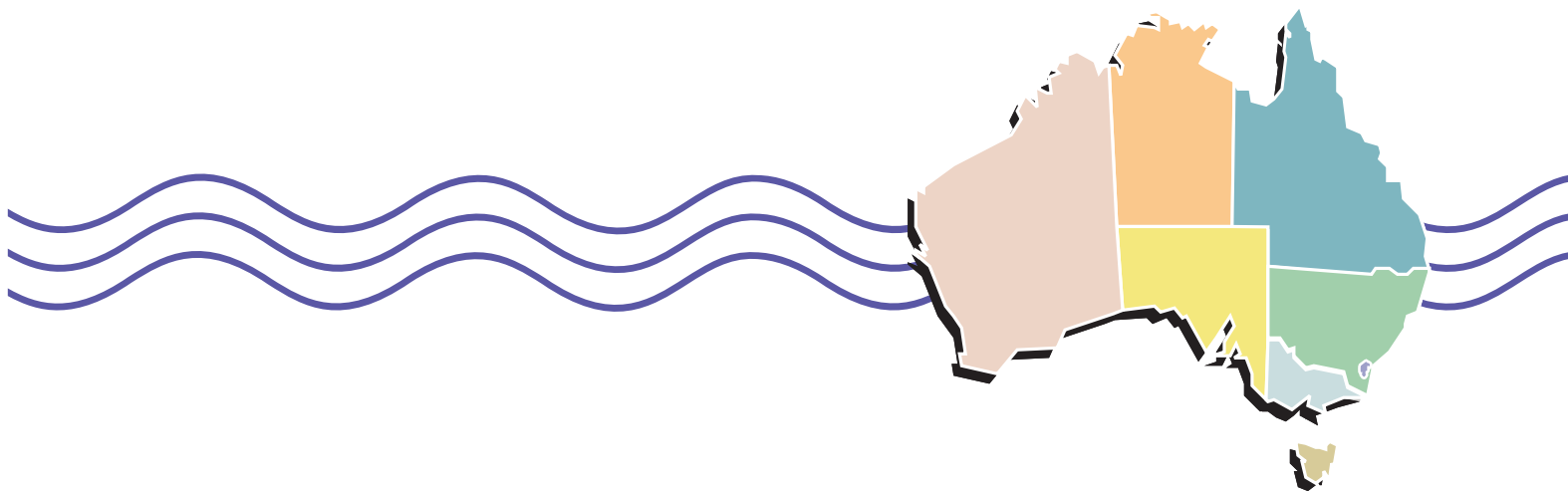


## Chapter 6

### Economics of Immigration

- One quarter of the Australian workforce was born overseas.
- The number of skilled migrants has risen rapidly. Skill Stream visas within the Migration Program have risen from 29 per cent in 1995-96 to 65 per cent of the total Migration Program in 2004-05.
- In 2004-05, 74.2 per cent of migrants who were in the labour force prior to migrating were skilled.
- Skilled migrants have a positive impact on Australian living standards and a highly beneficial impact on Commonwealth and State budgets.
- Temporary entrants to Australia such as tourists, students and working holiday makers also contribute significant economic benefits.
- Computer professionals, electrical and electronics engineers and managers/administrators were the top three occupations of migrants prior to coming to Australia in 2004-05.
- Unemployment rates for migrants are closely related to proficiency in English, age, skill level and qualifications.
- Research shows that the employment outcomes for recently arrived migrants are better now than six years earlier.





# Skill Level of Migrants

## Skill Level

The skill level of migrants is important in determining employment and settlement outcomes. In recent years, the Government has emphasised attracting skilled migrants, recognising the important economic contribution they make. Research suggests that skilled migrants have substantially lower unemployment rates, an ability to find work more quickly, and higher levels of income and expenditure.

A record 77,880 Skill Stream visas were issued in 2004-05.

This has occurred within a Migration Program where Skill Stream visas have risen from 29 per cent in 1995-96 to 65 per cent of the total Migration Program in 2004-05. The planned intake for the 2005-06 year includes 70% Skill Stream visas.

In general, Skill Stream applicants have to demonstrate a high level of skill, a strong employment history, good English language ability and be under 45 years of age. No skill requirements apply to Family Stream migrants.

Self identification of skill level by settler arrivals as stated on their inbound passenger cards indicates that, of those in the workforce prior to coming to Australia, Independent and Distinguished Talent migrants are most likely to be highly skilled.

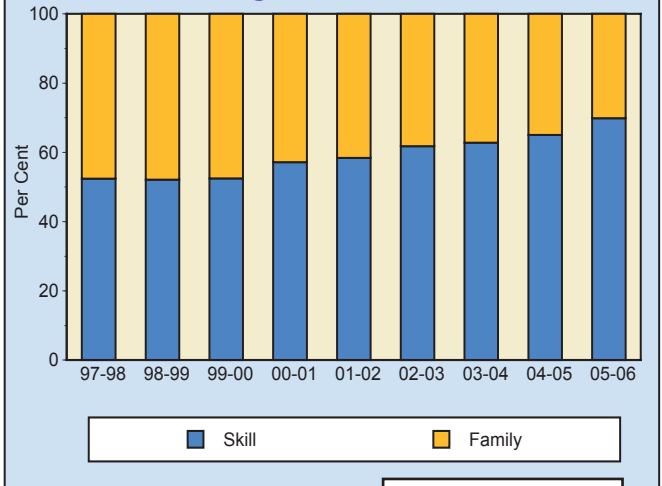
In 2004-05, some 38.2 per cent of all settler arrivals (including children and others not in the labour force) under the Migration Program were in a skilled occupation immediately prior to migrating. Comparative figures for settler arrivals under the Humanitarian Program in 2004-05 were 4.8 per cent and for New Zealand citizens 31.3 per cent.

## Migrants in the Workforce

Of the 123,424 settlers arriving in Australia in 2004-05, 51.5 per cent were in the workforce prior to migration. Of these, 9.6 per cent were in managerial and administrative occupations, 42.8 per cent in professional occupations, 10.7 per cent were associate professionals, and 11.1 per cent were tradespersons. These four groups contain all the skilled occupations. Semi-skilled migrants made up 12.5 per cent of those in the workforce prior to migration and the unskilled 6.3 per cent. The remaining 7.0 per cent who were in the workforce prior to migration were not in employment.

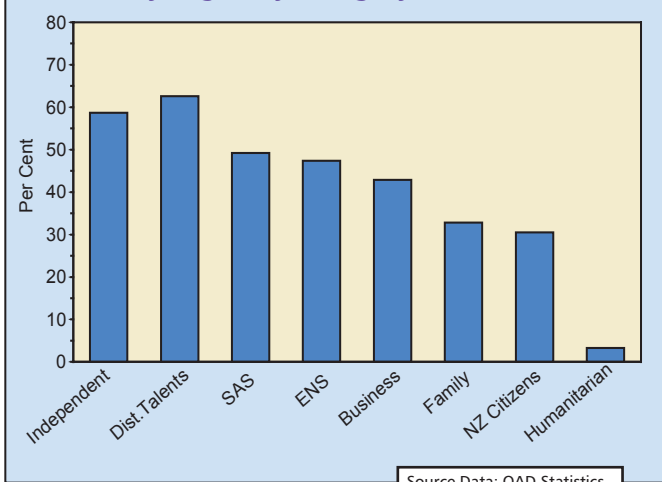
Overall, 74.2 per cent of migrants, who were in the labour force (employed plus not in employment) prior to migrating in 2004-05, were skilled.

Fig. 6-1: Skill/Family Streams by Program Outcomes



Source Data: MPMS and IMIRS

Fig. 6-2: Percentage of Skilled Settler Arrivals by Eligibility Category, 2004-05



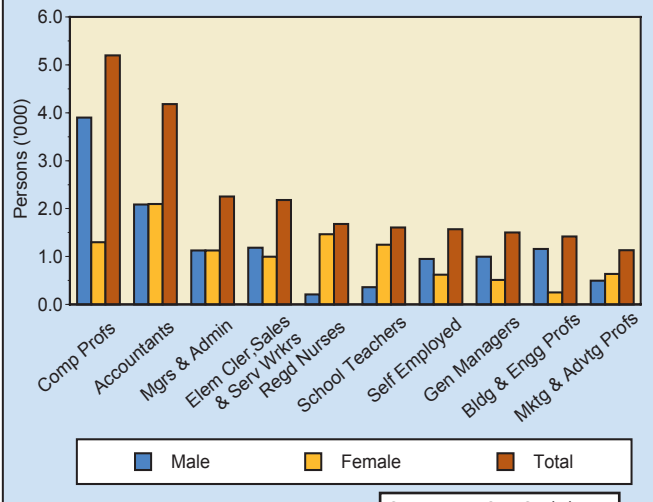
Source Data: OAD Statistics

## Occupational Profile

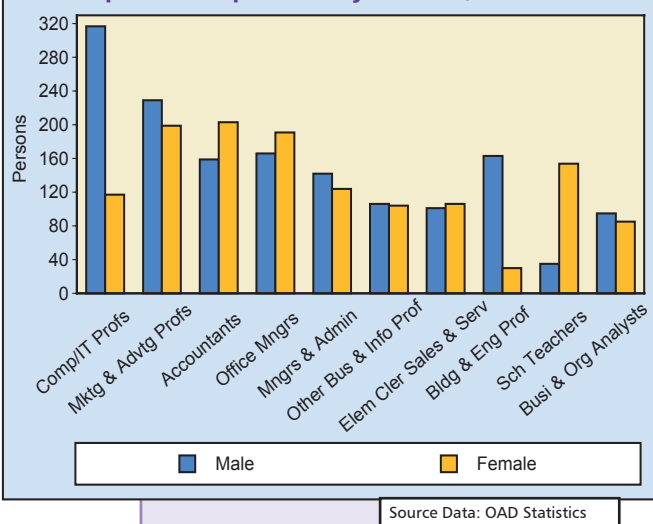
Australia continues to attract migrants with a wide variety of skills and occupations. The profile of the top occupations has changed compared to the last few years. Computing/IT professionals (5,197 persons) still top the list, but the number of electrical and electronics engineers (4,184 persons) have more than doubled since the previous year (1,679 persons). Managers and administrators (2,255 persons), elementary clerical, sales and service workers (2,181 persons), and registered nurses (1,677 persons) are in the top six occupations of migrants.

The occupational and gender profile of migrants varies across eligibility categories. Professional and management occupations are more likely to be represented in the Skill Stream categories.

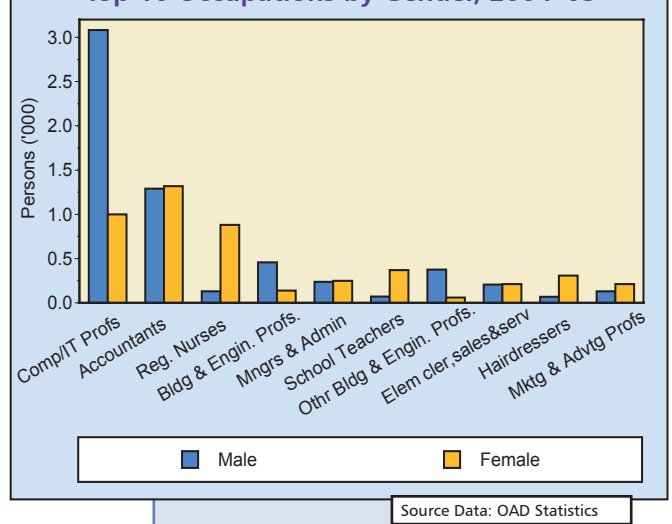
**Fig. 6-3: Top 10 Occupations by Gender 2004-05**



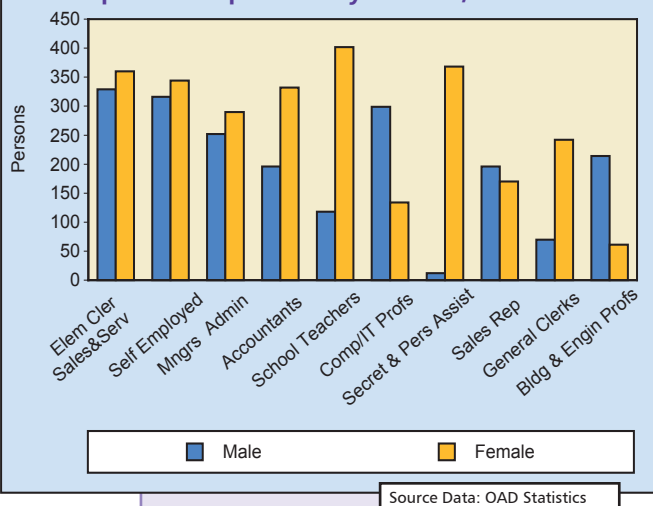
**Fig. 6-4: Skilled-Australian Sponsored Top 10 Occupations by Gender, 2004-05**



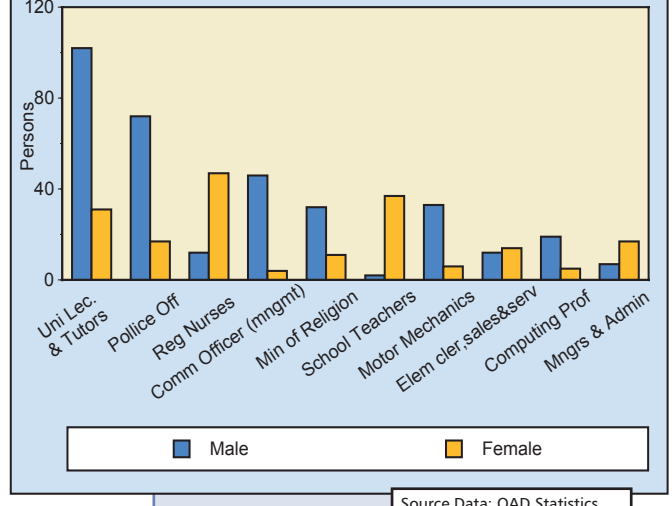
**Fig. 6-6: Skilled-Independent Top 10 Occupations by Gender, 2004-05**



**Fig. 6-5: Family Stream Top 10 Occupations by Gender, 2004-05**



**Fig. 6-7: Employer Nomination Scheme Top 10 Occupations by Gender, 2004-05**



# Labour Market Composition

## Labour Force by Birthplace

In August 2005, the Australian labour force totalled 10,477,900 people: 7,870,600 Australia-born and 2,607,300 overseas-born. Of the overseas-born, 1,522,900 people were from non-English speaking countries (NESC) and 1,084,400 were from the main English speaking countries (MESC).

The Australia-born are more strongly represented in the workforce than migrants. The participation rate of the Australia-born was 68.2 per cent. The participation rates for NESC were 55.3 and for MESC 64.9 per cent.

Of migrants in the workforce, 95.9 per cent of MESC migrants and 93.8 per cent of NESC migrants were employed. This compares with 95.3 per cent employed for the Australia-born.

## Migrant Employment

In August 2005, the unemployment rate for all people born overseas was 5.2 per cent, compared with 4.7 per cent for those born in Australia. People born in English speaking countries had a lower unemployment rate (4.1 per cent) than the Australia-born and people born in non-English speaking countries had a higher unemployment rate (6.2 per cent). This pattern has been in evidence since 1992. Fig. 6-9 also suggests that the unemployment rate for people from non-English speaking countries is more strongly affected by changes in economic conditions.

While employment has improved for Australia as a whole over the last six years, the unemployment and participation rates of the newly arrived overseas-born has improved even more significantly.

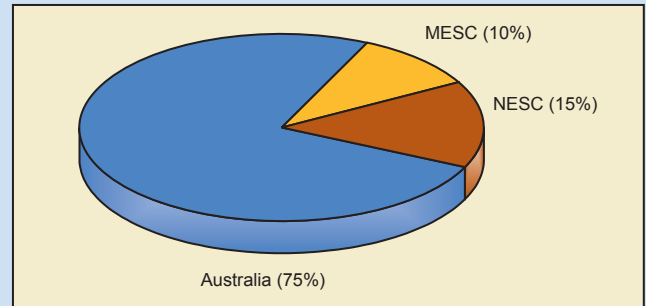
## Employment by Industry

The overseas-born are heavily represented in manufacturing, compared to other industries, making up 32.1 cent of all workers in August 2005 while 30.2 per cent of workers in property and business services and 29.8 per cent of workers in accommodation, cafes and restaurants are also born overseas. Migrants are least represented in agriculture, forestry and fishing (10.6 per cent of the workforce).

## Employment by Occupation

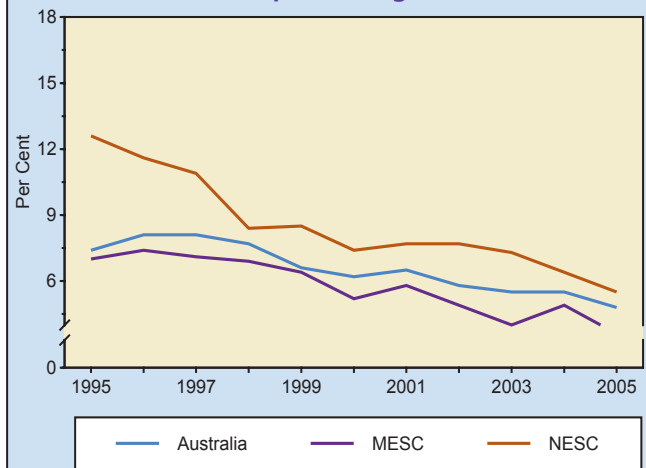
The overseas-born are more highly represented as labourers and related workers (29.5 per cent of all labourers employed in August 2005), professionals (28.1 per cent) and associate professionals (25.5 per cent).

Fig. 6-8: Labour Force by Birthplace August 2005



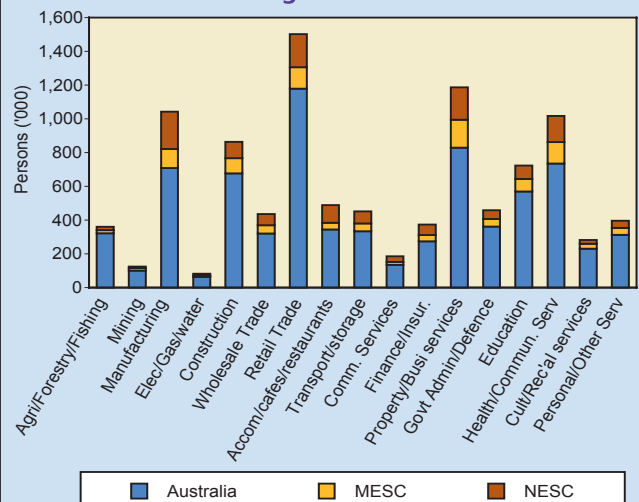
Source Data: ABS

Fig. 6-9: Unemployment Rates by Birthplace (August)

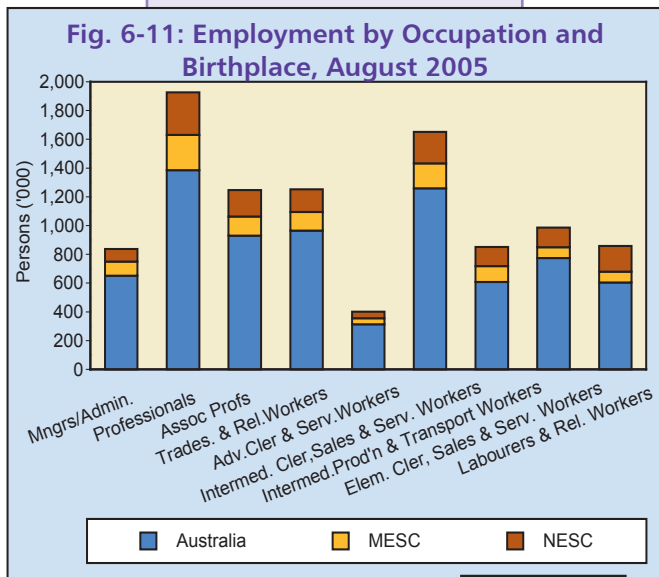


Source Data: ABS

Fig. 6-10: Employment by Industry & Birthplace, August 2005



Source Data: ABS



Compared with the Australia-born, MESC migrants are more likely to be employed as professionals and associate professionals than the Australia-born. NESC migrants are more likely to be employed as professionals, intermediate clerical, sales and service workers, and labourers and related workers.

### Unemployment by Skill Level

The importance of skill is underlined by the much lower rates of unemployment for skilled people compared to those for unskilled over time (see Figure 6-12).

