

International competition for labour

- 1.1 Each year millions of people leave their native countries in search of work. In 2002 the International Labour Organisation (ILO) estimated that there were some 120 million migrant workers globally.¹ In the late 1990s South and South East Asia alone contributed some 2.6 million each year to that internationally mobile workforce. Many of these workers go to trade, service, and construction jobs, but there is a significant flow of professionals and technical workers to Europe and North America, particularly to the information and communications technologies (ICT) and nursing sectors.² In April 2003 labour Ministers from Asia concluded that international labour migration was expected to increase.
- 1.2 Australia is not the only country seeking workers, but the relative scale of migration to other countries is difficult to establish because of differences in the nature of the migration programs and data definitions.
- 1.3 Table 1.1 below summarises ILO information for the countries of immediate interest to the Committee in this review of Australia's skilled migration arrangements – Australia, Canada, Germany, Ireland, Japan, New Zealand, the United Kingdom and the United States of America.

1 P Taran, E Geronimi, Perspectives on Labour Migration 3 E - *Globalization, Labour and Migration: Protection is Paramount*, p. 2. International Migration Programme, International Labour Office, Geneva.
www.ilo.org/public/english/protection/migrant/download/pom/pom3e.pdf

2 "Labor Migration Ministerial Consultations for Countries of Origin in Asia", *Asian and Pacific Migration Journal*, Vol 12, No.1-2, 2003.

- 1.4 Although incomplete, and available only for the late 1990s, these ILO statistics indicate that, between them, these eight countries accepted approximately one million employed permanent or temporary migrants each year.

Table 1.1. Inflows of employed migrants, selected countries, 1995-1999³

COUNTRY	Labour Force (million)	1995	1996	1997	1998	1999
Australia	8.4	112,535	115,908	113,874	120,479	135,368
Canada	13.9	No data	No data	74,300	78,000	82,000
Germany	35.9	270,800	262,500	285,400	275,500	No data
Ireland	1.4	4,300	3,800	4,500	5,600	6,300
Japan	64.9	81,508	78,538	93,895	101,891	108,038
NZ	1.7	38,710	41,142	No data	No data	No data
UK	26.8	35,500	37,700	79,100	120,600	No data
USA	129.6	306,000	371,900	90,600*	77,500*	56,800*

- 1.5 Australia's average intake of some 120,000 permanent and short/long-term working migrants each year during that period was the equivalent of approximately 1.4 per cent of its total employed workforce. Only New Zealand, with 2.4 per cent, took in a higher proportion. In the remaining five countries, the inflow of employed migrants ranged from 0.14 per cent of the employed workforce (Japan) to 0.75 per cent (Germany).
- 1.6 From these figures the Committee concluded that Australia was an enthusiastic recruiter of migrant workers.
- 1.7 The scale of Australia's employed migrant intake in the late 1990s was also evident in the raw numbers involved, which increased in response to policy changes emphasising skilled migration.⁴ Overall, in the late 1990s, Australia probably ranked third among these countries in its total intake of employed migrants, after the United States and Germany. Both had economies far larger than Australia's, as is indicated by the sizes of their labour forces. So too did Japan,

3 *Labour force* is median number of employed persons for 1995-99, International Labour Organisation, LABORSTA, <http://laborsta.ilo.org/> *Employment* is defined as all persons above a specific age who during a specified brief period, either one week or one day, were engaged in paid employment or self-employment. International Labour Organisation: *International Labour Migration Data Base* which is based on responses of ILO member states to a questionnaire survey mailed in 1998 to obtain basic data on stocks and flows of migrant labour. * USA data for 1997-99 excludes temporary workers. www.ilo.org/public/english/protection/migrant/ilmdb/index.htm

4 Minister for immigration... *Record Numbers of Migrants to Boost Economy*, MPS 46/2003, 10/7/03. www.minister.immi.gov.au/media_releases/ruddock_media03/r03046.htm

Canada and the UK, all of which took in fewer employed migrants than Australia.

- 1.8 These figures indicated to the Committee that Australia was successfully competing in the broad international labour market.
- 1.9 Table 1.1, while giving an indication of the scale of migration, concealed Australia's special focus within the international labour market. It was primarily interested in skilled workers, be they short-term or permanent migrants.
- 1.10 Skilled workers seeking only short-term employment in Australia had to:
- be sponsored by an employer; and
 - have skills appropriate to the job for which they are being sponsored.⁵
- 1.11 Table 1.2 provides an overview of the short-term migrant intake under the main programs in each of the countries in which the Committee is interested for comparative purposes.
- 1.12 The data in Table 1.2 come from official sources in the relevant country. The figures are not compatible with the ILO data in Table 1.1, nor are they directly comparable. The definitions or descriptions of "skilled" vary from country to country. Some statistics refer to visas or to permits issued, rather than actual arrivals. There is also great variation in the definitions used in the original data collections. The time-frame encompassed by "temporary" migration varies. Short-term workers from the European Economic Area⁶ are, for example, not included in the Ireland or UK data because they do not require work permits. Further, some countries, such as Germany, have only recently begun to experiment with targeted migration and the numbers are consequently modest.

5 DIMIA, Booklet 11, *Sponsoring a temporary overseas employee to Australia*, pp 2, 15, www.immi.gov.au/allforms/booklets/1154.pdf, updated 1/7/03

6 i.e.: Austria, Italy, Belgium, Liechtenstein, Denmark, Luxembourg, Finland, Netherlands, France, Norway, Germany, Portugal, Greece, Spain, Iceland, Sweden, and Ireland. "*EEA Nationals and their Families*" www.uk.emb.gov.au/CONSULAR/PDF/EC_infosheets_aust/inf_eea.pdf

Table 1.2 Temporary skilled migration: selected countries 2000-2003⁷

COUNTRY	Workforce	Program	2000	2001	2002
Canada	15.1m	Temporary foreign workers	45,573	47,691	47,061
Ireland	1.7m	Work Permits:	18,000	36,000	40,000
Japan	64.1m	Skilled Status of Residence	248,152 ⁸	254,543 ⁹	272,797 ¹⁰
UK	28.2m	Work Permits Entered	92,000	109,000	120,000
		Work Permits Issued	85,638	No data	No data
USA	135.1m	H1B applications: Initial total	164,814 299,046	201,543 342,035	109,576 215,190
		H1B approved: Initial total	136,787 257,640	201,079 331,206	103,584 197,537
		H1B admissions ¹¹	355,605	384,191	370,490
			Financial years		
			2000/1	2001/2	2002/3
Australia	9.1m	Skilled visa classes	45,669	43,303	48,779
Germany	3.7m	IT specialists	8,500	4,000	2,000
NZ	1.8m	Work visas & work permits	57,087	71,494	82,283

- 1.13 Despite the limitations of the data, it is evident from Table 1.2 that there is strong competition for skilled labour internationally, and that the intake of short-term skilled migrants to Australia was dwarfed by the numbers granted access to the larger economies.
- 1.14 In part this would reflect the greater employment opportunities available in the larger economies. It could also indicate that Australia was more selective in its recruitment.
- 1.15 Skilled workers eligible to apply to migrate permanently to Australia were those:
- who had post-secondary qualifications;
 - whose skills had been assessed by the relevant Australian assessing authority;
 - whose skills had also been assessed by the relevant assessing authority as suitable for their nominated occupation; and

⁷ For details of data sources for this table, see Appendix F.

⁸ Plus 105,684 entertainers and 13,858 "skilled labourers" in 2000.

⁹ Plus 120,726 entertainers and 12,614 "skilled labourers" in 2001.

¹⁰ Plus 126,158 entertainers and 12,547 "skilled labourers" in 2002.

¹¹ H1B admissions includes multiple admissions of individuals.

- whose nominated occupation was on the Skilled Occupations List (SOL).¹²
- 1.16 The SOL identified more than 300 occupational shortages, ranging from accountants to zoologists and including sign writers, wood turners, and dental hygienists.¹³
- 1.17 Table 1.3 summarises the permanent migration intakes of those countries considered by the Committee which have such programs: Canada, USA, Australia and New Zealand.

Table 1.3 Permanent skilled migration: selected countries: 2000-2003¹⁴

Country	Workforce	Program	2000	2001	2002
Canada	15.1m	Skilled Worker	118,307	137,112	123,357
USA	135.1m	Permanent Labor Certification	107,024	179,195	174,968
			<i>Financial years</i>		
			2000/1	2001/2	2002/3
Australia	9.1m	General Skilled Migration	44,730	53,520	66,050
NZ	1.8m	General Skills Category	23,264	31,340	26,662

- 1.18 The figures in Table 1.3 are subject to similar caveats as those which apply to the data for short-term migration in Table 1.2. Nevertheless, it is apparent that while Australia attracted tens of thousands of skilled permanent migrants, the North American countries considered by the Committee attracted more than 100,000 each year.
- 1.19 As was the case with the data concerning short term skilled migrants, the discrepancy probably reflects the greater employment

12 "Qualifications" includes university or trade qualifications or, in a small number of occupations, substantial relevant work experience. *General Skilled Migration to Australia: Basic requirements*; www.immi.gov.au/migration/skilled/basic_requirements.htm updated 30/6/03.

13 DIMIA, *Skilled Occupations List*, Form 112i, <http://www.immi.gov.au/allforms/pdf/1121i.pdf>

14 **Workforce** as at 2001, International Labour Organisation, *LABORSTA*, <http://laborsta.ilo.org/>
CANADA: Skilled Workers and Dependents. CIC News Releases: 2001-01, *Minister Tables Immigration Levels*, 8/2/01; 2002-11, *More Than 250,000 New Residents in 2001*, 17/4/02; 2003-12, *Canada Welcomes Close To 230,000 New Permanent Residents In 2002*, 30/4/03, www.cic.gc.ca/english/press
USA: Employment Based Immigrants, USCIS, "Table 4: Immigrants admitted by type and selected class of admission: fiscal years 1986-2002", *Fiscal Year 2002 Yearbook of Immigration Statistics*, <http://uscis.gov/graphics/shared/aboutus/statistics/IMM02yrbk/IMMExcel/table4.xls>
AUSTRALIA: Skill Stream, (Skilled-Australian Sponsored; Independent; ENS/LA/RSMS/STNI; Business Skills; Distinguished Talent; 1 November):Minister for Immigration...*Media Release MPS, 68/2002, 24 July 2002*; 46/2003, 10 July 2003, www.immi.gov.au/media_releases/index.htm
NZ: General Skills, NZIS: *R1 - Residence Decisions by Financial year*, www.immigration.govt.nz/Research/Statistics/Statistics.htm

opportunities available in the larger economies and the selective nature of Australia's permanent migration program.

- 1.20 The Committee concluded that Australia's permanent and temporary entry programs for skilled migrants were competitive with the other countries examined.
- 1.21 In subsequent chapters the Committee examines a range of factors which may make national migration programs more or less attractive to potential skilled migrants compared with those of Australia.