation and fluidity
- Employer-driven (eg source countries, selection)
- Constrained locational choice (eg doctors)
- Potential to by-pass regulatory barriers
- Malleable (eg economic cycles: engineering, IT)
- Government philosophy: market driven

Australian Case Study 1: Employer Versus Government Selection of Skilled Workers (Australia of Canada 2006)

Australia: Top 4 Groups Employer-Nominated	Canada Foreign Worker Program: Top 4 Groups Employer-Nominated
<ol style="list-style-type: none"> 1. UK/Ireland (35%) 2. India (10%) 3. US (7%) 4. South Africa and Japan (5%) 	<ol style="list-style-type: none"> 1. USA (14%) 2. UK/Ireland (4%) 3. Australia (2%) 4. Philippines (2%)
Australia (Permanent Migration): Top 4 Skill Migrant Groups (2003-04)	Canada (Permanent Migration): Top 4 Skill Migrant Groups (2001-03) in addition to Mexico and France
<ol style="list-style-type: none"> 1. UK/Ireland (22%) 2. India (13%) 3. China (9%) 4. South Africa (6%) 	<ol style="list-style-type: none"> 1. China (22%) 2. India (12%) 3. Pakistan (6%) 4. Philippines (5%)

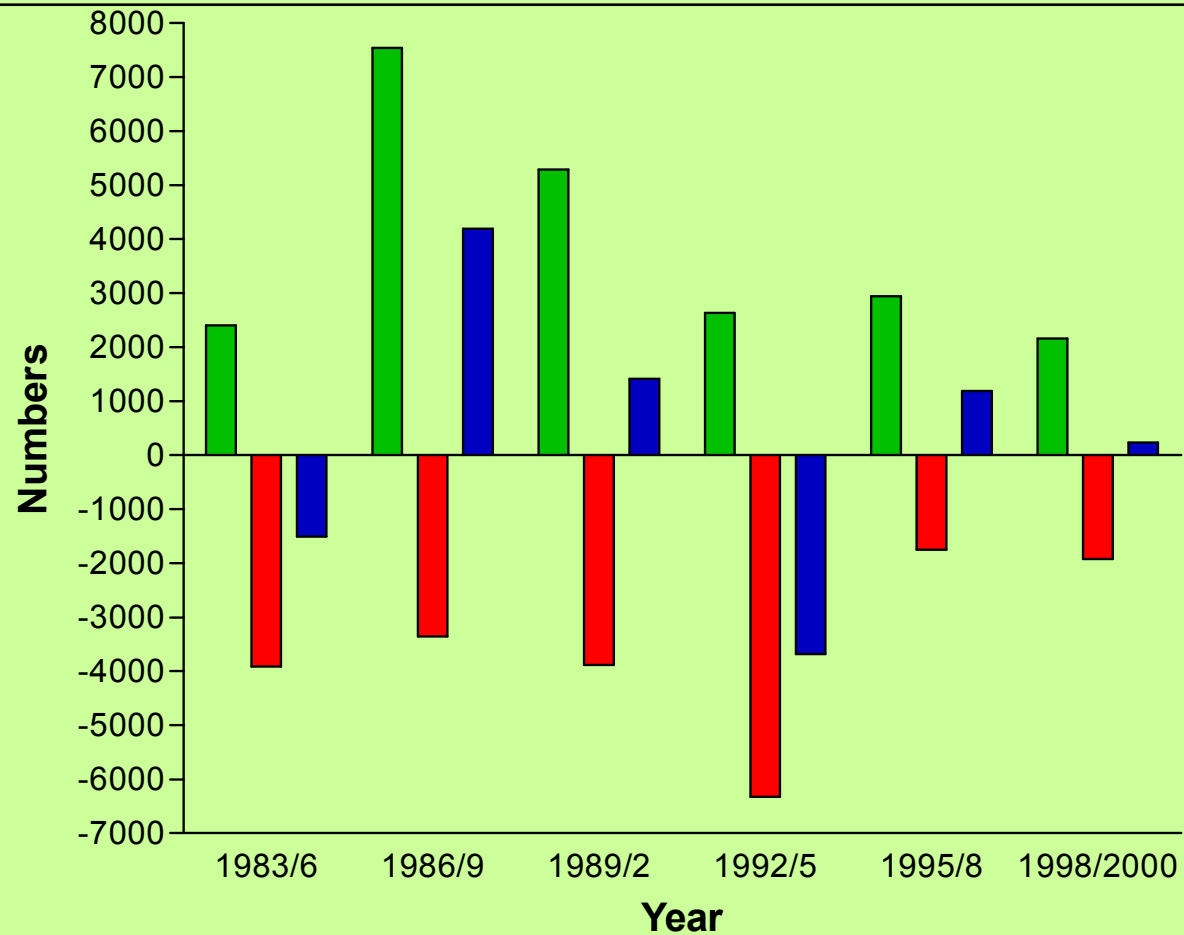
Source: *Labour Market Outcomes for Migrant Professionals: Canada and Australia Compared*, L Hawthorne, Statistics Canada, Ottawa (forthcoming)

Australian Case Study 2: Demand for Overseas Temporary and Permanent Nurses

Year	Permanent Nurse Arrivals	Long-Term Nurse Arrivals	Total Nurse Arrivals
1995/6	1064	1142	2206
1996/7	881	1185	2066
1997/8	933	1319	2252
1998/9	1032	1461	2493
1999/2000	1102	1638	2740
Total	5012	6745	11757

Source: Unpublished figures provided to the researcher by the Statistics Section, Department of Immigration and Multicultural Affairs (2001)

Australia's Dependence on Nursing Migration (1983-2000)



- Overseas qualified nurse arrivals
- All nurse departures
- Net nurse gain/loss

Credential Recognition Rates for Migrant Nurses by Select Country of Origin (1990s)

Former Yugoslavia - 0% (total n = 19)
Poland - 3% (total n = 39)
Fiji - 4% (total n = 113)
West Germany - 10% (total n = 39)
India - 10% (total n = 173)
Philippines - 15% (total n = 531)
Malaysia - 25% (total n = 157)
Singapore - 31% (total n = 98)
Denmark - 40% (total n = 50)
Hong Kong - 53% (total n = 963)

Cf

UK/Ireland = 97% recognition

Australian Case Study 3: Temporary Medical Migration to Australia (2006 Data = c4,500)

Number of 422 Nominations by State 2000-2001 to 2002-2003			
State	2000- 01	2001- 02	2002- 03
W Australia	456	472	597
Victoria	406	508	581
NSW	58	89	176
Tasmania	94	82	89
S Australia	60	68	133
ACT	7	12	50
N Territory	84	98	97
Queensland	899	716	1,016
Total	2,062	2,045	2,739
Source: DIMIA, unpublished 2004			

Major Source Countries of 'Area of Need' for Temporary Doctors

Over 27 countries (growing diversity):

By-pass 'mandatory' credential examination requirements

Constrain location

UK/Ireland (1226)

India (423)

Malaysia (230)

Sri Lanka (191)

China (94)

Germany (83)

USA (56)

Philippines (55)

South Africa (45)

Canada (35)

Etc!

Impact of Under-Supply on Credential Recognition for 'Temporary' Doctors

Foreign Medical Graduates:

- Hyper-mobility of medical migrants
- 46% of the medical workforce overseas-born by 2001 (cf 40% in 1991): c28,000 doctors
- Around **4,500** temporary resident doctors being imported per year by 2006 to address shortages
- Key areas of demand: Rural general practice, public hospital positions, select specialty areas (eg public sector **psychiatry, surgery**)
- Major issue: Differential credential requirements

Australian Case Study 4: International Students as a Source of Economic Migrants (2005)

International Student Source Country (All Australian education sectors)	Total Enrolments	Growth 2004- 05
China	71,747	18.9%
India	24,462	29.8%
South Korea	21,990	8.0%
Hong Kong	19,199	-7.2%
Malaysia	18,749	-3.4%
Japan	16,232	-3.0%
Indonesia	14,728	-11.1%
Thailand	13,877	-1.0%
Singapore	9,703	-8.7%
USA	11,291	-1.9%
Other	82,057	5.8%
Total	304,035	6.1%

Source: Adapted by L Hawthorne from Australian Education International data, 14 September 2005

Impact of Screening on Employment by Select Birthplace: % Economic PA's Employed 6 Months Post-Arrival (1993-5 cf 1999/2000, LSIA)

Birthplace of Skill Principal Applicants	Employment Within 6 Months (1993-95 Arrivals)	Employment Within 6 Months (1999-2000 Arrivals)
UK/Ireland	85%	86%
South Africa	76%	89%
North West Europe	73%	83%
Philippines	57%	76%
India	56%	73%
HK/Malaysia/Singapore	53%	68%
China	45%	61%
M East/ N Africa	42%	72%
N, SE & C Asia	40%	77%
Eastern Europe	31%	79%

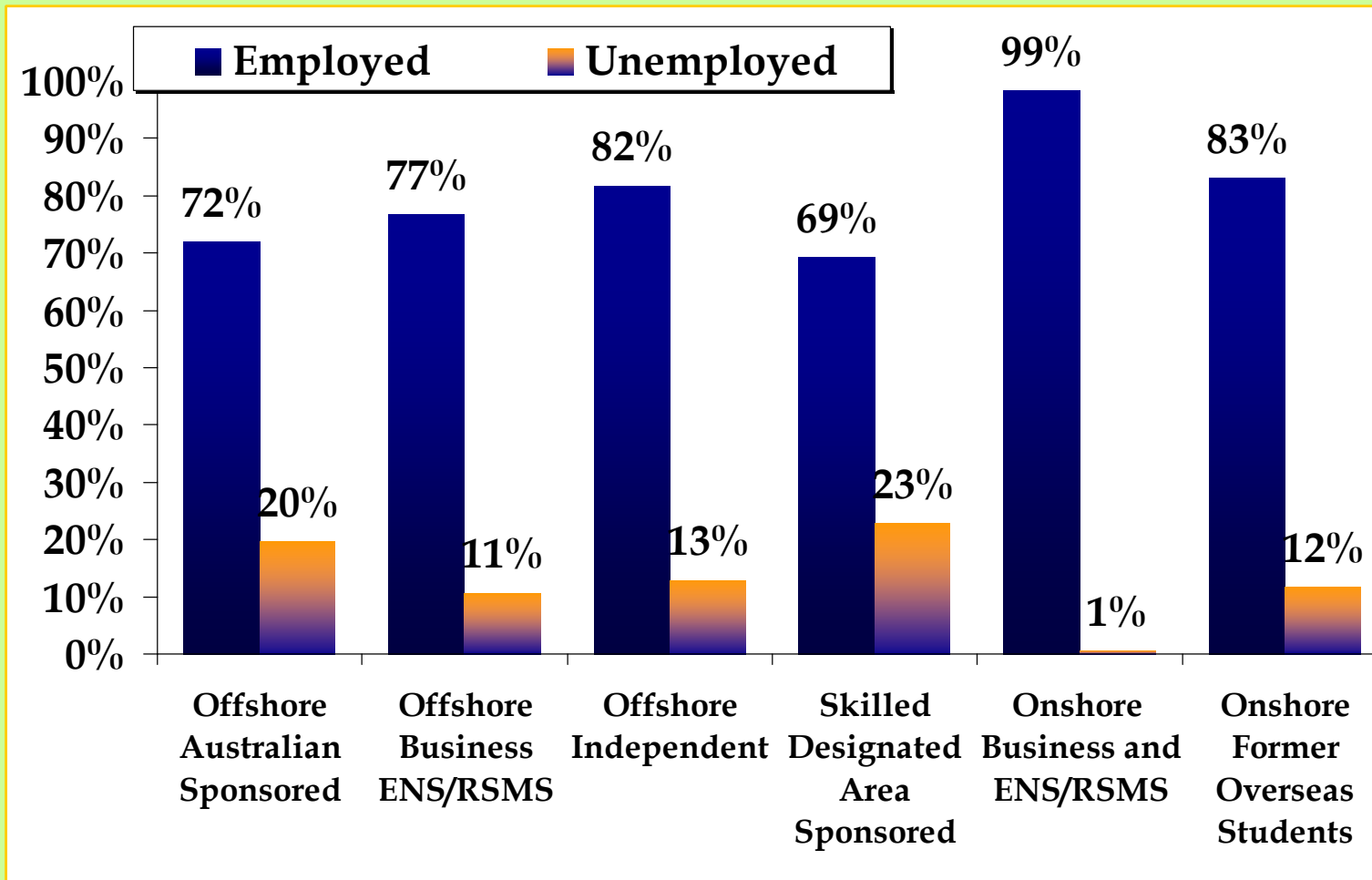
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Top 10 Skilled Migration Source Countries to Australia (2005-06)

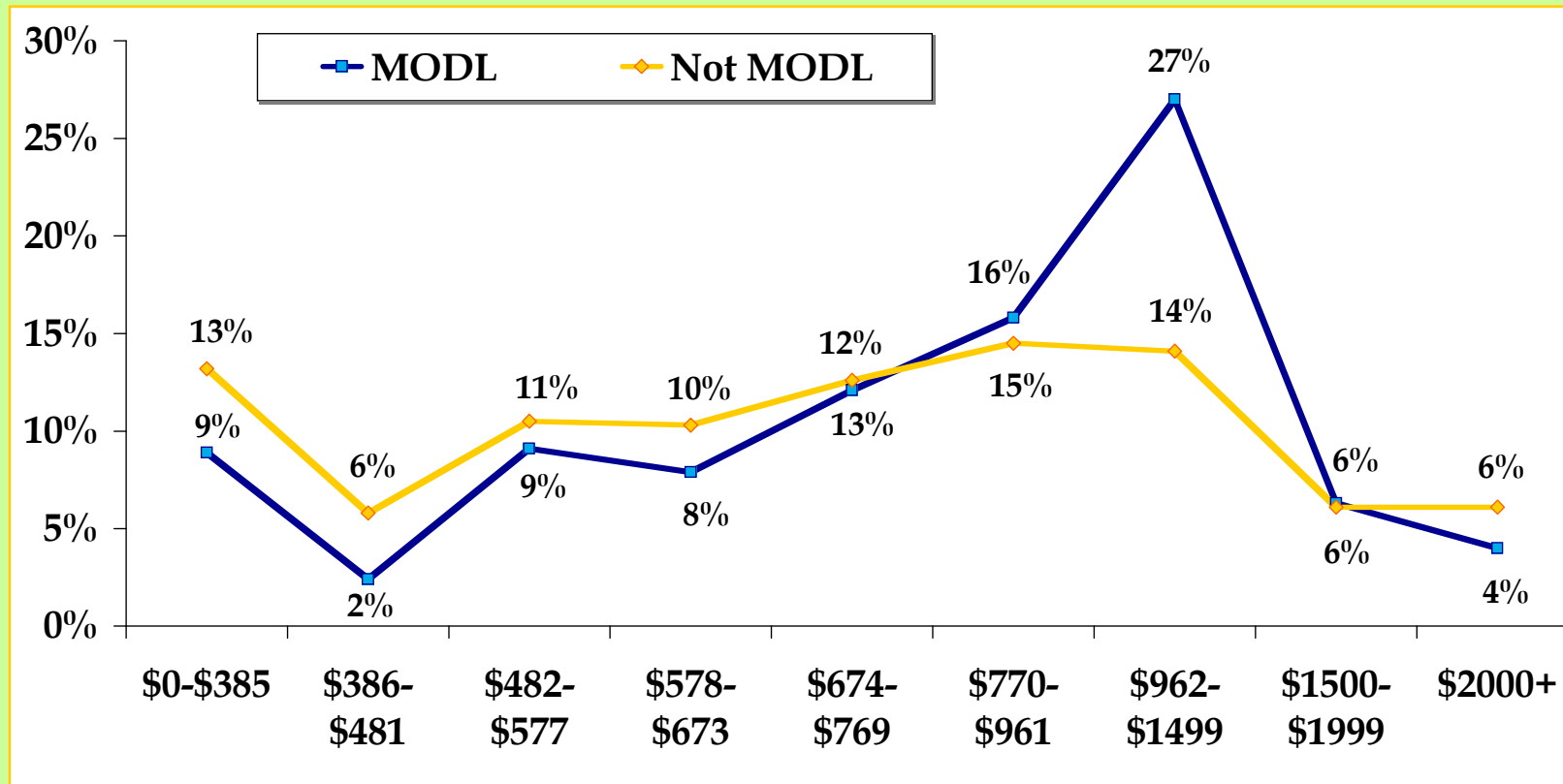
2003-04	No.	%	2004-05	No.	%	2005-06 July-Nov	No.	%
India	7103	19%	UK	5959	18%	India	2363	19%
China	5506	15%	India	5145	15%	China	2258	18%
UK	4698	13%	China	4338	13%	UK	2071	16%
Malaysia	2029	6%	Malaysia	1947	6%	Malaysia	536	4%
Indonesia	1990	5%	Indonesia	1525	5%	Philippines	431	3%
Singapore	1490	4%	Hong Kong	1439	4%	Indonesia	430	3%
Hong Kong	1199	3%	Singapore	1242	4%	Hong Kong	404	3%
Korea	1033	3%	Sri Lanka	1028	3%	Korea	391	3%
Sri Lanka	925	3%	Philippines	986	3%	Sri Lanka	331	3%
Philippines	919	3%	Korea	856	3%	Singapore	291	2%

Source: Adelaide Skilled Processing Centre, supplied December 2005

2005 Data: Skilled Migrant Employment Outcomes 6 Months Post-Arrival (LSIA 3)



Impact of 'Migration Occupation in Demand' on Earnings 6 Months Post-Arrival (2005)



But - International Student Issues (2006)

1. **Calibre of courses and vocational training:** Variable
2. **Student capacity to undertake course:** Prior English and academic training
3. **Enrolment:** Capacity to prevent dual-course enrolment
4. **'Accelerated' courses:** eg 16 month Masters Degrees (definition; acceptability to employers?)
5. **'Outsourcing' of courses:** Eg 'university' course outsourced to TAFE college
6. **Regulation:** Capacity for rogue providers to cross state boundaries, re-invent curricula, go off-shore (keeping ahead of regulatory processes)
7. **Differential training standards:** eg Lack of standard on- the-job experience to support technical courses
8. **Suitability of premises**

→ Likely impact on employment outcomes?

Case Study 5: New Zealand and Two-Step Migration (Bedford 2006)

2004-05:

- 82,497 temporary visas

Categories:

- Labour market tested work permits: 28,317 (UK 22%, China 12%, India 7%, US 7%, South Africa 7%)
- Working holidaymakers: 21,025 (UK 35%, Japan 16%, Germany 11%, Ireland 9%, Canada 5%)
- International students: 77,563 (China 44%, South Korea 15%, Japan 6%, US 4%, India 3%)

Two-Step Migration:

- 88% of 2004-05 skilled migrant PAs = former temporary visas
- 'An integral part of the transition to residence'

Two-Step Migration: Select Benefits and Issues

Proliferation of the trend:

- Eg US India and China higher degree students
- Latest policy developments (US, Canada)

Benefits to migrants:

- Settlement, accreditation, social networks (etc)

Benefits to employers and governments:

- De-regulation; location, field and numbers control

Potential hazards:

- Uncertainty (eg Gulf State residence)
- Level of government commitment (eg EU guestworker legacy)
- Compromised work standards (eg FMGs in Australia)