

# A Comparison of Australian and Canadian Immigration Policies and Labour Market Outcomes

Report to the Department of Immigration and Multicultural and Indigenous Affairs

The National Institute of Labour Studies, Flinders University – September 2004

Professor Sue Richardson

Laurence Lester

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# Table of Contents

<b>1</b>	<b>EXECUTIVE SUMMARY</b> .....	<b>1</b>
1.1	The Role of Economic Conditions .....	2
1.2	Policy Environment.....	2
1.3	Selection Criteria and Migrant Characteristics.....	2
1.4	Outline of the report .....	4
<b>2</b>	<b>PLACING THE ISSUE IN CONTEXT</b> .....	<b>5</b>
2.1	The 1980s and 1990s.....	5
<b>3</b>	<b>THE ECONOMIC ENVIRONMENT IN AUSTRALIA AND CANADA</b> .....	<b>7</b>
3.1	A Comparison of Economic Performance.....	7
3.2	The Australian and Canadian Labour Markets.....	8
<b>4</b>	<b>MIGRANT FLOWS</b> .....	<b>11</b>
4.1	Permanent and Long Term Movement to Australia and Canada.....	11
<b>5</b>	<b>MIGRATION POLICIES</b> .....	<b>14</b>
5.1	Rationale for Migration—Multiple Main Objectives .....	14
5.2	Policy Implementation .....	16
<b>6</b>	<b>CHARACTERISTICS OF MIGRANTS TO CANADA AND AUSTRALIA</b> .....	<b>22</b>
6.1	Changing Characteristics.....	22
6.2	Major Characteristics of Migrants—Six Months after Arrival.....	22
<b>7</b>	<b>LABOUR MARKET AND INCOME OUTCOMES</b> .....	<b>31</b>
7.1	Migrant Income Level and Growth .....	31
7.2	LSIA2 and LSIC Labour Force Status .....	33
7.3	Suitability of Employment .....	38
<b>8</b>	<b>WILL AUSTRALIA’S BETTER OUTCOMES CONTINUE?</b> .....	<b>40</b>
	<b>APPENDIX 1 - SOURCES OF DATA AND INFORMATION</b> .....	<b>42</b>
	<b>APPENDIX 2 - ABBREVIATIONS AND ACRONYMS</b> .....	<b>43</b>
	<b>REFERENCES</b> .....	<b>44</b>

## List of Tables

Table 1	Percentage Growth in Real GDP and GDP per capita, Australia and Canada .....	7
Table 2	Comparison of Standardised Unemployment Rate, Australia and Canada .....	8
Table 3	Comparison of Selected Labour Market Measures, Australia and Canada .....	9
Table 4a	Migrants, Long-term Visitors, and Foreign Workers to Canada and Australia .....	11
Table 4b	Visitor Movements between NZ & Australia and Foreign Workers Between USA & Canada.....	16
Table 5	Point Test Australia and Canada .....	20
Table 6	Major Characteristics of Migrants Approximately Six Months after Arrival .....	23
Table 7	Migrant Visa Categories .....	24
Table 8	Main Migrant Countries of Origin .....	28
Table 9	Migrant Age by Visa group .....	30
Table 10	Employment to Population Ratio by Age and Gender of Migrants.....	34

## List of Figures

Figure 1:	Growth in real GDP Per Capita Australia and Canada 1990-2002 .....	8
Figure 2:	Unemployment Rate Australia and Canada 1990-2002.....	9
Figure 3:	Growth in Civilian Employment, Australia and Canada 1991-2002 .....	10
Figure 4:	Proportion of Specified Age Groups Who Had Completed Formal Education in Australia and Canada.....	25
Figure 5:	Qualifications of Migrants .....	26
Figure 6:	Migrant Age.....	29
Figure 7:	Migrant Labour Force Status .....	34
Figure 8:	Employed to Population Ratio by Qualifications.....	36
Figure 9:	Employment to Population Ratio of PA by Visa group.....	37
Figure 10:	Problems in Finding Work.....	38



# 1 Executive Summary

Australia is an exception to the generally pessimistic picture of recent trends in labour market success for new migrants. Recent migrants to Australia appear to have performed well in the labour market compared to migrants in the early 1990s and to their Canadian counterparts (and to those in other OECD countries).

Why is this so? Canada and Australia have many similarities in their approaches to migration: large migration programs with a strong economic focus, migration as an important contributor to population growth, and an interest in achieving a more geographically balanced distribution of migrants. They also have similar economies. Why then should the recent migrant employment outcomes in Australia be stronger than they are in Canada?

There are many possible explanations for this phenomenon including differences in:

- The economic environment including the state of the labour market.
- The environment in which immigration policies are implemented.
- Key features of the selection criteria for migrants, including recognition and acceptance of qualifications and access to social welfare.
- Characteristics of migrants, e.g. gender, age, language, education, skills, cultural and business institutions and attitude.<sup>1</sup>
- Non-permanent arrivals who add to competition in the labour market.

The full explanation of the continuing differences in labour market outcomes between Australia and Canada is complex and it cannot be taken for granted that the superior Australian results will persist into the future. This report takes the first step to understanding Australia's success by providing a review of factors that may help explain the differing outcomes.

This report uses the findings of previous analyses to evaluate whether differences in the two economies, in immigration policies and practices, or in the characteristics of migrants to the two countries are able to explain the better migrant outcome recently observed for Australia. It also analyses in detail the findings of two seminal sources of data, the Longitudinal Survey of Immigrants to Canada and the Longitudinal Survey of Immigrants to Australia.

The principal finding of this report is that while there are a number of reasons for Australian migrants having superior labour market outcomes, on balance it is the policies that influence migrant characteristics that are the most important.

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<sup>1</sup> Due to lack of availability of data the characteristics of migrants are often proxied by their source country.

Our main conclusions are set out below, with a fuller account provided in the remainder of the report.

### 1.1 The Role of Economic Conditions

Comparison of recent data suggests there is little evidence that the explanation for the better labour market performance of migrants to Australia in comparison to Canada was stronger economic growth in Australia. In fact, the data indicates that although Australia's economic growth was stronger than Canada's growth in the early 1990s this did not continue beyond the mid-1990s—growth since about 1996 has been equally strong in both countries.

### 1.2 Policy Environment

Australia and Canada have a similar rationale for encouraging or 'discouraging' particular migrants. Both countries aim to improve their economic prospects by encouraging the inflow of human capital (increasing the proportion of skilled migrants) and at the same time support a moderate level of family reunion.

One distinct difference arises because of the government level at which the responsibility for immigration rests. In Canada, federal and provincial governments share responsibility for immigration. In contrast, migration to Australia is a federal responsibility. One consequence of this is that the process for recognition of migrant qualifications in Canada is more cumbersome than in Australia.

### 1.3 Selection Criteria and Migrant Characteristics

An evaluation of the complex systems by which Australia and Canada assess applications to migrate suggests that potential migrants to Australia must fulfil a more demanding set of requirements than those intending to migrate to Canada. This is particularly so for skilled migrants. All else being equal, it follows that migrants who fulfil more stringent requirements with regard to age, qualifications, past employment, or language ability are more likely to be successful in gaining employment.

Differences in migrant characteristics or attributes, particularly due to differences in the points test applied to skilled migrants, appear to provide an important part of the explanation for the superior employment outcomes of migrants to Australia. The following summary of influential migrant characteristics and attributes suggests that these factors are likely to continue, at least in the near future.

**Assessment of Qualifications**—There is a major difference in the processes for assessing qualifications of potential skilled migrants between Australia and Canada. This has increasing importance as the emphasis of migration policy has changed toward attracting a larger number and proportion of skilled migrants. It is an area in which Australia is delivering superior outcomes.

Whereas skilled migrants to Australia must have their qualifications formally assessed before they apply to migrate, this is not the case for Canada. Although Canada has an early assessment process, it is advisory only. Moreover, in Australia the assessment has force in all states and territories in contrast to Canada where formal acceptance of a qualification in one province does not necessarily mean acceptance in another and multiple acceptances must be sought if the migrant intends to move within Canada.

**Access to Social Security**—The possible self-selection of migrants due to differing access to social security (including unemployment) benefits may contribute to differing labour market outcomes between Canada and Australia.

As well as deterring those potential migrants who are uncertain about their ability to find work quickly, the two year wait period for non-Humanitarian migrants to Australia to access social security probably also results in greater effort being made by those who do come to obtain employment. This is in contrast to Canada, where migrants generally have immediate access to social security benefits.

**Official Language Proficiency**—Migrants to Australia tend to have greater official language proficiency, partly because of its mandatory English language requirement for skill stream migrants.

This is often combined with greater cultural familiarity due to the pattern of country of origin. Australia still has strong inflows of migrants from English speaking countries—the United Kingdom and South Africa are the first and fourth largest source countries for Australia’s Migration Program. India, a nation with a very strong English language heritage is the second largest source country. The prominence of the UK as a working holiday destination for many young Australians (and visa-versa) may be one reason why the spouse component of the family stream also contains a significant number of young people from the UK.

**Prime Age**—Because Australia has an upper age limit for skilled migrants, a larger proportion of migrants to Australia are in the prime working age of 25-44. There is also a lower proportion of older people among Family migrants.

**Non-Visaed Inflow**—The data indicate that the net inflow of non-permanent workers to Canada adds a greater proportion to the labour force than non-permanent workers to Australia. This suggests that permanent offshore visaed migrants to Canada face more competition in the labour market from ‘other arrivals’ than do migrants to Australia, perhaps contributing to the less successful employment outcomes of visaed migrants to Canada. This may be counterbalanced to some extent by the relatively large proportion of permanent arrivals to Australia from New Zealand.

Two factors do favour Canada but they are not sufficient to offset Australia’s advantages:

**A Higher Labour Force Participation Rate**—A higher migrant participation rate could suggest a higher employment rate, but in Canada’s case the higher migrant participation rate is associated with a higher unemployment rate.

**A Higher Proportion of Skilled Migrants** (or “economic migrants” as they are known in Canada)—All other things equal, the higher proportion of skilled migrants to Canada would suggest a higher rate of labour market success relative to Australia. But the higher proportion of dependents in this class may reduce that tendency.

## **1.4 Outline of the report**

There are many factors that can affect migration outcomes – some of which are beyond the control of any immigration department. Therefore in putting together a persuasive argument it is important that these factors are presented in a logical manner.

For this reason the following approach has been taken with this report:

- First we set the scene by summarising the migrant outcomes of Canada and Australia through the 1980s and 1990s.
- We then look at ‘environmental’ conditions such as the effects of non-migrant movements, the governmental structures and the economic and labour market situation in each country.
- This is followed by a discussion of migration policy in each country and the migrant characteristics which are a product of these policies.
- Finally the effect of all the above factors is brought together and discussed in a comparison of the respective outcomes of each country.

## 2 Placing the Issue in Context

There are both similarities and differences between Australia and Canada. Both countries today have diversified economies, market-oriented economic systems, similar patterns of production, and high average living standards. For both countries, there has been a movement towards employment in the service industries and information technology.

Canada, however, is a partner in the North American Free Trade Agreement (NAFTA) with the USA and Mexico, sharing a land border with the USA. Also foreign workers tend to flow from Canada to the USA.

In contrast, the closest counterpart for Australia is New Zealand. But New Zealand is small relative to Australia, it is not Australia's largest export market and the countries do not share a land border. In addition, migrants from New Zealand are a substantial portion of the inflow of residents to Australia from overseas.

Australia and Canada both share a desire to ensure that migrants settle smoothly into their new country and contribute effectively to its prosperity. To this end, policy has been altered in recent years to place an increased emphasis on the skills and employability of migrants. In Australia, the resulting increase in the proportion of skilled migrants indicates that this approach has been successful. At the same time there has been a decrease in the *proportion* of Family migrants, although the *number* of Family migrants has not fallen since about 1997-98.

### 2.1 The 1980s and 1990s

Evidence suggests that during the 1980s and up to at least the mid-1990s migrants' performance in the labour market in Canada showed a general and persistent decline. Over this period their participation rate, unemployment rate, and initial level of earnings deteriorated (OECD 2003b).

A number of reasons have been given for these poorer labour market outcomes including:

- A deterioration in the migrants' qualities (these qualities are either visible, e.g. education; or not visible, e.g. attitude).
- Economic factors such as macro-economic conditions and technological change have also been suggested. The Canadian economy did not perform well in the first half of the 1990s, and migrants probably carried a disproportionate share of stagnant or deteriorating labour demand.
- An increase in the supply of qualified labour due to higher female labour force participation and the increase in the number of local university graduates (OECD 2003b).

Since the mid-1990s however, there have been signs of an improvement in initial labour market outcomes for Canada's new migrants. These migrants have higher participation rates and lower unemployment rates than those experienced by their predecessors. The most likely source of these gains is the favourable

economic conditions Canada experienced in the latter half of the 1990s. These gains however have not been sufficient to dispel official concerns regarding the relative success in the labour market of migrants arriving over the past decade.

Migrants to Australia did not show the same pattern of deteriorating labour market outcomes in the 1990s as observed for Canada. In fact, in Australia the differential between local and migrant unemployment rates diminished during the 1990s, and rates of participation in the labour market, employment and earnings all increased for migrants who arrived later in the decade. This can be attributed partly to changes in immigration policy and partly to more favourable local economic conditions (OECD 2003a).

### 3 The Economic Environment in Australia and Canada

Conventional wisdom is that the superior labour market outcomes for migrants to Australia compared to migrants to Canada is due at least in part to the better economic performance of Australia. Whether this is the case or not can be explored by considering economic growth in the two countries during the last decade<sup>2</sup>.

#### 3.1 A Comparison of Economic Performance

In most, but not all, of the years between 1991 and 2001 Australia's real Gross Domestic Product (GDP) grew at a more rapid rate than Canada's. Table 1 compares the relative growth rates of real and per capita GDP. Note, growth in real GDP is a proxy for increased demand for labour, and neither series is clearly superior for this purpose.

**Table 1: Percentage Growth in Real GDP and GDP per capita, Australia and Canada**

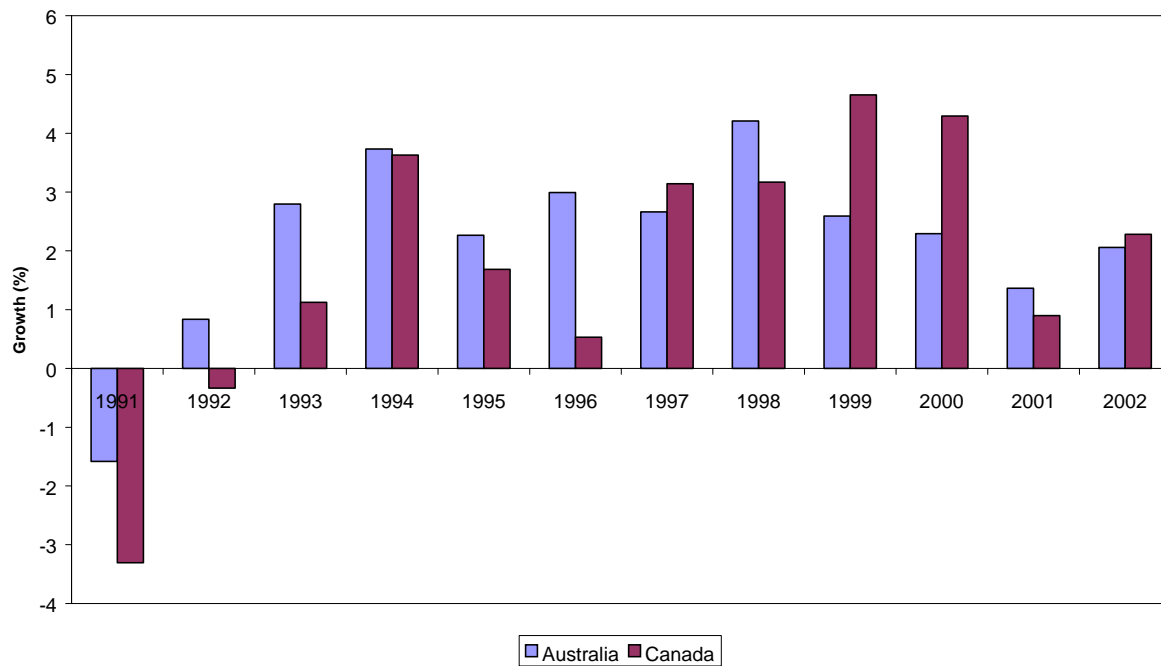
	1996	1997	1998	1999	2000	2001	Average 1996-2001	Average 1991-2001	Average 1991-1996
<b>GDP</b>									
Australia	4.3	3.8	5.3	4.5	2.8	2.7	3.9	3.4	3.0
Canada	1.6	4.2	4.1	5.5	5.3	1.9	3.8	2.9	1.7
<b>GDP per capita</b>									
Australia	3.0	2.7	4.2	2.6	2.3	1.4	2.7	2.2	1.8
Canada	0.5	3.1	3.2	4.7	4.3	0.9	2.8	1.8	0.6

Source IMF; GDP at constant prices.

During the 5-year period 1996 to 2001, Australia's real GDP per capita grew by an average of 2.7 per cent per annum compared to an average of 2.8 per cent per annum in Canada. In comparison, total real GDP grew by an average 3.9 per cent per annum in Australia and 3.8 per cent per annum in Canada (Table 1).

Therefore it becomes apparent that both the Canadian and Australian economies grew considerably more strongly in the period 1996-2001 compared to the period between 1991 and 1996. For the period 1991-1996, Canadian growth in particular was very weak. Thus, on balance, these data support the view that the labour market in Australia was likely to be more favourable for recent migrants only in the first half of the 1990s (Figure 1).

Figure 1: Growth in real GDP Per Capita Australia and Canada 1990-2002



### 3.2 The Australian and Canadian Labour Markets

In terms of general labour force measurements there were some differences between Australia and Canada during the period 1996-2001. Nonetheless, the changes over time were consistent with, and support the conclusion reached when considering GDP growth.

Over this period, the International Labor Organisation (ILO) standardised unemployment rate averaged 7.4 per cent in Australia and 8.1 per cent in Canada, with the advantage to Australia falling from 1.4 percentage points in 1996 to 0.5 percentage points by 2001 (Table 2).

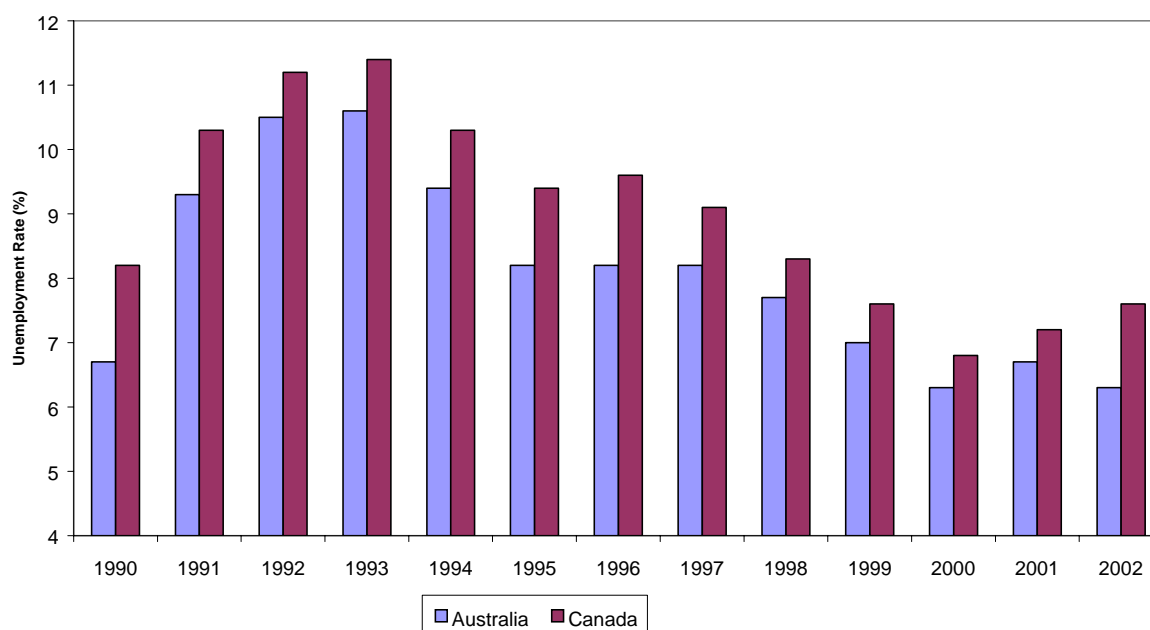
Table 2: Comparison of Standardised Unemployment Rate, Australia and Canada

Standardised Unemployment (%)	1996	1997	1998	1999	2000	2001	1996-2001
Australia	8.2	8.3	7.7	7.0	6.3	6.7	7.4
Canada	9.6	9.1	8.3	7.6	6.8	7.2	8.1

Source ILO.

Figure 2 shows the relative consistency of the differences between the unemployment rates in Australia and Canada between 1990 and 2002 (IMF 2004).

**Figure 2: Unemployment Rate (Standardised) Australia and Canada 1990-2002**



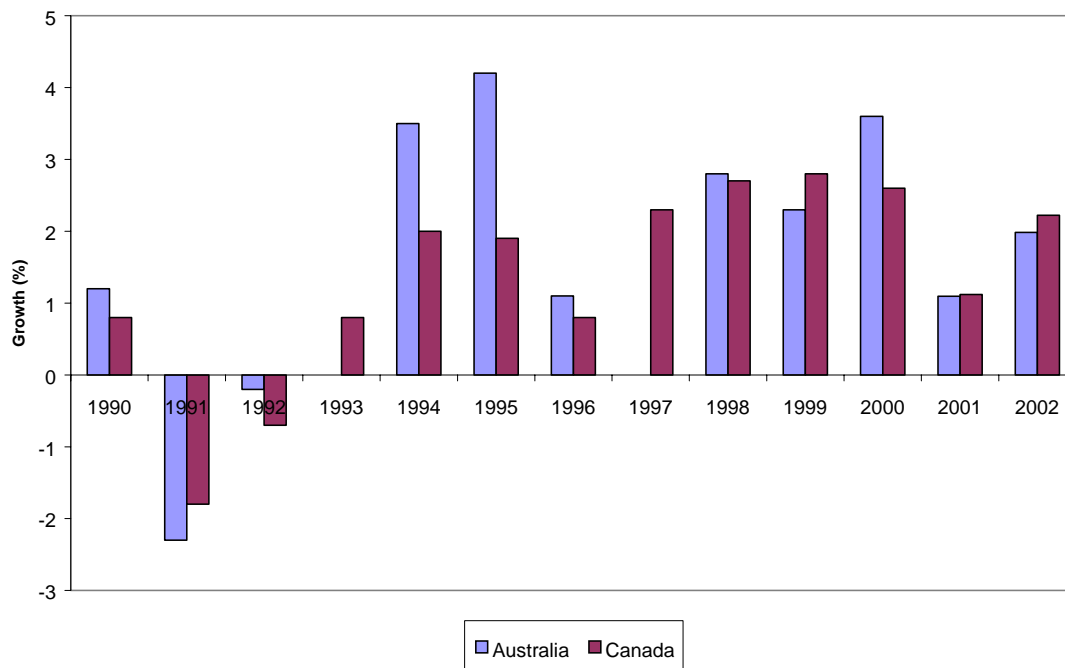
For other labour force measures, differences were very small. Employment growth marginally favoured Australia during the period 1991-2001, by an average of just 0.2 per cent per annum but this small advantage was reversed in the period 1996-2001 when Canada's average growth was 0.3 per cent per annum higher than Australia's (Table 3 and Figure 3). The employment to population ratio differed by only 0.5 of a percentage point (at about 69 per cent), and the employment to labour force ratio averaged about 93 per cent during 1998 to 2001 (Table 3).

**Table 3: Comparison of Selected Labour Market Measures—Australia and Canada**

	1996	1997	1998	1999	2000	2001	1991-2001	1996-2001
<b>Labour Force Growth (%)</b>								
Australia	1.5	-0.1	2.1	1.3	2.3	1.5	1.4	1.4
Canada	1.0	1.7	1.7	2.0	1.8	1.5	1.2	1.6
<b>Employment to Population (%)</b>								
Australia	68.6	67.7	68.6	69.2	70.7	68.9		69.0
Canada	67.3	68.0	69.1	70.2	71.2	70.9		69.5
<b>Employment Growth (%)</b>								
Australia	1.1	0.0	2.8	2.3	3.6	1.1	1.5	1.8
Canada	0.8	2.3	2.7	2.8	2.6	1.1	1.3	2.1

Source IMF

Figure 3: Growth in Civilian Employment, Australia and Canada 1991-2002



In summary, in terms of growth in economic output and in employment and unemployment, Australia and Canada look very alike. Whereas Australia’s economy did perform well during the decade to 2001, it was only during the 1991-96 period that Australia’s growth was superior to that of Canada. During the 1996-2001 period, during which migrants included in the LSIA (second cohort) and LSIC arrived and were looking for employment, both economies performed equally well.

Thus the superior labour force performance of migrants to Australia in LSIA compared to those in LSIC cannot be explained simply in terms of economic performance, the proposition that the superior labour market performance of migrants to Australia was due to Australia’s better economic performance is now out of date.

## 4 Migrant Flows

### 4.1 Permanent and Long Term Movement to Australia and Canada

In both Australia and Canada permanent migrants compete for jobs with both residents and long term temporary entrants. Permanent and long term arrivals in the year ending June 2001 provide an example of the possible impact on the labour market success of migrants to Australia.

For this period there were approximately 107,370 permanent arrivals. Of these, 55,990 were visaed under the Migration Program and 7,640 under the Humanitarian Program. Based on participation rate data from the LSIA, about 33,000 of these permanent arrivals would be in the labour force.

The remaining 43,740 permanent arrivals were New Zealand citizens and others not included in the Migration and Humanitarian Programs.

In the same year, just over 10,000 long-term business entrants came to Australia for the first time.

In this section we use this data to provide approximate estimates of the net addition to the labour force in Australia from non-residents, for the year 2000-01. Canadian data are also used to provide similar estimates, for calendar year 2001.

As table 4a shows, for Australia, the estimated net potential addition to the labour force by permanent settlers and long-term arrivals was not particularly large—about 0.3 per cent—made up of 0.2 per cent from permanent settlers who are expected to participate in the labour market, and less than 0.1 per cent from other long-term arrivals.

**Table 4a: Migrants, Long-term Visitors, and Foreign Workers to Canada and Australia**

Type of Entry (net contribution)	Australia Year to June 2001		Canada Calendar Year 2001	
	Number in labour force	% of total labour force	Number in labour force	% of total labour force
Permanent Settlers	33,000	0.21	175,210	0.81
Long term business entrants	10,100	0.07	..	..
Foreign workers	..	..	57,600	0.43
Total addition to labour force	43,100	0.28	268,410	1.24

Sources DIMIA , CIC & ABS

Notes: Data in this table are rounded and Australian data excludes New Zealanders. Number in labour force estimated by applying the labour force participation rate from LSIA2 and LSIC.

Migrants to Canada however add about 0.8 per cent to the labour force, while the inflow of temporary foreign workers adds approximately 0.4 per cent, resulting in a total of about 1.2 per cent in 2000. Given the very close proximity of the USA to Canada it may be thought that there would be a sizeable flow between these two countries. Foreign workers from Mexico and the United States combined however comprise only about 10 per cent of the total of foreign (or temporary) workers. In addition, the LSIC suggests that visaed immigration to Canada from the USA made up only 1 per cent of the total<sup>3</sup>.

These data suggest that the net inflow of longer-term workers to Canada relative to the total labour force is about three times the size of the inflow to Australia during this period. It would be reasonable to suggest from this example that migrants to Canada, who would be included in the LSIC, face more competition from 'other arrivals' than do migrants to Australia included in the LSIA. It is interesting to note however that the total addition to the labour force is relatively small, and this is especially so for visaed migrants, for both countries.

Note long term entrants are considered in Table 4a as they are more likely to provide competition to visaed migrants for jobs. Temporary entrants who are entitled to work are not included in this table and so impacts suggested in Table 4a may be somewhat understated, at least for Australia. To illustrate this, in 2000-01 there were 76,576 temporary entrant off-shore Working Holiday Makers (WHM) arrivals in Australia (those who can, under certain conditions, theoretically work for up to 12 months) resulting in a 'stock' of WHM of approximately 46,600 people. From the Harding & Webster (2002) survey for 2000 however, the average length of stay in a job of WHMs was just 40 days. Despite the apparently large number of available WHMs their employment pattern suggests that they would provide little additional competition for the permanent or long-term jobs new migrants would be seeking (Harding and Webster 2002).

A possible partial counterbalance to the different size of impact of non-visaed offshore arrivals on the labour market in Australia and Canada is that a sizeable proportion of the contribution to the increase in Australia's labour force that comes from long-term arrivals from New Zealand. Given that New Zealand is a predominantly English speaking county and that it is culturally very similar to Australia it should be expected that New Zealand arrivals will provide a good deal of competition for jobs for Permanent Settlers.

As Table 4b<sup>4</sup> shows, Canada does not however face a similar situation with migrants from the USA even though the Canada-USA relationship is similar to the Australia-New Zealand relationship with respect to language, culture and proximity. To the contrary, Canada holds a position with USA similar to that which New Zealand holds with Australia. It generally has a net loss of people to the USA and hence, in contrast to Australia, the relationship with the USA if anything reduces the competition for jobs that new migrants to Canada face.

**Table 4b: Visitor Movements between NZ and Australia, and Foreign Workers between USA and Canada**

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<sup>4</sup> Estimates are approximate as data definitions and sources for the two countries are not collected or enumerated in the same way, and in any one year various components will be of greater or lesser importance. Nonetheless, the available data do allow an indication of the relative importance of movements that will impact on the labour force.

## A Comparison of Australian and Canadian Migration Policies and Labour Market Outcomes

	Australia Year to June 2001	Canada Calendar Year 2001
<b>Contribution of Visitors from NZ</b>		
Australia -> New Zealand	11,000	..
New Zealand -> Australia	42,000	..
New Zealand -> Australia (net)	31,000	..
<b>Contribution of Workers from USA</b>		
USA -> Canada	..	23,800
Canada -> USA	..	31,700
USA -> Canada (net)	..	-8,000

Notes: Data in this table are rounded; In the previous year there had been a net movement to Canada from the USA of about 300 people.

The provision of on-shore visas may also have an influence. For example, in 2000-01 Australia granted a total of 22,660 on-shore visas—but over 51 per cent were on spouse grounds. Of these 7,649 were in the skilled category—about 17 per cent of the total of skilled visas issued.<sup>5</sup> While this would have some impact on the labour market the number of these visas that went to those already working is not known. It seems however likely that the overall impact on the migrant labour market would be small.

Finally, both Australia and Canada in some cases issue visas to on-shore students who have completed their studies.<sup>6</sup> Such visas, in Australia at least, are issued in the skilled visa group and any impact will be felt in the labour market for university qualified professionals. Interestingly, according to the LSIA2, 62 per cent of migrants to Australia with university degrees were employed whereas only 50 per cent of similarly qualified migrants to Canada were employed.

On balance the impact of non-migrant foreign entrants to the Australian and Canadian labour markets would tend to provide a more competitive environment in Canada for migrants than in Australia, but the differences appear to be small and there are a number of issues that cannot at this stage be investigated comprehensively. This may however provide part of the explanation for the better labour market outcomes for migrants to Australia.

<sup>5</sup> Employer Nominated Scheme (ENS), Regional Sponsored Migration Scheme (RSMS), Labour Agreements and Business Skills visas made up about 33 per cent; and Resolution of Status about 9 per cent.

<sup>6</sup> Comparable data for Australia and Canada are not readily available.

## 5 Migration Policies

### 5.1 Rationale for Migration—Multiple Main Objectives

There are strong similarities between the official reasons for the composition of the Migration Program for Canada and Australia. This is most obvious in the encouragement of more skilled/qualified migrants, and the ‘capping’ of family reunion immigration.

#### *Canada’s migration policy*

The Canadian Constitution requires federal and provincial governments to share responsibility for immigration. Canada’s Immigration and Refugee Protection Act, which governs the immigration program, is administered by Citizenship and Immigration Canada (CIC). Under the Act, CIC retains responsibility for defining migrant categories, setting immigration levels, and enforcing the government’s program.<sup>7</sup> The Act also allows the Minister to enter into agreements with Provinces and Territories that can grant further responsibility for immigration to provinces. For example, the 1991 Canada-Quebec Accord, the most comprehensive of province agreements, gives Quebec selection powers and control over its own settlement services. In contrast, in Australia immigration is entirely a federal responsibility.

The three broad objectives that guide immigration to Canada are to reunite families, fulfil the country’s international obligations and humanitarian tradition, and to foster a strong viable economy. These objectives are reflected in the three main classes of migrants under which people are admitted to Canada as permanent visaed residents: Family-class migrants, Economic-class migrants, and Humanitarian or Refugee status migrants.

People admitted under the Economic class include Primary Applicants (PAs) and accompanying spouse and dependants of Skilled Workers, Business Migrants, and Provincial/Territorial Nominees.

Generally, allocation of skilled visas is based on a system that assigns points for age, education, work experience, intended occupation, knowledge of Canadian languages, and adaptability. Additional points may be given if the Primary Applicant has pre-arranged employment in Canada. Skilled workers can also be selected based on a skills assessment in relation to the current needs of the Canadian economy.

The Business class migrants are sub-classified as investors, entrepreneurs and the self-employed. They are selected on the basis of the economic contribution they will make to Canada, and Primary Applicants are assessed for relevant experience as a business owner or manager.<sup>8</sup> (There is some question, in both Canada

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<sup>7</sup> More recently Ottawa implemented the Immigration and Refugee Protection Act (28 June 2002), generally recognised as the first large-scale renovation to Canada immigration policies since 1976 (Hagopian, 2003).

<sup>8</sup> The revised points system places more emphasis on education and language skills, and stresses migrant adaptability over occupation-specific criteria. In addition, the processing of applications from skilled applicants will be expedited to reduce the discouragement of delays. It is expected that these changes will improve the labour force success rates of migrants to Canada after this date.

and Australia, as to whether the jobs that are created by business class migrants are additional jobs or are just jobs that would have been created anyway by the local population.)

Family-class migrants include close relatives (grandparents, parents, spouse, or dependent child/children) sponsored by a permanent resident or citizen of Canada who is at least 18 years of age. The sponsor must commit to provide for the maintenance of the sponsored migrants. The sponsored migrant themselves can be accompanied by their spouse and dependent children.

Humanitarian or Refugee migrants can be sponsored by the government or by private groups, or they can be individuals recognised as refugees on the basis of the 1951 Geneva Convention, or individuals being re-settled for humanitarian reasons.

### ***Australia's migration policy***

Permanent immigration to Australia is regulated by the Australian Government's Migration and Humanitarian programs, and is administered by the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA).

These programs control the immigration of those intending to be permanent 'settlers', excluding New Zealanders (who travel under the Trans-Tasman Travel Agreement and do not need to apply for a visa); Australian citizens who had permanently left Australia but returned; residents of Cocos (Keeling) Islands, Norfolk Island, etc; and those granted Australian citizenship overseas. As well as permanent migrants, Australia also allows temporary entrants to come, for example as working holiday makers, students and business entrants.

During the latter half of the 1990s, growth in the proportion of those in the skilled stream (that is the Independent, Business, Employer Nominated and Skilled-Australia Linked categories) was considerable—reflecting changes in policy emphasis. In 1997 the replacement of the Concessional Family category with the new Skilled-Australian Linked category resulted in skilled migration overtaking Family stream migration, and this has not changed since. In addition, the strengthening of the points test requirements relating to skills, age, and English ability, introduced from July 1999, makes clear the increased emphasis on skills adopted by the Australian government. A strong commitment to family migration is also maintained, but the group's share has diminished as a proportion of the total number of migrants.

There were further important changes to Australia's immigration policy between the time of the LSIA1<sup>9</sup> (September 1993-August 1995) and the time of the LSIA2 (September 1999-August 2000). Changes were designed to reduce the welfare costs of the program, and increase its economic focus, i.e. increase skilled immigration and so improve the labour market outcomes of more recent migrants. To achieve this, the Migration Program at the time of the LSIA2 more strongly favoured younger migrants, English language proficiency, post-secondary educational qualifications, particular occupations or skills in high demand, and work experience.

In addition to changes to migrant selection criteria, migrants (excluding those on a Humanitarian visa) were also generally denied access to most social welfare benefits for the first two years after their arrival.

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<sup>9</sup> Longitudinal Survey of Migrants to Australia Cohort 1.

Other changes designed to improve the integrity of the Migration Program, included: tougher bone-fides tests for spouse and fiancé applications; with all offshore spouse and fiancé visas being initially issued on a two-year temporary basis pending confirmation that the marriage was ‘genuine and continuing’; tougher serial sponsorship rules; defacto spouse applicants being required to prove a pre-existing relationship of at least one year; incorporation of a test for English language competence in the Concessional Category points test; and the ‘capping and queuing’ of aged parents visas (e.g. in 1997-98 the parent cap was set at 1,000).

The result of the changes in policy is evident in the changes in numbers in various visa categories, ages and qualifications shown for LSIA1 and LSIA2 (see Table 6). At an aggregate level, this table indicates that those in the skill stream grew from 35 per cent in LSIA1 to 50 per cent in LSIA2 and at the same time, the proportion in the Preferential family/family stream fell from 49 per cent to 41 per cent.

This change in emphasis resulted in the proportion of skilled migrants increasing from the most recent low of 25 per cent in 1995-96 to 55 per cent in 2002-03. During the same period, even with an increase in the number of Family class migrants, their proportion of the total fell from 69 per cent to 34 per cent.<sup>10</sup>

In Canada, however, the pattern of change between skilled and family immigration differed. There was an increase in the proportion of skilled worker immigration from an average of 48 per cent in the period 1996 to 2000, to 54 per cent of the total (including humanitarian migrants) in 2002. There was, however, no change in the proportion of Family class migrants, who made up 29 per cent. The major contributor to the change in relative proportions was a fall in the proportion of Business migrants from 8 per cent to 5 per cent<sup>11</sup> (OECD 2003b).<sup>12</sup>

If anything the relative changes, and resulting higher proportion of recent Economic migrants to Canada, should result in better labour market outcomes for Canada.

## 5.2 Policy Implementation

Australia and Canada implement policy by a points system for migrants in the Skill Stream/Economic class. Points are awarded for specified attributes, and migrants are only accepted if they can acquire the minimum number of points.

Both countries have complex systems<sup>13</sup> that combine absolute thresholds (for example, applicants must be below a specified age) with points given for qualities that exceed the minimum. The criteria run to many pages. A very simplified summary of the key qualities that each country is looking for, and the weights they give to each, is provided below to see if there are any substantial differences in the qualities, or in overall level of difficulty of migrating to one country rather than the other.

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<sup>10</sup> For migrants from the second cohort of the Longitudinal Survey of Immigrants to Australia arriving in 1999-2000, ‘Economic’ migrants, comprising migrants from the Concessional Family/skilled Australian-Linked, Independent and Business Skills/ENS visa streams made up 50 per cent of the total. The Family stream made up 41 per cent of the total.

<sup>11</sup> Data are approximations only.

<sup>12</sup> For the LSIC, arriving in 2000-01, the Economic class made up 67 per cent of the total and the Family stream 27 per cent.

<sup>13</sup> For example, the Canadian document to which potential migrants are directed that explains language benchmarks runs to 194 pages.

### **Points system – Australia**

Australia, at the time of LSIA2, awarded points for skill, age, English language ability, specific work experience, an occupation in demand, a job offer, Australian qualifications, an intention to reside in regional Australia, spouse skills, and (for Skilled–Australian sponsored only) a relationship with a permanent resident of Australia. Bonus points were also awarded for meeting one or more of three attributes: capital investment in Australia, Australian skilled work experience, or fluency in one of Australia’s major community languages—other than English.<sup>14</sup>

In addition to obtaining the required number of points, the primary applicant must have been able to satisfy all of the following basic requirements:

**Education** – Have post-secondary (such as university or trade) qualifications. In a small number of occupations, substantial relevant work experience may be an acceptable substitute for formal training.

**Language** – Have vocational English for working in Australia and a higher level of English for certain occupations where English ability forms part of the skills assessment. In the visa sub-categories Sponsored Skilled–Designated Area and Skill Matching, a lower level of English may apply and applicants may be eligible with less work experience. (Potential applicants are encouraged to have their English language ability tested before applying.)

**Age** – Be under 45 years of age when applying.

**Work experience** – Have recent work experience. This is a separate requirement from the need to have skills assessed as suitable for the nominated occupation. The amount of specific work experience can vary as follows:

- If the nominated occupation is worth 60 points the applicant must have been in employment for at least 12 of the 18 months immediately prior to applying.
- If the nominated occupation is worth 40 or 50 points, the applicant must have been in paid employment in a skilled occupation from the Skilled Occupation List (SOL) for at least 2 of the 3 years immediately prior to applying.
- If the applicant lodges their visa application within six months of completing a course of study at an Australian education institution the work experience requirement is waived. This exemption cannot be used to waive any specific work experience requirement imposed by an assessing body as part of a skills assessment.

**Occupation** – Nominate an occupation which fits applicant’s skills. This occupation must be on the SOL for the application to be accepted.

**Skills assessment** – Have their skills assessed by the relevant Australian assessing authority.

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<sup>14</sup> An applicant meeting any one of these criteria would be awarded maximum bonus points. There are no additional points awarded for meeting more than one criteria.

### **Points System – Canada**

Under the conditions for migrants in force at the time of the LSIC there were six selection factors for which points were awarded: education, proficiency in English and/or French, work experience, age, arranged employment in Canada, and adaptability.

Unlike Australia, however, no individual selection factor is mandatory. An applicant can compensate for failure against one factor by performing well against another factor.

More specific details of the six selection factors used in the Canadian Points system are given below:

**Education** – Points are awarded for a wide range of educational attainments. This ranges from 5 points for completion of secondary education to 25 points if the applicant has completed a Masters degree or PhD.

**Language** – The applicant must demonstrate an ability in one or both of English and French. This is established either by an approved language test or written documentation.

**Age** – Maximum points are awarded if the applicant is aged between 21 and 49. Points are lost for each additional year outside this range.

**Work experience** – The applicant is awarded points for the number of years spent in full-time, paid work. Also their job must be recognised as skilled according to the National Occupation Classification.

**Arranged Employment** – Points are awarded if a full-time permanent job offer has been confirmed.

**Adaptability** – This includes points for:

- Having a spouse who has completed a program of full-time study of at least two years duration at a Canadian post-secondary institution.
- Having a spouse who has completed a minimum of one year of full-time work in Canada on a valid work permit.
- Having a relative living in Canada who is a Canadian citizen or permanent resident.

After achieving a pass mark against the selection factors above, the applicant for skilled migration must then meet two additional requirements. First they must meet the minimum work experience requirements according to the Canadian National Occupation Classification Matrix.<sup>15</sup> Second, they must prove that they have the funds to support their family for six months after arrival.

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<sup>15</sup> Jobs on the list of restricted occupations cannot be used as work experience.

### ***A Comparison of the Points Tests***

A comparison of the points test in Australia and Canada is provided in Table 5 below. Although the pass mark for both is similar in terms of overall percentage there is a difference in the emphasis of certain characteristics.

For example, in Canada education and skills are assessed separately. In assessing education, a potential migrant can be awarded a minimum of 5 points for completion of high school through to 25 points for a post-graduate qualification. With regard to skills, a maximum of 21 points can be awarded for 4 years full-time experience in a job listed in the National Occupation Classification. In total therefore education and skill/experience can be worth up to 46 points—or 46 percent of the total points available.

For migrants to Australia, overseas qualifications are not specifically awarded points but are integrated with the assessment of ‘skill’. For example, a maximum of 60 points can be awarded for ‘occupations where training is specific to the occupation’, but such occupations will generally require a qualification such as a degree or trade certificate. More general professional occupations requiring the equivalent of an Australian bachelor degree are worth 50 points and other general skilled occupations, which require a minimum qualification equivalent to an Australian diploma, are awarded 40 points. Entry as a skilled migrant is therefore restricted to those with job skills and post-school qualifications.<sup>16</sup> If points for skill (including non-Australian qualifications<sup>17</sup>) are then combined with points for work experience, these criteria together are worth up to 40 per cent of the total (or about 60 per cent of the then current pass-mark).

In summary, differing attributes of particular interest are:

- Age is given more weight for Australia (17 per cent compared with 10 per cent for Canada) and Australia specifies a younger maximum age (45 compared to Canada’s 54).
- Australia requires vocational level English, and gives up to 11 per cent for additional proficiency. Canada gives a weight of 24 per cent for proficiency in official languages, but half of the points are awarded for each language and language is not a compulsory criterion.
- Work experience is given a weight of 6 per cent for Australia and 21 per cent for Canada, but it has been suggested that Canadian employers are reluctant to accept non-Canadian experience.
- Australia exempts international students who have gained a degree in Australia from the work experience requirement.
- Australia provides extra points for qualifications obtained from an Australian Institution.
- Australia provides extra points for spouse skills.

Australia provides up to 10 per cent for a relationship with a current Australia resident: Canada provides up to 10 per cent for ‘adaptability’.

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<sup>16</sup> With the exception of overseas students who graduated from Australian educational institutions.

<sup>17</sup> Additional points can be awarded for qualifications gained in Australia.

**Table 5: Points Test Australia and Canada**

<b>Australian Points Test</b>	<b>Maximum Points</b>	<b>Per cent</b>
Skill	60	34
Age	30	17
English Language Ability	20	11
Specific work experience	10	6
Occupation demand/job offer	15	9
Australian qualification	15	9
Regional Aust/Low population	5	3
Spouse skills	5	3
Relationship	15	9
<b>Total<sup>1</sup></b>	<b>175</b>	<b>100</b>
<b>Pass Mark</b>	<b>115</b>	<b>66</b>

<b>Canadian Points Test</b>	<b>Maximum Points</b>	<b>Per cent</b>
Education	25	25
Age	10	10
English Language Ability	24	24
Work experience	21	21
Arranged Employment in Canada	10	10
Adaptability	10	10
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Pass Mark</b>	<b>67</b>	<b>67</b>

- Notes: (1) Data in this table are rounded. In Australia an additional 5 bonus points can be awarded for various other factors.

The overview of the point systems suggests that there is little difference in the target groups of potential migrants to Australia and Canada. Both countries are concerned to ensure that migrants meet minimum thresholds for qualifications/skill and official language competence. Australia makes vocational English and age criteria compulsory, however. A skilled migrant to Canada, on the other hand, could qualify without meeting either criterion.

### ***Assessment of Qualifications***

There are important differences in the ways in which the two countries assess the qualifications of migrants, with the Australian system being the more effective. Potential skilled migrants to Australia must have their post-secondary qualifications assessed by the relevant assessing authority *before* they migrate, and they must be regarded as suitable for the nominated occupation. Specifically, an applicant in the “General Skilled

Migration” category is instructed on the application form not to apply if their qualifications have not been assessed by an appropriate body. In addition, the application form notifies applicants that they must be eligible for a professional or industry organisation and/or be able to register or be licensed with a State authority before working in a particular occupation. In LSIA2, about 35 per cent of migrants were in skilled classifications requiring a points test and hence pre-immigration qualification assessment.

In contrast, Canada’s pre-immigration credential assessment for skilled migrants is limited to advice on how qualifications from another country compare to local qualifications. The assessment does not result in a licence to practice being issued by the relevant Canadian regulatory body. The credential assessment only helps applicants understand the Canadian educational system and this assessment does not mean that the applicant’s foreign credentials will be accepted by an employer, who may require the applicant to prove that the credentials are equivalent to Canadian standards.

In further contrast with Australia, Canada uses a provincial credential assessment system, not a federal one. Migrants seeking employment in a particular province must have their credentials assessed by that province after arrival. Different provinces have different assessment systems and the confirmation of credentials in one does not necessarily transfer to another province. In 2003 there were over 400 self-regulated professional and regulatory organisations in Canada that were responsible for licensing and certification of international qualifications (Hagopian 2003). According to Citizenship and Immigration Canada,<sup>18</sup> foreign credential recognition difficulties mean that often migrants must start ‘from scratch’ in order to work in their chosen field in Canada.

### ***Access to Social Security Benefits***

Migrants included in LSIA2 were not able to access social security payments until two years after arrival.<sup>19</sup> Potential migrants to Australia were aware of this and hence would include this information when making the decision to migrate to Australia (in preference to another destination or to not immigrating).

Migrants to most Canadian provinces, however, do have access to social services and benefits, including employment insurance, from the date of arrival. Other provinces, particularly those taking the largest proportion of migrants, impose a three-month waiting period. As a consequence, migrants with a less entrepreneurial attitude (a non-observable ‘quality’) may choose to migrate to Canada<sup>20</sup> in preference to destinations such as Australia where they must manage on their own (or family) resources for the first two years. On balance, this may result in a lesser effort being made by migrants to Canada than Australia.

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<sup>18</sup> Quoted in Hagopian (2003).

<sup>19</sup> There are some exceptions: Humanitarian migrants are eligible for the full range of social welfare benefits on arrival. Other migrants are eligible for family benefits and can obtain assistance if they find themselves in severe hardship for reasons that were not reasonably predictable.

<sup>20</sup> Although applicants for a skilled visa to migrate to Canada must have sufficient funds to provide for their family for six months there appears to be no requirement to use these funds prior to applying for social security benefits.

## 6 Characteristics of Migrants to Canada and Australia

The policies and selection criteria outlined in the last chapter have resulted in a different set of characteristics of migrants to Canada and Australia. This chapter explores these differences in greater depth.

### 6.1 Changing Characteristics

The composition and size of migration to Australia and Canada has changed over time reflecting global trends and changing migration policies. Generally, there has been an increase in the flow of migrants from developing countries, and in particular Asia and the Middle East. This change in location has been accompanied by an increase in the general level of education, qualifications and skill levels of migrants, i.e. their human capital.

### 6.2 Major Characteristics of Migrants—Six Months after Arrival

As Table 6 demonstrates, the migrants in LSIC tend to be more like migrants in LSIA2 than those in LSIA1 and discussion is generally confined to a comparison between LSIC and LSIA2, although for completeness data are provided for LSIA1.

#### *Visa Categories*

In general, permanent offshore migrants can be considered to comprise three main classes: Economic, Family and Humanitarian/Refugees.<sup>21</sup>

In the LSIC, Economic class migrants made up the largest proportion, 67 per cent, Family class migrants represented about 27 per cent; and Humanitarian migrants (refugees) made up the remaining 6 per cent.

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<sup>21</sup> LSIC data are recorded in these three categories, for LSIA the 'economic' class is made up of three visa categories, Concessional Family/Skilled Australian-Linked, Independent, and Business Skills/ENS.

**Table 6: Major Characteristics of Migrants Approximately Six Months after Arrival—LSIA1, LSIA2 and LSIC**

	LSIA 1	LSIA 2	LSIC
	%	%	%
<i>Visa Category</i>			
Economic Class	35	50	67
Family stream	49	41	27
Humanitarian	16	9	6
<i>Age</i>			
15-24	15	11	16
25-44	68	74	66
45-64	13	12	14
65 and Older	5	3	3
<i>Labour Force Status</i>			
Employed	33	50	44
Unemployed	21	10	26
Not in labour force	46	40	30
Participation Rate	54	60	70
<i>Region of Birth<sup>1</sup></i>			
Oceania	2	3	1
Europe	34	29	15
Asia and Middle East	40	64	68
Africa	20	1	9
Nth America	3	3	1
Central South America	2	1	6
<i>Qualifications</i>			
No formal or less than high school	23	14	14
Completed High School	17	16	12
Post Secondary, Trade or College	27	27	19
University Degree	32	43	55

Note: (1) Totals may not add due to rounding.

For LSIA2, Economic class migrants made up about 50 per cent (up from the 35 per cent in LSIA1), Family stream 41 per cent (down from 49 per cent in LSIA1), and Humanitarian migrants made up the balance of 9 per cent (down from 16 per cent in LSIA1). The split between males and females in the Economic class is very similar for Australia and Canada at about 54 per cent males and 46 per cent females. There was a difference between the PA and migrating unit (MU) split, with LSIC having 56 per cent PAs compared with 61 per cent for LSIA2 (Table 7).

**Table 7: Migrant Visa Categories—LSIA1, LSIA2 and LSIC (per cent)**

<b>Visa Category</b>	<b>LSIA 1</b>	<b>LSIA 2</b>	<b>LSIC</b>
<i><b>Economic</b></i>			
<b>Percent of total</b>	<b>35</b>	<b>50</b>	<b>67</b>
Males (%)	54	53	54
Females (%)	46	47	46
PA (%)	64	61	56
MU (%)	36	39	44
<i><b>Family</b></i>			
<b>Percent of total</b>	<b>49</b>	<b>41</b>	<b>27</b>
Males (%)	36	37	38
Females (%)	64	63	62
<i><b>Humanitarian</b></i>			
<b>Percent of total</b>	<b>16</b>	<b>9</b>	<b>6</b>
Males (%)	53	49	49
Females (%)	47	51	51

### **Formal Qualifications**

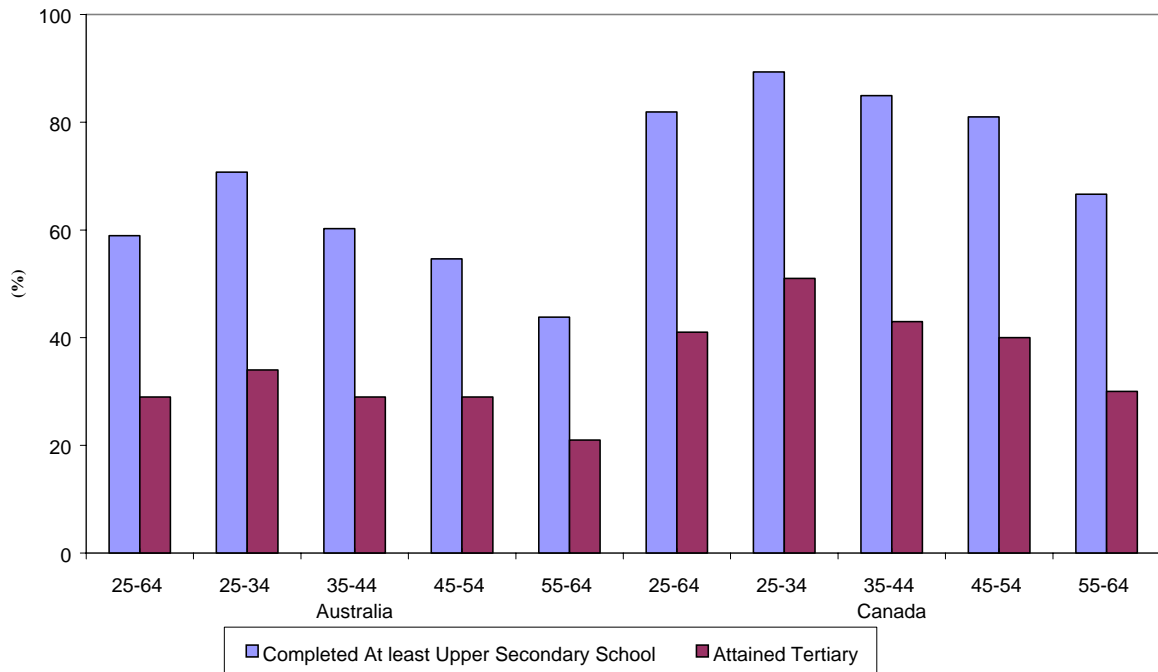
The total Australian population has lower levels of secondary and tertiary education than is the case for Canada. Migrants to both Australia and Canada however, had substantially higher levels of tertiary education than the population in general.

Figure 4 shows that the rate of completion of at least upper secondary school and of attaining tertiary education in Australia in 2001 was below that for Canada for all age groups. The differences range from 21 per cent to 34 per cent. For secondary education Australia was below the OECD countries' average whereas Canada was above, but for completed tertiary education both were above the OECD average.

Compared with Australia, migrants' qualifications for Canada are more highly skewed to university degrees. Some 55 per cent of LSIC PAs reported having a degree compared to 43 per cent for LSIA2. On the other hand migrants to Australia were more likely to hold a diploma, certificate, trade/college qualification (27% for LSIA2 and 19% for LSIC). Overall, the proportions of migrants holding post-secondary school qualifications are very similar, 74 per cent for Canada and 70 per cent for Australia (Figure 5).

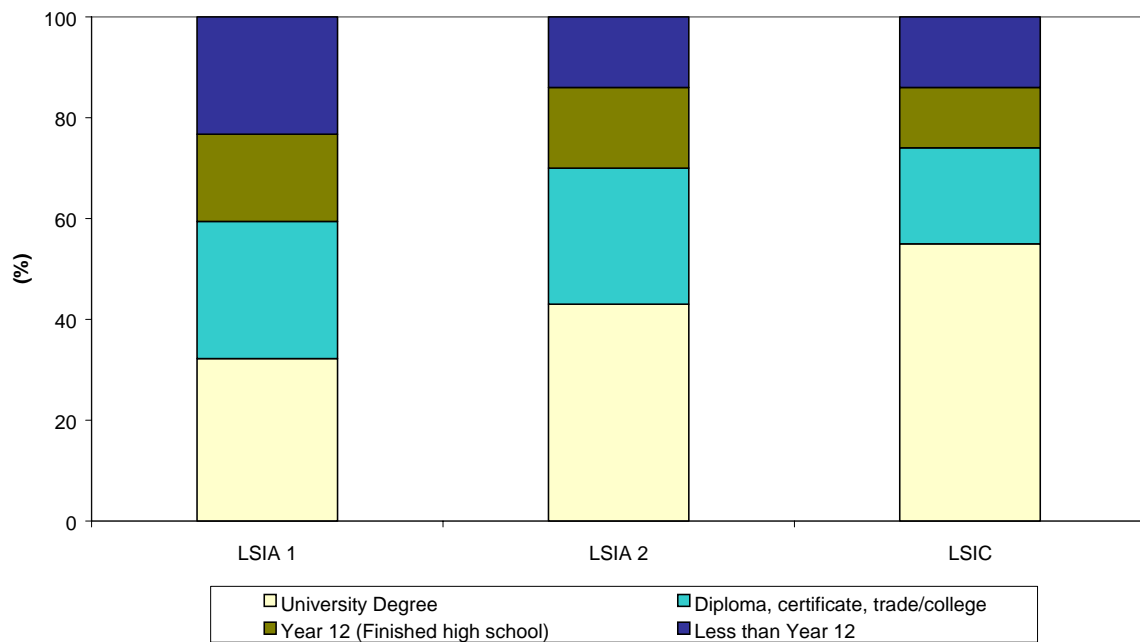
Notwithstanding the higher proportion of migrants to Canada who have university degrees, as already discussed, migrants to Canada face more difficulties in having their qualifications appropriately assessed and recognised than migrants to Australia. Previous studies have found that professional migrants to Canada in the 1990s did encounter difficulties in getting their foreign credentials assessed. It is likely that this will continue to cause migrants to Canada to be less successful in acquiring employment in their profession or skill area, and this may lead to some depreciation of their skills.

**Figure 4: Proportion of Specified Age Groups Who Had Completed Formal Education in Australia and Canada: Whole Population, 2001**



Source OECD.

**Figure 5: Qualifications of Migrants—LSIA1, LSIA2 and LSIC (per cent)**



While only a rudimentary comparison is possible,<sup>23</sup> it seems that for both Australia and Canada, about half of all employed migrants were in the same occupation pre and post-immigration.

### **Language**

Previous research has provided much evidence that proficiency in the local language is important if full use is to be made of qualifications and experience in gaining suitable employment.

Under the Official Languages Act, Canada is officially a bilingual country and Canadians have the right to receive federal government services in English or French. In Quebec, French is the official language and in most cases, provincial and municipal services are provided in French. In the other Provinces and Territories, English is the official language, and the availability of services in both official languages varies.

The importance of French, however, is not spread evenly across Canada. New Brunswick is the only Province that is officially bilingual, and Quebec is the only Province where French is the official language. In 2001, migration to Quebec and New Brunswick province was about 15 per cent and 0.3 per cent of the total respectively.<sup>24</sup> The relatively small proportion of French speaking migrants to Canada may have little impact on labour market outcomes since it may be that self-selection causes French speaking migrants to choose to move to Quebec. For example, In 2001, 47 per cent of migrants to Montreal spoke French, compared with only 10 per cent of migrants overall.

Australia is an English speaking country although there are large minorities of non-English speaking residents. Government services are provided in English, but access to language interpretation and assistance is available.

For Canada, sources of French speaking migrants are limited, and more so for dual language migrants, but sources of English speaking migrants are essentially the same as for Australia, i.e. the UK, Ireland, Canada, Australia, New Zealand, USA and South Africa.<sup>25</sup> Note that, in the survey data being considered, only visaed migrants are considered and hence New Zealand immigration to Australia does not add to the number of measured English speaking migrants.

In their report on the LSIC, based on questions asking “How well can you speak English” and “How well can you speak French”—with responses of poorly, fairly well, well, and very well—Statistics Canada report that “A majority (82%) of new migrants reported that they were able to converse well in at least one of Canada’s two official languages when they arrived” (Statistics Canada 2003, p.7).<sup>26</sup>

The LSIA asked detailed questions about competence in English. These included “Which language do you speak best?” and “How well would you say you speak English?” with the options being a four point scale ranging from very well to not at all. Because of the lack of data, it is not possible to make a precise

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<sup>23</sup> Classification systems differ, and the level of detail reported does not allow detailed comparisons.

<sup>24</sup> With Quebec city taking less than 1 per cent of the total but Montreal taking about 13 per cent.

<sup>25</sup> Excluding numerous countries, specifically in Asia, where English is a compulsory second language in the school system, or countries with a colonial background (eg India, Pakistan, etc) where English is widely spoken.

<sup>26</sup> There are a number of other questions relating to the use of English/French in differing circumstances. Consideration of these questions and their answers may be instructive but Statistics Canada’s current report gives no details.

comparison of the competence of the two migrant groups in the official language(s). Compared with Canada, 92 per cent of LSIA2 migrants indicated at least some facility in English (88 per cent for LSIA1), with 26 per cent of LSIA2 (22 per cent for LSIA1) indicating that they speak English but not well. Given that in LSIC, 68 per cent of migrants were born in Asia and the Middle East where English or French are not widely spoken, it is likely that many of the Canadian migrants who have some knowledge of the official languages do not have a high level of proficiency.

The difficulty of comparing the Australian and Canadian positions is increased when we include data for total immigration in 2001 (CIC 2003). This suggests a noticeably lower level of language ability than the LSIC data, with 46 per cent of PAs and dependents indicating that they speak English, 5 per cent saying they speak French, 5 per cent speaking both, and 44 per cent speaking neither of the official languages.

Of course language is an impediment to employment only for those who are seeking a job. In 2001, Canadian migrants in the labour force reported that 57 per cent speak English, 5 per cent speak French and 8 per cent speak both. It follows that 30 per cent of those who wished to work did not speak an official language.

This is consistent with the 22 per cent of migrants in LSIC who indicated language difficulties as being the main barrier to finding a job. This finding for the LSIC is very similar to the 20 per cent for LSIA2 (and is more consistent with the data from CIC (2003) regarding language proficiency).

### ***Origins of Recent Migrants***

Information regarding migrants' country of origin, specifically, whether or not they are from an English (or French) speaking background can indicate to what extent language, educational system, cultural norms and business and institutional practices are likely to be similar in the source and destination country of migrants. For example, migrants from China are generally expected to be less fluent in English, come from educational systems that are not very similar, and have qualifications and experience in the workplace that are less like those in Australia or Canada than migrants from the UK. This information can provide a first general indicator of the relative likelihood of labour market success of recent migrants. Analysis of the labour market outcomes of recent migrants to Australia shows that fluency in English is strongly associated with higher rates of employment and earnings (NILS 2003b).

In stock terms, Australia has a large proportion of migrants from an English speaking background (excluding New Zealand<sup>27</sup>) relative to Canada.<sup>28</sup> In 2003, the proportion of English speaking migrants in Canada was 11 per cent compared with 30 per cent for Australia (in 2001). Since both countries are English speaking (predominantly so for Canada), migrants from an English speaking background will have an advantage in terms of labour market outcomes. The advantage Australia gains from its larger intake from English speaking countries will continue in the near future at least, albeit at a diminishing rate, as English speaking countries continue to become gradually less important sources of migrants.

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<sup>27</sup> New Zealand is excluded due to the Tasman Travel Agreement that allows free movement between New Zealand and Australia without restriction.

<sup>28</sup> For Canada including migrants from USA, UK, Africa, Caribbean & Bermuda, and Oceania & 'Other countries' and for Australia including USA, UK, Ireland, South Africa, and Canada.

The current differences in the language backgrounds of the stock of migrant populations in Australia and Canada are due to the ongoing differences in the inflow of migrants to Australia and Canada. As Table 8 demonstrates, Australia has both a greater proportion and inflow of English speaking migrants.

**Table 8: Main Migrant Countries of Origin<sup>1</sup>**

	Inflow of Migrants (%) <sup>1</sup>	Stock of Foreigner Born (%) <sup>2</sup>
<b>AUSTRALIA<sup>3</sup></b>		
United Kingdom	10.0	27.4
China	7.4	2.8
South Africa	6.2	1.4
India	5.0	2.0
<b>CANADA</b>		
China	15.3	4.6
India	9.2	4.7
Pakistan	4.9	... <sup>5</sup>
The Philippines	4.8	3.7
UK (ranks 10 <sup>th</sup> ) <sup>4</sup>	2.1	n.a.

Source OECD.

Notes

- (1) Data for Australia are for 2000 and for Canada 1999.
- (2) Data are for 1996.
- (3) Data for Australia excludes NZ which accounted for about 24 per cent of the total.
- (4) Data are for 2000, from Citizenship and Immigration Canada.
- (5) Indicates data not sufficient to be recorded.

In the year closest to the arrival of migrants included in the LSIC and Cohort 2 of the LSIA, immigration numbers do not differ substantially from those between 1996 and 1999 in Table 8. For Canada in calendar year 2001, migrants from China, India, Philippines and Pakistan made up 39 per cent of the total (up slightly from the proportion of 34 per cent in Table 8), with China continuing to be ranked as the main source country.

For Australia in the year ending June 2000, migrant proportions remained relatively unchanged from Table 8,<sup>29</sup> and English speaking countries continued to provide over half of the total migrants to Australia.

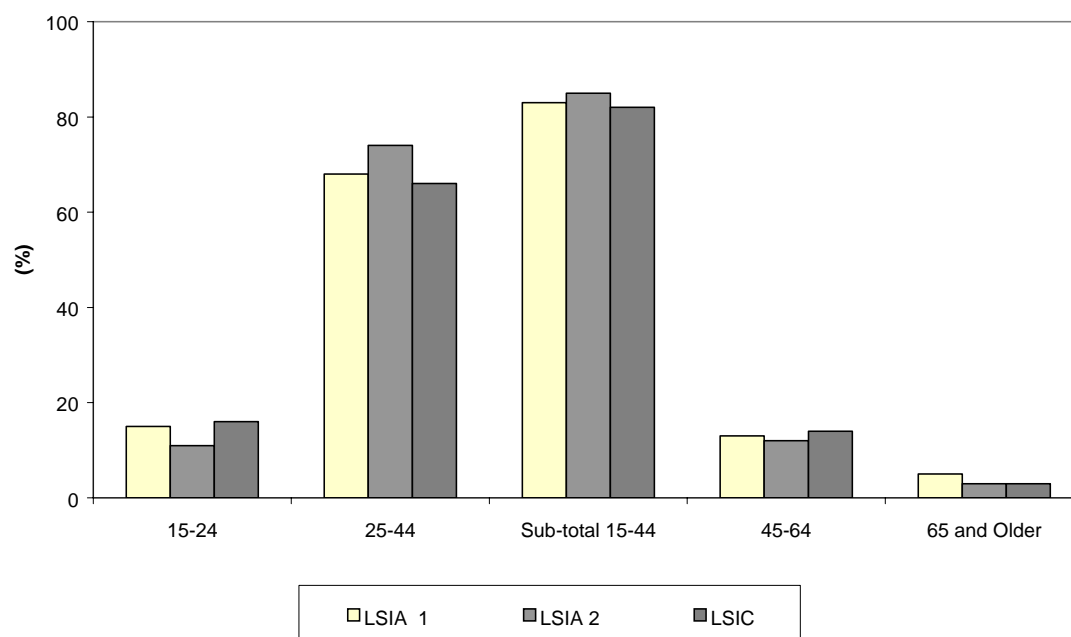
To the degree that country of origin indicates the extent to which migrants' attributes and characteristics would be closer to those of the general Australian and Canadian populations, the stock and inflow data suggest that migrants to Australia will continue to have an advantage in labour market terms over those to Canada. That is, English speaking background migrants would be expected to have more rapid entry to the labour market, and gain employment in a preferred profession at a higher pay level than those from non-English speaking backgrounds. There is clear evidence in the Australian data that high levels of competence in English confer substantial advantages in the labour market. What is not so clear (but is likely) is whether there is an additional labour market advantage derived from coming from the culturally similar background of another English speaking country.

<sup>29</sup> Except the former Yugoslav republics had overtaken the Philippines as the fourth ranked source—excluding New Zealand.

## Age

Age distributions for migrants in LSIA2 and LSIC, are similar at the aggregate level. Any differences in maximum age as a result of the differences in the points system for skilled migrants (45 year maximum for Australia and 53 years for Canada) cannot be assessed by these data as it would only be apparent if the 45-64 age group could be disaggregated (such data for the LSIC is not available in current publications) (Figure 6).

**Figure 6: Migrant Age—LSIA1, LSIA2 and LSIC**



When considering sub-groups where data are available there are some differences between migrants to Australia and Canada. Although in the age group 15–44 there is only a 3 percentage point difference between LSIA2 and LSIC, at more disaggregate level differences emerge. In the 15–24 age groups there was a 5 percentage point difference with LSIC (16 per cent) and LSIA2 (11 per cent). In LSIA2 however, 74 per cent of migrants were in the ‘prime’ working age group 25–44 group compared to 66 per cent for LSIC. The higher proportion of Canadian migrants who are aged 15-24 is likely to reduce the Canadian employment-to-population ratio. This should not however be interpreted as a relatively poor outcome, since many of these young people will be students who will be well-equipped to find jobs when they complete their education.

The distribution across age groups, considered by broad visa category, tends to mirror the aggregate result with LSIA2’s group of 15-24 year olds smaller than that for LSIC, and with LSIA2 having a larger proportion in the age group 25-44 (Table 9). Canada has a distinctly higher proportion of migrants aged over 45 among its Family visa group (37% compared with 17% for LSIA2). The smallest differences occur in the Economic class, where there is almost no difference for the 15-44 age group. The higher proportion of older people among the Family migrants is likely to be a source of some of the difference between the labour market outcomes for migrants in Australia and Canada.

**Table 9: Migrant Age by Visa group—LSIA1, LSIA2 and LSIC (per cent in each category)**

Visa Category and Age	LSIA 1	LSIA 2	LSIC
<b>Economic</b>			
15-24	4	4	10
25-44	89	85	80
<i>Sub-total 15-44</i>	93	89	90
45-64	8	11	10
65 and Older	...	...	...
<b>Family</b>			
15-24	24	20	27
25-44	53	63	36
<i>Sub-total 15-44</i>	77	83	63
45-64	15	11	26
65 and Older	8	6	11
<b>Humanitarian</b>			
15-24	13	6	33
25-44	65	66	54
<i>Sub-total 15-44</i>	78	72	87
45-64	19	26	13
65 and Older	4	2	...

Note: ... indicates the cell contains insufficient data to report.

## 7 Labour Market and Income Outcomes

### 7.1 Migrant Income Level and Growth

It is difficult to obtain consistent data with which to compare the relative incomes of migrants to Australia and Canada. We use secondary information from a number of sources to provide broad insights into the relative position of migrants to the two countries, without suggesting a complete picture can be provided.<sup>30</sup> Unfortunately, recent data for income distribution for migrants do not appear to be available.<sup>31</sup>

#### *Relative Incomes - Changes over Time*

##### **All Persons Born Overseas**

In Australia, persons born overseas earn more on average than non-migrants. This income advantage comes mainly from native English speakers. For instance in 2001, for the Australian workforce as a whole, employees born overseas had on average 12 per cent higher earnings than those born in Australia.<sup>32</sup> For those workers born in the main English speaking countries the income margin over Australian born workers was 25 per cent, and was small but still positive for those born in other countries.

This extends an earlier pattern: in August 1992, the average weekly earnings of Australian born employees was 2 per cent lower than the average for all employees. Those overseas born workers from non-English speaking backgrounds (NESB) had earnings that were 5 per cent lower than the average; but those from main English-speaking countries had earnings that exceeded the average by 6 per cent higher (Castles et al 1998). Similarly, Australian data for 1990 indicated that on average, income for full-time male employed migrants was slightly greater than that for the non-migrants. The NESB migrants however had lower incomes than non-migrants (Wooden et al, 1994).<sup>33</sup>

Initially migrants to Canada earn less than non-migrants but over time their relative position improves, and in some cases their earning levels surpass those of non-migrants (OECD 2003b). In 2000, annual earnings for male migrants age 25-54, who had arrived during the 1990s, were almost 25 per cent lower than

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<sup>30</sup> In some cases the data may not be strictly comparable.

<sup>31</sup> A comparison of the income distribution for migrants and non-migrants between Australia in 1985-86 and Canada in 1987 (using standardised data) shows that they were quite similar. There was a slight tendency for Canada to have migrants over-represented in the lower decile of the distribution. When compared with the distribution of migrants' incomes in the USA and Germany, migrants to Australia and Canada performed better in the overall income distribution (Saunders 1994). Note however, that these data are at a very aggregate level, and distinct differences would be expected if disaggregated to account for visa category, level of qualification, English language proficiency, experience, etc. More recent comparisons do not appear to be available.

<sup>32</sup> ABS catalogue no. 6310.0, Employee earnings, benefits and trade union membership, 2001 data cube, table 4.

<sup>33</sup> This different outcome for NESBs has not changed according to recent data, notwithstanding the general decline in the proportion of migrants who were 'high school dropouts' and the increase in the proportion with post-school qualifications (Garnaut 2003).

Canadian-born workers, and importantly, the equivalent gap in 1980 had been only about 15 per cent (Statistics Canadian 2003). This poorer initial income position compared to that for the overseas born in Australia is probably due to the lower percentage of NESB migrant stock and inflow in Australia (Table 8).

### **Recent or Newly Arrived Migrants**

In the 1980s and the early part of the 1990s, new migrants to Canada experienced lower initial earnings compared to migrants arriving in the years prior to 1980 (mirroring the result for all those born overseas in Canada). Even so, earning of Primary Applicants from the Economic class were 25 per cent above the national average in the early 1980s (OECD 2003b). After the early 1980s however the proportion of skilled PAs with initial wage or salary exceeding national-average earnings fell. For instance at the beginning of the 1980s, 66 per cent of Primary Applicant skilled workers' initial earnings exceeded Canada's average, but by 1996 this had fallen to just 4 per cent. This was despite the changes in Canada's selection criteria for migrants which successfully placed more emphasis on migrants' human capital (Ruddick 2003).

By 2000, the gap for Economic migrants had fallen, but their average earnings were still about 15 per cent lower than the Canadian average; other classes of migrants had even lower incomes (OECD 2003b).

The deterioration in initial earnings of migrants to Canada is probably due, at least in part, to the change in source country of migrants and the associated lower proficiency in the official languages of migrants and acceptance of qualifications and work experience, etc.

In addition, the increased probability of gaining employment due to higher levels of education, and experience gained outside Canada fell, aggravated by the process of onshore assessment of qualifications (Ruddick 2003). Moreover, during the early 1990s Canada did experience relatively high unemployment rates and low employment growth rates (Figures 1 and 2) and this would be expected to impact on new migrants to a greater extent than on local residents.

Canadian studies have concluded that the deterioration in initial earnings does not seem to be fully explained by standard human capital models, suggesting that there may be non-observable characteristics of migrants to Canada in the 1990s, that differ from those in the 1980s. In the latter part of the 1990s however, migrants experienced much better earnings growth, and skilled PAs who arrived in 1995 did surpass the earnings of their counterparts who arrived in 1991 (Ruddick 2003). Whether this pattern will continue is unknown, but to some extent at least, the improvements in the Canadian labour market should contribute to an improving outcome for the more recent migrants (although the impact of changing source countries and the associated problems are expected to continue, and perhaps increase).

As with Canada, migrants to Australia arriving in the 1980s (males 15 and over who arrived during the previous 5 years) had lower wages than non-migrants. They also experienced a fall in wages relative to non-migrants earnings, of about 10 per cent between 1981 and 1991. In the 1990s however, there was only a marginal deterioration in relative earnings of 'recent' migrants to Australia of about 2 per cent (Garnaut 2003). Since then the changes in migration policy have ensured Australia continues to attract migrants with good qualifications, skills and English proficiency and this has contributed to labour market success, and reduced the likelihood of falling initial income levels.

In addition, the larger proportion of migrants from similar language and cultural backgrounds arriving in Australia compared with Canada should ensure more rapid integration into the labour market. A comparison

of ABS data and the LSIA2<sup>34</sup> suggests that, as for Canada, soon after arrival (i.e. Wave 1 taken about 6 months after arrival) average weekly income for PA Economic migrants was about 65 per cent of Australian average weekly earnings, but that after a further 12 months in Australia (i.e. Wave 2) Economic migrants' incomes had risen to about 85-90 per cent of the Australia average.<sup>35</sup>

On balance, there should not be further deterioration in the average relative earnings of migrants to Australia compared to non-migrants (notwithstanding continuing differences in earnings between visa groups). Economic conditions in Australia also remain strong and this should contribute to the ongoing success of migrants to Australia.

Canada's economy has also improved in the last 5 years or so, but they will continue to feel the impact of the change in source country away from official-language speaking sources, and the ongoing issues with assessment of migrants' qualifications may well result in labour market outcomes and income levels of recent migrants continuing to perform below those for Australia.

## 7.2 LSIA2 and LSIC Labour Force Status

Contrary to the small differences found for labour market conditions between Australia and Canada in the general population, there were noticeable differences between the labour market situation of migrants included in the LSIC and the LSIA. One conclusion that follows therefore is that the labour market outcome differences were due to differing migrant attributes and characteristics, or attitudes to migrants, rather than being due to general economic conditions.

Differences between outcomes are shown in Figure 7. As can be seen the LSIC participation rate of 69 per cent is 10 percentage points higher than the LSIA2, and 15 percentage points higher than LSIA1.<sup>36</sup> LSIC migrants however reported a total of only 44 per cent employed compared to 50 per cent in LSIA2 (up from 33 per cent in LSIA1). This lower rate of employment is mirrored in the unemployment rate, 26 per cent for LSIC but only 10 per cent for LSIA2 (down from 21 per cent for LSIA1), a difference of 16 percentage points.

Other things equal, Canada's higher participation rate should lead to a higher employment-to-population ratio. A number of factors contribute to the fact that this is not the case. These are outlined in the following sections.

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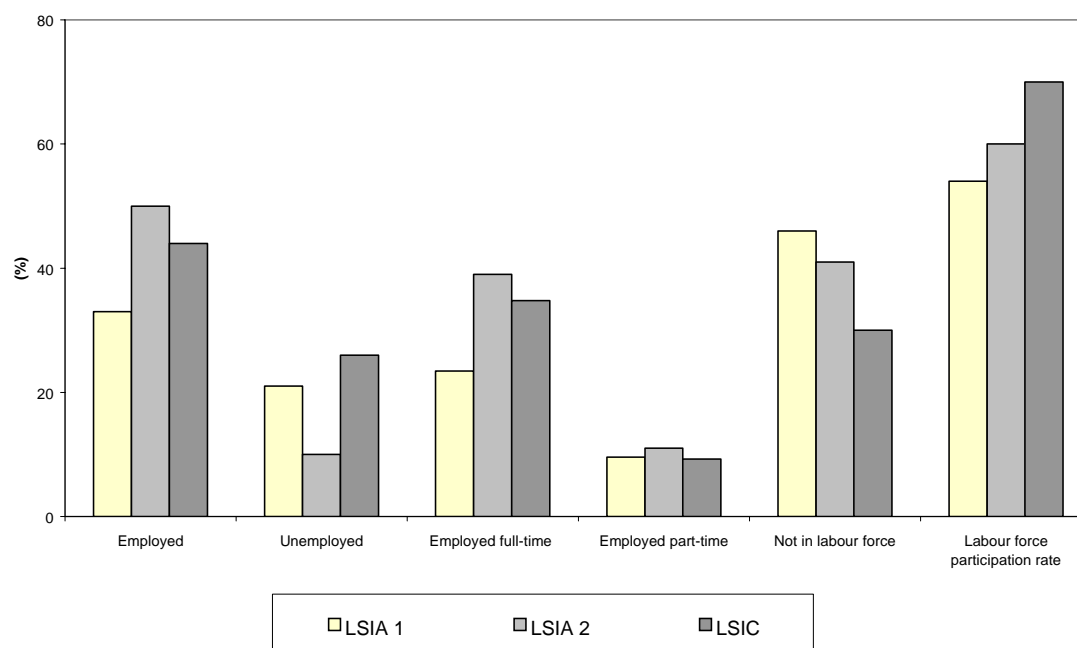
<sup>34</sup> Data comparisons should only be considered indicative as there are numerous differences in data source, collection, and manipulation—and periods of coincidence are approximate.

<sup>35</sup> Independent migrants had on average done better, Family stream and Humanitarian had done less well.

<sup>36</sup> In comparison, population level participation rates from the OECD (calculated on a comparable basis) indicates participation rates for Australia and Canada are 74 per cent and 76 per cent respectively.

<sup>38</sup> Other factors were work experience, age, arranged employment, and adaptability.

**Figure 7: Migrant Labour Force Status—LSIA1, LSIA2 and LSIC**



### ***Age, Gender and Employment***

In aggregate, there is a 6 percentage point difference in the employment rate for migrants in LSIC and LSIA2 (44 per cent compared to 50 per cent). At a disaggregate level, age and gender differences emerge in employment rates. For those in the age group 15 and above, and those in the age group 25-44, LSIA2 employment is about 5 percentage points higher than LSIC (Table 9).

**Table 9: Employment to Population Ratio by Age and Gender of Migrants—LSIA1, LSIA2 and LSIC (per cent)**

Age and Gender	LSIA 1	LSIA 2	LSIC
15 and above	33	50	44
Male	46	64	54
Female	22	37	34
25 to 44	40	55	50
Male	54	70	61
Female	27	42	38

When gender is considered, the difference in employment outcomes for LSIA2 males is more noticeable—being about 10 percentage points higher than for LSIC. Female employment for LSIA2 is however only 3 percentage points higher for the 15 plus group, and 5 percentage points higher for the 25-44 age group. That is, differences in the employment rate for males contribute most to Canada's lower overall migrant employment rate compared to migrants to Australia.

### ***Qualifications and Assessment***

As already discussed, 74 per cent of migrants to Canada had some form of foreign credentials.

Six months after their arrival, only 26 per cent of migrants with professional credentials had at least one of their qualifications verified by an employer, an educational institution or the governing body of their profession within Canada. Another 13 per cent had credentials checked by other sources outside Canada or by immigration officers, while 61 per cent had not had any of their credentials validated.

Of Canadian migrants who had at least one of their credentials validated by an employer, educational institution or professional organisation, 54 per cent had at least one accreditation agency fully accept their credentials (but that means that only 14 per cent of those qualified had their qualification fully accredited); 22 per cent had an agency partially accept at least one of their qualifications; 15 per cent were still waiting for the results of the assessment; and 13 per cent had at least one of their credentials rejected by an accreditation body.

For Australia, 70 per cent of migrants in LSIA2 held a qualification of some kind beyond that of year 12 high school. Assessment of qualifications for LSIA2 post-immigration are quite low—in part due to the requirement that those entering under skilled migrant programs were required to have their qualifications assessed offshore, prior to arrival.

That is, while 32 per cent of those PAs with a qualification sought assessment of their qualifications prior to arrival in Australia only 16 per cent sought assessment post-immigration (and about 5 per cent had Australian qualifications). In contrast, about 47 per cent had not sought assessment of their qualifications. Reasons for this include taking the opportunity for a 'new start', to change career, a job was obtained without formal recognition, or they do not intend to enter the labour force.

In 85 per cent of completed cases, for those seeking assessment onshore, the Australian assessment process recognises migrants' qualifications at the same level as they were originally awarded. In a very small number of cases, the recommendation of the assessing agency is for full re-training before working at the level of original qualification.

The differences in qualification assessment between Australia and Canada have particular importance as the emphasis in both countries has been to focus more on the skilled or qualified. If there is pre-immigration assessment of those skills it is likely that the transition to employment is shorter than if the migrant is required to obtain accreditation post-arrival. Moreover, since migrants to Canada have no guarantee that their qualifications will be accepted by the relevant body it may not be until after arrival that the migrant finds out that some retraining is required before employment can be sought in a particular profession. Given pre-immigration assessment for migrants to Australia this should not generally occur. Consequently, we would expect labour market outcomes, in the short term at least, to be superior for those qualified migrants who come to Australia.

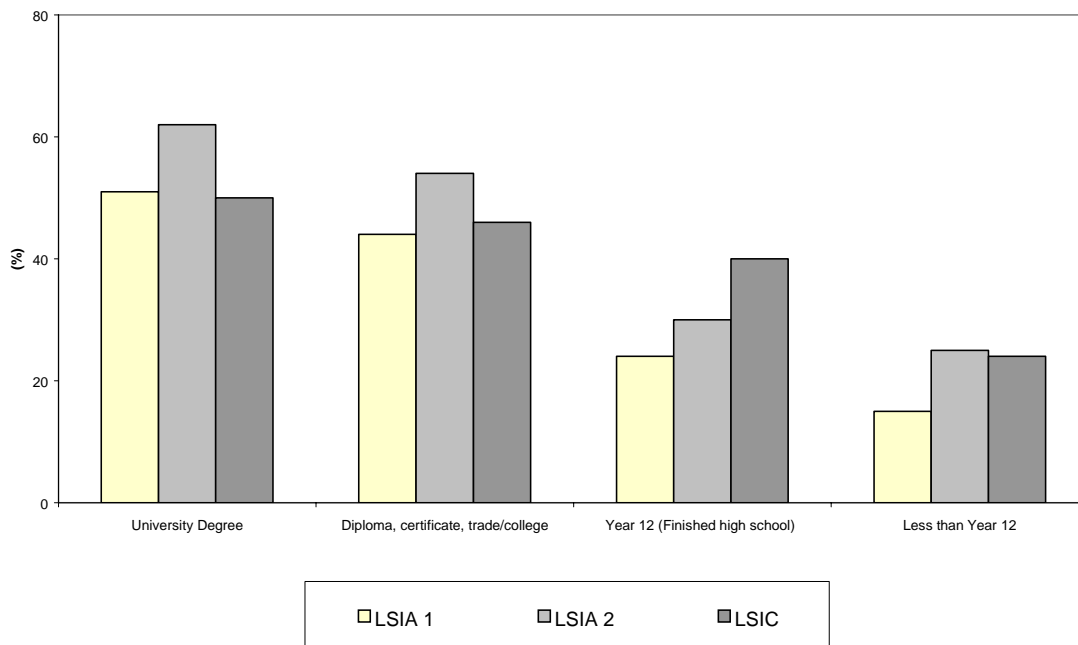
**Qualifications, Returns and Employment**

Migrants to Canada with a university degree who had been there for 5 or more years in 1995 were the only migrants with earnings equal to or above the average earnings of all Canadians (CIC 1998). Migrants from non-official language speaking backgrounds, and those without post-school qualifications, have average earnings below those of the native born (for example, OECD 2003b). LSIA2 data for more recent arrivals to Australia show that more highly qualified migrants also have systematically higher incomes than the less qualified (NILS 2003b).

Data for 1999, relating to relative earning of males aged 30-40, suggest that returns to skills for migrants to Australia and Canada are similar. Australia has a slight advantage for those with less than secondary school education, but for those with a university degree or higher, returns to migrants slightly favour Canada (OECD 2003b). Interestingly, returns to higher education for migrants to Canada and Australia are about 15 per cent lower than they are in the USA (for 2001). This may reflect the fact that returns to higher education are greater in the US than in Australia for the whole workforce, not just for migrants.

As expected, given the differing approaches to assessment of qualifications discussed previously, migrants to Australia with post-school qualifications have a higher success rate in the labour market than migrants to Canada with qualifications (Figure 8). Whether this remains the case for any length of time remains to be seen.

**Figure 8: Employed to Population Ratio by Qualifications—LSIA1, LSIA2 and LSIC**

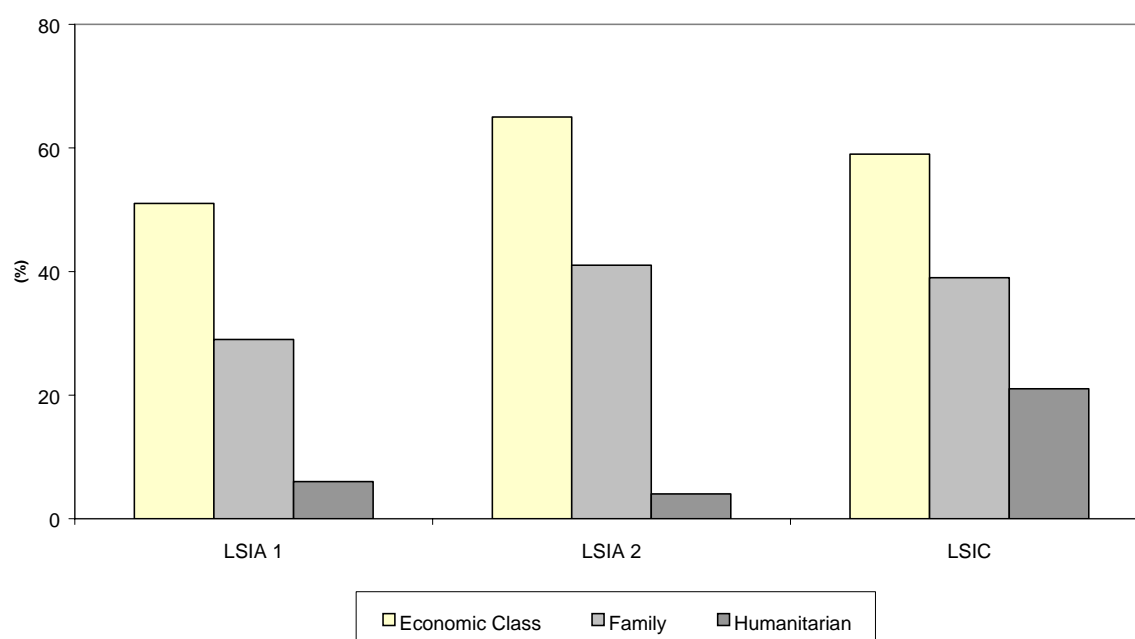


Of those with a university degree in LSIA2, 62 per cent were employed—12 percentage points higher than the 50 per cent in LSIC. The number with non-university post-school qualifications (including Technical/professional Diploma/Certificate and Trade) who were employed was also higher for LSIA2, 54 per cent compared to 46 per cent for LSIC. For the category who had (only) finished school, LSIC employment was 10 percentage points higher than LSIA2 (40 per cent compared to 30 per cent). This pattern is consistent with Australia’s policy of assessing qualifications pre-immigration. It is no doubt also influenced by the better ability with the official language displayed for LSIA2 migrants compared with migrants to Canada who do not seem to be as proficient in the official language/s as the LSIC report tends to suggest.

**Visa Category and Employment**

Employment by visa category suggests that it is the Primary Applicants in the Economic class that drive the difference between Australia and Canada in terms of employment. In Australia, 65 per cent of the Economic migrants (PA) were employed compared to 59 per cent for Canada. For the Family class there was little difference (41 per cent for LSIA2 and 39 per cent for LSIC) whereas for the Humanitarian class the difference was large, but due to the small proportion in this class (7 per cent in LSIA2) this would have little bearing on the overall employment to population ratio (Figure 9).

**Figure 9: Employment to Population Ratio of PA by Visa group—LSIA1, LSIA2 and LSIC**

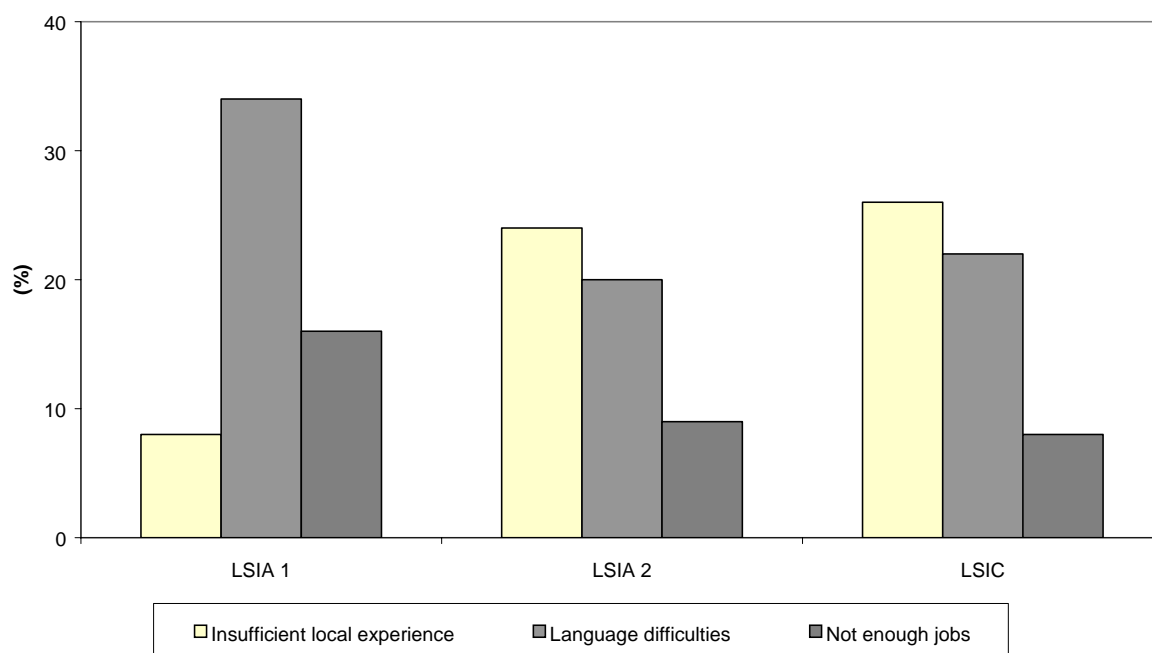


**Problems Encountered in Gaining Employment**

Where comparable data are available the problems recorded in finding employment are similar for LSIC and LSIA2. The major problem was insufficient local experience, followed by language difficulties. Interestingly, labour market demand did not seem to be considered an important factor with only about 8-9 per cent nominating this as a problem (Figure 10). This suggests that any differing economic conditions did not have a significant impact on employment outcomes for migrants.

Notwithstanding the similarities in problems faced, a comparison of those seeking assistance in finding employment is instructive. In LSIA2, 34 per cent of migrants indicated that they needed help in looking for work and 25 per cent (i.e. most) did receive support. In LSIC however over 70 per cent of migrants tried to obtain services helping them to find a job, but only 29 per cent reported no difficulty in obtaining services, i.e. about two-thirds of those seeking assistance reported at least one difficulty in obtaining assistance. That is, most in LSIA2 who sought help with finding employment received it whereas most in LSIC reported difficulties in getting assistance.

**Figure 10: Problems in Finding Work—LSIA1, LSIA2 and LSIC (per cent)**



At this stage we can only speculate on the reason for these differences. Perhaps they reflect the organisational structure of provision of assistance. Although both countries suggest that assistance to migrants is an important service, in Australia assistance is administered at the national level whereas in Canada it is a shared responsibility and there may be some attempts to ‘cost shift’ between the provinces and the federal government.

### **7.3 Suitability of Employment**

One reason for the relatively unfavourable employment outcomes of Canadian migrants in the 1980s and early 1990s is their inability to gain employment in their field of experience or profession. In the LSIC, a high proportion of those who were employed were not working in the same occupational field as they did prior to immigration, with about 60 per cent of women and men working in a different occupational group after arrival. This is mirrored to some extent in the level of satisfaction with their current job. LSIC indicates that 75 per cent of migrants were satisfied (or completely satisfied) with their job, but 42 per cent were looking for another job. This suggests that ‘being satisfied’ may indicate relief at having found a job in the new country notwithstanding that it is not in their previous field or profession, and they intend to move on (either upwards or into their previous profession) when the opportunity arises.

For LSIA2, about 50 per cent of the migrants were in the same broad occupational field as they were prior to migration (for LSIA1 the proportion was about the same), compared to only 40 per cent for Canada. Moreover, 89 per cent of working migrants in the LSIA reported that they “love”, “like”, or were “ok” with their job—and this rose to 96 per cent when “don’t really care, it’s just a job” is added. Migrants to Australia were therefore about 15 percentage points more likely to be satisfied with their current job than were migrants to Canada.

Again it can be concluded that this is the result of factors such as qualification assessment and language proficiency. Since at least 35 per cent of LSIA2 migrants—the skilled who are subject to the points test—had qualifications assessed prior to immigrating it may have been easier to obtain a ‘suitable’ position. Nonetheless, the difference between LSIC and LSIA2 is not especially large and may be due to the differing pressure to find employment that arises from differing access to social security benefits.

## 8 Will Australia's Better Outcomes Continue?

There are a number of factors to take into account when considering whether Australia's superior labour market outcomes, relative to Canada, will continue. Of particular relevance is the growing global demand for skilled migrants. The phenomena of falling fertility rates and aging populations (resulting in amongst other things increasing dependency ratios) is not confined to Australia and Canada and the number of countries attempting to solve this growing problem by seeking to attract young skilled migrants will continue to grow. Traditional migrant countries, including Australia and Canada, will find the 'market' for the skilled migrants becoming competitive.

Both Australia and Canada have changed their immigration policy to encourage more skilled immigration, and at the same time the emphasis on family reunion immigration has lessened. There is no doubt that changes in Australia's policies have been instrumental in improving the labour market success of migrants. It should be expected however that this pattern will be seen in more countries as they try to address the same problems of aging populations, etc. There is not patent protection for immigration policies, and no doubt a number of countries are looking closely to see what Australia is doing right that they can emulate. Given this, it cannot be taken for granted that Australia's superior labour market outcomes will continue indefinitely. For example, Ottawa's recent implementation of its Immigration and Refugee Protection Act (28 June 2002) nominated the two most important criteria for choosing migrants as education and language proficiency.<sup>38</sup> Migrants are to be tested and an inadequate level of language proficiency will result in them being discouraged from applying until their proficiency is improved. If in the future, as Canada seeks to address the poor labour market outcomes for migrants, it adopts this approach more generally the factors that contribute to the greater labour market success of migrants to Australia will diminish.

The predominant influences on labour market success in Australia appear to be related to migrants' qualifications and their assessment, and official language proficiency. Thus emphasis on continuing improvements in ways of attracting migrants with these attributes, and attention to maintaining a positive approach to qualification assessment, should help maintain labour market success for migrants to Australia. As competition for qualified migrants intensifies, avenues will need to be sought that contribute to or supplement current practices and policies.



## Appendix 1 - Sources of Data and information

This report draws primarily on two key sources of data. First, indicators of individual labour market success and a range of personal characteristics are derived from longitudinal surveys of recent migrants. Second, aggregate data from sources such as the Australian Bureau of Statistics (ABS), Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), Citizenship and Immigration Canada (CIC), Statistics Canada, International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD) are used to evaluate the economic environment of the new settlers.

Australia has two Longitudinal Surveys of Migrants to Australia (LSIA). The LSIA1 involved migrants who arrived in Australia between September 1993 and August 1995, and LSIA2 surveyed migrants who arrived in Australia between September 1999 and August 2000. For Canada, the Longitudinal Survey of Migrants to Canada (LSIC) was of migrants who arrived between October 2000 and September 2001. Wave 1 interviews were taken after about 6 months residence in the destination country and it is these data that are used in the analysis. (Although Wave 2 is available for Australia, it will not be available for Canada until completed some time later in 2004.)

Both the LSIA and the LSIC are based on face-to-face interviews of a sample of migrants who received their visas offshore, and who were aged 15 years or older at the time of arrival. The LSIC sample was made up of 12,128 migrants (including Primary Applicants (PA), migrating unit spouse (MU) and dependents) of the roughly 164,200 target population. LSIA1 was made up of a sample of 5,192 PAs and 1,837 accompanying MUs from about 75,000 (relevant) PAs. LSIA2 interviews were of 3,124 PAs and 1,094 MUs from 32,500 (relevant) PAs.

Data for the LSIA are extracted from the original data set provided by DIMIA whereas data for the LSIC are secondary data obtained from publications of Statistics Canada. Data for Canada in published reports refer to migrant population numbers or percentages, calculated from (weighted) sample proportions.

Data for Australia are weighted sample proportions, representative of the population of migrants. Importantly it should be noted that the data for LSIA exclude, amongst others, migrants to Australia from New Zealand. In comparison the LSIC does not exclude migrants from the USA, but such immigration makes up only about 1 per cent of total migrants. The available source of LSIC data restricts somewhat the comparisons that can be made between the LSIC and the LSIA.

## Appendix 2 - Abbreviations and Acronyms

ABS	Australian Bureau of Statistics
CIC	Citizenship and Immigration Canada
DIMIA	Department of Immigration and Multicultural and Indigenous Affairs
GDP	Real Gross Domestic Product
ILO	International Labor Organisation
IMF	International Monetary Fund
LSIA	Longitudinal Survey of Migrants to Australia
LSIC	Longitudinal Survey of Migrants to Canada
MU	Migrating Unit
NAFTA	North American Free Trade Agreement
NESB	Non-English speaking background
NILS	National Institute of Labour Studies
NLF	Not in Labour Force
NZ	New Zealand
OECD	Organisation for Economic Co-operation and Development
PA	Primary Applicant
PPP	Purchasing Power Parity
SOL	Skilled Occupations List
UK	United Kingdom
USA	United States of America
WHM	Working Holiday Makers

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