
4 International Approaches to Skilled Migration

4.1. National Goals for Skill Migration

Australia is not alone in confronting the dilemmas inherent in policy formation. Global migration is a defining phenomenon of the early twenty-first century. Migration currently embraces every category of people - both skilled and unskilled, family and refugee, legal and illegal, permanent and temporary. Short-term people movement is rising markedly, while the accessibility of one immigrant-receiving country may transform the level of demand for another. Given the dynamism of these trends, the few nations left with active immigration programs are constantly being obliged to modify their entry policies, all the time encountering:

... difficulties in harnessing their immigration programs to achieve diverse and often incompatible policy goals... to utilise immigration selection procedures to ensure positive outcomes in a diverse range of policy areas: economic development, human resource development, population and foreign affairs (Stahl et al, 1993: xiv).

Australia competes for skilled migrants with other western (and non-western) immigrant-receiving countries. This chapter compares contemporary policy approaches with those prevailing in Canada, New Zealand and the United Kingdom - the major current alternative destinations along with the US. Based on detailed case studies prepared by Professors Daniel Hiebert (Canada), Richard Bedford (New Zealand) and John Salt (the United Kingdom) appended to this report, the analysis shows common policy trends to be occurring across all four nations, despite considerable diversity in their historical and demographic contexts. Most notably each country has:

- Prioritised skilled migration in the recent period;
- Diversified immigrant source countries and skill levels;
- Utilised points systems designed to improve selection objectivity while maximising employment outcomes;
- Increased scope for 'two-step' migration (transition from temporary to permanent status);

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- Strengthened regional initiatives to encourage more geographically dispersed settlement patterns, in relation to both policy input and settlement options; and
 - Attempted to minimise abuse, through the introduction of more coherent and transparent systems.

In Australia, Canada and New Zealand the monitoring of skilled migration outcomes has evolved to an unprecedented degree. This is arguably critical, in a context where governments are at once attempting to liberalise and tighten governance of skill migration - maximising freedom of movement in order to secure 'desired' labour, while reducing the arrival of migrants likely to experience 'poor' settlement outcomes. Short-term and long-term programs are now the subject of constant scrutiny, with positive results in Australia viewed by government as fundamental to generating ongoing public support.

Despite such similarities it is important to acknowledge from the outset strategic differences in the values underpinning skill policy formation in Australia, Canada, New Zealand and the UK.

Australia

In Australia, since the late 1990s, skilled migration policy aims have been highly utilitarian and expressed in economic terms: to select migrants 'who can quickly make a positive contribution to the... economy, labour market and budget' (Department of Immigration and Multicultural Affairs 1999: vii). Based on sustained research findings from the past 20 years, selection strategies have been designed to screen out at point of entry Principal Applicants at risk of deferred labour market entry, in particular those characterised by:

- Poor English language ability;
- Unrecognised credentials;
- Qualification in fields associated with minimal labour market demand; and
- Older age at time of application.

English-speaking background migrants have benefited from this process, rising from 20% of total degree-qualified arrivals in 1991-96 to 28% in 1996-2001, with the UK and South Africa featuring prominently in skilled category arrivals (Hawthorne forthcoming). In 2003-04, the top source countries for PAs were the UK/Ireland (22%), India (13%), China (9%) and South Africa (6%). In 2005-06, as we have seen, Australia's skilled migration target was 97,500 people, compared to 33,000 less than a decade earlier, out of a total migration/humanitarian program of 153,000 people. Major source countries for 2004-05 applicants have been the UK (18%), India (15%), China (13%), Malaysia (6%) and Indonesia (5%), with the number of British settlers 'doubling in just three years, and a 30 per cent

rise (in 2005) alone... (with) the British... now virtually the only Europeans emigrating here' (Colebatch 2006: 3).

It is worth noting that Australia has not to date developed population policy targets, despite decades of debate on the issue. While the ageing of the labourforce is seen as a threat to productivity, and nation-building remains important, fertility rates are comparatively high in western terms at 1.8 (MacDonald & Temple 2005). Migration quotas are thus established on an annual consultative basis, subject to being cut at times of reduced labour market demand.

Canada

In Canada, according to Hiebert, immigration policy by contrast is based on 'a complex set of social and economic objectives', in a nation where fertility rates have fallen to 1.5, and there is widespread belief that migration represents 'a decisive ingredient in demographic stability'. Within this context nation-building is as significant in terms of skilled migration goals as economic outcomes. High migration intakes have been the norm since the late 1980s, based on annual flows equivalent to 0.7 per cent of the population, and supplemented by a further 1.2 million temporary residents (some third of whom plan to work). By 2003 the Minister for Immigration had pledged to admit over 2 million immigrants the following decade, based on a:

... targeted number equivalent to 1% of the population or a gross immigration of about 300,000 a year. Furthermore, this proposal has been made within the context of admitting this number annually regardless of the state of the current labour market in Canada.

It is clear that this government, and the one that preceded it, have both adopted a strong pro-immigration position (Green 2003: 34).

Canada's skilled migration target for 2004-05 was 132,500-148,000 people (compared to 90,000 in the early nineties), out of a total migration/humanitarian program of 220,000-245,000 (annual intakes as high as 300,000 also being discussed). Skilled migrants represent an increasingly important component of these flows. By 2020, Hiebert reports, it is anticipated migration will 'account for *all* of the net growth of the Canadian population and labour force', contributing to a highly diverse workforce of 7.68 million migrants plus 7.12 million Canadians from visible minority groups.

The human capital model to date has dominated Canada's selection of skilled migrants - endorsed in its most recent migration review (2002), and standing in sharp contrast to Australia's intensification of screening for select employment attributes. While education level matters for Principal Applicants, field and place of qualification do not, in a context where labour market demand is seen as hard to predict and 'individuals can expect to have several careers over their working lives'. According to Hiebert the prevailing Canadian view is that 'well-trained, flexible individuals... who have experience in the labour force' should be able to 'adapt to rapidly changing labour

market circumstances'. In consequence 'general' rather than 'specific' competence is sought - Canadian selection criteria admitting PAs with limited host country language skills, non-recognised qualifications, and in fields of minimal labour market demand on an equal basis to those with more immediately sought after attributes. This trend is the reverse of the Australian experience over the last 15 years.

Hiebert confirms Canadians' strong overall support for large-scale migration. At the same time he notes rising public and government concern at the worsening economic outcomes achieved by arrivals in the past 10 years, including evidence that the migration system may be 'out of synch with the labour market', with Canada 'ignoring and therefore wasting the human capital of newcomers'.

While it is unclear to date the extent to which Canada's January 2006 change of government will impact on Liberal government policy, it is worth noting that the Conservative Party election platform included a commitment to pre-assess foreign credentials and experience, while 'work(ing) with the provinces and professional associations to ensure foreign-trained professionals meet Canadian standards while getting properly trained professionals working in Canada quickly' (<http://www.ndp.ca/page/3009> 2006). A public policy forum is scheduled for Toronto in March 2006 - the potential being for more immediate employment outcomes to become a policy focus.

New Zealand

Immigration has been regarded as an essential rather than a discretionary choice in New Zealand since the 1840s - a matter of demographic viability in the contemporary age of transnationalism where, according to Bedford, 'the conceptual boundaries between temporary and permanent migration have become very blurred'. As noted by Vertovec, migration may no longer even 'be the most accurate term', given its 'connotations of permanency or long-stay', in a context where 'the movement of highly skilled persons tends... to be intermittent and short term' (Vertovec 2002: 2; Hugo 1999). Labour diasporas, such as those from China, India or New Zealand, are often now based on 'triadic' relationships between:

... a) globally dispersed yet collectively self-identified ethnic groups, b) the territorial states and contexts where such groups reside, and c) the homeland states and contexts where they or their forebears came (Vertovec 1999: 3).

Between 1955 and 2004 New Zealand's net population gain was 208,000 people out of a total 2.3 million arrivals. Sustained outflows of New Zealanders to global destinations are the norm, including to the other western immigrant-receiving countries considered in this chapter. By 2004 400,000 of New Zealand's 4.2 million population were resident in Australia, attracted to 'the larger economy and labour market on the other side of the Tasman'. While fertility rates for Maori and Pacific Islander groups remain high, in skill terms this emigration seems certain to exacerbate New Zealand's loss of 'complex

problem solvers' - those tertiary-qualified workers deemed likely to give the economy a competitive edge (MacDonald & Temple 2005).

In Bedford's view 'Filling the skills gap in these areas (in New Zealand) will therefore rely more heavily on immigration, and possibly the international student market, at least in the short to medium term'. While employers are challenged to intensify the attractions of work to keep locals, the government is attempting to secure a net gain of 10,000 immigrants per year - despite New Zealanders' reported reluctance to embrace migration on a Canadian or Australian scale (eg for environmental reasons), and the lack of any national population policy.

In 2004-05 New Zealand's migration/refugee quota was 48,815 people, the majority (29,826) selected through permanent skill categories. From February 2006 progressively stronger weighting will be placed on highly skilled applicants (particularly those with New Zealand job offers), with skilled migration quotas also raised (Immigration New Zealand 2005). The domestic policy context remains complex, involving debate as to whether 'immigration policy should be linked to the labour market situation or to other factors, and whether the emigration of New Zealanders should be seen as a problem or as an advantage'.

United Kingdom

In sharp contrast to Australia, Canada and New Zealand the United Kingdom has no history of nation-building through migration - The UK according to Salt 'has never had a planned immigration program, has never had quotas and has not set out to attract permanent migrants until very recently'. Successive UK governments remained largely indifferent to labour migration ('the Cinderella' of migration policy), concerned from the 1950s to address challenges related to family reunion and the integration of ethnic minorities.

When the Blair government was elected in 1997 it inherited a system designed to 'reduce immigration to the "irreducible minimum"', in a context where the management of migration-entry paths was 'haphazard', multiple ministries were involved, and asylum seeker demand increasingly dominated public interest. In terms of labour migration UK interest lay in temporary rather than permanent worker flows. Lacking any 'highly integrated and linked set(s) of programs and categories', until the current period there was 'almost no attempt to orchestrate the administration of the main routes of entry (such as labour, family, asylum and students)'. Skilled workers typically arrived as temporary entrants, entitled to stay for up to 5 years. Numbers fluctuated annually, reflecting demand (eg 30,000 approvals in 1990 versus 89,173 in 2004). Though 'tardy' this scheme was perceived to be fairly effective, with employers obliged to demonstrate need, and offer conditions compatible with those available to locals.

By the late 1990s however the Blair government began reviewing its labour migration policy, in advance of the release of several reports suggesting a positive association

between the presence of 'skilled and enterprising workers' and fiscal benefits in the global economy¹⁷. By 2000 there was rising national support for better coordinated and higher skilled intakes, despite a lack of corroborative data. In 2002 a new uncapped points-based category, the Highly Skilled Migrant Programme (HSMP), was developed to enhance domestic labour supply. By 2004-05 it was generating 24,000 applicants per year - allowing skilled workers entry *without* a domestic job offer, plus the potential to convert to permanent resident status should they succeed (two-step migration).

It should be noted here that HSMP arrivals are minuscule compared to European Union (EU) flows, or other measures designed to recruit temporary workers. EU membership creates scope for unpredictable labour growth, regarding which there is (again) a lack of accurate data. By 2005 an estimated 487,000 EU/EFTA nationals were employed in the UK (compared to 1.504 million foreign nationals working overall¹⁸). In the context of the EU's free movement of labour, and the 10 state Eastern Enlargement of May 2004, the UK government had rejected the transition period adopted by most other countries, choosing to open its labour markets to A8 nationals in the early period, while retaining the right to close down flows should they harm the indigenous workforce. The ultimate scale of this EU migration is simply unknown.

Judging the Efficacy of Skill Migration Programs: Data Availability

As demonstrated above, Australia, Canada, New Zealand and the UK have diverse backgrounds and motivations in relation to skilled migration - differences certain to affect national assessments of 'success' in relation to outcomes. While labour force supplementation is central to all four, early and 'appropriate' economic contribution of migrants has increasingly dominated policy formation in Australia, in contrast to nation-building in Canada, and demographic equilibrium in New Zealand.

Australia and Canada have longstanding investment in both the data and personnel to monitor skilled migration policy outcomes, with expertise located in the public and academic sectors. Canada for instance monitors migration results through analysis of its five yearly Census (as does Australia). It has a longitudinal taxfile database, allowing the tracking of PAs' employment outcomes by immigration category for up to 20 years (the Immigration Data Base [IMDB], established since 1980). It has invested in the Longitudinal Survey on Immigrants to Canada ([LSIC] based on Australia's Longitudinal Survey of Immigrants to Australia, with the first Canadian data collected from 2000/01). New Zealand similarly has Census data, plus a Longitudinal Immigration Survey: New Zealand (first data to become available in 5-6 years). All three countries comprehensively monitor population arrivals and departures, of relevance to both temporary and permanent resident flows.

¹⁷ The findings in these papers were contested by others, according to Salt. They were used to justify the opening up of labour migration by presenting some evidence that economic migration was a good thing.

¹⁸ 3.035 million foreign nationals were resident in the UK at this time overall.

Skilled migration policy in the UK, by contrast, developed in an 'information vacuum' according to Salt (though this is now changing). There was minimal assessment of impacts on the UK, 'little curiosity' from academics or government, plus a dearth of arrivals or departure data (including estimates of EU worker flows). Little is known of the complex interplay of language ability, skill level or labour market demand on migrants' employment outcomes, quite apart from the impact of country of birth or training, or the variability of patterns over time. The UK, Salt concludes, is 'in the early stages of quantifying the effects of migration as a whole, let alone breaking them down according to skill categories and routes of entry' - a tough context for judging the efficacy of any new program.

4.2. Current Skill Migration Programs Compared

Australia

As detailed in Chapter One of this report, Australia selected 120,060 people in its 2004-05 migration (non-Humanitarian) program¹⁹, including 77,880 skill, 42,000 family, and 13,200 refugee/ special humanitarian entrants. High levels of temporary migration have also long prevailed. For example in 2003-04 40,124 long stay business entry visas were issued to skilled temporary workers (a rise of 6% from the previous year). Computing professionals²⁰ dominated in employer-nominated categories (17%), followed by nurses (12%), managers (11%) and accountants (3%) (Department of Immigration, Indigenous and Multicultural Affairs 2004: 67-8). Developments such as these in Australia have been facilitated by the significant streamlining of temporary migration which has occurred since 1996. According to a recent study,

The rise in long term visitors with work rights in Australia reflects decisions on the part of successive Australian governments to assist employers to recruit skilled staff on a temporary-entry basis. Since 1996, employers can sponsor as many skilled persons for identified jobs as they wish, without a need to test the Australian labour market situation, or to have the sponsored person's credentials first vetted by Australian accrediting authorities (as is required of skilled migrants entering under the permanent skilled program) (Birrell et al 2005: 14).

This liberalisation of temporary entry is continuing - the most recent Australian measures including a strong regional employment focus. Temporary schemes provide important insight on employer preference, signalling the types of workers deemed most immediately 'employable'. Over time, sponsoring employers in Australian have demonstrated a profound preference for ESB professionals. In the Employer Nomination Scheme for instance, which requires full-time positions to be available for at least 3 years, major countries of origin in the recent period have been the UK/Ireland (35%), India (10%), the US (7%), South Africa and Japan (5% each). Working holidaymakers

¹⁹ Minimal detail is given here given the level in other chapters.

²⁰ Employer demand for temporary computing professionals remained high in 2003-04, with 2,808 new arrivals.

represent a further important source of temporary workers with lower skills sets: 104,353 Working Holiday Maker visas were granted in 2004-05, with the UK (29%), Ireland (12%), Korea (17%), Japan (10%) and Germany (10%) dominating (Department of Immigration and Multicultural Affairs 2006).

How do Australia's skilled migration initiatives compare to the permanent and temporary programs operating in competitor countries?

Canada

Permanent residence migration

As noted earlier, Canada is committed to high level migration intakes, with skills clearly prioritised regardless of national economic cycles (Massey 1999). While the family category dominated in the early nineties, the current 'targeted mix' involves 'a ratio of 60/40' in favour of economic migrants. In 2005 the government aimed at 132,500-148,000 economic category arrivals (skilled and business workers, along with dependents), out of a permanent migration intake set at 220,000-245,000. (See Table 4.1.) Migration quotas are established annually following provincial/ territory consultations, with provinces providing settlement services, and Citizenship and Immigration Canada in general governing selection and admission processes.

According to Hiebert it is important to note in relation to this the growing agency of the Canadian provinces. Since 1978 the Quebec government has been entitled to select workers in addition to other immigrant groups, placing a stronger focus on provincial retention and French language skills than is the norm. Regional autonomy has further expanded in the past decade, through the development of additional permanent and temporary resident Provincial Nominee programs supported by the Federal government (a process with parallels to recent regional schemes in Australia). In 1998, for example, the British Columbia Provincial Nominee Program was established - a quota-less program aimed at encouraging the BC migration 'of highly skilled workers in strategic occupations' supported by business sponsors, as well as entrepreneurs assessed by 'net worth, minimum investment, and minimum number of jobs' to be created. This program mirrors a number of Australian regional initiatives.

As with Australia, profound changes in migration source countries have occurred in the past four decades, with 'the longstanding global pattern of migration to Canada... turned almost completely upside down'. The proportion of new arrivals derived from Europe, the UK and the US dropped from 85% in 1966 to just 21% in 2004, the year by which 47% of incoming migrants were derived from the Asia-Pacific, 22% from Africa and the Middle East, and 9% from Latin America. Four fifths of all new migrants to Canada are currently from non-traditional source countries - an issue Hiebert sees as 'fundamental in understanding settlement outcomes'. A mere quarter undergo pre-migration points assessment, with just 9% and 3% respectively claiming English or French as their mother tongue (despite 60% having some host country 'language facility').

Simultaneously there has been increased focus on highly educated arrivals across all categories, with some 370,000 university graduates accepted by Canada between 1995 and 2004. In consequence Canada (like Australia) now includes exceptionally high proportions of overseas-born professionals in the majority of professional fields, including 51% of all IT professionals (compared to 49% in Australia), 50% of engineers (cf 48%), and 35% of doctors (cf 46%) (Hawthorne forthcoming). Engineers, followed by IT professionals and management/ commerce professionals, have dominated recent skilled PA arrivals to Canada.

According to Hiebert 69% of skilled worker PAs selected by Canada now have professional backgrounds, with 82% claiming some host country language ability - far superior to the immigrant norm. The current points threshold for selection is 67 (raised from 70 to 75 in June 2002, but reduced in 2003 following public outcry²¹). By 2004-05 the following source countries dominated skilled category selection: China (18%), India (11%), the Philippines (7%), Pakistan (4%) and Romania (4%). Just one English speaking background country featured among the top 10: the UK at ninth (the source that year of 4,015 people). This represented a major policy divergence from Australia, where the level of professional migration from ESB source countries remains strong, with the UK (25%), India (13%), South Africa (5%), and Malaysia (5%) all featuring in the top 5 source countries. (See Table 4.1)

While a recent study found minimal differences in the potential migrants targeted by Canada and Australia (with both countries keen to secure applicants satisfying basic language and training requirements), a fundamental contrast in terms of points selection is that 'no individual selection factor' to date is mandatory in Canada, allowing an applicant to 'compensate for failure against one factor by performing well against another factor' (Richardson & Lester 2004: 20-21). (See Table 4.2.) Specifically, Canada has not to date:

- Required externally validated English and/or French language testing pre-migration;
- Mandated pre-migration credential screening for recognition purposes, including in the regulated professions (estimated to involve around 20% of Canada's economic migrants);
- Factored labour market demand into selection processes (beyond the provision of bonus points for a confirmed job offer);
- Confined points allocation to prime workforce age; and
- Has only recently introduced bonus points plus temporary rights to stay for former international students.

²¹ The introduction of harsher selection criteria is reportedly a highly contentious issue in contemporary Canada, including mandatory pre-migration language or credential screening.

As previously noted Canada's skilled migration program was last reviewed in 2002. Despite modest fine-tuning - the results of which should become evident in the next few years - the nation's commitment to the human capital selection model was maintained, based on the selection of migrants with a perceived capacity to adapt plus 'core capabilities of literacy, numeracy' (etc) rather than more tightly prescribed credentials. Based on the Conservative Party's election platform, it seems possible this could be reassessed in the near future.

Selection protocol

Canada's selection protocol for skilled migrants remains highly decentralised, according to Hiebert, in sharp contrast to Australia's repatriated model. While the Canadian government piloted centralized processing in 2000/01, this was considered to be high-cost and inefficient given the number of cases likely to require local verification. A total of 65 missions currently deal with applications, including '31 stand-alone offices that have full capacity to assess skilled worker applications, 11 regional processing centres that also have full capacity, and 23 satellite offices that do not accept applications but can be called upon to conduct interviews with applicants and/or background work in application verification' (for example for a Vietnamese application processed in Singapore).

In all, 80% of applications to Canada are processed abroad (skilled, family and refugee/humanitarian categories). Skilled PAs are obliged to lodge applications from their country of nationality or 'residence' - a requirement often necessitating a trip to the US from candidates who are Canada-based. While in-country applications were introduced in 2005 for select schemes (eg Provincial Nominee Programs), this initiative lapsed in the recent pre-election phase, when the former Liberal government was in caretaker mode. Canada nevertheless monitors Australia's introduction of a repatriated processing model - a recent Citizenship and Immigration Canada official sent to study it, and the system open to change in the light of the recent election.

Temporary migration trends

Complementing the permanent migration policy described above, it is important to acknowledge the significance to Canada of short term worker flows (as for the other three countries examined). According to Hiebert some 250,000 temporary employment visas were issued in 2004, bringing to 410,000 the annual TR total. 'Foreign workers' dominated arrivals (with 99,700 visas), followed by international students (56,600) and refugee/humanitarian claimants (47,000). 22% of all incoming temporary workers were professionals, with the major source countries the USA (17%), Mexico (13%), the UK (8%), Australia (8%) and France (7%). These sources differed significantly, it should be noted, to Canada's permanent skill migration flows (major sources for these in 2004-05 being China, India, the Philippines, Pakistan and Romania).

New Zealand

Permanent residence migration

In the year to June 2005 New Zealand selected 29,826 skill category migrants (including 12,156 PAs), out of a total migration/ humanitarian target of 48,815 people. A recent amendment introduced an additional quota of 3,000 places for 2005-06, with the overall target rising to 32,000 (Immigration New Zealand 2005). Apart from scale, New Zealand's governance of skilled migration differs in fundamental ways to that of Canada and Australia. Firstly New Zealand is a nation without states, where policy is generated by the Minister of Immigration and Parliament. Secondly there is no official multicultural policy, despite an 'emerging multicultural reality' in a nation that is traditionally bicultural in focus. Thirdly there was minimal support in New Zealand until recently to assist migrants engaged in the settlement process, reflecting a bias until the mid 1980s towards mainly English speaking migrant selection.

In 1986 the New Zealand government undertook a substantial migration policy review, the catalyst for accepting migrants from 'anywhere in the world' subject to select human capital requirements. Source countries were diversified (significantly later than in either Canada or Australia). A points system was introduced within 5 years, 'prioritizing qualifications' while permitting low English language skills, and resulting in a 'massive' surge of North East Asian migration (with English requirements quickly raised 'to stem the flow').

In 1997 the New Zealand government sponsored a national population conference, addressing what Bedford describes as the 'dismal employment record for Asian migrants admitted under the points system' to date, and examining the case for the introduction of settlement services. In 1999 the election of the current Labour government coincided with the start of 'a quiet revolution in immigration policy' - in particular a stronger focus on economic migration (now 60% of the permanent migration target), compared to 30% for family and 10% for refugee/ humanitarian entrants.

A new Skilled Migrant Category (SMC) was introduced in New Zealand in December 2003, based on a revised points system, and addressing 'acute skills needs'. Based on permanent as well as temporary migration, the SMC was designed to facilitate 'transition' from work or study to 'residence', supported by an improved settlement strategy to be progressively phased in. The scale of permanent arrivals remained small: the annual skilled quota (including for business) set at 27,000-30,000, with applicants required to achieve 100 points from September 2005 for selection eligibility from a pool which could change fortnightly - the level of points for automatic acceptance increasing to 140 from February 2006²².

²² The 100 point threshold applies to the period since September 2005. Before that more than 100 points were required. Late December 2005 the Minister announced the points required would increase to 140 for automatic acceptance (Immigration New Zealand 2005).

Refined in December 2004 to enhance 'employability and capacity building factors', the Skilled Migrant Category is currently based on a broader than previous definition of skills (including the trades), and provides bonus points for perceived settlement capacity (eg the presence of close family members in New Zealand). Selection criteria are directly comparable to Australia's, including:

- Pre-migration English language screening (a minimum of IELTS Band 5.0 or equivalent, since raised to 6.5 for Principal Applicants and hence more rigorous than the level currently required for Australia²³);
- Mandatory pre-migration qualifications recognition;
- Bonus points for former international students with New Zealand qualifications (based like Australia on 2 years minimum study); and
- Additional bonus points for occupations in demand, job offers, regional settlement and other employment-relevant criteria (with rewards for job offers intensified in the recent policy announcement).

International students, as in Australia, were immediately eligible to apply for migration on course completion. By definition, most were highly advantaged in the migration process - characterised by youth, advanced English language ability, fully recognised qualifications, locally relevant training, and enhanced acculturation. Most had good potential to secure bonus points, for example for New Zealand work experience and job offers. The qualified partners of students were also encouraged to work - as temporary residents to 'accumulate the points required to qualify for residence under the skilled migrant category' (See Table 4.1). Within the first year of the SMC's operation, Bedford reports, onshore applicants typically achieved 150 points compared to 120 for offshore applicants, with 31% of all selected migrants in consequence 20-29 years old.

As in Australia selection also factored in employer demand - 47% of 2004-05 skilled migrants having occupations on New Zealand's Long Term Skill Shortage List (comparable to Australia's Migration Occupations in Demand List). This list spanned 60 fields by mid-2005 (24 in health, 15 in IT, 10 in trades, and 7 in other professions), compared to an 'Immediate' Shortage List of 108 (facilitating the arrival even of 'bee keepers', 'shepherds' etc).

Perhaps the most important policy trend to note for New Zealand is that the introduction of the Skilled Migrant Category coincided with a major shift in terms of country of origin. In essence New Zealand reverted to its historical norm in 2004-05, with the UK (49%), South Africa (12%), China (6%), India (5%) and the US (4%) the primary migration source countries. This outcome reflected 'extensive marketing by

²³ According to Immigration New Zealand's most recent *Trends* report (forthcoming), Skilled/Business Principal Applicants averaged IELTS 6.6 in 2004/05, with Skilled Migration Category applicants averaging 6.9. To the author's knowledge this is the highest such international requirement, only matched by language requirements for registration in medical or health science fields, and select university courses (eg medicine, law, education).

Immigration New Zealand in the UK, Europe and the USA for skilled migrants'²⁴, reducing the scale of recently cultivated flows from India and China. The proportion of UK skill migrants, for example, surged from 15% of the total in 2000-03 to 49% in 2004-05, while representation from China, India and 'other countries' dropped markedly: India from 22% to 5%, China from 11% to 6%, and 'other countries' from 39% to 25%. 'In summary', Bedford writes, 'the nature and composition of the skilled migrants approved for residence in New Zealand has been transformed by changes to the points selection system announced in July 2003 and implemented from the beginning of 2004', resulting in a reversion to 'predominantly "white" migrants'.

Selection protocol

In terms of selection processes, New Zealand operates a hybrid model at this stage. From July 1997 to December 2005 just over half of migration/refugee applications were decided outside the region, most notably in London (17%), Beijing and New Delhi (6% each), and Singapore (5%). Some 40% of applications were approved in New Zealand, plus 6% in the immediately surrounding Pacific region (3% each in Fiji and Samoa). By 2004-05 London had the lion's share of approvals (18% of all cases, rising to 24% in the first half of 2005-06, with large numbers certain to be skilled). This was followed by New Zealand processing centres reflecting the importance of on-shore flows (Auckland, Henderson [in West Auckland] and Christchurch approving respectively 13%, 10% and 10% of all cases).

Temporary migration trends

From July 2004 to June 2005 an additional 82,497 temporary work permits were approved by New Zealand: 10,000 more than in the previous year and triple the number issued in 1997/98. 23% of these were allocated to the UK, 8% to both China and Japan, and 5% to both India and Germany. According to Bedford, temporary visas now represent 'an integral part of the transition to residence', facilitating two-step migration related to business, special talent, and long as well as short-term skill shortage areas.

In particular, it should be noted that the two year open work permit has become a direct pathway to migration for applicants lacking an immediate job offer who might otherwise have had difficulty reaching the points threshold (a process being replicated in Australia, through the November 2005 extension of the Occupational Trainee Scheme). The work to residence requirement has recently been cut from 24 to 6 months (Immigration New Zealand 2005). Students holding graduate qualifications are also encouraged to work while engaged in 'long term study', a 'win-win' option designed to boost New Zealand's labour supply as well as international education. China currently

²⁴ Australia in 2005 similarly engaged in a series of European 'Expos' in the UK, Netherlands and Germany, as well as one in India. Australia-based Expos targeted current international student enrolments.

represents the major international student source (44% of enrolments) followed by South Korea (15%), Japan (6%) and the US (4%), with the link between international student enrolments and motivation to migration having been clear for decades (Shu & Hawthorne 1996; Khadria 2001). According to Vertovec,

The movement of students should be seen as an integral part of transnational migration systems, not least because the networks they forge often lay the tracks of future skilled labour circulation (among governments there is growing awareness of this, seen in the increasing incidence of national programmes for students recruitment with a specific view towards longer-term or permanent settlement) (Vertovec 2002: 13).

Boosting these temporary flows, 31,000 Working Holiday maker visas were allocated for 2004-05 (two-thirds of them taken up) - the UK once again dominating with a third of all arrivals, followed by Japan, Germany, Ireland and Canada. By 2006-07 the scheme's quota is intended to grow to 40,000 people (Immigration New Zealand forthcoming).

Immigration New Zealand's 2004-05 *Trends Report* confirms the power of pre-existing links to subsequent 'permanent' migration. An extraordinary 88% of PAs in 2004-05 'had previously had a (NZ) work, study or visitor permit at some stage since July 1997', particularly those arriving as skilled or business migrants (Immigration New Zealand forthcoming). In relation to this Bedford notes that 90% or more skill migrants from South Korea, Japan, Germany, South Africa, the US and the UK had made prior visits, with 31% of those arriving as students or temporary workers becoming residents within 5 years. The scale of temporary flows is now double that of permanent intakes (855,000 compared to 471,800 from 1997 to 2005). Bedford concludes:

... it is no longer advisable to treat temporary permits as a completely separate category of migration policy. Good employment and settlement outcomes for both the migrants and the host society are critical determinants of the success of contemporary immigration policy, and the work to residence transition provides one very effective route to building the experience and capability required to achieve these outcomes.

United Kingdom

Temporary to permanent migration?

The United Kingdom exemplifies this trend to 'two-step' migration, though data remain unreliable and thin (in marked contrast to that generated by Australia, Canada, and to a lesser extent New Zealand). According to Salt labour migration now occurs through multiple programs including:

- *The Work Permit Scheme*: 89,173 issued in 2004 (compared to 30,000 in 1991);
- *The Highly Skilled Migration Programme*: 24,000 applications in 2004-05;
- *Additional schemes* (eg Working Holiday Makers, International Students), contributing to the balance of 1,504,000 foreign nationals resident and working in the UK by 2005; and
- *European Union flows*: the source of an estimated 487,000 workers in 2005.

In principle labour arrivals to the UK are viewed as temporary rather than permanent, with residence typically awarded following successful economic performance (in contrast to flows from EU source countries which are neither planned nor controlled). In the majority of categories up to now employers rather than government have also played key roles, despite Home Office governance of the recently introduced Highly Skilled Migration Programme. (The exception has been the recruitment of overseas health workers, where the government - through the Department of Health and the Treasury - plays a major role as employer and paymaster via the National Health Service.)

Off-shore and on-shore recruitment primarily occurs through the long-established Work Permit Scheme: the 'main mechanism for managing labour immigration', and an 'employer-sponsored route' designed for non European Economic Area citizens. Issued for up to 5 years, work permits allow temporary arrivals to demonstrate their skills in situ, with 'highly sector-specific' recruitment the norm, and health professional (30%), IT (16%), administrative, business, catering and educational sector recruitment dominating by 2004.

'First permission' represents an increasingly popular variant of the scheme granted to employers for workers already resident in the UK (for example as visitors), followed by work 'extension' and on-shore 'change of employment' options. Within the current market this favours the selection of associate professionals and technicians (56%), professionals (22%) and managers/administrators (13%), with over a third of all visas going to health workers (36%, reflecting National Health System shortages), followed by IT workers (at 11%), and growing participation by Indian IT workers and Filipino nurses.

Managed by the Home Office since 2001, the Work Permit scheme's efficiency is reportedly high, aimed at global competitiveness and applicant turnaround 'within days'. In order to define occupational demand, a Shortage Occupation List was introduced from 1991 - since governed by Sector Skills Advisory Panels charged with monitoring shortages 'on a quarterly basis'. Six panels currently exist, spanning the health, ITCE, engineering, education, finance and hospitality sectors (despite the 'removal of all IT-related occupations' in September 2002).

The Highly Skilled Migrant Programme, as noted earlier, is the option introduced from 2002 to 'reward (applicants) with significant past earnings and work experience', who are deemed to have 'reasonable prospects of securing work or establishing a business in the UK'. The program was innovative in several important ways. Firstly, it involved Britain's first-time use of a points system. Secondly, no prior job offer was required. Thirdly, permission was granted to applicants rather than to UK employers.

Designed to attract 'individuals with exceptional personal skills and experience, entry is initially granted for a year, with a potential three year extension and ultimate conversion to permanent resident status. Commonwealth countries dominated the 24,000 applications lodged in 2004-05: India (22%), the US (11%), Australia (9%), South Africa (8%) and Pakistan (8%). To date just one field has been prioritised (family medicine), with applications required to be lodged off-shore. A total of 65 points are currently required for eligibility, the prime differences with Australia's points test being:

- An extraordinary focus on occupational demand (with 50 points allocated for a sole professional category: general practitioner);
- The emphasis placed on recent level of earnings (25-50 points - the next most important criterion, along with recent work experience);
- The number of points allocated for achievement in an applicant's field (25-50 points); and
- Lack of any specified points for recognised qualifications or host country language ability.

Additional UK schemes allow for on-shore labour recruitment: the process, according to Salt, 'which turns foreigners already living in the country... into permitted foreign workers rather than... bringing in labour currently living abroad'. Current options include those for Working Holiday Makers, innovators, entrepreneurs and investors, plus former international students (primarily science and engineering graduates), for example through the Talent Scotland scheme²⁵. Salt notes that international students in the UK constitute a potentially important labour pool, given the presence of 319,000 by 2003. While little is currently known of their employment engagement or outcomes, growing government interest is evident - postgraduate access to professional training facilitated

²⁵ The Talent Scotland scheme allows overseas students graduating in Scotland privileged access to the Scottish labour market - this representing the UK's only regional program.

through the provision of 'internships' with UK employers, with labour market testing no longer required (in line with Australia's recent liberalisation of the Occupational Trainee Scheme).

Current policy developments: the 'five tier scheme'

The period ahead in the UK is potentially very significant. In February 2005 a five year labour migration strategy was announced in the lead-up to the UK election, in a context where migration and its control were predicted to become central issues. A key document, *Selective Admission: Making Migration Work for Britain*, was released in July, the prelude to six months of preliminary stakeholder input, to be followed by detailed plans in 2006 and policy implementation in 2007. Alongside liberalisation of labour entry (see below), reverse measures are to be introduced - designed 'to improve public confidence in the system of control, prevent those who do not meet the criteria from getting into the UK and ensure that those who are not entitled to be in the country leave'. This was presumed at the time to be a vote winner.

In terms of skills a new five tier scheme is proposed to replace the existing system, designed to allow 'the integration of a large number of routes into a consolidated' program. Based on the abolition of work permits, the onus will be on potential workers to apply for 'entry or stay', with variable entitlements (such as family reunion) available depending on applicants' labour migration tier and hence priority. Specifically,

- *Tier 1* will represent the 'global competition tier', designed to secure 'highly skilled individuals to contribute to growth and productivity' - in other words the points-based Highly Skilled Migration Programme, a route to permanent residence for which a sponsor is not required.
- *Tier 2* will be 'the skill shortage tier', designed to replace the on and off-shore work permit systems, allowing applicants with job offers to meet defined shortages 'where an overseas national is necessary', to work for 1-3 years, then potentially proceed to PR. (Innovations include that this scheme would now be points-based, with a job offer required, and possibly some form of labour market testing. Salt notes 'it is not yet clear whether advertising vacancies across the EEA will be expected and this is something that is under consultation'.)
- *Tier 3* will allow for the recruitment of 'limited numbers' of lower skilled guestworkers to address shortages for defined periods of time, before leaving the UK (for example agricultural workers).
- *Tier 4* will facilitate the entry of students - an option designed, like the Australian, Canadian and New Zealand systems, to also boost export education.
- *Tier 5* will maintain a range of additional temporary categories with an employment focus (for example 'visiting workers', people engaged in select development schemes, and 'youth mobility/cultural exchange').

Within the proposed system there would be no 'overall quota' for migrants (especially in tiers 1 and 2). The aim, in Salt's view, would be 'to target the migrants who are most likely to maximise growth and productivity', with points 'allocated and weighted according to evidence as to which factors are most closely related to economic success' (a process also intended to improve transparency). A dearth of detailed information on the five tier plan, according to Salt, has triggered ambivalent employer response - despite the government aiming 'to increase the number of highly productive and highly skilled workers in the UK, fill short term shortages and gaps in the labour market, and increase UK exports' through 'enhanced productivity and innovation'.

Selection protocol

In terms of UK selection, as in Australia, candidates would undertake preliminary self-assessment for the relevant tier, followed by lodgement of a formal application backed by appropriate evidence. The aim would be 'one application process rather than the existing two', in a 'highly dispersed system'. Off-shore applications would be handled by UK overseas posts 'distributed worldwide', with on-shore applications by the UK-based Managed Migration Directorate (currently split on a 50:50 basis). Caseworkers would assess applications and decide on outcomes, with compliance checks undertaken by post staff as deemed appropriate. Points allocation and 'extensions' would vary between categories, with potential scope for applicants to 'progress between tiers', facilitating a 'more integrated management system'. Candidates would secure points for variable attributes, for example reaching threshold scores 'with a verified job offer not on the shortage list ... by a combination of salary, skills and/or regional need'. In marked contrast to the other three countries studied, 'Current thinking is that salary in a job offer looks likely to be the best indicator of an individual's probable contribution to the UK economy, subject to further evidence-gathering and analysis'. However salary assessment is problematic when an applicant has last worked in a very different remuneration context (eg India).

Salt notes several potential problems with the proposed system, the focus of current consideration in the UK. The close integration between job, applicant and employer - a positive feature of the work permit scheme - would be lost. ('Having made a job offer, the employer is moved from the equation.'). New barriers might be created for transnational employers, with 'the special knowledge and services provided by HR departments and immigration lawyers in facilitating inter-company transfers' forfeited. The proposed global dispersal of caseworkers could create problems for training, data comparison, and coordination, given their 'scattering across upwards of 150 countries'. There might be methodological difficulties in the accurate identification of skill shortages for Tier 2 workers, along with problems related to system coordination and data management (creating the fragmentation the Australian system has worked so hard to overcome). Overall, in Salt's view,

... the new system is being developed against a research-poor background. Information on how successful migrant workers have been is scarce and there are currently no plans to change this. Hence, decisions with respect to points allocations cannot be made in light of hard evidence of outcomes from past migrations.

It could be necessary to review policy decisions as hard data become available.

4.3. Points Testing: Areas of Difference

Before concluding this international analysis, it is worth summarising key differences in the four countries' utilisation of points-based assessment, recognising the relative insignificance of this to date in the UK (selection of around 24,000 people per year out of an estimated 1.5 million resident foreign workers).

Australia's goals from the start have been pragmatic in relation to points allocation - as far as two decades back to predict 'an applicant's prospects of obtaining employment and being able to support himself and his family in Australia' (Department of Immigration and Ethnic Affairs 1983: 3; Parcell et al 1994). Sixty points were required in the early 1980s to pass this assessment - the greatest number (maximum 25) reserved for 'immediate employment prospects', with up to 10 points awardable for skills, 16 for pre-arranged employment, 8 for age, 8 for education (completed tertiary degree), and 10 for employment record (if 'outstanding').

By 2005 Australia's goals were similarly utilitarian - the primary difference being the extent to which the government now refines points criteria by drawing on LSIA as well as Census-based research evidence (Richardson et al 2001; Birrell & Hawthorne 1999). Australia's points testing protocol is most directly comparable to New Zealand's (which often reflects Australian models). Canada's human capital model is the 'softest' in terms of entry, but results as we shall see in more problematic employment outcomes. Major similarities and differences between the systems are summarised below, with additional detail provided in Table 2 (eg related to bonus options):

It is worth noting in relation to this the extent to which all four nations have adopted two-step labour migration: a longstanding norm for the UK, the newly dominant model for Australia and New Zealand (primarily through on-shore student flows), and the basis of modest preliminary initiatives in Canada. Current bonus options built into points systems encourage this trend, including rewards for local degrees, for 'temporary' regional study, regionally-sponsored employment, postgraduate work (for self or partner), and/or host country job offers.

Overall points required for skill migration eligibility (points-tested categories)

- Australia: 120 points out of a possible 175.
- New Zealand: 140 points from February 2006 out of a possible 185 (previously 100).
- Canada: 67 out of a possible 100 (reduced in 2003 from 75, following public outcry).
- UK: 65 out of a possible 220 (reduced in 2005 from 75).

Pre-migration host country language assessment

Only Australia and New Zealand have mandated pre-migration English language screening for Principal Applicants to date, based on independently validated instruments such as the International English Language Testing System, or a designated equivalent (eg the Occupational English Test for health professionals²⁶; see Hawthorne 1997):

- Australia's current threshold for English requires PAs to achieve IELTS 5 or above across all four language skills (reading, writing, speaking and listening) - any PAs with lower scores being ineligible to proceed with skilled migration.
- In New Zealand the threshold score has been substantially higher since November 2002: with IELTS 6.5 required across all four tests, resulting in a current 6.9 IELTS average for approved applicants (INZ forthcoming).
- Unlike New Zealand Australia allocates skilled migration points for English language ability: 20 for candidates with 'competent' English (IELTS 6) compared to 15 for 'vocational' English (IELTS 5).

²⁶ This test has been used by Australia (including at overseas posts) in 13 health professions since 1989.

Canada and the UK differ significantly in terms of language testing requirements, as follows:

- While Canada allocates 2-24 points for host country language ability (English and/or French), this is *not* a threshold requirement, with test exemptions and a degree of self-report permitted²⁷.
- While the UK requires applicants to rate their English on the HSMP Eligibility Assessment Form (eg 'Good-Vocational', 'Very Good-Competent'), no points are allocated for language and the significance of English as a hurdle requirement remains unclear.

Pre-migration credential assessment and skill level

Though all four nations allocate substantial points to level of skill, only Australia and New Zealand mandate pre-migration qualifications screening as a condition of eligibility for skilled migration. Further,

- In Australia, as we have seen, applicants with recognised occupation-specific training receive 60 points, compared to 50 for general professional occupations and 40 for other skilled fields.
- New Zealand and Canada award highest points for Masters and PhD qualifications (respectively 55 and 22), followed by Bachelor and Trade credentials (50 and 20-22). Canada is the sole country to allocate points for basic school and post-school qualifications (from 5-15 points).
- Australia, New Zealand and Canada have all introduced bonus points for completion of host country qualifications (minimum 2 years study²⁸): in the case of Australia 15 for a PhD, 10 for a Masters or upper Honours degree, and 5 for Bachelor, Diploma or Trade qualification levels; in the case of New Zealand and Canada respectively 10 and 5 points.
- The UK has the most highly differentiated system in terms of skill level: allocating 65 points to an MBA (earned from one of the world's top 50 graduate schools), 30 to a PhD, 25 to a Masters, 15 to a Bachelors degree, as well as variable rewards for Trades or Professional qualifications deemed commensurate with UK credentials.

²⁷ Applicants from English or French speaking countries, who have been educated in those languages, must provide evidence to support the claim. Those from non English or French speaking countries are exempt from testing if they were educated in English or French (an issue which has proven problematic in terms of claims to Australia for testing exemptions). All other applicants to Canada are subject to independent language testing.

²⁸ In Australia a 16 month 'two year degree' with summer semester is now allowed.

Relevant employment experience (including achievement in the field and earnings)

Work experience is the primary variable in UK selection (scored up to 125 points), a factor also highly valued by New Zealand (its major policy divergence from Australia, to be further emphasized from 2006):

- The UK allocates 25-50 points for graduate level experience, requiring 5-10 years for older applicants compared to 2-4 years for those aged under 28.
- Achievement in the 'chosen field' is also important: attracting 25 points for 'exceptional' achievers, compared to 15 for applicants with 'significant' track records.
- Earnings level in country of origin matter immensely to the UK (deemed indicative of future productivity), with countries ranked category A to E, and high-scale earnings awarded an additional 50 points. (Country A applicants aged 28 years+, for instance, are awarded 50 points for salaries worth £250,000 per annum, reduced to 25 points for £40,000 earnings, the Country E equivalent being 50 points for £21,875 compared to 25 points for £3,500.)
- Canada mandates a year's full-time work in a field on the National Occupation List as a threshold criteria. It also awards up to 21 points for a maximum of 4 years work in a skilled occupation.
- Australia to date allocates minor points for experience: 10 for work in a 60 point occupation, 5 for work in any field, with experience waived entirely for former international students (a policy choice, as previously demonstrated, that is problematic for local employers).

Occupational demand

Occupational demand was found to be highly significant to all four countries analysed:

- Australia gives 20 points and automatically prioritises the assessment of skilled applicants with fields listed on the Migration Occupations in Demand List (with job offer), or 15 points for MODL applicants without job offers.
- The UK awards 65 points for applicants with MBAs from one of the top 50 world schools (virtually all in western locations), justified by 'a lack of high quality management (which is a) weakness in the UK economy' (Home Office 2005). The sole other field prioritised is medicine, with 50 points allocated to overseas trained doctors eligible to work in general practice.
- New Zealand offers multiple bonus points for experience or qualifications relevant to fields in demand (including in skill shortage locations), as well as for New Zealand-based work (see Table 2). The February 2006 policy amendment strengthens this trend.
- Canada awards 5-10 points to candidates with temporary or permanent local job offers, local experience or arranged work.

Age

Australia regards age as highly significant to employment outcomes. Skilled Principal Applicants must be aged 18-44 years, with 30 points awarded applicants 18-29, reducing to 15 in the 40-44 age bracket. The other countries examined are less harsh on this score:

- New Zealand accepts PAs from 20-55 years, the points allocated varying from 30 for young applicants (20-29) to 5 for those aged 50-55.
- In Canada no age ceiling has been established - 10 points allocated to applicants 21-49 years, with those 49 plus forfeiting 2 points from their overall score for each extra year.
- Age is least significant in the UK, with no defined ceiling or penalty, and just 5 bonus points allocated to applicants under 28 years (those migrating through the Young Person assessment protocol).

Spouse skill level and sponsor relationship

All four countries value spouse potential in skilled migration: allocating 5 points in the case of Australia (if spouse age, English ability, recognised qualifications and experience appear likely to facilitate work), 3-5 in Canada (dependent on education level), 10 in New Zealand (boosted by occupational shortage issues), and 10 in the UK.

Points for sponsorship by relatives however vary significantly among the countries analysed. Australia is by far the most generous to date - allocating 15 points for sponsorship by a close relative, and reducing the points required to 110 rather than 120 (creating a minimum 25 point bonus, even lower in select 'regional' locations). By contrast 10 points are allocated by New Zealand and 5 by Canada for relative sponsorship, there being no skill migration bonus in the UK at all.

4.4. Assessing Skill Migration Policy Outcomes

As demonstrated above, Australia's skilled migration selection criteria are relatively tough in international terms, with the exception of its greater latitude on the points required by sponsored relatives. To what extent do such variations in selection criteria deliver superior labour market outcomes?

New Zealand

The economy in New Zealand is booming, as it is in Australia and Canada - the November 2005 quarterly work survey showing an unemployment rate of just 3.4%, with employment as well as earnings steadily growing (Statistics New Zealand 2005). To date however, Bedford states, 'There have been few systematic efforts to assess the benefits of international migration for New Zealand's economy and society'. Assessment moreover remains methodologically complicated by the need to deal with worker inflows as well as outflows (rarely in balance), as well as for potentially short periods of stay.

New Zealand's limited research to date suggests popular acceptance for migration-related diversity - the 'rise of the tolerant society' despite debate 'oscillating between "invasion" and "brain drain"'. 'It is as if New Zealanders realise that the forces of globalisation... must be embraced by necessity in order for the country to maintain a high level of income, despite its small size and peripheral location' (Bedford et al 2003a; 2003b). A recent OECD study, according to Bedford, predicts positive outcomes from the current points-assessed protocol - despite some concern regarding the selection of 'narrowly' rather than 'broadly applicable' workforce skills, and 'the long-term value of the incentives being offered to migrants willing to take up jobs outside the Auckland regions'.

Results from New Zealand's pilot longitudinal survey suggest good employment levels to be achieved by skilled migrants within 18 months of arrival, relative to family and refugee category arrivals. After 18 months in New Zealand, 84% of Principal Applicants admitted in the skilled/ business migration stream were employed, compared with 52% for those in the family and international streams. The shares unemployed and seeking work at Wave 2 were 3% for skilled/ business migrants and 7% for those in the family/ international streams (New Zealand Immigration Survey 2004: 63). However the policy context to date has been tightly controlled:

There is not the mass influx of unskilled workers that are such a dominant feature of immigration to other high income countries... It should (also) be noted that New Zealand is going through a long phase of economic buoyancy with high economic growth and very low unemployment. The real test of this newfound tolerance will come as the business cycle will move into a recessionary phase, as it inevitably must in a market economy (Bedford & Poot 2005).

United Kingdom

Concerning the UK there is even less information - the latest version of the Highly Skilled Migration Programme just released in April 2005, and the number of migrants involved slight. As noted by Salt from the outset, the migration context is totally different - the defining characteristic of the UK being it is 'part of an international political grouping (the European Union) where there is freedom to move between member states to seek and take up work and residence'. The HSMP is to date a policy sideshow of little numerical or substantive significance, informed by 'comparatively poor statistics and... almost no information on outcomes that would allow the government to know what works and what does not'.

Canada

The research findings

Given such limitations, comparisons in terms of skill migration outcomes are feasible to date solely in relation to Canada - the subject of a major separate study by the author (Hawthorne forthcoming).

As we have seen, Canada is committed to the human capital model of selection, prioritising migrants with a perceived capacity to adapt, supported by 'core capabilities of literacy, numeracy' (etc) rather than more tightly prescribed credentials. Qualifications and experience are treated as equal, regardless of national origin. This strategy has been maintained in the face of growing evidence on the uneven work outcomes secured by migrants, their differential acceptance by employers, and regulatory body practices based on a rank ordering of migrant qualifications according to the perceived calibre of training systems (see eg Reitz 2005; Sweetman 2004; Hawthorne forthcoming). While host country language facility is critical to work outcomes, the capacity for migrants to self-report English and French level persists, allowing the continued entry of large numbers with minimal host country fluency (Ferrer et al 2004).

Within this context Hiebert confirms the past decade to have coincided with deteriorating Canadian outcomes for qualified migrants, who 'are experiencing more difficulty finding well-paid work now than was the case in the 1970s (with)... the narrative of declining fortunes for recent immigrants... almost universally accepted in Canadian scholarship'. The literature provides consistent evidence that 'the returns to human capital for immigrants ha(ve) fallen relative to the Canadian-born population', with a worsening evident in the 1991 and 1996 Censes, not much improvement to 2001 (despite buoyant economic conditions), and the incidence of poverty increasing 'markedly'.

By 2001 36% of migrants in the first 5 years of settlement were categorised as poor - 2.3 times the rate for the Canada-born. While there is 'no consensus on the cause of this downturn in aggregate fortunes', Hiebert affirms that 'the three most prominent

explanations centre on the human capital of immigrants (relative to the Canadian-born population), institutional practices in the labour market, and the impacts of economic restructuring.' Only a small proportion of recent migrants have been filtered in advance by skilled category points assessment, in a context where the scale of Canadian intakes is not aligned to the business cycle. Many professionally qualified migrants, Hiebert states, are simply not 'well prepared'. They face growing competition moreover from highly educated Canadians - a loss of their comparative human capital advantage in a context where 28% of young Canadians possessed university qualifications in 2001 compared to 16% two decades earlier.

Migrants' country of origin and/or training has been shown to have significant impact on employment outcomes - variably defined as a consequence of the legitimate demands of the knowledge economy, human capital differences, and/or discrimination. Those accepted from the major new Asian source countries (such as China, India, the Philippines) are at disproportionate risk of 'heavy discounting' of non-Canadian experience by employers. Language represents a critical barrier - according to Hiebert the 'particular form of human capital that seems to matter most', with superior employment and earnings outcomes achieved by principal applicants with host country language skills, correlated further to 'the general level of economic development' of their country.

Longitudinal data: employment outcomes for skill PAs compared

In relation to these overall findings it is worth comparing Australian and Canadian work outcomes for skilled Principal Applicants within the first 6 months or year of arrival - in particular the proportion who have gained positions with professional or managerial status (Hawthorne forthcoming).

Table 4.4 reports data for the two most important and directly comparable skill categories for each country, derived from the LSIA for Australia, and from the Immigration Database (IMDB) and LSIC for Canada: the Independent category (equivalent to 'Other Skilled Workers' in Canada); and the Concessional Family/ Skilled Australia-Linked category (equivalent to 'Assisted Relatives' in Canada).

In 1994, according to the IMDB, 64% of 'Other Skilled Workers' had found work in their first year in Canada, compared to 57% of 'Assisted Relatives'. Please note that these outcomes *exceeded* the Australian rates - 57% of Independent and 46% of Concessional Family migrants having found work within 6 months, prior to Australia's 1999 skill migration policy reform (Department of Immigration and Multicultural Affairs 1999).

Five years later however early employment outcomes in Australia had improved markedly while Canada's remained constant, despite extraordinary symmetry in the nations' economic cycles (Richardson & Lester 2004). In 1999 64% of Canada's 'Other Skilled Workers' and 'Assisted Relatives' had found work in their first year of settlement

(IMDB²⁹). A year later, when 2000/01 arrivals were interviewed for Wave 1 of the Longitudinal Survey of Immigrants to Canada (based on 12,000 cases), 60% of 'Other Skilled Workers' and 36% of 'Assisted Relatives' were found to be employed within the first 6 months. Employment barriers related to language ability and credential recognition were widespread - 44% of skilled Principal Applicants (for example) getting their qualifications assessed post-arrival, but fewer than two thirds of these securing full acceptance (63%).

By contrast skilled Principal Applicants in Australia at this time had greatly improved their outcomes - 81% of Independent and 69% of Skilled Australia-Linked migrants finding work within 6 months. Encouragingly, access to high skill professional or managerial positions was common for Independent PAs in Australia, rising from 55% to 60% for recent arrivals by 1999/2000³⁰. This trend did *not* however apply to Skilled Australia-Linked migrants: their rates of professional/managerial employment relatively low at 32%, and almost certainly reflecting the far lower entry points required by Australia (a 25 point 'discount'; see discussion in Chapters Two and Three).

In line with the literature, the most recently available LSIC Wave 2 data (based on interviews with 9,300 migrants, 6,000 aged 25-44), confirm more positive trends to occur for skilled migrants in Canada following a significant period of settlement (Statistics Canada 2005a, 2005b. Most notably,

- 90% of skilled PAs had secured some kind of work 24-28 months after arrival, compared to 78% of recent family and 62% of refugee arrivals;
- Of those finding work, 75% of skilled arrivals had done so within 6 months (compared to 70% of other employed arrivals); and
- 64% of these had been in work 18 months or more, compared to 16% for 13-17 months and 20% for a year or less.

Statistics Canada highlights additional encouraging findings for recently arrived skilled Principal Applicants in relation to native-born workers:

Considering skilled worker PAs in the 25-44 age group, the difference between their employment rate and the national average narrowed from 20 percentage points 26 weeks after arrival, to 12 percentage points 52 weeks after arrival, to 8 percentage points 104 weeks after arrival. Among all prime working-age persons, employment rates are highest among those who have a university degree (the status of 87% of skill worker PAs in Canada, compared to 25% of comparably aged Canadians (Statistics Canada 2005a).

²⁹ The IMDB (Immigration Data Base) has allowed longitudinal tracking since 1980 of all arrivals who have filed a taxfile each year, by immigration category and status. Employment outcomes reported for the first year would include migrants 1-12 months resident at that time in Canada, and hence allows a rough proxy to compare with Australia's first LSIA cohort.

³⁰ Unfortunately it was not possible to categorise the level of positions secured by employed economic PAs in Canada for LSIC Wave 1 (as advised by Citizenship and Immigration Canada).

Australia's program outcomes however exceed the Canadian norm on a range of measures, with further gains evident between LSIA 2 (1999/2000) and LSIA 3 (2005). Most notably the proportion of Offshore Independent and Onshore former students employed in the first six months of arrival stood at 82-83% by 2005; the proportion of skilled PAs speaking English only or best rose from 44 to 54%; the proportion of PAs using their qualifications often in employment grew from 55% to 71%; the proportion of MODL-qualified migrants employed reached 85% (compared to 83%); plus Independent and select additional skilled PAs enjoyed impressive salary gains (in the case of Independents earning on average \$A1,015 per week).

As demonstrated by Chapter Two, six month work patterns are highly predictive of longer term outcomes. In Australia moreover they matter in their own right: immediate employment representing an explicit Federal policy goal, reflecting a determination to select migrants who 'can quickly make a positive contribution to the... economy, labour market and budget' (Department of Immigration and Multicultural Affairs 1999: vii).

4.5 Conclusion

Global competition for skilled migrants seems certain to intensify in the future, as western and select Asian nations face demographic decline. Within this context governments will 'seek fish in comparable pools' (as stated by Hiebert) - educated elites courted with similar aims, but selected by different mechanisms.

Australia and New Zealand, as we have seen, have adopted tightly prescribed selection criteria in the past decade, based on pre-migration screening for age, English language ability, occupations in demand, and credential recognition. The aims are clearcut: minimal cross-subsidisation of migrants' labour market adjustment, with skilled employment secured in the early period of settlement.

This strategy is justified by the research findings, despite a renewed bias towards British-based systems (whether education has been gained at home or abroad). The scale of flows has not been jeopardised, with increasingly positive outcomes secured. Canada's human capital model, by contrast, maintains more liberal entry procedures at the cost of migrants' delayed labour market entry, and greater risk of de-skilling (Statistics Canada 2005b; Hawthorne forthcoming). The critical issue in the period ahead will be Australia's capacity to further refine selection procedures without forfeiting the scale or quality of flows. This is certain to represent a major challenge in the 'looming war for skills', where tactics will be closely monitored by other immigrant-receiving countries.

Table 4.1: Major Countries of Origin for Permanent and Temporary Skill Migrants 2004-05 - Australia, Canada, the United Kingdom and New Zealand Compared

Country	Major Countries of Origin: Permanent Skill Categories ³¹	Major Countries of Origin: Temporary Skill Categories
Australia	<p><u>Overall migrant/refugee intake (2004-05):</u> Skills: 77,880 Family: 41,740 Refugee/ Humanitarian: 13,200 Total: 133,000 (2004-05) <u>Main skill categories (2004-05):</u> Skilled-Independent: 41,200 Skilled-Australian Sponsored: 14,500 State Regional Sponsored: 4,100 <u>Main sources for skill category migrants:</u> UK (25%) India (13%) China (11%) South Africa (5%) Malaysia (5%)</p>	<p><u>Main categories (2004-05):</u> Short-Term Business Entrants (339,424) Working Holiday Makers (104,353) International students (174,787) <u>Main sources for WHM (04-05):</u> UK (29%) Ireland (12%) Republic of Korea (17%) Japan (10%) Germany (10%) <u>Main sources for International Students (05):</u> China (24%) India (8%) South Korea (7%) Hong Kong (6%) Malaysia (6%)</p>
Canada	<p><u>Overall migrant/refugee intake (2004):</u> Skills: 133,746 Family: 51,500-56,800 Refugee/ Humanitarian: 30,800-33,800 Others: 5,200-6,400 Total: 220,000-245,000 (2004) <u>Main skill categories (2004):</u> Skilled workers: 112,500-124,500 Business immigrants: 9,500-10,500 Provincial/territorial nominees: 9,000-10,000 Live-in caregivers: 2,500-3,000 Total: 132,500-148,000 <u>Main sources for skill category migrants:</u> China (18%) India (11%) Philippines (7%) Pakistan (4%) Romania (4%)</p>	<p><u>Total temporary visas issued:</u> Around 250,000 (2004) <u>Main categories:</u> Foreign workers (99,700) International students (56,600) <u>Main sources for Foreign Workers:</u> USA (17%) Mexico (13%) UK (8%) Australia (8%) France (7%) <u>Main sources for International Students (2003)</u> Other Asia & Africa (19,356) China (10,165) South & Central America (5,156) Other Africa & the Middle East (5,381) North West Europe 7,636</p>

³¹ These figures combine skill category Principal Applicants and dependents.

Table 4.1 Continued:

Country	Major Countries of Origin: Permanent Skill Categories ³²	Major Countries of Origin: Temporary Skill Categories
New Zealand	<p><u>Overall migrant/refugee intake (2004-05):</u> Skills: 29,826 Family: 13,500 Refugee: 1050 Samoan Quota: 1,482 PAC: 1,491 Total: 48,815 <u>Main skill categories:</u> Skilled/ business migration (27,000-30,000) <u>Main sources for skill category migrants 2004-05:</u> UK (49%) South Africa (12%) China (6%) India (5%) USA (4%)</p>	<p><u>Total temporary visas issued:</u> 82,497 (2004-05) <u>Main categories:</u> Labour market tested work permits: 28,317 Working Holidaymakers: 21,025 International students with graduate qualifications: 77,563 <u>Main sources (labour market tested work permit categories):</u> UK (22%) China (12%) India (7%) USA (7%) South Africa (7%) <u>Main sources (WHM):</u> UK (35%) Japan (16%) Germany (11%) Ireland (9%) Canada (5%) <u>Main sources (International Students):</u> China (44%) South Korea (15%) Japan (6%) USA (4%) India (3%)</p>
United Kingdom	<p><u>Overall migrant/refugee intake:</u> Immigration targets not established <u>Total skill visas issued:</u> Unknown; scope for temporary workers to convert to permanent residence <u>Main sources for skill category migrants</u> No comprehensive data</p>	<p><u>Estimated 'foreign nationals' resident and working:</u> At least 1,504,000 (2005) <u>Main categories of arrival by year:</u> European Union workers: c487,000 (2005) Highly Skilled Migrant Programme: 24,000 applications (2004-05, no quota) Work permits: 89,173 (2004) <u>Main sources for HSMP skill migrants (04-05):</u> India (22%) US (11%) Australia (9%) South Africa (8%) Pakistan (8%)</p>

³² These figures combine skill category Principal Applicants and dependents.

Table 4.2: Points Tests for Skill Migrants - Australia, Canada, the United Kingdom and New Zealand Compared (2004-05)

Attribute	Australia July 2005	Canada September 2003	New Zealand 2004-05	United Kingdom 2005
Skill	<u>Recognised</u> 60 (occupation-specific training) 50 (general professional occupations) 40 (other general skilled occupations)	25 (Masters or PhD ³³) 22 (2 or more bachelor degrees or trade credential) 20 (2 year university degree or trade credential) 5-15 (lower school/post-school qualifications)	<u>Recognised</u> 55 (Masters or PhD) 50 (Trade/ tertiary)	65 (MBA, if degree from one of the 50 world top Schools) 30 (PhD) 25 (Masters) 15 (Bachelors) TBA (Trades or professional qualifications to be assessed 'based on equivalency to the above UK qualifications')
Age	<u>18-44 years</u> 30 (18-29 years) 25 (30-34 years) 20 (35-39 years) 15 (40-44 years)	10 (21-49 years) 2 points less for each year over 49 or under 21	<u>20-55 years</u> 30 (20-29 years) 25 (30-39 years) 20 (40-44 years) 10 (45-49 years) 5 (50-55 years)	5 for applicants under 28 years
Host country language ability	<u>Points allocated</u> 20 (competent English, IELTS 6 average) 15 (vocational English, IELTS 5 average)	<u>Points allocated</u> 2-24 (level of ability in English and/or French; not essential for skill migration and no obligation for external validation)	<u>No points allocated</u> Since Nov 2002 IELTS 6.5 average a pre-requisite for skill PAs	<u>No points allocated</u> Applicants asked to rate their English ability as 'Good-Vocational' or 'Very Good-Competent' in Eligibility Assessment Form, but no advice on how such information might be used (if at all)
Host country qualifications	15 (doctorate) 10 (masters or honours ³⁴ degree) 5 (degree, diploma or trade qualification ³⁵)	5 ³⁶	10 ³⁷	-

³³ Applicants are also required to have at least 17 years equivalent full-time study.

³⁴ Honours degree to be achieved at upper secondary level or higher, and at least 2 years total Australian accredited study.

³⁵ Minimum of 2 years academic study in Australia; from September 2005 minimum of 16 months academic study if summer semester is included.

³⁶ Minimum of 2 years academic study in Canada.

³⁷ At least 2 years New Zealand study required.

Table 4.2 Continued:

Attribute	Australia July 2005	Canada September 2003	New Zealand 2004-05	United Kingdom 2005
Recent work experience	<p><u>Off-shore applicants:</u> 10 (if experience relates to nominated 60 point occupation) 5 (if experience is in any 40, 50 or 60 point occupation) 12-24 months experience essential, depending on specific skill category.</p> <p><u>On-shore applicants:</u> Work experience waived for applicants with recent Australian qualifications.</p>	Up to 21 points for up to 4 years work experience in a skilled (though not specific) occupation. Additional threshold requirement of 1 year's full-time work experience in a field on the National Occupation List	<p><u>Skilled work experience</u> 60 (>12 months) 50 (<12 months) 50 (current offer)</p> <p><i>plus</i></p> <p><u>Relevant work experience</u> 30 (10 years) 25 (8 years) 20 (6 years) 15 (4 years) 10 (2 years)</p>	<u>Graduate level job</u> 25-50 (dependent on qualification level, age of applicant and calibre of experience)
Achievement in the field	-	-	-	25 (Exceptional ³⁸) 15 (Significant)
Recent earnings	-	-	-	Based on earnings assessment in past 12 months in country of origin (with income differences by country controlled for by 5 categories). The example below relates to high income nations including Australia (Category A): <u>>28 years</u> 50 (£250,000) 35 (£100,000) 25 (£40,000) <u><28 years</u> 50 (£60,000) 35 (£40,000) 25 (£27,000) Category E, by contrast, allocates 25-50 points for income ranging from £2,350-£21,875.
Occupational demand	20 (if nominated occupation is on Migration Occupation in Demand List, with job offer) 15 (if occupation on MODL with no job offer)	10 (permanent or temporary job offer in Canada) 5 (minimum 1 year work experience in Canada) 5 (arranged employment in Canada)	See bonus points (below); from 2006 3,000 additional skill places reserved for applicants with NZ jobs or job offers, with 'work to residence' permits reduced from 2 years to 6 months	50 (General Practitioner only, recognised to work in the UK)

³⁸ 'Exceptional achievement' is defined as 'a tiny number of people who are right at the top of their profession'.

Table 4.2 Continued:				
Attribute	Australia July 2005	Canada September 2003	New Zealand 2004-05	United Kingdom 2005
Regional links	5 (has lived and studied for minimum of 2 years in regional Australia ³⁹)	-	See bonus points (below)	-
Spouse skills	5 (if spouse age, English ability, work experience, field and qualifications satisfy selection requirements)	3-5 (education level)	10 (qualification)	10 (Bachelor degree or higher) 10 (Vocational or professional qualification equal to degree) 10 (Current or previous graduate level work experience, without qualification)
State/ Territory sponsorship	10 (if applicant is sponsored by an authorised State or Territory body)	Select Provincial Nominee Programs in place and expanding	-	-
Relationship	15 (if applicant is sponsored by a spouse of close relative)	5	10	-
Bonus points	5 for one of the following: Capital investment Australian work experience Fluency in community language	-	10 (qualification in growth area) 10 (qualification in skills shortage area) 5-10 (job, job offer or spouse job offer in skill shortage area or select region ⁴⁰) 5-15 (extended work experience in skill shortage area or select region) 5-15 (2-6 years of NZ work experience)	-
Points required	120 ⁴¹	67	100 (eligibility), then selected by ranking. From 2006 automatic acceptance of applicants securing 140 points or more.	65

³⁹ The definition of 'regional Australia' includes state capitals with low populations, eg Adelaide and Hobart.

⁴⁰ Defined as 'outside Auckland'.

⁴¹ Fewer points are required for select regional migration schemes, eg 100.

Table 4.3: Degree qualified arrivals from English speaking background source countries: Canada and Australia Compared by select fields

Period of Arrival	Degree-Qualified Canada	% ESB Countries	Degree-Qualified Australia	% ESB Countries
<1991 (all fields)	537,565	(25%) 136,280	347,815	38% (131,803)
Engineers		15%		24%
Doctors		27%		30%
Nurses		25%		56%
IT		2%		21%
1991-96 (all fields)	154,160	7% (11,477)	70,702	20% (13,999)
Engineers		3%		11%
Doctors		13%		22%
Nurses		5%		38%
IT		3%		11%
1996-2001 (all fields)	257,714	5% (12,762)	116,986	28% (32,777)
Engineers		2%		22%
Doctors		6%		30%
Nurses		4%		43%
IT		2%		18%

Source: L Hawthorne (forthcoming), Labour Market Outcomes for Migrant Professionals - Canada and Australia Compared, Statistics Canada, Ottawa, Table 10.

Table 4.4: Employment Outcomes for Canadian and Australian Skill Principal Applicants Compared 6 Months Post Arrival (Two Major Categories)

Canada						
Category	1994 (a)		1999 (a)		2000/1 (b)	
	Employed	Other	Employed	Other	Employed	Other
Other skilled workers (c)	63.7%	36.3%	64.3%	35.7%	60.0%	40.0%
Assisted relatives (d)	56.8%	43.2%	63.7%	36.3%	36.0%	64.0%
Total	61.5%	38.5%	64.2%	35.8%	49.9%	50.1%
Australia						
Category	1993/5 (e)			1999/01 (f)		
	Employed	Unemployed	NLF	Employed	Unemployed	NLF
Independent	57.4%	25.2%	17.4%	80.8%	7.6%	11.50%
Concessional family	45.9%	28.1%	26.6%	68.9%	16.3%	14.80%
Total	51.9%	51.9%	51.9%	75.8%	11.3%	13.0%

Notes:
a = Calculated from the IMDB database, and only includes those who lodged a tax form. Assumes that years are full tax years. Assisted-relatives, Other skilled workers, Other economic, Economic.
b = Calculated from the LSIC
c = LCIS classification is skilled workers principal applicants
d = LCIS classification is skilled workers spouse and dependents
e = LSIA cohort 1 (1993/95)
f = LSIA cohort 2 (1999/01)

Source: L Hawthorne (forthcoming), Labour Market Outcomes for Migrant Professionals - Canada and Australia Compared, Statistics Canada, Ottawa