

QUESTION TAKEN ON NOTICE

SUPPLEMENTARY BUDGET ESTIMATES HEARING: 17 OCTOBER 2011

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(SE11/0149) Program 1.1: Visa and Migration

Senator Cash asked:

Work rights: What labour market analysis did the Department undertake in relation to the reforms? Please provide a copy of this analysis. If none was taken, why not?

Answer:

The Department considered the impacts of the post-study work visa arrangements in the context of the extent to which the arrangements represented an increase on existing post-study work arrangements. There has been a visa available for graduating students to remain in Australia after studying since 2007. The Skilled Temporary Graduate visa (subclass 485) provides an 18 month stay for people who completed a course of study in Australia that meets the Australian study requirement which specifies at least two academic years study in Australia. Applicants for this visa must also obtain a skills assessment for an occupation on the Skilled Occupation List (SOL), be less than 50 years of age and have competent English. The following data was considered:

- Enrolment data as at 30 June 2011 from the Department of Education, Employment and Workplace Relations which showed that at least 80 percent of international students studying at university are enrolled in fields of study that would make them eligible for the current subclass 485 (Attachment A).
- ABS Labour Force data, graduate outcomes data from Graduate Careers Australia 2010 and Graduate Destination Report Statistics were also considered (Attachment B).
- Application rates for the existing subclass 485 visa and the proportion of applications from Bachelor degree, Masters Degree and PhD degree holders was also considered, as a basis for considering the impact of allowing the remaining 20% of students to eligible for post-study work visa arrangements (Attachment C).

The Department also forecasts net overseas migration (NOM) regularly and publishes quarterly updates which include modelling of all visa classes and any policy changes which have been introduced.

It is important to note that the impact of immigration on the labour market is best measured through the NOM, which depicts the flow of population in and out of Australia, not individual student arrivals.

The expected impact of the reforms flowing from the Strategic Review of the Student Visa Program 2011 (the Review) were factored into *The Outlook For Net Overseas Migration September 2011* (available at

<http://www.immi.gov.au/media/publications/statistics/immigration-update/nom-sept11.pdf>).

Implementation of most of the Review reforms is expected by mid-2012, with the post-study work visa to come into effect from March 2013. Effects of these changes are not expected to be visible until late 2013. Therefore, while the forecast growth in the student program will not be as great as in the period 2006-07 to 2008-09, it is forecast that from September 2013 there will be a small but steady increase in net student numbers as more students arrive and proportionally less students leave Australia.

The skilled component of NOM (permanent Skill stream visas and Temporary Business subclass 457 visas) is projected to increase from around 33 per cent for year ending March 2011 to 40 per cent by 2014-15. On the other hand, the impact on NOM of temporary migrants with limited work rights (consisting of international students and working holiday makers) is expected to fall from a peak of 49 per cent in 2008-09 to 24 per cent in 2014-15.

Over the medium to long term, and providing the visa settings for temporary entrants are operating as intended, the economy is the key driver of NOM, whether through employer sponsored workers such as those on subclass 457 visas or through the Permanent Skilled Migration Programs. The proposed post-study work visa is expected to have a minimal effect on NOM because under the new migration framework new arrivals will be offset by continued departures of the old cohorts of students.

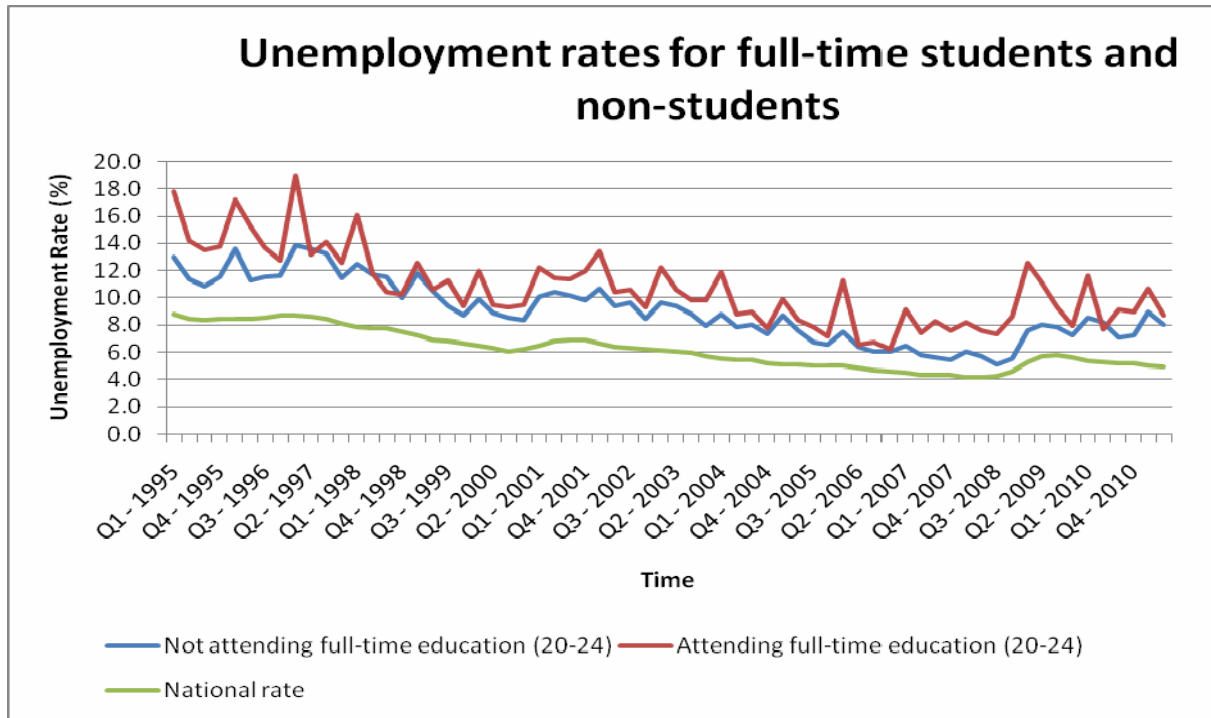
Current university enrolments aligned with the Skilled Occupation List (SOL)

International Student Enrolments at University: Concordance with SOL		
	<i>YTD June 2011</i>	
<i>Broad Field Of Education</i>	<i>Enrolments</i>	<i>Share</i>
Management and Commerce	84,312	46.3%
Engineering and Related Technologies	17,400	9.6%
Health	15,950	8.8%
<i>Society and Culture</i>	<i>14,686</i>	<i>8.1%</i>
Information Technology	14,017	7.7%
<i>Natural and Physical Sciences</i>	<i>10,034</i>	<i>5.5%</i>
<i>Creative Arts</i>	<i>6,957</i>	<i>3.8%</i>
Architecture and Building	3,918	2.2%
Education	3,638	2.0%
<i>Agriculture, Environmental and Related Studies</i>	<i>2,136</i>	<i>1.2%</i>
<i>Mixed Field Programmes</i>	<i>915</i>	<i>0.5%</i>
<i>Food, Hospitality and Personal Services</i>	<i>364</i>	<i>0.2%</i>
<i>_Dual Qualification</i>	<i>7,742</i>	<i>4.3%</i>
Total (Enrolments at Universities)	182,069	100.0%

Source: Data from DEEWR's PRISMS system

- SOL related fields are in bold.
- Society and Culture, Agriculture, Environmental and Related Studies and Natural and Physical Sciences contain both SOL and non-SOL fields.

Unemployment rates for full-time students and non-students



Source: ABS Labour Force Australia, June 2011

International vs. Australian:

	In full-time employment	Seeking full-time employment, not working
Males 2010		
Overseas graduates	48.4	29.8
Australian graduates	75.9	10.3
Females 2010		
Overseas graduates	52.6	26.5
Australian graduates	77.1	7.2
Persons 2010		
Overseas graduates	50.7	28.0
Australian graduates	76.6	8.4
Overseas graduates - 2009 AGS		
Males	50.3	29.7
Females	56.0	25.2
Persons	53.4	27.3

Source: Graduate Careers Australia 2010 Graduate Destination Report Stats

Bachelor's Course Completions for All Students by Citizenship 2001 to 2009

Degree Type	2001	2002	2003	2004	2005	2006	2007	2008	2009	% change from 2008
Domestic Students										
Bachelor's Graduate Entry	3,816	4,071	4,131	3,894	3,917	3,780	3,470	2,789	2,742	-1.7%
Bachelor's Honours	8,229	8,469	8,561	9,300	9,155	9,254	9,116	8,790	8,967	2.0%
Bachelor's Pass	85,907	89,127	92,173	93,456	94,649	94,672	94,257	95,669	98,732	3.2%
Persons	97,952	101,667	104,865	106,650	107,721	107,706	106,843	107,248	110,441	3.0%
Overseas Students										
Bachelor's Graduate Entry	306	284	322	338	327	351	438	594	510	-14.1%
Bachelor's Honours	592	741	736	877	850	969	1,046	1,111	1,179	6.1%
Bachelor's Pass	21,045	24,141	27,484	31,548	32,460	35,076	35,713	37,581	42,590	13.3%
Persons	21,943	25,166	28,542	32,763	33,637	36,396	37,197	39,286	44,279	12.7%
All Students										
Bachelor's Graduate Entry	4,122	4,355	4,453	4,232	4,244	4,131	3,908	3,383	3,252	-3.9%
Bachelor's Honours	8,821	9,210	9,297	10,177	10,005	10,223	10,162	9,901	10,146	2.5%
Bachelor's Pass	106,952	113,268	119,657	125,004	127,109	129,748	129,970	133,250	141,322	6.1%
Persons	119,895	126,833	133,407	139,413	141,358	144,102	144,040	146,534	154,720	5.6%

Source: DEEWR Selected Higher Education Statistics Tables 2009

Unemployment rates Top 10 GSM professions

Top 10 GSM Professions 2009/2010 (excluding trades)	
Profession	No.
Accountant (General)	6,505
IT and Programmers	4,884
Registered Nurses	1,576
Mechanical Engineer	1,487
Civil Engineer	1,372
Electronics Engineer	1,357
General Medical Practitioner	875
Electrical Engineer	750
Secondary School Teacher	677
Chemical Engineer	474

Source: DIAC GSM statistics 2009/2010

	In full-time employment	Seeking full-time employment, not working
Medicine	97.3	1.7
Nursing, Initial	92.9	2.1
Civil Engineering	92.5	5.6
Nursing, Post-initial	89.9	3.9
Mechanical Engineering	80.5	12.0
Accounting	79.1	10.6
Electrical Engineering	76.9	13.9
Electronic/Computer Engineering	76.9	12.5
Education - Initial	74.8	3.9
Computer Science	73.3	13.7
Chemical Engineering	67.7	20.7

Source: Graduate Careers Australia 2010 Graduate Destination Report

Unemployment rates by age:

Bachelor degree graduate characteristics, by grouped institution, 2010 (%)*~

	Go8	ATN	IRUA	Total †
Males	42.0	39.7	33.2	37.6
Females	57.7	60.3	66.6	62.3
Age (mean)	23.8	25.6	26.7	26.0

Source: Graduate Careers Australia 2010 Graduate Destination Report Stats

	In full-time employment	Seeking full-time employment, not working	Seeking full-time employment, working part-time or casual	Total seeking full-time employment	TOTAL %†	TOTAL number
Total	76.2	8.6	15.1	23.8	100	42,081
Aged less than 25	74.3	8.8	16.8	25.6	100	27,591

Source: Graduate Careers Australia 2010 Graduate Destination Report Stats

Unemployment rates by gender:

	In full-time employment (%)	Seeking full-time employment - not working (%)
Males		
2001	83.2	8.5
2002	81.2	9.3
2003	79.8	9.6
2004	79.8	8.9
2005	81.4	8.2
2006	83.0	6.4
2007	85.6	5.8
2008	85.5	6.0
2009	79.4	8.7
2010	75.4	10.6
10 year average	81.4	8.2
Females		
2001	82.9	6.1
2002	81.3	6.4
2003	80.2	6.7
2004	79.7	6.4
2005	80.5	6.1
2006	81.9	4.9
2007	83.9	4.6
2008	85.0	4.7
2009	79.0	6.6
2010	76.8	7.3
10 year average	81.1	6.0
Persons		
2001	83.0	7.0
2002	81.3	7.5
2003	80.1	7.8
2004	79.7	7.4
2005	80.9	6.9
2006	82.4	5.5
2007	84.5	5.0
2008	85.2	5.2
2009	79.2	7.4
2010	76.2	8.6
10 year average	81.2	6.8
Total Number (2010)	32,084	3,627

Source: Graduate Careers Australia 2010 Graduate Destination Report

Attachment C

Total Subclass 485 Lodged	Year	
	2009/2010	2010/2011
Total Applications	37,805	38,706
Proportion Bachelors and above	41%	53%
Proportion below Bachelors	59%	47%

** Proportion derived from primary applicants lodged electronically only.*