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## IMMIGRANTS AND THE PROFESSIONS

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*Migrants have made a major contribution to Australia's professionally-qualified workforce. Those arriving pre-1980s and early 1980s have largely been able to convert their qualifications into professional level employment. However, later arriving migrants have been far less successful..*

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### INTRODUCTION

The extent to which migrants holding professional qualifications have been able to put these qualifications to productive use in Australia has long been a contentious issue. This article provides some answers which we hope will allow the debate on the extent and causes of migrant professional progress in Australia to proceed on a firmer foundation.

The results reported are drawn from a larger study entitled *Immigrants and the Professions in Australia* available in December 1996 from the Centre for Population and Urban Research at Monash University. The larger study details the workforce situation of professionally qualified migrants by selected country of birth for the major professions. This summary focuses on the scale of movement of migrant professionals to Australia and their overall progress in the Australian labour market, relative to Australian-born professionals.

The study is based on the 1991 Census. Though somewhat historical in character, until the results of the 1996 Census become available (early in 1988) all those wanting information on the occupational achievement of professionally qualified migrants by country of birth must begin with the 1991 Census data.

Table 1

[[Table 1](#)] indicates that migrants made up a remarkable 31.5 per cent of all Australians holding degree level qualifications and 26.1 per cent of those holding diploma qualifications. These figures are striking because as of 1991 overseas-born persons made up just 26.9 per cent of the Australia's population aged 15 plus. As Table 1 indicates more than half of the tertiary-educated persons resident in Australia in 1991 had arrived before 1981. There was a lull in the numbers arriving during the years 1981 to 1985 (corresponding to a sharp downturn in the overall migration program at the time). But between 1986-1991 there was a renewed surge in the intake. By the time of the 1991 Census some 91,193 degree and 39,239 diploma holders who had arrived during this period were resident in Australia. These recent arrivals made up 9.2 per cent of all Australians who possessed degree level qualifications and 5.7 per cent of those with diplomas. The scale of this late 1980s movement is indicated by

the fact that around 50,000 students were graduating annually at the bachelor level from all Australian higher education institutions during the late 1980s.

In 1989-90 and 1990-91, when the influx of migrant professionals reached its peak, just over 15,000 settlers each year identified themselves as professionals on arrival in Australia. Many others with professional qualifications entered as managers. By this time the country of origin composition had also changed. Whereas in the 1970s and earlier most professionals came from English-Speaking-Background (ESB) countries, especially the UK, by the late 1980s most originated from Asia, the Middle-East and Eastern Europe. These people arrived just in time to experience Australia's worst economic downturn since the 1930s Great Depression. The snapshot we report, as of the August 1991 Census date, captures their experience at the beginning of this downturn. In order to interpret their situation we need first to sketch in the circumstances which allowed or encouraged so many professionals to enter Australia, particularly in the late 1980s.

### **MIGRANT SELECTION IN THE 1980s**

Early in Labor's term of office beginning in 1983, the Government pursued a sharply targeted policy on the recruitment of skilled workers. For the program year 1984-85, the Government replaced the non-targeted skilled migration system which had been in operation during the latter years of the Fraser Government with an 'Occupational Shares System' (OSS). The OSS program limited the recruitment of skilled migrants to those with occupations the Department of Employment and Industrial Relations (DEIR) designated as undersupplied in Australia. The number of migrants recruited in each of these occupations was limited each program year to a certain 'share' or numerical limit. Applicants in the designated occupational areas were expected to possess qualifications acceptable in Australia and to be fluent in English. The total number of principal applicants included in the OSS program was limited to an average of about 3,000 per year through the mid-1980s until the scheme was abolished in mid-1989. A major reason for the demise of the OSS system was that by the late 1980s it no longer made sense to maintain such a tightly targeted system when simultaneously the Government was expanding its intake of skilled migrants through other, non-targeted categories. These included the points tested Concessional Category (mainly brothers and sisters) which grew rapidly in the mid-1980s and the points tested Independent Category which was first introduced for the program year 1986-87 and which was subsequently expanded to become the main source of professional migrants by the late 1980s. Essentially, the Government's view was that Australia needed an infusion of professional talent as one ingredient in the restructuring of the economy towards a more high-tech future and that it was not the Government's business to 'select winners' in the selection process. Rather, it was assumed that the market, in combination with the enterprise of the migrants themselves, would ensure that most migrants found a productive niche in Australia.

Who took up the new migration opportunities? By the second half of the 1980s, interest in migration to Australia from Britain, Western and Southern Europe had declined (reflecting the prosperity of these areas). On the other hand, Australia had become an attractive

destination for professionally qualified persons from Asia and Eastern Europe. This was because the opportunities for higher education had escalated in many countries in these regions, without a corresponding increase in well-paid employment opportunities. Australia, as one of the few Western countries offering migration opportunities thus became an attractive destination.

Professionally qualified applicants were well placed to meet Australia's selection criteria during the 1980s since tertiary education qualifications were important factors in the selection system for Concessionals and Independents. The selection system favoured applicants who were young, tertiary educated, and skilled (particularly those with professional and trade skills recognised in Australia). However, the pass-mark was easily attained, especially for Concessional applicants who scored well on criteria such as age and tertiary education. As a result, many who did not possess credentials recognised in Australia, or good English, gained selection.<sup>[1]</sup> No account was taken of whether the skills the applicant offered were in short supply in Australia.

In mid-1989 the Government introduced a new selection system for the Independent and Concessional categories which put a heavier (though not always decisive) weight on the possession of qualifications recognised in Australia and the possession of vocational level English (though in the latter case only for Independent applicants). However, it was only in 1992 that Independent applicants from Non-English-Speaking-Background (NESB) countries were required to take a professionally validated English test. Prior to 1992 English skills were largely self-assessed by the applicant.<sup>[2]</sup>

As a consequence, thousands of persons arrived in Australia without having their qualifications or English assessed prior to arrival. Many of these persons came from countries whose professional training practices and accreditation processes were unfamiliar to Australian professional associations and employers alike. It is their experience in Australia which has aroused the most controversy as regards professional migration. The controversy includes an alleged reluctance of professional associations to recognise NESB country credentials, and of employers to provide employment opportunities. We do not directly address these issues. Rather, we provide a statistical analysis of the labour market situation of overseas-born professionals as of 1991 which is intended to clarify the nature of any employment disadvantage they have experienced.

## **STUDY DESIGN**

The findings are drawn from a customised matrix derived from the 1991 Census. The matrix included data on all persons claiming tertiary education level qualifications by field of qualification. This means that we have excluded from the analysis some persons who were working as professionals in 1991 but who possessed sub-diploma level qualifications.

Though we provide aggregate data on all those holding tertiary level qualifications, the focus is on certain key professional fields. These include: law, medicine, nursing, dentistry, architecture, civil engineering, mechanical engineering, electronic engineering, the

performing arts, accountancy and computing. These fields were selected partly because of their importance to migrant professionals. However, the nature of the matrix was such that we could not usefully analyse professions like teaching, where there is only a limited linkage between teaching as an occupation and a parallel qualification in the field, such as in education studies. By contrast, the qualification fields chosen allow us to identify the potential professional workforce (for example, all those qualified in medicine at the tertiary level) and then to trace the outcomes for such persons as of 1991, by their occupation if employed, or if not employed, by whether they were unemployed or not seeking work.

Given the way the Census data is structured, it is only possible to explore such outcomes by starting with field of qualification. In this context we use the term 'workforce' to include all men and women with the relevant qualification regardless of whether the person is employed, unemployed or not looking for work.

In order to explore differential outcomes by country of birth and time of arrival in Australia, we selected a range of birthplaces and time of arrival patterns (pre-1981, 1981-85 and 1986-1991). Detailed country-of-birth outcomes are provided in the full report, but a variety of birthplaces were selected so as to illustrate outcomes for all major types of source countries.

Unfortunately, it was not possible to isolate overseas-born persons who had obtained their qualifications in Australia rather than overseas. This is less of a problem for persons who arrived in Australia between 1986-91, since relatively few would have had the time to complete a tertiary qualification in Australia by 1991. However, for earlier arrivals many probably received or upgraded their overseas tertiary qualifications in Australia. For example, many of the Malaysians who arrived in Australia during the 1980s completed their professional training in Australia while holding student visas, then either changed their status to permanent residence while in Australia or, after returning home, subsequently migrated to Australia as permanent residents. Some other overseas-born persons would also have been young enough on arrival to complete their schooling in Australia, acquiring in the process a native-speaker facility in English along with an understanding of the way things are done in Australia.

## **OVERSEAS-BORN CONTRIBUTION BY PROFESSIONAL FIELD**

Table 2

[[Table 2](#)] lists the number of persons who indicated that they possessed a degree or diploma level qualification in the relevant field, by time of arrival in Australia (in the case of the overseas born) and the share of the overseas-born to the Australian total.

We have already noted the high overall overseas born contribution to Australia's degree-qualified workforce of 31 per cent. However, in some fields, the level is much higher. For the fields of mechanical engineering, electrical engineering and medicine the overseas-born degree qualified made up 49 per cent, 48 per cent and 40 per cent respectively. High proportions of these persons arrived in the 1986-1991 period. For electrical engineering, an

extraordinarily high 20.8 per cent of Australia's workforce arrived in Australia between 1986 and 1991.

Though not quite so striking, the overseas-born contribution to those holding diploma level qualifications was also significant. This is particularly the case in the nursing and engineering fields, where one third of the engineers with diploma qualifications were born overseas, as were 26 per cent of nurses.

### **AGGREGATE EMPLOYMENT OUTCOMES FOR OVERSEAS-BORN**

**PROFESSIONALS** We now come to the crucial question of the progress of these professionals in the

Australian labour market.

Table 3

[[Table 3](#)] compares the occupation and workforce location of all Australia-born and overseas born-persons holding degree or diploma qualifications by time of arrival. The data are presented in this way because we wish to trace the outcomes for all migrants with professional qualifications. Migrants may choose to stay out of the labour market for a variety of work-related reasons including a desire to learn English, upgrade qualifications, and prepare for professional accreditation examinations as well as discouragement about job prospects, retirement or domestic reasons. To limit the analysis to professionally qualified migrants in the labour market would be to miss a potentially important component of the migrant professional population.

The outcomes indicated in Table 3 show that the more recent the arrival period the lower the level of of employment at the professional or managerial level. For the 1986-1991 arrivals only 29.8 per cent of those with degree level qualifications had found professional employment, compared with 40.6 per cent of those arriving 1981-1985, and 49.3 per cent of those arriving prior to 1981. Also, a much higher minority (11-12 per cent) of the 1986-1991 arrivals were unemployed as of 1991 or were outside the workforce (20 per cent) than amongst earlier arrivals.

The situation was even worse for recent arrivals holding diploma qualifications. With the exception of nursing it is clear that diploma level qualifications have limited professional currency in the Australian professional labour markets.

Within the 1986-1991 arrival cohort there was considerable variation in the level of professional employment. While professionals from ESB source countries such as the UK/Ireland and New Zealand fairly readily secured professional positions within their field, as to some extent did those from former Commonwealth countries such as Malaysia and Hong Kong, the situation was markedly less propitious for migrants from NESB source countries. With few exceptions, skilled NESB migrants reaching Australia between 1986-1991 achieved limited access to employment within their professional fields by 1991.

## Table 4

[[Table 4](#)] details the outcomes for those from the Philippines, China, Vietnam, Yugoslavia and India by the various professions studied.

By contrast, persons born in Australia who held tertiary qualifications achieved better occupational outcomes. As of 1991, 51.9 per cent of Australia-born degree qualified persons held professional positions, compared with 42.4 per cent for the parallel qualified overseas-born. However, most of this advantage is explained by the employment outcomes for recently arrived professionals. As can be seen from Table 4, the employment situation for those who arrived in Australia prior to 1981 was much closer to that of the Australia-born. As indicated earlier, many pre-1986 arrivals hold Australian qualifications. It may therefore be the case that some of the achievement of these earlier arrivals reflects their education in Australia, that is, not just employer willingness to recognise their overseas qualifications.

Table 3 also allows an evaluation of the level of employment of overseas-born and Australia-born persons with professional qualifications holding positions below the professional or managerial level. This term covers all the para-professional, trades, clerk, sales, manual and other occupational categories listed in the Table 3. As can be seen from Table 3, some 28.6 per cent of persons arriving in 1986-1991 with degree level qualifications were employed at the sub-professional level, almost equal to the proportion employed as professionals (29.8 per cent). These sub-professionals are dispersed across the sub-professional occupations, though with some concentration in the sales and clerical areas.

By contrast, despite the recessionary context in 1991, the outcomes for recent Australian-born graduates were good. Employers clearly prefer youthful, recently trained Australia-born and Australian-trained graduates where they have a choice. As shown in

## Table 5

[[Table 5](#)], recent Australia-born graduates (that is those aged under 25) were preferred relative to both same age and older overseas-born professionals who arrived in Australia between 1986-1991. For every field listed, youthful Australia-born graduates have far higher rates of employment at the professional or managerial level than do overseas-born graduates in the same age group (up to 25) or those within the 26-40 age group, despite the fact that the latter would have been more experienced than recent Australia-born graduates. In the case of 15-25 year olds, this generalisation holds for all the birthplace groups examined, including the UK and New Zealand-born.

Another, rather surprising, finding evident from Table 5 is that not only do recently arrived professional migrants aged 26-40 and 40+ do better (at least initially) than their younger compatriots, but those aged 40+ record similar outcomes to those 26-40. There is a reverse expectation implicit in the current Department of Immigration and Multicultural Affairs (DIMA) selection system for Independent and Concessional migrants. As the system currently stands, the points allocated for each age category are 18-29 - 30 points, 30-34 - 25

points, 35-39 - 15 points, 40-44 - 10 points, 45-49 - 5 points and all others no points.

**THE OUTLOOK FOR MIGRANT PROFESSIONALS** We conclude that concerns about the situation of overseas-born professionals are justified - but only as they relate to recent arrivals. As we have seen, between 1986-1991 there was a dramatic expansion in the size of Australia's skilled migration intake, and particularly of professionals from non-traditional source countries. Unlike the skilled arrivals from the UK/Ireland, New Zealand, or former Commonwealth countries which had dominated the pre-1981 era, many of these newcomers were able to gain entry despite limited English skills. Also an increased share originated from countries relatively unknown to Australian employers and often perceived (whether rightly or wrongly) to be a significant distance from the host society in terms of quality of education and cultural characteristics.

There is now a substantial Australian literature documenting the relative labour market disadvantage experienced by these recent NESB migrants. Though this research suggests that employment outcomes converge to the Australian norm over time, there remains evidence of:

- Differential employment and salary outcomes for select country-of-origin groups, which cannot be fully accounted for by differences in human capital; and
- Employer preference for Australia-born, ESB and mainly English speaking country workers (MESC) relative to NESB origin professionals.

The study confirms the severe labour market disadvantage experienced by professionals from NESB source countries within the initial settlement period, the continuing need for initial Social Security support, as well as appropriate English and labour market support services.

## **PROFESSIONAL MOBILITY**

### **OVER TIME**

Though recently arrived NESB professionals clearly experience initial labour market disadvantage, a key finding of the study was the impressive degree of occupational mobility achieved by all birthplace groups considered once they were well-established in Australia. The sole exception were professionals from the Philippines. Many of these professionals appear to have acted to improve their situation by upgrading their skills and qualifications both to gain professional recognition and improve their employability. Our analysis indicates that most professionals who arrived before 1981 had converged by 1991 to the professional employment levels of Australian, ESB and former Commonwealth country professionals. This is a welcome finding, given the employer preference noted for the Australia-born (including young graduates) and ESB and MESC professionals relative to newly-arrived NESB professionals.

The Vietnamese represent a striking case in point. Once well-established, they rank near the top in regard to professional employment rates across a range of medical and technical professions (nursing, medicine, dentistry, computing, civil and electrical engineering). While

the Vietnamese population in Australia is relatively young, and a substantial number of those securing professional work would have completed their initial training in this country, their success is shared to a degree by older Vietnamese. The latter's progress (detailed in the full study) reflects a determination to master English, and (where necessary) upgrade qualifications through completion of further Australian study.

In contrast, as Table 4 shows, access to professional employment was significantly lower overall for skilled migrants from the Philippines than for the other country-of-origin groups listed (other than in the fields of computing, architecture and nursing). This pattern cannot be accounted for by their level of English, since Filipinos are comparatively advantaged on this dimension. Nor can it be satisfactorily explained by qualification recognition problems, since similarly disadvantaged groups (such as the Vietnamese and Chinese) would have had to upgrade their qualifications in order to enter some professions.

## **THE CRITICAL POLICY QUESTIONS**

### **Targeting skills**

The study raises a number of critical questions about current Australian immigration and settlement policies. One is the appropriateness of maintaining a skill migration policy which fails to take account of the level of demand in Australia within particular professions. This point can be illustrated through the fields of mechanical engineering and computing. Australia accepted an additional 3,719 mechanical engineers between 1986-1991, yet according to the respective Census counts in 1986 and 1991 there was a reduction in the number of all persons employed as professional mechanical engineers from 11,706 to 6,773. The inevitable consequence was acute unemployment amongst recent arrivals, particularly those of NESB origin. By contrast, demand for computing professionals remained buoyant in Australia throughout the late 1980s. As a result just over half of the overseas-born with tertiary level qualifications in this field were employed as computing professionals in 1991 - a level almost identical to their Australia-born counterparts. The situation also held for 1986-1991 arrivals, 46 per cent of whom had gained professional employment in their field by 1991. Even new arrivals from relatively disadvantaged countries such as Vietnam and the Philippines were successful in accessing computing work (49 per cent and 41 per cent).

Results such as these point to the obvious conclusion that the level of demand in particular professions is a major determinant of employment outcomes. Yet the current skill selection system does not advantage applicants possessing skills in short supply relative to those where demand is minimal, such as school teachers or academics.

### **Professional integration**

A second critical question relates to the relative employment outcomes achieved by recently-arrived ESB, MESC and NESB professionals. The majority of degree-qualified migrant professionals who reached Australia prior to 1981 achieved a high level of professional integration by 1991, approximating or even exceeding the representation of the Australia-



born within key occupations. The trend is also evident in migrants reaching Australia between 1981-1985.

But will this pattern will be replicated by the unprecedented numbers of NESB professionals who reached Australia between 1986-1991? Opinions divide on this issue. On the positive side we can point to Australia's achievement by the late 1980s in putting into place the most comprehensive system of settlement support services directed at facilitating professional integration in the world. As a result recent professional migrants have had access to services far superior to those available to pre-1981 arrivals. Key initiatives included:

- Provision of an articulated range of English as a Second Language (ESL) courses, to allow NESB professionals to reach a reasonably proficient level;
- Development of a substantial range of specialised 'exit' courses, combining advanced ESL training with professional orientation (including work experience) along with training in the skills required to access appropriate professional employment;
- Greater accessibility to tertiary courses, through the provision of Austudy and the availability of an array of specialist ESL support services;
- Improved recognition of overseas qualifications, and counselling re career options, following the establishment of the National Office of Overseas Skills Recognition and the funding of state-based Overseas Qualification Units;
- The development of an active outreach policy to employers (under the rubric of 'productive diversity'), advocating the potential value to Australia of bilingual bi-cultural professionals, in a context of increasing globalisation.

On the other hand, the recent period has also been characterised by some very negative factors. Pre-1981 arrivals reached Australia at a time of relatively low unemployment. The majority of 1986-1991 skilled migrants, by contrast, arrived immediately prior to the most prolonged Australian recession since the 1930s. The 1990s has been marked by an unprecedented shedding of middle-management and professional jobs, and a severe contraction in public sector employment (a trend which especially affected engineering). For NESB professionals not immediately able to secure work there has been a substantial risk of being trapped in long-term unemployment, or sub-professional employment. They will find it hard to compete in a context where employers prefer Australia-born and ESB professionals, including young graduates, relative to recently-arrived NESB migrants.<sup>3</sup> In these circumstances the impressive pattern of professional integration achieved by pre-1981 arrivals may not be repeated by recent NESB intakes.

In this light, we note with concern the recent policy shifts in relation to the provision of language and labour market support for professional migrants. Since 1993, free English language tuition has been capped to a maximum of 510 hours per person, with limited additional training available through the Special Intervention Program. Social Security support for migrants in the first two years post-arrival is in the process of being abolished. A user-pays principle has progressively been introduced into ESL service provision, except for Preferential family and refugee entrants. Following the August 1996 budget there has been a substantial reduction in the number of places available to NESB professionals in

employment bridging courses, including those offering the local professional experience so often critical to securing work. Though the increasing use of mandatory language testing at overseas posts will reduce the number of NESB professionals reaching Australia under the skilled intake, many of those who enter under other categories will be affected by the policy changes described. They face a lengthening of the time required to prepare themselves for professional employment. This, coupled with the tighter professional labour markets now evident, may lead to continuing disadvantage for NESB migrants with professional qualifications.

## **Acknowledgment**

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