
The Impact of the LSIA on Immigration Research and Policy Formation in Australia

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Government-Sponsored Migration Research in Australia

1970s to 1996:

1. **Australian Institute of Multicultural Affairs:**

Established by a Liberal/National government in the 1970s

Abolished 1986 by a Labor government

2. **Bureau of Immigration Multicultural and Population Research:**

Established by a Labor government in the late 1980s

Abolished 1996 by a Liberal/National government

3. **Office of Multicultural Affairs:**

Ditto

4. **Funding reduction:**

Human Rights and Equal Opportunity Commission

Refugee Council of Australia

Bureau of Immigration, Multicultural and Population Research: Genesis of the LSIA

The LSIA:

- Prototype (early 1990s), with thematic commissioned analyses (eg impact of credential recognition on skilled migrants)
- LSIA 1 (1993-95)
- LSIA 2 (1999-2000)
- Aim of the research; maintenance following abolition of the Bureau (1996)

Longitudinal Survey of Immigrants to Australia (LSIA)

Key policy interest:

- To secure and demonstrate 'improved management of the migration program', research-based

Research focus:

- Descriptive rather than interpretive studies
- Findings reported by migration categories (rather than analyses of specific ethnic communities, causation or process)
- Commissioned data interpreted by economists and demographers rather than a full cross-section of disciplines
- Reporting on migrants typically by major labour market attributes:
 1. Who is in versus out of the workforce?
 2. In what type of work, at what remuneration level, by what point of time?
 3. Which individual migrant attributes are associated with these outcomes?
 4. **How do outcomes differ by LSIA 1 (1993-5) LSIA 2 (1999-2000) and LSIA 3 (2005-06) for immigrants?**

The Database: Three LSIA Administrations

LSIA 1:

- September 1993-August 1995 arrivals
- >5,000
- Surveyed at 6, 18, 42 months
- \$A3 million

LSIA 2:

- September 1999-August 2000 arrivals
- >3,000
- Surveyed at 6, 18 months
- \$A1.4 million

LSIA 3:

- December 2004-March 2005 arrivals
- >9,000
- Surveyed at 6, 18, 24 months
- \$A0.15 million

Rationale for LSIA 3 Research Change

Advantages: Cost reduction, greater survey size, regional migrants and offshore/ onshore migrants included

Disadvantages: Written survey, English medium

Rationale:

- Humanitarian migrants surveyed separately
- Skilled migrants able to respond to written (English) questionnaire
- Family migrants now have improved English
- Telephone assistance for NESB respondents

The Strengths of the LSIA to Date

Tremendous relevance of the research:

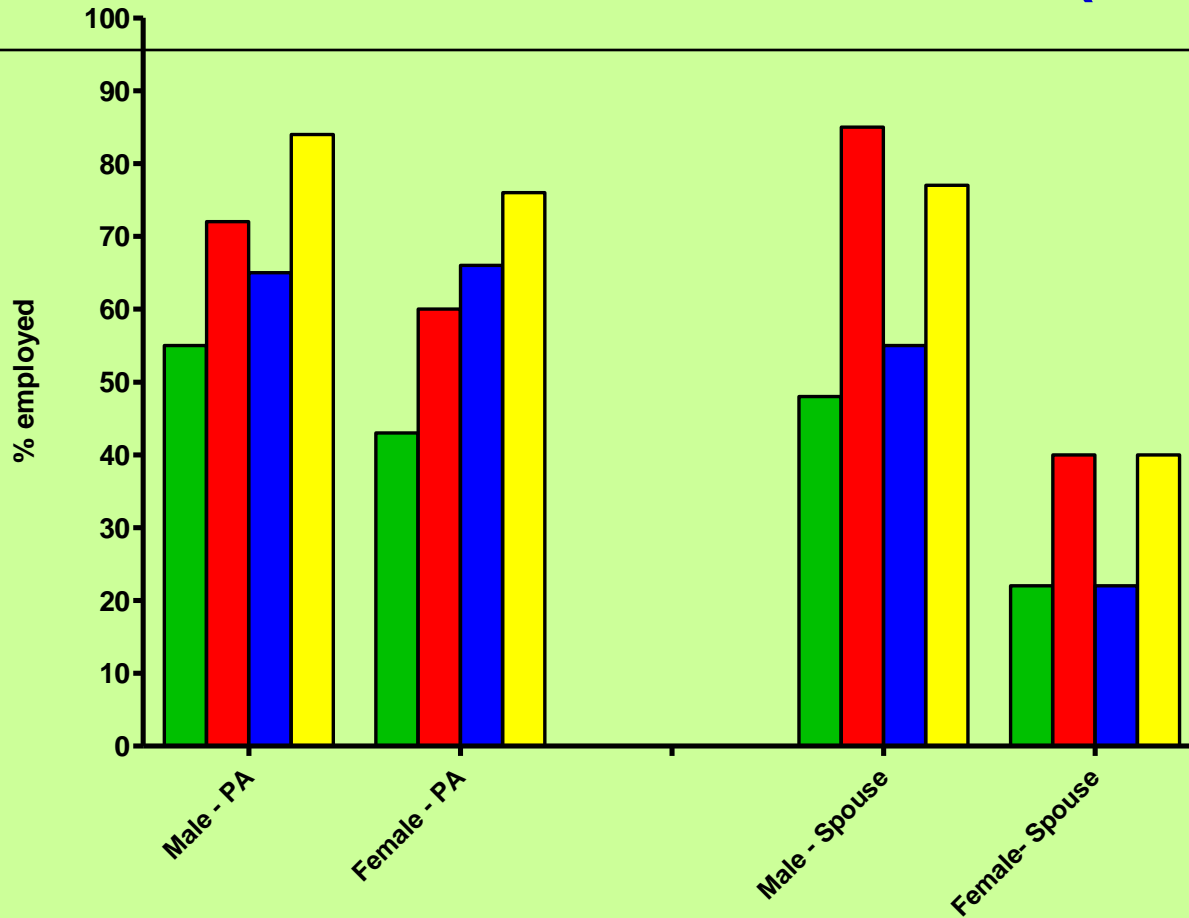
- Close to perfect laboratory for assessment of effectiveness of immigration policy initiatives between cohorts (eg skill migration selection procedures); **changed policy regime**
- Clarity of data, and consistency in mode of reporting
- Calibre of statistical information (despite LSIA 2 and LSIA 3 reduction in scale); representative sample by category
- Commissioning of sequence of comparable studies on important policy issues

Example: Demonstrating Policy Impacts (Employment Outcomes Independent Versus Family Skilled Migrants 6 Months Post-Arrival)

Employment outcomes by select skill category	Cohort 1 1993-95	Cohort 2 1999/2000
<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%
<i>% in professional work 6 months post-arrival (of those working)</i>	62.5%	66.5%
<i>Selected work attributes of economic migrants 6 months post-arrival:</i>		
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 \$A):</i>		
Independent	\$309	\$544
Concessional Family/ Skilled-Australian Linked	\$193	\$383
<i>% recent migrant households with no primary applicant employed:</i>		
Independent	34.6%	18.4%
Concessional Family/ Skilled-Australian Linked	48.2%	33.0%
Cf Humanitarian	93.0%	94.7%
<i>% recent economic migrants receiving social welfare payments:</i>		
Unemployment	20.0%	0.3%

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.

Employment by Gender & Primary Application Status After 6 Months (LSIA)



Concessional Family/Skilled 1993/5

Independent 1993/5

Concessional Family/Skilled 1999/2000

Independent 1999/2000

Impact of Improved Screening on Economic PA's Employment 6 Months Post-Arrival in Australia by Select Birthplace (LSIA 1 and LSIA 2)

Birthplace of Economic Principal Applicants	Employment Within 6 Months (1993-95 Arrivals)	Employment Within 6 Months (1999-2000 Arrivals)
UK/Ireland	85%	86%
South Africa	76%	89%
North West Europe	73%	83%
Philippines	57%	76%
India	56%	73%
HK/Malaysia/Singapore	53%	68%
China	45%	61%
M East/ N Africa	42%	72%
N, SE & C Asia	40%	77%
Eastern Europe	31%	79%

Source: Hawthorne, L (2008), 'The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia', *Institute for Research on Public Policy Choices*, Vol 14 No 5, May, ISSN 0711-0677 www.irpp.org, Ottawa.

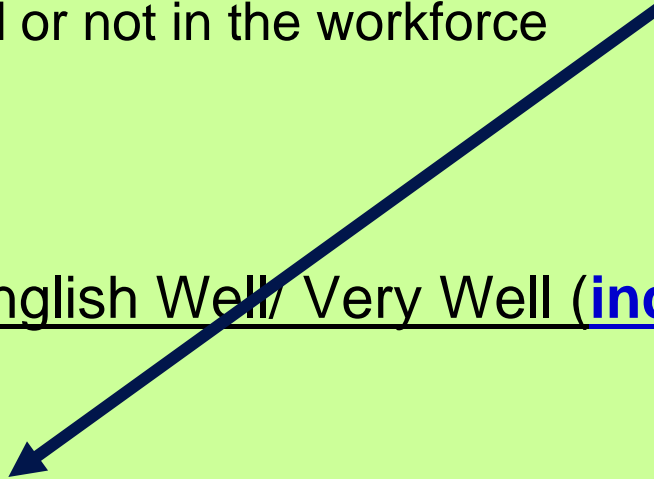
The Impact of English Screening on Employment of Economic PA's 6 Months Post-Arrival (LSIA 1 and 2)

1993-95 Speaks English Well/ Very Well (**self-assessed?**):

- **45%** employed
- 56% unemployed or not in the workforce

1999-2000 Speaks English Well/ Very Well (**independently assessed**):

- **73%** employed
- 27% unemployed or not in the workforce



Potential for Global Comparisons: Level of Canadian and Australian Reliance on Degree-Qualified Migrants by Select Field (2001) and (Australia-only 2006)

Occupation	Canada Overseas-Born 2001	Australia Overseas-Born 2001	Australia Overseas-Born 2006
Engineering	50%	48%	52%
Computing	51%	48%	57%
Medicine	35%	46%	45%
Science	36%	37%	
Commerce/ business	27%	36%	
Architecture	49%	36%	
Accountancy	35%	36%	41%
Arts/ humanities	24%	31%	
Nursing (91,337)	23%	24%	25%
Teaching	15%	20%	25%

Source: 2001 Census data (Canada and Australia) and 2006 Census data (Australia)

Comparability of Canada and Australia as Places of Settlement for Degree-Qualified 1996-2001 Migrants (2001 Census)

Near identical economic cycles:

- **65% of migrants employed in 1-5 years of arrival in Canada (compared to 66% in Australia)**
- **Degree qualified migrants highly advantaged (compared to diploma-qualified arrivals), trade-qualified migrants perform well**
- **Identical birthplace groups advantaged (professional work): South Africa, Australia, New Zealand, USA, Canada, UK/Ireland, North Western Europe**
- **Identical birthplace groups disadvantaged : Especially Iraq, Taiwan, North Asia, South-East Asia**
- **Major skills discounting in work: Philippines, India, Vietnam, and South/ Central Asia**
- **Age and gender: Serious disadvantages for female, and older and younger migrants**

Source: Hawthorne, L (2008), 'The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia', *Institute for Research on Public Policy Choices*, Vol 14 No 5, May, ISSN 0711-0677 www.irpp.org, Ottawa.

Canadian and Australian Economic Category Selection Criteria pre-1999: Highly Comparable

Philosophical base:

- **Human capital model:** Predominates in both countries
- **Flexibility:** Well-educated people presumed to be 'skilled, flexible' in the workforce
- **Credentials:** All treated equally (regardless of place of training/ recognition outcomes)
- **Labour market demand:** Prediction inappropriate for selection purposes (given inherent timelags in the migration process)
- **Host country language ability:** Self-report permitted

Relevance of LSIA to Comparative International Studies (Canada-Australia Research Commissioned by Canadian Government to Assess Differential Economic Migration Policy)

Canada and Australia mid-1990s (LSIA and LSIC data):

- Prior to Australia's policy change (1999+): **highly comparable** skill migration selection systems and employment outcomes (first 6-12 months post-migration)

2000-01:

- Minimal improvement in employment outcomes for Economic PA's in Canada (Note: improvements evident within 2.5 years)
- Improved and superior Australian employment outcomes by all key criteria in first 6 months post-arrival
- Significance of early outcomes for longer term employment (LSIA Wave 1, 2, 3), eg 2.5 years post-arrival
- **Variables**: Employed/ unemployed, type of employment, employment status by gender, age, field, location etc

Economic Category Employment Outcomes: Degree-Qualified Principal Applicants to Canada and Australia mid 1990s (LSIA 1 and IMDB Data Canada)

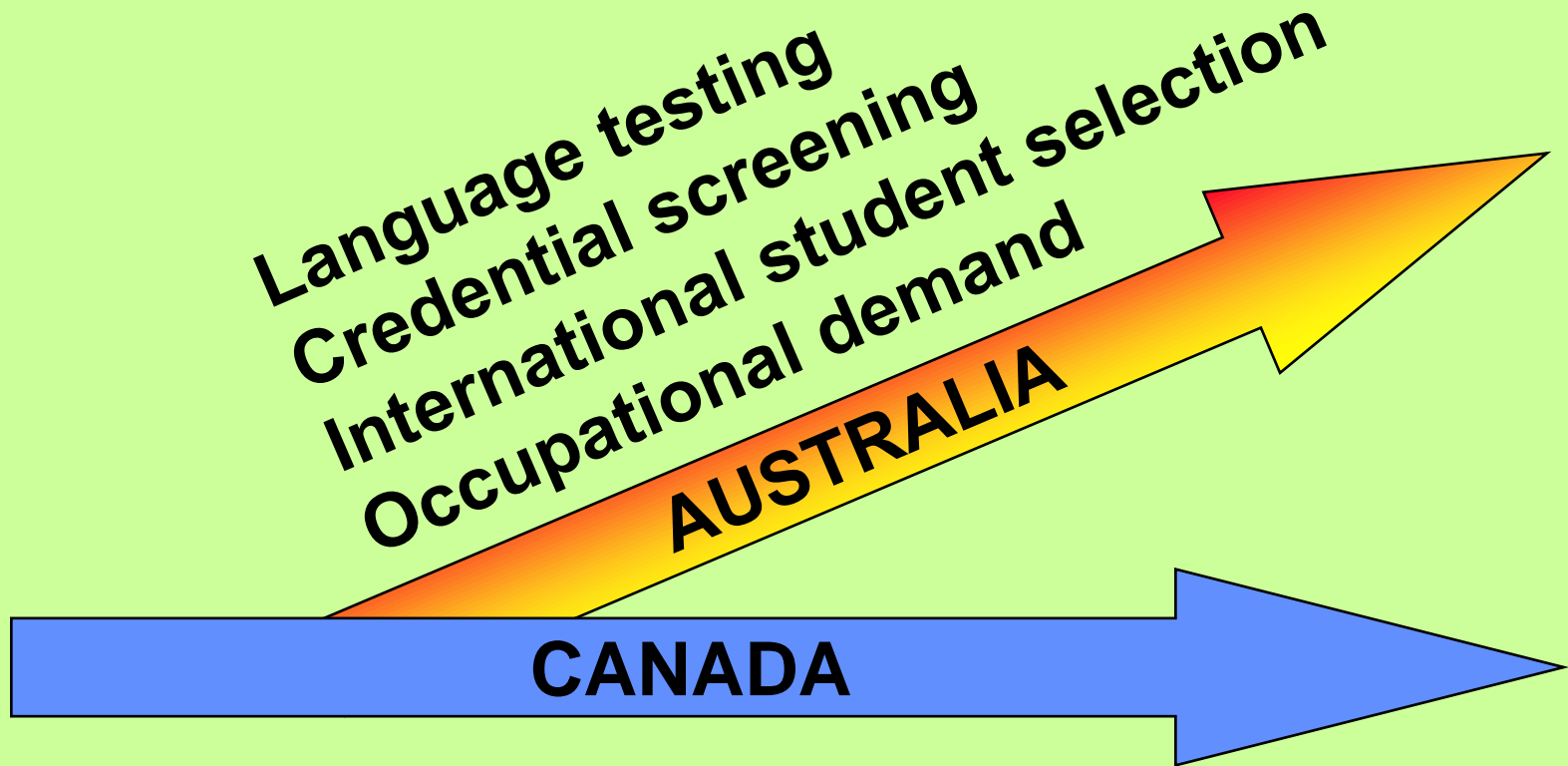
- **Very similar employment outcomes** for degree-qualified Economic principal applicants x 6 months post-arrival
- **57%** employed in Australia within 6 months of arrival, compared to **64%** within 12 months of arrival in Canada
- **Worse employment outcomes** for family assisted Economic migration category in both countries (46% in Australia and 57% in Canada employed)
- **Low salaries** for many groups
- **Greatest risk: Worse employment outcomes** for females, older migrants, and select birthplace groups



Source: Hawthorne, L (2008), 'The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia', *Institute for Research on Public Policy Choices*, Vol 14 No 5, May, ISSN 0711-0677 www.irpp.org, Ottawa.

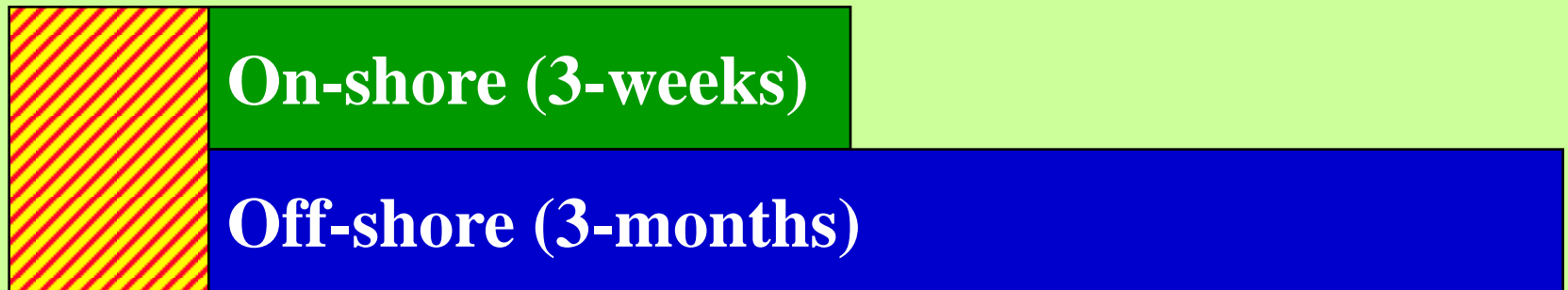
Australia's Policy Shift 1999+:

Applying the Research Evidence to Economic Migrant Selection Criteria



Australia's Economic Category Operational Principles (1999+)

1. Speed
2. Efficiency and integrity
3. Certainty of outcome
4. No backlog (pool = maximum 2 years)
5. Points rising (110→115→120); e-based 2005+



Australia's Improved Economic Category Gains by 2000, Compared to Canada

- **Employment of economic PAs within 6 months of arrival: 81%** compared to **57%** in mid-1990s (Canada still 60%)
- **Level of work: 60%** working in high-skilled positions within 6 months compared to 55% in mid 1990s
- **Weekly earnings greatly improved:** 57% earning \$A674 or more compared to 39% mid 1990s
- **Gender and age employment disadvantage neutralised:** 71% of female PAs working compared to 78% of male PAs (versus 55% of females and 63% of males mid 1990s)
- **Significance of early outcomes** to longer term employment (LSIA Wave 1, 2, 3), eg 2.5 years post-arrival

Australia's Improved Economic Category Gains by 2000 (cf mid 1990s)

- **Strong employment gains for even the most disadvantaged groups:** eg from East Europe, China, Philippines
- **Employment outcomes for older economic migrants improved:** 59% of 45-64 year olds employed (significantly higher than mid 1990s)
- **English:** High correlation between English language ability and skilled employment outcomes
- **Labour market demand:** Associated with very positive outcomes
- **Welfare:** Disappearance of dependence in economic category migrants

By Contrast - Canada's Economic Category Outcomes by 2000-01 (cf mid 1990s): IMDB and LSIC Data

- **Employment of economic PAs within 6-12 months: 60%**
(compared to **64%** in mid 1990s)
- **Earnings:** Gains not evident
- **Employment outcomes by ethnic group: Highly variable;**
some improved (eg UK, Philippines); others – eg China –
significantly worse
- **Gender employment disadvantage:** Worsened
- **Age employment disadvantage:** Significant
- **Language ability:** Migrants with knowledge of English/
French highly advantaged in securing work

Source: Hawthorne, L (2008), 'The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia', *Institute for Research on Public Policy Choices*, Vol 14 No 5, May, ISSN 0711-0677 www.irpp.org, Ottawa.

Australian Outcomes from Skill Migration (2007) – Using LSIA 3 to Introduce Further Policy Refinements

Skill migration outcomes (August 2006):

- 6 months post-arrival: 83% of skilled migrants working
- 18 months post-arrival: Only 4% unemployed (**lower** than 4.7% national average)
- **BUT former students'**: Annual salaries of around **\$33,000** (compared to **\$52,500** for offshore economic migrants), less likely to use qualification in work; poorer English ability and less 'work readiness'

September 2007 changes (targeting former students):

- Stronger English skills ↑ (IELTS 6.0 minimum, not 5.0)
- Recent work experience (onshore and offshore applicants)
- Higher bonus points (PhD, Masters)
- Immediate access to temporary post-study visa (more points access)
- Professional year in Australia for former students (if needed)

2008-09 Immigration Strategy: 'Expand and Re-Cast Migration' (New Labor Government)

- 
- Australian labour shortages here to stay
 - Driven by economics and demography
 - **300,000 immigration target** (including 190,300 permanent residents – 70% to be skilled) – highest levels since 1940s
 - **Around 110,000 temporary workers** per year (uncapped, responsive to employer needs)
 - **Liberalisation of low skilled** as well as high skilled labour entry (eg Pacific labour scheme)
 - **Regions:** Rapidly increasing regional migration
 - *'The debate about temporary migration is over... What's not widely understood is that there is a global competition for labour.... We need to be more responsive to modern working life and internationalisation. In my view we are increasingly facing a labour shortage, not just a skills shortage.'* (Minister for Immigration: Chris Evans, 17 May 2008, The Australian)

Australian Economic Migration Lessons: Past Decade

Skill migration outcomes:

- Highly amenable to policy influence
- **LSIA** = excellent tool to assess selection criteria changes

Accurate information likely to be critical to future global competitiveness in the 'race for talent':

- Speed
- Certainty of selection
- Access to PR status
- AND Calibre of employment outcomes