



Australian Government
Department of Immigration
and Citizenship

International Dialogue on Migration 2011

Managing labour migration in response to economic and demographic needs

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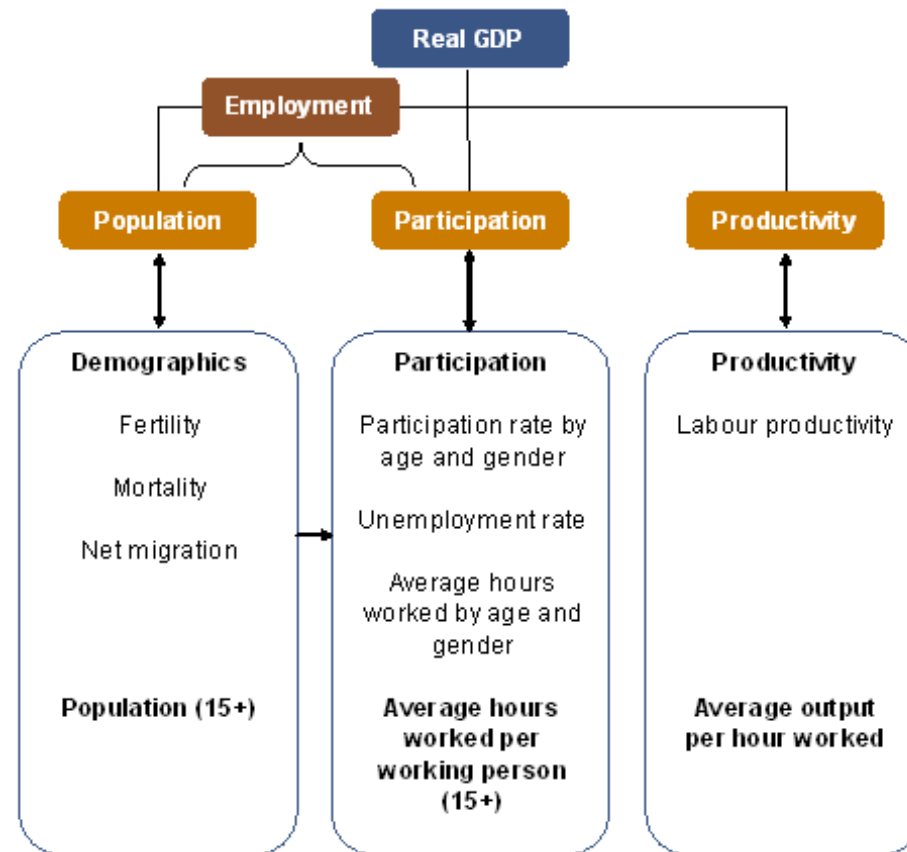
Geneva, 12-13 September 2011

people our business

Outline

- Immigration, population and economic growth
- Some dimensions and features of immigration to Australia
- Changes to the traditional settlement model
 - strong bias towards selection on the basis of skill
 - from “supply side” to a hybrid incorporating “demand driven”
 - the rise of temporary migration
- Evidence that skill selective migration delivers economic benefits

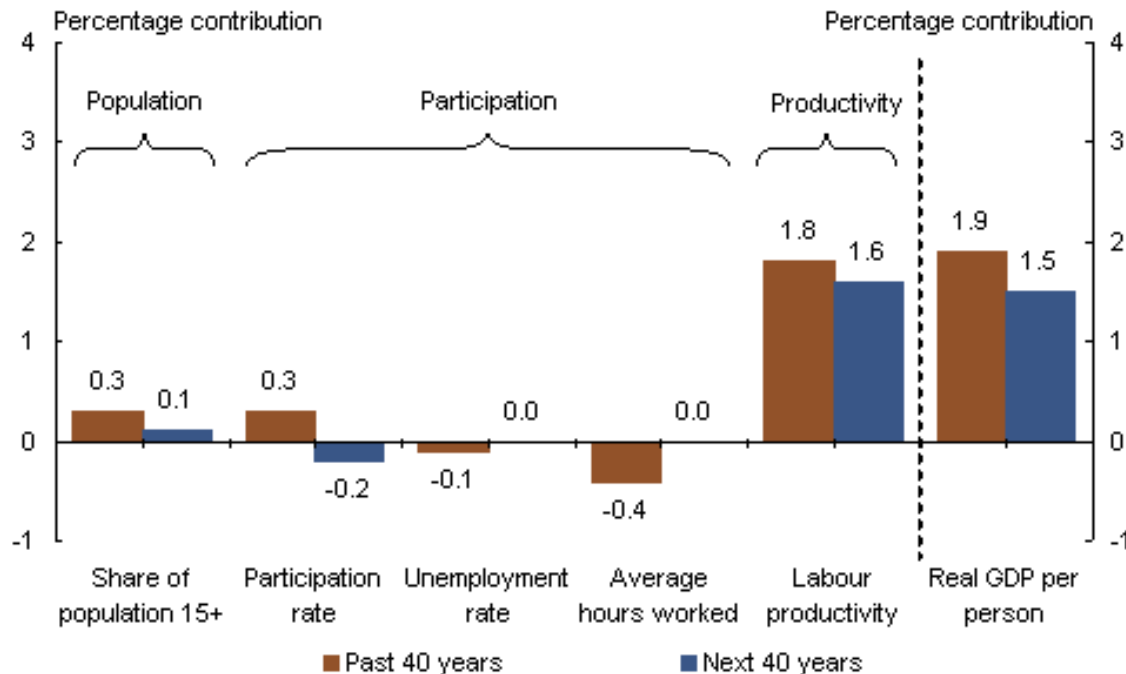
Using the 3Ps framework – population, participation and productivity – for analysing immigration and economic growth



Source: Australia to 2050: the 2010 InterGenerational Report, Australian Treasury.

Population ageing is projected to drag on GDP per capita growth in Australia over the next four decades

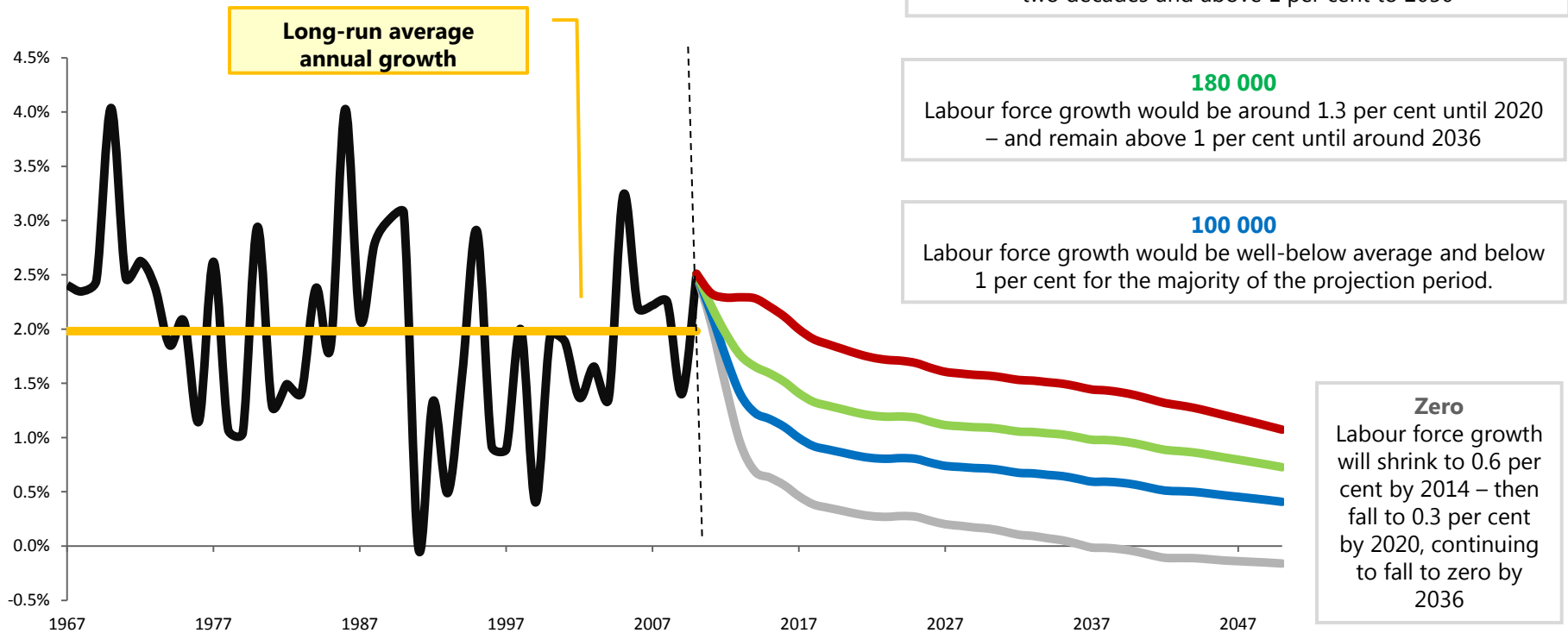
Contributions to growth in GDP per capita, actual (1969-2009) and projected (2010-2050)



Projection assumes net migration averages 180 000 per annum over period.
 Source: Australia to 2050: the 2010 InterGenerational Report, Australian Treasury.

Rates of future labour force growth are projected to decline, even at very high levels of migration

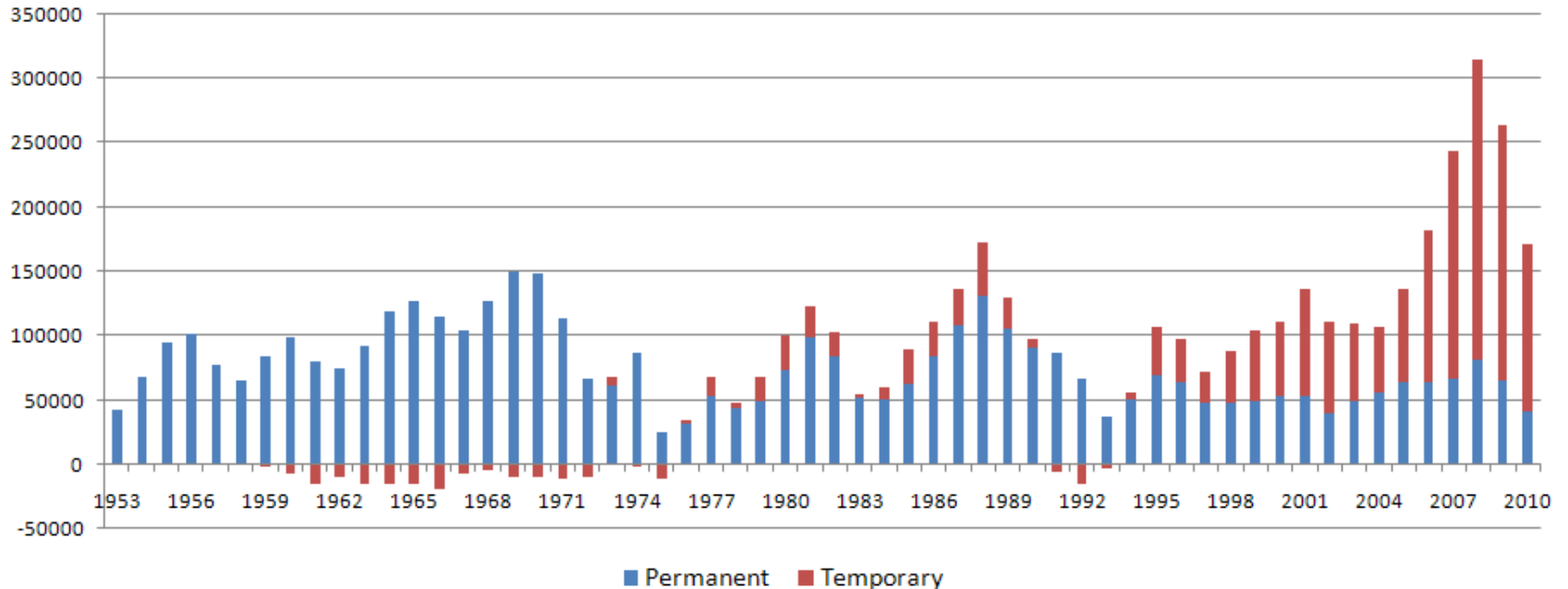
Labour force growth, actual (1967-2009) and projected (2010-2050)



Source: DIAC, based on McDonald and Temple 2010.

Migration flows to Australia are increasingly comprised of temporary and two-step migration

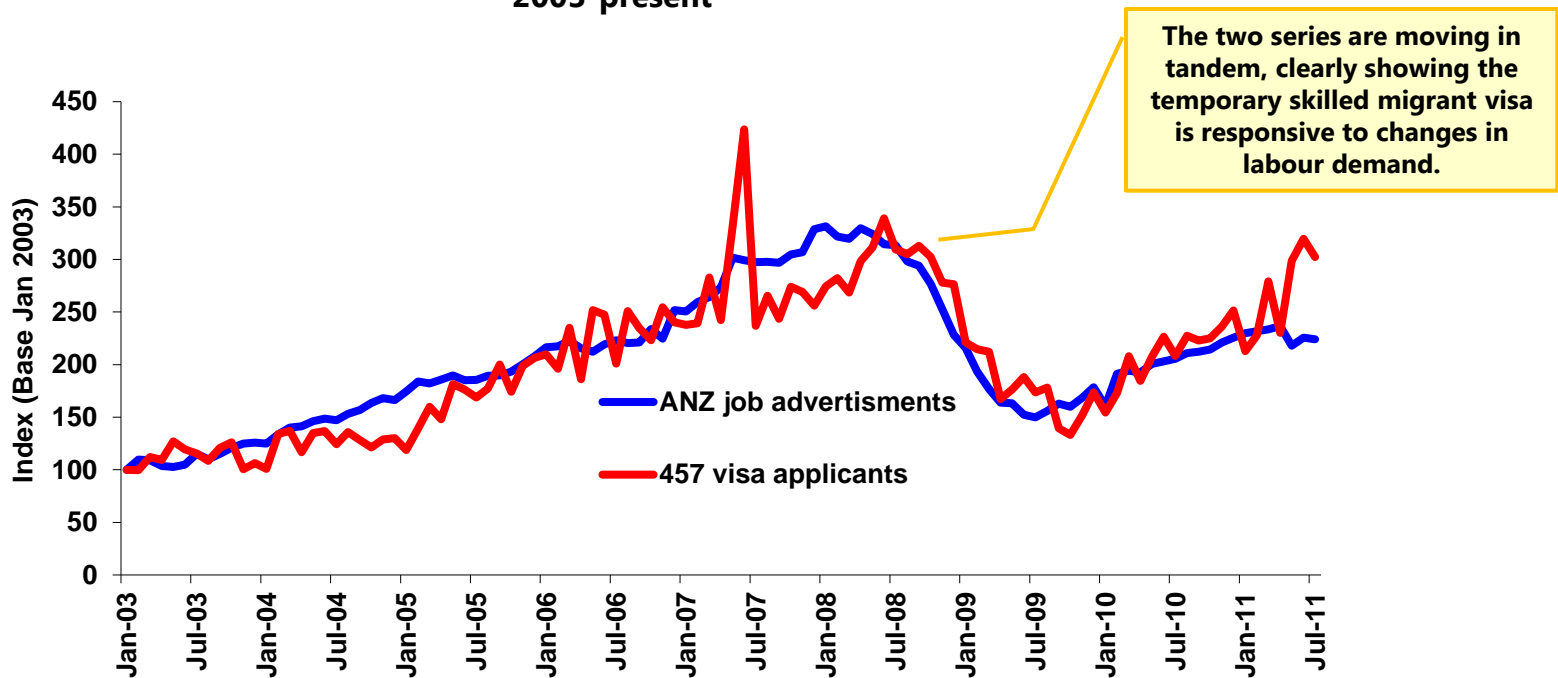
Permanent and temporary migration, 1953-2010



Source: DIAC and ABS

If labour demand is high, and local labour supply is unavailable, employers can source temporary skilled workers from abroad

Index of ANZ Bank Job Advertisement series and applications for temporary skilled worker (457) visas, 2003-present



Spike in 2007 was due to a tightening in requirements, which saw some applications brought forward.

Source: DIAC and ANZ Bank.

Reforms to skilled migration: screening for negative selection, sorting for positive selection

Priority to employer sponsored

Jan 2009

- Applicants for employer sponsored places go to front of processing queue.
- From July 2011, first place to those going to jobs in regional Australia.

New eligibility rules

July 2010

- General skilled migration limited to specialised occupations

New points test

July 2011

- Relative to former test, more weight to experience and overseas qualifications

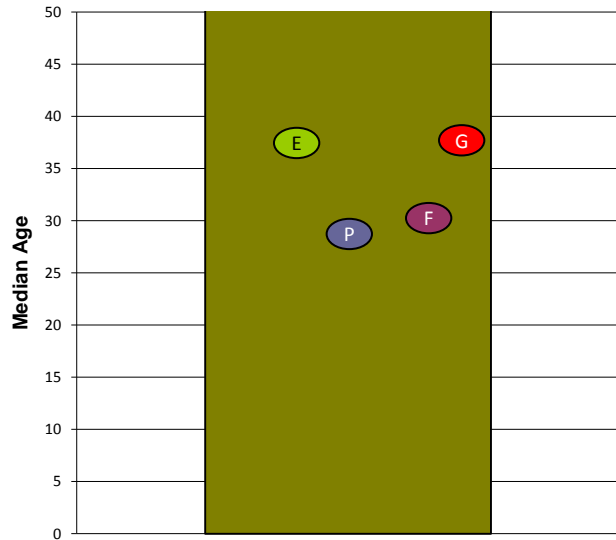
New selection process

July 2012

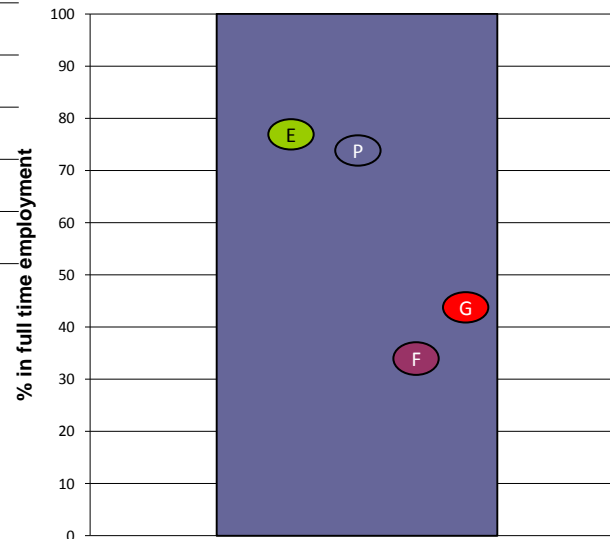
- Expression of interest used to sort applications for general skilled migration

Is Australia's skilled migration program succeeding in bringing in younger migrants, who work more and earn more?

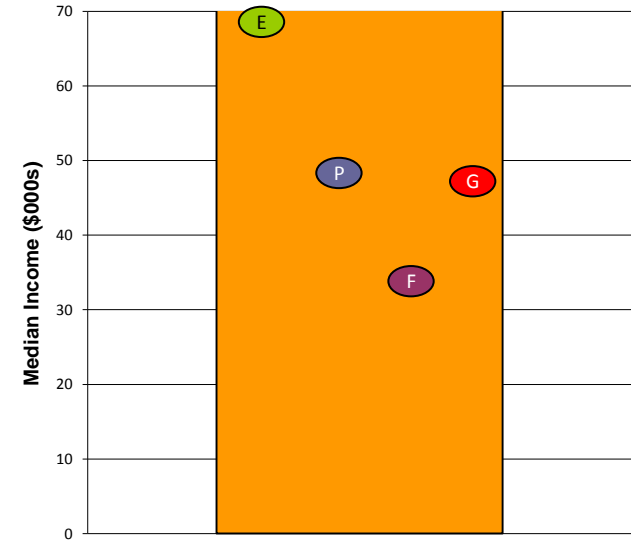
Are they younger?
(yes, for some)



Are they in work?
(yes, very much so)



Are they earning more?
(yes, for some)



- (E) Employer sponsored migrant
- (F) On a partner spouse visa
- (G) General population
- (P) Points -tested skilled migrant

Source: Continuous Survey of Australia's Migrants, DIAC

Migrants selected on skill are much more likely to be in full-time skilled employment and earning more than other migrants

Relative to family stream spouse:

	Employer sponsored	General skilled migration	
		Skilled independent	Skilled state sponsored
Probability of full-time skilled employment (per cent)			
Males	47.2	34.1	26.1
Females	73.7	54.1	44.9
Change in weekly earnings (per cent)			
Males	54.4	43.4	35.0
Females	51.6	35.3	22.2

Population: principal applicants aged between 18 and 45, surveyed between October 2009 and October 2010.

Controls for time spent in Australia, when surveyed, country of birth, residence in Australia, marital and dependent status, and hours of work (earnings equation only).

All results statistically significant at 0.01.

Source: Continuous Survey of Australia's Migrants, DIAC

Key messages

- Skilled and labour migration policies in Australia are designed to meet skill needs and increase living standards
- They mitigate the effects of population ageing, lift workforce participation and boost productivity
- The traditional settlement model has evolved over time to a system that
 - strongly favours skilled migrants
 - is responsive to the state of the economy, including regional areas
 - prioritises employer needs and supply of specialist skills
 - quickly integrates skilled migrants, both permanent and temporary, into the labour market