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



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Australia – Skilled Migration Context

Policy:

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

Immigration goals =



Skilled category: Economic development

Family category: Reunion/ social cohesion

Humanitarian category: UNHCR commitments

Priority =

Around 60% of permanent intakes skilled in the past decade

Labor workforce policy:

Long term demand = domestic supply



Medium term demand = General Skilled Migration (permanent)

Short term demand = 457 Visa (temporary sponsorship)

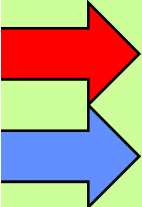
Australia's Growing Reliance on Migrant Professionals (2006 Compared to 2001) – 2011 Data?

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

Source: 2001 and 2006 Census data analysis, Australia and Canada; *The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia*, L Hawthorne, Institute for Research on Public Policy, Vol 14 No 5, 2008, Ottawa

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

The top 4 routes:

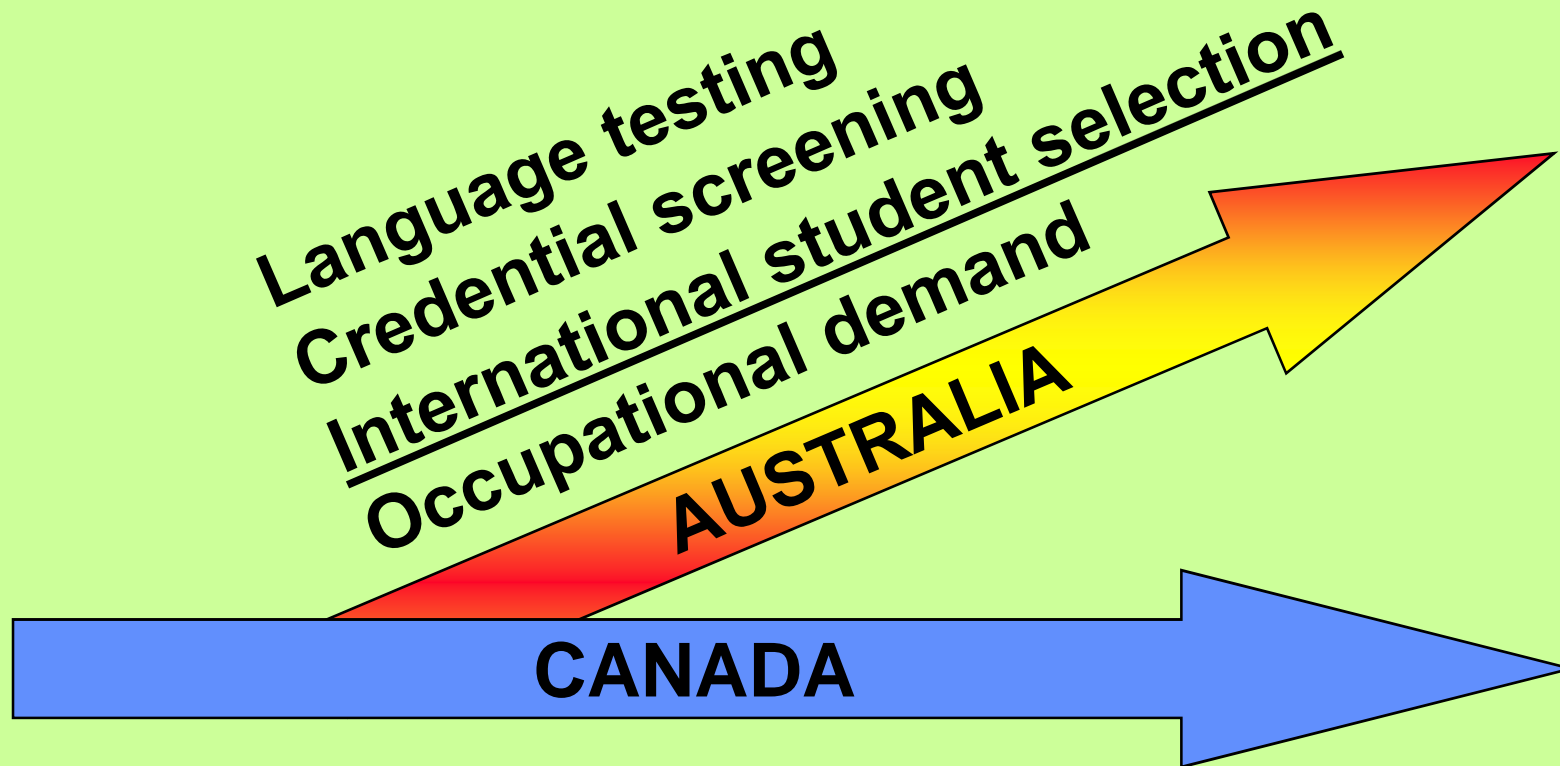
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1. **New Zealand flows (36,416, with 41% annual growth)**
 2. **International students (630,000 enrolled by 2010)**
 3. **Temporary labour migration (457 visa - 131,341)**
 4. **Permanent skilled migration (107,656)**
 5. **Dependents of GSM migrants**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

Case Study – 2001-06 Migrant Engineers' Work Rates by 2006

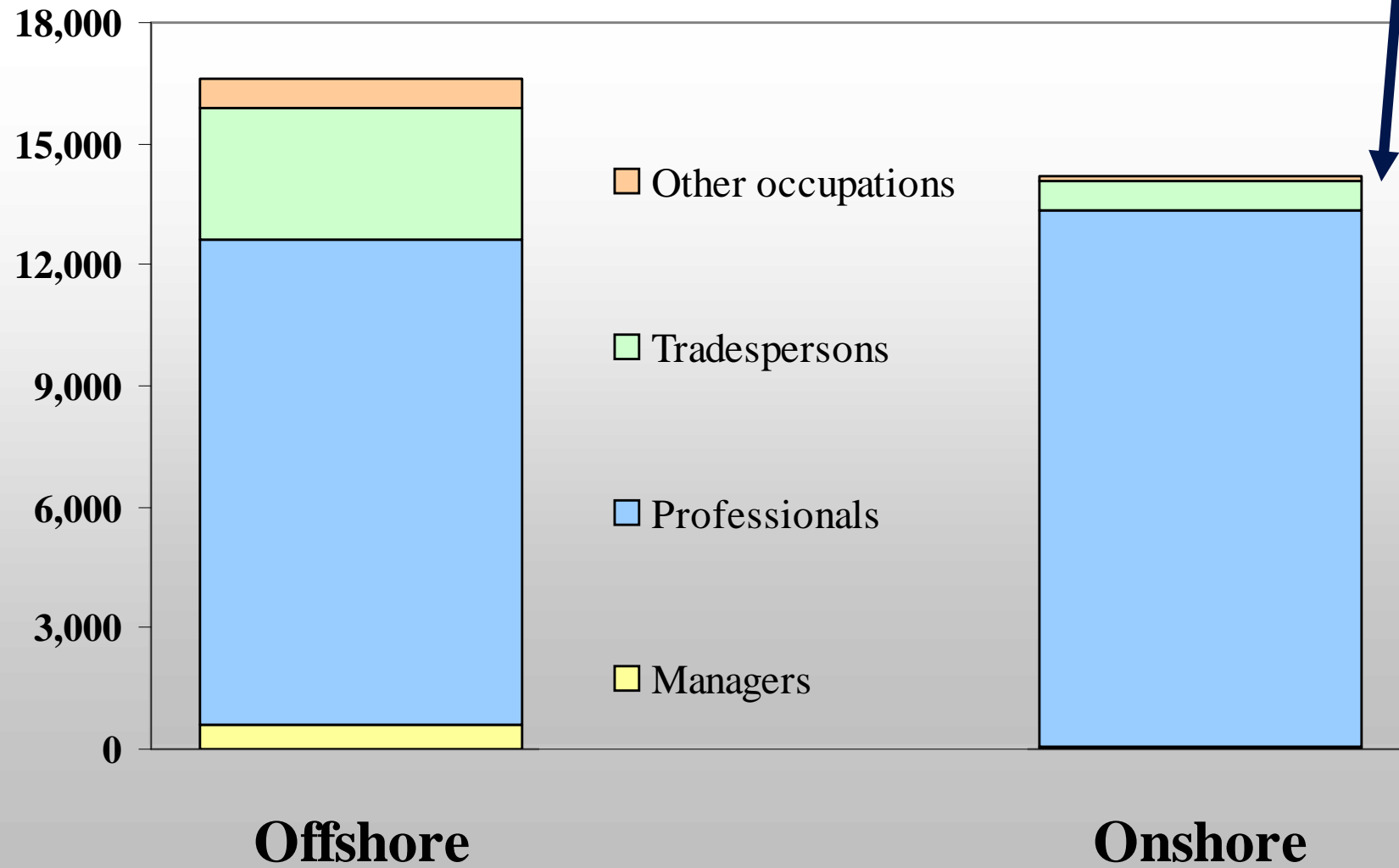
Source Country	Professional	Total Employed	Not in Labourforce or Unemployed
South Africa	67%	92%	8%
UK/ Ireland	62%	89%	11%
North Europe	58%	84%	16%
Canada/ USA	53%	87%	13%
Malaysia	42%	72%	28%
East Europe	35%	69%	31%
India	35%	77%	23%
Philippines	28%	82%	18%
Middle East/ North Africa	28%	57%	43%
Vietnam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

Source: Analysis of 2006 Australian Census data by L Hawthorne.

Creating Australia's Study-Migration Pathway: 1999+



International Student Response to Skilled Migration by 2004 (India/ China Growth)



International Student Enrolments by 2008 – Retention Trends

Nationality	2008 Enrolments	% of Total	Growth on YTD August 2007
China (38% migrate)	112,172	23.6%	18.8%
India (66% migrate)	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%

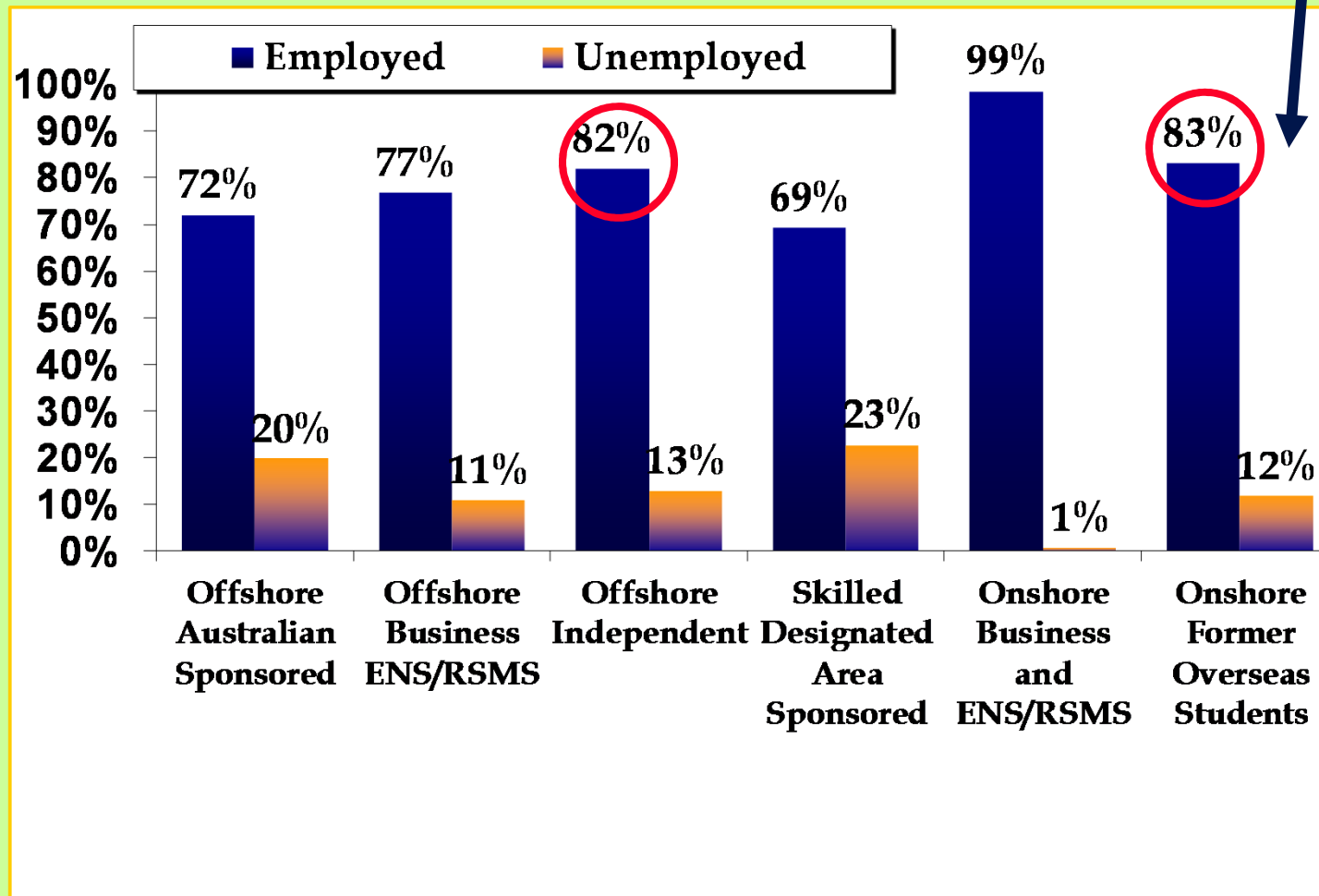


Top 10 Global Destinations for International Students by 2008 (Higher/ Vocational Education Sectors) + 630,000 All Sectors (2010)

Destination Country	International Students Enrolled in Higher/ Vocational Education
1. US	623,805 (2008)
2. Australia	389,373 (2008)
3. UK	389,330 (2008)
4. France	260,596 (2008)
5. Germany	246,369 (2007)
6. China	223,499 (2008)
7. Japan	123,829 (2008)
8. Canada	113,996 (2007)
9. Singapore	86,000 (2007)
10. Malaysia	72,000 (2008)
11. South Korea	63,952 (2008)
12. New Zealand	39,942 (2007)

Source: Compiled from data provided in *International Student Mobility: Status Report 2009*, V Lasanowski, The Observatory on Borderless Higher Education, UK, June 2009

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



The Study-Migration Advantage Compared to Skilled Migrants Selected Offshore (eg China, Middle East)

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

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

Skilled Category Employment Outcomes @ 6 Months by 2006

Permanent outcomes @ 6 months:

- 87% employed or self-employed
- 70% working in their preferred occupation
- Markedly improved salary levels
- 93% satisfied with their migration and settlement

Temporary labour migrants @ 6 months:

- 99% employed in their field
- Encouraged to transit to permanent migration

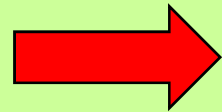
Skilled Migrants' Employment Outcomes @ 18 Months (2007)

Findings:

- 89% employed or self-employed
- 70% working in their preferred occupation
- Significant job mobility (34% in different jobs)
- Markedly improved salary levels
- 93% satisfied with their migration and settlement

BUT Former International Students' Employment and Wage Outcomes @ 6 Months

Former students:



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

Baird Review/ MODL Review/ Points Test Review....

Source: B Birrell, L Hawthorne & S Richardson (2006), *Evaluation of the General Skilled Migration Categories*, Commonwealth of Australia, Canberra

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

Top 5 Degree Enrolments by Field	2002	2008
Business/ Commerce	29068	48922
Accounting	4187	20210
IT	19061	13528
Engineering	6991	11052
Teaching	2948	5796
Top 5 Dip/Adv Cert 111 & 1V By Field		
Business/ Commerce	14316	62351
Food/ Hospitality	1264	11551
Hairdressing	272	6514
IT	11013	5006
Accounting	988	4455

Source: *Key Factors Influencing the English Language Proficiency, Workplace Readiness and Employment Outcomes of International Students*, S Arkoudis, L Hawthorne, C Baik, G Hawthorne, K O'Loughlin, E Bexley & D Leach, Department of Employment, Education and Workplace Relations, Canberra, 2009, 160pp

'The Pragmatists' - Indian Students by Education Sector (2002 to 2008)

Indian student enrolment growth:

- 65,377 (June 2008) cf 93,387 (China)
- February 2009: Poised to overtake China

Proportion migrating:

- 66-73% (cf China)

Universities of choice

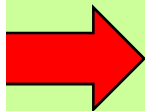
- Lowest ranking

Sector of enrolment – dramatic shift to vocational training:

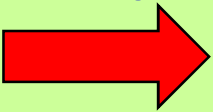
- 2002: 1,827 in VET sector (compared to 6,575 in degrees)
- June 2008: 36,045 in VET sector compared to 21,111 in degrees
- China = 18,808 in VET sector compared to 41,812 in degrees

Course skewing: Hospitality/ hairdressing.... 'trades'

Case study: Electrical linesmen to chefs



Policy Changes 2012+ (Following Reviews)

1. **Study-migration pathway:** Recalibrated to recruit degree-qualified students with high level English (IELTS 7-8), and higher degrees
2. **Occupational 'caps':** Introduced
3. **Priority processing = key determinant of selection:**
 Independent points-tested applicants ranked **fourth or below**/ sponsored applicants selected
4. **Convergence:** Temporary and permanent skilled application processes
5. **Expressions of Interest online applications:** Mandated, facilitating 'two-step' migration
6. **Fields:** Must be on the Skilled Occupation List to ensure eligibility for selection

English Scores of Former International Students After Completing Australian Degrees When Applying for Skilled Migration (Typically Masters)

Source Country	ESL Points: 15 (IELTS 5) 2004-05	ESL Points: 15 (IELTS 5) 2005-06	ESL Points: 20 (IELTS 6) 2004-05	ESL Points: 20 (IELTS 6) 2005-06	Total Tested 2004-05	Total Tested 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	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

Impact of Employer Preference on Skilled Migrant Source Countries: 2004-05 to 2009-10 Arrivals

A. Government-Selected Permanent Skilled Category

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

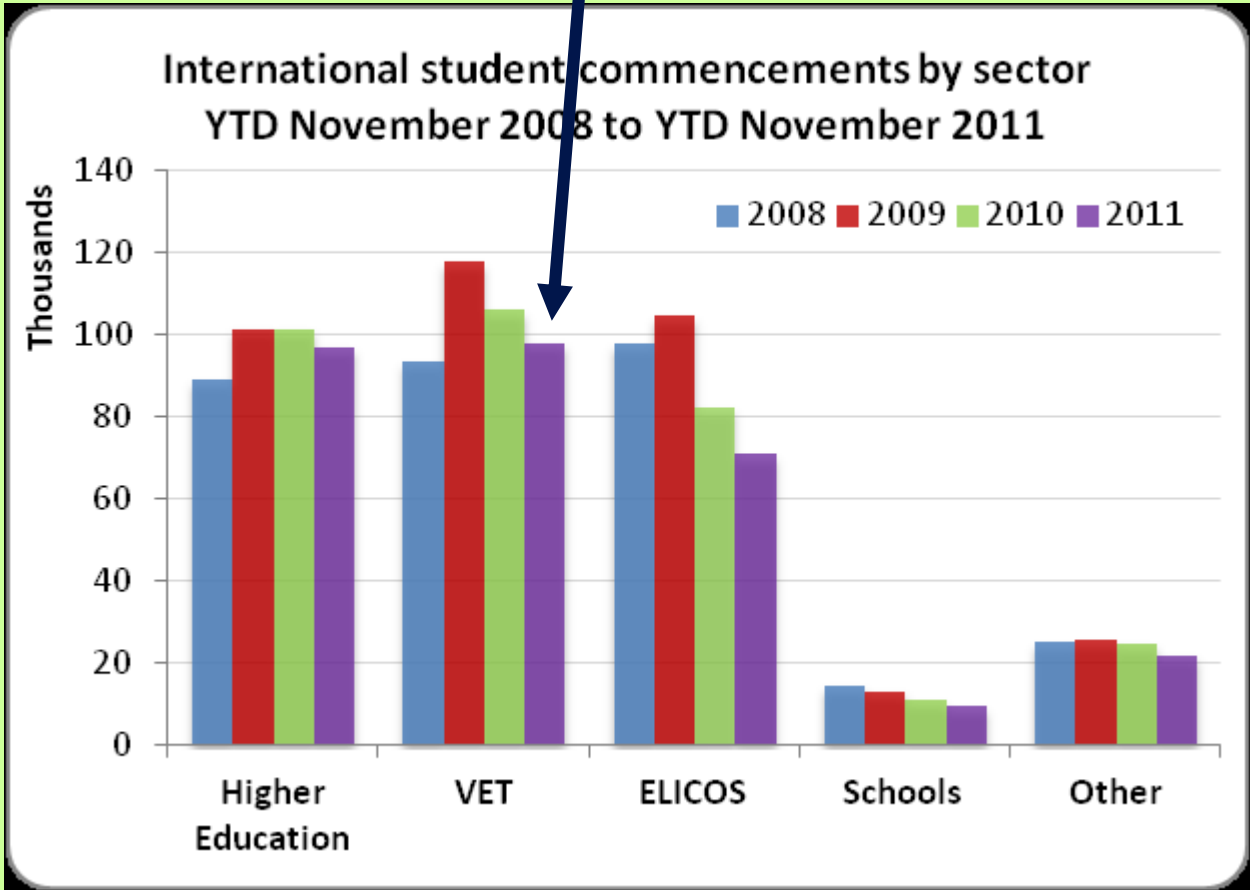
Native English speakers: 17%

B. Employer-Sponsored: Temporary Labour Category

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

Native English speakers: 42%
OECD members: 6

2008-2011 Impact on International Student Commencements by Sector (AEI November 2011)



Contraction of the Indian Student Market

Transformation of the study-migration pathway:

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



Attacks on Indian students 2009-2010:

- **Melbourne/ Sydney** – Scenarios

Rising Australian dollar

Melbourne Responses: Maximising International Student Inclusiveness

Export education industry by 2010:

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

Steps to address international student decline:

- **Outreach** - To lead markets (eg India, China), including 'migration drive', accurate policy information updates
- **Initiatives** – Scholarships, academic linkages, arts...
- **Student bodies** – Consultation/ funding

The City of Melbourne: Initiatives by 2012 - Value-Adding

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

Maximising Sponsorship Options

Sponsorship = critical

Individual attributes matter:

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

Reverse of 'Independent' selection: Ranked 4th or below

Changes to the Study-Migration Pathway - Justified by the Research Evidence?

Forthcoming study (Hawthorne & To):

'International Students as a Skilled Migration Resource – The Australian Experience 1999 to 2011' (2013 forthcoming),
L Hawthorne & A To, *International Migration*

Graduate Destination Survey data 2007-2011:



- **International students:** 79,046
- **Domestic students:** 371,951

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

- **Employment outcomes @ 4 months:** Compared by field, qualification level, language background, source country, wage

Case Study: Outcomes by Field in Health (Bachelor Qualifications)

Medicine:

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

Dentistry:

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

Pharmacy:

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

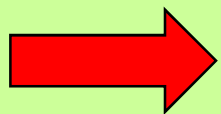
Nursing (diploma to degree upgrade courses):

- **71.4** per cent (**+17.6 per cent working part time**) compared to **91.7** per cent

Physiotherapy:

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

Comparison:



- **Employment rates for migrants by field in first 5 years across all immigration categories – medicine (53%), dentistry (37%)**


International Students' Employment Outcomes in Fields Associated with Limited or Highly Variable Demand (Compared to Australian Bachelor Degree Graduates)

Business and commerce:

- 39.7 per cent of international students employed full-time compared to 76.4 per cent of domestic graduates

Accounting:

- 35.2 per cent compared to 82.7 per cent

 7,751 IS seeking employment (compared to 2,852 domestic graduates)

Information technology:

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

Engineering:

- 43.6 per cent compared to 86.4 per cent
- 1,236 IS seeking employment (compared to 1,341)

Select Findings (Hawthorne & To)

Masters by coursework:

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

PhD:

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

Logistic regression:



- **Significant factors favouring full-time employment = Permanent resident status, language background, and qualification level**
- **Field = Highly significant! (level of demand)**

The Latest International Student Enrolment Trends (August 2012 – AEI Data)

Growth in international student enrolments:

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



Human rights policy for students October 2012:

- **12 initiatives** – Student wellbeing, consumer protection, education quality, information (Human Rights Commission, Universities Australia)
- **Students want more** – Safe + affordable accommodation ('housing crisis')/ transport, travel concessions

Rising OECD Competition for International Students as 'Two-Step' Migrants

Policy steps:

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

Select References

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