

# **International Migration and Employment in Australia**

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**2014 Migration Update  
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# Outline of the presentation

1. The contribution of migrants to the Australian labour force.
2. The impact of migration on the growth rate of GDP per capita.
3. The interaction of the permanent and temporary migration programmes.
4. Employment of secondary applicants in the Skilled streams and partners in the Family stream.

**Are migrants getting all the jobs and displacing Australia workers?**

# Change in the numbers employed, 2009 to 2014

- Between June 2009 and June 2014, the number of persons employed in Australia rose by 796,000.

Category of person	Annual rate of employment growth: 2009-2014
Total Australia	1.4%
All men	1.3%
All women	1.6%
Men aged 55+	3.1%
Women aged 55+	4.5%

- So women, especially older women are getting the jobs?

- 80% of additional jobs from 2009 to 2014 were in seven of the 19 major industry categories (table)

Almost 40% were in Health, Social and Education

Industry	Additional employment 2009-2014	Annual rate of growth of industry
Health Care and Social Services	193,000	3.0%
Education and Training	113,000	2.6%
Mining	110,000	10.8%
Other Services	65,000	1.4%
Accommodation and Food	59,000	1.6
Administration and Support Services	54,000	2.9%
Rental, Hiring and Real Estate	48,000	4.7%
TOTAL		1.4%

Age and sex groupings	Components of the change in numbers employed between June 2009 and June 2014, Australia, in thousands			
	Change due to <b>population</b> : (assumes no change in employment rates and zero NOM)	Additional change due to changes in <b>employment rates</b> between 2009 and 2014: (assumes zero NOM)	Further additional change due to <b>migration</b> between 2009 and 2014	<b>Total</b> change in employment from 2009 to 2014
15-24 Males	-67	-57	80	-44
15-24 Females	-58	-25	88	5
25-54 Males	60	7	198	266
25-54 Females	20	-17	212	215
55+ Males	108	48	15	171
55+ Females	84	89	10	184
Total Males	102	-2	293	392
Total Females	46	47	310	403
Total Persons	148	45	603	796
Total (%)	18.6%	5.6%	75.8%	100.0%

# Summary

Additional workers, 2009 to 2014	
Non-migrants aged less than 55	-137,000
Non-migrants aged 55 and over	329,000
Migrants, 2009 to 2014	603,000

- Non-migrant = a person present in Australia in June 2009
- Migrants and persons over the age of 55 contributed more than 100% of additional employment between 2009 and 2014. Otherwise, employment in Australia would have shrunk. Would this have been a good result for the economy?

# **Migrants and older people got the jobs but did they force Australians into unemployment?**

- Between June 2009 and June 2014, the number of persons aged 15-54 who were unemployed and looking for full-time work increased by 11,200. (Note: some of these may have been 2009-2014 migrants).
- Full-time unemployment increased by 17,400 for women aged 35-54 – maybe because they had shifted to the unemployed category from the Sole Parent Pension by change in government policy.
- Full-time unemployment for men aged 15-54 years fell by 10,700 between 2009 and 2014.



# Summary

- Between 2009 and 2014, migrants and persons aged 55 and over accounted for an additional 932,000 jobs.
- In the same period, the number of unemployed males aged less than 55 seeking full-time work fell.
- Unemployment is not about Australians losing out in competition with migrants (or older Australians).
- Unemployment is about the skill levels of unemployed people and it is a long-term issue. It was there in 2009 before the migrants came and hasn't really changed during the last five years. Blaming migrants draws attention away from the real issue.

# Persons under age 25

Unemployed and not in full-time education	146,000
Employed part-time (may include international students)	940,000
International students	340,000
Working Holiday makers	151,000

The nature of work at young ages has changed. In 2014, 47% of employed 15-24 year olds worked full-time. It was 80% in 1984. Full-time work in these ages, especially for men, has become increasingly selective of blue collar work. This is not the job market occupied by students and working holiday makers.

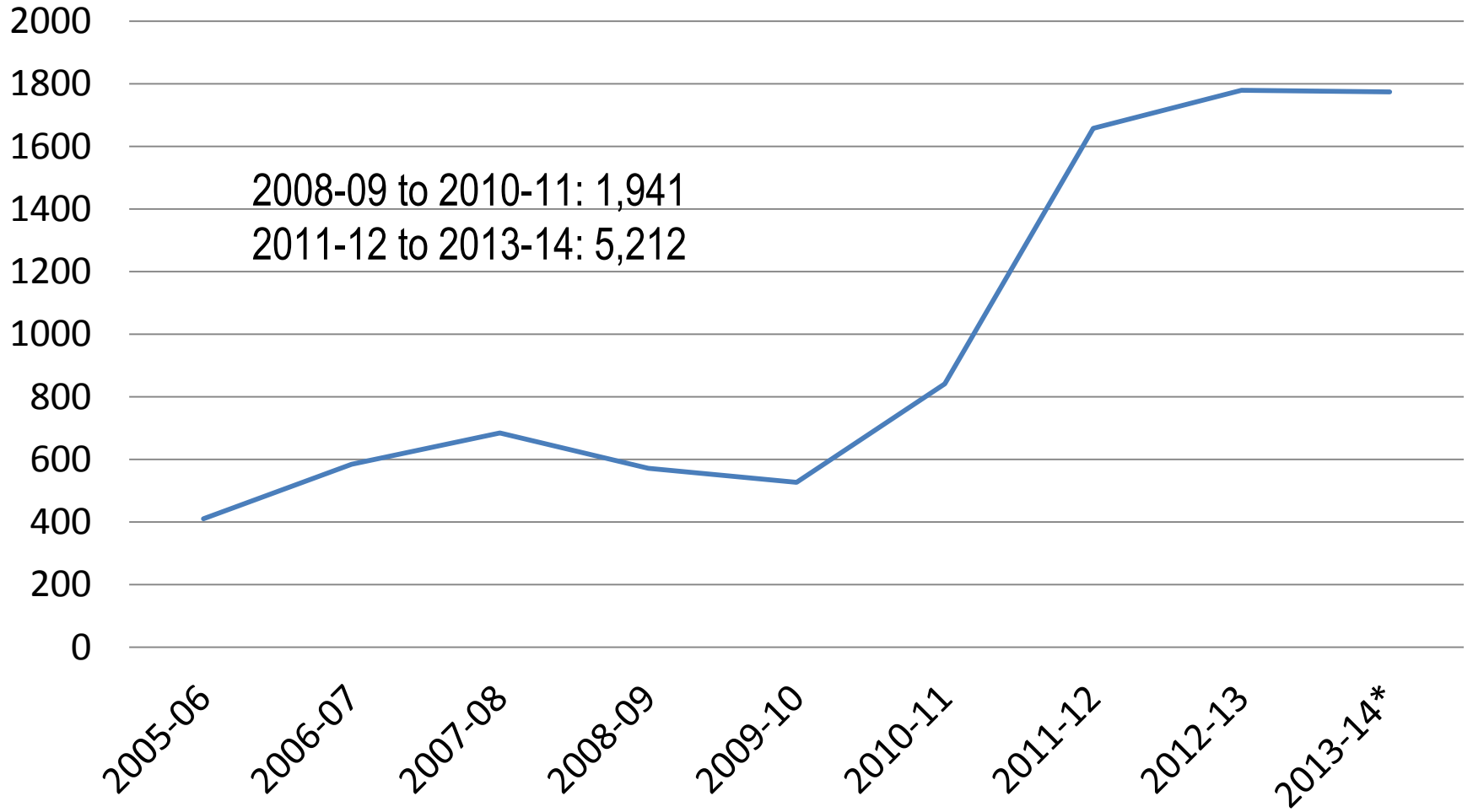
**Do migrants have an advantage over  
newly-qualified Australian  
professionals?**

# This is a more relevant question

- The issue is that migrants with 5-10 years of experience will normally be better skilled for positions in Australia than recent Australian graduates.
- Fields where this is likely to occur are academia, nursing and IT. On the basis of the selection criteria, the migrant is undoubtedly better qualified.
  - What weight should be given to the notion of international labour markets?
  - Do the migrants have a commitment to Australia and an interest in Australian issues?

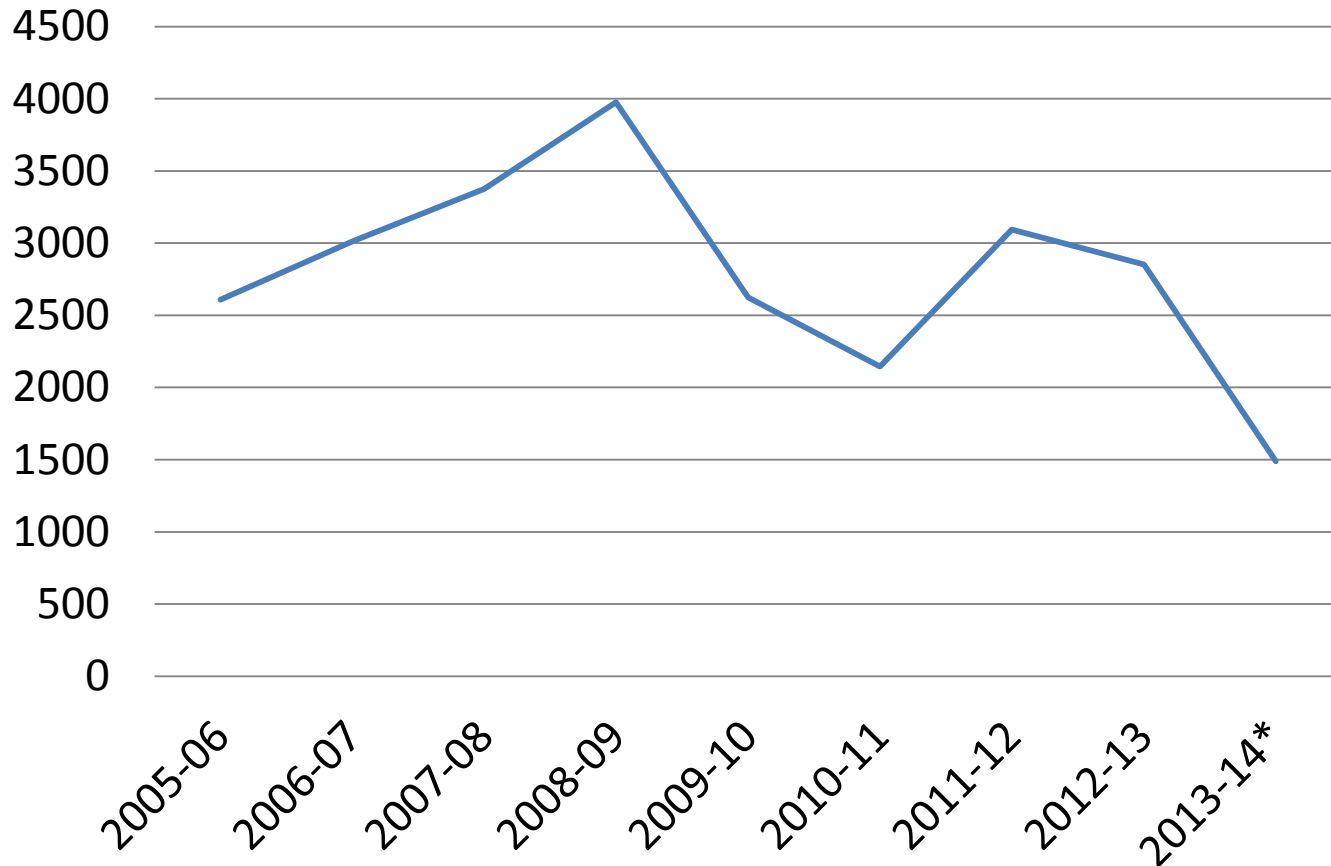
# Academics

Number of primary 457 visa grants:  
university lecturers and tutors



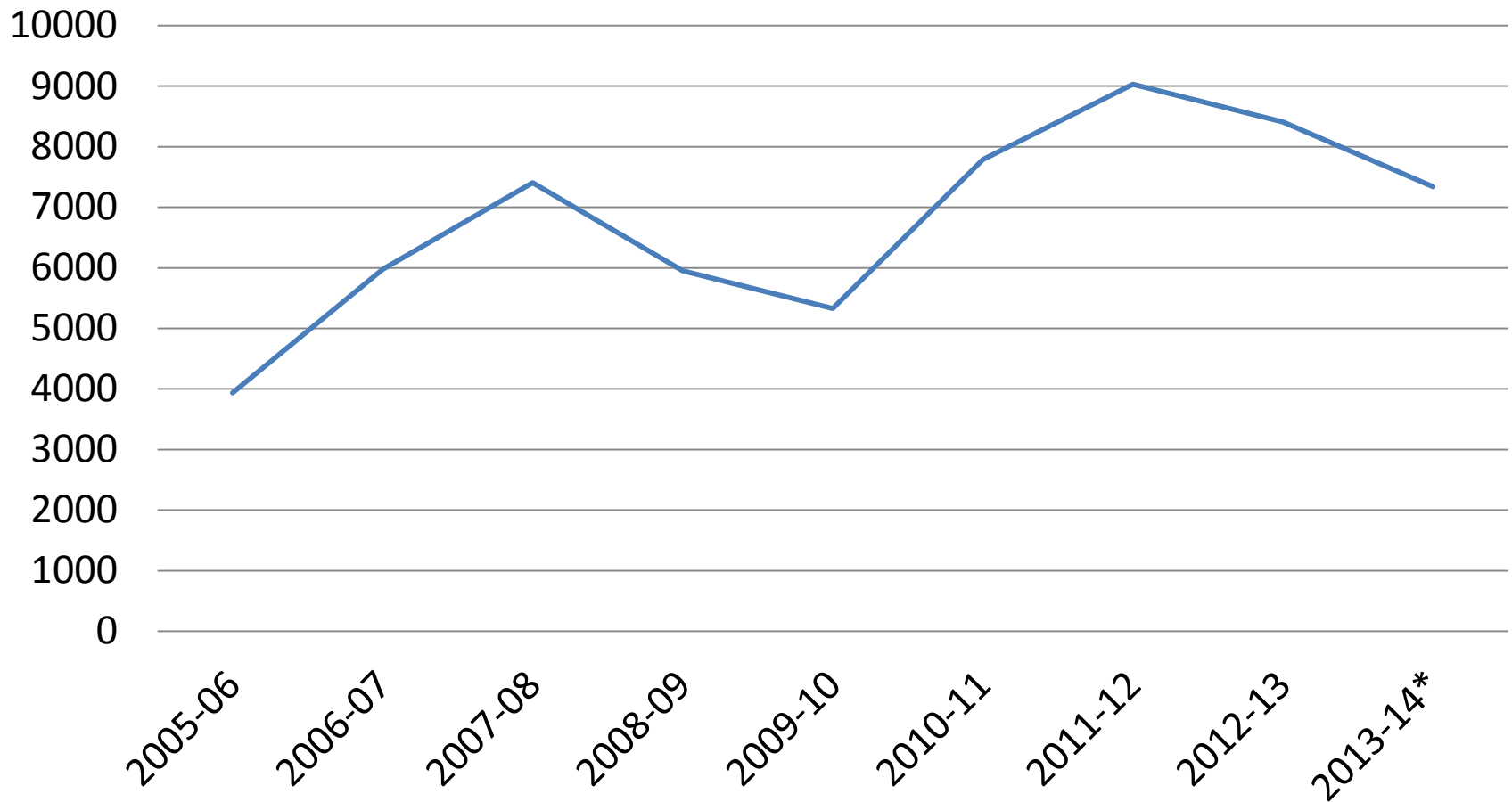
# Registered nurses

Number of primary 457 visa grants:  
Registered nurses



# IT specialists (2611, 2612, 2613, 2621, 2631, 2632)

Number of primary 457 visa grants  
IT specialists



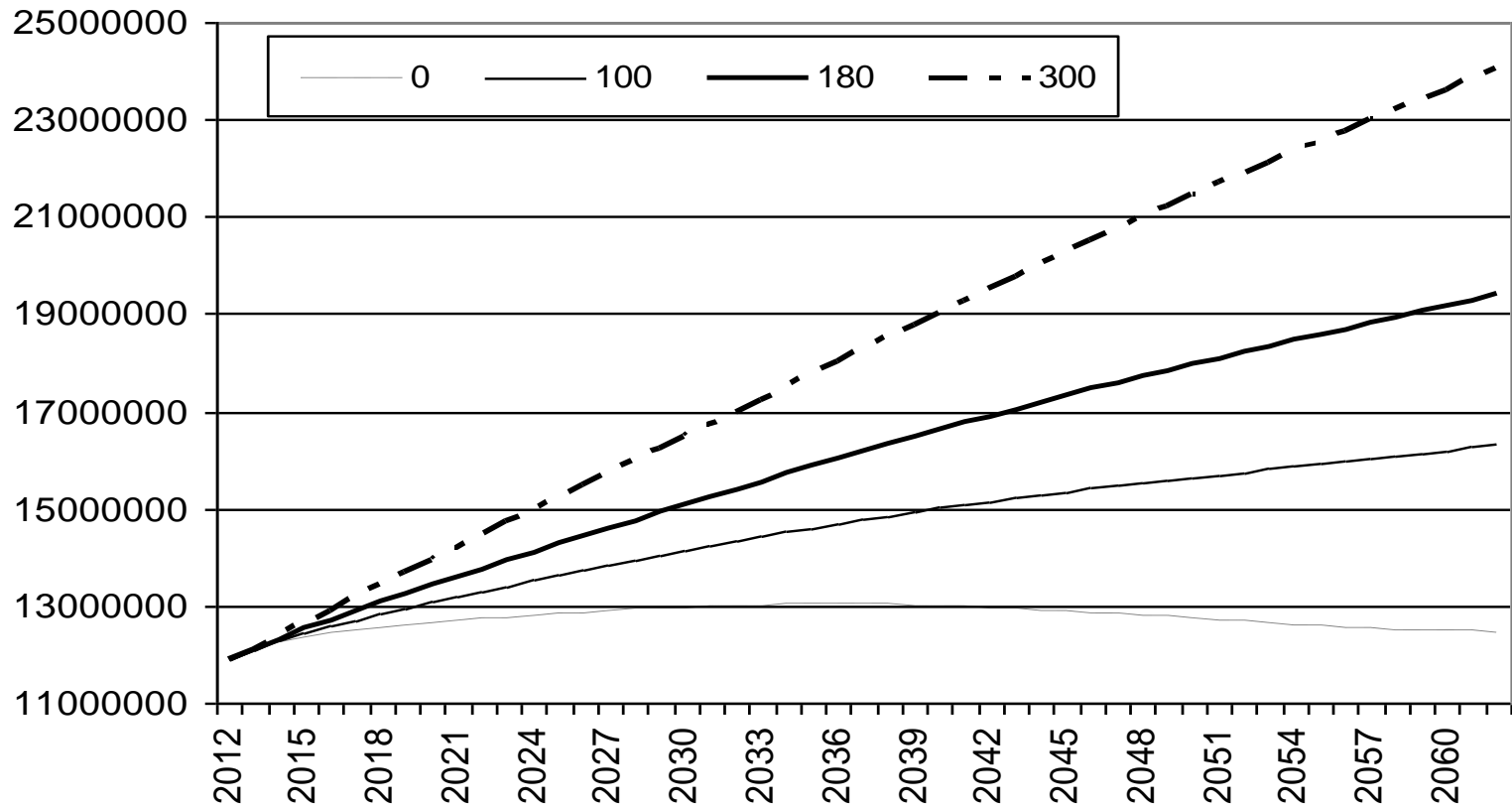
**Do migrants provide a demographic bonus  
by increasing the proportion of the  
population in the labour force ages?**



# Population outcomes for Australia with varying levels of net overseas migration

Level of Net Overseas Migration	Population 2063 (millions)	Rate of Population Growth, 2053 (%)	Per Cent of Population Aged 15-64, 2053 (%)	Per cent of Population Aged 65 and Over, 2053 (%)
0	26	0	56	28.4
100,000	32	0.5	58	25.2
180,000	38	0.8	60	23.4
300,000	46	1.2	62	21.2
Current level	23	1.7	67	14.0

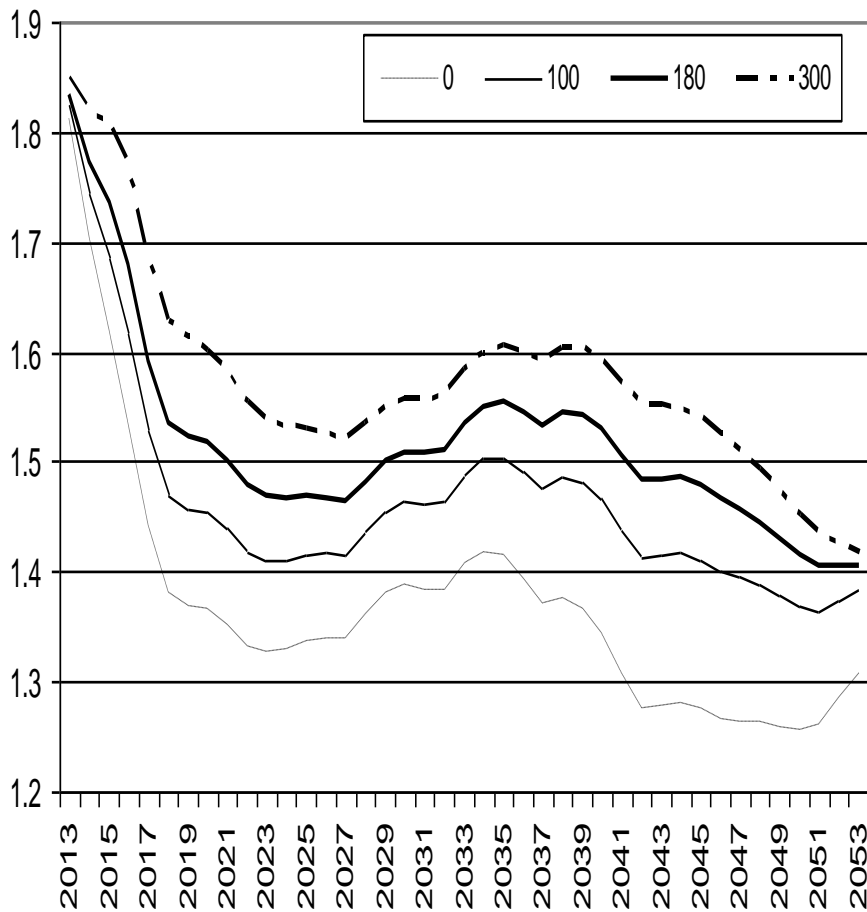
# Labour force outcomes for Australia with varying levels of net overseas migration



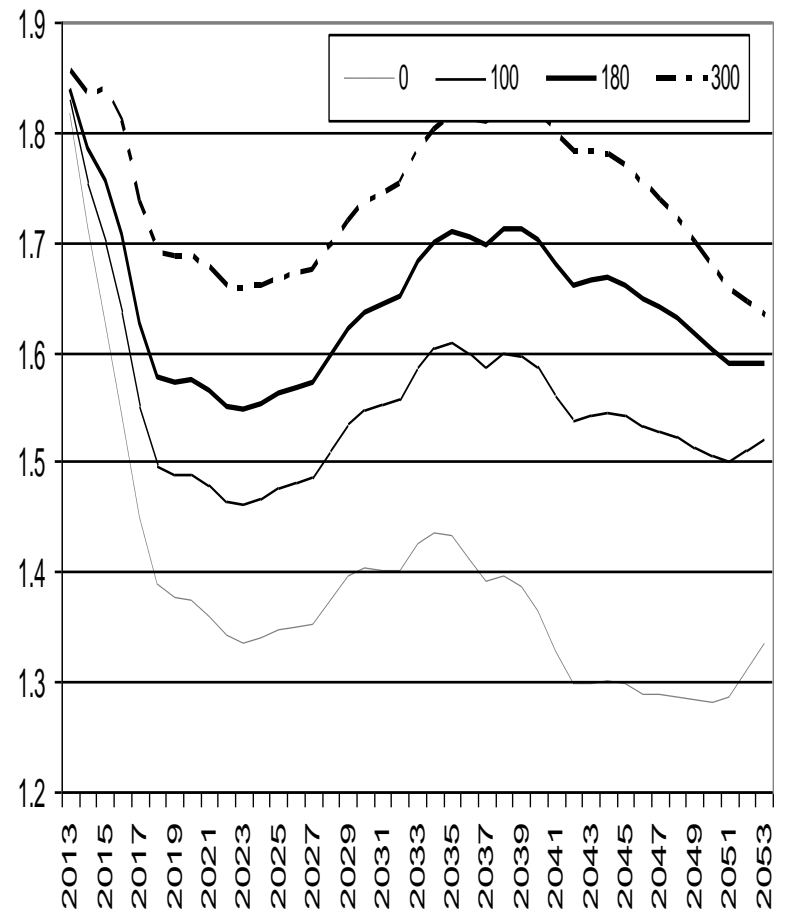
Migrants assumed to have Australian labour characteristics

# GDP per capita growth rate

## under different levels of net overseas migration



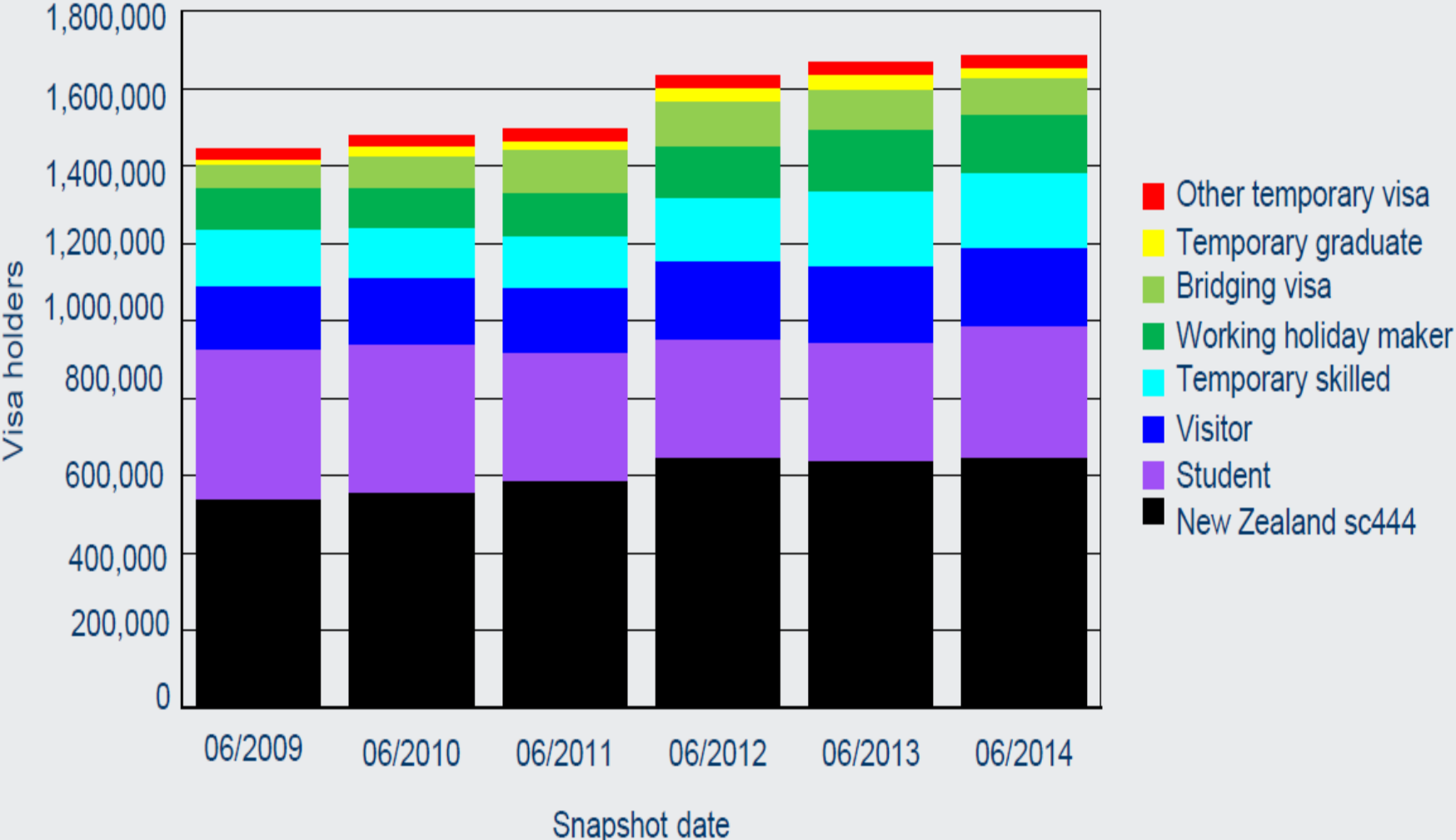
Migrants have same productivity  
as other Australians: 1.6%



Migrants have higher productivity  
than other Australians: 2.0% v 1.6%

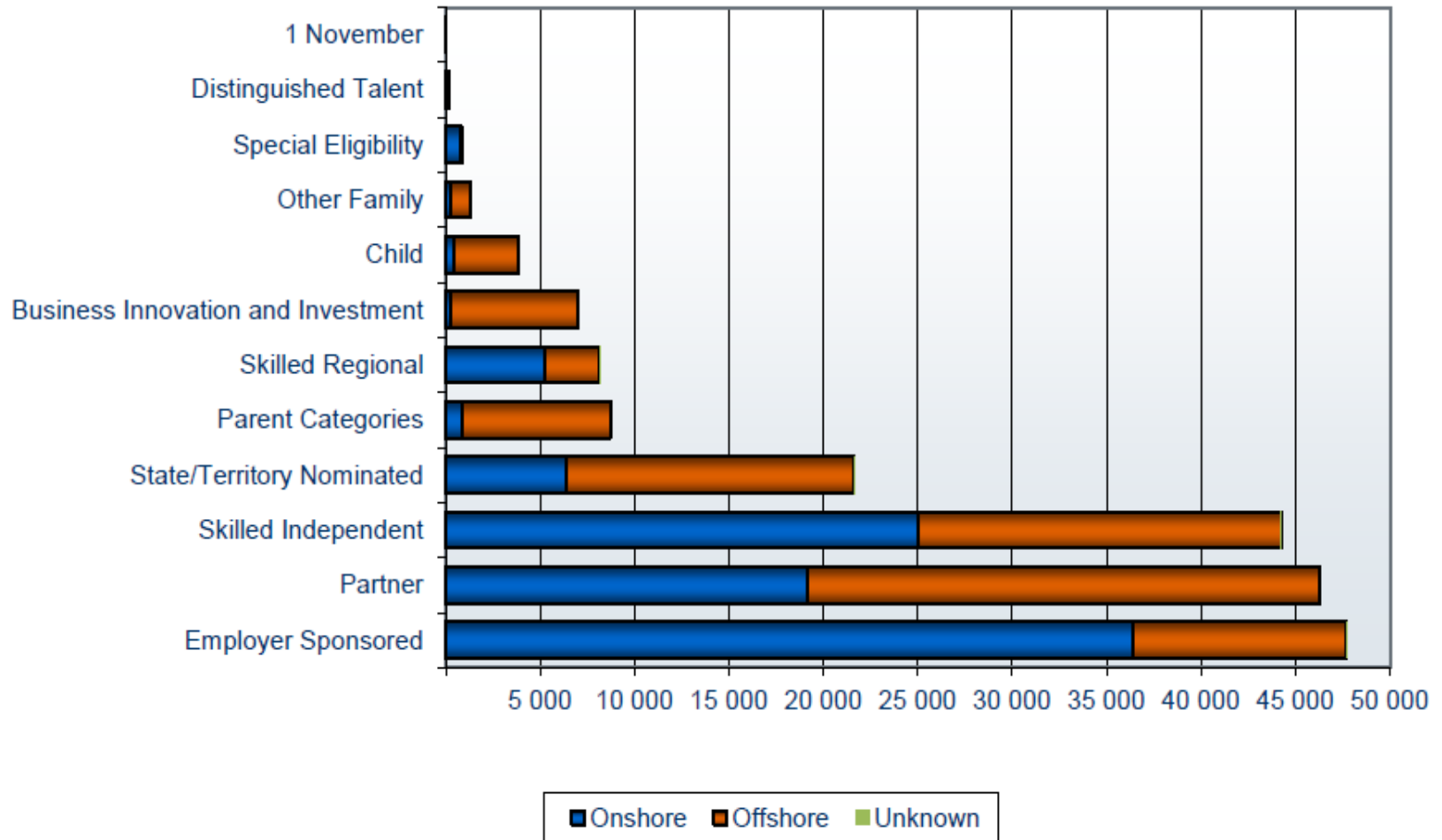
**New permanent migrants are increasingly sourced from among temporary migrants**

Figure 1: Temporary entrants in Australia - annual historical series



# Onshore versus offshore

Figure 2: Skill and family visa category outcomes 2012-13 – onshore<sup>1</sup> versus offshore<sup>1</sup>



# Conversions from 457 to PR: 'try before you buy'

Number of permanent / provisional visa grants in 2013-14 to 30 June 2014 where the previous visa held was a subclass 457 visa

Permanent Visa	Grants to subclass 457 holders	% of total
ENS	26 210	58.3%
RSMS	6 950	15.4%
LA	10	0.0%
Skilled Independent	7 300	16.2%
Other skilled	2 690	6.0%
<b>Sub-total Skilled stream</b>	<b>43 170</b>	<b>96.0%</b>
Partner	1 660	3.7%
Other family	160	0.4%
<b>Sub-total Family stream</b>	<b>1 820</b>	<b>4.0%</b>
<b>Total</b>	<b>44 990</b>	<b>100.0%</b>

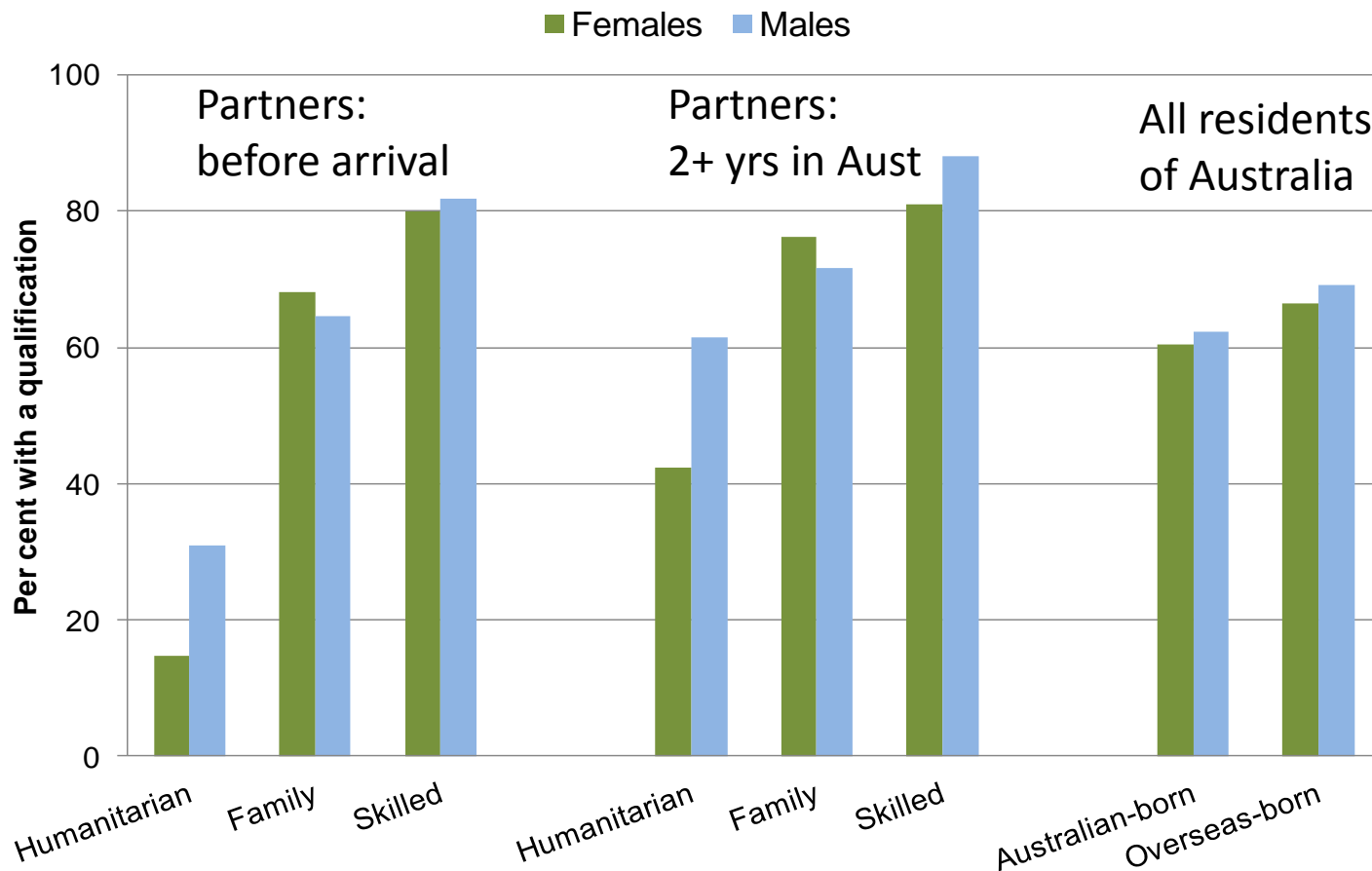
**A majority of new permanent residents are not selected on the basis of their skills**

**Most are partners of skilled immigrants or Australian citizens and permanent residents**

**Are they a drag on our labour force?**

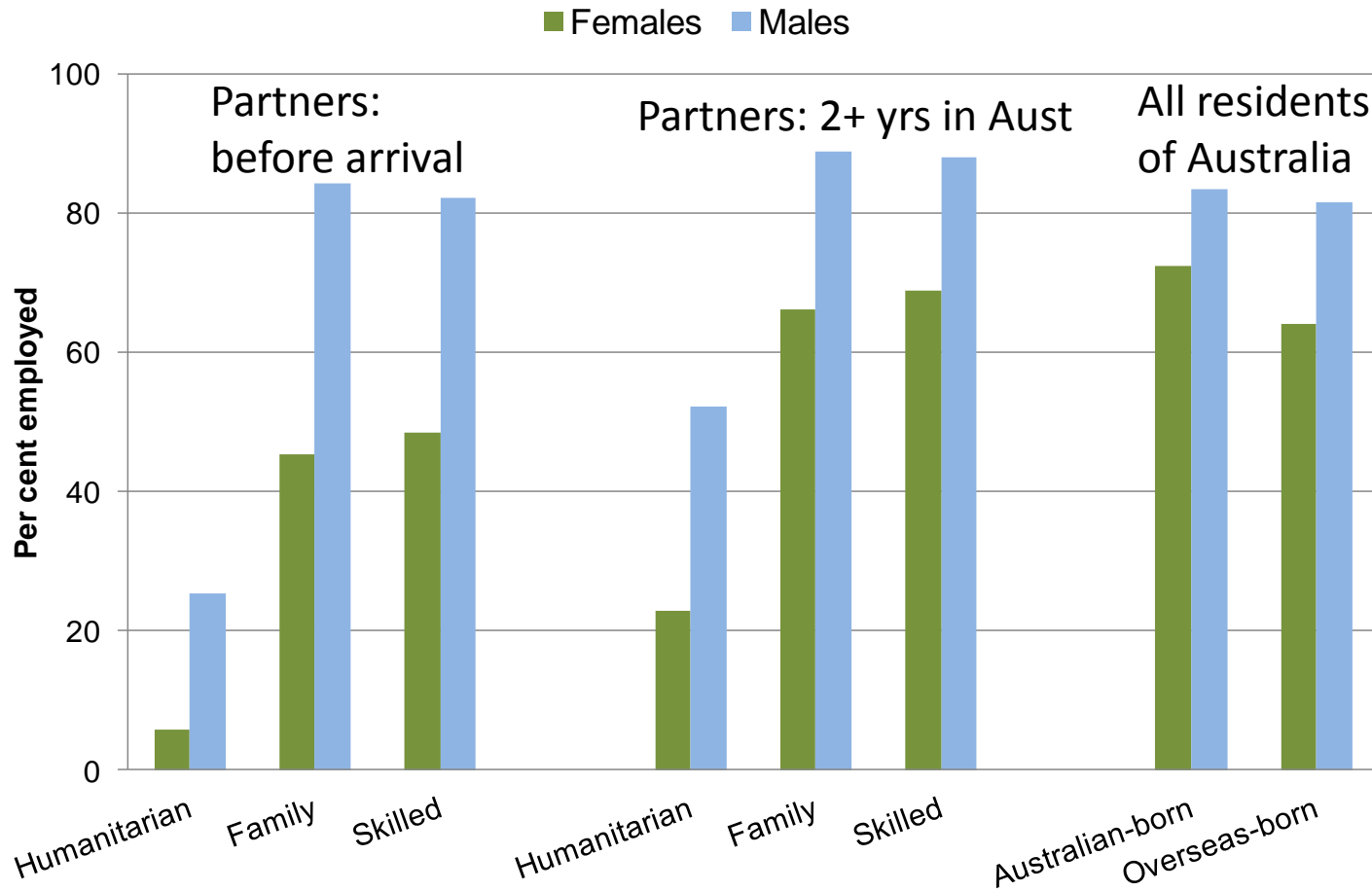


# Percentage with a post-school qualification by sex: partner migrants by visa stream and time of arrival compared with Australian residents (age standardised)

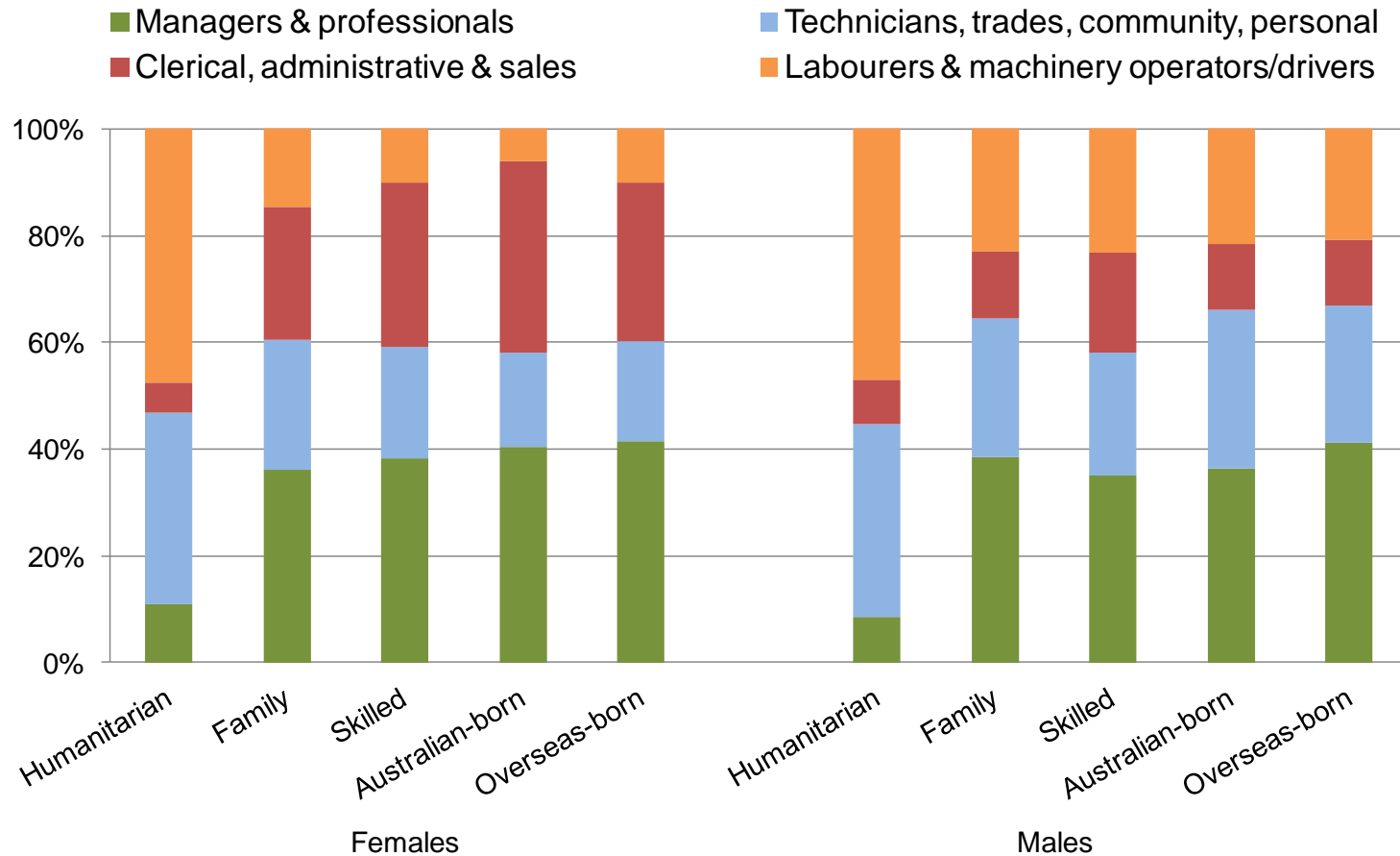


# Per cent employed by sex: partner migrants by visa stream and time of arrival compared with Australian residents

(age standardised)



# Occupation (%) by sex: partner migrants by migration category; Australian residents by birthplace



# Conclusion: human capital and employment

- Partners in the Family stream are no different from partners in the Skilled stream in relation to education and employment.
- For both categories, on average, their skill and employment levels tend to be higher than those of the Australian-born population and they have similar occupation distributions.
- Partner migrants in these streams therefore tend to contribute positively to Australia's GDP per capita through higher labour force participation and higher labour productivity.