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COMPETING FOR SKILLS: MIGRATION POLICIES AND TRENDS IN NEW ZEALAND AND AUSTRALIA

FULL REPORT

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- Institute of Professional Engineers New Zealand
- Engineers Australia
- Medical Council of New Zealand
- Health Workforce New Zealand
- Australian Medical Council
- Nursing Council of New Zealand
- Australian Nursing and Midwifery Council

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EXECUTIVE SUMMARY

Aim of this study

The aim of this study was to compare skilled migration policies in New Zealand and Australia from 2004/05 to 2008/09, including employment outcomes for primary/principal applicants (PAs) in the early settlement period.[1]

Importance of longitudinal migration research to inform policy

Australia – Longitudinal Survey on Immigrants to Australia

Global comparisons of skilled migration outcomes are rare, given the inherent challenges of securing matched data. Australia has made a unique investment in longitudinal migration research in the past 18 years, in a process since replicated by the New Zealand and Canadian Governments.[2] Commencing with a pilot survey in 1992, the Longitudinal Survey on Immigrants to Australia (LSIA) has been administered three times (in 1993–95, 1999–2000 and 2005–06), to a representative sample of PAs and secondary applicants. In LSIA 1 and 2 in-depth interviews were conducted at 6 months (wave 1) and 18 months (wave 2), focused on immigrants selected through the Skilled, Family, and Humanitarian Categories. (This was extended to a wave 3 interview in LSIA 1.) For LSIA 3, a shorter mailout survey was administered at 6 months, followed by a telephone interview at 18 months (excluding Humanitarian entrants who were separately surveyed).

Australia has made this investment in longitudinal migration research to improve policy formation, in particular by ensuring government decisions are accurately informed by migrants' early employment and settlement experience.

New Zealand – Longitudinal Immigration Survey: New Zealand

New Zealand developed its variant of the LSIA in 2004 – the Longitudinal Immigration Survey: New Zealand (LisNZ). Three waves of data have since been secured. While Australia moved to a paper-based survey of 10,000 migrants in 2005 (the achieved sample for the LSIA 3 with a 49 percent response rate), New Zealand affirmed Australia's initial preference to collect extensive interview-based data, based on an achieved sample of 7,000 migrants at 6 months (wave 1 with a 66 percent response rate), with follow-up interviews conducted at 18 months[3] (wave 2) and 36 months (wave 3).

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[1] Australia uses the term 'primary applicant' and New Zealand uses the term 'principal applicant'. The abbreviation 'PA' is used for both terms throughout this summary and the main report.

[2] The author was commissioned by the Canadian Government in 2004 to conduct a comparison of skilled migration policy and outcomes to Canada and Australia, based on analysis of longitudinal data collected in 1993–95 and 1999–2001, and 2001 census data. L Hawthorne (2008) 'The impact of economic selection policy on labour market outcomes for degree-qualified migrants in Canada and Australia.' *IRPP Choices* 14(5): 1–50.

[3] The achieved sample for wave 2 was approximately 6,000.

Opportunity for contrastive Australia-New Zealand research

The establishment of LisNZ created an excellent opportunity to undertake contrastive Australia-New Zealand research – arguably a process of strong strategic relevance for four reasons.

Firstly, New Zealand and Australia are global competitors and collaborators in the race to attract and retain skilled migrants.

Secondly, in the past decade skilled migration has dominated migration flows to each country (constituting 60 percent or more of intakes). While developments in Australia have received global attention, New Zealand's policy evolution and outcomes are less known.

Thirdly, while significant differences exist between LisNZ and LSIA 3, the timeframes for wave 1 and wave 2 data match well. Thirty-five common questions could also be identified with a capacity to yield excellent comparative data.

Fourthly, while New Zealand and Australian policies have much in common, there are marked areas of policy divergence. The years preceding LisNZ and LSIA 3 data collection were associated with significant change and experimentation in each country. The impact of these changes on migrants' early settlement and employment outcomes warrants serious assessment.

Comparison of policy mechanisms and outcomes

The Department of Labour (New Zealand) and Department of Immigration and Citizenship (Australia) commissioned the present study to compare policy mechanisms and outcomes, supported by a major literature review. The report is divided into four sections.

Section 1 describes the characteristics of permanent compared with temporary skilled migration flows to New Zealand and Australia from 2004/05 to 2008/09, noting the strong interconnection between the two programmes. The study starts in 2004/05, the year in which the great majority of LisNZ and LSIA 3 longitudinal survey respondents were selected, with trends defined to 2008/09 to establish the changing characteristics of those admitted.

Section 2 describes the skilled migration policy setting in 2005 for each country, including the points-based selection criteria. Following this, the labour market outcomes achieved by skilled PAs are systematically compared, based on analysis of the 35 matched LisNZ–LSIA 3 questions at 6 and 18 months post-migration. A range of multivariate analyses are provided for Australia, in addition to a brief reference to 2006 Australian census data (defining the early employment outcomes secured by degree-qualified migrants selected across all immigration categories).

Section 3 describes key skilled migration policy developments in New Zealand and Australia from 2006 to 2010, in the context of changing national governments and the global financial crisis. To illustrate the significance of these trends and demonstrate the impact of skilled migration on professions of significance to each country, engineering, medical and nursing case studies are provided.

The conclusion in section 4 highlights major areas of policy convergence and difference between Australia and New Zealand in recent years – most notably experimentation with two-step migration (including the study–migration pathway), the growing 'privatisation' of skilled migration (through employer sponsorship), and the increased focus on regional skilled migration in Australia.

Permanent skilled migration to New Zealand and Australia, 2004/05 to 2008/09

According to a prominent United States economist, immigration policies across the world are based on two components – 'how many migrants a host country should admit, and which migrants it should admit'. To define such a programme, 'you have to determine what you want to accomplish.' However, no definitive data exists to guide governments on this challenging process. The United States (US) lacks a permanent resident skilled migration category; instead it admits 1 million low-skilled migrants per year. Australia, New Zealand, and Canada, by contrast, have prioritised skilled migration in the past decade in a context where 'migrants gain by moving, or else they would go back', employers 'make big capital gains, because they secure more workers', and governments aim to combine economic with population development.[4]

The recent period has coincided with extraordinary growth in skilled migration to New Zealand and Australia, through both permanent and temporary entry. Between 2004/05 and 2008/09, Australia selected 358,151 permanent General Skilled Migration (GSM) migrants, including dependants. In 2009/10 Australia allocated 59 percent of its permanent migration places to skilled applicants (108,100), 33 percent to Family Category entrants (60,300), and 8 percent to Humanitarian Category entrants (13,750), out of a programme total of 182,450. New Zealand had a planned overall intake of 45,000–50,000 people, including secondary applicants, across the:

- Skilled/Business Category: 26,900–29,975 (60 percent)
- Family (Partner and Dependent Child) Category: 9,900–10,700 (21 percent)
- Family (Parent, Adult Child and Adult Sibling) Category: 4,950–5,500 (11 percent)
- International/Humanitarian Category: 3,250–3,825 (8 percent)

The age and gender of Skilled Migrant Category (SMC) PAs to New Zealand were directly comparable to GSM PAs to Australia. Between 2004/05 and 2008/09, 37,329 male and 19,880 female SMC PAs were selected, with males constituting 65 percent of the total (compared with 63 percent in Australia). By 2008/09, 35 percent of the 11,973 SMC arrivals were female (compared with 33 percent in Australia) – identical to the New Zealand proportion 5 years earlier. (In Australia, the female share had slightly declined.)

Once accompanying family members are factored in, New Zealand had admitted 129,723 SMC migrants within 5 years, including a slightly higher proportion of

[4] G Borjas (2010) 'Keynote address: Canada's immigration policy – Reconciling labour market needs and longer-term goals', Institute for Research on Public Policy, Ottawa, 25–26 May.

females than chosen by Australia (48 percent of the total compared with 46 percent). Thus, marked similarities exist between Australia and New Zealand in terms of the category share, age, and gender of recent permanent skilled migrants. Analysis of 2004/05 to 2008/09 arrivals, however, highlighted three significant differences.

Two-step migration pathway

The first difference concerned application place and pathway. Onshore skilled migration has been the norm for New Zealand since 2003, constituting 83 percent of PAs in 2008/09 compared with 35 percent in Australia. The nature of onshore migration differs significantly between the two countries. The great majority of onshore applicants in Australia are former international students, transiting to permanent residence status (an option available since 1999). By contrast, New Zealand's SMC prioritises the selection of temporary foreign workers with New Zealand experience, current employment, and/or job offers – a strategy certain to maximise employment outcomes. Former students also migrate through 'study to work' then 'work to residence' pathways, their migration occurring within 10 years. In 2008/09, around 30 percent of SMC approvals had previously studied in New Zealand.

It is important to note that in comparison with Australia, international students were enrolled in New Zealand at relatively low levels. For example, in 2008/09, 47 percent of all international students in New Zealand were in vocational training courses compared with 37 percent in schools and 16 percent in university courses (excluding English language and informal sector enrolments). In Australia in March 2009, by contrast, 50 percent of international students were at university, 44 percent in the rapidly growing technical training sector and just 6 percent in schools (excluding English and other not for credit course enrolments).

Source countries

The second critical difference concerns the skilled migration source countries for the SMC and GSM programmes. Australia selects few primary applicants from the major English-speaking background (ESB) countries, typically defined as the United Kingdom (UK), Ireland, the US, Canada, South Africa, New Zealand, and Australia.

Between 2004/05 and 2008/09, Australia's top 10 sources were India (21 percent), China (18 percent), the UK (14 percent), Malaysia (6 percent), Indonesia (4 percent), Sri Lanka (3 percent), Republic of Korea (3 percent), South Africa (3 percent), Hong Kong Special Administrative Region (3 percent) and Singapore (3 percent). Just three of the major ESB nations featured in Australia's top 20 sources along with 14 nations located in Asia. Together these ESB migrants constituted just 17 percent of the GSM total, in stark contrast to trends in New Zealand.

From 2004/05 to 2008/09, the major source countries for SMC PAs to New Zealand were the UK (31 percent), China (18 percent), South Africa (10 percent), India (7 percent), the Philippines (6 percent), Fiji (4 percent), the US (3 percent), Germany (2 percent), Malaysia (2 percent), and South Korea

(2 percent). ESB countries constituted an extraordinary 46 percent of the total. Five European countries also featured (compared with none in Australia) – in rank order being Germany, the Netherlands, France, Romania, and Russia.

This selection strategy has profound implications for employment outcomes in a knowledge economy. As established by the global literature, facility in a host country's language/s represents a critical determinant of access to skilled work. As early as 1981 it had been demonstrated in Australia that poor English competence doubled the probability of males being unemployed. Unemployment predictors included English language ability, birthplace, period of residence in Australia, and the country in which formal qualifications had been gained. Australian research in 2009 demonstrated that recent skilled migrants with strong English skills are four times more likely to secure employment than those with only a basic ability.

As in Australia, migration to New Zealand from individual source countries has fluctuated significantly over time. In 2004/05, for example, the UK constituted 49 percent of all New Zealand SMC arrivals. This contracted to 22 percent in 2008/09. In the same period arrivals from South Africa rose from 12 percent to 18 percent; from China from 6 percent to 14 percent; and from the Philippines from 2 percent to 11 percent. Minimal growth was evident from India (5 percent compared with 6 percent) – a surprise given the scale of Indian flows to Australia.

PAs' place of application also varied significantly by source country. Two-step migration was the choice for 98 percent of Chinese migrants to New Zealand in 2008/09 compared with 99 percent in 2004/05. UK and South African PAs by contrast generally applied offshore (61 percent of the UK total in 2008/09 compared with 49 percent in 2004/05, and 74 percent of the South African total compared with 84 percent). Similar trends applied in Australia.

Occupations of recent skilled migrants

The third difference concerns the education level of recent skilled migrants to Australia and New Zealand. These migrants are qualified in highly diverse fields, whether selected onshore or offshore. Between 2004/05 and 2008/09, 39 percent of SMC PA arrivals in New Zealand had worked in professional occupations (compared with 66 percent in Australia); 17 percent as managers and administrators (compared with 3 percent); 15 percent as associate professionals (compared with 5 percent); and an almost equal proportion in trades (15 percent and 16 percent respectively). Modest numbers to both countries were low-skilled workers.

The top five professions for skilled PAs arrivals to Australia were accounting (32 percent), computing (23 percent), architecture/building (9 percent), engineering (9 percent), and nursing (5 percent). The major trades were chefs/bakers (30 percent of trade arrivals), engineering (14 percent), building excluding plumbing (14 percent), electrical (12 percent), and hairdressing (12 percent). For New Zeland, computing and education were the major occupations for SMC professionals from 2004/05 to 2008/09 (both constituting 18 percent of professionally qualified PAs), followed by registered nurses

(17 percent), architects and engineers (15 percent), business, human resource, and marketing professionals (15 percent), and health professionals (9 percent).

Temporary skilled migration to New Zealand and Australia, 2004/05 to 2008/09

Scale of flows

Between 2003 and 2004 the number of temporary workers resident in OECD nations increased by 7 percent (around 1.5 million people). Sponsored labour migration has become highly attractive to governments and employers – delivering strong and immediate employment outcomes. While the current study focused on permanent migration, the majority of occupations from 2004/05 to 2008/09 had strong temporary as well as permanent resident flows, with the 'privatisation' of skilled migration rapidly advancing.

In Australia, 418,940 arrivals were admitted through the 457 long-stay business visa at this time, when the economic cycle was strong and the mining boom was fuelling demand for labour. Annual arrivals surged from 48,610 people, including dependants, in 2004/05 to 110,570 in 2007/08, moderating to 101,280 in 2008/09 during the global financial crisis. By 2009, according to the Department of Immigration and Citizenship, an unprecedented 70 percent of Australia's labour migrants were employer-sponsored, entering through the temporary and permanent skilled migration streams.

In New Zealand, from 2004/05 to 2008/09, 142,356 General/Essential Skills migrants were also approved,[5] though growth was static across the period (with 26,283 arrivals in 2004/05 compared with 27,433 in 2008/09, noting this exceeded the number of selected SMC migrants).

The link between permanent and temporary migration is exceptionally strong in New Zealand. In 2006, 83 percent of SMC migrants were recruited onshore, primarily through the General/Essential Skills Category. As in Australia additional temporary labour was also received – most notably through the short-term youth-oriented Working Holidaymakers Scheme (38,946 visas issued by New Zealand in 2008/09 compared with 197,984 by Australia).

Qualification level and occupation

Marked occupational differences exist for temporary arrivals, replicating permanent skilled migration flows. From 2004/05 to 2008/09, 58 percent of Australia's 457 temporary visa arrivals were working in professional fields (compared with 66 percent of permanent GSM arrivals). Seventeen percent were in the trades, 13 percent were associate professionals, and 10 percent were managers and administrators. Just 2 percent possessed lower level skills, despite the pressures of the mining boom and the existence of select low-skilled schemes (such as the recruitment of abattoir workers).

Interestingly, Australian employers' preferred occupations varied significantly from those in the GSM programme. Registered nurses were the primary group

[5] Unlike in Australia, this number excludes dependants, who apply under different categories.

imported (25 percent), followed by computing (13 percent), business professionals (10 percent), engineers (10 percent), and sales and marketing professionals (8 percent). Few accountants were sought, at a time when the Australian market was seriously over-supplied through GSM migration. Mechanical and fabrication engineering trades ranked sixth overall (constituting 34 percent of trade arrivals), followed by doctors, science professionals, teachers and lecturers, and human resource professionals.

It was not possible to fully match employer-sponsored occupational data for New Zealand and Australia (due to coding anomalies) but comparable data existed for occupation level. The primary General/Essential Skills groups entering New Zealand from 2004/05 to 2008/09 were clerical, sales, and service workers (21 percent), followed by 19 percent in professional occupations, 15 percent in the trades, 11 percent who were managers and administrators, 11 percent who were associate professionals, and 8 percent who were labourers. The major professions in 2008/09 were health and life sciences, including nursing (8,999), and teachers and lecturers (4,163). Two groups dominated the 19,791 trades total that year: mechanic and fabrication engineering (6,299) and automotive, mechanical, and building workers.

Temporary migration source countries

Recently, there has been a rapid escalation of sponsored flows. However, debate exists concerning the merits of employer or 'privatisation' compared with 'independent' government selection of skilled migrants.. In selecting temporary workers, however, employers signal to government the migrants they deem most immediately 'employable'. It is thus important to compare the characteristics of 457 long-stay and General/Essential Skills visa holders here, including differences between Australia and New Zealand (noting the primacy of New Zealand's work to residence pathway).

The most critical point to note is the Australian employers' preferred source countries for sponsored workers. These contrast markedly with the top 10 countries selected through the government-driven GSM programme. Five of the major ESB countries featured in the top 10 for temporary worker selection, in addition to two in West Europe (Germany and France), and one Commonwealth Asian country (India). Recent temporary worker selection demonstrates the strength of Australian employer preference for high-level English language ability (including native speakers), comparable education systems, and perceived worker capacity to integrate at speed.

Interestingly, General/Essential Skills flows to New Zealand were more diverse than those selected by the government as permanent SMC migrants. Twenty-nine percent of New Zealand's top 10 sources were the major ESB countries (compared with 46 percent of the SMC), with Ireland and Zimbabwe contributing 2 percent and 1.5 percent, along with India (6 percent). This category also featured five Asian source countries in the top 10 (China, India, the Philippines, South Korea, and Japan). Regional influences were strong, with Fiji contributing 7 percent of flows, along with significant intakes from Samoa.

Skilled migration policy evolution in Australia and New Zealand, 1999–2006

The decade to 2005 coincided with substantial policy innovation in Australia, commencing with the election of a Liberal–National government in 1996 after 13 years of Labor rule. While Family and Humanitarian migration intakes were endorsed by the government as serving broad social purposes, high and persistent unemployment among recently arrived skilled migrants was perceived to have undermined the effectiveness of the economic programme – one explicitly devised in 1988 to support national economic development. From 1996 to 1999, the Department of Immigration and Multicultural Affairs systematically reviewed and transformed skilled migration selection criteria – abolishing welfare benefits for migrants in their first 2 years post-arrival and introducing a determination to 'select for success' among PAs.

Following a preliminary audit in 1997–98, the government reviewed the effectiveness of the Independent Category points test. In the decade to follow, Australia would seek early and positive employment results from the GSM programme, given that results 6 months post-arrival were predictive of longer-term labour market outcomes. To refine the points-based selection strategy, the review drew on the LSIA and a comparative analysis of employment outcomes for migrant professionals admitted across all immigration categories (based on 1996 census data). In line with these research findings, from 1999, skilled PAs at risk of delayed or de-skilled employment in Australia were largely excluded at point of entry through rigorous expansion of pre-migration English language testing, mandatory credential assessment, assessment of occupational demand, and additional modifications to points-based selection.

In 2006 an expert panel reported on its extensive review of the skilled migration programme. The panel strongly affirmed the effectiveness of the policy changes since 1999 in delivering superior labour market outcomes, despite concern at the development of select perverse study–migration incentives. The panel found that within 6 months of arrival, 83 percent of points-tested Independent PAs had secured work in Australia compared with 72 percent of skilled Family migrants – far exceeding the 57 percent employment norm of a decade earlier (following recession). Sixty-three percent of Independent PAs were immediately using their qualifications in work.

Salary rates had grown strongly since 1999/2000, with average weekly wages rising to A$1,015. Major gains had been achieved by traditionally disadvantaged groups (for example, PAs from Eastern Europe, the Philippines, and China). The negative impacts of older age and female gender for skilled PAs had been greatly reduced. By 18 months after arrival, skilled migrants' unemployment rates had dropped to just 4 percent (below the Australian national average). In general, the programme was found to be selecting PAs able to use their qualifications in work, with skills wastage minimal – a dramatic improvement since the mid 1990s.

Despite these positive trends, the panel identified concerns about onshore compared with offshore GSM outcomes. In particular, former international students were found to be characterised by annual salaries of around A$33,000

(compared with A$52,500 for offshore arrivals), lower job satisfaction, and far less frequent use of formal qualifications in current work.

New Zealand's skilled migration policy had also evolved markedly in the decade to 2005. In 1986, the government had undertaken a substantial migration policy review, the catalyst for selecting migrants from a wide array of source countries based on human capital requirements. A points system was introduced in 1991, focusing on qualification level but permitting low English language ability. The result was a substantial surge of Northeast Asian migration, followed by the raising of English language requirements. In 1997 New Zealand's conservative government sponsored a national population conference to define the employment barriers for points-tested migrants, including the case for introducing settlement services.

The 1999 election of the Clark Labour government coincided with significant policy reform, with a far stronger focus placed on economic category migration (soon raised to 60 percent of permanent intakes). In 2003 New Zealand's SMC was introduced, addressing priority needs based on a revised points system in a move heralded as 'the most significant changes in immigration policy for more than a decade'. The government's aim from this time was to 'shift immigration policy from the passive acceptance of residence applications to the active selection of skilled migrants'. Refined in December 2004 to enhance employability and capacity building factors, New Zealand's SMC was based on a broader than previous definition of skills, embracing the trades (which could secure almost as many points as postgraduate qualifications). Prospective skilled migrants entered the SMC pool with scores of 100 points. From December 2005 guaranteed selection was introduced for those scoring 140 points or more, who were invited to apply for residence following initial assessment by the Department of Labour. Applicants securing 100–139 points were selected in sufficient numbers to meet the requirements of the New Zealand Residence Programme in a rank order that prioritised applicants with an offer of skilled employment or current skilled work in New Zealand.

Selection criteria were comparable to Australia's at this time, with international students awarded bonus points and eligible to migrate on course completion. Substantial points were allocated to applicants with current skilled employment in New Zealand or an offered skilled job, qualifications, work experience, and a defined age range, with bonus points for attributes such as employment, work, and/or qualifications in an area of absolute skills shortage or in an identified future growth area.

Skilled migration selection criteria at the time of the longitudinal survey administration

When the LisNZ and LSIA 3 were administered (2005–07), key similarities and differences in points-based selection could be summarised as follows:

- a rising points threshold for skilled category selection to both countries:
  - Australia – 120 points required out of a possible 175 (rising from 115 in 2004)

  - New Zealand – 140 points guaranteeing selection from December 2005 (out of a possible 200 or more points) with different criteria used to select applicants scoring between 100 and 139
- significant pre-migration English language requirements imposed for skilled category PAs in both countries:
  - Australia – International English Language Testing System (IELTS) band 5 or above required across all four language skills (reading, writing, speaking, and listening), with PAs scoring at lower levels ineligible to proceed with skilled migration; allocation of 20 points for 'competent' English language ability (IELTS band 6) compared with 15 points for 'vocational' English (IELTS band 5)
  - New Zealand – a substantially higher threshold score of IELTS band 6.5 required from November 2002, across all four skills, resulting in a 6.9 IELTS average by 2006 for approved applicants[6]
- pre-migration credential assessment mandatory for PAs to both countries:
  - Australia – 60 points allocated to applicants with recognised occupation-specific qualifications compared with 50 for general professional occupations and 40 for other skilled fields
  - New Zealand – highest points allocated for masters and doctorate qualifications (55), followed by bachelors and trade level credentials (50)
  - bonus points allocated by both countries for completion of host country qualifications (minimum 2 years' study): in Australia 15 for a doctorate, 10 for a masters or upper honours degree, and 5 for bachelor, diploma or trade qualification levels; in New Zealand 15 points for postgraduate qualifications and 10 for degrees or lower
- relevant employment experience more valued by New Zealand than Australia:
  - Australia –10 points allocated for work experience in a 60-point occupation related to qualification field, 5 for experience in any area of employment, with this requirement entirely waived for former international students (a policy choice revised from 2007)
  - New Zealand – New Zealand employment strongly rewarded (a major selection difference between the two countries, along with level of English); 60 points allocated for current skilled employment in New Zealand, 50 for current employment less than a year in New Zealand, and 50 for a current New Zealand job offer, with bonus points for employment in skill shortage areas
- occupational demand a key determinant of selection for both countries:
  - Australia – allocation of 20 points and automatic prioritisation for assessment for skilled category applicants qualified in fields on the Migration Occupations in Demand List (with job offer), or 15 points for

[6] R Bedford (2006) 'Skilled migration policy in Australia and New Zealand: Similarities and differences', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories*. Canberra: Commonwealth of Australia, pp 219–246.

Migration Occupations in Demand List applicants without current job offers – from 2004 to 2007 the key determinant of skilled migration selection, once points requirements were raised from 115 to 120

  - New Zealand – allocation of multiple bonus points for experience or qualifications relevant to fields in demand (including in skill shortage locations), as well as for New Zealand–based work, with a December 2005 policy amendment strengthening this issue
- age criteria requirements more rigid in Australia than in New Zealand:
  - Australia – GSM eligibility restricted to PAs aged 18–44, with 30 points for applicants aged 18–29, reduced to 15 for applicants aged 40–44
  - New Zealand – points awarded to PAs aged 20–55, ranging from 30 for applicants aged 20–29 to 5 for those aged 50–55 and older applicants ineligible for SMC migration
- partner skills modestly valued by both countries:
  - Australia – allocation of 5 bonus points, if spouse age, English ability, recognised qualifications and experience appeared likely to facilitate future employment
  - New Zealand – allocation of 10 points for a qualification and another 10 points for a skilled job in New Zealand
- family sponsorship more strongly rewarded by Australia:
  - Australia – 15 points allocated for GSM applicants for sponsorship by a close relative and a lowerGSM threshold required of 110 rather than 120 points for relatives
  - New Zealand – 10 points allocated.

Comparison of longitudinal survey findings

The employment outcomes achieved by PAs to New Zealand and Australia, at around 6 and 18 months post-migration (2005–07) were impressive in global terms, far exceeding those in, for example, Canada. Both countries' economies were booming at this time, which favoured labour market integration. In New Zealand, for example, the unemployment rate was just 3.4 percent, with employment as well as earnings growing steadily. Australia's unemployment rate was slightly higher at 5.1 percent in 2005, with gross domestic product of 3.5 percent, and earnings similarly buoyant.

Age and source countries

Skilled arrivals were relatively young to both countries, with the those aged 25–44 predominating. Reflecting strong international student participation, recent skilled migrants to Australia were far younger overall, with 79 percent of LSIA respondents aged 18–34 years (compared with 52 percent in New Zealand), and 20 percent aged under 25 (compared with 7 percent). Youth affects early employment, with large numbers of Australian PAs lacking workforce experience before GSM selection. Age also had major significance for reported partnering rates – 72 percent of PAs in New Zealand had partners at this time compared with just 38 percent in Australia.

In line with skilled migration policy trends, marked differences in terms of country of origin were characteristic of the longitudinal survey samples. Migrants from ESB countries constituted 54 percent of the top eight source countries for New Zealand compared with just 10 percent for Australia (where the UK was the sole ESB country ranked in the top eight). Reflecting birthplace, the main five languages spoken by PAs in Australia at this time were English (38 percent), Chinese languages (26 percent), South Asian languages (9 percent), Indonesian (6 percent), and Japanese (2 percent). The comparison was stark with New Zealand, where English (94 percent) was overwhelmingly reported to be the best spoken language at 6 months, followed by negligible numbers registering Chinese, Afrikaans, and Hindi facility.

Qualification place and level

Qualification levels varied markedly between skilled temporary and permanent labour migrants to New Zealand and Australia. Far larger numbers of trade-qualified migrants were attracted to New Zealand, constituting 38 percent of PAs (spanning basic to advanced vocational fields). By contrast, 82 percent of the LSIA 3 sample reported having bachelors degrees or higher with just 5 percent stating they held trade qualifications.

The main places where highest qualifications had been earned by LSIA respondents was Australia (59 percent, reflecting the scale of international student migration), England (11 percent), India (5 percent), China (5 percent), and South Africa (3 percent). For LisNZ PAs the top five places of qualification were the UK (35 percent), New Zealand (20 percent), South Africa (11 percent), India (6 percent), and the US (5 percent).

Migration pathways

Onshore migration was prominent for both countries at this time but far more prevalent in New Zealand: the route taken by 79 percent of LisNZ PAs (typically through 'work to residence') compared with 53 percent of LSIA respondents (largely through 'study–migration'). At 6 months (Australia) and 18 months (New Zealand), informants were asked whether they had considered alternative migration destinations. Fewer than 2 percent of migrants to New Zealand conceded this to be case, with Canada and Singapore (24 percent each) and Australia and the US (19 percent each) the primary alternatives. Australian PAs, by contrast, frankly conceded their consideration of global options, most notably Canada (52 percent), the US (35 percent), the UK (15 percent), and New Zealand (12 percent). Deciding factors in selecting Australia and New Zealand related to lifestyle and climate in each case. Encouragingly, both LisNZ and LSIA 3 respondents were extremely positive at 18 months about the settlement process, with 90 percent of New Zealand PAs stating they were settling in compared with 93 percent of PAs in Australia.

Occupational field and credential recognition

Comparing the professions and trades for survey respondents proved challenging, with careful matching of occupational codes required. In Australia, computing and information technology (IT) (22 percent combined), accounting (19 percent), engineering (12 percent), business and management (8 percent),

and nursing (4 percent) dominated the professions, while food and hospitality was the primary trade (1 percent). In New Zealand, education and curriculum (7 percent combined), business and management (7 percent), IT (7 percent), accounting (6 percent) and nursing (6 percent) were the main degree-qualified fields, while automotive engineering and technology (11 percent), nursing related studies (11 percent), business and management (10 percent), and building (7 percent) were the major trades.

Qualification recognition for skilled migrants, particularly in regulated fields, can represent a major barrier to early employment. In New Zealand 45 percent of PAs had had their qualifications assessed at 6 months – a modest level (perhaps reflecting few being qualified in regulated fields). The majority of those failing to seek assessment did not view recognition as a priority at this time. In Australia, where the question was posed a year later, screening was less significant in a context where 56 percent of respondents held Australian qualifications. A further 29 percent reported they had had their qualifications assessed, leaving just 10 percent with qualifications who had not chosen to do so.

Employment at 6 months

Important differences existed between Australian and New Zealand informants in terms of human capital attributes at the point of migration. New Zealand PAs were largely selected with current employment or job offers. Australian PAs by contrast were younger, more highly qualified, and more likely to be Asia-born, be former international students, have recognised qualifications, and have been motivated by employment opportunity in terms of migration. Compared with New Zealand respondents, they were less likely to be partnered, or to be native speakers of English (noting that major problems with international students' English ability were being identified at this time).[7]

Regardless of these differences in selection, PAs in New Zealand and Australia were found to achieve excellent outcomes in world terms. At 6 months post-migration 93 percent were employed or self-employed in New Zealand compared with 83 percent in Australia. Work satisfaction at this time was fairly high. PAs from ESB countries fared particularly well in New Zealand and Australia, securing early employment rates of 92–97 percent, followed by strong outcomes for migrants derived from Europe and India. Within the early settlement period birthplace groups at risk of employment disadvantage were found to be highly protected by onshore migration pathways. For example in Australia 74 percent of onshore PAs from China were working at 6 months compared with just 53 percent of comparable offshore migrants. Overall, the two-step migration paradigm adopted by New Zealand and Australia appeared highly effective, regardless of whether the work to residence or study–migration pathways were used.

[7] Australia's 2005/06 skilled migration review found that 40 percent or more of students from China, the Republic of Korea, Thailand, Taiwan, Hong Kong Special Administrative Area, and Bangladesh scored IELTS band 5 at the point of transition to skilled migration on completion of their tertiary studies: B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories*. Canberra: Commonwealth of Australia.

Job satisfaction and work correlation with past occupation

At 6 months post-migration, 53 percent of primary applicants in Australia stated they were working in their preferred occupation, while 29 percent said they were not (the remainder expressing no opinion on this score). Past occupation appeared well correlated to field of employment at 6 months – again a very positive finding. In Australia, where 17 percent of total PA arrivals had been computer professionals pre-migration, 12 percent were immediately working in this field. Eight percent were working as accountants (who constituted 10 percent of LSIA 3 respondents), 4 percent as nurses (4 percent), and 2 percent as teachers (2 percent,) A modest level of de-skilling appeared to be occurring (for example, the proportion of sales assistants rose from 3 percent to 5 percent).

Outcomes in New Zealand were similarly positive. While 5 percent of PAs reported working as nursing or midwifery professionals before migration, 8 percent held employment in this field at 6 months (presumably some without qualifications, for example in the aged care sector). This was followed by 4 percent of school teachers (5 percent of PA arrivals), and 4 percent of computing and systems professionals (8 percent) – this latter group at greater risk of de-skilling. Level of satisfaction/dissatisfaction with current employment was not provided for the LisNZ sample at 6 months. Substantial numbers, however, expressed their desire for better work – an extraordinary 75 percent of PA respondents on this score stating that their salaries were too low, 67 percent that they were not using their skills or experience adequately, 16 percent that they had not secured work in their preferred occupation, and 16 percent that they wanted to work different hours. Of concern, 8 percent of PAs reported experiencing employer discrimination as migrants. By definition, de-skilling represents a rite of passage for recently arrived migrants, occurring across all immigrant-receiving countries. The problem has increased in severity in recent years, in particular where migrants are not employer-sponsored – a highly problematic issue addressed in a variety of recent OECD reports.

Employment outcomes at 18 months

Concerns at preliminary de-skilling, however, should not detract from the sustained excellence of New Zealand and Australian outcomes in global terms. At 18 months post-arrival, 85 percent of skilled PAs in Australia were employed, with a further 4 percent conducting a business (making 89 percent in work overall), 5 percent enrolled as students (in accredited or unaccredited courses), 3 percent engaged in home duties, and 3 percent unemployed. The comparable figures for New Zealand PAs were 87 percent employed, 7 percent conducting a business, 3 percent studying, 2 percent engaged in home duties, and a mere 0.7 percent unemployed.

Just 18 percent of skilled PAs to Australia at 18 months stated they had experienced any level of unemployment in the past year. This figure was markedly lower for New Zealand PAs, at 7 percent. For skilled migrants who had experienced unemployment, duration was typically short, with 2 percent of PAs unemployed a full year in Australia, 2 percent for 6–11 months, 5 percent 4–6 months, and 6 percent 1–3 months – an impressive finding. Negligible numbers of PAs in New Zealand had experienced unemployment of any length. It

appeared that New Zealand's choice of relatively mature skilled migrants with higher levels of English was immediately beneficial in terms of labour market integration.

Job mobility in the first 18 months was common in Australia, where 70 percent of PAs stated they were working in their preferred occupation at this time compared with 53 percent at 6 months (a yes/no question in relation to this was not asked in the New Zealand survey). Thirty-four percent of PAs in Australia had changed positions (the data suggesting this was to secure more highly skilled work and/or better remuneration). Many were former international students, replicating a common pattern among recent graduates. New Zealand by contrast was associated with exceptional occupational stability, with 87 percent of PAs employed in the same position at 6 and 18 months.

PAs partners were also entering the workforce in force at this time – 77 percent of New Zealand PAs stating their partners were employed at 18 months compared with 67 percent in Australia (where far fewer were married). As demonstrated by an analysis of secondary applicant characteristics and outcomes for New Zealand, partners achieved far more modest employment status than principal skilled applicants.

Remuneration levels at 18 months

For PAs in employment, salaries trended upwards between 6 and 18 months. In Australia at 6 months 48 percent of primary applicants had been on a low salary band, earning A$20,000–40,000 per year. This dropped to 34 percent a year later. At 18 months post-migration, 34 percent were earning A$40,000–60,000 a year (compared with 26 percent at 6 months), and 18 percent $60,000 or more (rising from 13 percent). Salaries were predictably higher for New Zealand PAs, reflecting their pre-existing employment, greater age and experience, and markedly stronger English language ability. At 6 months 29 percent of LisNZ PAs had earned NZ$20,000–40,000, 41 percent NZ$40,000–60,000 and 27 percent NZ$60,000 or more. By 18 months 20 percent were earning NZ$20,000–40,000, 39 percent NZ$40,000–60,000, and an impressive 37 percent NZ$60,000 or more. This was double the proportion in Australia, despite New Zealand PAs' lower qualification levels (work experience, place of qualification, and/or English ability clearly compensating for this).

Work hours were a major contributory issue here. At 18 months post-migration,71 percent of PAs in Australia worked 31–40 hours per week and 19 percent worked substantially longer (14 percent 41–50 hours and 5 percent more than 50 hours). PAs in New Zealand were more likely to work overtime (58 percent reporting 31–40 hours per week, 25 percent 41–50 hours, and 10 percent over 50 hours). This could reflect the higher value accorded mature workers, greater family responsibilities, and/or lower wage rates then those prevalent in Australia.

Preferred occupation and job satisfaction at 18 months

Within this impressive overall context, skilled migrants' level of satisfaction with employment in Australia and New Zealand was assessed, including any differences with reported 6-month levels of satisfaction. At 18 months

70 percent of PAs to Australia stated they were working in their preferred occupation (compared with 53 percent earlier) while 19 percent were not (compared with 29 percent). In New Zealand just 51 percent of PAs stated they were not using their skills and experience (compared with 67 percent a year earlier), while 51 percent stated their pay was too low (compared with 75 percent). Strong occupational mobility was thus underway in both countries.

Among Australian PAs working in their preferred position at 18 months, the largest groups were computing professionals (15 percent of all those working in their preferred occupation), accountants (11 percent), accounting clerks (6 percent), and nurses (5 percent) – similar proportions to the responses at 6 months. The most satisfied New Zealand PAs were those employed as nursing professionals (7 percent), computing professionals, school teachers, and managers and executives and engineers (4 percent each).

Welfare dependence

In line with the employment outcomes welfare dependence in both countries was extremely low, also reflecting post-migration eligibility requirements. Just 4 percent of New Zealand PAs reported receiving unemployment benefits, with few having any additional allowances (the main types being accommodation supplements (4 percent) and family support (3 percent)). In Australia family allowance (4 percent) was the primary benefit received by PAs, followed by 1 percent for rent assistance and parenting payments respectively.

Satisfaction with migration

Overall, principal applicants in both countries were very positive at 18 months regarding their settlement process (90 percent of PAs in New Zealand and 93 percent in Australia). Few had been out of work in the previous year – just 7 percent of PAs in New Zealand and 18 percent in Australia (typically for a few months).

Skilled migration policy developments in Australia, 2006–10

Despite the strength of these outcomes in 2005–06, the years since the administration of the LisNZ and the LSIA 3 have coincided with significant SMC and GSM policy shifts in each country. New governments have been elected, in the context of serious global recession.

Subsequent trends have included fine-tuning of the study–migration pathway, and (in Australia) a sustained shift towards sponsored labour migration entry – converging in this regard towards the New Zealand norm. Most notably, a new paradigm for GSM selection has been implemented in Australia since February 2010, and a new Immigration Act passed in New Zealand. Key skilled migration policy developments from 2006 to 2010 are summarised in section 3 of the report. These are illustrated by occupation-specific case studies defining the impact of temporary and permanent skilled migration in the critical fields of medicine, nursing and engineering. (See Boxes 1–6 in section 3 of the report.) Important trends are listed below.

Study–migration pathway – challenges and benefits

As established by Australia's 2005–06 skilled migration review, challenges as well as benefits were associated with the study–migration pathway. Former international students achieved inferior labour market outcomes to offshore PAs. Despite near identical proportions being employed at 6 months (83 percent compared with 82 percent), they were characterised by annual salaries of A$20,000 less and lower job satisfaction. They were also far less likely to use their qualifications in work (46 percent compared with 63 percent of offshore primary applicants). Contributory factors identified in relation to this were, most notably, students' modest English ability and inadequate quality control of the rapidly emerging private vocational training sector (providing migration-aligned courses). Early employment outcomes also reflected students' youth and their recent qualification status.

Refinements to the skilled migration programme to remove perverse study–migration incentives

Responding to such concerns since 2006, successive Australian governments have refined the skilled migration programme to enhance former students' employment readiness, while removing perverse study–migration incentives. Collectively, the impact of these measures has been profound.

From September 2007 (the last 2 months of the Howard government) exemptions from English testing were no longer automatically allowed for former students. IELTS band 6 became the threshold score for GSM applicants (increased from IELTS band 5), more nearly approximating New Zealand norms (IELTS band 6.5). Significant bonus points were introduced for 'proficient' English (25 points for candidates rated at IELTS band 7 or above), with English rather than a migration occupation in demand now the key determinant of Independent selection. Higher migration points were awarded graduates with advanced qualifications: most notably those possessing Australian doctoral degrees (25 points) or 3-year qualifications (15 points). Liberalised access to post-course visas was introduced, allowing students an additional 18 months to upgrade their skills for GSM selection through work experience, improved English language ability, or completion of a professional year related to field of study).

Following 11 years of conservative rule, the Rudd Labor government was elected in November 2007. Reform of the study–migration pathway became an early priority. That year international student enrolments in Australia's vocational education and training sector had grown 51 percent while tertiary sector growth was just 8 percent. The problem of institutional quality control was intensifying – an unexpected consequence of Australia allocating up to 20 bonus points to skilled applicants with qualifications on the Migration Occupations in Demand List, in the context of sustained economic boom. The Rudd government took sustained steps to address these issues, its stated aim being to restore integrity to the study–migration pathway. A review was commissioned of the employment outcomes achieved by former international students across eight professions and trades, including an assessment of the attributes employers sought. Released late 2009, this study affirmed English to be the critical determinant of early employment, supported by a high degree of acculturation. A review of quality assurance in Australia's export education industry was commissioned – the

report's recommendations (February 2010) affirming the need for enhanced quality, accountability, and governance across all education sectors, coinciding with the removal of perverse study–migration incentives. Fraud scrutiny of students was tightened (as in the UK). New financial compliance requirements were introduced for select countries, including for the major Australian student sources (India and China).

At the same time the affordability of Australian courses was progressively jeopardised by the strength of the Australian dollar. By October 2010 it would reach parity with US currency, at a time when the US and the UK (traditionally more 'prestigious' international student destinations) were intensifying their competition for Asian markets.

General Skilled Migration programme downsized

The GSM programme was downsized from a 2009/10 target of 133,500 to 108,100, reflecting the global financial crisis. A two-stage review of the Migration Occupations in Demand List was initiated (2009), followed by review of the points-based selection method in 2010 (the goal being to deliver higher level outcomes). The Labor government affirmed skilled migration to remain a strong priority. In future, however, the GSM would be framed to address adjunct labour market needs. In line with Labor's 2007 election policy, long-term demand was to be met through greatly expanded domestic training within a decade (most notably through 40 percent of the youth cohort becoming bachelors degree qualified, in what the government dubbed Australia's 'education revolution'). Medium-term demand would be addressed through an amended GSM programme, informed by the Migration Occupations in Demand List and the points test reviews. Short-term demand would be addressed through employer and state/territory sponsored labour migration programmes – most notably the 457 long-stay business visa.

Preference for health, engineering, and information technology professionals rather than trade-qualified migrants

By May 2009 just three trade occupations featured on Australia's interim Critical Skills List – now dominated by university-qualified health, engineering, and IT professions. The study–migration pipeline was thus utterly transformed; at a time when tens of thousands of international students were enrolled in low grade vocational courses they had assumed would guarantee permanent resident status. International student distress became pronounced – intensified by a spate of physical attacks, and the sudden collapse of a range of financially marginal private colleges. In May 2010 a new Skilled Occupations List was announced, favouring tertiary qualifications and classic apprenticeship training. In consequence demand for private vocational sector courses plummeted.

Rank order for processing became the new paradigm

Rank order for processing became the new General Skilled Migration paradigm. In future, employer and state/territory sponsorship would offer the best and fastest options for selection (ranked 1 to 3 for priority processing). Unsponsored applicants and those not qualified in priority fields were advised they could

expect processing delays of 3 years or more (many having no future prospect of selection).

Even before this policy shift, by 2008/09 Independent primary applicants constituted just 19 percent of migrant arrivals at a time when labour migration flows were being transformed by 'temporary long-stay movements and free movements'. These included uncounted flows from New Zealand – the source of 221,643 arrivals to Australia in the past decade compared with just 69,884 departures.

Interest in a 'smaller' rather than a rapidly growing Australia

In June 2010 Kevin Rudd was replaced pre-election. Since August Prime Minister Julia Gillard has led a minority Labor government, following an election in which both the government and the Opposition signalled their interest in a 'smaller' rather than a rapidly growing Australia.

In August 2010 offshore visas for international students were reported to have fallen by a third, while demand for vocational sector courses were plummeting (-59 percent). New Indian student enrolments were in rapid decline (-77 percent). In the view of a prominent academic, 'International student numbers could halve over the next 4 years unless the incoming government changes the immigration settings'. According to a September 2010 Australian Bureau of Statistics analysis, following years of exceptionally high growth:

> Australia's population growth is in free fall, with net immigration slumping 37 percent year on year in the March quarter to its lowest level in years … from 98,138 in March 2009 to just 61,780 in March 2010 … Most of that fall was in the last 6 months, after the Rudd government closed the back door allowing foreign students in low-level courses to stay on as permanent migrants. Opposition Leader Tony Abbott pledged in the recent election campaign to cut net overseas immigration to 170,000 by 2012. The Bureau figures suggest most of that had already been achieved by March, with the trend suggesting further falls in the coming months.[8]

Impact of points test changes

In November 2010 Australia released the outcomes of its skilled migration points test review, with major policy changes to be implemented from July 2011. In the future 65 points (rather than 120) will be required for selection. Key changes were as follows.

- *Occupation:* In marked contrast to recent practice, no points will be allocated to applicants with an occupation in demand (a qualification on the Skilled Occupations List introduced in July 2010 representing a hurdle rather than a points-rewarded requirement).
- *English:* No points will be allocated for meeting the threshold English language requirement of IELTS band 6 or equivalent. By contrast, 20 points will be allocated to applicants with IELTS band 8 (near native speaker level)

[8] T Colebatch (2010) 'Immigration slumps, population growth plunges', *The Age*, 30 September, p 3.

and 10 points to PAs with IELTS band 7 – English was now the key determinant of selection.

- *Place and level of qualification:* Minimal advantage will now flow from possession of Australian qualifications (just 5 bonus points). Instead, level of qualification will be rewarded – 20 points for a doctorate, 15 for a bachelors or masters degree, and 10 for a vocational qualification (regardless of study location).
- *Age:* Eligibility for skilled migration will be extended to PAs aged up to 49 years, with the greatest points allocated to young and experienced workers (25–32 years) rather than new graduates (as was previously the case) or older applicants.
- *Experience:* Bonus points will be provided for both Australian and overseas experience, with only a slight premium awarded recent Australian work.

These points test changes have profound significance for international students as well as for offshore migrants. They reflect employer preference. The GSM programme in the future will markedly favour the selection of older native English speakers who are qualified with bachelors or higher tertiary degrees. They are certain to disadvantage current and recent international students – in particular those who tailored course choice to the defunct Migration Occupations in Demand List, securing qualifications at the certificate level. The government's aims in making these changes are clear – namely to 'deliver the best and brightest skilled migrants by emphasising high level qualifications, better English language levels and extensive skilled work experience'.

Sponsorship Australia's dominant migration paradigm

By 2009, sponsorship had become Australia's dominant migration paradigm, spanning temporary and permanent labour flows (in marked contrast to the historic preference for a supply-driven model). In the context of the global financial crisis, the flexibility of the 457 visa was greatly valued – grants dropping 10,000 between 2007/08 and 2008/09, but rebounding as Australia avoided recession.

In 2008 a programme integrity review had been commissioned to correct employer abuses. In consequence, the 457 visa has been tightened up, with sponsored workers to be paid the same as Australians doing comparable work, supported by greater employer compliance. By late 2009 an estimated 70 percent of temporary and permanent skilled migrants to Australia were sponsored. The influence on the GSM programme had become marked. As demonstrated by the 2005-06 skilled migration review, permanent migrants who were employer nominated secured near perfect early employment. Ninety-nine percent were employed at 6 months compared with 82 percent of offshore and 83 percent of onshore Independent migrants.

Role of state/territory governments in sponsorship

In 2005/06 the employer and state/territory sponsored skilled categories had delivered 15,230 and 8,020 GSM migrants respectively. By 2008/09 these numbers had risen to 38,030 and 14,060 (45 percent of the skilled total compared with 24 percent).

The role of state/territory governments has become critical in relation to sponsorship – a process responding to longstanding policy submissions. Ninety percent of new migrants elect to settle in capital cities. Migrants' preferred locations to date reflect Australia's population base, favouring the dominant states of New South Wales (in 2008/09 securing 30 percent of all migrants) and Victoria (25 percent), and the fast-growing mineral-rich states of Queensland (20 percent) and Western Australia (16 percent). Others such as South Australia (6 percent) and Tasmania (1 percent) have struggled to attract and retain significant numbers, despite adoption of proactive measures.

To integrate federal/state labour migration policy, states/territories have been commissioned to develop skilled migration plans by late 2010, following growing policy engagement in the past decade. The intention is to provide state/territory governments with flexibility within the migration programme to address specific skill shortages and local labour market needs, on the basis of agreements reflecting each jurisdiction's requirements. In 2009, following the introduction of a range of proactive measures, the proportion of new migrants settling in regional Australia had risen from 10 to 15 percent.[9]

New Zealand by contrast 'grapples with the challenges of "two New Zealands" for immigration purposes: the Auckland supercity and its surrounding region, and the rest of the country'. In Bedford's view 'there is unlikely to be any serious attempt to allow Auckland to go in one direction with regard to immigrants, while other parts of the country go another way'.[10] Points-based assessment seems certain to remain New Zealand's norm, in marked contrast to Australia's shift to a more decentralized model.

Skilled migration policy developments in New Zealand, 2006–10

New Zealand, like Australia, sets explicit goals for skilled migration – a key difference being Australia's higher qualification focus. Numbers matter acutely, in the context of what has been termed 'demographic survival'.[11] According to the Department of Labour:

> Without migration New Zealand would be unable to maintain its population or fill skill shortages, even in a time of economic slowdown. In 2008/09, New Zealand lost 28,000 New Zealanders on a permanent and long term basis; this follows 35,000 lost in 2007/08. Without migration to balance these departures and with the ageing population, New Zealand's working-age population would experience ongoing

[9] M Cully (2011) *The Contribution of Migrants to Regional Australia*. Canberra: Department of Immigration and Citizenship, p 2.

[10] Review comment to the author by Richard Bedford in relation to the current study, December 2010.

[11] R Bedford (2006) 'Skilled migration policy in Australia and New Zealand: Similarities and differences', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia.

decline. It is worth noting that over the 2001-2006 period, 60 percent of the growth in the working age population was from migration.[12]

From March 2002 to March 2009 New Zealand welcomed record numbers of overseas-born permanent and long-term arrivals: around 490,000 compared with 161,491 departures after one or more years. Recent migrants born in Asia, Africa and the Middle East, and the Americas, however, have been the most likely to leave New Zealand for Australia. This trend is policy significant, in a context where from June 2001–09 half of New Zealand's 900,329 approvals for work, study, or residence purposes were derived from Asia (36 percent, 76 percent, and 41 percent respectively), alongside substantial European flows (454,234 approvals).

Measures to ensure adequate workforce supply

To ensure adequate workforce supply, New Zealand, in the last years of the Clark Labour government, implemented a range of proactive policy measures. Firstly, while Australia has contracted its study–migration pathway, New Zealand has increasingly cultivated international students as prospective skilled migrants. Beyond bonus points for 2 years or more of accredited study in New Zealand, additional points are awarded for masters degrees or doctorates, and in an important strategic move since 2006 doctoral fees have been dramatically reduced for international students. On course completion students have been encouraged to stay via the study to work (and to residence) pathway, in a context where research affirms them to be highly acceptable as migrants. Like other SMC applicants, they can secure bonus points for credentials in an identified future growth area and/or in an area of absolute skills shortage.

Stability of international student population remains an issue

Despite such measures, the stability of international student population remains an issue (noting a significant drop in Chinese student supply occurring in 2005). In recent years New Zealand has, therefore, audited global immigration policies where it might lag behind competitors (Australia, the US, the UK, Ireland, and Canada). Student sources have been diversified. Progressive steps have been taken to improve the attractiveness and equivalence of work and residency policies relative to competitor countries, including students' access to work during study, the provision of employment rights to postgraduate students' partners, the extension of graduate job search permits from 6 to 12 months (post-qualification) for students qualified in courses meeting SMC criteria, and extension of the post-study practical experience permit to 3 years (where required to obtain registration or professional accreditation). Additional strategies have been proposed, including the development of partnerships between education and industry stakeholders, improved immigration promotional outreach, and more personalised service provision supported by timely and transparent visa processing.

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[12] C Blake (Secretary of Labour) (2009) 'Foreword', in IMSED Research, *Migration Trends and Outlook 2008/09.* Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour. www.dol.govt.nz/publications/research/migration-outlook-200809/index.asp (accessed 25 October 2010).

Global exemplar in the attraction and retention of temporary workers

Few modifications to the SMC points system were made in the Clark government's last years. As in Australia, demand for skilled migration was booming in 2007/08 before the onset of recession, with the Labour government continuing to liberalise worker entry and retention. In 2006/07, 115,400 temporary migrants were issued with work permits, an increase of 16 percent on the previous year and far exceeding the number of visas awarded to permanent applicants. In 2007/08 temporary work permits were further increased by 13 percent. Occupations were added to the long-term and immediate skill shortage lists, supported by increased quotas for the fortnightly Expressions of Interest draws. Seventy-seven percent of PAs selected were derived from the top applicant category (Expressions of Interest scoring 140 points or more, with or without a job offer). By 2008 growing numbers were also being approved without employment.

By the time of the 2008 election, New Zealand had become a global exemplar in the attraction and retention of temporary workers. In 2008/09 81 percent of permanent resident grants were awarded to migrants onshore. Eighty percent of SMC PAs were employed at point of selection, or had received local job offers. According to the Department of Labour, domestic safeguards were adequate at this time. It is important to note here that substantial low-skilled labour developments were also occurring in New Zealand with a focus on seasonal labour migrants (an important trend beyond the brief of this study). Temporary Pacific migration was growing markedly, rising from 12,176 arrivals in 2002–05 to 20,112 in 2006–09, most notably from Fiji, Samoa, Tonga and Vanuatu. Such flows, while regionally significant, were dwarfed, however, by the scale of more highly skilled SMC and temporary entry Asian and European arrivals.

Encouragement of return migration a national priority

In November 2008 the New Zealand Government changed (a year following Australia and in the reverse political direction). This had marked consequences for skilled migration. An immigration manifesto had been released by the National Party before its election, with encouragement of return migration and reduction of 'the net loss of New Zealanders overseas' defined as national priorities.[13] The impacts of recession and rising unemployment were being felt – spurring the National government's philosophical commitment to economic productivity.

Little changed in the Key government's first months. Selection categories, numbers, and immigrant characteristics were stable to July 2009, despite a growing focus on applicants with job offers. The two-tier SMC system was retained. Strong takeup of this pathway continued from temporary migrants, with growing use made of graduate job search permits by former international students (around 10,000 per year allocated from June 2008 to 2009). That year

[13] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, p 3 of draft.

136,481 migrants were issued with temporary work permits, while 46,097 were approved for permanent residence (across all immigration categories). Ninety-four percent of SMC PAs and 77 percent of secondary applicants had held temporary student, worker, or visitor permits in the previous year (with 88 percent of SMC PAs holding earlier work permits).

Two-step migration for students and temporary migrants more difficult

In July 2009, the economic climate worsened significantly. The National government maintained the scale of SMC intakes (25,000–27,000 people that year), but 44 occupations no longer in shortage were removed from the Immediate Skills Shortage List and 8 from the Long-Term Skill Shortage List. As a result of the recession and the subsequent increase in unemployment it became more difficult for former international students and migrants on temporary work permits to transit through the two-step migration process. Further policy measures reduced the duration of permits issued to lower-skilled workers. Business and wealthy retiree migration was also strengthened at this time.

In line with the immigration manifesto, an unexpected trend was also occurring. In marked contrast to previous recessions, New Zealand was experiencing retention and population gain. Permanent and long-term arrivals to New Zealand had increased in the recession, with 86,410 people arriving in 2009 compared with 59,743 in 1999 (growth of 45 percent). Simultaneously, there had been a marked fall in expatriate flows – the lowest number of long-term departures since 1979, with 2009 seeing a 32 percent decline in New Zealand permanent and long-term departures compared with the previous year. Decreased demand for temporary migrant workers was an immediate consequence.

A new era in immigration policy

From October 2009 the Key government introduced an extensive suite of migration legislative changes through a new Immigration Act, designed to 'lay the foundation for a new era in immigration policy in a very different national and global context than the one that existed 20 years earlier'. Changes included the abolition of permits and exemptions (visas henceforth to be used for all migration movements); a higher level of responsibility for sponsors, including in relation to temporary work visas; the introduction of new categories of sponsors; and a greater focus on employer obligations.

Conclusion

As demonstrated by this comparison of New Zealand and Australia, policy formation remains challenging in a context where global migration is a defining phenomenon of the early twenty-first century. Migration embraces all categories of people – skilled and unskilled, family, refugee, legal and illegal, permanent and temporary. The short-term movement of people is rising markedly, while the accessibility of one immigrant-receiving country may transform the level of demand for another. Given the dynamism of these trends, the few nations left with active immigration programmes are obliged to modify their entry policies, all the time encountering 'difficulties in harnessing their immigration programs to

achieve diverse and often incompatible policy goals … [in] economic development, human resource development, population and foreign affairs'.[14]

Policy trends

The governments of New Zealand and Australia are at once competitors and collaborators within this process:

- both have prioritised skilled migration in the past decade, despite sharp differences in the scale and characteristics of intakes
- both labour markets are intimately linked – enriched and (in the case of New Zealand) jeopardised by free trans-Tasman flows
- both maintain constant surveillance of each other's policies, replicating strategies that work
- both have 'privatised' selection to a marked degree, a process increasingly outsourced to employers and (in Australia) to states/territories
- both achieve impressive skilled migration outcomes in global terms – 93 percent of PAs in New Zealand employed at 6 months and 83 percent in Australia, compared to 94 percent in New Zealand and 89 percent in Australia at 18 months.

Within this context six policy trends to watch are:

- the changing characteristics of skilled migrants
- the evolution of two-step migration
- the likely influence of employer selection
- skilled migration from the 'neighbourhood'
- the attempted dispersal of skilled migrants
- the challenge of retention.

'Neighbourhood' migration in the Pacific

Regional migration in the 'neighbourhood', for example, is at once a threat and an opportunity as demonstrated by trans-Tasman flows (221,643 New Zealanders migrating to Australia in the past decade compared with just 69,884 permanent departures).

To what extent have Pacific Island countries become a skilled migration resource for New Zealand and Australia, noting the 'brain drain' risk this entails? Temporary flows to New Zealand have risen markedly in recent years, from 12,176 arrivals in 2002–05 to 20,112 in 2006–09 (primarily derived from Fiji, Samoa, Tonga, and Vanuatu).[15] New Zealand's Recognised Seasonal Employer

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[14] C Stahl, R Ball, C Inglis, and P Gutman (1993) *Global Population Movements and Their Implications for Australia.* Canberra: Australian Government Publishing Service, p xiv.

[15] R Bedford, P Callister, and R Didham (2010) 'Arrivals, departures and net migration', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A Digest and Bibliography – Number 5*, chapter 2. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, pp 34–35 of draft. Note the figure of 19,000 was originally provided in this text; amended December 2010 by Department of Labour advice to L Hawthorne to 8,000.

Work Policy also facilitates short-term labour contracts for up to 8,000 low-skilled workers per year (employment of up to 7 months in the horticulture and viticulture industries). While such flows are dwarfed by SMC and General/Essential Skills Asian and European arrivals, 'neighbourhood' impacts are evident with the skilled. Between 2004/05 and 2008/09 Fiji ranked sixth for SMC PAs, with annual intakes growing steadily. A total of 2,205 PAs were selected overall (rising from 239 in 2004/05 to 701 in 2008/09, overwhelmingly approved onshore). Fiji also represented an important labour source in the General/Essential Skills category – contributing 9,422 temporary arrivals in these 5 years (2,500 in 2008/09 compared with 963 in 2004/05). Additional temporary flows were received from Samoa (2,276 people), Tonga (1,748), Kiribati (462), Tuvalu (267), Papua New Guinea (151), Vanuatu (95), and American Samoa (7). Reflecting the poverty of the region, Fiji was the sole major source of international students to New Zealand – ranked eighth from 2004/05 to 2008/09 overall, but contributing 11,237 (3 percent) of the enrolled total.

Australia has shown minimal interest in cultivating Pacific flows, despite government to government dialogue on more liberal temporary entry. Fiji was the sole Pacific country in the GSM 'top 20' from 2004/05 to 2008/09 (1,541 PAs selected). Annual flows, however, have diminished rather than grown in recent years (358 PA arrivals in 2004/05 dropping to 250 in 2008/09). Melanesia was the source of few additional PAs, principally derived from Papua New Guinea. The entry of temporary 457 visa holders was also modest – 620 PAs from Papua New Guinea between 2004/05 and 2008/09 and 580 from Fiji (large numbers of whom were retained through two-step migration), plus 30 from Samoa. Reflecting this, study–migration rates have been slight – principally from Fiji, with 380 former students securing permanent GSM status.

Major challenge – retention of high-quality skilled migrants

The report concludes that recruitment of high-quality skilled migrants constitutes one major challenge. As demonstrated by occupation-specific case studies, their retention is another – a particular issue for New Zealand demonstrated by medical, nursing, and engineering case studies.

According to recent data (for example) 7,102 temporary work permits were issued to international medical graduates from 2005 to 2009, in addition to 1,612 SMC residence grants (PAs).[16] The UK was by far the largest source of these doctors, followed by the US, India, and South Africa. In June 2009, according to the New Zealand Medical Council, New Zealand had 12,493 practising doctors, with 323 new domestic graduates registered that year. This figure was dwarfed, however, by the number of international medical graduates registered (1,141). According to the council in 2008 just half these migrant doctors were retained for 1 year. Retention dropped to 31 percent within 3 years of initial registration – a trend consistent over the past 8 years. Those most likely to stay were from Asia (50 percent resident 7 years after initial

[16] Department of Labour and Statistics New Zealand (2010) 'Migration of health workers to New Zealand: Context, trends and outcomes', presentation at the Fifteenth International Metropolis Conference, The Hague, 6 October.

registration). Less than 50 percent of South African doctors, however, stayed more than 5 years, less than 30 percent of UK doctors more than 2 years, and less than 30 percent of US or Canadian doctors more than 1 year (the lowest rate).[17]

Australia faces far less serious challenges in terms of migrant retention.[18] The year 2007/08 coincided with the largest departures on record: 76,923 people leaving 'permanently', including two-thirds aged 25–54 years. Almost half those departing were skilled – their major destinations being New Zealand (18 percent), the UK (18 percent), the US (9 percent), Hong Kong Special Administrative Region (7 percent), and Singapore (6 percent). A total of 86,277 people left Australia permanently in 2009/10. Fifty-one percent were overseas-born (compared with 49 percent the previous year) – most returning to their birthplace. Two-thirds of those leaving were employed, the majority as professionals, followed by managers and administrators, and intermediate clerical, sales, and service workers.

Recent research, however, contests the severity of the impact on Australia, demonstrating net losses to be 'remarkably small'.[19] The stated intentions of those leaving were tested against length of absence. Just 14,658 of Australia's 'permanent' 2007/08 departures had remained away more than 12 of the following 16 months. Australia's net loss of citizens was thus stable and small (20,310) – minimising the need for migration to compensate for significant 'brain drain'.

Strong policy convergence between New Zealand and Australia

Despite select differences between New Zealand and Australia, there has been strong policy convergence between the two countries in recent years. New Zealand is rapidly developing study–migration flows. Employer sponsorship and work to residence pathways are simultaneously expanding in Australia based on a decisive reversion to ESB and experienced GSM applicants. Competition for skilled migrants between the two countries will intensify as a consequence – the key differentiator likely to be skill levels.

Skilled migrants to Australia were more highly qualified than those to New Zealand from 2004/05 to 2008/09 at every migration level. Sixty-six percent of GSM migrants had been professionally employed pre-migration (compared with 39 percent of SMC migrants). Fifty-eight percent of 457 visa temporary workers had worked as professionals (compared with 19 percent of General/Essential Skills entrants). Forty-two percent of international students were enrolled in degrees in Australia in 2008 (compared with 16 percent in New Zealand 2008/09), with many in both countries certain to remain. Following the 2010 points test review, the Australian Government has affirmed its commitment to selecting 'the best and brightest skilled migrants by emphasizing

[17] Medical Council of New Zealand (2008) *The New Zealand Medical Workforce in 2008.* Wellington: Medical Council of New Zealand.

[18] DIAC (2008) *Emigration.* Canberra: Department of Immigration and Citizenship.

[19] B Birrell and E Healy (2010) 'Net overseas migration: Why is it so high?', *People and Place* 18(2): 56–65, pp 63–64.

high level qualifications', supported by better English levels and extensive skilled work experience. Should competition grow, New Zealand will thus be advantaged by its more liberal approach to skills. As demonstrated by the LisNZ and LSIA 3 analysis, the SMC's lower occupational criteria have had no discernible impact on PAs early work or remuneration rates. Such workers have proven highly acceptable to New Zealand employers, the majority being experienced, and of ESB or European background. In the period ahead such policy differences and impacts will be important to watch. In the 'looming war for skills', New Zealand and Australia will benefit from each other's growing regional profile. At the same time they will use the research evidence to compete hard to recruit and retain the most highly sought migrant workers.

INTRODUCTION

Global comparisons of skilled migration outcomes are rare, given the inherent challenges in securing matched data. The Organisation for Economic Co-operation and Development (OECD) provides an invaluable annual scan through its International Migration Outlook series.[20] Detail is limited, however, given the need to include 31 nations characterised by highly variable levels of information.

Australia has made a unique investment in longitudinal migration research in the past 18 years, in a process since replicated by the New Zealand and Canadian Governments. Commencing with a pilot survey in 1992, the Longitudinal Survey on Immigrants to Australia (LSIA) has been administered three times (in 1993–95, 1999–2000 and 2005–06), to a representative sample of primary and secondary applicants. In LSIA 1 and 2 in-depth interviews were conducted at 6 months (wave 1) and 18 months (wave 2) that focused on immigrants selected through the Skilled, Family, and Humanitarian Categories (extended to a wave 3 interview in LSIA 1). For LSIA 3 a shorter mailout survey was administered at 6 months followed by a telephone interview at 18 months (excluding humanitarian entrants, who were separately surveyed). Australia has made this investment in longitudinal migration research to improve policy formation, in particular to ensure decisions are informed by migrants' early employment and settlement experiences.

Canada replicated Australia's longitudinal survey in 2000–01, developing a variant of the LSIA entitled the Longitudinal Survey on Immigrants to Canada (LSIC). This survey yielded highly comparable data. In 2004, Lesleyanne Hawthorne was commissioned by the Canadian Government to undertake a detailed comparison of skilled migration to Canada and Australia in the previous decade, defining key policy trends and outcomes through an analysis of the 2001 census in both countries compared with LSIA 2 and LSIC longitudinal data on skilled migrants (1999–2001).[21]

New Zealand developed its variant of the LSIA in 2004 – the Longitudinal Immigration Survey: New Zealand (LisNZ). Three waves of data have since been secured. While Australia moved to a paper-based survey of 10,000 migrants in 2005 (LSIA 3), New Zealand affirmed Australia's initial preference to collect extensive interview-based data, based on a random sample of 12,202 migrants

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[20] OECD (2009) *International Migration Outlook: SOPEMI 2008.* Paris: Organisation for Economic Co-operation and Develoment. This annual policy overview of OECD member countries is in addition to a range of thematic studies, most recently conducted in relation to health workforce migration.

[21] This study also drew on Canada's longstanding Immigration Database (the IMDB) to conduct the research, as a Canadian proxy for LSIA 1 data (mid 1990s). See L Hawthorne (2007) *Labour Market Outcomes for Migrant Professionals: Canada and Australia compared.* Ottawa: Citizenship and Immigration Canada, 150pp (full report available on request and Executive Summary available on www.cic.gc.ca/english/resources/research/2006-canada-australia.asp). For major findings in a recent paper, see L Hawthorne (2008) 'The impact of economic selection policy on labour market outcomes for degree-qualified migrants in Canada and Australia.' *IRPP Choices* 14(5): 1–50.

at 6 months (wave 1), with follow-up interviews conducted at 18 months (wave 2) and 36 months (wave 3).

The establishment of LisNZ created an excellent opportunity to undertake comparative Australia–New Zealand research – arguably a process of strong strategic relevance for the following four reasons.

Firstly, New Zealand and Australia are global competitors and collaborators in the race to attract and retain skilled migrants.

Secondly, in the past decade skilled migration has dominated migration flows to each country (constituting 60 percent or more of intakes). While developments in Australia have received global attention, New Zealand's policy evolution and outcomes are less known.

Thirdly, while significant differences exist between LisNZ and LSIA 3, the timeframes for wave 1 and wave 2 data match well. Thirty-five common questions could also be identified with a capacity to yield excellent comparative data.

Fourthly, while New Zealand and Australian policies have much in common, there are marked areas of policy divergence. The years preceding LisNZ and LSIA 3 data collection were associated with significant change and experimentation. The impact of these changes on migrants' early settlement and employment outcomes warrants serious attention.

Within the above context, the Department of Labour (New Zealand) and the Department of Immigration and Citizenship (Australia) commissioned the present study to compare policy mechanisms and outcomes, supported by a major literature review. The report is structured in the following way.

Section 1 describes the characteristics of permanent compared with temporary resident skilled migration flows to New Zealand and Australia from 2004/05 to 2008/09, noting the strong interconnection between these programmes. The study commences in 2004/05, the year in which the great majority of LisNZ and LSIA 3 longitudinal survey respondents were selected, with trends defined to 2008/09 to establish the changing characteristics of flows.

Section 2 describes the skilled migration policy setting in 2005 for each country, including a summary of points-based selection criteria. Following this, the labour market outcomes achieved by skilled principal applicants are systematically compared, based on analysis of the 35 matched LisNZ and LSIA 3 questions at 6 and 18 months post-migration. A range of multivariate analyses are also provided for Australia, in addition to brief reference to 2006 Australian census data (defining the early employment outcomes secured by degree-qualified migrants across all immigration categories).

Next, section 3 describes key skilled migration policy developments in New Zealand and Australia from 2006 to 2010, in the context of changed national governments and the global financial crisis. To illustrate the significance of these trends, engineering, medical, and nursing case studies are provided, demonstrating the impact of skilled migration on professions of significance to each country.

Finally, the conclusion in section 4 highlights major areas of policy convergence and difference between Australia and New Zealand in recent years. Most notably is the experimentation with two-step migration (including the study–migration pathway), the growing 'privatisation' of skilled migration (through employer sponsorship), and the increased focus on regional skilled migration in Australia.

Throughout the report, Australia's policy and outcomes are described first, followed by New Zealand's. A brief policy chronology is provided in Figure 1 for reference, with comparative points-test criteria in 2005 summarised in Table 20 (section 2).

Figure 1: Skilled migration policy chronology, 1999–2010

Year	Australia	New Zealand
Government	Howard Liberal–National government in power 1996–2007: • goals – population growth and economic development • prioritisation of skilled migration (steady expansion of General Skilled Migration (GSM) programme): 115-120 points • deregulation and expansion of 457 temporary labour employer nomination programme	Clark Labour government in power 1999–2008: • goals – population replacement (compensating for expatriate flows), growth, and economic development • prioritisation of skilled migration (steady expansion of Skilled Migrant Category (SMC) programme) • strong temporary labour flows, through the General/Essential Skills Category – the major source throughout this period of SMC migrants • 'two-step migration' the norm – through work or study to residence pathways • two-stage, by invitation, SMC selection process – Expression of Interest (100–139 points) or immediate selection (140 or more points)
1999	Review of skilled migration policy (Immigration Department). Results in major policy changes, including mandatory pre-migration English testing, credential screening for primary applicants, introduction of an immediate study–migration pathway for international students, and bonus points allocated to migration occupations in demand.	Election of Clark Labour government. Results in significant policy revision, with a far stronger focus henceforth on economic category migration.
2000–03	Rapid growth in Australia's export education industry, driven by the study–migration pathway.	2003 – SMC introduced. Addresses priority needs based on a revised points system, in a move heralded as the most significant change in immigration policy for more than a decade. Range of proactive policy measures introduced to increase skilled migration, within a period of policy stability. Survey of international students conducted, including their migration intentions. Modest low-skilled temporary Pacific migration flows facilitated (12,176 in 2002–05).

Year	Australia	New Zealand
2004	Points threshold for GSM selection raised from 115 to 120. Skews selection to applicants with qualifications on the Migration Occupations in Demand List, particularly courses selected by international students.	SMC policy refined December 2004 to enhance 'employability and capacity-building factors', based on a broader than previous definition of skills and embracing the trades. The two-tier SMC allows direct approval for residence or conditional approval subject to obtaining appropriate employment while on a temporary work permit.
Longitudinal surveys	*Longitudinal Survey on Immigrants to Australia (LSIA)* December 2004 to March 2005 – LSIA 3 offshore sample arrive and onshore sample selected. 2005 – LSIA 3 wave 1 data collected (paper-based survey of around 10,000 principal applicants administered at 6 months), followed by October 2006 LSIA 3 wave 2 data collection (by telephone interview).	*Longitudinal Immigration Survey: New Zealand (LisNZ)* November 2004 to October 2005 – LisNZ sample approved for residence. May 2005 to May 2007 – LisNZ wave 1 data collected (extended interviews of a random sample of 12,202 migrants). May 2006 – May 2008 – LisNZ wave 2 interviews completed at 18 months. November 2007 – November 2009 – LisNZ wave 3 interviews completed at 36 months. (1)
2005	Multiple trade occupations added to the Migration Occupations in Demand List in the context of Australia's sustained economic boom. Followed by rapid growth in international student trade course enrolments. 2005–06 – Independent review of GSM programme commissioned by Federal Cabinet (the most detailed since 1988).	Steady growth in work to residence pathways for temporary labour migrants, with strong translation to permanent skilled migration. Growing international student transition to skilled migrant status, through completion of 'study to work' then SMC pathways.
2006	Recommendations of independent GSM review largely accepted, including enhanced English language requirements, bonus points for higher degrees, and work experience requirements for former international students to ensure 'job readiness'.	Sudden drop in international student enrolments (primarily from China). Range of work and residency policies introduced to enhance the global competitiveness of New Zealand.
2007	Export education now Australia's third largest industry, driven by the study–migration pathway. English language and work experience requirements tightened from September.	Second survey of international students completed, including assessment of migration intentions. Followed by introduction of a range of study–migration incentives.

Year	Australia	New Zealand
Electoral change	*Rudd Labor government* Elected November 2007. Global financial crisis has moderate impact on Australia.	*Key National government* Elected November 2008. Global financial crisis has significant impact on New Zealand.
2008	Review – Integrity of 457 temporary labour migration programme, following its tripling within 3 years to 110,570 migrants in 2007/08. Review – Study–migration pathway, assessing employer requirements and international students' human capital characteristics and outcomes (2008–09).	Key's pre-election immigration manifesto prioritises the reduced loss of New Zealanders, and encourages return migration. Following the government's election, the two-tier SMC system is retained, with onshore selection the norm (the source of 81 percent of permanent resident grants 2008/09, with 80 percent of SMC principal applicants employed or with New Zealand job offers at time of selection). Growing use of graduate job search permits by former international students. Rising low-skilled temporary Pacific migration flows (20,112 in 2006–09).
2009	Review – Migration Occupations in Demand List (2009). Review – Integrity of export education industry (2009–10). Review – GSM points test (2009–10). 2009–10 – GSM target reduced from 133,500 to 108,100 in the context of the global financial crisis. Temporary 457 employer-nominated flows reduced by 10,000 on the previous year. Dramatic drop in international student numbers in response to reduced study–migration pathway (including escalating curbs on the vocational training sector).	In contrast to previous recessions, the global financial crisis coincides with domestic population retention and the return of New Zealand expatriates. Scale of SMC intakes maintained, but occupational shortage lists culled, resulting in reduced two-step migration options for former students and temporary migrants. Shorter work permits granted to low-skilled workers. October – Introduction of new Immigration Act to lay the foundation for a new era in immigration policy in the context of the changed international and national policy context. Includes abolition of permits (visas to be used for all migration movements), a higher level of responsibility for sponsors in relation to temporary entry work visas, the introduction of new categories of sponsors, and greater focus on employer obligations.
Electoral change	*Gillard Labor minority government* Elected August 2010.	

Year	Australia	New Zealand
2010	February and November – Momentous GSM policy changes announced. Future selection priority – employer and regional sponsorship (priority processing). Changes involve sharp contraction of study–migration and independent pathways, increased English language requirements, removal of bonus points for occupation, and liberalisation of age requirements. State/territory governments required to develop migration plans, facilitating their greater policy input into selection. Implementation of major policy changes scheduled for July 2011.	Implementation of the above policy measures.

Note

(1) See Statistics New Zealand (2010) 'Longitudinal Immigration Survey: New Zealand – Survey information.' www.stats.govt.nz/browse_for_stats/population/Migration/lisnz-survey-information.aspx (accessed 9 January 2011).

1 SKILLED MIGRATION TRENDS 2004–2009 – NEW ZEALAND COMPARED WITH AUSTRALIA

1.1 Permanent skilled migration to Australia, 2004–2009

Scale of General Skilled Migration programme arrivals

According to Harvard economist George Borjas, immigration policies across the world are based on two components – 'how many migrants a host country should admit, and which migrants it should admit'. To define such a policy, 'you have to determine what you want to accomplish'.[22] In Borjas's view no definitive data exists to guide governments on this challenging process. The United States (US) lacks a permanent resident skilled migration category; instead it admits 1 million low-skilled migrants per year, in a programme Borjas describes as 'the greatest poverty alleviation program in history'. Canada, Australia, and New Zealand, by contrast, have prioritised skilled migration in the past decade in a context where 'migrants gain by moving, or else they would go back', employers 'make big capital gains, because they secure more workers', and the aim of governments is to combine economic with population development.

The recent period has coincided with extraordinary growth in skilled flows to Australia, across all immigration categories. The stated aim of the Howard Liberal-National government, after its election in 1996, was to intensify this through the General Skilled Migration (GSM) programme:[23]

> … to select young, highly skilled migrants who will quickly make a positive contribution to the Australian economy, … are able to support themselves on arrival in Australia, [with a] key performance indicator [being] the extent to which the entry of such migrants results in a positive impact on per capita gross domestic product.[24]

Between 2001 and 2006, 596,201 new migrants with post-school qualifications entered Australia compared with 217,477 in the previous 5 years (including temporary and permanent entry flows in skilled, family, and humanitarian categories).[25] Thirty-six percent were degree-qualified (both males and females), including a third who held masters or doctoral degrees. Within this period, the impact of migration on key Australian professions became profound. By 2006, 57 percent of all degree-qualified information technology (IT) professionals were overseas-born, along with 52 percent of engineers, 45 percent of medical

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[22] G Borjas (2010) 'Keynote address, Canada's immigration policy – Reconciling labour market needs and longer-term goals', Institute for Research on Public Policy, Ottawa, 25–26 May.

[23] Assessing the economic impact of immigration is a difficult and methodologically complex task. It should be noted at the start of this study that the extent to which immigrants' labour market success contributes to this goal is unclear and beyond the scope of the present report.

[24] DIMA (1999) *Review of the Independent and Skilled-Australian Linked Categories Being Conducted by the Department of Immigration and Multicultural Affairs,* cover letter. Canberra: Department of Immigration and Multicultural Affairs, p 2.

[25] These data are derived from the 2006 census. By definition census counts include a large number of non-permanent residents (most students and temporary labour migrants on a 457 visa), as well as New Zealanders.

practitioners, and 41 percent of accountants. Disproportionate numbers had arrived in the previous 5 years, including 36 percent of Australia's total professional IT workforce, 32 percent of accountants, 28 percent of engineers, and 25 percent of medical doctors. (See Tables 1 and 2.)

The majority of degree-qualified migrants were admitted through Australia's GSM programme, despite substantial numbers also arriving in Family and Humanitarian Category intakes. Between 2004/05 and 2008/09, 358,151 permanent GSM migrants were selected, including 72,172 people in 2008/09 (counting dependants). Skilled migration constituted two-thirds of the total migration programme at this time. In 2009/10 an immigration target of 182,450 permanent arrivals was set, split as follows between the major categories:[26]

- Skilled – 108,100 (59 percent)
- Family – 60,300 (33 percent)
- Humanitarian – 13,750 (8 percent).

Since 2001 skilled migrants to Australia have been eligible to apply both onshore and offshore, on a sponsored or an Independent points-tested basis.[27] Between 2004/05 and 2008/09, 246,405 Independent primary applicants (PAs)[28] with family arrived through points selection, the dominant pathway for the past three decades. By late 2009, however, Australia's preference for sponsored skilled migrants was becoming marked, with an estimated 70 percent of all permanent and temporary labour entrants selected on a demand-driven basis.[29]

Employer, state/territory and family-linked skilled arrivals have been the source of 111,746 GSM migrants in the past 5 years, including migrants with substantially lower points selected through the following subcategories:[30]

- Skilled Australian Linked/Australian Sponsored – 36,707
- Skilled Australian Linked/Regional – 34,050
- State/Territory Nominated Independent – 16,264
- Skilled Independent Regional – 14,554

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[26] DIAC (Department of Immigration and Citizenship) (2009) 'Fact Sheet 20: Migration program planning levels.' www.immi.gov.au/media/fact-sheets/20planning.htm (accessed 19 May 2010).

[27] See sections 2 and 3 for skilled migration policy detail.

[28] Note that both PAs as well as secondary applicants (accompanying family members) are counted in skilled migration totals by Australia. The tables in this report identify when data concerning PAs only are presented. Throughout the text where data on Skilled Category totals are presented, this is defined.

[29] M Cully (2009) 'The effectiveness of Australia's points-tested skilled entry system' and 'Occupational targeting in selection of skilled migrants', speech at Migration Advisory Committee International Conference on Skilled Migration, London, 7 September.

[30] The Skilled Australian Linked/Australian Sponsored Subcategories admitted skilled migrants with close family links to Australia through a slightly reduced points-based selection compared with the Independent programme with bonus points also allocated for family relationship. The state/territory GSM programmes admitted a wide range of primary applicants through a far more liberalised entry scheme associated with significantly reduced human capital requirements. For details on GSM subcategories, see B Birrell, L Hawthorne, and S Richardson (2006) 'Description and analysis of GSM visas', in *Evaluation of the General Skilled Migration Categories*, chapter 1. Canberra: Commonwealth of Australia.

- additional sponsorship schemes – around 10,000.

Table 1: Level of Australian and overseas-born people holding post-school qualifications (2006), migrants grouped by time of arrival in Australia

			Qualifications							
		Gender	Doctoral %	Masters/ post-graduate %	Graduate diploma/ graduate certificate %	Bachelors %	Advanced diploma/ diploma %	Certificate/ no post-school qualifications %	Total [a] %	Number [a]
Australia		Male	0.7	2.5	1.2	11.6	6.4	77.6	100.0	6,591,962
		Female	0.4	2.1	2.0	14.3	8.8	72.4	100.0	6,681,746
		All	0.6	2.3	1.6	12.9	7.6	75.0	100.0	13,273,708
Overseas	Pre-1996	Male	1.4	3.7	1.4	14.9	8.2	70.4	100.0	1,091,399
		Female	0.7	2.7	2.0	16.0	10.0	68.5	99.9	1,133,532
		All	1.0	3.2	1.7	15.5	9.1	69.5	100.0	2,224,931
	1996–2000	Male	1.9	8.2	1.3	20.4	8.8	59.4	100.0	176,541
		Female	0.9	6.0	1.6	21.6	11.2	58.6	99.9	192,185
		All	1.4	7.1	1.4	21.1	10.1	59.0	100.1	217,477
	2001–2006	Male	1.5	10.1	1.1	23.4	9.3	54.6	100.0	290,732
		Female	0.8	7.9	1.3	25.5	11.2	53.4	100.1	305,469
		All	1.1	9.0	1.2	24.5	10.3	54.0	100.1	596,201
	Subtotal Overseas arrivals	Male	1.5	5.4	1.3	17.1	8.5	66.2	100.0	1,558,672
		Female	0.7	4.1	1.8	18.5	10.4	64.5	100.0	1,631,186
		All	1.1	4.7	1.6	17.8	9.5	65.4	100.1	3,189,858

Notes: Excludes those for whom birthplace unknown.

(a) Due to missing data, imputation, and aggregation, numbers may not add up to 100% or exact total.

Source: 2006 census (Australia), unpublished data accessed 2008, Australian Bureau of Statistics.

Table 2: Australian professional workforce (2006) by qualification level and field, birthplace and year of arrival, percentages

Qualification level and field	Australia-born %	Overseas-born				Total [a] %	Number [a]
		All overseas-born %	By year of arrival				
			Pre-1996 %	1996–2000 %	2001–2006 %		
Degree/higher degree							
Information technology	42.8	57.2	43.9	20.5	35.6	100.0	116,523
Engineering	48.4	51.6	57.6	14.1	28.3	100.0	159,940
Medicine	54.6	45.4	62.6	12.8	24.6	100.0	72,068
Nursing	75.0	25.0	72.6	9.2	18.2	100.0	162,372
Accounting/business/commerce	58.8	41.2	52.3	16.2	31.6	100.1	456,062
Teaching	75.3	24.7	69.5	11.0	19.4	99.9	443,231
Law	74.4	25.6	68.6	11.0	20.4	100.0	84,515
Other	67.0	33.0	61.1	13.6	25.4	100.1	820,210
Subtotal	64.9	35.1	59.1	14.2	26.7	100.0	2,314,921
Diploma/advanced diploma/certificate IV							
Information technology	66.4	33.6	60.4	15.5	24.1	100.0	102,240
Engineering	72.0	28.0	77.4	8.3	14.3	100.0	365,195
Medicine	62.8	37.2	61.6	12.7	25.6	99.9	17,138
Nursing	73.7	26.3	73.5	8.8	17.7	100.0	160,148
Accounting/business/commerce	71.6	28.4	67.9	12.0	20.1	100.0	437,792
Teaching	75.0	26.0	72.0	10.9	17.2	100.1	173,837
Law	83.0	17.0	75.5	10.0	14.5	100.0	32,981
Other	71.5	28.5	75.0	9.7	15.3	100.0	9,669,456
Subtotal	71.5	28.5	74.4	9.9	15.7	100.0	10,958,787

Notes: Excludes those for whom birthplace or year of arrival is unknown. (a) Due to missing data, imputation, and aggregation, numbers may not add up to 100%. Source: 2006 census (Australia), unpublished data accessed 2008, Australian Bureau of Statistics.

By definition, New Zealand arrivals are not counted as skilled migrants to Australia in policy terms. They are entitled to free movement through the trans-Tasman agreement, including labour market access. It is important to acknowledge at the start of this study, however, that their labour market contribution is large. In 2008/09, 25,578 New Zealanders reached Australia as settlers compared with 18,677 in 1998/99, making a total of 221,643 arrivals within the decade. Substantial numbers held post-school qualifications. They therefore represented a major workforce resource, in a context where 521,223 New Zealanders were residents in Australia by 2009, and just 69,884 permanently departed Australia within 10 years.[31] (See Table 3.)

Table 3: New Zealand settler arrivals to and permanent departures from Australia, 1998/99 to 2008/09

Year	New Zealand settler arrivals	New Zealand permanent departures
1998/99	18,677	3,788
1999/2000	21,889	4,526
2000/01	25,165	5,157
2001/02	15,663	5,714
2002/03	12,368	6,251
2003/04	14,418	7,063
2004/05	17,345	6,897
2005/06	19,033	7,099
2006/07	23,906	7,566
2007/08	27,601	7,820
2008/09	25,578	8,003
Total	221,643	69,884

Source: Data derived from Department of Immigration and Citizenship (2009) *Settler Arrivals 2008/09.* Canberra: Commonwealth of Australia, Table 1.2, pp 4–5, and Department of Immigration and Citizenship (2009) *Emigration 2008/09*. Canberra: Commonwealth of Australia, Table 3, pp 8–9.

Skilled primary applicants – age, gender, and place of application

New Zealanders aside, from 2004/05 to 2008/09 Australia accepted 187,988 GSM PAs out of a total intake of 358,151.[32] The average migration unit at this time was two, reflecting the growing participation of former international

[31] DIAC (Department of Immigration and Citizenship) (2009) *Settler Arrivals 2008–09*. Canberra: Commonwealth of Australia, Table 1.2 (pp 4–5); DIAC (Department of Immigration and Citizenship) (2009) *Emigration 2008–2009.* Canberra: Commonwealth of Australia, Table 3 (pp 8–9); DIAC (2010) *Population Flows: Immigration aspects, 2008–2009 edition.* Canberra: Department of Immigration and Citizenship.

[32] Australia uses the term 'primary applicant' and New Zealand uses the term 'principal applicant'. The abbreviation 'PA' is used for both terms throughout this report.

students.[33] Around two-thirds of all primary applicants were male (63 percent). The workforce aged males were aged 15–24 years (18 percent),25–34 years (57 percent) and 35–44 years (23 percent).

Female PAs were slightly younger than males (with 25 percent of females aged 15–24 years, 53 percent aged 25–34 years, and 19 percent aged 35–44 years). Interestingly, Australia has experienced declining rather than growing female GSM participation in recent years with women constituting a third of PAs in 2008/09 compared with 39 percent 5 years earlier. Near gender equity prevailed in the GSM programme overall, with women contributing 46 percent of 2004/05 to 2008/09 arrivals once accompanying family members are factored in the total.

Two-step migration – international students as a skilled migration resource

A further important difference concerned the youth of onshore compared with offshore skilled migration applicants in Australia. (See Table 4.) In marked contrast to New Zealand, as we shall see, the great majority of onshore GSM migrants have been former international students in the past 5 years. In 1999, following the removal of a 3-year eligibility bar, international students became immediately able to migrate. Within a year of this policy change, around 50 percent of all GSM applicants held local degrees.

From 2002 former international students were permitted to apply onshore – ideally placed to secure the requisite 115–120 points if they possessed a recognised vocation-related degree (60 points[34]), were aged 18–29 years (30 points), had advanced English language ability (20 points, with testing exempted), and had an Australian qualification of 2 years in a field on the Migration Occupations in Demand List.

In 2002, 150,000 international students were enrolled in Australian courses. The majority were ethnic Chinese from Commonwealth Asian countries, including substantial numbers attracted to two-step migration. By the time of Australia's 2005-06 skilled migration review students applying to migrate had a 99 percent chance of being selected, unless they failed health or character checks.[35]

Scope for skilled migration had fuelled the development of new international student markets (primarily China and India), while transforming the sector and discipline of demand. Within this process, Australia's migration and export education programmes had become inextricably linked, representing a potential win–win for Australia.

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[33] L Hawthorne (2010) 'Demography, migration and demand for international students', in C Findlay and W Tierney (Eds), *Globalization and Tertiary Education in the Asia–Pacific: The changing nature of a dynamic market,* chapter 5. Singapore: World Scientific Press; L Hawthorne (2010) 'How valuable is "two-step migration"? Labour market outcomes for international student migrants to Australia', Special Edition, *Asia–Pacific Migration Journal* 19(1): 5–36.

[34] In the context of Australia's economic and mining boom, these points were later extended to include diploma and certificate level qualifications, including a wide range of trades.

[35] B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia. www.immi.gov.au/media/publications/research/gsm-report/index.htm.

Table 4: Australia – General Skilled Migration primary applicants by year of arrival, gender, age, and location, 2004/05 to 2008/09

		2004/05			2005/06			2006/07			2007/08			2008/09			
		Visa application location (onshore and offshore programme outcome)															
		On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	Grand total
Male	0–14					3	3				1		1				4
	15–24	3,953	398	4,351	3,536	469	4,005	4,526	482	5,008	4,327	521	4,848	2,559	332	2,891	21,103
	25–34	4,307	7,403	11,710	4,908	7,878	12786,	6,604	7,932	14,536	6,618	8,696	15,314	4,451	8,712	13,163	67,509
	35–44	240	3,962	4,202	231	4,815	5,046	239	5,096	5,335	295	5,800	6,095	266	5,990	6256	26,934
	45–54	8	480	488	9	629	638	5	717	722	12	823	835	6	938	944	3,627
	55–64		14	14	1	12	13	1	7	8		4	4				39
	65+/not stated	0	1	1	0	3	3	0	1	1	14	0	14	3	0	3	22
	Total	8,508	12,258	20,766	8,685	13,809	22,494	11,375	14,235	25,610	11,267	15,844	27,111	7,285	15,972	23,257	119,238
Female	0–14	0	1	1	0	5	5	0	0	0	0	1	1	1	2	3	10
	15–24	3,200	360	3,560	3,563	468	4,031	3,869	347	4,216	2,814	326	3,140	2,069	175	2,244	17,191
	25–34	2,578	4,201	6,779	3,136	4,353	7,489	4,056	4,042	8,098	3,777	4,063	7,840	2,564	3,961	6,525	36,731
	35–44	233	2,378	2,611	250	2,600	2,850	306	2,412	2,718	352	2,266	2,618	277	2,222	2,499	13,296
	45–54	9	271	280	3	302	305	7	284	291	14	291	305	19	309	328	1,509
	55–64		3	3		4	4		3	3		1	1				11
	65+/not stated	0	0	0	1	1	2	0	0	0	0	0	0	0	0	0	2
	Total	6,020	7,214	13,234	6,953	7,733	14,686	8,238	7,088	15,326	6,957	6,948	13,905	4,930	6,669	11,599	68,750
Total percentage (male) (%)		58.6	63.0	61.1	55.5	64.1	60.5	58.0	66.8	62.6	61.8	69.5	66.1	59.6	70.5	66.7	63.4
Total percentage (female) (%)		41.4	37.0	38.9	44.5	35.9	39.5	42.0	33.2	37.4	38.2	30.5	33.9	40.4	29.5	33.3	36.6
Grand total		14,528	19,472	34,000	15,638	21,542	37,180	19,613	21,323	40,936	18,224	22,792	41,016	12,215	22,641	34,856	187,988

By 2008 international students were generating A$26.7 billion per year, in a context where the industry had emerged as Australia's third largest, and the largest for the state of Victoria.[36] In August that year 474,389 international students were enrolled in Australian tertiary courses, vocational education and training, English language or school courses, including substantial numbers located offshore. (See Table 5.) A total of 432,678 international students were resident in Australia at this time, with China (119,786) and India (72,314) the dominant groups, followed by the Republic of South Korea, Malaysia, and Vietnam.

Table 5: Total international student enrolments in Australia, August 2008

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

Source: Australian Education International data accessed December 2008

Forty-two percent of all international students were enrolled in degrees (183,360), despite rapid recent growth in the vocational training sector (154,173 enrolments). Students from China (28 percent) and India (17 percent) dominated overall, in a context where around 66 percent of Indian and 38 percent of Chinese students would subsequently migrate, and there was minimal enrolment growth from Australia's traditional Commonwealth Asian source countries.[37]

[36] Access Economics Pty Ltd (2009) *The Australian Education Sector and the Economic Contribution of International Students.* Melbourne: Australian Council for Private Education and Training.

[37] Australian Education International (2010) *Monthly Summary of International Student Enrolment Data: Australia – Year to date March 2010*. Canberra: Department of Education, Employment and Workplace Relations, Australian Government. aei.dest.gov.au/AEI/MIP/Statistics/Default.htm (accessed 6 May 2010); B Birrell and V Rapson (2004) *International Students: Implications for Australia's immigration program and higher education system.* Melbourne: Monash University's Centre for Population and Urban Research.

By June 2010 international student enrolments had risen to 630,000, profoundly influencing net population growth.[38] Between 2004 and 2009 Australia's immigrant population rose by more than a million, fuelled by a 10 percent rise in the Asia-born population.[39] As early as 2002, Oxford-based migration researcher Vertovec had stated:

> the movement of students should be seen as an integral part of transnational migration systems, not least because the networks they forge often lay the tracks of future skilled labour circulation (among governments there is growing awareness of this, seen in the increasing incidence of national programmes for student recruitment with a specific view towards longer-term or permanent settlement …).[40]

This phenomenon of 'two-step' student migration is one proliferating worldwide. The majority of OECD countries are now in the process of:

- developing migration categories designed to attract and retain skilled workers
- monitoring and replicating successful competitor models, including mechanisms for selection and control
- expanding temporary entry options, targeting international students and employer-sponsored workers
- facilitating student and worker transition from temporary to extended or permanent resident status, supported by priority processing and uncapped migration categories
- combining government-driven with employer-driven strategies
- creating regional settlement incentives designed to attract skilled migrants, supported by lower entry requirements and policy input from local governments and/or employers
- supporting the above strategies through sustained and increasingly innovative global promotion strategies.[41]

In the past 5 years the study–migration pathway has had a major impact on the place of application of skilled migrants selected by Australia. In 2005/06 43 percent of GSM PAs were approved onshore (12,215 people) compared with 35 percent in 2008/09. Former male students were relatively young (35 percent aged 15–24 years in 2008/09 compared with just 2 percent of migrants selected offshore). An identical pattern prevailed for onshore females (42 percent compared with 3 percent). Reflecting Australia's skilled migration criteria, few

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[38] G Healy (2010) 'Racist proposal slammed', *The Australian Higher Education Supplement*, 21 July, p 24.

[39] T Colebatch (2010) 'Asia-born population matching local boom', *The Age*, 30 July, p 12.

[40] S Vertovec (2002) *Transnational Networks and Skilled Labour Migration*, WPTC-02-02. Oxford: Centre for Migration, Policy and Society, p 13.

[41] L Hawthorne (2010) 'How valuable is "two-step migration"? Labour market outcomes for international student migrants to Australia', Special Edition, *Asia–Pacific Migration Journal* 19(1): 5–36; L Hawthorne (2010) 'Demography, migration and demand for international students', in C Findlay and W Tierney (Eds), *Globalization and Tertiary Education in the Asia–Pacific: The changing nature of a dynamic market,* chapter 5. Singapore: World Scientific Press, pp 91–120.

onshore applicants were older than 45 years by 2008/09: just 947 of male and 328 of female PAs selected.

Occupations of recent onshore compared with offshore skilled migrants

GSM applicants reach Australia qualified in diverse professions, whether selected onshore or offshore (analysed here by major Australian Standard Classification of Occupations (ASCO) classification[42]). Between 2004/05 and 2008/09 GSM PAs were working in the following occupations:

- professional – 124,915
- associate professional – 8,480
- managers/administrator – 5,964
- trades – 30,375
- clerical worker – 3,887
- low skilled – 14,367.

The top five professions for primary applicants to Australia at this time were accounting (32 percent or 40,054 of skilled arrivals), computing (23 percent or 28,858), architecture/building (9 percent), engineering (9 percent), and nursing (5 percent). The major trades were chef/baker (30 percent of trades or 9,907 PAs), engineering (14 percent), building (excluding plumbing) (14 percent), electrical (12 percent), and hairdressing (12 percent). As demonstrated in Tables 6 and 7, occupational spread was profoundly affected by the sector and discipline of international student enrolments.

Skilled migrants' fields of occupation have varied markedly in recent years, posing problems for Australian labour force planning. IT PAs constituted 35 percent of selected professionals in 2004/05, but halved to 16 percent in 2008/09 (when IT lost prominence on Australia's Migration Occupations in Demand List, in the context of the worldwide IT 'bust').[43] Architects/builders rose to 15 percent of the 2008/09 intake compared with just 3 percent in 2004/05. Similar volatility was evident in key trades – for example, cooks/bakers constituted 28 percent of the GSM total in 2008/09 compared with 17 percent 5 years earlier.

Select fields have also become disproportionately associated with Australia's study–migration pathway. In 2008/09, for example, 4,075 accountants were selected onshore compared with just 1,858 offshore (reflecting accountancy's status as the major discipline of international student enrolment following business/commerce). (See Tables 6 and 7.)

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[42] Arrivals data by specific occupation provided by the Department of Immigration and Citizenship for this study were re-analysed by ASCO code to allow reporting by education level, in line with census data analysis.

[43] Skilled migration outcomes to Canada were profoundly affected from 2001 by the end of the dot.com boom, given the substantial emphasis it had placed on the recruitment of IT professionals, which was driven by employer demand. This demonstrates the risk of high concentrated/specialised labour force planning (A Sweetman, 2010, review comment to L Hawthorne, McMaster University, Hamilton, Canada).

Table 6: Top fields and sectors of enrolment for international students in Australia, 2002 and 2008

Top five degree enrolments by field	**2002**	**2008**
Business/commerce	29,068	48,922
Accounting	4,187	20,210
Information technology	19,061	13,528
Engineering	6,991	11,052
Teaching	2,948	5,796
Top five diploma/advanced certificate 111 & 1V by field[44]	**2002**	**2008**
Business/commerce	14,316	62,351
Food/hospitality	12,64	11,551
Hairdressing	272	6,514
Information technology	11,013	5,006
Accounting	988	4,455

Source: Derived from Australian Education International enrolment data (August 2008), prepared by G Hawthorne and L Hawthorne as part of the statistical analysis for S Arkoudis, L Hawthorne, C Baik, G Hawthorne, K O'Loughlin, E Bexley, and D Leach (2009) *The Impact of English Language Proficiency and Workplace Readiness on the Employment Outcomes of Tertiary International Students*. Canberra: Department of Employment, Education and Workplace Relations.

A similar pattern prevailed for engineers (1,513 selected onshore compared with 343 offshore), and chefs/bakers (1,613 compared with 224). By contrast architects/builders were overwhelmingly recruited overseas (3,044 compared with just 115 onshore). There was negligible difference in terms of location for the fields of computing and hairdressing (1,598 compared with 1,793, and 310 compared with 482, respectively). (See Table 7.)

[44] The Australian Qualifications Framework categorises all educational qualifications from the lowest level 1 (certificate I) to the highest level (PhD). Certificate III and IV qualifications provide basic trade level qualifications, usually based on several years of technical college training or equivalent.

Table 7: Australia – general skilled migration primary applicants by major occupation, 2004/05 to 2008/09

	2004/05			2005/06			2006/07			2007/08			2008/09			Grand total
	Visa application location (onshore and offshore programme outcome)															
	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	
Professionals																
Accountants	4,100	2,655	6,755	6,596	2,189	8,785	8,369	1,934	10,303	6,232	2,046	8,278	4,075	1,858	5,933	40,054
Computing professionals	5,278	3,989	9,267	3,633	2,695	6,328	3,828	1,584	5,412	2,952	1,518	4,470	1,598	1,783	3,381	28,858
Architects, building, surveying professionals	243	594	837	133	1,672	1,805	148	2,407	2,555	129	2,854	2,983	115	3,044	3,159	11,339
Engineers	1,653	1,528	3,181	1,388	1,035	2,423	1,826	344	2,170	1,304	233	1,537	1,513	343	1,856	11,167
Registered nurses	197	1,000	1,197	229	1,139	1,368	407	945	1,352	268	879	1,147	444	892	1,336	6,400
Teachers/Lecturers	248	622	870	187	875	1,062	208	794	1,002	217	780	997	253	754	1,007	4,938
Allied Health Professionals	287	503	790	313	495	808	374	392	766	276	430	706	532	515	1,047	4,117
Business professionals	340	473	813	401	493	894	365	260	625	537	287	824	239	257	496	3,652
Sales and marketing	174	645	819	210	515	725	204	343	547	290	340	630	142	350	492	3,213
Natural and physical science professionals	226	348	574	219	234	453	200	170	370	307	206	513	340	212	552	2,462
Other professionals	597	10,94	1,691	588	1,116	1,704	614	1,057	1,671	770	1,090	1,860	562	1,227	1,789	8,715
Total	13,343	13,451	26,794	13,897	12,458	26,355	16,543	10,230	26,773	13,282	10,663	23,945	9,813	11,235	21,048	124,915
Tradespersons & related workers																
Cooks/bakers (excluding other food handling)	434	225	659	953	219	1,172	1,798	173	1,971	3,265	193	34,58	1,613	224	1,837	9,097
Mechanical and fabrication engineering tradespersons	9	755	764	5	853	858	12	922	934	8	933	941	6	826	832	4,329
Building trades (excluding plumbers)	3	409	412	5	730	735	1	995	996	4	1,066	1,070	4	988	992	4,205
Electrical trades	87	548	635	27	548	575	48	720	768	82	717	799	64	841	905	3,682
Hairdressers	89	376	465	153	394	547	364	523	887	496	471	967	310	482	792	3,658
Automotive trades/Mechanics	6	320	326	10	389	399	38	430	468	75	478	553	114	487	601	2,347
Plumbers		95	95		158	158	1	170	171	3	209	212		228	228	864
Other trades	152	324	476	153	297	450	218	262	480	216	264	480	108	199	307	2,193
Total	780	3,052	3,832	1,306	3,588	4,894	2,480	4,195	6,675	4,149	4,331	8,480	2,219	4,275	6,494	30,375

	2004/05			2005/06			2006/07			2007/08			2008/09			Grand total
	Visa application location (onshore and offshore programme outcome)															
	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	
Managers & administrators																
Total	63	864	927	65	1,158	1,223	72	1,108	1,180	117	1,258	1,375	60	1,199	1,259	5,964
Other																
Associate professionals total	281	1,077	1,358	345	1,296	1,641	334	1,464	1,798	622	1,563	2,185	111	1,387	1,498	8,480
Advanced/intermediate/ elementary clerical, sales & service workers total		277	277	0	774	774	0	976	976	0	976	976	0	884	884	3,887
Intermediate production & transport workers total		18	18		52	52		87	87		102	102		96	96	355
Labourers & related workers total		7	7		13	13		27	27		24	24		43	43	114
Not in workforce total		392	392		872	872		919	919		868	868		560	560	3,611
Not in employment total		12	12		38	38		54	54		67	67		38	38	209
Inadequately described/Not stated total	61	322	383	25	1,293	1,318	184	2,263	2,447	54	2,940	2,994	12	2,924	2,936	10,078
Total	342	2,105	2,447	370	4,338	4,708	518	5,790	6,308	676	6,540	7,216	123	5,932	6,055	26,734
Grand total	14,528	19,472	34,000	15,638	21,542	37,180	19,613	21,323	40,936	18,224	22,792	41,016	12,215	22,641	34,856	187,988

Note: ASCO = Australian Standard Classification of Occupations.

Occupations and field of study – skilled category family members

It is important to affirm at the start of this study that skilled category family members significantly boost the scale of arrivals in select occupations. For example, from 2004/05 to 2008/09 1,489 medical practitioners migrated to Australia as skilled PAs – a number rising to 2,593 once GSM spouses are factored in. Teacher/lecturer skilled arrivals similarly rose from 4,938 to 8,697. With GSM dependants included, the scale of recent manager/administrator, associate professional, and clerical worker migration also dramatically inflates:

- manager/administrators – 11,512 GSM total arrivals compared with 5,964 PAs
- associate professionals – 13,895 GSM total arrivals compared with 8,480 PAs
- clerical workers – 12,402 GSM total arrivals compared with 3,887 PAs.

The impact of spouses on other fields by contrast was modest from 2004/05 to 2008/09, including in many fields associated with student migration:

- accounting – 40,054 skilled PAs (compared with the 42,975 GSM total)
- computing – 28,858 (compared with 31,237)
- architecture/building – 11,339 (compared with 14,600)
- engineering – 11,167 (compared with 11,541)
- nursing – 6,400 (compared with 7,676)
- chefs/bakers – 9,907 (compared with 9,267)
- engineering trades – 4,329 (compared with 4,690)
- building (excluding plumbing) – 4,205 (compared with 5,014)
- electrical trades – 3,682 (compared with 4,114)
- hairdressers – 3,658 (compared with 4,203).

Substantial numbers of accompanying family members were also categorised as 'not in the labour force' from 2004/05 to 2008/09, constituting 100,875 GSM arrivals along with 3,611 PAs. Many would ultimately seek work in Australia, unfiltered for human capital attributes.[45]

Source countries for skilled migrants to Australia

Perhaps the most critical trend to highlight at the start of this study is that skilled migrants' source countries for Australia vary markedly to those for New Zealand. Australia selects few primary applicants from the major English-speaking background (ESB) countries, typically defined as the United Kingdom (UK), Ireland, the US, Canada, South Africa, New Zealand, and Australia. Between 2004/05 and 2008/09 Australia's top 10 GSM source countries were as follows, with 8 located in Asia:

1 India (21 percent or 39,671 migrants admitted)

[45] For analysis of employment barriers facing dependants who are not primary GSM applicants, see L Hawthorne (2008) *Migration and Education: Quality assurance and mutual recognition of qualifications – Australia report*. Paris: United Nations Educational, Scientific and Cultural Organization. unesdoc.unesco.org/images/0017/001798/179842E.pdf

2 China (18 percent or 33,309)

3 UK (14 percent)

4 Malaysia (6 percent)

5 Indonesia (4 percent)

6 Sri Lanka (3 percent)

7 Republic of Korea (3 percent)

8 South Africa (3 percent)

9 Hong Kong Special Administrative Region (3 percent)

10 Singapore (3 percent).

Just three major ESB nations featured in Australia's top 20, at a time when the UK, South Africa, and Ireland contributed 25,710, 4,883, and 2,044, respectively of skilled PAs. Together these ESB migrants constituted 17 percent of the GSM total, in stark contrast, as we shall see, to New Zealand trends. (See Tables 8 and 14.) By contrast 14 of Australia's top 20 source countries were in Asia. No European countries featured beyond the UK and Ireland. Zimbabwe was the sole additional African country, and Fiji was the primary Pacific source – each contributing just 1 percent of the GSM PA total.

Once GSM dependants are factored in, between 2004/05 and 2008/09 a total of 72,841 UK migrants reached Australia,[46] followed by 68,210 from India, 46,504 from China, 17,321 from Malaysia, and 14,695 from South Africa. (See Table 8.)

As noted earlier, GSM migrants' location of application varied markedly. UK migrants were overwhelmingly selected offshore (13,346 compared with 304 in Australia in 2008/09), a pattern replicated by South Africans (4,253 compared with 43). Indian migrants were variable, with 11,919 selected offshore compared with 4,129 onshore (typically through the study–migration pathway). China was evenly split, with around 3,500 applicants selected in both locations.

Trends by source country were also volatile, exemplified by the escalating arrivals from China and India. The following nations have recently grown markedly as GSM sources of supply albeit at lower levels (numbers here include dependants):

- Iran (1,408 arrivals in 2008/09 compared with 224 in 2004/05)
- South Africa (4,296 compared with 2,892)
- Ireland (1,068 compared with 534)

[46] Note that UK migrants were far more likely to migrate with accompanying family members than were onshore former international students (for example, from India and China).

Table 8: Australia – Top 20 source countries for General Skilled Migration primary applicants, 2004/05 to 2008/09

Country of birth	2004/05			2005/06			2006/07			2007/08			2008/09			Grand total
	Visa application location (onshore and offshore programme outcome)															
	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-hore	Total	On-shore	Off-shore	Total	
India	2,540	3,266	5,806	2,652	3,932	6,584	4,349	4,567	8,916	4,658	5,119	9,777	3,348	5,240	8,588	39,671
China (excludes SARs and Taiwan)	2,988	2,404	5,392	5,114	2,087	7,201	6,810	2,105	8,915	5,048	2,091	7,139	2,989	1,673	4,662	33,309
United Kingdom	140	4,078	4,218	109	5,581	5,690	134	5,519	5,653	154	5,208	5,362	172	4,615	4,787	25,710
Malaysia	1,306	886	2,192	1,193	997	2,190	1,223	921	2,144	893	1,174	2,067	1,042	915	1,957	10,550
Indonesia	1,565	460	2,025	1,067	392	1,459	1,005	269	1,274	816	323	1,139	586	266	852	6,749
Sri Lanka	448	616	1,064	506	657	1,163	428	731	1,159	455	966	1,421	309	1,009	1,318	6,125
Korea	539	328	867	552	428	980	760	449	1,209	779	548	1,327	532	554	1,086	5,469
South Africa	29	998	1,027	27	736	763	37	738	775	42	938	980	29	1,309	1,338	4,883
Hong Kong (SAR of China)	905	500	1,405	764	377	1,141	693	305	998	556	220	776	344	153	497	4,817
Singapore	517	902	1,419	393	810	1,203	340	484	824	274	478	752	277	341	618	4,816
Philippines	74	699	773	80	837	917	85	906	991	106	923	1,029	107	954	1,061	4,771
Bangladesh	468	207	675	600	237	837	951	222	1,173	1,066	272	1,338	365	312	677	4,700
Pakistan	232	322	554	169	342	511	238	305	543	239	291	530	138	359	497	2,635
Ireland	6	318	324	13	354	367	8	373	381	10	430	440	16	516	532	2,044
Japan	256	136	392	215	151	366	286	134	420	224	122	346	131	101	232	1,756
Thailand	248	84	332	229	93	322	364	59	423	373	74	447	151	68	219	1,743
Zimbabwe	24	287	311	74	288	362	79	246	325	67	238	305	73	243	316	1,619
Vietnam	152	102	254	242	127	369	221	75	296	247	108	355	171	109	280	1,554
Fiji	59	299	358	44	300	344	48	226	274	48	267	315	27	223	250	1,541
Iran	16	97	113	19	131	150	24	212	236	29	227	256	41	726	767	1,522
Other country	2,016	2,483	4,499	1,576	2,685	4,261	1,530	2,477	4,007	2,140	2,775	4,915	1,367	2,955	4,322	22,004
Grand total	14,528	19,472	34,000	15,638	21,542	37,180	19,613	21,323	40,936	18,224	22,792	41,016	12,215	22,641	34,856	187,988

Note: SAR = Special Administrative Region.

Conditions in countries of origin often influence decisions to migrate independent of the attraction of the destination country. This is the case with Australia. For example, the global financial crisis since 2008 has spurred applications from Ireland, in a context where Ireland's economy has contracted sharply, while Australia is judged to have avoided recession. Flows from other countries by contrast have declined, in particular from:

- Singapore (1,227 arrivals in 2008/09 compared with 2,942 in 2004/05)
- Indonesia (1,195 compared with 2,454)
- Hong Kong Special Administrative Region (699 compared with 1,828)

In terms of region, between 2004/05 and 2008/09, a total of 217,536 GSM arrivals to Australia (including dependants) were derived from Asia compared with 76,764 from the UK/Ireland and just 3,193 from North America. The top 20 source regions for Australia at this time, based on national administrative data, were:

1 South Asia (95,491)
2 UK (72,841, reported separately from Europe)
3 North East Asia (67,855)
4 South East Asia (53,776)
5 South Africa (14, 695)
6 Southern and East Africa (8,792, excluding South Africa)
7 Middle East (7,877)
8 Western Europe (5,049, excluding UK/Ireland)
9 South America (4,605)
10 Eastern Europe (4,405)
11 Ireland (3,923)
12 Polynesia (3,656, excluding Hawaii)
13 North America (3,193)
14 South East Europe (1,807)
15 North Africa (1,774)
16 Northern Europe (789)
17 Southern Europe (737)
18 Central America (664)
19 Central and West Africa (645)
20 Central Asia (414).

1.2 Permanent skilled migration to New Zealand, 2004–2009

Population sources for New Zealand compared with Australia – 2006 census data

Within this migration flows context, how comparable has skilled migration to New Zealand and Australia been in the past 5 years in terms of the scale and characteristics of intakes?

By the time of the 2006 census administration (both countries), New Zealand's population was just over 4 million compared with 20.6 million in Australia. Twenty-two percent of New Zealanders were overseas-born compared with 24 percent of Australians, constituting the highest permanent resident proportions in the world followed by Canada (19 percent) and the US (12 percent).[47]

Ethnic diversity in New Zealand was increasing rapidly at this time, despite 2,609,589 New Zealanders being of NZ European and 565,329 of Māori descent. The UK/Ireland (251,688) and Asia (251,130) were the primary source regions for the overseas-born, followed by the Pacific Islands (135,852), Australia (62,742), Europe (68,067), and North America (26,940).

Major birthplaces for Australia in 2006 were the UK (1.2 million), New Zealand (476,700), Italy (220,500), China (203,100), and Vietnam (180,400).[48] As noted, however, the scale of recent Asian migration was rapidly influencing population share at this time. In July 2010 the Australian Bureau of Statistics confirmed the net addition of over a million migrants since 2004, at a time when the Indian population had more than doubled to 308,542, and the Chinese population had risen by two-thirds (to 350,979 people).[49]

By the time of the 2006 census, 19 percent of New Zealand's employed population were classified as professionals with managers (17 percent), technicians and trade workers (12 percent), clerical workers (12 percent), and labourers (11 percent) the next largest groups. Fourteen percent of New Zealanders aged 15 years or over had degrees compared with 17 percent of Australians across all age levels. Bachelor qualifications were the most commonly held (by 10 percent of New Zealanders compared with 13 percent of all Australians). Large numbers of recent migrants to both countries were also tertiary qualified, although disproportionately so in Australia.[50]

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[47] Statistics New Zealand (2008) *2006 Census of Population and Dwellings*. Wellington: Statistics New Zealand; L Hawthorne (2008) 'The impact of economic selection policy on labour market outcomes for degree-qualified migrants in Canada and Australia.' *IRPP Choices* 14(5): 1–50, reporting on 2006 census data derived from Statistics Canada and the Australian Bureau of Statistics.

[48] Australian Bureau of Statistics (2007) *2005–06 Migration: Australia*. Canberra: Australian Bureau of Statistics. www.abs.gov.au

[49] T Colebatch (2010) 'Asia-born population matching local boom', *The Age*, 30 July, p 12.

[50] Statistics New Zealand (2008) *2006 Census: QuickStats about education.* Wellington: Statistics New Zealand.

New Zealand skilled principal applicants – scale, age, and gender

Within this overall population context, New Zealand like Australia has prioritised Skilled Migrant Category (SMC) arrivals in the past decade, with category proportions near identical for each country. In 2009/10, Australia allocated 59 percent of the migration programme to GSM applicants, 33 percent to family-sponsored flows, and 8 percent to humanitarian entrants. In New Zealand the following targets were set, out of an overall planned intake of 45,000–50,000 people, including family:[51]

- Skilled/Business Category – 26,900–29,975 (60 percent of the total)
- Family (Partner and Dependent Child) Category – 9,900–10,700 (21 percent)
- Family (Parent, Adult Child and Adult Sibling) Category – 4,950–5,500 (11 percent)
- International/Humanitarian Category – 3,250–3,825 (8 percent).

The age and gender of SMC PAs to New Zealand were also directly comparable with those to Australia. Between 2004/05 and 2008/09, 37,329 male and 19,880 female PAs were selected, with males constituting 65 percent of the 57,210 total (compared with 63 percent in Australia). By 2008/09, 35 percent of the 11,973 SMC arrivals were female (compared with 33 percent in Australia) – identical to the New Zealand proportion 5 years earlier. In Australia, as we have seen, the female share had slightly declined. Once accompanying family members are factored in, New Zealand had admitted a total of 129,723 SMC migrants within 5 years, including a slightly higher proportion of females than was chosen by Australia (48 percent of the total compared with 46 percent).

New Zealand skilled principal applicants – place of application

Having established marked similarities in terms of category share, age and gender, major policy differences are highlighted in the analysis to follow.

The first difference concerns place of application. Onshore skilled migration has been the norm for New Zealand since 2003, constituting 83 percent of SMC PAs in 2008/09 for both males and females compared with 35 percent in Australia. (See Table 9.)

The second difference concerns the nature of this onshore migration pathway. Unlike in Australia, New Zealand's SMC prioritises the selection of temporary foreign workers with local experience, current employment, and/or a job offer – a strategy certain to maximise immediate employment. To be approved for residence, most former international students need to have skilled employment in New Zealand, which they can obtain through the 'study to work' pathways on offer (migration typically occurring within 10 years). In 2008/09 around 30 percent of SMC approvals had previously studied in New Zealand.

[51] Migration Associates (2010) 'The New Zealand permanent resident quota for 2009/10.' www.migrationassociates.com/news/2009/permanent-resident-quota.php (accessed 20 May 2010). For 2010/11 targets, see Immigration New Zealand (no date) 'New Zealand Residence Programme', in *Operational Manual*, section R6. Wellington: Department of Labour. www.immigration.govt.nz/opsmanual/31009.htm

Table 9: New Zealand – skilled migration category principal applicants by year of arrival, gender, and location of application, 2004/05 to 2008/09

Gender	Year of arrival															Grand total
	2004/05			2005/06			2006/07			2007/08			2008/09			
	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	
Male	4,814	1,723	6,537	5,509	2,516	8,025	5,672	1,844	7,516	6,042	1,435	7,477	6,444	1,330	7,774	37,329
Female	2,852	665	3,517	3,273	1,007	4,280	3,375	671	4,046	3,239	599	3,838	3,473	726	4,199	19,880
Grand total	7,666	2,388	10,054	8,782	3,523	12,305	9,047	2,516*	11,563*	9,281	2,034	11,315	9,917	2,056	11,973	57,210

* Includes one case in which gender was not known.

International students as a skilled migration resource

As in Australia, New Zealand's export education industry has grown rapidly in recent years.[52] By 2008, New Zealand ranked 12th in international tertiary/vocational student enrolments – like Australia (ranked second) punching well above its global weight.[53] (See Table 10)

Table 10: Top 12 global destinations for international students enrolled in higher and vocational education courses

Destination country	International students enrolled in higher/vocational education
United States	623,805 (2008)
Australia	389,373 (2008)
United Kingdom	389,330 (2008)
France	260,596 (2008)
Germany	246,369 (2007)
China	223,499 (2008)
Japan	123,829 (2008)
Canada	113,996 (2007)
Singapore	86,000 (2007)
Malaysia	72,000 (2008)
South Korea	63,952 (2008)
New Zealand	39,942 (2007)

Source: Compiled from data in V Lasanowski (2009) *International Student Mobility: Status report 2009*. UK: Observatory on Borderless Higher Education.

These students constitute a major talent resource for New Zealand. In 2008/09, 73,926 international students were resident compared with 78,079 in 2004/05 (a total of 359,236 visas allocated across the 5-year period). (See Table 11.) Please note this number under-represents the number of secondary applicants, who in New Zealand typically apply for separate visas and are not included in the original application. China (20 percent), the Republic of Korea (15 percent), India (11 percent), Japan (5 percent), and the US (4 percent) were the top five source countries to New Zealand in 2008/09 compared with China (24 percent), India (17 percent), the Republic of Korea (7 percent), Malaysia (4 percent), and Thailand (4 percent) to Australia. A target of 10 percent further growth has been set for 2010, in a context where annual tuition fees in 2009 contributed around NZ$680 million to the New Zealand economy.[54]

[52] Ministry of Education (2008) *International Student Enrolments in New Zealand 2001–2007*. Wellington: Ministry of Education.

[53] V Lasanowski (2009) *International Student Mobility: Status report 2009.* UK: Observatory on Borderless Higher Education.

[54] Education New Zealand (2010) 'What's happening in export education?' *Education New Zealand Update*, Issue 1; Education New Zealand (2008) *Immigration Policy Benchmarking: Implications for competitiveness of New Zealand's export education sector*. Wellington: Education New Zealand.

Table 11: New Zealand – student permits/visas allocated, by principal and secondary applicants, 2004/05 to 2008/09

Financial year	Principal applicants	Secondary applicants	Total
2004/05	77,974	105	78,079
2005/06	69,911	92	70,003
2006/07	67,544	69	67,613
2007/08	69,581	33	69,614
2008/09	73,902	24	73,926
Total	358,912	323	359,235

Source: Department of Labour, unpublished student visa/permit statistics, January 2010.

A third important difference should be highlighted here. Compared with Australia, international students were enrolled at relatively low levels in New Zealand from 2004/05 to 2008/09. For example, in 2008/09, 47 percent of all international students in New Zealand were in vocational training courses compared with 37 percent in schools and 16 percent in university courses (excluding English language and informal sector enrolments).[55] (See Table 12.) In Australia in March 2009, by contrast, 50 percent of international students were at university, 44 percent in the rapidly growing technical training sector, and just 6 percent in schools (again excluding English and other not-for-credit course enrolments).[56]

Table 12: New Zealand – education sector of international student enrolments (excluding English language and informal sectors), 2004/05 to 2008/09

Year of enrolment	Vocational education & training sector	School sector	University sector	Total enrolments
2004/05	21,447	13,961	16,987	52,395
2005/06	17,589	12,494	10,524	40,607
2006/07	15,774	14,909	7,692	38,575
2007/08	18,329	16,056	7,445	41,830
2008/09	21,942	17,568	7,458	46,968
Total	95,081	74,988	50,106	220,175

Source: Department of Labour, unpublished student visa/permit statistics, January 2010.

[55] Note the numbers of international student enrolments by sector in New Zealand for 2004/05 to 2008/09 provided for this study were markedly lower than the overall visa numbers provided: 220,175 enrolments in total compared with 359,235. This appears to be due to the omission of select categories of providers (for example, English language training bodies) from the sector figures. Data for total enrolments and student birthplace are, therefore, based on the higher number, which is accepted as accurate.

[56] Australian Education International (2010) *Monthly Summary of International Student Enrolment Data – Australia – Year to date March 2010.* Canberra: Department of Education, Employment and Workplace Relations. aei.dest.gov.au/AEI/MIP/Statistics/Default.htm (accessed 6 May 2010).

As with Australia, substantial numbers of international students in New Zealand were likely to stay – up to 30 percent within 10 years of arrival.[57] A New Zealand survey in 2007–08 sought information on the phenomenon of 'two-step migration', securing 3,490 responses from SMC PAs, including 779 former students. Those transiting to skilled migration in New Zealand at this time were typically derived from China (46 percent), India (15 percent), the Philippines (6 percent), and Malaysia (6 percent). Flows were equally male and female, with Auckland (50 percent), Wellington (15 percent), and Christchurch (14 percent) the cities of choice. Permanent residence was confirmed to be a primary motivation for former students' New Zealand enrolment, with the motives ranked as the most important being:

- New Zealand being an English-speaking country (29 percent)
- international recognition of New Zealand qualifications (29 percent)
- the opportunity to obtain permanent residence in New Zealand at a later date (25 percent)
- the cost of education in New Zealand (24 percent)
- the opportunity to get a work permit after graduation (23 percent).

It is worth noting here that student respondents' qualification levels far exceeded those of the New Zealand–born population, and indeed the international student norm – with 45 percent holding a New Zealand bachelors degree, 8 percent a masters degree, and 43 percent a graduate or an undergraduate certificate or diploma. The survey sample thus appears to have been atypical of former students transitioning to the SMC population. Management and commerce (38 percent), IT (15 percent), health (14 percent), engineering and related technologies (9 percent), and food, hospitality, and personal services (9 percent) were respondents' primary disciplines of qualification at this time.

Interestingly, 59 percent of former students were in the process of upgrading their qualifications, despite having achieved skilled migration – the majority now enrolled in masters (29 percent) or bachelors (25 percent) degree courses. An extraordinary 98 percent had been employed in New Zealand at the time of their SMC approval, having transited through study to work pathways. A fifth of these former international students reported considering migration to another country – most notably to Australia (48 percent of student respondents), followed by the US (21 percent), Canada (12 percent), and the UK (5 percent).[58] Thus, future retention could be an issue.

Occupations of recent Skilled Migrant Category arrivals

As is the case in Australia, skilled migrants reach New Zealand with highly diverse occupations, reported here by the New Zealand classification system to 2008. (Arrivals data were available only for PAs, since New Zealand did not

[57] This estimate was provided by request for the current study. The New Zealand Department of Labour source acknowledges there could be some risk of double-counting.

[58] Department of Labour (2010) 'International students transitioning to residence through the Skilled Category', unpublished survey analysis provided to the author, Wellington.

collect these data for secondary migrants.) Reconciling occupational categories with Australia proved complex, as discussed in Appendix A.

Between 2004/05 and 2008/09 SMC PA arrivals in New Zealand had worked in the occupations of:

- professionals: 22,418 (39 percent) compared with 124,915 GSM arrivals in this category to Australia (66 percent)
- managers/administrators: 9,546 (17 percent), far exceeding the 5,964 GSM arrivals in this category to Australia (3 percent)
- associate professionals: 8,748 (15 percent) compared with 8,480 (5 percent)
- trades: 8,366 (15 percent) compared with 30,375 (16 percent)
- clerical workers 3,944 (7 percent) compared with 3,887 (2 percent)
- low skilled workers: modest numbers.

Within this context, the important difference to note is that Australia approves a far larger proportion of PAs identifying as having a professional qualification than does New Zealand: 66 percent of skilled category arrivals compared with just 39 percent. The qualification level of recent international students who migrate is thus worth monitoring.

Computing and education were the major occupations for NZ SMC professionals from 2004/05 to 2008/09 (constituting 18 percent of professionally qualified PAs each), followed by registered nurses (17 percent), architects/engineers (15 percent), business/human resource/marketing professionals (15 percent), and health professionals (9 percent). (For comparison with Australia, see Table 13.) Perhaps the most striking difference to note was the scale of education professionals selected by New Zealand (18 percent compared with just 4 percent by Australia), plus the proportion of accountants chosen by Australia (32 percent – a field not separately ranked in the top 10 professions for New Zealand). Trade flows also varied markedly between the two countries, with automotive trades/mechanics dominating for New Zealand (23 percent of trade PA arrivals) compared with chefs/bakers for Australia – many of the latter former international students (30 percent). (See Table 13)

Table 13: Major occupations for skilled migrants primary applicants to New Zealand and Australia, 2004/05 to 2008/09

Top five professions: New Zealand	**Top five professions: Australia**
Computing: 18%	Accounting: 32%
Teachers/lecturers: 18%	Computing: 23%
Registered nurses: 17%	Architect/building/surveying professionals: 9%
Architects/engineers/related professionals: 15%	Engineers: 9%
Business/human resources/marketing professionals: 15%	Registered nurses: 5%
Top five trades: New Zealand	**Top five trades: Australia**
Automotive/mechanics: 23%	Cooks/bakers: 30%

Building: 22%	Mechanical & fabrication engineering: 14%
Mechanical & fabrication engineering: 20%	Building (excluding plumbers): 14%
Electrical: 16%	Electrical: 12%
Food: 10%	Hairdressers: 12%

Table 14: New Zealand – Skilled Migration Category principal applicants by major occupation, 2004/05 to 2008/09

	2004/05			2005/06			2006/07			2007/08			2008/09			Grand total
	Visa application location (onshore and offshore programme outcome)															
	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	
Professionals																
Computing professionals	522	182	704	544	307	851	551	216	767	637	176	813	631	229	860	3,995
Teachers/lecturers	638	259	897	570	334	904	497	249	746	482	213	695	491	239	730	3,972
Registered nurses	691	214	905	521	263	784	511	247	758	478	216	694	542	218	760	3,901
Architects, engineers and related professionals	463	236	699	445	302	747	488	209	697	500	185	685	424	153	577	3,405
Business, human resource and marketing professionals (1)	405	123	528	495	169	664	516	88	604	536	80	616	692	139	831	3,243
Health professionals (except nursing) (2)	350	68	418	247	73	320	268	81	349	289	91	380	356	125	481	1,948
Natural and physical science professionals	139	42	181	100	68	168	127	39	166	106	39	145	154	71	225	885
Social and related science professionals	84	21	105	82	40	122	82	21	103	78	36	114	82	60	142	586
Legal professionals	21	5	26	16	15	31	12	7	19	15	5	20	16	3	19	115
Other professionals	63	15	78	62	24	86	50	14	64	52	11	63	64	13	77	368
Total	3,376	1,165	4,541	3,082	1,595	4,677	3,102	1,171	4,273	3,173	1,052	4,225	3,452	1,250	4,702	22,418
Tradespersons & related workers																
Automotive trades/mechanics total	243	105	348	244	115	359	307	84	391	331	71	402	385	39	424	1,924
Building trades total (3)	228	153	381	238	177	415	231	121	352	266	104	370	253	68	321	1,839
Mechanical and fabrication engineering trades total	255	65	320	232	58	290	273	62	335	276	55	331	366	45	411	1,687
Electricial trades total	162	55	217	121	60	181	148	72	220	191	42	233	427	46	473	1,324

	2004/05			2005/06			2006/07			2007/08			2008/09			Grand total
	Visa application location (onshore and offshore programme outcome)															
	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	
Food trades total	32	8	40	40	3	43	55	3	58	154	5	159	487	17	504	804
Other trades total	93	27	120	85	31	116	120	20	140	115	14	129	243	40	283	788
Total	1,013	413	1,426	960	444	1,404	1,134	362	1,496	1,333	291	1,624	2,161	255	2,416	8,366
Managers & administrators																
Total	1,231	408	1,639	1,493	622	2,115	1,625	354	1,979	1,562	314	1,876	1,622	315	1,937	9,546
Other																
Associate professionals total	1,336	279	1,615	1,663	412	2,075	1,792	317	2,109	1,636	215	1,851	1,030	68	1,098	8,748
Advanced/intermediate/elementary clerical, sales & service workers total (4)	327	72	399	701	354	1,055	635	253	888	618	127	745	711	146	857	3,944
Intermediate production & transport workers total	71	18	89	84	26	110	116	18	134	96	5	101	23		23	457
Labourers & related workers total	147	28	175	233	37	270	213	33	246	189	19	208	34	2	36	935
Inadequately described/ not stated total	165	5	170	566	33	599	430	8	438	674	11	685	884	20	904	2,796
Total	2,046	402	2,448	3,247	862	4,109	3,186	629	3,815	3,213	377	3,590	2,682	236	2,918	16,880
Grand total	7,666	2,388	10,054	8,782	3,523	12,305	9,047	2,516	11,563	9,281	2,034	11,315	9,917	2,056	11,973	57,210

Note: Data were aggregated from occupation categories according to codes from the New Zealand Standard Classification of Occupations (NZSCO) and the Australian and New Zealand Standard Classification of Occupations.

(1) This category includes accountants as is consistent with the NZSCO framework.

(2) This category includes medical practitioners and other health professionals including veterinarians, dentists, and pharmacists as is consistent wth the NZSCO framework.

(3) This category includes plumbers as is consistent with the NZSCO framework.

(4) This category includes hairdressers, cooks and chefs as is consistent with the NZSCO framework.

Source countries for skilled migrants to New Zealand

The next important difference to note is the scale of skilled migration from ESB countries to New Zealand in the past 5 years, relative to Australia. As established by the global literature, facility in a host country's language/s represents a critical determinant of employment in knowledge economies. According to recent Canadian research, language ability is 'the particular form of human capital that seems to matter most', while 'the higher … an immigrant's official language capability, the great the employment and earnings opportunities'.[59]

An identical trend prevails in Australia, where successive studies have confirmed the inferior employment outcomes achieved by non–ESB migrants, despite their possession of generally higher qualifications. Such workers secure worse outcomes at every age, with recessions rendering them particularly vulnerable in terms of employment. Migrants with poor English have difficulty converting overseas credentials into appropriate status work, securing work in fields for which they are qualified, and getting adequate earnings.

As early as 1981 it had been demonstrated that poor English language competence 'doubled the probability of [males] being unemployed' in Australia, with unemployment predictors including English language ability, birthplace, period of residence, and the country in which formal qualifications had been gained.[60] By 1989 poor English language ability was considered to represent 'an awesome and devastating barrier' at every stage of the employment life cycle.[61] Increasingly, the argument has been made that migrants cannot take their place in the knowledge economy without spoken and written fluency in the host language/s.[62] Nothing has changed in relation to this in the past 20 years. In 2006 Australia's most detailed skilled migration review in 20 years concluded:

> … in most dimensions of labour market success, the key is to have a level of English language competence that enables the respondents to report that they speak English at least 'very well' … [Those who do not]

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[59] See, for example, D Hiebert (2006) 'Skilled immigration in Canada: Context, patterns and outcomes', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories*. Canberra: Commonwealth of Australia; A Ferrer, D Green, and W Riddell (2004) *The Effect of Literacy on Immigrant Earnings*, Catalogue No 89-552-MIE, No 12. Ottawa: Statistics Canada.

[60] Bureau of Labour Market Research (1986) *Migrants in the Australian Labour Market*, Research Report 10. Canberra: Australian Government Publishing Service, p 86.

[61] Office of Multicultural Affairs (1989) *Towards a National Agenda for a Multicultural Australia: Sharing our future.* Canberra: Australian Government Publishing Service, p 39.

[62] B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia; L Hawthorne (2007) *Language, Employment and Further Study*, commissioned discussion paper for Australian Education International, Department of Education, Science and Training, Commonwealth of Australia; D Cobb-Clark (2000) 'Do selection criteria make a difference? Visa category and the labour force status of immigrants to Australia', *Economic Record* 76(232): 15–31; B Chiswick and P Miller (2006) 'Language skills and immigrant adjustment: The role of immigration policy', in D Cobb-Clark and S Khoo (Eds), *Public Policy and Immigrant Settlement.* Edward Elgar Publishing, pp 121–148.

> were much more likely to be unemployed; about half as likely as those with better English to be employed in a job commensurate with their skills; and about twice as likely to be employed in a relatively low skilled job.[63]

The most recent Australian research demonstrates skilled migrants with a high level of English to be four times more likely to secure employment than those with basic ability.[64] As demonstrated above, however, Australia selects few PAs from the major ESB countries, in a context where the UK, South Africa, and Ireland have constituted just 17 percent of the top 20 source countries in the past 5 years. Australia's major PA source countries are located in Asia (most notably India, China, Malaysia, and Indonesia). Pre-migration English language testing is thus a critical issue.[65] It is worth noting in relation to this that migration from ESB countries has declined to more negligible levels to Canada in the recent period, constituting just 2–4 percent of degree-qualified arrivals in professions such as medicine and engineering by 2001. This trend has coincided with seriously deteriorating employment outcomes for skilled migrants.[66] According to a 2007 Statistics Canada study:

> … by the early 2000s, skilled class entering immigrants [to Canada] were actually more likely to enter low-income and be in chronic low-income than their family class counterparts, and the small advantage that the university educated entering immigrants had over, say, the high school educated in the early 1990s had largely disappeared by 2000, as the number of highly educated rose. What did change was the face of

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[63] B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia, pp 86–87.

[64] S Arkoudis, L Hawthorne, C Baik, G Hawthorne, K O'Loughlin, E, Bexley, and D Leach (2009) *Key Factors Influencing the English Language Proficiency, Workplace Readiness and Employment Outcomes of International Students.* Canberra: Department of Employment, Education and Workplace Relations.

[65] International English Language Testing System (IELTS) scores of band 5 were mandated from 1993 for skilled category PAs - rising to band 6 from September 2007 and band 7 in select public safety and business fields (medicine, allied health, and accounting).

[66] C Beach, A Green, and J Reitz (Eds) (2003) *Canadian Immigration Policy for the 21st Century.* Montreal and Kingston: McGill-Queen's University Press; A Ferrer, D A Green and W C Riddell (2004) *The Effect of Literacy on Immigrant Earnings*, Catalogue No 89-552-MIE, No 12. Ottawa: Statistics Canada; D Hiebert (2006) 'Skilled immigration in Canada: Context, patterns and outcomes', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia; G Picot, H Feng, and S Coulombe (2007) *Chronic Low-Income and Low-Income Dynamics Among Recent Immigrants*, Analytical Studies Research Papers, Catalogue No 11F0019MIE, No 294. Ottawa: Statistics Canada; L Hawthorne (2007) *Labour Market Outcomes for Migrant Professionals: Canada and Australia compared.* Ottawa: Citizenship and Immigration Canada. www.cic.gc.ca/english/resources/research/2006-canada-australia.asp; L Hawthorne (2008) 'The impact of economic selection policy on labour market outcomes for degree-qualified migrants in Canada and Australia.' *IRPP Choices* 14(5): 1–50; T McDonald, E Ruddick, A Sweetman, and C Worswick (Eds) (2010) *Canadian Immigration: Economic evidence for a dynamic policy environment.* Montreal and Kingston: McGill-Queen's University Press; B Chiswick and P Miller (2010) 'An explanation for the lower payoff to schooling for immigrants in the Canadian labour market', in T McDonald, E Ruddick, A Sweetman, and C Worswick (Eds), *Canadian Immigration: Economic evidence for a dynamic policy environment*, chapter 3, Montreal and Kingston: McGill-Queen's University Press.

the chronically poor immigrant; by the late 1990s one-half were in the skilled economic class, and 41% had degrees (up from 13% in the early 1990s).[67]

From 2004/05 to 2008/09, in marked contrast to the trends in Canada and Australia, the major source countries for SMC PAs to New Zealand were:[68]

1 UK (31 percent or 17,569 people)
2 China (18 percent or 10,231)
3 South Africa (10 percent)
4 India (7 percent)
5 Philippines (6 percent)
6 Fiji (4 percent)
7 US (3 percent)
8 Germany (2 percent)
9 Malaysia (2 percent)
10 South Korea (2 percent).

ESB countries constituted an extraordinary 46 percent of the New Zealand SMC total, with Ireland and Canada ranked in the top 20 along with the UK, South Africa, and the US. Five European countries also featured, compared with none in Australia – in rank order being Germany, the Netherlands, France, Romania, and Russia. (See Table 15) Once SMC dependants are factored in, the proportion of skilled migrants selected by New Zealand from ESB countries rose to 53 percent in these years, with the UK and South Africa supplying 35 percent and 13 percent each of the total (the first and second ranked source countries). As demonstrated, this selection strategy has potentially profound implications for employment outcomes in a knowledge economy, an issue compared for Australia and New Zealand in section 2.[69]

As with Australia, migration to New Zealand from individual source countries has fluctuated significantly over time. In 2004/05, for example, the UK constituted 49 percent of all SMC arrivals. This contracted to 22 percent in 2008/09. In the same period arrivals from South Africa grew from 12 percent to 18 percent; from China from 6 percent to 14 percent; and from the Philippines from 2 percent to 11 percent. Minimal growth was evident from India (5 percent compared with 6 percent) – a surprise given the scale of recent Indian flows to Australia.

PAs' place of application varied significantly by source country, as it did in Australia. Two-step migration was the choice for a staggering 98 percent of migrants from China to New Zealand in 2008/09 compared with 99 percent in 2004/05. UK and South African PAs by contrast were likely to apply offshore

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[67] G Picot, H Feng, and S Coulombe (2007) *Chronic Low-Income and Low-Income Dynamics Among Recent Immigrants,* Analytical Studies Research Papers, Catalogue No 11F0019MIE, No 294. Ottawa: Statistics Canada, pp 5–6.

[68] These numbers are derived from New Zealand national operational data.

[69] In many instances skilled migrants are unable to use their educational skills if they lack high-level host country language ability.

(61 percent of the UK total in 2008/09 compared with 49 percent in 2004/05, and 74 percent of the South African total compared with 84 percent).

Table 15: New Zealand – Top 20 source countries for Skilled Migration Category principal applicants, 2004/05 to 2008/09

	Year decided															
	2004/05			2005/06			2006/07			2007/08			2008/09			
	Branch location															
Nationality	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	On-shore	Off-shore	Total	Grand total
Great Britain	2,550	1,930	4,480	1,927	2,414	4,341	1,778	1,785	3,563	1,443	1,339	2,782	1,181	1,222	2,403	17,569
China	979	5	984	2,100	17	2,117	2,092	15	2,107	2,395	14	2,409	2,579	35	2,614	10,231
South Africa	773	132	905	786	302	1,088	842	176	1,018	853	225	1,078	1,169	366	1,535	5,624
India	659	10	669	835	44	879	806	55	861	788	63	851	929	40	969	4,229
Philippines	176	9	185	246	55	301	770	46	816	1,021	50	1,071	980	14	994	3,367
Fiji	236	3	239	289	2	291	448		448	525	1	526	700	1	701	2,205
United States	298	117	415	287	236	523	263	144	407	206	99	305	200	98	298	1,948
Germany	169	28	197	191	75	266	203	54	257	235	39	274	176	46	222	1,216
Malaysia	120	15	135	193	53	246	182	29	211	180	28	208	193	19	212	1,012
South Korea	162	2	164	236	4	240	179	3	182	160	2	162	203	2	205	953
Japan	150	3	153	237	3	240	127	3	130	94	1	95	122	5	127	745
Ireland	123	38	161	131	35	166	102	28	130	81	24	105	70	18	88	650
Netherlands	97	26	123	99	89	188	74	57	131	73	27	100	52	41	93	635
Canada	95	15	110	119	49	168	108	29	137	87	25	112	77	28	105	632
Zimbabwe	191	6	197	93		93	70		70	98		98	157		157	615
Sri Lanka	39	1	40	45	4	49	74	8	82	86	8	94	156	13	169	434
France	54	4	58	57	12	69	74	7	81	61	4	65	44	6	50	323
Singapore	35	6	41	50	38	88	58	7	65	49	16	65	33	8	41	300
Romania	72	1	73	65	7	72	76	1	77	43	4	47	24	2	26	295
Russia	44	4	48	49	7	56	54	3	57	55	4	59	64	11	75	295
Other country	644	33	677	747	77	824	667	66	733	748	61	809	808	81	889	3,932
Grand total	7,666	2,388	10,054	8,782	3,523	12,305	9,047	2,516	11,563	9,281	2,034	11,315	9,917	2,056	11,973	57,210

1.3 Temporary skilled migration to Australia, 2004–2009

Scale of employer-sponsored arrivals compared with New Zealand

Before comparing skilled migrant employment outcomes from 2004/05 to 2008/09, it is important to define the recent scale of temporary labour migration to each country. Between 2003 and 2004 the number of temporary workers resident in OECD nations increased 7 percent (around 1.5 million people).[70] Sponsored labour migration has become highly attractive to governments and employers –delivering strong and immediate employment outcomes. Khoo et al, described this trend:

> It has been suggested that the temporary movement of skilled labour reflects 'the reality of today's global marketplace'.[71] The structure of business, particularly the process of internationalization by large employers, is leading to increasing international mobility among highly skilled employees of these companies to meet client needs, provide input into project teams, and aid in professional development … Developed countries competing to attract skilled migrants have simplified and streamlined visa procedures for their temporary entry. Countries such as Germany, the United Kingdom, and the United States of America now have visa programs specific for the temporary entry of highly skilled labour. The acceleration of regional integration during the 1990s has also had a profound bearing on migration policies. Some regional free trade areas including [the North American Free Trade Agreement] and the [European Union] have removed some of the previous restrictions on the movement of labour. Regional and global trade regimes are likely to become more important vehicles for managing the mobility of skilled migrants.[72]

According to a recent Canadian analysis, the number of temporary foreign workers admitted per year exceeded the number of permanent skilled immigrants selected by 2009 (178,478 including family members, compared with 153,498 in the economic category).[73] While this expansion has occurred with minimal scrutiny, research suggests these temporary labour entrants experience few of the employment barriers characteristic of government-selected economic category immigrants. A likely explanation is that employers 'will only sponsor someone to come to Canada if that person is believed to have the necessary

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[70] OECD (2006) *International Migration Outlook: SOPEMI 2006.* Paris: Organisation for Economic Co-operation and Development.

[71] L Lowell (2001) 'Skilled temporary and permanent immigrants in the United States', *Population Research and Policy Review* 20: 33–58, p 54.

[72] S Khoo, P McDonald, C Voigt-Graf, and G Hugo (2007) 'A global labour market: Factors motivating the sponsorship and temporary migration of skilled workers to Australia', *International Migration Review* 41(2): 480–510, pp 480–481.

[73] Citizenship and Immigration Canada (2010) '2009 compared to 2000 Immigration Statistics.' www.cic.gc.ca/english/resources/statistics/facts2009/temporary/19.asp and www.cic.gc.ca/english/resources/statistics/facts2009/permanent/22.asp (accessed 24 January 2011).

education and work experience to be successful in the job'.[74] New Zealand and Australian experience aligns with this.

While the current study is focused on permanent migration to New Zealand and Australia, the majority of occupations from 2004/05 to 2008/09 were characterised by strong temporary as well as permanent flows, in a context where what might be termed the 'privatisation' of skilled migration has rapidly advanced. In Australia 418,940 arrivals were admitted through the 457 visa long-stay business category in these 5 years, when the economic cycle was strong and the mining boom fuelled demand for immediate labour.[75] Annual numbers surged – from 48,610 people in 2004/05, including dependants, to 110,570 arrivals in 2007/08, moderating to 101,280 in 2008/09 during threatened recession. (See Table 17 for Australia's industry sector breakdown.) By September 2009, according to the Department of Immigration and Citizenship, 70 percent of Australia's labour migrants were employer-sponsored, entering via the temporary as well as permanent skilled migration streams.[76]

In New Zealand, from 2004/05 to 2008/09, 142,356 General/Essential Skills migrants were also approved. (Unlike in Australia, this number did not include dependants, who applied under different categories.[77]) Growth was fairly static across the 5 years, with 26,283 arrivals in 2004/05 compared with 27,433 in 2008/09. By 2006, 83 percent of SMC migrants to New Zealand were recruited onshore, largely through the temporary worker programme.[78] As in Australia, additional temporary labour was also received – most notably through the short-term youth-oriented Working Holidaymakers Scheme (38,946 visas issued by New Zealand in 2008/09 compared with 197,984 by Australia). (Note that anomalies exist with New Zealand General/Essential Skills arrival data, which could not be fully resolved for analysis here.[79])

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[74] As A Sweetman notes, by definition an employer is interested not only in the skills of the worker but also the cost to employ that worker. See T McDonald, E Ruddick, A Sweetman, and C Worswick (2010) 'Introduction to current Canadian issues in the economics of immigration, in T McDonald, E Ruddick, A Sweetman, and C Worswick (Eds), *Canadian Immigration: Economic evidence for a dynamic policy environment*, chapter 1. Montreal and Kingston: McGill-Queen's University Press, p 6.

[75] P McDonald, S Khoo, and G Hugo (2005) *Temporary Skilled Migrants' Employment and Resident Outcomes.* Canberra: Department of Immigration and Citizenship; P Maley (2008) 'Skill migrant visas up by 24 percent', *The Australian*, 23 July, p 5.

[76] M Cully (2009) 'Recent trends in Australia's skilled migration program', invited Department of Immigration and Multicultural Affairs paper, United Kingdom Migration Advisory Committee International Conference, September, London.

[77] The General Skills Category was in existence in 2004/05 to 2008/09 but was then replaced by the Essential Skills Category. For ease of reference these two categories are referred to as the General/Essential Skills Category.'

[78] R Bedford (2006) 'Skilled migration policy in Australia and New Zealand: Similarities and differences', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories*. Canberra: Commonwealth of Australia.

[79] In line with advice from the Department of Labour, occupational data have been provided based on the General Skills Category (2004/05 to 2008/09) and the Essential Skills Category from its time of introduction (2008/09). Major efforts were made to reconcile the figures in the various tables provided. However, inconsistencies remained, particularly in relation to occupational categories as defined in context in Appendix A.

Debate exists concerning the merits of employer versus 'independent' government selection of skilled migrants, given the growing scale of flows. In the US, for instance, the primary economic pathway is the temporary H-1B visa scheme, which prioritises the selection of degree-qualified sponsored workers. According to Borjas, policymakers should be aware of serious downsides in delegating visa allocation to employers. In his view, 'They will act in self-interest – not in the national interest. They will be minimally concerned with the family or social fabric of migration'.[80]

In selecting temporary workers, however, employers signal to government the migrants they deem most immediately job-ready. It is thus essential to compare the characteristics of Long-Stay 457 and General/Essential Skills visa holders here, including any differences between Australia and New Zealand, given the primacy of New Zealand's work to residence pathway.

Australia's employer-sponsored 457 visa category – qualification level, occupation, age, and gender

In line with permanent skilled migration flows, 58 percent of Australia's 457 visa category were working in a professional occupation from 2004/05 to 2008/09 (128,520 arrivals) compared with 66 percent of permanent GSM arrivals. Seventeen percent were employed in trades, 13 percent were associate professionals, and 10 percent were managers/administrators. Just 2 percent were working in lower skilled fields, despite the pressures of the mining boom and the existence of select low-skilled schemes (such as the recruitment of abattoir workers). (See Table 16.)

Interestingly, Australian employers' preferred occupations varied significantly from those in the GSM programme from 2004/05 to 2008/09. Registered nurses were the primary group imported (25 percent or 7,580 people), followed by computing professionals (13 percent), business professionals (10 percent), engineers (10 percent), and sales and marketing professionals (8 percent). Few accountants were sought, at a time when the Australian market was seriously over-supplied with accountants through permanent skilled migration. Mechanical/fabrication engineering trades ranked sixth overall (constituting 34 percent of all trade arrivals), followed by doctors, science professionals, teachers and lecturers, and human resource professionals.

Growth by occupational sector was also dynamic from 2006/07 to 2007/08, at the height of Australia's mining boom, with health and community services predominating (a 21 percent rise within a year) followed by property and construction (33 percent). (See Table 17). The age range of 457 visa arrivals in Australia was more diverse than those under the GSM programme given larger family units. In 2008/09, 23 percent of sponsored arrivals were aged 0–14 years, 9 percent 15–24 years, 38 percent 25–34 years, 21 percent 35–44 years, and 9 percent 45 years or over. A slightly larger proportion overall was male than female.

[80] G Borjas (2010) 'Keynote address: Canada's immigration policy – Reconciling labour market needs and longer-term goals', Institute for Research on Public Policy, Ottawa, 25–26 May.

Table 16: Occupational categories of employer-sponsored 457 temporary migrants to Australia, 2004/05 to 2008/09

Nominated occupation (ASCO major group)	Financial year of visa grant					Total
	2004/05	2005/06	2006/07	2007/08	2008/09	
Professionals	16,080	21,510	27,210	33,890	29,830	128,520
Tradespersons and related workers	3,370	8,430	8,640	10,060	7,610	38,110
Associate professionals	3,430	4,480	5,580	7,590	6,850	27,930
Managers and administrators	3,860	4,100	4,230	5,520	4,770	22,480
Intermediate production and transport workers	220	480	540	390	540	2,170
Intermediate clerical, sales and service workers	300	360	330	320	290	1,600
Elementary clerical, sales and service workers	60	70	30	0	0	160
Advanced clerical and service workers	10	10	10	10	20	60
Labourers and related workers	10	20	*	0	10	40
Not specified	30	100	120	260	740	1,250
Total	27,370	39,560	46,690	58,040	50,660	222,320

Notes: ASCO = Australian Standard Classification of Occupations. Figures are rounded to the nearest 10.

(1) Excludes independent executives.

* Denotes cases where fewer than five applications were granted. These have been excluded from the total.

Table 17: Growth by industry sector of employer-sponsored temporary workers (457 visa), 2006/07 to 2007/08

Top 10 industry sectors	Employer-sponsored arrivals June 2007-June 2008	Growth trend compared to arrivals 2006-07 %
Health/community services	9,090	21
Property/business services	6,020	33
Construction	5,690	36
Manufacturing	5,480	26
Communication services	5,200	10
Mining	4,890	36
Accommodation/hospitality	3,210	22
Finance/insurance	3,150	48
Education	2,540	27
Retail trade	1,940	58
Total (all sectors)	110,570	

Source: Adapted from P Maley (2008) 'Skill migrant visas up by 24 percent', *The Australian*, 23 July, p 5.

Source countries for temporary skilled migrants to Australia

The most critical point to note in terms of Australian temporary labour flows is the preferred source countries for sponsored workers. These contrast markedly with the top 10 source countries selected through the government-driven GSM programme. As demonstrated in Table 18, five of the major ESB countries ranked in the top 10 order of temporary worker selection, in addition to two West European countries (Germany and France) and one Commonwealth Asian country (India, by definition characterised by a British-based education system and significant fluency in English). Put simply, though governments frame economic migration policy, employers retain the power to offer or withhold work. Rightly or wrongly, temporary worker selection demonstrates the strength of Australian employer preference for high-level English language ability (including native speakers), comparable education systems, and perceived capacity to integrate at speed.

Like many international students, substantial numbers of 457 visa temporary workers have chosen to remain in Australia in the past 5 years. In 2004/05 a total of 15,590 sponsored arrivals converted to permanent resident status (54 percent of these male). Four years later this figure had risen to 39,170 (52 percent male), reflecting the escalating scale of sponsored flows (for example, in medicine, as discussed in section 3). From 2004/05 to 2008/09 the primary source countries for 457 visa holders converting to stay in Australia were the UK (30 percent), South Africa (12 percent), India (9 percent), China (6 percent), and the Philippines (5 percent). This contrasted with the top five source countries for students converting to be permanent residents at this time: China (28 percent), India (17 percent), South Korea (6 percent), Malaysia (5 percent), and Indonesia (5 percent).

Table 18: Top 10 permanent (government-selected) and temporary (employer-selected) sources for skilled migration to Australia and New Zealand, 2004/05 to 2008/09

Australia top 10 General Skilled Migration sources (permanent)	Australia top 10 visa 457 sources (temporary)	New Zealand top 10 Skilled Migrant Category sources (permanent)	New Zealand top 10 General/ Essential Skills Category sources (temporary)
1. India (21%)	1. United Kingdom (22%)	1. United Kingdom (31%)	1. United Kingdom (17%)
2. China (18%)	2. India (13%)	2. China (18%)	2. China (10%)
3. United Kingdom (14%)	3. South Africa (8%)	3. South Africa (10%)	3. South Africa (7%)
4. Malaysia (6%)	4. Philippines (7%)	4. India (7%)	4. Fiji (7%)
5. Indonesia (4%)	5. China (6%)	5. Philippines (6%)	5. India (6%)
6. Sri Lanka (3%)	6. United States (6%)	6. Fiji (4%)	6. Philippines (6%)
7. South Korea (3%)	7. Ireland (3%)	7. United States (3%)	7. United States (5%)
8. South Africa 93%)	8. Canada (3%)	8. Germany (2%)	8. South Korea (4%)
9. Hong Kong Special Administrative Region (3%)	9. Germany (3%)	9. Malaysia (2%)	9. Brazil (4%)
10. Singapore (3%)	10. France (2%)	10. South Korea (2%)	10. Japan (4%)

1.4 Temporary skilled migration to New Zealand, 2004–2009

Employer-sponsored Essential Skills Category – age, gender and occupation

We now turn to recent New Zealand temporary worker trends, focused here on the General/Essential Skills Category (titled 'Essential Skills' throughout this section for ease of reference). The analysis that follows is highly relevant to this study's theme, in a context where New Zealand's primary pathway to skilled migration is via temporary labour entry. As established by the Department of Labour's 2004/05 migration trends report,[81] an extraordinary 88 percent of PAs in 2004/05 had previously held a New Zealand work, study, or visitor permit, particularly those arriving as skilled or business migrants. By 2005, according to Bedford, 90 percent or more of skilled migrants from South Africa, the UK, the US, South Korea, Japan, and Germany had made visits pre-migration. The scale of temporary flows to New Zealand that year was double that of permanent intakes (around 855,000 compared with 471,800 from 1997 to 2005). In Bedford's view this represented an historic paradigm shift:

[81] Department of Labour (2005) *Migration Trends 2004/2005*. Wellington: Immigration Research Programme, Department of Labour.

> Temporary visas/permits cannot be separated from the residence approval process; they are now an integral part of the transition to residence. An holistic approach, that incorporates the flows for residence, temporary work and study, must be adopted in New Zealand …, if one wishes to capture both the policies regarding skilled migration, as well as the types of visas and permits for people with skills that are having an impact on the economy, society, demography and environments … Good employment and settlement outcomes for both the migrants and the host society are critical determinants of the success of contemporary immigration policy, and the work to residence transition provides one very effective route to building the experience and capability to achieve these outcomes.[82]

From 2004/05 to 2008/09, 142,357 Essential Skills work permits or visa approvals were allocated by New Zealand (noting the data anomalies defined). In line with the SMC, males predominated (66 percent of those selected, compared with 65 percent of SMC PAs, and 52 percent of the total SMC). New Zealand Essential Skills workers were relatively young, as was the case in Australia, despite the inclusion of dependants in the figures. Fewer than 1 percent were aged 0–19 years across this period, 41 percent were aged 20–29, 35 percent were aged 30–39, 10 percent were aged 40–44, and just 13 percent were aged 45 or over (the reported age intervals differing somewhat for New Zealand and Australia).

It is interesting to note that Essential Skills flows to New Zealand were in fact more diverse than those selected as permanent SMC migrants – reversing the employer preference just defined for Australia. (See Table 18.) Twenty-nine percent of the top 10 sources were the major ESB countries (compared with 46 percent of the SMC sources), with Ireland and Zimbabwe contributing 2 percent and 1.5 percent, along with Indian workers (6 percent) who would have been largely English speaking. The Essential Skills Category also featured five Asian source countries in the top 10 (China, India, the Philippines, South Korea, and Japan). Regional influences were strong, with Fiji contributing 7 percent of flows (9,422 people) and significant Samoan intakes (2,276). Surprisingly, there were also substantial numbers of Brazilian arrivals (4 percent of the total category, or 5,298 people) – probably a result of their participation in New Zealand's thriving Working Holidaymakers Scheme.

Regrettably it was not possible to fully compare employer-sponsored occupational data for New Zealand and Australia, due to New Zealand coding limitations.[83] However, fascinating differences emerged in relation to level of

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[82] R Bedford (2006) 'Skilled migration policy in Australia and New Zealand: Similarities and differences', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories*. Canberra: Commonwealth of Australia, pp 136, 221, 232.

[83] Attempts were made over successive months with the assistance of the New Zealand Department of Labour to secure consistent and annually comparable occupational data from the available pivot tables for the full 5 years. This could not be achieved. Some occupations (for example, computing professionals, allied health professionals) included very substantial numbers for all 5 years under the General Skills/Essential Skills Category. Others (for example, medical doctors and engineers) listed

prior employment (which was provided). These data replicated a key finding in relation to the permanent skilled migration programme, where 66 percent of PAs to Australia were found to have worked in professional occupations between 2004/05 and 2008/09 compared with just 39 percent to New Zealand.

As demonstrated in Table 19, the primary Essentials Skills groups entering New Zealand from 2004/05 to 2008/09 were clerical, sales, and service workers (21 percent), along with 19 percent who had worked in the professions (24,715 out of the 129,999 total), 15 percent tradespersons, 11 percent managers and administrators, 11 percent associate professionals, and 8 percent labourers. This compared with 58 percent of employer-sponsored 457 visas in Australia for migrants working as professionals, 17 percent for those in trades, 13 percent for associate professionals, 10 percent for administrators and managers, and 1 percent or fewer qualified at each of the lower skill levels. (Note that data anomalies in the occupational coding reduced the previously reported category total from 142,356 to 129,999.[84])

In terms of professional occupations, 24,715 temporary workers were sponsored to New Zealand from 2004/05 to 2008/09 – the major fields being health and life sciences (including nursing) (8,999), and teachers/lecturers (4,163). Two groups dominated the 19,791 trades total: mechanic and fabrication engineering (6,299), and automotive, mechanic and building trades (5,470).

As established, these temporary labour migrants have been the primary source of 'two-step migrants' for New Zealand in the past 5 years, constituting some 76 percent of SMC PAs in 2004/05 rising to 83 percent in 2008/09. Modest numbers of former students migrated immediately at this time, though an estimated third do so over a 10-year timeframe. (See section 3.) By contrast offshore selection was the norm for Australia – the source of 57 percent of GSM migrants in 2004/05, rising to 65 percent in 2008/09.

Having established the characteristics of recent permanent and temporary economic migration flows, section 2 defines the SMC and GSM skilled migration selection systems prevailing in 2004/05 (the period in which the New Zealand and Australian longitudinal survey samples were selected). Within this context, employment outcomes for each country at around 6 and 18 months are then defined.

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nil for 2004/05 to 2006/07, followed by large intakes for 2007/08 and 2008/09. Still others listed no arrivals at all for any of the 5 years (for example, hairdressers).

[84] Note that different totals were provided to the author for temporary labour migrants entering New Zealand under the General/Essential Skills Category. One set of tables gave a 142,356 category total for 2004/05 to 2008/09 arrivals. Another set of tables provided for occupational data yielded a significantly smaller total (129,999, as reported in Table 19). I have used the 142,356 category total except in relation to the occupational table, noting this discrepancy in relation to this is likely to reflect the occupational coding challenges separately noted.

Table 19: Occupation level of Essential Skills temporary migrants to New Zealand, by rank order, 2004/05 to 2008/09

Sub-major occupation – Essential Skills group (by rank order)	2004/05	2005/06	2006/07	2007/08	2008/09	Total
Advanced/intermediate/elementary clerical, sales & service workers	5,293	5,589	5,403	6,135	4,761	27,181
Professionals	5,227	4,699	4,443	5,189	5,157	24,715
Tradespersons & related workers	2,405	2,539	2,927	5,055	6,865	19,791
Managers & administrators	3,012	3,121	2,337	2,705	2,885	14,060
Associate professionals	3,408	3,650	3,609	2,593	1,162	14,422
Labourers & related workers	1,472	2,022	3,634	2,766	1,123	11,017
Intermediate production & transport workers	1,024	1,839	2,172	2,442	1,968	9,445
Inadequately described/not stated	764	1,374	1,756	3,803	1,671	9,368
Other	1,1961	14,474	1,6574	17,739	10,685	71,433
Total	22,605	24,833	26,281	30,688	25,592	129,999

2 COMPARATIVE OUTCOMES FROM NEW ZEALAND'S AND AUSTRALIA'S SKILLED MIGRATION PROGRAMMES IN 2006 AND 2007

2.1 Skilled migration policy in Australia at the time of data collection

As demonstrated in section 1 of this report, Australia and New Zealand have shared important similarities in terms of skilled migration flows in the past 5 years.

- *Category:* General Skilled Migration migrants constituted 59 percent of Australia's total immigrant intake from 2004/05 to 2008/09, while the Skilled Migrant Category (SMC) contributed 60 percent of permanent migrants to New Zealand.[85]
- *Gender:* Primary/principal applicants (PAs) to both countries were predominantly male – 63 percent for Australia compared with 65 percent for New Zealand.

Despite these similarities, significant skilled migration differences were identified, of potential relevance to PAs' early employment outcomes.

- *Place of selection:* The great majority of New Zealand PAs were selected onshore (76 percent in 2004/05 rising to 83 percent in 2008/09) compared with just 43 percent and 35 percent respectively in these years for Australia.
- *Two-step migration:* In New Zealand 'work to residence' represented the primary onshore pathway at this time, while Australia prioritised the study to migration pathway.
- *Age:* In line with this, skilled migrants to Australia were relatively young and inexperienced – 98 percent of PAs were aged under 45 years, with far fewer partnered than was the case for New Zealand.
- *Birthplace of permanent flows:* Profound differences existed in terms of PAs' source countries – just two English-speaking background (ESB) countries ranked in Australia's top 10 from 2004/05 to 2008/09 (constituting 17 percent of the total) compared with three for New Zealand (comprising 44 percent) plus Germany. Eight of Australia's top 10 source countries were in Asia at this time (58 percent of the total) compared with five for New Zealand (35 percent).
- *English language ability:* Reflecting skilled migrants' source countries, New Zealand attracted a far higher proportion of SMC migrants reporting English to be their only or best language than Australia did – a potentially significant employment variable.
- *Birthplace of temporary flows:* Temporary labour flows, however, were very different to flows of permanent migrants. Australian employers selected a far greater proportion of ESB migrants through the 457 temporary visa

[85] As established in section 1, two-way flows between New Zealand and Australia were in addition to these arrivals.

programme than was the case for the GSM, with five of the major ESB countries featured in the top 10 (42 percent of the total), along with two major European Union nations (Germany and France). For New Zealand, by contrast, employer-nominated temporary intakes were more diverse than SMC intakes, with just three ESB countries in the top 10 (29 percent) and five in Asia.

- *Qualification level:* Overall, skilled migrants were far more likely to be tertiary qualified in Australia than in New Zealand – a phenomenon characteristic of every migration level, with:
  - 66 percent of 2004/05 to 2008/09 PAs to Australia being degree-qualified (compared with 39 percent to New Zealand)
  - 58 percent of 457 visa temporary workers degree-qualified (compared with 19 percent of General/Essential Skills workers to New Zealand)
  - 42 percent of international students enrolled in degree courses in Australia in 2008 (compared with 16 percent in New Zealand 2008/09), in a context where many such students would transition to skilled migration.
- *Occupations:* Reflecting qualification levels, occupations varied markedly between the two countries for both temporary and permanent skilled flows. New Zealand attracted a far greater proportion of tradespeople, administrators/managers, associate professionals and clerical workers than Australia, while Australia attracted a far higher proportion of professionals.

In the context of such differences, how did recent skilled migrants to New Zealand and Australia compare in terms of employment outcomes at 6 and 18 months? To frame this analysis, the next section firstly defines skilled migration policy evolution for each country in the decade to 2004/05, the year in which the majority of migrants participating in the Australian and New Zealand longitudinal surveys were selected.

Australia's skilled migration policy evolution 1999–2006

The decade to 2006 coincided with substantial policy innovation in Australia, commencing with the election of a Liberal–National government in 1996 after 13 years of Labor rule. While family and humanitarian migration intakes were endorsed by the conservative government as serving broad social purposes, high and persistent unemployment among recently arrived skilled migrants was perceived to have undermined the effectiveness of the economic programme – one explicitly devised in 1988 to support national economic development. From 1996 to 1999, the Department of Immigration and Multicultural Affairs systematically reviewed and transformed skilled migration selection criteria – the abolition of welfare benefits[86] for migrants in the first 2 years post-arrival was matched by a determination to 'select for success' among primary applicants.[87]

[86] Humanitarian migrants, by contrast, immediately secured welfare, including unemployment and family benefits.

[87] L Hawthorne (2005) 'Picking winners: The recent transformation of Australia's skill migration policy', *International Migration Review* 39(2): 663–696.

Australia's aim at this time was clear: 'to select young, highly skilled migrants who will quickly make a positive contribution to the Australian economy [and] … are able to support themselves on arrival'.[88] Following a preliminary audit in 1997–98, the conservative government undertook a major review to evaluate the effectiveness of the Independent Category points test. In the decade to follow, Australia would seek early and positive employment results from the GSM programme, given results 6 months post-arrival were predictive of longer-term labour market outcomes. To refine the points-based selection strategy, the review drew on two definitive databases: the Longitudinal Survey of Immigrants to Australia (LSIA), based on a representative sample of 5 percent of migrants/refugees from successive migration cohorts since 1995/96 (following piloting in 1993–94);[89] and a comparative analysis of employment outcomes for migrant professionals admitted across all immigration categories, derived from a variety of countries/regions of origin (based on 1996 census data).

In line with these research findings, from 1999 primary skilled applicants at risk of delayed or de-skilled employment in Australia were largely excluded at point of entry through rigorous expansion of pre-migration English language testing, mandatory credential assessment, and a range of additional modifications to points-based selection. Key policy initiatives from 1999 to 2006 included the following.[90]

Points weighting

The greatest points weighting was allocated to 'the core employability factors of skill, age and English language ability', based on the establishment of 'minimum threshold standards' for each of these aspects.

Qualification level

In the first 5 years following the policy change, the majority of points (60) were awarded to degree-level qualifications correlated to specific (rather than generic) professional fields. By 2005 an increasing number of trade qualifications would also receive 60 points, given the rapid expansion of Australia's Skilled Occupations List in the context of the minerals boom. (See Table 44 in section 3.)

Credential recognition

Primary applicants qualified in regulated fields were required to apply for pre-migration screening by the relevant Australian national or state/territory licensing bodies (a 3-month postal process). This strategy was designed to avoid years of labour market displacement due to non-recognition of skills. Before this

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[88] DIMA (1999) *Review of the Independent and Skilled-Australian Linked Categories*, cover letter. Canberra: Department of Immigration and Multicultural Affairs, p 2.

[89] Note that it is important to bear in mind that there is a limit to how definitive a single cross-section can be given the identification issues involved, that is, year/s since migration versus cohort effects and the non-random return and onward migration that occurs (A Sweetman, 2010, review comment to L Hawthorne, McMaster University, Hamilton, Canada).

[90] For detail on all policy measures, see DIMA (1999) *Review of the Independent and Skilled-Australian Linked Categories.* Canberra: Department of Immigration and Multicultural Affairs.

reform, as much as A$250 million per year had been allocated to provide English language and labour market training interventions.

Employment demand

Up to 20 bonus points and priority processing were awarded to applicants qualified in high-demand fields (assessed through Australia's Migration Occupations in Demand List) – a measure designed to maximise skilled migrants' employment and salary outcomes.

Location of qualification

As established in section 1, former international students became immediately eligible to migrate to Australia and were allocated bonus points for their possession of local credentials (by 2006 requiring a minimum of 2 years' study onshore).

Age

Age-related points were abolished for primary applicants aged 45 years or over, who became ineligible to apply for skilled migration.

English ability

Given the significance of host country language ability to employment outcomes, PAs were required to achieve 'vocational' or higher level scores on the externally validated International English Language Testing System (IELTS) or approved equivalent, administered globally and monthly by the British Council for a modest fee. The minimum standard for skilled PAs was at first band 5 – defined as 'Has partial command of the language, coping with overall meaning in most situations, though is likely to make many mistakes. Should be able to handle basic communication in own field'. This level was raised to band 6 from September 2007.[91] No English language points were awarded to applicants possessing less than 'vocational' levels of English.

Work experience and/or capital

Additional bonus points were allocated for recent continuous Australian or international experience in a professional field, for a 'genuine job offer' in an occupation in demand, for applicants with a spouse satisfying economic application criteria, for people bringing 'a high level of capital with them to Australia' (A$100,000 or more), and for people sponsored by close Australia-based relatives.[92]

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[91] DIAC (Department of Immigration and Citizenship) (2007) *Annual Report 2006–07.* Canberra: Australian Government; L Hawthorne (2007) *Language, Employment and Further Study*, commissioned discussion paper for Australian Education International, Department of Education, Science and Training, Commonwealth of Australia.

[92] DIMA (1999) *Review of the Independent and Skilled-Australian Linked Categories.* Canberra: Department of Immigration and Multicultural Affairs, p 12.

Outcomes of Australia's General Skilled Migration policy changes by 2006 (6 months post-arrival)

In 2005/06 Australia's Federal Cabinet commissioned an expert panel of three to conduct the most extensive review of the skilled migration programme since 1988. The resulting report strongly affirmed the effectiveness of these policy changes since 1999 in delivering superior labour market outcomes,[93] despite growing concern at select perverse study–migration incentives. Within 6 months of arrival, the panel found, 83 percent of points-tested Independent primary applicants had secured work in Australia compared with 72 percent of skilled family migrants – far exceeding the 57 percent employment norm of a decade earlier in a period of recession.[94] Sixty-three percent of Independent PAs were immediately using their qualifications in work. Salary rates had grown strongly since 1999/2000, with average weekly wages rising to A$1,015.

Importantly, major gains had been achieved by traditionally disadvantaged groups. Employment rates within 6 months of arrival for PAs from Eastern Europe had risen from 31 percent to 79 percent between 1993–95 and 1999–2000, and from 57 percent to 76 percent for migrants from the Philippines, 56 percent to 73 percent for those from India, and 45 percent to 61 percent for those from China. The negative impacts of older age and female gender for skilled PAs had been greatly reduced. By 18 months post-arrival, skilled migrants' unemployment rates had dropped to just 4 percent (below the Australian national average at this time of 4.7 percent). In general, the programme was found to be selecting PAs able to use their qualifications in work, with skills wastage appearing minimal – a dramatic improvement since the mid 1990s.

Despite these positive trends a range of concerns were identified by the skilled migration review panel, related to onshore compared with offshore GSM outcomes. In particular, former international students were found to be characterised by:[95]

- annual salaries of around A$33,000 (compared with A$52,500 for offshore arrivals)
- average weekly earnings of A$641 (compared with A$1,015)
- lower job satisfaction (with 44 percent liking their work compared with 57 percent of offshore migrants)
- far less frequent use of formal qualifications in current work (46 percent compared with 63 percent).

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[93] B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia.

[94] Note that there is evidence some migrants are more sensitive to the business cycle than the domestic-born, in part because of the avenues of job search open to each. Possibly migrants also have lower seniority conditional on age than comparator domestic workers (A Sweetman, 2010, review comment to L Hawthorne, McMaster University, Hamilton, Canada).

[95] B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia, p 97.

It is unclear how these differences should be interpreted given the substantial age and work experience gap between offshore migrants and international students. Results for former students were significantly worse, however, than those secured by recently qualified Australia-born graduates (established by analysis of Australia's annual Graduate Destination Survey).[96] Age and lack of experience were thus not the key issues. A number of factors were identified by the review as contributing to this phenomenon, in particular:

- unrealistic government assumptions concerning the speed and certainty of students' post-arrival English development, in a context where short English courses could deliver guaranteed access to degree and diploma courses via packaged visas
- potentially compromised academic entry and progression standards (in select institutions)
- inadequate surveillance and quality control of the rapidly emerging private registered training organisations, providing courses for students in the burgeoning vocational education sector
- the high level of cultural and linguistic enclosure experienced by many international students – particularly those located in the Sydney or Melbourne 'campuses' of select regional universities and private colleges, where students could experience near total academic segregation.

2.2 Skilled migration policy in New Zealand at the time of data collection

New Zealand's skilled migration policy also evolved markedly in the decade to 2005. In 1986 the government had undertaken a substantial migration policy review, the catalyst for selecting migrants from a wide array of source countries based on human capital requirements. A points system was introduced from this time, focused on qualification level but permitting low English language levels. The result was a substantial surge of migration from North East Asia followed by the raising of English language requirements. In 1997 New Zealand's conservative government sponsored a national population conference to define the employment barriers for points-tested migrants, including the case for introducing settlement services.[97]

The 1999 election of the Clark Labour government coincided with significant policy revision, with a far stronger focus placed on economic category migration (soon raised to 60 percent of permanent intakes). In 2003 New Zealand's Skilled Migrant Category was introduced, addressing priority needs based on a revised

[96] Australia's Graduate Destination Survey annually assesses the employment outcomes of new domestic and international graduates by field, with data typically secured in the first 6 months following qualification. This allows a comparison of employment rates and average salaries with those achieved by recently arrived migrants (also by definition new labour market entrants).

[97] Bedford's detailed analysis of New Zealand's skilled migration evolution in the decade to 2006 represents an important source for this section. See R Bedford (2006) 'Skilled migration policy in Australia and New Zealand: Similarities and differences', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia, pp 219–246, for all such references. Additional sources are detailed in separate footnotes.

points system in a move heralded by the Minister of Immigration (Lianne Dalziel) as 'the most significant changes in immigration policy for more than a decade'. According to the Department of Labour, the government's aim from this time was to 'shift immigration policy from the passive acceptance of residence applications to the active selection of skilled migrants'.[98]

Refined in December 2004 to enhance 'employability and capacity building factors', New Zealand's SMC was based on a broader than previous definition of skills, embracing the trades (which could secure almost as many points as postgraduate qualifications). Selection criteria were comparable to Australia's, with international students awarded bonus points and eligible to migrate on course completion. Selection criteria offered substantial points for:

- current skilled employment in New Zealand or an offered skilled job
- qualifications
- work experience
- age.

Bonus points were offered for attributes such as:

- employment, work, and/or qualifications in an area of absolute skills shortage
- employment, work, and/or qualifications in an identified future growth area
- work in a region outside of Auckland
- a partner employed or offered a New Zealand position.[99]

From 2003 prospective skilled migrants entered the SMC pool with scores of 100 points. In December 2005 guaranteed selection from the pool was introduced for migrants with 140 points or more, who were invited to apply for residence following initial assessment by the Department of Labour. Applicants securing 100–139 points were selected in sufficient numbers to meet the requirements of the New Zealand Residence Programme in the following order:

- applicants with an offer of skilled employment or current skilled employment in New Zealand
- applicants with work experience in an area of absolute skills shortage
- applicants with qualifications in an area of absolute skills shortage
- all other applicants in descending order of points.

All migrants who have applied for residence under the SMC are assessed for their ability to settle and contribute to New Zealand. Those applicants with skilled employment or a 2-year New Zealand qualification at masters level (or higher) or with skills on the Long-Term Skill Shortage List are automatically deemed to

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[98] P Merwood (2008) *Migration Trends 2006/07.* Wellington: Department of Labour, p 9.

[99] See discussion in R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, pp 6–7.

be able to settle and contribute, and are granted residence. All others are interviewed as part of the assessment.

As a result of the interview and assessment process, applicants may be:

- granted residence, if they are assessed as highly likely to find a skilled job
- declined, if they have not demonstrated an ability to settle and contribute
- offered a 'work to residence' temporary visa (job search) to enable them to search for skilled employment and thereby obtain residence if they demonstrate a capacity to settle well.

Work experience matters greatly – the potential source of up to 30 additional points (for 10 years or more), with further points awarded to PAs with work experience in New Zealand.[100] Bonus points were also provided for capacity to settle – for example, resulting from the presence of close family members in New Zealand.

In 2001, temporary labour migration to New Zealand had also been reviewed, resulting in substantial liberalisation (as in Australia) of this type of entry. In the years to follow, temporary work permits would surge to triple the number issued in 1997/98, markedly favouring United Kingdom applicants. As noted, these temporary permits represented a direct migration pathway for applicants lacking an immediate job offer and who might otherwise have difficulty securing sufficient migration points. The SMC 'work to residence' visa duration was subsequently cut from 24 to 6 months, and then increased to 9 months.[101] Students holding graduate qualifications were also encouraged to work while engaged in 'long-term study'. Within this decade two-step migration would become the norm for New Zealand, as described in section 1. Three 'work to residence' initiatives were introduced, facilitating multiple entry with the potential for permanent resident status to be awarded by the end of 2 years (the timespan within which most skilled migrants decided their intentions).[102]

While the scale of permanent arrivals remained small compared with in Australia, New Zealand's skilled quota of 27,000–30,000 arrivals (including business entrants) was significant in national terms. The government's aim was higher economic growth combined with a capacity to 'offset net emigration to Australia', in a context where the 1980s had seen a net permanent and long-term exodus from New Zealand of 145,285 people.[103] According to one analyst, the popular press spurred the focus on skills from this time. Emigration was viewed as a permanent loss to the economy, with New Zealand's viability seen as threatened by its 'larger, more prosperous neighbour' contributing to 'relative economic

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[100] Department of Labour (2005) *Migration Trends 2004/2005.* Wellington: Department of Labour, p 38.

[101] Immigration New Zealand (2005) 'Amendments to the Immigration New Zealand Operational Manual', Amendment Circular 2005/12, 20 December.

[102] P Merwood (2006) *Migration Trends 2005/06.* Wellington: Department of Labour, pp 3–4, 9.

[103] J Poot (2009) *Trans-Tasman Migration, Transnationalism and Economic Development in Australasia*, Working Paper 09-05. Wellington: Motu Economic and Public Policy Research, p 5.

malaise'.[104] (As noted in section 1, in the decade from 1998/99, Australia had received 221,643 New Zealand residents compared with just 69,884 departures.)

In the first year of the SMC's operation, onshore applicants typically achieved 150 points compared with offshore applicants' 120 points. Thirty-one percent of those selected were aged 20–29 years. Close to half of the 2004/05 skilled migrants had occupations on New Zealand's Long-Term Skill Shortage List (directly comparable to Australia's Migration Occupations in Demand List). At the time the longitudinal survey sample was selected, this list spanned 60 fields – 24 in health, 15 in information technology (IT), 10 in trades, and 7 in other professions – alongside the Immediate Skills Shortage List of 108 occupations.

Perhaps the most important trend to note was that the introduction of the SMC coincided with a major reversion in terms of migrant birthplace. As demonstrated in section 1, the UK, South Africa, and the United States dominated the top five source countries by 2004/05, reflecting proactive New Zealand global marketing. The proportion of UK SMC migrants had recently surged from 15 percent of the total in 2000–03 to 49 percent in 2004/05, while India dropped from 22 percent to 5 percent, China from 11 percent to 6 percent, and 'other countries' from 39 percent to 25 percent. 'In summary', Bedford notes, 'the nature and composition of the skilled migrants approved for residence in New Zealand [was] transformed by changes to the points selection system announced in July 2003 and implemented from the beginning of 2004', resulting in a reversion to 'predominantly "white" migrants'.[105]

The Department of Labour's *Migration Trends 2004/05* confirms the power of pre-existing links to SMC migration by the time of the administration of the Longitudinal Immigration Survey: New Zealand (LisNZ). An extraordinary 88 percent of PAs selected in 2004/05 'had previously had a [New Zealand] work, study or visitor permit at some stage since July 1997', particularly those arriving as skilled or business migrants. Regional flows were important. In particular, the link to employment was strongly established:

> Eighty-seven percent of principal applicants had a job or offer of skilled employment in New Zealand [while] two-thirds of these applicants (61 percent) had a main occupation in an area of immediate or long term skill shortage.
>
> The SMC recognises the value of immigration to all regions of New Zealand and awards bonus points for a job or offer outside the Auckland region. Of the principal applicants who recorded their region of employment, 62 percent had a job offer outside the Auckland region … and there [was] a growing spread into regions outside the main centres.

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[104] L Sanderson (2009) 'International mobility of new migrants to Australia', *International Migration Review* 43(2): 292–331, p 293.

[105] R Bedford (2006) 'Skilled migration policy in Australia and New Zealand: Similarities and differences', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia, pp 219–246.

> Sixty-eight percent of SMC principal applicants were awarded points for current skilled employment in New Zealand, and a further 19 percent had an offer of skilled employment. Thirteen percent of SMC principal applicants were approved without a job or offer, but met the SMC points criteria on the basis of their qualifications, work experience, and other factors.[106]

By 2005/06 the scale of UK intakes was historically high (41 percent of all SMC approvals), followed by South African intakes (at 12 percent).[107] An estimated 30 percent of work permit holders and 20 percent of international students were transiting to permanent resident status within 5 years. The two-step pathway pathway in New Zealand could be complex, however. According to *Migration Trends 2005/06*, 'many migrants were granted more than one permit in the years prior to residence'. From 1997/98 to 2005/06, those sponsored through the Family Stream proved most likely to convert (67 percent), followed by those accepted under the Partnership Policy (60 percent). By contrast just 37 percent of the labour market tested group remained, typically defined as people qualified in fields for which national shortages demonstrably existed.[108]

As described in a forthcoming study, policy revision in New Zealand has been the norm in the recent decade (examined further in section 3):

> … A defining dimension of the last five years of former Prime Minister Helen Clark's Labour-led governments was innovation in policy to meet on-going problems of skill shortages in a very tight labour market …. During the five years to November 2008 there were at least 50 changes made to policy relating to the major categories of migration to New Zealand. This compares with around 30 amendments and innovations during the previous five years [December 1999 to November 2003] … Change and innovation, rather than stability of policy has been the order of the day.[109]

2.3 Context of the longitudinal survey administration

Points-based selection in New Zealand and Australia

By the time of the administration of LSIA 3 and LisNZ, the key similarities and differences in points-based PA selection by Australia and New Zealand could be summarised as follows.

- A rising points threshold was required for skilled category selection to both countries (noting that Canada's points requirements were being lowered at this time).

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[106] Department of Labour (2005) *Migration Trends 2004/2005*. Wellington: Department of Labour, pp 2–3.

[107] P Merwood (2006) *Migration Trends 2005/06*. Wellington: Department of Labour.

[108] P Merwood (2006) *Migration Trends 2005/06*. Wellington: Department of Labour, pp 8–9.

[109] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and R Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, pp 1–4.

  - Australia – 120 points required out of a possible 175 (rising from 115 in 2004).
  - New Zealand – 140 points guaranteeing selection from December 2005 (out of a possible 200+ points) and different criteria used to select applicants scoring between 100 and 139 points.
- Significant pre-migration English language requirements were imposed for skilled category PAs for both countries.
  - Australia – IELTS band 5 or above required across all four language skills (reading, writing, speaking, and listening), with PAs scoring at lower levels ineligible to proceed with skilled migration; allocation of 20 points for 'competent' English language ability (defined as IELTS band 6) compared with 15 points for 'vocational' English (IELTS band 5).
  - New Zealand – A substantially higher threshold score of IELTS band 6.5 required from November 2002, across all four skills, resulting in a 6.9 IELTS average by 2006 for approved applicants.[110]
- Pre-migration credential assessment was mandatory for PAs to both countries.
  - Australia – 60 points allocated to applicants with recognised occupation-specific qualifications, compared with 50 points for general professional occupations and 40 points for other skilled fields.
  - New Zealand – As in Canada, highest points allocated for masters and doctorate level qualifications (55 points), followed by bachelors and trade level credentials (50 points).
  - Bonus points allocated by both countries for completion of host country qualifications (minimum 2 years' study): in the case of Australia 15 points for a doctorate, 10 points for a masters or upper honours degree, and 5 points for bachelor, diploma, or trade qualification levels; in the case of New Zealand 15 points for postgraduate qualifications and 10 points for degrees or lower.
- Relevant employment experience was more valued by New Zealand than by Australia.
  - Australia – Just 10 points allocated for work experience in a 60-point occupation related to qualification field, 5 points for experience in any area of employment, with this requirement entirely waived for former international students (a policy choice revised from 2007).
  - New Zealand – New Zealand employment strongly rewarded (a major selection difference between the two countries at this time, along with level of English). Sixty points allocated for current skilled employment in New Zealand, 50 points for current employment less than a year in New Zealand, and 50 points for a current New Zealand job offer, with further bonus points for employment in skill shortage areas.
- Occupational demand was a key determinant of selection for both countries.

[110] R Bedford (2006) 'Skilled migration policy in Australia and New Zealand: Similarities and differences', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia, pp 219–246.

  - Australia – Allocation of 20 points and automatic prioritisation for assessment for skilled category applicants qualified in fields on the Migration Occupations in Demand List (with job offer), or 15 points for Migration Occupations in Demand List applicants without current job offers – from 2004 to 2007 the key determinant of skilled migration selection, once points requirements were raised from 115 to 120.
  - New Zealand – Allocation of multiple bonus points for experience or qualifications relevant to fields in demand (including in skill shortage locations), as well as for New Zealand–based work, with the December 2005 policy amendment strengthening this issue.
- Age criteria differed significantly for New Zealand and Australia at this time, with Australian requirements more rigid than those prevailing in New Zealand, the UK, or Canada.
  - Australia – GSM eligibility restricted to PAs aged 18–44 years, with 30 points for applicants aged 18–29, reduced to 15 points for applicants aged 40–44.
  - New Zealand – Points awarded to PAs aged 20–55 years, ranging from 30 points for young applicants (20–29) to 5 points for those aged 50–55; older applicants ineligible for SMC migration.
- Partner skills were modestly valued by both countries.
  - Australia – Allocation of 5 bonus points, if spouse age, English ability, recognised qualifications, and experience appeared likely to facilitate future employment.
  - New Zealand – Allocation of 10 points for a qualification and another 10 points for a skilled job in New Zealand.
- Family sponsorship was more strongly rewarded by Australia.
  - Australia – Provision of more generous Family sponsorship points for GSM applicants (15 points for sponsorship by a close relative), along with a lowering of the GSM threshold required to 110 rather than 120 points for relatives.
  - New Zealand – Just 10 points allocated.

See Table 20 for a summary of the points tests used by Australia and New Zealand by 2004/05 compared with the selection criteria used at this time by the Canadian and UK Governments.[111]

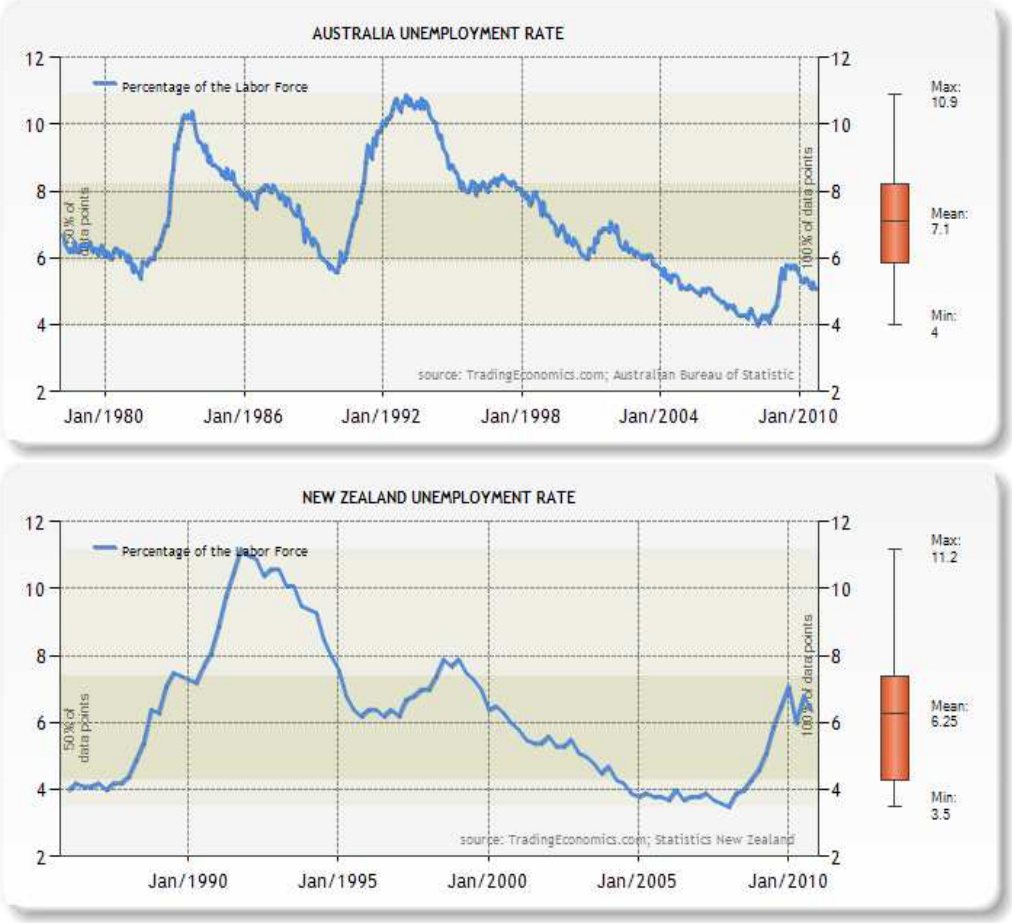
Economic cycle at the time of longitudinal survey administration

It should be noted that the economies of both New Zealand and Australia were booming at the time the longitudinal survey was administered in each country, thus favouring early migrant employment outcomes. In New Zealand the November 2005 quarterly work survey showed an unemployment rate of just

[111] This table was prepared by L Hawthorne as part of her work for Australia's 2005/06 review of the skilled migration programme, including preparation of the international comparisons chapter; see B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia, Table 4.2, pp 153–155.

3.4 percent, with employment as well as earnings growing steadily.[112] Australia's unemployment rate was slightly higher at 5.1 percent in 2005, with gross domestic product 3.5 percent in 2005, and earnings similarly buoyant.[113] (See Figure 2 for comparative unemployment rates, including the differential impact of the global financial crisis on New Zealand and Australia in the past 2 years.)

Figure 2: Comparative unemployment rates – Australia (1980–2010) and New Zealand (1990–2010)



Source: TradingEconomic.com, Australian Bureau of Statistics, and Statistics New Zealand, with figures provided to L Hawthorne by A Sweetman, December 2010.

[112] Statistics New Zealand (2005) *Quarterly Employment Survey, September 2005 quarter.* Cat 63.901 Set 05/06 – 073, 8 November. Wellington: Statistics New Zealand;

[113] Index Mundi (2010) 'Australia unemployment rate.' www.indexmundi.com/australia/unemployment_rate.html (accessed 10 August 2010); Economy Watch (2010) 'Australia GDP growth.' www.economywatch.com/gdp-growth/world-gdp-growth/australia.html (accessed 10 August 2010).

Table 20: Points-based selection for recent skilled migrants to Australia, New Zealand, Canada, and the United Kingdom

Australia, July 2005	New Zealand, 2004/05	Canada, September 2003	United Kingdom, 2005
Attribute: Points required			
120 points (out of a possible 175 points) [(1)]	100 points (eligibility for selection), then selected by ranking. From 2005 automatic acceptance of applicants securing 140 points or more (out of a potential maximum of 200+ points).	67 points (out of a potential maximum of 100 points)	65 points
Attribute: Skill/qualification			
Recognised 60 points (occupation-specific training) 50 points (general professional occupations) 40 points (other general skilled occupations)	*Recognised* 55 points (masters or doctorate) 50 points (trade/tertiary)	25 points (masters or doctorate[(2)]) 22 points (bachelors degree of 2 or more years' duration or a 3-year diploma, trade certificate, or apprenticeship and at least 15 years' full-time or part-time equivalent study) 5–15 points (lower school/post-school qualifications)	65 points (Master of Business Administration, if from one of the 50 world top schools) 30 points (doctorate) 25 points (masters) 15 points (bachelors) TBA (trades or professional qualifications to be assessed 'based on equivalency to the above UK qualifications')
Attribute: Age			
18–44 years 30 points (18–29 years) 25 points (30–34 years) 20 points (35–39 years) 15 points (40–44 years)	*20–55 years* 30 points (20–29 years) 25 points (30–39 years) 20 points (40–44 years) 10 points (45–49 years) 5 points (50–55 years)	10 points (21–49 years) 2 points less for each year over 49 or under 21	5 points for applicants under 28 years

Australia, July 2005	New Zealand, 2004/05	Canada, September 2003	United Kingdom, 2005
Attribute: Host country language ability			
Points allocated 20 points (competent English, IELTS 6 average) 15 points (vocational English, IELTS 5 average)	*No points allocated* Since November 2002 IELTS 6.5 average a prerequisite for skill principal applicants	*Points allocated* 2–24 points (level of ability in English and/or French; not essential for skill migration and no obligation for external validation)	*No points allocated* Applicants asked to rate their English ability as 'good-vocational' or 'very good-competent' in Eligibility Assessment Form, but no advice on how such information might be used (if at all)
Attribute: Host country qualifications			
15 points (doctorate) 10 points (masters or honours degree) (3) 5 points (degree, diploma or trade qualification)(4)	15 points (postgraduate degree) 10 points (degree, diploma or trade qualification) (5)	5 points (6)	
Attribute: Recent work experience			
Offshore applicants 10 points (if experience relates to nominated 60 point occupation) 5 points (if experience is in any 40-, 50-, or 60-point occupation) 12–24 months' experience essential, depending on specific skill category. *On-shore applicants* Work experience waived for applicants with recent Australian qualifications.	*Skilled employment in New Zealand* 60 points (>12 months) 50 points (<12 months) 50 points (current offer) Plus *Relevant work experience* 30 points (10 years) 25 points (8 years) 20 points (6 years) 15 points (4 years) 10 points (2 years)	Up to 21 points for up to 4 years' work experience in a skilled (though not specific) occupation. Additional threshold requirement of 1 year's full-time work experience in a field on the National Occupation List	*Graduate level job* 25–50 points (dependent on qualification level, age of applicant and calibre of experience)
Attribute: Achievement in the field			
			25 points (exceptional) (7) 15 points (significant)

Australia, July 2005	New Zealand, 2004/05	Canada, September 2003	United Kingdom, 2005
Attribute: Recent earnings			
			Based on earnings assessment in past 12 months in country of origin (with income differences by country controlled for by five categories). Example below relates to high-income nations, including Australia (Category A): *>28 years* 50 (£250,000) 35 (£100,000) 25 (£40,000 *<28 years* 50 (£60,000) 35 (£40,000) 25 (£27,000) Category E, by contrast, allocates 25–50 points for income ranging from £2,350 to £21,875.
Attribute: Occupational demand			
20 points (if nominated occupation is on Migration Occupations in Demand List, with job offer) 15 points (if occupation on Migration Occupations in Demand List with no job offer)	See bonus points (below); from 2006, 3,000 additional skill places reserved for applicants with New Zealand jobs or job offers, with 'work to residence' permits reduced from 2 years to 6 months (then increased to 9 months in 2007)	10 points (permanent or temporary job offer in Canada) 5 points (minimum 1 year work experience in Canada) 5 points (arranged employment in Canada)	50 points (general practitioner only, recognised to work in the United Kingdom)
Attribute: Regional links			
5 points (has lived and studied for minimum of 2 years in regional Australia[8]	See bonus points (below)		

Australia, July 2005	New Zealand, 2004/05	Canada, September 2003	United Kingdom, 2005
Attribute: Spouse skills			
5 points (if spouse age, English ability, work experience, field and qualifications satisfy selection requirements)	10 points (qualification) 10 points (New Zealand skilled job)	3–5 points (education level)	10 points (bachelors degree or higher) 10 points (vocational or professional qualification equal to degree) 10 points (current or previous graduate-level work experience, without qualification)
Attribute: State/territory sponsorship			
10 points (if applicant is sponsored by an authorised state or territory body)		Select Provincial Nominee Programs in place and expanding	
Attribute: Relationship			
15 points (if applicant is sponsored by a spouse of close relative)	10 points (close family, siblings, parents or adult children)	5 points	
Attribute: Bonus points			
5 points for one of: • capital investment • Australian work experience • fluency in community language	10 points (qualification in skills shortage area or future growth area) 10–15 points (job, job offer, or spouse job offer in skill shortage area or future growth area[9]) 5–15 points (1–3+ years of New Zealand work experience)		Note that in Canada 'capital investment' is a separate stream of the economic class and is not integrated into the skilled worker category.

Notes: (1) Fewer points were required for select regional migration schemes, for example 100. (2) Applicants were also required to have at least 17 years' equivalent full-time study. (3) Honours degree to be achieved at upper secondary level or higher and at least 2 years total Australian accredited study. (4) Minimum of 2 years academic study in Australia; from September 2005 minimum of 16 months' academic study if summer semester is included. (5) At least 2 years New Zealand study required. (6) Minimum of 2 years' academic study in Canada. (7) 'Exceptional achievement' was defined as 'a tiny number of people who are right at the top of their profession'. (8) The definition of 'regional Australia' included state capitals with low populations (for example, Adelaide and Hobart). (9) Defined at this time as 'outside Auckland'.

2.4 Evaluating skilled migration policy outcomes – Data from the Australian and New Zealand longitudinal surveys

Having compared skilled migration selection criteria in 2004/05, outcomes from Australia's and New Zealand's skilled migration programmes are next examined through analysis of the longitudinal surveys. Two definitive databases were utilised for this purpose: LSIA 3 and LisNZ. The characteristics and labour market outcomes for skilled primary applicants were then examined at 6 and 18 months post-arrival, based on data derived as follows.

Longitudinal Survey of Immigrants to Australia

The LSIA 3 was a paper-based survey of an achieved sample of around 10,000 PAs derived from the skilled and family migration categories, assessing migration and settlement outcomes for migrants arriving from December 2004 to March 2005, along with migrants allocated visas onshore (the latter primarily former international students). The response rate was 49 percent. Respondents were re-surveyed at 18 months post-arrival by phone in wave 2.[114] Note that Australia moved to administration of a short mail-based longitudinal survey following data elicitation through extended face-to-face interviews in LSIA 1 (1995–96) and LSIA 2 (1999–2000), in modes more directly comparable to the LisNZ survey.

Longitudinal Immigration Survey: New Zealand

LisNZ, in contrast to the LSIA 3, secured data through an extended interview-based survey, designed to collect longitudinal data over the first 3 years of residence in New Zealand. An achieved sample of 7,000 migrants were interviewed at around 6 months (wave 1, a 66 percent response rate), followed by 6,000 at 18 months (wave 2) with further interviews occurring at 36 months (wave 3) after their residence uptake. The target population was migrants aged 16 years or over, approved for residence from November 2004 to October 2005, including those in New Zealand at the time of approval. At wave 1 (6 months after residence uptake), a random sample of 12,202 migrants was selected to participate in the survey (May 2005 to April 2007), then followed up at 18 months by interview in wave 2.[115]

Comparative analysis

In the analysis to follow, focus is placed solely on wave 1 and wave 2 skilled category applicants, assessing their characteristics and employment outcomes at around 6 and 18 months post-migration.

In select cases (described in context below) data comparability could not be fully assured. A key point to note is that Australian data were provided for PAs only,

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[114] DIMA (2010) 'The Longitudinal Survey of Immigrants to Australia.' Department of Immigration and Multicultural Affairs website. www.immi.gov.au/media/research/lsia (accessed 1 August 2010).

[115] Statistics New Zealand (2010) 'Longitudinal Immigration Survey: New Zealand (LisNZ) – Wave 1.' www.stats.govt.nz/browse_for_stats/population/Migration/LongitudinalImmigrationSurveyNewZealand_HOTPWave1/Technical%20Notes.aspx (accessed 1 August 2010).

while New Zealand data were reported for PAs and skilled secondary applicants (dependants).

While the tables below focus on PAs for both countries, a brief summary of the labour market attributes and outcomes of skilled category secondary applicants in New Zealand is separately reported in section 2.8. By definition, it is important to note that immigration policy needs to be concerned with the whole family. Many countries find that immigrants who arrive as young children do exceptionally well in the labour market after they complete their education in the receiving country. The employment outcomes of skilled workers' spouses are also important.[116]

See Appendices A and B for details of the characteristics of LSIA 3 and LisNZ survey respondents. Key sample attributes are summarised in Table 21.

2.5 Comparing outcomes from Australia and New Zealand's skilled migration programmes 2004–06

To assess responses to the LisNZ and LSIA 3 surveys, 35 items of policy interest were identified by the Department of Labour (New Zealand) in association with the author, with the potential to provide identical or near identical data.[117] The surveys were weighted by the Department of Labour (New Zealand) and the Department of Immigration and Citizenship (Australia) to ensure the comparability and representativeness of skilled category respondents. At times this produced variations between the overall samples (as summarised in Appendices A and B) and the reported responses.[118]

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[116] See A Sweetman and C Warman (2010) 'How far does the points system stretch?', in T McDonald, E Ruddick, A Sweetman, and Worswick (Eds) (2010) *Canadian Immigration: Economic evidence for a dynamic policy environment*, chapter 7. Montreal and Kingston: McGill-Queen's University Press. See also L Hawthorne (1996) 'Reversing past stereotypes: Skilled NESB women in Australia', *Journal of Intercultural Studies* 17(1–2): 41–52.

[117] This process was undertaken by Dr Anne-Marie Masgoret of the Department of Labour, in consultation with L Hawthorne. Masgoret also negotiated access to the necessary immigration and longitudinal survey databases based on Hawthorne's requested specifications, noting that the Department of Immigration and Citizenship pooled data for LSIA 3 respondents, while responses were provided separately for LisNZ.

[118] A number of data anomalies for further investigation are noted in context, in particular related to occupational categorisation. Note that tables related to SMC secondary applicants are in Appendix C. Note that anomalies appear to have been produced by the weighting process – evident when comparing Appendices A and B (overall characteristics of LisNZ and LSIA 3 survey respondents) with the weighted responses. For example, as demonstrated in Table 21, 10.1 percent of Australian respondents were born in the UK and 0.6 percent in Ireland compared with a combined 17.0 percent in Appendix B.

Table 21: Longitudinal Survey on Immigrants to Australia (LSIA 3) compared with Longitudinal Immigration Survey: New Zealand (LisNZ) survey sample by select variables

Variable	LSIA 3 sample	LisNZ sample
Place of visa application	Onshore: 58% Offshore: 42%	Onshore: 72% Offshore: 28%
Gender	Male: 45% Female: 55%	Male: 48% Female: 52%
Age group	18–24: 14% 25–34: 51% 35–44: 23% 45–54: 7% 55–64: 3% 65+: 2%	18–24: 11% 25–34: 35% 35–44: 32% 45–54: 14% 55–64: 5% 65+: 4%
Top five source countries/regions (wave 1 data)	United Kingdom/Ireland: 17% China: 12% Europe (excluding United Kingdom /Ireland): 10% Other South & Central Asia: 10% India: 7%	United Kingdom /Ireland: 33% China: 13% South Africa: 9% India: 8% Europe (excluding United Kingdom/Ireland): 6%
English ability (wave 1 data)	Not at all/not known: 3% Not well: 13% Well: 26% Very well: 58%	Moderate/poor: 13% Very good/good: 27% Main language: 59%

Research sample characteristics: gender, age, pathway, arrival date, birthplace, language

Stage one of the LSIA and LisNZ comparison defined the demographic characteristics of the research samples. The first point to note is that skilled migration remained a largely male phenomenon at the time of longitudinal survey administration in each country. Sixty-seven percent of PAs to New Zealand were male, while females were largely dependants (71 percent). This compared with 58 percent of male PAs in the GSM category for Australia.

As established, onshore pathways were prominent for both countries at this time: the route taken by 79 percent of New Zealand PAs and 69 percent of skilled secondary applicants compared with 53 percent of skilled PAs to Australia. For New Zealand two-step migration typically occurred through 'work to residence', while in Australia it was largely through education sector enrolment.

Australian respondents were fairly evenly split in selection dates between 2004 (49 percent) and 2005 (51 percent). However, their arrival ranged over the decade from 1997 to 2005, reflecting the elongated study–migration pathway noted. (See Table 22.) By contrast, 2005 was the primary arrival year for New Zealand respondents (reported by 77 percent of PAs and 72 percent of secondary applicants). Ninety-two percent of LisNZ respondents were selected through the SMC, while Australian PA pathways at this time were various:

- onshore Independent (visa 880) – 48 percent (typically former international students)
- offshore Independent (visa 136) – 38 percent
- offshore Skilled Australian Sponsored (visa 138) – 8 percent (a category that has developed rapidly in the period since, to be established in section 3)
- onshore Skilled Australia Sponsored (visa 881) – 5 percent.

Table 22: Date of arrival for recent skilled migrants to New Zealand compared with Australia (LisNZ and LSIA 3)

Arrival date	New Zealand skilled principal %	Australia skilled primary %
1997		0.1
1998		0.2
1999		1.1
2000		1.6
2001		3.6
2002		8.2
2003		17.8
2004	2.3	28.3
2005	77.2	39.1
2006	20.5	

Skilled arrivals were relatively young at this time to both countries, with the age group 25–44 years predominating. Reflecting strong international student participation, recent skilled migrants to Australia were younger overall, with 59 percent of LSIA 3 respondents aged just 25–34 years at the time of the survey administration. (See Table 23.) This had major significance for reported partnering rates – 72 percent of PAs and 90 percent of secondary applicants to New Zealand having partners at this time compared with just 38 percent of PAs for Australia. By definition, youth was also relevant to employment, with large numbers of Australian PAs lacking workforce experience or job offers before GSM selection.

Table 23: Age range for recent skilled migrants to New Zealand compared with Australia (LisNZ and LSIA 3)

Age range	New Zealand skilled principal %	Australia skilled primary %
18–24	7.0	20.1
25–34	44.7	58.5
35–44	35.1	19.7
45–54	12.3	1.6
55–64	0.9	
65–89	C	

Note: C = suppressed for confidentiality.

In line with skilled migration policy trends, marked differences in terms of country of origin were characteristic of the longitudinal survey samples. For New Zealand, 3 English speaking background countries featured in the top 8 for PAs (54 percent of the LisNZ total), rising to 62 percent for secondary applicants. For Australia, in marked contrast, the UK was the sole ESB source country in the top eight, contributing just 10 percent of all respondents (PAs and secondary applicants combined). South Africa ranked twelfth, contributing less than 3 percent of the GSM total. As noted, this ESB preference seemed likely to favour early New Zealand employment outcomes. (See Table 24.)

Reflecting birthplace, the top five languages spoken by GSM PAs in Australia at this time were English (38 percent), Chinese languages (26 percent), South Asian languages (9 percent), Indonesian (6 percent), and Japanese (2 percent). The comparison was stark with New Zealand, where English (94 percent) was overwhelmingly reported to be best spoken language at 6 months, followed by negligible numbers registering Chinese, Afrikaans, and Hindi facility.

Table 24: Top eight source countries for recent skilled migrants to New Zealand compared with Australia (LisNZ and LSIA 3 research sample)

Source country: Top eight New Zealand	**Skilled Migrant Category principal %**
Great Britain	39.5
South Africa	11.1
China	10.3
India	8.8
United States	3.8
Fiji	2.9
Philippines	2.1
South Korea	2.0
Other	19.6
Source country: Top eight Australia	**General Skilled Migration primary %**
China	17.9
India	11.7
United Kingdom	10.1
Indonesia	8.2
Malaysia	6.7
Sri Lanka	4.2
Hong Kong	3.5
Bangladesh	3.2
Other	34.5

Skilled migration decision-making

As established by the global literature, employment is one factor among many in the decision to undertake skilled migration – a pattern particularly marked in relation to New Zealand. According to Spoonley at a 2009 Wellington conference,

'New Zealand gets migrants who are lifestyle migrants, even though we select them as economic migrants'.[119] LisNZ responses bear this out, with relaxed lifestyle (60 percent), climate and environment (50 percent), and children's futures (47 percent) cited as the primary reasons for SMC migration, and employment ranked fourth (noting that the LisNZ invited multiple answers on this issue). By contrast when Australian PAs were asked to list their primary migration motivation, work or business opportunities ranked first (30 percent), followed by the family's future (27 percent) – potentially reflecting these migrants' higher investment in qualification levels and lower family formation levels.

At 6 months (Australia) and 18 months (New Zealand), informants were asked whether they had considered alternative migration destinations. Fewer than 2 percent of migrants to New Zealand conceded this to be case. Canada and Singapore (both 24 percent), Australia and the US (19 percent each) were the primary alternatives for SMC PA respondents, with secondary applicants favouring Australia (44 percent) or Canada (33 percent). (See Appendix D.). Australian PAs, by contrast, frankly conceded their consideration of global options, most notably Canada (52 percent), the US (35 percent), the UK (15 percent), and New Zealand (12 percent).

Table 25: Motivation for selecting to migrate to New Zealand and Australia (LisNZ and LSIA 3 research sample)

Top ranked reasons: New Zealand – 6 months	**New Zealand skilled principal %**
Relaxed pace of life or lifestyle	60.4
Climate or the clean green environment	49.7
Better future for my children	47.3
Employment opportunities	37.0
Friendly people	35.4
Other	79.8
Top ranked reasons: Australia – 6 months	**Australia skilled primary %**
Work or business opportunities	29.6
Better future for family	27.1
Australia's features – beaches, climate, lifestyle	19.4
To join family or relatives	4.5
Educational opportunities	1.6
Other	42.0

[119] P Spoonley (2009) 'Reporting superdiversity: The mass media and immigration', International Migration in Uncertain Times, Museum of New Zealand Te Papa Tongarewa, Wellington, 2–4 November.

Encouragingly, both groups appeared to be extremely positive at 18 months regarding the settlement process, with 90 percent of New Zealand PAs stating they were settling in compared with 93 percent of PAs in Australia.

From this point, the analysis of employment attributes and outcomes focuses solely on principal applicants, with separate brief comment provided in section 2.8 on New Zealand secondary applicants.

Qualification level, place and occupation

As noted in section 1, qualification levels varied markedly between skilled temporary and permanent labour migrants to New Zealand and Australia. Far larger numbers of trade-qualified migrants were attracted to New Zealand, constituting 36 percent of principal applicants (this coding spanning basic to advanced vocational fields). (See Table 26.) By contrast 82 percent of the LSIA 3 sample reported having bachelors degrees or higher – just 5 percent stating they held trade qualifications. This tertiary-qualified level was in fact higher than Australia's skilled migration norm (66 percent of primary applicants qualified at the professional level).

Table 26: Qualification level (LisNZ and LSIA 3 research sample)

Qualification level – 6 months	Australia skilled primary %	New Zealand skilled principal %
No qualification	NA	1.6
No post-school qualification	5.7	6.3
Trade/vocational qualification	5.0	35.9
Bachelors degree or better	81.6	49.6
Other	7.6	6.3
No answer	0.1	

The main places where highest qualifications had been earned by LSIA PA respondents was Australia (59 percent, reflecting the scale of recent international student flows), England (11 percent), India (5 percent), China (5 percent), and South Africa (3 percent). For LisNZ PAs the top five qualification places were the UK (35 percent), New Zealand (20 percent), South Africa (11 percent), India (6 percent), and the US (5 percent) – primarily ESB locations, with highly comparable education systems to that in New Zealand.

Comparing the major professions and trades for survey respondents proved challenging, with careful matching of occupational codes required. In Australia, computing and IT (22 percent combined), accounting (19 percent), engineering (12 percent across the major fields), business and management (8 percent), and nursing (4 percent) dominated the professions, while food and hospitality was the primary trade (1 percent). (See Table 27, with occupations ranked by proportion of total GSM PA intake, noting that the two countries coded

occupations somewhat differently[120].) For New Zealand PAs, education/curriculum (7 percent combined), business and management (7 percent), IT (7 percent), accounting (6 percent), and nursing (6 percent) were the major degree-qualified fields, while automotive engineering and technology (11 percent), nursing-related studies (11 percent), business and management (10 percent), and building (7 percent) were the primary trades.[121]

Table 27: Top professions compared with trades (LisNZ and LSIA 3 research sample)

Top 15 professions and trades: Australia – 18 months	**Total General Skilled Migration primary applicants: % of all General Skilled Migration occupations**
Accounting	19.3
Computer Science	12.0
Business and management	8.0
Electrical and electronic engineering	6.6
Other information technology	5.5
Information systems	4.7
Nursing	3.8
Mechanical and industrial engineering	3.8
Civil engineering	1.9
Banking, finance, and related fields	1.6
Architecture and urban environment	1.3
Biological sciences	1.3
Food & hospitality	1.3
Communication and media studies	1.3
Other fields	21.6
Top eight fields with bachelor or higher degree: New Zealand – 6 months	**Total Skilled Migrant Category principal applicants: % of professions total**
Curriculum and education studies/teacher education (combined)	7.4
Business and management	7.3
Computer science	6.5
Accountancy	6.3
Nursing-related studies	6.0
Management and commerce	4.7
Studies in human society	2.9
Other fields	58.9

[120] Despite significant assistance from the Department of Labour, occupational data were coded somewhat differently for the two countries, hence reporting differences.

[121] Note that a variety of tables for New Zealand PAs reporting trade and professional qualifications were provided for the LisNZ, with marked differences evident between them in terms of field of qualification and percentage size. Based on the advice received, the table inserted appears to represent the most appropriate data. However, I would welcome further advice on this score.

Top eight trades: New Zealand – 6 months	Total Skilled Migrant Category principal applicants: % of professions total
Electrical and electronic engineering	10.7
Nursing-related studies	10.5
Business and management	10.3
Building	7.4
Automotive engineering and technology	6.3
Mechanical and industrial engineering and technology	6.0
Accountancy	2.9
Office studies	1.1
Other trades	44.6

Significance of qualification recognition at point of migration

For skilled migrants, qualification recognition, particularly in regulated fields, can represent a powerful employment barrier. In Australia by the late 1980s, for example, just 50 percent of qualifications derived from non–ESB countries were immediately recognised compared with 90 percent of those for migrants from ESB sources. In 1988 the Committee to Advise on Australia's Immigration Policies blasted persistent 'highly fragmented' recognition procedures – a result of endemic 'rivalry between State and Federal jurisidictions', and the collective failure of state and federal authorities, professional associations, unions, and employer associations to secure better outcomes.[122] Within regulated professions such as medicine and nursing, migrants' capacity to pass mandatory Australian examinations was critical to employment outcomes – a process excluding or significantly delaying substantial numbers of overseas-trained professionals from eligibility for skilled employment.

Responding to growing community concern on this issue, Australia from 1989 introduced a reform agenda aimed at establishing an efficient, fair, and consistent system for the accreditation of overseas qualifications. From the early 1990s competency-based assessment was introduced across nine key professions and trades. Overall, this strategy was designed to:

- reverse the declining levels of recognition evident in recent years
- challenge the notion that non-ESB professionals received lower recognition rates because their training was inferior
- ensure outcomes became more equitable across the professions

[122] See Committee to Advise on Australia's Immigration Policy (1988) *Immigration: A commitment to Australia.* Canberra: Australian Government Printing Service, p 54; Committee of Inquiry into Recognition of Overseas Qualifications (1983) *The Recognition of Overseas Qualifications in Australia*, Vols 1 and 2. Canberra: Australian Government Printing Service; National Population Council (1988) *Recognition of Overseas Qualifications and Skills.* Canberra: Australian Government Printing Service.

- break the nexus between qualifications recognition outcomes and potential regulatory body self-interest
- separate professional recognition procedures from issues related to labour market demand
- redress persisting inequities, through processes guaranteeing fairness, consistency, and transparency of outcomes.

Despite gains achieved in 1990–96, including the establishment of national competencies in the nine target fields,[123] control of licensure in regulated occupations remained in the hands of Australian professional and trade bodies. A 1994 study concluded that virtually all the traditional barriers to qualifications recognition remained in Australia, notwithstanding the establishment of pathways to recognition for the 'majority of occupations at the professional, para-professional, technical and trade levels'.[124] In 1996 the Australian Government confirmed the achievement of only minimal qualifications recognition gains since 1983, noting a continued 'automatic devaluing of qualifications and skills acquired from [non-ESB] countries' relative to those of ESB origin, and 'sufficient evidence of negative cultural and racial stereotyping by employers to warrant an education campaign to be mounted by the Commonwealth Government on the benefits of employing people from a variety of cultures'.[125] Migrant professionals lacking recognition continued to face acute disadvantage – in many instances consigned to years of unemployment and skills atrophy.

A decade later in 2006 (at the time of the LSIA 3 survey administration) the Australian Parliament's Joint Standing Committee on Migration conducted an exhaustive review of foreign credential recognition, assessing the requirements in specific professions and vocational fields. The committee's resulting report, *Negotiating the Maze*, conceded there to be still no scope for complacency, with serious barriers persisting.[126]

Within this context, skilled migrants' qualification recognition at point of migration has a capacity to determine early employment outcomes. In Australia, however, credential screening was actually less significant at this time, given the scale of recent student migration (56 percent of respondents stating that they held Australian qualifications). A further 29 percent of LSIA respondents stated they had had their qualifications assessed, leaving just 10 percent with qualifications who had chosen not to do so. When probed on their reasons for

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[123] These professions were nursing, engineering, architecture, physiotherapy, occupational therapy, psychology, dietetics, pharmacy, and veterinary science.

[124] National Office of Overseas Skills Recognition (1994) 'Issues and options paper on the overseas skills recognition process and related labour market issues', National Office of Overseas Skills Recognition, September, draft, pp 3, 7–8.

[125] House of Representatives Standing Committee on Community Affairs (1996) *A Fair Go For All: Report on Migrant Access and Equity.* Canberra: Australian Government Publishing Service, pp 60, 84.

[126] Joint Standing Committee on Immigration (2006) *Negotiating the Maze: Review of arrangements for overseas skills recognition, upgrading and licensing.* Canberra: Parliament of the Commonwealth of Australia, Australian Government Publishing Service.

this, a quarter stated they felt their qualifications would be internationally acceptable (26 percent). A similar proportion believed that recognition would not be necessary for their current occupation (23 percent) or that they were no longer working in that field (15 percent). (Many such migrants were likely to have been de-skilled.)

In New Zealand 45 percent of PAs had had their qualifications assessed at this time. This was a much lower level than in Australia (perhaps reflecting far fewer being qualified in regulated fields). The majority of those failing to seek assessment did not view recognition as a priority at 6 months (this question was posed a year earlier in New Zealand than in Australia). Further, a quarter of such PAs signalled that they were not intending to practise in their trade or profession again, potentially signalling a lifestyle choice or de-skilling. (See Table 28.)

Table 28: Reasons for non-assessment of qualifications (LisNZ and LSIA 3 research sample)

Reasons for non-assessment – 18 months	**Australia skilled primary %**
Qualification internationally recognised/accepted	26
Qualification not needed for current occupation	23
No longer working in that field	15
No need/didn't need to	9
Haven't finished course/received qualifications	7
Language difficulty/poor English	3
Didn't know how to have them assessed	1
Qualifications not needed for current occupation	1
Fell pregnant	1
Can't say	15
Reasons for non-assessment – 6 months	**New Zealand skilled principal %**
Not intending to practice trade or profession in New Zealand	23
Had not had time	15
Wants to do other study or training first	10
Does not think qualifications will meet requirements	10
Wants to improve English first	C
Does not know how to apply	C
Other	39

Note: C = suppressed for confidentiality.

Understandably, employment was found to be a primary reason for current location, ranked first by Australian respondents (at 19 percent), and second for New Zealand PAs (38 percent) at 18 months post residence. In New Zealand the major determinant of location was attraction to the current house, area, or location. (See Table 29.)

Table 29: Reasons for current location (LisNZ and LSIA 3 research sample)

Main reasons for current location – 18 months	Australia skilled primary %
Employer is located	18.7
Preferred lifestyle	13.4
Family lives here	11.3
Close to university	9.7
Cheap /affordable housing	9.2
Other/Don't know	37.5
Reasons for current location – 18 months	**New Zealand skilled principal %**
Liked the house, area or location	65.1
To be close to job or employment opportunities	37.6
It was affordable	34.2
It was good quality accommodation	28.0
To be close to schools	20.4
Other	49.7

English language ability

Having established these underlying attributes, I turn to comparing the language ability of recent skilled migrants to New Zealand and Australia. As established in section 1, the correlation between English level and employment outcomes is very high (the key recent predictor of skilled employment for recent migrants to both Canada and Australia). In New Zealand, as noted, more advanced levels than in Australia are required – a minimum of IELTS band 6.5 compared with band 5 at the time of the LSIA 3 survey administration. In line with this, New Zealand attracted substantial numbers of native speakers, in particular from the UK/Ireland, South Africa, and the US. Reflecting the problem of self-reporting, however, the longitudinal surveys provide an inaccurate measure of this – 62 percent of Australian PAs claiming they spoke English 'best' or 'very well' compared with 65 percent of New Zealand principal applicants (an implausible outcome). (See Table 30.)

Table 30: Spoken English level at 18 months, self-rated (LisNZ and LSIA 3 research sample)

Spoken English level – 18 months	Australia skilled primary %
English – best or only language	38.3
Very well	23.4
Well	35.2
Not well	2.6
Not established	0.1
Don't know	0.4

Not at all	0.1

Spoken English level – 18 months	**New Zealand skilled principal %**
Very well – can talk about almost anything in English	65.3
Well – can talk about many things in English	29.0
Fairly well – can talk about some things in English	4.4
Not very well – can only talk about basic or simple things in English	1.1
No more than a few words or phrases	C

Note: C = suppressed for confidentiality.

In truth, Australia was experiencing significant problems with skilled migrants' English ability at this time – a key recommendation of the 2005–06 skilled migration review being the removal of English testing exemptions for former international students, and the lifting of required IELTS scores for skilled migrants to a minimum of band 6 (band 7 for medical and allied health professionals).[127] As illustrated in Table 31, 43 percent of former students from China in 2004/05 achieved scores of IELTS band 5 on completion of their 2-year degrees in Australia despite band 6 theoretically being a tertiary course commencement requirement. In 2005/06 international students' tested outcomes were significantly worse, with 40 percent or more of students from China, the Republic of Korea, Thailand, Taiwan, Hong Kong Special Administrative Region, and Bangladesh scoring just IELTS band 5 at point of transition to skilled migration.[128] Poor English language ability had clear potential to compromise international students' academic progression as well as employment outcomes, in a context where English was the most important determinant of mobility at 6 and 18 months. The most detailed Australian study on this issue found in 2009 that:

[127] L Hawthorne (2007) *Language, Employment and Further Study,* commissioned discussion paper for Australian Education International, Department of Education, Science and Training, Commonwealth of Australia.

[128] B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia; B Birrell (2006) 'Implications of low English standards among overseas students at Australian universities', *People and Place* 14(4): 53–64.

> Large numbers of onshore and offshore skilled migrants remained at risk of de-skilled work in Australia at 18 months after migration. In all 41% of former international students were employed in only low skilled work, compared with 28% of Independent migrants recruited offshore. This represents a very significant finding … As demonstrated by the multivariate analysis undertaken, self-reported level of spoken English was a key predictor of Australian employment at both 6 and 18 months, for onshore as well as offshore Independent migrants. At 18 months, onshore skilled migrants who spoke English very well or for whom it was the first language were 3.7 times more likely to be employed compared to those with poor English (Business/Other category). Offshore Independent applicants were 2.1 times more likely to be employed, so this was a very positive overall finding for former students.[129]

Table 31: International English Language Testing System (IELTS) scores of former international students approved as General Skilled Migration migrants in Australia by major country of origin, 2004/05 and 2005/06

	IELTS band 5		IELTS band 6		Total tested	
Source country	**2004/05 %**	**2005/06 %**	**2004/05 %**	**2005/06 %**	**2004/05**	**2005/06**
China	43	43	56	57	2,655	4,209
India	5	17	94	82	2,433	2,169
Indonesia	16	32	84	68	1,408	749
Malaysia	16	24	84	76	1,113	797
Hong Kong Special Admin-istrative Region	17	43	83	57	863	683
South Korea	23	56	76	44	474	449
Singapore	10	18	90	82	440	258
Bangladesh	23	42	77	58	436	479
Sri Lanka	10	25	90	75	360	346
Japan	18	37	82	63	248	174
Taiwan	24	47	76	53	231	133
Pakistan	9	25	90	75	224	141
Thailand	29	51	70	49	200	175
Vietnam	36	33	64	67	200	152

Source: Adapted from data in B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories*. Canberra: Commonwealth of Australia and B Birrell (2006) 'Implications of low English standards among overseas students at Australian universities', *People and Place* 14(4): 53–64.

[129] S Arkoudis, L Hawthorne, C Baik, G Hawthorne, K O'Loughlin, E Bexley, and D Leach (2009) *The Impact of English Language Proficiency and Workplace Readiness on the Employment Outcomes of Tertiary International Students*. Canberra: Department of Employment, Education and Workplace Relations, p 14; L Hawthorne (2010) 'How valuable is "two-step migration"? Labour market outcomes for international student migrants to Australia', Special Edition, *Asia–Pacific Migration Journal* 19(1): 5–36.

Skilled migrants' previous work compared with occupation at 6 months post-migration

Based on the longitudinal survey data, it is clear there were important differences between Australian and New Zealand informants in terms of human capital attributes at this time. Most notably Australian PAs were younger, more highly qualified, and more likely to be Asia-born, be former international students, have recognised qualifications, and have been motivated by employment opportunity in terms of GSM migration. Compared with New Zealand respondents they were also less likely to be partnered or to be native speakers of English.

On this basis I move to compare early employment outcomes in both countries, establishing first respondents' pre-migration occupations.

Longitudinal survey respondents reported having held highly diverse positions pre-migration, noting that 'other' constituted 53–54 percent of all occupations for both GSM and SMC PAs. In Australia the main fields of pre-migration employment for primary applicants were reportedly computing (17 percent) and accountancy (10 percent) – the identical fields for New Zealand (at 8 percent and 6 percent respectively) after education (10 percent). Nurse migration was also significant for each country, constituting 4-5 percent of degree-qualified GSM and SMC PAs. (See Table 32.)

Table 32: Pre-migration occupation (LisNZ and LSIA 3 research sample)

Job in former home country – 6 months	**Australia skilled primary %**
Computing professionals	17
Accountants	10
Registered nurses	4
Sales assistants	3
General clerks	3
School teachers	2
Sales representatives	2
Accounting clerks	2
Mechanical, production and plant engineers	2
Business and administration assoc professionals not further defined	2
Other	54
Job in former home country- 6 months	**New Zealand skilled principal %**
Business and systems analysts and programmers	8
Accountants auditors and company secretaries	6
School teachers	5
Tertiary education teachers	5
Engineering professionals	5
Midwifery and nursing professionals	5

Health diagnostic and promotion professionals	5
Architects designers planners and surveyors	4
Business administration managers	2
General clerks	2
Other	53

To what extent did these occupations match principal applicants' early employment outcomes? At 6 months post-migration 83 percent of Australian PAs were working. Just 5 percent were unemployed while actively looking for work, with a further 12 percent not looking. In New Zealand the 6 month employment rate for PAs was impressively high at 93 percent (including 4 percent who stated that they were self-employed). These represent exceptionally positive outcomes in global terms. In Canada, for example, 6-month employment rates for economic migrants have been around 60 percent in the past decade, in a context where wage rates have dropped markedly, minimal benefit accrues to foreign work experience, and degree-qualified migrants have been described by Statistics Canada as 'the new face of the chronically poor'.[130] According to a recent assessment of Canada's economic migration outcomes, 'a 35 year old university educated immigrant in the 2000-03 cohort [also] faces a negative return to foreign work experience'.[131]

In terms of outcomes, however, it is also important to assess migrants' actual levels of work – that is the extent to which they are sufficiently valued to use their qualifications within the early settlement period. Based on the longitudinal survey data in both New Zealand and Australia, past occupation appeared strongly correlated to field of employment at 6 months post-migration – again a very positive finding for each country. (See Tables 32 and 33.) In Australia, where 17 percent of total PA arrivals had been computer professionals pre-migration, 12 percent were immediately working in that field, and 8 percent were working as accountants (10 percent of arrivals), 4 percent as nurses (4 percent), and 2 percent as teachers (2 percent,). A very modest level of de-

[130] G Picot, H Feng, and S Coulombe (2007) *Chronic Low-Income and Low-Income Dynamics Among Recent Immigrants*, Analytical Studies Research Papers, Catalogue No 11F0019MIE, No 294. Ottawa: Statistics Canada, pp 5–6. See also A Sweetman and S McBride (2004) *Postsecondary Field of Study and the Canadian Labour Market Outcomes of Immigrants and Non-Immigrants*, 11F0019 No 223. Ottawa: Statistics Canada; A Sweetman (2005) 'Immigration as a labour market strategy: European and North American perspectives – Canada', in J Niessen and Y Schibel (Eds), *Immigration as a Labour Market Strategy: European and North American perspectives*. US: Migration Policy Group; E Thompson and C Worswick (2004) *Canadian Research on Immigration and the Labour Market: An overview.* Ottawa: Human Resources and Skills Development Canada; L Hawthorne (2008) 'The impact of economic selection policy on labour market outcomes for degree-qualified migrants in Canada and Australia.' *IRPP Choices* 14(5): 1–50; T McDonald, E Ruddick, A Sweetman, and C Worswick (Eds) (2010) *Canadian Immigration: Economic evidence for a dynamic policy environment.* Montreal and Kingston: McGill-Queen's University Press.

[131] T McDonald and C Worswick (2010) 'Entry earnings of immigrant men in Canada: The roles of labour market entry effects and returns to foreign experience', in T McDonald, E Ruddick, A Sweetman, and C Worswick (Eds), *Canadian Immigration: Economic evidence for a dynamic policy environment*, chapter 4. Montreal and Kingston: McGill-Queen's University Press, p 96.

skilling appeared to be occurring (for example, the proportion of sales assistants rising from 3 percent to 5 percent).

Table 33: Occupation 6 months post-migration (LisNZ and LSIA 3 research sample)

Main job for those currently working – 6 months	**Australia skilled primary %**
Computing professionals	12
Accountants	8
Sales assistants	5
Registered nurses	4
Accounting clerks	4
General clerks	3
Miscellaneous elementary sales workers not further defined	2
Checkout operators and cashiers	2
Computing support technicians	2
School teachers not further defined	2
Other	56
Main job for those currently working – 6 months	**New Zealand skilled principal %**
Midwifery and nursing professionals	8
School teachers	4
Business and systems analysts, and programmers	4
Engineering professionals	4
Chief executives, general managers, and legislators	3
Accountants, auditors, and company secretaries	2
Construction, distribution, and production managers	2
Sales assistants and salespersons	2
Business administration managers	2
Advertising and sales managers	2
Other	66

Outcomes in New Zealand were also very positive. While 5 percent of PAs reported working as nursing or midwifery professionals pre-migration, 8 percent reported employment in this field at 6 months (presumably some without qualifications, for example within the high-demand field of aged care). This was followed by 4 percent of school teachers (representing 5 percent of PA arrivals), and 4 percent of computing/systems professionals (8 percent) – this latter group apparently at greater risk of de-skilling.

Job satisfaction 6 months post-migration

Beyond speed and level of employment, it is important to assess skilled migrants' degree of satisfaction with their first employment outcomes.

At 6 months post-arrival, 53 percent of primary applicants in Australia stated they were working in their preferred occupation, while 29 percent said they were not (the remainder expressing no opinion on this score). When probed about their preferred occupation, 17 percent of such respondents indicated they were in professional computing work, 11 percent accounting, 5 percent accounts clerks, and 5 percent registered nursing. For New Zealand the preferred occupations for PAs were midwifery and nursing (8 percent), computing (4 percent), school teaching (4 percent), engineering (4 percent), and executive or management work (4 percent). Since large numbers of respondents in both countries were working in these fields at 6 months, it seems reasonable to presume they desired positions at higher and/or better remunerated levels.

The level of satisfaction/dissatisfaction with current employment was not provided for the LisNZ sample at 6 months. Substantial numbers, however, expressed their desire for better work – an extraordinary 75 percent of PA respondents on this item stating that their salaries were too low, 67 percent that they were not using their skills or experience adequately, 16 percent that they had not secured work in their preferred occupation, and 16 percent that they wanted to work different hours. Of particular concern, 8 percent of PAs reported experiencing employer discrimination as migrants, and 7 percent that they wanted to work more hours. It is not possible to assess for this study the percentage of domestic-born who believe their salary to be too low.

Occupation at 18 months post-migration

By definition, de-skilling such as this represents a rite of passage for migrants, occurring across all immigrant-receiving countries. The problem has increased in severity in recent years, in particular where migrants are not employer-sponsored – a highly problematic issue addressed in a variety of OECD studies.[132] Concerns at preliminary de-skilling, however, should not detract from

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[132] See, for example, C Beach, A Green, and J Reitz (Eds) (2003) *Canadian Immigration Policy for the 21st Century.* Montreal and Kingston: McGill-Queen's University Press; A Sweetman and S McBride (2004) *Postsecondary Field of Study and the Canadian Labour Market Outcomes of Immigrants and Non-Immigrants*, 11F0019 No 223. Ottawa: Statistics Canada; E Thompson and C Worswick (2004) *Canadian Research on Immigration and the Labour Market: An overview.* Ottawa: Human Resources and Skills Development Canada; A Sweetman (2005) 'Immigration as a labour market strategy: European and North American perspectives – Canada', in J Niessen and Y Schibel (Eds), *Immigration as a Labour Market Strategy: European and North American perspectives*. US: Migration Policy Group; D Hiebert (2006) 'Skilled Immigration in Canada: Context, patterns and outcomes', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia; OECD (2006) *International Migration Outlook: SOPEMI 2006.* Paris: Organisation for Economic Co-operation and Development; OECD (2007) 'Migration policies and recognition of foreign qualifications for health professionals', in *International Migration Outlook: SOPEMI 2007.* Paris: Organisation for Economic Co-operation and Development; OECD (2008) *A Profile of Immigrant Populations in the 21st Century: Data from OECD countries.* Paris: Organisation for Economic Co-operation and Development; T McDonald, E Ruddick, A Sweetman, and C Worswick

affirmation of the excellence of New Zealand and Australian outcomes in global terms. At 18 months post-arrival, 85 percent of skilled PAs in Australia were employed, with a further 4 percent conducting a business (making 89 percent in work overall), 5 percent were enrolled as students (in accredited or unaccredited courses), 3 percent engaged in home duties, and 3 percent unemployed. The comparable figures for New Zealand PAs were 87 percent employed, 7 percent conducting a business, 3 percent studying, 2 percent engaged in home duties, and a mere 0.7 percent unemployed.

Just 18 percent of skilled PAs to Australia at 18 months stated they had experienced any level of unemployment in the past year. The figure was markedly lower for New Zealand PAs, at just 7 percent. For skilled migrants who had experienced unemployment, duration was typically short, with 2 percent of PAs unemployed a full year in Australia, 2 percent for 6–11 months, 5 percent 4–6 months, and 6 percent 1–3 months – once again an impressive finding. Negligible numbers of PAs in New Zealand had experienced unemployment of any length. (See Table 34.) It appears that New Zealand's choice of relatively mature skilled migrants with higher levels of English was immediately beneficial in terms of labour market integration.

Table 34: Experience of unemployment in past 12 months (LisNZ and LSIA 3 research sample)

Length of unemployment in last 12 months – 18 months	**Australia skilled primary %**
Unemployed all year	1.7
> 6 months to < 12 months	2.1
> 4 months to 6 months	4.7
> 1 month to 3 months	5.9
> 2 weeks to 1 month	2.4
2 weeks or less	1.0
Unemployed, but don't know how long	0.3
Dont know if unemployed	0.0
Refused	0.1
Length of unemployment in last 12 months -18 months	**New Zealand skilled principal %**
1 to 4 weeks	0.6
1–3 months	1.3
4–6 months	0.7
7–9 months	0.2
10–12 months	C
More than a year	C

Note: C = suppressed for confidentiality.

(Eds) (2010) *Canadian Immigration: Economic evidence for a dynamic policy environment.* Montreal and Kingston: McGill-Queen's University Press.

In Australia PAs who were or had been unemployed defined the following barriers to securing work: lack of local experience (21 percent), insufficient experience overall (13 percent – an issue for many international students), English language difficulties (13 percent), and insufficient available jobs (12 percent). In New Zealand, unsurprisingly given principal applicants' countries of origin, language was not an issue. A third of respondents, however, identified barriers related to lack of New Zealand work experience, while 7 percent felt their skills or experience were not accepted by New Zealand employers (reported by 14 percent of secondary applicants). Foreign credential recognition thus appeared to be an issue, in a context where many LisNZ respondents had not sought early assessment. A further 19 percent of New Zealand PAs stated there was 'not enough work for the skills/experience' they possessed – potentially indicative of these migrants' rejection of de-skilled positions.

Job satisfaction and welfare use at 18 months post-migration

Within this impressive overall context, skilled migrants' level of satisfaction with employment in Australia and New Zealand is next assessed at 18 months, including any differences with their reported 6 month levels of satisfaction. By this point 70 percent of PAs to Australia stated they were working in their preferred occupation (compared with 53 percent earlier) while 19 percent were not (compared with 29 percent). Impressive gains had thus been achieved within a short period. In New Zealand yes/no data related to job satisfaction were unavailable. When asked, however, if they were working in their preferred occupation at 18 months, just 51 percent of PAs stated they were not using their skills and experience (compared with 67 percent a year earlier), while 51 percent said their pay was too low (compared with 75 percent). Strong occupational mobility was thus under way. (See Table 35.)

Table 35: Working in preferred job at 18 months (LisNZ and LSIA 3 research sample)

Working in preferred occupation at 18 months?	**Australia skilled primary %**
Yes	70
No	19
Don't know	1
Not applicable	10
Working in preferred occupation at 18 months?	**New Zealand skilled principal %**
Not using skills or experience	51
Job is not preferred occupation	18
Pay is too low	51
Wants more hours of work	8
Wants to work different hours but not more hours	C
Experiencing discrimination from employer because of being a migrant	13
Other	46

Note: C = suppressed for confidentiality.

Among Australian PAs working in their preferred position at 18 months, the largest groups were computing professionals (15 percent of all those working in their preferred occupation), accountants (11 percent), accounting clerks (6 percent), and nurses (5 percent) – similar proportions to the responses at 6 months. The most satisfied New Zealand PAs at 18 months were those employed as nursing professionals (7 percent), computing professionals, school teachers, and managers/executives and engineers (4 percent each), again identical to 6-month satisfaction levels.

Exceptional occupational stability appeared to prevail for New Zealand PAs – with 87 percent of those employed in the same position at 6 and 18 months. (Missing or uncertain responses were not available for the research sample.) By contrast just 57 percent of Australian PAs reported being in the same work, with 34 percent having changed jobs to boost occupational mobility (many likely to have been former international students). The remainder were unemployed (3 percent) or not in the labour force (6 percent). Job satisfaction was clearly strong at this time, and directly comparable for both countries, with 82 percent of Australian PAs very or reasonably positive compared with 84 percent of New Zealand PAs. Encouragingly, a minuscule proportion of skilled migrants now expressed active dislike of their work (around 1 percent).

Remuneration and hours worked in employment at 18 months

For migrants in employment, salaries also trended upwards between 6 and 18 months. In Australia at 6 months 48 percent of primary applicants had been on a low salary band, earning $20,000–40,000 per year. This dropped to 34 percent a year later. At 18 months post-migration, 34 percent were earning $40,000–60,000 a year (compared with 26 percent at 6 months), and 18 percent $60,000 or more (rising from 13 percent).

Salaries were predictably higher for New Zealand PAs. This reflected their scale of pre-existing New Zealand employment, greater length of experience, and markedly stronger English language ability. At 6 months 29 percent of LisNZ PAs had earned $20,000–40,000, 41 percent $40,000–60,000 and 27 percent $60,000 or more. By 18 months 20 percent were earning $20,000–40,000, 39 percent $40,000–60,000, and an impressive 37 percent $60,000 or more. This was double the proportion in Australia, despite their lower qualification levels – work experience and/or English ability clearly compensating for this. (See Table 36.) In future research it would be worth exploring this outcome measure in depth – for example, assessing if the New Zealand–Australia wage gap remains once differences in age and qualifications are taken into account.[133]

[133] As noted by A Sweetman, 'Much of this report, in accordance with much of the Australian literature, seems to focus on employment rates as the preferred labor market outcome measure. This contrasts with much North American literature, which tends to focus on hourly wage rates or annual earnings. Hourly wage rates answer some policy questions, but are probably not relevant for the most interesting ones, especially when the sample is restricted to the employed. Annual earnings (or some similar measures), especially when individuals with zero earnings are included in the sample, probably answer the most interesting policy questions since they combine the average hourly wage rate with hours of work in the year. However, no such single measure is ideal, and multiple measures are probably best. In general, I suspect broader measures are better for most relevant policy questions; for example, weeks or hours of work in the year/month is probably a

Table 36: Remuneration in employment at 18 months (LisNZ and LSIA 3 research sample)

Australia – 18 months	**Australia skilled primary %**
A$0–20,000	15
A$20,001–30,000	10
A$30,001–40,000	24
A$40,001–60,000	34
A$60,001–80,000	11
Over A$80,000	7
New Zealand – 18 months	**New Zealand skilled principal %**
NZ$0–20,000	4
NZ$20,001–30,000	6
NZ$30,001–40,000	14
NZ$40,001–60,000	39
NZ$60,001–80,000	19
NZ$80,001+	18

Work hours were a further contributory factor. At 18 months post-migration, 71 percent of PAs in Australia worked 31–40-hour weeks while 19 percent worked substantially longer (14 percent 41–50 hours and 5 percent more than 50 hours). PAs in New Zealand were more likely to work overtime (58 percent reporting 31–40 hour weeks, 25 percent 41–50 hours, and 10 percent over 50 hours). This could reflect the higher value accorded mature workers and/or the lower wage rates then prevalent in New Zealand. Differential currency values are also an issue.

It is important to affirm that welfare dependence was extremely low in both countries, reflecting post-migration eligibility requirements. Just 4 percent of New Zealand PAs reported receiving unemployment benefits, with few having any additional allowances (the main types being accommodation supplements (4 percent) and family support (3 percent)). In Australia family allowance (4 percent) was the primary benefit received by PAs, followed by 1 percent for rent assistance and parenting payments respectively.

Partner qualification levels and employment outcomes at 18 months

By 18 months post-migration, 60 percent of Australian primary applicants reported being partnered compared with 70 percent of New Zealand PAs.It is thus important to assess partner qualification levels of relevance to workforce

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better measure than employment status on the survey day if for no other reason than it allows a broader range of outcomes. Following this line of logic, greater emphasis on some of the alternative outcome measures reported in section 2 would be valuable. For example, differences in annual earnings [Table 36], and hours of work, tell a somewhat different cross-national story than does the simple employed at six months metric' (A Sweetman, 2010, review comment to L Hawthorne, McMaster University, Hamilton, Canada, p 3).

contribution. Sixty percent of Australian partners at 18 months were said to be qualified at bachelor degree level or higher compared with just 36 percent for New Zealand. (See Table 37.)

Table 37: Stated partner qualification level at 18 months (LisNZ and LSIA 3 research sample)

Australia – 18 months	**Partner qualification level General Skilled Migration %**
Doctorate	2
Masters degree	18
Bachelor degree	40
Diploma	14
Trade qualification	3
Australian Qualification Framework certificate 3	4
Don't know	2
Partner has no post school qualification	18
New Zealand – 18 months	**Partner qualification level Skilled Migrant Category %**
Higher degree	13
Bachelors degree	23
Advanced vocational qualification	12
Intermediate vocational qualification	1
Skilled vocational qualification	4
Basic vocational qualification	11
Post-school/undefined	7
School qualification	21
No qualification	9

The top five fields of qualification for GSM partners in Australia at 18 months were business and management (13 percent), accounting (11 percent), computing (7 percent), electric/electronic engineering (7 percent), and economics (3 percent). For New Zealand the primary fields were engineering and related technologies (21 percent), management and commerce (14 percent), health (11 percent), natural and physical sciences (8 percent), and education (5 percent).

In Australia 67 percent of primary applicants reported their partners to be employed at 18 months, with a further 11 percent unemployed but looking for work. In New Zealand work rates were higher, with 77 percent of PAs stating their partners to be employed compared with 3 percent unemployed and looking for work, 8 percent studying, and 27 percent caring for dependants. (Note again that New Zealand allowed multiple responses on this score.)

2.6 Multivariate analysis – employment outcomes for skilled migrants

The following section of this longitudinal survey analysis assesses skilled migrants' employment attributes and outcomes through multivariate analysis. Note in relation to this that cell sizes for New Zealand were often small, constraining the comparability of the analysis. Also note that labour market outcomes are compared between onshore and offshore migrants to Australia without taking into account the dramatic difference in age distribution. As Sweetman states in his review:

> It's not clear that an immigrant/worker with higher annual earnings, but with fewer years until retirement, is 'better' for the economy. This person might have 'better' labour market outcomes in cross-section, but a lifecycle analysis of expected [average] contributions to and benefits received from the public treasury is probably a superior way to conceptualize and may give quite a different picture. One simple way to approach this is to think about age-adjusted labour market outcomes using the domestic workforce as a comparator. Undertaking such adjustments is beyond the scope of this report, but understanding the merits and weaknesses of such approaches may alter the interpretation of the results that are observed in cross-section.[134]

Employment value of onshore migration pathways 6 months post-migration

Firstly, as noted from the global literature previously, birthplace profoundly influences early employment outcomes for skilled migrants.[135] As established in section 1, place of application may do so too, in a context where three-quarters of SMC migrants were selected onshore (typically with current or offered New Zealand positions), while up to half GSM migrants were selected onshore via Australia's study–migration pathway. Within this context, which country of origin groups fared best in securing work at 6 months? And to what extent were recent migrants advantaged by the onshore skilled migration pathway?

As demonstrated by Table 38, which describes employment outcomes 6 months post-migration for skilled PAs, onshore migration was highly advantageous for select birthplace groups – in particular those at risk of serious labour market disadvantage.

Migrants derived from ESB countries were predictably best placed – 97 percent of onshore applicants securing work at 6 months in Australia compared with 93 percent of those selected offshore. The rates for New Zealand were near identical – 97 percent and 92 percent respectively. European migrants (excluding the UK/Ireland) also fared superbly, securing early employment rates

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[134] A Sweetman, 2010, review comment to L Hawthorne, McMaster University, Hamilton, Canada, p 3.

[135] See most recently D Green and C Worswick (2010) 'Visible minority status, immigrant status, gender and earnings in Canada', in T McDonald, E Ruddick, A Sweetman, and C Worswick (Eds) (2010) *Canadian Immigration: Economic evidence for a dynamic policy environment*, chapter 5. Montreal and Kingston: McGill-Queen's University Press.

of more than 90 percent (96 percent in New Zealand, where offshore data were not available given the small cell sizes). Interestingly, Indian migrants ranked next best, doing substantially better in Australia than in New Zealand, where 90 percent of Indians selected offshore were in work at 6 months compared with 78 percent by New Zealand. (Onshore rates were unavailable for New Zealand, but strong in Australia at 93 percent, in a context where the majority of Indian PAs were former international students).

Birthplace groups at risk of employment disadvantage appeared to be highly protected through onshore migration in both countries, noting again the dearth of New Zealand data for some source countries. (This was due to small cell sizes. For example, the New Zealand sample contained just 260 migrants derived from Commonwealth Asia (excluding India).) In particular the analysis found at 6 months that:

- onshore applicants from China did far better than the norm – 80 percent employed in New Zealand compared with 74 percent in Australia, in a context where just 53 percent of offshore migrants from China had secured Australian work at this time
- similar patterns were evident for Commonwealth Asian migrants (excluding India), for example derived from Singapore, Hong Kong Special Administrative Region, and Malaysia: 85 percent of PAs selected onshore by Australia were employed at 6 months compared with 79 percent recruited offshore (no data for New Zealand being available)
- North African/Middle Eastern onshore migrants were also highly protected by the study–migration pathway, securing early employment rates of 89 percent compared wth 69 percent for such migrants selected offshore
- for typically disadvantaged groups in Australia, onshore application dramatically lowered the risk of being 'not in the labour force' at 6 months – a category often encompassing migrants obliged to upgrade qualifications and/or improve English language skills.

Overall, the two-step migration paradigm adopted by both Australia and New Zealand appeared to be highly effective, regardless of whether the temporary employment or study–migration pathway was used.

Table 38: Employment outcomes at 6 months post-migration for select birthplace principal applicants by onshore versus offshore application

Birthplace by visa location	Australia % employed	Australia % unemployed	Australia % not in the labour force	New Zealand % employed	New Zealand % unemployed	New Zealand % not in the labour force
English-speaking background country						
Offshore	92.9	2.0	5.1	92.0	3.4	C
Onshore	97.3	0.0	2.7	97.0	0.8	C
Europe						
Offshore	91.7	5.2	3.1	C	C	C
Onshore	92.7	4.1	3.2	95.8	C	C
India						
Offshore	90.4	6.0	3.6	77.8	C	C
Onshore	92.5	6.9	0.6	C	C	C
Other Commonwealth Asia						
Offshore	79.0	13.0	8.0	C	C	C
Onshore	84.6	9.1	6.3	C	C	C
Other Africa						
Offshore	79.4	12.8	7.8	C	C	C
Onshore	89.3	6.3	4.4	C	C	C
North Africa/Middle East						
Offshore	69.1	0.0	30.9	C	C	C
Onshore	88.9	11.1	0.0	C	C	C
China						
Offshore	53.3	28.3	18.5	C	C	C
Onshore	73.7	11.5	14.9	80.8	5.7	C

Note: C = suppressed for confidentiality.

Employment value of onshore migration pathways 6 months post-migration

Having established this pattern, we turn to a second important issue. How did qualification levels and occupational fields compare for skilled PAs to New Zealand and Australia, and in particular for onshore compared with offshore migrants, in the context of the relatively low qualification levels in New Zealand previously noted? The following points emerge from the multivariate analysis.

- Overall, there appeared to be no systematic difference in terms of qualification level for onshore compared with offshore migrants, across the major fields.
- In New Zealand offshore migrants were far more likely than onshore migrants to possess higher degrees in the fields of IT and teaching, while in Australia there was no obvious distinction.
- Migrants, however, held markedly higher level qualifications in Australia than in New Zealand in several professional fields, most notably nursing, engineering, accounting, business and commerce, and teaching.
- Flows in a range of key professions in New Zealand were small compared with in Australia (a major example being accounting). However, the scale of onshore engineering and business and commerce migration to New Zealand seemed surprisingly large. (See Table 39.)

Table 39: Qualification level by select occupation at 6 months post-migration by onshore compared with offshore principal applicants

Qualification field by visa location	Australia % higher degree	Australia % bachelor/graduate diploma	Australia weighted total	New Zealand % higher degree	New Zealand % bachelor degree	New Zealand weighted total
Information technology						
Offshore	32.2	57.3	556	54.5	27.3	110
Onshore	25.9	73.2	1,401	21.3	41.3	800
Engineering						
Offshore	16.6	43.8	827	11.4	27.3	440
Onshore	28.5	69.6	417	11.7	17.3	1,620
Medicine						
Offshore	32.8	67.2	40	60.0	C	50
Onshore	39.5	60.5	21	63.6	27.3	220
Nursing						
Offshore	0.0	52.6	234	28.6	C	140
Onshore	3.6	96.4	111	8.5	36.6	710
Accounting						
Offshore	27.6	69.8	598	C	50.0	60
Onshore	35.6	64.1	1,096	14.0	58.1	430
Business/commerce						
Offshore	45.4	52.1	279	32.6	27.9	430
Onshore	45.1	48.5	491	24.8	28.5	1,370
Teaching						
Offshore	41.8	58.2	79	85.7	28.6	70
Onshore	42.3	48.4	48	27.6	27.6	290
Law						
Offshore	22.8	C	C	C	C	C
Onshore	16.4	77.2	40	33.3	66.7	60

Note: C = suppressed for confidentiality.

Employment outcomes 18 months post-migration by application location and field

On this basis, we analyse employment outcomes for onshore compared with offshore migrants 18 months post-migration in Australia, including differential outcomes by select field (noting that comparable New Zealand data could not be provided). Three patterns emerge.

Firstly, the risk of de-skilling was greatest in over-supplied fields such as accounting (36–49 percent of PAs employed in their field at 18 months) and business and commerce (41–49 percent). De-skilling was also a problem in engineering for offshore migrants (37 percent). By contrast the risk was slight in fields such as medicine and nursing where labour market demand was strong (employment in their field secured by 93 percent of offshore nurses and 77 percent of offshore doctors at this time).

Secondly, offshore migrants were significantly more likely than onshore migrants to be professionally employed in Australia in every field examined, except engineering. This difference was marked in the fields of teaching (58 percent of offshore migrants employed in the profession compared with 38 percent of onshore migrants), medicine (77 percent compared with 61 percent), and accounting (49 percent compared with 36 percent), suggesting that regulatory body hurdles had been dealt with pre-migration. Clearly, Australian employers placed a higher value on relatively experienced migrants in these fields, rather than recently graduated international students.

Thirdly, employment outcomes were excellent overall, despite large groups of migrants at 18 months securing relatively low-skilled positions. Onshore migrants in accounting, teaching, IT, and medicine were at greatest risk of this, along with offshore migrants qualified in the oversubscribed fields of business and commerce. (See Table 40.)

Table 40: Employment outcomes at 18 months by select occupation, for onshore compared to offshore skilled primary applicants (LSIA 3)

Qualification field by visa location (independent PAs)	Professional in own field %	Other professional employment %	Other employment %	Subtotal employed %	Grand total
Information technology					
Offshore	49.8	21.1	14.4	85.3	556
Onshore	41.9	12.3	38.9	93.2	1,401
Engineering					
Offshore	46.4	11.6	36.7	94.7	827
Onshore	51.2	23.7	21.6	96.4	417
Medicine					
Offshore	77.0	0.0	0.0	77.0	40
Onshore	60.5	0.0	39.5	100.0	21
Nursing					
Offshore	92.7	0.0	0.0	92.7	234
Onshore	85.8	3.6	6.9	96.4	111
Accounting					
Offshore	49.1	14.4	29.9	93.3	598
Onshore	36.0	11.1	45.6	92.7	1,096
Business/commerce					
Offshore	35.3	13.1	41.2	89.6	279
Onshore	26.9	12.8	48.8	88.5	491
Teaching					
Offshore	58.2	31.3	10.5	100.0	79
Onshore	38.3	6.0	40.1	84.4	52
Law					
Offshore	-	-	-	-	-
Onshore	58.0	19.5	22.5	100.0	40

Employment outcomes at 18 months by application location and birthplace

On this overall basis, I turn to assess in particular differential overall employment rates by birthplace at 18 months, noting again that these data were solely available for PAs in Australia. In line with the findings at 6 months (see Table 38), work rates were powerfully differentiated according to migrants' birthplace.

Negligible differences were found between offshore and onshore ESB-, Europe-, and India-born migrants at this time – all enjoying employment rates of 90 percent or more at 18 months post-migration.

Commonwealth Asian migrants (excluding those from India) shared these excellent overall employment rates (91–97 percent) – a major mobility gain from their 6 month employment levels (79–85 percent). By definition Commonwealth Asian migrants (for example, from Singapore, Malaysia, and Hong Kong) were advantaged by British-based education systems and strong exposure to English.

While GSM migrants from China performed less well, marked improvement was evident within a year – in particular for those advantaged by the study–migration pathway (87 percent of these migrants employed at this time compared with 77 percent of offshore migrants).

North African/Middle Eastern offshore migrants did least well. Surprisingly just 50 percent of these offshore migrants were in any kind of employment at 18 months, representing a marked drop from their 6-month employment rate (69 percent). This merits further investigation. (See Table 41.)

Table 41: Employment outcomes at 18 months for onshore compared with offshore skilled principal applicants, by select birthplace group (LSIA 3)

Birthplace	Place of application	Working %	Un-employed %	Not in the labour force %	Grand total
China	Offshore Independent	76.7	6.7	16.7	555
	Onshore Independent	86.9	4.5	8.6	991
Commonwealth Asia	Offshore Independent	91.3	3.5	5.3	510
	Onshore Independent	95.6	1.9	2.6	1,104
English-speaking background	Offshore Independent	94.1	0.9	5.0	1,016
	Onshore Independent	91.2	0.0	8.8	88
Europe	Offshore Independent	97.4	2.6	0.0	203
	Onshore Independent	95.0	5.0	0.0	143
India	Offshore Independent	92.3	3.1	4.6	442
	Onshore Independent	95.1	3.3	1.6	545
North Africa/ Middle East	Offshore Independent	50.0	0.0	50.0	81
	Onshore Independent	100.0	0.0	0.0	22
Other Africa	Offshore Independent	94.3	1.8	3.9	502
	Onshore Independent	93.5	3.1	3.4	1,343

Other	Offshore Independent	100.0	0.0	0.0	260
	Onshore Independent	97.8	1.2	1.0	279

2.7 Employment outcomes for degree-qualified migrants across all immigration categories to Australia (2006)

The following analysis of Australia's 2006 census data (prepared by Hawthorne for the United Nations Educational, Scientific and Cultural Organization)[136] demonstrates the extraordinary significance of these skilled migration research findings. As demonstrated, the great majority of PAs selected by Australia and New Zealand were swiftly employed post-arrival: 83 percent in Australia compared with 93 percent in New Zealand at 6 months, compared with 85 percent and 87 percent respectively at 18 months. The outcomes are higher once self-employment is factored in. Large numbers were working in the appropriate occupational field while securing good remuneration. Results were particularly impressive in New Zealand, where PAs were older, more likely to be of English speaking origin, and more likely to work longer weeks and be rewarded by substantially higher earnings.

By contrast the following trends were the norm for degree-qualified migrants reaching Australia across all immigration categories 2001–06, in their first 5 years of arrival, many of whom had not been points-tested in advance for employment attributes.

Employment

By 2006, 68 percent of bachelor degree-qualified 2001–06 arrivals had secured work of some kind in Australia. Just 29 percent, however, had found professional positions in the first 5 years, with substantial numbers clustered in low-skilled employment.

Qualification level

Possession of tertiary qualifications profoundly influenced such outcomes. Degree- and higher degree-qualified migrants enjoyed a substantial labour market advantage in Australia relative to migrants with lower-level credentials. In general, they secured double or more the rate of professional employment than migrants who were diploma-qualified. Migrants holding postgraduate qualifications were advantaged to a marked degree – with 43 percent of doctorate-qualified migrants employed in their professions within 5 years compared with just 23 percent qualified at the masters and 22 percent at the bachelors degree level.

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[136] L Hawthorne (2008) *Migration and Education: Quality assurance and mutual recognition of qualifications – Australia repo*rt. Paris: United Nations Educational, Scientific and Cultural Organization. unesdoc.unesco.org/images/0017/001798/179842E.pdf

Labour force status

By contrast, unemployment represented a substantial risk for many degree-qualified arrivals, selected across all immigration categories. Large numbers were categorised as 'not in the labour force' in their first 5 years post-migration (including 25 percent of those with bachelor-level qualifications). Many were obliged to learn English or seeking local credential recognition at this time.

Advantaged birthplace groups

The following degree-qualified migrants were those most likely to have secured professional work by 2006: those from South Africa, New Zealand, the UK/Ireland, US/Canada, and northwest Europe (that is, the major English-speaking and European Union countries).

Disadvantaged birthplace groups

By contrast, many birthplace groups experienced severe disadvantage in the early settlement period. Large numbers of degree-qualified migrants from non-Commonwealth Asia, for instance, had secured employment only at the cost of taking low-skilled work – a significant policy issue given the recent scale of their arrival. Migrants from China were particularly at risk.

Labour market demand

Level of demand clearly influenced such employment outcomes, based on 10 key occupations analysed in-depth.[137] Migrants struggled to find work in oversubscribed professional fields, but enjoyed more liberal access where labour market demand was particularly strong (such as in the fields of medicine and nursing).

Gender and age

In terms of gender, degree-qualified women secured inferior employment outcomes to men. Employment outcomes by age and gender were most similar to those of domestic workers for migrants from ESB source countries (the UK/Ireland, US/Canada, and South Africa), in addition to those from North West Europe. Twenty-five to 44-year-old degree-qualified male arrivals fared best overall – outperforming older migrants (aged 45–64 years). Such migrants also fared far better than newly arrived overseas-qualified young graduates (15–24 years), in particular those from non-ESB countries, many of whom faced a catastrophic level of employer rejection.

Place of qualification

In relation to such trends the 2006 census data confirmed it to be highly advantageous for young degree-qualified migrants to possess host country rather than overseas degrees (a finding affirming Australia's growing selection of

[137] L Hawthorne (2008) *Migration and Education: Quality assurance and mutual recognition of qualifications – Australia report.* Paris: UNESCO. unesdoc.unesco.org/images/0017/001798/179842E.pdf

onshore former international student applicants). Length of residence in the host country, however, mattered to employers, who sought a high degree of acculturation. (See Table 42 for employment outcomes by birthplace for 1996–2006 arrivals, with the data here focused on 10 years post-migration.)

Length of residence

In line with the global research literature, superior employment outcomes were achieved by long-established degree-qualified migrants (defined as resident in Australia 10 years or more) compared with recent arrivals. Encouragingly, this pattern included initially disadvantaged groups, whose unemployment rates after a decade more nearly approximated host country norms.

General effectiveness of skilled migrant selection criteria

Such 2006 census findings for Australia are relevant to the current study. They establish baseline employment outcomes for degree-qualified migrants in their first 5 years post-migration. As demonstrated by the LSIA 3 and LisNZ analyses, skilled category PAs fared infinitely better in both countries at 6 and 18 months (2005–06), confirming the general effectiveness of GSM and SMC selection criteria. Such findings stand in contrast to Canada, where economic migrants (as we have seen) have experienced deteriorating employment outcomes across the past decade due to a range of important contributory factors.[138]

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[138] See footnote 129 for select research assessments conducted in the past decade. As noted by A Sweetman, 'there have been deteriorating outcomes for immigrants to Canada, including economic immigrants, since at least the 1980s. In the early 2000s the economic class immigrants experienced a particularly large negative shock because of a government programme that massively increased the proportion of economic class immigrants in the IT sector just prior to the co-called "IT bust". By luck, the timing of the Canadian longitudinal immigration survey picks up the cohort that is most strongly affected by the IT bust. HOWEVER, skilled worker principal applicants in Canada continue to have mean employment and earning outcomes that are superior to those of all the other categoties. This gap is smallest at 6 months but grows after that. The Canadian situation can be confusing since some research reports, especially those addressing poverty issues, focus on one portion of the annual earnings distribution. To quote [G Picot and F Hou (2010) *Immigrant Characteristics, the IT Bust, and their Effect on Entry Earnings of Immigrants*. Analytical Studies Branch Research Paper Series No 315, Ottawa: Statistics Canada, p W,] "We find that, through the 1990s, the rising number of entering immigrants with university degrees and in the skilled economic class did little to improve earnings at the bottom of the earnings distribution (and reduce low-income rates among entering immigrants), but the changes did increase earnings among immigrants at the middle and top of the earnings distribution." Regarding the early 2000s they report: "We find that from 2000 to 2004, the entry earnings of immigrants renewed their slide, but for reasons that differed from the standard explanations of the earlier decline. Much of the fall after 2000 was concentrated among immigrants intending to practice in the information technology (IT) or engineering occupations. This coincided with the IT downturn, which appears to have significantly affected outcomes for these immigrants, particularly the men. Following the significant increase in supply in response to the call for more high-tech workers in the late 1990s, the large numbers of entering immigrants were faced with the IT downturn." Overall, the Canadian situation is not a good one. In response, the federal government has recently introduced policy changes that have modified the operation of the points system (that is, the skilled worker category) quite substantially. Moreover, the introduction of the new Canada Experience Class, which is a subcategory of the economic class, will run in parallel with the points system. And, the number of immigrants traditionally processed through the skilled worker/points system will now be processed through it and the Canada experience class. So, in effect, the number of immigrants being processed through the points system will decline, with some estimates

suggesting that the number of immigrants processed through the skilled worker/points system will be halved. A final piece of background is that many of the immigrants discussed by Picot and Hou, and experiencing the decline in outcomes, were processed not under the then current Canadian immigration legislation, but under legislation from a few decades ago. There was a Supreme Court ruling that "grandfathered" several years of entries under the (very) old system - for a few years immigrants were being processed in parallel under two distinct pieces of legislation. So the current reaction, including the introduction of the Canada Experience Class, is not as much a reaction to the immigration system that has been in place for quite a while, but to the legislative framework that preceded it by quite a number of years. It is quite complex on many dimensions.' (Sweetman, A [2010], Review comment to L Hawthorne, McMaster University, Hamilton Canada).

See eg Lee, S (1996), 'Issues in Research on Women, International Migration and Labor', Asian and Pacific Migration Journal 5 (1) 5-26; Lim, L & Oishi, N (1996), 'International Labor Migration of Asian Women: Distinctive Characteristics and Policy Concerns', in Asian Women in Migration, eds G. Battistella and A. Paganoni, Quezon City: Scalabrini Migration Center; Hawthorne, L (1996), 'Reversing Past Stereotypes: Skilled NESB Women in Australia', Journal of Intercultural Studies 17 (1-2); Boyd, M (1986), 'Immigrant Women in Canada', in International Migration: The Female Experience, eds R J Simon and C B Brettell, Rowman & Allenheld, Totawa, New Jersey.suggesting that the number of immigrants processed through the skilled worker/points system will be halved. A final piece of background is that many of the immigrants discussed by Picot and Hou, and experiencing the decline in outcomes, were processed not under the then current Canadian immigration legislation, but under legislation from a few decades ago. There was a Supreme Court ruling that "grandfathered" several years of entries under the (very) old system - for a few years immigrants were being processed in parallel under two distinct pieces of legislation. So the current reaction, including the introduction of the Canada Experience Class, is not as much a reaction to the immigration system that has been in place for quite a while, but to the legislative framework that preceded it by quite a number of years. It is quite complex on many dimensions' (A Sweetman, 2010, review comment to L Hawthorne, McMaster University, Hamilton, Canada).

Table 42: Labour market outcomes for degree-qualified migrants who arrived in Australia in 1996–2006, selected countries, by employment in their own profession, percentages

Country/region of birth [1]	Own profession %		Other profession [2] %		Any work subtotal [3] %			Unemploy-ment %	Not in the labour force [4] %
	Full time	Part time	Full time	Part time	Full time	Part time	Total		
United Kingdom/Eire (Ireland)	32.4	11.1	7.2	1.7	62.5	18.8	81.4	1.8	16.9
Northern Europe	27.1	8.4	7.9	1.9	58.6	17.8	76.4	2.7	20.9
Western Europe	28.1	12.1	6.6	1.8	56.8	18.9	75.7	2.7	21.7
South Eastern Europe	31.7	6.4	7.9	1.5	65.5	14.6	80.1	2.8	17.1
Eastern Europe	27.7	6.5	7.7	2.2	58.0	18.3	76.3	4.1	19.7
Vietnam	33.6	4.3	9.1	1.2	67.8	12.2	80.0	3.8	16.2
Indonesia	21.3	2.6	4.1	1.2	54.4	17.4	71.7	5.2	23.0
Malaysia	35.9	7.2	7.6	1.4	65.2	15.4	80.6	3.1	16.3
Philippines	19.5	4.0	5.5	0.8	60.9	15.6	76.5	3.1	20.5
Singapore	31.7	6.5	6.3	2.2	60.7	15.5	76.2	3.3	20.4
China (not SARs and Taiwan)	18.3	2.8	6.4	1.9	49.5	17.7	67.2	7.9	24.9
Hong Kong/Macau	34.1	5.5	8.7	1.4	65.6	14.1	79.8	4.1	16.2
Japan/South Korea	14.1	4.5	4.3	1.3	42.5	19.6	62.1	4.6	33.2
Other Southern and Central Asia	22.2	3.0	5.2	1.9	52.8	17.2	70.0	5.7	24.3
India	23.4	3.8	8.1	1.3	58.0	19.2	77.2	5.9	16.9
Sri Lanka/Bangladesh	32.6	4.4	7.2	1.9	64.1	17.3	81.3	4.6	14.1
Canada/United States	27.8	7.6	7.4	2.0	60.1	16.6	76.8	2.6	20.6
Central/South America	26.5	6.5	6.7	1.7	57.4	20.6	77.9	4.4	17.6
Other sub-Saharan Africa	33.5	7.7	6.8	1.6	64.1	18.0	82.1	3.3	14.6
South Africa	36.9	9.1	7.6	1.6	68.8	16.1	85.0	2.0	13.0
North Africa/Middle East	24.3	5.2	6.5	1.8	52.8	15.8	68.6	6.0	25.4

Country/region of birth [1]	Own profession %		Other profession [2] %		Any work subtotal [3] %			Unemploy-ment %	Not in the labour force [4] %
	Full time	Part time	Full time	Part time	Full time	Part time	Total		
Other	29.6	8.7	5.2	1.3	57.5	18.8	76.3	3.1	20.7
Total migrants	28.0	6.8	6.8	1.6	59.3	17.5	76.8	3.8	19.4
Australia/New Zealand [5]	36.4	12.1	5.4	1.4	64.0	19.8	83.7	1.3	15.0

Notes: SAR = Special Administrative Region.

(1) Excludes those for whom birthplace or year of arrival is unknown.

(2) Other professional employment defined as those working in any of information technology, engineering, medicine, nursing, accounting/business/commerce, teaching or law professional fields, but not in own profession.

(3) Includes those working in any employed position.

(4) Not in labour force or status unknown.

(5) Includes those born in New Zealand, who are not counted as migrants to Australia, although there is substantial two-way population movement between the two countries. 28,412 degree-qualified New Zealanders reached Australia between 1996 and 2006, and were resident in Australia in 2006.

Source: 2006 census (Australia), unpublished data accessed 2008, Australian Bureau of Statistics.

2.8 Employment outcomes for Skilled Migrant Category skilled secondary applicants (New Zealand)

Unsurprisingly, the LisNZ data analysis demonstrated SMC secondary applicants secured inferior employment outcomes to PAs. Key points are summarised below, with comparative tables presented collectively in Appendix D.

- Reflecting classic migration patterns, secondary applicants were disproportionately likely to be female: 71 percent compared with 67 percent of PAs to New Zealand being male.[139]
- In terms of age, secondary applicants were fairly comparable to PAs, despite higher proportions being aged 18–24 and 35–44 years, while the primary age for PAs was 25–34 years. (See Table 23.)
- Secondary applicants' qualification level was far lower than that of PAs: most notably 35 percent reporting no qualifications (compared with just 8 percent of PAs), and 28 percent holding bachelor or higher qualifications (compared with 50 percent). Trade qualification levels by contrast were similar (held by 32 percent of secondary applicants compared with 36 percent of PAs). (See Table 26.)
- For bachelor-qualified secondary applicants, curriculum, teaching and education (12 percent combined) was the major field, followed by business and management (8 percent), studies in human society (6 percent), and accountancy and computer science (4 percent each). The major trades by contrast were business and management (12 percent) and office studies (10 percent), followed by electrical/electronic engineering and related technologies (5 percent) and nursing (4 percent). (See Table 27.)
- Before migration, despite their level of qualification in regulated fields, few secondary applicants had concerned themselves with qualifications assessment: just 24 percent securing this compared with 45 percent of PAs.
- English levels were also reportedly lower: 51 percent stating they spoke English 'best' or 'very well' compared with 65 percent of PAs. (See Table 30.)
- Limited occupational data were collected on the pre-migration occupations of SMC secondary applicants by the LisNZ – the focus being on PAs. Regardless of this 62 percent were employed at 6 months compared with 93 percent of PAs and a third stated they were not looking for work at this stage.
- Many SMC secondary applicants employed at this time were dissatisfied – 74 percent of these wanting better pay, 48 percent feeling they had had insufficient opportunity to use their skills, and 36 percent stating they were unable to secure work in their preferred occupation.

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[139] See, for example, S Lee (1996) 'Issues in research on women, international migration and labor', *Asian and Pacific Migration Journal* 5(1): 5–26; L Lim and N Oishi (1996) 'International labor migration of Asian women: Distinctive characteristics and policy concerns', in G Battistella and A Paganoni (Eds), *Asian Women in Migration*. Quezon City: Scalabrini Migration Center; L Hawthorne (1996) 'Reversing past stereotypes: Skilled NESB women in Australia', *Journal of Intercultural Studies* 17(1–2): 41–52; M Boyd (1986) 'Immigrant women in Canada', in R J Simon and C B Brettell (Eds), *International Migration: The female experience*. Totawa, New Jersey: Rowman and Allenheld.

- In line with their lower qualification levels, however, secondary applicants were less aspirational than PAs in terms of work: most wanting sales work (13 percent), general clerk positions (8 percent), or school teaching (7 percent).
- Eighteen months post-migration, 38 percent of skilled secondary applicants were not working, including 25 percent who were out of the labour force (many presumably by choice), 3 percent who were unemployed, and 2 percent who were working in an unpaid capacity in a family business or farm. (By contrast 87 percent of PAs at this time in New Zealand were employed, while 7 percent were conducting businesses.)
- In line with 6-month trends, close to a third of secondary applicants identified barriers to New Zealand employment (29 percent compared with 33 percent of PAs). Further, 14 percent felt their skills or experience were not valued by local employers (double the proportion of PAs).
- Within this context, a substantial number of secondary applicants chose to undertake study (10 percent of respondents compared with just 3 percent of PAs) – perhaps to secure recognition of credentials given this had not been assessed pre-migration, or to improve English.
- Large numbers of those employed continued to want better work: 37 percent of these respondents stating they were inadequately using their skills and experience (compared with 51 percent of PAs), 27 percent that they were not employed in their preferred occupation (compared with 18 percent), 59 percent that their pay was too low (compared with 51 percent), and 22 percent that they wanted more hours of work (compared with just 8 percent).
- Secondary SMC migrants were far less well remunerated than PAs: 43 percent on salaries of $20,000–40,000 (compared with 6 percent), 43 percent earning $40,000–60,000 (compared with 20 percent), and just 10 percent earning $60,000 or more at 18 months (compared with 37 percent). This outcome also reflected qualification levels.
- Secondary applicants were employed for far shorter weeks than PAs: 22 percent working less than half time and a third working 21–40 hours.
- Despite such outcomes welfare dependence was extremely low – virtually identical to that of SMC principal applicants (reflecting here New Zealand eligibility requirements).
- At 18 months post-migration, 77 percent of New Zealand PAs stated that their partners were employed, while 3 percent were said to be unemployed and looking for work, 8 percent studying, and 27 percent caring for dependants (with multiple responses allowed).

While the migration literature has typified female migrants as dependants, such responses demonstrate the growing agency of women as labour migrants. According to Lee, until the past few decades the:

> role of women in international migration was largely unrecognised … [Their] economic and social contributions were considered trivial or non-existent because when women migrated, they were routinely viewed as dependants of male migrants or as passive participants in migration.

According to other researchers, there was a 'taken-for-granted view that women are the appendages of either protective males or the patriarchal state'.[140]

Contesting this view, a range of recent analysts have demanded a proper respect for and attention to the status of women in global labour movements. Significant shifts have been under way for the past three decades – a result of women's increased capacity to access education, employment, and contraception. In 1976 (for example) fewer than 15 percent of the 146,400 Asian workers who left their countries to work overseas were female. By the early 1990s the 'feminisation' of Asian labour movements had become pronounced, with the majority of temporary migrants female – particularly those from the Philippines, Indonesia, Sri Lanka, and Thailand.[141] An increasing proportion of migrant women have sought employment throughout Asia, the Middle East, and select Western countries as 'nurses, doctors, teachers and secretaries – the feminised occupations' – despite the persistent image of women as unskilled workers or 'trailing spouses'.[142] Based on New Zealand secondary applicant responses, it is clear 'dependants' will seek improved work in large numbers.

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[140] S Lee (1996) 'Issues in research on women, international migration and labor', *Asian and Pacific Migration Journal* 5(1): 5–26, pp 6–7; R Fincher, L Foster, W Giles, and V Preston (1994) 'Gender and migration policy', in H Adelman, A Borowski, M Burstein and L Foster (Eds) (1994) *Immigration and Refugee Policy: Australia and Canada compared*, Vol 1. Melbourne University Press, p 150.

[141] G Hugo (1995) 'International migration in the Asia–Pacific region: Emerging trends and issues', in S Douglas, J Massey, and E Taylor (Eds), *International Migration: Prospects and policies in a global marke*t, chapter 5. Oxford University Press, pp 77–103; G Hugo (2009) 'Emerging demographic trends in Asia and the Pacific: The implications for international migration', in Bertelsmann Stiftung and Migration Policy Institute (Eds), *Talent, Competitiveness and Migration, The Transatlantic Council on Migration.* Verlag Bertelsmann Gütersloh, Gutersloh, pp 33–99; L Lim and N Oishi (1996) 'International labor migration of Asian women: Distinctive characteristics and policy concerns', in G Battistella and A Paganoni (Eds), *Asian Women in Migration*. Quezon City: Scalabrini Migration Center; L Hawthorne (1996) 'Reversing past stereotypes: Skilled NESB women in Australia', *Journal of Intercultural Studies* 17(1–2): 41–52; J Shu and L Hawthorne (1995) 'Asian female students in Australia: Temporary movements and student migration', *Australian Population Journal* 12(2): 113–130; C Stahl and R Appleyard (1992) 'International manpower flows in Asia: An overview', *Asian and Pacific Migration Journal* 1(3–4): 417–476.

[142] See, for example, B Yeoh and L Khoo (1998) 'Home, work and community: Skilled international migration and expatriate women in Singapore', *International Migration Quarterly Review* 36(2): 159–186.

3 SKILLED MIGRATION POLICY DEVELOPMENTS 2007–2010: AUSTRALIA COMPARED WITH NEW ZEALAND

3.1 Introduction

As demonstrated in section 2, between 2005 and 2007 New Zealand and Australia secured impressive outcomes from skilled migration in global terms, noting the following findings from the longitudinal survey analysis.

- Six months post-migration, 93 percent of principal applicants were employed or self-employed in New Zealand compared with 83 percent in Australia. (Note primary/principal applicants (PAs) to Australia were far more likely to be new graduates seeking their first job, and to be of Asian origin rather than from an English-speaking background (ESB). New Zealand PAs were typically recruited with current jobs or job offers in New Zealand.)
- PAs to both countries were derived from comparable fields, with computing, accounting, engineering, nursing, and business and management featured strongly (and education also significant for New Zealand). Field of employment was reasonably correlated with past occupation at 6 months, with only modest levels of de-skilling occurring. Work satisfaction at this time was fairly high.
- As demonstrated by the multivariate analysis, PAs from ESB countries fared particularly well in New Zealand and Australia, securing early employment rates of 92–97 percent, followed by strong outcomes for migrants derived from Europe and India.
- Within the early settlement period birthplace groups at risk of employment disadvantage were highly protected by onshore migration pathways. (For example, in Australia 74 percent of onshore PAs from China were working at 6 months compared with 53 percent of comparable offshore migrants.)
- Employment rates were also impressive at 18 months in both countries, suggesting a high degree of stability. By this stage 85 percent of PAs in Australia were employed with a further 4 percent conducting businesses. In New Zealand rates were even better at 87 percent and 7 percent. Impressive mobility had occurred. Seventy percent of PAs in Australia stated they were working in their preferred occupation at this time compared with 53 percent at 6 months (noting that a yes/no question was not asked in relation to this in the New Zealand survey).
- Occupational stability was exceptionally strong in New Zealand (87 percent of PAs employed in the same position at both 6 and 18 months). By contrast job mobility was frequent in Australia, where 34 percent of PAs had changed their positions (the data suggesting this was to seek more highly skilled work and/or better remuneration). Many were former international students, replicating a common pattern for new graduates.
- Salary levels had improved markedly between 6 and 18 months in both countries. The highest earnings were achieved by PAs in New Zealand, who were more likely to work extended hours (41 or more hours per week). These salaries also reflected their greater age, level of experience, family

responsibilities, and ESB, though fewer were tertiary qualified than was the case in Australia.

- Migrants to both countries were very positive at 18 months regarding their settlement process (90 percent of PAs in New Zealand and 93 percent in Australia). Few had been out of work in the previous year – just 7 percent of PAs in New Zealand compared with 18 percent in Australia (typically for a few months). Welfare dependence was negligible.
- PAs partners were also entering the workforce in force – 77 percent of New Zealand PAs stating that their partners were employed at 18 months compared with 67 percent in Australia. (As demonstrated by analysis of secondary applicant characteristics and outcomes for New Zealand in section 2, partners achieved far more modest employment status than PAs.)

Despite the strength of these research findings, the years since the administration of the Longitudinal Survey on Immigrants to Australia (LSIA 3) and Longitudinal Immigration Survey: New Zealand (LisNZ) have coincided with a significant Skilled Migrant Category (SMC) and General Skilled Migration (GSM) policy shift. New governments have been elected in each country (November 2007 and 2008), in the context of global recession. Recent trends include fine-tuning the study–migration pathway, and (in Australia) a sustained shift towards sponsored labour migration entry – converging towards the New Zealand model. Most notably, a new paradigm for GSM selection has been implemented in Australia since February 2010. Key skilled migration policy developments for each country from 2006 to 2010 are defined below and illustrated by occupation-specific case studies for the fields of medicine (Boxes 1 and 4), nursing (Boxes 2 and 5), and engineering (Boxes 3 and 6).

3.2 Australian policy trends 2007–2010 – fine-tuning the study–migration pathway

By the time of the LSIA 3 survey administration (2005–07), Australia's export education and skilled migration programmes had become inextricably linked. From 1999 former international students had been immediately eligible to migrate on the assumption they had advanced English language ability, recognised qualifications, locally relevant training, and a high level of acculturation. By 2005/06 former international students constituted close to half of GSM primary applicants (42 percent), with 'migration-driven' countries (most notably China and India) emerging as the major Australian sources of supply. By 2008/09, however, the proportion of onshore migrants had dropped to 35 percent. What had caused this contraction?

As established by Australia's 2005-06 skilled migration review, challenges as well as benefits were associated with the study–migration pathway. Former international students achieved inferior labour market outcomes to those of offshore PAs. Despite near identical proportions being employed at 6 months (83 percent compared with 82 percent), they were characterised by annual salaries of A$20,000 less and lower job satisfaction. They were also far less likely to use their qualifications in work (46 percent compared with 63 percent of offshore primary applicants). Contributory factors were identified in relation to this: most notably students' modest English ability, inadequate quality control of

the rapidly emerging private vocational training sector (providing migration-aligned courses), compromised student academic entry and progression standards in select providers, and the extraordinary level of cultural and linguistic enclosure of many international students enrolled in such programmes. Early employment outcomes also reflected their youth (see Table 4), and their recent qualification status.

Responding to these concerns since 2006, successive Australian governments have taken steps to refine the skilled migration programme and enhance former students' employment readiness, while removing perverse study–migration incentives. Collectively, the impact of these measures has been profound. From September 2007 (the last 2 months of the conservative Howard government) exemptions from English testing were no longer automatically allowed for former students, given the impossibility of policing education-provider standards.[143] In line with the skilled migration review recommendations, band 6 on the International English Language Testing System (IELTS) became the threshold GSM 'competence' score across all four skills (increased from IELTS band 5), more nearly approximating New Zealand norms (IELTS band 6.5). Significant bonus points were introduced for 'proficient' English (25 points for candidates at IELTS band 7 or above), with English rather than 'migration occupations in demand' becoming the key determinant of Independent points-based selection. Higher migration points were awarded graduates with advanced qualifications: most notably those possessing doctoral degrees (25 points) or 3-year qualifications (15 points). Liberalised access to post-course visas was introduced, allowing students an additional 18 months to upgrade their skills for GSM selection ('gain skilled work experience; improve their English language skills; or undertake a Professional Year' related to field of study[144]).

Following 11 years of conservative rule, the Rudd Labor government was elected in November 2007. Reform of the study–migration pathway became an early priority. That year international student enrolments in Australia's vocational education and training sector had grown 51 percent while tertiary sector growth was 8 percent. (See Table 43.) The problem of institutional quality control was intensifying – an unexpected consequence of Australia allocating up to 20 bonus points to skilled applicants with qualifications on the Migration Occupations in Demand List in the context of sustained economic boom. Diploma and certificate level trades had been added to this list in unprecedented numbers: 47 by 2007, compared with just 3 in 2002. (See Table 44.)

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[143] B Birrell (2006) 'Implications of low English standards among overseas students at Australian universities', *People and Place* 14(4): 53–64; K Watty (2007) 'Quality in accounting education and low English language standards among overseas students: Is there a link?', *People and Place* 15(1): 22–29; L Hawthorne (2007) *Language, Employment and Further Study*, commissioned discussion paper for Australian Education International, Department of Education, Science and Training, Commonwealth of Australia; S Arkoudis, L Hawthorne, C Baik, G Hawthorne, K O'Loughlin, E Bexley, and D Leach (2009) *The Impact of English Language Proficiency and Workplace Readiness on the Employment Outcomes of Tertiary International Students.* Canberra: Department of Employment, Education and Workplace Relations.

[144] DIAC (2007) 'Changes to General Skilled Migration (GSM) – frequently asked questions', Department of Immigration and Citizenship website: http://www.immi.gov.au/

Table 43: New international student commencements by Australian education sector, August 2006 and 2007

Education sector	August 2006	August 2007	Change %
Higher education	64,230	69,238	7.8
Vocation and technical education	38,023	57,328	50.8
English Language Intensive Courses for Overseas Students	38,190	53,446	39.9
Schools	9,790	12,241	25.0
Non-award and other	20,608	21,224	3.0
Total	170,841	213,477	25.0

Source: Australian Education International (2007) *Monthly Summary of International Student Enrolment Data: Australia*, media release. Canberra: Department of Education Science and Training.

Table 44: Growth of Australia's migration occupations in demand list for general skill migration, 2002–2007

Year	Professions	Trades and vocational occupations
2002 (October)	Information technology professional, accountant, hospital pharmacist, retail pharmacist, physiotherapist, registered nurse, midwife, mental health nurse, sonographer, radiation therapist	Hairdresser, cook, refrigeration and air-conditioning mechanic
2007 (August)	Accountant, anaesthetist, architect, chemical engineer, civil engineer, computing professional – specialising in CISSP, C++/C#/C, Java, J2EE, network security/firewall/internet security, Oracle, Peoplesoft, SAP, SIEBEL, Sybase SQL server, dental specialist, dentist, dermatologist, electrical engineer, emergency medicine specialist, external auditor, general medical practitioner, hospital pharmacist, mechanical engineer, medical diagnostic radiographer, mining engineer (excluding petroleum), obstetrician and gynaecologist, occupational therapist, ophthalmologist, paediatrician, pathologist, petroleum engineer, physiotherapist, podiatrist, psychiatrist, quantity surveyor, radiologist, registered mental health nurse, registered midwife, registered nurse, retail pharmacist, specialist medical practitioners (not elsewhere classified), specialist physician, speech pathologist, sonographer, surgeon, surveyor	Aircraft maintenance engineer (avionics), aircraft maintenance engineer (mechanical), automotive electrician, baker, boat builder and repairer, bricklayer, cabinetmaker, carpenter, carpenter and joiner, chef, cook, drainer, electrical powerline tradesperson, electrician (special class), electronic equipment tradesperson, fibrous plasterer, fitter, floor finisher, furniture finisher, furniture upholsterer, gasfitter, general electrician, general plumber, hairdresser, joiner, lift mechanic, locksmith, mechanical services and air-conditioning plumber, metal fabricator (boilermaker), metal machinist (first class), motor mechanic, optical mechanic, painter and decorator, panel beater, pastry cook, pressure welder, refrigeration and air-conditioning mechanic, roof plumber, roof slater and tiler, solid plasterer, sheetmetal worker (first class), stonemason, toolmaker, vehicle body maker, vehicle painter, wall and floor tiler, welder (first class)

Source: Table constructed from Migration Occupations in Demand Lists published in 1999, 2002, and 2007 on successive Immigration Department websites.

Private training colleges had responded rapidly to this opportunity, including registered training organisations described in the course of the skilled migration review as 'wily entrepreneurial players who exist solely to funnel international students into skilled migration'. As noted, Indian students had proven most immediately responsive to this option – 36,045 enrolled in vocational courses by June 2008 compared with just 1,827 6 years earlier.[145] Dramatic growth in demand had occurred for, for example, hairdressing and hospitality courses, in a context where these could deliver equivalent migration bonus points to 6-year medical degrees, regardless of calibre of training.

By 2009 there was growing media concern that 'widespread rackets among private trade colleges were "out of control" and undermin[ing] Australia's education, immigration and employment systems'.[146] In the view of one critic, international education had become 'the nexus between the free movement of labour in a globalised world and efforts by advanced countries to make education a highly lucrative commodity'. Lack of quality assurance could risk students being 'treated as commodities in a marketplace that charges top dollar for low-grade education and training', in what appeared to some as a 'government-sanctioned racket'.[147]

The Rudd government took sustained steps from the time of its election to address these issues, its stated aim being to 'restore integrity' to the study–migration pathway. A review was commissioned of the employment outcomes achieved by former international students across eight professions and trades, including assessment of the attributes employers sought. Released in late 2009, this study affirmed English to be the critical determinant of early employment, supported by a high degree of acculturation – native English speakers or PAs speaking English very well being 3.7 times more likely to be employed at 18 months than those with poor English.[148]

A review of quality assurance in Australia's export education industry was commissioned, in a context where the industry was defined as 'at a crossroad', with global damage perceived to have been done to both 'reputation and brand'. This report's recommendations (released February 2010) affirmed the need for enhanced quality, accountability, and governance across all education sectors. A 'risk management' approach was to be introduced, supported by regular

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[145] Australian Education International (2008) Unpublished international student enrolment data 2002-2008 provided to and analysed by the author and G Hawthorne.

[146] S Das (2009) 'Millions trump truth about dodgy schools', *The Age*, 29 July, p 15. See also B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia; B Birrell, E Healy, and B Kinnaird (2007) 'Cooks galore and hairdressers aplenty', *People and Place* 15(1): 30–44; M Baas (2006) 'Students of migration: The education industry versus the migration industry', *People and Place* 15(2): 49–60; M Baas (2007) 'The language of migration: Indian overseas students and the question of permanent residency', *People and Place* 14(1): 49–60.

[147] S Das (2009) 'Millions trump truth about dodgy schools', *The Age*, 29 July, p 15.

[148] S Arkoudis, L Hawthorne, C Baik, G Hawthorne, K O'Loughlin, E Bexley and D Leach (2009) *The Impact of English Language Proficiency and Workplace Readiness on the Employment Outcomes of Tertiary International Students*. Canberra: Department of Employment, Education and Workplace Relations. aei.gov.au/AEI/PublicationsAndResearch/Publications/ELP_Full_Report_pdf.pdf

reviews and assessment of provider bona fides (including educational function and purpose, level of human and capital resources, and funding viability). Perverse study–migration incentives were to be removed, including 'cheap courses delivered to allow students to work more', supported by 'vertical integration of agents, providers, employers and landlords exploiting international students'.[149]

Box 1: Case study – Medical migration to Australia

Australia has an extraordinary dependence on international medical graduates. By 2006, 45 percent of residents with medical qualifications were overseas-born, including 7,596 doctors migrating between 2001 and 2006 across all immigration categories (double the number accepted in the previous 5 years). The UK/Ireland, other sub-Saharan Africa, China, India, North Africa and Middle East, Sri Lanka and Bangladesh, South Africa, and the Philippines have been the major recent source countries.

Diversification of supply is challenging, however. Fifty-three percent of international medical graduates secure medical employment in Australia in their first 5 years. Outcomes are poor for a range of birthplace groups – for instance, just 6 percent of doctors from China are medically employed, 23 percent from Vietnam, and 31 percent from Eastern Europe. Many such doctors reach Australia within the Family and Humanitarian Categories – untested in advance for their employment attributes and registerability.[150]

Outcomes are significantly better for international medical graduates selected through the General Skilled Migration programme or temporary sponsored pathways. From 2004/05 to 2008/09, 1,489 international medical graduates arrived as skilled primary applicants, a number rising to 2,593 once partners are included.

Temporary flows are very strong – highly attractive to state/territory governments and employers given the potential to prescribe international medical graduates location as a condition of visa entry (for example, to work in under-supplied regions). Between June 2000 and December 2002, 5,304 temporary international medical graduates were allocated to 'areas of need', often sponsored to remote locations in the states of Queensland (2,049), Western Australia (1,204), and Victoria (1,176).

[149] Baird Review (2010) *Review of the Education Services for Overseas Students (ESOS) Act 2000: Stronger, simpler, smarter ESOS – Supporting international students*. Canberra: Department of Education, Employment and Workplace Relations, pp 1–2, 7–9.

[150] L Hawthorne (2008) *Migration and Education: Quality assurance and mutual recognition of qualifications – Australia report.* Paris: UNESCO. unesdoc.unesco.org/images/0017/001798/179842E.pdf

This level of dependence has been maintained – in 2007/08 the source of 3,860 international medical graduates selected by states/territories compared with 3,310 in 2008/09.[151] Between January 2008 and March 2009, 4,939 international medical graduates sat for the Australian Medical Council's multiple choice question exam, the top 10 birthplace groups at this time being India (1,068), Sri Lanka (457), Pakistan (447), the Philippines (332), Iran (265), China (256), Bangladesh (216), Myanmar (189), Egypt (150), and South Africa (130).[152]

Migrant doctors accepting 'area of need' positions work under supervision for up to 4 years (typically under various forms of conditional registration). This practice has become widespread in the past decade, despite growing concerns for the risk of developing what is termed 'two-tier' medical care.[153]

State competition to recruit and retain medical migrants has become intense. The most detailed study of international medical graduates, commissioned by Australia's Department of Health and Ageing, demonstrated just a third of recently arrived medical graduates have attempted to pass the Australian Medical Council's pre-accreditation exams in the past decade. Of those commencing the process, 78 percent of international medical graduates were found to be medically employed within 5 years, despite just 41 percent by that time having secured full registration.

Australia secures essential workforce supply by this means. However, there is significant debate on the conditional registration scheme, which allows thousands of international medical graduates to practise on a supervised practice basis. Many international medical graduates require substantial occupational bridging – the challenge of delivering this exacerbated by remote location.

Analysis of 28 years of examination data on international medical graduates shows significant differences in pass rates by region of origin.[154] The highest multiple choice question pass rates are achieved by doctors trained in the UK/Ireland (95 percent), South Africa (86 percent), and North America (86 percent), and the lowest for Other Americas (67 percent), East Europe (70 percent), and non-Commonwealth countries in Southeast Asia (70 percent).

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[151] The annual arrival figures here are derived from DIAC (2010) *Population Flows: Immigration aspects, 2008–2009 edition*. Canberra: Department of Immigration and Citizenship, p 67. Note DIAC provided the lower figure of 2,880 medical arrivals for 2008/09 in the 457 occupations table for this study.

[152] Australian Medical Council (2009) Unpublished country of training statistics, MCQ examinations for period January 2008 to March 2009, generated 24 March for L Hawthorne, Australian Medical Council, Canberra.

[153] L Hawthorne and B Birrell (2002) 'Doctor shortages and their impact on the quality of medical care in Australia', *People and Place* 10(3): 55–67.

[154] L Hawthorne, G Hawthorne, and B Crotty (2007) *The Registration and Training Status of Overseas Trained Doctors in Australia.* Canberra: Department of Health and Ageing. www.health.gov.au/internet/wcms/publishing.nsf/Content/D949ABAA95DCE77FCA2572AD007E1710

Native English ability as well as training in directly comparable medical systems are highly advantageous. Candidates' recency of training and age also have a significant impact on results. While overall pass rates are high for the multiple choice question and clinical exams (around 81 percent of candidates pass the multiple choice question test on first or subsequent attempts and 86 percent pass the clinical exam), substantial numbers of international medical candidates never complete the registration process – often because they have secured work at reasonable remuneration.

In the context of mounting concern, the Labor government initiated 'a national assessment process for overseas-qualified doctors to ensure appropriate standards in qualifications and training as well as increase the efficiency of the assessment process' in 2008.[155] Multiple pathways to practice have been developed, including a fast-track 'competent authority' option for doctors qualified in New Zealand, the UK, Ireland, the US, and Canada.

For international medical graduates requiring greater periods of adjustment, alternative pathways have been designed to provide enhanced supervision, address differential levels of training need, and increase readiness for specific locations of practice (for example, remote practice and/or solo sites). In March 2008 the Council of Australian Governments signed an intergovernmental agreement on the health workforce, to establish for the first time a single national registration and accreditation system for the 10 key health professions (including doctors, nurses, and dentists). Established in July 2010, a key aim of the Australian Health Practitioner Registration Agency is to ensure 'that a professional who has been banned from practising in one place is unable to practise elsewhere in Australia'.[156]

In recent years international medical students have emerged as a highly attractive alternative source of supply. By 2009 around 2,600 were enrolled in Australian medical degrees compared with 963 in 1996. An estimated 70 percent transition to Australian internship training on completion of their degrees, with interest in long-term migration strongest from students born in Southeast Asia (mainly Malaysia), the Middle East, and Africa. By definition, such students have self-funded to meet Australian recognition requirements, experiencing none of the labour market barriers encountered by international medical graduates.[157]

[155] R McLean and J Bennett (2008) 'Nationally consistent assessment of international medical graduates', *Medical Journal of Australia* 188: 464–468, p 464. www.mja.com.au/public/issues/188_08_210408/mcl11344_fm.html

[156] Department of Health and Ageing (2008) 'National accreditation and registration scheme.' www.ahwo.gov.au/natreg.asp (accessed 27 December 2010); Australian Health Practitioner Regulation Agency (2010) Website. www.ahpra.gov.au/Registration/2010-Graduates.aspx (accessed 27 December 2010).

[157] L Hawthorne and J Hamilton (2010) 'International medical students and migration: The missing dimension in Australian workforce planning', *Medical Journal of Australia* 193(5): 262–265.

Substantial change to Australia's skilled migration policy direction was foreshadowed as early as December 2008. First, a two-stage review of the Migration Occupations in Demand List was undertaken (2009), which commenced with the release of two issues papers. The first proposed that the Migration Occupations in Demand List should 'target skills of high economic value' designed to 'complement domestic skills supply'. The second placed as its centerpiece 'a proposal to develop a Future Skills List [that] would advantage applicants with high value skills in areas of future need for the Australian economy' through the acquisition of additional points under the GSM points test or by according processing priority. This latter measure (as we shall see) heralded a seismic policy shift.[158]

The Rudd government affirmed skilled migration to remain a strong national priority. In future, however, the GSM would be framed to address adjunct labour market needs. In line with Labor's 2007 election policy, long-term demand was to be met through greatly expanded domestic training within a decade (most notably through 40 percent of the youth cohort becoming bachelors degree qualified, in what the government dubbed Australia's 'education revolution').[159] Medium-term demand would be addressed through an amended GSM programme (informed by the Migration Occupations in Demand List and the subsequent 2009–10 points test reviews). Short-term demand was to be addressed through employer and state/territory sponsored labour migration programmes – most notably the uncapped 457 long-stay business visa, which had surged from 48,610 arrivals in 2004/05 to 110,570 in 2007/08, moderating to 101,280 in 2008/09 at a time of threatened recession. (See section 1.)

By May 2009 just three trade occupations featured on Australia's interim Critical Skills List – now dominated by university-qualified health, engineering, and information technology (IT) professions. The study–migration pipeline was thus utterly transformed, at a time when tens of thousands of international students were enrolled in low-grade vocational courses they had assumed (frequently on the basis of private agent advice) to guarantee permanent resident status. From January 2010 skilled onshore applicants were required to sit a 'jobs ready' test to check they had the skills being claimed.[160] Alongside this, the GSM programme was downsized from a 2009/10 target of 133,500 to 108,100, in response to the global financial crisis.[161] International student distress became pronounced –

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[158] DIAC (2009) *Future Skills: Targeting high value skills through the General Skilled Migration Program – Review of the migration occupations in demand list,* Issues paper 2. Canberra: Department of Education, Employment and Workplace Relations and Department of Immigration and Citizenship, p 4.

[159] Government of Australia (2008) *Skilling Australia for the Future: Discussion paper 2008.* Canberra: Government of Australia; K Rudd, W Swan, S Smith, and P Wong (2007) *Skilling Australia for the Future: Election 2007 policy document.* Canberra: Australia Labor Party.

[160] DIAC (2010) *Review of the General Skilled Migration Points Test: Discussion paper*. Canberra: Department of Immigration and Citizenship.

[161] C Evans (2009) 'Government announces changes to 457 Visa Program', media release. Canberra: Department of Immigration and Citizenship. http://www.immi.gov.au/ ; S Khoo, P McDonald, C Voigt-Graf, and G Hugo (2007) 'A global labour market: Factors motivating the sponsorship and temporary migration of skilled workers to Australia', *International Migration Review* 41(2): 480–510.

intensified by a spate of physical attacks and the sudden collapse of a range of low-grade financially marginal private colleges.

In May 2010 a new Skilled Occupations List was announced. Virtually all health professions were featured, along with the engineering, IT, and accounting fields (despite the problem of accountancy over-supply in recent years). Multiple trades were reinstated to the list – the majority, it is important to note, favouring offshore migrants qualified through classic apprenticeship training. A 6-week freeze on skilled onshore, offshore, and regional applications was imposed to allow policy transition. While the 18-month post-qualification visa option would remain for at least 2 years, major change had thus been signalled to international students.

Rank order for processing became the new GSM paradigm at this time – a process bypassing points-based assessment. Employer and state/territory sponsorship offered the best and fastest options (ranked 1 to 3 for priority processing).[162] In securing job offers international students' attributes would be of unprecedented importance, reflecting the norm for domestic applicants. As demonstrated by the major Australian study on international students as skilled migrants,[163] employers across the engineering, accounting, IT, medical, nursing, and trade sectors took into account applicants':

- grades achieved
- sector of qualification
- enrolment level
- course calibre
- English language facility
- cultural 'fit'
- perceived overall employability.

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[162] According to DIAC (February 2010), first priority in processing would be given to employer-sponsored GSM applicants (including under the Regional Sponsored Migration Scheme). Second priority would be given to applicants 'nominated by a state/territory government agency under a state migration plan agreed to by the minister', while third priority would be for 'applications from people who are nominated by a state/territory government agency and whose nominated occupation is on the Critical Skills List' – since July 2010 the Skilled Occupations List. See DIAC (2010) *Changes to Priority Processing.* Canberra: Department of Immigration and Citizenship. www.immi.gov.au/skilled/general-skilled-migration/pdf/faq-gsmchanges.pdf

[163] In 2008 L Hawthorne interviewed Australian employers nation-wide to assess the employment attributes they sought from recently qualified former international students, to complement her analysis of the relevant statistical data for the largest Australian study on international students as skilled migrants. They unequivocally confirmed the extent to which English, the caliber of Australian academic study, grades, and intercultural 'fit' influenced their views on suitability for employment (including sponsorship). Commissioned by the Department of Education Employment and Workplace Relations, this research involved interviews in the engineering, accounting, medical, nursing, IT, building, hospitality and hairdressing sectors. See S Arkoudis, L Hawthorne, C Baik, G Hawthorne, K O'Loughlin, E Bexley, and D Leach (2009) 'Analysis of interviews with recent offshore graduates', in *The Impact of English Language Proficiency and Workplace Readiness on the Employment Outcomes of Tertiary International Students*, chapter 5. Canberra: Department of Employment, Education and Workplace Relations. aei.gov.au/AEI/PublicationsAndResearch/Publications/ELP_Full_Report_pdf.pdf

Places for Independent migrants now shrank – processed fourth if they had an occupation on the Critical Skills List (from July 2010 the Skilled Occupations List) or later. Unsponsored applicants, and those not qualified in priority fields, were advised they could expect processing delays of 3 years or longer, many having no future prospect of selection. Even before this policy shift, in 2008/09 Independent primary applicants constituted just 19 percent of migrant arrivals at a time when labour migration flows were being transformed by 'temporary long-stay movements and free movements' (including from New Zealand).[164]

A points test review was initiated by the Department of Immigration and Citizenship early in 2010, following the Migration Occupations in Demand List review. The goal was to assess selection factors likely to deliver Australia high-level outcomes. Key issues to be addressed included whether points should be awarded for specific occupations; if so whether these should be differentiated by field; whether overseas and Australian qualifications should be treated the same or differently; whether points restrictions should remain for PAs or be relaxed (for example, extending Australia's previous age limit); whether higher degrees should be awarded more points; and what level of bonus points should be allocated for state/territory sponsorship, family sponsorship, regional study, spouse attributes, community languages, and so on.

In line with the Migration Occupations in Demand List review, Australia's stated goal was to increase the skill level of GSM migrants. According to the background paper, future points-based selection:

- … should contribute to the selection of applicants who offer the most human capital and will therefore make the optimal contribution to Australia's demographic and economic future;
- … should not preclude very good applicants from offshore or in Australia, including former international students;
- … should be able to operate flexibly under both current arrangements and any new arrangements for skilled migrant selection;
- … should enable applicants with high value attributes across a number of areas such as English language ability, academic qualifications and work experience, to achieve the maximum number of points; and
- … should not give undue weight to any one factor, so as to avoid distortions in the program arising from applicants seeking to meet that factor.[165]

The Australian Government was confident of securing these outcomes early in 2010. GSM applications had far exceeded available places for years, by then standing at 'record high levels'. Demand had grown, 'despite increasingly tighter

[164] M Cully (2009) 'The effectiveness of Australia's points-tested skilled entry system', and 'Occupational targeting in selection of skilled migrants', presentation to the UK Migration Advisory Committee, London, 2 September, slide 2.

[165] DIAC (2010) *Review of the General Skilled Migration Points Test: Discussion paper.* Canberra: Department of Immigration and Citizenship, p 3.

targeting of the program and changes to policy settings such as higher English language requirements and more stringent requirements for study in Australia'.[166] While trade migration would be maintained, the aim of points-based selection was to secure 'well qualified and experienced' tradespeople qualified overseas 'with good English', rather than those completing low-grade onshore courses. The paper signalled the potential consequences of this for students:

> The current weighting of Points Test factors leads to perverse outcomes such as the situation where a Harvard qualified environmental scientist with three years relevant work experience would fail the Points Test, while an overseas student who completes a 92 week course in a 60 point occupation would, with one year's experience, pass.[167]

By these means Australia's study–migration pathway was being transformed, at a time when few international students were factoring policy change into planning. Moreover, Rudd's replacement as prime minister in June 2010 was followed by an election campaign in which the interim prime minister (Julia Gillard) and the leader of the opposition (Tony Abbott) signalled their interest in a 'smaller' rather than a rapidly growing Australia. Fraud scrutiny of students was tightened at this time (as in the UK). New financial compliance requirements were introduced for select countries, including for the major Australian student sources (India and China). According to one analyst, these could require lodgment of 'up to [A]$130,000 in a bank account for six months to show the ability to cover three years in course fees and living expenses' – far exceeding the requirements of competitor nations.[168] Combined, such measures exacerbated student distress. At the same time the affordability of Australian courses was jeopardised by the growing strength of the dollar. By October 2010 it had reached parity with US currency, at a time when the US and the UK (traditionally more 'prestigious' international student destinations) were intensifying their competition for Asian markets.

In August 2010 offshore visas for international students were reported to have fallen by a third, while demand for vocational sector courses had plummeted (-59 percent). New Indian student enrolments were in rapid decline (-77 percent).[169] According to one prominent academic, 'International student numbers could halve over the next four years unless the incoming government changes the immigration settings', in a context where the toughening of student visa processing was viewed as 'the greatest single operating cause … Applications face longer delays, and the conditions under which you get a visa are harder to meet'.[170] Recent Australian Bureau of Statistics data confirm the

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[166] DIAC (2010) *Review of the General Skilled Migration Points Test: Discussion paper*. Canberra: Department of Immigration and Citizenship, pp 6–7.

[167] DIAC (2010) *Review of the General Skilled Migration Points Test: Discussion paper.* Canberra: Department of Immigration and Citizenship, p 8.

[168] B Lane and P Akerman (2010) 'Pain in store for top universities', *The Australian*, 15 October, p 9.

[169] J Ross (2010) 'It's hello small Australia as India says goodbye', *Campus Review* 21(15): 1; J Ross (2010) 'Most international students go home', *Campus Review* 21(15): 4; J Ross (2010) 'Fortress Australia debate the latest blow to enrolments.' *Campus Review* 21(15): 6.

[170] J Ross (2010) 'Foreign enrolments to halve in four years: Marginson', *Campus Review*, 31 August, p 2.

scale of these policy impacts. According to a 30 September 2010 analysis, following years of exceptionally high growth:

> Australia's population growth is in free fall, with net immigration slumping 37 per cent year on year in the March quarter to its lowest level in years … from 98,138 in March 2009 to just 61,780 in March 2010 … For the entire year to March, net overseas migration plunged by 25 per cent, from 320,363 in 2009 to 241,352 this year. Most of that fall was in the last six months, after the Rudd government closed the back door allowing foreign students in low-level courses to stay on as permanent migrants. Opposition Leader Tony Abbott pledged in the recent election campaign to cut net overseas immigration to 170,000 by 2012. The Bureau figures suggest most of that had already been achieved by March, with the trend suggesting further falls in the coming months.[171]

On a positive note, it is clear international students were responding immediately to changed skilled migration requirements (as was the case in 1999). Application trends for the year to July 2010 showed 10 percent growth in demand for university courses compared with just 1 percent for vocational sector fields. This represented a marked reversal of the pattern a few years earlier (see Table 43).[172]

In November 2010 Australia released the outcomes of its skilled migration points test review,[173] with major policy changes to be implemented from July 2011. In the future 65 points (rather than 120) will be required. Key changes are as follows.

- *Occupation:* In marked contrast to recent practice, no points will be allocated to applicants with an occupation in demand (a qualification on the Skilled Occupations List introduced in July 2010, representing a hurdle rather than a points-rewarded requirement).
- *English:* Further, no points will be allocated for meeting the threshold English language requirement of IELTS band 6 or equivalent. By contrast, 20 points will be allocated to applicants with IELTS band 8 (near native-speaker level) and 10 points to PAs with IELTS band 7 – with English now becoming a key determinant of selection.
- *Place and level of qualification:* Minimal advantage will flow from possession of Australian qualifications (just 5 bonus points). Instead, level of qualification will be rewarded – 20 points for a doctorate, 15 points for a bachelors or masters degree, and 10 points for a vocational qualification (regardless of study location).

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[171] T Colebatch (2010) 'Immigration slumps, population growth plunges', *The Age*, 30 September, p 3.

[172] Australian Education International (2010) *Monthly Summary of International Student Enrolment Data – Australia, YTD July 2010*. Canberra: Department of Education, Employment and Workplace Relations.

[173] DIAC (2010) 'Recent changes in general skilled migration', Department of Immigration and Citizenship. www.immi.gov.au/skilled/general-skilled-migration (accessed 27 December 2010).

- *Age:* Eligibility for skilled migration will be extended to PAs aged up to 49 years, with the greatest points now allocated to young and experienced workers (25–32 years) rather than new graduates (as was previously the case) or older applicants.
- *Experience:* Bonus points will be provided for both Australian and overseas experience, with only a slight premium awarded for recent Australian employment.

These points test changes have profound significance for international students as well as offshore migrants. They reflect employer preference. The GSM programme in the future will markedly favour the selection of older, native English speakers, qualified with bachelors or higher tertiary degrees. Changes will disadvantage current and recent international students – in particular, those from China and India who have tailored course choice to the Migration Occupations in Demand List, securing qualifications at the certificate level through the private vocational sector. The government's aims in this policy transition are clear – namely to 'deliver the best and brightest skilled migrants by emphasising high level qualifications, better English language levels and extensive skilled work experience'.[174]

Box 2: Case study – Nursing migration to Australia

Recent decades have also coincided with the rapid globalisation of the nursing profession. Within Australia there has been rising dependence on internationally educated nurses to compensate for chronic nurse shortages due to the continued exodus of Australian nurses overseas and to emerging opportunities in other professions. Between 1983/04 and 1994/05, 30,544 internationally educated nurses entered Australia on a permanent or temporary basis, counter-balancing the departure overseas of 23,613 nurses who were locally trained and 6,519 migrant nurses (yielding a net gain of just 412 nurses in all).

The period 1995/06 to 1999/2000 saw an additional 11,757 permanent or long-term internationally educated nurse arrivals, with nursing a constant priority field in Australia's skilled migration programme. This pattern of reliance on internationally educated nurses is a phenomenon simultaneously occurring in New Zealand, the UK, the US, Canada, and the Middle East – the globalisation of nursing reflecting growing OECD demand, in addition to the agency and participation of women in skilled migration (their desire for improved quality of life, enhanced professional opportunity and remuneration, and adventure).[175]

[174] DIAC (2010) *Introduction of New Points Test*. Canberra: Department of Immigration and Citizenship. www.immi.gov.au/skilled/general-skilled-migration/pdf/points-fact.pdf (accessed 27 December 2010).

[175] L Hawthorne, L (2001) 'The globalisation of the nursing workforce: Barriers confronting overseas-qualified nurses in Australia', *Nursing Inquiry* 8(4): 213–229; L Hawthorne (2002) 'Qualifications recognition reform for skilled migrants in Australia: Applying competency-based assessment to overseas-qualified nurses', *International Migration Review* 40(6): 55–92.

From 2001 to 2006, 6,680 degree-qualified nurses migrated to Australia compared with 3,100 from 1996 to 2001 (across all immigration categories). By 2006, 24 percent of all nurses in Australia were overseas-born. Sixty-three percent secured employment within their profession within 5 years (strong outcomes in global terms, for example compared with Canada). Numbers have grown rapidly since, in the context of sustained national shortages. From 2004/05 to 2008/09, 6,400 nurses reached Australia as General Skilled Migration (GSM) primary applicants, rising to 7,676 once partners are counted. Substantial additional numbers arrived in the Family and Refugee Categories.

Permanent flows were dwarfed, however, by the scale of 457 visa temporary employer-sponsored arrivals, in a context where 'health and community services' has emerged as the top sponsored industry sector. In 2007/08, 3,270 temporary registered nurses were selected, rising to 3,850 in 2008/09. Overall 14,950 registered nurses were sponsored to Australia from 2004/05 to 2008/09, in addition to registered mental health nurses and midwives. Many such nurses went to highly dispersed sites: primary states of sponsorship in 2008/09 being Victoria (1010), Queensland (780), and Western Australia (750). (See Table 45.)

To assess registered nurse qualifications, state and territory boards have collectively formed and control the Australian Nursing and Midwifery Council, which assesses pre-migration principal applicants on a fee for service basis. In 2006/07 the council examined 2,502 applications (an increase of 22 percent on 2005/06), derived from 58 countries of origin. A typical applicant that year was female (88 percent), aged 34, and qualified as a registered nurse. 821 such applicants were deemed to require detailed assessment, while 1,681 others received 'modified' assessment on the basis of known comparability of systems (for example, for Canadian qualified nurses). Major birthplaces of applicants at that time were the UK (36 percent), India (8 percent), the Philippines (6 percent), South Africa (4 percent), and Zimbabwe (3 percent).

This migration has resulted in a dramatic diversification of Australia's nursing workforce. The major Australian study of migrant nurses demonstrated while nurses from English-speaking background (ESB) countries pass seamlessly into employment, non-ESB nurses are obliged to address three major hurdles.[176]

Firstly, mandatory English language testing bars up to 67 percent of non-ESB nurse principal applicants from eligibility for GSM migration, and 41 percent of those reaching Australia from proceeding to pre-registration courses.

Secondly, pre-migration qualification screening in the 1990s resulted in immediate recognition for 97 percent of ESB nurses compared with a mere 29 percent of non-ESB nurses.

[176] L Hawthorne (2002) 'Qualifications recognition reform for skilled migrants in Australia: Applying competency-based assessment to overseas-qualified nurses', *International Migration Review* 40(6): 55–92; L Hawthorne (2001) 'The globalisation of the nursing workforce: Barriers confronting overseas-qualified nurses in Australia', *Nursing Inquiry* 8(4): 213–229.

Thirdly, while the introduction of competency-based assessment courses represented a significant Australian qualifications recognition reform from 1989 (producing 90–95 percent pass rates in Victoria and 55–71 percent rates in New South Wales), funding for these courses has been unstable and inadequate, with courses restricted to internationally educated nurses resident in Australia.

Finally, while both ESB and non-ESB nurses secure professional employment once registration has been gained, significant and persistent labour market segmentation is evident for many non-ESB nurses, with East European and non-Commonwealth Asian nurses disproportionately concentrated in the geriatric care sector (in the 1990s found to be at 840 percent greater risk of this than ESB nurses).

By 2007 the International Section of the Australian Nursing and Midwifery Council was actively engaged in bilateral and multilateral agreement negotiations with Japan, the Association of Southeast Asian Nations, China, Malaysia, Chile, and the Gulf Cooperation Council on Free Trade Agreements, of potential relevance to future recognition of foreign nursing qualifications. As with medicine, international students have also emerged as a major nursing resource, in a context where 6,636 were enrolled in Australian pre-registration courses in 2008, and an estimated 30 percent would remain in Australia through two-step migration.[177]

3.3 Australian policy trends 2007–2010 – the shift to sponsored entry

As demonstrated above, sponsorship has become Australia's dominant migration paradigm, spanning temporary and permanent labour flows, in marked contrast to the historic preference for a supply-driven model. By 2009, according to the Department of Immigration and Citizenship, the economic base for migration to Australia was also based on the three Ps:

- Population – the number of people in the economy.
- Participation – the average number of hours these people work.
- Productivity – the average output produced by these people for every hour worked.[178]

In the view of the department:

> Migration can potentially contribute to growth in all 3 Ps. It can do so by:
>
> - increasing the working age population by bringing more people into Australia aged 15 to 64 years

[177] L Hawthorne (2010) 'Health workforce migration in Australia', paper given to Health Workforce Australian Board, Adelaide, 28 September, with data derived from Australian Education International international student enrolment statistics.

[178] DIAC (2010) *Population Flows: Immigration aspects, 2008–2009 edition*. Canberra: Department of Immigration and Citizenship, p 95.

- raising workforce participation by bringing in people who have a higher propensity to work and are concentrated in the prime working ages of 25 to 44 years
- improving productivity by having a strong emphasis on permanent and temporary skilled migration.[179]

Since its election in 2007 the Labor government had flagged its determination to frame migration to meet 'the needs of industry, the different skill demands emerging across the country and the growing interaction between temporary and permanent [arrivals]'.[180] The value of temporary labour migration was also endorsed – Labor continuing the shift to sponsorship initiated by the Howard government. In 2008, however, an integrity review was commissioned, designed to correct employer abuses.[181] From January 2010, the 457 visa programme would be tightened up, with sponsored workers 'to be paid the same as Australian workers doing the same job in the same workplace, to ensure that subclass 457 visa holders cannot be used to as a cheap source of labour'.[182] Compliance requirements would be enhanced, with:

- a common set of monitoring and inspection powers between the Department of Immigration and Citizenship … and the Fair Work Ombudsman …, to reflect the fact that 457 visa holders will now have the same rights and entitlements as local workers
- a clearer set of obligations for employers when sponsoring overseas workers, to remove many of the uncertainties that existed under the old regime including shifting the obligation to cover health costs onto the visa holder
- for the first time, the ability to impose civil penalties on employers who breach those obligations
- allowing [the Department of Immigration and Citizenship] to data match with the Taxation Office … to assist in identifying potential breaches or abuse of the subclass 457 visa program.[183]

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[179] DIAC (2010) *Population Flows: Immigration aspects, 2008–2009 edition*. Canberra: Department of Immigration and Citizenship, p 95.

[180] C Evans (2008) 'Changes to Skill Migration Policy 17 December 2008', media release, Minister for Immigration and Citizenship website. Canberra: Australian Government, p 8.

[181] See B Deegan (2008) *Visa Subclass 457 integrity review.* Canberra: Department of Immigration and Citizenship. The recommendations from this report included to 'abolish the minimum salary level in favour of market rates of pay for all temporary visa holders on salaries less than $100 000, develop an accreditation system or risk matrix to ensure rapid processing of low-risk visa applications so employers can meet skills needs quickly, develop new lists setting out the skilled occupations for which temporary work visas can be granted, limit visa holders to a stay of no longer than eight years in Australia (that is, two 4-year visas or four 2-year visas) while providing a pathway to permanent residency for those who have the required language skills'.

[182] This represents an important issue in the immigration literature. As noted by Sweetman, 'immigration may affect the distribution of wealth/income in society with the owners of capital benefiting disproportionately compared to the owners of labour if immigrants serve to hold down the wages of the domestic born'. See A Sweetman, 2010, review comment to L Hawthorne, McMaster University, Hamilton, Canada.

[183] DIAC (Department of Immigration and Citizenship) (2009) 'Access with integrity – 457 visa reforms', 14 September, www.minister.immi.gov.au/media/speeches/2009/ce090914.htm (accessed

As the global financial crisis deepened, the flexibility of the 457 visa was particularly valued by the Australian Government (despite its identified flaws). Grants dropped 10,000 between 2007/08 and 2008/09, but rebounded the following year. In 2007/08, for example, Australia imported 3,280 nurses on a temporary basis, rising to 3,860 in 2008/09. These nurses came to jobs; the states of Victoria, Queensland, Western Australia and New South Wales being the most sponsorship-dependent. (See Table 45 and the case study in Box 2.)

Table 45: Australia's sponsorship of temporary nurses by state/territory (457 visa category), 2007/08 and 2008/09

State/territory	2007/08	2008/09
Victoria	780	1,010
Queensland	890	780
Western Australia	430	750
New South Wales	770	610
South Australia	260	420
Northern Territory	80	140
Capital	50	120
Tasmania	20	30
Total	3,280	3,860

Note: There were very slight variations in these totals contained in the subclass 457 primary visa applications data provided by the Department of Immigration and Citizenship for the current study – these are used for the case study in Box 2.

Source: Analysis of Department of Immigration and Citizenship statistics on 457 Temporary Resident Arrivals (2010).

25 October 2010). See also DIAC (2008) *Visa Subclass 457 Integrity Review*, issues papers. Canberra: Department of Immigration and Citizenship.

Box 3: Case study – Engineering migration to Australia

Australia has a longstanding dependence on immigrant engineers. By 2006 they constituted 52 percent of degree-qualified engineers in Australia, of whom a third had arrived in the previous 5 years (across all immigration categories). India was the major source of arrivals (4,534), followed by the UK/Ireland (2,936), China (2,528), North Africa and the Middle East (1,292), and the Philippines (1,267).

Access to employment as professional engineers, however, was lower than in medicine and nursing, despite over 80 percent of qualifications being recognised in advance. A quarter of 2001–06 arrivals gained work as professional engineers within 5 years, plus a further 15 percent in other professions. Rates were significantly lower, however, for select immigrant groups. For example just 11 percent of engineers from China, 14 percent from India, and 15 percent from the Philippines secured professional work – a troubling finding given their recent scale of migration. This compares to the strong early employment outcomes enjoyed by engineers qualified in English-speaking background and European Union countries.[184]

Engineers have been major participants in Australia's General Skilled Migration (GSM) programme for many years. Such engineers typically achieve far superior outcomes to those selected through Family and Humanitarian Categories. From 2004/05 to 2008/09, 11,167 engineer primary applicants (PAs) migrated, a number rising to 11,541 once partners are included. The study–migration pathway has become exceptionally important – the source of 82 percent of selected PAs by 2008/09 compared with 52 percent 5 years earlier. Annual GSM numbers fluctuate significantly, however. A total of 3,181 engineer PAs were selected in 2004/05, dropping to 1,856 in 2008/09. The importance of temporary migration has dramatically increased, as it has for medicine and nursing. A total of 3,890 civil engineers have been sponsored (their numbers tripling in the past 5 years), along with 3,000 building and other engineers, and 2,810 electrical and electronic engineers (yielding a total of 9,700). Multiple engineering associate professionals, technologists, and managers have also migrated.

Australia's dependence on migrant engineers is unlikely to change in the near future, given the scale of domestic enrolments and the failure of women to enter this field in significant numbers. Key trends, according to Engineers Australia[185] (the peak professional body), include the following.

Firstly, despite the onset of the global financial crisis in 2008/09, Australia received a record number of engineers that year through all immigration sources.

[184] L Hawthorne (2008) *Migration and Education: Quality assurance and mutual recognition of qualifications – Australia report.* Paris: UNESCO. unesdoc.unesco.org/images/0017/001798/179842E.pdf. For a detailed analysis on migrant engineers in the preceding decade, see L Hawthorne (1994) *Labour Market Barriers for Immigrant Engineers in Australia*. Canberra: Australian Government Publishing Service.

[185] Data sourced in the course of a taped and transcribed interview with senior Engineers Australia office holders, Engineers Australia, Canberra, 7 June.

Secondly, migrant engineers are numerically far more significant than new Australian graduates – around 9,400 migrant engineers and related associate professionals and technologists arriving per year compared with the production of around 5,800 domestic graduates.

Thirdly, birthplaces are still diversifying. While India remains number one, Iran has emerged as a major source, with demand from China recently dropping.

Fourth, demand for migrant engineers signals the speed of Australia's economic recovery. The mining industry, for example[186]:

> fell into a hole with the [global financial crisis]. It lasted about 6 months, and it has rebounded. The level [of demand] at the moment is around the same as before the [crisis] began, and new project developments seem likely to push that into record territory within the next 6 months or so … We think that within the next 6-9 months we are going to have to hue and cry again about a shortage of engineers. The only answer is going to be migration'.

As is the case with medicine and nursing (see Boxes 1 and 2), engineers sponsored as temporary migrants may practise in Australia without full registration or credential checking in this semi-regulated field – an issue of some concern to Engineers Australia. According to a senior informant interviewed for this study:

> There are [thousands per year] coming in the last few years ... They could have self-enumerated qualifications for all we know or they could be exceptionally qualified – but we just have no idea. We might see them if they wish to join us, but if they are here for a short stay they probably wouldn't. [Many] would have a 2- or 3-year contract and then move on.

The risk of 'category slip' is also significant – for example, an engineering technologist arriving from overseas and securing professional engineer employment (different states having different policies in relation to mandatory registration). Other recently arrived migrants are de-skilled – large numbers of engineers securing work as technicians if unable to secure professional engineering work, responding to demand-driven processes.

As with the Australian Nursing and Midwifery Council and the Australian Medical Council, Engineers Australia plays a key role in pre-migration screening for permanent GSM applicants. It has views on the points system in this context – for example, the need for high calibre English for professional engineering employment, and greater flexibility on age, given Australian employer demand is consistently for engineers with around 12–18 years' experience (issues addressed by the Department of Immigration and Citizenship's 2010 points-test review outcomes, with GSM eligibility now extended to 49 years).

[186] Interview communication to the author, September 2009, senior informant, Engineers Australia (Canberra).

By late 2009 an estimated 70 percent of temporary and permanent skilled migrants to Australia were sponsored.[187] The influence on the GSM programme had become marked. As demonstrated by the 2005–06 skilled migration review, 99 percent of employer-nominated GSM migrants were employed at 6 months compared with 82 percent of offshore and 83 percent of onshore Independent migrants. According to the 2010 points test review paper, this option was highly attractive:

> Until recently, the Skilled Independent category has been the major component of the [GSM]. The Employer Sponsored pathway is however, much better suited to addressing the short term cyclical demand for specific skills, as it is a faster, more targeted method of moving migrants into specific employment.[188]

In 2005/06 the employer- and state/territory-sponsored skilled categories had delivered 15,230 and 8,020 migrants respectively. By 2008/09 these numbers had risen to 38,030 and 14,060 (45 percent of the skilled total compared with 24 percent) in advance of further policy liberalisation.[189] (See Table 46.) As noted, since February 2010 employer-sponsored applicants have been ranked and processed first to fill immediate job vacancies. State/territory nominated applicants are prioritised next regardless of points level, in contrast to the SMC model. Independent applicants are dealt with fourth and beyond. In a marked departure from past practice, the Minister for Immigration and Citizenship reserves the right to cap the number of visas awarded to a specific occupation (for example, in over-supplied fields). He has also sought the right to impose higher IELTS requirements (for example, IELTS band 7 for recent accounting applicants) where a specific occupation is not on the Critical Skills List (from July 2010 the Skilled Occupations List).

Table 46: General Skilled Migration programme statistics, 2005/06 to 2009/10

General Skilled Migration category	2005/06 outcome	2006/07 outcome	2007/08 outcome	2008/09 outcome	2009/10 planning
Employer Sponsored	15,230	16,590	23,760	38,030	35,000
Skilled Independent	49,860	54,180	55,890	44,590	41,600
State/Territory Sponsored*	8,020	6,930	7,530	14,060	11,200
Skilled Australian Sponsored**	19,060	14,170	14,580	10,500	12,300
Distinguished Talent	100	230	210	200	200

[187] M Cully (2009) 'The effectiveness of Australia's points-tested skilled entry system' and 'Occupational targeting in selection of skilled migrants', presentation to the UK Migration Advisory Committee, London, 2 September.

[188] DIAC (2010) *Review of the General Skilled Migration Points Test: Discussion paper*. Canberra: Department of Immigration and Citizenship, p 5. Sweetman notes 'that by definition it is difficult in prospect between a short term cyclical effect and a structural increase' (A Sweetman, 2010, review comment to L Hawthorne, McMaster University, Hamilton, Canada).

[189] DIAC (Department of Immigration and Citizenship) (2009) 'Updated priority processing effective from 23 September 2009 – Frequently asked questions', September, p 2. http://www.immi.gov.au/

Business Skills	5,060	5,840	6,570	7,400	7,800
Total	97,340	97,920	108,540	114,780	108,100

Notes

* Includes State/Territory Nominated Independent Scheme and Skilled Independent Regional.

** Includes non-dependent close family members who have been skill tested.

Source: Department of Immigration and Citizenship (2009) 'Migration program statistics.' www.immi.gov.au/media/statistics/statistical-info/visa-grants/migrant.htm (accessed 7 October 2009).

The role of state/territory governments has become critical in relation to sponsorship – a process responding to multiple and longstanding policy submissions.[190] As early as the 2005–06 GSM review, for instance, the Western Australian submission had noted:

> It is critical that the Federal Government understands the magnitude and impacts of the skills shortage in Western Australia. Failing to address the skills shortage will threatened investment projects by driving up labour costs and extending project timelines and budgets… There is a need to take a range of initiatives to dramatically grow the intake of skilled migrants, target semi skilled migrants and free up conditions for working holidaymakers.[191]

A submission by the Riverina district at this time defined the value of sponsorship, with local employers best placed to assess niche labour market needs:

> … we only work with the Skilled Independent Regional visa which was introduced in July 2004. This visa enables us to bring the skills we need into the region without requiring employer sponsorship … The GSM program also gives employers more of a choice when it comes to recruiting skilled labour. It improves the ability … to recruit based on skills as well as 'best fit' for their business. It is a basic requirement when recruiting staff that you look for people who will fit into your work culture.[192]

While all states/territories grew in population in 2008/09, a number had long been seeking greater autonomy and larger migration share. Migrants' preferred locations reflect Australia's population base, favouring the dominant states of New South Wales (in 2008/09 securing 30 percent of all migrants, down from 37 percent in 2004/05) and Victoria (25 percent), and the fast-growing mineral-rich states of Queensland (20 percent) and Western Australia (16 percent).

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[190] M Cully (2010) *The Contribution of Migrants to Regional Australia.* Canberra: Department of Immigration and Citizenship.

[191] Minister for State Development: Energy (2005) *Skilled Shortage in Western Australia*, submission to the 2005/06 review of the General Skilled Migration Program. Perth: Department of State Development, pp 1–2.

[192] Riverina Regional Development Board (2005) Letter in submission to the 2005/06 review of the General Skilled Migration Program, Wagga Wagga, p 1.

Others such as South Australia (6 percent) and Tasmania (1 percent) by contrast have struggled to attract and retain significant numbers, despite their adoption of a range of proactive measures.[193] Beyond distribution by state, migrants are disproportionately attracted to capital cities. In 1998 the rest of Australia attracted just 10 percent of new migrants in all, rising to 15 percent in 2009 following the introduction of a range of proactive measures.[194] (See Table 47, with settlement in non-capital cities reported by immigrant category.) To integrate federal/state labour migration policy, states/territories were commissioned to develop skilled migration plans in 2010, following growing policy engagement for the past decade. The intention is to provide subnational governments with flexibility within the migration programme to address specific skill shortages and local labour market needs, on the basis of agreements coordinated by the Department of Immigration and Citizenship but tailored to the requirements of each jurisdiction.

Table 47: New migrants settling in regional (non-capital city) Australia, 1998–2009

Year of arrival	Skill Stream %	Family Stream %	Humanitarian Stream %	All new settlers %
1998	10.0	12.8	5.2	10.2
1999	10.1	14.1	5.5	11.1
2000	9.9	14.3	6.9	11.1
2001	10.3	15.4	6.5	11.6
2002	10.7	15.5	7.2	12.1
2003	11.5	15.7	7.1	12.4
2004	10.8	14.7	7.8	11.8
2005	11.7	15.1	9.8	12.6
2006	12.6	15.3	9.3	13.1
2007	13.8	15.0	10.6	13.9
2008	14.9	14.8	10.2	14.5
2009	14.7	15.0	12.0	14.6

Source: M Cully (2010) 'The contribution of migrants to regional Australia', Table 2 in draft paper, Department of Immigration and Citizenship, Canberra, with data derived from the Department of Immigration and Citizenship Settlement Database.

The South Australian Government, in response to this opportunity, released a preliminary plan in a context where the state had long sought to double its share and retention of skilled migrants.[195] The list of preferred occupations is long (131 fields). Virtually every health profession is included (57), the great majority

[193] DIAC (2010) *Population Flows: Immigration aspects, 2008–2009 edition*. Canberra: Department of Immigration and Citizenship, p 128.

[194] M Cully (2011) *The Contribution of Migrants to Regional Australia*. Canberra: Department of Immigration and Citizenship.

[195] Government of South Australia (2010) *General Skilled Migration*. Canberra: Department of Trade and Economic Development.

requiring degree-level qualifications. Engineering is the second priority field, sought through both professions and trades, followed by education, IT, and accounting. In policy terms, it is worth noting these South Australian selection criteria exceed those of the federal government. Three years' work experience is mandated for eligibility in select fields (for example, taxation accountants). Higher than usual English is required – including IELTS band 7 for construction and project managers, teachers, and accountants. IELTS band 6.5 is imposed for the first time in many trades (including stonemasons, glaziers, bricklayers, plasterers, carpenters, plumbers, engineering draftspersons, and technicians). In select public safety fields (for example, first class electricians) IELTS band 7 is mandatory, equivalent to Australia-wide requirements for clinical health professionals. Few language testing exemptions are allowed – with even citizens of the UK, Ireland, Canada, the US, and New Zealand being required to take the test, if qualified in fields for which an IELTS score of 7 is required.

Despite these criteria, state-sponsored migrants are advised that on-arrival employment cannot be guaranteed. The South Australian website states:

> The occupations listed below reflect general skills shortages in South Australia and do not relate to a specific job vacancy, nor represent a guarantee of a job in a specific occupation. State Sponsored migrants must compete with all people in the labour market as part of the normal competitive selection process[196].

Only employer-sponsored GSM and 457 visa migrants will come to positions.

State-sponsored migration is a live policy space in contemporary Australia. According to a recent Department of Immigration and Citizenship analysis, 'Migration … has the potential to alter population dynamics, within and across cities and regions'. While 9 out of 10 new migrants currently settle in cities:

> Migration's contribution to regional Australia can serve two distinct purposes. First, it can enable regions to develop and grow where they may be constrained due to an absence of people with specialized skills. Second, it can be used to reverse or offset relative population decline … Clarification of purpose matters, because different programmes may be more effective at meeting one over the other.[197]

3.4 Evolution of New Zealand's skilled migration policy 2007–2010 – demographic context

Having established the scale of recent skilled migration Australian policy changes, the next section addresses policy developments in New Zealand. Much is in common between the two countries, according to Bedford and Ho:

> Both Australia and New Zealand have similar policies relating to skilled migration and both favour transitions to residence whether from

[196] Government of South Australia (2010) *General Skilled Migration*. Canberra: Department of Trade and Economic Development.

[197] M Cully (2011) *The Contribution of Migrants to Regional Australia*. Canberra: Department of Immigration and Citizenship, p 2.

> temporary work or from study visas. Both also allow similar transitions for selected groups of semi-skilled workers … Both have substantial Working Holiday schemes, with opportunities for young visitors to earn some money working in low-skilled jobs while on holiday. Transition to residence from these schemes is also possible under certain conditions. Both countries have shortages of low-skilled labour in their primary production industries – industries that remain very significant in the economies of the two countries.[198]

Within this context, what have been the main recent developments?

New Zealand, like Australia, sets explicit goals for skilled migration – a key difference being Australia's higher skill focus. According to the Immigration New Zealand *Operational Manual* (November 2009), the aim of the SMC is to select people who demonstrate that they:

- have skills to fill identified needs and opportunities in New Zealand; and
- are able to transfer these skills to New Zealand and link with local needs and opportunities; and
- are able to demonstrate an ability to contribute to New Zealand both economically and socially; and
- are able to demonstrate an ability to successfully settle in New Zealand.[199]

Numbers matter greatly, in the context of what has been termed 'demographic survival'.[200] According to the government:

> Without migration New Zealand would be unable to maintain its population or fill skill shortages, even in a time of economic slowdown. In 2008/09, New Zealand lost 28,000 New Zealanders on a permanent and long term basis; this follows 35,000 lost in 2007/08. Without migration to balance these departures and with the ageing population, New Zealand's working-age population would experience ongoing decline. It is worth noting that over the 2001-2006 period, 60 percent of the growth in the working age population was from migration.[201]

Within this framework New Zealand aims to 'maximize and accelerate… capacity building, sustainable growth and innovation; global connectedness … [building] thriving and inclusive communities [focused] on a range of source regions …

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[198] R Bedford and E Ho (2007) 'The neighbourhood effect: The Pacific in Aotearoa and Australia', *Asia–Pacific Migration Journal* 16(2): 262.

[199] Immigration New Zealand (2009) *Immigration New Zealand Operational Manual*, issue date 30 November 2009. Wellington.

[200] R Bedford (2006) 'Skilled migration policy in Australia and New Zealand: Similarities and differences', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia.

[201] C Blake (Secretary of Labour) (2009) 'Foreword', in IMSED Research, *Migration Trends and Outlook 2008/09.* Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour. www.dol.govt.nz/publications/research/migration-outlook-200809/index.asp (accessed 25 October 2010).

linking global talent with local opportunities'.[202] From March 2002 to March 2009 New Zealand welcomed record numbers of overseas-born permanent and long-term arrivals: around 490,000 compared with 161,491 departures after 1 or more years. (See Table 48.) An average of 45,000–53,000 'residence approvals' were granted annually at this time (all immigration categories). These numbers were dwarfed, however, by growth in approvals for temporary work or study: from July 2001 to June 2009: 772,461 temporary work visas and 606,027 study visas, reflecting strong labour demand in a 'relatively buoyant economy'.[203] 'Category-jumping' had become a major phenomenon by this time, from 2001 to 2006 involving around 58,000 people, including a disproportionate number of females.

Table 48: New Zealand permanent and long-term arrivals and departures by citizenship and birthplace, March 2002 – March 2009

Year ended March	New Zealand citizens		Other citizens		Total	
	Arrive	Depart	Arrive	Depart	Arrive	Depart
Numbers						
Born in New Zealand	152,192	312,599	4,155	9,936	156,347	322,535
Born overseas	44,577	71,697	481,606	149,233	526,183	220,930
Birthplace not specified.	714	2,636	4377	2,322	5,091	4,958
Total	197,483	386,932	490,138	161,491	687,621	548,423
Percentages						
Born in New Zealand	77.1	80.8	0.8	6.2	22.7	58.8
Born overseas	22.6	18.5	98.3	92.4	76.5	40.3
Birthplace not specified	0.3	0.7	0.9	1.4	0.7	0.9
Total	100.0	100.0	100.0	100.0	99.9	100.0

Source: R Bedford, P Callister, and R Didham (2010) 'Arrivals, departures and net migration', in A Trlin, P Spoonley, And D Bedford (Eds) *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 2. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, Table 11.

Defining permanent movements has become challenging, in an era described by Kathleen Newland as one of 'intense transnational interaction, in which many people transact important parts of their lives in more than one country and

[202] Immigration New Zealand (2009) *Immigration New Zealand Operational Manual*, issue date 30 November 2009, Wellington (22-1).

[203] R Bedford, P Callister, and R Didham (2010) 'Arrivals, departures and net migration', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 2. Palmerston North, Department of Sociology, Social Policy and Social Work, Massey University, p 12 of draft.

travel back and forth between or among them'.[204] As noted by Bedford, Callister, and Didham, assessment of New Zealand labour migration recruitment/retention patterns is now very complex indeed, despite the media's fixation on New Zealand expatriate flows. From 2006 to 2009 UK and Irish citizens arrived in New Zealand on temporary work permits in increasing numbers (up 11 percent over the previous 4-year period, including on working holiday visas). At the same time growing numbers of New Zealand citizens born in 'Europe, Asia, Africa/Middle East and the Americas … were leaving for the UK and Ireland' – exacerbating the scale of outflows from New Zealand:

> While Australia and the UK/Ireland have had a special place in New Zealand's migration system since the early years of the 19th century, the role played by movement between other countries of last or next residence… in the net gains to New Zealand's population through PLT [permanent and long-term] migration now dwarfs that of the two traditional sources. Between 2002 and 2009 the PLT net gain to New Zealand's population from movement between countries other than Australia and the UK/Ireland totalled 226,205 – 69 percent of the 328,647 net gain of citizens of countries other than New Zealand. It was this sizeable net gain from other countries that ensured there was an overall net gain to New Zealand's population after taking account of the net loss of -189,449 New Zealand citizens during the eight years … Australia is the obvious beneficiary when it comes to gaining high human capital at all skill levels from New Zealand, while countries other than Australia and the UK/Ireland are the major contributors of human capital to New Zealand.[205]

Migrants born in Asia, Africa/Middle East, and the Americas have recently been the most likely to leave New Zealand for Australia. This trend is policy significant, in a context where from June 2001 to 2009 half of New Zealand's 900,329 approvals for work, study, or residence purposes were derived from Asia (36 percent, 76 percent, and 41 percent respectively), alongside very substantial European flows (454,234 approvals).

3.5 Evolution of New Zealand's skilled migration policy 2007–2010 – study–migration pathway

To ensure adequate workforce supply, New Zealand in the last years of the Clark Labour government implemented a range of policy measures.

Firstly, while Australia has recently contracted its study–migration pathway, New Zealand has increasingly cultivated international students as prospective

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[204] K Newland (2009) 'The paradox of permanency: An incentive-based approach to circular migration policy in the European Union', Proceedings of the Conference on Labour Migration and its Development Potential in the Age of Mobility, Round Table 2, Circular Migration, Malmo, Sweden, 15–16 October 2009, p 18.

[205] R Bedford, P Callister, and R Didham (2010) 'Arrivals, departures and net migration', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 2. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, pp 23, 25, 32 of draft.

skilled migrants. Beyond core points for 2 years or more of accredited study, bonus points have been introduced for masters degrees or doctorates. In an important strategic move, doctorate fees have been dramatically reduced for international students since 2006.[206] Students have also been encouraged to stay via the 'work to residence' pathway, in a context where research affirms them to be highly acceptable as migrants.[207] Like other SMC applicants, they can secure bonus points for credentials in an identified future growth area and/or in an area of absolute skills shortage.

Despite such measures, the stability of the international student population remains an issue. Student enrolments surged between 2002 and 2005, from 50,026 to 126,919. In 2006 they dropped 26 percent, primarily across the non-university sectors. China flows were the most volatile –numbers rising from 10,906 in 2000 to 53,340 in 2002, before declining 40 percent.[208] In recent years New Zealand has, therefore, audited immigration policies where it could 'lag behind most competitors'.[209] Progressive steps have been taken to 'improv[e] the attractiveness and equivalence of work and residency policies relative to competitor countries', including:

- students' right to work 20 hours per week
- the provision of work rights to partners of postgraduate students
- the extension of graduate job search permits from 6 to 12 months (post-qualification) for students from courses that would meet SMC criteria
- increased student access to 'study to work' pathways[210]
- extension of the post-study practical experience permit to 3 years, for example to allow full vocational registration.[211]

In 2007 New Zealand commissioned a major international student survey, following an earlier survey in 2003. Target source countries by this time were South Korea, Vietnam, China, and India, followed by Thailand, Brazil, North America, Malaysia, and Germany. Student markets and profiles had changed

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[206] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, p 29 of draft.

[207] C Ward, A Masgoret, and M Gezentsvey (2009) 'Investigating attitudes towards international students: Program and policy implications for social integration and international education', *Social Issues and Policy Review* 3(1): 79–102.

[208] R Bedford, P Callister, and R Didham (2010) 'Arrivals, departures and net migration', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 2. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, p 31 of draft.

[209] Education New Zealand (2008) *Immigration Policy Benchmarking: Implications for competitiveness of New Zealand's export education sector*. Wellington: Education New Zealand, p 3.

[210] Education New Zealand (2008) *Immigration Policy Benchmarking: Implications for competitiveness of New Zealand's export education sector.* Wellington: Education New Zealand, p 12. For a summary of key policy measures, see P Merwood (2008) *Migration Trends 2006/07.* Wellington: Department of Labour.

[211] Department of Labour (2008) *Migration Trends 2006/07.* Wellington: Department of Labour.

markedly in the preceding 4 years.[212] Close to 9,000 students were contacted, yielding a response rate of 30 percent. Their mean age was 23 years, of whom 86 percent were studying overseas for the first time, with 46 percent located in Auckland. Close to half were enrolled in the university sector (42 percent), with students from China, Korea, and Japan the primary respondents. Two-thirds had selected New Zealand as their first choice for study (with safety, quality, recognition of qualifications, and cost being major drivers). A third had family members based in New Zealand, and 35 percent were currently working. Those from India (81 percent), Vietnam (79 percent), China (64 percent), and Malaysia (54 percent) were found to be most engaged in post-study employment. More importantly, 61 percent of those surveyed intended to apply for permanent residence on course completion. Despite expressing higher dissatisfaction than other respondents and being characterised by lower levels of social integration, students from China were the most likely to indicate an intention to stay (56 percent).

The survey confirmed, however, the level of competition associated with export education. Respondents' attraction to further study in New Zealand had dropped since the previous 2003 survey (now 16 percent compared with 43 percent). Fourteen percent planned to apply for permanent resident status in New Zealand and an additional country, in a context where the Department of Labour estimated 17 percent of students granted permits from 1997/98 to 2005/06 would gain permanent resident status by June 2006.[213] In this context, global competitor policies were keenly monitored:

> … changes to immigration policy introduced over the past 2-3 years have brought New Zealand's main immigration policy for international students into closer alignment with their main competitors, particularly with changes to work rights during study and improved opportunities in the labour market and residency. New Zealand's immigration policy for PhD students now leads the market internationally … New Zealand has a number of strong selling points in its favour, in terms of attractiveness as a destination. However the country is also disadvantaged by its small size, distance from the world, and lack of elite universities. This means that New Zealand arguably has to work harder, in a crowded marketplace, to be seen and recognized as a preferred destination.[214]

Additional strategies were proposed, including the development of stronger partnerships between education and industry stakeholders, improved immigration promotional and outreach services to students, and more personalised service provision supported by timely and transparent visa processing. Assessment of competitor strategies was maintained, spanning developments in Australia, the US, the UK, Ireland, and Canada to 2010. For

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[212] Deloitte (2008) *Experiences of International Students in New Zealand: Report 2007.* Wellington: Ministry of Education and Department of Labour.

[213] P Merwood (2006) *From Work to Residence: An evaluation of work policies that provide a pathway to permanent residence in New Zealand*, Wellington: Department of Labour.

[214] Education New Zealand (2008) *Immigration Policy Benchmarking: Implications for competitiveness of New Zealand's export education sector*. Wellington: Education New Zealand, p 3.

example, Australia and the UK's recent tightening of entry criteria for international students has been described as 'possibly to New Zealand's advantage'.[215]

By 2006 a fifth of New Zealand bachelors degree graduates were international, among 26,000 new graduands overall. Such students (as in Australia) were enrolled in highly skewed fields. More than half at this time were concentrated in management and commerce degrees, followed by banking and finance (18 percent), sales and marketing (14 percent), accountancy (13 percent), economics (11 percent), and IT (11 percent).[216] The New Zealand fields in greatest decline at this time were IT (-42 percent between 2002 and 2006), computer science (-40 percent), curriculum and education studies (-28 percent), accountancy (-20 percent), teacher education (-15 percent), nursing (-13 percent), and studies of human society (-12 percent).[217]

Notwithstanding this, international students represented a major workforce resource. Following the enrolment slump, numbers have rebounded and sources diversified. In July 2005 the graduate job search permit for students completing New Zealand courses eligible for SMC points was introduced, resulting in a jump in applications. By 2008/09, 74,000 visas were issued for study. New markets have been developed (for example, 5,009 Saudi students enrolled between 2006 and 2009). As in Australia, Indian enrolments also rose rapidly at this time (in 2008/09 up 42 percent on the previous year).[218] That year 5,914 students secured graduate job search work permits (16 percent annual growth). Further, 30 percent of SMC applicants gained points for possession of New Zealand qualifications that year, up from 25 percent a year earlier – the study–migration trajectory typically involving a 7 year pathway.[219] According to a recent Department of Labour estimate, close to a quarter of all international students transit to permanent resident status within 5 years of commencing study[220] – a trend with the potential to 'translate into 17,000 of the immigrants approved … between 2009 and 2014', in the view of Bedford, Ho, and Bedford. These authors view the study–migration pathway as representing:

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[215] IMSED Research (2009) *Migration Trends and Outlook 2008/09.* Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour, p 15. www.dol.govt.nz/publications/research/migration-outlook-200809/index.asp (accessed 25 October 2010).

[216] D Scott (2009) *Trends in Fields of Study of Bachelors Degree Graduates in New Zealand*. Wellington: Ministry of Education, pp 10–11.

[217] D Scott (2009) *Trends in Fields of Study of Bachelors Degree Graduates in New Zealand*. Wellington: Ministry of Education, pp 6–12.

[218] R Bedford, P Callister, and R Didham (2010) 'Arrivals, departures and net migration', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 2. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, p 36 of draft.

[219] IMSED Research (2009) *Migration Trends and Outlook 2008/09.* Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour, p 43. www.dol.govt.nz/publications/research/migration-outlook-200809/index.asp (accessed 25 October 2010).

[220] IMSED Research (2009) *Migration Trends and Outlook 2008/09.* Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour.

> a marked shift from the situation that prevailed through the 1980s and 1990s, and … one of the most significant innovations in immigration policy in New Zealand, as well as in several other parts of the world including Australia and Canada, in response to intensifying international competition for "talent".[221]

Having assessed these study–migration developments, the next section describes SMC policy shift in the last years of the Clark Labour government (2006–08), followed by early Key National government initiatives (2008–10). This analysis is indebted to the following volume: *New Zealand and International Migration: A digest and bibliography*, edited by Trlin, Spoonley, and Bedford (2010).[222] The chapters by Bedford, Ho, and Bedford ('Pathways to residence in New Zealand, 2003–2010) and Bedford, Callister, and Didham ('Arrivals, departures and net migration') are a major resource, in addition to 2007–10 Department of Labour analyses.

3.6 Evolution of New Zealand's skilled migration policy 2006–2008 – final years of the Clark Labour government

Throughout the recent period, as demonstrated above, New Zealand's demand for migrant workers has been intensified by the volatility of out-migration, in a context of public concern at expatriation rates. According to a summary by Poot:

> Since the late 1960s there has been a strong – but cyclical – increase in the number of New Zealanders living in Australia, not matched by equal growth in the number of Australians living in New Zealand. The net outflow to Australia reached a record high of 35,400 Permanent and Long-Term (PLT) migrants during calendar year 2008. As at June 2008, an estimated 521,000 New Zealand citizens were on Australian soil … However, since the beginning of 2009, the number of PLT departures to Australia has slowed markedly while the number of New Zealanders returning from Australia has increased …
>
> Asynchronous business cycles, demographic dynamics, perceptions, return migration and the high international mobility of New Zealanders … are responsible for the short-run fluctuations … Over the last three decades, the outflow of half a million New Zealand citizens has been compensated by a net inflow of three-quarter million citizens from elsewhere. The number of New Zealanders in Australia is expected to

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[221] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, p 23 of draft. See also L Hawthorne (2010) 'Demography, migration and demand for international students', in C Findlay and W Tierney (Eds), *Globalization and Tertiary Education in the Asia-Pacific: The changing nature of a dynamic market*, chapter 5. Singapore: World Scientific Press, pp 91–120; L Hawthorne (2010) 'How valuable is "two-step migration"? Labour market outcomes for international student migrants to Australia', Special Edition, *Asia–Pacific Migration Journal* 19(1): 5–36.

[222] A Trlin, P Spoonley, and D Bedford (Eds) (2010) *New Zealand and International Migration: A digest and bibliography – Number 5*. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University.

> continue to grow but … one-third of New Zealanders in Australia re-migrates within four years.[223]

This process has been associated with constant government monitoring. From 2003 the Clark government had shifted its immigration focus from 'the passive acceptance of residence applications to the active selection of skilled migrants'.[224] The two-stage 'by invitation' SMC selection system was judged to be generally effective. By 2005, however, there was a backlog of expressions of interest under the specified minimum points threshold (100). To respond to this, additional criteria for selecting applicants were introduced. These prioritised jobs in New Zealand plus qualifications and work experience in shortage areas.

By February 2006 91 percent of Expressions of Interest were being made to applicants in skilled work or with an appropriate job offer, of whom 86 percent scored 140 or more points. Few modifications were made to the points system in the government's last years, with Labour maintaining 'a consistent policy of encouraging migrants with skills who were interested in taking up residence in New Zealand' through bonus points for New Zealand study, employment, offer of employment, or work experience in an identified future growth area.[225] The importance of transition to residence following experience in New Zealand on a temporary permit was reinforced by a Department of Labour report, based on first wave interviews for the LisNZ. Masgoret, Merwood, and Tausai noted that 80 percent of the sample of 7,137 migrants interviewed 6 months after arriving to take up residence had held some form of temporary permit 3 years before selection, including 55 percent with temporary work permits. Overall:

> Temporary work permits were most likely to be held by Skilled principal (71 percent) and Family Partner (67 percent) migrants. Family Parent (62 percent) migrants were more likely than other migrants to have held other types of temporary permits [mainly student and visitor permits] in the three years before gaining residence.[226]

From 2005 to 2008 the highest application to approval rates for residence in New Zealand were secured by migrants from the UK and South Africa (72 percent each), followed by China (66 percent). Much lower rates were associated with India (around half) and the Philippines (40 percent) – many such applicants failing to follow through or less likely to be selected. As in Australia, demand for skilled migration was booming in 2007/08 before the onset of recession. Occupations were added to the long-term and immediate skill

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[223] J Poot (2009) *Trans-Tasman Migration, Transnationalism and Economic Development in Australasia*, Working Paper 09-05. Wellington: Motu Economic and Public Policy Research.

[224] P Merwood (2008) *Migration Trends 2006/07.* Wellington: Department of Labour, p 9.

[225] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford, *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, pp 6–15 of draft.

[226] A Masgoret, P Merwood, and M Tausi (2009) *New Faces, New Futures: New Zealand – Findings from the Longitudinal Immigration Survey: New Zealand (LisNZ) – Wave One.* Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour, p 47.

shortage lists, supported by increased quotas for the fortnightly Expressions of Interest draws. Seventy-seven percent of the migrants selected were derived from the top category (Expressions of Interest scoring 140 points or more, with or without a job offer). By 2008 growing numbers were also approved without employment.

At the time the global financial crisis commenced in New Zealand, there was no immediate pressure to respond through curbed immigration policy. In its last year of office the Labour government continued to liberalise worker entry and retention. In 2006/07, 115,400 temporary migrants were issued with work permits, an increase of 16 percent on the previous year and far exceeding the number of visas awarded to permanent applicants. In 2007/08 temporary work permits further increased by 13 percent, followed by 2 percent in 2008/09 (136,481 individuals).[227] (Health workforce migration was a key exemplar of this trend, in a context where the OECD assessed New Zealand as exceptionally reliant among member states on overseas-qualified professionals.[228] (See Boxes 4 and 5.) A similar trend was occurring in Canada, where the number of temporary foreign workers admitted had surged from 89,774 in 2000 to 282,774 in 2009.[229]

[227] See P Merwood (2008) *Migration Trends 2006/07.* Wellington: Department of Labour; C Karkess, R Hodgson, P Merwood, A Quazi, P Stock, M Tausi, and J Zhao (2009) *Migration Trends and Outlook 2007/08.* Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour.

[228] P Zurn and J Dumont (2008) *Health Workforce and International Migration: Can New Zealand compete?* OECD Health Working Papers, DELSA/HEA/WD/HWP(2008)3. Paris: World Health Organization and Organisation for Ecnomic Co-operation and Development; OECD (2008) *The Looming Crisis in the Health Workforce: How can OECD countries respond?* OECD Health Policy Studies. Paris: Organisation for Economic Co-operation and Development.

[229] Citizenship and Immigration Canada (2009) 'Canada: Foreign workers present in December 1 by category, 2000–2009', unpublished data, RDM, Preliminary. Data request tracking number RE.10.0360, Ottawa.

Box 4: Case study – Medical migration to New Zealand

According to a recent OECD analysis, by 2005/06 New Zealand had the highest proportion of foreign-born doctors (52 percent) and foreign-trained doctors (36 percent) in the OECD; a lower physician density than the OECD norm (2.2 practising per 1,000 population compared with 3.1); and the third highest OECD rate for expatriation of doctors (28.5 percent).[230]

While no specific migration visa has been created to facilitate health workforce migration, medical practitioners enter New Zealand through temporary and permanent pathways in response to sustained demand, to offset the 'high emigration rates of health workers, mainly to other OECD countries'. Modest numbers are retained, in a context where international migration constitutes at once 'an opportunity and a challenge for the management of the human resources for health in New Zealand' at a time of ageing patient and practitioner populations:

> To date, immigration has been a very significant part of the supply of health workers in New Zealand. However, further increase in the number of overseas-trained health professionals might place New Zealand in a delicate position, as it could become too dependent on immigration in a context where many other OECD countries are also looking to recruit foreign doctors and nurses.[231]

Despite what the OECD terms 'repeated calls for self-sufficiency' in recent official reports, New Zealand trains proportionally fewer medical graduates than other OECD countries and attracts few foreign medical students. According to recent Department of Labour and Statistics New Zealand data, 7,102 work permits were issued to international medical graduates by New Zealand from 2005 to 2009, along with 1,612 Skilled Migrant Category (SMC) principal applicant permits.[232] The UK was by far the largest source, followed by the US, India, and South Africa. By June 2009, as reported in the Medical Council of New Zealand *Annual Report*, New Zealand included 12,493 practising doctors,[233] with 323 new domestic graduates also registered that year. This figure was dwarfed, however, by the number of international medical graduates registered (1,141). As in Australia, large numbers of these graduates would practise under conditional forms of registration. All would be required to hold annual practising certificates. The top 10 source countries at this time were England (2,403 arrivals, 1,502 with practising certificates), followed by South Africa (1,105 arrivals, 796 with practising certificates), Scotland, Australia, India, US, Sri Lanka, Ireland, Germany, and Iraq.

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[230] P Zurn and J Dumont (2008) *Health Workforce and International Migration: Can New Zealand compete?* OECD Health Working Papers, DELSA/HEA/WD/HWP(2008)3, Paris: World Health Organization and Organisation for Economic Co-operation and Development.

[231] P Zurn and J Dumont (2008) *Health Workforce and International Migration: Can New Zealand compete?* OECD Health Working Papers, DELSA/HEA/WD/HWP(2008)3, Paris: World Health Organization and Organisation for Economic Co-operation and Development, pp 4, 8–9.

[232] Department of Labour and Statistics New Zealand (2010) 'Migration of health workers to New Zealand: Context, trends and outcomes', presentation at the Fifteenth International Metropolis Conference, The Hague, 6 October.

By 2009, 2,518 doctors held 'provisional general' registration in New Zealand, out of a total 17,713 doctors on the medical register. International medical graduates typically gained registration by being a graduate of a competent authority accredited medical school (453 international medical graduates that year), having worked in a comparable health system (288), or having passed the New Zealand Registration Examination clinical exam (44). Alternative pathways included 'non-approved' postgraduate qualifications in specialty fields, and special purpose categories – catering, for example, to visiting locums and specialists (231). Migrant doctors eligible for the fast-track 'competent authority pathway' in 2009 had trained in England (280), Scotland (73), Ireland (72), and Wales (28).

Those deemed to have qualified in a comparable health system (288) were sourced from 22 listed countries – in rank order that year derived from Canada, India, the Netherlands, Sweden, Belgium, Nigeria, South Africa, Italy, Singapore, Denmark, Austria, Pakistan, Finland, Hungary, Myanmar, Brazil, Poland, Russia, Spain, Sri Lanka, Barbados, the Dominican Republic, Iceland, Montserrat, and Nepal. To manage such eclectic flows, New Zealand is establishing simpler supervisory procedures while providing more orientation information; requiring newly registered doctors to work under supervision; ensuring greater accountability to stakeholders; and moving to a more sophisticated range of assessment practices.[234]

Despite this investment in training, migrant doctor retention represents a major challenge. In 2008 the New Zealand Medical Workforce survey defined the following outcomes for international medical graduates, in a year where they constituted 39 percent of New Zealand's practising doctors compared with 36 percent in 2003.

Employment was highly segmented, with international medical graduates disproportionately employed in the previous 3 years as medical officers (constituting 60 percent of the medical officer workforce), registrars (36 percent), and house officers (21 percent). International medical graduates also represented more than 50 percent of the workforce in the following specialties: accident and medical practice, palliative medicine, psychiatry, radiation oncology, rehabilitation medicine and neurosurgery.[235]

[233] Medical Council of New Zealand (2009) *Medical Council of New Zealand Annual Report 2009.* Wellington: Medical Council of New Zealand, pp 2, 26–27.

[234] Medical Council of New Zealand (2009) *Medical Council of New Zealand Annual Report 2009.* Wellington: Medical Council of New Zealand, p 8.

[235] Medical Council of New Zealand (2008) *The New Zealand Medical Workforce in 2008.* Wellington: Medical Council of New Zealand.

This reliance on international medical graduates is worsening at the present time. A New Zealand paper released in August 2010 noted that 19 of the 26 medical specialties and sub-specialties 'require workforce increases of more than 20 percent to meet the recommended specialist-to-population ratios. Eight require increases of more than 50 percent, and four require increases of (over) 100 percent'.[236] Within this context, international medical graduates' presence remains essential to offset the departure of New Zealand doctors: 83 percent of whom remain in New Zealand 2 years aftr graduation, declining to two-thirds by 8–12 years.

International medical graduate retention, however, is also problematic. According to the Medical Council of New Zealand, by 2008 just half all international medical graduates were retained for 1 year (compared with 36 percent in 2003, when large numbers were crossing the Tasman to Australia).[237] Retention dropped to 31 percent within 3 years of initial registration – a trend now consistent for the past 8 years. Just a quarter of international medical graduates remain in New Zealand 8 years after their first registration. The highest retention rate is of Asian doctors (50 percent resident 7 years after initial registration). Less than 50 percent of South African international medical graduates, however, remain in New Zealand more than 5 years, less than 30 percent of UK doctors more than 2 years (dropping to 20 percent after 6 years), and less than 30 percent of US or Canadian doctors more than 1 year (the lowest rate, in a context where fewer than 10 percent remain in New Zealand after 4 years). Retaining young migrant doctors is particularly hard – just 20 percent of those aged 20–29 years resident for more than 2 years, with mid-career migrants the most stable recruitment option.[238]

[236] Association of Salaried Medical Specialists (2010) *State of the specialist workforce crisis in New Zealand's public hospitals'*, Issues Paper 1. Wellington: Association of Salaried Medical Specialists, p 3.

[237] L Hawthorne, B Birrell, and D Young (2003) *The Retention of Overseas Trained General Practitioners in Regional Victoria.* Melbourne: Rural Workforce Agency Victoria.

[238] Medical Council of New Zealand (2008) *The New Zealand Medical Workforce in 2008.* Wellington: Medical Council of New Zealand.

These retention rates inevitably have an impact on the viability of international medical graduate training programmes. According to the Medical Council of New Zealand,[239] NZ$11.8 million was allocated to bridge 300 migrant doctors into full registration in a recent trial programme. A total of 1,221 applications were received (with selection criteria including a well-recognised medical qualification, a certificate of good standing, a pass in the New Zealand Registration Examination, the International English Language Testing System, and permanent resident status). The pilot course provided 4.5 months' training in medical knowledge and skills, followed by 6-month supervised rotations in public hospitals, then candidature for the New Zealand Registration Examination clinical exam. Of the 300 selected candidates 181 passed this exam, but some subsequently moved to Australia. Regrettably the high cost of bridging could not be sustained, despite strong advocacy (for example, from refugee doctors), in the light of New Zealand's modest overall international medical graduate outcomes.

This attraction of New Zealand, Australia and Canada to two-step migration stood in marked contrast to developments in Europe at this time, where governments responded with angst and curbs on migration.[240] By 2005, according to Ruhs (writing for the Global Commission on International Migration) the European Union was tightening control of temporary movements through measures, including:

> strict enforcement of immigration and employment laws … regulation of the cost at which migrants are made available to employers, … implementation of effective labour market tests … that create incentives for employers to recruit workers only after all reasonable efforts have been made to recruit local workers … [and] the regulation or at least the monitoring of the migrant recruiting industry.[241]

Even the protection of migrants' rights was 'mixed [with] incentive-enforcement measures to facilitate the return home of migrants whose temporary work permits have expired'.

By the time of the 2008 election, New Zealand was a global exemplar in the attraction and retention of temporary workers.[242] In 2008/09, 81 percent of permanent resident grants were awarded to migrants onshore. Eighty percent of SMC PAs were employed at point of selection or had received local job offers.

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[239] P Pigou (2008) Data presented on International Medical Graduates in New Zealand, New Zealand Health Regulation Symposium, May, Auckland.

[240] S Castles (2006) 'Guestworkers in Europe: A resurrection?', *International Migration Review* 40(4): 741–766.

[241] M Ruhs (2005) *The Potential of Temporary Migration Programmes in Future International Migration Policy*, Policy paper. Global Commission on International Migration, pp 1–28. www.gcim.org/en (accessed 24 October 2010).

[242] IMSED Research (2009) *Migration Trends and Outlook 2008/09.* Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour. www.dol.govt.nz/publications/research/migration-outlook-200809/index.asp (accessed 25 October 2010).

According to the Department of Labour, domestic safeguards were adequate at this time:

> Requiring a job offer to obtain a permit through the Essential Skills Policy ensures that migrant labour is not over supplied when the labour market tightens … One of the key principles of temporary work policies is that opportunities for New Zealanders are protected.

The Department's two skills shortage lists were reviewed twice per year.

It is important to note here that substantial low-skilled labour developments were also occurring in New Zealand with a focus on seasonal labour migrants (an important trend beyond the brief of this study). Temporary Pacific migration was growing markedly, rising from 12,176 arrivals in 2002–05 to 20,112 in 2006–09, most notably from Fiji, Samoa, Tonga, and Vanuatu. New Zealand's Recognised Seasonal Employer Work Policy facilitated the delivery of short-term contracts for up to 8,000 individual workers at this time (employment of up to 7 months in the horticulture and viticulture industries).[243] These flows, while regionally significant, were dwarfed, however, by the scale of more highly skilled SMC and temporary entry Asian and European arrivals.

Box 5: Case study – Nursing migration to New Zealand

As noted by the OECD, by 2005/06 New Zealand had among the highest proportion of foreign-born (29 percent) and foreign-trained nurses (24 percent) in the OECD, plus the second highest OECD expatriation rate for nurses (23 percent).[244] By the time of the 2006 census, 23 percent of New Zealand's nurses were overseas-born, with a Nursing Council of New Zealand report estimating they constituted 27 percent of registered nurses in 2007. According to the latest Department of Labour and Statistics New Zealand data, 6,192 work permits were issued to internationally educated nurses by New Zealand from 2005 to 2009, along with 4,382 Skilled Migrant Category (SMC) residence permits.[245] In total, 18,132 work permits were provided to migrant medical and health workers those 4 years, with 8,496 SMC principal applicant permits. Nurses constituted the largest group (10,574) followed by doctors (8,714). The UK was again the major source, followed by the Philippines (rapidly rising), India, and South Africa.

[243] R Bedford, P Callister, and R Didham (2010) 'Arrivals, departures and net migration', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 2. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, pp 34–35 of draft. Note the figure of 19,000 was originally provided in this text; amended December 2010 by Department of Labour advice to L Hawthorne to 8,000.

[244] P Zurn and J Dumont (2008) *Health Workforce and International Migration: Can New Zealand compete?* OECD Health Working Papers, DELSA/HEA/WD/HWP(2008)3, Paris: World Health Organization and Organisation for Economic Co-operation and Development.

[245] Department of Labour and Statistics New Zealand (2010) 'Migration of health workers to New Zealand: Context, trends and outcomes', presentation at the Fifteenth International Metropolis Conference, The Hague, 6 October.

Despite these trends nurse migration barely rated a mention in the New Zealand health workforce report of 2002 – its focus being domestic training and retention, including the greater participation of Māori and Pacific peoples.[246] A 2009 assessment by Walker describes nurse migration in greater detail.[247] By the time of the 2001 census, major birth countries for employed nurses in New Zealand were the UK (3291), Australia (615), South Africa (432), Philippines (426), Fiji (405), Netherlands (309), Samoa (285), Ireland (186), China (177), Tonga (171), Malaysia (138), Canada (135), India (114), Germany (111), and the US (105). In all, 7,498 foreign-born nurses were working in New Zealand at this time compared with 25,425 who were New Zealand–born. As with Australia, migrant nurses entered New Zealand through multiple pathways – Department of Labour data, for instance, showing 1,227 caregiver temporary work applications for 2007/08 alone compared with just 50 in 2002/03.

The Nursing Council of New Zealand (the main registration body) reported 1,465 overseas registrations in 2007 (59 percent of all new registrations). According to a 2009 assessment of New Zealand's national regulated nursing workforce, the primary places of qualification for migrant nurses working in New Zealand by this time were the UK (3,939), the Philippines (1,068), Australia (676), South Africa (652), and India (589), with Filipino and Indian arrivals increasing rapidly. (Since 2001 Filipino nurses had tripled in number, while Indian arrivals had grown eight-fold.) Retention, as with migrant doctors, has been a major challenge – a survey by the New Zealand Nurses Organisation, demonstrating 27.5 percent of internationally educated nurses to be unsure of their future plans, while many were considering a return to their country of origin.[248]

[246] Health Workforce Advisory Committee (2002) *The New Zealand Health Workforce: Framing future directions – Discussion document*, Wellington: Ministry of Health.

[247] L Walker (2009) *A Mixed Picture: The experiences of overseas trained nurses in New Zealand*. Wellington: New Zealand Nurses Organisation.

[248] FW Workforce Information (2009) *Current Status of the National Regulated Nursing Workforce 2009*. Prepared for the Clinical Training Agency, Ministry of Health, Wellington, p 42.

The study by Walker affirmed multiple migration pathways to be the norm – nurses arriving in rank order as visitors, students, work permit holders, and following this as SMC migrants. Many, post-arrival, incurred substantial costs enrolling in competency assessment programmes to secure registration, and/or in English courses before taking International English Language Testing System (IELTS) or other exams. Before 2004 it had been possible to demonstrate 'competence' by hospital employment, a pathway since tightened up. As in Australia, English testing was internationally educated nurses' biggest hurdle to registration, with just 41 percent passing on their first attempt. (IELTS band 7 was required, with this requirement from January 2009 extended to nurses from English-speaking background and Pacific countries.) A second major barrier was accreditation of Filipino nursing schools, given their number had risen ten-fold in the past 5 years, with many Filipino qualifications deemed inadequate for New Zealand practice. Thirdly, large numbers of migrant nurses (as in Australia) are at risk of disrupted careers and occupational segregation in the geriatric care sector – many never securing registered nurse status.

3.7 Evolution of New Zealand's skilled migration policy 2008–2010– first years of the Key National government

In November 2008 the New Zealand Government changed (a year following the Australian election and in the opposite political direction). This had marked consequences for skilled migration. An immigration manifesto was released by the National Party before its election, with reduction of 'the net loss of New Zealanders overseas' through reduced outflows and the encouragement of return migration defined as national priorities.[249] The impacts of recession and rising employment were also being felt – spurring the National Party's philosophical commitment to economic productivity.

Little changed in the Key government's first months. Selection categories, numbers, and immigrant characteristics were stable to July 2009, despite a growing focus on applicants with job offers. The two-tier SMC system was retained, allowing both 'direct approval for residence or conditional approval subject to obtaining appropriate employment while on a temporary work permit'. Strong takeup of this pathway continued from temporary migrants, with growing use also made of graduate job search permits by former international students (around 10,000 per year allocated in 2008/2009). That year 136,481 migrants were issued with temporary work permits, while 46,097 were approved for permanent residence (across all immigration categories). Ninety-four percent of SMC PAs and 77 percent of secondary applicants had held temporary student, worker or visitor permits in the previous year (with 88 percent of SMC PAs previously holding work permits). According to Bedford, Ho, and Bedford, an estimated 40 percent of work permit holders transitioned to permanent resident

[249] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford, *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, p 3 of draft

status from 1998 to 2006 compared with 28 percent in 2007 to 2009.[250] The true figure from 2007/08 – 2008/09 was likely to be much higher however, given students' capacity to use a broadening range of temporary permit options.[251] As employment hit 6 percent, the government exercised caution (carefully monitoring the direction of global skilled migration trends). According to a Department of Labour analysis:

> Changes made to immigration policies in New Zealand, Australia, Canada, and the United Kingdom have focused on adjusting numerical limits; strengthening the labour-market test and revising occupational-shortage lists; and limiting possibilities for migrants to change status or renew permits. Some other countries have offered incentives for migrants to return home or applied conditions to non-discretionary flows … The demand for migrant workers through the Essential Skills Policy and seasonal work policies decreased steadily from October 2008. In the last quarter of 2008/09, the number of applications accepted was down 26 percent on the corresponding quarter in 2007/08 … The reduced demand, together with higher-than-average decline rates on Essential Skills Policy applications, meant the number of temporary workers approved through these policies was 6 percent lower than in the previous year.[252] [See Table 49.]

July 2009 heralded significant New Zealand policy change within this worsening economic climate. The National government maintained the scale of SMC intakes (25,000–27,000 people that year). That figure had been remarkably steady in the past decade compared with the level of volatility in Australia (44,730 GSM migrants selected in 2000/01 compared with a planned 113,850 for 2010/11).[253] New Zealand, however, removed 44 occupations from the Immediate Skills Shortage List and 8 from the Long-Term Skill Shortage List, markedly disrupting the plans of temporary workers and students. Fortnightly Expressions of Interest selections were reduced while more applications were processed offshore (favouring applicants with jobs or job offers). It became suddenly difficult for former students and temporary migrants to transit through two-step migration, creating distress and uncertainty for many:

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[250] Sweetman cautions, 'For the 40% to be a fair comparison to the 28%, the "windows of time" in which those who arrived in the early and later periods (in order to transition) to permanent resident status need to be comparable … My suspicion is that … Those who arrived between 2007 and 2009 had a very short window of opportunity' (A Sweetman, 2010, review comment to L Hawthorne, McMaster University, Hamilton, Canada).

[251] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford, *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, pp 16–22 of draft.

[252] IMSED Research (2009) *Migration Trends and Outlook 2008-09.* Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour, pp 10, 12.

[253] DIMA (2001) *Department of Immigration and Multicultural Affairs Annual Report.* Canberra: Department of Immigration and Multicultural Affairs. www.immi.gov.au/about/reports/annual/2000-01/report17.htm (accessed 30 October 2010); DIAC (2010) 'Migration Program Statistics.' www.immi.gov.au/media/statistics/statistical-info/visa-grants/migrant.htm (accessed 27 October 2010).

> The situation facing international students, as well as many migrants who entered New Zealand on temporary permits with an opportunity to consider transitioning to residence, has changed quite dramatically with the onset of recession and the shifting definition of what constitutes 'immediate skill shortages'. Highly qualified graduates and postgraduates have become quite vulnerable to job losses as employers seek to protect their core permanent work forces. Managing the vulnerabilities to job losses for both skilled migrants on temporary permits, as well as for international students who have come to the country to gain qualifications that will allow them to gain suitable jobs, has required some adjustments to temporary work policy as the job market contracted.[254]

Table 49: Migration policy changes made by different countries

Policy change	Country
Temporary migration	
Adjusting numerical limits	Australia, Canada, 15 European Union (EU15) countries, Italy, South Korea, Spain
Limiting possibilities to change/renew permits	Canada, Ireland, Italy, Malaysia, Spain, United Kingdom, United States
Promoting return migration	Czech Republic, Japan, Spain
Strengthening labour market tests/reviewing shortage lists	New Zealand, Australia, Canada, Ireland, Italy, Spain, Sweden, United Kingdom, United States
Permanent migration	
Changing permanent migration policy	Australia, Spain, United Kingdom, Italy

Source: Adapted from IMSED Research (2009) *Migration Trends and Outlook 2008/09.* Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour, Table 2.1, p 10. www.dol.govt.nz/publications/research/migration-outlook-200809/index.asp (accessed 25 October 2010).

Further policy measures reduced the duration of permits issued to lower-skilled workers (with occupations at levels 4 and 5 of the Australian and New Zealand Standard Classification of Occupations cut to 1 year). As in Australia higher-skilled workers remained favoured – able to secure permits for up to 3 years (or 5 years in some circumstances) with unlimited potential for further permits to be granted, in contrast to select other migration categories, which contracted.[255] Business and wealthy retiree migration was also strengthened at this time.

An unexpected trend, however, was also occurring. In marked contrast to previous recessions, New Zealand was experiencing population gain and retention. Permanent and long-term arrivals to New Zealand had actually

[254] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford, *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, p 30 of draft.

[255] IMSED Research (2009) *Migration Trends and Outlook 2008-09*. Wellington: International Migration, Settlement and Employment Dynamics Research, Department of Labour.

increased in the recession, with 86,410 people arriving in 2009 compared with 59,743 in 1999 (growth of 45 percent). Simultaneously, there was:

> [a] sharp fall in the numbers of New Zealanders leaving the country for 12 months or more – a most unusual situation for a recession year … [with] the numbers of New Zealand citizens leaving for periods of 12 months or more … the smallest for the end of decade years since 1979.

Overall, the year to December 2009 saw a 32 percent decline in New Zealand permanent and long-term departures compared wth the previous year. Increased numbers of expatriates were simultaneously returning home (including from Australia and the UK) – growth of 11 percent over 2008. According to Bedford, Callister, and Didham:

> In effect, by December 2009 the recession quite fortuitously had delivered the outcome the National Party's immigration manifesto was seeking with regards to the permanent and long-term flows of New Zealanders in and out of the country. The first decade of the 21st century ended with an unexpected migration dividend by comparison with the last three decades of the 20th century.[256]

Decreased demand for temporary migrant workers was an immediate consequence. From 2008/2009 – 2009/10 approvals for skilled/business entrants grew 4 percent, but scope for two-step migration contracted. In the first 6 months of 2010, 6,309 fewer Expressions of Interest were selected than for the same period in 2009 – due also to the high volume of work on hand. Seventy-eight percent of these migrants had jobs or job offers ('the highest proportion since the first 6 months of 2004, and 73 percent of their applications had been lodged in New Zealand').[257] Surprisingly for a time of recession, source countries were becoming more diverse, with India (15 percent) now ranked second to the UK (17 percent) followed by South Africa (8 percent) and China (8 percent), reflecting growing Indian student enrolments. As noted by Bedford, Ho, and Bedford, there has not been an obvious return to '"traditional sources" at a time of rising unemployment and the shift towards more systematic exclusion from selection of migrants who do not have employment or a job offer'.[258]

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[256] R Bedford, P Callister, and R Didham (2010) 'Arrivals, departures and net migration', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A Digest and Bibliography – Number 5*, chapter 2. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, pp 1–3 of draft.

[257] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, p 17 of draft.

[258] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, p 18 of draft.

From October 2009 the Key government introduced an extensive suite of migration legislative changes with the advent of the new Immigration Act, designed to 'lay the foundation for a new era in immigration policy in a very different national and global context than the one that existed 20 years earlier'.[259] Measures of relevance to skilled migration included the abolition of permits and exemptions (visas to be used henceforth for all migration movements); a higher level of responsibility for sponsors, including in relation to temporary entry work visas; the introduction of new categories of sponsors; and a greater focus on employer obligations.[260]

Box 6: Case study – Engineering migration to New Zealand

Demand for migrant engineers is also strong in New Zealand, in the context of sustained economic growth, a construction boom (to 2005), and increased widespread use of technology. Both bachelor and diploma level qualifications are sought to fill professional, technician, and associate professional occupations. According to *Engineers in the New Zealand Labour Market* (2008), males with engineering qualifications have higher employment rates than the New Zealand norm, in a context where 'There is clear evidence of income premiums being paid for people with engineering qualifications across levels and occupations', plus unmet demand for a range of specialties (certificate 4 to bachelor and above levels).[261]

Five percent annual growth in engineering demand has occurred in the past 5 years, with 1,200–1,300 additional engineers required annually. While New Zealand graduates 1,200–1,500 engineers per year, this is manifestly inadequate in a context where some 30 percent of local engineers leave within 3 years, and Māori and Pacific populations are severely under-represented in the occupation. (Māori, for example, constitute just 4.6 percent of engineering professionals.) To offset this, New Zealand needs to import at least 200–350 long-term engineering migrants each year (countering domestic retirement rates as well as expatriate flows). Between 2004/05 and 2008/09, 3,405 architects, engineers, and related professionals were selected as Skilled Migrant Category principal applicants. The great majority were sourced onshore – in 2008/09, 73 percent of engineer arrivals compared with 66 percent in 2004/05. The numbers of temporary entrants are more difficult to estimate (given coding anomalies in the Essential Skills Category).[262] However, in 2007/08, 233 engineers arrived, rising to 414 in 2008/09.

[259] R Bedford, E Ho, and C Bedford (2010) 'Pathways to residence in New Zealand, 2003–2010', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A digest and bibliography – Number 5*, chapter 1. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, p 1 of draft.

[260] Department of Labour (2009) 'Immigration Act 2009: Summary of key changes.' www.immigration.govt.nz/migrant/general/generalinformation/immigrationact (accessed 31 October 2010).

[261] Department of Labour (2008) *Engineers in the New Zealand Labour Market.* Wellington: Department of Labour, p 16.

[262] These numbers are derived from Department of Labour data provided by year for the Essential Skills Category, in which no figures were given for engineers in the 3 years from 2004/05 to 2006/07. This problem could not be resolved in consultation with the Department.

Based on Department of Labour research published in 2008, substantially higher numbers of temporary sponsored engineers arrive than would appear from these migration numbers (their information on occupation collected for around 30 percent of migrants intending to stay 12 or more months). Using 3-digit analysis, this report states 1,170 temporary work permits were issued for architects, engineers, and related professionals in 2007/08 (an increase of 261 on the previous year). Further, 1,158 temporary work permits were issued for physical science and engineering technicians. Importation rates were thus strong, despite 'anecdotal evidence' suggesting migrant engineers have difficulty securing employment, sometimes due to unrecognised qualifications and/or lack of the 'required skills or experience'.[263] Substantial additional numbers of migrants with engineering trade qualifications are also selected by New Zealand annually.

According to the Institution of Professional Engineers New Zealand (IPENZ),[264] there is no mandatory International English Language Testing System level for IPENZ registration. Membership for professional engineers is based on assessment of migrants' communicative competence, plus provision of a portfolio representing prior work. Temporary and permanent migration flows are employer-driven, avoiding problems of unemployment and over-supply. ('Employers recruit to fill the specific gaps they have.'). Major sources of supply are currently Australia, the UK, and South Africa, with growing numbers of enquiries from the Philippines (Filipino engineers finding it hard to source offers of work). Substantial inflows of engineering technicians have also occurred, typically trained on a 2-year diploma basis. By and large skilled migration is deemed to be working well with engineers. Growing interest is also evident in international students as a future resource, in a context where they represent some 15 percent of current New Zealand engineering students.

[263] Department of Labour (2008) *Engineers in the New Zealand Labour Market.* Wellington: Department of Labour, pp 48–49, 51.

[264] Institute of Professional Engineers New Zealand (2010) Interview with senior officer related to engineering migration trends for the current study, 15 June, Wellington.

4 CONCLUSION

As demonstrated within this skilled migration comparison of New Zealand and Australia, policy formation remains challenging in a context where global migration is a defining phenomenon of the early twenty-first century. The governments of New Zealand and Australia are at once competitors and collaborators within this process:

- both have prioritised skilled migration in the past decade, despite sharp differences in the scale and characteristics of intakes
- their labour markets are intimately linked - enriched and (in the case of New Zealand) jeopardised by free trans-Tasman flows
- both maintain constant surveillance of each other's policies, replicating strategies that work
- both have 'privatised' selection to a marked degree, a process increasingly outsourced to employers and (in Australia) to states/territories.
- both achieve impressive skilled migration outcomes in global terms – 89 percent of principal applicants in New Zealand employed at 6 months compared with 83 percent in Australia, rising to 85 percent in Australia and 87 percent in New Zealand at 18 months.

Within this context six policy trends to watch are identified in this concluding section, most notably:

- the changing characteristics of skilled migrants
- the evolution of two-step migration
- the likely influence of employer selection
- skilled migration from the 'neighbourhood'
- the attempted dispersal of skilled migrants
- the challenge of retention.

The latest migration data from Canada are in Box 7 (at the end of section 4) – the aim being to broaden the New Zealand–Australia comparison by reference to a major global competitor.

4.1 Changing characteristics of skilled migrants

Birthplace is a major difference between the Skilled Migrant Category (SMC) and the General Skilled Migration (GSM) selection programmes, as established at the start of this study. In New Zealand, English-speaking background (ESB) countries constituted 46 percent of the top 10 sources from 2004/05 to 2008/09 compared with just 17 percent in Australia. Ireland and Canada featured in New Zealand's top 20 along with five European countries. In Australia by contrast 14 of the top 20 source countries were in Asia, with no European countries ranked beyond the UK and Ireland. New Zealand briefly diversified source countries for skilled migrants in the late 1990s before reverting to the ESB norm – a policy response to diminished early employment outcomes. A major result of Australia's 2010 points-test review has been to shift the GSM

to this direction, representing a marked change on selection practice in recent years.

Facility in a host country's language/s is a critical determinant of early access to work – a fact consistently highlighted in the global migration literature. Concern in Australia has grown for skilled migrants' English in recent years. International English Language Testing System threshold requirements were raised in consequence from band 5 to 6 in September 2007, with significant bonus points awarded applicants with more advanced level English (International English Language Testing System (IELTS) band 7 or beyond). From July 2011 no points will be allocated for primary/principal applicants (PAs) meeting the threshold English requirement of IELTS band 6. Rather 20 points will be awarded to applicants at IELTS band 8 (near native speaker level) and 10 to those at band 7. In the context of Australia's revised points requirement (now 65 compared with 120 points) English is set to become the key determinant of GSM selection, alongside employer sponsorship. A liberalisation of points for age has simultaneously been introduced (again in line with New Zealand). Trade qualifications will be valued – but primarily those earned through classic apprenticeship training completed offshore (for example, in the UK). From 2011 the GSM programme will markedly favour the selection of older, native English speakers, qualified with bachelor or higher tertiary degrees. These points-test changes are certain to disadvantage current and recent international students – most notably those in over-supplied fields on the defunct Migration Occupations in Demand List and qualified at certificate level.

One outcome of these changed selection criteria will be intensified competition for skilled migrants between Australia and New Zealand, given these countries now seek more directly comparable applicants. The key differentiator is likely to be level of skills. As demonstrated, skilled migrants to Australia were more highly qualified than PAs in New Zealand from 2004/05 to 2008/09 at every migration level. Sixty-six percent of GSM migrants were degree-qualified (compared with 39 percent to New Zealand). Fifty-eight percent of 457 visa temporary workers held degrees (compared with 19 percent of General/Essential Skills workers). Forty-two percent of international students were enrolled in degree courses in 2008 (compared with 16 percent in New Zealand 2008/09), with many certain to transition to skilled migration. The Australian Government has affirmed its commitment to selecting 'the best and brightest skilled migrants by emphasizing high level qualifications', along with better English levels and 'extensive skilled work experience'.

Should competition with Australia intensify, New Zealand's advantage may be its more liberal qualification levels. As demonstrated by the Longitudinal Immigration Survey: New Zealand (LisNZ) and Longitudinal Survey on Immigrants to Australia (LSIA 3) analysis, this recent educational gulf has had no discernible impact on SMC PAs early work or salary rates – these workers proving highly acceptable to New Zealand employers, at a time when they were largely of ESB and European origin).

4.2 Evolution of two-step migration

As established in section 1, both New Zealand and Australia have prioritised two-step migration in the past decade, a process taking very different forms. New Zealand's emphasis has been on the conversion of temporary workers – people within the country with job offers or already employed. By the time of the LisNZ administration, 79 percent of PA respondents had applied onshore (typically through the 'work to residence') pathway. In 2008/09, 81 percent of permanent resident grants in New Zealand were awarded to migrants onshore – largely SMC applicants in work or supported by job offers. By 2009, 88 percent of SMC PAs had previously held New Zealand work permits – a process ensuring their exceptionally positive early employment outcomes.

In Australia by contrast the 'study–migration' pathway has been the norm – lodged by 53 percent of LSIA respondents. Reflecting this, PAs in Australia were younger than those in New Zealand, more highly qualified, more likely to be Asia-born, less likely to be partnered, and less likely to be native speakers of English (noting that major problems with international students' English had emerged at this time). Despite such differences New Zealand and Australian PAs achieved near identical employment rates at 18 months (87 percent in New Zealand compared with 85 percent in Australia, with an additional 7 percent compared with 4 percent self-employed).

Far from being satisfied with this outcome, Australia is now moving closer to New Zealand's work to residence model. As established by the 2005–06 skilled migration review, employer-sponsored PAs secured 99 percent employment outcomes at 6 months (compared with 82–83 percent for offshore and onshore Independent migrants).[265] Since 2010, rank order for GSM processing has been introduced – a major Australian policy innovation. Employer-nominated applicants are assessed first, followed by those with state/territory sponsorship. Selection will favour temporary 457 visa holders converting to permanent resident status onshore. Even before these 2010 policy changes former international students' GSM 'share' was dropping – from 42 percent of places in 2004/05 to 35 percent in 2008/09. Applicants from China and India were the most displaced. As demonstrated by a recent analysis, such students have been the main contributors to Australia's escalating net population growth in recent years.[266] For example, in 2007/08, 35,540 students from India arrived, but just 1,290 departed.

In New Zealand, in contrast to this Australian trend, the study–migration pathway is set to expand. (A similar trend is occurring in Canada.) International students are being cultivated as prospective skilled migrants. Bonus points have been introduced for masters or doctorates, and doctoral fees have been slashed since 2006. Student source countries have diversified, following a dramatic dip in Chinese student enrolments in 2006. Graduates have been encouraged to stay via 'study to work' then 'work to residence' pathways, with bonus points awarded

[265] B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia.

[266] B Birrell and E Healy (2010) 'Net overseas migration: Why is it so high?', *People and Place* 18(2): 56–65, p 60.

credentials in an identified future growth area and/or an area of absolute skills shortage. Steps have also been taken to improve the attractiveness and equivalence of New Zealand's work and residency policies relative to competitor countries, including students' access to employment during study, the provision of work rights to postgraduate students' partners, and the extension of graduate job search permits from 6 to 12 months for those with qualifications meeting SMC criteria and of the post study practical experience permit to 3 years.

Additional proposed strategies include the development of partnerships between education and industry stakeholders, improved immigration promotional outreach, and more personalised service provision supported by timely and transparent visa processing. In 2008/09 around 30 percent of approved SMC applicants had previously studied in New Zealand. This proportion seems set to rise, in a period when two-step migration policies in New Zealand and Australia are shifting in opposite ways, and New Zealand (like Canada; see Box 7) will benefit from the future contraction of Australia's study–migration pathway.

Box 7: Recent skilled migration to Canada

Canada represents a major global competitor to New Zealand and Australia in the attraction and retention of skilled migrants.[267]

In 2009 Canada selected 252,179 migrants across permanent resident categories (compared to a total of 227,455 in 2000). Economic migrants constituted 61 percent of flows at this time (near identical to New Zealand and Australian levels), compared to 26 percent in the family category, and 9 percent who were refugees. Major source regions were the Asia-Pacific (48 percent), Africa/Middle East (22 percent), Europe and the UK (20 percent), South/Central America (8 percent) and the US (2 percent), with the primary birthplaces China (29,049), the Philippines (27,277), India (26,122), the US (9,723) and the UK (9,566). Immigrants' education levels were also high. Forty-four percent of total arrivals aged 15 years or more and intending to work were degree qualified (30 percent at the Bachelor level and 14 percent at Masters or PhD level – comparable to qualification levels in 2000). In line with Australia, their occupations were largely professional (51 percent), followed by skilled & technical fields (26 percent), managerial (14 percent) and intermediate & clerical positions (5 percent).

[267] Citizenship and Immigration Canada (2010) *Immigration Fact Sheets 2009.* www.cic.gc.ca/english/resources/statistics/facts2009/temporary/19.asp and www.cic.gc.ca/english/resources/statistics/facts2009/permanent/22.asp

As noted economic category migrants predominated, contributing 153,498 migrants in 2009 compared to 136,287 in 2000 (counting PAs and secondary applicants). 'Skilled workers' were the major subcategory, the one most directly comparable to the SMC and the GSM (in 2009 the source of 40,735 PAs and 55,227 accompanying family members). Provincial/territorial nominees were the next major group – comparable to Australia's fast-growing State/Territory nominee schemes, and the source in 2009 of 11,801 PAs as well as 18,577 dependants. Live-in caregivers were the third major group – one expanding in recent years, contributing a total of 12,454 people in 2009 compared to 2,782 in 2000.

The new Canadian Experience Class is small – one designed to facilitate two-step migration from former international students and temporary foreign workers (1,775 PAs in 2009 plus 770 dependants). Arrivals were derived from the Asia-Pacific (48 percent), Africa/Middle East (22 percent), Europe/the UK (20 percent), South/Central America (8 percent), and the US (2 percent).

As with New Zealand and Australia, Canada's intake of temporary foreign workers has expanded in the past decade. In 2009 382,330 temporary residents were admitted (compared to 305,656 in 2000). That year 178,478 foreign workers entered (compared to 116,540 in 2000). International students were a major group, many with work rights (85,140 in 2009 rising from 69,092 in 2000). Substantial numbers of live-in caregivers also entered Canada on a temporary basis – 9,816 in 2009 compared to 2,684 in 2000. The entry of low skilled seasonal agricultural workers has been liberalised (23,372 arrivals in 2009 compared to 16,710) while a low-skilled pilot programme commencing in 2002 was the source of 19,656 additional people. In 2009 temporary foreign workers constituted 43 percent of temporary resident entrants (rising from 30 percent), following a total of 213,846 residents the previous year (2008).

Canada's top 10 source countries for temporary worker entry at this time were the US (17 percent), Mexico (10 percent – largely agricultural workers), France (9 percent), the Philippines (8 percent – primarily live-in caregivers), the UK and Australia (6 percent each), and Jamaica, Germany, India and Japan (contributing 4 percent each). New Zealand, ranked 14th, contributed 2 percent of the total. As with Australia, decided employer preference was evident for English (or French) speaking and technologically advanced source countries. Qualification levels were lower than for permanent economic migrants, given the large-scale arrival of agricultural and live-in care workers. Twenty-four percent of temporary foreign workers were qualified to work at the intermediate/clerical level, 18 percent as professionals, and 14 percent in skilled technical positions.

The process of two-step migration was well under way in Canada, as in New Zealand and Australia. In 2009 69,837 temporary migrants converted to permanent resident status (compared to 46,718 in 2000). Forty-four percent did so as foreign workers, while 13 percent did so through the study–migration pathway. Like Australia and New Zealand Canada is now cultivating international students as a future source of supply. In December 2009 196,138 international students were residing in the country, including 85,140 who had arrived that year. China (16,375), the Republic of Korea (11,048), India (5,718), France (5,320) and Saudi Arabia (5,293) were the major sources, followed by the US, Japan, Mexico, Germany and Brazil. These students were disproportionately located in the provinces of Ontario (37 percent), British Columbia (28 percent), Quebec (16 percent) and Alberta (8 percent), matching the major Canadian cities of migration. Their enrolment levels (as in Australia) was fairly high – most notably 42 percent in the university sector, followed by schools (22 percent), other post-secondary courses (20 percent) and trades (9 percent). The new Canadian Experience Class (introduced September 2008) is likely to facilitate the retention of substantial numbers.

4.3 Likely influence of employer selection

Employers in both countries have come to exert extraordinary influence on permanent as well as temporary entry flows, in a context where business is a longstanding advocate of expanded migration. Industry values enlarged markets, supported by timely, flexible and competitive workforce supply. The current trend to employer nomination 'privatises' skilled migrant selection to a marked degree – a shift receiving minimal public attention, despite its clear potential to transform outcomes.

When points-based selection systems were globally introduced from the 1970s, a key aim was to assure fair, transparent, and consistent decision-making. Employer choices are rarely open to such scrutiny. As demonstrated in the case of Australia, employer selection preferences may also vary markedly from those of government – most notably in terms of source countries. From 2004/05 to 2008/09 few GSM PAs were selected from the major ESB nations (which constituted just 17 percent of the top 10 sources). Employer nomination through the 457 visa category, however, delivered markedly different results. Five of the major ESB countries featured in the top 10, alongside Germany and France, and one Commonwealth Asian nation (India).

Employers value high-level English language ability (including native speakers), comparable education systems, plus applicants with a perceived capacity to integrate in the workplace at speed. New Zealand's General/Essential Skills Category has long allowed employers to 'filter' the characteristics of future SMC applicants. Australia's priority ranking system is set to do the same, a trend likely to significantly affect future diversity.

4.4 Skilled migration from the 'neighbourhood'

Regional migration in the 'neighbourhood' is at once a threat and an opportunity, as demonstrated by trans-Tasman flows. To what extent have Pacific Island countries become a skilled migration resource for New Zealand and Australia (noting the risk this carries of 'brain drain')? As established in section 3, temporary flows to New Zealand have risen markedly in recent years, from 12,176 arrivals in 2002–05 to 20,112 in 2006–09 (primarily derived from Fiji, Samoa, Tonga, and Vanuatu).[268] New Zealand's Recognised Seasonal Employer Work Policy also facilitates short-term labour contracts for around 8,000 low-skilled workers per year (employment of up to 7 months in the horticulture and viticulture industries). While these flows are dwarfed by the scale of SMC and General/Essential Skills Asian and European arrivals, the following Pacific migration trends of note are evident. Between 2004/05 and 2008/09 Fiji ranked sixth for SMC PAs, with annual intakes rising steadily. Overall, 2,205 PAs were selected (trebling from 239 in 2004/05 to 701 in 2008/09, overwhelmingly approved onshore). Fiji also represented an important labour source for the General/Essential Skills Category – contributing 9,422 temporary arrivals in these 5 years (2,500 in 2008/09 compared with 963 in 2004/05). Additional temporary flows were received from Samoa (2,276 people), Tonga (1,748), Kiribati (462), Tuvalu (267), Papua New Guinea (151), Vanuatu (95), and American Samoa (7). Reflecting the poverty of the region, Fiji was the sole major source of international students to New Zealand – ranked eighth from 2004/05 to 2008/09, and contributing 11,237 (or 3 percent) of the enrolled total.

Australia has shown minimal interest in cultivating Pacific labour flows, despite government to government dialogue on more liberal temporary entry. Fiji was the sole Pacific country in the GSM 'top 20' from 2004/05 to 2008/09 (1,541 PAs selected). Annual flows have diminished, however, rather than grown in recent years (358 PA arrivals in 2004/05 dropping to 250 in 2008/09). Melanesia was the source of few additional PAs – 127 across the period, principally derived from Papua New Guinea (78). The entry of temporary 457 visa holders was similarly modest – 620 PAs from Papua New Guinea between 2004/05 and 2008/09 and 580 from Fiji (large numbers of whom were retained through two-step migration), and 30 from Samoa. No other Pacific nations featured in Australia's top 84 sources. In line with this, study–migration rates have been slight – principally from Fiji, with 380 former students securing permanent GSM status.

4.5 Attempted dispersal of skilled migrants

As noted in section 3, the recent decade has been associated with growing Australian attempts to disperse the location of skilled migrants, selected on both a permanent and a temporary resident basis. According to a recent Department of Immigration and Citizenship analysis, 'Migration … has the potential to alter

[268] R Bedford, P Callister, and R Didham (2010) 'Arrivals, departures and net migration', in A Trlin, P Spoonley, and D Bedford (Eds), *New Zealand and International Migration: A Digest and Bibliography – Number 5*, chapter 2. Palmerston North: Department of Sociology, Social Policy and Social Work, Massey University, pp 34–35 of draft. Note the figure of 19,000 was originally provided in this text; amended December 2010 by Department of Labour advice to L Hawthorne to 8,000.

population dynamics, within and across cities and regions'. While 9 out of 10 new migrants traditionally settle in cities (particularly Sydney, Melbourne, and Brisbane):

> Migration's contribution to regional Australia can serve two distinct purposes. First, it can enable regions to develop and grow where they may be constrained due to an absence of people with specialized skills. Second, it can be used to reverse or offset relative population decline.[269]

Reflecting this, the role of state/territory governments has become critical to selection in recent years, a phenomenon responding to sustained lobbying and submissions. As demonstrated by the 2005-06 skilled migration review, liberalised points selection for 'under-supplied' areas has long been the norm – various subcategories awarding bonus points for regional location, permitting IELTS levels as low as band 4.5, and far reduced overall points (for example, 70 points compared to the 120 GSM norm).[270] Within select fields (for example, medicine), 'area of need' categories have been developed to fast track migrant doctors' entry and access to practice, followed by transition to permanent stay. (See Box 1 in section 3.)

In 2005/06 the employer and state/territory sponsored GSM categories delivered 15,230 and 8,020 migrants respectively. By 2008/09 these numbers had risen to 38,030 and 14,060 (45 percent of the GSM total compared with 24 percent before the 2009/10 policy change). Since February 2010 GSM state/territory sponsored applicants have been prioritised second for processing – a keenly appreciated opportunity. To integrate skilled migration policy, states/territories in 2010 were commissioned to develop skilled migration plans – the federal government's intention being greater flexibility to address niche labour market needs, through agreements tailored to the individual requirements of each jurisdiction. Regional entry is now being markedly liberalised in Australia. Retention will remain a serious issue, for example of medical migrants employed in remote and relatively unappealing sites.[271]

As noted by Bedford,[272] there is likely to be an increasing divergence of GSM flows Australia-wide, as states/territories and employers select from their preferred sources. New Zealand by contrast 'grapples with the challenges of "two New Zealands" for immigration purposes: the Auckland supercity and its surrounding region, and the rest of the country'. In Bedford's view 'there is unlikely to be any serious attempt to allow Auckland to go in one direction with regard to immigrants, while other parts of the country go another way'. Points-based assessment seems certain to remain New Zealand's norm, in marked contrast to Australia's shift to decentralisation.

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[269] M Cully (2011) *The Contribution of Migrants to Regional Australia*. Canberra: Department of Immigration and Citizenship, p 2.

[270] B Birrell, L Hawthorne, and S Richardson (2006) *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia, see chapter 1.

[271] L Hawthorne, B Birrell, and D Young (2003) *The Retention of Overseas Trained General Practitioners in Regional Victoria.* Melbourne: Rural Workforce Agency Victoria.

[272] R Bedford (2010) Unpublished written feedback to the author following study review (December).

4.6 Challenge of retention

The recruitment of high-quality skilled migrants represents one challenge. As signalled above their retention is another – a particular issue for New Zealand, in the context of what Bedford terms 'demographic survival'.[273] Between 1955 and 2004 New Zealand's net population gain was 208,000 people out of a total 2.3 million arrivals. Sustained outflow of New Zealanders to global destinations is the norm, despite the recent rise in population retention and expatriate returns. In 2009, for example, 521,223 New Zealanders were resident in Australia. In the previous decade 221,643 had arrived, many with substantial qualifications, while just 69,884 had permanently left. According to a recent New Zealand analysis:

> Without migration New Zealand would be unable to maintain its population or fill skill shortages, even in a time of economic slowdown… [O]ver the 2001-2006 period, 60 percent of the growth in the working age population was from migration.[274]

As demonstrated through the occupation-specific case studies presented in section 3, retention is an urgent challenge in select professional fields. (See Boxes 1–6.) According to recent New Zealand data, for instance, 7,102 temporary work permits were issued to international medical graduates from 2005 to 2009, in addition to 1,612 SMC residence grants (PAs).[275] The UK was by far the largest source of doctors, followed by the US, India, and South Africa. In June 2009, according to the New Zealand Medical Council, New Zealand included 12,493 practising doctors, and 323 new domestic graduates were registered that year. This figure was dwarfed, however, by the number of international medical graduates registered (1,141). According to the Medical Council in 2008 just half these doctors were retained for one year. Retention dropped to 31 percent within 3 years of initial registration – a trend consistent for the past 8 years. The highest retention rate was of Asian doctors (50 percent resident 7 years after initial registration). Less than 50 percent of South African international medical graduates, however, stay more than 5 years, less than 30 percent of UK doctors more than 2 years, and less than 30 percent of US or Canadian doctors more than 1 year (the lowest rate).[276]

Australia faces far less serious challenges in terms of migrant retention.[277] The year 2007/08 coincided with the greatest departures on record: 76,923 people

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[273] R Bedford (2006) 'Skilled Migration Policy in Australia and New Zealand: Similarities and differences', in B Birrell, L Hawthorne, and S Richardson, *Evaluation of the General Skilled Migration Categories.* Canberra: Commonwealth of Australia.

[274] C Blake (Secretary of Labour) (2009) 'Foreword', in IMSED Research, *Migration Trends and Outlook 2008/09*. Wellington: International Migration, Settlement and Employment Dynamics, Department of Labour, www.dol.govt.nz/publications/research/migration-outlook-200809/index.asp (accessed 25 October 2010).

[275] Department of Labour and Statistics New Zealand (2010) 'Migration of health workers to New Zealand: Context, trends and outcomes', presentation at the Fifteenth International Metropolis Conference, The Hague, 6 October.

[276] Medical Council of New Zealand (2008) *The New Zealand Medical Workforce in 2008.* Wellington: Medical Council of New Zealand.

[277] DIAC (2008) *Emigration*. Canberra: Department of Immigration and Citizenship.

leaving 'permanently', including two-thirds aged 25–54 years. Almost half those departing were skilled – their major destinations being New Zealand (18 percent), the UK (18 percent), the US (9 percent), Hong Kong Special Administrative Region (7 percent), and Singapore (6 percent). A total of 86,277 people left Australia permanently in 2009/10. Fifty-one percent were overseas-born (compared with 49 percent the previous year) – most returning to their birthplace. The remainder were Australia-born, including the children of former immigrants. Two-thirds of those leaving permanently were employed, the majority (25 percent) as professionals, followed by managers and administrators (11 percent), and intermediate clerical, sales, and service workers (8 percent).[278] Recent research, however, challenges the severity of this impact on Australia, demonstrating net losses to be 'remarkably small'.[279] The stated intentions of those leaving can be compared with actual absence. The data show just 14,658 of Australia's 'permanent' 2007/08 departures remained away more than 12 of the next 16 months. Australia's net loss of citizens is thus stable and small (20,310) – minimising the need for migration to compensate for significant 'brain drain'.

As demonstrated within this skilled migration comparison of New Zealand and Australia, policy formation remains challenging in a context where global migration is a defining phenomenon of the early twenty-first century. Migration embraces every category of people – skilled and unskilled, family, refugee, legal and illegal, permanent and temporary. Short-term people movement is rising markedly, while the accessibility of one immigrant-receiving country may transform the level of demand for another. Given the dynamism of these trends, the few nations left with active immigration programmes are obliged to modify their entry policies, all the time encountering 'difficulties in harnessing their immigration programs to achieve diverse and often incompatible policy goals … [in] economic development, human resource development, population and foreign affairs'.[280] Within the 'looming war for skills', New Zealand and Australia without question will benefit from each other's growing regional profile. At the same time they will use the research evidence to compete hard to attract and retain the most highly sought global workers.

[278] DIAC (Department of Immigration and Citizenship) (2011) 'Fact Sheet 5: Emigration from Australia.' www.immi.gov.au/media/fact-sheets/05emigration.htm (accessed 13 January).

[279] B Birrell and E Healy (2010) 'Net overseas migration: Why is it so high?', *People and Place* 18(2): 56–65, pp 63–64.

[280] C Stahl, R Ball, C Inglis, and P Gutman (1993) *Global Population Movements and Their Implications for Australia.* Canberra: Australian Government Publishing Service, p xiv.

APPENDICES

Appendix A: Note on reconciling occupation categories

New Zealand permanent resident data were derived from a pivot table that was accessed from the Department of Labour website. Occupational data were not available for secondary applicants or age groups. One of the difficulties was trying to reconcile the change in coding framework. New Zealand Standard Classification of Occupations (NZSCO) codes were used for data until February 2008, from which point Australian and New Zealand Standard Classification of Occupations (ANZSCO) codes were applied. This presented complexities in matching the data for the New Zealand SMC as well as subsequent matching with Australian data, which used ASCO codes.

The ANZSCO and NZSCO standard submajor and standard minor groups were used to aggregate data in a way that was consistent with groupings for Australian data (ASCO codes) so that New Zealand data would be as comparable as possible to Australian migration flows data. Where it was not possible to group occupations at the minor group level, data were aggregated into a broader category. For example, there is a separate category for accountants under the ASCO and ANZSCO frameworks but not within the NZSCO. The latter groups this occupation under business professionals, which encompasses a wider range of occupations. Therefore, the data were categorised under the group of business, human resource, and marketing professionals.

Detailed information on the different categories can be provided on request. Where there were anomalies in the cell sizes across different years, effort was made to ensure this was not a result of an artefact of the grouping methodology. Further investigation into individual occupational codes was conducted under such circumstances, using the relevant coding manual. The same methodology was adopted as detailed above in relation to analysis of temporary New Zealand labour migration flows. It is important to note as the data were pre-grouped, limited information was available for some categories, necessitating the aggregation into categories that were broader relative to that for the permanent resident data. Specifically, both submajor and minor groups were used to process permanent resident data whereas only one of these groups was available for temporary resident data.

Appendix B: Demographic characteristics of Longitudinal Immigration Survey: New Zealand participants, 6 and 18 months post-visa

Variable	Classification	Wave 1 (6 months)		Wave 2 (18 months)	
		Weighted total	Percent	Weighted total	Percent
Gender	Female	18,290	51.7	18,230	51.7
	Male	17,070	48.3	17,000	48.3
Age group at start of LisNZ	18–24	4,370	12.4	3,830	10.9
	25–34	13,050	36.9	12,400	35.2
	35–44	10,920	30.9	11,190	31.8
	45–54	4,300	12.2	4,930	14.0
	55–64	1,570	4.4	1,610	4.6
	65+	1,150	3.3	1,270	3.6
Country/region of origin	UK/Irish Republic	11,540	32.6	11,360	32.3
	Other Europe	2,180	6.2	2,120	6.0
	Indonesia	170	0.5	140	0.4
	Malaysia	380	1.1	410	1.2
	Philippines	730	2.1	780	2.2
	Singapore	120	0.3	120	0.3
	China	4,420	12.5	4,560	12.9
	Hong Kong/Macau	140	0.4	130	0.4
	Japan/South Korea	1,610	4.6	1,540	4.4
	India	2,640	7.5	2,560	7.3
	Sri Lanka/ Bangladesh	300	0.8	300	0.9
	Other Asia	760	2.1	650	1.8
	Canada	380	1.1	360	1.0
	United States	1,210	3.4	1,150	3.3
	South Africa	3,080	8.7	3,210	9.1
	Other	5,700	16.1	5,830	16.6
Partnered	Yes	27,010	76.5	21,240	60.3
	No	8,320	23.5	13,980	39.7
English language ability	English is a main language spoken	20,940	59.4	20,950	59.6
	Very good/good English language ability	9,630	27.3	10,300	29.3
	Moderate/poor English language ability	4,700	13.3	3,910	11.1
English language ability	Average score 1.01–1.8	1,360	3.9	940	2.7

Variable	Classification	Wave 1 (6 months)		Wave 2 (18 months)	
		Weighted total	Percent	Weighted total	Percent
score	Average score 1.81–2.6	1,390	3.9	1,300	3.7
	Average score 2.61–3.4	1,940	5.5	1,670	4.7
	Average score 3.41–4.2	3,560	10.1	3,660	10.4
	Average score 4.21–5.0	6,080	17.2	6,640	18.9
	English a main language spoken	20,940	59.4	20,950	59.6
Type of visa	Onshore principal applicant	9,850	27.9	9,630	27.3
	Offshore principal applicant	2,630	7.4	2,500	7.1
	Onshore Business	1,730	4.9	1,800	5.1
	Offshore Business	280	0.8	270	0.8
	Onshore Other	13,790	39.0	13,790	39.2
	Offshore Other	7,070	20.0	7,230	20.5
Visa application place	Offshore	9,980	28.2	10,000	28.4
	Onshore	25,370	71.8	25,240	71.6

Appendix C: Demographic characteristics of Longitudinal Survey on Immigrants to Australia participants, 6 and 18 months post-visa

		Wave 1 (weighted)		Wave 2 (weighted)	
Variable	**Classification**	**Weighted number**	**Percent %**	**Weighted number**	**Percent %**
Gender	Female	18,503.2	55.1	18,418.9	55.0
	Male	15,095.8	44.9	15,047.8	45.0
Visa application place	Offshore	14,127.9	42.0	14,015.2	41.9
	Onshore	19,464.0	57.9	19445.0	58.1
	(blank)	7.1	0.0	6.5	0.0
Age group	18–24	4,490.5	13.4	4,729.8	14.1
	25–34	17,288.7	51.5	17,171.2	51.3
	35–44	7,612.8	22.7	7,701.4	23.0
	45–54	2,565.4	7.6	2,316.3	6.9
	55–64	972.4	2.9	942.6	2.8
	65–89	669.3	2.0	605.4	1.8
Country/ region of birth	Australia/ New Zealand	28.5	0.1	23.3	0.1
	Canada	566.3	1.7	550.4	1.6
	China	3,928.8	11.7	3,770.1	11.3
	Hong Kong/Macau	556.0	1.7	615.5	1.8
	India	2,482.6	7.4	2,469.7	7.4
	Indonesia	1,317.9	3.9	1,297.1	3.9
	Japan/South Korea	1,435.3	4.3	1,428.1	4.3
	Malaysia	1,120.9	3.3	1,084.6	3.2
	Name (data required)	1,824.4	5.4	1,819.4	5.4
	Other	814.6	2.4	793.8	2.4
	Other Europe	3,475.6	10.3	3,447.0	10.3
	Philippines	1,657.0	4.9	1,675.0	5.0
	Remainder of Africa	874.0	2.6	908.8	2.7
	Remainder of Southern & Central Asia	3,331.7	9.9	3,448.3	10.3
	Singapore	584.6	1.7	585.2	1.7
	Sri Lanka/ Bangladesh	1,343.4	4.0	1,318.4	3.9
	South Africa	839.6	2.5	809.8	2.4
	South/Central America	746.0	2.2	736.6	2.2
	UK/Eire (Ireland)	5,721.9	17.0	5,728.0	17.1
	United States	949.7	2.8	957.6	2.9

Variable	Classification	Wave 1 (weighted)		Wave 2 (weighted)	
		Weighted number	Percent %	Weighted number	Percent %
English language status (W1 and W2)	Not at all	661.0	2.0	296.0	0.9
	Not known	416.3	1.2	119.4	0.4
	Not well	4,290.9	12.8	3,628.5	10.8
	Very well	19,389.2	57.7	19,456.3	58.1
	Well	8,841.6	26.3	9,966.4	29.8
Partnered (W1 & W2)	Yes	27,019.4	80.4	27,417.9	81.9
	No	6,487.6	19.3	6,007.9	18.0
	Not known	92.0	0.3	40.9	0.1
Type of visa	Offshore Business/ENS/RSMS	839.0	2.5	834.0	2.5
	Offshore Independent	3,686.7	11.0	3,569.0	10.7
	Onshore Business and ENS/RSMS	1,781.0	5.3	1,781.0	5.3
	Onshore Independent	4,474.3	13.3	4,512.7	13.5
	Other offshore	9,602.2	28.6	9,612.2	28.7
	Other onshore	13,208.7	39.3	13,151.3	39.3
	(blank)	7.1	0.0	6.5	0.0
Visa application place	Offshore	14,127.9	42.0	14,015.2	41.9
	Onshore	19,464.0	57.9	19,445.0	58.1
	(blank)	7.1	0.0	6.5	0.0
IELTS (collected W2)	IELTS 5–5.5	N/A		763.1	2.3
	IELTS 6–6.5			2,353.2	7.0
	IELTS 7–7.5			1,592.8	4.8
	IELTS 8 or better			488.4	1.5
	IELTS less than 5			71.5	0.2
	NA – Not a skilled migrant			20,214.0	60.4
	Not sure if did IELTS			64.3	0.2
	Refusal			39.9	0.1
	Skilled migrant did IELTS – score not known			454.3	1.4
	Skilled migrant did not do IELTS			7,425.1	22.2
Total		33,599		33,466.7	

Notes: ENS = Employer Nomination Scheme; IELTS = International English Language Testing System; RSMS = Regional Sponsored Migration Scheme; W1 = wave 1; W2 = wave 2.

Appendix D: Longitudinal Immigration Survey: New Zealand responses of principal compared with secondary applicants: Comparative Tables

Table 50: Date of arrival for recent skilled migrants to New Zealand (LisNZ sample)

Arrival date	New Zealand skilled principal %	New Zealand skilled secondary %
1997		
1998		
1999		
2000		
2001		
2002		
2003		
2004	2.3	3.5
2005	77.2	71.7
2006	20.5	24.4

Table 51: Age range for recent skilled migrants to New Zealand (LisNZ sample)

Age range	New Zealand skilled principal %	New Zealand skilled secondary %
18–24	7.0	13.6
25–34	44.7	30.9
35–44	35.1	41.1
45–54	12.3	12.9
55–64	0.9	1.5
65–89	C	C

Note: C = suppressed for confidentiality.

Table 52: Top eight source countries for recent skilled migrants to New Zealand (LisNZ sample)

Nationality: Top eight New Zealand	Skilled principal %	Skilled secondary %
Great Britain	39.5	44.2
South Africa	11.1	14.3
China	10.3	7.0
India	8.8	6.3
United States	3.8	2.9
Fiji	2.9	3.3
Philippines	2.1	2.6
South Korea	2.0	2.1
Other	19.6	17.4

Table 53: Main reasons for migration to New Zealand (LisNZ sample)

Top ranked reasons: New Zealand – 6 months	New Zealand skilled principal %	New Zealand skilled secondary %
Relaxed pace of life or lifestyle	57.7	68.7
Climate or the clean green environment	47.0	58.1
Better future for my children	43.7	58.1
Employment opportunities	40.5	26.7
Friendly people	33.7	40.4
Other	80.6	77.5

Table 54: Qualification level (LisNZ sample)

Qualification level – 6 months	New Zealand skilled principal %	New Zealand skilled secondary %
No qualification/no post-school qualification	7.9	35.1
No post-school qualification	6.3	28.8
Trade/vocational qualification	37.5	32.1
Bachelors degree or better	48.4	27.7
Other	6.3	5.4

Table 55: Reasons for non-assessment of qualifications (LisNZ sample)

Reasons for Non-Assessment – 6 months	New Zealand skilled principal %	New Zealand skilled secondary %
Not intending to practice trade or profession in NZ	23	19
Had not had time	15	11
Wants to do other study or training first	10	17
Does not think qualifications will meet requirements	10	C
Wants to improve English first	C	13
Does not know how to apply	C	C
Other	38	36

Note: C = suppressed for confidentiality.

Table 56: Reasons for current location (LisNZ sample)

Reasons for current location – 6 months	New Zealand skilled principal %	New Zealand skilled secondary %
Liked the house, area or location	73.5	65.9

To be close to job or employment opportunities	49.0	33.6
It was affordable	42.8	33.6
It was good quality accommodation	38.5	31.9
To be close to schools	23.0	37.9
Other	70.9	76.0

Reasons for current location – 18 months	New Zealand skilled principal %	New Zealand skilled secondary %
Liked the house, area or location	65.1	60.0
To be close to job or employment opportunities	37.6	30.4
It was affordable	34.2	28.7
It was good quality accommodation	28.0	23.4
To be close to schools	20.4	29.8
Other	49.7	53.5

Table 57: Spoken English level at 18 months, self-rated (LisNZ sample)

Spoken English level – 18 months	New Zealand skilled principal %	New Zealand skilled secondary %
Very well – can talk about almost anything in English	65.3	51.3
Well – can talk about many things in English	29.0	29.3
Fairly well – can talk about some things in English	4.4	15.1
Not very well – can only talk about basic or simple things in English	1.1	4.3
No more than a few words or phrases	C	C

Note: C = suppressed for confidentiality.

Table 58: Pre-migration occupation (LisNZ sample)

Job in former home country- 6 months	New Zealand skilled principal %	New Zealand skilled secondary %
Business and systems analysts and programmers	8.3	C
Accountants, auditors, and company secretaries	6.4	C
School teachers	4.6	C
Tertiary education teachers	4.6	C
Engineering professionals	4.6	C
Midwifery and nursing professionals	4.6	C
Health diagnostic and promotion	4.6	C

professionals		
Architects, designers, planners, and surveyors	3.7	C
Business administration managers	1.8	6.1
General clerks	1.8	C
Other	53.2	75.8

Note: C = suppressed for confidentiality.

Table 59: Occupation 6 months post-migration (LisNZ sample)

Main job for those currently working – 6 months	New Zealand skilled principal %	New Zealand skilled secondary %
Midwifery and nursing professionals	7.7	1.9
School teachers	4.4	5.7
Business and systems analysts, and programmers	4.4	2.2
Engineering professionals	4.2	C
Chief executives, general managers, and legislators	2.7	3.5
Accountants, auditors, and company secretaries	2.3	1.6
Construction, distribution, and production managers	2.2	1.9
Sales assistants & salespersons	2.2	11.1
Business administration managers	2.0	2.4
Advertising and sales managers	2.0	2.2
Other	65.7	66.8

Note: C = suppressed for confidentiality.

Table 60: Experience of unemployment in past 12 months (LisNZ sample)

Length of unemployment in last 12 months -18 months	New Zealand skilled principal %	New Zealand skilled secondary %
1–4 weeks	0.6	0.8
1–3 months	1.3	2.9
4–6 months	0.7	2.1
7–9 months	0.2	0.7
10–12 months	C	0.8
More than a year	C	C

Note: C = suppressed for confidentiality.

Table 61: Working in preferred job at 18 months (LisNZ sample)

Working in preferred occupation at 18 months?	New Zealand skilled principal %	New Zealand skilled secondary %
Not using skills or experience	50.8	36.6
Job is not preferred occupation	18.0	26.8
Pay is too low	50.8	58.5
Wants more hours of work	8.2	22.0
Wants to work different hours but not more hours	C	C
Experiencing discrimination from employer because of being a migrant	13.1	12.2
Other	45.9	24.4

Note: C = suppressed for confidentiality.

Table 62: Remuneration in employment at 18 months (LisNZ sample)

New Zealand – 18 months	New Zealand skilled principal %	New Zealand skilled secondary %
1. NZ$0–20,000	3.7	24.6
2. NZ$20,000–30,000	5.5	21.5
3. NZ$30,000–40,000	14.4	21.5
4. NZ$40,000–60,000	39.2	21.7
5. NZ$60,000–80,000	19.0	6.0
6. NZ$80,000+	18.1	4.4

Table 63: Stated partner qualification level at 18 months (LisNZ sample)

New Zealand – 18 months	Skilled principal qualification level %	Skilled secondary qualification level %
No qualification	8.7	2.0
School qualification	21.1	6.3
Basic vocational qualification	10.8	10.3
Skilled vocational qualification	3.6	8.4
Intermediate vocational qualification	0.5	2.6
Advanced vocational qualification	11.8	17.2
Bachelor degree	23.2	24.4
Higher degree	12.9	20.1
Post-school/undefined	7.4	8.6

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