Capitalising on Inclusiveness – The Impact of the Study-Migration Pathway on Australia and Melbourne

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Policy:
- Population = 22 million/ fertility rate = 1.9
- By 2011 world’s highest percentage of permanent resident foreign-born: 26.1% of the population (NZ 23%, Canada 20%, USA 11% in 2006)

Immigration goals:
- Skilled category: Economic development
- Family category: Reunion/ social cohesion
- Humanitarian category: UNHCR commitments

Priority =
- Around 60% of permanent intakes skilled in the past decade

Labor workforce policy:
- Long term demand = domestic supply
- Medium term demand = General Skilled Migration (permanent)
- Short term demand = 457 Visa (temporary sponsorship)
Australia’s Growing Reliance on Migrant Professionals (2006 Compared to 2001) – 2011 Data?

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

The Challenge: **Improving Migrant Employment Outcomes - Changing Pathways to Skilled Migration**

The top 4 routes:

1. New Zealand flows (36,416, with 41% annual growth)
2. International students (630,000 enrolled by 2010)
3. Temporary labour migration (457 visa - 131,341)
4. Permanent skilled migration (107,656)
5. Dependents of GSM migrants
6. **Family and Humanitarian category migrants**
# Case Study – 2001-06 Migrant Engineers’ Work Rates by 2006

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

*Source: Analysis of 2006 Australian Census data by L Hawthorne.*
Creating Australia’s Study-Migration Pathway: 1999+

Language testing
Credential screening
International student selection
Occupational demand

AUSTRALIA

CANADA
## International Student Enrolments by 2008 – Retention Trends

<table>
<thead>
<tr>
<th>Nationality</th>
<th>2008 Enrolments</th>
<th>% of Total</th>
<th>Growth on YTD August 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>China (38% migrate)</td>
<td>112,172</td>
<td>23.6%</td>
<td>18.8%</td>
</tr>
<tr>
<td>India (66% migrate)</td>
<td>80,291</td>
<td>16.9%</td>
<td>47.4%</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>31,667</td>
<td>6.7%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>20,449</td>
<td>4.3%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Thailand</td>
<td>18,564</td>
<td>3.9%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>16,827</td>
<td>3.5%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Nepal</td>
<td>14,605</td>
<td>3.1%</td>
<td>101.8%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>14,071</td>
<td>3.0%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>13,367</td>
<td>2.8%</td>
<td>62.7%</td>
</tr>
<tr>
<td>Brazil</td>
<td>12,493</td>
<td>2.6%</td>
<td>26.4%</td>
</tr>
<tr>
<td>Other Nationalities</td>
<td>139,883</td>
<td>29.5%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Total Enrolments</td>
<td>474,389</td>
<td>100.0%</td>
<td>18.5%</td>
</tr>
</tbody>
</table>
Top 10 Global Destinations for International Students by 2008 (Higher/ Vocational Education Sectors) + 630,000 All Sectors (2010)

<table>
<thead>
<tr>
<th>Destination Country</th>
<th>International Students Enrolled in Higher/ Vocational Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Germany</td>
<td>246,369 (2007)</td>
</tr>
<tr>
<td>10. Malaysia</td>
<td>72,000 (2008)</td>
</tr>
<tr>
<td>11. South Korea</td>
<td>63,952 (2008)</td>
</tr>
</tbody>
</table>

Australia’s 2006 Skilled Migration Review: Employment Outcomes @ 6 Months

- Offshore Australian Sponsored: Employed 72%, Unemployed 20%
- Offshore Business ENS/RSMS: Employed 77%, Unemployed 11%
- Offshore Independent: Employed 82%, Unemployed 13%
- Skilled Designated Area Sponsored: Employed 69%, Unemployed 23%
- Onshore Business and ENS/RSMS: Employed 99%, Unemployed 1%
- Onshore Former Overseas Students: Employed 83%, Unemployed 12%
## The Study-Migration Advantage Compared to Skilled Migrants Selected Offshore (e.g., China, Middle East)

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Visa Status</th>
<th>Employed</th>
<th>Unemployed</th>
<th>NILF</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESB</td>
<td>Onshore</td>
<td>86.7</td>
<td>7.2</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>Offshore</td>
<td>92.9</td>
<td>1.8</td>
<td>5.3</td>
</tr>
<tr>
<td>Europe</td>
<td>Onshore</td>
<td>91.2</td>
<td>5.3</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>Offshore</td>
<td>91.7</td>
<td>5.6</td>
<td>2.8</td>
</tr>
<tr>
<td>India</td>
<td>Onshore</td>
<td>92.2</td>
<td>7.3</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>Offshore</td>
<td>91.1</td>
<td>5.9</td>
<td>3.0</td>
</tr>
<tr>
<td>N Africa/Middle East</td>
<td>Onshore</td>
<td>89.5</td>
<td>10.5</td>
<td>28.6</td>
</tr>
<tr>
<td></td>
<td>Offshore</td>
<td>71.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Asia</td>
<td>Onshore</td>
<td>87.6</td>
<td>6.9</td>
<td>5.6</td>
</tr>
<tr>
<td></td>
<td>Offshore</td>
<td>80.0</td>
<td>12.2</td>
<td>7.8</td>
</tr>
<tr>
<td>China</td>
<td>Onshore</td>
<td>74.8</td>
<td>10.9</td>
<td>14.3</td>
</tr>
<tr>
<td></td>
<td>Offshore</td>
<td>54.7</td>
<td>27.4</td>
<td>17.9</td>
</tr>
</tbody>
</table>

Source: Derived from LSIA 3 database (DIAC); for full data see *Key Factors Influencing the English Language Proficiency, Workplace Readiness and Employment Outcomes of International Students*, S Arkoudis, L Hawthorne, C Baik, G Hawthorne, K O’Loughlin, E Bexley & D Leach, Department of Employment, Education and Workplace Relations, Canberra, 2009, 160pp
Skilled Category Employment Outcomes @ 6 Months by 2006

Permanent outcomes @ 6 months:
- 87% employed or self-employed
- 70% working in their preferred occupation
- Markedly improved salary levels
- 93% satisfied with their migration and settlement

Temporary labour migrants @ 6 months:
- 99% employed in their field
- Encouraged to transit to permanent migration
Skilled Migrants’ Employment Outcomes @ 18 Months (2007)

Findings:

- 89% employed or self-employed
- 70% working in their preferred occupation
- Significant job mobility (34% in different jobs)
- Markedly improved salary levels
- 93% satisfied with their migration and settlement
Former International Students’ Employment and Wage Outcomes @ 6 Months

Former students:

- Annual salaries of around $33,000 (compared to $52,500 for offshore arrivals);
- Average weekly earnings of $641 (compared to $1,015);
- Lower job satisfaction, with 44 per cent liking their work (compared to 57 per cent); and
- Far less ‘often’ use of formal qualifications in current work (46 per cent compared to 63 per cent)

Baird Review/ MODL Review/ Points Test Review….

The Problem of Demand by Field: Growth in New International Student Enrolments 2002-2008, by Field and Course

<table>
<thead>
<tr>
<th>Top 5 Degree Enrolments by Field</th>
<th>2002</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business/ Commerce</td>
<td>29068</td>
<td>48922</td>
</tr>
<tr>
<td>Accounting</td>
<td>4187</td>
<td>20210</td>
</tr>
<tr>
<td>IT</td>
<td>19061</td>
<td>13528</td>
</tr>
<tr>
<td>Engineering</td>
<td>6991</td>
<td>11052</td>
</tr>
<tr>
<td>Teaching</td>
<td>2948</td>
<td>5796</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top 5 Dip/Adv Cert 111 &amp; 1V By Field</th>
<th>2002</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business/ Commerce</td>
<td>14316</td>
<td>62351</td>
</tr>
<tr>
<td>Food/ Hospitality</td>
<td>1264</td>
<td>11551</td>
</tr>
<tr>
<td>Hairdressing</td>
<td>272</td>
<td>6514</td>
</tr>
<tr>
<td>IT</td>
<td>11013</td>
<td>5006</td>
</tr>
<tr>
<td>Accounting</td>
<td>988</td>
<td>4455</td>
</tr>
</tbody>
</table>

Source: Key Factors Influencing the English Language Proficiency, Workplace Readiness and Employment Outcomes of International Students, S Arkoudis, L Hawthorne, C Baik, G Hawthorne, K O’Loughlin, E Bexley & D Leach, Department of Employment, Education and Workplace Relations, Canberra, 2009, 160pp
Indian student enrolment growth:
- 65,377 (June 2008) cf 93,387 (China)
- February 2009: Poised to overtake China

Proportion migrating:
- 66-73% (cf China)

Universities of choice:
- Lowest ranking

Sector of enrolment – dramatic shift to vocational training:
- 2002: 1,827 in VET sector (compared to 6,575 in degrees)
- June 2008: 36,045 in VET sector compared to 21,111 in degrees
- China = 18,808 in VET sector compared to 41,812 in degrees

Course skewing: Hospitality/ hairdressing…. ‘trades’
Case study: Electrical linesmen to chefs
Policy Changes 2012+ (Following Reviews)

1. **Study-migration pathway**: Recalibrated to recruit degree-qualified students with high level English (IELTS 7-8), and higher degrees

2. **Occupational ‘caps’**: Introduced

3. **Priority processing = key determinant of selection**:
   Independent points-tested applicants ranked **fourth or below**/ sponsored applicants selected

4. **Convergence**: Temporary and permanent skilled application processes

5. **Expressions of Interest online applications**: Mandated, facilitating ‘two-step’ migration

6. **Fields**: Must be on the Skilled Occupation List to ensure eligibility for selection
### English Scores of Former International Students After Completing Australian Degrees When Applying for Skilled Migration (Typically Masters)

<table>
<thead>
<tr>
<th>Source Country</th>
<th>ESL Points: 15 (IELTS 5)</th>
<th>ESL Points: 20 (IELTS 6)</th>
<th>Total Tested 2004-05</th>
<th>Total Tested 2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>China</strong></td>
<td>43%</td>
<td>56%</td>
<td>2,655</td>
<td>4,209</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td>5%</td>
<td>94%</td>
<td>2,433</td>
<td>2,169</td>
</tr>
<tr>
<td><strong>Indonesia</strong></td>
<td>16%</td>
<td>84%</td>
<td>1,408</td>
<td>749</td>
</tr>
<tr>
<td><strong>Malaysia</strong></td>
<td>16%</td>
<td>84%</td>
<td>1,113</td>
<td>797</td>
</tr>
<tr>
<td><strong>Hong Kong</strong></td>
<td>17%</td>
<td>83%</td>
<td>863</td>
<td>683</td>
</tr>
<tr>
<td><strong>South Korea</strong></td>
<td>23%</td>
<td>76%</td>
<td>474</td>
<td>449</td>
</tr>
<tr>
<td><strong>Singapore</strong></td>
<td>10%</td>
<td>90%</td>
<td>440</td>
<td>258</td>
</tr>
<tr>
<td><strong>Bangladesh</strong></td>
<td>23%</td>
<td>77%</td>
<td>436</td>
<td>479</td>
</tr>
<tr>
<td><strong>Sri Lanka</strong></td>
<td>10%</td>
<td>90%</td>
<td>360</td>
<td>346</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>18%</td>
<td>82%</td>
<td>248</td>
<td>174</td>
</tr>
<tr>
<td><strong>Taiwan</strong></td>
<td>24%</td>
<td>76%</td>
<td>231</td>
<td>133</td>
</tr>
<tr>
<td><strong>Pakistan</strong></td>
<td>9%</td>
<td>90%</td>
<td>224</td>
<td>141</td>
</tr>
<tr>
<td><strong>Thailand</strong></td>
<td>29%</td>
<td>70%</td>
<td>200</td>
<td>175</td>
</tr>
<tr>
<td><strong>Vietnam</strong></td>
<td>36%</td>
<td>64%</td>
<td>200</td>
<td>152</td>
</tr>
</tbody>
</table>
# Impact of Employer Preference on Skilled Migrant Source Countries: 2004-05 to 2009-10 Arrivals

## A. Government-Selected
Permanent Skilled Category

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

Native English speakers: **17%**

## B. Employer-Sponsored:
Temporary Labour Category

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

Native English speakers: **42%**

OECD members: **6**
2008-2011 Impact on International Student Commencements by Sector (AEI November 2011)

International student commencements by sector
YTD November 2008 to YTD November 2011

Thousands

- Higher Education
- VET
- ELICOS
- Schools
- Other

Colors:
- 2008
- 2009
- 2010
- 2011
Contraction of the Indian Student Market

Transformation of the study-migration pathway:

- **Near-abolition** – Of the technical training pathway
- **18 month post-study visa** – Enhance migration ‘case’
- **Options** - Employer sponsorship/ English/ Experience (eg accounting)
- **2011-12 skilled migration = 47,733** employer-sponsored (81% onshore) – compared to 10,000 (2003-04)
- **2011-12 regional sponsorship = 16,471** Regional Sponsored Migration Scheme (48% annual increase) – compared to 2,183 (2003-04)

**Attacks on Indian students 2009-2010:**

- **Melbourne/ Sydney** – Scenarios

**Rising Australian dollar**
Melbourne Responses: Maximising International Student Inclusiveness

Export education industry by 2010:

- Third top industry in Australia - 630,000 international students
- Victoria – Top industry

Steps to address international student decline:

- Outreach - To lead markets (eg India, China), including ‘migration drive’, accurate policy information updates
- Initiatives – Scholarships, academic linkages, arts…
- Student bodies – Consultation/ funding
The City of Melbourne: Initiatives by 2012 - Value-Adding

1. Lord Mayor’s Student Welcome Event
2. International Student Guide
3. ‘The Couch’ – International Student Centre (5-9pm Mon-Thur):
   - Safe, non-commercial space
   - Access to support service/ information
   - Affordable meals at cost price
   - Facilitates cultural exchange with local young people
   - Footy nights, movie sessions (etc)
4. International Student City Ambassador Program (3 month training to be ‘roving city ambassadors’)
5. International Student Leaders’ Program – EDGE* 2012:
   - Tertiary focus
   - Leadership skills development
6. International student committees and networks
Maximising Sponsorship Options

**Sponsorship = critical**

**Individual attributes matter:**

- English ability (key predictor)
- Field of study
- Location
- Grades
- Personal presentation
- Acculturation

**Reverse of ‘Independent’ selection: Ranked 4th or below**
Changes to the Study-Migration Pathway - Justified by the Research Evidence?

Forthcoming study (Hawthorne & To):

Graduate Destination Survey data 2007-2011:
- International students: 79,046
- Domestic students: 371,951

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

- Employment outcomes @ 4 months: Compared by field, qualification level, language background, source country, wage
Case Study: Outcomes by Field in Health (Bachelor Qualifications)

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

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

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

**Nursing (diploma to degree upgrade courses):**
- 71.4 per cent (17.6 per cent working part-time) compared to 91.7 per cent

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

**Comparison:**
- Employment rates for migrants by field in first 5 years across all immigration categories – medicine (53%), dentistry (37%)
International Students’ Employment Outcomes in Fields Associated with Limited or Highly Variable Demand (Compared to Australian Bachelor Degree Graduates)

Business and commerce:
- 39.7 per cent of international students employed full-time compared to 76.4 per cent of domestic graduates

Accounting:
- 35.2 per cent compared to 82.7 per cent
- 7,751 IS seeking employment (compared to 2,852 domestic graduates)

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

Engineering:
- 43.6 per cent compared to 86.4 per cent
- 1,236 IS seeking employment (compared to 1,341)
Select Findings (Hawthorne & To)

Masters by coursework:

- **Differences** - More extreme! (oversupplied fields)
- **Serious wage differential** - Even for former international students employed full-time

PhD:

- Highly beneficial to international students!
- Modest employment differences at 4 months
- Engineering case study: 81% of international students employed (compared to 88% domestic graduates)

Logistic regression:

- Significant factors favouring full-time employment = Permanent resident status, language background, and qualification level
- Field = Highly significant! (level of demand)
The Latest International Student Enrolment Trends (August 2012 – AEI Data)

Growth in international student enrolments:
- China = 20% surge in enrolments 2012
- India = 21% up within 6 months 2011 (after 30% annual decline previous year)
- Continued trend = 2012
- Reason = UK study-migration contraction

Human rights policy for students October 2012:
- 12 initiatives – Student wellbeing, consumer protection, education quality, information (Human Rights Commission, Universities Australia)
- Students want more – Safe + affordable accommodation (‘housing crisis’)/ transport, travel concessions
Rising OECD Competition for International Students as ‘Two-Step’ Migrants

Policy steps:

1. Facilitating student entry
2. English as the language of instruction
3. Certainty of access to postgraduate stay (work rights)
4. Enhanced global promotion (British Council, IDP Australia, IOM)
5. ‘The total package’ (speed of processing, certainty of outcome, access to PR/ citizenship, employment outcomes)
Select References

Hawthorne, L & To, A (2012), The *Early Migration and Career Trajectories of International Medical Students Qualified in Australia*, Medical Deans of Australasia, Sydney