

# A Comparison of Skilled Migration Policy: Australia, Canada and New Zealand

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## Introduction

Australia, Canada and New Zealand are global competitors and collaborators in relation to skilled migration. In the recent decade they have operated large permanent migration programs, sharing two priority goals: nation-building and economic growth. In terms of policy, their primary focus is on skills, accounting for two-thirds of permanent intakes. In the past two decades each country has expanded quotas, diversified source countries and fields, and dramatically increased temporary labour flows (driven by state and employer sponsorship). They have cultivated ‘two-step migration’, facilitating category-switching by temporary employed workers, and the retention of former international students. They have developed substantial migration databases, including longitudinal surveys to allow constant monitoring and refinement of policy strategies. By 2014 Australian, Canadian and New Zealand strategies had converged to a remarkable degree, informed by the national and international research evidence. Each government aims to attract ‘the best and brightest’ in an increasingly competitive global environment, defined as skilled migrants capable of securing early and demonstrably beneficial fiscal outcomes.

## Country Snapshot – Skilled Migration Strategy and Outcomes (2005)

According to Borjas global immigration policies are based on two components – how many migrants a host country should admit, and which it should prioritise. By 2010 the US was selecting around a million low-skilled migrants per year, in a process he described as ‘the greatest poverty-alleviation program in history’. Australia, Canada and New Zealand, by contrast, at this time were focused on skilled migrants in a context where ‘migrants gain by moving, or else they would go back’, and employers ‘make big capital gains, because they secure more workers’<sup>1</sup>.

In the decade to 2005 the Australia, Canadian and New Zealand governments shared eight key strategies in relation to skilled migration. Each country had:

1. Prioritised economic flows, including in major STEM fields (see Table 1)
2. Diversified immigrant source countries and skill levels
3. Refined points systems to improve selection objectivity while maximizing employment outcomes
4. Strengthened regional migration initiatives to encourage more dispersed settlement patterns

5. Boosted international student enrolments, as a potential resource for skilled migration
6. Expanded and greatly deregulated temporary labour migration intakes, driven by growing state and employer engagement
7. Enhanced scope for two-step migration (retention of temporary workers and former international students who had secured domestic qualifications)
8. Attempted to minimise program abuse through the introduction of more coherent and transparent selection systems

Despite these common approaches significant policy differences existed, which powerfully influenced skilled migration labour market outcomes to 2006.

**Table 1: Canada (2001) Compared to Australia's (2001 and 2011) Reliance on Degree-Qualified Migrant Professionals in Key Fields**

Major Occupation	2011 % Overseas-Born In Australia	2001 % Overseas-Born In Australia (compared to Canada)
Engineering	62%	48% (50%)
Computing	57%	48% (51%)
Medicine	48%	46% (35%)
Commerce/ business	43%	36% (27%)
Accountancy	53%	36% (35%)
Nursing	29%	24% (23%)
Education	24%	20% (15%)

Source: Analysis of 2001 (Canada and Australia) and 2011 (Australia) Census data, accessed from Statistic Canada and the Australian Bureau of Statistics.

### Australia

Australia introduced major skilled migration reforms in 1999, designed to 'select for success' from potential skilled applicants informed by national research evidence. Primary Applicants (PAs) with relatively poor English ability, unrecognised credentials, qualification in fields associated with low labour market demand, and greater age (beyond 45 years) were excluded at point of entry through targeted points-based testing. The study-migration pathway was introduced, resulting by 2005 in around 50% of skilled migrants being former international students. Pre-migration qualification screening was mandated, conducted on a fee for service basis by national or state regulatory bodies, and by Australia's National Office of Overseas Skills Recognition. Pre-migration English testing was also required – commenced in 1993 for 100+ 'occupations requiring English', and extended by 1999 to all occupational fields. Intermediate level ability was essential (an International English Language Testing System [IELTS] score of Band 5 or above, in speaking, listening, reading and writing). The research evidence justified this measure – a series of studies demonstrating English to be the key determinant of early employment outcomes in the knowledge economy, and correlated with long-term success in the labour market<sup>2</sup>.

The characteristics of Australia's skilled migration program by 2006 were as follows:

- **Scale and education level of permanent resident flows:** By 2005-06 Australia's skilled migration intake was 97,500 people, including 66% in the 2004-05 to 2008-09 period who were professionally qualified. Annual quotas were based on national consultations - expanded at

times of high economic demand and contracted in periods of recession. While the ageing of the domestic labour force was deemed a threat, fertility rates were near replacement level (at 1.8), and Australia had no formal population policy.

- **Major source countries:** The UK/ Ireland and South Africa were significant source countries (supplying 17% of skilled migrants from 2004-05 to 2008-09). Eight of Australia's top 10 source countries however were in Asia (in descending order India, China, UK, Malaysia, Indonesia, Sri Lanka, Republic of Korea, South Africa, Hong Kong SAR and Singapore).
- **Occupations:** Science and technology fields dominated flows, in a period when 124,915 professionals were accepted, most notably qualified in accounting (32%), computing (23%), engineering (9%) and architecture (9%). By 2006, reflecting this trend, 57% of Australia's computer professionals were overseas-born, along with 52% of engineers, 45% of doctors and 41% of accountants. Disproportionate numbers had been selected in the previous 5 years (including 36% of all migrant computer professionals, 28% of engineers and 25% of doctors).
- **Temporary labour migration:** The scale of permanent skilled migration to Australia was augmented by rapidly escalating temporary labour flows, following a decade of deregulation (1996+). From 2004-05 to 2008-09 the 457 visa provided an additional 40-110,000 people per year, admitted to work up to four years in under-served sectors or sites ('areas of need'). This employer-driven program had no annual cap, and admitted workers for pre-arranged employment (for example in the mining or health sectors). Fifty-eight per cent of temporary workers at this time were professionally qualified, with nursing, computing, business and engineering the primary fields.
- **Employment outcomes:** Australian labour market integration rates were strong in global terms by 2006. By definition sponsored temporary workers were fully employed. Eighty-three per cent of permanent points-tested skilled migrants were also employed at six months (compared to around 60% before the policy changes). Wage rates had soared, along with levels of work in jobs matched to workers' qualifications. Employer-sponsored (99% employed at six months) and offshore migrants fared the best (82%), at a time of disappointing early outcomes for former international students. The latter had high work rates at 83%, but earned \$20,000 less a year - often in de-skilled positions outside their field of qualification. (For analysis of contributory causes, see the separate Study-Migration paper).
- **Skills discounting:** Substantial numbers of permanent resident migrants were at risk of skills discounting. For example by 2006 65% of engineers from South Africa were employed in professional or managerial positions within 5 years of arrival, compared to 54% of UK/Ireland engineers and 52% from Canada. By contrast severe labour market displacement had occurred for Indian, Chinese and Filipino engineers, with large numbers not in the labour force or unemployed as they struggled to secure professional engineering positions. Outcomes were far superior in medicine for migrants at a time of strong labour market demand. Seventy-eight per cent of doctors from South Africa were medically employed within 5 years, along with 75% from the UK/Ireland, 66% from Western Europe, 63% from India, 58% from Singapore, 48% from the Philippines, and 30% from Eastern Europe, but just 9% from China. (See Table 2 for overall levels of skills discounting by select field for 2001-06 degree-qualified arrivals.)

**Table 2: Degree-Qualified Migrant Professionals' Level of Employment by Select Field in the First 5 Years Post-Arrival by 2006 (All Immigration Categories)**

Qualification field	Employed			Sub-Total	Other		Australia/NZ Employed Own Prof
	Own Prof	Other Prof	Other Work		Unemp	*NLF	
Information Technology	30.4	5.4	36.4	72.2	7.9	19.8	55.3
Engineering	24.7	14.5	34.9	74.1	6.4	19.6	45.5
Medicine	53.3	18.0		71.3	5.5	23.2	58.4
Nursing	63.2	0.8	11.2	75.2	2.3	22.5	62.4
Accounting/Business/Commerce	18.3	4.4	43.9	66.6	8.2	25.2	32.7
Teaching	20.5	4.0	31.2	55.7	7.2	37.1	54.9
Law	13.7	8.2	36.4	58.3	8.0	33.7	51.1
Total	25.5	6.8	35.2	67.5	7.3	25.3	48.5

Source: 2006 Census data (Australian Bureau of Statistics) \*NLF = Not in the labour force

## Canada

By 2005 Canadian fertility rates had fallen to 1.5, fuelling widespread belief that migration represented 'demographic stability'. High intakes had been the norm since the late 1980s, based on annual flows equivalent to 0.7 per cent of the population, and supplemented by a further 1.2 million temporary residents (a third of whom intended to work). The skilled category was an increasingly important component of flows, in a context where it was predicted migration could account for all net labour force growth by 2020 in Canada. Key differences at this time however existed with skilled migration strategies in Australia. These had a negative impact on labour market integration outcomes. While education level mattered greatly for PAs to Canada, field and place of qualification did not. The prevailing policy view was that 'well-trained, flexible individuals... who have experience in the labour force' should be able to adapt to rapidly changing labour markets<sup>3</sup>. In consequence general rather than specific competence was sought by Canada. Selection criteria admitted substantial numbers of PAs with limited English or French language ability, non-recognised qualifications, qualified in fields associated with minimal labour market demand on an equal basis to migrants with attributes more immediately sought by employers<sup>4</sup>.

- **Scale and education level of permanent resident flows:** In 2005 Canada's skilled migration target was 156,310 people (compared to 90,000 in the early 1990s), out of a total migration/humanitarian program of 220,000-245,000 people. As in Australia the majority of skilled migrants were professionals, but their tertiary qualification level was higher. Newly-arrived migrants were more than twice as likely as the Canada-born to be degree qualified at this time (37% compared to 15%). Canada's points system also included a heavier weighting for qualification level than Australia, and a more generous age range for applicants (up to 53 years).
- **Major source countries:** It is important to note that in a key difference to Australia Canada attracted far fewer native-English speaking migrants at this time (defined as from the UK, Ireland, Australia, New Zealand and South Africa). Primary source countries were China, India, the Philippines and Pakistan – non-OECD countries with highly variable levels of technological development, tertiary quality assurance and educational resourcing.

- **Occupations:** As early as 2001 51% of computing professionals in Canada were foreign-born, along with 50% of engineers, 49% of architects and 35% of doctors. As in Australia disproportionate numbers had recently arrived as skilled migrants, most notably qualified in computing (22% of the migrant workforce) and engineering (20%).
- **Temporary labour migration:** While governments frame migration policy, employers retain the power to offer or withhold work. Their expectations are clearly defined by source countries for sponsored temporary foreign workers, which in the past decade have differed significantly to those of points-tested permanent skilled migrants. Between 1991 and 2003 over 2 million temporary workers were admitted by Canada, including 7,437 sponsored workers in 2005 (34% doctors, 32% engineers and 12% nurses, and a significant number of university professors). While the top five recent countries for permanent skilled migrants were China, India, the Philippines, Pakistan and Hong Kong SAR, employers demonstrated a marked preference for English- (and in the case of Quebec French-) speaking professionals derived from the US (14%), UK/Ireland (4%), Australia (2%), and the Philippines (2%), along with France and Mexico (the latter primarily agricultural workers). Employers in Australia showed a comparable preference for OECD-origin temporary workers. (See Table 3 for comparative 2012 temporary source country data.)

**Table 3: Employers' Preferred Source Countries for Sponsorship of Temporary Foreign Workers (Canada and Australia 2012)**

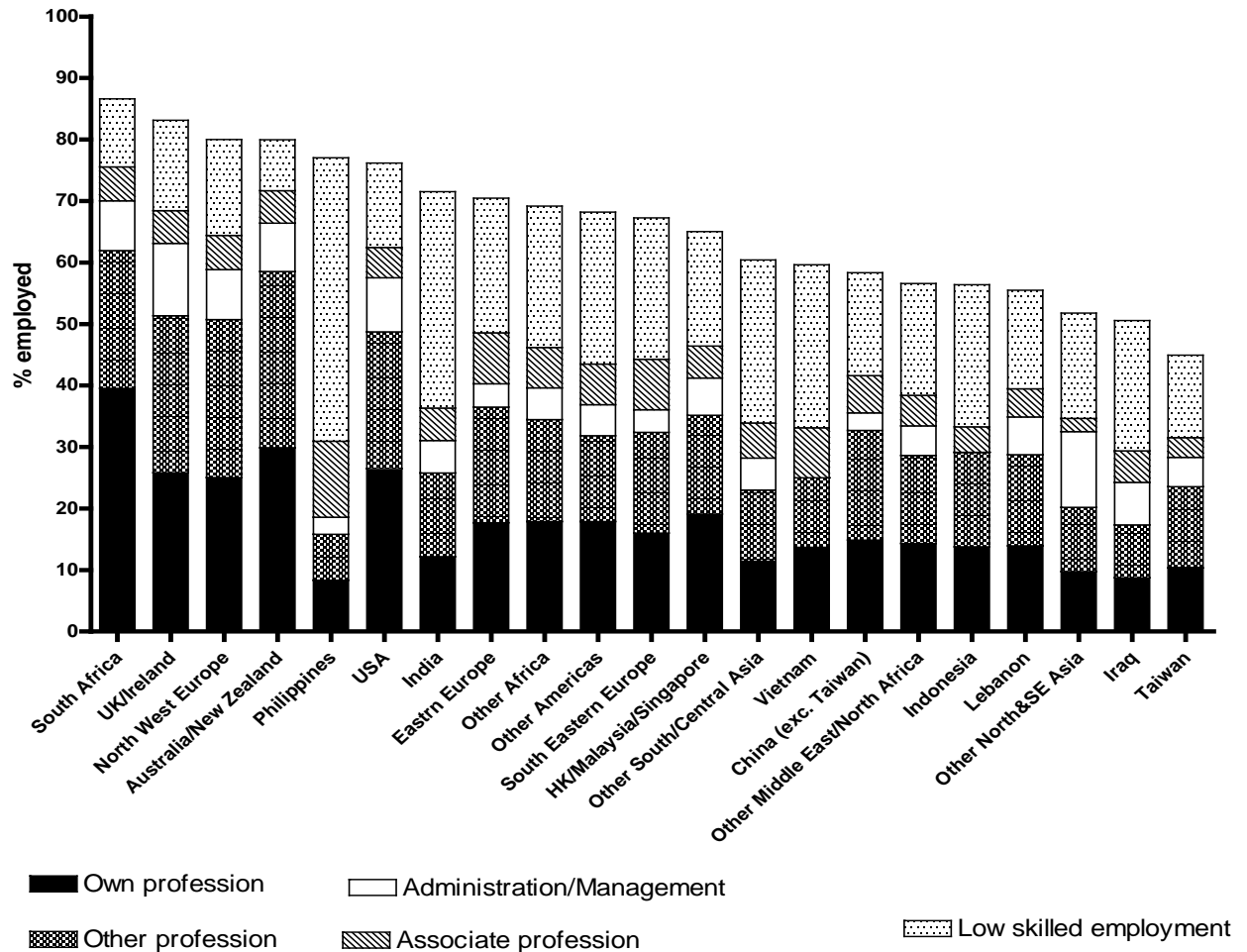
Canada Temporary Foreign Workers	Australia 457 Visa Workers
1. USA (36,346)	1. UK (28,730)
2. Mexico (20,894 – primarily agricultural)	2. India (22,080)
3. France (17,454)	3. Ireland (10,130)
4. UK (11,634)	4. Philippines (9,170)
5. Australia (9,274)	5. USA (8,670)
6. India (8,381)	6. China (4,800)
7. Philippines (8,292)	7. South Africa (4,090)
8. Jamaica (7,677)	8. Canada (3,260)
9. Germany (6,898)	9. France (2,410)
10. Ireland (6,693)	10. Germany (2,350)

*Source:* Analysis of Citizenship and Immigration Canada and Department of Immigration and Citizenship (Australia) arrivals data

- **Employment outcomes:** Temporary labour migrants by definition enjoyed immediate employment outcomes in Canada. By contrast labour market integration rates for permanent skilled migrants by 2005 had been falling for years – a matter of growing national concern. The research evidence suggested that the contemporary selection system was ‘out of synch with the labour market’, in a context where Canada was reported to be ‘ignoring and therefore wasting the human capital of newcomers’. Most notably a Statistics Canada study found that ‘by the early 2000s, skilled class immigrants were actually more likely to enter low-income and to be in chronic low-income than their family class counterparts’ with one half of all chronically poor immigrants ‘in the skilled economic class’<sup>5</sup>. Additional studies found ‘a substantial correlation between average source country school quality and Canadian labour market earnings’, with

outcomes profoundly influenced by qualification recognition in addition to migrants' English or French language ability<sup>6</sup>.

**Figure 1: Degree-Qualified Migrant Employment by Employment Type in Canada, by Birthplace, 1996-2001 Arrivals (2001)**



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

- Skills discounting:** Within this context substantial skills discounting occurred for many skilled migrants. 144,955 degree-qualified migrant engineers were accepted by Canada to 2001, including 56,871 from 1996-2001 (constituting 20% of Canada's total engineering workforce). An additional 31,043 engineers migrated between 2001 and 2003, with engineering at the time a primary professional field for new arrivals. Demand favoured their employment, in the context of an 18% growth in professional engineer positions from 1996-2001, in contrast to the declining demand for engineers then evident in Australia. At the same time host country language facility and place of training powerfully influenced work outcomes. 66-75% of recent English-speaking background engineers had gained some form of professional or managerial work by 2001,

compared to 39-51% of all recently arrived engineers – a remarkable result in the context of Canadian qualification recognition hurdles. Employment rates however were inferior for recent engineers from India and East Europe (19% employed in engineering by 2001), Iraq (16%), Other Middle East/North Africa (15%), China (12%) and the Philippines (5%). Many migrant engineers struggled to secure professional or sub-professional status - a serious issue given the dominance of these source countries in contemporary skilled migration flows. Outcomes were better for computing professionals (in a context where this was a largely deregulated field), but significantly worse for migrant professionals qualified in medicine<sup>7</sup>. (See Figure 1)

## New Zealand

In New Zealand high volume migration intakes are deemed vital to ‘demographic viability’, in a context where the ‘boundaries between temporary and permanent migration have become very blurred’, and between 1955 and 2004 New Zealand’s net population gain from 2.3 million migrants was just 208,000 people<sup>8</sup>. Compounding this challenge, sustained outflows of New Zealanders to global destinations have long been the norm (primarily to Australia and the UK), with the retention of recent immigrants a major issue<sup>9</sup>. By 2004 a tenth of New Zealand’s 4.2 million population was resident in Australia, attracted to ‘the larger economy and labour market on the other side of the Tasman’. To fill this gap, New Zealand sought migrants and international students, targeting a net gain of 10,000 migrants per year - despite the lack of a national population policy. More stringent selection criteria were applied than by Canada or Australia at this time (following problematic earlier New Zealand employment results). Most notably high level English scores of IELTS 6.5 or above were mandated from 2004 (compared to Band 5 at that time in Australia). Temporary migration by contrast was minimally managed – the source of the great majority of New Zealand’s labour migrants.

- **Scale and education level of permanent resident flows:** By 2005 New Zealand’s migration/refugee quota stood at 48,815 people, with the majority (29,826) selected via the permanent skilled category, and annual quotas established on a three year basis. Just 39% of intakes were professionals (compared to 66% in Australia)).
- **Major source countries:** Reflecting the high English language standards required, from 2004-05 to 2008-09 an extraordinary 46% of permanent skilled migrants selected by New Zealand were native English speakers, with five European countries also featuring prominently in-flows. The top 5 source countries at this time were the UK (31%), China (18%), South Africa (10%), India (7%) and the Philippines (6%). (See Table 4.)
- **Occupations:** Far higher proportions of skilled migrants to New Zealand were trade or clerical/sales workers than those selected by Canada or Australia, where the professions dominated. Computing and education were the major professional fields (18% each at this qualification level), followed by nursing (17%), engineers and architects (at 15%).
- **Employment outcomes:** In marked contrast to Australia and Canada, New Zealand minimised risk related to permanent skilled migration by ensuring that 80-88% of approved applicants were already resident and employed, or holding New Zealand job offers, as a condition of eligibility for permanent skilled migration. The *Expression of Interest* model (a major innovation adopted from 2003) required potential migrants to lodge all necessary information prior to being placed in a ‘pool’ for immediate selection (by government or employers), or transition through a two year ‘work to residence’ program designed to prove their employability.

Reflecting this selection bias, New Zealand's early labour market outcomes for skilled migrants were stellar in global terms at 6 months, with 93% employed or self-employed compared with 83% then in Australia, and around 60% in Canada<sup>10</sup>.

- **Temporary labour migration:** Within the 2004-05 to 2008-09 period an additional 142,356 migrants in the temporary labour category were approved, stable at around 42,000 a year compared to buoyant growth at this time in Canada and Australia. In line with permanent skilled migration, just 19% of these temporary workers held professional qualifications, with clerical, sales and service workers dominating (21%). With more flexible English requirements allowed, far fewer were also native English speakers (29%), at a time when there were five Asian countries in the top 10 (China, India, the Philippines, Republic of Korea and Japan).
- **Skills discounting:** Skills discounting was far less prevalent for skilled migrants in New Zealand than in Canada or Australia, reflecting the selection bias to migrants already resident and employed in New Zealand; its use (compared to Canada) of far more stringent selection criteria; and the relatively low skill level of those selected (with far fewer professionals in regulated fields).
- **Retention:** The retention of skilled migrants in New Zealand however is a chronic challenge, for both permanent and temporary flows, given its small economy and geographic remoteness. By 2007, for example, New Zealand had the highest dependence on migrant health professionals in the OECD. A third of migrant doctors left within a year of gaining medical registration. Two-thirds left within three years (disproportionately native English speakers trained in OECD countries). This process was replicated in terms of domestic graduates - a third of engineers relocating within three years, with Australia a major beneficiary. Back-filling through skilled migration was thus a constant national priority.<sup>11</sup>

**Table 4: Top 10 Source Countries for Permanent Skilled Migrants to New Zealand Compared to Australia (2004-05 to 2008-09)**

New Zealand	Australia
UK (31% or 17,569 people)	India (21% 39,671 people)
China (18% or 10,231)	China (18% or 33,309)
South Africa (10%)	UK (14%)
India (7%)	Malaysia (6%)
Philippines (6%)	Indonesia (4%)
Fiji (4%)	Sri Lanka (3%)
US (3%)	South Korea (3%)
Germany (2%)	South Africa (3%)
Malaysia (2%)	Hong Kong SAR (3%)
South Korea (2%)	Singapore (3%)

Source: Analysis of Immigration Department data from each country, provided to the author (2012)



## Policy Refinement – Key Developments to 2014

As is clear from the above analysis, Australian, Canadian and New Zealand employers demonstrate a strong preference for skilled migrants characterised by advanced English ability and training in OECD countries (including onshore). In terms of skilled migration policy there has been a strong convergence between the three countries in recent years, informed by shared research evidence, and involving the implementation of the most effective selection strategies. Key 2006 to 2014 developments have included the following:

### Skilled migration pathways

Three skilled migration pathways are now offered by each country, facilitating the entry of:

- Permanent skilled migrants more effectively screened for human capital attributes
- Temporary sponsored workers selected by employers or states to work in designated positions for up to 4 years
- International students with a potential to ‘category-switch’ via the study-migration pathway

Skilled intakes continue to comprise 60-68% of permanent migration intakes, with targets set following national (and in the case of Canada and Australia) state or provincial consultations.

### Australia

Australia plans to admit 128,550 permanent skilled migrants in 2014-15. 108,870 temporary foreign workers were also resident by June 2014, along with 422,324 international students with the potential to apply for skilled migration (204,115 in the tertiary sector). Australia’s key policy refinements in the recent period have been as follows<sup>12</sup>:

- Employers now select the majority of skilled migrants, supported by priority processing admitting sponsored migrants to work in under-supplied sites and states/territories, in particular those qualified in high demand fields.
- The study-migration pathway has been fine-tuned to remove bogus providers and perverse study-migration incentives (see Hawthorne’s separate Study-Migration paper).
- In line with the research evidence, English and qualification level have become the key determinants of points-based selection, with major bonus points for Masters and PhD degrees.
- Higher English language levels have been mandated for skilled migrants since 2007 (a minimum of IELTS Band 6 for all skills, and higher where required in regulated fields since 2009 - for example IELTS Band 7 in medicine and 7.5 in pharmacy). This measure directly reflects employer requirements. (See Figure 2 for the impact of language testing 2007-10 on the selection and registration of skilled migrants in key health professions.)
- Two-step migration has become the norm, affirmed by Australia’s 2012 introduction of a variant of New Zealand’s Expression of Interest (Eoi) model (‘SkillSelect’). Within this process applicants whose qualifications have been assessed, and who have satisfied English language requirements, can be immediately selected as permanent skilled migrants (after lodging an Eoi), or be searched by prospective employers/ states/ government in a ‘pool’ for up to two years for selection as either permanent or temporary migrants.
- Reflecting these progressive policy refinements, Australian labour market outcomes have continued to improve. From 2009-11 92% of employer sponsored permanent migrants were fully employed at six months (90% in skilled positions), compared to 76% of points-tested

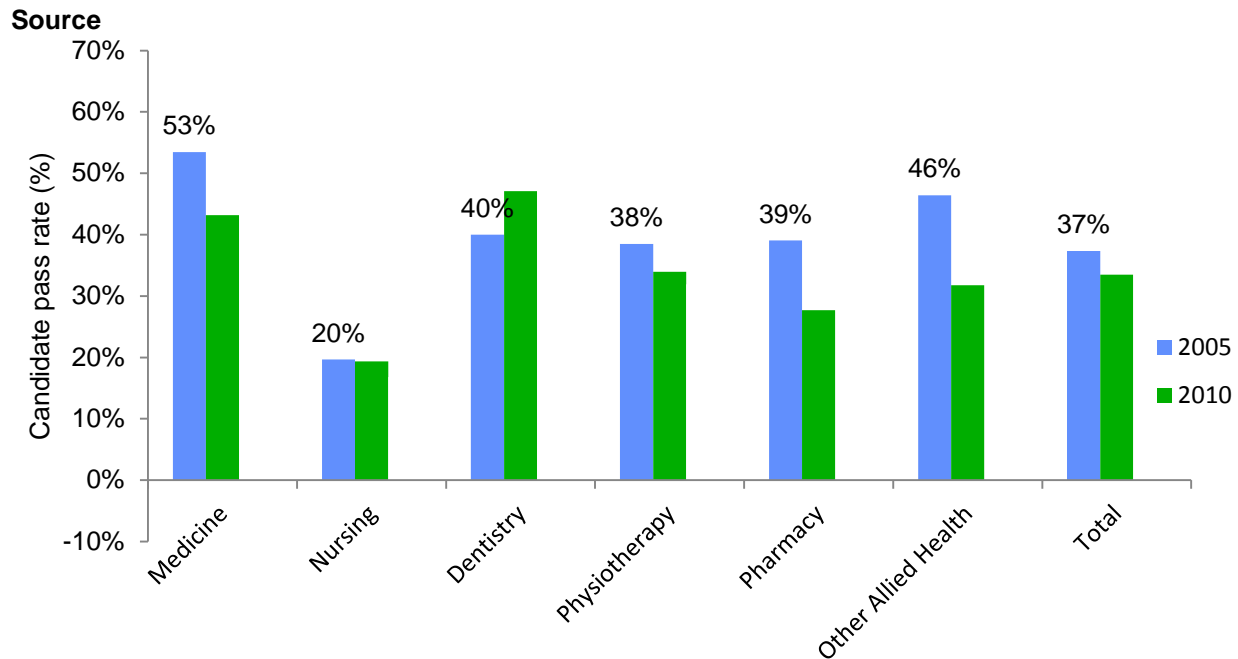
migrants selected offshore (75% in skilled work), 72% of state-sponsored migrants (60%), and 65% of former international students (58%). (See Table 5.)

- Ongoing refinements continue to be introduced to improve outcomes related to the study-migration pathway, with degree-qualified international students guaranteed the right to remain and work 2-4 years following graduation<sup>13</sup>.

It is worth noting that Australia’s dependence on migrant STEM professionals continues unabated. From June 2008-09 to June 2013-14 a further 337,639 Principal Applicants were admitted through the permanent skilled migration pathway, including:

- **Computing** – 39,349 in total, with 8,538 admitted in the year to June 2012, compared to 7,975 in the year to June 2014. The top source countries were India (a striking 42%), China (12%), Sri Lanka and the UK (5% each) and Pakistan (4%).
- **Engineers** – 27,287 in total, with 4,891 admitted in the year to June 2012, compared to 4,160 in the year to June 2014 (declining at the end of the mining boom). The top source countries in this period were India (21%), China (12%), Iran (10%), Malaysia (9%), and the UK (5%).
- **Medicine** – 5,484 in total, with 1,037 admitted in the year to June 2012, compared to 1,134 in the year to June 2014. The top source countries were the UK (19%), Malaysia (17%), India (16%), and Canada, Sri Lanka and Singapore (4% each).
- **Science** – 3,979 in total, with 661 admitted in the year to June 2012, compared to 699 in the year to June 2014 (including many researchers and academics). The top source countries were India (20%), Malaysia (9%), China (8%), UK and Sri Lanka (6% each).

**Figure 2: The Impact of English Language Testing on the Selection and Registration of Migrant Health Professionals by Key Field in Australia (2007-10)**



Source: Hawthorne, L & To, A (2013), *English Language Skills Registration Standards – An Australian and Global Comparative Assessment*, Australian Health Practitioner Regulation Agency, Melbourne

Despite the scale of these flows, the majority of migrant professionals have been admitted by Australia through the 4 year temporary labour category in recent years, supported by employer sponsorship. Numbers cannot be totalled, in a context where applicants stay for variable periods of time. By 2011 around 80% of employer-sponsored temporary workers were selected onshore (principally former international students). This was *not* however the case in STEM fields, where professional experience was both sought and valued. From 2008-09 to 2013-14 around a third of temporary STEM migrants were selected onshore, the numbers below defining the 'stock' annually resident. Employer preference for native English speaking and/or OECD workers was again very evident:

- **Computing** – 10,490 temporary migrants resident in the year to June 2012, compared to 10,880 in year to June 2014 - the top source countries in June 2014 being India (an extraordinary 61%), the UK (9%), US (3%), South Africa (2%) and the Philippines (2%).
- **Engineering** – 8,280 resident in the year to June 2012, compared to 6,160 in the year to June 2014 - the top source countries in June 2014 being the UK (24%), Ireland (13%), US (9%), India (6%) and the Philippines (5%).
- **Medicine** – 5,030 resident in the year to June 2012, compared to 4,160 in the year to June 2014 - the top source countries in June 2014 being the UK, India, Malaysia, Sri Lanka and Pakistan.
- **Science** – 3,130 resident in the year to June 2012, compared to 2,240 in year to June 2014 - the top source countries in June 2014 being the UK(26%), US (10%), France (6%), Canada (6%) and Germany (4%).

(Please note that a comparable level of data on arrivals by STEM field for this period could not be secured for Canada or New Zealand.)

**Table 5: Employment Outcomes At Six Months, By Australian Skilled Migration Sub-Category (2009-11)**

Visa Reporting Category	Skilled Job	Other Job	Not Working	Working Full-time	Particip. Rate	Median Full-Time Earnings
<b>6 Months</b>	<b>Job</b>					
Employer Sponsored	90	7	3	92	98	\$71,300
Family/State Sponsored	60	31	9	72	98	\$50,000
Offshore Independent	75	12	12	76	97	\$74,600
Onshore Independent	55	37	8	69	98	\$44,400
Skilled Graduates	58	36	5	65	98	\$40,000
Other Skilled	47	33	20	61	86	\$43,000
All Skilled	68	24	8	75	96	\$52,000

*Source:* Adapted from Department of Immigration and Citizenship Continuous Survey on Australian Migration longitudinal data.

## Canada

Canada established 148,037 places for permanent economic category migrants in 2013, with an additional 126,816 temporary foreign workers resident by December that year. Major skilled migration reforms have recently been introduced (principally since the election of the conservative Harper

government). These have been designed to improve labour market outcomes, strongly influenced by policy borrowing from the Australian and New Zealand governments<sup>14</sup>:

- First, the Canadian Experience Class was introduced in 2008 under the previous government, to facilitate the retention of temporary foreign workers and former international students (noting 106,300 were enrolled in the tertiary sector by 2011). Take-up of the CEC has been extremely modest to date though trending upwards from 1,775 PAs in 2009 to 4,539 in 2013.
- Mandatory English (or French) language testing has now been made a condition of eligibility for skilled migrant selection. The highest potential level of points is awarded for language ability, followed by level of education (comparable to Australia's revised points system).
- Pre-migration qualification screening has recently been mandated, to be carried out by one of four independent designated bodies (including the World Education Service and the Medical Council of Canada).
- These measures are designed to boost migrant labour market outcomes and respond to employer demand in a context where by 2012 the US, France, the UK and Australia were the primary source of skilled temporary foreign workers (discounting here the prominent Mexican flows, typically sponsored for work in agriculture). (See Table 3.)
- Canada has also taken major steps to reduce permanent skilled application backlogs through the introduction of priority processing in high demand fields, after a preliminary 'pause' to adjust skilled migration selection policy.
- A two-step Expression of Interest strategy will be introduced from 2015 (a variant of the New Zealand and Australian models), to ensure that migrants selected more nearly approximate Canadian employer needs.
- In the context of rising concern for the impact of temporary foreign workers on domestic employment, a sharp contraction of this program was announced mid-2014 with the aim of 'putting Canadians first'. Annual caps have now been introduced, including in specific fields, supported by limits to length of stay for low-skilled workers.
- Finally, greater scope for trade worker migration has been introduced, reflecting sector demand for a wider vocational skills range. These measures seem certain to enhance future economic migration outcomes in Canada.

### **New Zealand**

Finally, New Zealand has set a target of 53,800-59,950 permanent skilled migrants for 2014-16, and admitted 138,200 temporary workers the previous year. 91,732 international students were also enrolled by 2012, with a third retained within ten years via the 'study to work' migration pathway. In the recent period 92% of all skilled migrants selected have been resident in New Zealand, and typically employed – the points system powerfully weighted towards local experience (again stellar outcomes in global terms)<sup>15</sup>. Permanent intakes however remain low-skilled compared to those attracted by Canada and Australia – a potential issue as New Zealand seeks to diversify its economy beyond tourism and agricultural products. Further:

- As demonstrated earlier, retention remains a serious policy challenge. In terms of engineering, for example, a third of New Zealand professionals leave within three years of graduation, attracted to larger economies and higher wage rates (for example Australia and the UK). This necessitates strong engineering migration flows as with nursing and medicine.
- According to a 2014 OECD analysis, New Zealand also currently has trouble meeting permanent skilled migration targets. In line with this, the scale of temporary foreign workers by 2013 had

slowed (in part reflecting the global financial crisis, from which the economy was recovering in 2014).

- The majority of temporary workers (New Zealand's main entry pathway) remain low-skilled, in a deregulated program defined as 'largely unmanaged' by the OECD, in marked contrast to its tightly controlled permanent economic migration program.
- These are matters of national concern, despite growth in the study to work pathway (primarily through the enrolment and retention of Indian international students in relatively low-qualification courses).
- To fill its permanent skilled migration quotas New Zealand has the potential to relax its admission criteria. The OECD notes however that this would be likely to 'lower the average quality of applicants'<sup>16</sup>.

## Conclusion

Skilled migration policy formation remains challenging for Australia, Canada and New Zealand, in a context where global migration is a defining phenomenon of the early 21<sup>st</sup> century. Short-term people movement is rising markedly, while the accessibility of one immigrant-receiving country can transform the level of demand for another. Given the dynamism of these trends, governments with pro-active immigration programs 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'<sup>17</sup>. In the 'looming war for skills', Australia, Canada and New Zealand have shared skilled strategies and data to a marked degree. At the same time they will compete hard with each other and other OECD countries, to attract and retain the 'best' global workers.

<sup>1</sup> Borjas, G (2010). 'Keynote Address', Conference on Canada's Immigration Policy – Reconciling Labour Market Needs and Longer-Term Goals', Institute for Research on Public Policy, Ottawa, 25–26 May.

<sup>2</sup> Hawthorne, L (2005), 'Picking Winners: The Recent Transformation of Australia's Skill Migration Policy', *International Migration Review*, Vol. 39, No. 2 Fall, New York.

<sup>3</sup> Hiebert, D (2006), 'Skilled Immigration in Canada: Context, Patterns and Outcomes', Chapter in *Evaluation of the General Skilled Migration Categories*, Birrell, B, Hawthorne, L & Richardson, S (2006), Commonwealth of Australia, Canberra.

<sup>4</sup> Hawthorne, L (2008), *The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia*, Institute for Research on Public Policy, Vol 14 No 5, 2008, Ottawa.

<sup>5</sup> Picot, G, Feng, H, & Coulombe, S (2007), 'Chronic Low-Income and Low-Income Dynamics Among Recent Immigrants', *Analytical Studies Research Papers*, Statistics Canada Research Paper Series, Catalogue No. 11F0019MIE, No 294, Ottawa.

<sup>6</sup> See eg Sweetman, A (2005), 'Immigrant Source Country Educational Quality and Canadian Labour Market Outcomes', Draft Paper, Research Paper Series, Statistics Canada, Ottawa; Sweetman, A (2006), 'Comparing the Labour Mobility of International Workers: Canada', Paper presented at the Eleventh International Metropolis Conference, Lisbon, 3 October; Sweetman, A & McBride, S (2004), 'Postsecondary Field of Study and the Canadian Labour Market Outcomes of Immigrants and Non-Immigrants', 11F0019 No 223, Statistics Canada, Ottawa; Sweetman, A (2005), 'Immigration as a Labour Market Strategy – European and North American Perspectives: Canada', *Immigration as a Labour Market Strategy – European and North American Perspectives*, eds. J Niessen & Y Schibel, Migration Policy Group, US; Reitz, J G (2005), 'Tapping Immigrants' Skills: New Directions for Canadian Immigration Policy in the Knowledge Economy', IRRP Choices, Vol 11 No 1, February; McDonald, T, and Worswick, C (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),

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<sup>7</sup> Hawthorne, L (2008), *The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia*, Institute for Research on Public Policy, Vol 14 No 5, 2008, Ottawa.

<sup>8</sup> Bedford, R (2006), 'Skilled Migration Policy in Australia and New Zealand: Similarities and Differences', in *Evaluation of the General Skilled Migration Categories*, Birrell, B, Hawthorne, L & Richardson, S (2006), Commonwealth of Australia, Canberra.

<sup>9</sup> Bedford, R (2006), 'Skilled Migration Policy in Australia and New Zealand: Similarities and Differences', in *Evaluation of the General Skilled Migration Categories*, Birrell, B, Hawthorne, L & Richardson, S (2006), Commonwealth of Australia, Canberra.

<sup>10</sup> See for example Statistics New Zealand (2005) *Quarterly Employment Survey, September 2005 Quarter*. Cat 63.901 Set 05/06 – 073, 8 November. Wellington: Statistics New Zealand; Merwood, P (2006) *From Work to Residence: An Evaluation of Work Policies That Provide a Pathway to Permanent Residence in New Zealand*, Wellington: Department of Labour; Masgoret, A, Merwood, P, and Tausi, M (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; 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/migrationoutlook-200809/index.asp](http://www.dol.govt.nz/publications/research/migrationoutlook-200809/index.asp) (accessed 25 October 2010); Bedford, R, Ho, E, and Bedford, C (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.

<sup>11</sup> Hawthorne, L (2011), *Competing for Skills – Migration Policies and Trends in New Zealand and Australia*, Government of New Zealand, Wellington, <http://www.dol.govt.nz/publications/research/competing-for-skills/report/full-report.pdf>.

<sup>12</sup> See Department of Immigration and Border Protection website for 2008-14 policy developments and quarterly reports by skilled migration sub-category in terms of outcomes.

<sup>13</sup> Department of Immigration and Citizenship (2012), 'The Continuous Survey of Australia's Migrants: Cohorts 1 to 5 Report 2009-11', Canberra.

<sup>14</sup> See Citizenship and Immigration Canada website for 2008-14 and planned 2015 policy developments and annual reports by skilled migration sub-category in terms of outcomes.

<sup>15</sup> See Immigration New Zealand and Department of Labour websites for 2008-14 policy developments and reports on skilled migration in terms of outcomes.

<sup>16</sup> Liebig, T, Jauer, J, Peach, E & Mestres, J (2014), *Recruiting Immigrant Workers: New Zealand*, OECD, Paris.

<sup>17</sup> Stahl, C and Appleyard, R (1992) 'International Manpower Flows in Asia: An Overview', *Asian and Pacific Migration Journal* 1(3–4): 417–476.