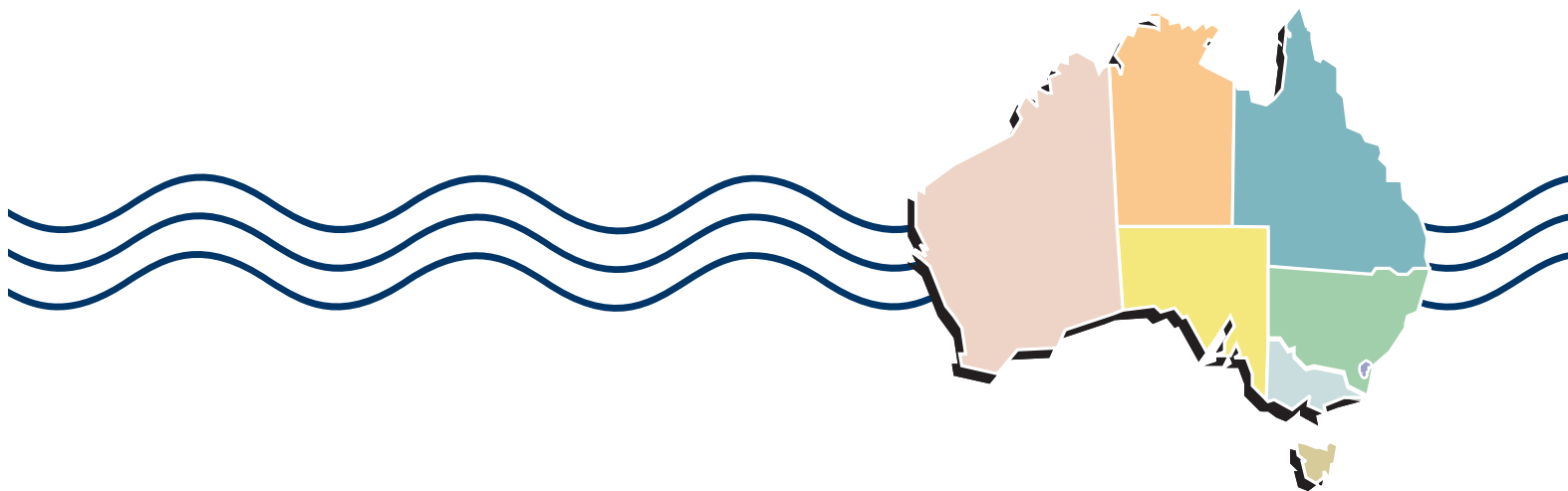


Chapter 6

Economics of Immigration

- One quarter of the Australian workforce was born overseas.
- In 2005–06, 72.6 per cent of settlers who were in the labour force prior to migrating were skilled.
- Computer professionals, remains the top occupation of migrants prior to coming to Australia.
- 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.
- Australia continues to gain in net terms from the movement of skilled people on a permanent or long term basis to and from Australia.
- 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.



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. Employer sponsorship to a job also clearly enhances migrants economic contribution to Australia. To that end, in 2005–06, the government also put emphasis on employer sponsorship of migrants.

A record 97,340 Skill Stream visas were issued in 2005–06, with an increase of 17.0 per cent in Employer Nominations and an increase of 31.2 per cent in Skilled Australian Sponsored places.

This has occurred within a Migration Programme where Skill Stream visas have risen from 29 per cent in 1995–96 to 68 per cent of the total Migration Programme in 2005–06. The planned intake for the 2006–07 year maintains the high proportion of skill in the programme.

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, Skilled Independent and Distinguished Talent migrants are most likely to be skilled.

Migrants in the Workforce

Of the 131,593 settlers arriving in Australia in 2005–06, 51.1 per cent were in the workforce prior to migration. Of these, 10.0 per cent were in managerial and administrative occupations, 39.8 per cent in professional occupations, 10.9 per cent were associate professionals, and 11.9 per cent were tradespersons. These four groups contain all the skilled occupations. Semi-skilled migrants made up 14.0 per cent of those in the workforce prior to migration and the unskilled 7.4 per cent. The remaining 6.0 per cent who were in the workforce prior to migration were not in employment.

Overall, 72.6 per cent of settlers, who were in the labour force (employed and not in employment) prior to migrating in 2005–06, were skilled.

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

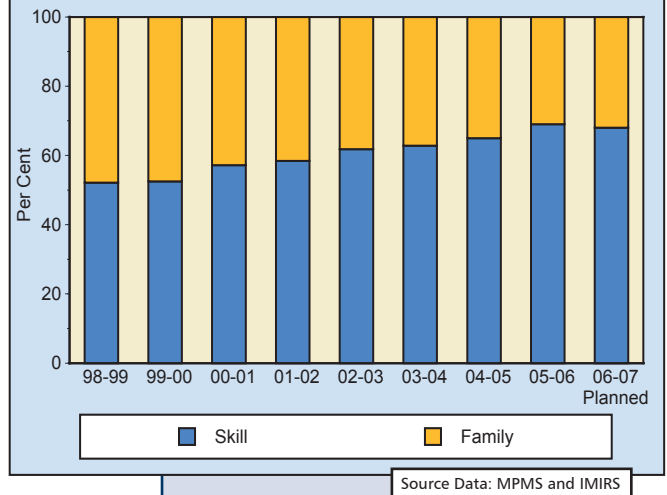
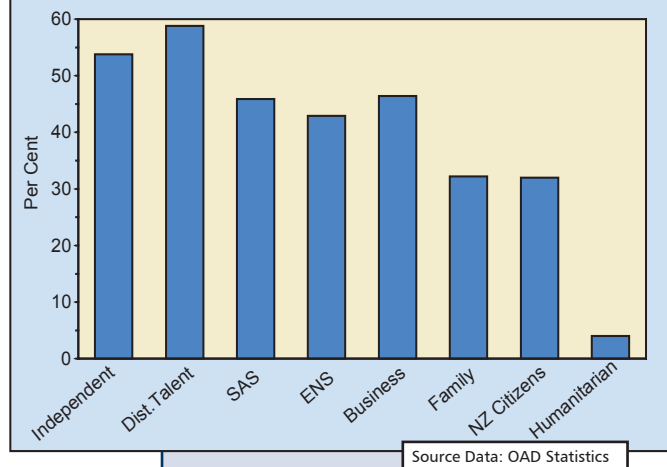


Fig. 6-2: Percentage of Skilled Settler Arrivals by Eligibility Category, 2005–06

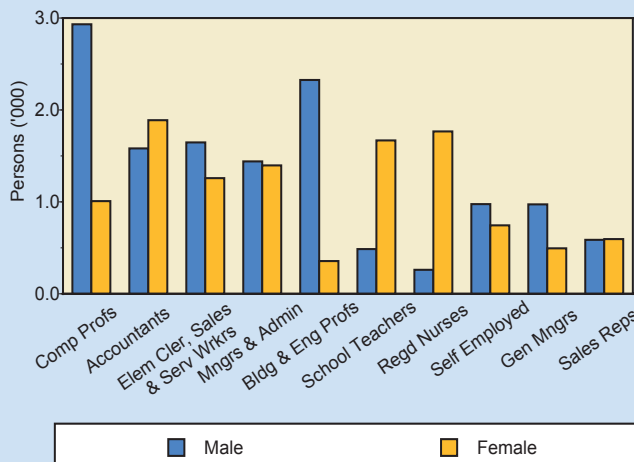


Occupational Profile

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 professionals (3,940 persons) still top the list. Accountants (3,471 persons), elementary clerical, sales and service workers (2,905 persons) and managers and administrators (2,838 persons) are in the top six occupations of migrants. The notable movement in occupation of migrants compared to 2004–05 (1,420 persons) has been in building and engineering professionals (2,684 persons).

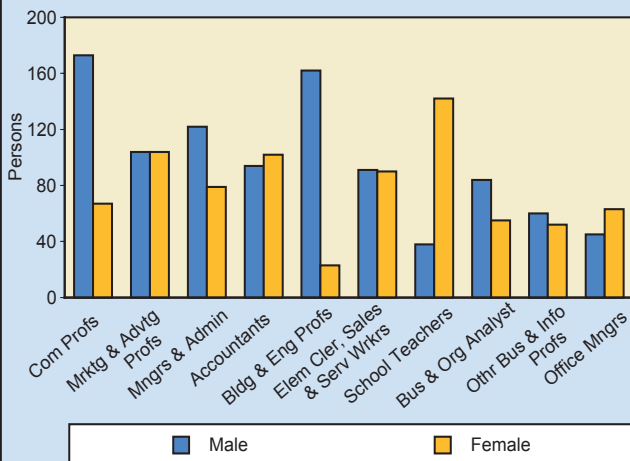
The occupational and gender profile of migrants varies across eligibility categories. Professional and management occupations are more likely to be represented in the Skill Stream categories.

Fig. 6-3: Top 10 Occupations by Gender 2005–06



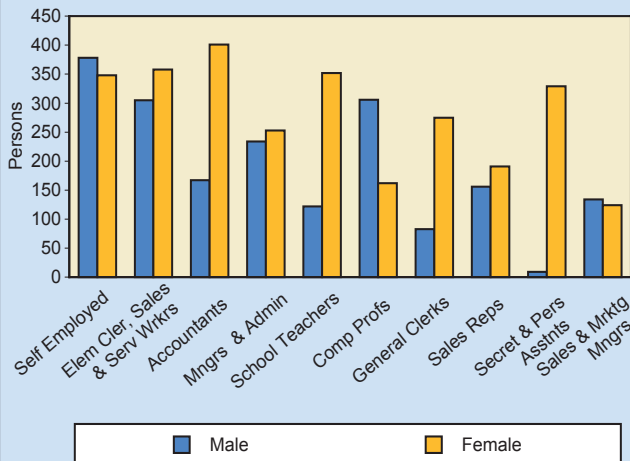
Source Data: OAD Statistics

Fig. 6-4: Skilled Australian Sponsored Top 10 Occupations by Gender, 2005–06



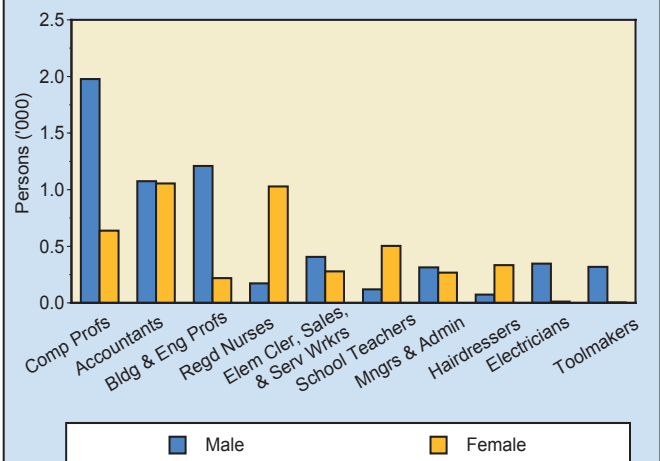
Source Data: OAD Statistics

Fig. 6-5: Family Stream Top 10 Occupations by Gender, 2005–06



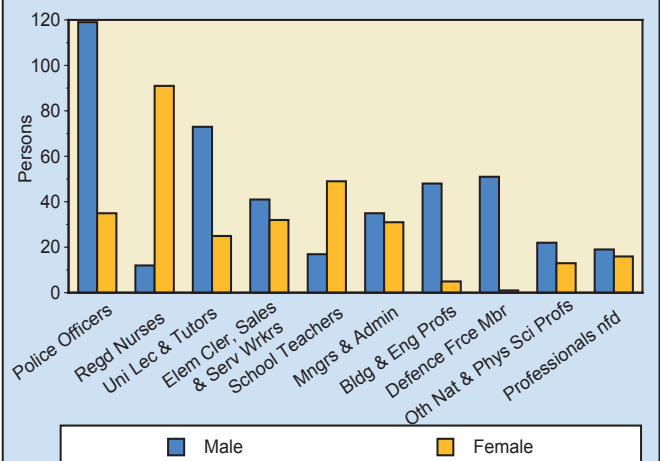
Source Data: OAD Statistics

Fig. 6-6: Skilled Independent Top 10 Occupations by Gender, 2005–06



Source Data: OAD Statistics

Fig. 6-7: Employer Nomination Scheme Top 10 Occupations by Gender, 2005–06



Source Data: OAD Statistics

Labour Market Composition

Labour Force by Birthplace

In August 2006, the Australian labour force totalled 10,664,500 people: 7,957,900 Australia-born and 2,706,600 overseas-born. Of the overseas-born, 1,596,400 people were from non-English speaking countries (NESC) and 1,110,200 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 68.0 per cent. The participation rates for NESC were 54.9 and for MESC 65.6 per cent. These differences partly reflect the older age structure of the overseas-born population compared to the Australia-born.

Of migrants in the workforce, 96.5 per cent of MESC migrants and 94.4 per cent of NESC migrants were employed. This compares with 95.4 per cent employed for the Australia-born.

Migrant Employment

In August 2006, the unemployment rate for all people born overseas was 4.8 per cent, compared with 4.6 per cent for those born in Australia. People born in English speaking countries had a lower unemployment rate (3.5 per cent) than the Australia-born and people born in non-English speaking countries had a higher unemployment rate (5.6 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 eight years, the employment and participation rates of the newly arrived overseas-born have improved even more significantly.

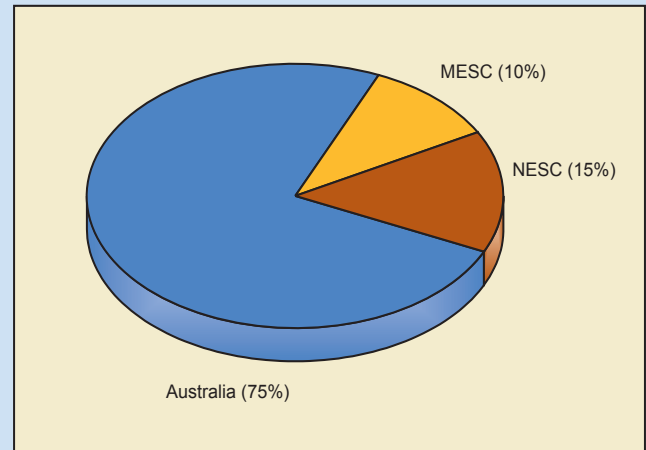
Employment by Industry

The overseas-born are heavily represented in communication services, compared to other industries, making up 33.1 per cent of all workers in August 2006 while 31.5 per cent of workers in manufacturing and 29.7 per cent of workers in property and business services are also born overseas. Migrants are least represented in agriculture, forestry and fishing (8.9 per cent of the workforce).

Employment by Occupation

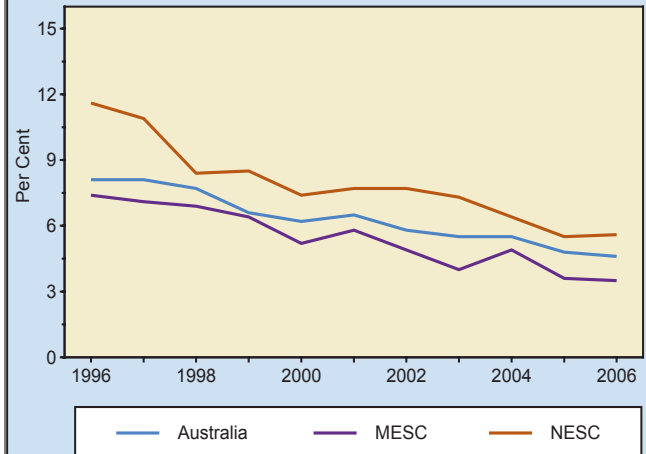
The overseas-born are more highly represented as labourers and related workers (30.0 per cent of all labourers employed in August 2006), professionals (29.5 per cent) and associate professionals (25.3 per cent).

Fig. 6-8: Labour Force by Birthplace August 2006



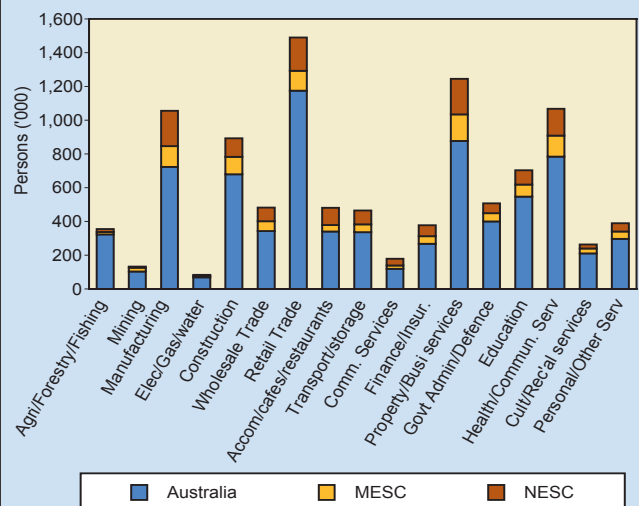
Source Data: ABS Labour Force (6291.0)

Fig. 6-9: Unemployment Rates by Birthplace at August



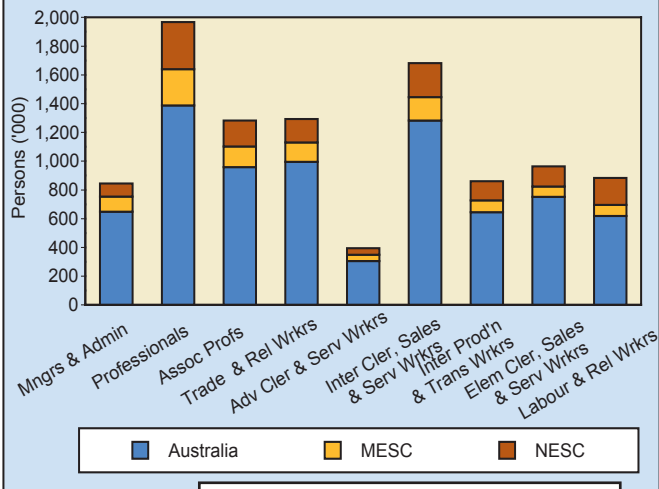
Source Data: ABS Labour Force (6291.0)

Fig. 6-10: Employment by Industry and Birthplace, August 2006



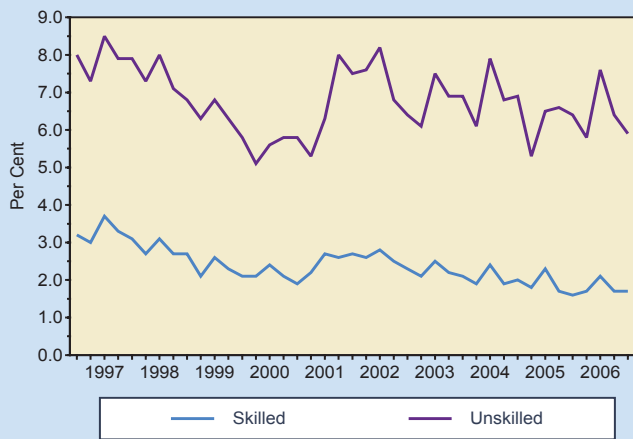
Source Data: ABS Labour Force (Unpublished Statistics)

Fig. 6-11: Employment by Occupation and Birthplace, August 2006



Source Data: ABS Labour Force (Unpublished Statistics)

Fig. 6-12: Polarised Nature of Australian Unemployment Rates



Source Data: ABS Labour Force (6291.0)

Compared with the Australia-born, MESC migrants are more likely to be employed as managers and administrators, professionals and associate professionals than the Australia-born. NESC migrants are more likely to be employed as professionals, intermediate production/transport 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). 'Skilled' comprises employed people in ASCO major groups 1-4 and those unemployed people who had worked for two weeks or more in the two years prior to the Labour Force Survey and whose last job was in one of the first four ASCO major groups.