Migrants in the Australian workforce

A guidebook for policy makers

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Grattan Institute Guidebook No. 2022-06, May 2022

This guidebook was written by Will Mackey, Brendan Coates, and Henry Sherrell.

We would like to thank the Scanlon Foundation for its generous and timely support of this project.

We would like to thank Nathan Deutscher, Andrew Norton, and numerous government and industry participants and officials for their comments on this report. We would also like to thank Grattan Institute's Public Policy Committee.

The opinions in this report are those of the authors and do not necessarily represent the views of Grattan Institute's founding members, affiliates, individual board members, reference group members, or reviewers. The authors are responsible for any errors or omissions.

Analysis in this paper used the R programming language (R Core Team, 2022) and a range of R packages including the Tidyverse (Wickham et al, 2019).

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This report may be cited as: Mackey, W., Coates, B., and Sherrell, H. (2022). *Migrants in the Australian workforce*. Grattan Institute.

ISBN: 978-0-6454496-2-4

Overview

Migration is increasingly important to Australia's labour force. One in three workers in Australia were born overseas. One in five workers currently hold either a temporary or permanent visa.

But the role migrants play in Australia's labour market is poorly understood. Australia's migration program is complex. Few understand who migrants are in Australia including what visas they hold, what skills they have, where they work, and what they earn. This guidebook provides a clear picture of where migrants – including all temporary and permanent visa-holders – work in Australia.

Australia's permanent migration program – which grants people the right to remain permanently in Australia – has become more skills-based in recent decades. People who received a permanent visa after 2000 make up 12 per cent of the Australian workforce. Skilled migrants in particular tend to be younger, higher-skilled, and earn higher incomes than the typical Australian. Family visa-holders work at similar rates to people born in Australia, while humanitarian visa-holders tend to fare worse.

Temporary migrants make up 7 per cent of the Australian workforce today. Temporary migrants include working holiday makers, skilled temporary residents, New Zealand citizens, many international students, and seasonal workers, among others. Some temporary migrants, especially temporary skilled workers, tend to be younger, highly-skilled, and earn reasonably high incomes. But other temporary visa-holders, including working holiday makers and many international students, tend to work in less-skilled jobs earning low wages.

Newly-arrived migrants – those who arrived in Australia within the past five years – tend to work fewer hours and earn less than they did a decade ago, reflecting the fact that greater numbers of recently arrived migrants are here to study. However, migrants who stay in Australia are more likely to work full-time compared to the Australian population, a trend that has increased as Australia's permanent migration program has become more orientated towards skills.

Migrants are also increasingly likely to be highly educated. About half of migrants have a bachelor or postgraduate education when they arrive, and many more gain university-level qualifications during their time in Australia. A quarter of recent migrants have a postgraduate qualification; for workers born in Australia it's less than one in 10. When they arrive in Australia, recent migrants are more likely to work in professional roles compared to people born in Australia.

Many industries rely heavily on migrant workers, but the visas that migrants hold vary dramatically across industries. Professional and health services employ large numbers of permanent skilled and family visa-holders, who typically earn high wages in higher-skilled roles. Sectors such as hospitality rely much more on temporary migrants, especially international students, to fill less-skilled jobs at low wages.

Recent research tends to suggest migration has had little impact overall on the wages of incumbent Australian workers. However, concentrated inflows of migrants into particular sectors can put downward pressure on the wages of Australian workers with similar skills.

Many migrants who start out in regional Australia – often as a condition of their visa – don't tend to stay there long. More than one quarter of recent arrivals who were living in regional and remote areas in 2011 had moved to major cities in 2016, compared to about 10 per cent for people born in Australia.

Migration policy has important implications for Australia's economy and society. But to shape policy we need to understand the existing migration patterns. We hope this guide will provide a useful reference document to inform these important policy discussions.

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1 Introduction

Migration plays an increasingly important role in Australia's labour force. About one in three workers in Australia today were born overseas. One in four people in Australia aged in their 20s and 30s are migrants who arrived in Australia this century (Figure 1.1). Many will stay for decades to come. Just under 200,000 people were added to Australia's population in 2019-20, the final full year before the pandemic.

Australia's migrant intake is accompanied by a complex set of rules and regulations that governs who can come, how long they stay, and under what conditions they live and work. Migrants who had a permanent visa granted between 2000 and 2016 were on one of 118 different visa subclasses. An additional 35 visa subclasses covered temporary migrants in Australia in 2016. Each visa subclass can have multiple streams with different eligibility criteria.

Migrants in Australia are diverse. Some migrants come to Australia in order to work, others come to study or to be re-united with family. Migrants bring with them a wide range of skills and are at different life stages. Different migrants also concentrate in different parts of the labour market.

International students have different labour market outcomes to temporary skilled workers, who are selected for their abilities to perform an occupation by an employer. The labour market outcomes of secondary applicants – partners and children of main visa-holders who are not selected on skill conditions – differ from skilled primary applicants who are.

These details matter for policy makers seeking to use migration policy to meet Australia's labour force needs or to achieve other policy goals. Without a clear picture of who migrants are in Australia, and where they work, policy changes could lead to unintended consequences.

1.1 What this guidebook does

This guidebook provides a clear picture of how migrants fit into the Australian labour market.

Chapter 2 provides an overview of the Australian labour market. It details how the labour market is categorised, exploring jobs and their occupations, businesses and their industries; and workers and their labour force participation, education, and wages. This chapter also details how the labour force has changed over time, and how it differs by major region across the country.

Chapter 3 provides a detailed view of migrants in the labour force. It covers visa details and labour force information for several of the 74 visas currently active in Australia's migration program. This chapter covers temporary and permanent migrants, primary and secondary applicants, and explores how migrants transition between visas over time.

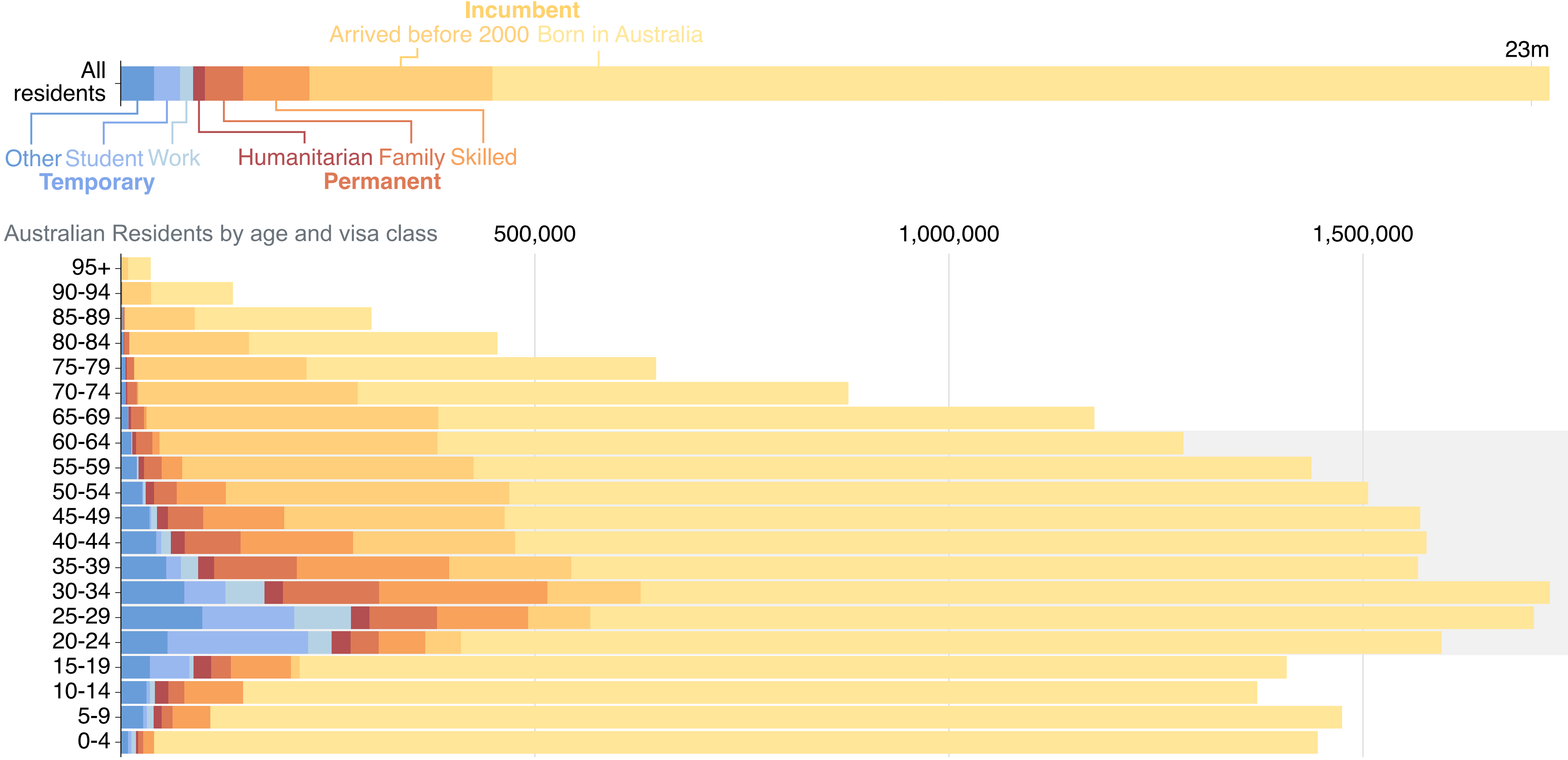
Chapter 4 details how migrants fit into the Australian labour market. It documents migrants' skills, their experience and education before their arrival in Australia, and their labour force status and occupation and the industries in which they work once they arrive in Australia.

Chapter 5 shows how different groups of migrants work in various industries. It provides further detail on professional services, mining, agriculture, hospitality, and the aged care sector. (Appendix A contains a dashboard profile of each major industry in the Australian labour market.)

Chapter 6 tells the story of migrant movements and participation in Australia's cities and its regions. (A profile of each capital city and major regional area in Australia is also provided at Appendix B.)

Figure 1.1: More than one in four people in Australia aged in their 20s and 30s arrived here in the past two decades

Australian Residents by visa class



Source: Grattan analysis of ABS (2016a), ABS (2016b), ABS (2016c).

2 Australia's labour market

The number of workers in Australia has grown rapidly in recent decades. This chapter explores Australia's labour force along various dimensions, including workers' education, experience and their occupations; and the industries and regions of businesses for which they work.

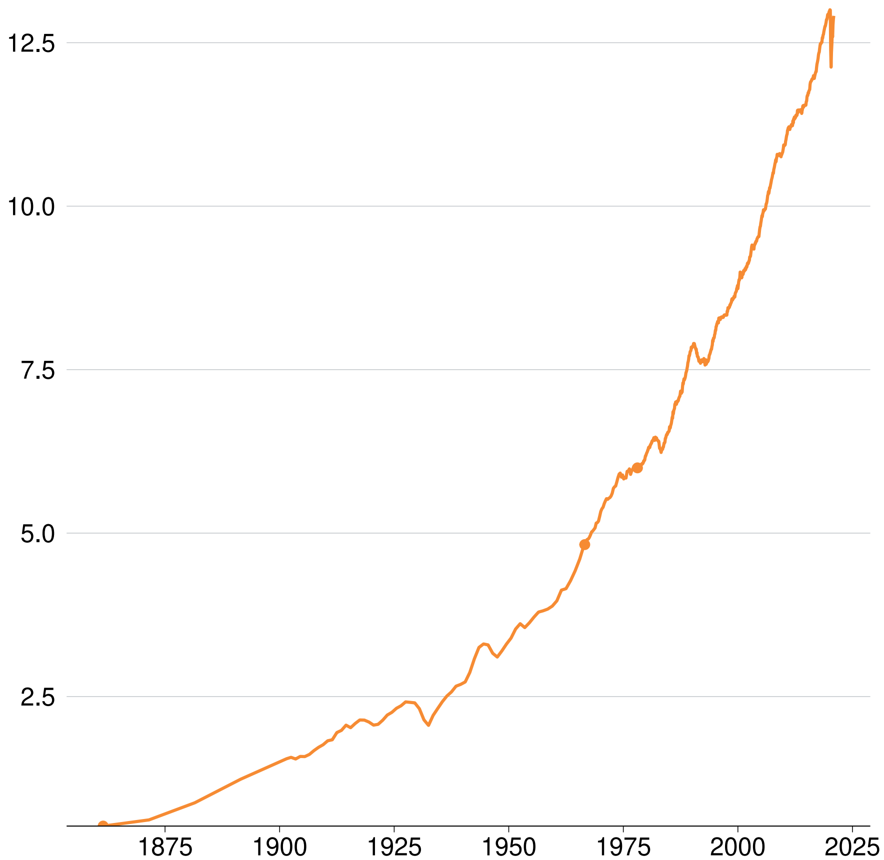
Workers are far more likely to be in professional occupations now than 30 years ago. Personal service work has also grown significantly, reflecting greater demand for carers in the economy. Other occupations, such as labourers and machinery operators, account for a smaller share of jobs than in the past.

At the industry level, fewer people work in agriculture or manufacturing now than in the 1980s. Health care and professional services have grown substantially. Other service industries – such as hospitality, finance, transport services, and public administration – have grown in line with Australia's population.

Most workers live in capital cities. Workers in capital cities are more likely to be employed full-time and more likely to be participating in the labour force. Regional areas, on the other hand, have higher rates of part-time work and lower levels of labour force participation.

People in Australia have a wide distribution of incomes. The median income for people in Australia is $39,000, compared to $85,000 for full-time workers.

Figure 2.1: The number of workers in Australia has grown over time
Millions of employed people in Australia, 1861-2020



Notes: See Coates et al (2021, Figure 3.2). Data are annual before 1966, quarterly from 1966-78, and seasonally adjusted. Monthly data thereafter. Series breaks are denoted with ● orange dots.

Sources: Butlin (1977), retrieved from Cowgill (2020); ABS (2007); and ABS (2022a).

2.1 Jobs, workers, and hours

There are about 15 million jobs in Australia.[1] These jobs are performed by 13.5 million people.[2] About 9 million of these workers are employed full-time,[3] and 900,000 work multiple jobs.[4] In addition, there are about 600,000 unemployed people – those in the labour force actively looking for a job.

Figure 2.1 on the preceding page shows that the number of employed people in Australia is not fixed.[5] The number of workers grows roughly in line with Australia's population.[6]

2.2 Occupations and occupation skill levels

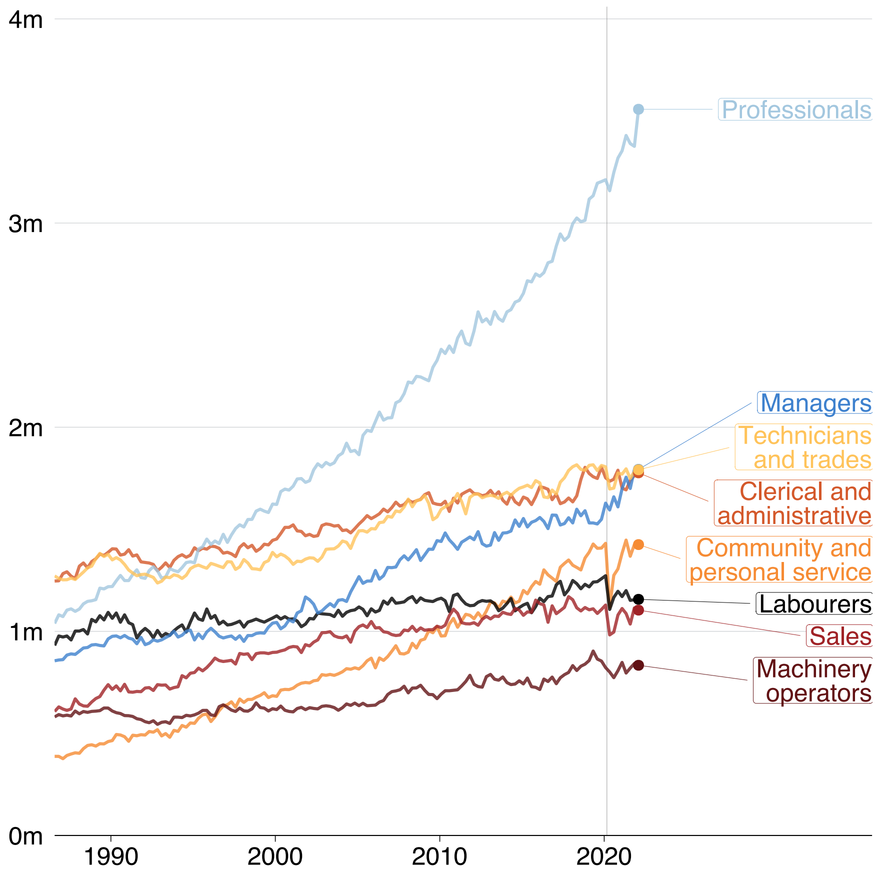
Each of the 15 million jobs in Australia is classified into one of about 1,100 occupations in the Australian and New Zealand Standard Classification of Occupations (ANZSCO) by the Australian Bureau of Statistics (ABS):[7]

> 'ANZSCO identifies a set of occupations covering all jobs in the Australian and New Zealand labour markets, defines these occupations according to their attributes, and groups them on the basis of their similarity into successively broader categories for statistical and other types of analysis. The individual objects classified in ANZSCO are jobs.'

ANZSCO classifies each job into eight major occupation groups (Figure 2.2): Managers (1), Professionals (2), Trades and Technicians

Figure 2.2: Australia's labour force is increasingly in professional and personal service work

Workers by major occupation group



Source: ABS (2022d, Table EQ07a).

1. As at December 2021: ABS (2022b).
2. As at February 2022: ABS (2022a).
3. Working 35 or more hours per week: ABS (2022c).
4. People working two or more jobs: ABS (2022b).
5. The misconception that there is a fixed amount of work is known as the 'lump of labour' fallacy. See Coates et al (2021, Section 3.3).
6. Exactly how closely the number of jobs matches Australia's population depends on the working age population, labour force participation and unemployment rates.
7. ABS and Statistics New Zealand (2006a, p. 4).

Workers (3), Community and Personal Service Workers (4), Clerical and Administrative Workers (5), Sales Workers (6), Machinery Operators and Drivers (7), and Labourers (8).

The number of workers in Australia classified as professionals or community and personal service workers has grown significantly since the 1980s.[8] Labourers and machinery operators have only seen modest increases, below the rate of population growth.

ANZSCO has five levels: major group, sub-major group, minor group, unit group, and occupation. The occupation level is the most detailed and prescriptive. Groups of occupations form the unit group, and so forth up the levels.[9] For example, according to ANZSCO, a registered nurse is a 'unit group' that includes 14 specific occupations within it. These occupations are titled, for example, 'Registered Nurse (Aged Care)' and 'Registered Nurse (Community Health)'.

Registered nurses sit within the minor group of 'Midwifery and Nursing', which in turn sits within the 'Health professional' sub-major group. At the top of the hierarchy is the major group of Professionals.

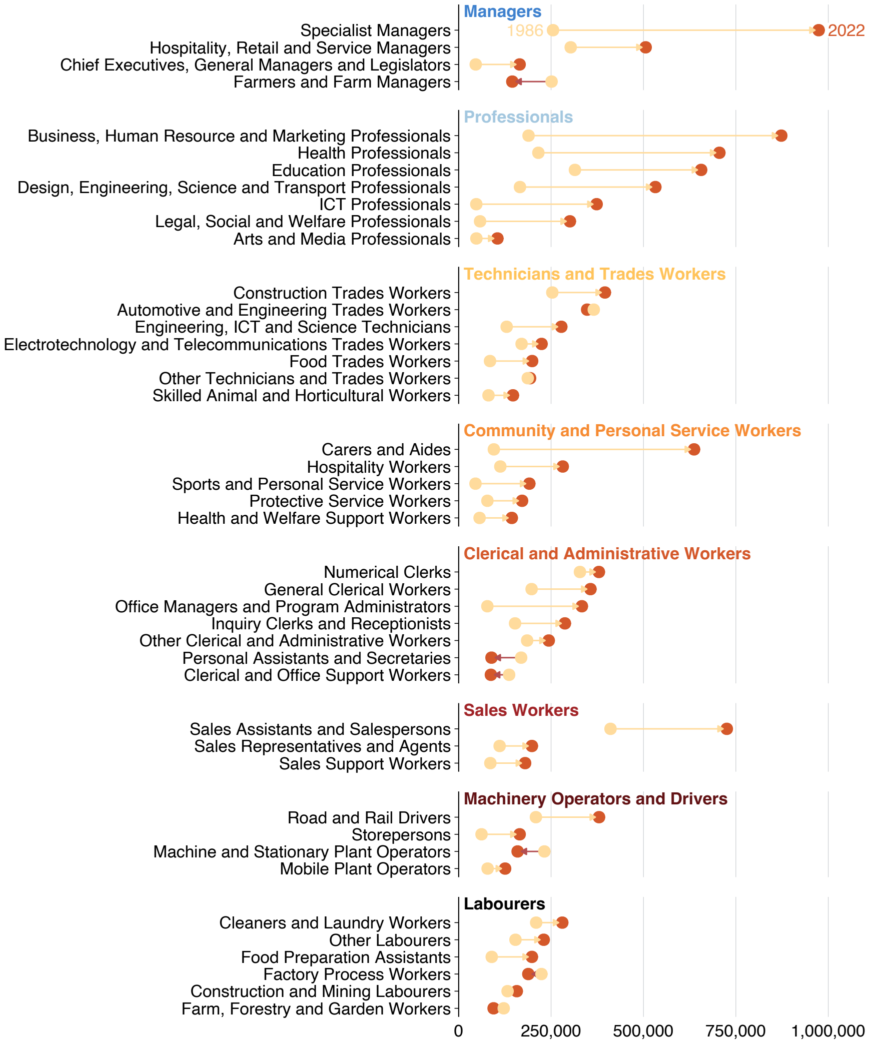
Figure 2.3 shows the change in each ANZSCO submajor group between 1986 and 2022. Service occupations – including professional roles, carers and aides, and sales people – have grown faster than average. Some submajor occupations have gone backwards. There are fewer people working as farm managers and office support workers now than in the 1980s, reflecting changes in demand for labour.

Occupation skill level

Each specific occupation and unit group has a designated skill level. These skill levels, ranging from 1 to 5, are defined as 'a function of the range and complexity of the set of tasks performed in a particular

Figure 2.3: Service occupations have grown significantly since the 1980s

Workers in 1986 and 2022 by submajor occupation group



Source: ABS (2022d, Table EQ07a).

8. A trend that has been seen across almost all OECD countries: OECD (2019, p. 7).
9. ABS (2019a).

occupation'. The bigger the range and complexity of tasks, the higher the skill level. The ABS measures this with reference to:[10]

- the level or amount of formal education and training;
- the amount of experience in a related occupation; and
- the amount of on-the-job training required to competently perform the set of tasks required for that occupation.

Occupations can represent a range of jobs; even those occupations with high average salaries can encompass many jobs with low salaries. According to the ABS:[11]

> 'As it is rare for two actual jobs to have identical sets of tasks, in practical terms, an 'occupation' is a set of jobs whose main tasks are characterised by a high degree of similarity.'

For example, a senior accountant at a global business based in Sydney and a graduate accountant for a local mechanic in Mildura may both be classified by the occupation 'accountant'. But the level of education and experience, the daily tasks and responsibilities, and the remuneration associated with each *job* will vary dramatically.

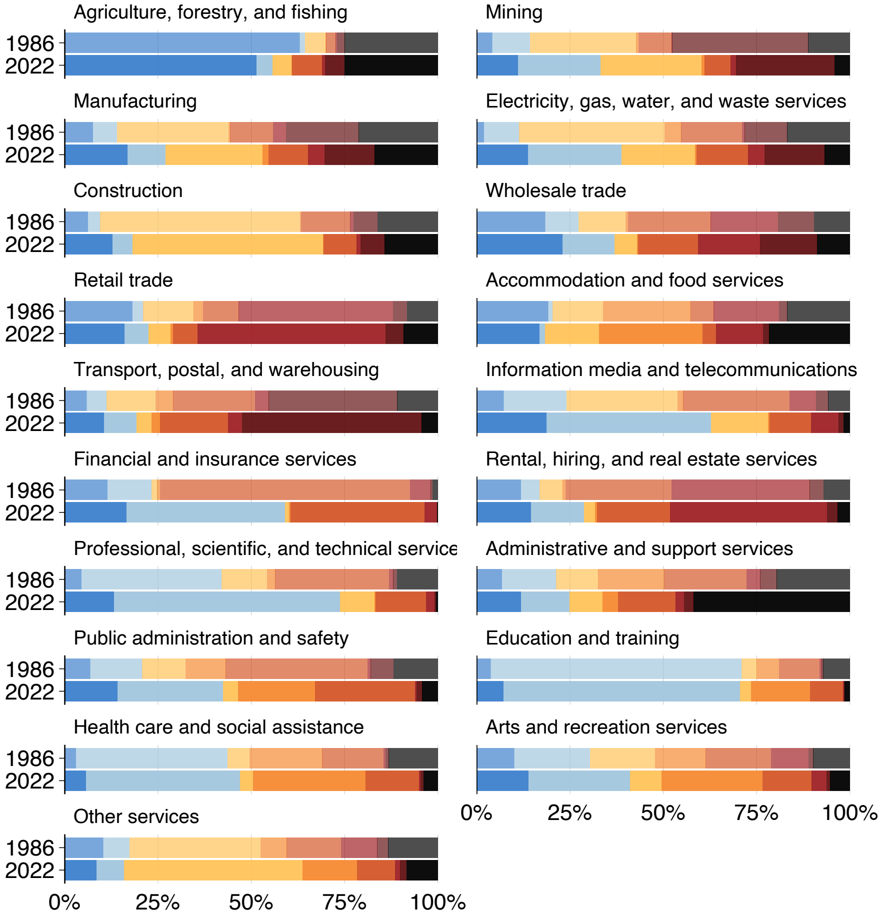
2.3 Industries

Just as each job is organised into occupations, businesses are organised into industries. The Australian and New Zealand Standard Classification of Industries (ANZSIC) forms industries 'by grouping business units that are mainly engaged in undertaking similar economic activities'.[12] ANZSIC was first constructed in 2006, and has been revised twice (in 2008 and 2013).

10. Ibid.
11. ABS (2021a).
12. ABS and Statistics New Zealand (2006b, Paragraph 3.1).

Figure 2.4: Industries are made up of a diverse range of occupations

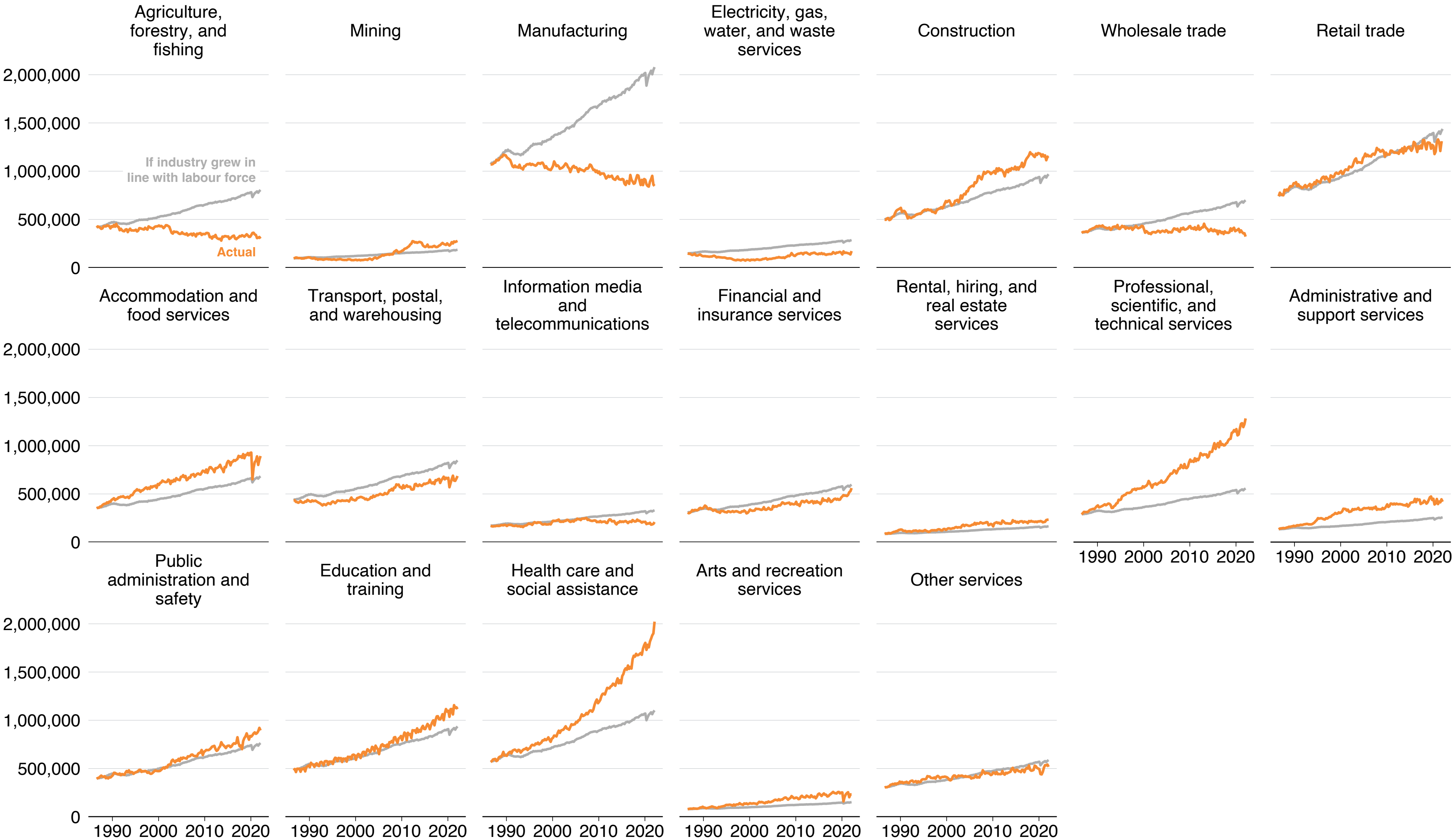
Share of workers in industry by occupation major group: **Managers**, **Professionals**, **Technicians and Trades Workers**, **Community and Personal Service Workers**, **Clerical and Administrative Workers**, **Sales Workers**, **Machinery Operators and Drivers**, **Labourers**



Notes: Industries are classified by ANZSIC division (2006); occupations are classified by ANZSCO major group (2013, version 1.3).

Source: ABS (2022d, Table EQ09).

Figure 2.5: Occupation make-up of industries in Australia
Number of workers



Notes: Industries are classified by ANZSIC division (2006); occupations are classified by ANZSCO major group (2013, version 1.3).

Source: ABS (2022d, Table EQ09).

Industries have closer relationships with some occupations than others. The health care industry relies more on professionals (doctors, nurses, allied health professionals) and carers and aides (e.g. in aged care), whereas construction relies more on technicians and trades workers (Figure 2.4). Some industries, such as financial and insurance services, have seen changes in occupation composition, with fewer clerical workers and more professional workers now than in the past.

Figure 2.5 on the preceding page shows the number of workers in each of the 19 industry divisions since 1986. Much of the growth in employment in the past thirty years has come from service industries with high shares of professional workers[13] – education, health care, professional services, and public administration have all grown significantly.[14]

Some industries have seen stagnant or declining employment since the 1980s. Fewer people work in agriculture or wholesale trade now than in the past, mirroring changes to related occupations shown in Section 2.2 on page 8.

A detailed view of each of Australia's industries is provided in Chapter 5 and Appendix A.

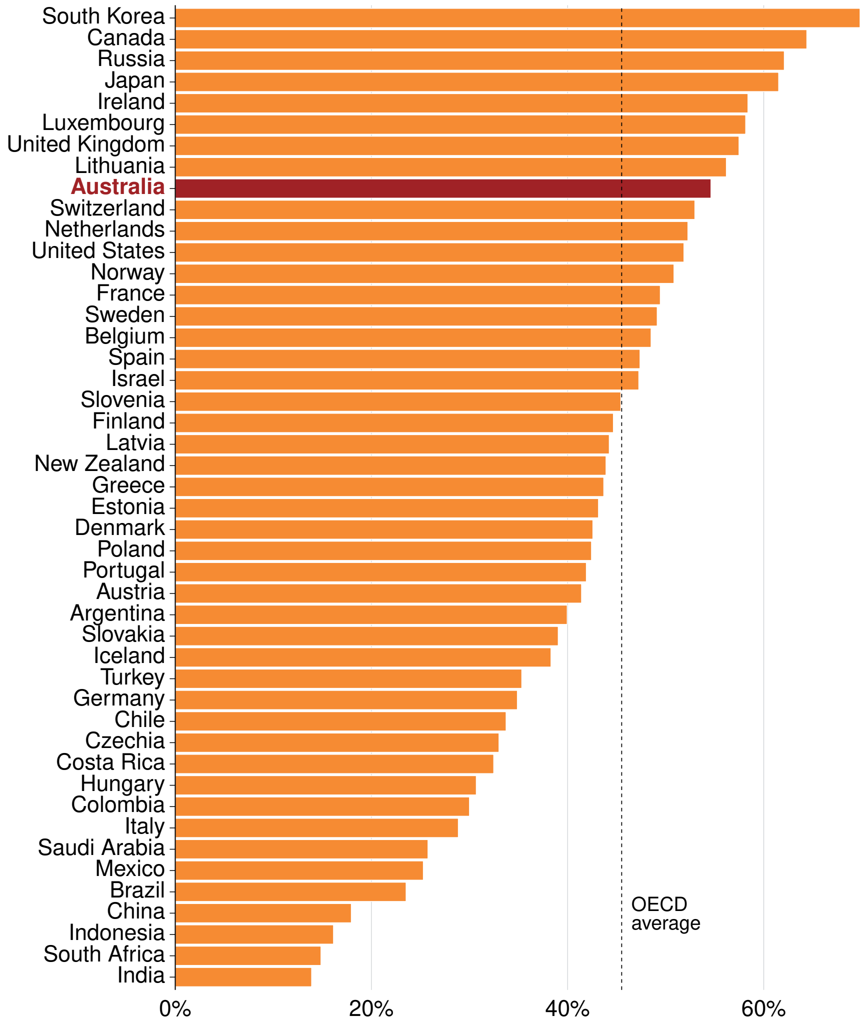
2.4 Education, skill, and human capital

Workers in Australia have relatively high levels of education compared to other OECD member countries (Figure 2.6).

The Australian workforce has far more formal education now than in the past. More than 40 per cent of 19-year-old Australians attend

Figure 2.6: Australia has high levels of tertiary education

Share of 25-34 year olds with tertiary qualifications



Source: OECD (2022).

13. See Section 2.2. These occupations often require higher education qualifications, shown in Section 2.4.
14. See Daley et al (2017, Sections 1.1 and 1.2) for a discussion of 'the march of the services sector'.

university today, double the rate of 1990.[15] Figure 2.7 shows that almost three quarters of 25-29 year olds in the labour force had some post-secondary education in 2022.[16] And about 40 per cent of this group had a bachelor or postgraduate qualification, compared to less than a quarter for those aged over 55.

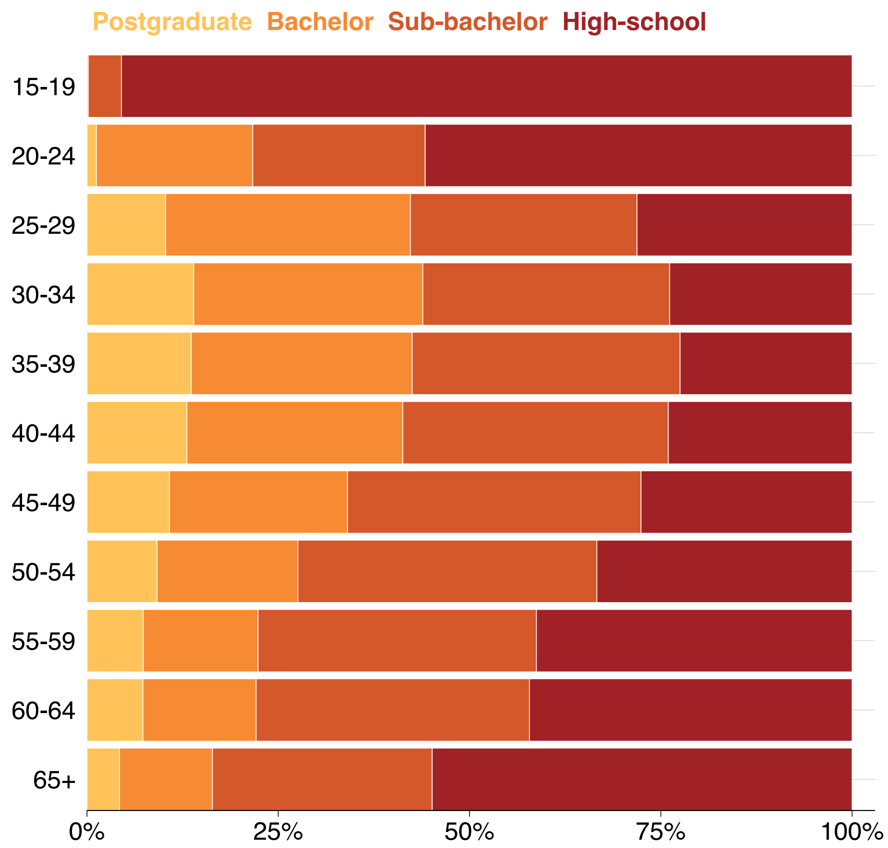
There were about 230,000 domestic higher education course completions in 2020. Figure 2.8 shows that almost 60,000 graduates studied society and culture – a broad field that includes traditional humanities subjects, economics and law. There were about 50,000 graduates in health, 40,000 in commerce, and 20,000 in each of education and science.

The Graduate Outcomes Survey, an annual survey of more than 100,000 higher education graduates, finds that about 70 per cent of bachelor graduates in 2020 were employed full-time four months after completing their studies, down from 80 per cent a decade earlier.[17] Rates of full-time employment are higher in the medium term, with about 90 per cent of bachelor graduates in full-time work three years after completion.[18]

Fields with closer ties to occupations – such as health and education – have higher rates of short-term full-time employment shortly after course completion compared to generalist courses, such as science and society and culture.[19] These differences narrow when looking at medium-term employment outcomes.[20]

Figure 2.7: Workers in Australia have increasing levels of formal education

Share of workers by age and highest level of education



Source: Grattan analysis of ABS (2022d, Table LQ01).

15. Norton et al (2018, Figure 2.4).
16. As defined by the Australian Standard Classification of Education (ASCED) as having a certificate, diploma, advanced diploma, bachelor, graduate certificate or diploma, a masters or doctoral qualification.
17. QILT (2021a, Section 2.3).
18. QILT (2021b, Section 2.2).
19. QILT (2021a, Section 2.5).
20. QILT (2021b, Section 2.3).

Despite being in high demand from employers, information and technology graduates have had relatively poor employment outcomes, which may have reflected a disconnect between the skills provided in the higher education sector and the requirements of industry.[21] However, outcomes for IT graduates have improved in recent years.[22]

2.5 Regions

The ABS divides Australia up into 61,845 'Statistical Area Level 1' groups (SA1s), which contain between 200 and 800 people (see Appendix B.1 for more detail). SA1s are aggregated to SA2s, and so on, to SA4s, which contain between 100,000 and 500,000 people.[23] Greater Capital City (GCC) areas are made up of SA4s, and split each state or territory into its capital city or other areas.

The Australian labour force is largely based in its capital cities (Figure 2.9). More than half of workers live in either Sydney (22 per cent), Melbourne (21 per cent) or Brisbane (10 per cent).

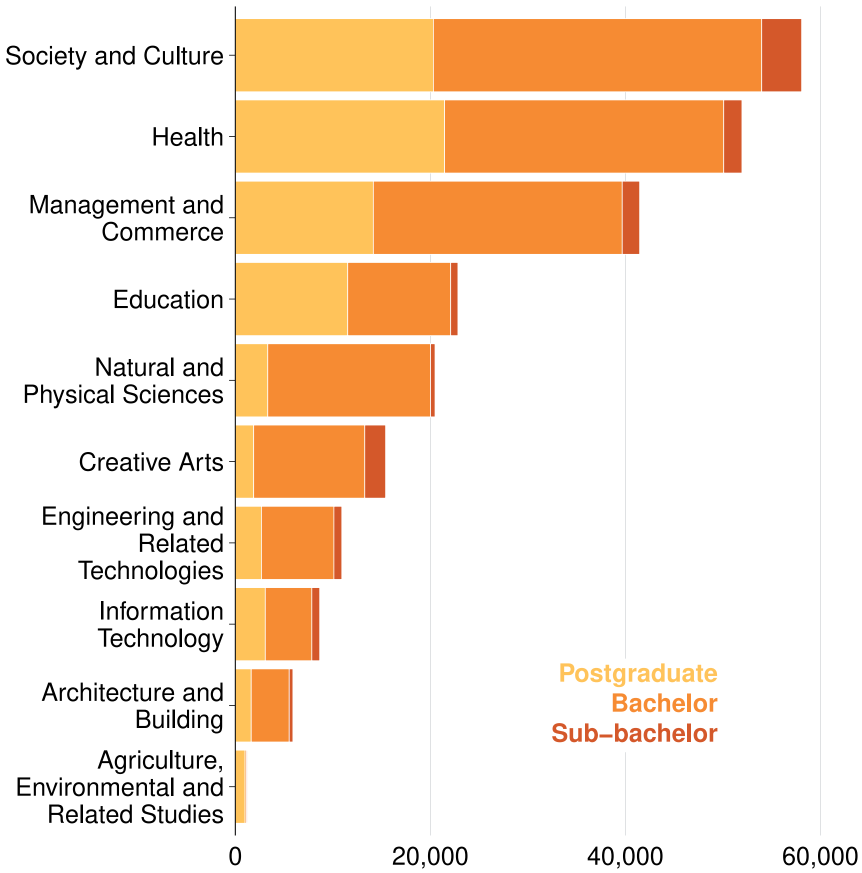
The labour force has grown more in capital cities than in regional areas. Figure 2.10 on the following page shows labour force growth in each statistical area (SA4) in Australia between 1999 and 2022. Australia's labour force has grown about 50 per cent in that time. Most areas within capital cities have seen their labour force grow at higher rates than this – in some inner city areas of Sydney, Brisbane and Melbourne the number of workers has doubled in size.

While some major non-capital cities – such as the Gold Coast, Sunshine Coast, Geelong and Bunbury – have seen above-average growth, labour forces outside capital cities have tended to grow more

21. Employer dissatisfaction with IT graduates from the higher education sector is discussed in Norton and Cakitaki (2016, Section 10.2).
22. QILT (2021a).
23. SA4s in cities tend to have larger populations (between 300,000 to 500,000 people) than SA4s in regions (100,000 to 300,000).

Figure 2.8: Humanities, health and commerce dominate university completions

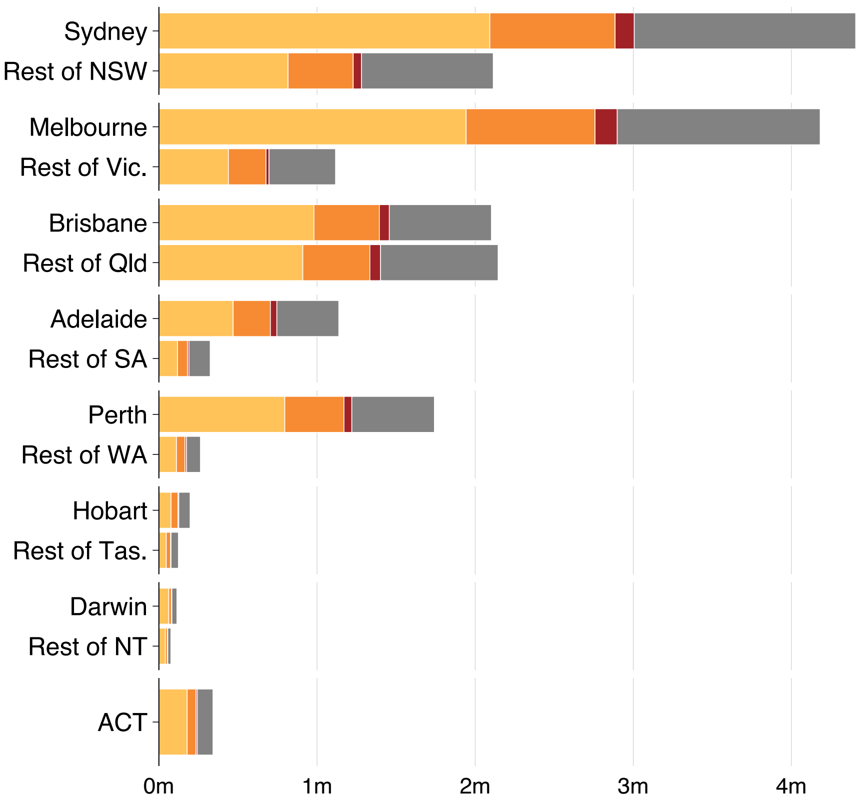
Domestic higher education course completions, 2020



Source: Department of Education, Skills and Employment (2022, Table 14.7).

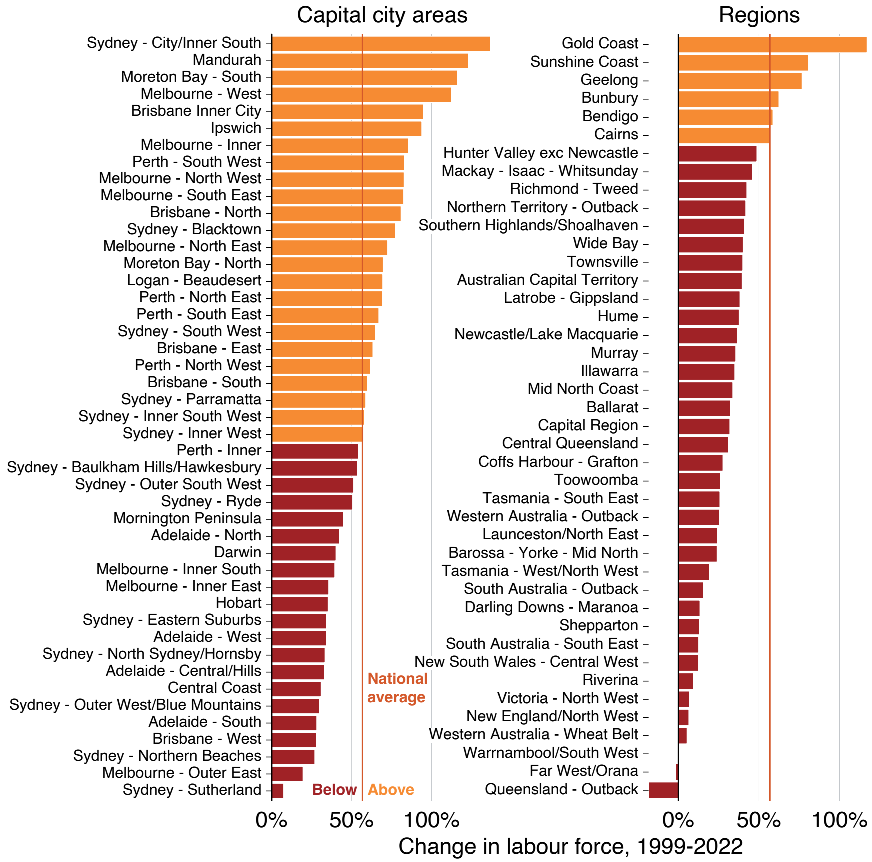
Figure 2.9: The Australian labour force is largely based in its capital cities

Working age population by capital city area and labour force status: **Full-time**, **Part-time**, **Unemployed**, **Not in labour force**



Source: Grattan analysis of ABS (2022d, Table RM1).

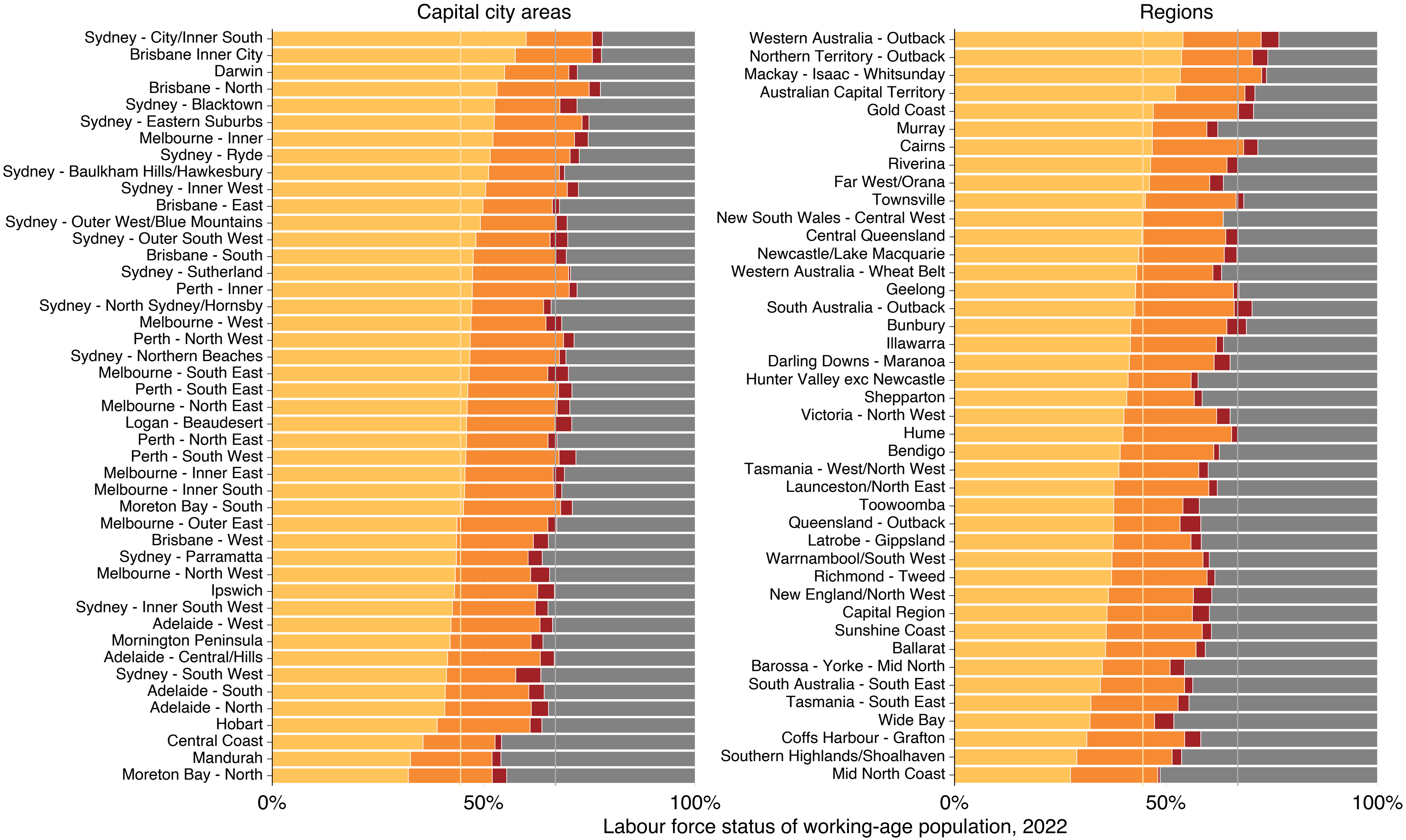
Figure 2.10: Capital city areas have seen more growth than regions



Source: Grattan analysis of ABS (ibid, Table RM1).

Figure 2.11: Regional areas have lower labour force participation, and lower rates of full-time work

Working age population by capital city area and labour force status: **Full-time**, **Part-time**, **Unemployed**, **Not in labour force**



Source: Grattan analysis of ABS (2022d, Table RM1).

slowly. Some regional areas have had zero or negative growth in the past two decades.

The slower labour force growth in these areas also reflects the lower participation rate in the regions, as shown in Figure 2.11 on the previous page. Whereas most areas in capital cities have labour force participation rates above or at the national average of 67 per cent,[24] participation rates are lower in regional areas outside of capital cities.

The differences in labour force status are largely driven by the age demographics of people living in regional areas. Chapter 6 and Appendix B explore the demographics and labour market trends for each regional SA4 in detail.

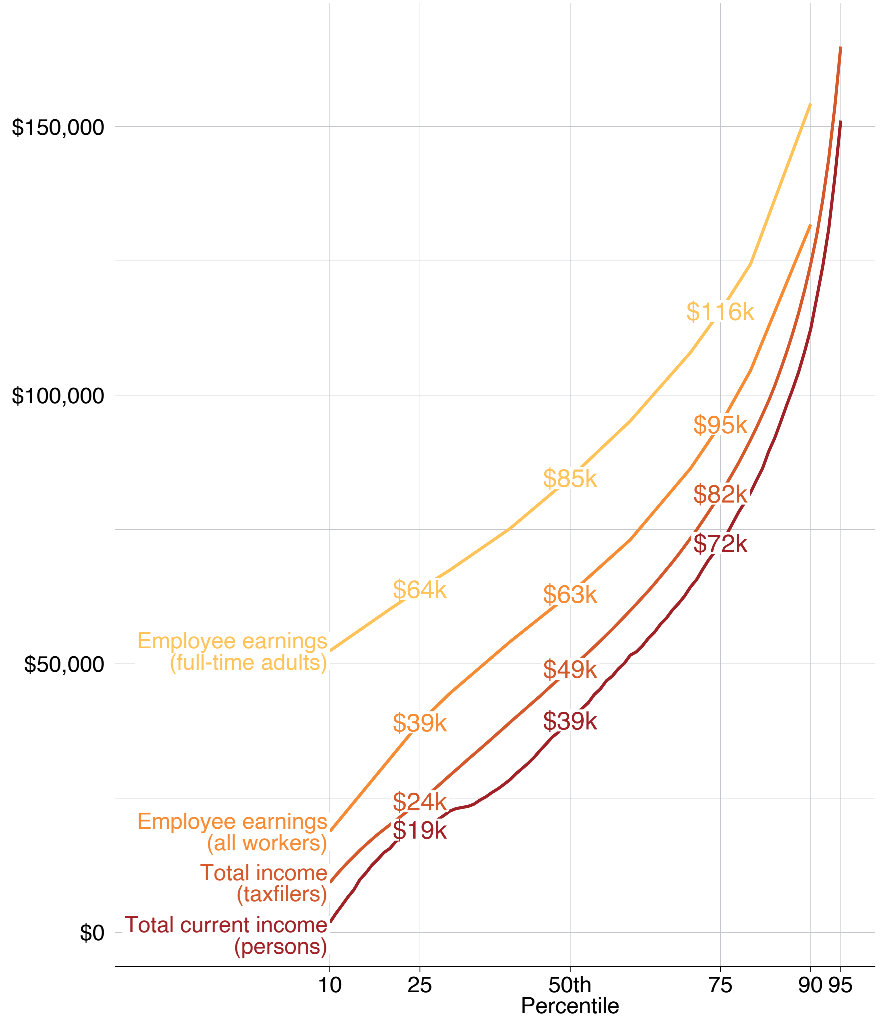
2.6 Incomes and wages

How much people earn is driven by their experience, labour force status, occupation, industry, and a host of other factors. People with more experience tend to earn more than new recruits in similar roles, full-time workers tend to earn more than part-time workers, and workers in highly skilled occupations tend to earn more than those in occupations that require little training or minimal qualifications. About a third of the working-age population are not in the labour force,[25] meaning they receive no wages (but may still receive investment income or government benefits).

These variations lead to a wide distribution of incomes. Figure 2.12 explores this distribution by looking at four different groups of adults.[26] The median income for all adults, including those who do not work, is

24. See Section 2.1 on page 8.
25. The participation rate – the share of the population aged 15 years and over who is in the labour force – was 66.4 per cent in February 2022: ABS (2022a). See Section 2.1.
26. See Coates and Cowgill (2020) and Coates and Moloney (2022).

Figure 2.12: 'Typical' incomes depend on who is being counted
Annual income distribution by measure type



Source: Employee earnings (full-time adults and all workers): ABS (2022e); total income (taxfilers): ATO (2020); total current income (persons): ABS (2019b); See Coates and Cowgill (2020) and Coates and Moloney (2022).

$39,000.[27] A quarter earn less than $19,000, and a quarter earn more than $72,000.

Among those who file personal income tax returns – including those who reported no income – the median taxable income is $49,000.[28] This is higher than the median income for all adults because many Australians, such as pensioners and other income-support recipients, don't need to file personal income tax returns. Their incomes are simply too low.[29]

Workers earn higher incomes than the community as a whole. The median worker in Australia earns $63,000 before tax, with the bottom quarter earning below $39,000, and the highest quarter earning $95,000 or more.[30] These figures include both part-time and full-time workers.

Full-time workers earn more, on average, than part-time workers. The final series shows the incomes of full-time workers, where a quarter earn below $64,000 and those in the highest quarter earn $116,000 or more. The median full-time worker earns $85,000.[31]

27. As measured by the ABS Survey of Income and Housing: ABS (2019b).
28. As measured by the ATO 2 per cent sample file: ATO (2020). Taxable income reported by the ATO refers to the incomes tax is paid on, after taking out deductions for work-related expenses and donations to charities. Taxable income ignores tax-free superannuation, which is the largest source of income for many wealthier retirees: Coates and Cowgill (2020).
29. Ibid.
30. As measured by the ABS Employee Earnings and Hours survey: ABS (2022e).
31. Note that because high incomes are *very high*, the median is significantly below the *average* full-time income of $97,000. See Coates and Moloney (2022).

3 Visa-holders in the labour force

This chapter explores how migrants add to Australia's population, what visas migrants hold, how much visa-holders work and what they earn, and how migrants transition between visas over time.

3.1 Australia has historically run a sizeable migration intake

Australia runs a sizeable migration program, including both permanent and temporary migration programs (Figure 3.1). Getting migration policy choices right can increase the well-being of the Australian community.

The Federal Government manages the level and the composition of the permanent migrant intake, setting targets for the skilled, family, and humanitarian streams each year. Australia's permanent migrant intake is currently capped at 160,000 visas a year, down recently from 190,000 a year.[32] Australia also grants a further 13,750 permanent visas via a separate Humanitarian Program as part of its international commitments to assist dispossessed people at risk.[33]

Australia's temporary migrant intake is largely uncapped – there are no annual limits on the number of visas that can be issued – except for working holiday visas from some countries.[34] The stock of temporary migrants in Australia grew quickly in the decade leading up to the pandemic, largely driven by international student numbers (Figure 3.2 on the following page).

32. See Section 3.5.
33. In 2020–21, the humanitarian program was cut by 5,000 places, from 18,750 to 13,750, returning the program to its pre-2017 size. The humanitarian intake remains at 13,750 places for 2021-22: Department of Home Affairs (2021a, p. 14).
34. See Section 3.4.2 on page 28.

3.2 How migrants add to Australia's resident population

Everyone who is in Australia is classified as a 'resident' or a 'visitor'. Visitors are only in Australia for short periods of time,[35] while residents are people who usually live in Australia.

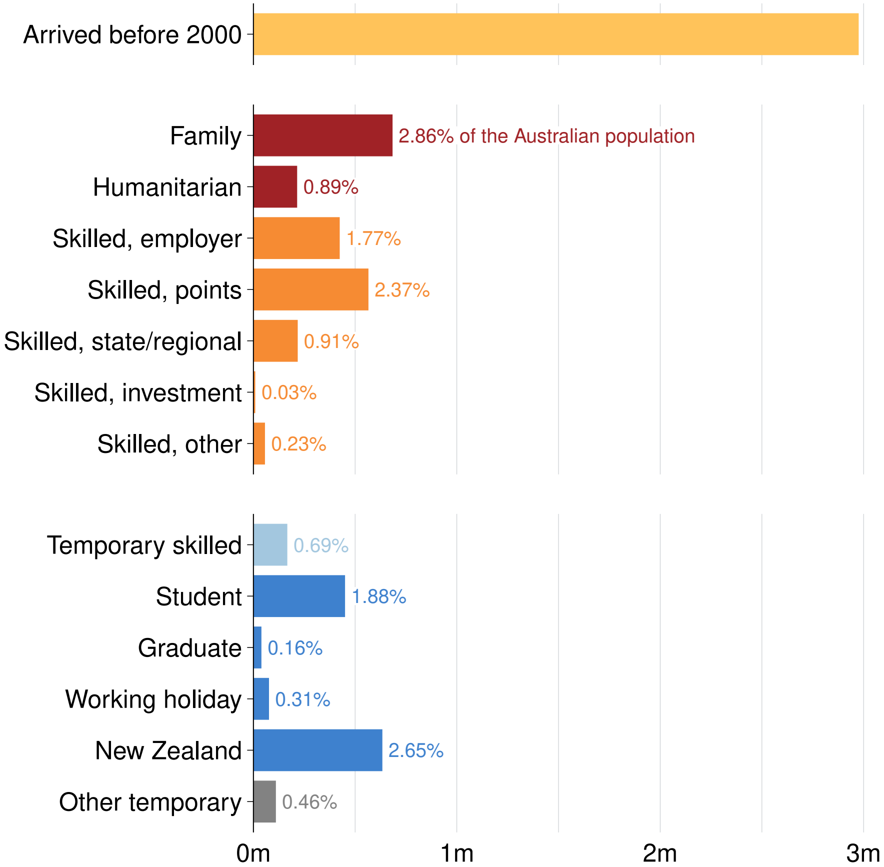
When the ABS reports that Australia's population was 25,750,198 in September 2021,[36] it is referring to the number of residents – 'all people who usually live in Australia (regardless of nationality, citizenship or visa status)'[37] – as reported in the Estimated Resident Population.[38] Since 2006, the ABS has used the '12/16' rule to determine whether a person 'usually' lives in Australia: 'resident if they have been (or expected to be) residing in Australia for a period of 12 months or more', measured over a 16-month reference period.[39]

This definition means that visitors and tourists will be almost entirely excluded from population counts. On the other hand, international students, working holiday makers, and other temporary visa-holders who reside in Australia for more than a year are counted in population figures.

35. These are people who come to Australia with visas: Electronic Travel Authority (subclass 601); eVisitor (subclass 651); Transit visa (subclass 771); Visitor (subclass 600): Department of Home Affairs (2022b). These visas are often valid for three months or less.
36. ABS (2022g).
37. 'With the exception of people present for foreign military, consular or diplomatic reasons': ABS (2022h).
38. ABS (2022f).
39. ABS (2010). The Centre for Population at Treasury summarises this as: 'Being an immigrant or an emigrant who adds to, or reduces, the population size is based around the concept of Australia being the usual place of residence for some period. That period is defined to be either in or out of Australia for at least 12 months within a 16 month period (the so-called '12/16 month rule').': Centre for Population (2022).

Figure 3.1: Australian migrants hold a wide range of different visas

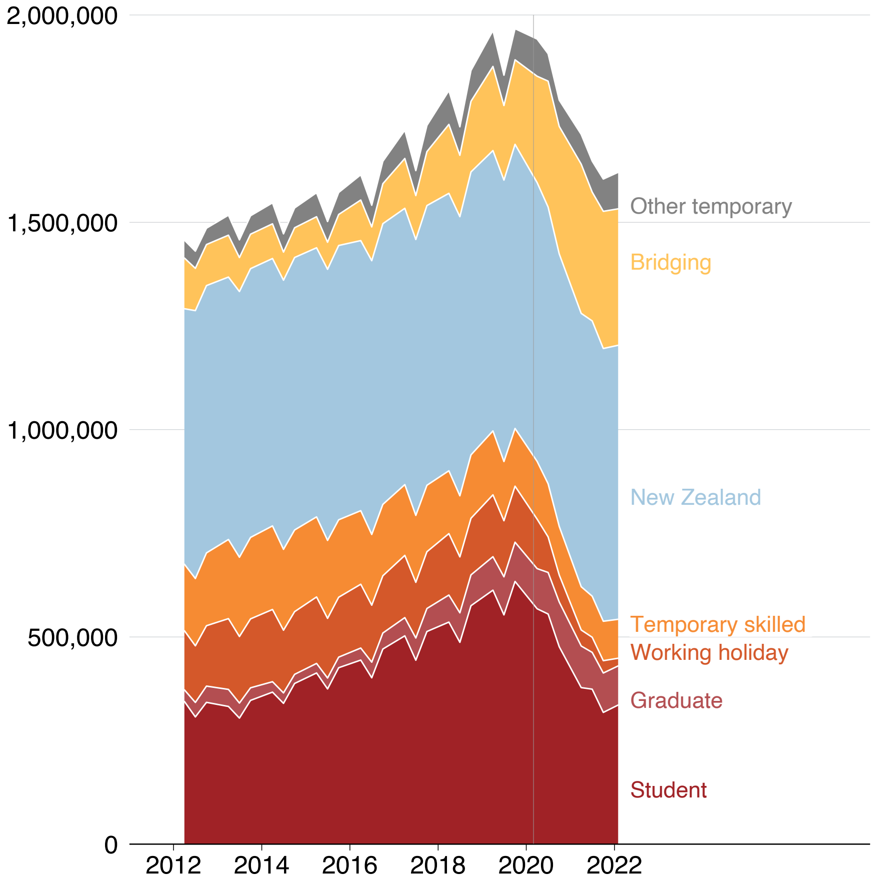
Australian residents born overseas, 2016



Source: Grattan analysis of ABS (2016a), ABS (2016b), ABS (2016c).

Figure 3.2: Australia's stock of temporary migrants has increased by about 50,000 each year over the past decade

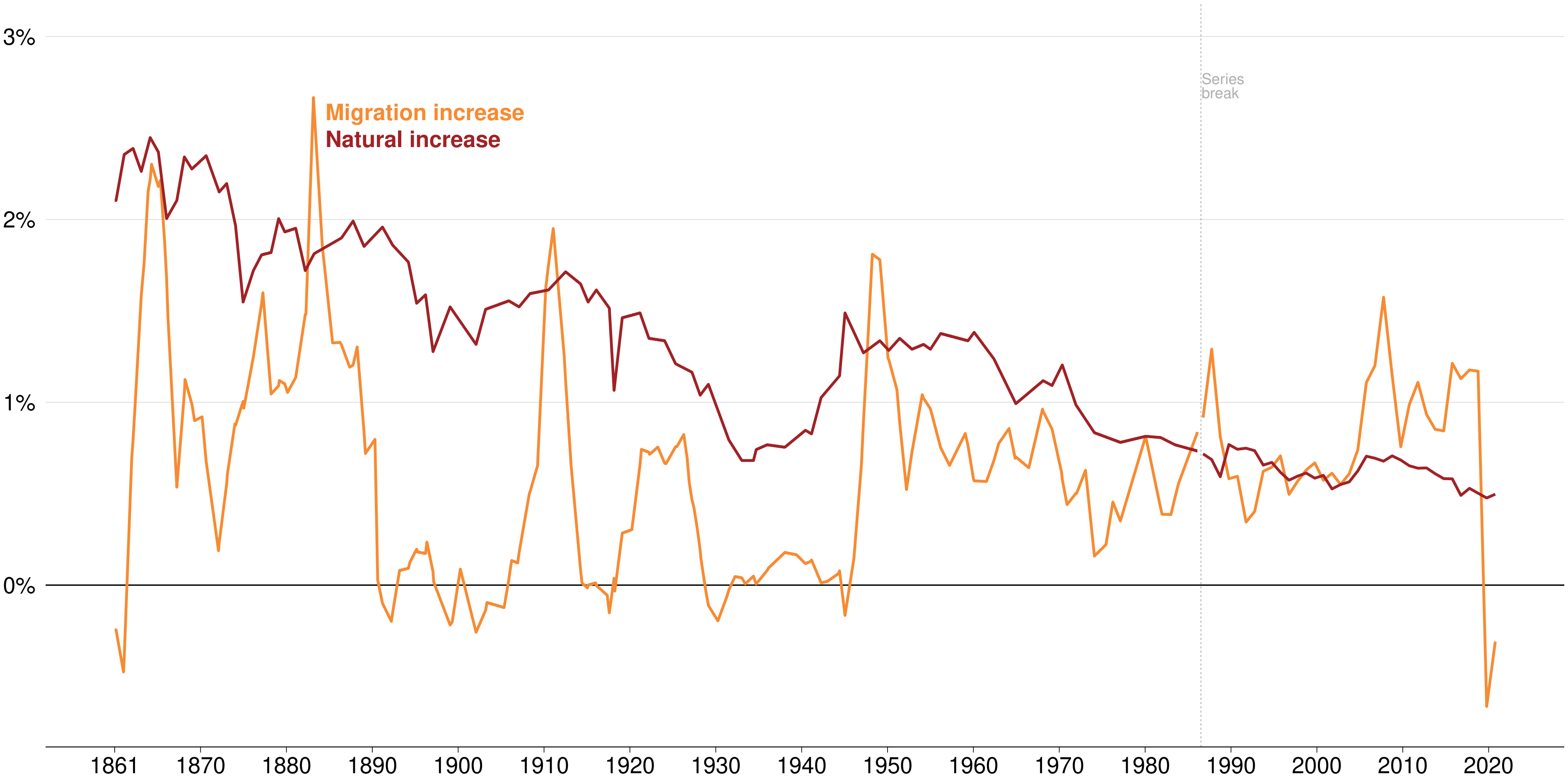
Stock of temporary migrants in Australia



Notes: Excludes tourists. 'Other temporary' includes temporary protection and crew/transit visa-holders. Vertical line indicates border closures due to the pandemic.

Source: Department of Home Affairs (2022a).

Figure 3.3: For the past twenty years, migration has made up more than half of Australia's population growth
Population change by component, share of current resident population



Source: Pope and Withers (1993, Figure 1); ABS (2022f).

About 60 per cent of Australia's population growth is now driven by migration (Figure 3.3 on the previous page).

Residents are captured by most data sources available to policy-makers, while visitors are mostly excluded.[40] People in Australia on tourist visas do not have work rights. They only affect the labour market by increasing the *demand* for labour by adding to the demand for the goods and services they consume while in Australia.[41]

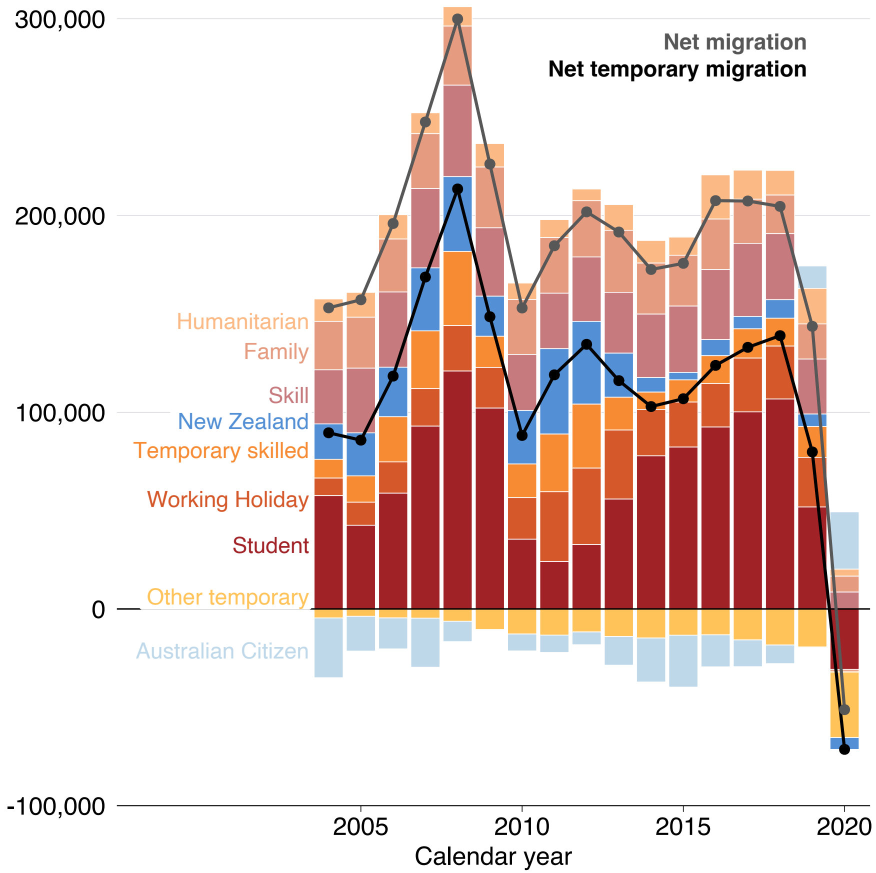
3.3 Permanent migration determines who stays in Australia long term

Some recent public commentary has focussed on the growing size of Australia's temporary migrant intake.[42] Net Overseas Migration data reported by the ABS suggests that temporary migrants account for about three quarters of Australia's migrant intake each year (Figure 3.4). That's because Net Overseas Migration, the measure used for determining official population figures, records the visa that migrants hold when they first enter Australia, which is predominantly a temporary visa.

The number of temporary migrants living in Australia has been a major source of population growth over the past decade (Figure 3.4). More temporary migrants have generally arrived than departed each year, increasing the stock over time. An *increase in the stock* of temporary migrants living in Australia adds to population – growth is driven both by increases in the number of temporary migrants, and in how long they stay in Australia. The number of temporary residents in Australia has risen from almost 1.5 million in 2012 to nearly 2 million before the

Figure 3.4: Recent growth in Net Overseas Migration has been driven by international students

Net Overseas Migration



Source: ABS (2021b).

40. For example, the Census excludes 'Overseas visitors' from counts and analysis.
41. See Section 4.5 on page 60. Some tourists work while in Australia, in contravention of their visa rules; see Segrave (2017) for example.
42. Garnaut (2021); and Hutchens (2021).

pandemic, driven by international students. Net overseas migration has averaged 228,000 persons a year over the same period.[43]

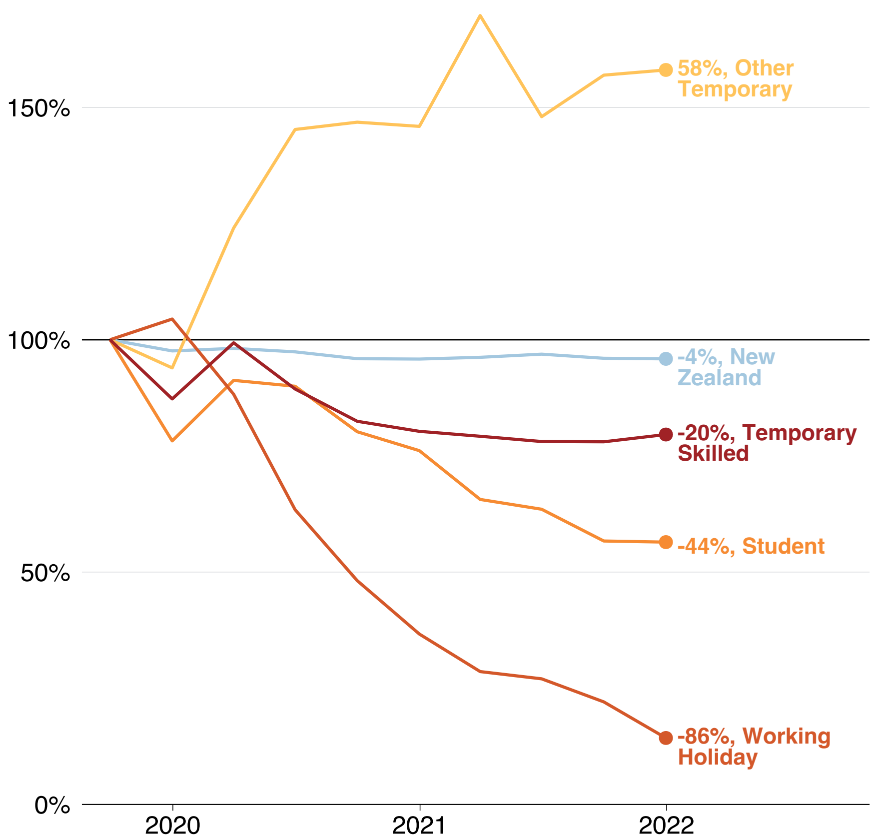
It is Australia's permanent migrant intake that ultimately determines who *stays* in Australia, and so drives most long-term population trends, including the size of the population.[44] Most temporary migrants, such as students and skilled workers, either move on to a permanent visa or eventually leave Australia.[45] More than half of migrants granted permanent residency are already in Australia on a temporary visa. This rises to more than 70 per cent for permanent skilled migrants.

COVID border closures have driven a large decline in some visa-holders in Australia

COVID-19 travel restrictions brought migration to a virtual standstill. In the months leading up to March 2020, about two million people arrived in Australia each month, including returning Australians. In the two years' since, an average of just 78,000 people have arrived in Australia each month.[46]

The closure of Australia's international borders has had a big impact on all forms of temporary migration, but especially for international students and working holiday makers. The total stock of working holiday makers in Australia has fallen by 86 per cent since September 2019; international student numbers are down 44 per cent and temporary skilled visa-holders are down 20 per cent (Figure 3.5). Yet these effects will probably subside quickly as borders reopen and students and working holiday makers return.

Figure 3.5: COVID restrictions have substantially reduced the number of working holiday makers and students in Australia
Change in temporary visa-holders in Australia since 2019Q3



Source: Department of Home Affairs (2022a).

43. ABS (2021b).
44. Permanent residency offers a pathway to citizenship.
45. Some migrants can stay in Australia on temporary visas for considerable periods. However, recent changes to permanent visa policy will have probably reduced the proportion of temporary workers and students that move on to permanent residency over time. New Zealand citizens are an exception because they retain the right to live in Australia indefinitely, albeit without permanent residency.
46. ABS *Overseas Arrivals and Departures, Australia, February 2022*.

3.4 Temporary migrants

Temporary migrants include overseas students, working holiday makers, skilled temporary residents, New Zealand citizens on the Special Category visa, seasonal workers, and others. Some visas allow for partners or children – 'secondary applicants' – to also come to Australia (see Box 1 on the next page).

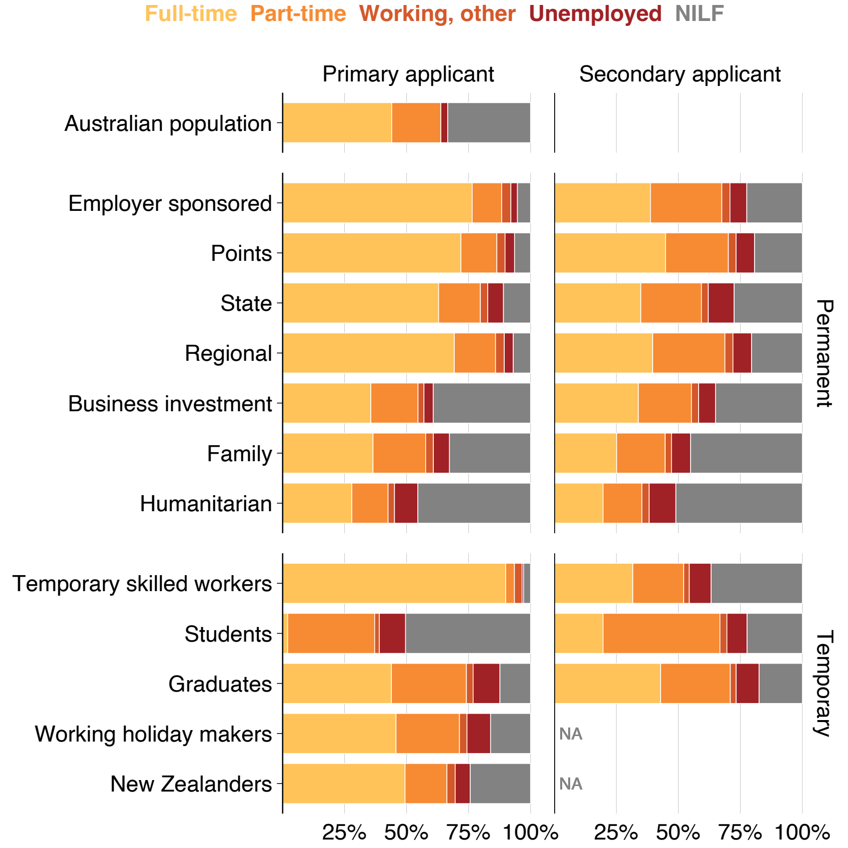
New Zealand citizens on Special Category (subclass 444) visas are the largest group of temporary visa-holders in Australia, followed by international students and working holiday makers (Figure 3.2).

Figure 3.6 shows that different visa subclasses of temporary and permanent migrants have different rates of labour force participation and different rates of full- and part-time work.

This section on temporary visas, and the following section on permanent visas, explains why.

Figure 3.6: The labour force status of migrants varies substantially across visa subclasses

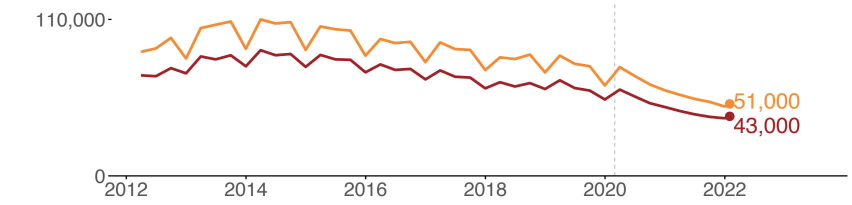
Labour force status of migrants by visa subclass group

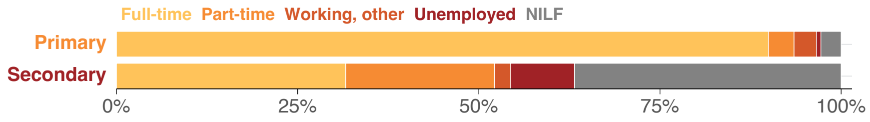


Source: ABS (2016a), ABS (2016b), ABS (2016c); and ABS (2022a).

3.4.1 Temporary skill visas

Temporary skilled workers, current visa subclass 482





Temporary skilled workers, holding a Temporary Skill Shortage (TSS) visa, must be sponsored by an employer.[47] TSS visa-holders must be employed in an occupation on one of the three occupation lists (see Box 2).

TSS visa-holders must be paid at least the Temporary Skilled Migration Income Threshold (TSMIT), which has been frozen at $53,900 since 2013.[48] In addition, they must be paid at least the Australian Market Salary Rate (AMSR), which requires employers to show evidence that they will pay sponsored workers the same as they would pay an Australian worker to do the same job in the same location.[49]

Box 1: Primary and secondary visa applicants

Some visas allow primary applicants to bring their family to Australia with them. These 'secondary applicants' are partners and children that enter Australia under the same visa as the primary applicant.

In both the temporary and permanent skilled-worker streams, about half of visas granted are for secondary applicants. An outlier is the business investment stream, in which primary applicants bring an average of 2.4 secondary applicants.[a]

Some temporary visas do not allow secondary applicants, including New Zealand and working holiday maker visas.

As secondary applicants predominately come through the skill stream, and are classified as having a skilled visa, some confusion can arise when looking at statistics for particular visas. Secondary applicants generally have fewer restrictions placed on them compared to primary applicants, so they are able to work in any job they please, or not participate in the labour force at all.

For example, the labour force participation rate for all temporary skilled visa-holders is about 78 per cent. But this result is driven by secondary applicants, who have a labour force participation rate of under 60 per cent. More than 95 per cent of TSS primary applicants are in the labour force, which is more in line with expectations for a temporary skilled work visa.

a. Coates et al (2021, Section 5.3.5).

47. This visa and its predecessor, the 457 visa, were the focus of Grattan's 2022 report *Fixing temporary skilled migration*: Coates et al (2022).
48. Ibid (Figure 1.6).
49. Ibid (p. 52).

TSS visa-holders earn a wide range of incomes. There has been little change over the past decade to incomes that TSS visa-holders earn in Australia, after adjusting for inflation (Figure 3.7).

TSS visa-holders make up a small share of the labour force in most industries.

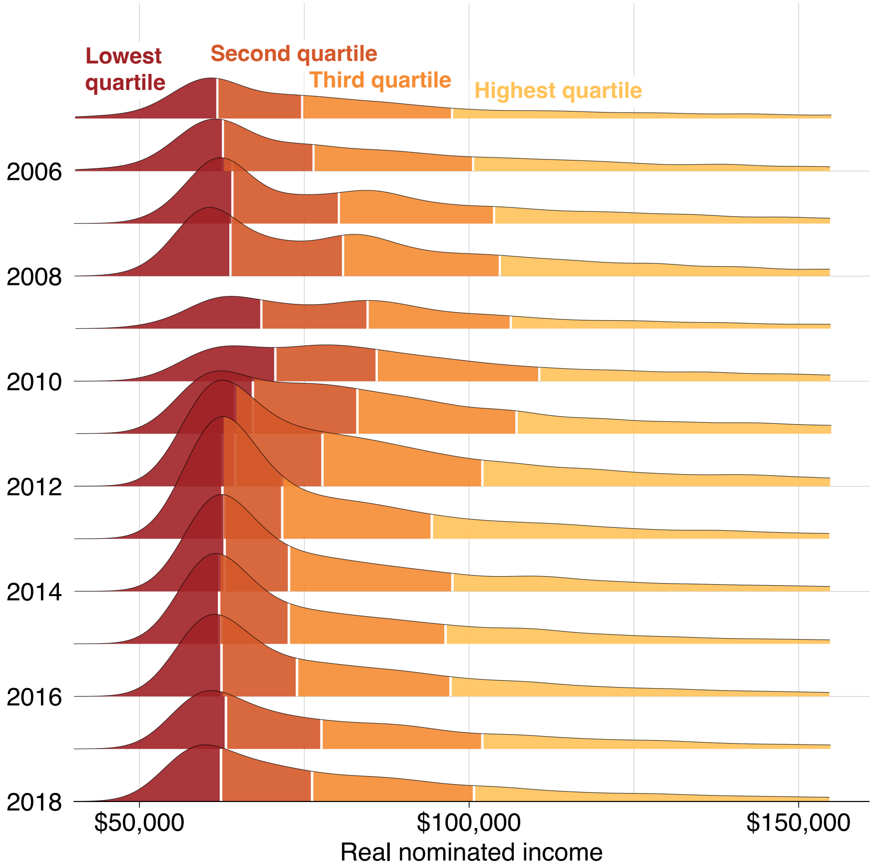
The number of temporary skilled visas granted annually peaked in 2012-2013 at 125,000 and decreased to about 75,000 before the pandemic.[50]

Current TSS visa-holders are typically young, skilled, and work full-time in the Australian labour market. Most primary applicants for TSS visas are men between the ages of 25 and 44. The median (i.e. typical) wage for TSS visa-holders in Australia is $75,000 today, less than the median full-time wage in Australia of $82,000 a year.[51] A growing share of TSS visa-holders are employed on low wages with one quarter earning less than $62,000 a year (Figure 3.7).[52]

TSS visa-holders are concentrated in managerial, professional, and technical or trade work (Figure 3.8 on the following page). At the higher end of the wage spectrum, TSS visa-holders are particularly concentrated in specialist managerial roles – such as advertising or engineering managers – and business, health, and ICT professional work – in jobs such as accounting, medicine, or software programming. At the lower end of the wage distribution, TSS visa-holders are over-represented in both hospitality management and food trades work, particularly in chef and cooking roles.

The labour force outcomes of temporary skilled migrants are discussed in further detail in Grattan's 2022 report, *Fixing temporary skilled migration: A better deal for Australia*.[53]

Figure 3.7: The real nominated incomes for Temporary Skill Shortage visa-holders have flat-lined in recent years



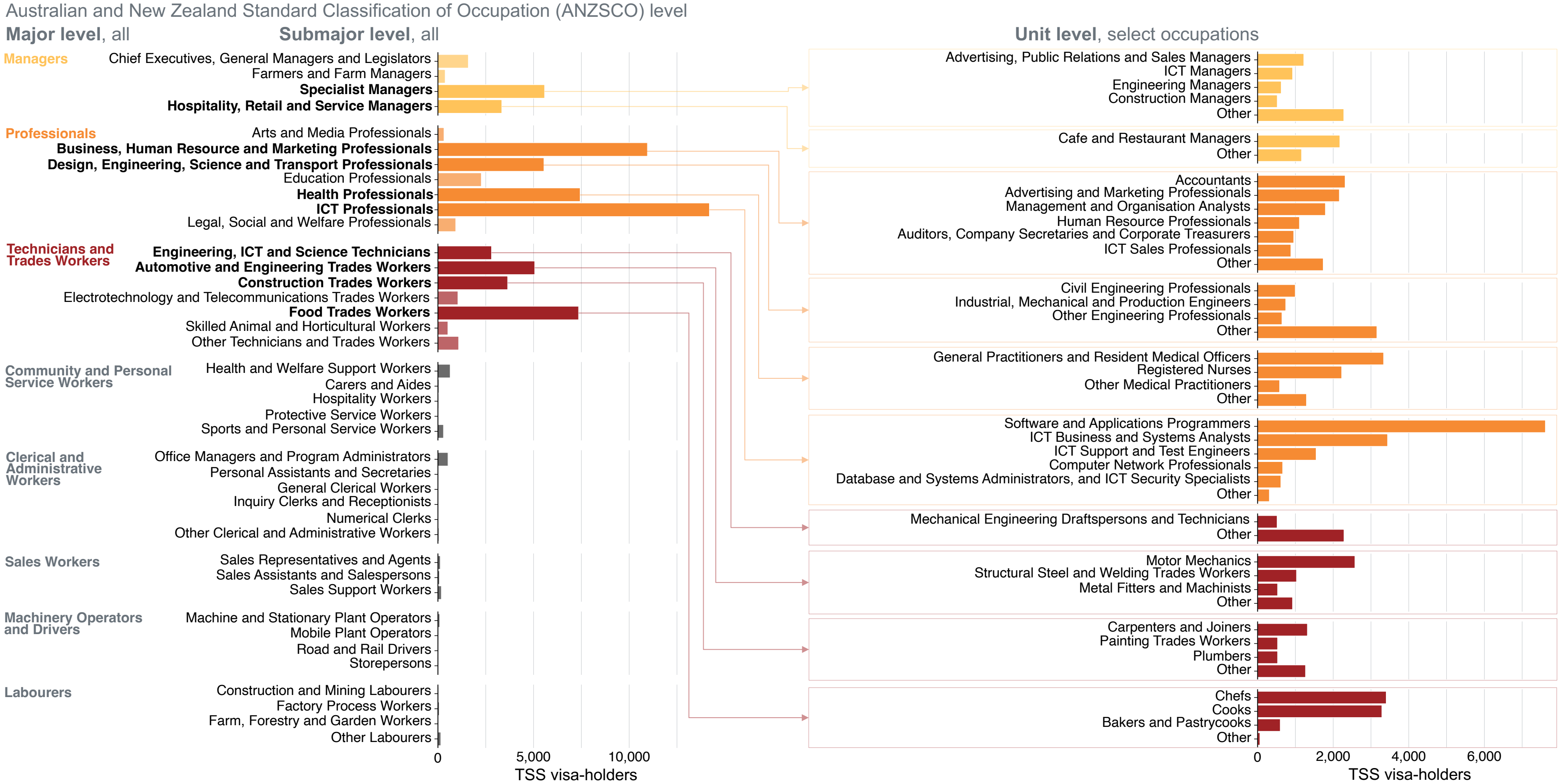
Note: Inflated to $2021 wages using CPI (consumer price index).

Source: Grattan analysis of ABS (2021c).

50. Ibid (Figure 1.1).
51. Coates et al (ibid, p. 12).
52. Coates et al (ibid, Figure 1.5).
53. Ibid.

Figure 3.8: Temporary Skill Shortage visa-holders are concentrated in particular occupations

Number of TSS visa-holders in Australia, 2019



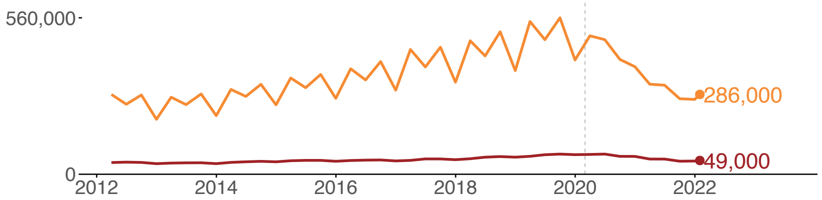
Notes: TSS visa-holders as at September 2019. All ANZSCO major and submajor levels are shown. ANZSCO unit-level occupations for submajor levels with more than 2,500 people are shown. Unit levels with fewer than 500 people are grouped in 'Other'.

Source: Department of Home Affairs (2021b).

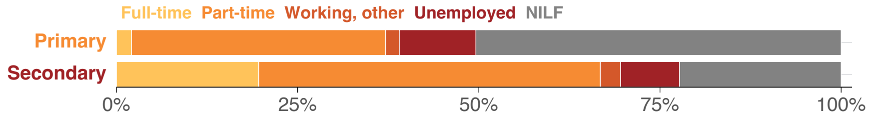
3.4.2 Students and graduates

Students, current visa subclass 500

Students: **Primary** and **Secondary** visa-holders in Australia



Labour force status of students by applicant type, 2016



International students comprised the largest group of temporary migrants before the pandemic. At the end of 2019, there were about 560,000 student visa-holders living in Australia. The majority of these were studying in the higher education sector, where international student enrolments had increased from 100,000 in 2000 to more than 500,000 in 2019.[54] International students enrolled in Vocational Education and Training (VET), school and English-language institutions also contribute to student visa numbers.

The number of people in Australia on student visas has dropped significantly since the borders closed in March 2020 (Figure 3.5).[55]

54. Norton et al (2018, Section 2.4) and Department of Education and Training (2022). Note that because people study offshore, not all higher education international students live in Australia.
55. International students in Australia fell by about 45 per cent: Figure 3.5 on page 23.

Box 2: Existing occupation lists for employer sponsorship

Eligibility for temporary and permanent employer sponsorship is determined by occupation lists.[a]

- **The Short-term Skilled Occupation List (STSOL)**: lists occupations selected to fill 'critical, short-term skills gaps'. This list has 215 occupations. A person who is qualified in an occupation listed on the STSOL can be sponsored for the short-term stream of the TSS visa.
- **The Medium- and Long-term Strategic Skills List (MLTSSL)**: lists occupations 'of high value to the Australian economy' and aligned to the government's longer-term training and workforce strategies. There are 216 occupations on this list. Occupations on this list can be sponsored for the medium-term stream of the TSS, and for permanent residency.
- **The Regional Occupation List (ROL)**: includes 77 other occupations. Occupations on this list can be sponsored for the medium-term stream of the TSS and for permanent residency.

These occupation lists are modified twice a year, when an occupation can either be moved between the different lists or become ineligible for the visa. In practice, this has not occurred as intended in recent years because of the border closures.

The use of occupational lists is analysed in Grattan's recent reports on permanent skilled migration and temporary skilled migration.[b]

a. The occupation lists are defined in a legislative instrument, see Federal Government (2019). Occupations are classified by the ABS using ANZSCO.
b. Coates et al (2021, Section 7.7); and Coates et al (2022, Chapter 4).

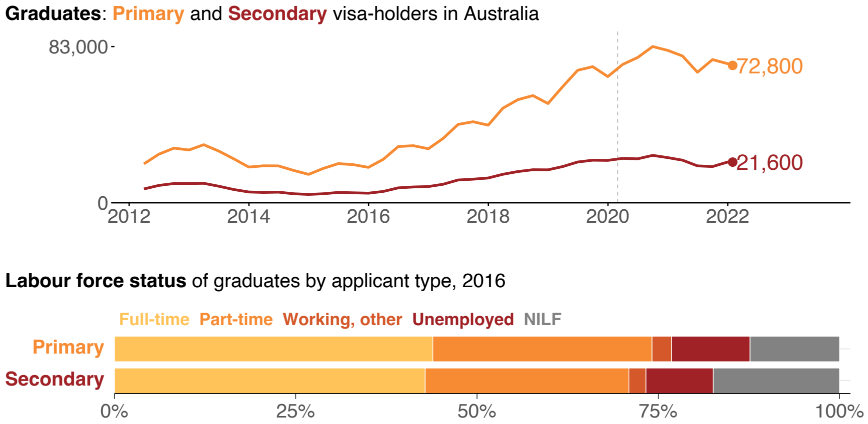
Before the pandemic, international students were allowed to work 40 hours per fortnight during semester weeks.[56] According to the 2016 Census, about half participated in the labour force, mostly working part-time (and many reported working precisely 20 hours per week).[57] However, the cap on hours and the desire of some students to work more hours will likely lead to underreporting of hours and rates of labour force participation.

There are ongoing concerns about exploitation of international students in the labour force.[58] The Migrant Workers Taskforce focused primarily on international students and working holiday makers as these were perceived as more vulnerable workers, and subject to higher rates of exploitation.

Students who stay in Australia for more than 12 months are considered residents (see Section 3.2), meaning that almost all international university students are counted towards Australia's population. Some who do shorter vocational courses and stay in Australia for less than a year are not counted in population figures.

56. International students were permitted to work full-time outside of semester periods.
57. Grattan analysis of ABS (2016c).
58. See Farbenblum and Berg (2020).

Graduates, current visa subclass 485



Graduate visas are available to some international students who have completed a qualification in Australia within the preceding six months.[59] Graduate visa-holders have to be under the age of 50 and can live and work in Australia for up to 18 months (Graduate Work stream) or 2-4 years (Post-Study Work stream).[60]

The visa has grown in line with the increase in international students described in the section above. Less than half of graduate visa-holders work full-time, and about a quarter work part-time.[61] Unemployment

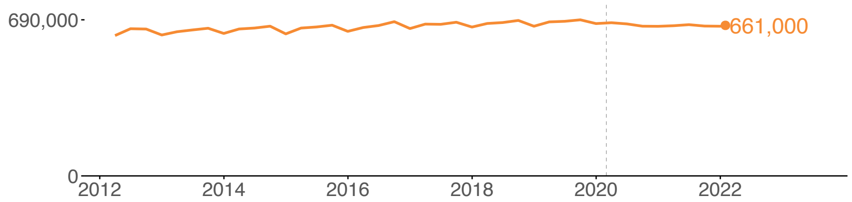
59. Department of Home Affairs (2022c). These visas are not available to ELICOS, school, and most VET students.
60. A one-to-two year extension is available for some visa-holders via the Second Post-Study Work stream: Department of Home Affairs (ibid).
61. The number of graduate visa-holders has increased significantly since the 2016 Census due to changes to visa policy. As the graduate visa holder population in Australia now is likely to be sufficiently different than in 2016, these results should be used as a guide only.

rates tend to be high as visa-holders graduate and transition to the labour market.[62]

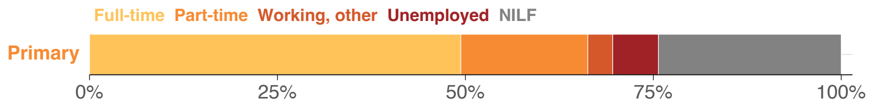
3.4.3 New Zealanders

Special category, current visa subclass 444

New Zealanders: Primary visa-holders in Australia



Labour force status of new zealanders by applicant type, 2016

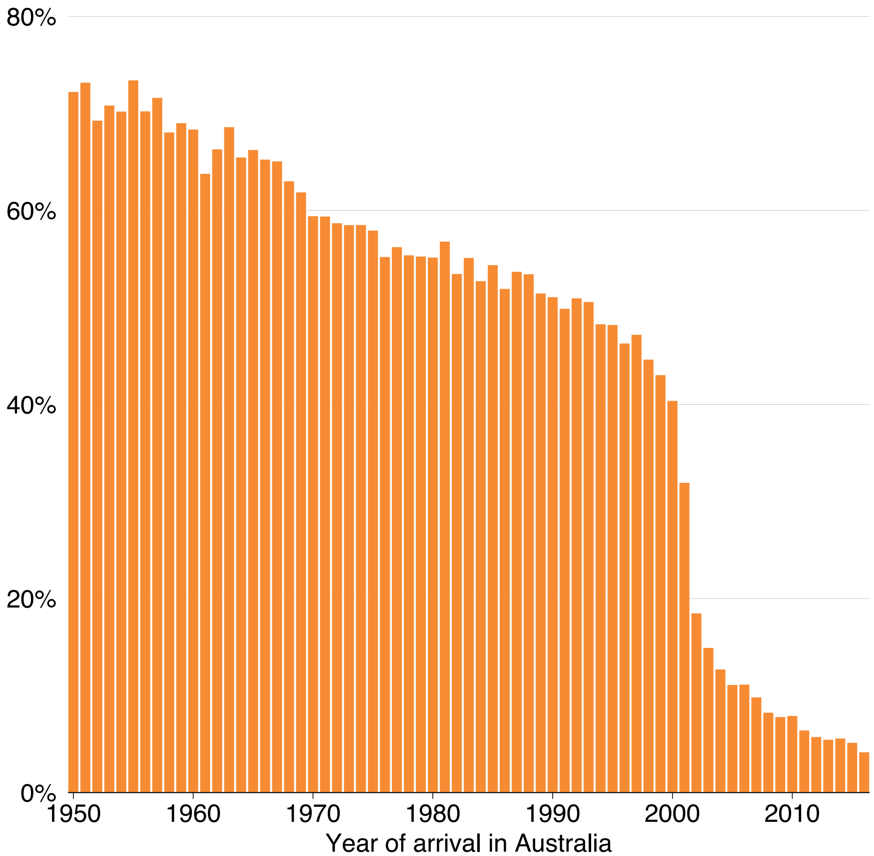


New Zealanders hold a unique 'special category' of temporary visas. The special category visa (subclass 444) allows New Zealand citizens to remain in Australia indefinitely. It is a temporary visa without an end date.[63]

New Zealand citizens residing in Australia on the Special Category visa can access family payments and Medicare, but can only access

Figure 3.9: Rates of Australian citizenship for New Zealanders crashed from 2000

Share of New Zealand-born Australian residents who are citizens, by year of arrival in Australia



Source: Grattan analysis of ABS (2016a).

62. Domestic graduates also experience higher unemployment rates: QILT (2021a). But short-run labour market outcomes for international graduates are poorer than for domestic graduates: QILT (2022, Table 1).
63. Migration Regulation 1994, Schedule 2, section 444.511: "Temporary visa permitting the holder to remain in Australia while the holder is a New Zealand citizen".

restricted forms of income support.[64] This visa does not require applicants to have a particular set of skills or be employed in a particular occupation.

New Zealand citizens living in Australia before 2001 could receive Australian citizenship by conferral, and did not need to become a permanent resident first.[65] Those who arrived between 2001 and 2016 could apply for the New Zealand stream of the Skilled Independent visa (subclass 189; see page 42).[66] But access to the New Zealand permanent stream is not available to New Zealanders who arrived after 2016. This group must apply for a permanent visa through general streams (Section 3.5) before applying for citizenship.

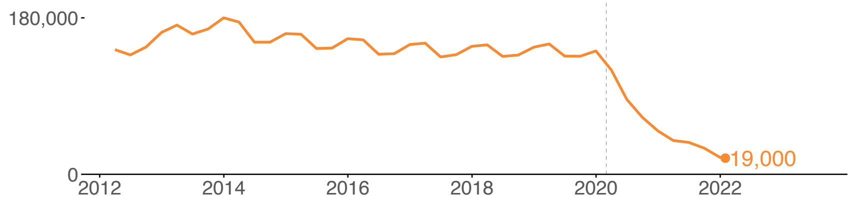
These changes have decreased the share of New Zealanders who become Australian citizens. Fewer than one in five long-term New Zealand residents in Australia have Australian citizenship now, compared to about half from the 1990s (Figure 3.9 on the preceding page).

64. Department of Home Affairs (2022d). For example, despite paying the medicare levy that funds the NDIS, New Zealand citizens who arrived in Australia since 2001 cannot access NDIS services: National Disability Insurance Agency (2019, Section 7); Services Australia (2022).
65. Department of Home Affairs (2022d).
66. Department of Home Affairs (2022e).

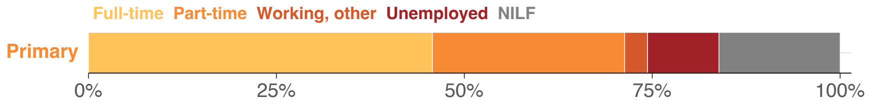
3.4.4 Working holiday makers

Working holiday makers, current visa subclasses 417 and 462

Working holiday makers: Primary visa-holders in Australia



Labour force status of working holiday makers by applicant type, 2016



Australia has a large working holiday maker program, receiving the largest number of working holiday makers in the OECD.[67] Before the pandemic, there were about 160,000 working holiday makers in Australia, a slightly downward trend since 2012.

Working holiday makers (WHMs) are young and have work rights while they are in Australia. The working holiday and Work and Holiday visas (subclass 417 and 462 respectively) are open to 18-30 year olds who meet financial, health and character requirements.[68] They are able to work for an employer for up to six months.

Since 2005, the program has offered incentives for WHMs to work in regional Australia in seasonal labour occupations or industries ‘experiencing critical labour shortages’. In exchange for a period of

67. Department of Home Affairs (2020a, p. 4).
68. The age limit is 35 years for Canada, France and Ireland. The government has a commitment to raise the age limit to 35 years for all countries, and is proceeding with this on a country-by-country basis through bilateral agreements.

specified work, WHMs become eligible to apply for a further stay in Australia on either a second or third visa.[69]

3.4.5 Other temporary visas

Bridging visas, various subclasses

Bridging visas allow migrants to stay in Australia while their immigration status is being resolved by the Department of Home Affairs.[70] There are a number of bridging visas on offer to people in Australia in different circumstances. These include:[71]

- Bridging visa A – BVA (subclass 010): about 50,000 people were on this visa in 2016;
- Bridging visa B – BVB (subclass 020): about 15,000 people were on this visa in 2016;
- Bridging visa C – BVC (subclass 030): about 10,000 people were on this visa in 2016; and
- Bridging visa E – BVE (subclass 050 and 051): about 35,000 people were on this visa in 2016.

Bridging visa A is the standard bridging visa. People waiting for their visa application to be finalised must remain in Australia. Bridging visa B allows people to leave Australia and must be applied for. Bridging visa C is used for people whose immigration matter is before the courts. Bridging visa E is used if someone has become unlawful in Australia, for example if they have overstayed the length of their visa.

69. Department of Home Affairs (2020a, p. 4). See Department of Home Affairs (2022f) for more information.
70. Department of Home Affairs (2020b).
71. Department of Home Affairs (2022b).

Box 3: The difference between Working Holiday and Work and Holiday

The Working Holiday program was established in 1975. As at May 2022, Australia has 47 bilateral agreements establishing working holiday visas.

20 of these bilateral agreements are not subject to a quota:

- Working Holiday (subclass 417): Belgium, Canada, Cyprus, Denmark, Estonia, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, South Korea, Malta, Netherlands, Norway, Sweden, Taiwan, United Kingdom
- Work and Holiday (subclass 462): United States of America

The remaining 27 countries are all in the Work and Holiday stream (subclass 462) and each subject to an annual quota:

- Argentina, Austria, Chile, Czech republic, Ecuador, Greece, Hungary, Indonesia, Israel, Luxembourg, Malaysia, Peru, Poland, Portugal, San Marino, Slovak Republic, Singapore, Slovenia, Spain, Thailand, Turkey, Uruguay, Vietnam

Mongolia and Brazil will come into effect from July 2022, while India will come into effect in the next two years. Papua New Guinea was signed in 2011 however has yet to come into effect.

China has a special status as it is the only country to have access to Australia's working holiday visa without a reciprocal arrangement for Australian citizens.

Most countries subject to quotas for these visas are also subject to additional criteria for visa applications. These include a functional level of English, a letter of government support, and two years of university completion.

The number of people on bridging visas has increased in recent years, including a dramatic increase since Australia's borders were closed at the beginning of the pandemic (see Figure 3.5). There were over 330,000 people on a bridging visa at the end of 2021.[72]

Short-term temporary work visas

There are a number of temporary visas used for shorter-term periods of travel to Australia:[73]

- Temporary Work (Short stay specialist) visa (subclass 400);
- Temporary Work (International Relations) visa (subclass 403); and
- Temporary Activity visa (subclass 408).

Temporary Work (short stay specialist) facilitates people with specialised skills for non-ongoing work for Australian businesses. This visa is valid for up to six months.

Temporary Work (International Relations) is used for the Pacific Australia Labour Mobility scheme, previously known as the Seasonal Worker Program and the Pacific Labour Scheme. This visa subclass will also facilitate the Agricultural visa. These visas are valid for up to three years. There are also a number of other streams to this visa.

The Temporary Activity visa facilitates the travel of people who are associated with sports, the arts, other entertainment, religious work, and some research activities. This visa subclass is also being used in the trial entrepreneur policy in Australia titled, Supporting Innovation in South Australia.[74] This visa was also used during the COVID-19 pandemic for people who were unable to leave Australia and met certain conditions.

72. Department of Home Affairs (2022g).
73. Department of Home Affairs (2022b).
74. Department of Home Affairs (2022h).

Other temporary visas, various subclasses

There are also a number of temporary visas used for family and relationship purposes:[75]

- New Zealand Citizen Family Relationship (temporary) visa (subclass 461); and
- Sponsored Parent (Temporary) visa (subclass 870).

In addition, some miscellaneous short-term visas include:

- Crew Travel Authority visa (subclass 942);
- Maritime Crew visa (subclass 988);
- Medical Treatment visa (subclass 602);
- Investor Retirement visa (subclass 405); and
- Confirmatory (Residence) visa (subclass 808).

3.5 Permanent migrants

Permanent migration determines who stays in Australia long term. Australia selects permanent migrants through three broad programs: skilled, family, and humanitarian programs. Each broad program has different objectives:

- Skilled migration is designed to benefit Australia by attracting migrants with valuable skills, so supporting innovation and increasing productivity.

75. Department of Home Affairs (2022b).

- Family visas – such as partner visas – allow Australians to reunite with family members and provide them with pathways to citizenship.[76]
- The humanitarian program is designed to improve the lives of those in need, and ensure that Australia meets its international obligations.

Ultimately it is permanent migration policy that matters most for determining the composition of the migrant intake in the long term. Even small improvements in the selection of permanent skilled migrants can have enduring benefits over an extended period.[77] On the other hand, mistakes in setting permanent visa policy will have long-lasting impacts on the composition of Australia's population, and the well-being of the Australian community.

Figure 3.10 shows that since the 1990s, Australia's permanent migration program has become more focused on skills rather than family or humanitarian visas. Skilled migration increased from about half the permanent intake in 2000 to around two-thirds of the permanent intake before the pandemic.

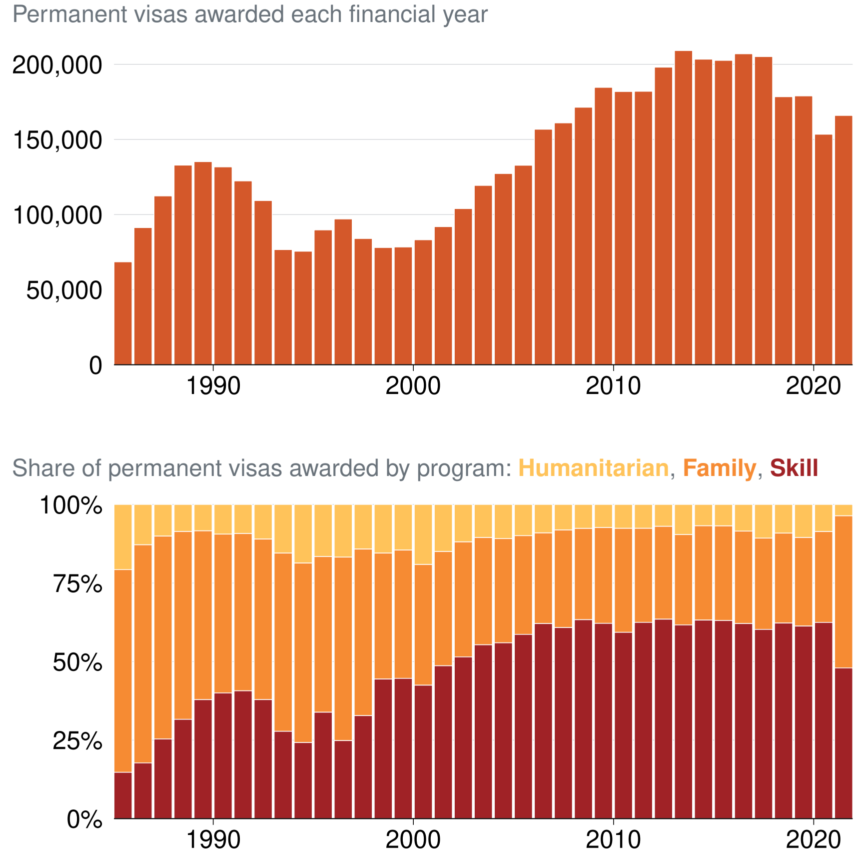
The remainder of this section will detail the current state of Australia's permanent migration programs and the participation of permanent migrants in the labour force. While neither the family nor humanitarian streams are designed to improve the capability of the Australian labour force, many people holding these visas do work in Australia.

3.5.1 Permanent skilled program

The permanent skilled program is specifically designed to attract high-skilled workers to Australia.

76. About 80 per cent of family visas are granted to the partners of Australian citizens and permanent residents, with the remainder granted to the parents and dependent children of Australian citizens.
77. See Coates et al (2021, Chapter 4).

Figure 3.10: Australia's permanent migration program is largely skills-based



Notes: Excludes 'Special eligibility' permanent visas.

Source: Phillips and Simon-Davies (2017) and Department of Home Affairs (2021c).

Australia selects permanent skilled migrants through a number of different streams, each with significantly different selection mechanisms and eligibility requirements. These streams are:

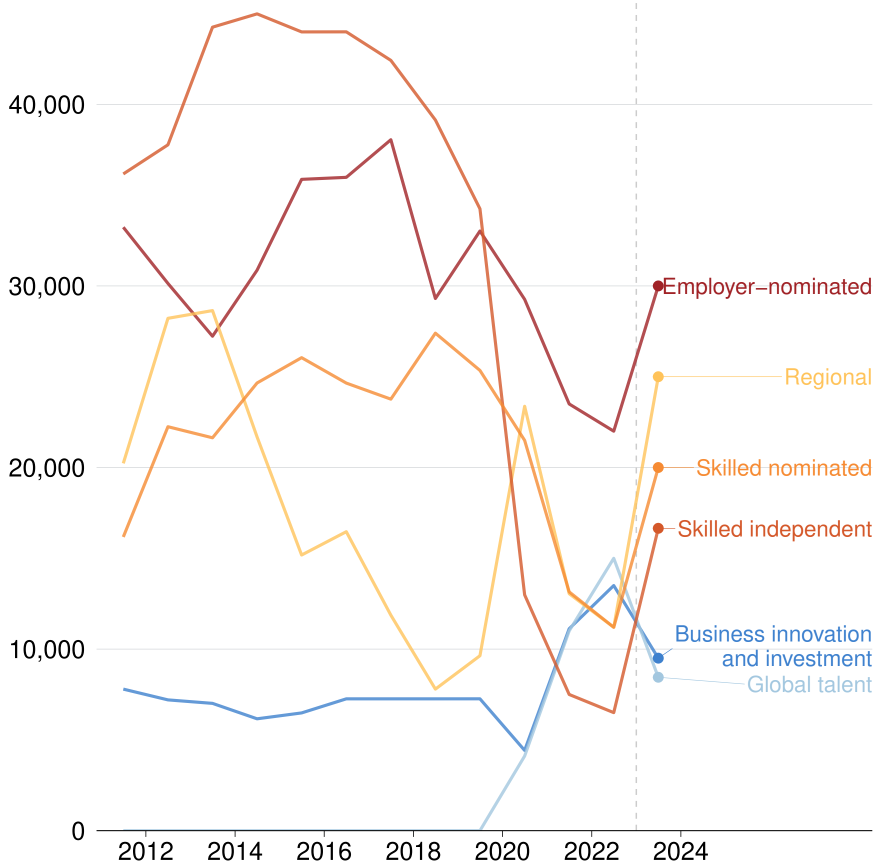
- **Points-tested skilled migration:** includes the 'Skilled Independent', 'Skilled Nominated', and most 'Regional' visas. Applicants are allocated points according to characteristics such as age, qualifications, skills, and English proficiency, and then ranked by their overall points.[78]
- **Employer-nominated:** requires applicants to be nominated by a sponsoring employer, subject to minimum thresholds for applicants' age, qualifications, and English language proficiency.
- **Business Innovation and Investment Program (BIIP):** targets migrants who have a demonstrated history of success or talent in innovation, investment, and business. Most applicants are subject to a points test but must also satisfy criteria relating to owning or managing a business in Australia, or investing substantial funds onshore.
- **Global Talent:** targets highly skilled professionals to work in 10 nominated sectors.

The size and composition of the permanent *skilled* program is set each year as part of the federal budget process. The government specifies a ceiling on the number of visas allocated each year through each stream. Figure 3.11 shows the planning levels for each of the major skilled visa streams since 2014. The total size of the permanent skilled migrant intake has been expanded for the 2022-23 financial year to 109,900 places, up from 79,600 places for 2021-22.[79] More than 70 per

78. Additional points are available for applicants nominated by state governments through the 'Skilled nominated' and 'Regional' visa classes. See Coates et al (2021, Chapter 7).
79. Department of Home Affairs (2021a, p. 15).

Figure 3.11: Recent changes to the permanent skilled intake have reversed course, shifting away from business investment and global talent visas

Annual permanent visa grants by category



Notes: Financial year ending. Planning levels shown for 2021-22 onwards. Original visa grant figures have been adapted to mirror the Government's new categorisation, introduced in 2019-20.

Sources: Grattan analysis of Department of Home Affairs (2020c); Department of Home Affairs (2021d); Hansard (2021); and Department of Home Affairs (2022i).

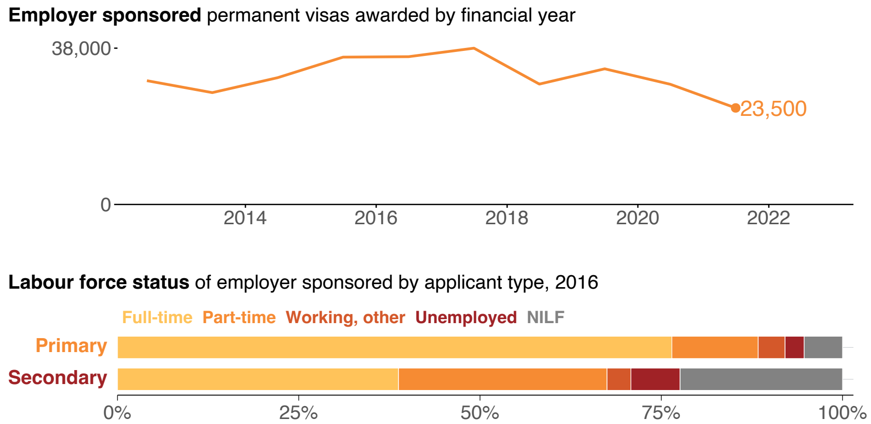
cent of permanent skilled-worker visas are granted to people already in Australia on some form of temporary visa.[80]

Permanent skilled migrant incomes

While all permanent skilled primary applicants are selected for the economic contribution they can make in Australia, the incomes of permanent skilled visa-holders vary markedly across visa streams.[81] Figure 3.12 on the following page shows the incomes of skilled visa-holders. Employer-sponsored visa-holders earn more than any other group, with a median income of more than $100,000 for those aged 40 and older; about $30,000 more than incumbents.[82] 'Skilled Independent' visa-holders also earn substantially higher incomes than incumbent Australians in full-time work. Despite higher levels of education on average, state (i.e. 'Skilled Nominated') and regional visa-holders tend to earn less than employer-sponsored visa-holders. BIIP visa-holders earn the lowest incomes of all.[83]

80. Coates et al (2021, p. 63).
81. This section refers to primary applicants in the permanent skilled migration program. Secondary applicants – such as partners and children of primary applicants – are not selected based on skill or occupation levels. See Box 1.
82. Where 'incumbents' are those born in Australia or who arrived before 2000. This terminology is used in Coates et al (2021).
83. Most BIIP immigrants buy established businesses in retail and hospitality, which together with their age, and generally poor skills, and lack of English proficiency, means they are not adding materially to Australia's innovative and entrepreneurial capacity. See Coates et al (ibid, Chapter 5).

Employer-nominated, subclass 186

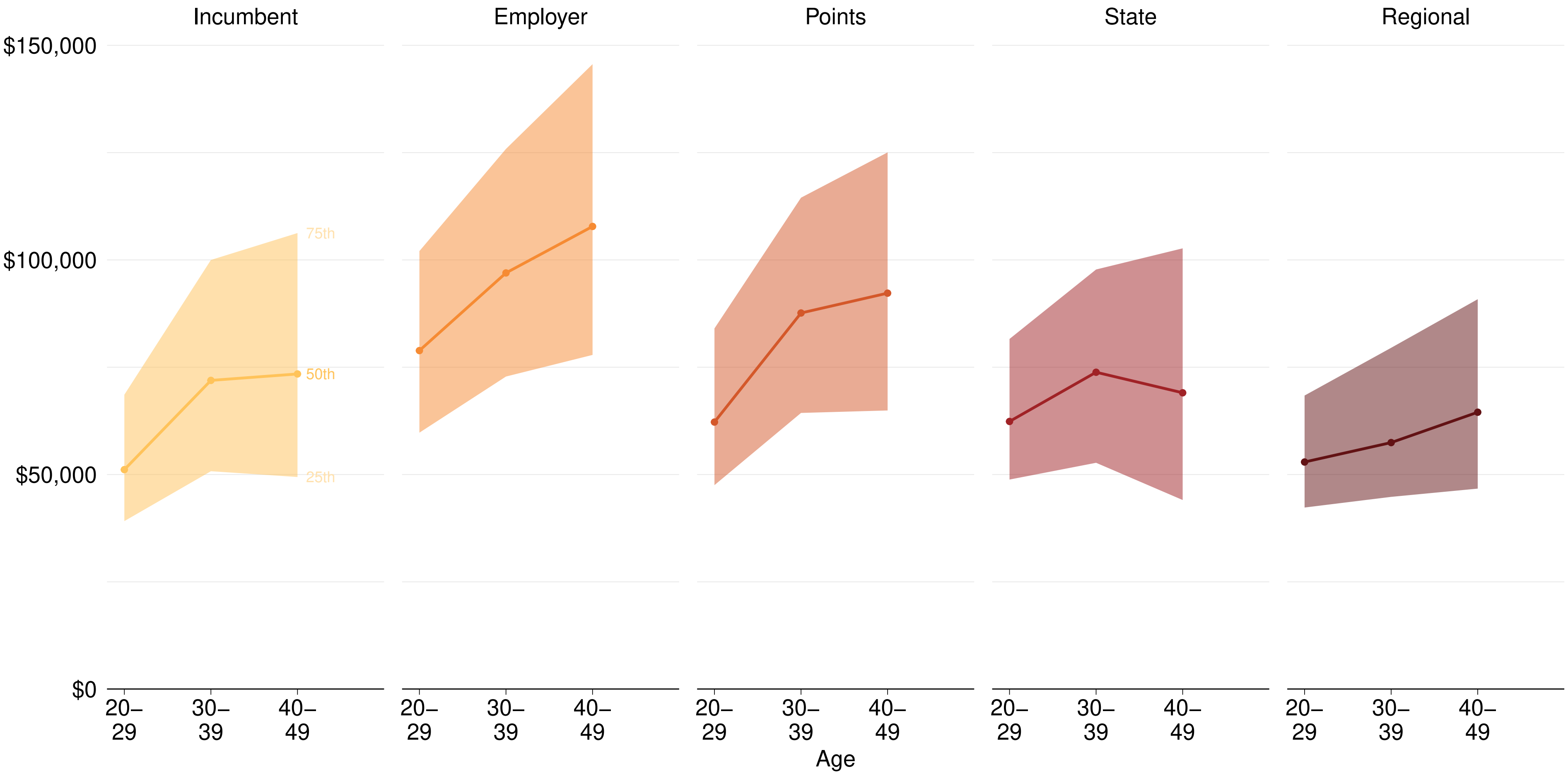


Employer-nominated applicants must be sponsored by an employer and employed in an occupation drawn from the MLTSSL occupation list (Box 2).[84] Applicants are not subject to the points test, on the principle that the employer nomination itself filters potential migrants.

This visa requires applicants to be nominated by a sponsoring employer, subject to minimum thresholds for applicants' age, qualifications, and English language proficiency.[85] Employer-nominated visa-holders tend to be young and earn high incomes throughout their life after arriving in Australia.[86] 30,000 employer-nominated places are allocated for the 2022-23.

84. Importantly, the Minister for Immigration can easily change these settings. For example, Minister Hawke signed a legislative instrument in March 2022 allowing certain people who held a Temporary Skill Shortage visa with an occupation on the Short-term Skilled Occupation List to apply for a permanent employer sponsored visa: *Migration (Specified persons and periods of time for regulation 5.19) Instrument (LIN 22/038) 2022.*
85. See Coates et al (2021, Table 7.1) for eligibility criteria details.
86. Coates et al (ibid, Chapter 7 and Figure 7.7).

Figure 3.12: Workers on employer-sponsored visas earn the most among skilled migrants, business investors earn the least
Income distribution of full-time workers by visa group (median and inter-quartile range)



Notes: Full-time workers in Australia in 2016. Incumbents are those born in Australia or who arrived before 2000. Permanent migrants are primary applicants who arrived between 2012 and 2016. Visa subclass is the first permanent visa granted. Overseas visitors are excluded, as are residents with an invalid year of arrival in Australia.

Source: Grattan analysis of ABS (2016a) and ABS (2016b).

Box 4: The Continuous Survey of Australian Migrants (CSAM)

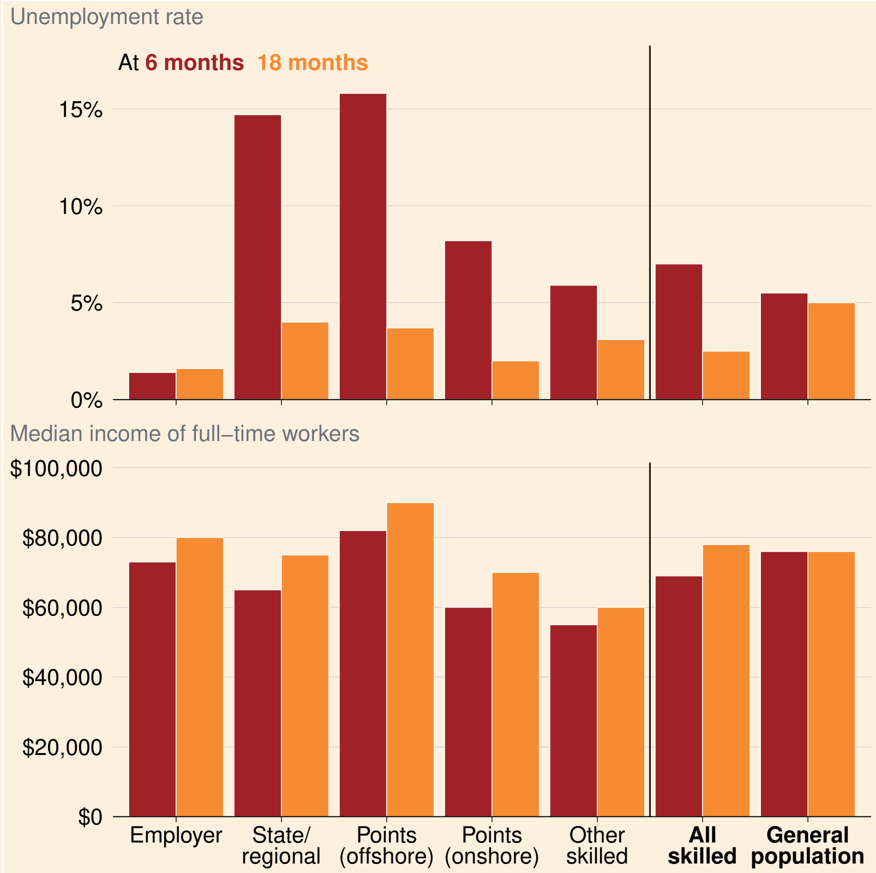
The Department of Home Affairs conducts a representative survey of permanent migrants in Australia. The survey is conducted for each cohort at two points in time: the first at six months after being granted a permanent visa, the second at 18 months.

Figure 3.13 shows that most primary skilled migrants take some time to find their feet in the labour market. For skilled migrants without an existing connection to a job – i.e. those outside of the employer-nominated group – unemployment rates initially are high, rates of full-time work are low, and median incomes below that of the general population. Given their existing connection to an occupation, employer-nominated permanent skilled migrants tend to have better labour market outcomes at the 6-month mark.[a]

Figure 3.13 also shows that these middling labour market outcomes for skilled migrants rebound after the transition period. A year later, at the 18-month mark, unemployment rates fall below the general population for all skilled migrant groups (2.5 per cent compared to 5 per cent in 2018).

Incomes at the 18-month mark are higher for the skilled migrant group ($78,000) compared to the general population ($76,000), despite the migrant group being younger than the rest of the Australian labour force. Figure 3.12 on the previous page shows that this trend persists over the longer term.

Figure 3.13: Labour market outcomes for skilled migrants improve after the initial six-month period



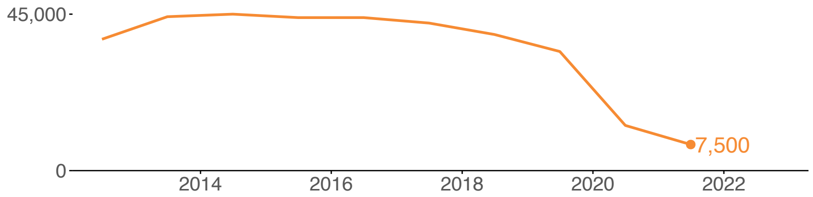
Notes: 2018 permanent skilled migration cohort. Primary applicants only. The 6/18 month distinction for the general population reflects measurements in 2018 and 2019.

Source: Department of Home Affairs (2020d, Figures 1a and c).

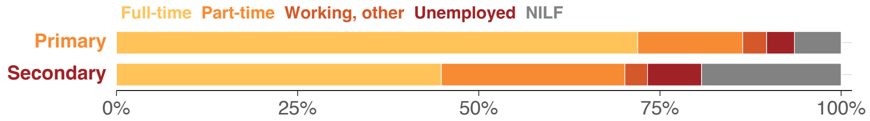
a. This is similar for domestic university graduates, who have poor labour market outcomes when measured at four months after graduation: QILT (2021a). In the longer term, however, university graduates have higher incomes compared to workers who did not go to university: Norton et al (2018, Section 10.2) and QILT (2021b). See also Section 2.4.

Skilled independent, points-tested skilled migration, subclass 189

Points permanent visas awarded by financial year



Labour force status of points by applicant type, 2016



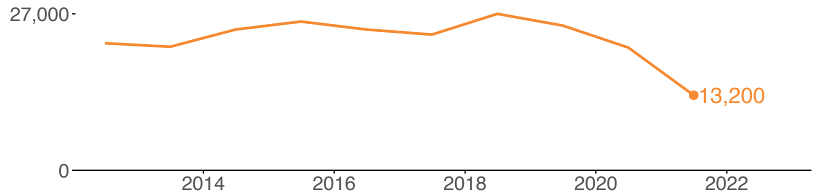
Skilled independent (points-tested) visas have traditionally been Australia's largest skilled-worker visa. 16,700 skilled independent places have been allocated for the 2022-23 financial year (Figure 3.11). Allocations are made using the points test, in conjunction with a list of eligible occupations.[87] Prospective migrants do not require either a sponsoring employer or approval from a state or territory government.

Applicants are allocated points according to characteristics such as age, qualifications, skills, and English proficiency, and then ranked by their overall points.[88] Additional points are available for applicants nominated by state governments through the 'Skilled nominated' and 'Regional' visa classes.

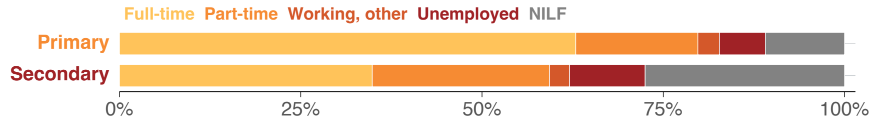
Skilled independent visa-holders tend to be younger than other permanent visa groups, with more than half allocated to people under the age of 35.[89] While earnings for this group are lower than for employer-nominated visa-holders, they are higher than for people born in Australia (Figure 3.12).[90]

Skilled nominated (State), subclass 190

State permanent visas awarded by financial year



Labour force status of state by applicant type, 2016



Like the skilled independent visa, allocations are made using the points test, in conjunction with a list of eligible occupations (see Skilled independent section above).[91] Prospective migrants also require a nomination from a state or territory government.

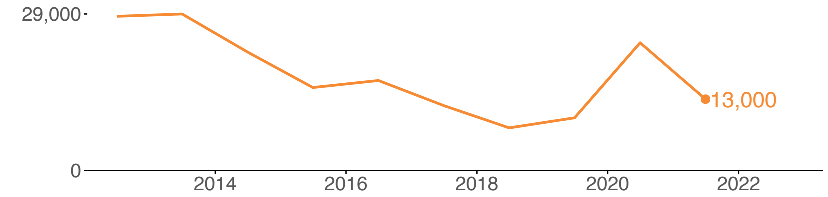
State-nominated migrants tend to earn less than both skilled independent and employer-nominated visa-holders, and about the same as people born in Australia (Figure 3.12).

About 20,000 skilled nominated places are allocated for the 2022-23 financial year (Figure 3.11).

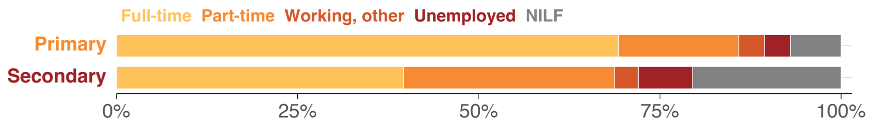
87. See Box 2 on page 28.
88. See Coates et al (2021, Table 7.1) for eligibility criteria details.
89. Ibid (Figure 7.3).
90. Ibid (Figure 7.7).
91. In addition, states can negotiate their own occupation lists. See Coates et al (ibid, Table 7.1).

Regional: independent and employer nominated, subclasses 491, 494, and 191

Regional permanent visas awarded by financial year



Labour force status of regional by applicant type, 2016



For regional independent visas, allocations are made using the points test, in conjunction with a list of eligible occupations.[92] Prospective migrants also require a nomination from a state or territory government.[93]

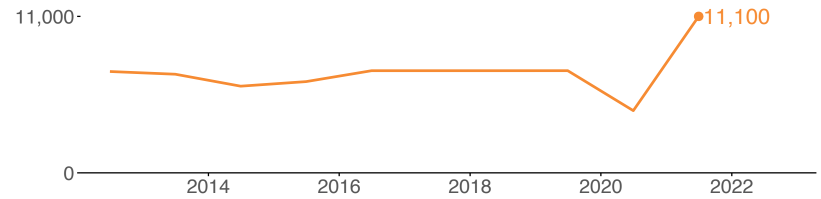
Applicants for regional employer-nominated visas must be sponsored by an employer based in a defined regional area, and the applicant must be employed in an occupation drawn from an occupation list.

Both the independent (subclass 491) and the employer-sponsored (subclass 494) regional visas are provisional, and then become permanent (subclass 191) if the visa holder meets the criteria, including remaining in the regional area. Regional nominated migrants tend to earn less than people born in Australia, likely reflecting lower incomes of regional areas (see Chapter 6).[94]

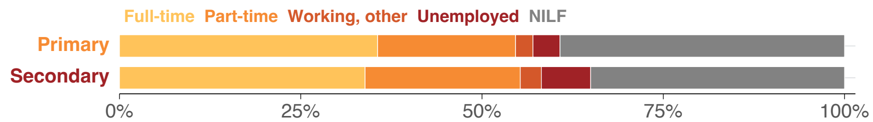
About 25,000 regional places are allocated for the 2022-23 financial year (Figure 3.11). The vast majority of these will be via the independent visa.

Business Innovation and Investment, subclass 188 and 888

Business investment permanent visas awarded by financial year



Labour force status of business investment by applicant type, 2016



The Business Innovation and Investment Program (BIIP) is designed to select 'migrants who have a demonstrated history of success or talent in innovation, investment, and business'.[95] Many countries have adopted similar visa programs to attract additional investment and promote innovation.[96] Planned visas issued under the BIIP rose sharply between 2020-2022 before the intake was cut to 9,500 places for the 2022-23 financial year (Figure 3.11).

BIIP visas require a formal nomination from a state or territory government. The federal government allocates each jurisdiction

92. Regional independent visa applicants can be suited for occupations on either the Medium-Long Term Strategic Skills List or the Regional Occupations List: Box 2 on page 28.
93. See Coates et al (2021, Table 7.1) for more detail about eligibility for regional visas.
94. Coates et al (ibid, Figure 7.7).
95. Department of Home Affairs (2020e).
96. See Sumption and Hooper (2014).

a share of annual BIIP visas. Since July 2021, there are now four streams within the visa:[97]

- **Significant Investor:** targets investment capital, requires a person to invest $5 million in complying investments for four years to qualify for a permanent visa, including a minimum of 20 per cent, or $1 million, in venture capital, a further 30 per cent, or $1.5 million, to fund emerging companies, and the residual balancing investment in eligible assets, including Australian-listed securities, eligible corporate bonds or notes, annuities, and real property.[98]
- **Investor:** mirrors the Significant Investor stream in many respects, albeit with a lower investment threshold of $1.5 million, which must be invested in Australia.[99] Applicants must also have net business, investment, and personal assets of at least $2.25 million.
- **Innovation:** requires applicants to hold business assets of $1.25 million and have an annual turnover of $750,000. During the provisional stage of the visa, to progress to a permanent visa, applicants must show their 'substantial ownership stake in a business in Australia' and 'take part in its day-to-day management, at a senior level'.
- **Entrepreneur:** introduced by the Turnbull government in 2015, requires applicants to be undertaking, or proposing to undertake, a 'complying entrepreneur activity' in Australia, having been nominated by a state or territory government.[100]

Global Talent, subclass 858

Starting as a pilot program with 1,000 visas in 2018-19, the Global Talent Program has quickly expanded to 5,000 visas in 2019-20 and to a planned 11,000 visas for 2020-21. There are 8,450 Global Talent visas allocated for 2022-23 (Figure 3.11). The rapid expansion of the Global Talent Program is in part a response to challenges in attracting globally-mobile individuals through existing visa streams.[101]

The Global Talent visa is expanding as firms relying on talent are frustrated by the lack of flexibility in skilled-worker visa categories, especially following changes to temporary employer-sponsored visas in 2017.[102] There is some merit to these frustrations. About 75 per cent of permanent employer-sponsored visas take between 5 and 13 months to assess from application to decision.[103] These delays cause problems for firms seeking to attract global talent, especially in innovative fields. By contrast, 75 per cent of Global Talent applicants were processed within two-and-a-half months.[104]

The Global Talent visa gives priority to 10 'target sectors', including:[105]

97. There were nine separate streams within the BIIP before July 2021, which were reduced to four following a review by the Department of Home Affairs: Department of Home Affairs (2020e) and Tudge (2020).
98. The rules governing where a person can invest are the most important determinant for the visa. These rules are found in the 'Complying Investment Framework' (CIF): Department of Home Affairs (2021e). These rules were updated to raise the minimum investment in venture capital from $500,000 to $1 million from 1 July 2021: Tillett (2021).
99. In practice, Investor visa-holders have been required to invest in state Treasury bonds. Under announced changes to the Complying Investment Framework, the investment requirement was increased to $2.5 million: Tillett (ibid).
100. A complying entrepreneur activity must relate to an innovative idea that will lead to either the commercialisation of a product or service in Australia, or the development of an enterprise or business in Australia. See Department of Home Affairs (2021f). Historically, Entrepreneur visas have required a funding agreement worth at least $200,000 in a start-up business. However, this requirement was abolished on 1 July 2021: Tudge (2020).
101. Coorey (2019) and Politt (2018).
102. Redrup (2019) and Sherrell (2018).
103. Some visa processing times have been affected by the COVID crisis, and applications may take longer to finalise. See Department of Home Affairs (2022j).
104. Department of Home Affairs (ibid, Table 12).
105. Department of Home Affairs (2021g, p. 11).

- Digitech (34% of the Global Talent allocation in 2020-21)
- Health Industries (23%)
- Energy (17%)
- Financial Services and FinTech (12%)
- Resources (7%)
- Defence, Advanced Manufacturing and Space (6%)
- Agri-food and AgTech (0.9%)
- Infrastructure and Tourism (0.4%)
- Education (0.3%)
- Circular Economy (0.1%)

The Global Talent program has not met its visa allocation in recent years, accepting fewer migrants than planned.[106] As the Global Talent visa is relatively new, data is not yet available for the labour force status or incomes of visa-holders.

Skilled Independent (New Zealand), current visa subclass 189

The Skilled Independent (New Zealand) visa allows some New Zealand citizens permanent residency and a pathway to citizenship. This visa is open to people with a Special Category visa (subclass 444, see Section 3.4.3) who have resided in Australia for the past 5 years, arrived before February 2016, and meet an income threshold of $53,900 (the same threshold as for the Temporary Skill Shortage visa).[107]

New Zealand citizens who arrived in Australia after February 2016 must apply for permanent residency in general streams.[108]

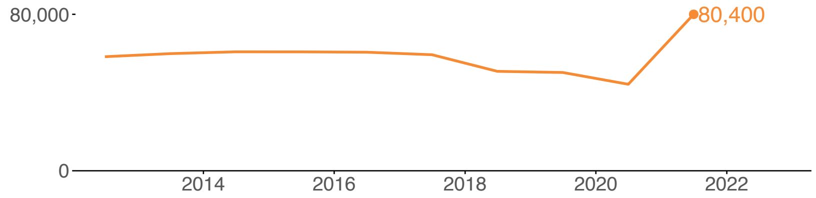
3.5.2 Permanent family program

Family visas have also increased over the same period that the overall intake rose, but have declined as a share of the overall intake (Figure 3.11).

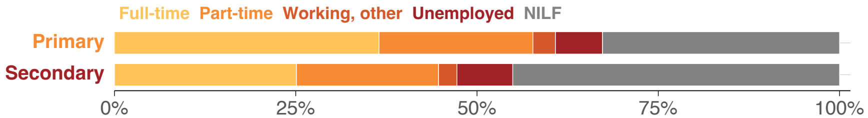
The majority of family visas are partner visas.[109] Other family visas mainly are allocated to the dependent children or parents of Australian citizens, very few of whom work in Australia.

Partner, subclasses 309/100, 820/801 and 300

Family permanent visas awarded by financial year



Labour force status of family by applicant type, 2016



Partner visas allow the partner or spouse of an Australian citizen, Australian permanent resident or eligible New Zealand citizen to live in Australia.[110]

106. Ibid.
107. Department of Home Affairs (2022e).
108. Ibid.
109. 93.5 per cent of family visas were partner visas in 2020-21: Department of Home Affairs (2021g, p. 12).
110. Department of Home Affairs (2022k).

Partner visas involve a two-step process. They are provisional visas in the first instance (subclass 309 and 820), and then become permanent visas (subclass 100 and 801). Both the provisional visa and the permanent visa are applied for via the same visa application.

Partner visas are not subject to skill assessments, nominations or occupations lists. They exist wholly to facilitate 'genuine relationships' of Australians with non-Australian citizens.[111] The number of partner visas is uncapped, with annual limits imposed only by the capacity of the Department of Home Affairs to process applications each year. The waiting period for a partner visa was recently up to two years however this period has decreased recently with additional partner visas allocated in 2020-21 and 2021-22 to reduce the waiting period.

Other family, various subclasses

Other family visas exist to accommodate children, carers and parents. These groups are small – accounting for 9,500 places in the 2022-23 permanent migration program – and very few work while holding a permanent visa to Australia.

The main category is for parents. As parents are typically older when they first arrive in Australia, there are large government health and aged care costs associated with these permanent visas. These costs mean governments do not allocate a large number of permanent parent visas.

There are two options for permanent parent visa: a 30 year wait for the standard parent visa, or a six year wait and a a visa application fee of about $50,000 for the Contributory Parent visa.

There are 13 currently-active 'other family' visas:[112]

- Adoption visa (subclass 102)
- Aged Dependent Relative visa (subclass 114 and 838)
- Aged Parent visa (subclass 804)
- Carer visa (subclass 116 and 836)
- Child visa (subclass 101)
- Child visa (subclass 802)
- Contributory Aged Parent visa (subclass 864)
- Contributory Parent visa (subclass 143)
- Dependent Child visa (subclass 445)
- Orphan Relative visa (subclass 117 and 837)
- Parent visa (subclass 103)
- Remaining Relative visa (subclass 115 and 835)

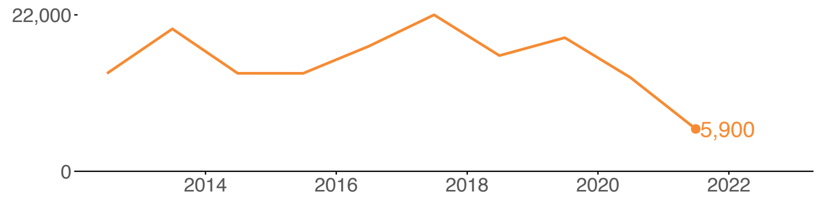
111. Department of Home Affairs (2022k).

112. Department of Home Affairs (2022b).

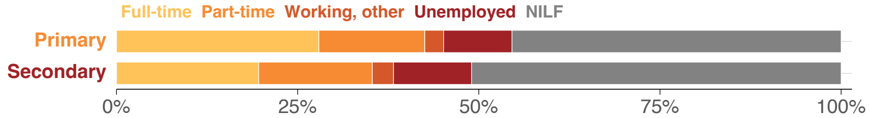
3.5.3 Permanent humanitarian program

Refugee and humanitarian visas, various subclasses

Humanitarian permanent visas awarded by financial year



Labour force status of humanitarian by applicant type, 2016



Australia grants 13,750 permanent visas via a separate Humanitarian Program as part of its international commitments to assist dispossessed people at risk.[113] Like partner visas, refugee and humanitarian visas are not subject to skill assessments, nominations or occupations lists.

Current visas in this program are:

- Global Special Humanitarian visa (subclass 202)
- Protection visa (subclass 866)
- Refugee visas (subclass 200, 201, 203 and 204)

The Humanitarian Program includes both refugees resettled and people who successfully claim asylum in Australia and are subsequently granted a permanent protection visa.

3.6 Many migrants transition between visas once in Australia

Migrants must have a valid visa when they arrive in Australia. But many migrants transition from one visa to another as they spend more time in Australia.

3.6.1 Most migrants tend to arrive in Australia on a temporary visa

Migrants who have arrived in Australia recently are more likely to be on temporary visas. Figure 3.14 on the following page shows that about 60 per cent of the people who arrived in the past five years were on a temporary visa. About 30 per cent were on student visas, followed by New Zealanders (10 per cent) and temporary skilled visa-holders (8 per cent).[114] Of the 40 per cent who had permanent residency, 13 per cent came through the family stream, followed by points-tested (10 per cent) and employer-sponsored (6 per cent) skilled streams.

The visa status of migrants who have been in Australia longer is very different. Three quarters of people who arrived in Australia between 5 and 10 years ago are on permanent visas. About 18 per cent are on skilled points and 19 per cent on employer-sponsored visas. More than 20 per cent are on family visas. Of those who have had a permanent visa, more than half have obtained Australian citizenship (Figure 3.14).

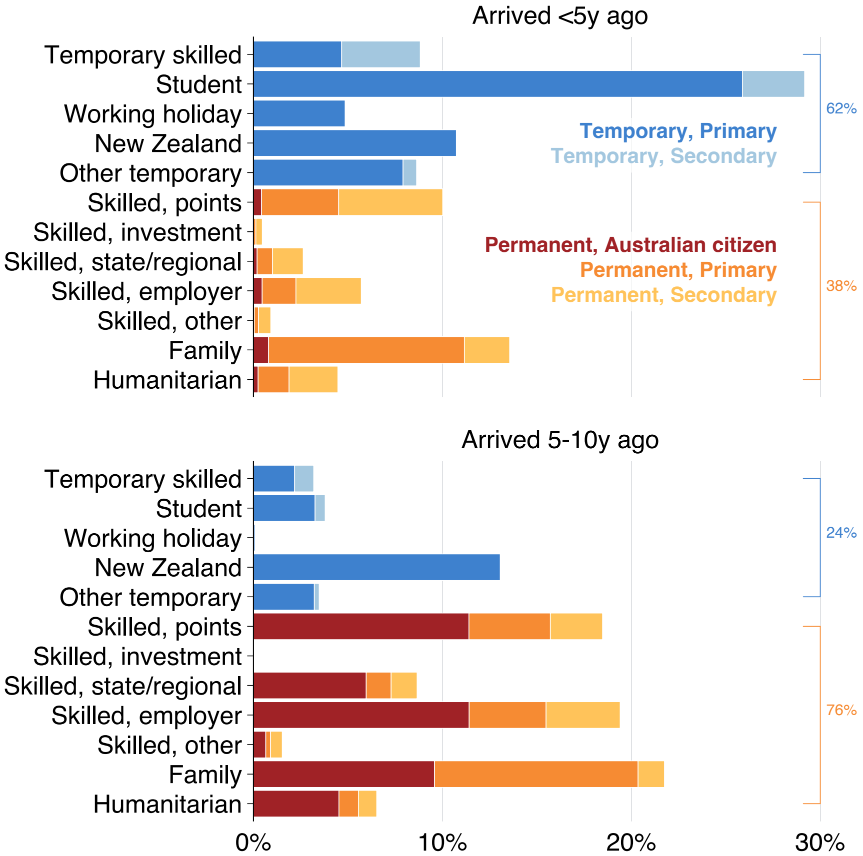
Australian visa levels and outcomes have shifted since 2016.[115] Newer arrivals are more likely to be students now than in 2016, as Figure 3.15

113. In 2020-21, the humanitarian program was cut by 5,000 places, from 18,750 to 13,750, returning the program to its pre-2017 size. The humanitarian intake remains at 13,750 places for 2021-22: Department of Home Affairs (2021a, p. 14).

114. About half of these temporary skilled visa-holders were secondary applicants; see Box 1.

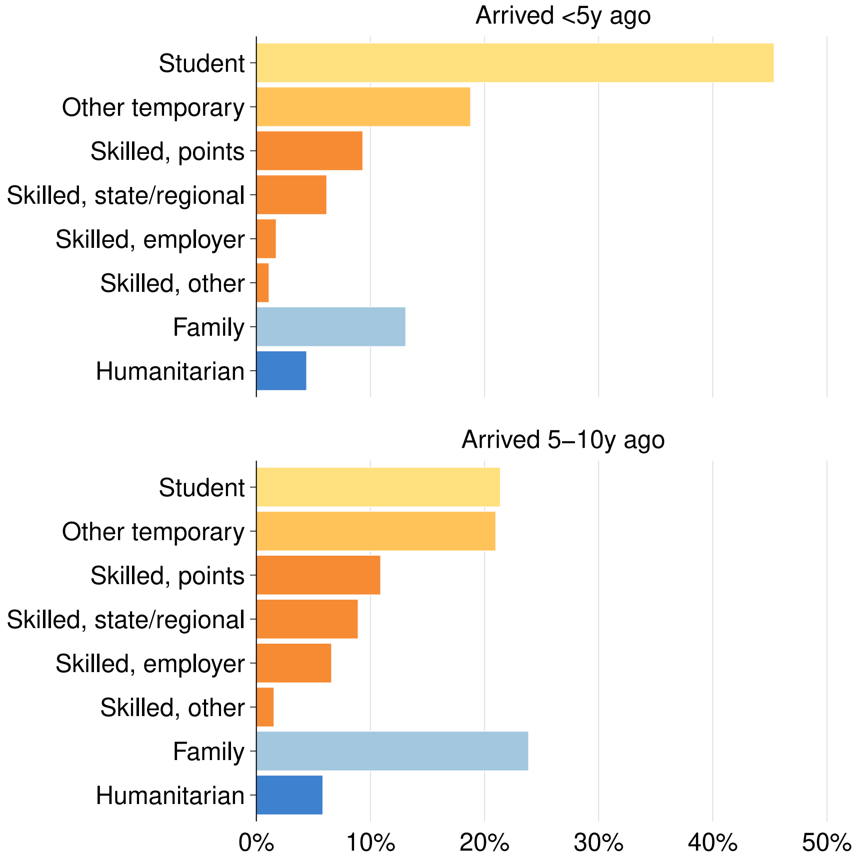
115. See Section 3.4 and Section 3.5.

Figure 3.14: Newer arrivals are more likely to be on temporary visas
Share of arrival group by visa and applicant status, 2016



Source: Grattan analysis of ABS (2016a), ABS (2016b), ABS (2016c).

Figure 3.15: More recent arrivals are more likely to be students
Current visa distribution by years since arrival, 2019



Source: Grattan analysis of ABS (2020a).

shows. As students are less likely to participate in the labour force, and far more likely to work part-time when working, this composition shift will affect the labour market outcomes of recently arrived migrants discussed in Chapter 4.

3.6.2 Visa transitions

Many migrants often move from one visa to another once in Australia.

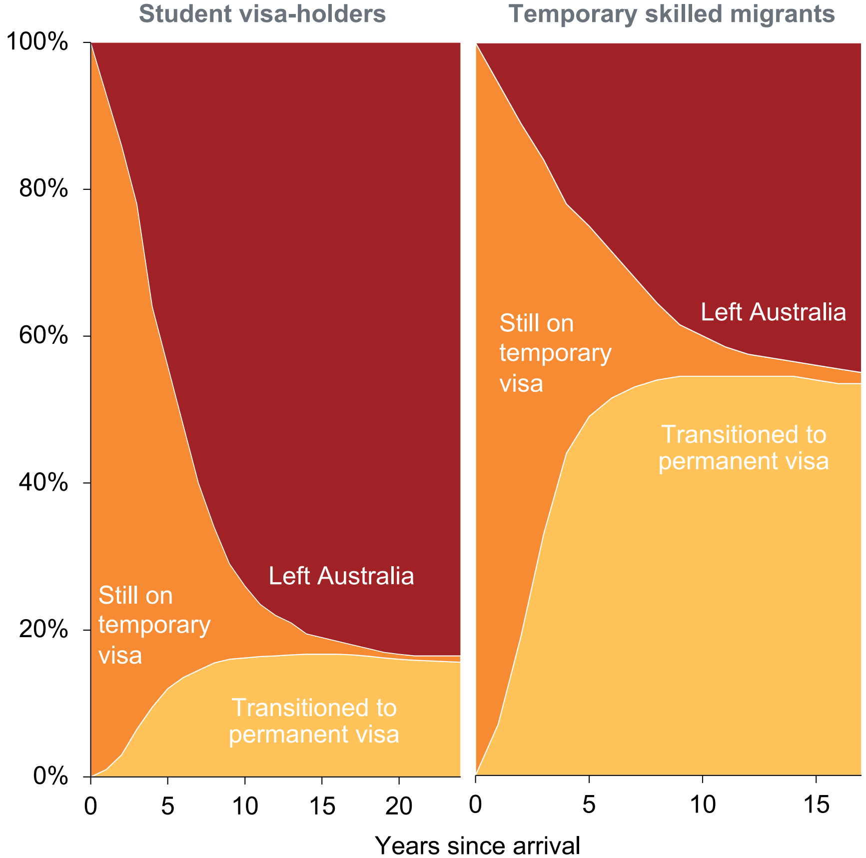
About one in five international students, and half of skilled temporary visa-holders, have historically transitioned to permanent visas (Figure 3.16).[116] While the number of international students on temporary visas has grown significantly in the past decade,[117] the number of permanent visas has not. This means that a lower share of international students are able to obtain permanent residency after they complete their courses.

Figure 3.17 on the following page shows a lower share of temporary skilled workers are transitioning to permanent visas compared to recent years. This is likely driven by that fact that fewer temporary skilled workers are eligible for permanent residency than in the past.[118] From 1996 to 2017, there was an implicit pathway to permanent residency for almost all people on a temporary skilled visa. While about half of all temporary skilled visa-holders transition to a permanent visa historically, many occupations have a much more restricted pathway today and fewer will transition to permanent residency in the future.

The overwhelming majority of permanent skilled visas are granted to people who are in Australia on temporary visas.[119] 86 per cent

Figure 3.16: People on temporary visas become permanent residents in Australia, or they leave

Share of visa-holders



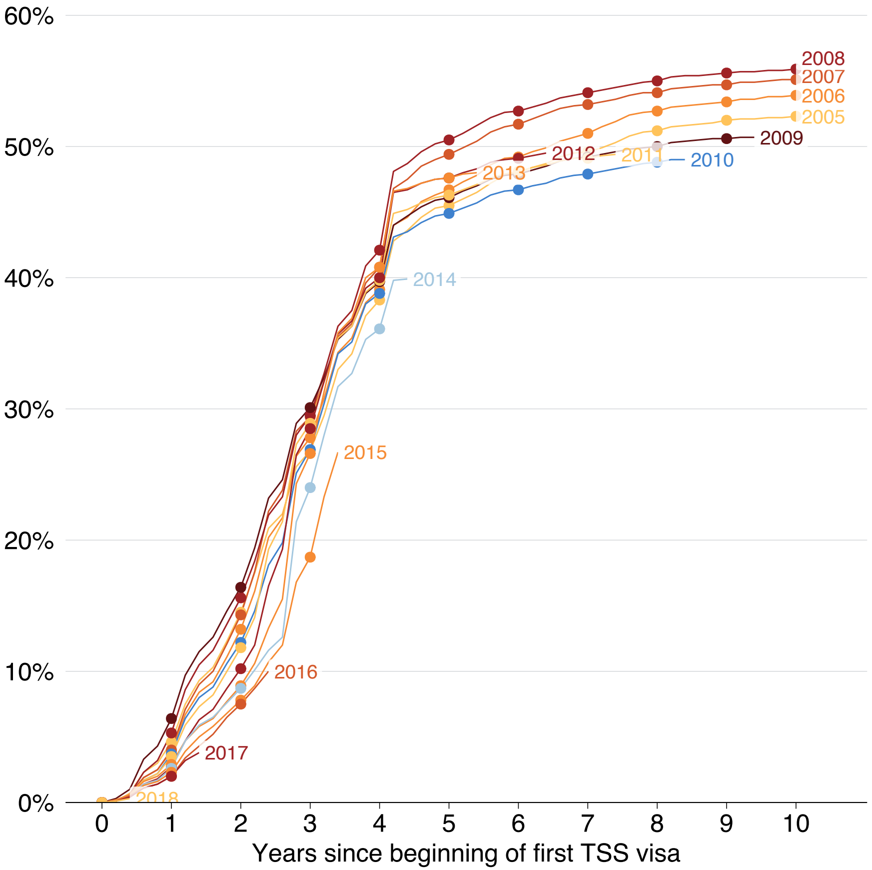
Notes: See Coates et al (2021, Figure 2.4). These visa transition figures are drawn from a joint 2018 Treasury and Department of Home Affairs publication, based on data from 2000-01 to 2013-14. The administrative data underpinning these figures are not publicly available. Given policy changes since 2013, it is highly likely a smaller share of temporary visa-holders are moving to a permanent visa at some point in the future, while a larger share of people remain on temporary visas for longer.

Source: Australian Government (2018, Figures 18-19).

116. The majority do this within five years of their arrival in Australia: Coates et al (2022, Figure 1.9). Note that the rate of transition to permanent residency for international students is difficult to pin down: Norton (2021).
117. See Section 3.4.2.
118. Coates et al (2022, Section 1.5).
119. Department of Home Affairs (2021g, p. 26).

Figure 3.17: The share of temporary skilled visa-holders who transition to permanent residency is declining

Share of TSS visa-holders who have received a permanent visa, by year of first TSS visa approval

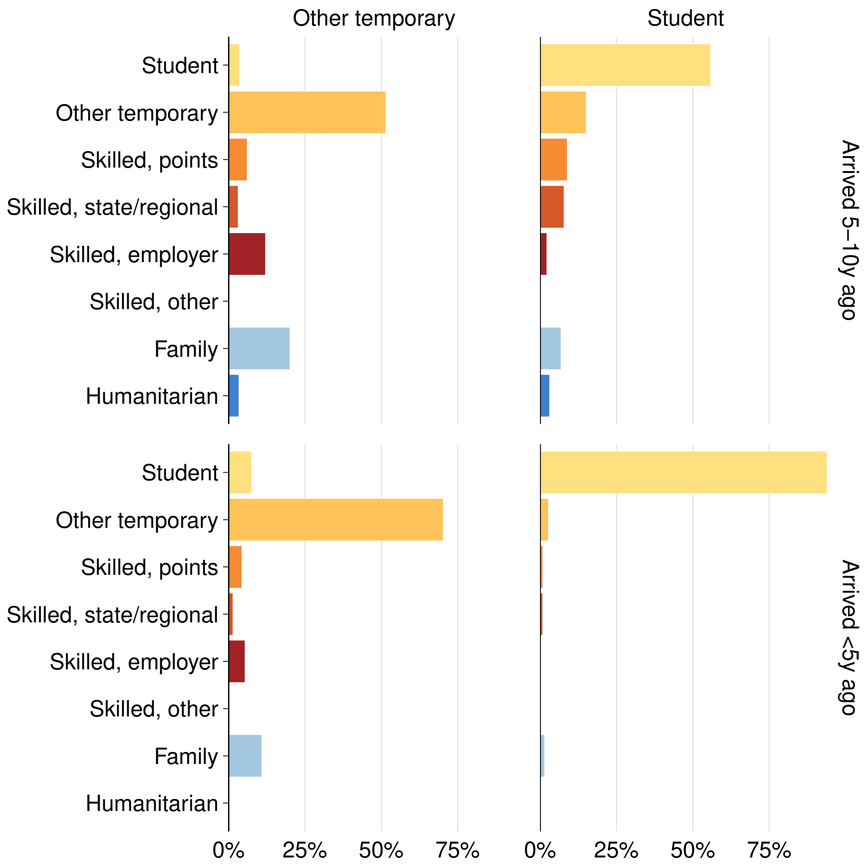


Notes: Includes people on the old temporary skilled-worker visa (subclass 457).

Source: Grattan analysis of ABS (2021c).

Figure 3.18: Students tend to transition to a range of permanent visas

Current visa type by temporary visa on arrival and arrival year



Notes: This excludes people who have left Australia.

Source: Grattan analysis of ABS (2020a).

of employer-nominated visas were granted to people already in Australia, as were 90 per cent of 'Skilled Independent' permanent visas. Business investment goes against this trend, with 89 per cent allocated to people outside of Australia at the time of application.

The high rates of onshore applicants for skilled permanent migrants streams reflect the high rates of temporary-to-permanent visa transitions. More than 80 per cent of employer-nominated visas were granted to people who previously held a TSS visa.[120]

Figure 3.18 shows how visa transitions play out over time. People who arrived in Australia on student visas less than five years ago are most likely to still be on a student visa.[121] But of migrants who arrived between 5 and 10 years ago who remain in Australia, about a quarter have transitioned to permanent residency, moving into the skilled independent, state-nominated, or family visa categories.

120. Coates et al (2022, Figure 2.4).
121. Or have left Australia, which is not shown in Figure 3.18.

4 Recent trends of migrants in the labour force

This chapter uses a number of different sources to explore high-level trends in the skills and labour market outcomes of migrants in Australia. To look at trends across Australia's migrant intake as a whole, rather than specific visas, we examine recent migrants based on their year of arrival to Australia.[122] Migrants are classified as newly-arrived – those who arrived in the past 5 years – or established recent migrants – those who arrived between 5 and 10 years ago.

This chapter shows that newly-arrived migrants are younger and increasingly likely to be studying compared to people born in Australia. This group had high rates of part-time work before the pandemic, with many not participating in the labour force. These trends have been driven by growing numbers of international students and graduates.

Established recent migrants are more likely to work full-time compared to the Australian population. More than half are employed full-time and just one in five are out of the labour force, compared to one in three Australian-born adults.

Recent migrants are also increasingly likely to be highly educated. About half of migrants have a bachelor or postgraduate education when they arrive, and many more gain university-level qualifications during their time in Australia. A quarter of recent migrants have a postgraduate qualification, compared to less than one in ten workers born in Australia.

Despite being younger, recent migrants to Australia are more likely now than in the past to bring professional and managerial work experience with them. When they arrive in Australia, recent migrants are more likely to work in professional roles compared to people born in Australia. This trend is increasing, with a greater share of migrants working in professional or managerial roles now than a decade ago.

Despite higher levels of education and experience, recent migrants earn less today than they did a decade ago. This trend has been driven by higher rates of international students and lower wages for full-time working recent arrivals. Established recent migrants tend to earn about the same as workers born in Australia, and these incomes have grown steadily in real terms.

4.1 A snapshot of migrants in the labour force

Figure 4.1 on the next page provides a snapshot of migrants in the Australian labour market by broad visa category. About 20 per cent of workers in Australia were on a temporary or permanent visa in 2016.[123] Permanent migrants were most likely to be from skilled (points), family and employer-nominated streams (see Section 3.5), while temporary migrants were most likely to be New Zealanders, students or temporary skilled workers (see Section 3.4).

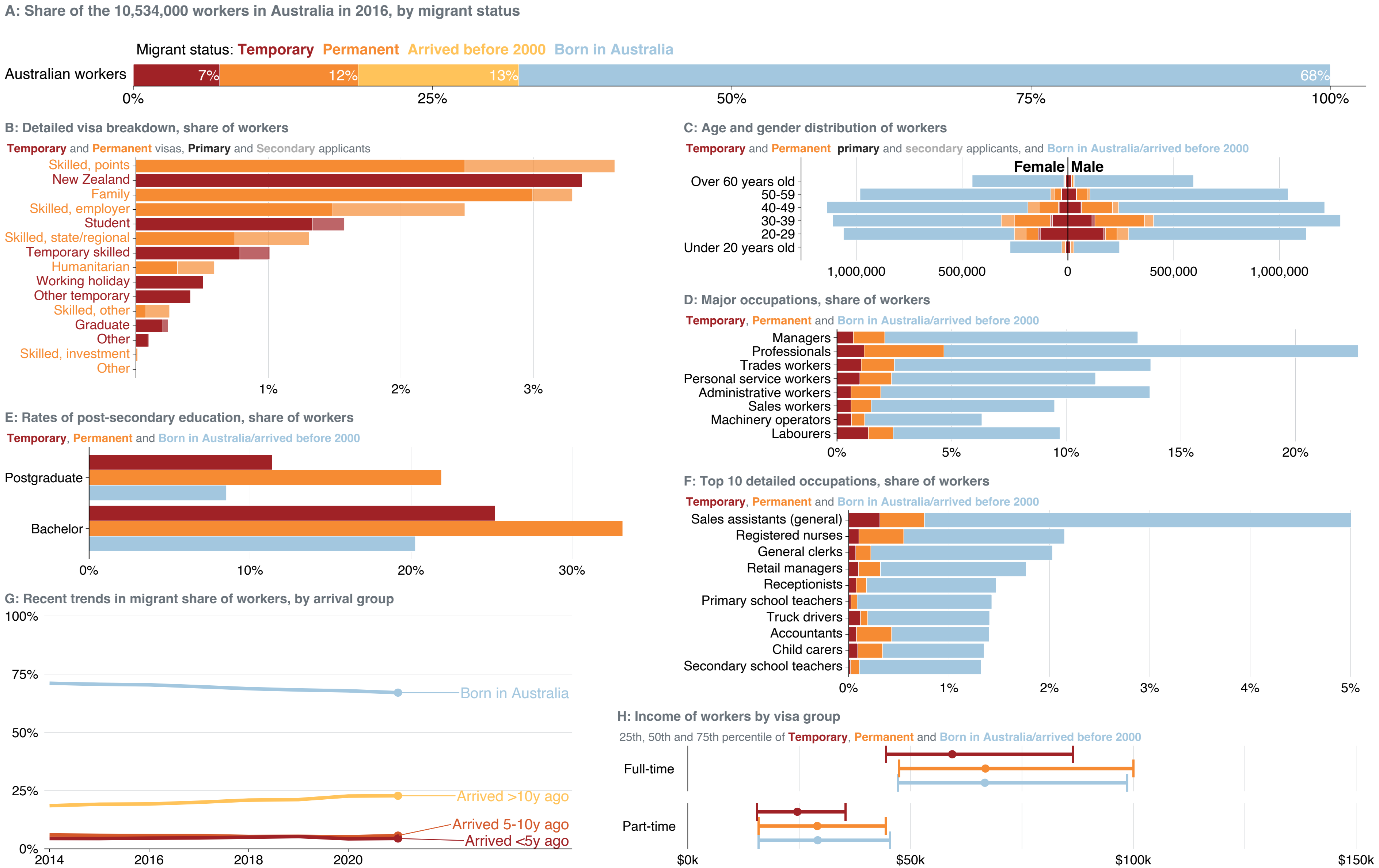
Temporary migrants are more likely to be young and male than the Australian population, while permanent migrants are more likely to be in their 30s and 40s. Both temporary and permanent migrants are more highly educated than people born in Australia.

Permanent migrants are more likely to work in professional occupations than temporary migrants or people born in Australia. Temporary migrants, who are largely New Zealanders and students, are overrepresented in both professional and labouring occupations (see

122. This arrival-level approach is used to allow labour market analysis using the *Characteristics of Employment* survey data between 2014 and 2021: ABS (2021d). The visa breakdown of these year-of-arrival groups is explored in Section 3.6.

123. The year of the last Census with detailed migration data available.

Figure 4.1: Migrants in the Australian labour force



Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Section 4.3). More than half of permanent migrants have a bachelor or postgraduate level qualification.

Overall, permanent migrants earn about the same on average as people born in Australia. Temporary migrants earn less, reflecting their age (see Section 2.6).

These snapshots are provided for each industry and region in Appendices A and B.

4.2 Trends in workers born overseas

About one third of the Australian labour force were born overseas (Figure 4.2). The majority of this group have been in Australia for more than 10 years. Recent arrivals – those who arrived within the past decade – make up about 10 per cent of the labour force.

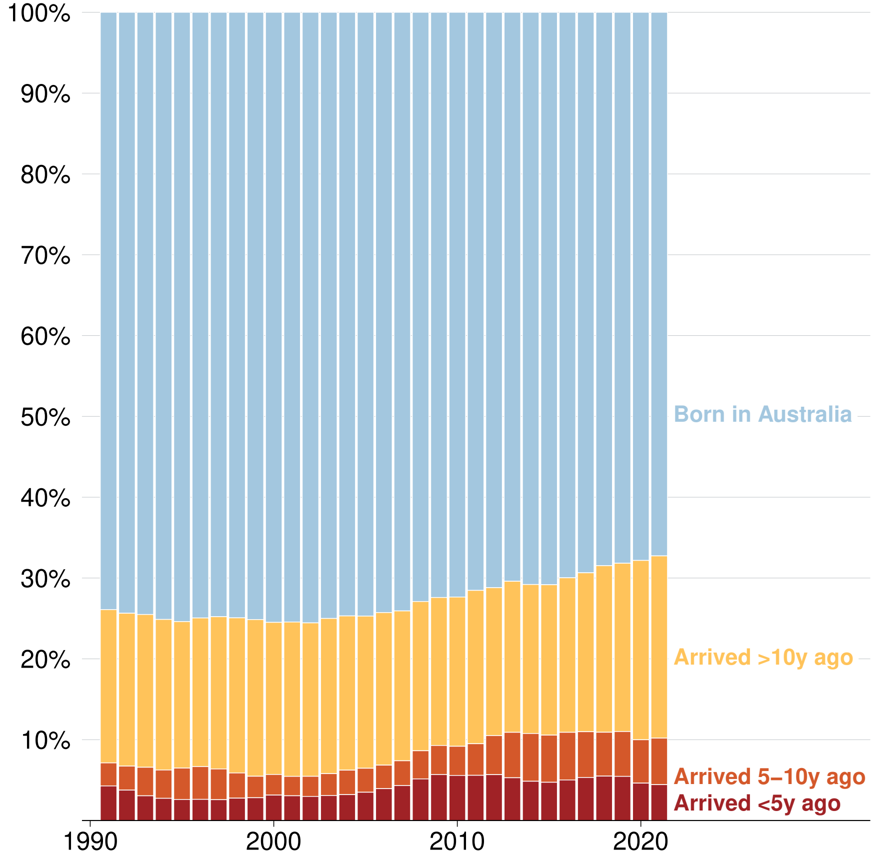
The share of the labour force born overseas has increased over the past 30 years, rising from 26 per cent to 32 per cent today. This growth has come from longer-term migrants, with a greater share of the labour force having arrived in Australia more than five years ago. Those who arrived in the past five years make up about the same share now as they did in 1990, despite dipping in the 1990s and 2000s, and rising again in the 2010s.

4.3 Migrant worker education and experience

The *Characteristics of Recent Migrants Survey*[124] is run every three years by the ABS as a supplement to the Labour Force Survey.

In 2019, it found that there were 1.9 million recent migrants of working age in Australia, defined as residents[125] who arrived in Australia within the past 10 years and were older than 15 years when they

Figure 4.2: About a third of the labour force was born overseas, and one in ten arrived less than a decade ago
Share of the labour force



Source: ABS (2022d, Table LM04).

124. ABS (2020a).
125. See Section 3.2 on page 19.

arrived.[126] Of these, 850,000 were on temporary visas, 615,000 were on permanent visas, and 320,000 had become Australian citizens since their arrival.

4.3.1 Experience

Age

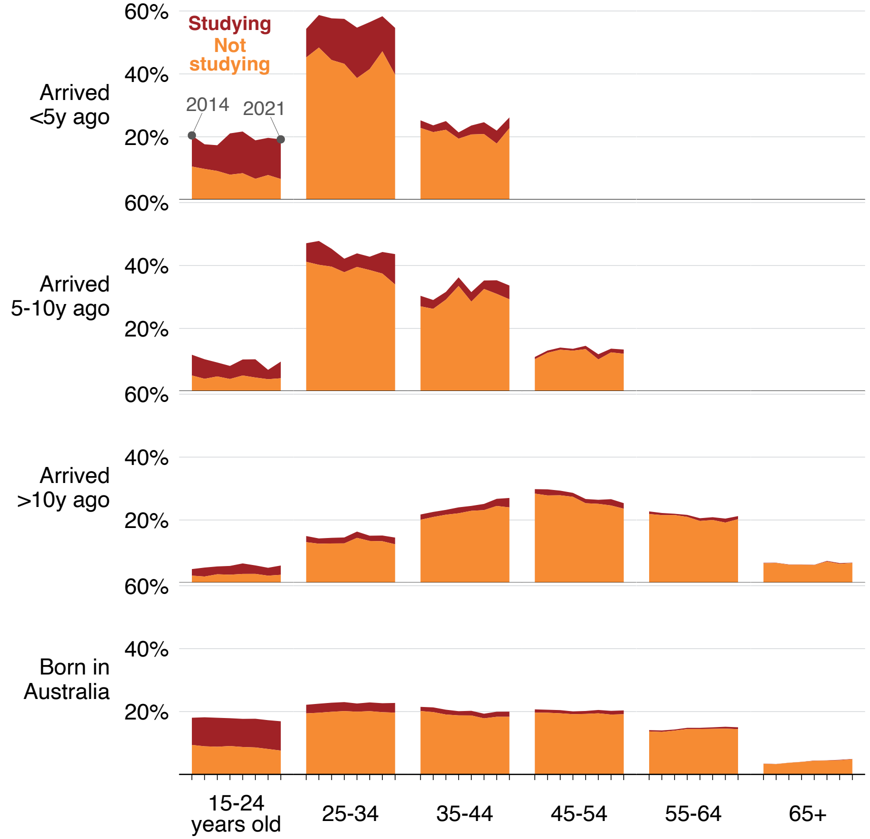
Recent migrants to Australia tend to be young (Figure 4.3). This partially reflects conditions on major visa streams. Most permanent skilled visas have explicit age limits, ranging from 45 for skilled-worker visas, to 55 for business investor visas.[127] Working holiday visa-holders must typically be 18-30 years old.[128]

Temporary visas tend to have age limits implied by their conditions. While student visas do not have an explicit age limit,[129] most visa applicants attending university are under the age of 35 (see Section 3.4.2). And while there is nothing to stop older New Zealanders from coming to Australia, the lack of access to social benefits such as welfare may put an implicit limit on age (see Section 3.4.3).

Overall, Figure 4.3 shows that about 80 per cent of migrants who arrived in Australia less than five years ago are under the age of 35. About three quarters of 15-24 year olds in this arrival group are studying, reflecting the large number of international students that arrived in Australia between 2014 and 2019.[130]

Figure 4.3: Recent arrivals tend to be younger and more likely to be studying

Share of arrival group



Source: Grattan analysis of ABS (2021d).

126. See explanatory notes in ABS (2020a).
127. Except for the Significant Investor stream, which has no age limit. See Coates et al (2021, Tables 5.1 and 7.1).
128. The upper age limit is 35 years for some countries: Department of Home Affairs (2022f).
129. Outside of school age requirements for visa-holders participating in school: Department of Home Affairs (2022l).
130. International student numbers fell when Australia's borders closed due to the pandemic. See Figure 3.5 on page 23.

Those who arrived between 5 and 10 years ago tend to be aged 25-44 years. Compared to those born in Australia, both recent migrant groups are less likely to be over the age of 45. Migrants who have been living in Australia for more than 10 years tend to be older on average than those born in Australia.

Work experience before arriving in Australia

Migrants' levels of work experience before coming to Australia is closely related to their age. Figure 4.4 on the following page shows that, in 2019, about 45 per cent of recent migrants did not have paid work before arriving in Australia, which was down from 60 per cent in 2010. About half of this group had not looked for work since their arrival, a result almost entirely driven by international students.[131]

Overall, recent migrants are now more likely to have professional experience, with more than one in four coming from professional roles in 2019, a higher share than in 2010. Combined with managerial occupations, about one in three recent migrants come to Australia with experience in high-skilled occupations.[132]

4.3.2 Education

Recent migrants tend to have high levels of post-secondary education (Figure 4.5 on the next page).

The largest change in the past decade has been in the share of recent migrants who have a sub-bachelor tertiary education, which fell from about one in five in 2010 to one in ten in 2019. This group has largely been replaced by those with bachelor and postgraduate-level qualifications.

International students make up a large share of the group who attain higher levels of education while in Australia. Students enrolled in a bachelor qualification will usually arrive with no post-secondary qualification and may gain a bachelor degree after arrival; others may arrive with a bachelor degree and obtain a postgraduate degree.[133]

Given the length of a full-time bachelor degree is usually three or four years, a number of international students will be in the process of completing their degree, and therefore be classified as having no post-secondary qualifications on arrival or at the time of the survey.

Other migrants reporting no post-secondary qualifications tend to be working holiday makers, New Zealanders, family and humanitarian visa-holders (see Section 3.4 and Section 3.5).

4.4 Migrant labour market outcomes

Established recent migrants have strong labour force outcomes. They are more likely to work full-time and more likely to work in managerial and professional occupations than people born in Australia. As they are more likely to be aged 25-44 than the overall population, their labour force participation is higher.

Newly-arrived migrants are younger and, as they are more likely to be studying now than in the past, tend to have higher rates of part-time work and lower levels of labour force participation.

4.4.1 Migrant labour force status

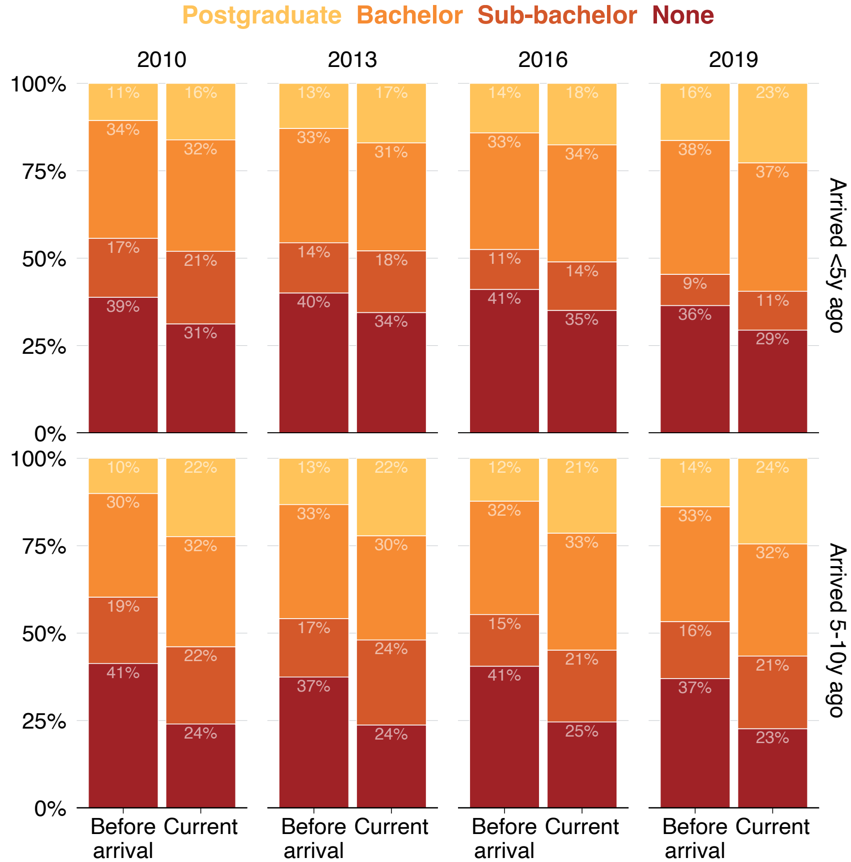
Established recent migrants – those who arrived in Australia between 5 and 10 years ago – are more likely to work full-time, and have higher labour force participation, than people born in Australia.

131. Grattan analysis of ABS (2021d).
132. Recent research has also noted that the experience and skills of some migrants are underutilised: CEDA (2021, Chapter 2). This may reflect assimilation costs: Breunig et al (2013)Chiswick and Miller (2012).
133. International students pay fees for education and spend money in other areas of the economy while they are in Australia. Before border closures, in 2019, international students spent $40b in Australia; $17b on fees and $23b in goods and services: ABS (2020b, Table 9). This dropped to $31b in 2020.

Figure 4.4: Recent migrants are more likely to have skilled work experience
Share of migrant group by occupation prior to arriving in Australia

Source: Grattan analysis of ABS (2020a).

Figure 4.5: Migrants have high levels of education on arrival, and often gain more education while in Australia
Share of migrant group by level of education and survey year



Notes: Sub-bachelor includes certificate and diploma level qualifications. Postgrad includes graduate diplomas, masters and doctorates.

Source: Grattan analysis of ABS (ibid).

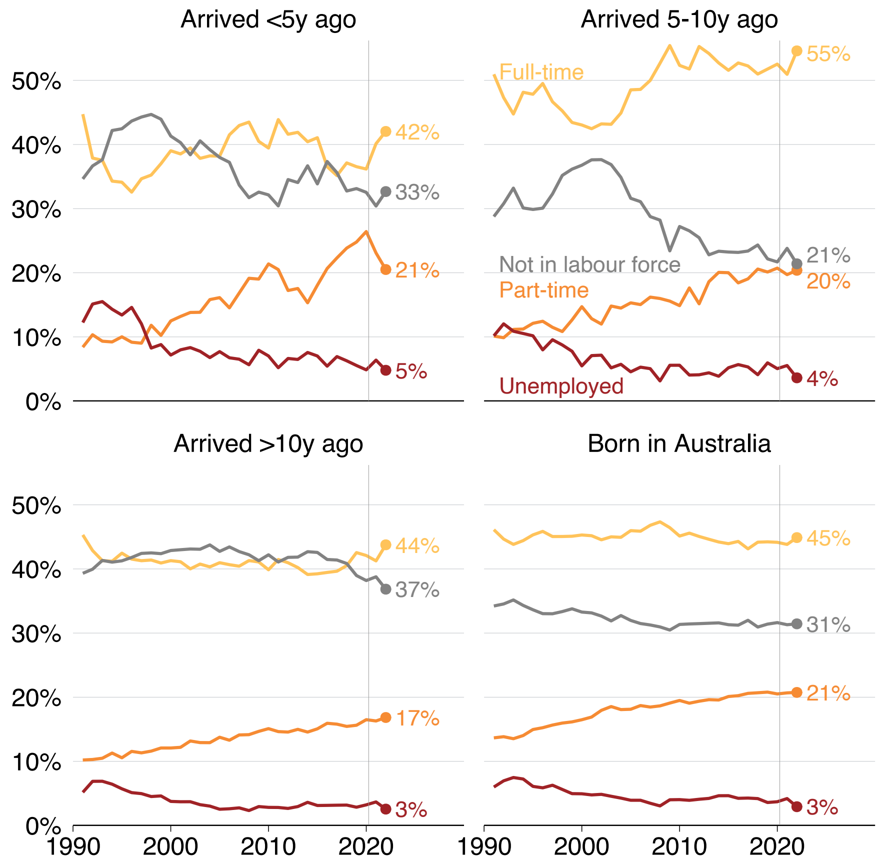
Figure 4.6 shows that 55 per cent of established recent migrants were working full-time, compared to 45 per cent of people born in Australia. Part-time rates and rates of unemployment are similar for both groups, with the difference being driven by labour force participation.[134]

Migrants who arrived in Australia in the past five years have similar overall rates of labour force participation as those born in Australia, albeit for different reasons. Primary skilled migrants have high rates of labour force participation.[135] But about half of this group are university students, who have lower labour force participation than the general working-age population.[136]

Visa conditions for international students only allow 20 hours of work per week during the semester, meaning that part-time work is the only legitimate option for employed students for much of the year.[137] Before the pandemic, about 28 per cent of recent arrivals worked part-time, a higher rate than for those born in Australia. However, the limit on working hours for students was lifted during the pandemic, leading to higher rates of full-time work since the beginning of 2020.

Figure 4.6: Very recent migrants were more likely to work part-time before the pandemic

Share of the labour force



Source: Grattan analysis of ABS (2022d, Table LM04).

4.4.2 Migrant occupations and occupational skill

Recent arrivals to Australia are more likely to work in high-skilled professional occupations or lower-skilled labourer occupations compared to the Australian population.

About one in three migrants who arrived in the past five years work in managerial or professional occupations, a figure that has remained relatively stable for the past decade (Figure 4.7). This is about the

134. Labour force participation is largely driven by age. See Section 4.3.1.
135. See Section 3.4.1 and Section 3.5.1.
136. Only about half of international students are in the labour force. See Section 3.4.2.
137. Although the actual measure of hours worked by international students is difficult to measure. See Section 3.4.2.

same as for people born in Australia, with slightly fewer migrants in managerial positions (reflecting the younger age distribution of recent migrants).

Outside high-skilled occupations, recent arrivals are more likely to work as labourers – especially as cleaners – compared to the Australian population, and less likely to work in administrative occupations. A larger share of this group work as labourers now than in 2014, with fewer working as technicians and trades workers.

Figure 4.7 also shows that migrants who arrived 5-10 years ago are more likely than others to work in professional roles, and that this share has grown in the past decade. People in this arrival group are less likely to work in sales or in administrative roles compared to the Australian-born population.

The tasks performed in managerial and professional occupations usually require university-level education or significant relevant work experience. Occupations that require this level of education are classified as 'skill level 1' by the ABS.[138]

An increasing share of workers in Australia have had high-skilled occupations over the past 40 years.[139] This trend over the past decade is shown in Figure 4.8 on the following page. In 2021, about 35 per cent of established recent migrants (those who arrived between 5-10 years ago) worked in occupations classified as skill level 1, compared to 30 per cent for workers born in Australia. Established recent migrants were less likely to work in skill level 5 occupations, which require little to no education, training or experience.

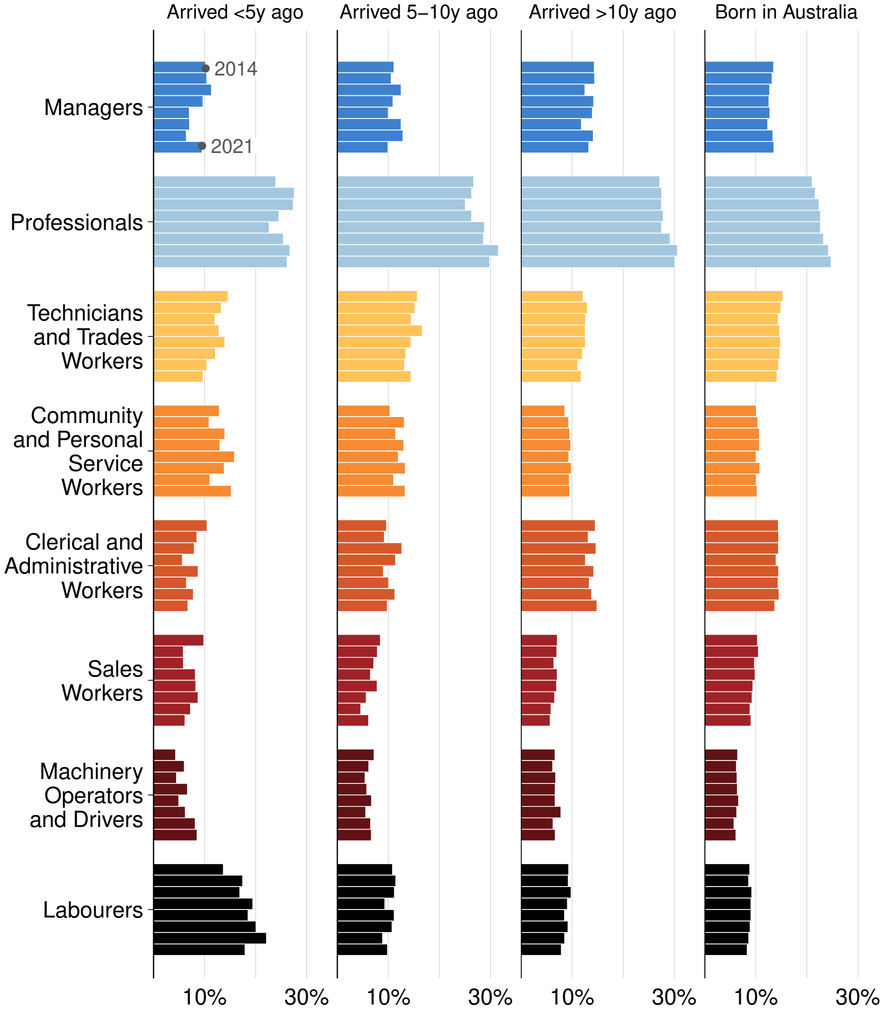
Recent arrivals, who are significantly younger than other groups, work in occupations with lower skill levels. This group is more likely to work

138. See Section 2.2 for details of the ABS classification of occupational skill levels.

139. See Section 2.2 and Figure 2.2 for more detail about this trend. See also Daley et al (2017, Section 1.2).

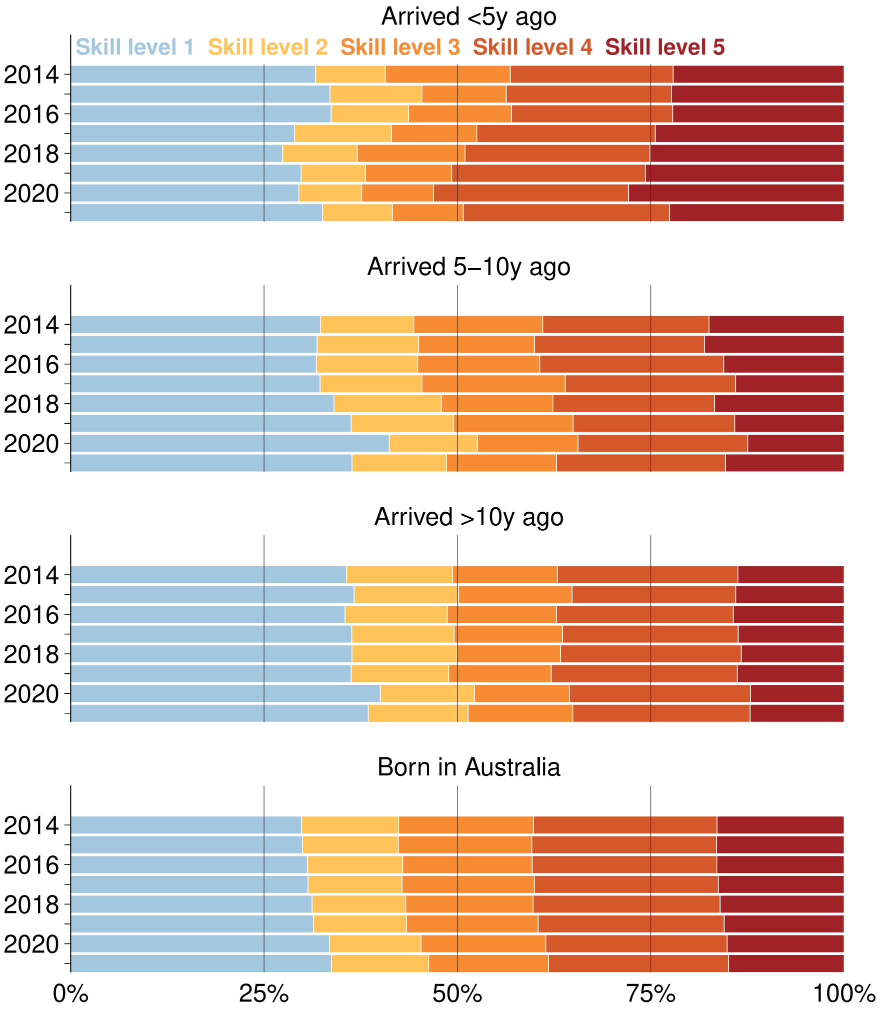
Figure 4.7: Established migrants are more likely to work in professional occupations

Major occupation share by arrival group



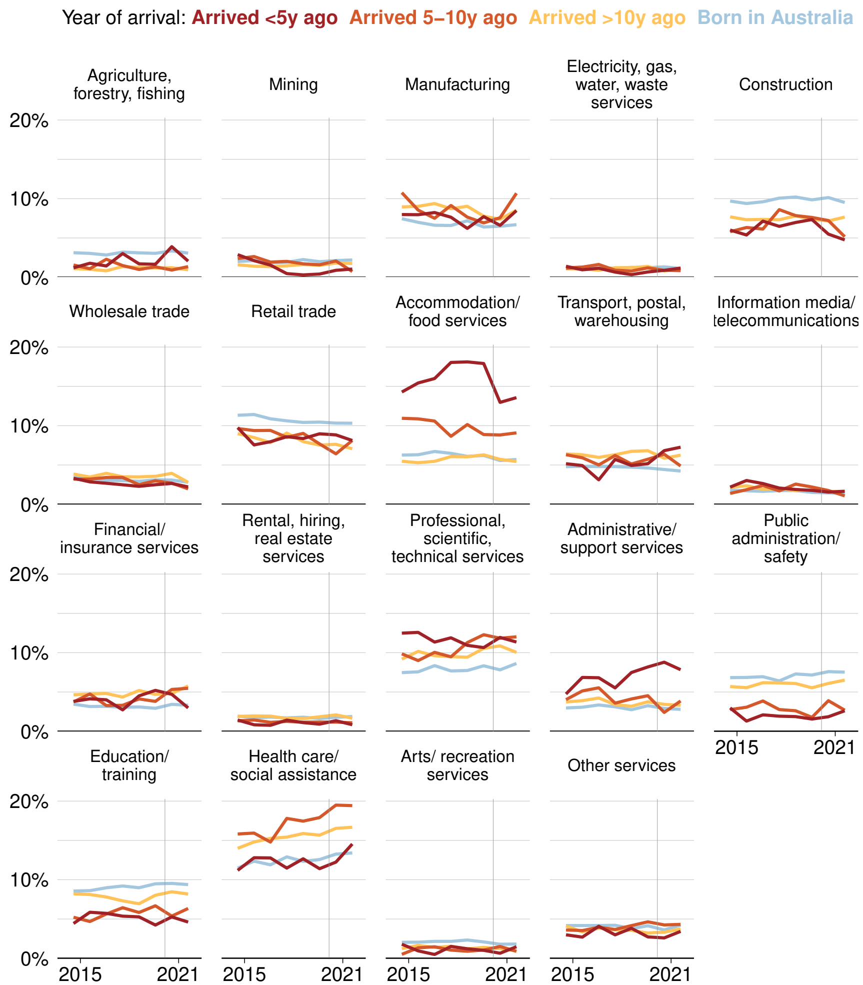
Source: Grattan analysis of ABS (2021d).

Figure 4.8: Very recent arrivals are more likely to work in lower-skilled occupations than established migrants
Share of migrant group by skill level



Source: Grattan analysis of ABS (2021d).

Figure 4.9: New migrants are more likely to work in the accommodation and food services industry
Industry share by arrival group



Notes: The vertical line at the beginning of 2020 indicates the start of Australia's border closures.

Source: Grattan analysis of ABS (ibid).

in skill level 4 and 5 occupations than other migrant or Australian-born groups, largely driven by the labour force behaviour of international students and working holiday makers.[140]

4.4.3 Migrant industries

Australia, like most advanced economies, has seen a transition to service-based industries.[141] Overall, the industry of employment for migrants generally matches the distribution of workers throughout the Australian economy. But migrants are more or less likely to work in some industries than others.[142]

Figure 4.9 on the previous page shows the share of workers of each arrival group by industry, as categorised by ANZSIC (see Section 2.3).[143] Compared to Australian-born workers, migrants from all years of arrival groups are more likely to work in the professional, scientific and technical services industry.

Recent migrants (about 15 per cent) and established recent migrants (9 per cent)are more likely to work in the accommodation and food services industry, compared to older arrivals and workers born in Australia (about 6 per cent).

People born in Australia are more likely to work in retail trade, construction, and public administration than those born overseas.[144]

Established recent migrants are increasingly likely to work in the health care and social assistance industry, up from 16 per cent in 2014 to almost 20 per cent in 2021. This is significantly higher than current levels for both recent arrivals (14 per cent) and workers born in Australia (13 per cent).

4.4.4 Migrant incomes

As is the case with all workers, the salaries migrants earn are driven by the factors described above: their experience, labour force status, occupation, industry, and a host of others.[145]

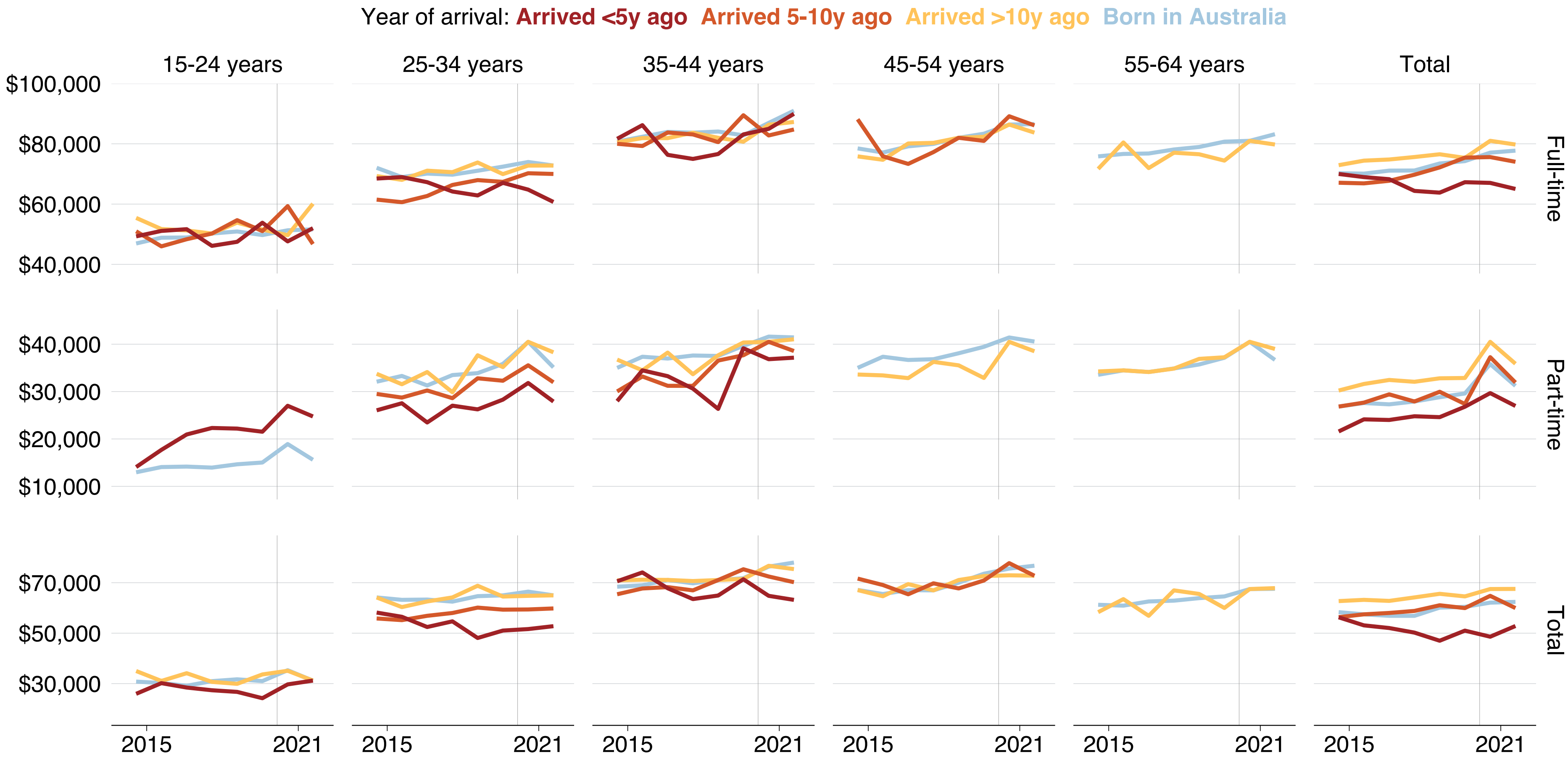
Incomes of migrants who arrived less than 5 years ago

As recent migrants tend to be younger and more likely to be studying than the general population (shown in Section 4.3), they tend to earn less on average than established migrants or people born in Australia (Figure 4.10 on the following page). About 20 per cent of recent migrants are aged 15-24 years and have an average annual income of $30,000 ($25,000 for part-time workers, and $50,000 for full-time workers).

Despite full-time incomes remaining flat, and part-time incomes rising significantly, the typical young recent migrant had a lower income before the pandemic than they did a decade ago, reflecting an increase in international student rates driving a higher share of part-time work.[146] Median incomes rose for this group in 2020 as limits on international student working hours were lifted and some moved to full-time work (as shown in Section 4.4.1).

140. See Section 4.4.1, Section 3.4.2 and Section 3.4.4.
141. See Daley et al (2017, Chapter 1).
142. Industries are classified by ANZSIC division, which is outlined in Section 2.3.
143. This figure shows the distribution of migrants by industry. Industry-level analysis – i.e. what share of a particular industry's workforce has a migrant background – is discussed in Chapter 5 and shown in Appendix A.
144. Some jobs within the public administration and safety industry are restricted to Australian citizens.
145. See Section 2.6. Some migrants to Australia, especially those from non-English speaking backgrounds, face wage gaps compared to people born in Australia which closes slowly over time: Breunig et al (2013). See further research on migrant labour market assimilation at Chiswick and Miller (2012).
146. Part-time incomes for young people jumped across the board in 2020, driven by temporary wage subsides: Daley et al (2020, Section 3.2).

Figure 4.10: Lower incomes for newly arrived migrants are driven by age and labour force status
Real median annual income by age and labour force status



Notes: Inflated to 2021 dollars using CPI. The vertical line at the beginning of 2020 indicates the start of Australia's border closures.
Source: Grattan analysis of ABS (2021d).

More than half of recent migrants are 25-34 years old. Despite only slightly higher full-time and part-time earnings, this age group earns more than $50,000 on average, reflecting the greater propensity to work full-time compared to the younger cohort.

But Figure 4.10 on the previous page shows that full-time incomes for this group have fallen in real terms over the past decade, from $70,000 in 2014 to $60,000 in 2021. This may reflect the increasing number of young new arrivals on graduate visas, who tend to have relatively poor labour market outcomes soon after graduation.[147] The fall also coincides with a fall in the number of temporary skilled workers in Australia, who typically earn more than other temporary migrants.[148]

Incomes of migrants who arrived 5-10 years ago

Established migrants – those who arrived in Australia 5-10 years ago – earn roughly the same income as people born in Australia, both at the aggregate and within most age/labour force status panels in Figure 4.10. Overall, this group has seen their incomes rise in real terms over the past decade.

4.5 How migrants affect employment and wages of people already in Australia

Many Australians worry that migrants are going to 'take jobs' or suppress their wages.[149] But there is limited evidence that immigrants take jobs or materially reduce the incomes of Australians, at least in aggregate. Migration adds to both demand and supply of labour; and capital adjusts quickly, allowing job creation. Migrants' impact on the wages and employment of incumbent Australians appears small on average, consistent with the small effects found in most international studies. However, concentrated migrant inflows can have larger impacts on the wages of incumbent workers, depending on the skills of both migrants and incumbents.

4.5.1 Migrants add to both the supply and demand for labour

New arrivals to Australia don't just look for work. They also consume goods and services. In doing so, they add both to the number of people who work and the number of jobs available. After all, the number of jobs in Australia is not fixed, but changes in response to changes the population.[150]

Migrants to Australia typically consume about as much as incumbents. Households of people born in Australia and of those who arrived in the past decade spend roughly the same. Figure 4.11 on the next page shows that, with a few exceptions, households consume a similar basket of goods. The notable exception is housing: incumbent households spend more on mortgages, while the newly-arrived group spend more on current housing costs, including rent.

Recently arrived migrants in particular tend to add more to labour demand than they add to labour supply. Migrants who arrived in Australia less than 10 years ago spend, on average, nearly $200 more

147. The number of primary graduate visa-holders has grown from 20,000 to 70,000 between 2014 and 2021. International graduates have higher rates of unemployment and high rates of non-professional work compared to both the general population and domestic graduates: QILT (2022, Table 1). See also Section 3.4.2.

148. See Section 3.4.1. The trends and distributions of temporary skilled migrant incomes are discussed in detail in Coates et al (2022).

149. About one in three Australians agree or strongly agree that 'immigrants take jobs away' when they enter the labour market. For people who think that Australia's migration intake is too high, about 60 per cent think migrants take jobs away: Coates et al (2021, Figure 3.1).

150. See Figure 2.1 on page 7. The misconception that there is a fixed amount of work is known as the 'lump of labour' fallacy.

than they earn. In contrast, established migrants tend to spend about the same as they earn.[151]

4.5.2 Capital investment appears to adjust quickly to migration

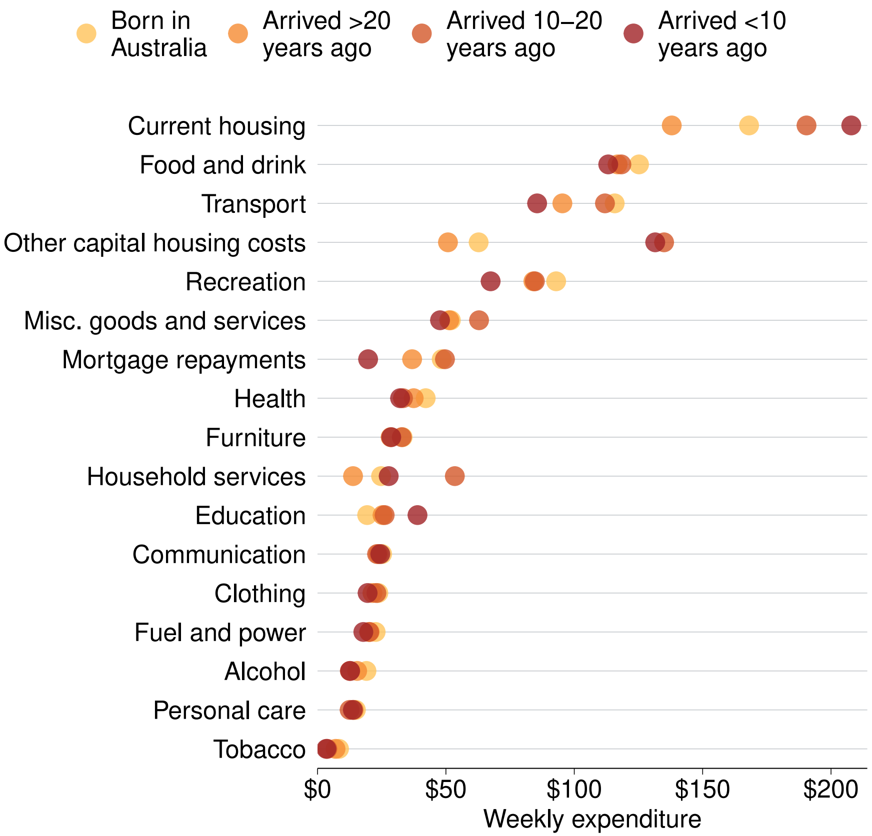
Some worry that Australia's comparatively high levels of migration reduce the amount of capital – the equipment, buildings, land, and other assets – that each Australian worker has to work with, thereby reducing their wages.[152] Yet capital investment appears to adjust quickly to, and often in advance of, migration that adds to the labour supply.[153] Australia is a small, open economy with good access to global capital markets. Australia's capital stock per person has risen rapidly over time. Australia's permanent migrant intake is planned in advance and, despite some yearly fluctuations, is relatively consistent over time (Figure 3.4 on page 22).

4.5.3 Migration appears to have had little overall impact on Australian workers

The existing Australian evidence, albeit imperfect, finds little impact of migration on Australian workers.[154] Breunig et al (2016) used several Australian data sources to explore how incumbents' wages and employment adjust to a change in the proportion of similarly-skilled migrants in the labour force. They found no evidence that migration harmed the aggregated labour market outcomes of incumbents.[155] Another more recent analysis using updated data arrived at the same conclusion.[156]

151. Households with the reference person aged 18-65 only. Grattan analysis of ABS (2017a).
152. Garnaut (2021) and Borjas (2013).
153. Peri (2016).
154. See Brell and Dustmann (2019) for a recent summary of the Australian literature.
155. There was also no effect on wages for incumbents with less experience in the labour market: Breunig et al (2016, Table A.4).
156. Committee for Economic Development of Australia (2019).

Figure 4.11: The spending of migrants and incumbents is broadly similar
Average weekly household expenditure per adult, by year of arrival and age of household reference person



Notes: Data are in 10-year age groups, from 20-29, 30-39, and so on to 80-89. Dollars are per adult (aged 15 or older) and inflated to current dollars using CPI.

Source: ABS (2017a).

These findings are generally consistent with the vast international literature examining the aggregate impact of migration on the labour market. In a 2019 literature review, Edo (2019) found that 'the impact of immigration on the average wage and employment of native workers is null or slightly positive'.[157]

4.5.4 Concentrated migration can have larger impacts on local workers

While migrants may not affect incumbents' wages on average, migration that is highly concentrated in sectors of the labour market can have bigger impacts on the wages of incumbents working in those sectors.[158] Where migrants are concentrated in certain sectors they will tend to reduce local workers' wages with substitutable skills.[159] But where migrants bring different skills – and complement the work of incumbents rather than competing with them – migration can boost the wages of incumbent workers, especially in cases where they switch jobs.

In general, selective migration that prioritises high-skilled workers tends to reduce wage inequality between high- and low-skilled incumbent workers, whereas migration focused on low-skilled workers is more likely to suppress the wages of low-skilled incumbent workers.[160]

However, when faced with migrant competition, some similarly-skilled incumbents switch occupations to use skills in which they have a comparative advantage, such as communication and knowledge about local markets. This shift in occupation can mitigate any downward wage pressures on incumbents from concentrated migration.[161]

Australian evidence, albeit limited, is consistent with this story. For example, after examining data on more than one million temporary visas for high-skilled workers in Australia,[162] Crown et al (2020) found that when the share of skilled temporary migrants in a particular labour market rose, incumbents moved to occupations that used more communication abilities rather than physical abilities, and their wages increased significantly. Wages also rose the most for low-skilled Australian workers.[163] Similarly, economic modelling for the Migration Council of Australia suggests that Australia's comparatively high-skilled migrant intake will boost the wages of low-skilled workers and reduce the wages of high-skilled workers.[164]

4.5.5 Migrants' labour rights, if unenforced, can also affect Australian workers' wages

Migrants can suppress the wages of incumbent workers if migrants' labour rights, such as the right to award minimum wages, are not

157. See also Roodman (2014). These are aggregate effects. There may be distributional effects that lower employment or wages for some incumbents, e.g. in Dustmann et al (2017) and Edo (2019).
158. Some Australian commentators have raised concerns that concentrations of lower-skilled temporary migrants in particular sectors such as hospitality are suppressing the wages of lower-skilled incumbent workers in those sectors. See: Garnaut (2021, pp. 77–78), Daley (2019) and Hutchens (2021).
159. For example, Borjas and Doran (2012) examine the impact of a large, post-1992 influx of Soviet mathematicians on the productivity of their US counterparts, finding that the influx reduced the number of pre-existing American mathematicians employed in US universities.
160. See: Edo (2019) for a review of the literature. Peri and Sparber (2009) found that foreign-born lower-skilled workers specialise in occupations intensive in manual-physical labour skills, while similarly-skilled incumbents pursue jobs more intensive in communication-language tasks. However, in some cases high-skilled migrants may have replaced incumbent high-skilled workers at lower wages. See: Doran et al (2015).
161. Peri (2016, pp. 13–14). Instead, negative wage effects resulting from an immigrant influx should be more concentrated on previous migrants who are usually the closest substitutes for new immigrants.
162. More than 60 per cent worked in 'professional' occupations considered the highest skill level by the ABS.
163. In other words, while the wages of particular *occupations* subject to intense competition from migrants may fall, the incomes of incumbent *workers* tend to rise as they adjust to that competition by shifting to other (often higher paid) jobs.
164. Migration Council Australia (2015, p. 20).

enforced.[165] For instance, a Fair Work Ombudsman review of 20 7-Eleven stores found that 60 per cent appeared to be underpaying staff, and record-keeping was inconsistent, incomplete, or misleading in 95 per cent of stores.[166] Allan Fels, appointed by 7-Eleven to investigate, said:

> 'My strong impression is that the only way a franchisee can make a go of it in most cases is by underpaying workers.'[167]

Temporary visa-holders are more at risk of exploitation than permanent visa-holders, since the latter are no longer required to meet conditions – such as retaining employment – in order to remain in Australia or seek a permanent visa.[168] Where migrants' labour rights have not been enforced, the wages of similarly-skilled incumbent Australians employed in the same sectors can also suffer. However, these issues reflect problems with the design of temporary work visas – and the enforcement of existing labour laws in settings where migrant workers are concentrated – rather than problems with the selection of permanent migrants. These issues are likely to be the subject of future Grattan Institute reports.

4.5.6 COVID border closures and incumbent wages

The closure of Australia's international border in response to the pandemic, together with the rapid recovery in Australia's labour market,[169] have led some commentators to conclude that border closures are the main driver of Australia's recent strong labour market.[170] It's true that the number of migrants fell dramatically over the past two years (Figure 3.5). And border closures meant that money that would have otherwise been spent overseas has been spent at home.[171]

But fewer migrants largely reduced both the demand for and supply of labour in Australia, and is likely to have had little impact on the employment prospects and wages of Australian workers in aggregate. Recent Grattan Institute analysis showed that unprecedented fiscal and monetary stimulus, rather than closed borders, is the main driver of Australia's record-low unemployment rate.[172]

Nonetheless, relative to wages in other sectors, it is likely that border closures boosted the wages in sectors where temporary migrants – especially students and working holiday makers – make up a large share of the labour force. Before the pandemic, about one in six workers in hospitality were temporary migrants, many of them international students.[173] There are roughly half as many international students in Australia now as in 2019, and working holiday makers – who made up about 4 per cent of the agriculture workforce – are almost entirely absent. However, any increase in wages in these sectors due to border closures is likely to be offset by slower growth in wages in other sectors of the economy that would normally benefit from temporary migrants' consumer spending.

165. Daley (2019).
166. Fair Work Ombudsman (2016).
167. Ferguson and Toft (2015).
168. Productivity Commission (2016a, p. 29). See also Chapter 5.
169. Unemployment fell to 4 per cent in March 2022, the lowest level since August 2008: ABS (2022a).
170. See Hutchens (2021) for example.
171. Australians spend more overseas each year than Australia makes from tourists coming here: Duckett and Mackey (2020, p. 38). Closing the border might have contributed $28 billion to Australia's trade balance compared to 2019.
172. It shows that the effect of stimulus is about 7-to-8 times larger than the effect of the border closure: Ballantyne et al (2022) and Ballantyne (2022).
173. Ballantyne et al (2022); and Ballantyne (2022).

5 Migrants in key industries

The Australian labour market is divided into 19 industry 'divisions' (see Section 2.3). Figure 2.5 on page 11 shows that most of the growth in jobs in Australia since the 1980s has come from service sectors with high shares of professional workers, especially in education, health care, professional services and public administration.

Between 20 and 40 per cent of the workforce were born overseas. Some industries employ many more migrants than others. Migrants make up a particularly large share of the workforce in hospitality, professional services, manufacturing, healthcare, and administrative services. Whereas migrants make up a smaller share of the workforce in agriculture, public administration, education, and construction.

This chapter shows which migrants work in sectors where migrants account for a larger share of the labour force, specifically: professional services, mining, agriculture, hospitality, and health and aged care.

Even in industries where they make up a sizeable share of the labour force, migrant workers often hold very different visas. For example, Figure 5.1 on the following page shows that while both the accommodation and food services and financial industries have about 40 per cent of their workforce born overseas, the former relies far more heavily on temporary visa-holders.

Appendix A provides detailed profiles of migrant workers in each industry, and shows where migrants work in each industry, including what visas they hold, what occupations they work in, what qualifications they hold, and what they earn.

5.1 Professional, scientific, and technical services

The professional, scientific, and technical services industry employs a large number of high-skilled migrants from various visa streams. About 15 per cent of the industry are permanent or temporary skilled migrants (Figure 5.1).

About 800,000 people worked in this industry in 2016. Of these, 16 per cent were permanent migrants who arrived after 2000 and 7 per cent who were in Australia on a temporary visa.

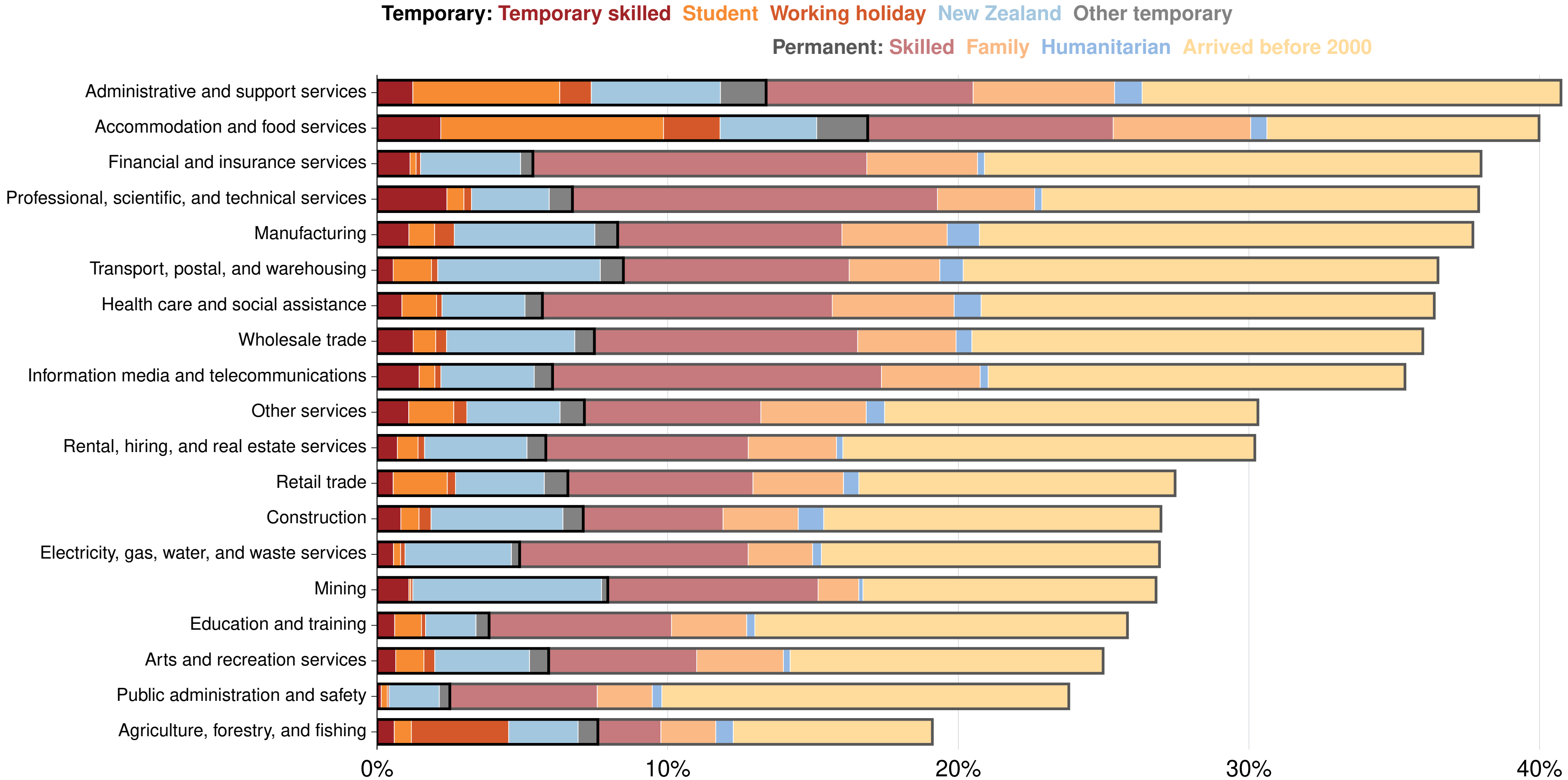
Overall, about 40 per cent of workers in the professional services industry were born overseas.

Two thirds of people in the professional services industry work in managerial or professional occupations. Migrants make up a large share of both the industry's top occupations: accounting and software programming.

Permanent migrants in the professional services industry are typically skilled independent (7 per cent of labour force); employer-nominated (3 per cent); and family (3 per cent). A substantial minority are secondary applicants. Permanent migrants in the professional industry are highly educated, with more than one in three having a postgraduate education. Just 15 per cent of Australian-born workers in the industry have postgraduate qualifications.

Temporary migrants in this industry are typically New Zealanders (2.8 per cent) or temporary skilled workers (2.5 per cent). Temporary migrants have much higher levels of education than workers in the industry who were born in Australia. One in four hold a postgraduate qualification, and a further half hold a bachelors degree.

Figure 5.1: Between 20 and 40 per cent of workers in all industries were born overseas
Share of industry workers by migrant status, 2016



Notes: The remaining share were born in Australia. Permanent visa group are those who held a permanent visa between 2000 and 2016.

Source: Grattan analysis of ABS (2016a), ABS (2016b), ABS (2016c).

Both migrants and incumbents working in professional services earn high wages compared to other workers in Australia. Temporary migrants earn marginally lower wages on average than others in this industry, likely reflecting the fact that they are younger.[174]

The complete profile of the professional services industry is shown on Figure A.13 on page 91.

5.2 Accommodation and food services

The accommodation and food services industry (hospitality) has the largest share of migrants in its workforce. In total 40 per cent of workers in the sector were born overseas, including 17 per cent of workers who hold temporary visas and a further 14 per cent on permanent visas. Many migrants working in the sector are relatively unskilled.

Temporary migrant workers are most likely to be students (8 per cent of the workforce), New Zealanders (3 per cent), temporary skilled workers (2 per cent) and working holiday makers (2 per cent). Permanent migrants working in hospitality are from the family program (5 per cent), the employer-nominated skilled program (4 per cent) and the skilled independent (points) program (3 per cent).

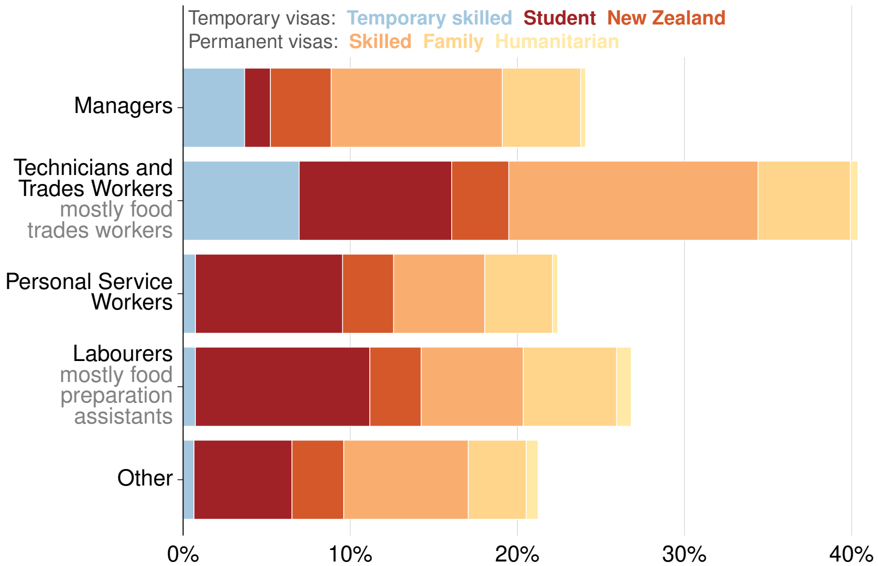
Migrants in the hospitality industry work in similar occupations to incumbents. Waiters, kitchenhands, bar attendants and café and restaurant managers make up the some of the top occupations for both migrants and incumbents.

However, temporary and permanent migrants make up almost half of all chefs and cooks in Australia. Cooks and chefs have been sponsored extensively by employers over the past decade for both permanent and temporary skilled visas. Since 2017, the occupation of 'cook' is on the Short-Term Skilled Occupation List (STSOL), whereas 'chef' is on the Medium- and Long-term Strategic Skills List (MLTSSL), making a cook ineligible for permanent residency via employer sponsorship unless it is through the regional stream.[175]

An official assessing a visa application where a chef is nominated must decide based on the ANZSCO classification whether this person is indeed a chef, or whether they are a cook. This task is almost impossible to perform in an objective manner without relying almost entirely on what the employer is claiming. After cooks became ineligible for a permanent employer-sponsored visa in 2017, there was a

Figure 5.2: Most migrants working in the hospitality sector are permanent migrants, students, or New Zealanders

Share of total employees in Accommodation and Food Services by occupation and visa



Source: Grattan analysis ABS (2016a), ABS (2016b), ABS (2016c).

174. Figure 4.10 on page 59 shows the difference in incomes of workers by age and migrant status.

175. Coates et al (2021, p. 68). See also Box 2.

precipitous fall in the number of cooks sponsored by employers on temporary skilled worker visas, while the number of applications from chefs increased.[176]

Median incomes for the hospitality industry are low compared to other industries. Incumbents and migrants had median full-time incomes below $50,000 a year in 2016. Even temporary skilled workers earn comparatively low wages. Coates et al (2022, Figure 4.4) shows that the median wage for a temporary skilled visa holder working in the hospitality industry is about $60,000 – less than the industry average, and lower than in any other industry.

As temporary migrants make up such a large share of some occupations in hospitality, the sharp reduction in international students in Australia since the beginning of the pandemic has led to labour shortages (Section 4.5.6).

See Figure A.8 on page 86 for the full profile of migrants in the accommodation and food services industry.

5.3 Health care and social assistance

Health care and social assistance employs a large number of migrants: 37 per cent of workers in the industry were born overseas, including 15 per cent of the labour force who held a permanent visa in 2016, and a further 6 per cent who held a temporary visa.

Health care is, overall, a success story of permanent skilled migration. The industry has high levels of workers on skilled independent (more than 4 per cent of all workers), employer-sponsored (almost 4 per cent) and state-sponsored (1.5 per cent) permanent visas, as well as a large number of family visa-holders (4 per cent).

Permanent migrants working in the sector have higher levels of education than temporary migrants or incumbents, with 20 per cent having a postgraduate qualification and a further 45 per cent holding a bachelor degree. Permanent migrants are most likely to work as registered nurses – they account for around one quarter of all registered nurses in the sector. The next most popular jobs for migrants in the industry – aged and disabled carers, child carers, and nursing support staff – require less training. The aged care workforce is discussed in the following Section 5.4.

The broad range of skills required for key occupations mean that workers in the health care industry have a wide distribution of incomes. The middle 50 per cent of full-time workers earn between $50,000 and $100,000, while part-time workers earn about half that. The full-time income distributions are similar for incumbents and temporary migrants, with permanent migrants earning more on average, reflecting their higher overall levels of education and skills.

Figure A.17 on page 95 provides a full profile of migrants in the health care industry.

5.4 Aged care residential services

Aged care is an industry class within the health care and social assistance division.[177] Figure 5.3 shows that more than 70 per cent of workers in the aged care sector are citizens, with a share of these citizens born outside Australia. In particular, citizens dominate the higher-skilled occupations, making up 85 per cent of managers and more than 70 per cent of nurses and care workers.

Only 3 per cent of personal service workers and 4 per cent of labourers hold a temporary skilled migration visa. Of these, almost all are the spouses of workers being sponsored for a different job. The remaining

176. Coates et al (2021, Figure 7.8).

177. See Coates et al (2022, Appendix C).

workers hold different visas. Figure 5.4 shows workers have either a temporary or permanent visa.

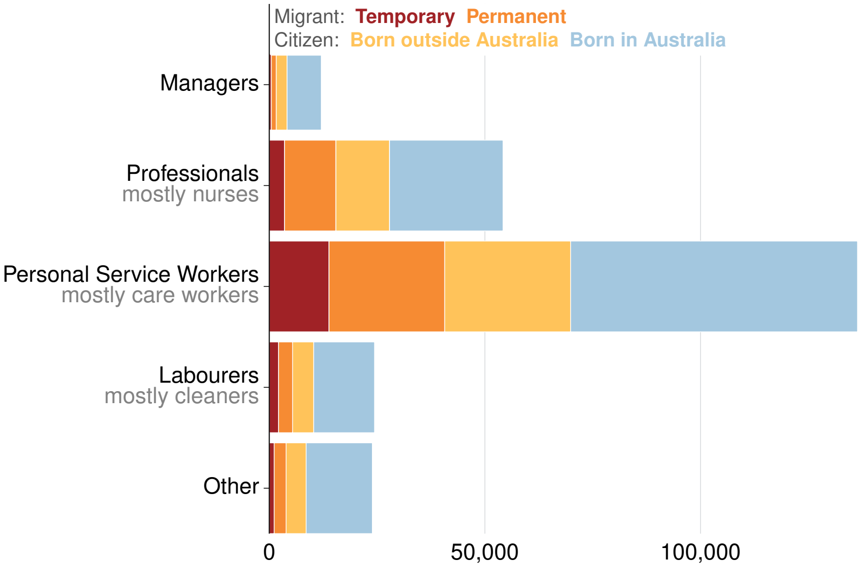
Temporary migrants make up a small share of the aged care workforce overall, and a slightly larger share of care workers and cleaners.

Figure 5.5 and Figure 5.6 on the next page use more recent data to show there has been no major change in the composition of the aged care workforce since the 2016 Census.

There has been a small increase in the total number of care workers who arrived in Australia less than five years ago, to about 12 per cent of all care workers. Based on more detailed visa information drawn from the Census, they are a mixture of New Zealand citizens, new permanent migrants, and international students, as opposed to people who hold temporary skilled work visas.

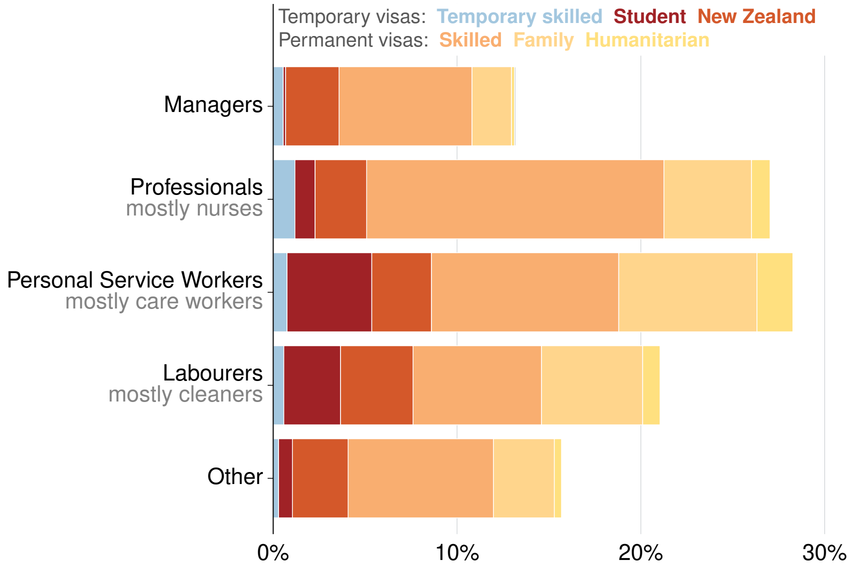
The share of care workers who were born in Australia has been declining, from about 58 per cent in 2014 to 47 per cent in 2021. Instead, the industry appears to rely on migrant workers who have been in Australia for some time.

Figure 5.3: Most people working in the aged care sector are citizens
Share of total employees in the residential care services industry by occupation, 2016



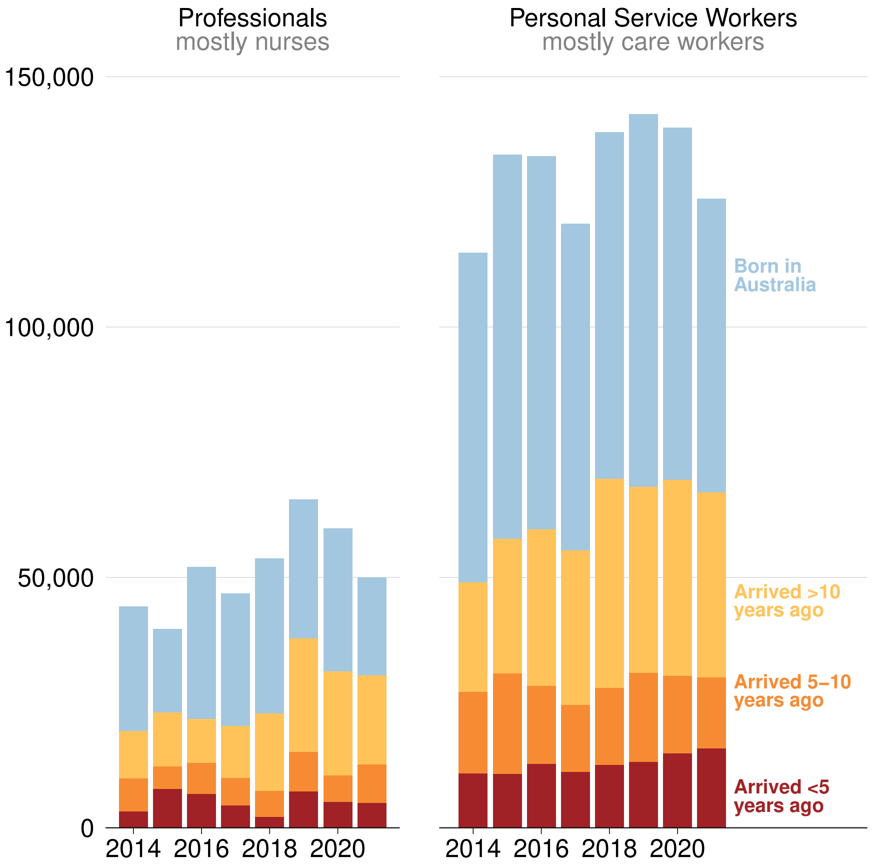
Source: Grattan analysis of ABS (2016a) and ABS (2016c).

Figure 5.4: Most migrants working in the aged care sector are permanent migrants, students, or New Zealanders
Share of total employees in residential care services by occupation and visa



Source: Grattan analysis of ABS (2016a) and ABS (2016c).

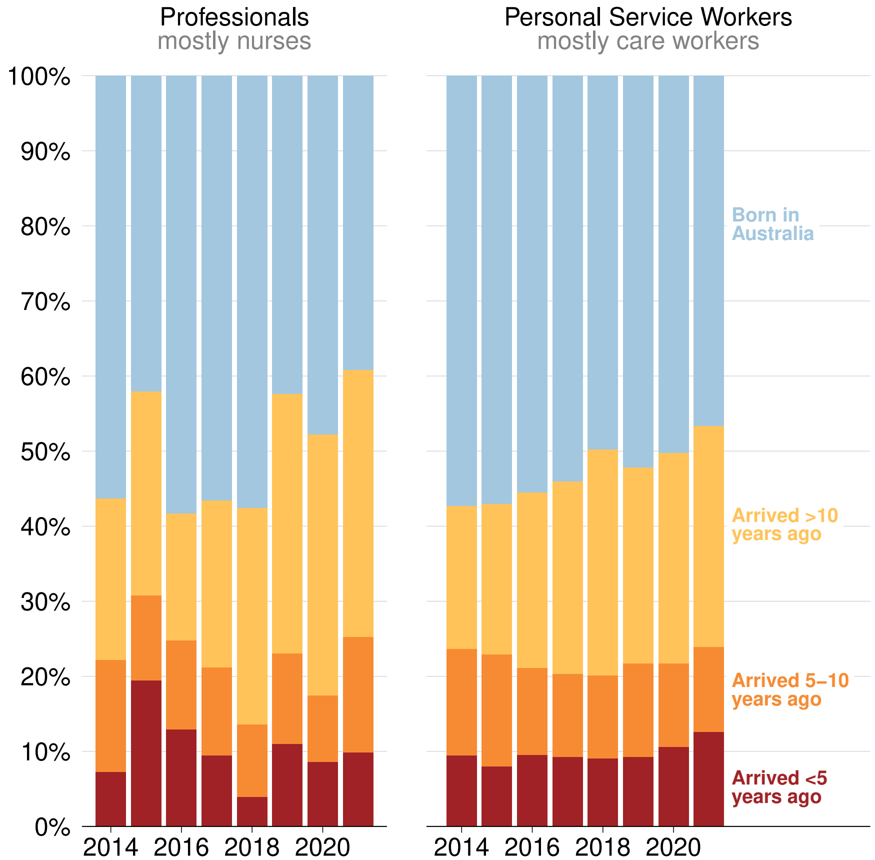
Figure 5.5: Most aged care workers were born in Australia or are long-term residents
Number of the residential care services workforce by year of arrival in Australia



Note: Only professionals and personal service workers shown.

Source: Grattan analysis of ABS (2021d).

Figure 5.6: There has been a modest increase in the share of care workers born overseas in the past decade
Share of the residential care services workforce by year of arrival in Australia



Note: Only professionals and personal service workers shown.

Source: Grattan analysis of ABS (ibid).

5.5 Mining

The mining industry has used migration address both high-skill and low-skill labour shortages in remote regions. About 27 per cent of the mining industry workforce was born overseas, slightly less than the Australian average of 32 per cent. About 9 per cent of workers in the mining industry are permanent visa-holders. Permanent migrants tend to be employer-nominated and skilled-independent, with a smaller share of family and state-sponsored visa-holders.

A further 8 per cent of mining workers are temporary visa-holders. Temporary workers are almost entirely New Zealanders (7 per cent of all workers), or temporary skilled workers (1 per cent).

Migrants in the mining industry are most likely to be in the broad occupation groups of machinery operators and drivers, and technicians and trades workers. Key occupations were drillers, miners, and shot firers; metal fitters and machinists; truck drivers; and mining engineers. Permanent migrants tended to bring higher levels of education – one in five had a postgraduate qualification – and made up a larger share of professional-level occupations, such as mining engineers. Temporary migrants working in mining tend to be less educated, and have broadly similar educational qualifications to mining workers born in Australia.

Despite low levels of education and high levels of low-skill work, temporary migrants in the mining industry earn incomes that are significantly above the Australian average, and broadly in line with those of their Australian-born co-workers. The median wage for full-time temporary migrants in 2016 was $130,000, well above the median full-time wage in Australia of about $65,000 in 2016,[178] and marginally below the median full-time wage of Australian-born mining workers of $140,000 a year. Permanent migrants earned slightly more on average – $145,000 for full-time workers – partly reflecting higher levels of education and occupation skill.

The complete profile of migrants in the mining industry is shown on Figure A.2 on page 80.

178. ABS (2017b).

5.6 Agriculture, forestry, and fishing

Agriculture employers comparatively fewer migrants than other industries in Australia. Fewer than 20 per cent of workers in agriculture were born overseas, the lowest of any industry (Figure 5.1). Five per cent held permanent visas and 8 per cent were on temporary visas.

Temporary visa-holders in this industry are typically working holiday makers and New Zealanders. Agriculture employs a significant proportion of working holiday makers, who make up 3.3 per cent of the workforce. This reflects changes to the working holiday visa in 2005, which allowed working holiday makers to apply for a second-year visa if they completed three months of 'specified work' in regional Australia.[179] Specified work includes plant and animal cultivation, fishing and pearling, tree farming and felling, mining and construction.[180] A further 2.4 per cent of agricultural workers in Australia are New Zealanders. Family visa-holders account for about a further 2 per cent of agricultural workers and permanent employer-sponsored visa-holders another 1 per cent.

However, these figures are unlikely to capture seasonal workers from the Pacific, who can access to Australia through the Pacific Australia Labour Mobility (PALM) stream.[181]

179. Joint Standing Committee on Migration (2020, Par 2.8).
180. Ibid (Par 2.9).
181. This visa was introduced in 2022 and replaces the seasonal worker program: Department of Home Affairs (2022m). See also Stead (2021).

Migrants working in agriculture tend to have low levels of education, with more than half having no post-school qualifications. This partly reflects the age requirements of the working holiday visa,[182] and the labour-intensive occupation of crop farmworker (including fruit pickers), which is mostly held by temporary visa-holders. However, migrants – including both temporary and permanent visa-holders – tend to be more educated than incumbent Australians working in the sector.

Workers in agriculture tend to earn comparatively low wages. Median full-time wages in agriculture are below $50,000 a year for permanent and temporary migrants and incumbents alike. Temporary visa-holders in agriculture earn particularly low wages – half of full-time workers earn less than $45,000.

See Figure A.1 on page 79 for the full profile of migrants in the agriculture industry.

182. Applicants must be under the age of 30, with some exceptions, see Section 3.4.4.

6 Migrants across the regions

This chapter examines where migrants live and work across Australian cities and regions. It shows that migrants tend to cluster in our major cities – especially Sydney and Melbourne (Figure 6.1 on the following page). Residents who were born overseas make up a much larger share of the population of our major cities than they do elsewhere in the country.

Migrants tend to concentrate in Australia's cities at higher rates than incumbent Australians, reflecting the greater opportunities on offer. These patterns reflect those seen across most OECD countries: migrants are more likely to settle in built-up areas, and two thirds of the foreign-born population in the OECD live in urban areas. Australia is no exception.[183]

Some regional areas have greater concentrations of migrants than others. Mining areas are more likely to rely on temporary and permanent visa-holders to fill skilled and unskilled positions. Some agricultural areas have higher shares of working holiday makers. Sunny areas like the Gold Coast tend to attract higher shares of New Zealanders. Appendix B shows labour force and migrant profiles for each greater capital city and each regional area in Australia.

Where migrants do initially settle in regional areas, they are more likely to move to major cities over time than people born in Australia. This suggests that visa conditions requiring migrants to live and work in regional areas are at least partially unwound as migrants choose to shift to Australia's major cities once free to do so.

183. See Daley et al (2019, p. 45).

6.1 Most migrants settle in urban areas

Migrants are more likely to settle in Australia's capital cities than its regions,[184] and this has been the case since the 1980s.[185] Capital cities have more than double the rate of people born overseas than regional areas (Figure 6.2). In Sydney, about 40 per cent of the 2016 population was born overseas, with 8 per cent on temporary visas, 13 per cent on permanent visas and 17 per cent having arrived in Australia before 2000.[186] Melbourne and Perth have similar rates.[187]

Compared to other capital cities, Brisbane has a relatively higher share of temporary migrants, with 9 per cent of its population on a temporary visa.[188] Hobart has a lower share of migrants than other capital cities. Only about 15 per cent of people living in the Tasmanian capital were born overseas, with 4 per cent on temporary visas and 6 per cent on permanent visas.[189]

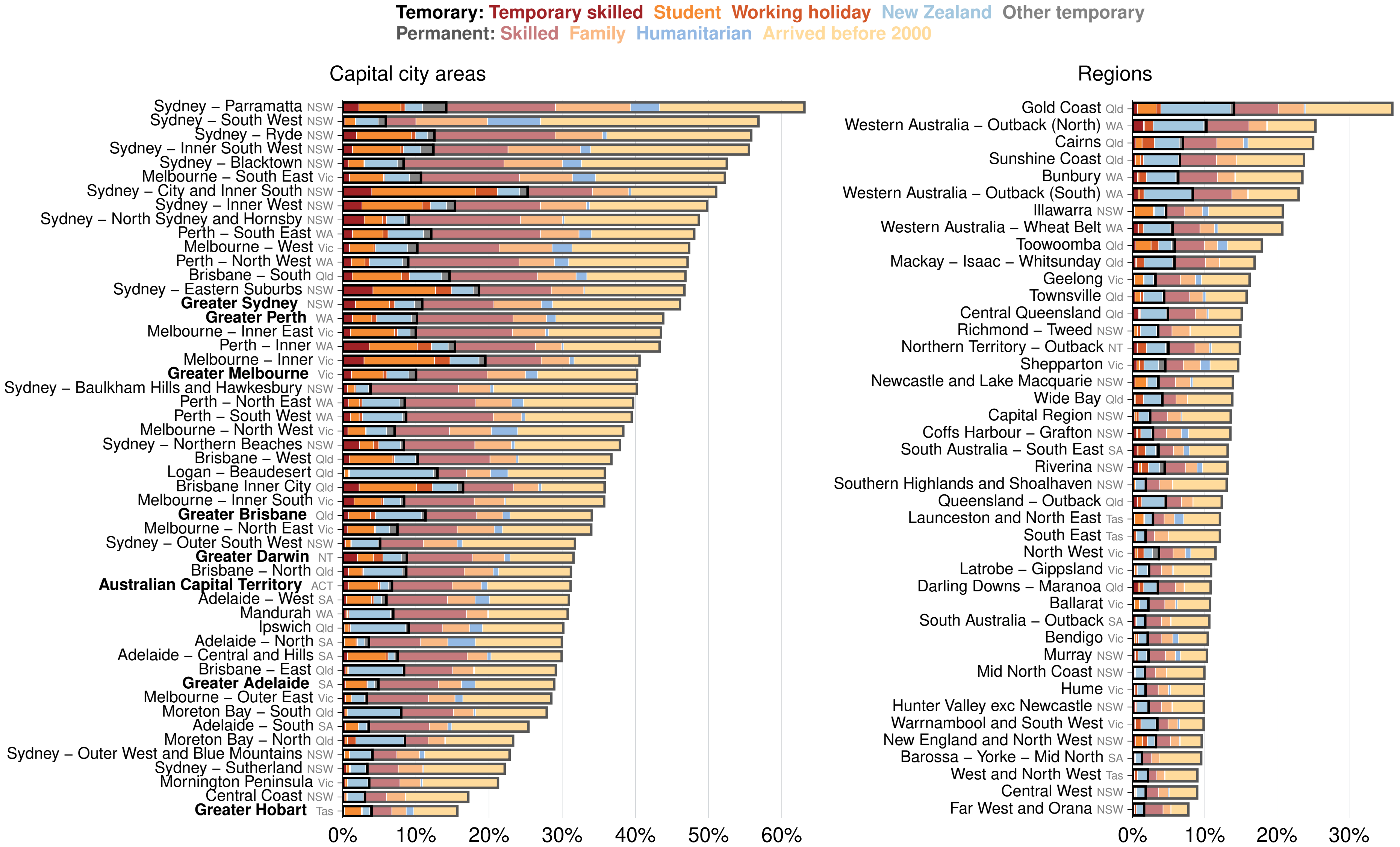
International students tend to be the largest group of permanent migrants in Australia's capital cities. In each of Canberra, Melbourne and Sydney, about 3 per cent of the population are international students (Figure 6.2 on page 74).

New Zealanders make up more than 5 per cent of Brisbane's population, and almost 4 per cent of Perth's. This trend reflects

184. See Productivity Commission (2016b) and Daley et al (2017, pp. 24–25).
185. Raymer et al (2020, pp. 222–227). Throughout the past 35 years, Sydney has been the most popular destination for migrant arrivals.
186. See Figure B.1 on page 99.
187. See Figure B.2 on page 100 and Figure B.5 on page 103.
188. See Figure B.3 on page 101.
189. See Figure B.6 on page 104.

Figure 6.1: Capital cities have far larger shares of recent migrants than regional areas

Region share of working-age population by migrant status



Notes: The remaining share were born in Australia. Areas are ABS SA4s. The permanent visa group are those who held a permanent visa between 2000 and 2016. See Appendix B.

Sources: Grattan analysis of ABS (2016a), ABS (2016b), ABS (2016c).

significant levels of internal migration – movements after initial arrival in Australia – of New Zealanders to these capital cities.[190]

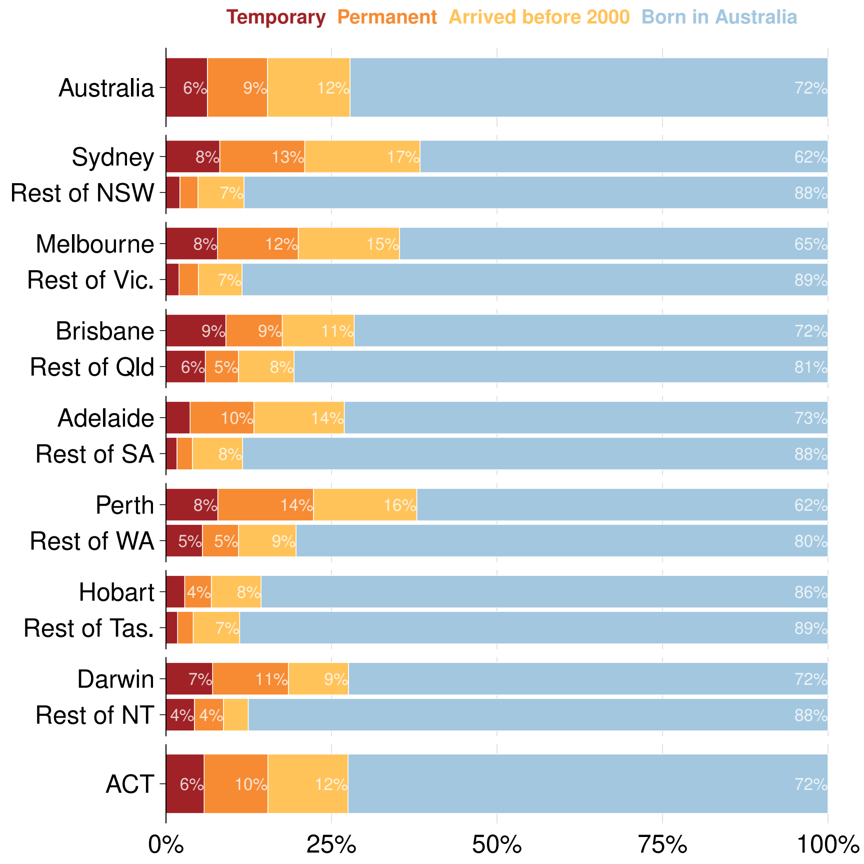
Much of Australia's population growth today is the consequence of migration.[191] While permanent migrants add to population slowly, over the past decade a large share of population growth in the cities has been driven by temporary migrants, especially through the rise of international students.[192]

Patterns of settlement don't vary much across visa classes. Permanent and temporary visa-holders overwhelmingly reside in Australia's major cities, although a greater share of working holiday makers and New Zealanders reside in regional Australia (Figure 6.3 on the next page).

Permanent migrants are also more likely to settle in capital cities, especially in Perth (where 14 per cent of the population has a permanent visa), Sydney (13 per cent), and Melbourne (12 per cent) (Figure 6.2). This likely reflects the role of existing migrant communities in attracting new migrants, but also reflects better economic opportunities offered by our major cities. Incomes tend to be higher in the cities.[193] There are more job opportunities, especially in specialised and developing areas such as technology. Skilled migrants who settle in cities are more likely to find a job that they are willing and able to do, and if they lose their job, to find another one quickly. It is more worthwhile to specialise, and working with specialists also helps people to develop more specialist skills themselves.[194]

Figure 6.2: Capital cities have a higher share of migrants than regional areas

Share of greater capital city populations by migrant group



Source: Grattan analysis of ABS (2016a), ABS (2016b), ABS (2016c).

190. Raymer and Baffour (2018, p. 1063).
191. As discussed in Section 3.2 and Figure 3.3 on page 21.
192. As shown in Section 3.4.2 and Figure 3.4 on page 22. While the *number* of New Zealanders living in Australia is high, it has not grown significantly in recent years, meaning its contribution to Australia's population growth has been small.
193. See Daley et al (2017, Section 2.1).
194. Moretti (2012, pp. 126–127).

6.2 Migration policy in regional Australia

Australia already uses migration policy to meet various regional development goals. These include offering low-skill backpackers with additional time in Australia on the condition that they work on regional farms (see Section 5.6), and the 'visa for GPs' program that directs migrant medical practitioners to rural and remote areas.[195]

The Department of Home Affairs provides special visas for people willing to work in regional areas.[196] The Department maintains a specific occupation list for regional Australia – the Regional Occupation List (see Box 2 on page 28). This list includes 77 additional occupations that can only be accessed by skilled migrants if they work in 'regional' areas.

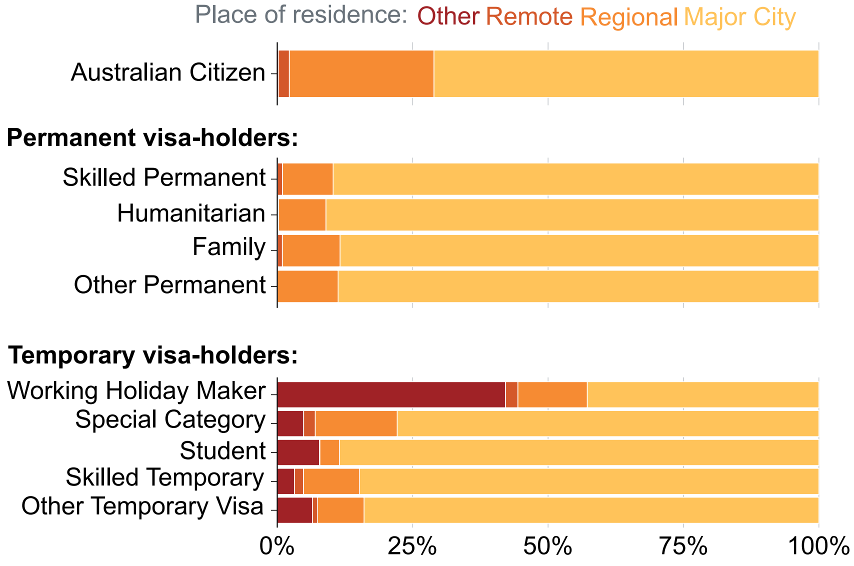
The Department of Home Affairs defines 'designated regional areas' through a series of postcodes in two categories. The first regional category is 'Cities and major regional centres', which includes Perth, Adelaide, the Gold Coast, the Sunshine Coast, Canberra, Newcastle/Lake Macquarie, Wollongong/Illawarra, Geelong and Hobart.[197] The second category, 'Regional Centres and Other Regional Areas', includes all postcodes outside of Sydney, Melbourne and Brisbane.

People willing to live or work in these regional areas have greater access to migration options, including priority processing of visas, access to the regional occupation list, and longer visa stays for graduate visas[198]

195. See Consortium of Rural Workforce Agencies and Australian Government (2022).
196. This includes extensions to working holiday maker visas (Section 3.4.4) and access to the regional occupation list for temporary skilled worker (Section 3.4.1) and regional permanent visas (Section 3.5.1). See also Department of Home Affairs (2022n).
197. Department of Home Affairs (2022o).
198. See Section 3.4.2.

Figure 6.3: Most migrants, irrespective of visa held, tend to reside in Australia's major cities

Migrants and citizens by visa type and remoteness of place of usual residence, share



Source: Coates et al (2021, Figure 3.8).

However, while restrictions on where a person can live or work can apply during the provisional period of permanent visas, they don't force the migrant to live in that area for life. Provisional conditions placed on some migrants require them to live in regional areas for three to four years. After the provisional period ends, the migrant transitions to a permanent visa that allows them to live anywhere in Australia.[199]

Some of these movements to major cities and away from regional areas can be seen in Figure 6.4. More than a quarter of recent arrivals who were living in inner regional, outer regional or remote areas in 2011 had moved to major cities in 2016, compared to about 10 per cent for people born in Australia.[200]

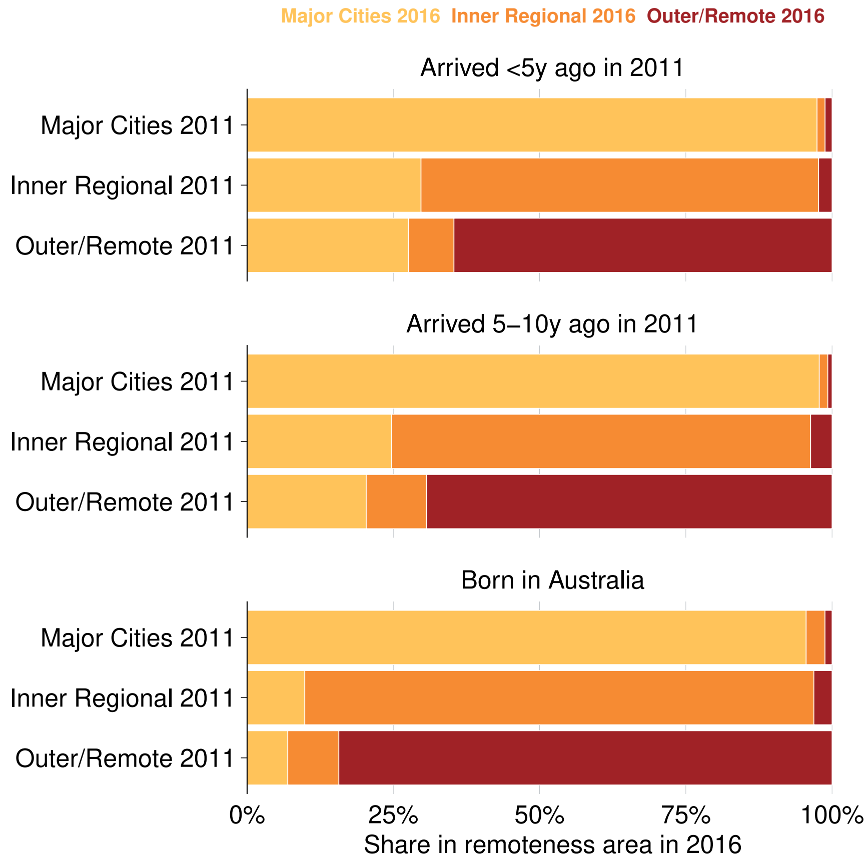
6.3 Some regional areas depend more on migration

Regional Australia has lower shares of migrants than the capital cities. But in some regional areas migrants make up a larger share of the working-age population (Figure 6.1 on page 73).

Compared to other regional areas, the Gold Coast has rates of immigration similar to major cities.[201] This trend has been driven by large numbers of New Zealanders (8.5 per cent of the Gold Coast population), and people on family (2.5 per cent) and skilled independent visas (2 per cent).

Migrants in the Illawarra, which includes Wollongong, are more likely to be students and family visa-holders.[202] In Cairns, New Zealanders (3 per cent), family (2.3 per cent) and employer-nominated visa-holders

Figure 6.4: Migrants are more likely to move away from regional and remote areas than people born in Australia



Source: Grattan analysis of ABS (2021e).

199. Raymer and Baffour (2018, Table 2) finds that migrants from the United Kingdom and New Zealand have particularly high propensity for internal migration once in Australia, particularly towards capital cities.
200. This is despite high levels of internal migration from the Australian-born population, which is largely towards major cities: Raymer and Baffour (ibid).
201. See Figure B.33 on page 131.
202. See Figure B.14 on page 112.

(2.1 per cent) make up the largest share of the 16 per cent of the population on a temporary or permanent visa.[203]

Mining areas also attract immigrants.[204] About one in four residents in the northern part of remote Western Australia, a region that includes the Pilbara, were born overseas (Figure 6.1).[205] One-in-ten people in this mining region were on temporary visas in 2016, with a further 8 per cent on permanent visas. New Zealanders (5.8 per cent) and employer-nominated (3 per cent) made up the biggest visa groups.[206]

Overseas-born residents make up the smallest proportion of the population in remote areas of NSW and Tasmania. In the remote NSW region of Far West and Orana, 92 per cent of the population were born in Australia. About 1 per cent of the population were employer-nominated visa-holders.[207]

203. See Figure B.30 on page 128.
204. Daley et al (2017, Section 4.2).
205. See also Figure B.30 on page 128.
206. See Figure B.44 on page 142. The southern WA outback region also sees similar trends: Figure B.45 on page 143.
207. See Figure B.12 on page 110.

Appendix A: Industry profiles

This appendix provides a detailed profile of migrants working in each industry division within Australia.

The industry profiles use data from the 2016 *Australian Census*, along with the *Australian Census and Migration Integrated Dataset* for permanent migrants, and the *Australian Census Temporary Entrant Integrated Dataset*.[208]

A.1 Panels of the industry profiles

Panel A uses the Australian Census and its migration add-ons to show the share of workers within an industry by migrant status. A worker's migrant status is one of:

- **born in Australia**;
- **arrived before 2000**: born overseas and arrived in Australia before the year 2000;
- **permanent**: born overseas, arrived in Australia after the year 2000 and have had a permanent visa between 2000 and 2016 (note that some of this group were Australian citizens in 2016); or
- **temporary**: on a temporary visa in 2016.

For comparison, Panel A also shows the breakdown of migrants across the entire Australian labour force.

208. ABS (2016a), ABS (2016b), ABS (2016c).

Panel B shows the share of workers by temporary and permanent visa subclass (see Chapter 3).

Panel C breaks down workers by age, sex and migrant group.

Panel D shows the share of workers by major occupation group (ANZSCO one-digit, see Section 2.2).

Panel E shows the share of each migrant group who has a bachelor or postgraduate-level education.

Panel F shows the top-10 unit occupation groups (ANZSCO four-digit) of workers in the industry.[209]

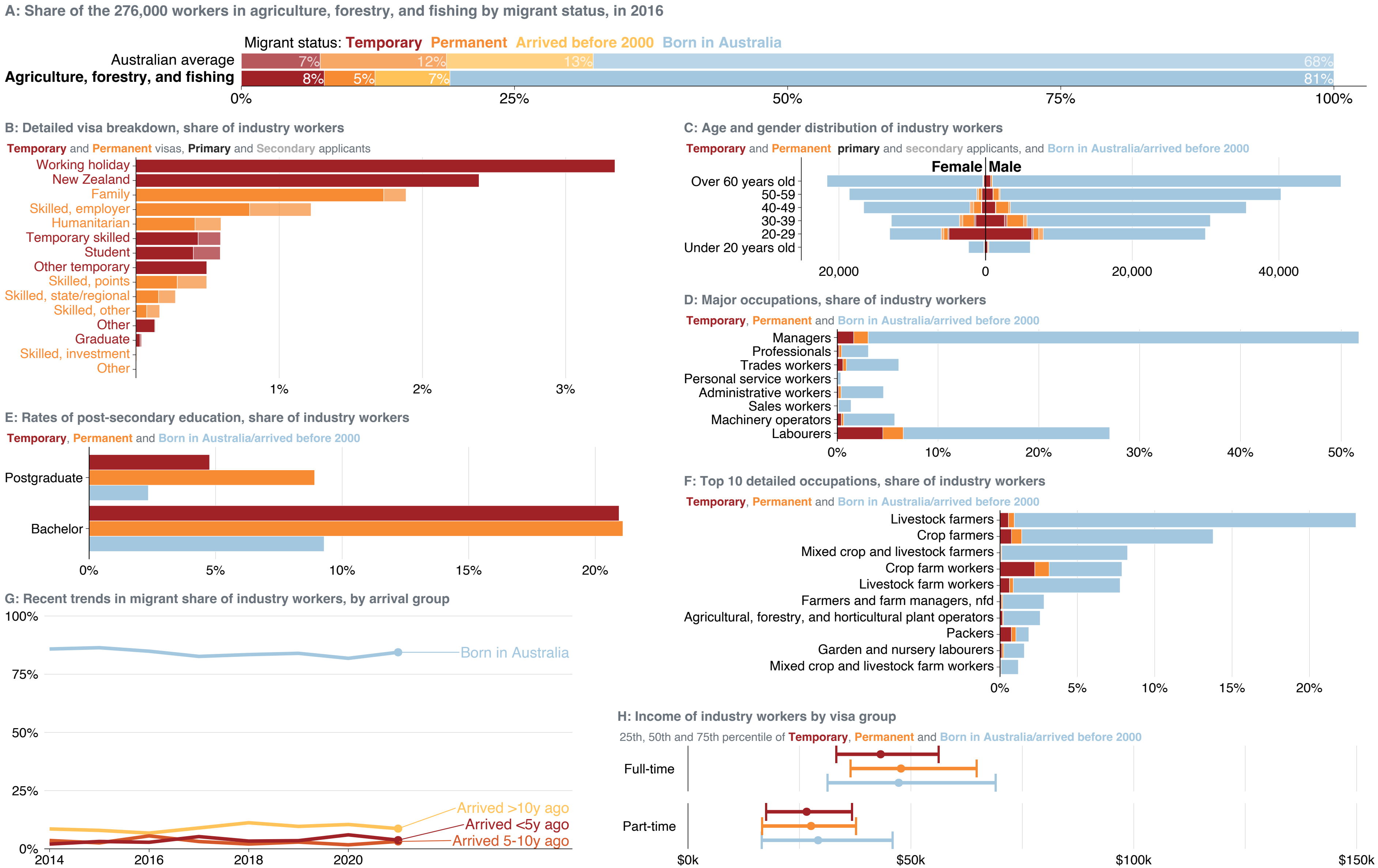
Panel G uses *Characteristics of Employment Survey*[210] to explore recent trends in the migrant share of the industry.

Panel H shows the income distribution of workers in the industry by migrant group and labour force status. The 25th, 50th and 75th income percentiles are shown for both full-time and part-time workers.

The 19 industry profiles continue from the following page.

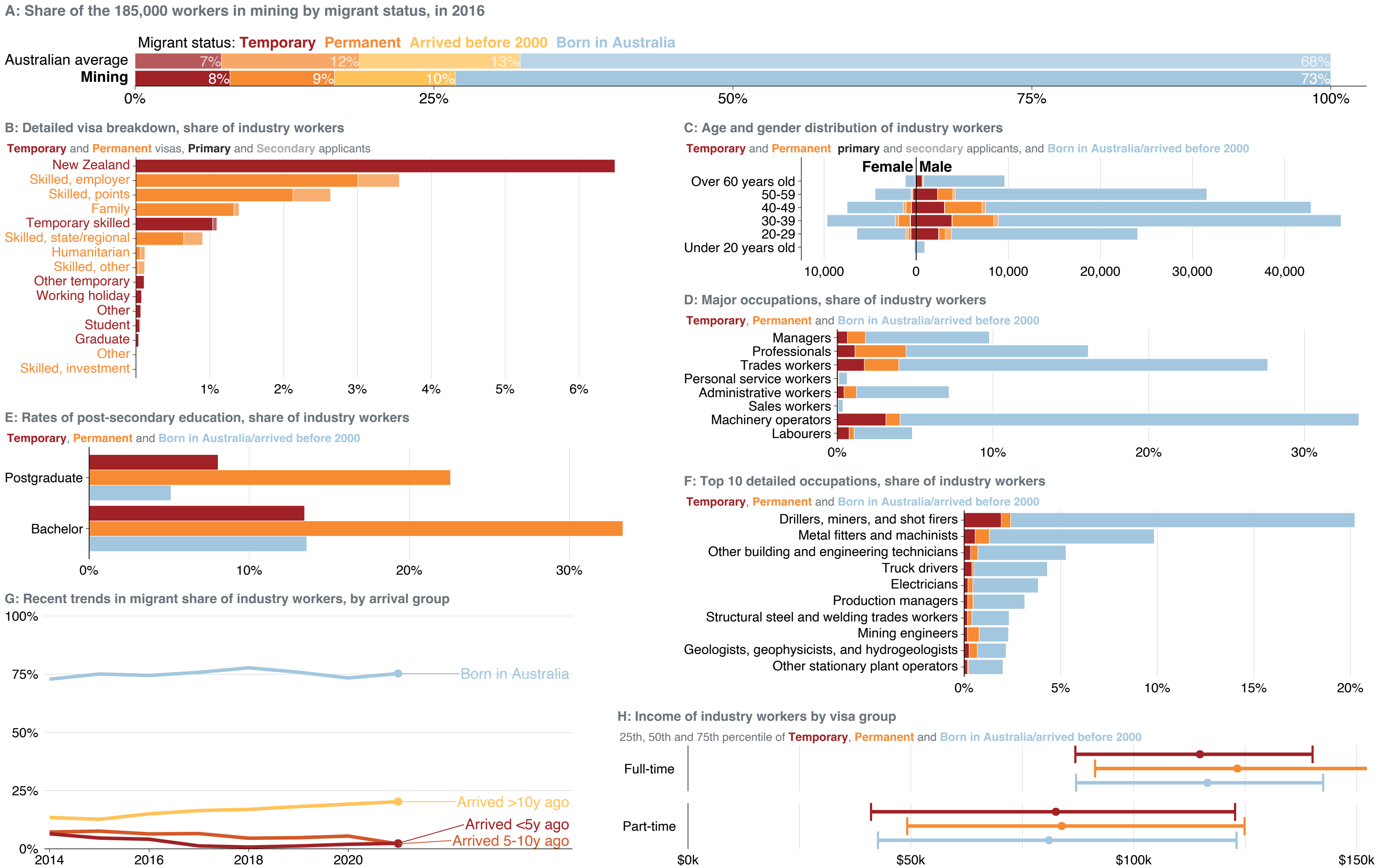
209. Some occupation units end with 'ndf' (not formally defined), meaning that information provided in the Census was not complete enough to define a unit-level occupation. In these cases, the submajor group is used with the suffix 'nfd'.
210. ABS (2021d).

Figure A.1: Agriculture, forestry, and fishing, migrant and labour force profile



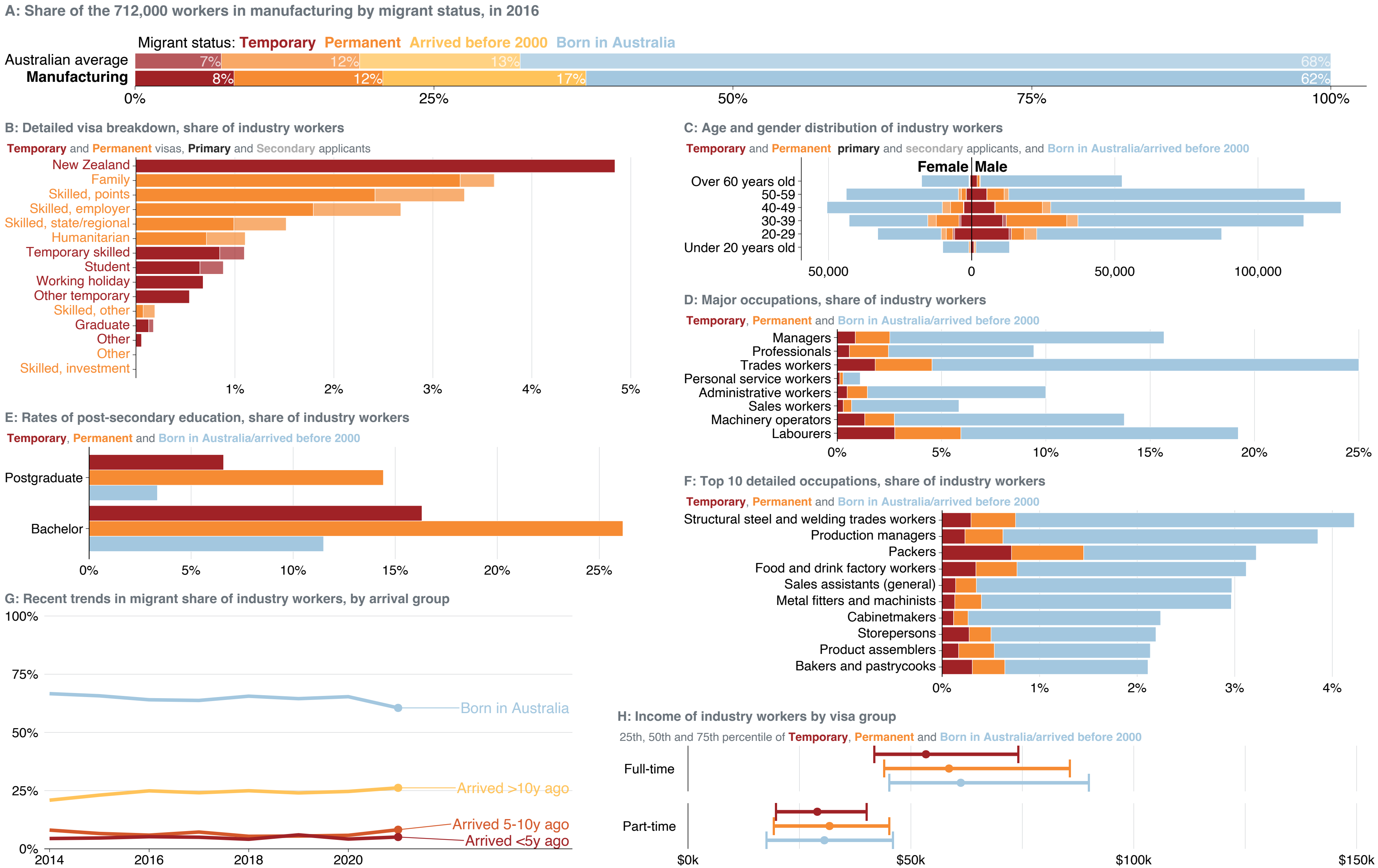
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.2: Mining, migrant and labour force profile



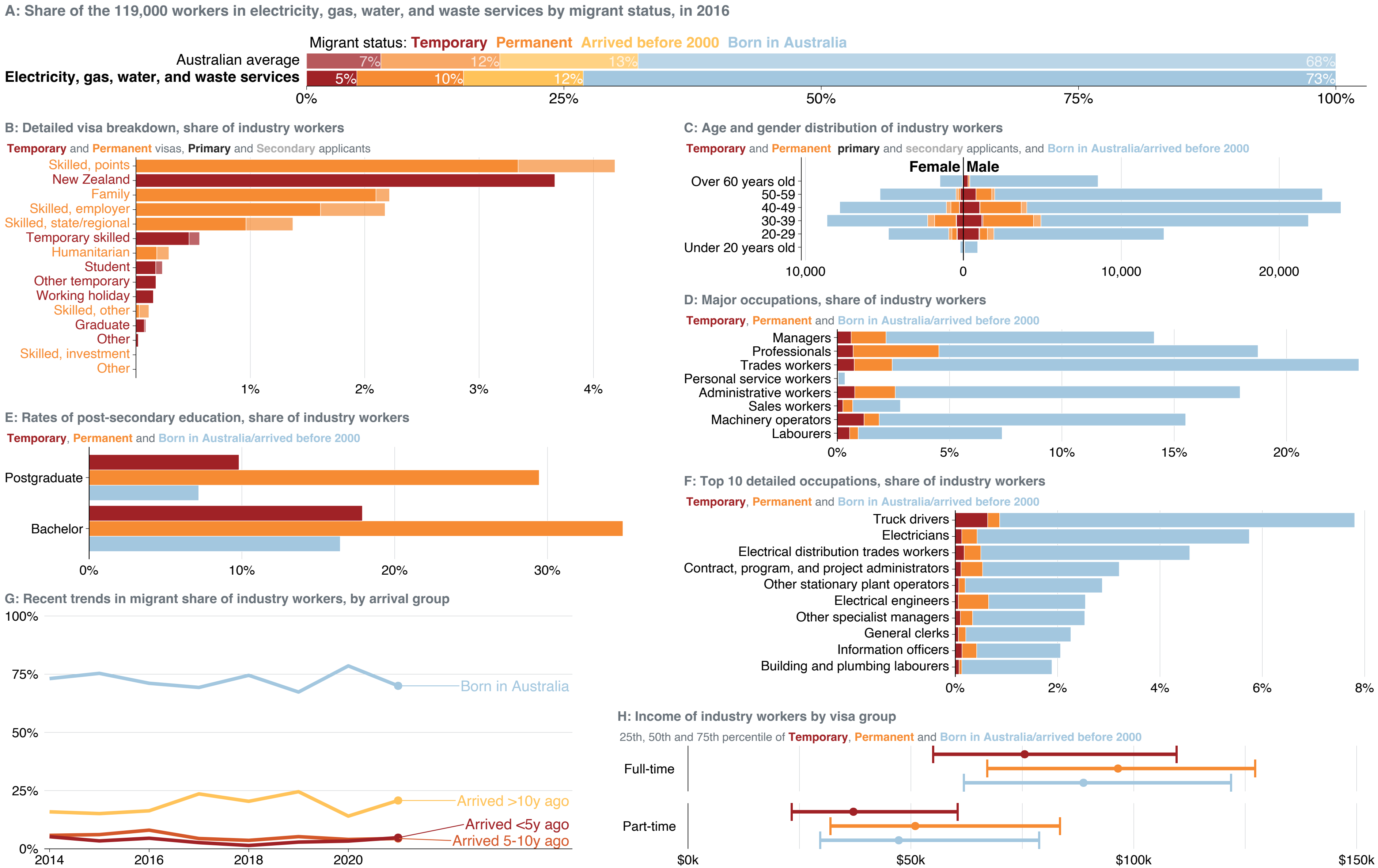
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.3: Manufacturing, migrant and labour force profile



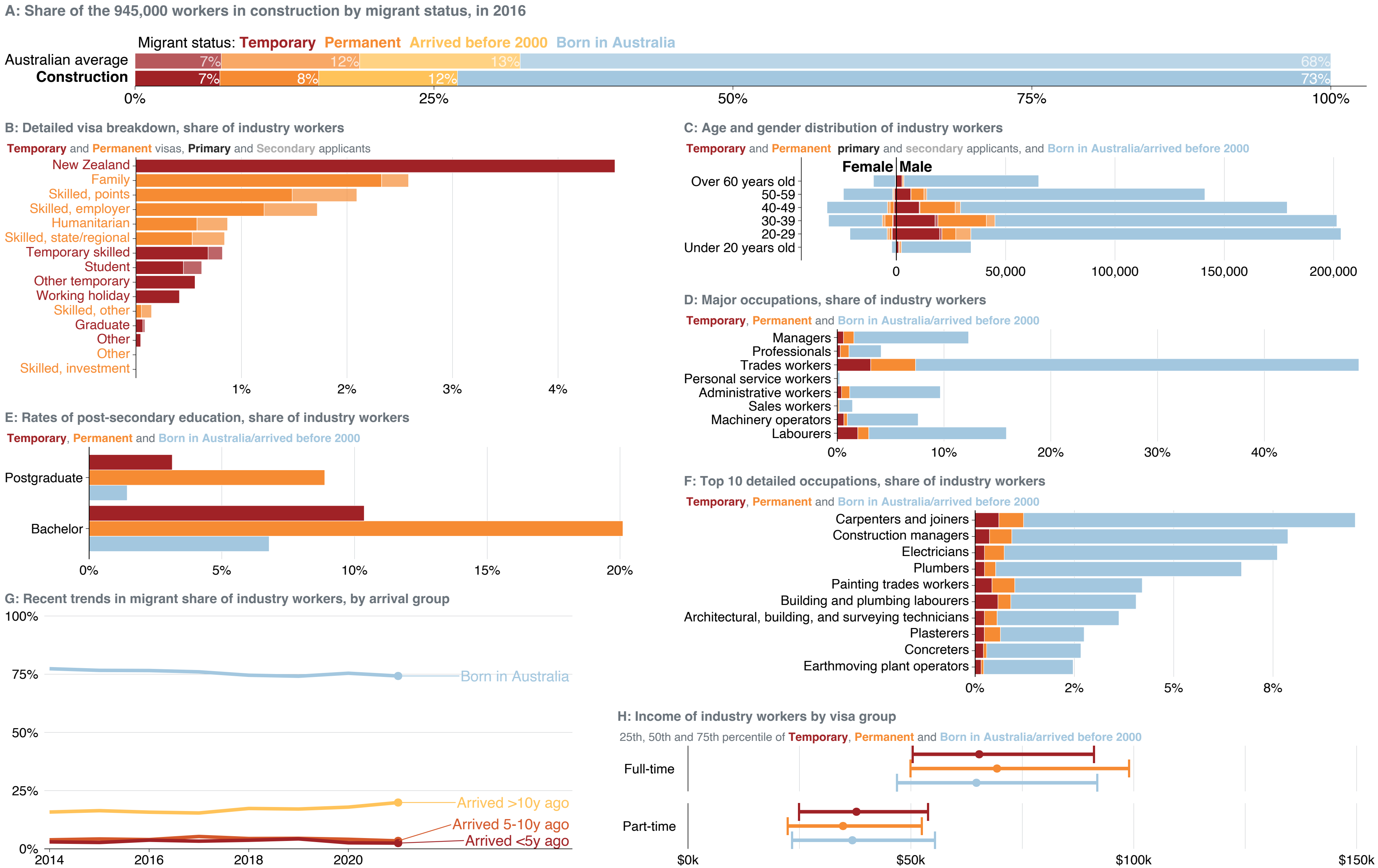
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.4: Electricity, gas, water, and waste services, migrant and labour force profile



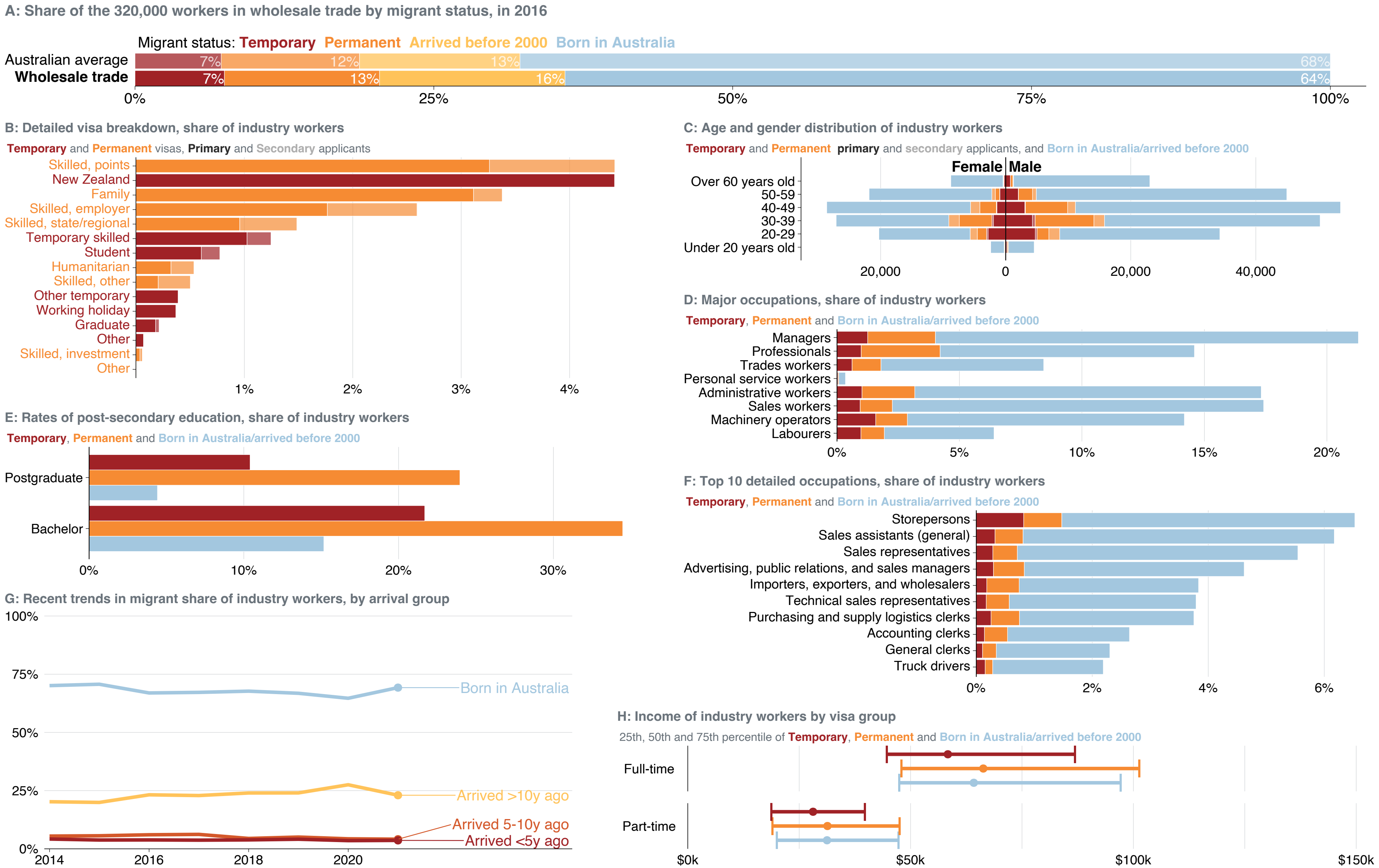
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.5: Construction, migrant and labour force profile



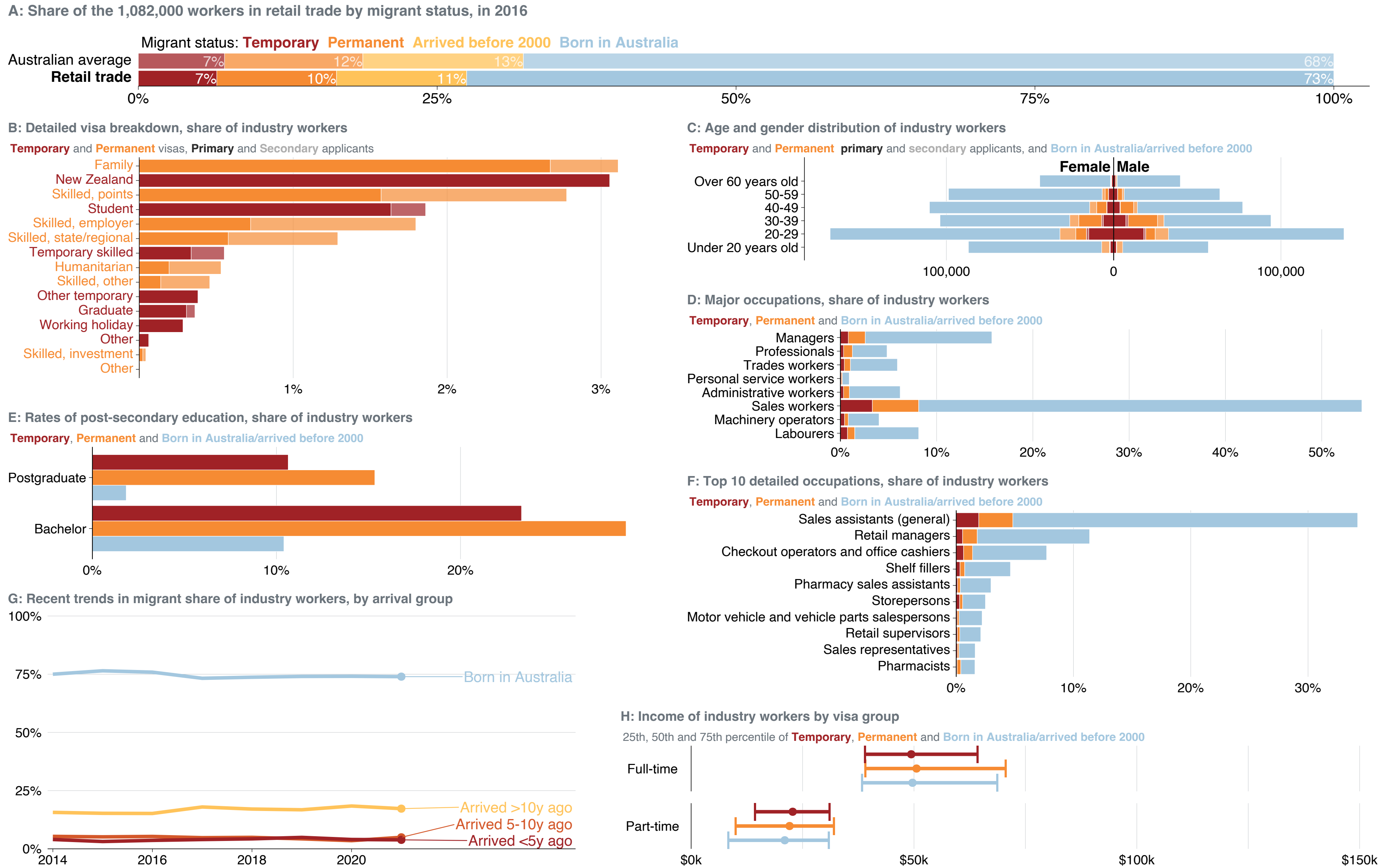
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.6: Wholesale trade, migrant and labour force profile



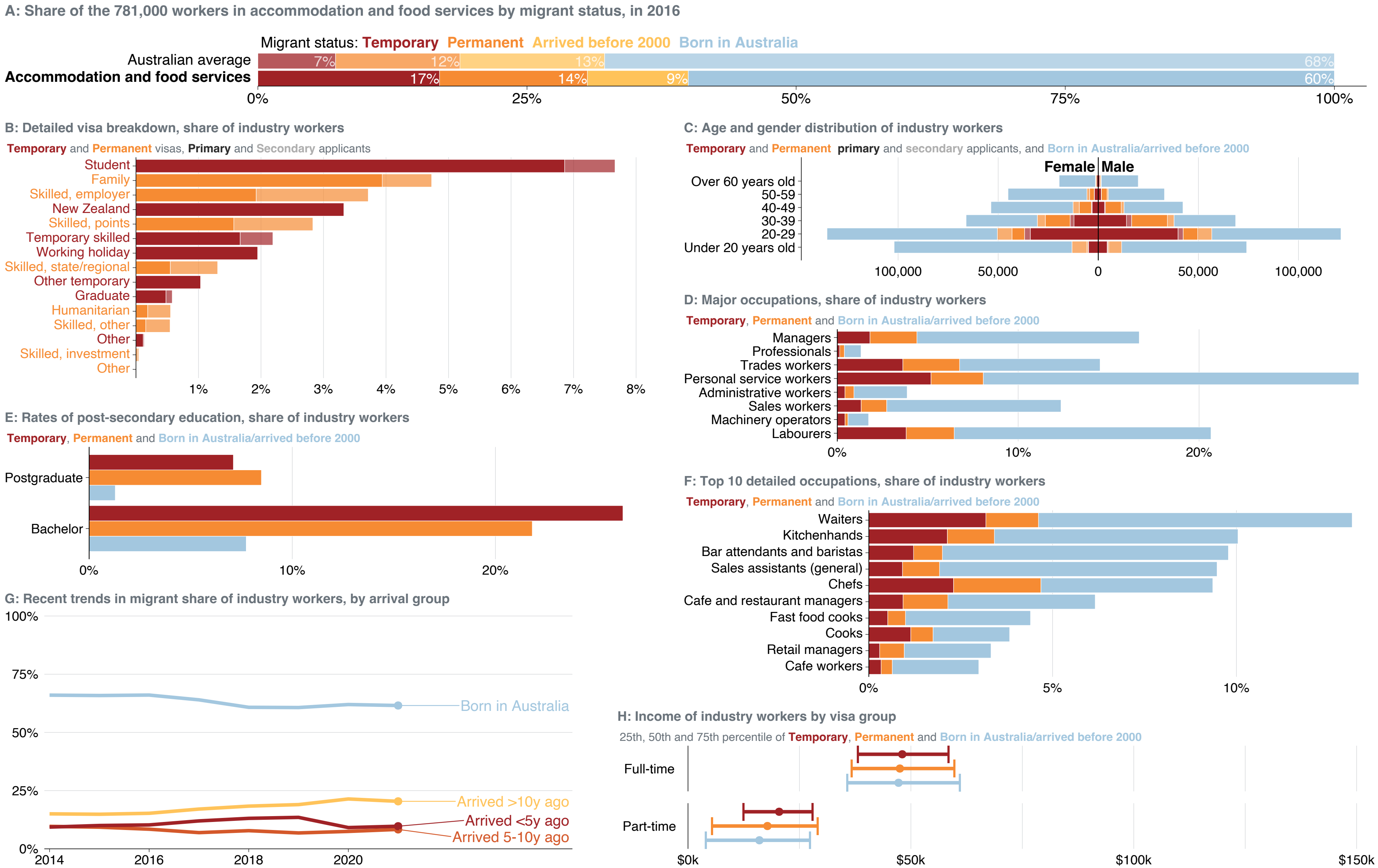
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.7: Retail trade, migrant and labour force profile



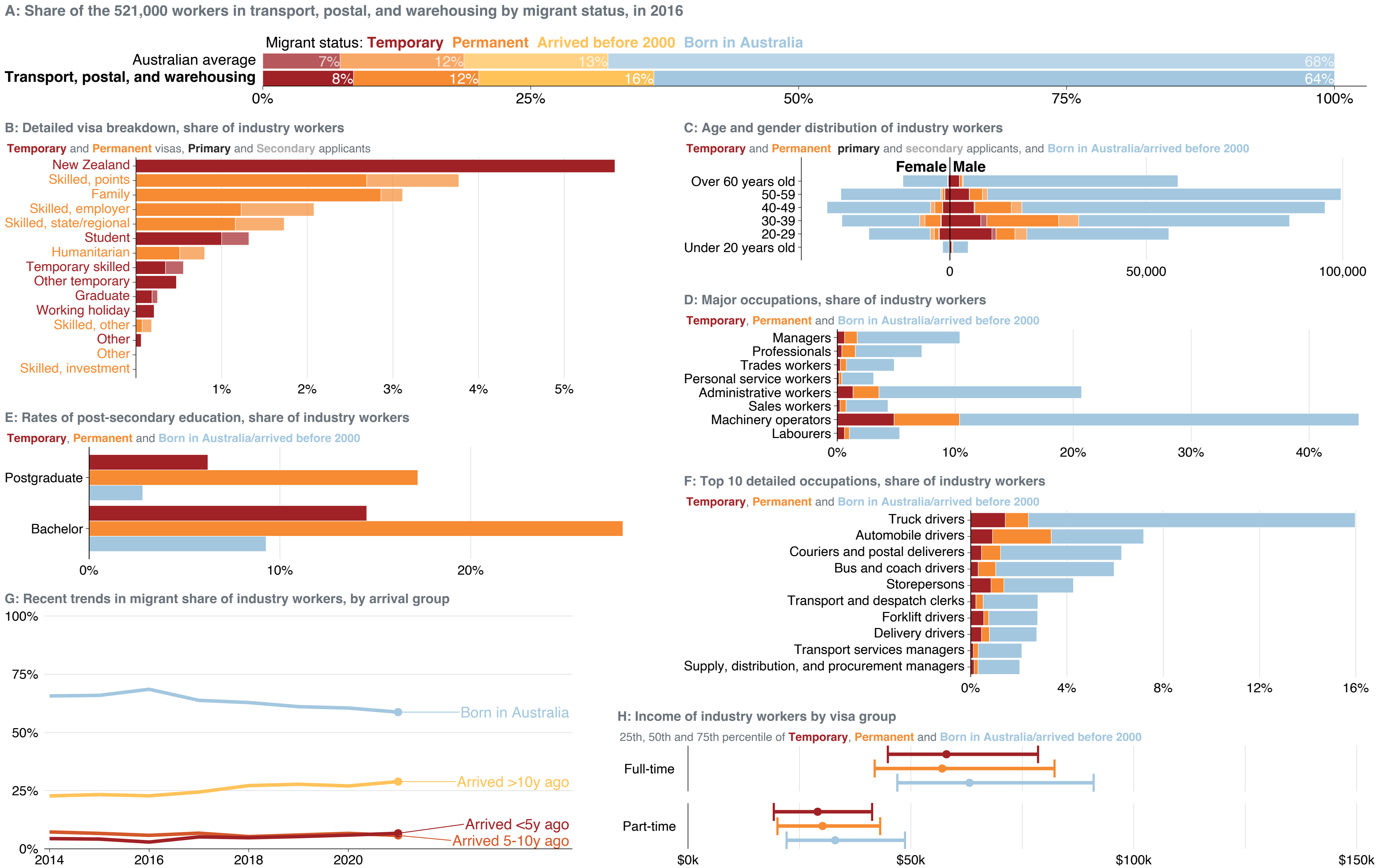
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.8: Accommodation and food services, migrant and labour force profile



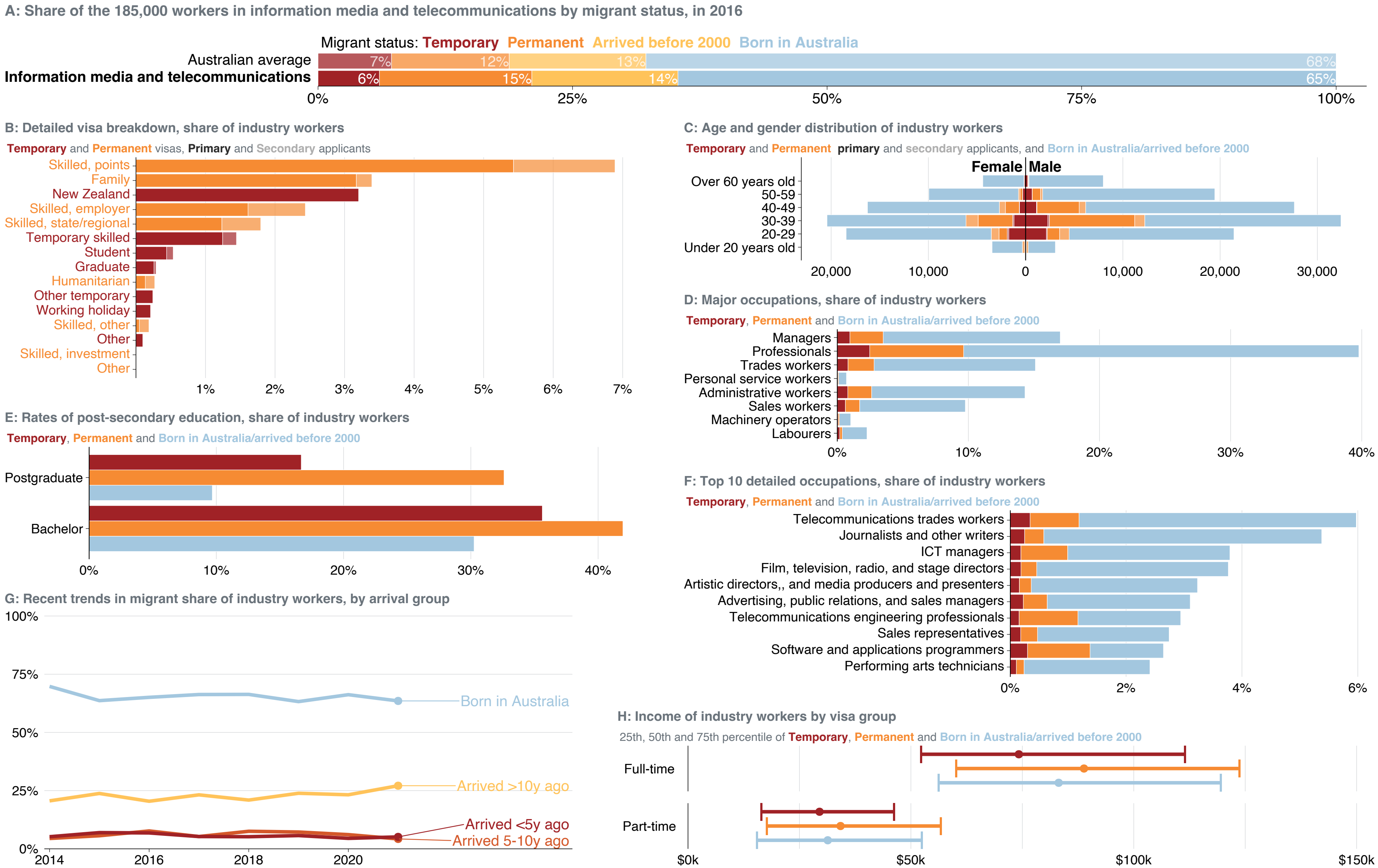
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.9: Transport, postal, and warehousing, migrant and labour force profile



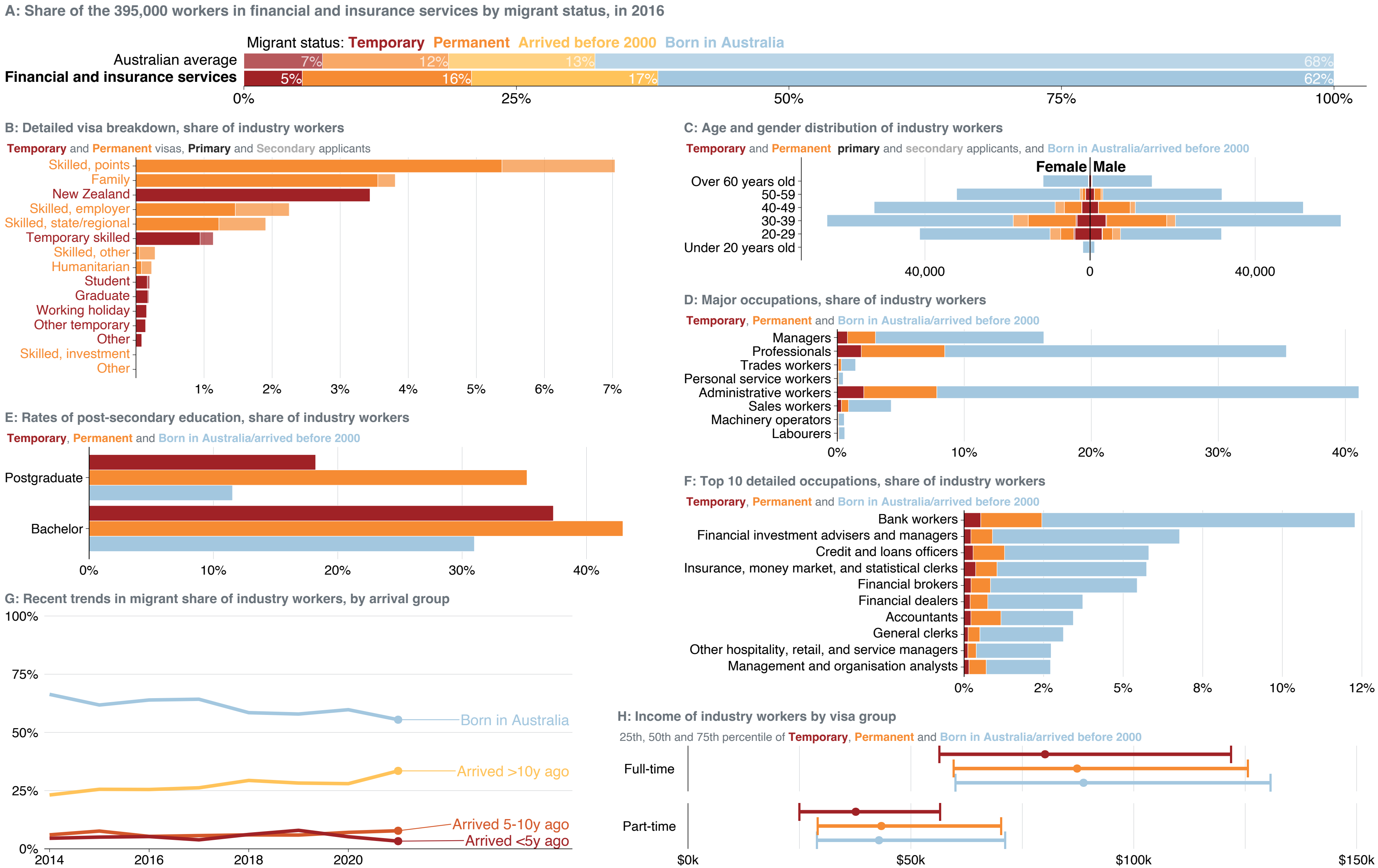
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.10: Information media and telecommunications, migrant and labour force profile



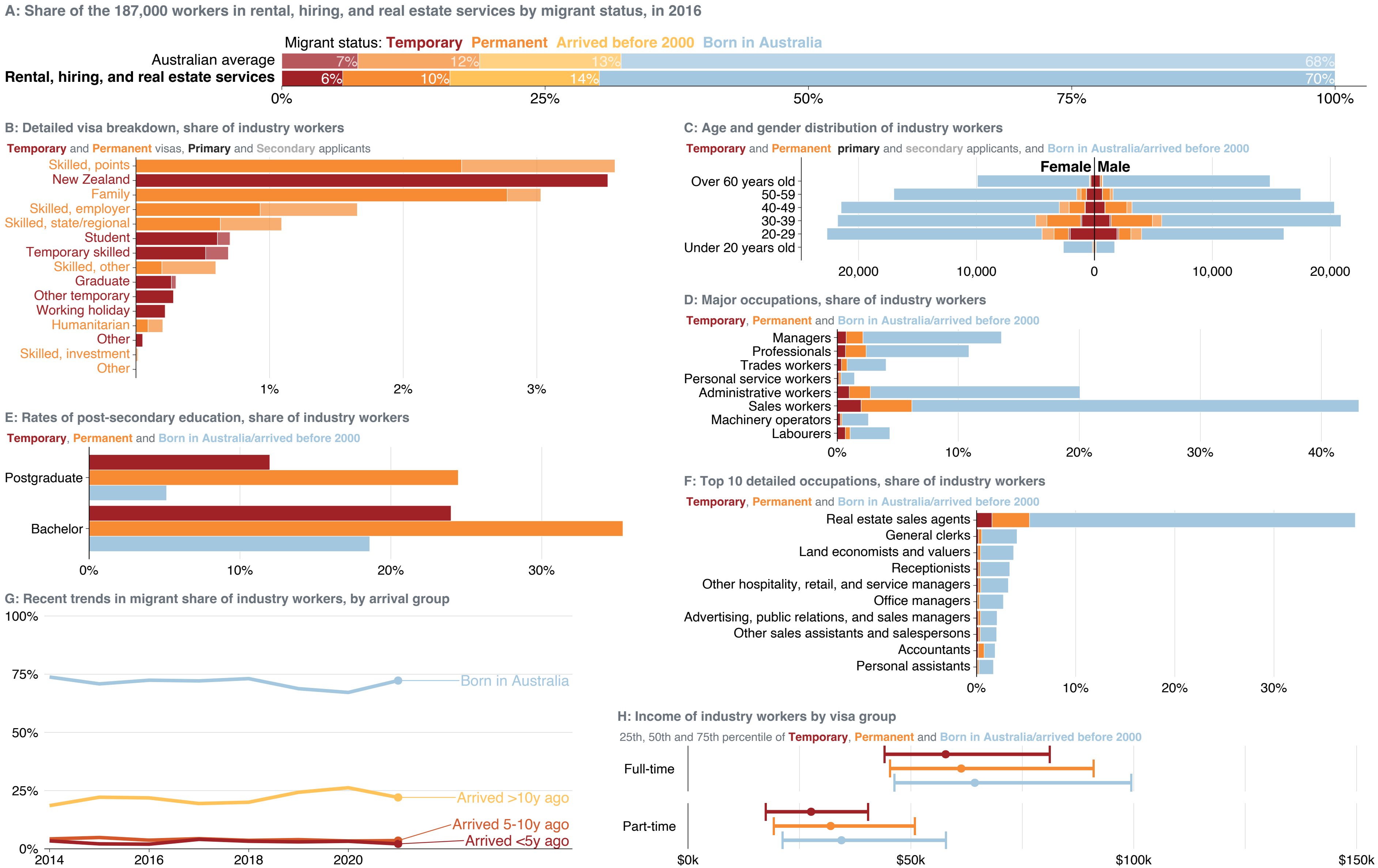
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.11: Financial and insurance services, migrant and labour force profile



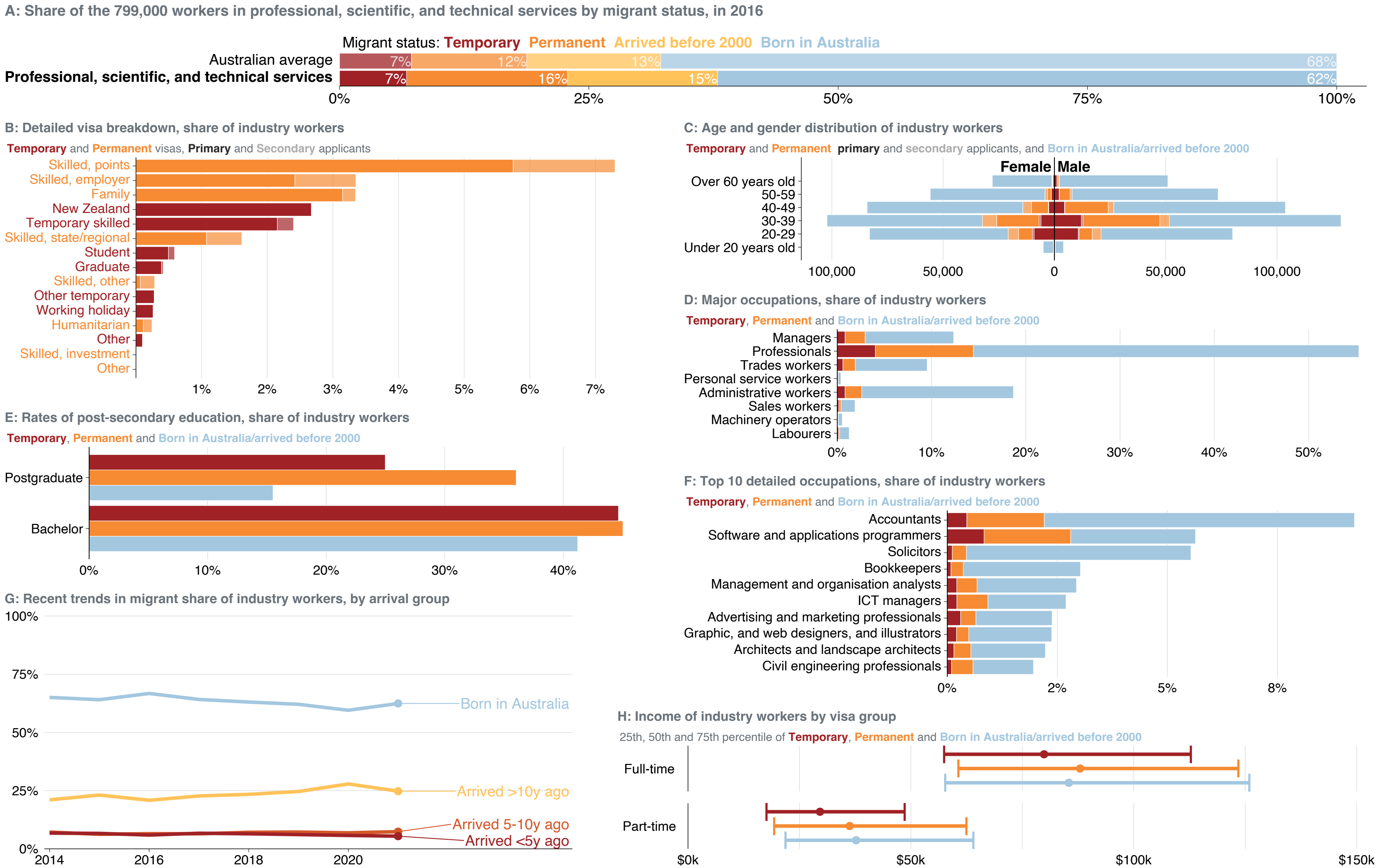
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.12: Rental, hiring, and real estate services, migrant and labour force profile



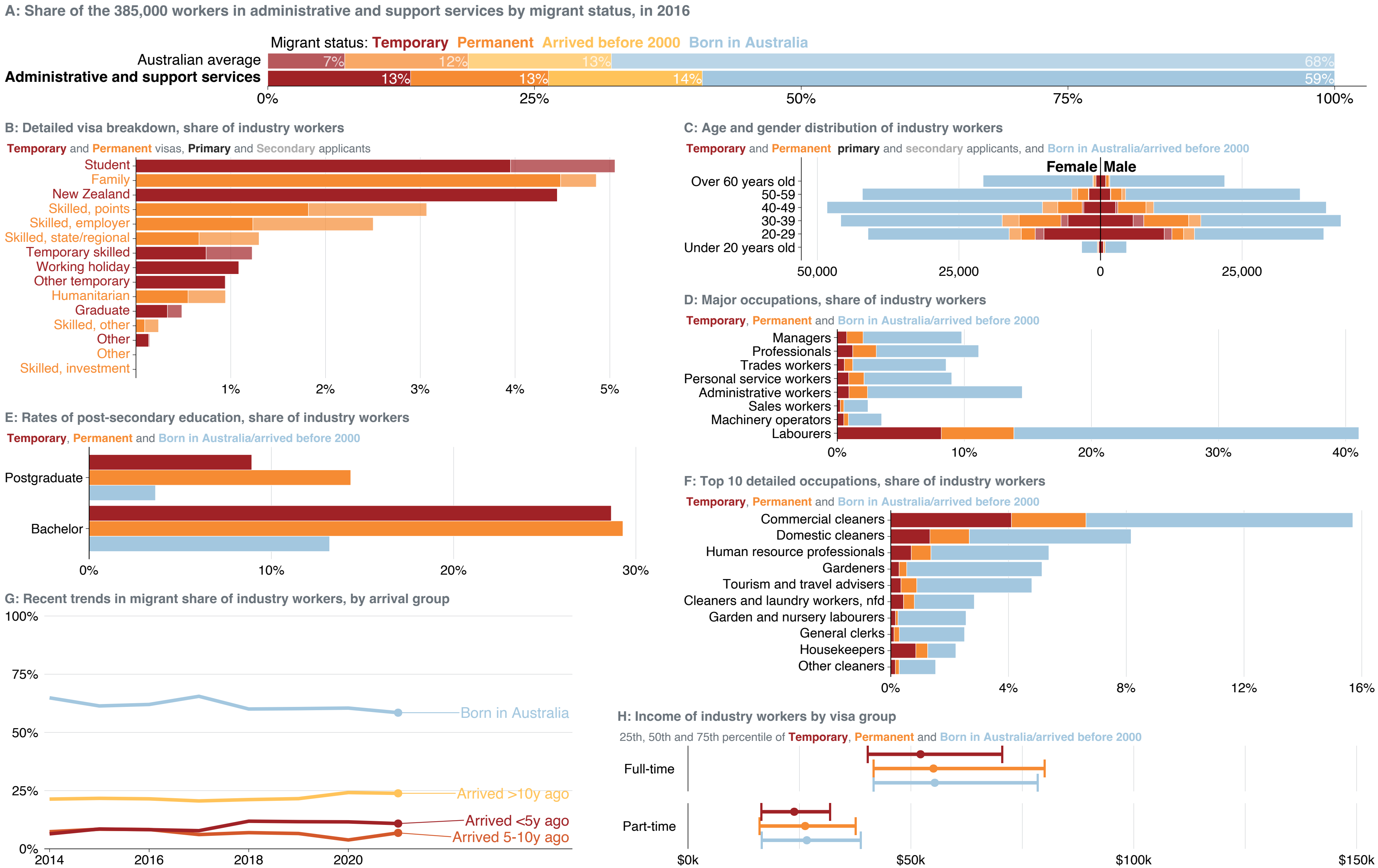
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.13: Professional, scientific, and technical services, migrant and labour force profile



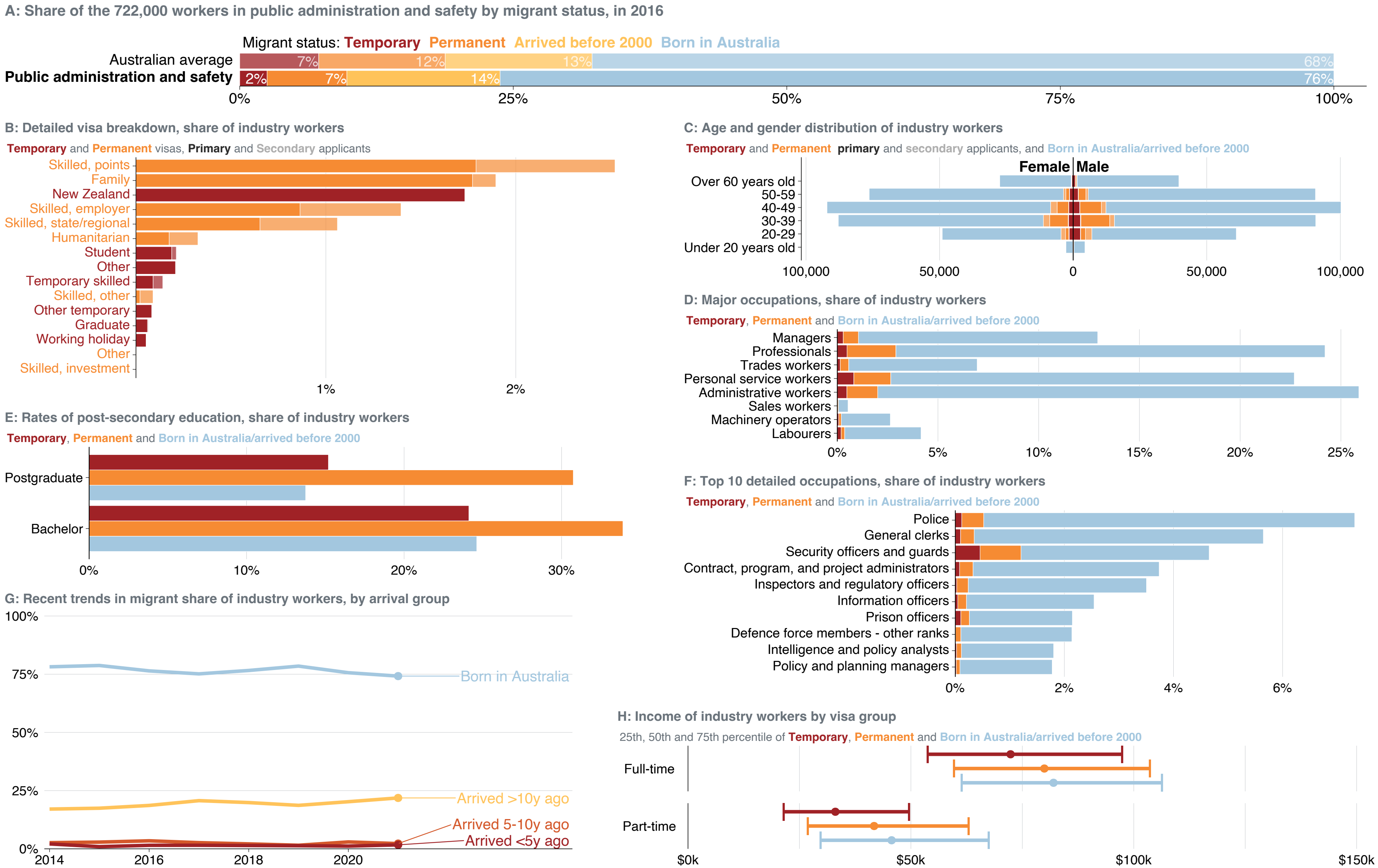
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.14: Administrative and support services, migrant and labour force profile



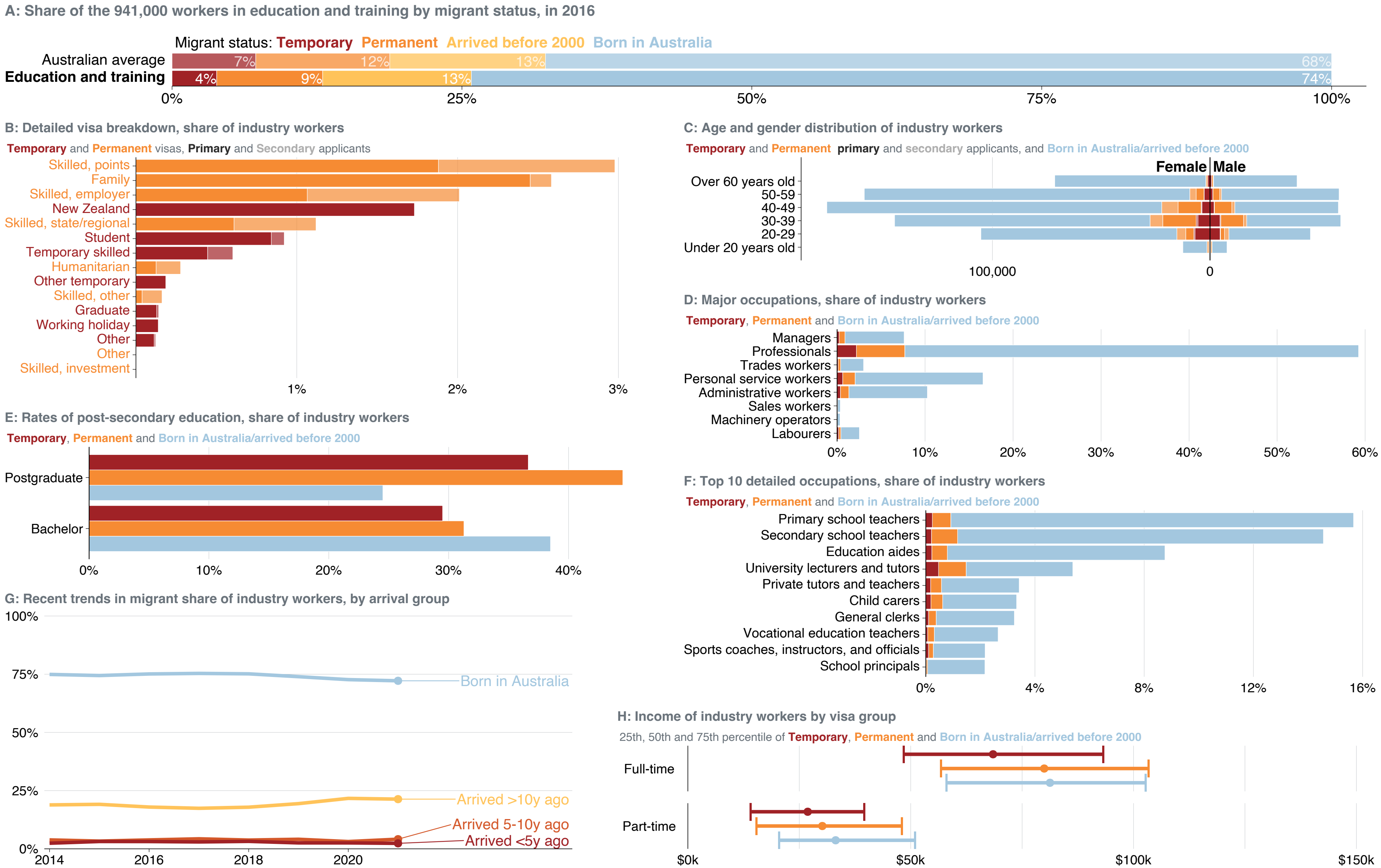
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.15: Public administration and safety, migrant and labour force profile



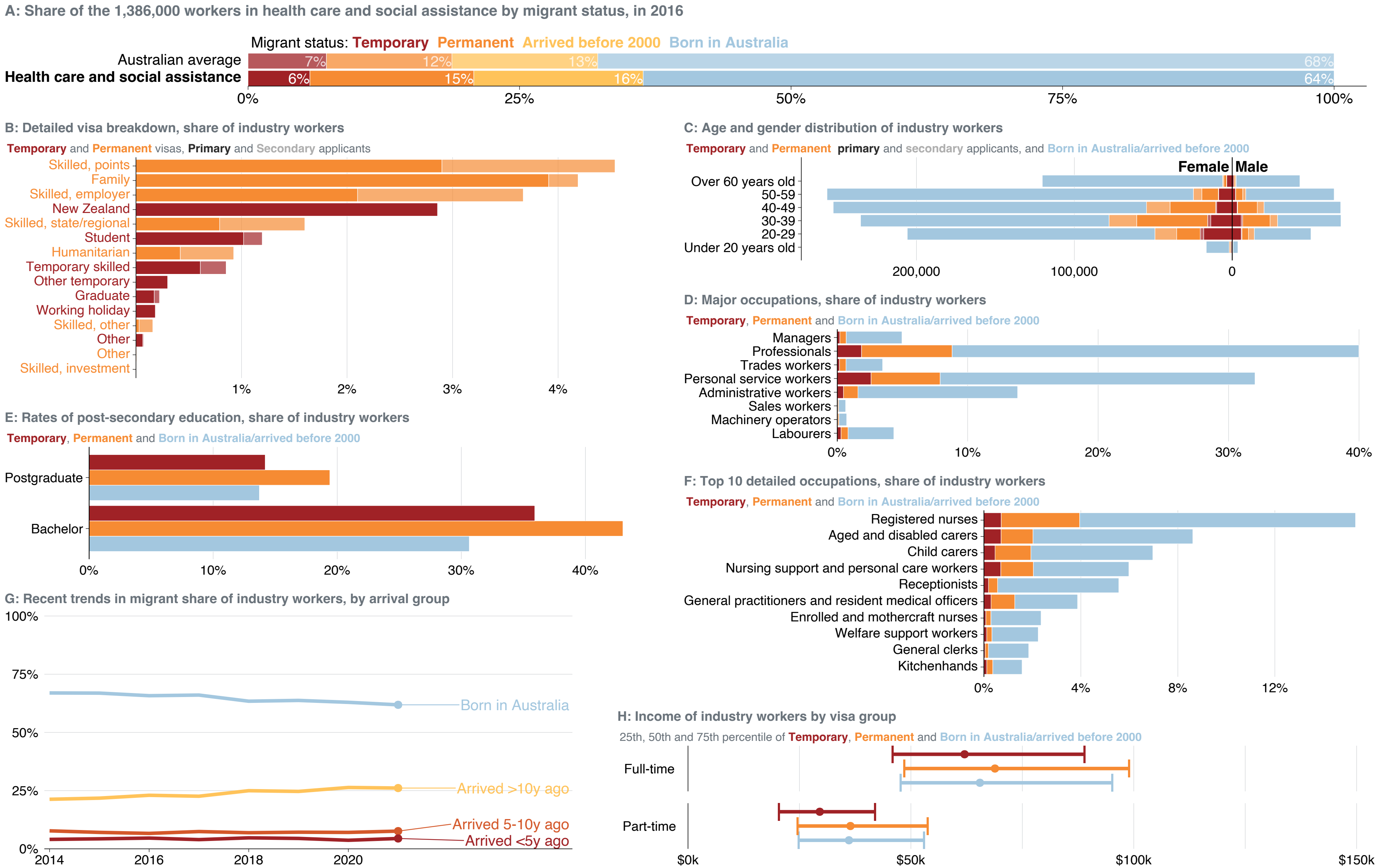
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.16: Education and training, migrant and labour force profile



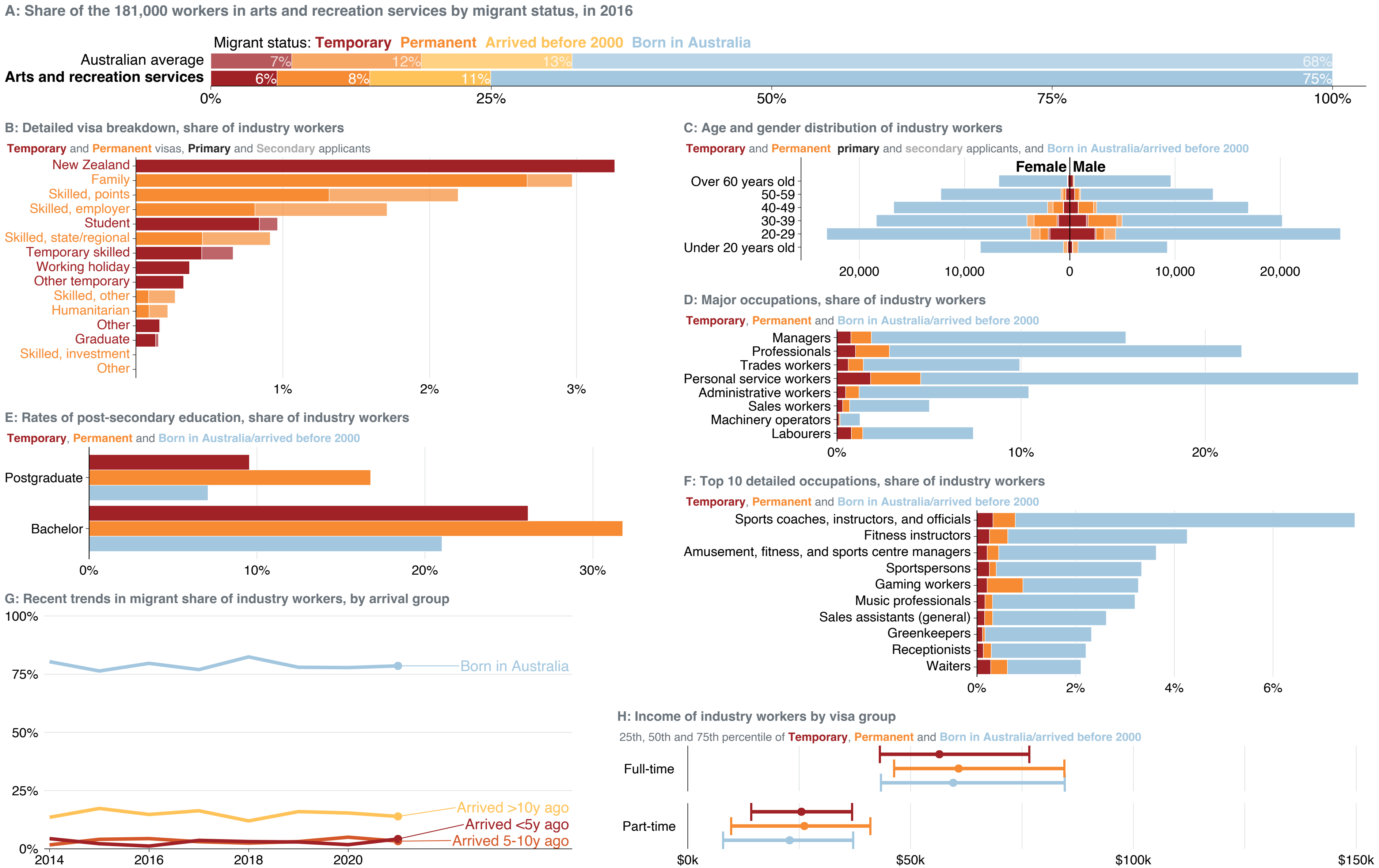
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.17: Health care and social assistance, migrant and labour force profile



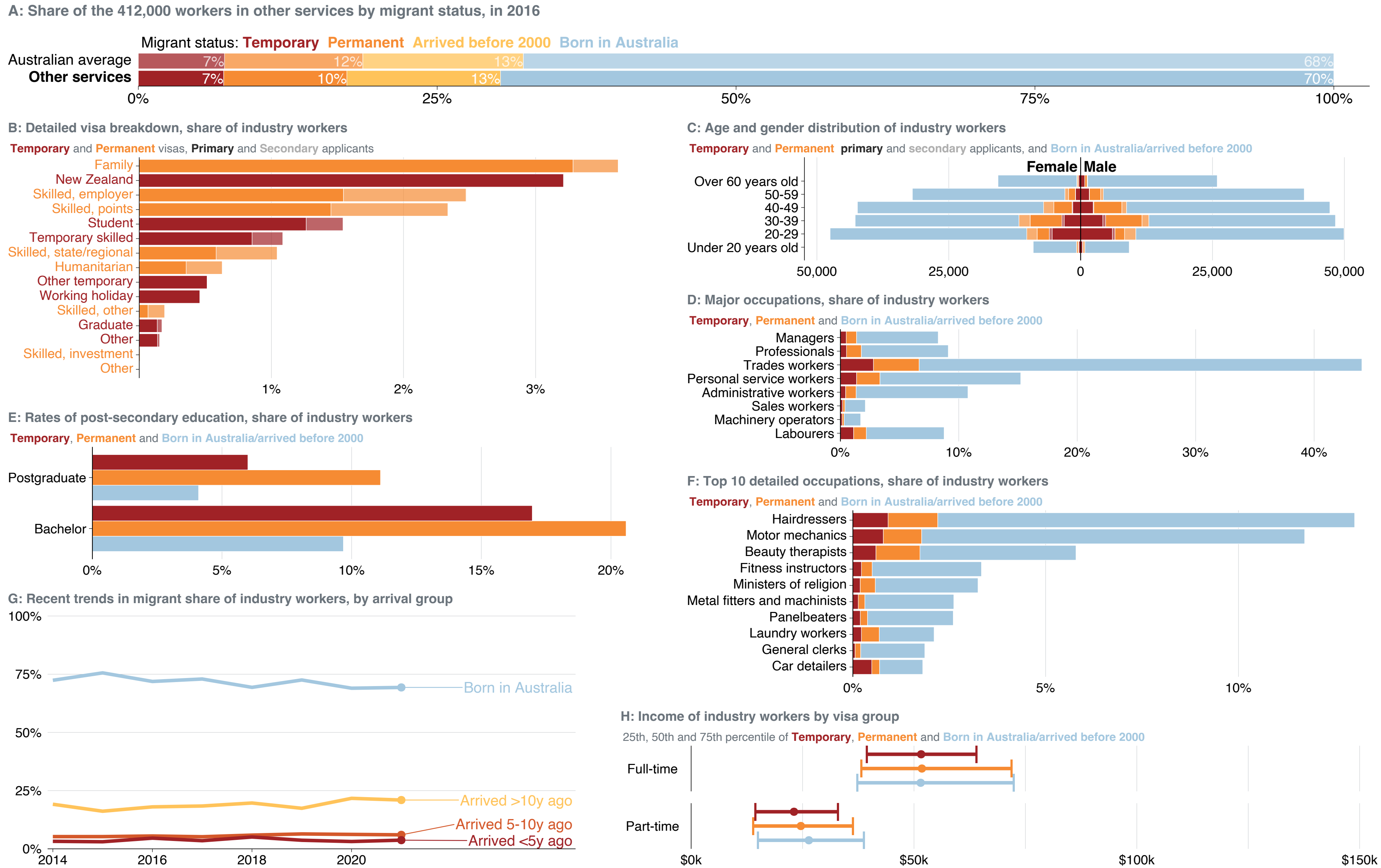
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.18: Arts and recreation services, migrant and labour force profile



Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Figure A.19: Other services, migrant and labour force profile



Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix A.

Appendix B: Regional profiles of migrants in the Australian labour market

The following pages each contain a breakdown of migrants in regional labour markets across Australia.

The regional profiles use data from the 2016 *Australian Census*, along with the *Australian Census and Migration Integrated Dataset* for permanent migrants, and the *Australian Census Temporary Entrant Integrated Dataset* (see Appendix A).

B.1 Region definitions

The ABS uses the Australian Statistical Geography Standard (ASGS) to divide the country up in to regions for analysis. The ASGS contains two parts: ABS structures (statistical areas), and non ABS structures (regions not defined by the ABS, such as local government areas or postcodes).

The ABS structures are a hierarchical 'social geography, developed to reflect the location of people and communities'.[211] The main structure of the ASGS breaks Australia up into 368,286 'mesh blocks' containing somewhere between 30 and 60 dwellings. Mesh blocks are aggregated to form different geographic structures within Australia. The 'main structure' breaks the country up into statistical areas. Mesh blocks form 61,845 'Statistical Area Level 1' groups (SA1s), which contain between 200 and 800 people. SA1s are aggregated to SA2s, and so on, to SA4s which contain between 100,000 and 500,000 people.[212]

Greater Capital City (GCC) areas are made up of SA4s, and split each state or territory into its capital city or other areas. Each region in the following region profiles are GCCs for capital cities, and SA4s for areas outside capital cities.

B.2 Panels of the regional profiles

Panel A uses the Australian Census and its migration add-ons to show the share of working-age residents (between 20 and 60 years old) living in the region by migrant status. A resident's migrant status can be:

- **born in Australia**;
- **arrived before 2000**: born overseas and arrived in Australia before the year 2000;
- **permanent**: born overseas, arrived in Australia after the year 2000 and have had a permanent visa between 2000 and 2016 (note that some of this group were Australian citizens in 2016); or
- **temporary**: on a temporary visa in 2016.

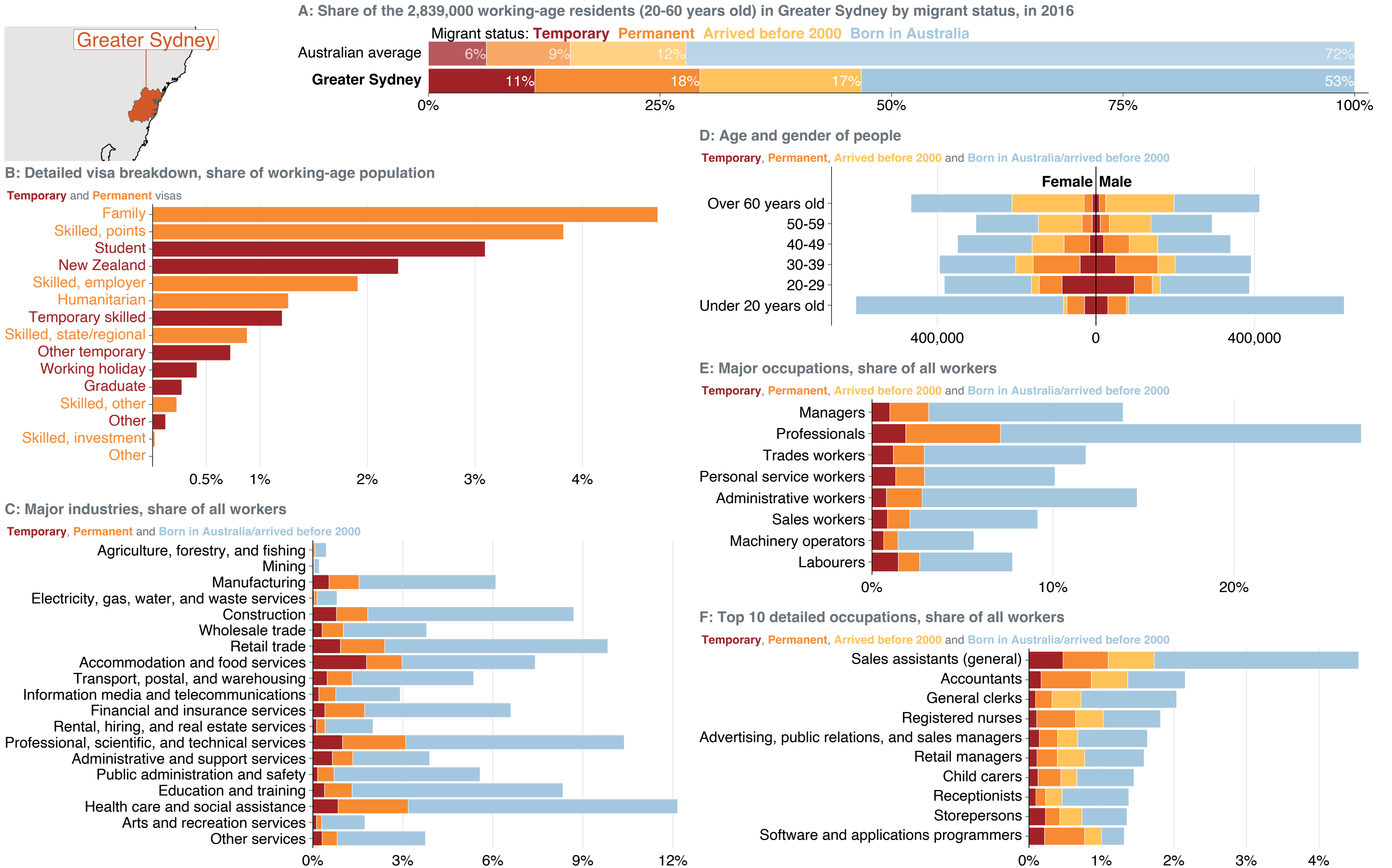
For comparison, Panel A also shows the resident migrant breakdown for all Australian working-age residents.

Panel B shows the share of working-age residents by temporary and permanent visa subclass (see Chapter 3). **Panel D** breaks down residents by age and sex by migrant group.

Panels E and **C** show the share of residents working in each of the major occupation groups (ANZSCO one-digit, see Section 2.2) and industries (ANZSIC division, see Section 2.3). **Panel F** shows the top-10 unit occupation groups (ANZSCO four-digit) of the region by employee headcount.

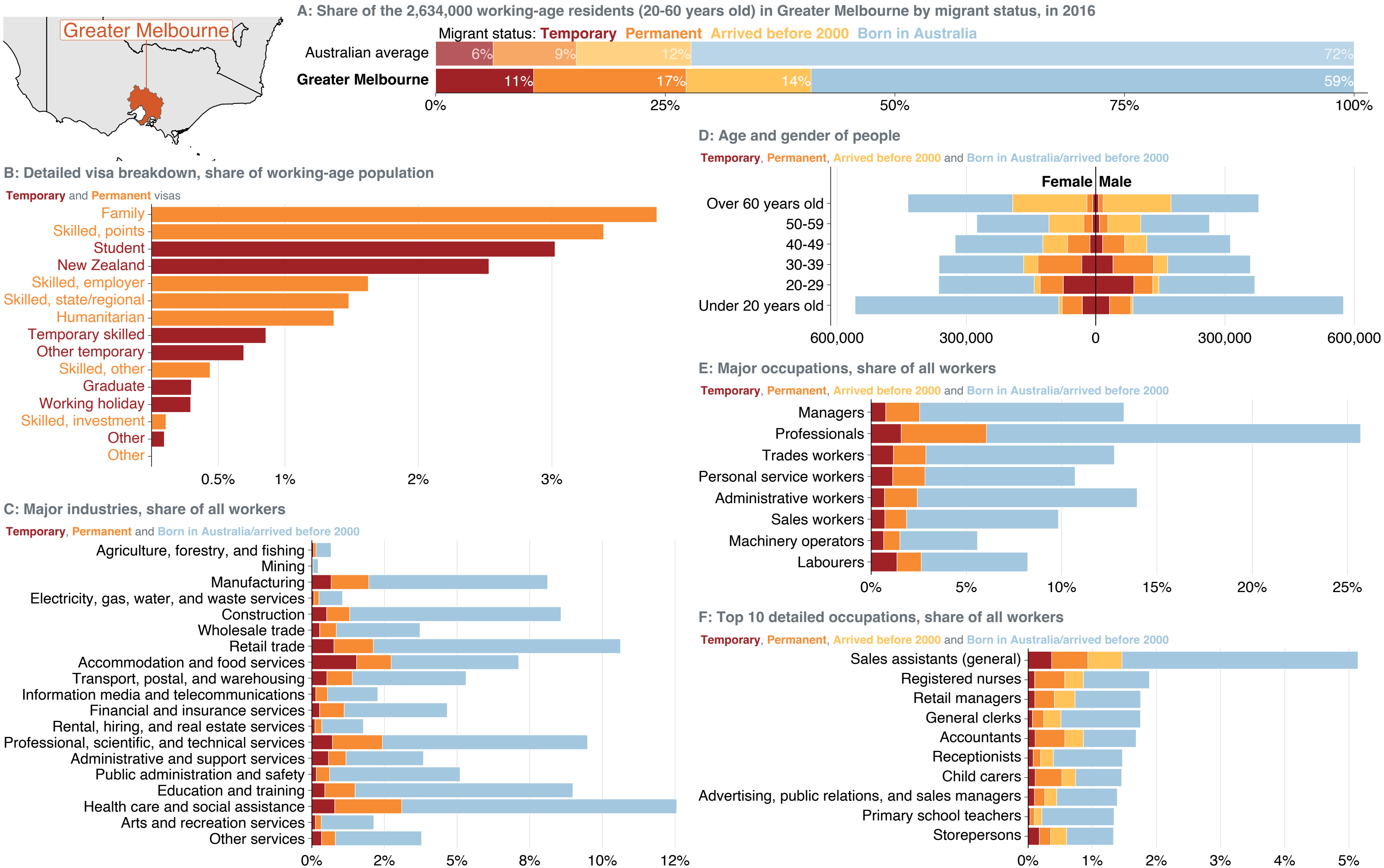
211. ABS (2022i).
212. SA4s in cities tend to have larger populations (between 300,000 to 500,000 people) than SA4s in regions (100,000 to 300,000).

Figure B.1: Greater Sydney migrant and labour force profile



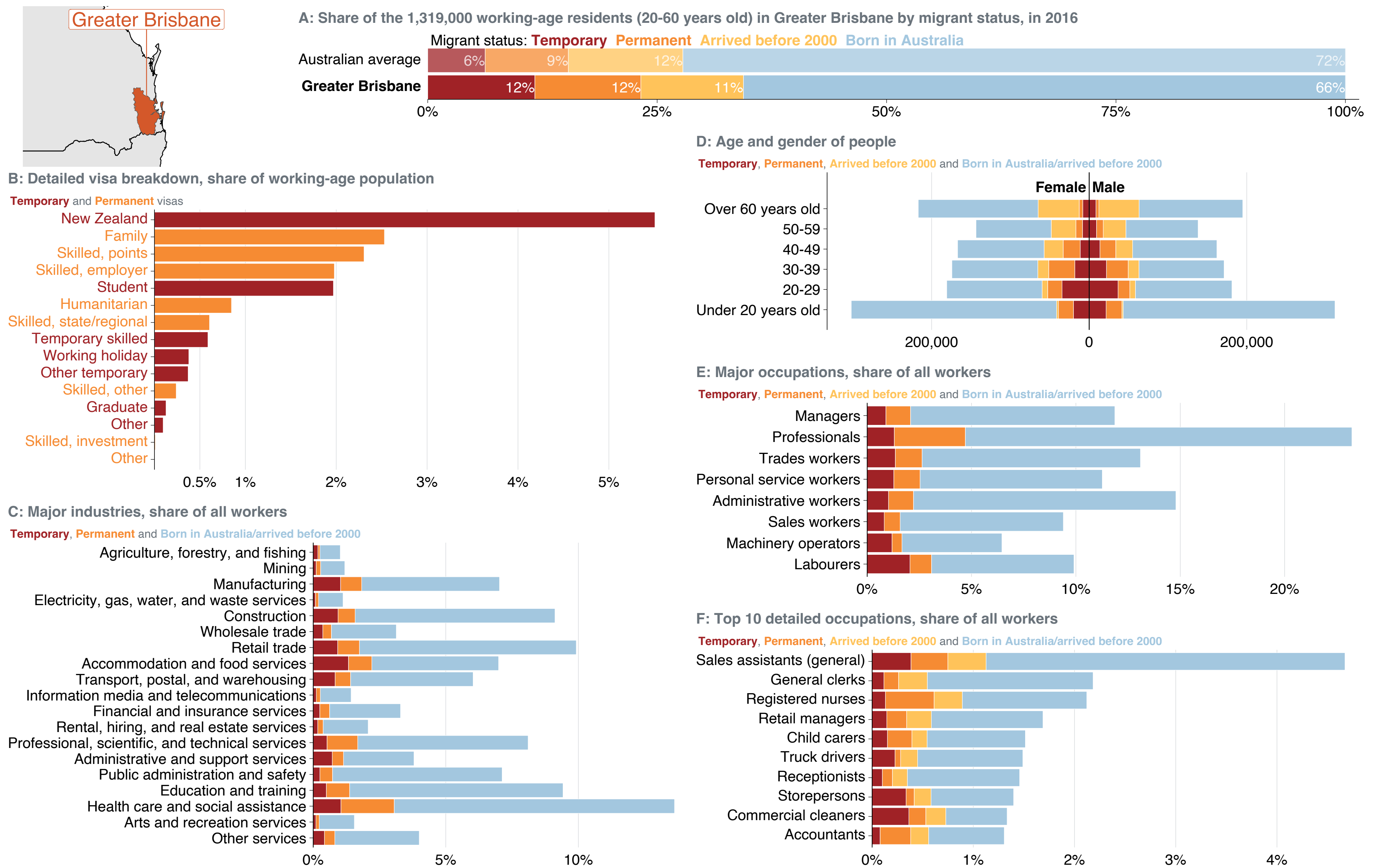
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.2: Greater Melbourne migrant and labour force profile



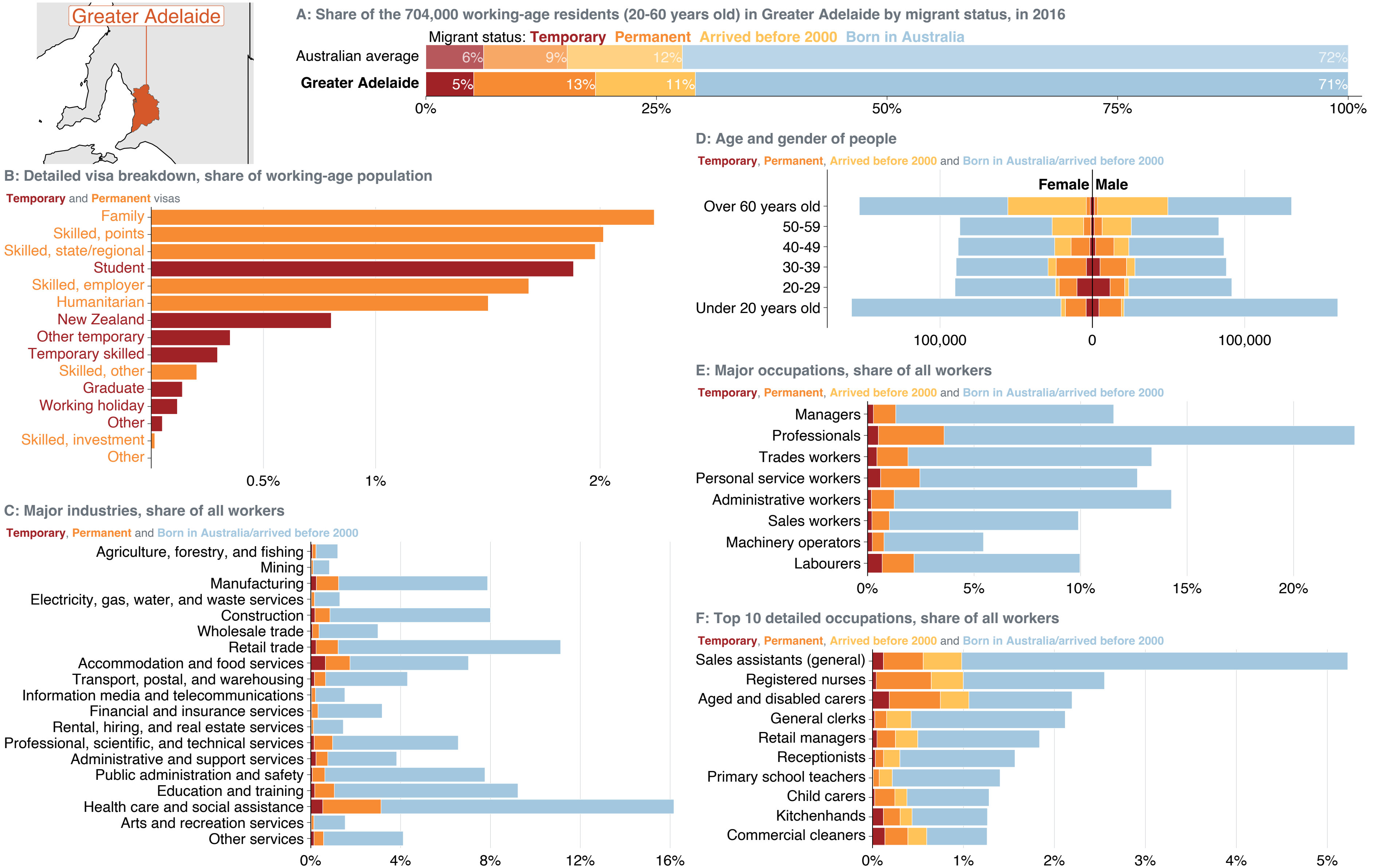
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.3: Greater Brisbane migrant and labour force profile



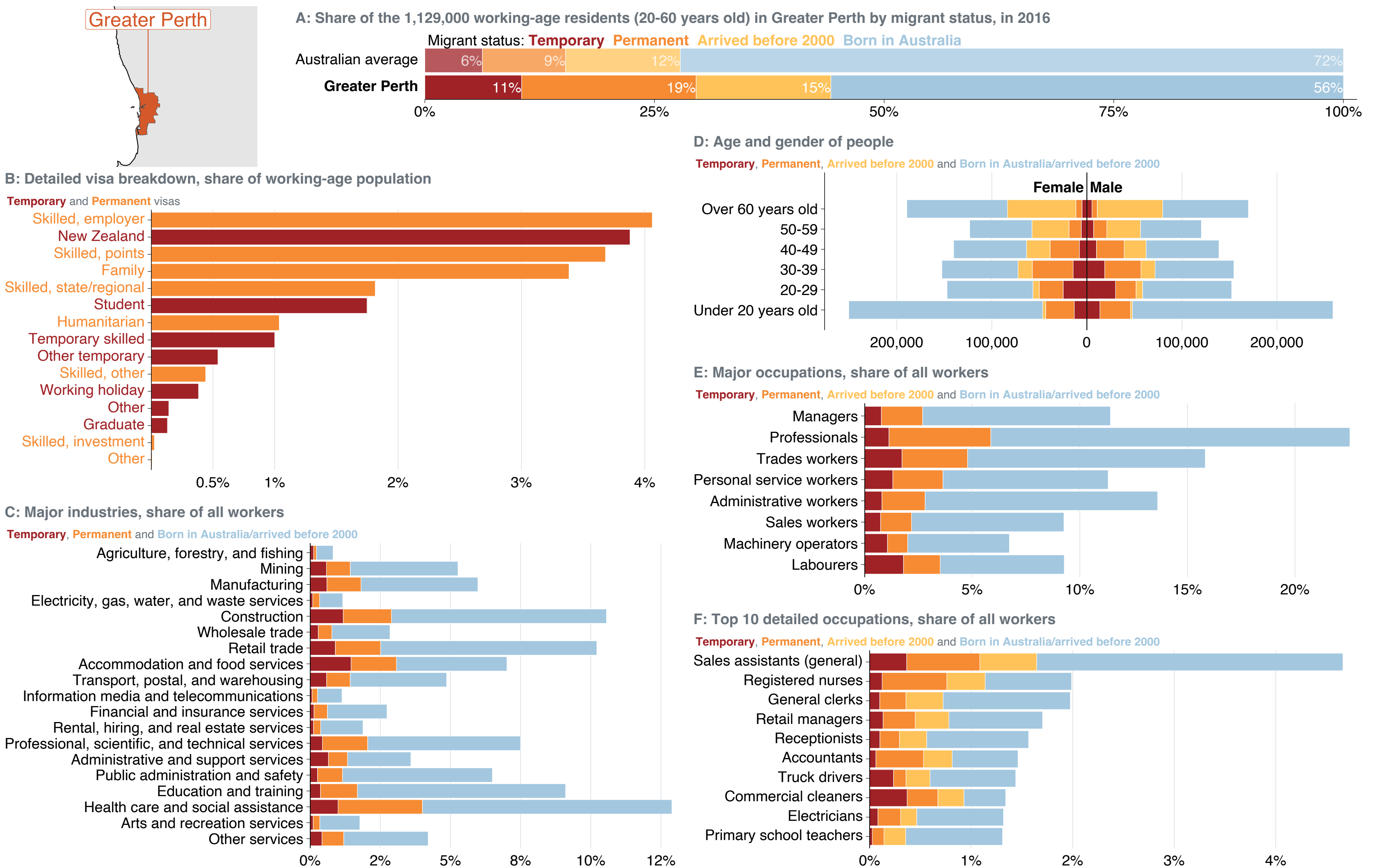
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.4: Greater Adelaide migrant and labour force profile



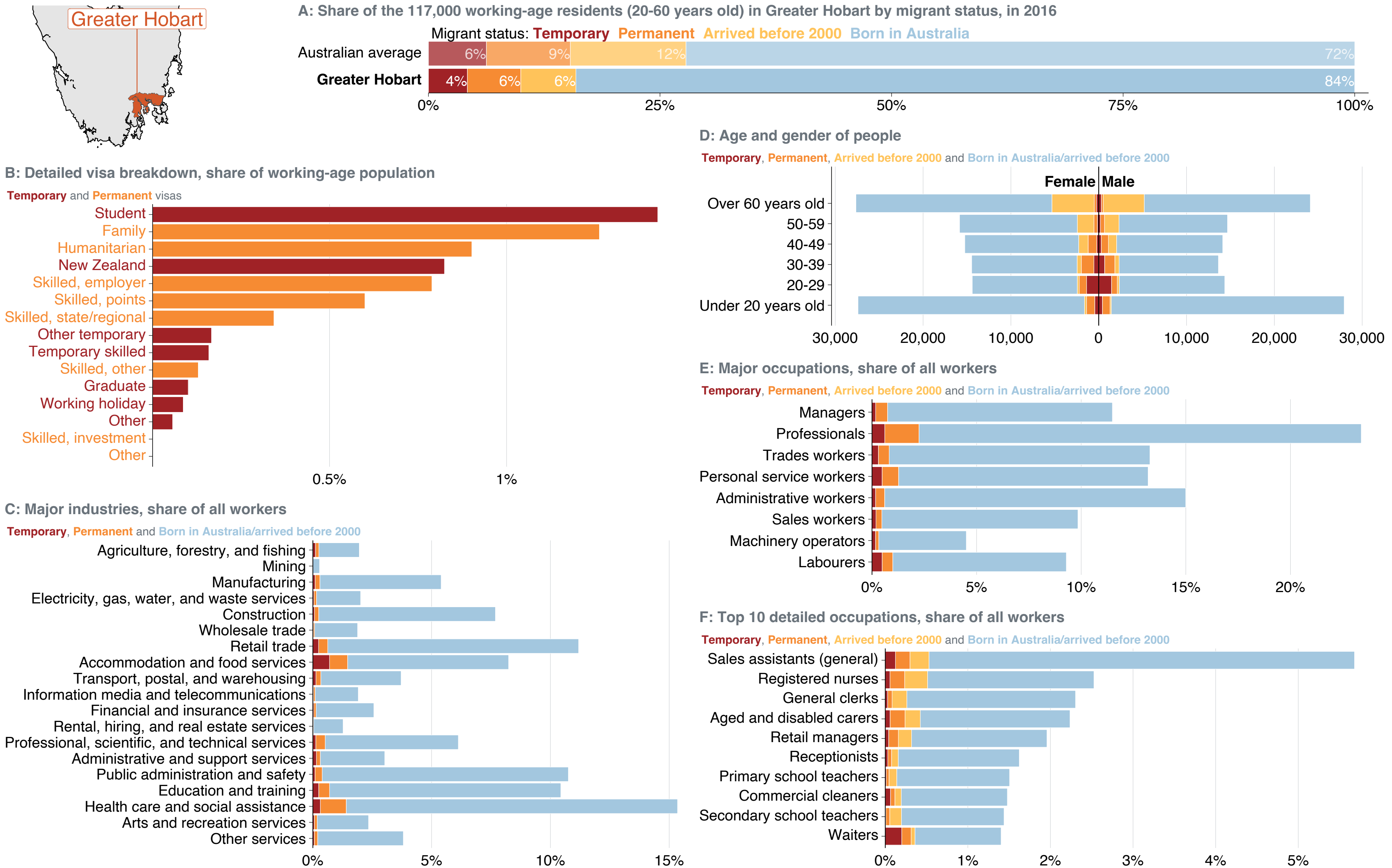
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.5: Greater Perth migrant and labour force profile



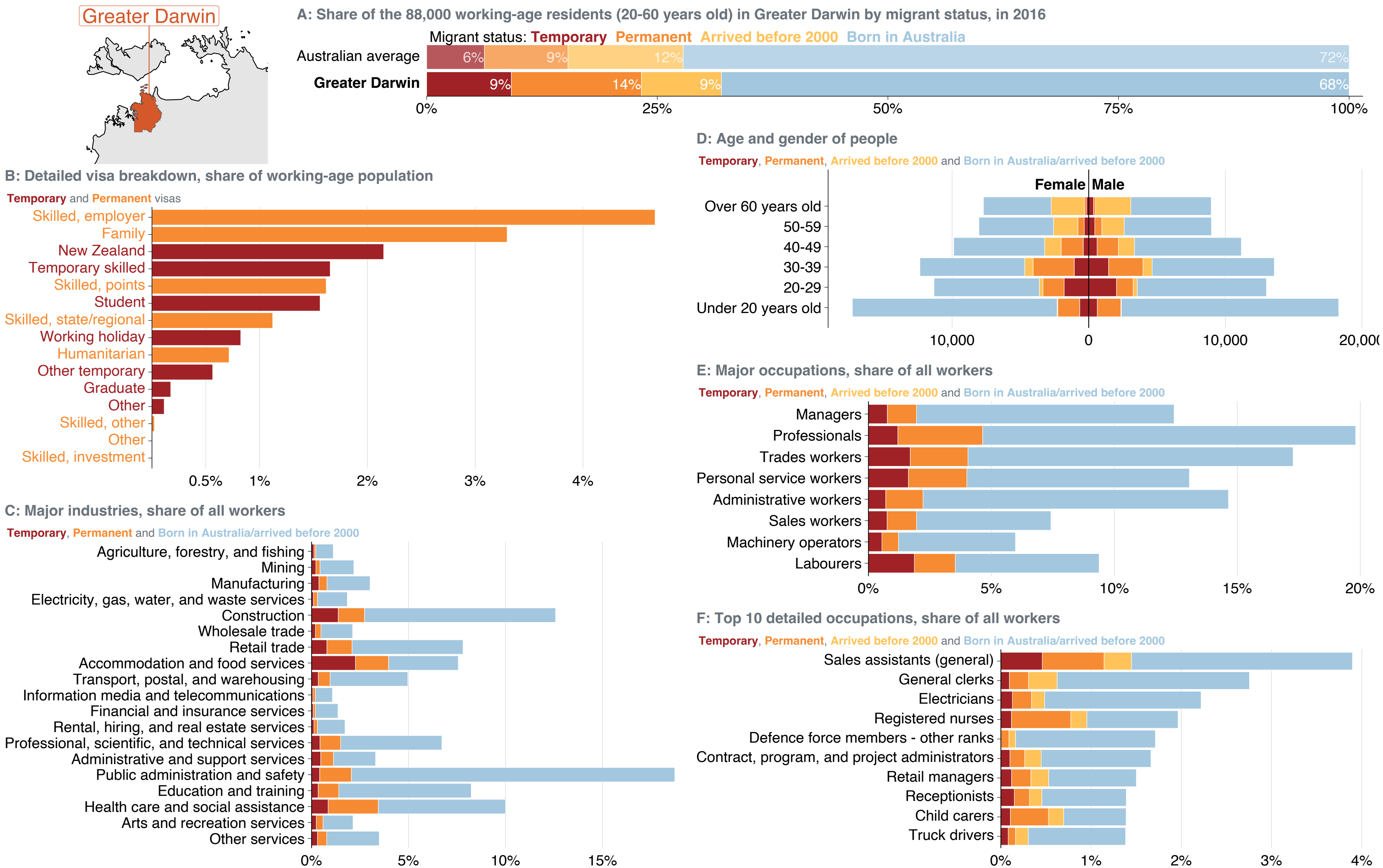
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.6: Greater Hobart migrant and labour force profile



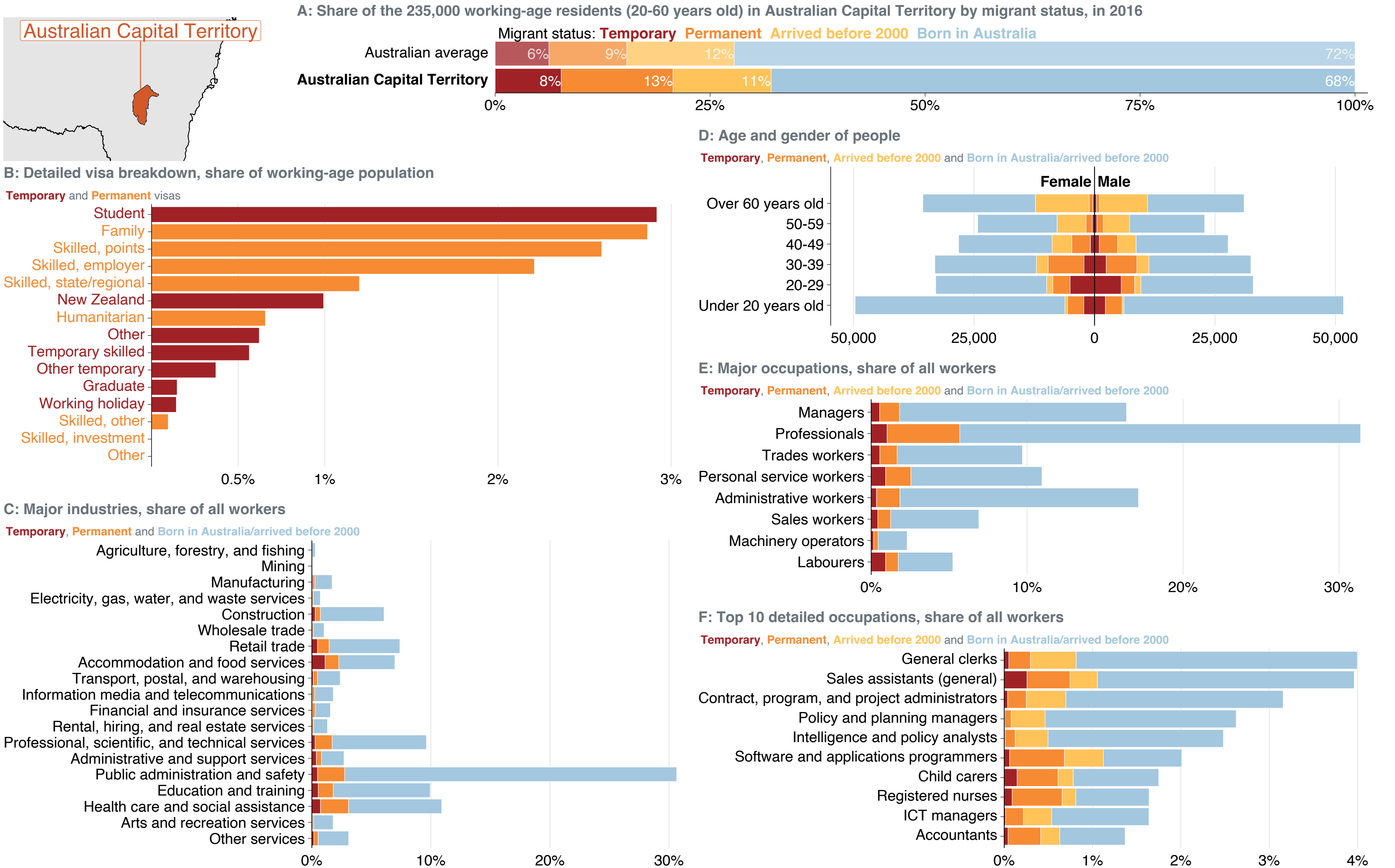
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.7: Greater Darwin migrant and labour force profile



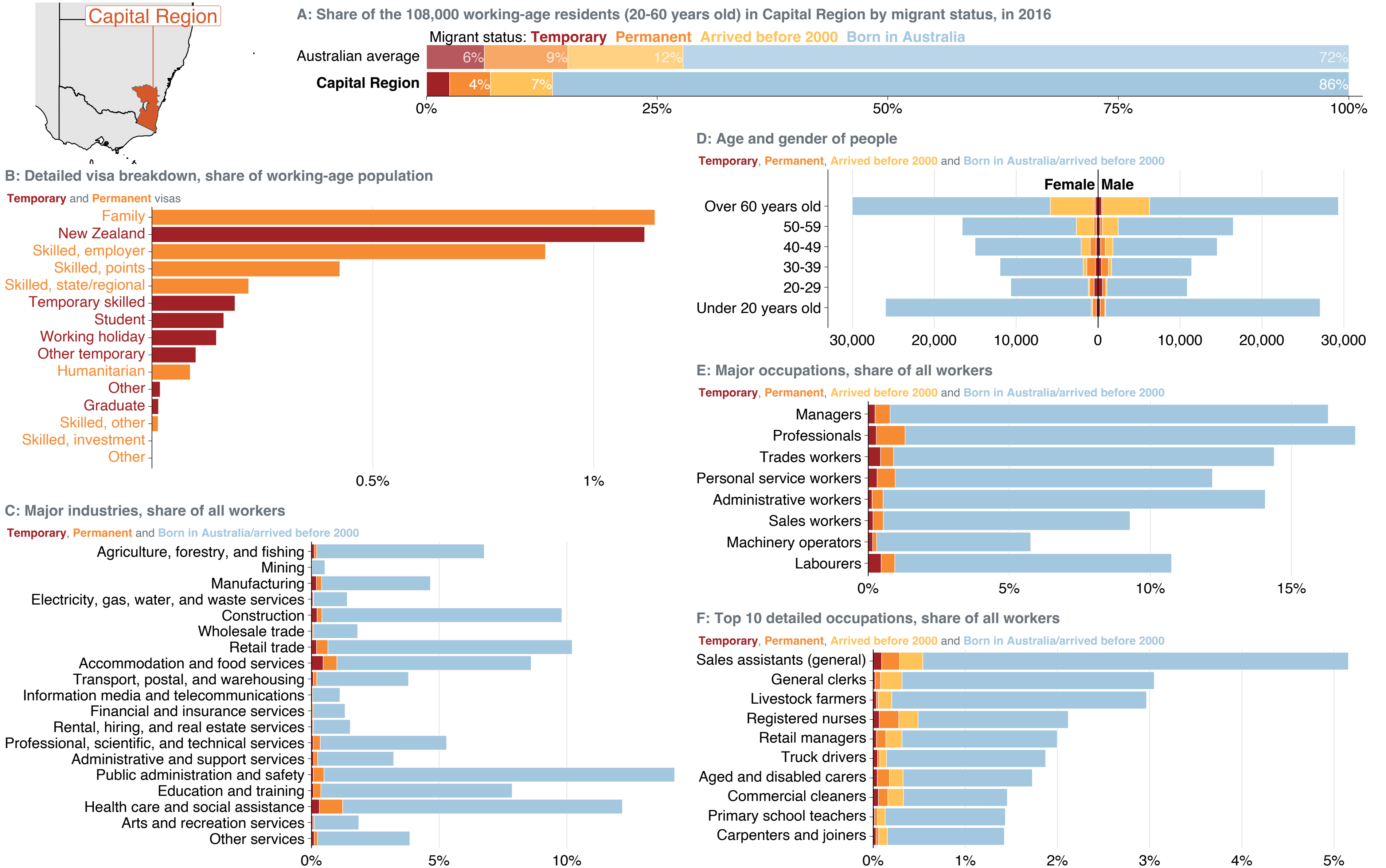
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.8: Australian Capital Territory migrant and labour force profile



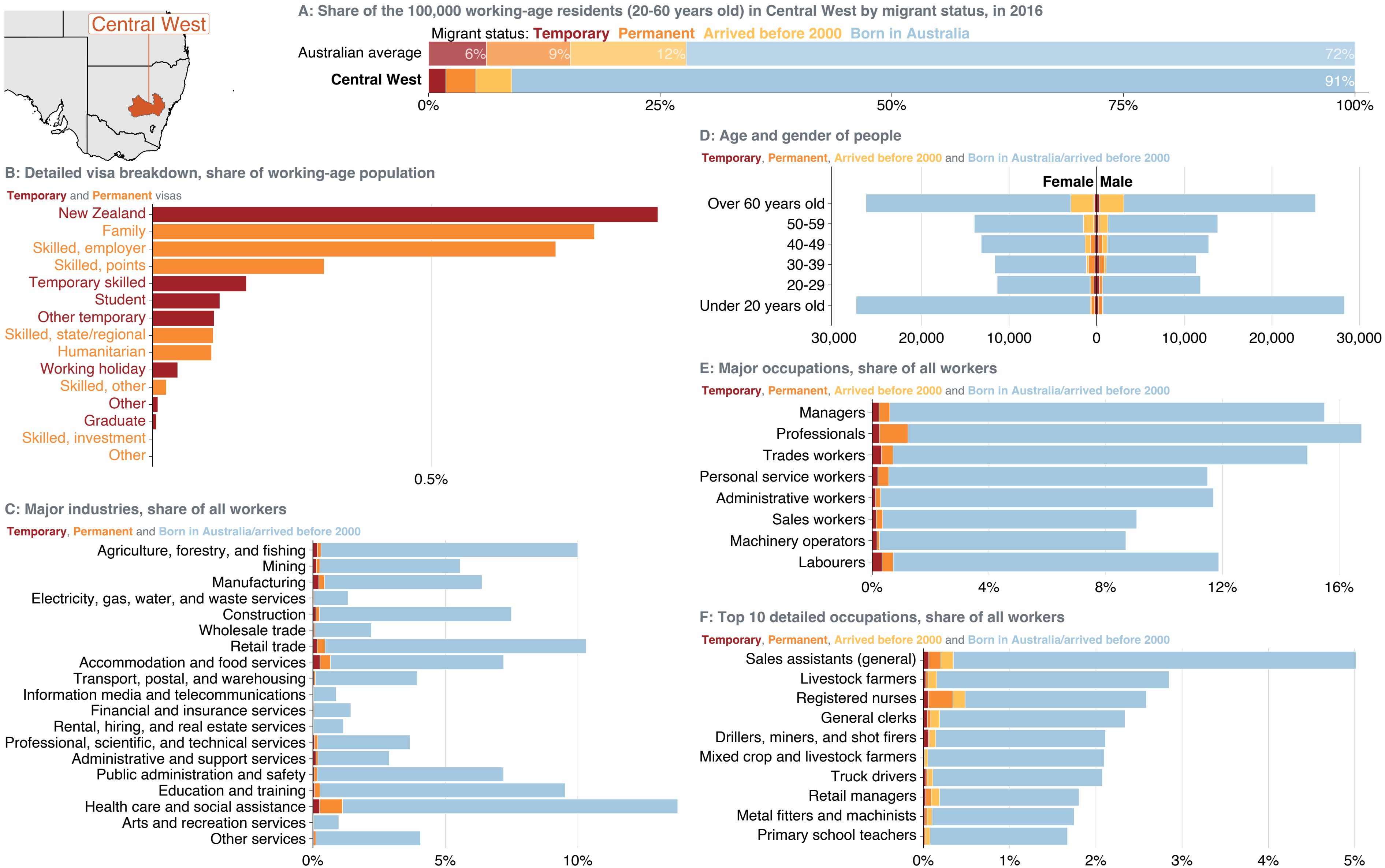
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.9: Capital Region migrant and labour force profile



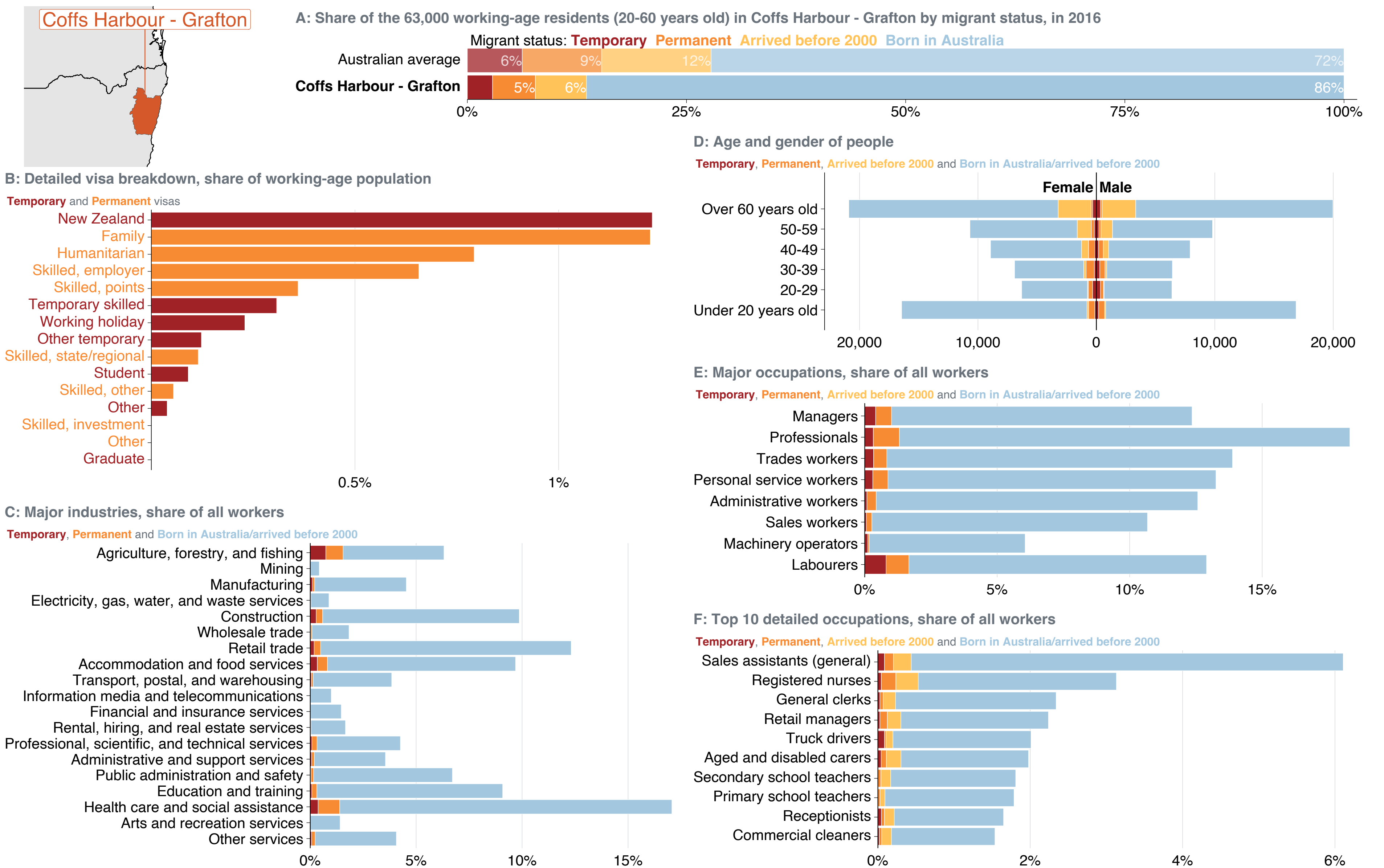
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.10: Central West migrant and labour force profile



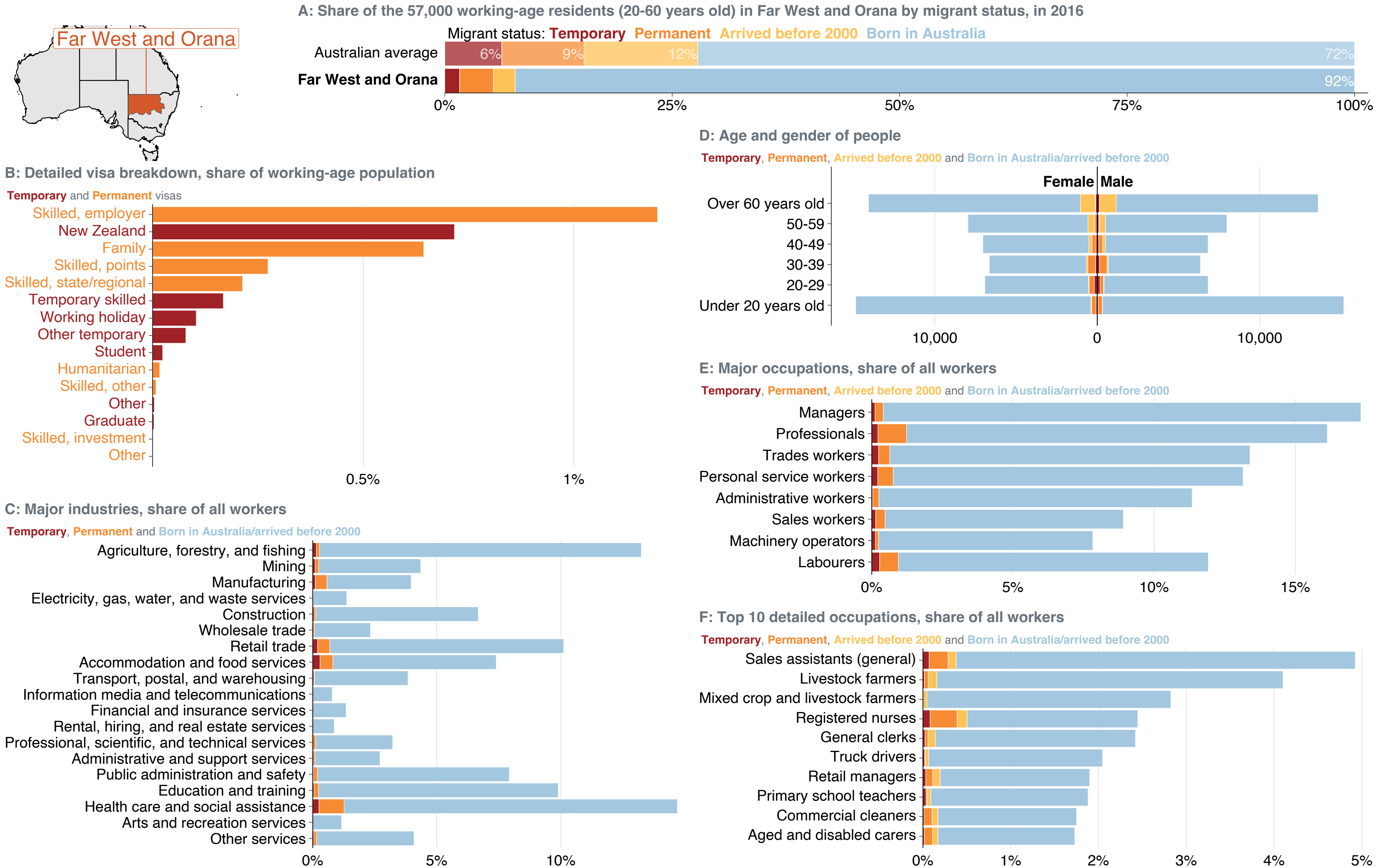
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.11: Coffs Harbour – Grafton migrant and labour force profile



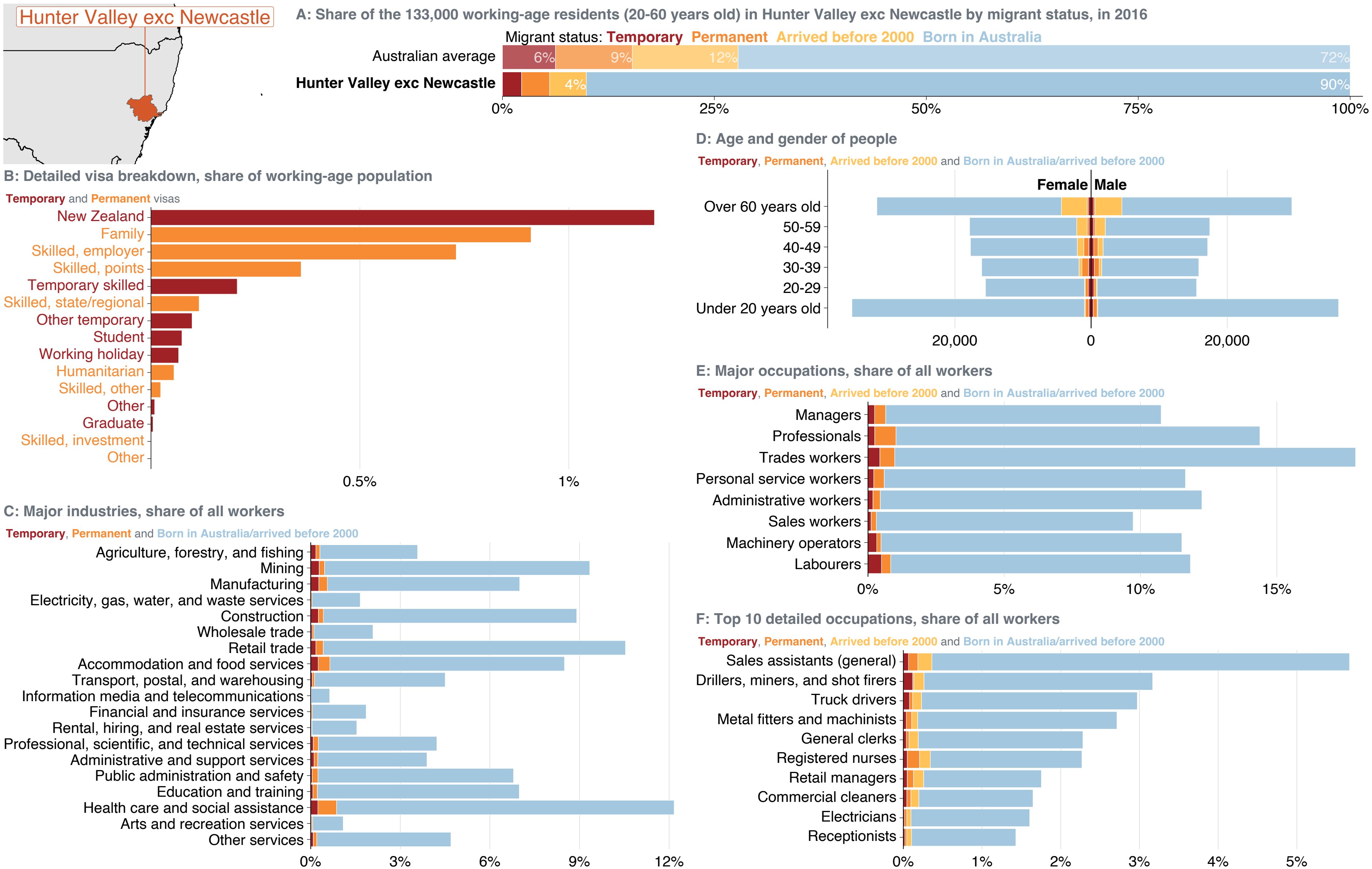
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.12: Far West and Orana migrant and labour force profile



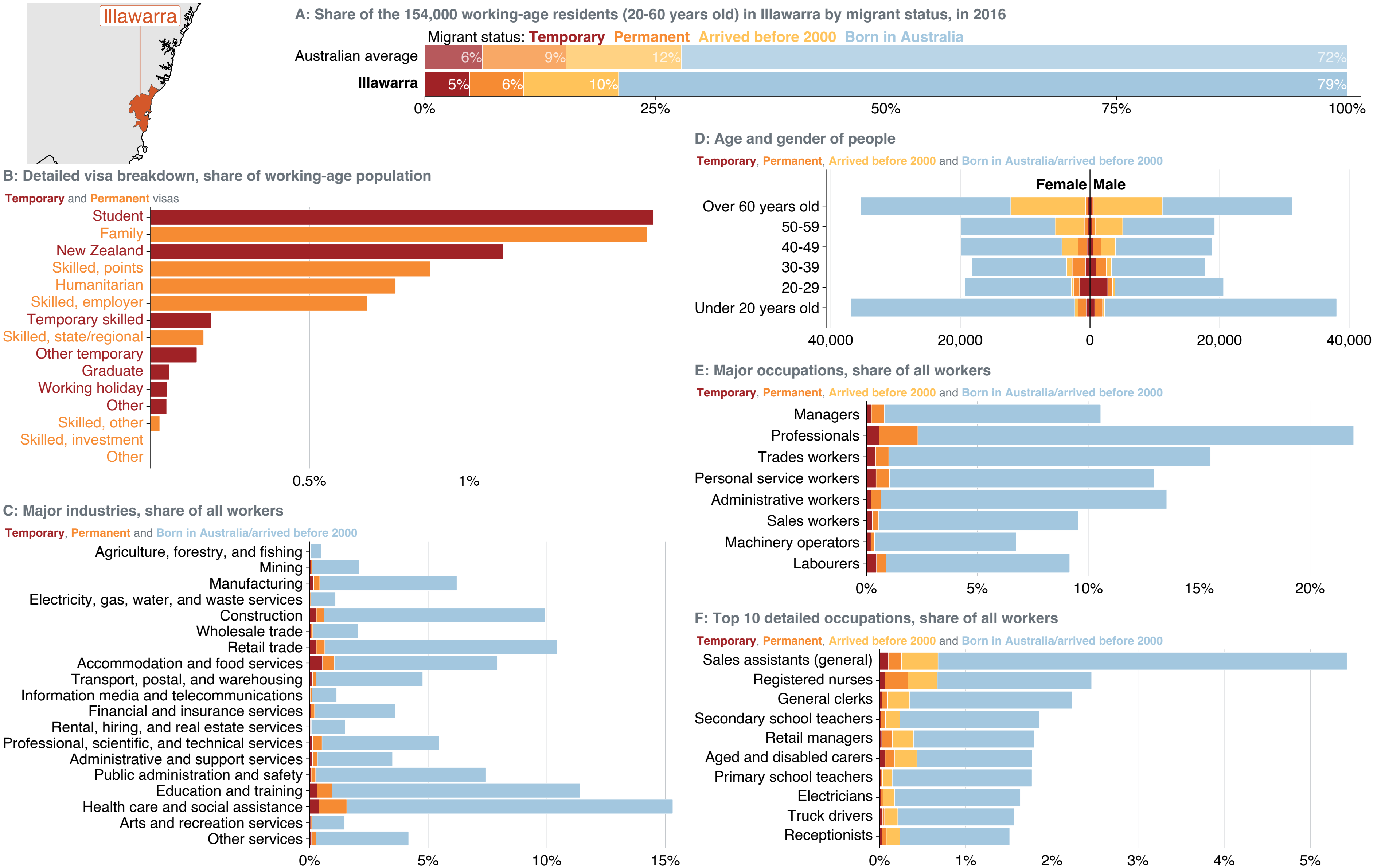
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.13: Hunter Valley exc Newcastle migrant and labour force profile



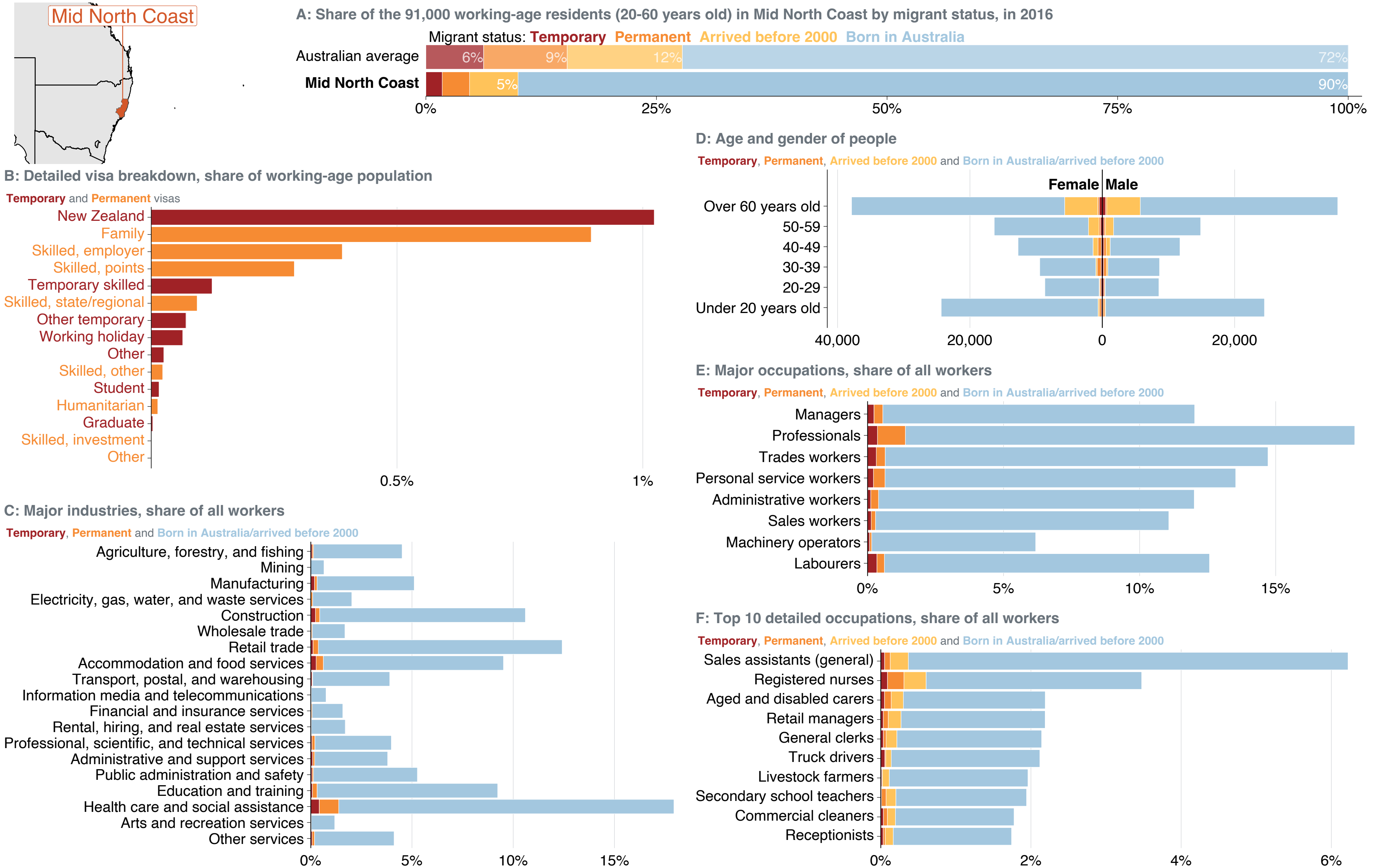
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.14: Illawarra migrant and labour force profile



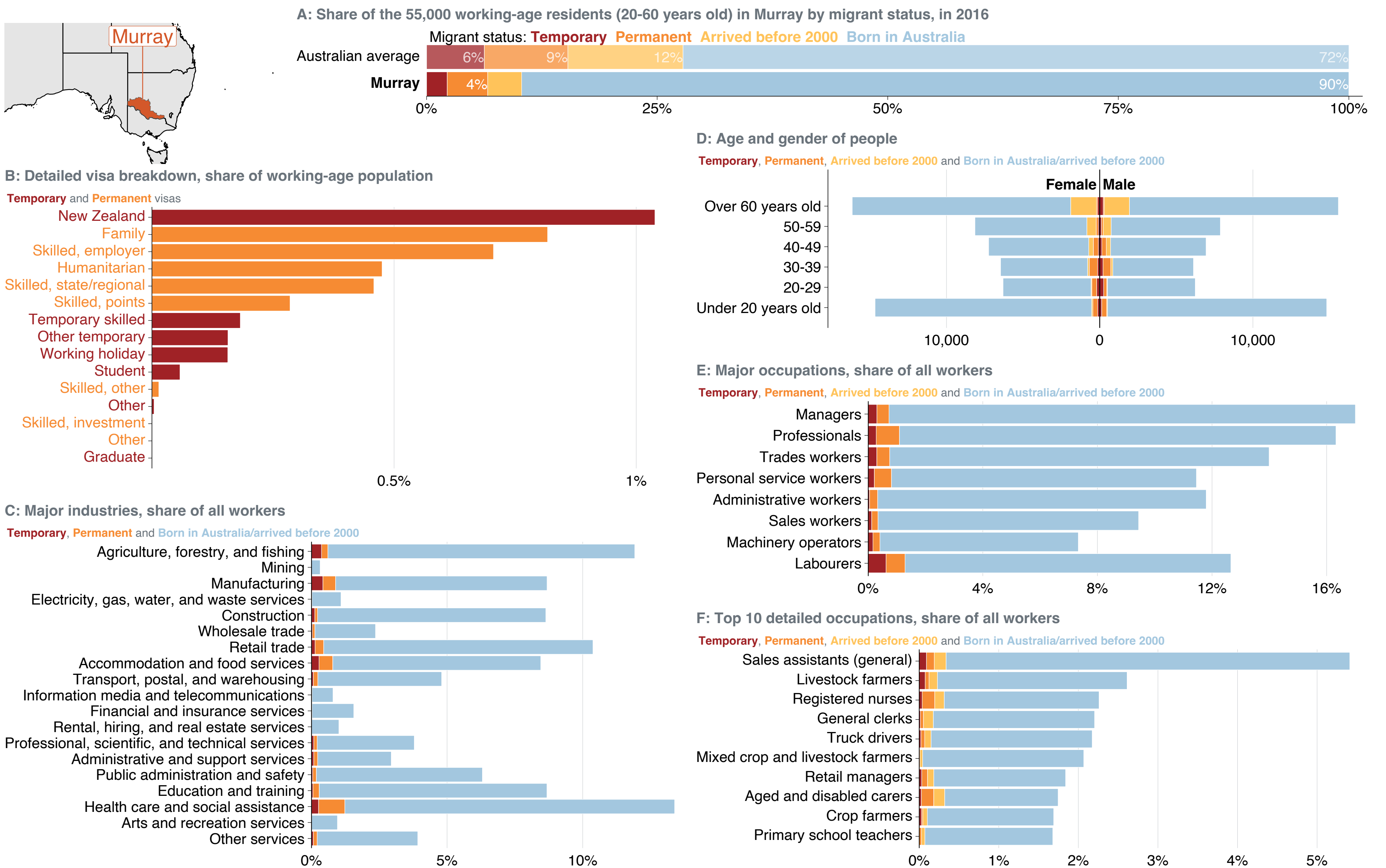
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.15: Mid North Coast migrant and labour force profile



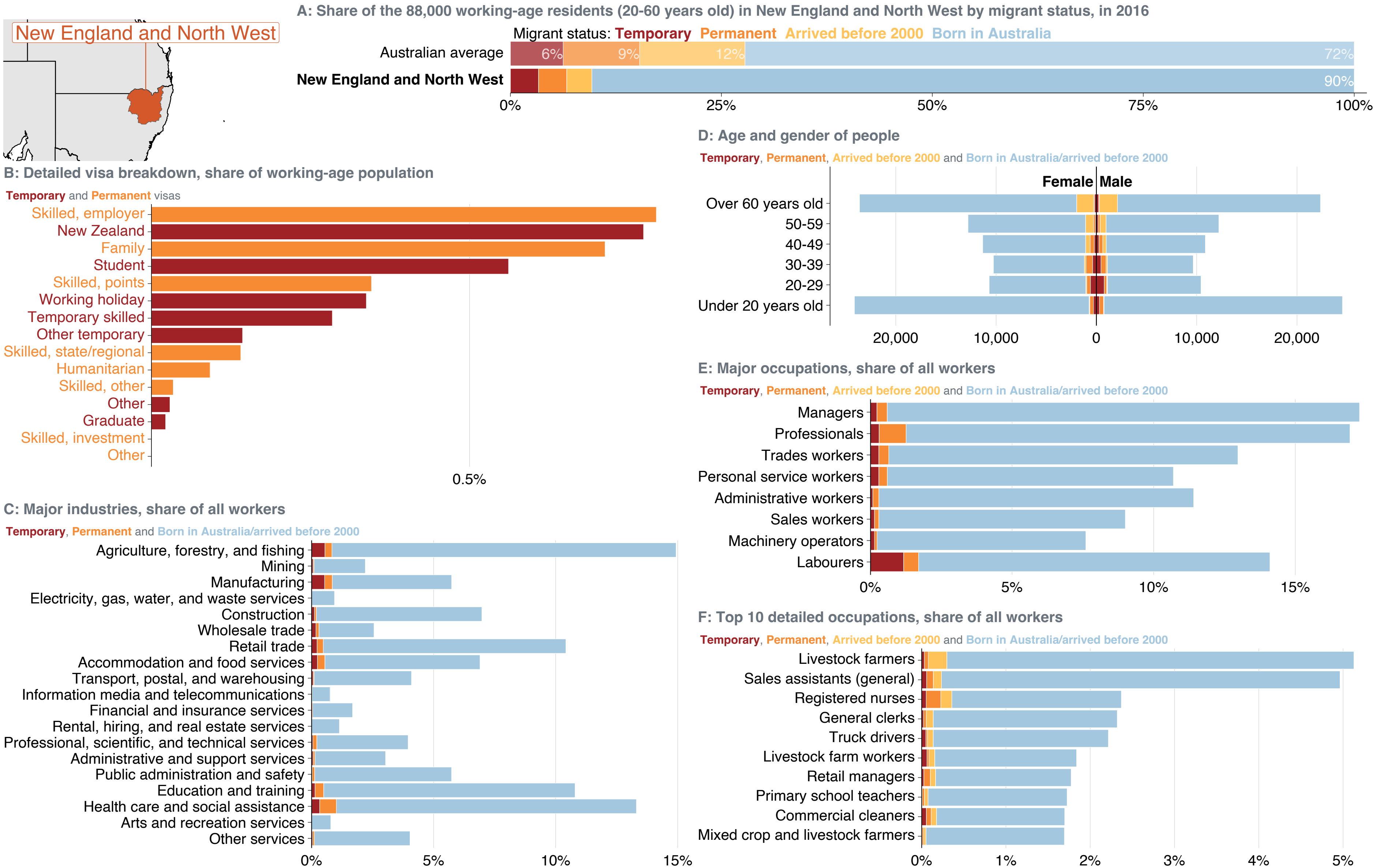
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.16: Murray migrant and labour force profile



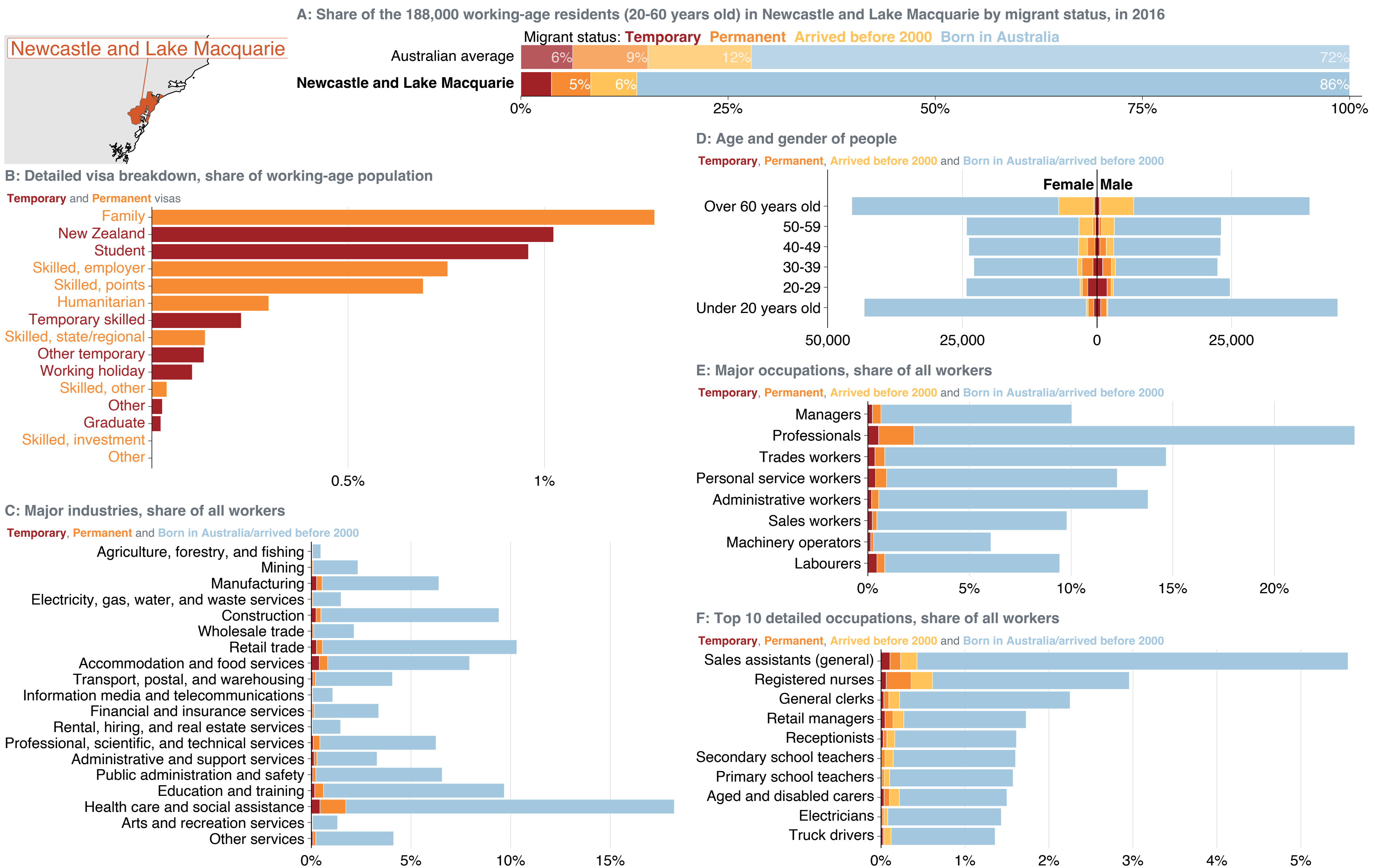
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.17: New England and North West migrant and labour force profile



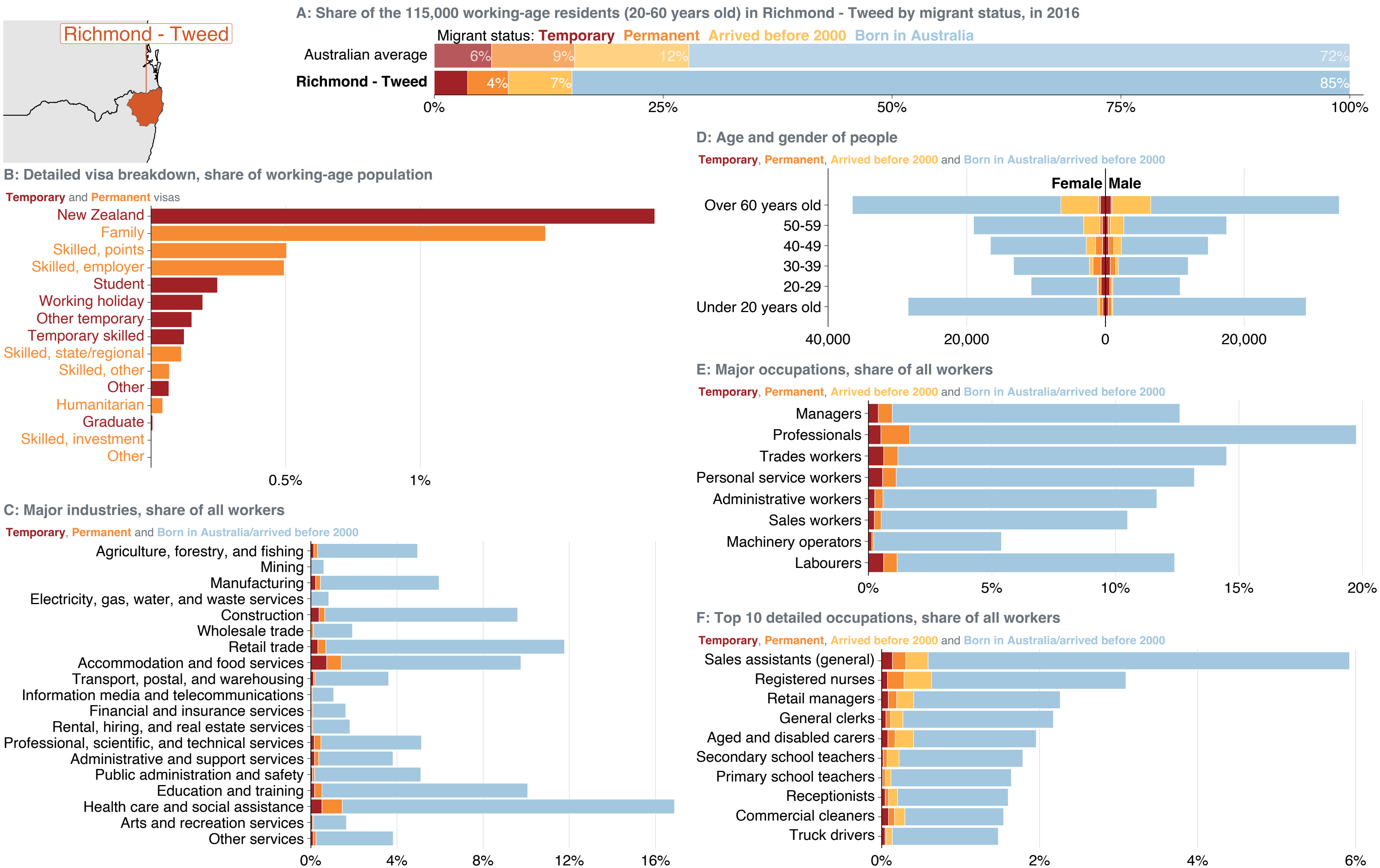
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.18: Newcastle and Lake Macquarie migrant and labour force profile



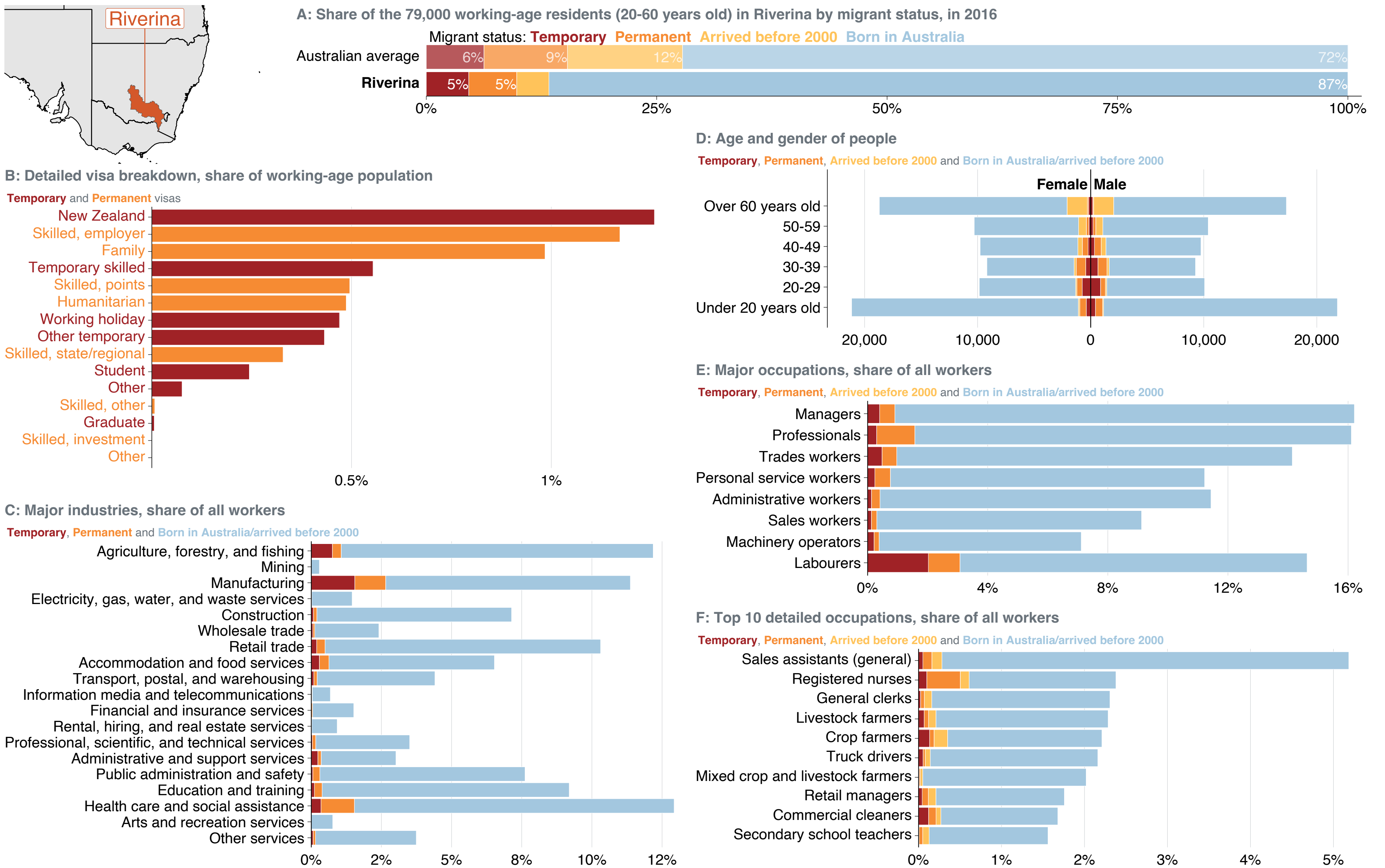
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.19: Richmond – Tweed migrant and labour force profile



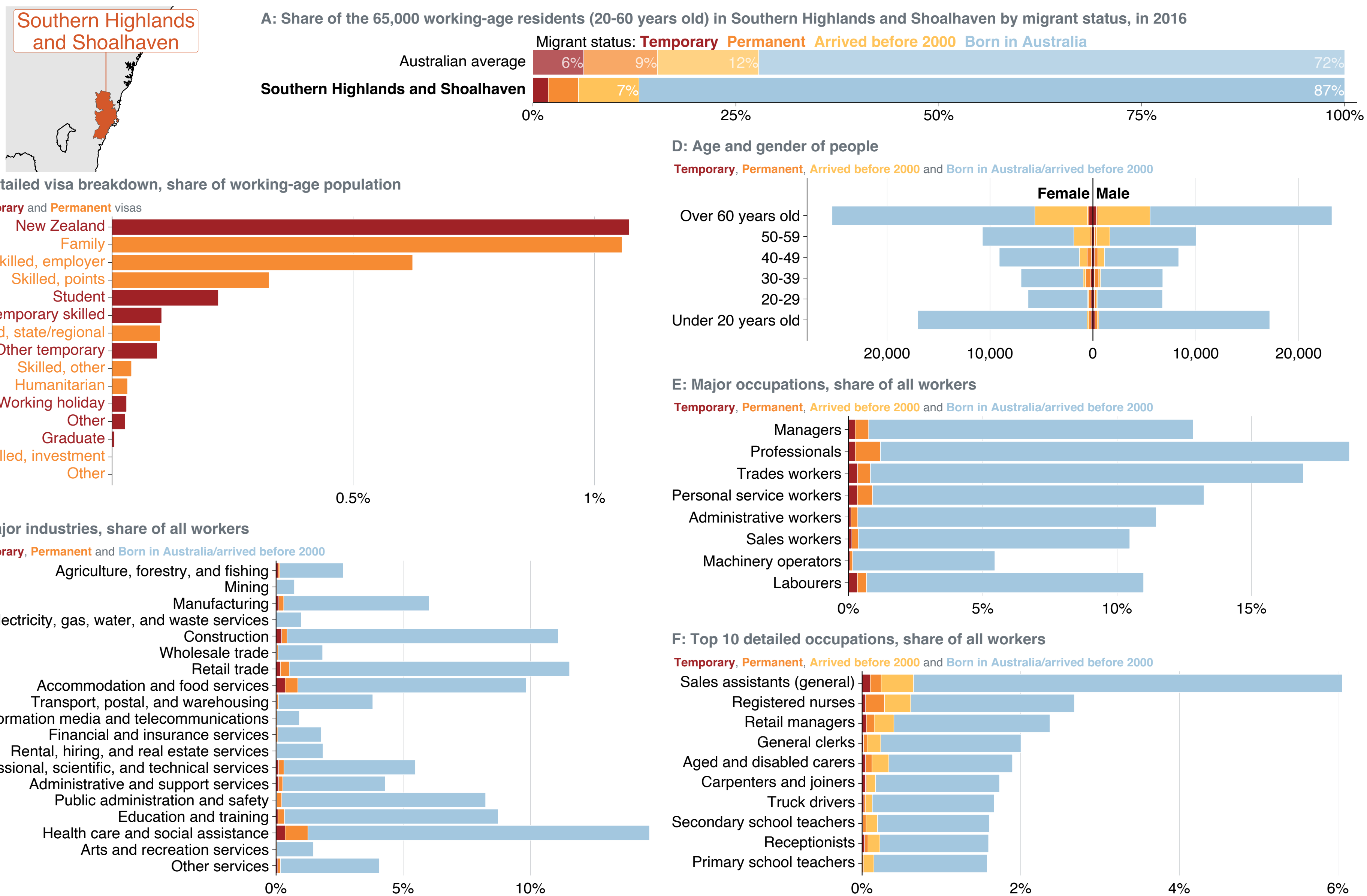
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.20: Riverina migrant and labour force profile



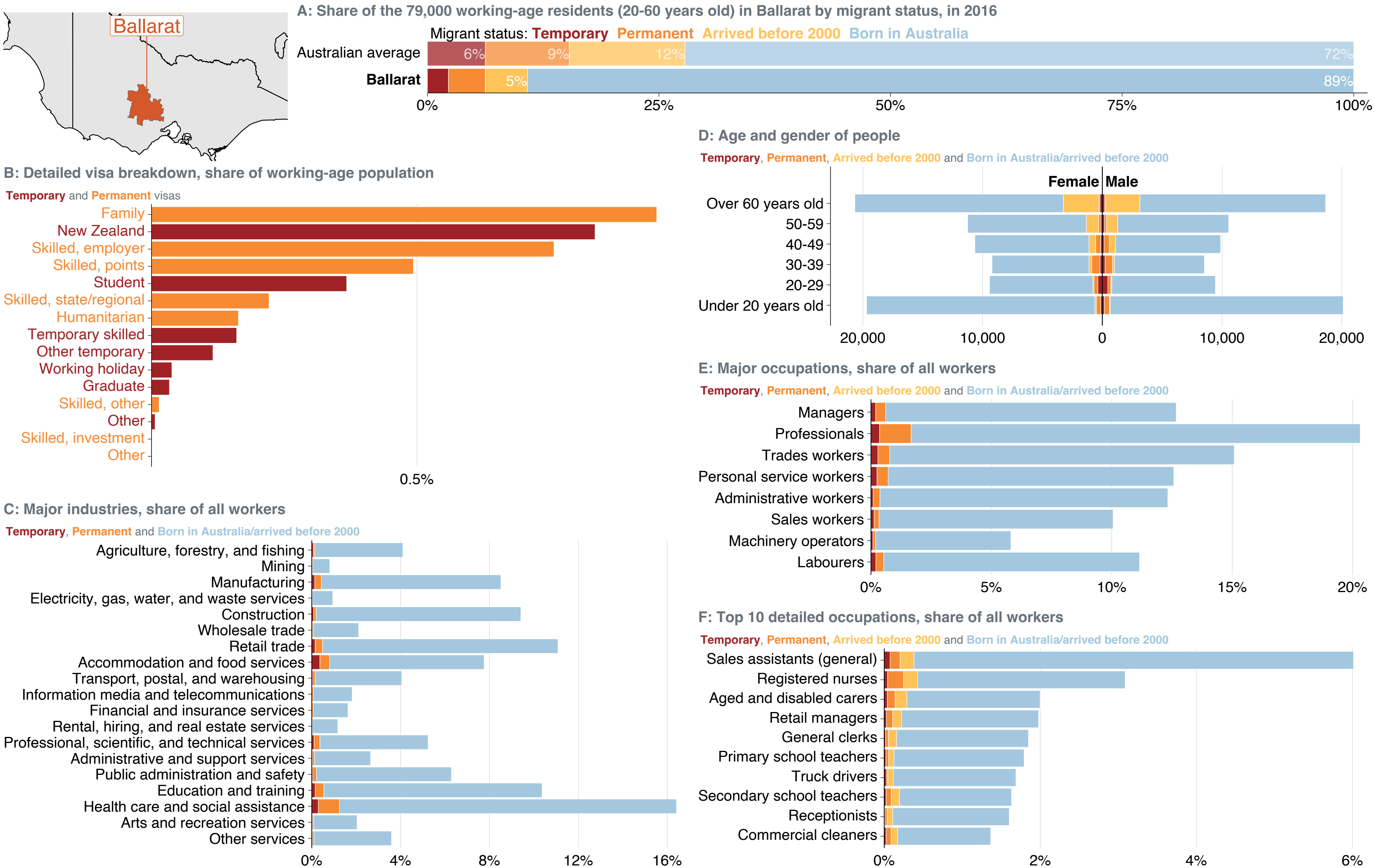
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.21: Southern Highlands and Shoalhaven migrant and labour force profile



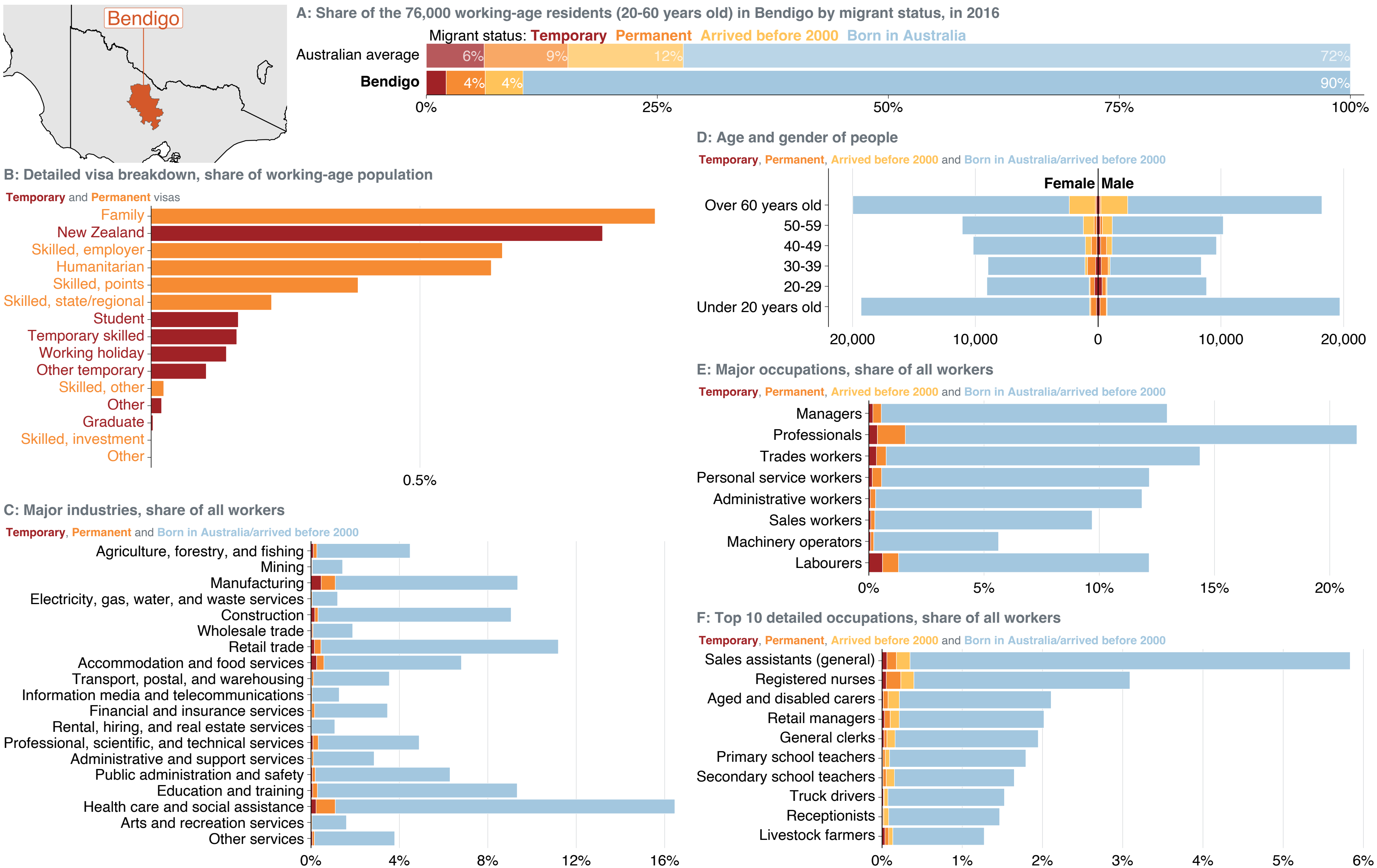
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.22: Ballarat migrant and labour force profile



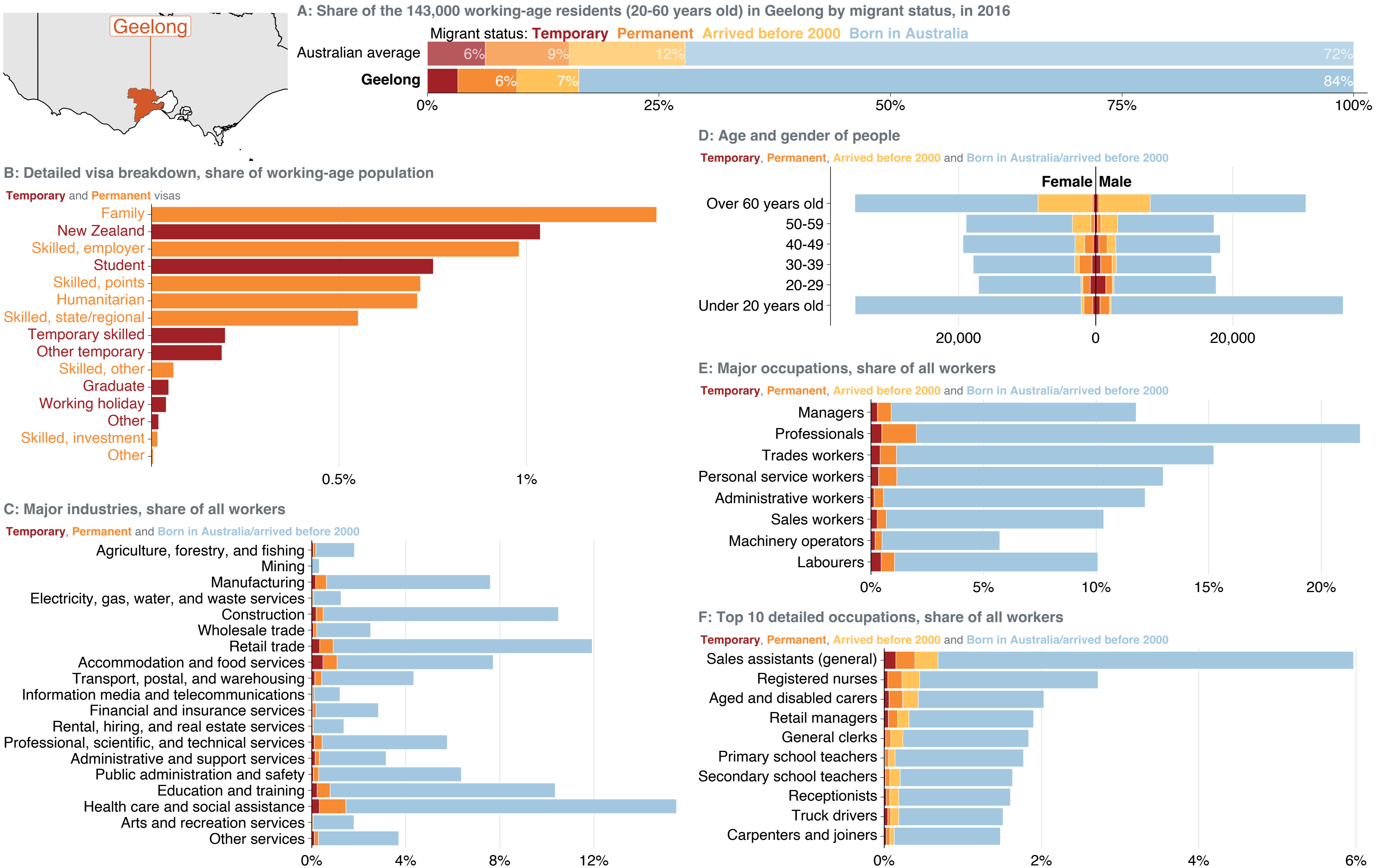
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.23: Bendigo migrant and labour force profile



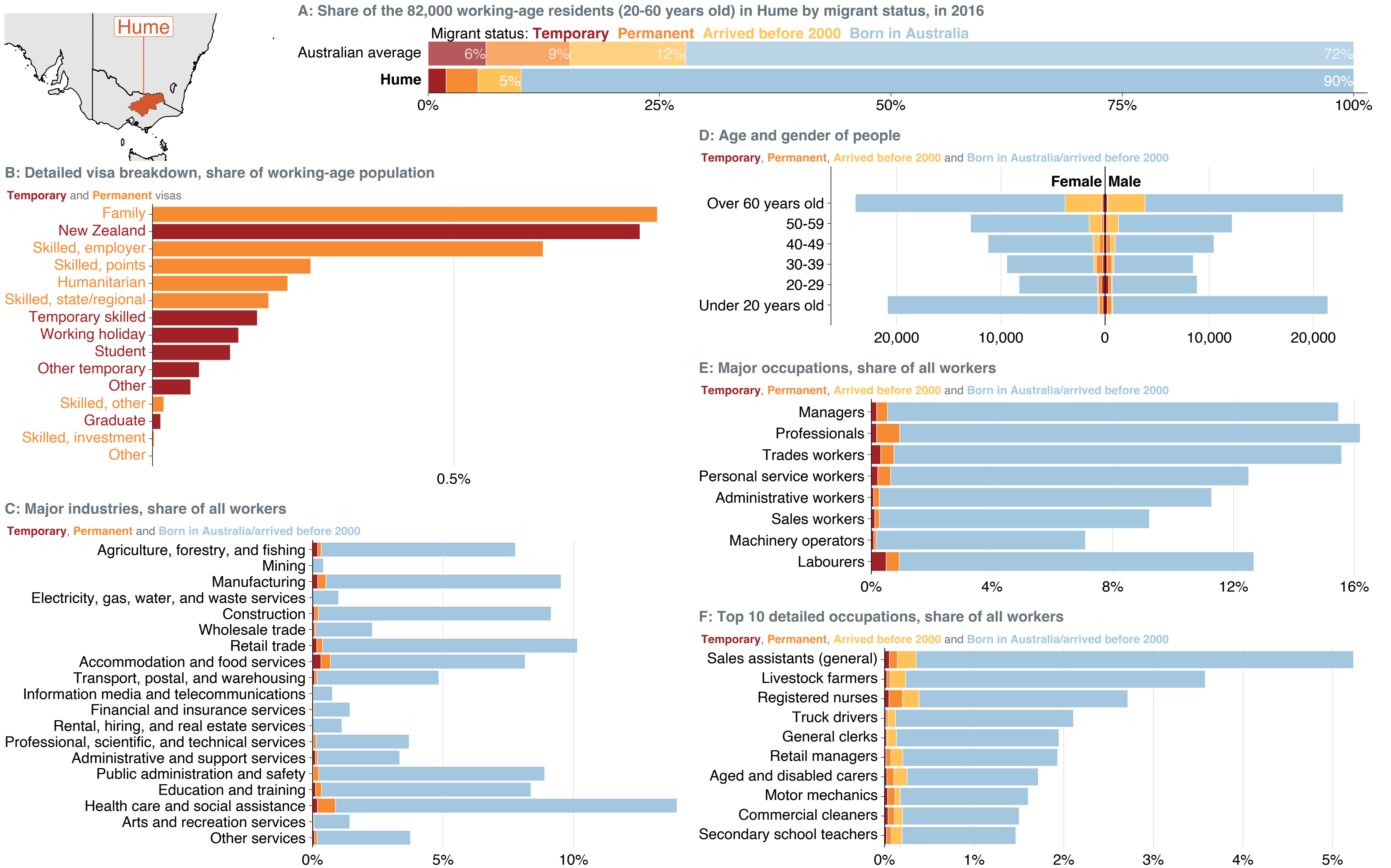
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.24: Geelong migrant and labour force profile



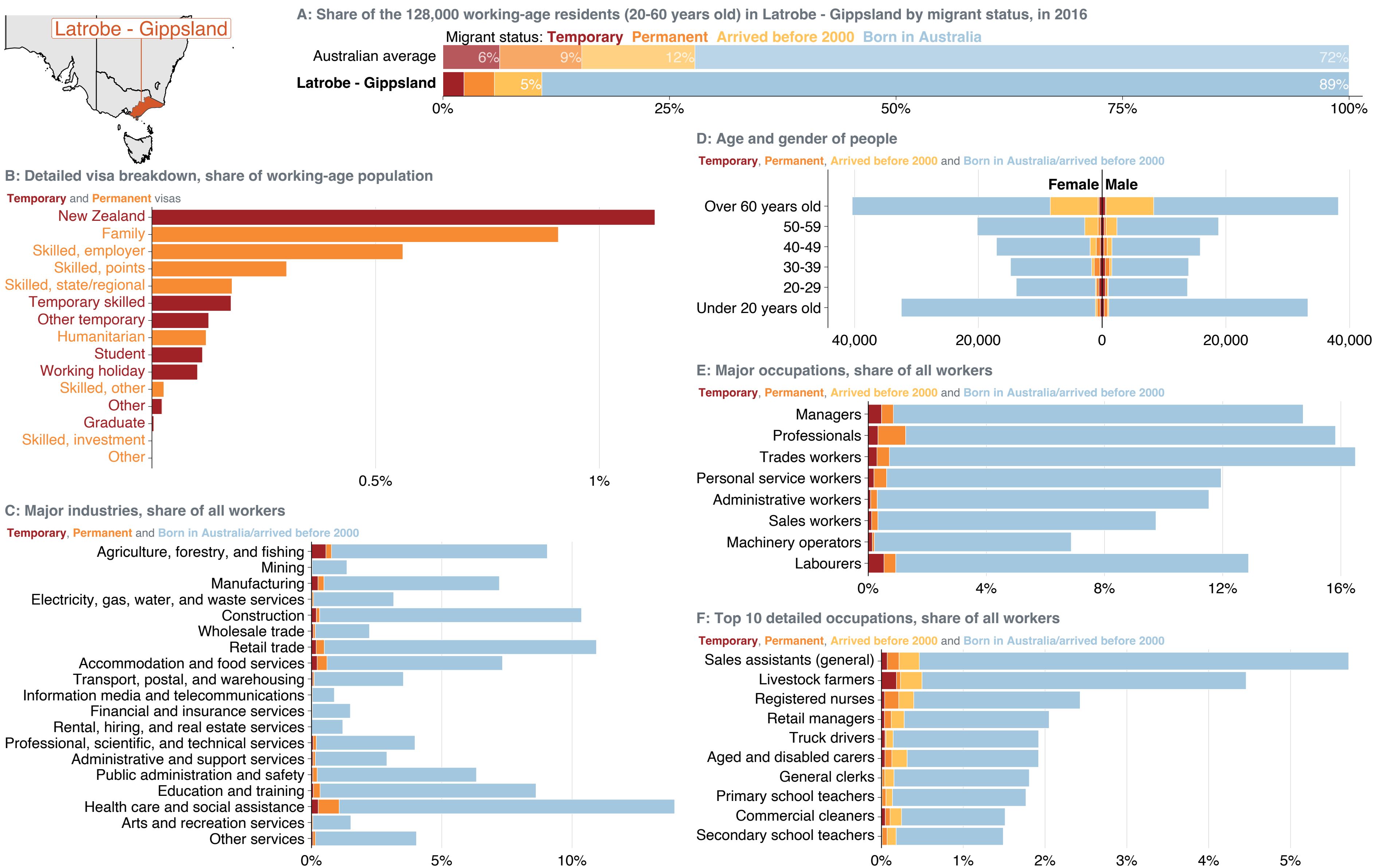
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.25: Hume migrant and labour force profile



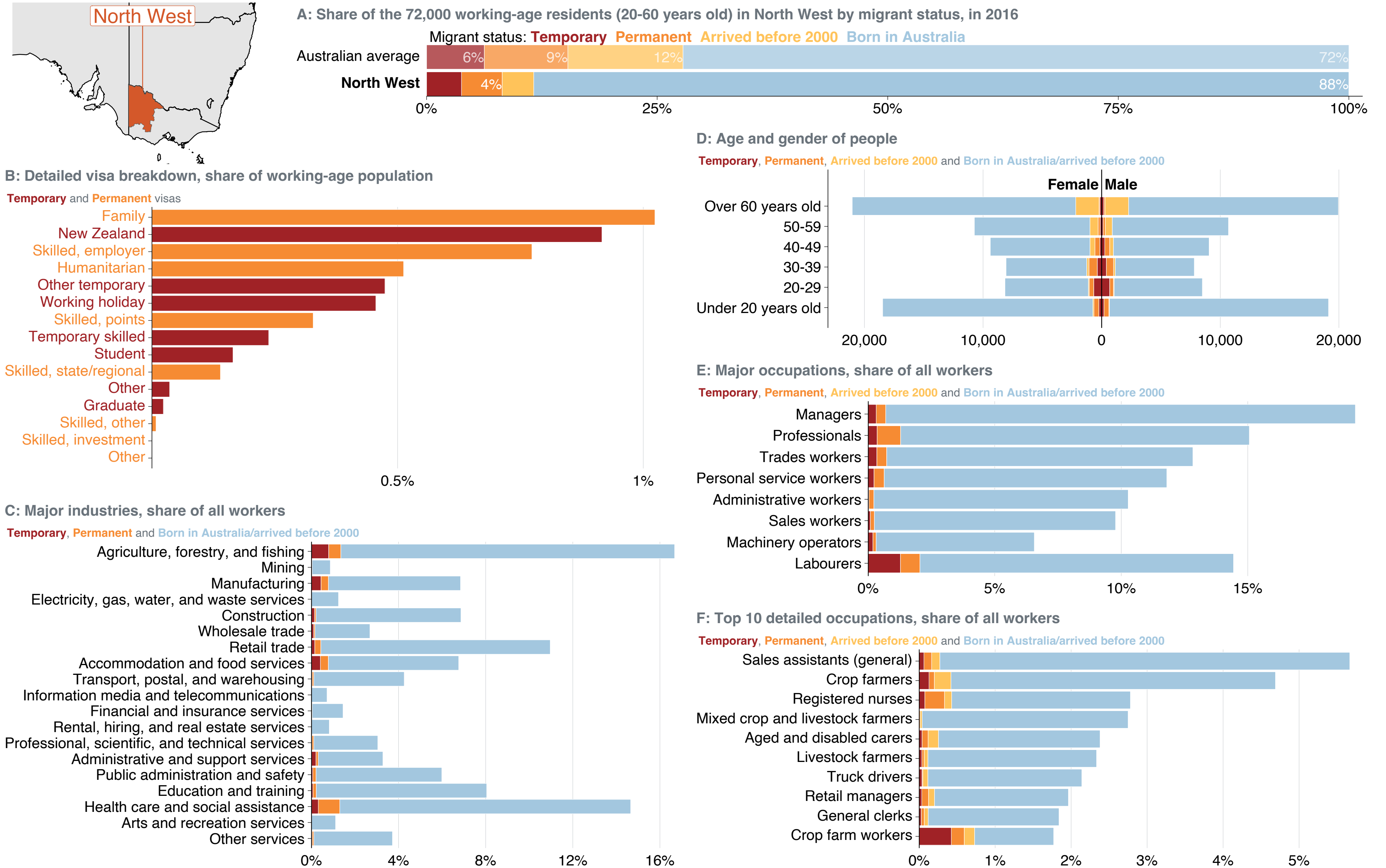
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.26: Latrobe – Gippsland migrant and labour force profile



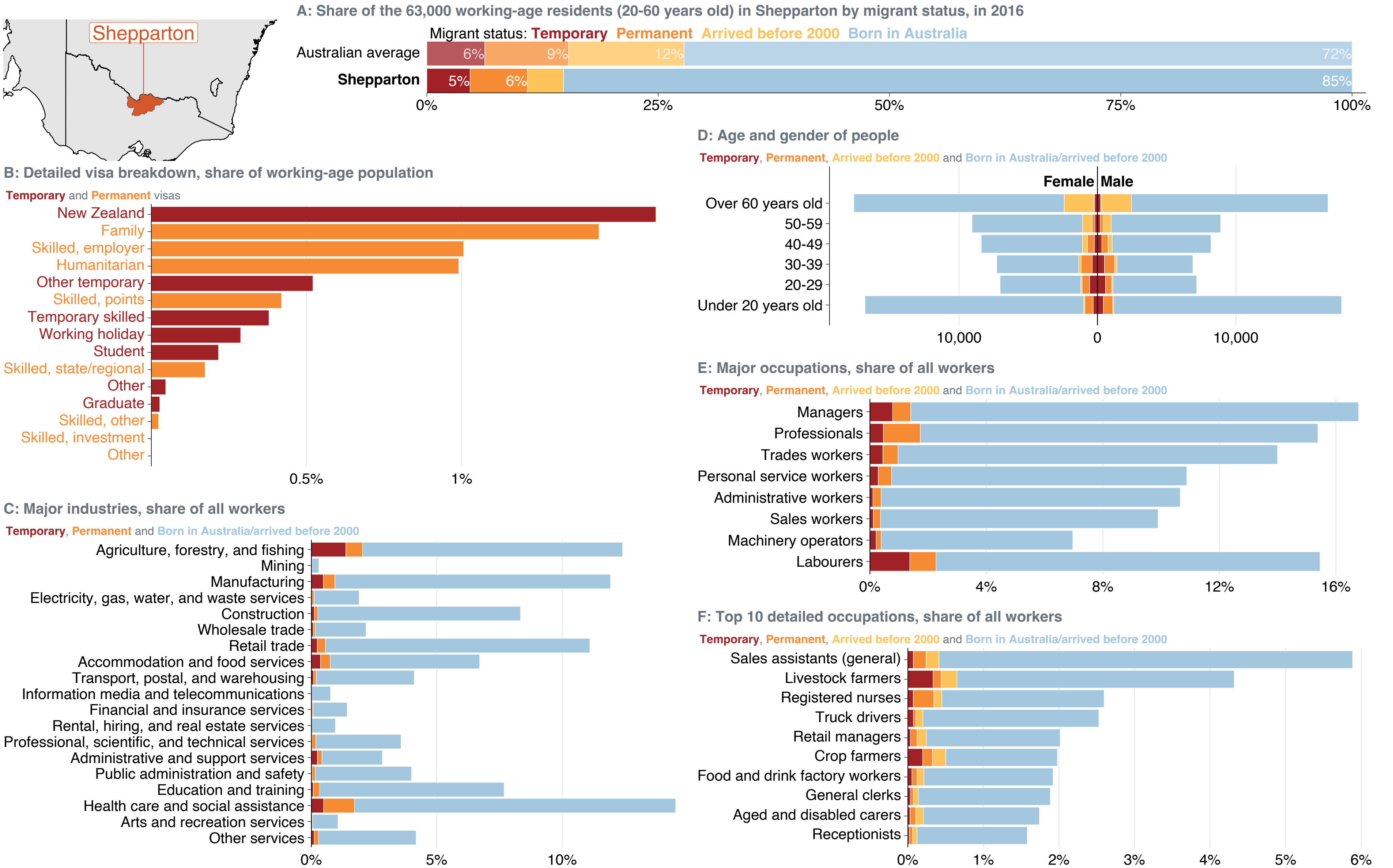
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.27: North West migrant and labour force profile



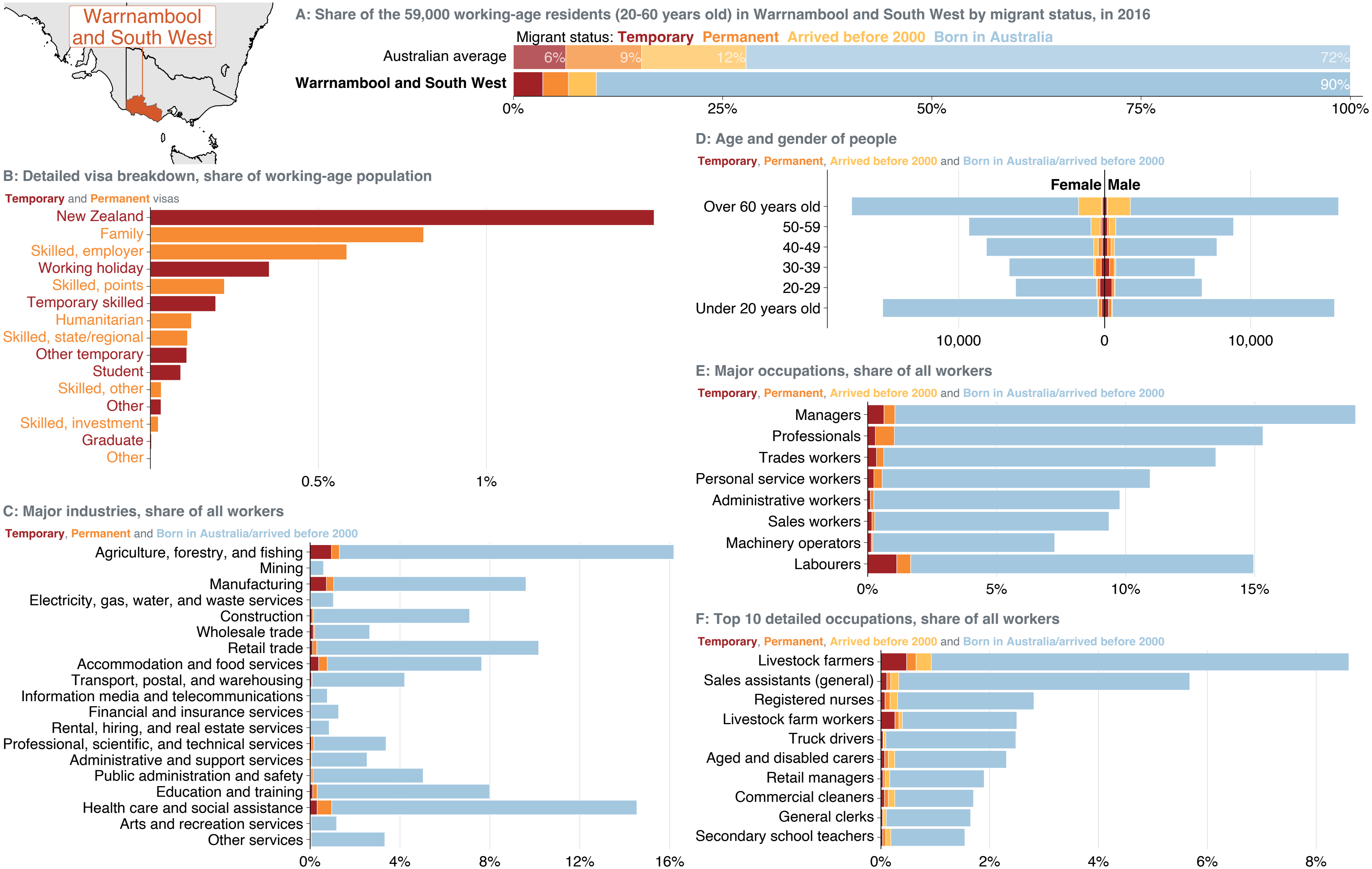
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.28: Shepparton migrant and labour force profile



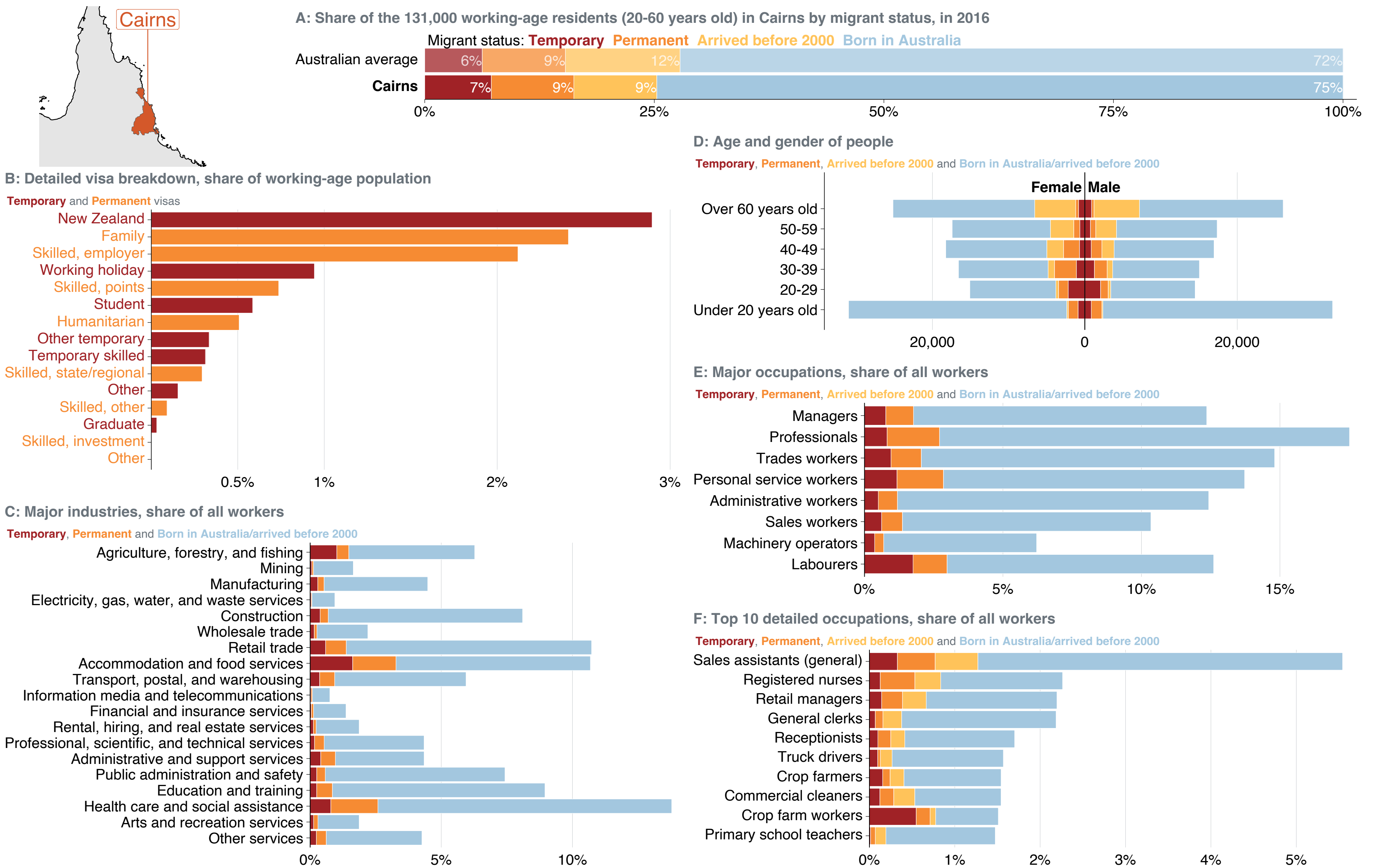
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.29: Warrnambool and South West migrant and labour force profile



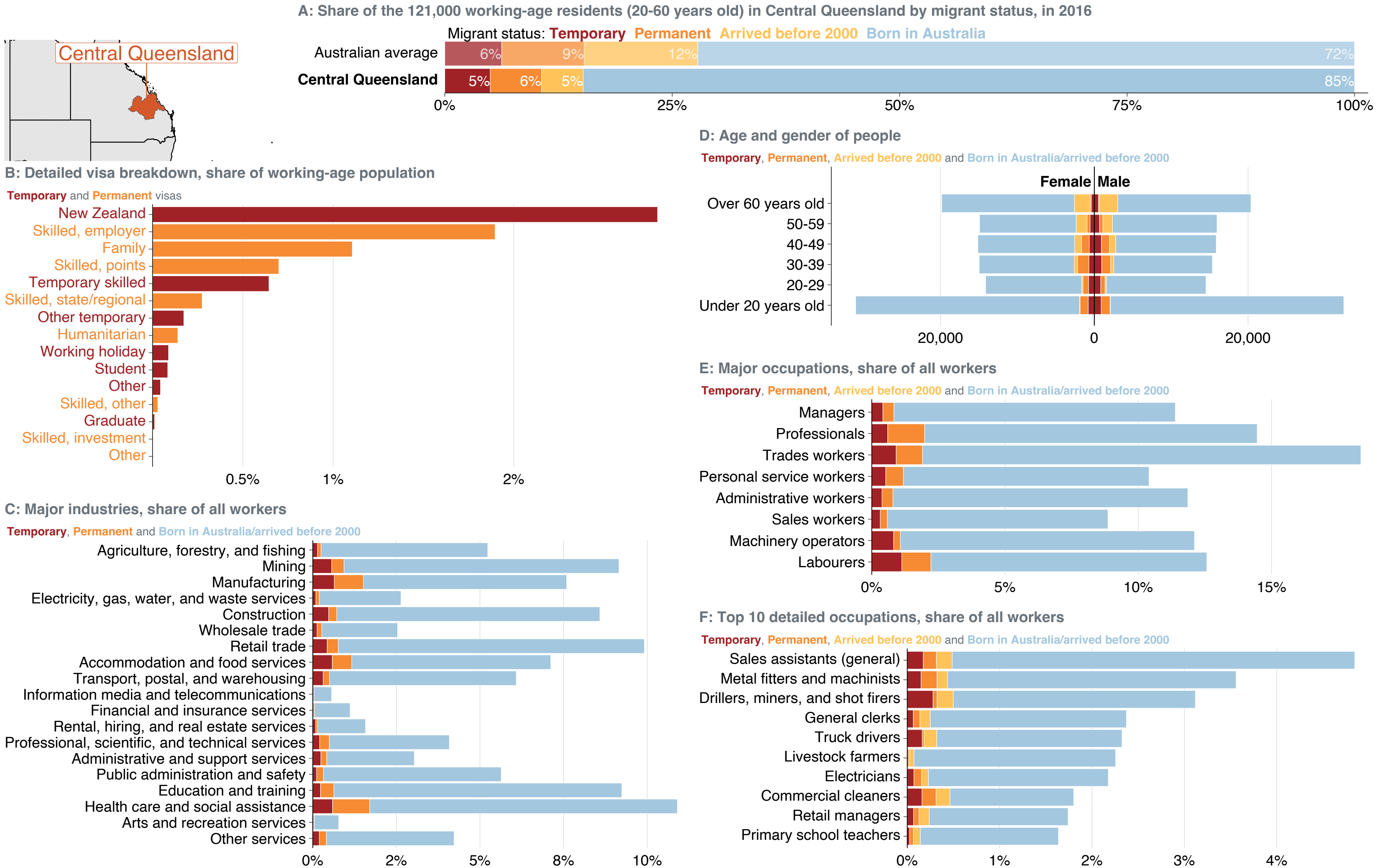
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.30: Cairns migrant and labour force profile



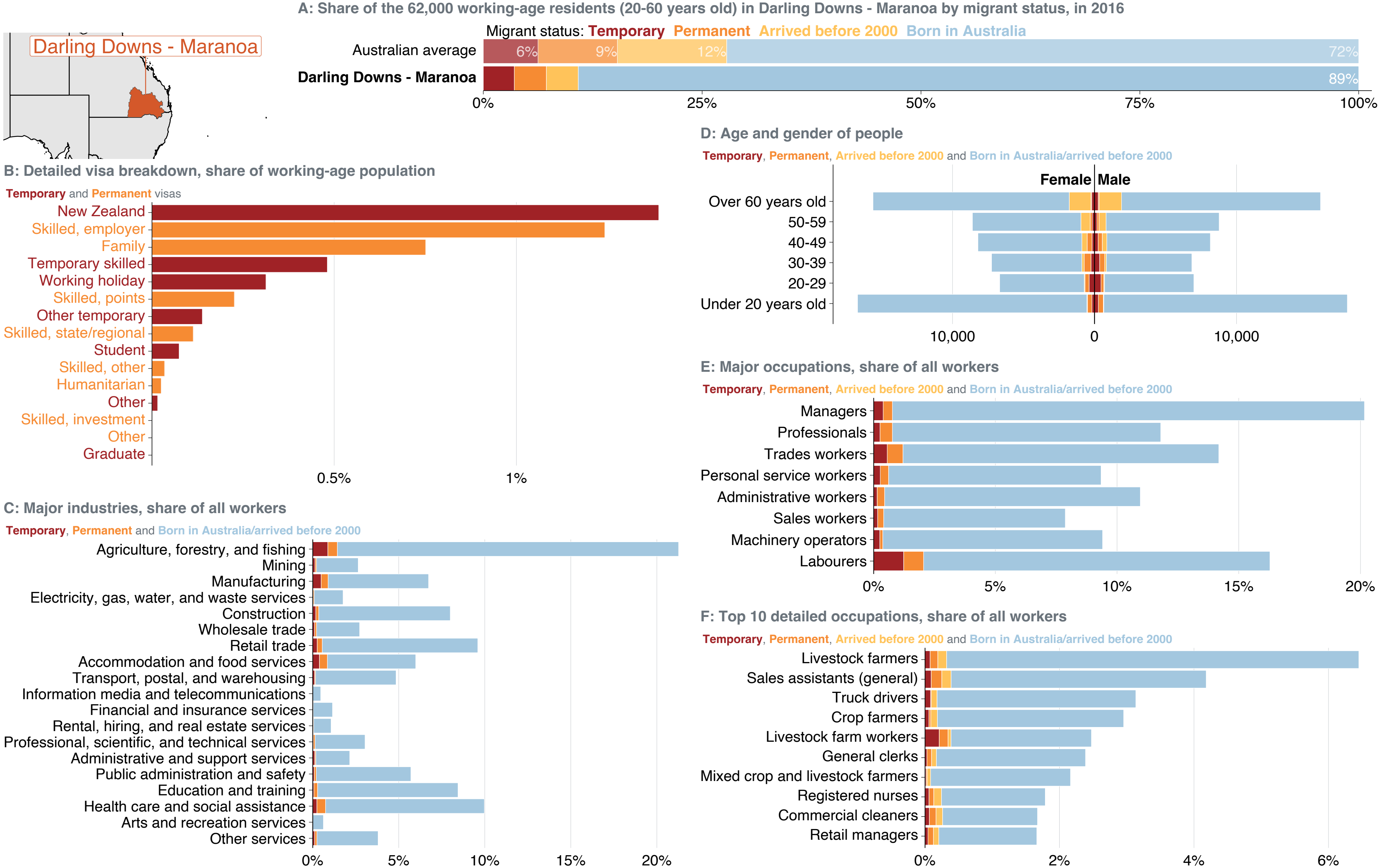
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.31: Central Queensland migrant and labour force profile



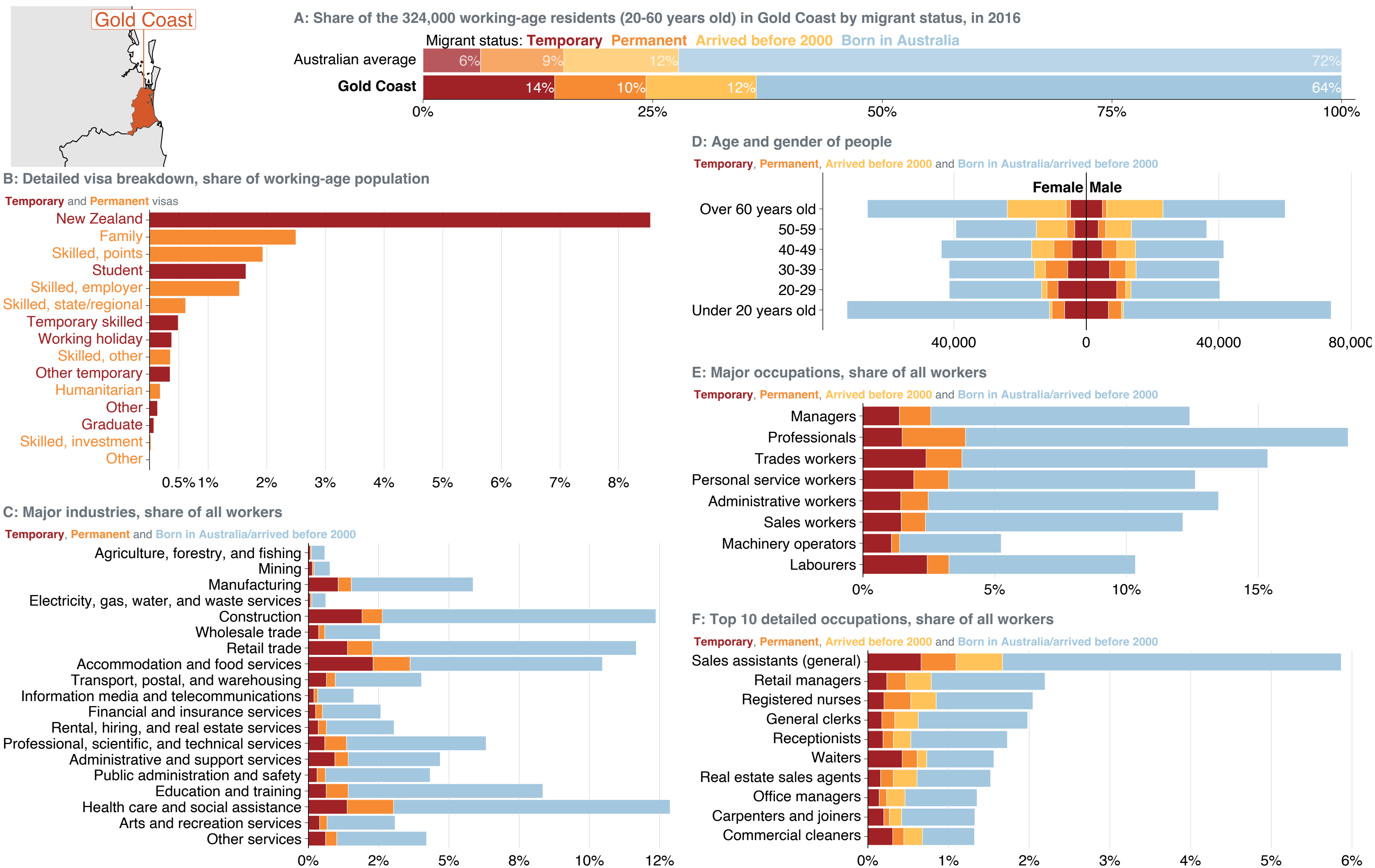
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.32: Darling Downs – Maranoa migrant and labour force profile



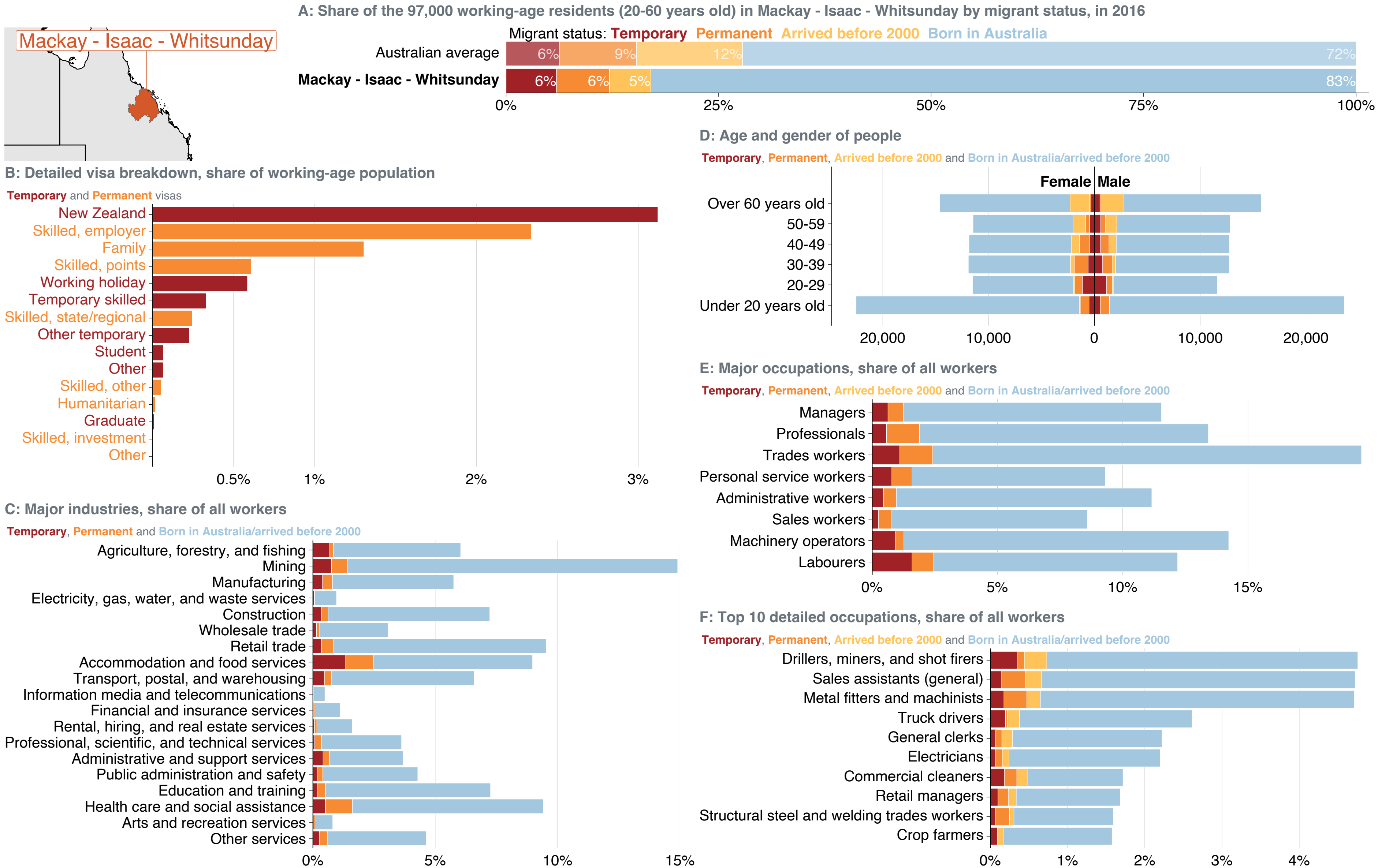
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.33: Gold Coast migrant and labour force profile



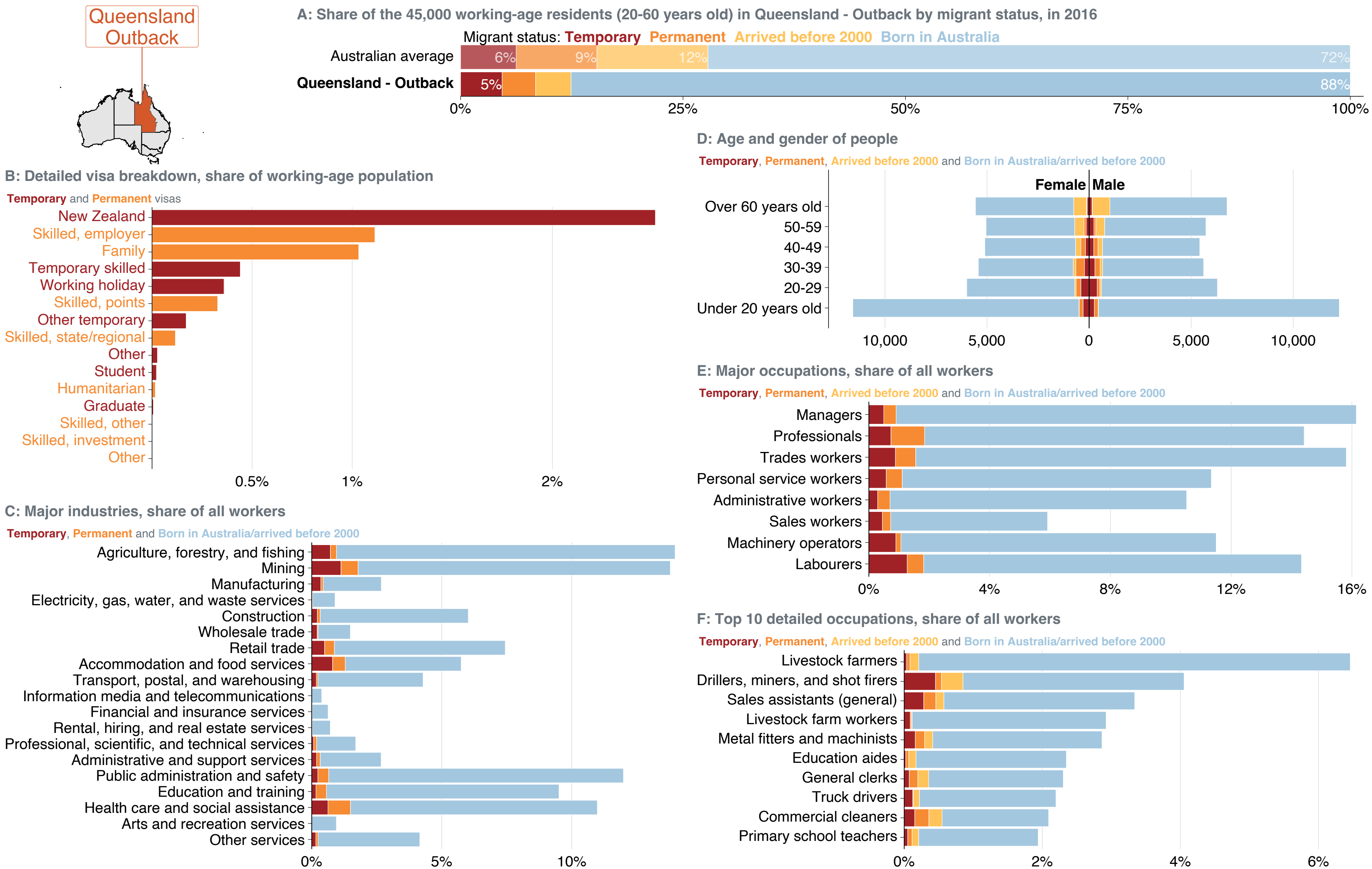
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.34: Mackay – Isaac – Whitsunday migrant and labour force profile



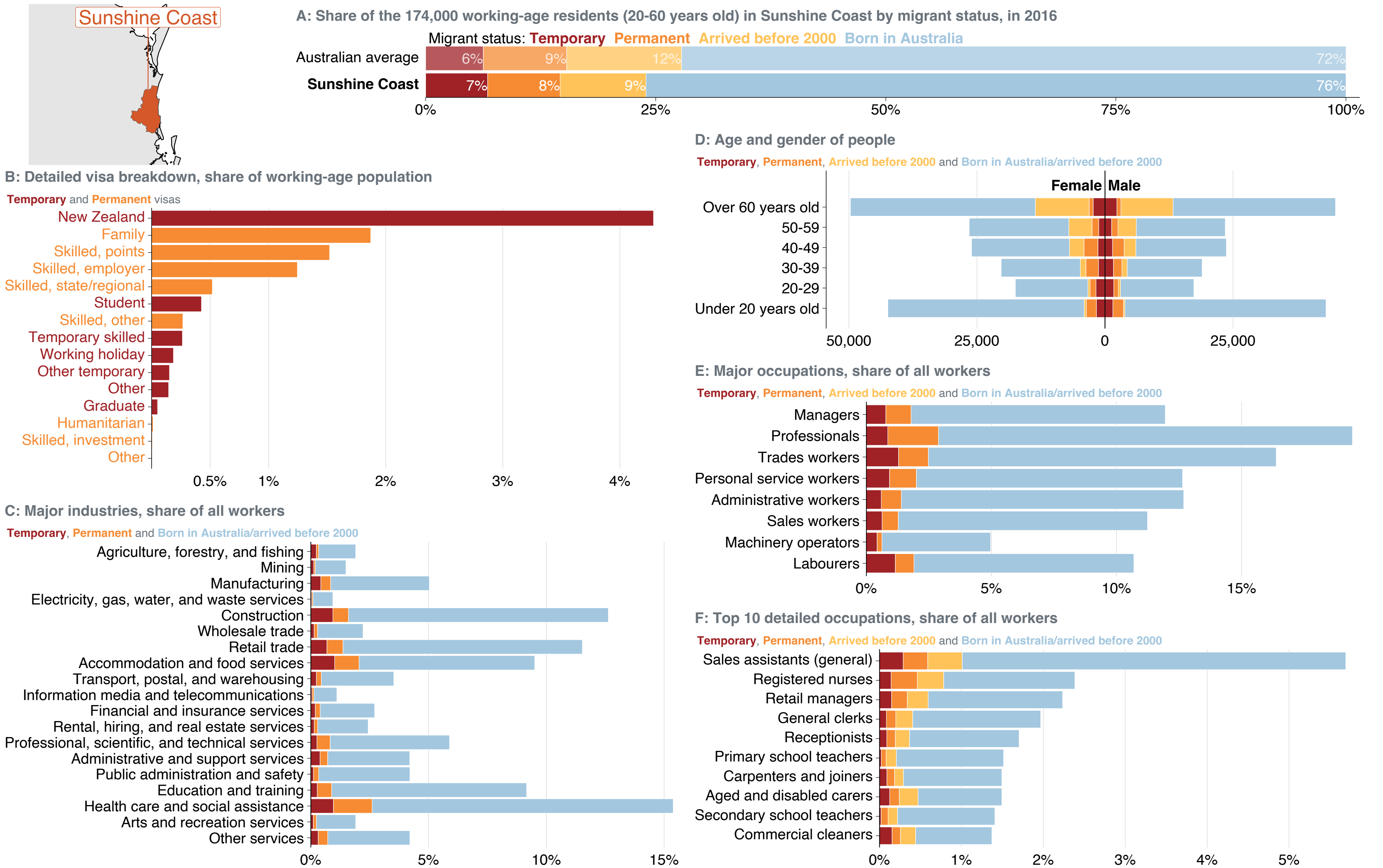
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.35: Queensland – Outback migrant and labour force profile



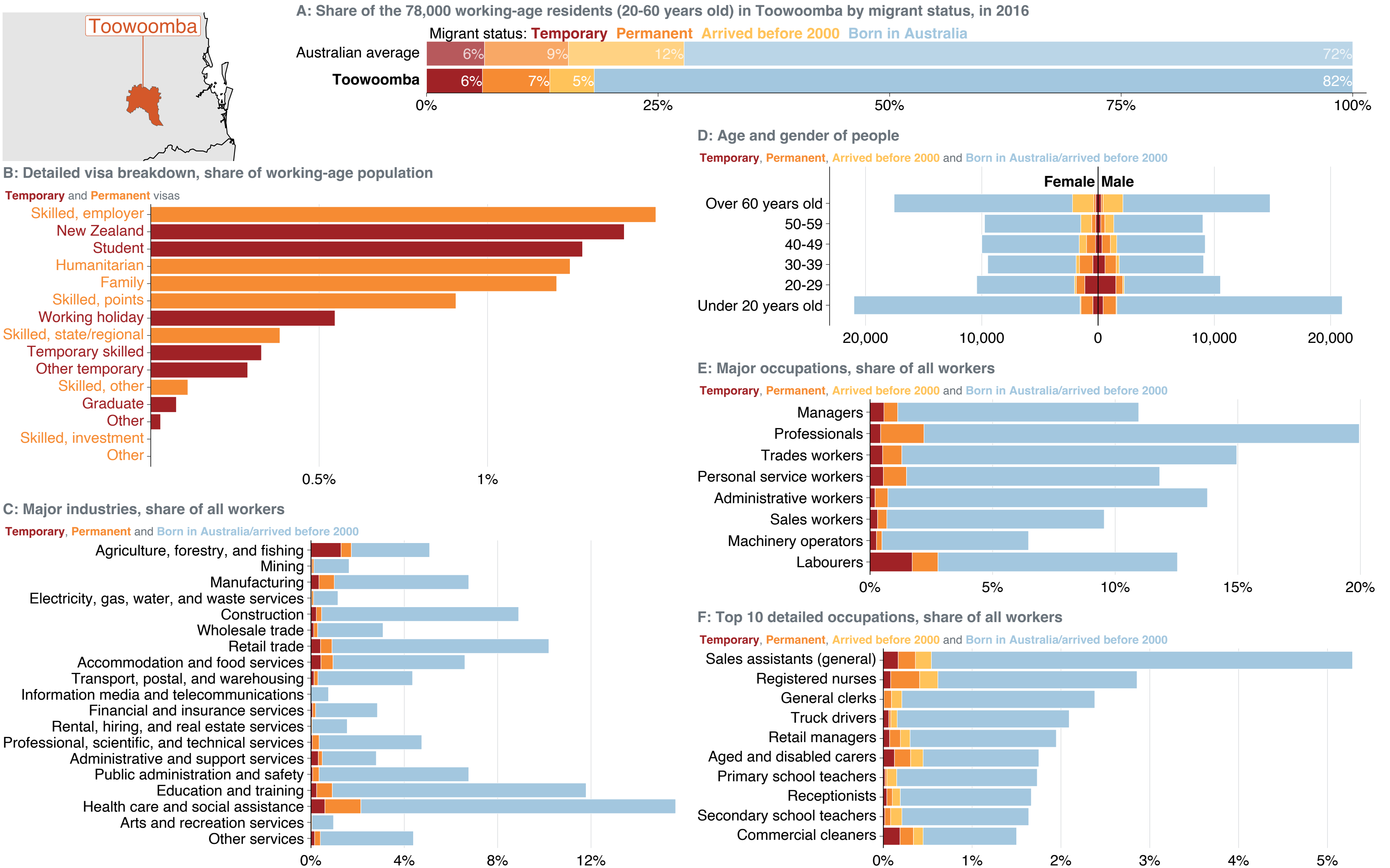
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.36: Sunshine Coast migrant and labour force profile



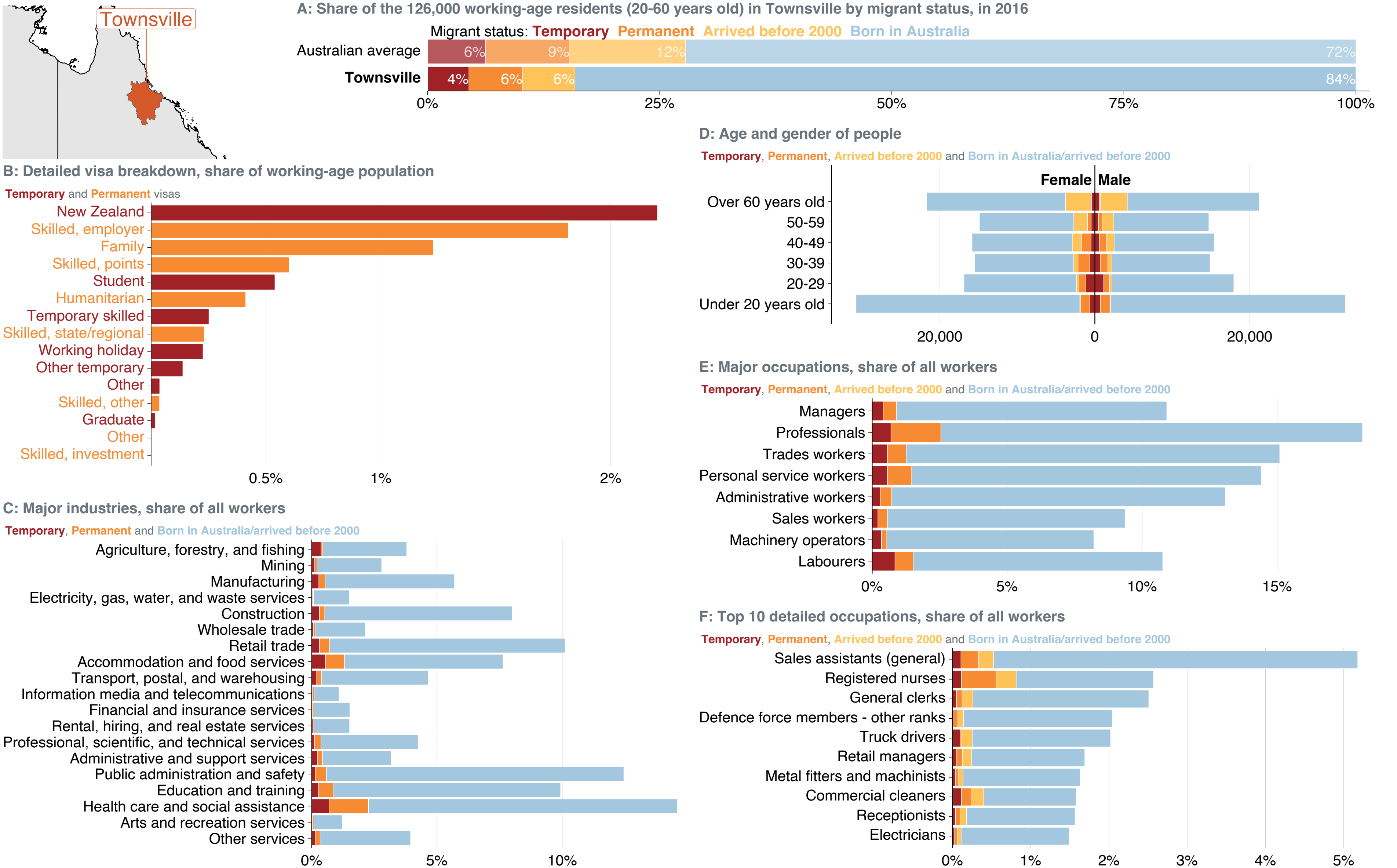
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.37: Toowoomba migrant and labour force profile



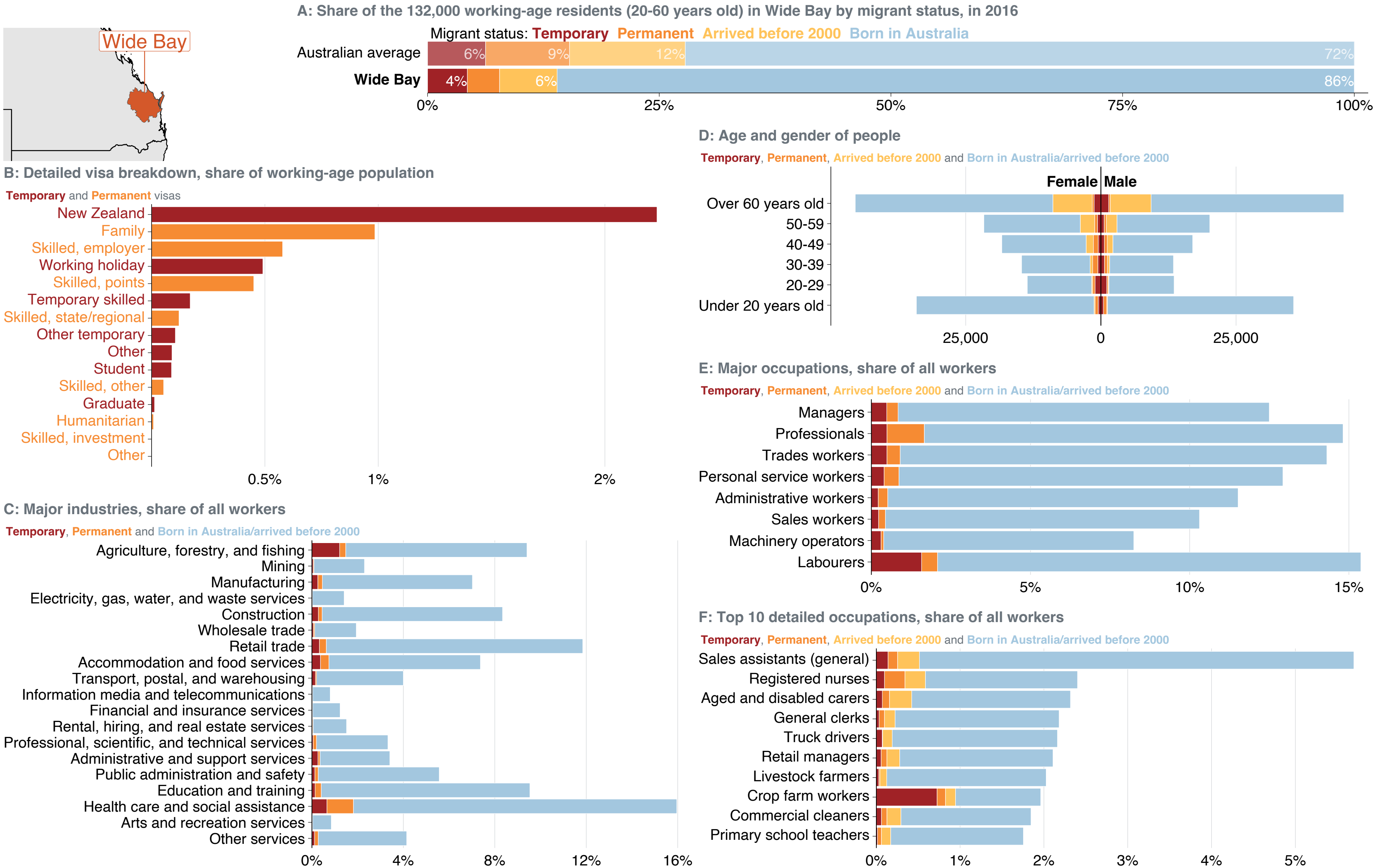
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.38: Townsville migrant and labour force profile



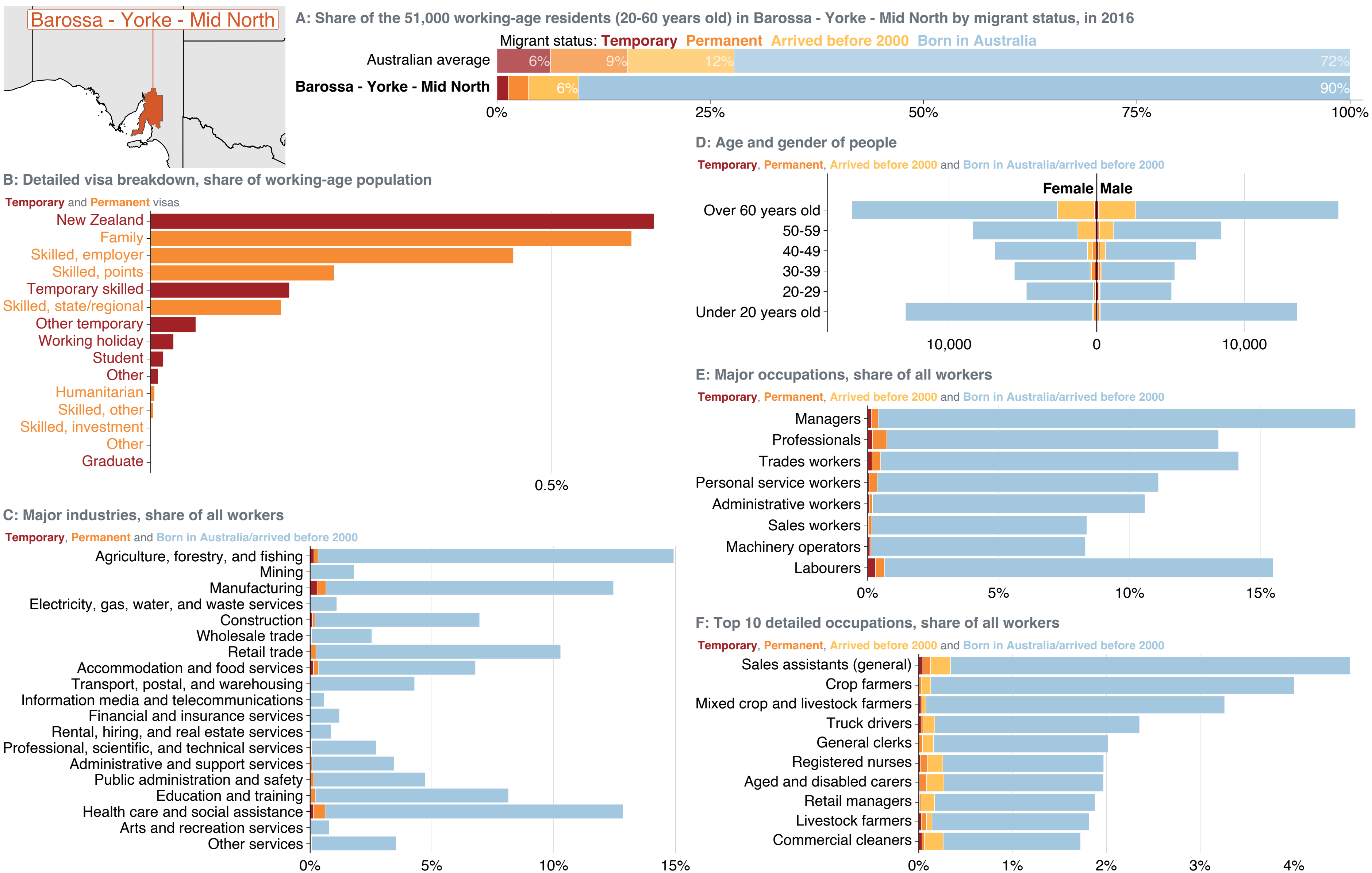
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.39: Wide Bay migrant and labour force profile



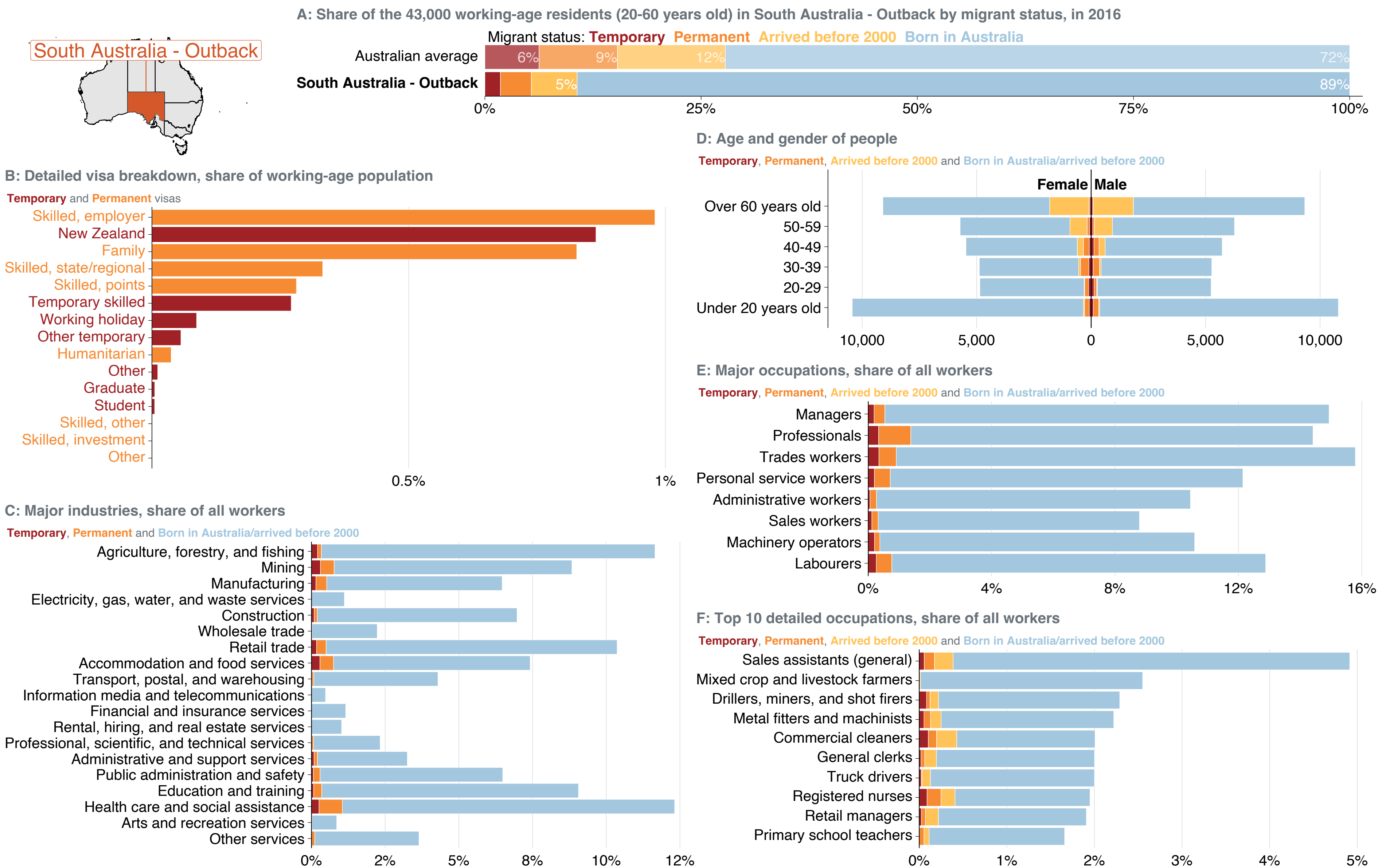
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.40: Barossa – Yorke – Mid North migrant and labour force profile



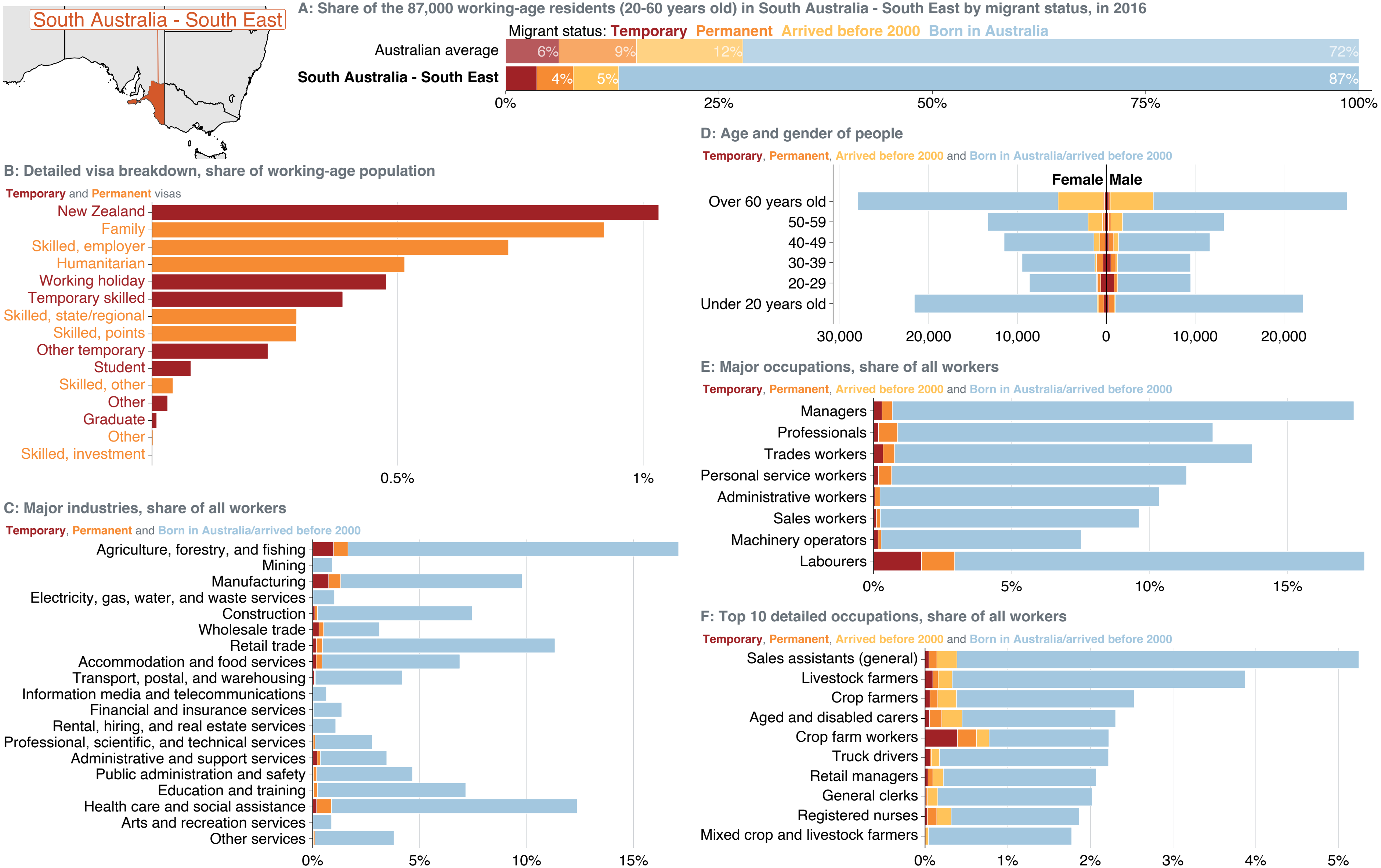
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.41: South Australia – Outback migrant and labour force profile



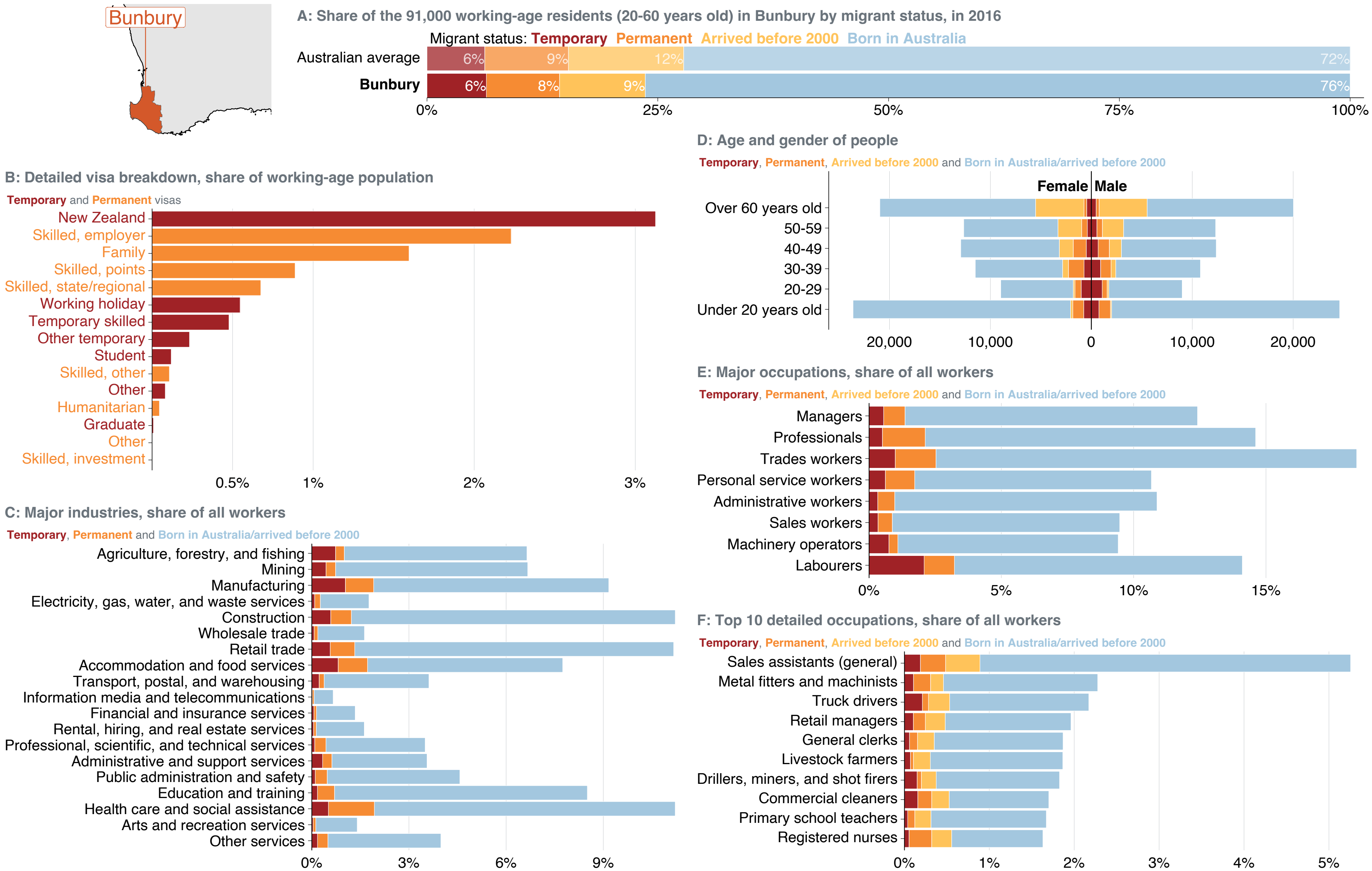
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.42: South Australia – South East migrant and labour force profile



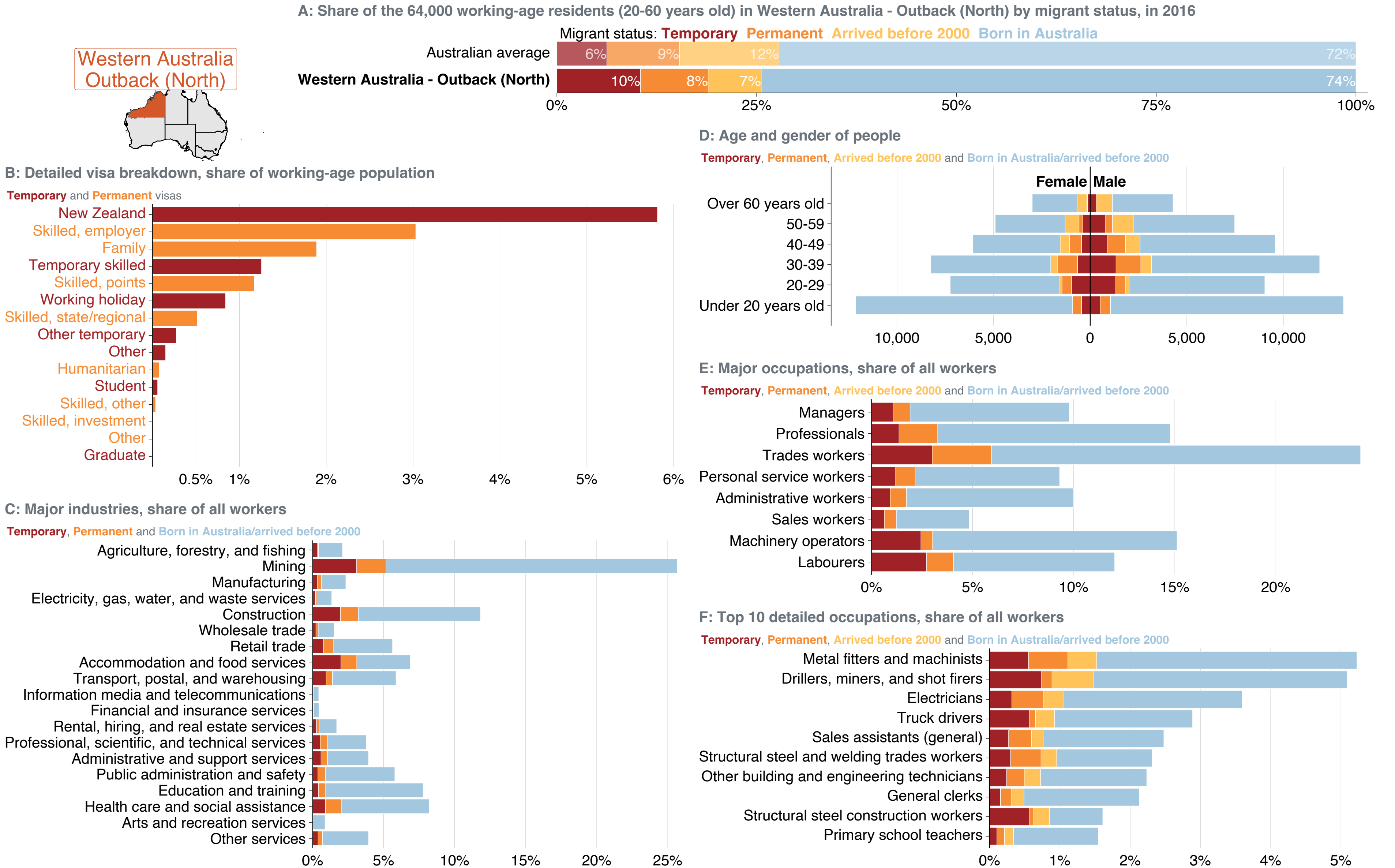
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.43: Bunbury migrant and labour force profile



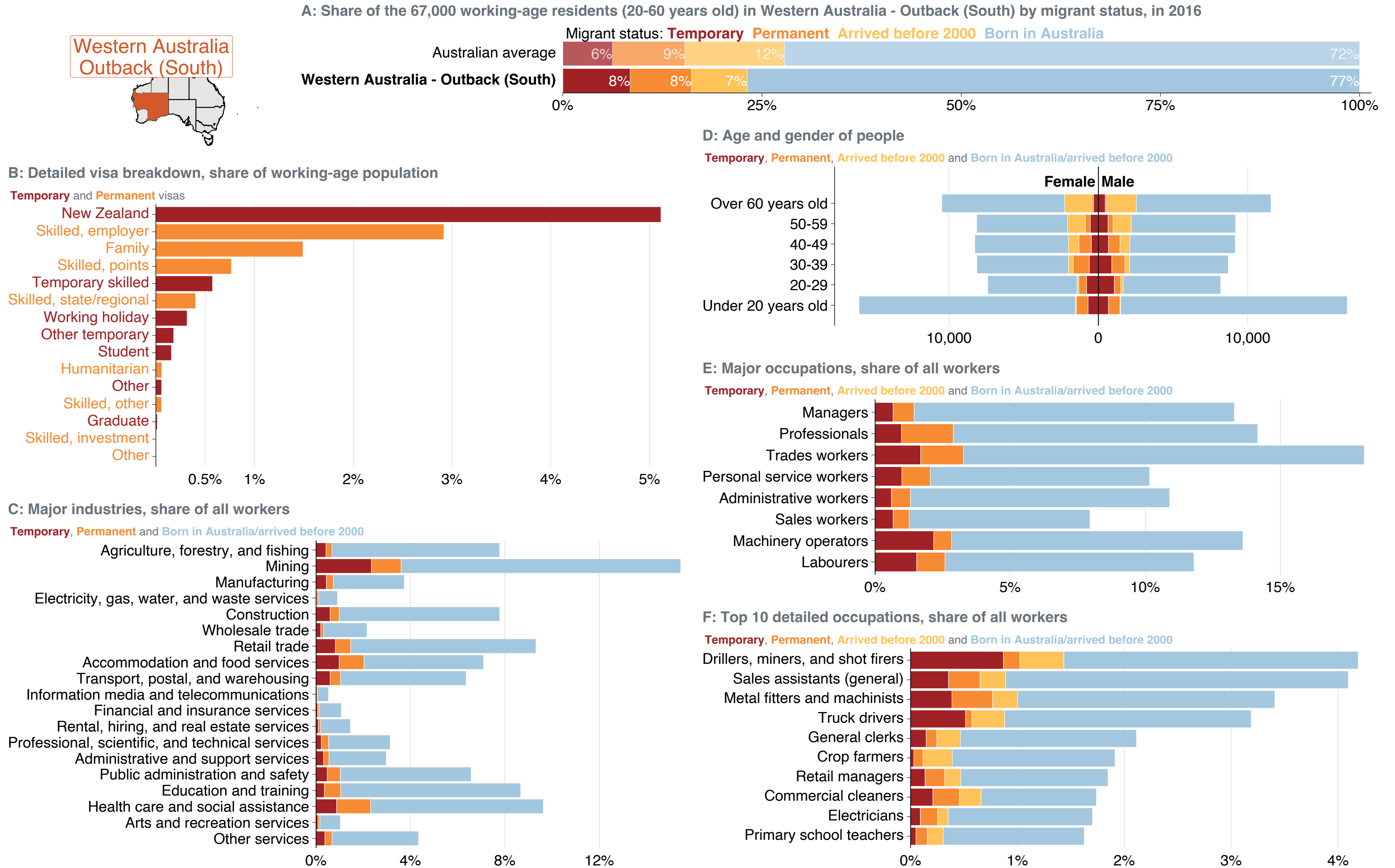
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.44: Western Australia – Outback (North) migrant and labour force profile



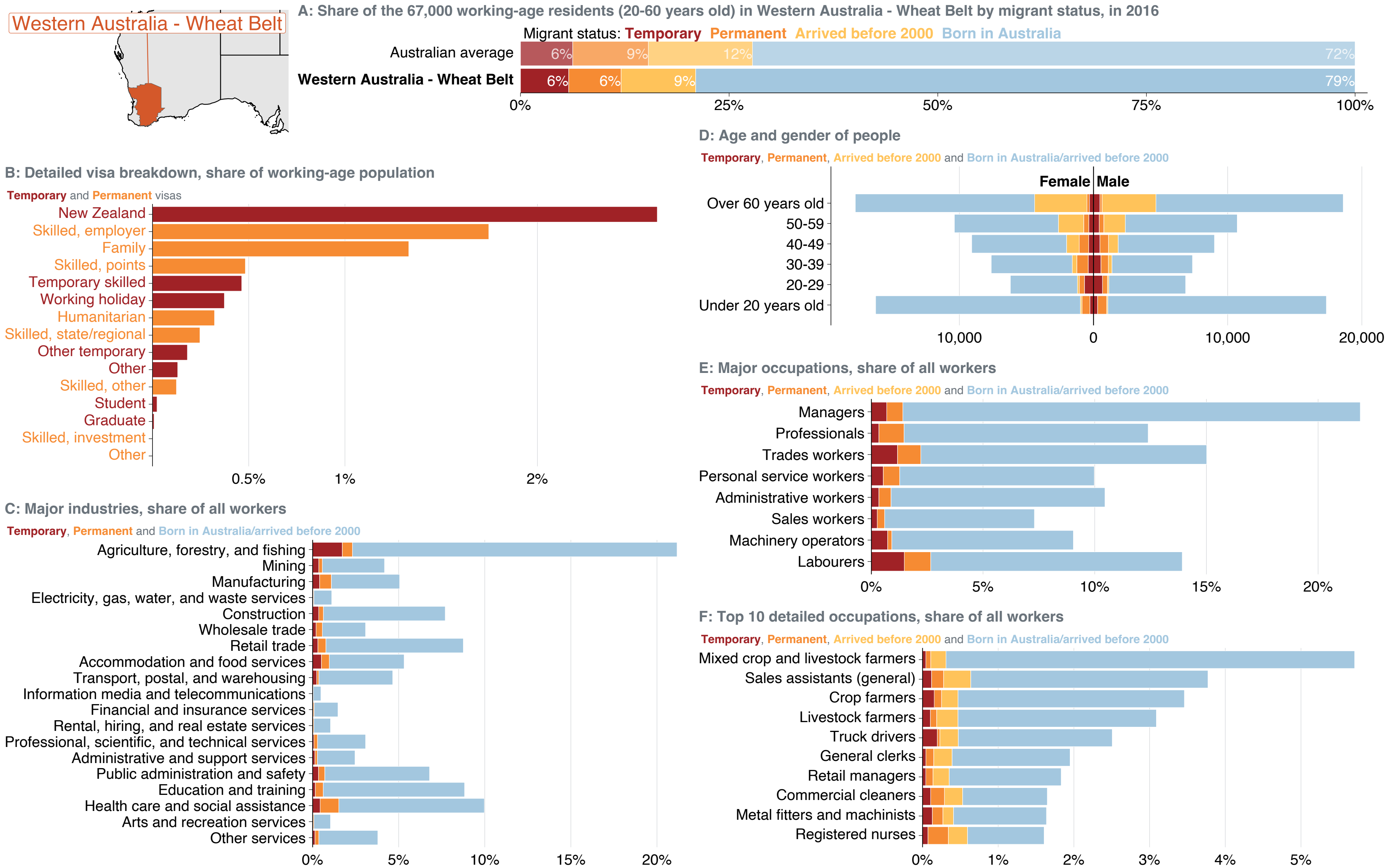
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.45: Western Australia – Outback (South) migrant and labour force profile



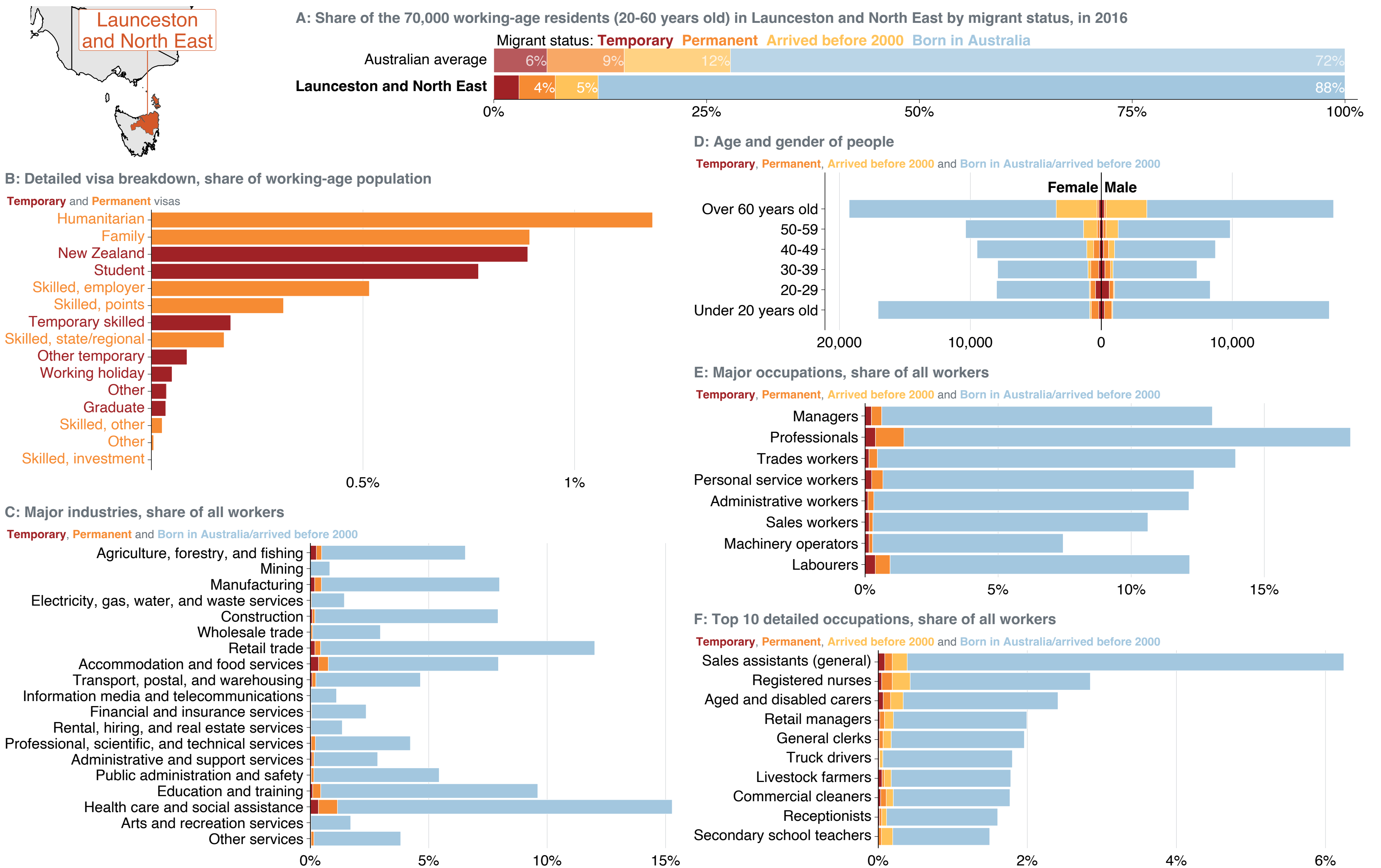
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.46: Western Australia – Wheat Belt migrant and labour force profile



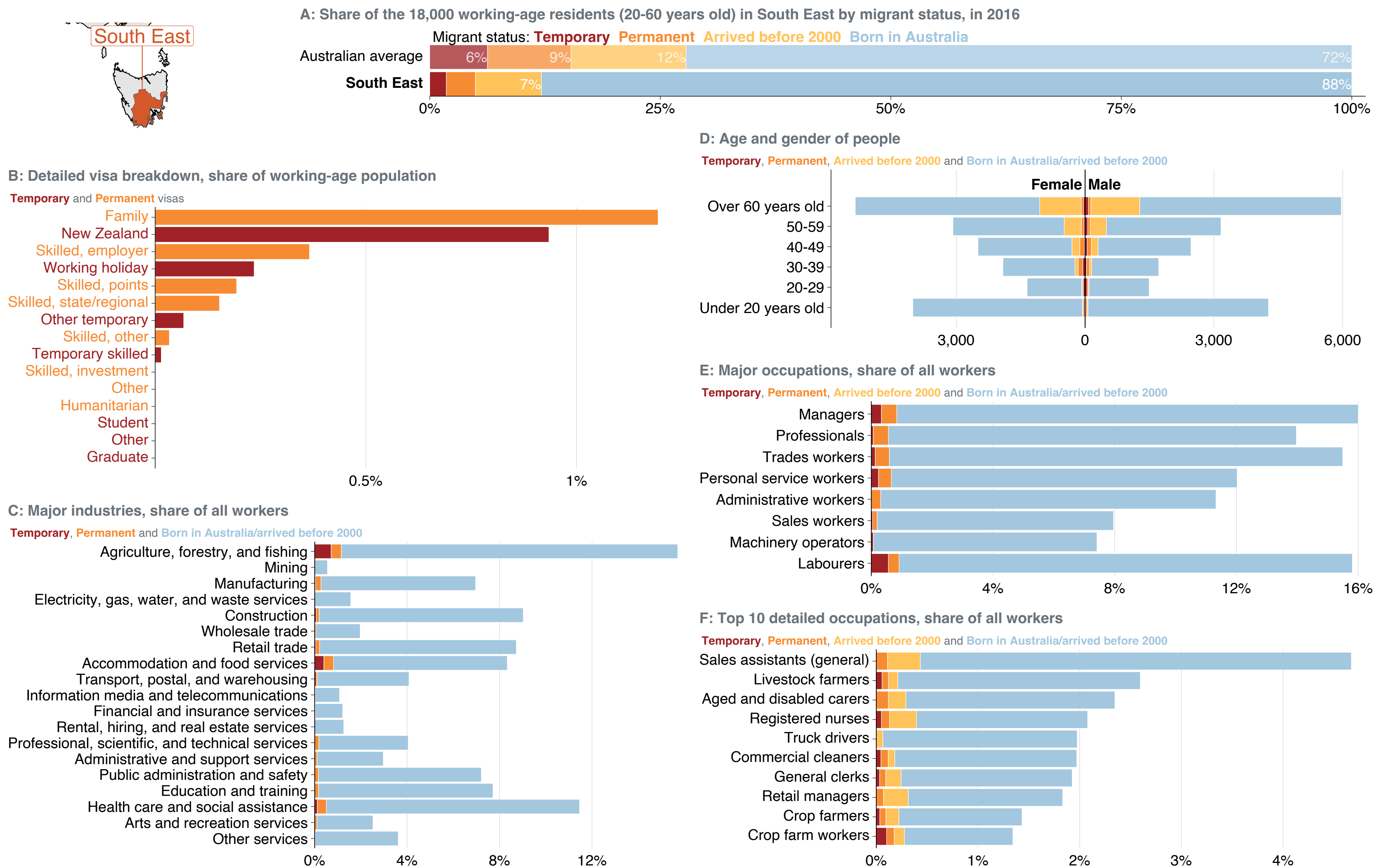
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.47: Launceston and North East migrant and labour force profile



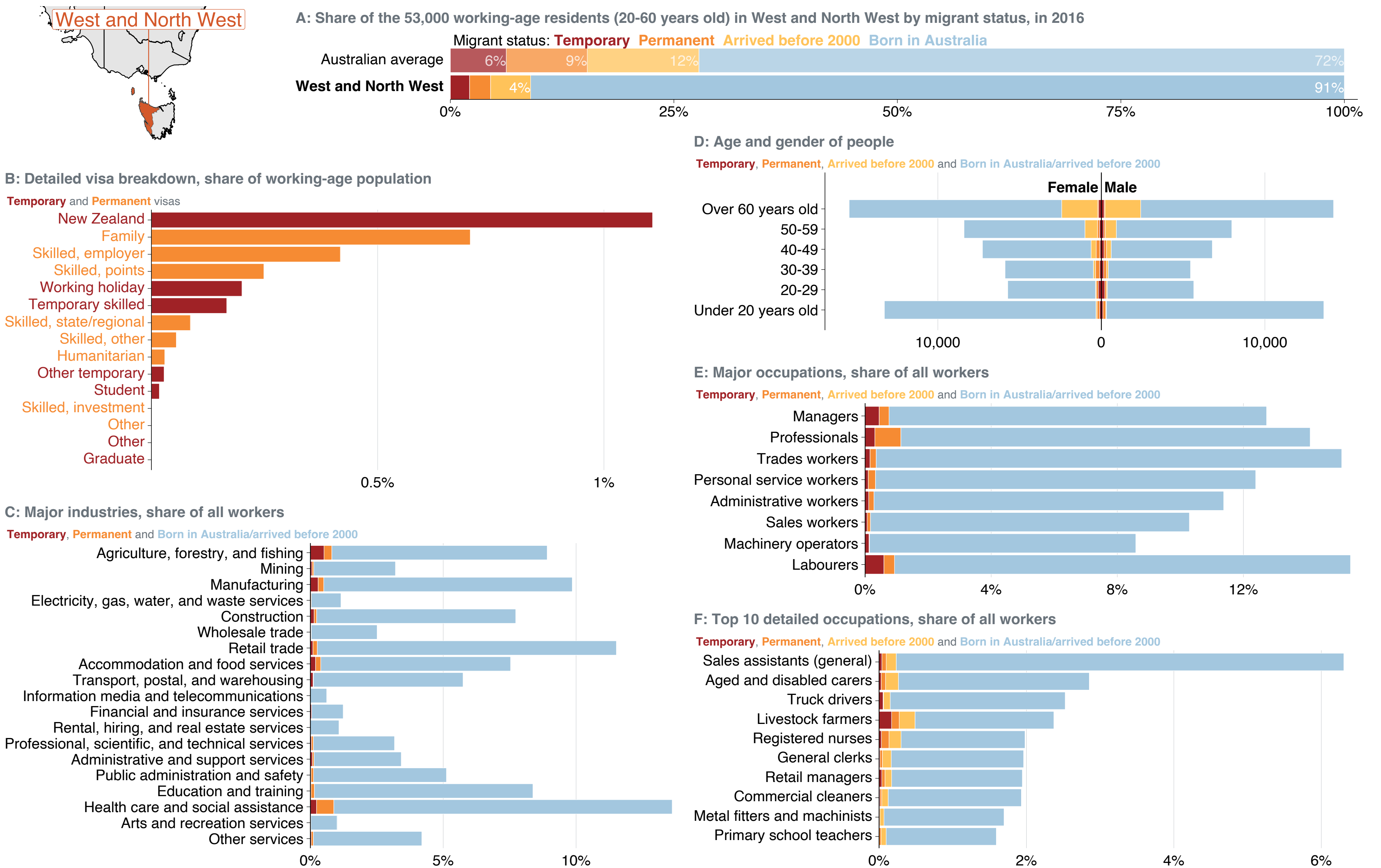
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.48: South East migrant and labour force profile



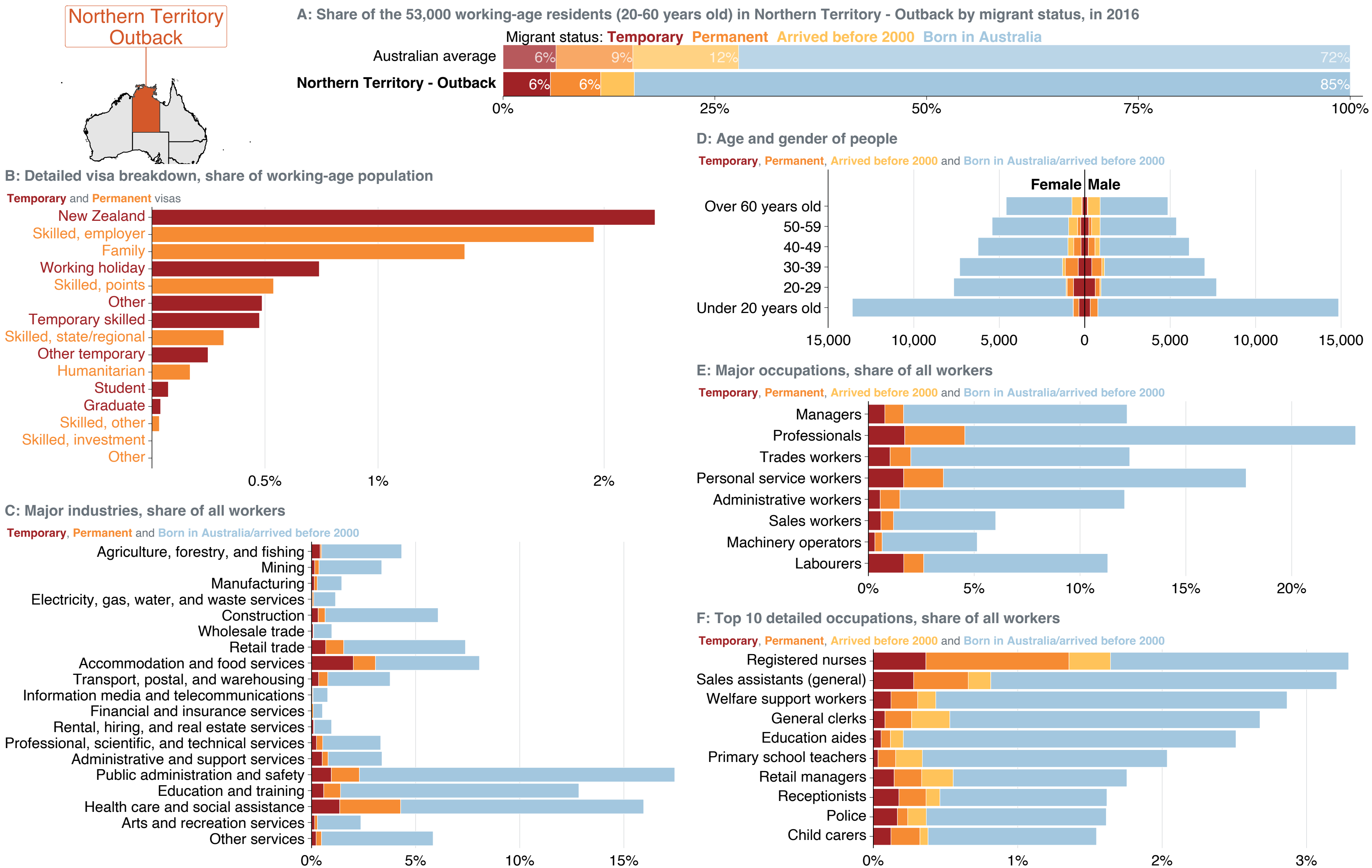
Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.49: West and North West migrant and labour force profile



Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

Figure B.50: Northern Territory – Outback migrant and labour force profile



Note: The 'permanent' group arrived in Australia after the year 2000 and had a permanent visa at any time between 2000 and 2016. Source: See Appendix B.

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