

'Picking Winners': The Recent Transformation of Australia's Skill Migration Policy

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Pre-publication: *International Migration Review* (New York)

Abstract

From 1980 to 1996 Australian researchers identified consistently inferior labour market outcomes for professionals from non-English speaking background source countries. In 1997 the incoming conservative government initiated a major review of Australia's skill migration program, based on a determination to 'select for success' among applicants. Subsequent initiatives included mandatory English language testing, rigorous qualifications screening, incentives for international students to migrate, and abolition of income support in the first two years post-arrival. This paper provides a detailed analysis of factors leading to this policy transformation. Labour market outcomes to 2001 are defined, including a halving of unemployment among recently arrived migrants.

1. Skill Migration to Australia: Introduction

Global migration is a defining phenomenon of the early twenty-first century. According to Stahl et al, migration currently embraces every category of people - both skilled and unskilled, family and refugee, legal and illegal, permanent and temporary. Short-term people movement is rising markedly, while the accessibility of one immigrant-receiving country may transform the level of human demand for another. Given the dynamism of these trends, the few nations left with active immigration programs are constantly being obliged to modify their entry policies, all the time encountering:

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

Over the past two decades, successive Australian governments have demonstrated increasing concern to monitor labour market outcomes for newly arrived skilled migrants - the ultimate public justification of the 'success' of the program. They have attempted to do so in a context of considerable public ambivalence about the scale and changing demographic characteristics of intakes - in particular the increasing admission of linguistically and racially diverse migrants from non-English speaking background (NESB) source countries.

Between 1986 and 1991 91,193 degree-qualified migrant professionals arrived in Australia, in addition to 39,239 with diplomas. By 1991 the overseas-born constituted 49 per cent of Australia's mechanical engineers, 48 per cent of electrical/electronic engineers, 43 per cent of computer professionals, 40 per cent of doctors, and rising proportions in other key professions. (See Table 1.) Within 1 to 5 years of arrival however just 30 per cent of these degree-qualified migrants were employed, with few diploma holders from the same migration period finding work in any profession (Birrell & Hawthorne 1997). Labour market outcomes were also disappointing for many migrants long-settled in Australia: only 41 per cent of 1981-85 and 49 per cent of 1986-91 degree-qualified arrivals being professionally employed, with NESB workers invariably less advantaged.

In 1989 the *National Agenda for a Multicultural Australia* proclaimed the right of 'all Australians (to) enjoy... equal life chances', 'fully... participate in society', and 'develop and make use of their potential for Australia's economic and social development' (Office of Multicultural Affairs [OMA],

1989a: 9). Simultaneously, the Agenda affirmed the inferior overall labour market outcomes secured to date by NESB Australians, including the fact that 'over 15 per cent of NESB immigrants feel that they have suffered actual discrimination in seeking employment', and that 40 per cent of 1981+ arrivals believed 'job opportunities are worse for immigrants with similar education and experience than for Australian workers' (OMA, 1989b: 15). Three major findings from the totality of Australian labour market research to 1990 were highlighted in this report:

The first is that schooling obtained overseas counts for less than Australian schooling. The second is that pre-migration labour force experience is heavily discounted in the Australian labour market... The third is that, over and beyond these general processes, migrants from some countries get jobs with significantly lower status than Australian-born persons with similar qualifications and experience... Just as the Australian labour market penalises some ethnic groups (relative to workers born in Australia), other groups get unduly high returns for their human capital endowments. Any theory of 'discrimination' would (therefore) need to account for positive, not just negative, effects (Jones, 1989: 144).

Table 1: Profession of Australian Skilled Labour Force Born Overseas by Key Occupation, Bachelor Degree and Above (1991 Census)

Occupation	Australia-Born	Overseas-Born	Total Number
Mechanical engineering	51%	49%	12,271
Electrical engineering	52%	48%	19,972
Computing	57%	43%	23,684
Medicine	59%	40%	46,924
Civil engineering	61%	39%	16,917
Dentistry	65%	35%	8,467
Architecture	67%	33%	12,710
Accountancy	69%	31%	77,365
Visual and performing arts	69%	31%	23,191
Nursing	74%	26%	46,883
Law	76%	24%	39,321

Source: Adapted from Table 4, *Immigrants and the Professions in Australia* (Birrell & Hawthorne, 1997: 12), based on the 1991 Census.

The research findings over the following decade demonstrated few improvements in employment status for NESB professionals – the 1996 Census showing almost identical unemployment and under-employment outcomes across key fields, at a time of economic boom rather than recession (Birrell & Hawthorne, 1999; see Table 2). In 1991, a study of discrimination against immigrant workers in Australia confirmed the consistently superior employment outcomes achieved by English speaking background (ESB) migrants - people who 'do better than both the native born and than NESB', enjoying higher labour force participation rates, lower unemployment, and higher average weekly earnings (Foster et al, 1991: xiii). In *Immigrants and the Australian Labour Market: The Experience of Three Recessions*, Ackland et al (1992: xi) demonstrated NESB migrants to be greater employment 'losers' than either Australian or ESB migrants in the 1974-75, 1982-83 and 1990-92 recessions, a period in which employment was shifting away from immigrants of both sexes - particularly those of NESB origin. In *Immigrants and the Labour Market: The 1990-94 Recession and Recovery in Perspective*, Brooks & Williams (1995: xiii) concluded that the 'distinctive feature of the 1990-92 recession' was 'the extent of the divergence between the experience of the Australia-born and those born in (select) countries' - with NESB migrants suffering disproportionate employment, excessive representation among the long term unemployed, and higher degrees of 'labour market discouragement' during the recent post-recession recovery (Brooks & Williams, 1995: xiv-xv, 10).

Comparable trends were emerging at this time in other immigrant-receiving countries, including Canada and the US (Dougherty, 1999; Borjas, 1999; Thomas & Boyd, 1999). Collectively, in Australia and Canada, negative employment outcomes for NESB migrants were contributing to a growing community polarisation on immigration - exacerbating dissatisfaction with the thrust of contemporary policy, and reinforcing demand for systematic analysis and justification of migration's economic impacts on the host community.

Some observers see immigration as clearly beneficial to the host community, citing such apparent advantages as its provision of a ready source of qualified newcomers to the domestic labour force, its generation of scale economies through expanded domestic markets, and its infusion of new skills, entrepreneurship and technology into local industry. Others argue as strongly against unemployment... and adding disproportionately to budget costs through settlement and language programs and welfare payments (Foster et al 1994: 445).

Within the above context, this paper has four aims:

1. To assess the degree to which this labour market disadvantage persisted for NESB professionals in Australia in the 1990 to 1996 period;
2. To outline the key government strategies aimed at removing relative disadvantage at this time;
3. To describe the review of Australia's skill migration program which followed the 1996 election of the conservative government, resulting in the introduction of major policy changes (a shift from altruism to pragmatism, and to immediate rather than long-term goals); and
4. To define labour market outcomes to 2002, based on the exclusion at point of entry of NESB professionals perceived as at risk of delayed labour market entry.

Table 2: 1996 Labour Market Outcomes for Degree-Qualified Migrants Arriving 1991-93 by Birthplace Categories (1996 Census)

Origin	Own Profess.	Other Profess.	Admin/ Manag.	Sub-Profess.	Unemp.	Not in Lab. Force	Number
S. Africa	39.5	17.3	10.0	16.9	2.5	13.7	830
UK/Ire	30.4	25.2	10.7	19.4	2.7	11.4	4,636
Hong Kong	25.8	18.4	4.0	23.1	6.0	22.3	2,201
Malaysia	22.0	13.8	4.5	24.9	6.3	28.3	1,312
S Eur	22.0	15.3	3.7	29.1	15.5	14.4	1,039
India	17.2	17.5	4.3	38.4	7.5	14.5	4,922
USSR/Balt	15.5	17.2	2.4	24.7	16.3	23.6	2,169
Lebanon	12.8	9.9	1.2	31.4	18.2	24.0	242
Vietnam	10.9	8.1	1.8	29.7	21.5	27.9	827
China	10.0	15.3	3.0	33.7	10.1	27.7	3,394
Philippines	6.5	5.7	0.9	60.5	4.9	21.0	4,344

Source: Adapted from 'Skilled Migration Outcomes as of 1996' (B Birrell & L Hawthorne, 1999), in *Review of the Independent and Skilled-Australian Linked Categories*, Department of Immigration and Multicultural Affairs, Canberra, Table 2

2. Differential Employment Outcomes by Country of Origin: the 1990s

The period 1992-1996 coincided with growing Australian concern to secure definitive data on employment outcomes by country of origin – in part through the commissioning of the Longitudinal Survey on Immigrants to Australia (LSIA) in the early 1990s. A preliminary analysis of the LSIA affirmed birthplace to exert 'a major independent influence on unemployment outcomes irrespective of visa category' (Flatau & Wood, 1997: 44-5). Concurrent with the LSIA, a variety of labour market niche studies were commissioned by the government in the 1990s, with key areas of investigation including 'hidden' unemployment and under-employment (eg Wooden, 1993; Flatau et al, 1997); professional mobility and access to management positions (Watson,

1996; Hay, 1996); 'productive diversity', including the troubling issue of Australian employer preference (eg Iredale & Newell, 1991; OMA, 1992, OMA, 1993a, 1993b, OMA, 1994; Dawkins et al, 1995; Rod & Webster, 1995); and profession-specific studies, analysing differential employment outcomes for ESB of NESB migrants in the medical, engineering, teaching and accountancy professions (eg Kidd & Braun, 1992; Hawthorne, 1994; Inglis & Philips, 1995; Cooper et al, 1997; Birrell & Hawthorne, 1997). Important findings related to ethnicity and under-employment emerged from a number of these studies. Recent arrivals from Asia or Oceania were found to be the most afflicted by 'intermittent employment and... part-time work' (Wooden, 1993: xii). The incidence of 'overeducation' in terms of employment was found to be 'much more significant' among NESB migrants (35 per cent), of the Australia-born (12 per cent) or ESB migrants (13 per cent) (Flatau et al, 1995: xi). In terms of region of origin, skilled male migrants from Asia and Oceania secured lower than anticipated wages, compared with the relative wage advantage enjoyed by the Australia-born, and UK/Ireland, Europe, Africa and North and South America-born migrants.

Differential outcomes such as these extended to management work in Australia, despite NESB managers being more highly educated overall than their Australian or ESB counterparts (Watson, 1996: ix). The determining factor here appeared to be preliminary access: the operation of 'homogenised' recruitment processes, with 'differences excluded at point of entry' (due to 'the mateship thing' and 'the comfort thing') - allowing Australia's managerial labour market to operate as a 'sheltered segment in which the present incumbents restrict the entry of groups with cultural characteristics different to their own' (Watson, 1996: ix). When analysed by 20 main countries of origin, ESB migrants were found to dominate senior management ranks, with representation from the US (18 per cent), South Africa (12 per cent), the UK (11 per cent) and New Zealand (9 per cent) far exceeding rates for the Australia-born (5 per cent). Representation from Commonwealth Asian countries approximated or exceeded the Australian norm (9 per cent for India, 8 per cent for Hong Kong, and 6 per cent for Malaysia) - an outcome challenging simplistic notions of racial discrimination in terms of Australian employment, and reflecting these migrants' superior English ability, recognised qualifications and skills. By contrast, minimal representation in senior management had been achieved by non-Commonwealth Asia-born groups, suggesting 'a two-tiered Asian presence in Australian management' (Watson, 1996: 19).

A recent study of migrant nurses exemplifies the professional stratification process identified here. In 1996 Hawthorne and Toth conducted a survey of 719 migrant nurses resident 1-15 years in Australia, assessing labour market barriers from point of application to professional integration, including access to managerial positions (Hawthorne, 2001). Intentionally, the researchers confined their sample to migrant nurses who had achieved full professional recognition in Australia by the time of the study, in order to exclude non-registration as a cause of inferior outcomes. By 1996, 47 per cent of the NESB nurses sampled had found full-time Australian work, of 40 per cent of ESB nurses. Despite this, when current work status was analysed by region of origin, NESB nurses proved significantly less likely than ESB nurses to have progressed beyond baseline registered nursing (RN) employment. Sixty-seven per cent of NESB females were employed as 'just' RNs, compared to 56 per cent of NESB males and ESB females, and a low 30 per cent of the relatively elite ESB males ($\chi^2=27.97$, $p=0.02$). Though 16 per cent of NESB males and 20 per cent of NESB females in the research sample had found specialist or charge nurse positions, they had achieved minimal representation in higher managerial or nurse supervisor positions - despite the reasonable qualifications level and relative seniority of Commonwealth-Asian nurses.

A second critical indicator of professional 'success' is the degree of labour market segmentation in employment by sector. Among the 719 migrant nurses surveyed, ESB males and females proved significantly more likely to be employed in private sector hospitals than NESB nurses ($\chi^2=19.01$, $p<0.01$). Moreover West European nurses had *exceeded* ESB levels here, once overcoming their primary disadvantages (passing the mandatory English language test and securing access to professional registration). Other NESB nurses, by contrast, were found to be disproportionately clustered in public hospital positions (Commonwealth-Asian and East

European nurses), or to be based in the stigmatised nursing home sector (East European, Middle Eastern and non-Commonwealth Asian nurses) ($\chi^2=51.45$, $p<0.01$). A nominal regression analysis demonstrated East European and non-Commonwealth Asian nurses to be 840 per cent more likely to be employed in nursing home work than ESB nurses – a sector in the process of being redefined as suitable for ‘foreign labour’ (in line with Castles & Miller, 1993: 189) (OR: 9.4; 95%CI:2.9-30.2). No comparable disadvantage was found for any other ethnic group studied, even those with similarly basic qualifications. Length of residence in Australia, while included in the nominal regression model, was found to have no significant impact on employment sector. This was a matter for serious concern, suggesting the potential of initial disadvantage for select overseas qualified nurses to persist in Australia over time. As one Filipino nurse stated,

(In the nursing home where I worked it was) mostly Asians... For the first three years I enjoy it only because it's a matter of where I could start myself here, financially... but still in the back of my mind I'm not really satisfied... Definitely I want to get out of my current work... (I)t's one of the reasons that I escape now, because although I still have the confidence to go back in the hospital (I) have less confidence than I used to before... (Many Asian nurses I meet in this sector).. find it hard to get in the hospital set up, so... they are surrendering themselves to stay (Hawthorne, 2000: 296).

3. 'Justification by Works': Australia's Productive Diversity Policy of Employer Perspectives

In 1992 the Australian government launched its Productive Diversity policy - an advocacy-based program designed to ‘sell’ the benefits of skilled NESB employees to Australian employers in terms of enlightened self-interest. Though Equal Opportunity (EO) principles by now were embedded in Australian public sector recruitment practices, these measures by-passed the private sector where the great majority of Australian hirings, firings and promotions occurred, and EO initiatives remained voluntary (Niland & Champion, 1990). From 1992 to the current period, in line with US, Canadian and Scandinavian trends, increasing attempts have been made to convince Australian employers of the potential benefits of diversity: ‘a system of work or workplace communication which recognises and capitalises on cultural diversity in the workplace, the product market and globally’ (Bertone et al, 1999: 25). It is worth noting here that Productive Diversity is one of the main areas of Australian migration research to have received continued Federal support following the 1996 change of government, and the subsequent abolition of the Bureau of Immigration, Multicultural and Population Research and the Office of Multicultural Affairs. Launching Labor’s Productive Diversity policy in 1992, Prime Minister Keating had championed a direct perceived link between the employment of NESB migrants and Australia’s trade potential:

Australia is a country of extraordinary achievements and equally extraordinary potential. In no small measure, this is because we are a country of immigrants... (F)or every country which constitutes a potential market for Australian companies, there are Australians who know their way around. The key to gaining better access to all markets is knowledge - knowledge of their cultures and languages, of their business practices and networks, and of their political and legal systems... A study of migrant skills undertaken in 1989 showed that some Australian employers fail to understand the value of training acquired overseas... (T)he Government is attempting to stem this waste of talent... (T)here is a significant issue of social justice here, as well. But rational self-interest alone dictates that we try to liberate the resources locked away (OMA, 1992: 4-7).

Five years later, in *Productive Diversity: A New Australian Model for Work and Management*, Cope and Kalantzis would describe this policy as ‘a distinctively optimistic and ingenious Australian idea, born of an irreducibly diverse society of immigrants and indigenous people and an economy that must be export oriented’ (Cope & Kalantzis, 1997: ix). In these authors’ view diversity was innately beneficial to employers - allowing the creative input to Australian organisations of ‘language skills, communication styles, international networks, country knowledge and life experience’ (Cope & Kalantzis 1997: xii). The outcome of NESB migrants’

employment was assumed to be greater efficiency: a capacity to 'serve the needs of clients more effectively', creating a 'culture of creativity that comes up with quirky solutions and that is capable of going beyond, around or at a tangent to the prevailing standards' (Cope & Kalantzis, 1997: 4, 16). Within this process, Australian organisations were presumed to unify - as 'cohesion-through-diversity' paradoxically became 'the basis for more productive and mutually transforming shared experiences' (Cope & Kalantzis 1997: 128). In the authors' view, this transformation was a necessity rather than a matter of choice, in an age of 'boundarylessness' in which the state had to redefine itself as 'an agile global player which fosters international integration, (that) encourage(s) the flourishing diversity of its citizenry: multiple identities, multiple global connections and even multiple passports (Cope & Kalantzis, 1997: 142).

Like much of Cope and Kalantzis's work, *Productive Diversity: A New Australian Model for Work and Management* was visionary rather than empirically based - representing their conviction of how the world should be rather than based on any significant data. Despite their rhetoric, Australia's Productive Diversity policy could be quite differently construed - as a rearguard government attempt to convince Australian employers to value the unprecedented numbers of skilled NESB migrants reaching Australia over the past five years, only to be confronted by severe unemployment exacerbated by the 1991-1993 recession. To gain some understanding of Australian employer perceptions of the potential value of NESB professionals, a substantial number of reports published between 1989 and 2001 were reviewed for this paper - including those sponsored by the government-funded Office of Multicultural Affairs, and the Bureau of Immigration Research, in an acknowledged attempt to affirm the assumed economic advantage conferred by NESB migrants. (Minimal published data exists outside the business, engineering and health sectors¹.) Overall these reports confirm a profound disjunction between the government's Productive Diversity rhetoric, and the Australian 'reality' to the end of the century, as perceived by industry employers. NESB employees were typically viewed as linguistic deficits (a 'problem' to be managed due to poor English), rather than as performance-enhancing assets (Carter et al, 1990: 65; Holgate, 1991: 13; OMA, 1993a: 7). Possession of languages other than English was ignored or devalued rather than prized (McKinsey & Co, 1994) - listed in one report under the heading 'Impediments to Improved Performance' (Carter et al, 1990: 65). An analysis of business demand for such skills concluded that 'Language skills, if valued at all, were useful ancillary skills' (Australian Language and Literacy Council, 1994: 18). Any higher claims were slated as 'a mischief (that) is abroad which exaggerates the economic importance of language study... (The Council) rejects the exaggerated value of language study as a nonsense (Australian Language and Literacy Council, 1994: vii).

Overwhelmingly, potential Australian employers preferred to recruit international agents to facilitate export work - bilingual individuals perceived to possess relevant knowledge and skills, compared to local NESB employees with potentially dated, irrelevant or non-existent global trade networks. A survey of 700 'emerging exporters' failed to acknowledge the potential value of languages other than English in a chapter entitled 'Creating Success' in international business (McKinsey & Co, 1993). A second of 2000 Australian export companies provided at best 'inconclusive' evidence of the perceived value of overseas-qualified professionals to Australian businesses (Stanley et al, 1990: 4). A third of 1000 businesses involved in the provision of professional, technical and educational services to East Asia revealed over 80 per cent of respondents did not employ workers with relevant linguistic/cultural skills, and just 6 per cent of firms had hired East Asian-origin personnel in the expectation of using these (Dawkins et al, 1995). A study of food industry trade with East Asia yielded comparable results, with employers citing a litany of reasons for not making greater use of East Asian employees, including their perceived lack of proficiency in English, lack of the specialist English required for effective business negotiation, and lack of 'up to date knowledge of market conditions in their country of

1. It should be noted that many of these reports were based on mailout surveys with particularly low response rates - eg less than 20 per cent. It seems reasonable to speculate that companies failing to reply may have been even less interested in cultural and linguistic diversity issues than those responding.

origin' (Rod & Webster, 1995: xiv). In analysing such findings, the authors cautioned against the promotion of any policy driven by government concern for 'multiculturalism and cultural diversity among the settler population, when it is *international* business skills and the *internationalising* of Australian business outlook that are important for achieving international competitiveness' (Rod & Webster, 1995: 73). Other government-commissioned studies - typically based on a narrow set of case studies designed to elicit positive Productive Diversity exemplars² - reported only marginal perceived benefits for Australian employers. According to *Australian Business and Cultural Diversity*,

(Most) who participated in the study believed there were economic benefits to Australia from a culturally diverse workforce. When focusing on their own workforce, however, few companies reported benefits... Benefits viewed as available to the economy were believed by many as difficult to access at the firm level... many firms argued that the proportion of their business oriented towards exports and the important role of principals and senior staff members in accessing foreign markets, reduced their need or ability to use language or cultural skills resident in their NESB background workforce (OMA, 1993a: 5)

Some 61 per cent of the company informants surveyed above 'reported no benefits to their firm' (OMA, 1993a: 6). Many rather raised substantial concerns re perceived NESB employee deficits: inability to communicate effectively (40 per cent) and poor employee relations due to cross-cultural difficulties (21 per cent). Where the benefit of employing NESB workers was cited, this was by only a small minority of informants ('good work ethic' by 8 per cent, 'greater productivity' by 6 per cent, better communication with clients by 5 per cent, and better access to export markets by 4 per cent) (OMA, 1993a: 6). Management of a culturally diverse workplace was conceded to be complex, requiring multiple competencies (Migliorini et al, 1994: 70ff). In 1994, in *Australian Cultural Diversity and Export Growth*, the Office of Multicultural Affairs acknowledged the existence of no clear export benefits derived from Australia's increasingly multicultural population (OMA, 1994: 38). Indeed, the authors explicitly warned against over-emphasizing positive case studies, quite reasonably asking:

Why should the growth of a multicultural population in Australia benefit Australia's gross export performance and is there any systematic evidence of any such effect? Consideration of these questions appears to be lacking in the literature (OMA, 1994: 37).

The most recent Australian Productive Diversity reports provide minimal ground for further optimism (despite the determinedly positive nature of much reporting). In 2001, a government-sponsored conference entitled '21st Century Business – Delivering the Diversity Dividend' featured the latest Productive Diversity findings (Department of Immigration and Ethnic Affairs, 2001). Once again outcomes were ambivalent, eg:

- A survey of 1179 CEO's (with a 19% response rate) affirmed that 'a number of problems (were) experienced by firms with diverse workforces (despite) bottom line benefits from managing diverse employees effectively.... (with) problems that are significant and quite deleterious to the firm when diverse workplaces are not managed efficiently... Australian-based corporations were not learning organisations. Firms did not use their diversity resources for overseas growth' (DIMA, 2001a: 3-4).
- A separate study based on interviews with 15 managers selected for their known interest in diversity management affirmed that 'Australian organisations and their leaders are slow to respond to new conditions and to innovate. Because of tendencies to homophily, leaders often share a background and set of experiences that are insulated from diversity, and from the dramatic changes occurring in workforces, in the marketplace and in lives' (DIMA, 2001a: 9-11).

2. Most of these studies were commissioned by the Office of Multicultural Affairs, which was located in the Federal government within the Department of Prime Minister and Cabinet. Eg the twelve positive case studies presented in *Australian Business and Cultural Diversity* (OMA 1993a) were specifically selected to demonstrate 'companies who had recognised the benefits of a culturally diverse workforce and who had undertaken activities to source skills resident in their NESB... workforce' (OMA 1993a: 4).

The point of the above analysis is not to dismiss the value of Australia's Productive Diversity policy, but to raise two important questions in relation to the theme of this paper. Firstly, why has NESB migrants' presence had to be 'sold' to Australian employers on the grounds of perceived trade advantage (a process Hawthorne terms 'justification by works'), when no such benefit has been required of ESB migrants? Secondly, what are the recruitment/promotion implications for NESB professionals in the light of Australian employers' profound indifference to the potential value of their bilingual bicultural skills? These questions have significance for temporary as well as permanent migration, in the context of rising temporary migration and increasing 'slippage' between categories. In nursing, for instance, 12,670 'temporary' entrants arrived between 1983/4 and 1994/5 compared to 17,874 permanent residents. By 1995/6 to 1999/2000 the 6,745 temporary nursing arrivals actually exceeded the number of permanent entrants (5,012), with many of the former likely to stay. In the peak year of engineering migration (1991) 3,100 engineers and scientists arrived initially on a temporary basis, almost equivalent to the 3,733 engineers selected for permanent migration (Hawthorne 1994: 4-11; 2001: 216).

The author has demonstrated elsewhere the deep-seated reservations acknowledged by Australian employers and agents towards NESB engineers (at a time when 43-49 per cent of the engineering workforce was overseas-born), based on extended public and private sector interviews plus a middle-management survey of 89 informants (Hawthorne, 1994: 65-81). In brief, Australian engineering employers confirmed the exacting nature of industry requirements of professionals, in particular a strong expectation for advanced English language skills ('You do not get your foot in the door if you do not clearly speak English!'); immediate technological 'fit' (experience with state-of-the-art computer programs, and the relevant western equipment); local professional experience (with employees expected to 'hit the ground running', the brief being to find 'the needle in the haystack - there will be no compromise... at all!'); and sophisticated job application skills (with any errors in style, spelling or cross-cultural behaviour 'ring(ing) alarm bells').

Within this context, many 'NESB' engineers tracked over a three year period reported brutally dismissive encounters with employers. An Indian electrical engineer in Western Australia, with native-speaker competence in English, stated:

It does not go beyond a phone call. While they are asking questions they come to know that I do not have an Australian degree, I do not have Australian experience, so then they sort of switch off. They say 'We are looking for someone with Australian experience', or 'Send in your resume. We'll get back to you.' So I tried to get more time on the phone to say please, give me the chance to be interviewed. I don't want anything else except that you consider me on the same level (as local engineers). But they say 'No. You do not know any of the Australian standards, you don't have experience in that'. I did go to the library and pick up a copy of the standard wiring rules - and it is exactly the same as our Indian standards... Both are based on the British system (Hawthorne, 1994: 58).

An Egyptian civil engineer outlined a discussion which brought home the barriers to local employment in full measure:

The City Engineer said 'Hussein, tell me, how many interviews have you done?' I said 'Nothing'. He said 'How many applications did you send?' I said 'A lot - I can't count.' He said 'Perhaps it's better to go back to your home country.' I said 'Why?' He said 'Because they have got a very good education here.' I said 'We have also got a very good education'. He said 'No. The Australian graduates know very well the rules, the Government Acts'. I said 'But I can study it.' He said to me, 'You've got a terrible voice and a terrible accent in the English language (Hawthorne, 1994: 58).

4. Additional Labour Market Barriers: English Ability and Credential Recognition

Beyond the issue of negative employer attitudes, NESB professionals through much of the 1990s in Australia faced serious barriers related to their English ability and recognition of overseas credentials: a product of minimal pre-migration screening. The impact of poor English skills on NESB professionals can hardly be over-estimated. As early as 1985, Brooks & Volker demonstrated its ability to triple the unemployment risk for males, while doubling it for females, a pattern confirmed in subsequent studies (eg Inglis & Stromback, 1986; Wooden & Robertson, 1989). By 1989 limited English was considered to represent 'an awesome and devastating barrier' at every stage of the employment life cycle in Australia (OMA, 1989: 39). By 1991 this issue had become critical in Australia, in the context of unprecedented recent growth in skilled NESB migration, including in key professions. Collectively, within both Australia and Canada, negative employment outcomes for NESB migrants were contributing to a growing community polarisation on immigration, exacerbating dissatisfaction with the thrust of contemporary policy, and reinforcing demand for justification of migration's economic value to the host community. In Australia this pressure was resulting in growing demand for the introduction of pre-migration English language testing – a process commencing from 1989 in the medical and nursing fields, and extending from 1993 to 1996 to over 100 'Occupations Requiring English' (Hawthorne, 1997).

Within the above context, the Federal government committed massive sums to overcoming recently arrived NESB migrants' linguistic disadvantage. In 1982/3 the funding for Australia's Adult Migrant English Program (AMEP) was \$A36.3 million, climbing to \$A100.6 million a decade later and further boosted by tens of millions disbursed through the adult technical and training sectors (Department of Immigration Local Government and Ethnic Affairs, 1991, 1990). English courses were free and migrants were paid to do them, supported by immediate access to Social Security benefits from their time of arrival. By 1990, Australia's AMEP was the largest government-funded English teaching program for migrants worldwide, catering to over 70,000 migrants per year including large numbers of unemployed professionals.

Many NESB migrants found it necessary to complete one to six three month courses to achieve employment-readiness - equivalent to two or more years of full time study. A cohort of 81 migrant engineers tracked by Hawthorne over a three year period exemplified this process. Without exception, these engineers had reached Australia prior to 1992, with 87 per cent exempted from any formal screening of English. Self-assessing their English at first interview, 20 per cent of informants stated they had had minimal or no English competence on arrival (primarily East European), 30 per cent considered themselves to have been at intermediate level, and 41 per cent as advanced (primarily South Asian and Middle Eastern). Due to the dearth of information provision at overseas posts, the great majority (like other NESB professionals) had failed to see the potential link between poor English language skills and on-arrival unemployment. Eighty-eight per cent of the engineer research sample had believed pre-migration that professional employment would be readily gained, 69 per cent had felt confident of securing immediate work, and a further 19 per cent had expected to find it within 4 to 12 months. ('You are being sent to Australia only because you are needed there.' 'Generally engineers don't have to speak much.') For most NESB engineers, unemployment in Australia would swiftly change this comfortable assumption. Fifty-eight per cent of the research sample enrolled in Adult Migrant English Program courses post-arrival. Limited English and cross-cultural understanding could render them unable to 'read' interview responses correctly - like the Turkish engineer who repeatedly felt he had performed well, only to be confounded by negative outcomes. A Yugoslav chemical engineer, who had arrived with minimal English, described fast-tracking through four consecutive courses, during the first of which she felt 'Like a baby, really like new life - just learning every step!' A USSR mechanical engineer, with a doctorate in his field, viewed high-level English as an essential foundation to avoid professional de-skilling:

It seemed to me that any human being has some limit of possible situations, possible ways to resolve problems... I decided that I had big experience in this field, I had a big

track record... It was impossible... to start my work experience in Australia from a low level (like) technician (Hawthorne, 1994: 60).

For substantial numbers of NESB professionals, qualifications recognition represented a similarly daunting barrier. By the late 1980s just 50 per cent of NESB migrants' qualifications were immediately recognised in Australia, compared to 90 per cent for ESB migrants. Within this context the 1988 Committee to Advise on Australia's Immigration Policies (CAAIP) blasted Australia's persistent 'highly fragmented' recognition procedures - a result of endemic 'rivalry between State and Federal jurisdictions', and the collective failure of state and Federal authorities, professional associations, unions and employer associations to secure better outcomes (CAAIP, 1988: 54). Responding to 'growing community concern' on this issue, a National Population Council (NPC) sub-committee was formed to define an Australian reform agenda, through systematic elucidation of 'the principles, procedures and institutional structures needed to establish an efficient, fair and consistent system for accreditation of overseas qualifications... (based on proposals) flexible enough to cover all occupations and to respond to changing occupational and award structures' (NPC, 1988: cover letter).

Within regulated professions such as medicine and nursing, migrants' capacity to pass mandatory Australian examinations was and remains critical to employment outcomes - a process excluding, or significantly delaying, substantial numbers of overseas-trained professionals from eligibility for professional employment (Committee to Advise on the Recognition of Overseas Qualifications [CIROQ], 1983; Iredale, 1987, 1997). In terms of nursing, for instance, pre-migration qualifications assessment by the national professional body became more rather than less stringent in the 1990s, with just 29 per cent of overseas qualifications automatically recognised between 1988/9 and 1994/5 (cf 48 per cent in the early 1980s). Approval rates varying from 53 per cent of Hong Kong and 40 per cent of Danish qualifications to just 10 per cent of nurses from West Germany and India, 3 per cent from Poland and nil from Vietnam (Hawthorne 2001). Similar patterns were evident in the field of medicine. Between 1978 and 1993 a mere 35 per cent of overseas-qualified doctors passed the Multiple Choice Test of medical knowledge on their first attempt (Australian Medical Examination Council, 1994). Pass rates varied markedly by region of origin: 21 per cent for non-Commonwealth Asian groups, compared to 33 per cent for East Europeans, and 61 per cent for candidates from ESB source countries such as the UK, Canada, South Africa. Outcomes for NESB doctors taking the final compulsory examination of clinical medical performance were similarly variable, with just 6 per cent of French candidates passing on their first attempt, 19 per cent of Vietnamese, 29 per cent of German and 42 per cent of Dutch candidates. (Credential recognition was far less problematic in unregulated fields such as engineering, characterised by around 80 per cent approval rates in Australia by the mid 1990s.)

From the early 1990s, the Australian government introduced a reform agenda designed to improve the recognition of NESB professionals' skills. Entitled 'competency-based assessment' (CBA), this represented an attempted democratisation of skills recognition, in contrast to the elitism traditionally favoured by Australian professional bodies. Vocational abilities were to be screened 'in a way that is not dependent upon the nature and place of the skill development'. Three aspects rather than one were to be considered in recognition - not merely the content of 'formal education', but 'on-the-job-training and previous experience' which was recognised as a 'valued learning' in its own right (National Board for Employment Education and Training 1991: vii, 18; NPC 1988: 13). Three types of outcomes were specified: 'full equivalence' to local qualifications, 'partial equivalence' supplemented by prescribed local experience and/or study, and 'no equivalence but with a transcript of demonstrated skills that a prospective employer may use for acceptance' (NPC 1988: 18). Overall, competency based assessment was designed to challenge the notion that NESB professionals received lower recognition rates because their training was inferior; reverse the declining levels of NESB recognition evident in recent years; ensure outcomes were more equitable across the professions; break the nexus between qualifications recognition outcomes and the Australian regulatory bodies' continued self-interest,

separate professional recognition procedures from issues related to labour market demand; and redress persisting inequities, through processes guaranteeing fairness, consistency, and transparency of outcomes.

Despite gains in the 1990-1996 period however, including definition of national competencies in nine key professions³, control of licensure in regulated occupations would remain in the hands of Australian professional bodies – bodies characterised by a high degree of professional protectionism (Iredale, 1987, 1997; Castles et al, 1989; Mitchell et al, 1990). A 1994 study concluded that virtually all the traditional barriers to qualifications recognition remained in Australia, notwithstanding the establishment of 'Structured pathways to recognition' for 'the overwhelming majority of occupations at the professional, para-professional, technical and trade levels' (National Office of Overseas Skills Recognition, 1994: 3, 7-8). By 1996 the Federal government could confirm the achievement of only minimal qualifications recognition gains since 1983, noting a continued 'automatic devaluing of qualifications and skills acquired from non-English speaking background countries' relative to those of ESB origin, and 'sufficient evidence of negative cultural and racial stereotyping by employers to warrant an education campaign to be mounted by the Commonwealth Government on the benefits of employing people from a variety of cultures' (House of Representatives Standing Committee on Community Affairs, 1996: 60, 84). Reform in the majority of professions and para-professions remained mired in vested interests, despite some promising trade and industry-related trends (Iredale, 1997; 2001). NESB professionals lacking professional recognition continued to face acute disadvantage – in many instances (as we have seen) consigned to years of unemployment and skills atrophy.

The Australian government's primary strategy for addressing the problem of credential non-recognition was funding of specialist labour market programs (LMPs). By 1991/2 a total of 329,915 unemployed Australians were participating in LMPs at a cost of \$A636.2 million per year. By 1993-4, following two years of recession, this spending had ballooned to \$A1,361.1 million, catering to 500,150 participants including very substantial numbers of NESB origin (Hawthorne, 1994: 134). LMP participation, like English language training, was free at this time for migrants from their time of arrival in Australia, including payment of incentive allowances set at a higher level than unemployment benefits. By 1992/3 the Adult Migrant English Program had allocated \$A99.65 million per year to specialist LMPs for NESB professionals (in addition to the \$A110.6 spent on English), with a further \$A42.2 million of Federal funding channelled through the technical education sectors.

Labour market programs with a credentialing focus were designed to prepare NESB professionals to sit for the mandatory 'gatekeeper' exams in a range of Australian professions (including medicine, engineering and nursing). In Western Australia, for example, the establishment of such a bridging program for NESB nurses in the late 1980s converted a failure rate of 74 per cent (averaged across 10 years) to a pass rate of 89 per cent, based on a preliminary pilot project (Scott, 1989; IIPAS, 1990). By the mid 1990s, new competency-based university or college bridging programs were available to NESB nurses in the states of New South Wales and Victoria, offering:

... a clearly defined pathway into professional registration (within three months); ease of clinical access (with host institutions locating essential hospital placements); preliminary and concurrent training in equipment use, orientation to Australian nursing practice, terminology, the health system, jargon etc; systematic revision of core nursing content, including anatomy, physiology and pharmaceuticals; information on initially 'alien' concepts such as duty of care, informed consent, the nature and style of Australian hospital hierarchies etc; and formally structured and defined skills assessment procedures (Hawthorne 2002: 76).

³ These professions were nursing, engineering, architecture, physiotherapy, occupational therapy, psychology, dietetics, pharmacy and veterinary science.

In Victoria by the mid 1990s, pass rates of 90-95 per cent following completion of these CBA courses would be typical for course participants. In NSW (where entry-level English was more flexibly assessed) pass rates varied from 55-71 per cent - the growing participation of Filipino and Fijian-trained nurses reportedly 'dragging down' averages. For overseas-qualified nurses, CBA bridging programs spanned hospital as well as university settings, as in the experience reported by a Polish nurse below:

It was... lovely because we started to know the hospital, how does it work, all the departments. We went through clinical nursing, we did a pretty few lectures about basic conditions of patients, like acute pulmonary oedema or myocardial infarction or renal failure... It was just to remind us... learn in English language... because you know everyone knew (the principles)... in our own language... We been doing all the procedure but the teacher was with us all the time (Hawthorne, 2000: 251).

The majority of labour market programs incorporated this type of professional attachment with Australian employers – a vital component lasting 2-6 weeks, facilitating professional adaptation, access to referees, and even employment. For many NESB professionals like this Croatian IT worker, such attachments represented the end of personal and professional isolation:

With modest knowledge of English I was closed in my migrant community. No contacts with... Australians were made. Through the course I met a lot of people... It was the first step in the correction of my personal attitude... At the end I am quite capable to contact various persons... I know exactly the place where I can find vital information about my profession. I had actually (they) keys in my hands, and I (could) create my own plan (Hawthorne, 1994: 92).

A Brazilian telecommunications engineer used the opportunity to achieve technical adaptation:

I was working in the field, supporting a lot of state-of-the-art equipment there, in a whole range of communications. So I was able to work on data communication, digital microwaves, satellites, cross-connect switching. Because Brazil is at a different stage of technology to Australia, (I'd) read about all that equipment, but it's very different between reading and doing something there... I could look at something I couldn't understand, but I took copies of the documents I could study at home... I was always feeding myself, and coming back the next day better and better (Hawthorne, 1994: 93).

Others by contrast found the process of adaptation hard, confronting negative attitudes. An Egyptian chemical engineer was disappointed at what her host company could offer. '(I)t was not my branch. No chemical engineers there... I ask(ed) a lot of facts, if they could give me a job or any help, but... no one (would) speak to me, no one (would) give me information... They gave me just flow sheets and pamphlets to read all the time' (Hawthorne, 1994: 96). In line with OECD research findings, only a minority of Australian labour market programs could deliver positive employment outcomes (typically around 30 per cent) (Foster & Hawthorne, 1998). Moreover all such Australian 'solutions' to NESB unemployment were costly. The election of the conservative government in 1996, following 13 years of Labor government, would coincide with a decimation of post-arrival settlement services, and a dramatic policy shift from altruism to pragmatism. Abandoning Labor's immigration program as 'out of balance and out of control', the newly elected government's aim would be 'to return the balance in the program to one that is in the national interest' (Ruddock, 1996: 1). Within the next 3 years, the Immigration Department would systematically review and transform Australia's skill migration program – the government's abolition of Social Security benefits in the first two years post-arrival matched by a determination to 'select for success' among potential skill applicants. By 2001, it would be lauding the success of this program.

5. 'Picking Winners': Australia's Skill Migration Policy Transformation (1997-2002)

Following a preliminary audit conducted from 1997-8, the Department of Immigration and Multicultural Affairs (DIMA) initiated the first major review of Australia's skill migration program

since 1988 and the introduction of the points system (CAAIP 1988). Published in 1999, the aim of the *Review of the Independent and Skilled-Australian Linked Categories* was to 'evaluate... the effectiveness of the points test for the Independent and Skilled-Australian Linked⁴ categories in selecting skilled migrants who can quickly make a positive contribution to the Australian economy, labour market and budget' (DIMA, 1999: vii). To facilitate this process, the review drew on two definitive databases: the Longitudinal Survey of Immigrants to Australia (the LSIA, based on a representative sample of 5 per cent of migrants/refugees from successive cohorts of 1990s migration), and an analysis of employment outcomes for ESB of NESB professionals from a variety of countries/regions of origin, based on 1996 Census data (Birrell & Hawthorne, 1999). In consequence of the review findings, from 1999 an increasing numbers of NESB professionals at perceived risk of deferred employment would be excluded from migration at point of entry, through a rigorous expansion of pre-migration English language testing (even in family-skill categories), mandatory qualifications assessment, and a range of additional modifications to the points selection process (Middleton, 1996; Department of Immigration and Multicultural Affairs, 1999; Bridge, 2001). Key measures would include:

1. Allocation of greatest points weighting to 'the core employability factors of skill, age and English language ability', based on the establishment of 'minimum threshold standards' for each of these aspects (DIMA, 1999: 12);
2. Additional points weighting for occupations in demand, in addition to degree-level qualifications correlating to specific (rather than generic) professional fields;
3. Allocation of bonus points for former students with qualifications recently completed in Australia (minimum of 12 months study);
4. Abolition of age-related points for applicants aged over 45, and ESL points for applicants possessing less than 'vocational' levels of English (etc); and
5. Further bonus points for recent continuous Australian or international experience in a professional field, for a 'genuine job offer' in an occupation in demand, for applicants with a spouse satisfying skill application criteria, for people bringing 'a high level of capital with them to Australia' (\$A100,000 or more), for people sponsored by close Australia-based relatives (back by an Assurance of Support).

Major impacts of these policy changes are examined in turn below.

Reform 1: Mandatory English language testing

From the late 1980s, successive Australian governments had experimented with the introduction of mandatory pre-migration English language testing in a range of professions, building on early (and widely criticised) initiatives confined to the health professions. In 1993, following the peak in NESB unemployment in the 1991-3 recession, pre-migration English language testing was introduced by the Labor government in 114 professions, henceforth to be known as 'Occupations Requiring English' (Hawthorne 1997). Following the election of the conservative government in 1996, this list of occupations was dramatically increased to cover virtually all professions, including principal applicants applying under selected family as well as skill migration categories. According to an analysis at the time, the Minister introduced these changes through use of special discretionary powers, with the following predicted consequences:

More than 80 per cent of would-be family migrants will be refused entry to Australia if they cannot speak English under tough changes to the migration program being implemented outside the scrutiny of Parliament... The Government expects the change to affect 85 per cent of applicants, compared with 23 per cent affected by the current occupational list. Those without English will be refused (Middleton, 1996: 3).

We can only speculate on the impact of DIMA's *access*: test of English in the 1990s (the Australian Assessment of Communicative English Skills), designed to screen skill migration

⁴ This category, formerly known as the Concessional Family category, allowed the admission of skilled migrants who had close family links to Australia. Concessional Family entrants were typically admitted with lower point scores than Independent applicants and poorer English language skills. Many achieved inferior employment outcomes to Independent migrants.

principal applicants at point of entry, and subsequently extended to Concessional Family skill applicants (Hawthorne, 1997). What is clear is that by 2000, 38 per cent of all 1999-2000 arrivals surveyed through the Longitudinal Survey of Immigrants to Australia reported English to be their 'only or best language', cf 30.7 per cent of 1993-95 arrivals - proportions likely to have been strikingly higher if reported solely for skill applicants (DIMIA 2002). Within the revised test process, 'vocational' scores in English had to be demonstrated pre-arrival in all four English language skills (the productive skills of speaking and writing, in addition to reading and listening). Applicants with limited fluency scored no points for English and were at risk of exclusion - a major departure from pre-1999 selection policy⁵.

An indication of the likely impact of this requirement may be gauged from the effect of the Occupational English Test (OET) on migrant doctor and nurse applicants (Hawthorne & Toth, 1996; Hawthorne, 2001). Analysis of 1989-1995 data shows that the OET disqualified 33 per cent of medical applicants from migration. In the case of nurses, English language testing was found to exercise an extraordinary impact - excluding 67 per cent of NESB nurse principal applicants at point of entry to Australia; barring nurse candidates migrating through non-skill categories from proceeding to pre-registration courses in Australia (41 per cent of nurses cf 19 per cent of doctors); and selectively delaying NESB nurses from professional re-entry (despite very substantial numbers of those categorised as 'NESB' possessing competent levels of English) (Hawthorne, 2001). Comparing the impact of mandatory English language testing on 2001 of 1995 skilled migrants (Longitudinal Survey of Immigrants to Australia), Richardson et al noted significant changes:

The two visa categories that have been affected by the increased emphasis on English language competence are Concessional Family/ Skilled-Australian Linked and Independent. In these two groups there has been clear increase between Cohort 1 and Cohort 2 in the self-reported level of English competence. There was a 10-15% increase in the proportion who say they speak English as their only or best language and a slight increase in the proportion saying they speak English very well. Matching this has been the virtual disappearance of people unable to speak English and a sizeable fall in the proportion who say they have limited or modest competence in Eng. These changes for the Australian Skilled and Indept categories are not matched for the other visa groups. On this evidence alone, it would appear that the change in migration policy has had a noticeable impact on the level of English competence among migrants in the affected categories (Richardson et al 2001: 37).

Such outcomes have been justified in terms of the more immediate employability of NESB professionals. At the same time it should be acknowledged that the extension of mandatory English language testing over the past five years has sharply contracted Australia's accessibility to NESB professionals, reversing the policy liberalisations of the previous decade.

Reform 2: Pre-migration qualifications screening

Within this transforming selection context, since 1997 the Federal government placed pre-migration qualifications screening more rather than less exclusively in the hands of the professional bodies (regardless of these bodies' traditionally ambivalent attitudes towards 'outsiders'). Regulated professions, in particular, have had increasing power not only to accept or bar migrants from Australian registration - critical to early employment outcomes - but to disqualify NESB applicants from eligibility for skill migration (despite greater latitude in unregulated professions like information technology). In 1991 the former Labor government had explored the potential to challenge these powers - swiftly coming to the conclusion that the barriers to regulatory change would be severe (National Advisory Committee on Skills

⁵ It should be noted that Hawthorne advised the Federal government on employment-related consequences associated with poor on-arrival English in the 1999 review of the skill migration program, including the risks inherent in differential skills areas (eg fluency in speaking). This advice was based on delivering labour market programs to NESB professionals from 1983-1993, in addition to completing a range of profession-specific research consultancies (see eg Hawthorne 1994, 2000, 2001; Birrell & Hawthorne 1997, 1999).

Recognition, 1991: 13). The Commonwealth's decision to step back from radical reform at the start of the 1990s had in essence ceded victory to the status quo - allowing vested interests (for good or for ill) to remain paramount in terms of credentialing throughout the 1990s.

Within this context, it made 'sense' in 1999 for the Immigration Department to confirm professional bodies' pre-migration screening rights – a measure excluding, at point of entry, NESB professionals likely to have difficulty securing immediate qualifications recognition. Access to free English language and labour market programs had also been abolished, in line with the removal of Social Security support in the first two years. From July 2002, labour market courses would not be free to even long-established migrants (House of Representatives Main Committee, 2002). Participants would repay all initial training costs once they had secured work.

Reform 3: The growing participation of international students in skill migration

In the context of Australia's rapid expansion of its export education industry in the 1990s (Shu & Hawthorne, 1996; Davis, Olsen & Bohm, 2000; IDP Education Australia, 2001), private fee-paying international students by the late 1990s represented a substantial alternative talent pool for skill migration – the great majority of students ethnic Chinese derived from Commonwealth countries such as Malaysia, with many highly motivated to remain in Australia. According to surveys conducted in the mid-1990s, 78 per cent of students from China were motivated to study in Australia by a wish to migrate, along with 64 per cent of students from Hong Kong, 48 per cent from the Philippines, and 43 per cent from Singapore and Malaysia (Nesdale et al, 1995). Indeed, following 1989 and the crackdown on students at Tianenman Square, Australia accepted around 37,000 Chinese who had originally arrived as fee-paying students, but ended up securing refugee status (Hawthorne 1996).

In publishing its revised skill migration selection policy, DIMA had defined six key attributes as making 'a good (skilled) applicant', including 'Obtaining a job soon after arrival that uses their skills... Become quickly established... Not require benefits'. In line with these goals migration bonus points were created for former international students completing Australian diplomas or degrees – a new potential elite. When analysing labour market outcomes for professionals for the 1999 skill migration review, Birrell & Hawthorne had found that 54 per cent of overseas-born professionals with Australian degrees had secured professional employment by 1996 – their progress 'comparing favourably with the 52 per cent overall professional employment level for young Australian-born graduates as of 1996', even among groups (such as the Vietnamese and the Filipinos) typically associated with serious disadvantage. (See Table 3.) By definition, on completion of such Australian degrees, overseas-born students were characterised by youth, advanced English language skills, fully recognised qualifications, locally relevant professional training, plus a high degree of acculturation. Given their proven acceptability to Australian employers (regardless of country of birth), Birrell & Hawthorne advocated the removal of the previous three year bar to former students' migration, in addition to the allocation of bonus points for their possession of an Australian qualifications (minimum length 12 months):

It seems inappropriate for th(e) requirement (for three years workplace experience) to remain, when Australia's export education industry is almost wholly commercially based, and there seems little risk of a third world 'brain drain'... Such students are viewed by officers as having exceptional potential for the skilled migration program, yet may lose out in terms of points to others seen as far less employable (Birrell & Hawthorne, 1999: 20).

Under the revised 1999 test, the majority of international students could secure the maximum score for age (18-29 years), 'Tier 1' occupation (ie a field in demand), and English language ability ('competent'), achieving the necessary 110 points. Further, they could be awarded 5 bonus points for possession of an Australian degree or diploma, and 10 additional points for an occupation in demand supported by a job offer (far easier to arrange for new graduates already resident within the country). From July 2001 completing international students had the potential to stay within Australia if their permanent migration applications were approved in time. By the start of 2002 such international students represented some 50 per cent of all skill applicants (DIMIA

2002: 19) – a ‘win-win’ situation leading to a 30 per cent surge in demand for Australian tertiary courses, with visas issued July to October 2001 rising to 26,077 compared to 19,996 for that time in the previous year. Growth in student demand was led by China (an increase of 77 per cent) followed by Hong Kong, Singapore, the US, Malaysia, Thailand, Japan and Korea (Colebatch 2002). Employment indicators to date suggest this strategy to have been exceptionally successful. This option is increasingly attractive to both North American and European immigrant-receiving nations - representing an increasing incentive for prospective students, most notably from India and China (see eg Mahroum 2001; Iredale 2001; Khadria 2001).

Table 3: Proportion of male overseas-born professionals employed in their profession in Australia, by region, by country of qualification (1996 Census)

Region of origin	1994-6 arrivals	1991-3 arrivals	1986-90 arrivals	Pre-1986 arrivals
<i>UK/Ireland:</i>				
Australian qualifications	-	-	43%	39%
Overseas qualifications	32%	30%	33%	37%
<i>Southern Europe:</i>				
Australian qualifications	-	-	36%	42%
Overseas qualifications	8%	28%	33%	38%
<i>India:</i>				
Australian qualifications	-	-	33%	44%
Overseas qualifications	23%	25%	21%	32%
<i>Lebanon:</i>				
Australian qualifications	-	-	33%	32%
Overseas qualifications	25%	20%	10%	26%
<i>Philippines:</i>				
Australian qualifications	-	-	39%	26%
Overseas qualifications	3%	3%	7%	12%
<i>Vietnam:</i>				
Australian qualifications	-	-	39%	44%
Overseas qualifications	-	12%	17%	25%

Source: Adapted from 1996 Census data analysis (Birrell & Hawthorne, 1999)

6. Conclusion

By 2000, according to the LSIA, Australia’s transformed skill migration selection procedures had contributed to a halving of unemployment among recently arrived migrants (12.4 per cent of 1999 arrivals unemployed by November 2000 cf 23.4 per cent of 1995 arrivals by November 1996 [Bridge, 2001]). By June the following year, the 1999 cohort’s unemployment rate had dropped to below 10 per cent (DIMA, 2001b)⁶, even before the full force of the recent shift to international student recruitment had impacted. As Table 4 shows, employment outcomes had also dramatically improved in the recent period for both Independent and Skilled-Australian Linked⁷ arrivals. Six months following arrival in Australia, 70 per cent and 65 per cent of these respective groups were employed, compared to 53 per cent and 42 per cent of those arriving prior to the election of the Howard government. Salary levels for Independent arrivals had risen by around a third, with salaries for Skilled-Australian Linked professionals almost doubling. The proportion of migrants earning high salaries had also doubled, from 15 to 31 per cent. Dependence on welfare benefits had virtually vanished, dropping from 20 to 0.03 per cent. Perhaps most significantly, given migrants’ lack of access to Social Security benefits in the first two years, the LSIA provided

⁶ Australia had slightly reduced unemployment levels at this time (6.2 per cent in 2000 cf 7.7 per cent in 1996) (Bridge 2001: 58).

⁷ This category is based on points-tested assessment of skills, in addition to family links to Australia.

no indication that participants felt they were taking inappropriate work. Job satisfaction had increased: 53 per cent of 1999 arrivals indicating that they 'loved or really liked' their job, compared to 46 per cent 4 years earlier. (See Table 5.)

Table 4: Employment outcomes for migrants/humanitarian entrants 6 months post-arrival - LSIA Cohort 1 (arrived September 1993-August 1995) cf Cohort 2 data (arrived September 1999-August 2000)

Key changes: 1993-1995 cf 1999-2000 (all migration categories)	Cohort 1	Cohort 2
Skill migrants as % of total ⁸	35.0%	49.8%
English only or best language	30.7%	38.0%
Bachelor or higher degree	32.3%	43.2%
Employed 6 months post-arrival	32.8%	49.5%
Wage, salary earner	28.3%	43.1%
Government payments major source of income	36.1%	11.2%
Poor English as barrier to securing work	34.0%	20.0%
Qualifications non-recognition as barrier to securing work	4.6%	5.0%
Average duration of unemployment prior to securing current work	20 weeks	9 weeks

Source: Adapted from *The Labour Force Experience of New Migrants* (S Richardson, F Robertson & D Ilsley, 2001: 14, 35, 36), based on the Longitudinal Survey of Immigrants to Australia.

By 2002 skill migration numbers were again surging: rising from 35,000 in 1998-9 to 53,520 (or a record 58 per cent of the total migration program). The family migration intake, set at 38,090, was 'the largest in five years. Many were young and highly skilled relatives of Australians', according to the Immigration minister (Taylor, 2002: p 6). Following two decades of research confirming the comparative labour market disadvantage of NESB groups, the Australian government had moved determinedly to reduce these migrants' access at point of entry – a shift from altruism to pragmatism. Australia's determination to 'select for success' among skill applicants is now leading to a profound re-shaping of the migration program – not along racist lines (since Commonwealth-Asian students constitute the great majority of students undertaking degrees in Australia) but in terms of the redefinition of 'acceptable' human capital. Within this process Australia refuses to support the process of migrant adjustment, the government being minimally interested in NESB groups who might adapt well over time. These tactics are being closely monitored by other western immigrant-receiving countries, including those philosophically opposed to them. Their long-term viability will be of interest in the predicted 'looming war for skills'.

Table 5: Employment outcomes for Independent cf Skilled-Australian Linked migrants 6 months post-arrival - LSIA Cohort 1 cf Cohort 2 data

Employment outcomes by select skill category	Cohort 1	Cohort 2
<i>Independent:</i>		
Employed	53%	70%
Unemployed	20%	8%
Not in the labour force	27%	23%
<i>Concessional Family/ Skilled-Australian Linked:</i>		
Employed	42%	65%
Unemployed	25%	17%
Not in the labour force	32%	19%
% in professional work 6 months post-arrival (of those working)	62.5%	66.5%
<i>Selected work attributes of economic migrants 6 months post-arrival:</i>		

⁸ Includes Independent, Concessional Family/Skilled Australia-Linked,, Business Skills and Employer Nomination Scheme.

Love or really like job	46%	53%
Earn \$674+ per week	15%	31%
Rarely use qualifications in current job	28%	22%
<i>Median personal income by visa category (2000 dollar prices):</i>		
Independent	\$309	\$544
Concessional Family/ Skilled-Australian Linked	\$193	\$383
Business Skills/ Employer Nomination Scheme	\$375	\$483
<i>% recent migrant households with no primary applicant employed:</i>		
Independent	34.6%	18.4%
Concessional Family/ Skilled-Australian Linked	48.2%	33.0%
Business Skills/ Employer Nomination Scheme	17.9%	37.8%
Cf Humanitarian	93.0%	94.7%
<i>% recent economic migrants receiving social welfare payments:</i>		
Unemployment	20.0%	0.3%
Family payment	21.0%	8.0%
Other government	11.0%	4.0%
Zero income	11.0%	14.0%
<i>Qualifications recognition:</i>		
Sought assessment of qualifications pre-migration	38.0%	37.0%
Sought assessment of qualifications post-migration	12.0%	9.0%
Did not seek assessment of qualifications	30.0%	34.0%

Source: Adapted from *The Labour Force Experience of New Migrants* (S Richardson, F Robertson & D Ilsley, 2001: 17, 28, 46, 49), based on the Longitudinal Survey of Immigrants to Australia.

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