Graduate Employment Outcomes for International Students

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Table of Contents

Executive Summary

This report revisits the question of labour market outcomes for overseas students using the latest available data (2011 Census and the Continuous Survey of Australia's Migrants for the period September 2009 to September 2011) and reports on previous research efforts undertaken for Australia. The main highlights are the following:

Literature:

- A number of studies that used qualitative data reported that international graduates cited several reasons for sub-optimal labour market outcomes, including a lack of (relevant) work experience, lack of permanent residency status, language barriers, and a perception that employers prefer local applicants over foreign born applicants. Interviews with employers confirm this is the case, with the exception of the last point. Employers do, however, prefer local applicants over overseas applicants due to the difficulty in assessing overseas qualifications.

- An important caveat is that much of this qualitative evidence is based on very small samples, in particular those surveying the opinions of employers. The result should therefore be interpreted with appropriate caution.

2011 Census data:

- 2011 Census data confirm that labour market engagement continues to be positively correlated with the time of arrival in Australia. Overseas born individuals born with excellent English proficiency who have been in Australia for less than 5 years have employment rates of 79.1% (graduates and post-graduates) and 82.0% (those with certificates, diplomas, and advanced diplomas). Their peers who have been in Australia for more than 5 years have corresponding rates of 87.3% and 83.3%, respectively. The corresponding rates for those born in Australia (to Australian born parents) are 89.5% and 84.9%.

- 2011 Census data also confirm that English proficiency is strongly correlated with occupational outcomes. The employment rates for overseas born individuals who have been in Australia for more than 5 years are approximately 13% higher for those with excellent English proficiency than for those without English proficiency.

- An important point to make in regards to the main findings from the Census is that English proficiency is self-assessed. Furthermore, the Census does not distinguish between Australian and overseas qualifications. The results from the Census should therefore be interpreted as providing wider context.

Continuous Survey of Australia's Migrants data (CSAM).

- CSAM covers Primary Applicants who:
    - either came to Australia on an offshore visa within the previous six months or were granted a visa onshore within the previous six months;
    - have been granted either a permanent residence visa or provisional visa (such as a provisional partner visa) and are thus on the pathway to permanent residence; and
    - applied under the family or skilled streams (CSAM does not cover the Humanitarian stream).

- Those with an Australian qualification have very high labour force participation rates (typically close to 90%).

- Those with Australian qualifications granted a Skilled – Independent (Subclass 885) or Sponsored (Subclass 886) visa have higher employment rates than offshore independents with Australian qualifications (92 and 94 % versus 86 %, respectively). These employment rates are also higher than for the total migrant population as reported by census data.

- Health related studies are associated with the highest employment rates at 97%, but many other fields score in the high 80s or 90s.

- A qualification in the field of society and culture is, relative to the other fields, least likely to lead to employment.

- Among those with an Australian qualification approximately equal shares hold this at the post-graduate level, the undergraduate level, or a level of qualification lower than those ('non-degree').

- Employment rates are highest for qualifications at the undergraduate level (93%), but are equally high at the post-graduate level (91%) and non-degree level (88%).

- Nearly 44% of the sub-sample of migrants with Australian qualifications obtained this in the field of management and commerce. Of that 44% about half undertook this at the post-graduate level, which is then also the most common combinations of study field and level observed.

- Management and commerce (which was the most common field reported) shows that about 1 in 4 migrants with an Australian qualification in that study field worked in the accommodation and food services industries, and about 1 in 5 worked in wholesale and retail trade. In contrast, those who did their course in the study field health were much more likely to be employed in their field (94% were employed in the industry health care and social assistance).

- Migrants holding a Subclass 885 visa (Onshore Skilled – Independents) show a large proportion working as professionals (45%). The equivalent proportion for holders of a Subclass 886 (Onshore Skilled – Sponsored) is 30%. The equivalent proportion of holders of a Subclass 485 (Onshore Skilled – Graduate) is 24%. These proportions are lower than those reported for the proportion of professionals for domestic graduates.

- For holders of a Subclass 485 the most prevalent employ is as a technician and trades worker (30%).

- The proportion employed, unemployed, and not in the labour force are 92%, 6%, and 2% for visa Subclass 885 and 94%, 4%, and 2% for visa Subclass 886, respectively. These numbers point to a substantial improvement of labour market outcomes for onshore skilled migrants vis-à-vis those reported in the comprehensive review of skilled migration by Birrell, Hawthorne and Richardson (2006).

- For Subclass 885 holders the distribution of 1-digit ANZCO occupations over time reveals a weak upward trend towards managers (from 4 to 6% over the course of two years) and a downward trend towards professionals (from 53 to 46% over the same period). There is also an upward trend towards technicians and trade workers (from 4 to 10%) and sales workers (from 6 to 12%). Perhaps the best indicator for occupational outcomes improving with each cohort is that the share of labourers is reduced from 10% down to 3% over the period from September 2009 to September 2011.

- For Subclass 885 holders the distribution of industry over time reveals the share of wholesale and retail trade rising from 9 to 23%.

1. Introduction

This report seeks to provide an up-to-date overview of the labour market outcomes for international students entering the Australian labour market and who obtained an Australian qualification. Of particular interest is how outcomes vary by the type of visa granted, the field of study chosen, the level of the qualification, the State of residence and the time at which the visa was granted. Outcomes investigated are broad employment status, occupation, and industry employed in. In particular we address the match of the former student's level and field of qualification to these outcomes to assess if Australia is making 'optimal' use of the former overseas students to alleviate the skills shortage that are invariably reported in the public domain.

These questions have, to some considerable extent, been addressed previously especially once the third cohort of the Longitudinal Survey of Immigrants in Australia (LSIA 3) became available that tracked onshore applicants (i.e. mostly former overseas students). Given that the situation for international students has changed rapidly in response to a variety of contemporary factors (e.g. the GFC, the rising dollar, legislative changes), it is prudent to revisit some of the analysis with data that reflect the current situation.

The data that we draw on are the 2011 Census and the Continuous Survey of Australia's Migrants (CSAM). The Census data provides a much broader context of labour market outcomes of individuals born in Australia to Australian parents, of individuals born in Australia to overseas born parents, and of individuals born overseas. However, although Census data can be expressed by level of qualification, it does not distinguish between Australian and overseas qualifications. Furthermore, the English language ability in the Census is self-assessed. These two key weaknesses therefor make the Census data less than ideal for anything other than providing a broader context.

The CSAM data covers Primary Applicants (except those under the humanitarian stream) who either came to Australia on an offshore visa within the previous six months or were granted a visa onshore within the previous six months. They have been granted either a permanent residence visa, or provisional visa, and are thus on the pathway to permanent residence. The CSAM includes detailed information on the precise visa Subclass granted, the qualification held, and the occupation and industry employed in. Although the CSAM data we have spans the period from September 2009 to September 2011 entry into CSAM is within 6 months upon being granted a visa which may or may not be several weeks or months after the visa application was lodged.

The report is structured as follows. Section 2 briefly summarises the international literature on the role of migrants and its effects on the domestic labour market and a few Australian studies that either apply to the same period for which we have data or that shed light on the reported barriers to labour market entry and the perceptions of employers. Section 3 then provides a broad context, using the 2011 Census, of the labour market outcomes of migrants versus natives with various levels of qualifications before detailed information from CSAM is presented in Section 4. Finally, Section 5 combines a discussion of commonly held perceptions regarding overseas students and the labour market with the overall findings from Section 4.

2. Previous Research

International literature on migrants in general

A great deal of empirical work has been conducted during the last three decades to explore the effects on labour markets of immigration, facilitated by a steady improvement in the data that are available for analysis. One of the key margins of concern in this literature has been the relationship between immigration and labour market outcomes, with care taken to distinguish between the outcomes for migrant and resident populations. In relation to the former of these groups, attention has focussed upon how immigrants fare, relative to the native workers. In relation to the latter, the focus of research has been on the extent of economic displacement of the native workforce.

Although the idea that immigrants are likely to reduce the labour market opportunities available to the resident population tends to feature prominently in the popular press, it is important to note that there are a range of reasons why this may not be the case. If, for example, a wave of immigrants is identical to that of the resident population for the purposes of production, and if capital is perfectly elastic, then the arrival of the immigrants will affect the scale of the economy, but leave wages and employment rates unchanged.[1] Alternatively, if immigrants complement the native workforce, then their arrival will improve the labour market opportunities of the resident population. Nevertheless, as the arrival of immigrants is likely to increase the relative supply of some forms of labour in an economy, and as economies of scale generally do not increase at the national level, it is likely that the arrival of immigrants will detrimentally affect the labour market opportunities of some native workers.

Much of the related analysis explores data for the US, where the country of origin of immigrants has shifted substantially over the last century, from Western Europe prior to the 1965 Immigration Act, to Mexico, Central America, and Asia in more recent decades.[2] Although the earlier literature on the subject displays substantial variation, the general conclusion reached was that immigrants had very little appreciable impact on the wages of natives.[3] Most of the early literature uses variation observed between geographic regions to identify the labour market effects of immigration.[4] This approach is, however, criticised by Borjas *et al.* (1997) as it fails to account for: (a) coincident shifts in the native population that

[1] See Dustmann *et al*. (2008a) for further discussion.
[2] The 1965 US Immigration Act broke with the quota system that had previously favoured immigrants from Northern Europe, to focus instead upon applicants with family members already in the US.
[3] See Friedberg and Hunt (1995) for a survey of the early literature.
[4] See Grossman (1982), Card (2001), Altonji and Card (1991).

may occur in response to the immigration flows; (b) favourable labour market conditions that may attract immigrants[5]; or (c) inter-regional responses of firms to the relative supply of labour. These limitations have motivated interest in empirical analyses framed at the national level.

In contrast, more recent studies reported in a series of papers by Borjas, suggest that immigrants to the US following the 1965 Act may have contributed to depress wages toward the bottom of the wage distribution.[6] Card (2005), however, finds that the supply of poorly educated immigrants into the US following the 1965 Act has had no discernible impact on the labour market opportunities of low educated natives.

Dustmann *et al.* (2005) find that immigration tended to have negative employment effects on the resident population with intermediate education (O-levels) in the UK between 1983 and 2000, that were approximately counterbalanced by positive effects for those with advanced qualifications (A-levels or degree). Manacorda *et al.* (2006) allow for imperfect substitutability between immigrants and natives within age and education subgroups.[7] They found that immigrants to Britain between 1975 and 2005 tended to compete with other immigrants rather than natives in the labour market, so that their arrival had a very slight (positive) impact on the wages of native workers.

Dustmann *et al.* (2008b) draw attention to the complications that can arise when the resident populations with whom immigrants are assumed to compete for work are mis-identified. They show that the wave of immigrants who moved to the UK after the European Union enlargement in 1997 were more educated than the resident population, but were also disproportionately employed in low-pay / low-skilled jobs. Dustmann *et al.* (2008b) consequently analyse how this wave of immigrants influenced the distribution of wages in the UK by focussing upon temporal variation between wage deciles. They find that the wave of immigration to the UK following EU enlargement tended to drive wages down at the bottom of the distribution, drive wages up at the top of the distribution, and had a positive effect on average.

[5] In some cases national policies omit this difficulty; see Edin *et al*. (2003) on Swedish data, Damm (2009) on Danish data, and Glitz (2006) on German data.
[6] See, for example, Borjas (1985, 2003), Borjas *et al.* (1996), Altonji and Card (1991), and Card (2001).
[7] See also Ottaviano and Peri (2006) on US data, and Borjas *et al.* (2008) for a critique of the approach.

Australian studies specifically addressing overseas students post-2009 or employer perceptions

We limit the discussion here to Australian studies that either apply to the same period for which we have CSAM data, or that shed light on the reported barriers to labour market entry and the perceptions of employers.

In a paper that uses ABS data from the 2010 Characteristics of Recent Migrants (CRM) survey Misko (2012) reports on the outcomes of interviews with 20 businesses on the use of migrant workers to explore the role of qualifications in foreign labour mobility in Australia. The interviews with employers are illuminating as this information is often completely missing from large surveys on students and not available from administrative data. However, as is nearly always the case, qualitative data that provides a deeper understanding comes with small sample sizes and the inherent risk that it may simply reflect an opinion that isn't easily generalizable to the wider population. Keeping in mind the limited number of business representatives interviewed, Misko (2012) reports that employers prefer hiring from the local workforce and value recognised qualifications due to the increasing importance of compliance with OH&S regulations. This should be good news for overseas students that took their education in Australia compared with their compatriots still overseas. Employers also reported that qualifications are only one aspect that they are interested in when they look for a new employee, with job-related experience and other skills (including language) typically cited as important. "For employers, the key frustration lies with identifying and verifying the qualifications, skills and knowledge of workers and determining the extent to which these will be transferable to current contexts." (Misko 2012, pp. 29). Arkoudis *et al.* (2009), too, make use of 147 interviews[8] of which 40 are conducted with international students, 18 with domestic students, 28 with university and TAFE staff, 18 with off-shore graduates, 36 with employers and regulatory bodies, and 7 are conducted with policy makers. Arkoudis *et al.* (2009) report that employers list strong profession-specific skills as being most important, followed by "well-roundedness". The authors argue that English language proficiency is a key factor determining whether an individual will find employment. The Government appears to agree and as a result English language proficiency plays a key role in the granting of visas with requirements having been lifted overtime. For instance, in 2009 it was announced that

[8] The interviews are in addition to data drawn from the 2006 Census, the Longitudinal Survey of Immigrants to Australia (LSIA), and Australia Education International (AEI) student enrolment data.

the English language level required for trades-related occupations was to be increased. People applying for a skilled migration visa in a trades-related occupation now had to demonstrate 'competent English' rather than 'vocational English'.

While qualifications do help, migrants do appear to face particular challenges when attempting to find domestic employment. One area Misko (2012) touches on is overseas students undertaking and acquiring qualifications with training providers that are not well known to employers or recruiters. She identifies this as a policy issue and argues in favour of better information provision for international students. This issue extends beyond international students, to include natives, and is likely to have been exacerbated by the demand driven reforms to the VET sector (e.g. the recent reforms in Victoria and South Australia towards a demand driven system). The government has already taken steps to address this information lacuna, most notably with the introduction of the My Skills website (www.myskills.gov.au). This website provides a host of characteristics and information on registered training organisations (RTOs) and is searchable by postcode or suburb.

A study that picks up on the role of culture is the study by Zevallos (2012) who points to some migrants not succeeding and argues for better integrating and teaching overseas students about Australian social and cultural skills. This sentiment is also consistent with the work by Misko (2012) and Arkoudis *et al.* (2009) who interviewed employer preferences.

As will be shown in Section 4 using CSAM data, the outcomes of former overseas students do not give rise to a concern that there are any barriers to finding employment in general. It is here that the concerns identified in qualitative studies do not seem to be in concordance with the findings from quantitative analysis, notwithstanding the value of both. However, we do find that former overseas students are less likely to be employed as professionals. This would suggest that it is not employment per se, but the quality of the job (measured by occupational prestige) where there is a gap between overseas and domestic graduates.

3. Results from the 2011 Census

The Census is one of the most commonly considered data sources for empirical studies of the labour market effects of immigration. The usefulness of census data for the current project is, however, limited because these data only allow us to identify international students to the point that they finish their respective courses of study. Hence, we cannot use census data to explore how international students get on after they complete their education in Australia, which is the principal focus of the current project, nor can we determine if the qualification held is an Australian or overseas qualification. Nevertheless, these data do report a range of characteristics that provide useful background detail regarding the influence of education on the labour market experience of immigrants, which helps to place in perspective the more relevant statistics based on the CSAM (reported in Chapter 4). Furthermore, since the 2011 Census was only released in November 2012, the added detail helps to describe the contemporary context. It should be noted that English proficiency in the Census is self-assessed.

Table 1

Labour force status of population aged 25 to 59 for two education groups, by selected migratory characteristics (% unless otherwise stated)

born in Australia	yes	yes	no	no	no	no
parents born in Australia	yes	no	-	-	-	-
excellent English proficiency	-	-	yes	yes	no	no
more than 5 years in Australia	-	-	yes	no	yes	no
graduates and post-graduates						
employed	89.5	88.9	87.3	79.1	74.8	57.0
unemployed	1.7	2.0	2.9	5.8	4.9	9.0
not in the labour force	8.7	9.0	9.6	15.0	20.0	33.5
not stated	0.1	0.1	0.1	0.2	0.3	0.4
Total (‘000)	1025.3	475.5	668.8	185.1	124.5	80.9
certificate, diploma, and advanced diploma						
employed	84.9	83.9	83.3	82.0	70.0	64.8
unemployed	3.0	3.3	3.6	5.2	5.3	7.4
not in the labour force	11.9	12.6	12.8	12.4	24.1	27.0
not stated	0.2	0.2	0.3	0.4	0.6	0.8
Total ('000)	1619.3	636.9	549.7	90.1	114.4	41.8

Source: 2011 ABS Census data

Table 1 shows the well established fact that rates of employment and engagement with the labour market are positively correlated with the time of arrival in Australia. This effect

extends to parental arrival for individuals who were born in Australia. Proficiency in English has a pronounced impact on rates of employment and labour market engagement which is in line with what employers report as being important determinants for a willingness to hire (former) overseas students (c.f. Misko 2012 and Arkoudis *et al.*, 2009).

Table 2

Occupational classification of employed population aged 25 to 59 for two education groups, by selected migratory characteristics (% unless otherwise stated)

born in Australia	yes	yes	no	no	no	no
parents born in Australia	yes	no	-	-	-	-
excellent English proficiency	-	-	yes	yes	no	no
more than 5 years in Australia	-	-	yes	no	yes	no
graduates and post-graduates						
Managers	17.6	16.9	16.5	12.4	10.6	6.9
Professionals	62.5	60.8	56.4	51.6	37.4	27.6
Skilled trades	2.4	2.8	3.8	5.0	9.6	10.1
Community Service	4.4	4.1	4.2	7.1	7.9	13.1
Admin / Clerical	8.7	10.1	12.0	11.3	14.5	9.1
Sales	2.3	3.0	3.3	5.4	6.0	7.7
semi-skilled workers	0.5	0.5	1.3	1.9	5.3	5.2
unskilled workers	0.8	0.8	1.4	4.4	7.6	19.4
other	0.9	1.0	1.2	1.0	1.2	0.9
Total ('000)	916.3	421.7	582.5	145.8	92.5	45.7
certificate, diploma, and advanced diploma						
Managers	14.0	13.4	13.5	9.6	7.6	4.3
Professionals	12.1	12.1	14.7	14.8	6.6	5.0
Skilled trades	27.5	28.3	24.9	31.7	29.5	32.3
Community Service	12.7	11.5	12.7	12.6	16.2	15.9
Admin / Clerical	14.5	16.1	15.6	10.3	9.1	3.8
Sales	5.9	6.8	6.0	5.3	5.4	5.0
semi-skilled workers	6.1	5.2	5.5	5.8	10.2	9.1
unskilled workers	6.1	5.6	6.1	9.1	14.5	23.7
other	1.0	1.1	1.1	0.8	1.0	0.8
Total ('000)	1369.1	532.3	456.1	73.5	79.4	26.8

Source: 2011 ABS Census data

Time since arrival and English proficiency are again shown to be importance in determining occupational outcomes (Table 2). The more recent the arrival to Australia and the lower the level of proficiency in English, the lower the rates of employment in managerial and professional occupations and the higher the rates of employment in semi-skilled and unskilled occupations.

Table 2 also shows that recent migrants to Australia with less than excellent proficiency in English are less than half as likely as natives to be employed as managers or professionals. Furthermore, less than 1% of natives (0.8%) with at least a bachelor's degree are employed in unskilled occupations, compared with close to one in five (19.4%) of migrants who have been in Australia for less than 5 years and speak less than excellent English.

4. Results from the CSAM Data

The Continuous Survey of Australia's Migrants (CSAM) is administered by the Department of Immigration and Citizenship (DIAC). It started in September 2009 and every 6 months a new cohort is interviewed. Each person surveyed is interviewed twice, 6 months apart, i.e. the CSAM is set up as a rotating panel. It is a very large survey which covers people who had either come to Australia on an offshore visa, or who were granted an onshore visa – in both cases in the last six months. They have been granted either a permanent residence visa, or provisional visa, and are thus on the pathway to permanent residence. The CSAM only covers the family and skilled streams, not the humanitarian stream.

We have data from CSAM that covers the period September 2009 to September 2011. The CSAM does record the visa Subclass and throughout the report we will separately identify three Subclasses that predominantly capture former overseas students (Subclasses 885, 886, and 485) and who are our main visa holders of interest. We group the remaining Subclasses into employer sponsored, offshore independents, other skilled, and other. There are many ways for people to obtain visas and stay in Australia and overseas students can also return migrate and apply offshore for one of the other visa Subclasses open to skilled migrants. The issue is further complicated by legislative change.

It is beyond the scope of this report to give an overview of the changes to the visa system over the time (see Phillips and Spinks 2012 for an excellent write-up), or to speculate on how the new SkillSelect framework will bear out. Instead, we briefly define common visa Subclasses for students as they were in place during the time span of our data. In Appendix A we describe them in more detail, including specific eligibility requirements, but here we highlight some of the main features:

Subclass 885 (Skilled - Independent (Residence) visa) is a permanent visa for eligible overseas students who have obtained an Australian qualification in Australia as a result of at least two years study, and for holders of certain temporary visas with skills in demand in Australia. Applicants are not sponsored and must pass a points test. No new applications were accepted after 31 December 2012.

Subclass 886 (Skilled - Sponsored (Residence) visa), too, is a permanent visa for eligible overseas students who have obtained an Australian qualification in Australia as a result of at least two years study and for holders of certain temporary visas with skills in demand in Australia. This Subclass is for applicants who are not able to meet the requirements for

Subclass 885, but who have either a relative in Australia to sponsor them or a nomination from a state or territory government. Applicants must also pass a points test. No new applications were accepted after 31 December 2012.

Subclass 485 (Skilled - Graduate (Temporary) visa) is an 18 month temporary visa for overseas students who have obtained an Australian qualification in Australia as a result of at least two years study. It allows applicants who are unable to pass the points test and who have no relative or state or territory government willing to sponsor them, to remain in Australia for 18 months to gain the skills and experience needed to apply for a permanent or provisional General Skilled Migration visa. No points test applies.

Subclass 121/856 is an Employer Nominated Scheme (ENS) visa for applicants with an Australian employer who has nominated them as a highly skilled worker for a permanent visa to work in their business. The nominated position must be related to an occupation listed on the employer nominated skilled occupations list (ENSOL), meet a minimum salary level, be full-time, ongoing and available for at least 3 years. The candidate must also have held a qualifying visa and meet other criteria, but there is no points test. No new applicants were taken for Subclass 856/121 after 30 June 2012.

Subclass 119/857 is a Regional Sponsored Migration Scheme visa which is close to Subclass 856/121 in that it, too, is an Employer Nominated Scheme (ENS). It is only open to employers operating businesses in regional, remote or low population growth areas of Australia. All areas of Australia are eligible except Brisbane, the Gold Coast, Sydney, Newcastle, Wollongong and Melbourne. The position must be a full time position available for at least two consecutive years and requires a person with at least an Australian equivalent trade, diploma or higher qualification.

Subclass 175 Skilled – Independent (Migrant) is similar to Subclass 885, with identical requirements such as to the points test, but where the applicant either meets the recent Australian study requirement in the last six months (c.f. Subclass 885) or has recent skilled employment experience for a period totalling at least 12 months in the last 24 months before applying. Applicants may lodge this visa while in Australia, but must be outside of Australia at the time that a decision is made on their application. No new applications were taken after 30 June 2012.

Subclass 176 Skilled – Sponsored (Migrant) is similar to Subclass 886, with identical requirements such as to the points test, but where the applicant either meets the recent

Australian study requirement in the last six months (c.f. Subclass 886) or has recent skilled employment experience for a period totalling at least 12 months in the last 24 months before applying. Under the new points test post 1 July 2011 there are also 5 additional points for nomination by a state or territory government under a state migration plan (Subclass 886 and 176). Applicants must be outside of Australia at the time that a decision is made on their application. No new applications were taken after 30 June 2012.

Subclass 475 Skilled – Regional Sponsored (Provisional) is a visa similar to Subclass 886, but is a temporary, not permanent resident visa. The visa allows the applicant to remain in Australia for up to three years. They must be outside of Australia at the time that a decision is made on their application. The new points test post 1 July 2011 awards 10 points for sponsorship by an eligible relative living in a designated area or nomination by a state or territory government under a state migration plan. No new applications were taken after 30 June 2012.

Subclass 887 Skilled – Regional (Residence) allows holders of certain provisional visas to apply for permanent residency. To be eligible you must have lived for at least two years, and have worked full time for at least one year, in a Specified Regional Area before lodging. You must lodge in Australia and be in Australia when the visa is granted.

Subclass 487 Skilled – Regional Sponsored (Provisional) is a 'provisional' visa that allows those granted to live and work or study in a Specified Regional Area in Australia for up to three years. The main applicant can study while they hold this visa, however they are expected to be looking for, and engaging in, full time work in their Specified Regional Area. Any study should be incidental to full time work. This visa is subject to very similar eligibility conditions as is Subclass 886 and applicants are subject to a points test. It awards 10 points for sponsorship by an eligible relative living in a designated area or nomination by a state or territory government under a state migration plan. No new applications under Subclass 487 were accepted post 31 December 2012.

Subclass 457 is the most commonly used visa programme by employers. Australian or overseas businesses that have been unable to meet their skill needs from the Australian labour market can sponsor skilled overseas employees under the Subclass 457 visa programme. This provides another option for overseas students, but is not included in our CSAM data.

In the sections that follow we exclusively look at visa applicants in possession of an Australian qualification unless otherwise noted. We analyse labour market status by visa Subclass, field of study and level of qualification; Industry of employment, level of qualification, and occupation by field of study; Occupation by level of qualification and by visa Subclass.

For Subclass 885 we also look at occupation, industry, field of study, and labour market status over time.

Labour Market Outcomes for Migrants with Australian Qualifications

The first cohort of the CSAM was interviewed in September 2009 and the 5th cohort, the last one available to us, was interviewed in September 2011. To get an idea of the make-up of our sample, we pool the data for cohorts 1 to 5 and compute the proportion of migrants with an Australian qualification by broad visa reporting category (Table 3). For our core Subclasses of interest (885, 886, and 485) one would expect all to have an Australian qualification, but in approximately 5% of cases this information was not available in CSAM. For some other broad visa categories, notably 'Employer Sponsored', 'Other Skilled' and 'Other', details on possession of Australian qualifications are often unknown as they typically do not influence the decision to grant the visa or not. The last column also gives an instant feel for the number of migrants in our data, with close to half coming from the 'Other' category. Subclass 885 makes up 8% of our sample with a further 12.6% coming from Subclass 485 and only 3.5% from Subclass 886.

Table 3

Possession of an Australian qualification by visa category (%)

	Details unknown	No	Yes	Row %	Column %
(885) Skilled-Independent	5.9	0.5	93.6	100	8.0
(886) Skilled-Sponsored	6.7	0.2	93.1	100	3.5
(485) Skilled-Graduate	4.0	1.4	94.6	100	12.6
Employer sponsored	12.2	57.7	30.1	100	16.1
Offshore Independent	4.7	74.3	21.0	100	8.1
Other skilled	24.1	48.6	27.3	100	6.6
Other	32.5	50.0	17.5	100	45.2
Total	19.8	41.3	38.8	100	100
N (17,765 individuals, unweighted)	2,906	7,982	6,877		

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview).

Potentially, there is an issue with the pooling of cohorts over time because changes have taken place over time that could affect labour market outcomes. Macroeconomic conditions also vary over time and all these variations get smoothed when pooling. Fortunately, the changes to the points test that came into effect 1 July 2011, which would have impacted overseas students most, took place close towards the end of our observation window (September 2011). Furthermore, one enters up to 6 months after the visa being granted (not lodged) hence most, if not all of our sample, would in all likelihood have been assessed under the old points test.

Still, macroeconomic conditions remain and ideally one would have large enough samples to be able to look at each cohort separately. But even though the CSAM should certainly be regarded as a very large sample, when one wants to look at particular Subclasses and narrow down experiences by broad field of study, one quickly runs out of observations. This trade-off between detail and robustness has been partially solved by aggregating where the loss of detail is less costly, e.g. grouping industries and levels of qualification, so that Subclasses could still be identified uniquely (but only Subclasses 885, 886, and 485). Furthermore, for Subclass 885 (and 886 and 485 in Appendix B and C, respectively) we do examine outcomes over time.

Labour market status by visa category

As is well known, different visa categories are associated with different labour market outcomes. In Table 4 we use the same broad visa categories and restrict our sample to those migrants who are in possession of an Australian qualification. We then calculate the distribution of labour market outcomes. Perhaps an overarching impression is that labour force participation rates are very high. However, this does not necessarily mean that *employment* rates are high. As can be expected, those who are employer-sponsored almost by definition need to be employed, but various other broad categories have employment rates in excess of 90%, with Subclass 885 doing much better than offshore independents (employment rates of 92.1 and 86.1, respectively). Note that we restricted the sample to migrants with Australian qualifications. Offshore independents therefore most likely captures former overseas students that return migrated and subsequently decided to return to Australia after having undertaken further study or gained relevant work-experience abroad.

Table 4

Labour market status by visa category (%)

	Employed	Unemployed	Not in labour force	Row %
(885) Skilled-Independent	92.1	5.9	1.9	100
(886) Skilled-Sponsored	94.1	4.2	1.6	100
(485) Skilled-Graduate	95.0	2.8	2.2	100
Employer sponsored	97.8	0.6	1.7	100
Offshore Independent	86.1	11.1	2.9	100
Other skilled	92.8	3.5	3.7	100
Other	75.5	15.7	8.9	100
Total	89.3	6.2	3.2	100
N (individuals, unweighted)	6,160	382	221	6,763

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification (Table 3) 6,835 for which labour market status was recorded at the first interview. Of those 6,835 cases 72 cases had incomplete or inconsistent responses and were dropped resulting in 6,763 final cases. A further 14 cases for 'not working not further defined' were merged with the 'Not in the labour force' category.

For a comparison of Table 4 with previously reported employment rates we consider Birrell, Hawthorne and Richardson (2006) who produce labour market states for two visa Subclasses that can be directly compared showing that 83% of onshore skilled (be they independent or sponsored) were employed, 12% were unemployed and 5% were not in the labour force. [9] This suggests a substantial improvement of labour employment rates for onshore skilled migrants over time.

Another way of putting the employment rates of Subclass 885, 886, and 485 visa holders in perspective is to contrast them with the outcomes of recent Australian graduates. For instance, the Graduate Destinations Survey (2011) reports[10] that for those recent graduates who are available for full-time work employment rates are also around the low 90s for most qualification levels.

Labour market status by field of study

The different labour market outcomes by visa reporting categories are much more widely known than the labour market outcomes by field of study. In Table 5 below we produce just that, using the 12 broadly defined ISCED fields for courses. Not all fields are equally

[9] Table 2.10 in Birrell, Hawthorne and Richardson (2006). Data comes from the 2005 Survey of Recent Migrants (SRM). The visa Subclass 880 in 2005 became the 885 used in the CSAM data. Similarly, 881 became 886. This table is partially reproduced as Table BHR 2 in Appendix D.

[10] 2011 Table 1a: Graduates available for full-time employment, by level of qualification and employment status.

common and results should be interpreted with caution if the number of visa holders is small. Limiting ourselves to fields with a solid number of observations, the positive standout in terms of employment rate is the field of Health with 97.4% employed when first observed in our sample. The standout, in a negative light, is the field of society and culture, with 80.6% employed. Close to 10% of migrants whose Australian qualification is in that field are reported to be unemployed and an equal proportion is not in the labour force.

These findings are again comparable to the outcomes for Australian graduates available for full-time employment, with graduates holding a Bachelor degree in the fields of medicine, pharmacy, nursing, dentistry all reporting close to 98% employment rates and those with Bachelor degrees in languages, visual and performing arts, and humanities all reporting employment rates in the low to mid-80s (i.e. a fraction higher than is the case for the former overseas students).[11]

Table 5

Labour Market Outcomes by Field of Education (row %)

	Employed	Unemployed	Not in labour force	Row %	N (individuals, unweighted)
management and commerce	89.3	7.7	3.0	100	2,713
health	97.4	1.5	1.2	100	939
engineering and related technologies	92.8	5.2	2.0	100	753
food, hospitality and personal services	91.5	4.8	3.7	100	545
information technology	93.8	4.1	2.0	100	491
society and culture	80.6	10.3	9.1	100	423
architecture and building	91.3	4.9	3.8	100	186
education	90.4	6.1	3.6	100	175
natural and physical sciences	91.7	4.3	4.0	100	138
creative arts	88.3	5.0	6.6	100	111
agriculture, environmental and related studies	97.9	0.6	1.5	100	70
mixed field programmes	53.3	26.8	19.9	100	53
Total	90.4	6.2	3.4	100	
N (individuals, unweighted)	6,022	369	206		6,597

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification (Table 3) 6,835 for which labour market status was recorded at the first interview. Of those 6,835 cases 72 cases had incomplete or inconsistent responses and were dropped resulting in 6,763 cases. A further 14 cases for 'not working not further defined' were merged with the 'Not in the labour force' category. Field of study was not determined in 170 cases, with the intersection of missing labour force status and field of study reducing the final sample to 6,597.

[11] 2011 Table 4a: Bachelor degree graduates available for full-time employment, by aggregated field of education and employment status.

Labour market status by level of qualification

A final breakdown of the labour market outcomes for the broad group of migrants with an Australian qualification is provided in Table 6, where labour market success is identified separately by the level of the Australian qualification held (they may or may not also have qualifications obtained in their home country). Employment rates are highest for those with an Australian undergraduate degree and on average are close to 90 percent across the board. As mentioned in relation to labour market outcomes by visa Subclass, these high employment rates concur with those in the Graduate Destinations Survey (2011) for recent graduates who are available for full-time work. [12]

Table 6

Labour Market Outcomes by Level of Qualification (row %)

	Employed	Unemployed	Not in labour force	Row %	N (individuals, unweighted)
Post-graduate	91.4	6.1	2.6	100	2,289
Undergraduate	92.8	4.7	2.6	100	1,827
Non-degree	88.1	7.0	4.8	100	2,216
Total (row %)	90.6	6.0	3.4	100	
N (individuals, unweighted)	5,781	349	202		6,332

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification (Table 3) 6,835 for which labour market status was recorded at the first interview. Of those 6,835 cases 72 cases had incomplete or inconsistent responses and were dropped resulting in 6,763 cases. A further 14 cases for 'not working not further defined' were merged with the 'Not in the labour force' category. Level of qualification was not available in 231 cases and 200 equivalency conversion course cases could equally not be recoded. The loss of 431 cases reduced the total sample to 6,332 cases. Post-graduate captures Master and Doctoral degrees. Undergraduate captures Bachelor degrees, Graduate Certificates, and Graduate Diplomas. Non-degrees capture Advanced Diploma and Associate degrees, Diplomas, and Certificates I to IV.

The nexus of field of study, qualification levels, industry, and occupation

Qualification level by field of study

Table 7 explores the distribution of migrants with an Australian qualification by field of study and qualification level (i.e. how many did what at which level). Even though the sample is close to 7,000 individuals some combination of the characteristics of interest are extremely rare or non-existent. To overcome this we only distinguish three levels, being post-graduate (Master degrees and PhDs), Undergraduate (Bachelor degrees, Graduate Certificates, and

[12] 2011 Table 1a: Graduates available for full-time employment, by level of qualification and employment status.

Graduate Diplomas), and non-degree (Advanced Diplomas and Associate degrees, Diplomas, and Certificates I to IV).

The last column of Table 7 shows the proportion of migrants by field of study, indicating that nearly half (44.5%) of the sub-sample of migrants with Australian qualifications obtained this in the field of management and commerce and again half of them at the Post-graduate level (20 of the 44.5 percentage points). The next four study fields in order of magnitude are the fields of health, engineering and related technologies, food, hospitality and personal services, and information technology. Each of these four constitutes approximately 10% of our CSAM data sub-sample of migrants with Australian qualifications.

Table 7

Distribution of Education Field and Qualification Level (cell %)

	Post-graduate	Undergraduate	Non-degree	Total (Col. %)	Total (N)
management and commerce	20.0	13.2	11.3	44.5	2,712
Health	2.5	5.9	2.1	10.4	815
engineering and related technologies	3.1	2.7	3.9	9.7	704
food, hospitality and personal services	0.1	0.4	9.2	9.7	545
information technology	5.0	1.8	1.2	8.0	481
society and culture	1.4	1.5	4.0	7.0	406
Education	1.1	0.7	0.7	2.4	174
architecture and building	0.8	0.3	1.1	2.2	163
natural and physical sciences	1.0	1.0	0.1	2.1	135
creative arts	0.4	1.1	0.6	2.1	111
agriculture, environmental and related studies	0.2	0.1	0.8	1.2	66
mixed field programmes	0.0	0.0	0.6	0.6	36
Total	35.7	28.6	35.6	100	
N (individuals, unweighted)	2,326	1,843	2,179		6,348

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification (Table 3). In 170 cases field of study can't be determined and in 433 cases the level can't be determined. The intersection of these missing values results in a final sample of 6,348 cases for both field and level can be determined. Post-graduate captures Master and Doctoral degrees. Undergraduate captures Bachelor degrees, Graduate Certificates, and Graduate Diplomas. Non-degrees capture Advanced Diploma and Associate degrees, Diplomas, and Certificates I to IV.

The match between field of study and the industry employed in

Although one would expect students to choose courses in fields in which they wish to be employed, this doesn't always happen for a variety of reasons, e.g. people's preferences change or labour market opportunities in a particular field are few and far between. Table 8 does not investigate what may be causing the mismatch between people's field of study and the industry they are employed in, but simply documents the distribution of industry of employment for each of the broad fields of study. Table 8 is thus read row by row (field), across the columns (industries).

We again chose to group industries so that field of study could remain disaggregated. In particular, we made a grouping labelled 'Industry' that captures the more traditional male oriented industries such as mining and construction and another called 'Other services' which groups numerous service industries.

Field of studies with only a limited number of observations have been shaded out, and some of the more noteworthy findings have been highlighted using bold font. For instance, those with a qualification in the field of health not only had very high employment rates close to 98% (Table 4) the also overwhelmingly work in the industry of health care and social assistance.

Among those with a qualification in the field of information technology or management and commerce, a relatively high proportion is employed in the accommodation and food services industry: about 13%, and nearly double that (25.4%), respectively. However, one cannot rule out that those who did management and commerce are not involved in a role commensurate with their field of study. In the case of information technology one certainly can. The match between studying in the field of food, hospitality and personal services and also being employed in said industry is quite good (62.3%). Similarly, more than half of those studying in the field of engineering and related technologies end up in our aggregated group 'industry'.

Table 8 Distribution of Industry employed in and Field of Education (column %)

	Accommodation and Food Services	Health Care and Social Assistance	Industry	Information media and tele-communication	Other Services	Public administration education and training	Wholesale and retail trade	Row %	Total
Management and commerce	**25.4**	5.8	18.1	2.2	17.8	7.9	22.8	100	2,085
Health	0.6	**93.7**	1.7	0.1	1.7	1.7	0.6	100	884
Engineering and related technologies	5.4	1.5	**56.1**	3.7	**13.8**	8.9	10.5	100	633
Food, hospitality and personal services	**63.2**	4.8	7.7	1.4	10.5	1.6	11.0	100	478
Society and culture	7.4	31.1	18.3	0.7	14.0	19.8	8.7	100	326
Information technology	**12.7**	4.4	20.7	17.1	10.7	15.1	19.3	100	322
Architecture and building	2.4	0.9	82.9	1.5	3.4	4.6	4.4	100	158
Education	6.0	7.3	8.7	0.0	2.9	72.5	2.7	100	150
Natural and physical sciences	8.1	28.9	27.2	0.0	2.1	21.5	12.2	100	101
Creative arts	17.6	5.7	14.5	25.7	6.4	12.9	17.2	100	83
Agriculture, environmental and related studies	8.2	0.6	66.1	0.0	9.3	12.9	2.9	100	59
Mixed field programmes	32.4	8.1	31.5	0.0	3.6	9.2	15.3	100	30
Total	20.2	18.9	21.2	3.1	12.3	9.7	14.6	100	
N (individuals, unweighted)	865	1,180	1,214	146	666	526	712		5,309

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification (Table 3). Data here applies to those who work, record an industry and for whom we have field of study information. Industries have been grouped. In particular, 'Industry' captures agriculture, forestry and fishing; mining; manufacturing; electricity gas water and waste services; construction; and transport, postal and warehousing. 'Other services' groups financial and insurance services; rental hiring and real estate services; professional scientific and technical services; administrative and support services; arts and recreation services; and other services.

The match between field of study and occupation

Table 9 reports broad fields of study by row, and occupational classifications by column, so that each row adds to 100%. This format facilitates assessment of the occupational distribution by field of study. We use shading to draw attention to those fields 6 fields that have a large number of observations and use bold font to highlight interesting findings.

The only occupation that can be universally be regarded as a mismatch would be the occupation classification labourer. For the 5 of the 6 most common fields the share of labourers ranges between 8 to 10%. Only for those with a qualification in the field of health is this a low 2.5% and are 68.6% employed as professionals.

A comparison of this field and occupation match with those from the Graduate Destination Survey (2011) shows that for Australian graduates with a Bachelor degree larger proportions are employed as professionals. It is hard to make a direct comparison, but the overall share of managers, professionals, and 'clerical, sales and services' is 6.4%, 67% and 19.6%, respectively. [13] In contrast, in our sample of all overseas student graduates with an Australian degree these overall shares are 6.2%, 33.3%, and 12.6%. The reason is that our sample is not restricted to those with a Bachelor degree and hence has a large share of technicians and Trades Workers (18.7% overall). When we do look at the occupational outcomes by level of qualification it is clear that for those classified as having a qualification at the undergraduate level (Table 10) the shares get much closer. Between managers, professionals, and 'clerical, sales and services' the shares are now 5.5%, 45.1% and 15.1%, respectively. However, a significant gap in the share of professionals remains for overseas student graduates vis-à-vis Australian graduates.

When breaking down the occupation distribution by level of qualification it remains that a sizeable proportion (close to 5%) is employed as a labourer and in the case of a qualification at the post-graduate level (i.e. Master degree of PhD) about one eight visa holders with an Australian qualification works in sales (12.5%).

[13] 2011 Table 22: Broad level of occupation by broad field of education, bachelor degree graduates in full-time employment.

Table 9

Distribution of Education Field and 1-Digit Occupation Classification (row %)

	Managers	Professionals	Technicians and Trades Workers	Community and Personal Service Workers	Clerical and Administrative Workers	Sales Workers	Machinery Operators and Drivers	Labourers	Row %	Total
Management and commerce	7.9	26.2	11.9	6.5	23.4	13.1	2.9	**8.1**	100	2,398
Health	0.8	**68.6**	1.3	24.3	1.1	0.4	1.0	2.5	100	915
Engineering and related technologies	3.5	31.2	35.9	4.1	6.0	6.4	5.1	**7.9**	100	694
Food, hospitality and personal services	5.5	2.1	**62.8**	9.4	2.8	4.5	2.7	**10.2**	100	497
Information technology	5.6	**43.1**	16.7	4.7	7.0	10.5	4.7	**7.8**	100	455
Society and culture	7.7	31.7	4.3	29.3	7.2	6.3	3.3	**10.1**	100	352
Architecture and building	9.7	28.6	44.6	4.2	3.3	2.3	0.3	6.9	100	171
Education	6.6	67.0	3.3	9.9	6.2	2.9	1.1	3.1	100	158
Natural and physical sciences	5.3	49.2	13.4	6.8	5.0	9.4	6.3	4.7	100	123
Creative arts	9.0	49.8	16.4	1.2	7.5	4.6	0.0	11.4	100	99
Agriculture, environmental and related studies	11.0	22.9	25.2	2.7	2.0	0.0	2.4	33.9	100	68
Mixed field programmes	13.7	9.2	16.9	12.9	7.5	4.8	4.5	30.6	100	32
Total	6.2	33.3	18.7	9.9	12.6	8.4	2.9	8.0	100	
N (individuals, unweighted)	377	2,168	1,033	578	744	476	164	422		5,962

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification (Table 4). In 782 cases occupation was either unknown or not applicable. In 170 cases field of study can't be determined. The intersection of these resulted in a final sample of 5,962 cases for which field of study and occupation was observed.

Table 10

Distribution of 1-Digit Occupation Code and Qualification Level (column %)

	Post-graduate	Undergraduate	Non-degree	Total (Col. %)	Total (N)
Managers	6.2	5.5	6.4	6.1	353
Professionals	44.2	45.1	10.6	32.6	2,030
Technicians and Trades Workers	6.0	6.6	42.0	18.9	992
Community and Personal Service Workers	5.4	11.8	13.0	9.9	561
Clerical and Administrative Workers	17.4	15.1	6.1	12.8	734
Sales Workers	12.5	8.9	4.6	8.7	475
Machinery Operators and Drivers	2.5	1.6	4.7	3.0	161
Labourers	5.8	5.3	12.6	8.0	414
Column %	100	100	100	100	
N (individuals, unweighted)	2,078	1,679	1,963		5,720

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification (Table 4). In 782 cases occupation was either unknown or not applicable and in 433 cases the study level can't be determined. The intersection of these missing values results in a final sample of 5,720. Post-graduate captures Master and Doctoral degrees. Undergraduate captures Bachelor degrees, Graduate Certificates, and Graduate Diplomas. Non-degrees capture Advanced Diploma and Associate degrees, Diplomas, and Certificates I to IV.

Table 11 displays the occupational distribution for those visa holders with an Australian qualification by broad visa class. We will not discuss each visa Subclass contained in Table 11, but rather highlight the three Subclasses of primary interest, being 885, 886 and 485's. Migrants holding a Subclass 885 visa show a large proportion working as professionals, nearly one in two (45.5%). The equivalent proportion for holders of a Subclass 886 (i.e. a sponsored visa) is one in three (30.1%). In both cases, close to one in five (18.7 and 18.1%) are employed as a clerical or administrative workers, which is most likely due to the prevalence of overseas students to opt for business and accounting courses (c.f. Burch 2008).

The graduated overseas students that did not meet the points test and/or had no relative or State/Territory willing to sponsor them, but who did obtain an 18 month temporary visa (Subclass 485), did less well in terms of occupational attainment. Whereas close to one in two of the Subclass 885 holders and one in three of the Subclass 886 holders were professionals, only one in four (24.5%) were employed as such in the case of 485 holders. The occupation where the Subclass 485 holders make up their relative share is technicians and trades workers. For one in three (30.0%) Subclass 485 holders this is their occupational outcome.

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Table 11

Distribution of occupation (1-digit ANZSCO) by visa category (column %)

Description	(885) Skilled Independent	(886) Skilled Sponsored	(485) Skilled Graduate	Employer sponsored	Offshore Independent	Other skilled	Other	Column %	N (individuals, unweighted)
Managers	4.7	6.1	5.0	7.5	5.4	11.4	7.3	6.1	381
Professionals	45.5	30.1	24.1	48.4	65.1	21.5	19.7	32.9	2,191
Technicians and Trades Workers	6.5	16.0	30.0	24.5	13.3	12.2	13.6	19.1	1,085
Community and Personal Service Workers	5.9	7.6	7.1	11.4	4.5	10.7	21.2	10.0	594
Clerical and Administrative Workers	18.7	18.1	10.5	3.9	5.2	13.1	14.6	12.5	753
Sales Workers	12.1	10.4	9.2	0.9	1.3	13.9	7.6	8.4	483
Machinery Operators and Drivers	1.4	4.9	3.7	1.2	1.6	5.7	3.7	3.0	170
Labourers	5.2	6.9	10.4	2.3	3.6	11.6	12.4	8.1	438
Total (column %)	100	100	100	100	100	100	100	100	
N (individuals, unweighted)	1,133	858	1,317	987	442	484	874		6,095

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification (Table 3). In 782 cases occupation was either unknown or not applicable resulting in a final sample of 6,095.

Labour Market Outcomes over time and by State: Onshore Skilled – Independent (Subclass 885)

Thus far we have used the pooled sample in order to obtain robust inference, but since there is always a concern that this smooths out responses to macroeconomic conditions or policy interventions we now allow results to vary by time.

The next block of results discusses the trends observed over time (albeit for the short period from September 2009 to September 2011) for occupational outcomes, industry outcomes, broad field of study, the level of qualification, and employment status. We do the analysis for our three core groups of interest, those with visa Subclass 885, 886, and 485. However, we only report the results for Subclass 885 in the main body of the report to reduce the number of tables. The equivalent Appendix tables for Subclass 886 and 485 have the same table numbers as those for Subclass 885, but with the prefix B and C, respectively.

The distribution over 1-digit ANZCO occupations over time (Table 12) reveals that there is an upward trend towards managers (from 4.0% to 6.3% over the course of two years) and a downward trend towards professionals (from 53.5 to 46.0 over the same period). There is also an upward trend towards technicians and trade workers (from 4.6% to 10.3%), and sales workers. Perhaps the best indicator for occupational outcomes improving with each cohort is that the share of labourers is reduced from 9.2% down to 3.3% over the period from September 2009 to September 2011.

Apart from the trend over time there also seems to be a pattern of 'seasonality' in the share of, for instance, professionals. The shares for this occupational outcome are higher for the September cohorts than they are for the March cohorts.

Table 12 has a close match in the work done by Birrell, Hawthorne and Richardson (2006). In Appendix Table BHR 1 a table from their report is reproduced showing the distribution over occupation by visa reporting category. The last column in Table BHR 1 can be compared with the distribution in Table 12. The comparison is not perfect. For starters, the occupation categories are slightly different. Secondly, Birrell, Hawthorne and Richardson (2006) use Onshore Former Overseas Students as a reporting category, but this includes the old 880 and 881 Subclasses (i.e. the new 885 and 886 Subclasses that cover Onshore Skilled Independent and Sponsored). That said, the share of labourers in Table BHR 1 is 4%, on par with the proportions in March and September 2011 in Table 12. The share of professionals is close,

too, when professionals and associate professionals in Table BHR 1 are combined (36+10), compared with the range 39.2 to 53.5 in Table 12).

Table 12

Distribution of occupation over time: Subclass 885 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Managers	4.0	5.2	2.4	3.7	6.3
Professionals	53.5	47.4	50.4	39.2	46.0
Technicians and Trades Workers	4.6	3.4	3.0	5.5	10.3
Community and Personal Service Workers	3.4	10.1	5.0	6.6	4.5
Clerical and Administrative Workers	19.1	11.3	21.8	24.5	15.8
Sales Workers	5.7	10.8	13.4	14.8	12.0
Machinery Operators and Drivers	0.6	1.2	3.1	0.7	1.9
Labourers	9.2	10.8	0.9	5.0	3.3
Total (column %)	100	100	100	100	100
N (individuals, unweighted)	172	142	253	264	302

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,349 were under visa sub-class 885. For 1,268 of those it is recorded they have an Australian Qualification and in 1,133 cases is occupation known.

Table 13 displays the outcomes for industry of employment over time. There are 19 industries (ANZSIC) but the trade-off between level of detail and robustness of results leads us to use the same grouping of industries employed earlier, with most of the traditional male dominated industries combined into a category 'Industry' and most services combined into 'other services'. This reduces the number of industries from 19 down to 7.

Even with this aggregation care should be taken in interpreting the results as for each time period we have between one and two hundred cases. Perhaps the biggest difference between the trends in industry of employment compared with trends in occupation is that the industry of employment appears to be much more volatile and fewer clear trends can be discerned. Not all shares of industry change. The combined category 'industry' and public administration, education and training are both reasonably steady at about 20% and 15% shares, respectively. The share of wholesale and retail trade grew substantially from September 2009 to September 2011, from less than 10% to more than double that.

Table 13

Distribution of Industry employed in over time: Subclass 885 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Accommodation and Food Services	14.1	10.5	4.4	13.2	5.7
Health Care and Social Assistance	19.4	22.3	19.4	7.1	12.7
Industry	21.2	14.7	20.8	21.6	24.0
Information media and telecommunication	5.3	6.7	6.2	0.9	6.5
Other Services	15.8	13.0	22.3	15.0	14.4
Public administration, education and training	15.1	16.3	10.4	15.8	13.4
Wholesale and retail trade	9.3	16.5	16.5	26.4	23.2
Column %	100	100	100	100	100
N (individuals, unweighted)	136	122	242	226	228

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,349 were under visa sub-class 885. For 1,268 of those it is recorded they have an Australian Qualification and in 954 cases can the industry in which they work be recorded. Industries have been grouped. In particular, 'Industry' captures agriculture, forestry and fishing; mining; manufacturing; electricity gas water and waste services; construction; and transport, postal and warehousing. 'Other services' groups financial and insurance services; rental hiring and real estate services; professional scientific and technical services; administrative and support services; arts and recreation services; and other services.

Tables 14 and 15 display time trends in the distribution of study field and the level of qualification, respectively. Much like industry outcomes, there is substantial volatility between individual cohorts, making it hard to draw robust conclusions. The share of engineering and related technologies seems to be declining, though, (Table 14) and that of Information Technology rising. The March 2011 cohort saw a spike in the number of 885 visa holders with a qualification in the field of management and commerce, making up 80.1% of that cohort.

Combining that outlier for March 2011 in Table 14 with the results in Table 15 for the level of qualification shows that they were also likely to have been overseas students with Master Degrees (the bulk of the post-graduate category) . However, when the proportion of Master Degree students is high the proportion of Bachelor Degree students is low. When adding both it is clear that their combined share is very stable and in excess of 90% (as one would suspect since we are specifically dealing with independent skilled migrants under Subclass 885).

Table 14

Distribution of Education Field over time: Subclass 885 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
management and commerce	48.5	56.2	55.3	80.1	54.6
engineering and related technologies	23.2	17.8	19.9	8.2	13.1
information technology	4.1	3.9	5.8	5.8	16.4
health	11.9	15.5	13.5	0.2	5.9
Other fields	12.3	6.7	5.6	4.9	9.9
Total	100	100	100	100	100
N (individuals, unweighted)	190	159	285	298	336

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,349 were under visa sub-class 885. For 1,268 of those it is recorded they have an Australian Qualification.

Table 15

Distribution of Qualification Level over time: Subclass 885 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Post-graduate	50.1	47.0	49.3	84.9	62.9
Undergraduate	43.9	52.2	49.7	13.1	33.9
Non-degree	6.0	0.9	1.0	2.0	3.2
Total (column %)	100	100	100	100	100
N (individuals, unweighted)	190	159	285	297	335

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,349 were under visa sub-class 885. For 1,268 of those it is recorded they have an Australian Qualification. Post-graduate captures Master and Doctoral degrees. Undergraduate captures Bachelor degrees, Graduate Certificates, and Graduate Diplomas. Non-degrees capture Advanced Diploma and Associate degrees, Diplomas, and Certificates I to IV.

The last table presents employment outcomes over time which show very little variation for the Subclass 885 holders overall. At best one can detect a low level seasonal pattern in the proportion unemployed, with the March cohorts having elevated levels of unemployment compared with the September cohorts. Not shown are employment rates by State/Territory as they varied only in a narrow band and numbers were to low for the Northern Territory, ACT, and Tasmania for any robust inference. The remaining States do show some variation, albeit around a narrow band close to 90%.

Table 16

Distribution of Labour Market Status over time: Subclass 885 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Employed	93.9	89.7	93.3	92.6	91.9
Unemployed	4.7	8.5	4.5	6.6	5.1
Not in Labour Force	1.4	1.7	2.2	0.8	3.1
Total (column %)	100	100	100	100	100
N (individuals, unweighted)	186	158	277	286	330

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,349 were under visa sub-class 885. For 1,268 of those it is recorded they have an Australian Qualification.

5. Discussion

Australia has a long and proud history of opening its education sector to students from abroad. This initially started as a form of aid under the Colombo plan of the 1950s, but more and more often is the result of being the preferred option over alternatives in Europe or the US. A strong migration agenda and a rapidly changing world make it imperative for Australia to collect good data on an ongoing basis. The analysis presented in this report is based on such data, the Continuous Survey of Australia's Migrants (CSAM), which allowed the assessment of the labour market outcomes of overseas students by field of study, and how well field of study matched the industry of employment and the occupational outcomes.

Comparing outcomes using CSAM for the two years ending in September 2011 to outcomes as reported in previous research for Australia, seems to suggest that outcomes for skilled migrants have improved. More are employed, and fewer are employed in the lowest occupational level of labourers. It is beyond the scope of this report, and the ability of the data, to say if this is the result of a more buoyant labour market, a shift in the quality of applicants or Australian universities improving their curriculum and teaching and learning techniques to better prepare overseas students for the Australian labour market.

What is clear, though, is that immigration policies require constant monitoring and reassessment of the integrity of the migration process. The rapid increase in the number of overseas students at the start of the century, especially in the second half of the first decade, combined with a points test that one was virtually guaranteed to pass if you took the right type of courses, lead to an number of undesirable outcomes and undermined Australia's strong record on selecting the most promising newcomers. It also put a strain on the tertiary education sector. Several changes were made to correct course and with the recently commenced SkillSelect another step has been taken to redefine the process, with applicants now registering their interest but only being allowed to lodge an application upon invitation.

Undoubtedly many more new migrants will continue to want to come to Australia, among them many students. This is not surprising as a rising South East Asian middle class means more opportunities to finance overseas studies. Australia's tertiary education has a good reputation and Australia's good economic fortune and prospects for the future mean that it remains an attractive destination.

However, not everyone is happy with the expansion of the international education market. Some of this no doubt has been due to the speed of adjustment, but what often happens is that what students do while being a student gets confused for what students do once they have

been granted to stay permanently post graduation. Australia is an expensive country, especially now that the dollar is strong. It is therefore perfectly reasonable to expect students to work while still being enrolled and often these jobs are not the best paid or the most prestigious jobs. But they are commensurate with being young, inexperienced and in the case of overseas students, most likely a command of English that needs improving as well as learning to adapt to a new culture. However, work rights for students and jobs done while being a student, are something else entirely from the labour market outcomes for *former* overseas students when they are granted a permanent resident visa. This moment, when a permanent visa gets granted, is the only truly important gatekeeper moment and the decision that the Government needs to get right. Our analysis here showed that when it comes to employment rates for the Subclasses 885 and 886, these outcomes are certainly on par with those for Australian graduates.

It is unlikely that this finding will overcome the often held impression on overseas students that Australia trains them all to be engineers, IT specialists and accountants, but they end up driving taxis. Such believes are hard to dispel and we do find some limited evidence that former overseas students who have been granted permanent residency do jobs that do not match their training both in terms of the level of qualification and the field of study. This is reflected by the lower share of former overseas students in professional occupations compared to recent domestic graduates.

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Appendix A

This appendix briefly summarises the 885, 886, and 485 visas and details the requirements and conditions linked to them. We also list a number of other visa Subclasses that have significant portions of applicants who hold Australian qualifications. **No new applications for the 885 and 886 visas were accepted after 31 December 2012.**

Subclass 885 (Skilled – Independent (Residence) Visa)

Who?

- overseas students or former overseas student
- holders of a Skilled – Graduate (Subclass 485) or Skilled – Recognised Graduate (Subclass 476) visa
- holders of a Trade Skills Training (Subclass 471) visa

Why?

This visa allows the primary and any secondary applicants included in the visa application to live as permanent residents in Australia. Permanent residency does not allow one to vote, but does mean that one can:

- live and work in Australia on a permanent basis
- study in Australia at school, Vocational Education and Training (VET) sector or university
- receive subsidised healthcare through Medicare and the Pharmaceutical Benefits Scheme (PBS)
- access certain social security payments (subject to waiting periods)
- be eligible for Australian citizenship (subject to the residency eligibility criteria)
- sponsor people for permanent residence.

When?

To apply for this visa the applicant must meet certain criteria. For the primary applicant if they are an overseas students visa holder this means they must:

- be under 50 years of age
- have at least a competent level of English language ability
- nominate an occupation on the Skilled Occupation List (SOL)
- meet the recent Australian study requirement in the last six months
- provide a positive skills assessment completed by the relevant assessing authority for the nominated occupation
- primary and all secondary applicants must hold an eligible visa
- meet the location requirement
- meet the Health requirement
- meet the Character requirements
- meet the Australian Values Statement requirement

In addition to these basic requirements applicants must also pass a point test. Prior to 1 July 2011 the pass mark for the 885 visa was 120 points, but points were awarded differently. Most importantly, one would get 60 points for having a specialised professional or trade occupation, 50 points for general professional occupation, and 40 points for other general skilled occupations. After 1 July 2011 the pass mark of the new points tests was set at 65 points. Applications lodged before 1 July 2011 are assessed under the old points test and pass mark prior to 1 July 2011. Subclass 485 visa holders eligible for transitional provisions who lodge on or after 1 July 2011, may also be assessed under the old points test and pass mark as applied prior to 1 July 2011.

The following points (under the new post 1 July 2011 points test) are given:

Age points:

- 18 to 24 years: 25 points
- 25 to 32 years: 30
- 33 to 39 years: 25
- 40 to 44 years: 15

English language ability points:

- Proven superior ability gives 20 points. Proven proficient ability gives 10 points.

Australian Study Requirement points:

- 5 points for having completed one or more degrees, diplomas or trade qualifications for award by an Australian educational institution as a result of a course or courses.

Overseas and Australian Skilled Employment points:

- Overseas skilled employment in nominated or closely related profession
    - 3, 10, and 15 points for 3, 5, and 8 years of employment, respectively

- Australian skilled employment in nominated or closely related profession
    - 5, 10, 15, and 20 points for 1, 3, 5, and 8 years of employment, respectively

Qualifications points:

- 20 points: Doctoral degree
  15 points: At least Bachelor degree (incl. Bachelor degree with Honours or Masters)
- 10 points: Australian Diploma or trade qualification
- 10 points: Award or qualification recognised by the assessing authority in the assessment of the skilled occupation.

Credentialled Community Language points:

- 5 points awarded if you have been accredited at the para-professional level or above by the National Accreditation Authority for Translators and Interpreters (NAATI) as either a translator or interpreter.

Regional Australia Study points:

- 5 points awarded if you have met the Australian study requirement while living and studying in regional Australia or a low population growth area.

Partner Skills points:

- 5 points if the applicant's partner is also able to satisfy the basic requirements of age, English language ability, has nominated an occupation on the same Skilled Occupation List (SOL) as the primary applicant for which they have obtained a suitable skills assessment from the relevant assessing authority and they meet the Australian study requirement or have recent work experience in a skilled occupation which is on the SOL as the primary applicant. Partner can't be an Australian permanent resident or an Australian citizen and must be included in the visa application.

Professional Year points:

- 5 points if the applicant completed a Professional Year course. The Professional Year is a structured professional development program combining formal learning and workplace experience.

Where?

If granted this visa allows the primary and all secondary applicants to live and work in any part of Australia and engage in any type of employment.

Subclass 886 (Skilled – Sponsored (Residence) Visa)

Who?

- See Subclass 885

Why?

- See Subclass 885

When?

- All of the requirements listed for Subclass 885 ***plus*** the applicant must be nominated by a participating state or territory government or sponsored by an eligible relative.

The applicant must also pass the same point test as described for Subclass 885. Points are rewarded identically, but the pass marks differ. Prior to 1 July 2011 the pass mark for the 886 visa was 100 points (for Subclass 885 it was 120). After 1 July 2011 the pass mark for the new points test was set at 65 points (same as for Subclass 885). Applications lodged before 1 July 2011 are given a points score after assessment against the points test and pass mark prior to 1 July 2011. Subclass 485 visa holders eligible for transitional provisions who lodge on or after 1 July 2011, may also be assessed under the points test and pass mark that applied prior to 1 July 2011. Under the new points test there are also 5 additional points for nomination by a state or territory government under a state migration plan (Subclass 886 and 176).

Where?

If the applicant is nominated by a State or Territory government, the applicant must agree to:

- remain in the State or Territory for a period of at least two years;
- keep the State or Territory government informed of changes in address details before and after visa grant; and
- be prepared to complete surveys and provide information as required.

If the applicant is sponsored by an eligible relative, the sponsor must agree to provide:

- adequate accommodation and/or financial assistance as required to meet their relative's living needs during their first two years in Australia (which starts from the date a visa is granted);
- other support, such as child care, to enable their relatives to attend English language classes; and
- information and advice (including information about employment in Australia) to help their relatives settle in Australia.

Subclass 485 (Temporary Graduate Visa)

Who?

- **Graduate Work stream** – for international students who graduate with skills and qualifications that relate to an occupation on the Skilled Occupation List (SOL). A visa in this stream is granted for 18 months.
- **Post-Study Work stream** – for international students who graduate with an eligible qualification. This stream is only available to students who applied for and were granted their first Student visa to Australia on or after 5 November 2011. A visa in this stream can be granted for up to four years, depending on the qualification.

Importantly, the requirement that the first Student visa was granted on or after 5 November 2011 implies that applicants would be outside the data window for which we have data from the CSAM. Hence 485 holders in the CSAM data will have been granted under the Graduate Work stream.

When?

Applicants for this visa must:

- be younger than 50 years of age
- are in Australia
- hold an eligible visa
- have at least competent English
- meet the two year Australian study requirement in the last six months
- meet health and character requirements
- have health insurance in Australia
- meet the specific requirements of the stream in which they apply for this visa.

For the Graduate Work stream specific requirements are to:

- nominate an occupation on the Skilled Occupation List
- have a suitable skills assessment for their nominated occupation
- have met the two-year Australian study requirement in the past six months. This means that the applicant must have completed one or more courses registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS)

Where?

This visa allows the applicant and their family to stay in Australia temporarily after they have finished their studies. While in Australia, they may travel, work, and study.

Other Subclasses

Employer Nomination Scheme (Subclass 121/856)

This is an Employer Nominated Scheme (ENS) visa for applicants with an Australian employer who has nominated them as a highly skilled worker for a permanent visa to work in their business. The employees can be either highly skilled workers from overseas or highly skilled temporary residents currently in Australia. Subclass 121 is for applicants who were outside Australia when they lodged, Subclass 856 for those who are in Australia. **No new applicants were taken for Subclass 856/121 after 30 June 2012.**

When?

For applicants for this visa the following must hold at the time of application:

- they must have held a qualifying visa
- the nominated position must be related to an occupation listed on the employer nominated skilled occupations list (ENSOL).

They must also have met one of the following requirements:

- had worked full-time in Australia in the nominated occupation on a Subclass 418, 401, 422, , 444, 457 or 461 temporary residence visa for the last two years prior to the visa application being made (including at least the last 12 months with the nominating employer)
- had been nominated to fill a position with a base salary of more than AUD 250,000 per annum (excluding superannuation or allowances)
- had their skills assessed as suitable by the relevant skills assessing authority and, unless exceptional circumstances apply, have at least three years full-time work experience in the occupation before the visa application is lodged.

Applicants must also:

- have an employer who is willing to sponsor them for permanent residency
- demonstrate that they have the appropriate skills, qualifications and/or experience to fill the position
- have met any mandatory licensing, registration or professional membership requirements which allow you to work unsupervised and without further training
- be under 45 years of age
- provide a letter of appointment or a contract signed by both the employer and applicant
- have vocational English language ability.

Position requirements

The nominated position must have met all the following requirements at the time of lodgement on or before 30 June 2012:

- be full-time, ongoing and available for at least three years
- provide working conditions that are no less favourable than provided for under the relevant Australian legislation and awards
- be a highly skilled occupation that is on the Employer Nomination Scheme Occupation List (ENSOL)
- met the minimum salary level for ENS.

Regional Sponsored Migration Scheme (Subclass 119/857)

This visa is close to Subclass 856/121 in that it, too, is an Employer Nominated Scheme (ENS) but falls under the Regional Sponsored Migration Scheme. The main difference with respect to Subclass 856/121 is that this is only open to employers operating businesses in regional, remote or low population growth areas of Australia. All areas of Australia are eligible except Brisbane, the Gold Coast, Sydney, Newcastle, Wollongong and Melbourne. Furthermore, the nomination by the employer needs to be approved by the Regional Certifying Body (RCB) responsible for the area that assessed the nomination to fill a position meets the criteria that it is a full time position available for at least two consecutive years and requires a person with at least an Australian equivalent trade, diploma or higher qualification (unless the appointment is exceptional).

Skilled – Independent (Migrant) Visa (Subclass 175)

This visa is the equivalent of Subclass 885, with identical requirements such as to the points test, but where the applicant either meets the recent Australian study requirement in the last six months (c.f. Subclass 885) or has recent skilled employment experience for a period totalling at least 12 months in the last 24 months before applying. Applicants may lodge this visa while in Australia, *but must be outside of Australia at the time that a decision is made on their application.* No new applications were taken after 30 June 2012.

Skilled – Sponsored (Migrant) Visa (Subclass 176)

This visa is the equivalent of Subclass 886, with identical requirements such as to the points test, but where the applicant either meets the recent Australian study requirement in the last six months (cf Subclass 886) or has recent skilled employment experience for a period totalling at least 12 months in the last 24 months before applying. Under the new points test post 1 July 2011 there are also 5 additional points for nomination by a state or territory government under a state migration plan (Subclass 886 and 176). Applicants must be outside of Australia at the time that a decision is made on their application. No new applications were taken after 30 June 2012.

Skilled – Regional Sponsored (Provisional) Visa (Subclass 475)

This is a visa similar to Subclass 886, **but:**

It is a temporary, not permanent resident visa. The visa allows the applicant to remain in Australia for up to three years. They must be outside of Australia at the time that a decision is made on their application. The new points test post 1 July 2011 awards 10 points for sponsorship by an eligible relative living in a designated area or nomination by a state or territory government under a state migration plan (Subclass 475 or 487). No new applications were taken after 30 June 2012.

Skilled – Regional (Residence) visa (Subclass 887)

This visa is to allow holders of certain provisional visas to apply for permanent residency. To be eligible you must have lived for at least two years, and have worked full time for at least one year, in a Specified Regional Area before lodging. You must lodge in Australia and be in Australia when the visa is granted. You must also have held one of the following visas for at least two (2) years as either the primary visa holder or partner of the primary visa holder:

- Skilled – Regional Sponsored (Provisional) visa (Subclass 489)
- Skilled – Independent Regional (Provisional) visa (Subclass 495)
- Skilled – Designated Area – Sponsored (Provisional) visa (Subclass 496)
- Skilled – Regional Sponsored (Provisional) visa (Subclass 475)
- Skilled – Regional Sponsored (Provisional) visa (Subclass 487)

Skilled – Regional Sponsored (Provisional) Visa (Subclass 487)

This is a ‘provisional’ visa that allows those granted to live and work or study in a Specified Regional Area in Australia for up to three years. The main applicant can study while they hold this visa, however they are expected to be looking for, and engaging in, full time work in their Specified Regional Area. Any study should be incidental to full time work. This visa is subject to very similar eligibility conditions as is Subclass 886 and applicants are subject to a points test. Prior to 1 July 2011 the pass mark was 100, but under the new points test the pass mark was set at 65 points. The new points test also awards 10 points for sponsorship by an eligible relative living in a designated area or nomination by a state or territory government under a state migration plan (Subclass 475 or 487). No new applications under Subclass 487 were accepted post 31 December 2012.

Appendix B: Subclass 886 Skilled – Sponsored results

Table B.12

Distribution of occupation over time: Subclass 886 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Managers	2.9	5.7	2.4	6.7	7.8
Professionals	34.7	28.7	45.5	31.3	24.4
Technicians and Trades Workers	12.6	16.4	6.6	11.8	23.4
Community and Personal Service Workers	5.0	11.1	10.7	6.9	7.5
Clerical and Administrative Workers	13.9	14.8	15.8	23.6	16.7
Sales Workers	10.6	9.2	12.1	12.5	8.5
Machinery Operators and Drivers	4.1	4.7	1.4	3.5	7.3
Labourers	16.2	9.2	5.5	3.9	4.3
Total (column %)	100	100	100	100	100
N (individuals, unweighted)	151	109	89	266	243

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,009 were under visa sub-class 886. For 939 of them it is recorded they have an Australian Qualification and in 858 cases can occupation be determined.

Table B.13

Distribution of Industry employed in over time: Subclass 886 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Accommodation and Food Services	21.7	17.1	12.8	14.5	29.1
Health Care and Social Assistance	12.0	20.6	35.3	14.0	17.2
Industry	18.1	20.9	15.3	25.0	20.8
Information media and telecommunication	2.6	1.1	3.2	1.6	1.7
Other Services	10.0	8.2	19.2	16.2	10.4
Public administration, education and training	12.2	12.0	4.4	6.4	7.0
Wholesale and retail trade	23.6	20.0	9.8	22.3	13.7
Column %	100	100	100	100	100
N (individuals, unweighted)	126	97	84	234	211

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,009 were under visa sub-class 886. For 939 of them it is recorded they have an Australian Qualification and in 752 cases the industry in which the respondent is employed can be identified. Industries have been grouped. In particular, 'Industry' captures agriculture, forestry and fishing; mining; manufacturing; electricity gas water and waste services; construction; and transport, postal and warehousing. 'Other services' groups financial and insurance services; rental hiring and real estate services; professional scientific and technical services; administrative and support services; arts and recreation services; and other services.

Table B.14

Distribution of Education Field over time: Subclass 886 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
management and commerce	48.2	43.4	38.1	66.7	45.4
engineering and related technologies	16.3	13.1	18.4	14.9	6.3
food, hospitality and personal services	9.8	13.0	1.0	2.9	19.6
health	4.5	13.6	27.0	6.3	8.4
information technology	9.1	5.9	5.8	2.1	10.4
Other fields	12.1	11.0	9.8	7.0	9.9
Total	100	100	100	100	100
N (individuals, unweighted)	168	117	94	292	258

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,009 were under visa sub-class 886. Of those 939 have an Australian qualification and in 929 of cases is the field of study known.

Table B.15

Distribution of Qualification Level over time: Subclass 886 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Post-graduate	41.4	33.2	31.1	33.7	31.2
Undergraduate	33.8	41.9	64.5	47.4	34.6
Non-degree	24.8	24.9	4.4	18.9	34.2
Total (column %)	100	100	100	100	100
N (individuals, unweighted)	171	118	94	296	259

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,009 were under visa sub-class 886. For 939 of them it is recorded they have an Australian Qualification, but in 1 case the level can't be determined. Post-graduate captures Master and Doctoral degrees. Undergraduate captures Bachelor degrees, Graduate Certificates, and Graduate Diplomas. Non-degrees capture Advanced Diploma and Associate degrees, Diplomas, and Certificates I to IV.

Table B.16

Distribution of Labour Market Status over time: Subclass 886 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Employed	90.7	95.3	97.7	92.7	96.2
Unemployed	7.4	3.8	2.3	5.2	2.1
Not in Labour Force	1.9	1.0	0.0	2.1	1.7
Total (column %)	100	100	100	100	100
N (individuals, unweighted)	169	116	91	289	257

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,009 were under visa sub-class 886. For 939 of them it is recorded they have an Australian Qualification and in 922 cases is the respondent's labour force status known.

Appendix C: Subclass 485 Skilled – Graduate results

Table C.12

Distribution of occupation over time: Subclass 485 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Managers	6.7	4.6	5.9	3.8	2.3
Professionals	36.7	31.1	16.1	23.7	17.1
Technicians and Trades Workers	9.8	21.9	45.3	32.4	31.2
Community and Personal Service Workers	5.3	8.9	4.6	10.1	11.0
Clerical and Administrative Workers	15.5	10.6	8.3	7.3	10.4
Sales Workers	9.8	8.4	7.2	12.1	12.2
Machinery Operators and Drivers	3.8	2.5	3.6	3.4	4.8
Labourers	12.4	12.0	8.9	7.2	11.0
Total (column %)	100	100	100	100	100
N (individuals, unweighted)	247	200	261	303	306

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,533 were under visa sub-class 485. For 1,445 of those it is recorded they have an Australian Qualification and in 1,317 cases occupation can be determined.

Table C.13

Distribution of Industry employed in over time: Subclass 485 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Accommodation and Food Services	20.2	33.8	45.9	35.1	35.0
Health Care and Social Assistance	12.3	11.7	8.4	10.7	10.8
Industry	16.7	18.6	11.6	19.8	16.4
Information media and telecommunication	6.9	1.0	4.4	0.0	3.0
Other Services	16.4	8.8	10.3	10.5	10.2
Public administration, education and training	6.8	8.9	5.7	9.2	6.0
Wholesale and retail trade	20.7	17.3	13.7	14.9	18.6
Column %	100	100	100	100	100
N (individuals, unweighted)	209	161	249	267	291

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,533 were under visa sub-class 485. For 1,445 of those it is recorded they have an Australian Qualification and in 1,177 cases industry can be determined. Industries have been grouped. In particular, 'Industry' captures agriculture, forestry and fishing; mining; manufacturing; electricity gas water and waste services; construction; and transport, postal and warehousing. 'Other services' groups financial and insurance services; rental hiring and real estate services; professional scientific and technical services; administrative and support services; arts and recreation services; and other services.

Table C.14

Distribution of Education Field over time: Subclass 485 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
management and commerce	47.6	43.2	52.0	44.2	49.1
food, hospitality and personal services	5.4	12.6	21.6	23.8	20.2
information technology	17.2	12.4	6.5	11.8	8.9
engineering and related technologies	6.3	8.9	5.0	3.3	5.6
society and culture	3.8	6.4	5.2	8.0	5.0
Other programmes	19.6	16.5	9.7	8.9	11.2
Total	100	100	100	100	100
N (individuals, unweighted)					

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,533 were under visa sub-class 485. For 1,445 of those it is recorded they have an Australian Qualification and in 1,429 cases can field of study be determined.

Table C.15

Distribution of Qualification Level over time: Subclass 485 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Post-graduate	40.9	42.0	19.6	41.3	32.7
Undergraduate	45.4	35.3	20.7	15.5	22.1
Non-degree	13.7	22.7	59.7	43.3	45.2
Total (column %)	100	100	100	100	100
N (individuals, unweighted)	283	226	268	329	329

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,533 were under visa sub-class 485. For 1,445 of those it is recorded they have an Australian Qualification and in all but 10 cases qualification level can be determined. Post-graduate captures Master and Doctoral degrees. Undergraduate captures Bachelor degrees, Graduate Certificates, and Graduate Diplomas. Non-degrees capture Advanced Diploma and Associate degrees, Diplomas, and Certificates I to IV.

Table C.16

Distribution of Labour Market Status over time: Subclass 485 (column %)

	Sept 2009	March 2010	Sept. 2010	March 2011	Sept. 2011
Employed	91.3	93.9	98.0	95.1	94.8
Unemployed	5.6	3.8	0.7	2.2	2.8
Not in Labour Force	3.1	2.3	1.3	2.7	2.4
Total (column %)	100	100	100	100	100
N (individuals, unweighted)	279	219	267	320	327

Source: Continuous Survey of Australia's Migrants (CSAM) Cohorts 1-5. Weighted using weights for the mail out survey (first interview). Out of 17,765 visa applicants 6,877 had an Australian qualification and 1,533 were under visa sub-class 485. For 1,445 of those it is recorded they have an Australian Qualification and in 1,412 cases can labour market status be determined.

Appendix D

Table BHR 1

Differences in occupation by visa category, for skilled primary applicants: 2005 (%)

	Offshore Australian Sponsored	Offshore Business ENS/ RSMS	Offshore Independent	Skilled Designated Area Sponsored	Onshore Business and ENS/ RSMS	Onshore Former Overseas Students
No Answer	1	7	2	1	1	2
Managers & Administrators	6	35	4	4	20	2
Professionals	25	26	52	14	50	36
Associate Professionals	9	14	9	12	13	10
Tradespersons & Related Workers	11	12	12	14	8	3
Advanced Clerical and Service Workers	3	0	1	5	1	4
Intermediate Clerical, Sales & Service Workers	20	4	7	18	7	22
Intermediate Production & Transport Workers	8	1	5	12	1	3
Elementary Clerical, Sales & Service Workers	9	0	4	9	1	15
Labourers & Related Workers	9	1	6	12	1	4
Total Persons	576	485	3,480	445	1,756	4,418

Source: Reproduced version of Table 2.5 in Birrell, Hawthorne and Richardson (2006). Data comes from the 2005 Survey of Recent Migrants (SRM).

Table BHR 2

Labour market outcomes of skilled PAs, by detailed visa category: 2005 (%)

	Visa 880	Visa 881
Employed	83	83
Unemployed	12	12
Not in the labour force	4	5

Source: Reproduced version of part of Table 2.10 in Birrell, Hawthorne and Richardson (2006). Data comes from the 2005 Survey of Recent Migrants (SRM). The visa Subclass 880 in 2005 became the 885 used in the CSAM data. Similarly, 881 became 886. The old 137 and 883 became 887. The old 495 and 882 became 487.