



Economic Issues

**Skilled Migration to South
Australia 2010-2014:
profile and employment
outcomes of recent permanent
and temporary migrants**

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Skilled Migration to South Australia 2010-2014: profile and employment outcomes of recent permanent and temporary migrants

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Executive Director's Note

Welcome to the fifty second issue of *Economic Issues*, a series published by the South Australian Centre for Economic Studies as part of its Corporate Membership Program. The scope of Economic Issues is intended to be broad, limited only to topical, applied economic issues of relevance to South Australia and Australia. Within the scope, the intention is to focus on key issues – public policy issues, economic trends, economic events – and present an authoritative, expert analysis which contributes to both public understanding and debate. Papers will be published on a continuing basis, as topics present themselves and as resources allow.

This paper presents results from an analysis of a survey of skilled migrants who were awarded permanent or temporary visas to reside in South Australia between June 2010 and December 2014. The survey was commissioned by the then South Australian Government Department of State Development and conducted by the Hugo Centre for Migration and Population Research at the University of Adelaide in late 2015. Between 2017 and 2018, a multi-disciplined team of researchers, including SACES, prepared the data for analysis to present new evidence on the experiences of international skilled migrants in South Australian labour market and society.

This Economic Issues focusses on skilled migrants' employment experiences in South Australia. It highlights migrants' barriers to accessing employment in their nominated occupations, high levels of unemployment, underemployment and over qualification. Migrants attributed the challenges they faced in the State labour market to a slack economy and a reluctance of employers to hire people with no local work experience and with whose skills and qualification they were not familiar.

The authors of this paper are Dr Andreas Cebulla, Senior Research Fellow, SACES, and Dr George Tan, Adjunct Fellow, Hugo Centre for Migration and Population Research. Other members of the wider interdisciplinary research team are Professor Alex Reilly, Director, Public Law & Policy Research Unit; Associate Professor Dr Joanna Howe, School of Law; Professor Deb Turnbull, School of Psychology; Dr Clemence Due, School of Psychology (all University of Adelaide) and Associate Professor Anna Ziersch, Southgate Institute for Health, Society and Equity, Flinders University. Research assistance was provided by Dr Romy Wasserman (Hugo Centre for Migration and Population Research, University of Adelaide) and Hannah Hia (Department of Geography, Environment and Population, University of Adelaide).

The views expressed in the report are the view of the authors.

Michael O'Neil
Executive Director
SA Centre for Economic Studies
September 2019

Abbreviations

ASCED	Australian Standard Classification of Education
ANZSCO	Australian and New Zealand Standard Classification of Occupations
DSD	South Australian Government Department of State Development
GSM	General Skilled Migration
ICT	Information and Communication Technology
IELTS	International English Language Testing System
IRF	Interdisciplinary Research Fund (University of Adelaide)
SOL	Skilled Occupation List
SRA	Specified Regional Area

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1. Introduction

Skilled migration has been a central pillar of migration policy in Australia, accounting for two thirds of all migration to Australia by the mid-2010s (Migration Council Australia 2015). In the fourteen years to 2017/18, for which data are available, 19,480 temporary skilled visa and 50,330 permanent skilled visa holders settled in South Australia alone.

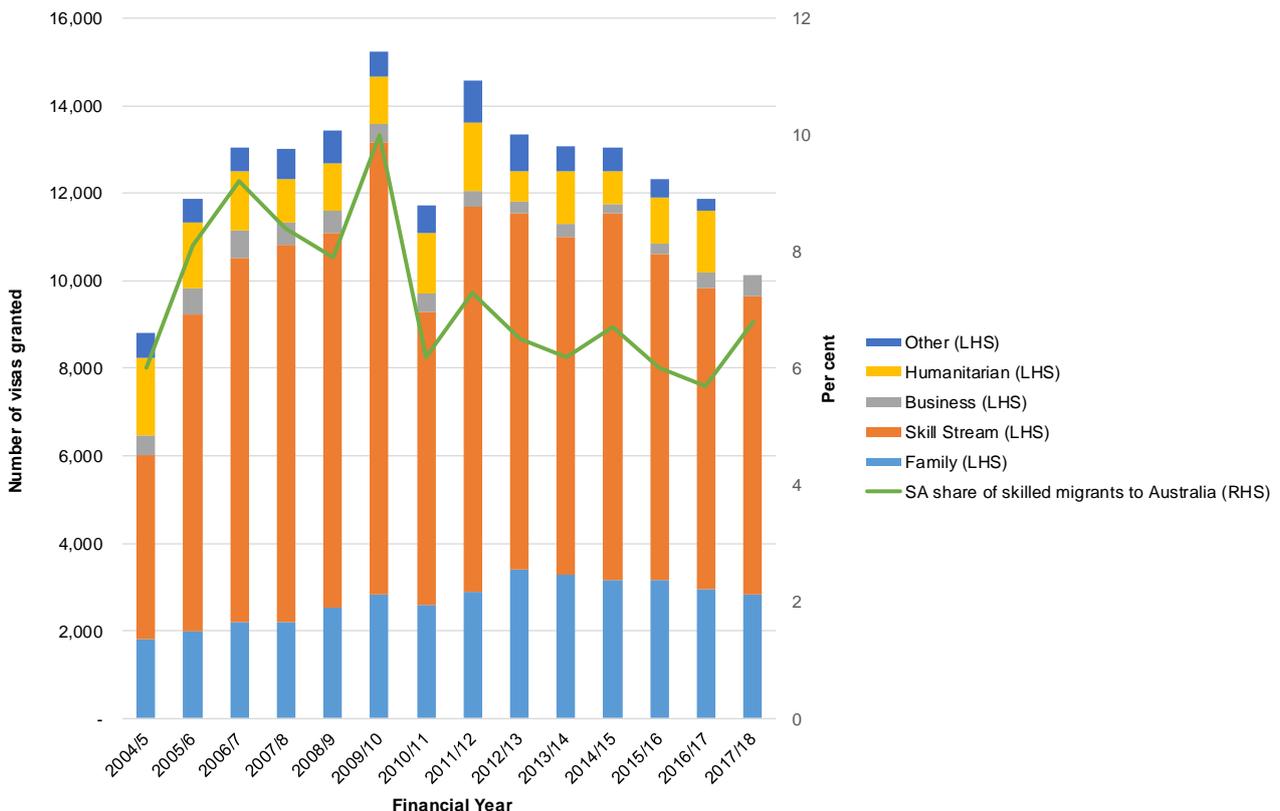
This Economic Issues paper presents new analysis of data describing the employment experiences of skilled migrants to South Australia in the first half of this decade. The data was collected in 2015 by researchers at the Hugo Centre for Migration and Population Research (hereafter: Hugo Centre) at the University of Adelaide on behalf of the then South Australian Government Department of State Development (DSD). The research was commissioned to investigate migration outcomes of migrants sponsored or nominated in South Australia under the state’s General Skilled Migration (GSM) visa program between July 2010 and December 2014.

That period was of interest as it followed a time when South Australia participated in Concessional English provision, which granted applicants with lower than typically required English language skills (as measured in the International English Language Testing System, IELTS) access to visa subclasses 475 and 487, providing they met all other conditions. This concession was suspended in 2009.

1.2 A brief overview of recent skilled migration to South Australia

In the period to 2009/10, South Australia had seen a steady increase in permanent skilled visas granted for settlement in the state (Figure 1.1). At their peak in 2009/10, South Australia had become the destination for 10 per cent of all permanent skilled migrants into Australia, greatly in excess of the state’s share of the Australian population (7 per cent). Permanent family-sponsored visas also rose during this period, albeit at a slower pace and from a lower level, and following a similar trend line to skilled visa additions in the period to 2017/18 following the dip in 2010/11.

Figure 1.1 Visa category of permanent additions to South Australia, 2004/5-2017/18



Note: 'Other' includes Non-programme migration mainly NZ citizens, Special Eligibility. 2017/18 for Humanitarian entries not available; 2017/18 for 'other' not comparable to previous years and, hence, not reported.

LHS – Left hand scale; RHS – Right hand scale.

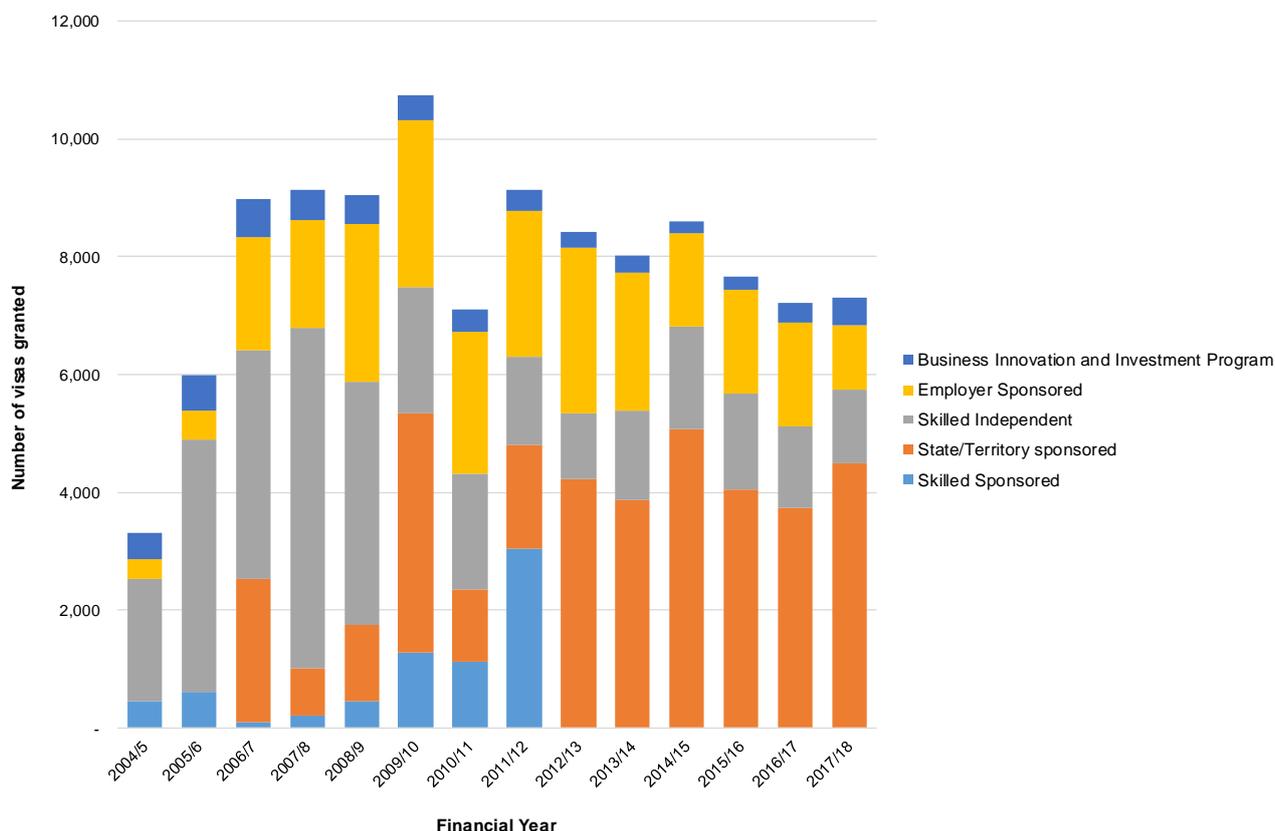
Source: DIMIA 2006a; DIMA 2007a; DIAC 2008a; 2009b; 2010a; 2012; 2013; DHA 2013, 2014, 2015, 2016, 2017, 2018, 2019. Authors' calculations.

Following 2010/11, the number of skilled and family visas briefly increased to a combined total of 11,686 in 2011/12, before steadily decreasing to 9,665 in 2017/18. In that period, the number of skilled stream visas granted in South Australia declined by 22 per cent. Concurrently, South Australia’s share of skilled stream

visas in Australia decreased from 7.3 per cent in 2011/12 to 5.7 per cent in 2016/17, before recovering to 6.8 per cent in the following year.

Over the years, visa types have been frequently modified and official statistical reporting of their categories has been inconsistent in a repeatedly changing governmental environment. *Skilled* visa data for South Australia that we have been able to assemble, show a shift from predominantly self-nominated (Skilled Independent) or Australian state Skilled Sponsored visa awards, both granting freedom to live and work anywhere in Australia, to mainly State Sponsored awards that require migrants to live and work in the state for at least two years. Running alongside these at a sustained if fluctuating level are Employer Sponsored visa awards (Figure 1.2).

Figure 1.2 Skilled visa awards, South Australia, 2004/5-2017/18, by sponsorship/nomination category



Source: DIMIA 2006a; DIMA 2007a; DIAC 2008a; 2009b; 2010a; 2012; 2013; DHA 2013, 2014, 2015, 2016, 2017, 2018, 2019. Authors' calculations.

1.3 The General Skilled Migration survey 2015

The General Skilled Migration (GSM) survey conducted in 2015 specifically focussed on seven state-sponsored or nominated visa sub classes, namely:

Skilled Permanent, nominated or sponsored

- 176 Skilled Sponsored Permanent;
- 190 Skilled Nominated Permanent; and
- 886 Skilled Sponsored Permanent.

Skilled Regional Provisional

- 475 Skilled Regional Provisional;
- 487 Skilled Regional sponsored provisional;
- 489 Skilled Regional Provisional; and
- 495 Independent Regional (Provisional).

A detailed descriptive of these visa subclasses can be found in Table A.1 in the Appendix.

Between July 2010 and December 2014, 7,440 GSM visas were granted to migrants to settle in South Australia.

In November 2015, DSD on behalf of the Hugo Centre, emailed all General Skilled Migrants with visas awarded in that period, inviting them to take part in an online survey. Over the next six weeks, 3,220 responses were received, producing 2,114 usable returns after data cleaning (28 per cent response rate). The Hugo Centre submitted its report to the DSD in early 2016.

In August 2016, the University of Adelaide awarded a small grant under its Interdisciplinary Research Fund (IRF) to researchers from SACES, the Hugo Centre, the School of Law and the School of Psychology, and Flinders University's Southgate Institute for Health, Society and Equity, to return to the data for more in-depth and cross-disciplinary analysis. In subsequent months, the researchers undertook extensive sample verification, and data preparation and management to clean and label this multilayered datasets containing information in over 500 variables. Working with DSD, sampling weights were generated to enhance survey responses' representativeness, based on visa subclass, migrants' countries of origin and their assessed occupation.

The survey is a unique source of information about the migration and integration experiences of recent skilled migrants to South Australia. It provides insights into the expectations, settlement behaviours and retrospective assessment of skilled migrants' lives in South Australia.

This paper, however, focusses solely on the employment experiences of skilled migrants, using weighted survey data enhanced with more detailed occupational and employment outcome data, and previously unused accounts of the challenges that migrants reported about obtaining employment in South Australia.

This reports is structured as follows. We begin with a brief description of the different visa subclasses awarded during the observation period (Section 2), before describing the principal socio-demographic characteristics of the visa holders, including their age, origin and education (Section 3). The fourth section reports on the visa holders' occupations and subsequent labour market experience, including labour market status, duration of job search and eventual income. Some comparisons with data pertaining to the South Australian population are undertaken. The penultimate Section 5 takes a closer look at the extent to which not working in nominated occupations, un- and underemployment, and over-qualification affected skilled migrants.

2. South Australian State-Sponsored/Nominated GSM Visas – Subclasses

In the three and a half years from July 2010 and December 2014, 70 per cent of successful GSM visas applications were for skilled *permanent* visas (Table 2.1). The remainder were provisional, that is, temporary, regional visas, which can provide pathways to permanent residency after one or two years. Regional visas also required successful applicants to live and work or study in a Specified Regional Area (SRA) for up to three years. Whereas SRA across Australia are typically regional or remote, in the case of South Australia, the entire state was classified a SRA. Effectively, regional visas allowed applicants to settle anywhere in the state.

Over 40 per cent of all GSM visas – and more than half of permanent visas - were granted for visa subclass 190 (Skilled Nominated Permanent), which was limited to applicants with occupations on the Skilled Occupation List (SOL) at the time. Applicants were subject to a skills assessment and points test. Importantly, applicants for subclass 190 had to have been invited, i.e. nominated, to apply for this visa by an Australian state or territory government agency.

Subclasses 176 Skilled Sponsored Permanent and 475 Skilled Regional Provisional visas were the next two largest subclasses. Both were open to applicants with a relative living in Australia sponsoring the application and to applicants nominated by a State or Territory government. Only the Permanent visa 176 subclass required the applicant's occupation to be listed on the SOL.

The final Skilled Permanent visa subclass 886 was available to international students who had completed their studies in Australia.

Table 2.1 Nominated or sponsored skilled visa awards, South Australia, July 2010 – December 2014, (per cent)

Visa class	GSM Survey	South Australia*
Skilled Permanent, nominated or sponsored	70.1	70.5
176 Skilled Sponsored Permanent	24.5	25.3
190 Skilled Nominated Permanent	41.9	41.2
886 Skilled Sponsored Permanent	3.7	4.0
Skilled Regional Provisional	29.9	29.5
475 Skilled Regional Provisional	19.9	19.7
487 Skilled Regional sponsored provisional	0.7	0.8
489 Skilled Regional Provisional	9.3	8.9
495 Independent Regional (Provisional)	0.1	0.1
N	2,217	6,689

Note: * Sampling frame. The total number of GSM visa awards in South Australia is less than the total original sample (7,440) because not all cases could be retrospectively verified.

Source: GSM Survey, DSD sampling frame.

Provisional visa subclass 475 was available to sponsored applicants to live and work or study in a Specified Regional Area (SRA) for up to three years, with an opportunity to apply for permanent residency once the applicants had worked full time for at least one year.

Skilled Regional (Provisional) visa subclass 489 was the second most frequently awarded temporary visa, available to skilled workers in nominated occupations and either nominated by the state government or sponsored by a relative, eligible for up to four years. Unlike subclass 475 applicants, subclass 489 had to have been invited by the relevant authority to apply for the visa. Skilled Independent Regional (Provisional) visa subclass 495 is similar in that respect, as it is open to skilled workers not meeting permanent visa criteria, providing they are sponsored by the state government and their skills are included on the SOL.

Finally, subclass 487 is, equivalent to Skilled Permanent visa subclass 886, available to current or former students, graduate and trainees, but also holders of a Working Holiday visa, to live, work or study in South Australia for up to three years, offering a pathway to permanent residence after residing in South Australia for two years with at least one year of full time work.

In sum, the two main visa sub classes requiring state government nomination and/or family sponsorship (subclasses 190 and 475) accounted for six in ten visa awards between July 2010 and December 2014, with a further one in four having been family sponsored applicants with occupations listed on the SOL. International student graduates already residing in Australia accounted for less than one sixth of visas (13 per cent).

Fourteen per cent of these visas had been submitted onshore, i.e. by applicants already residing in Australia; the remaining applicants (86 per cent) had submitted their visa application from outside Australia ('offshore').

Table 2.1 shows that the distribution of visa subclasses across respondents in the study matched the population of visa holders reasonably well. This was also the case for gender, age and the distribution across occupations.

3. Origin and Socio-Demographic Characteristics of Skilled Migrants

Indian nationals constituted the single largest group of successful GSM visa applicants during the observation period and surveyed in this study, accounting for more than a quarter of skilled visa applications (28 per cent) (Table 3.1). The second largest group were migrants from the United Kingdom (12 per cent); the third largest, from China (8 per cent). A further quarter of skilled visa migrants to South Australia had originated from various countries from South Asia and South East Asia, including Pakistan, Sri Lanka, Bangladesh, Malaysia and the Philippines.

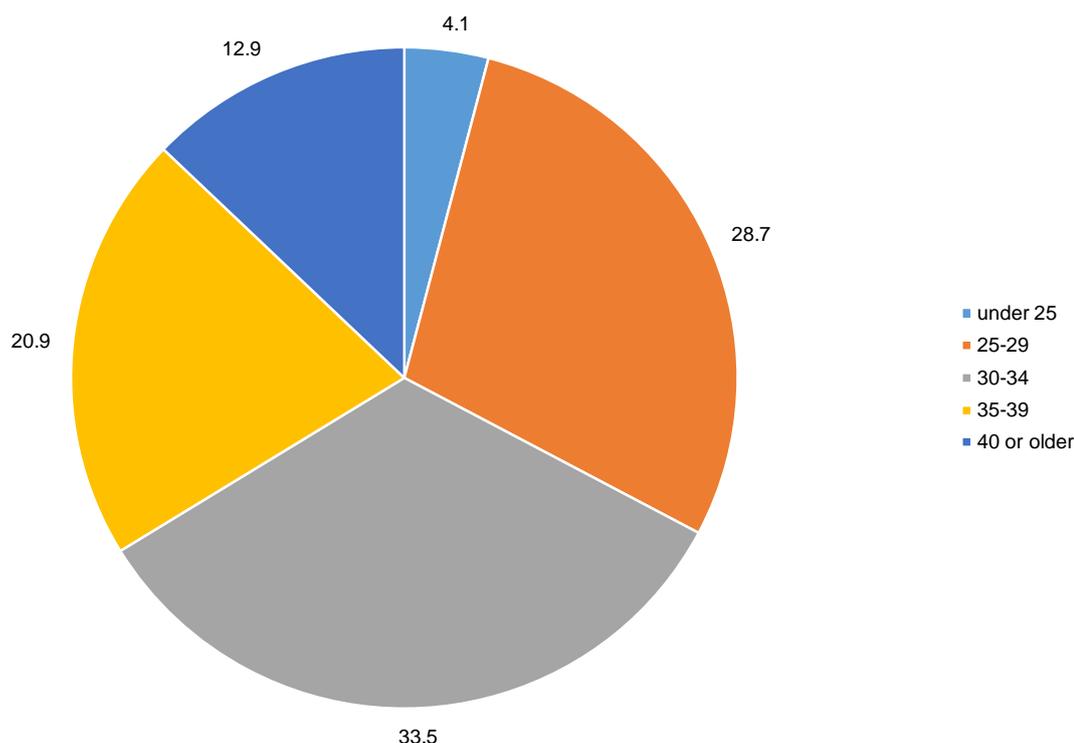
Table 3.1 Origin and socio-demographic characteristics of skilled migrants, South Australia, July 2010 – December 2014 – GSM survey

Country of origin	Per cent	Other regions of origin	Per cent
India	27.8	Rest of Asia	6.4
United Kingdom	12.1	Rest of Europe	4.2
China	8.1	Rest of Africa	2.9
Pakistan	5.8	South America	2.9
Sri Lanka	5.8	Eurasia	1.6
Bangladesh	5.3	Middle East	1.2
Malaysia	4.5	North America	0.5
Iran	4.1	Australasia	0.4
Philippines	4.0	Missing	0.3
South Africa	2.3		

Source: GSM Survey.

GSM migrants were disproportionately male (69 per cent) and the majority (62 per cent) were aged between 25 years and 34 years (Figure 3.1). Seventy-nine per cent had at least a Bachelor Degree, including over one third who had obtained post-graduate degrees (Table 3.2). This compared with 16 per cent of South Australia's resident population aged 15 and older who reported a Bachelor or higher degree in the 2011 Census of Population and Housing; 48 per cent reported no qualification in the Census.¹ The percentage of skilled migrants in South Australia with Bachelor Degree or above was also higher than the Productivity Commission estimated for skilled migrants to Australia as a whole using 2011 Census data (Productivity Commission 2016, Figure 4.11).

Figure 3.1 Age distribution of skilled visa migrants, South Australia, July 2010 – December 2014 (per cent)



Source: GSM Survey.

Fewer than one in five (18 per cent) GSM migrants had obtained their highest degree in Australia. This includes the approximately 13 per cent of migrants who, as former students in Australia, had obtained their skilled visas via subclasses 886 or 487 (cp. Table 1.1). This left about five per cent of successful offshore and *non-student* onshore applicants who had obtained their highest qualification in Australia after receiving their GSM visa.

Table 3.2 Highest educational qualification of skilled visa holders, South Australia, July 2010 – December 2014; and SA population, aged 20-54 years, 2011 (per cent)

Higher educational qualification	GSM Survey	SA population* Aged 20-54 years
Bachelor degree/Honours degree	42.1	17.3
Post-graduate degree	36.9	6.1
Diploma/Certificate/Other-post school qualification	12.9	31.6
Post-graduate diploma	7.3	1.8
No post-school qualification	0.8	0.2
Qualification obtained in Australia	17.8	
N	2,114	

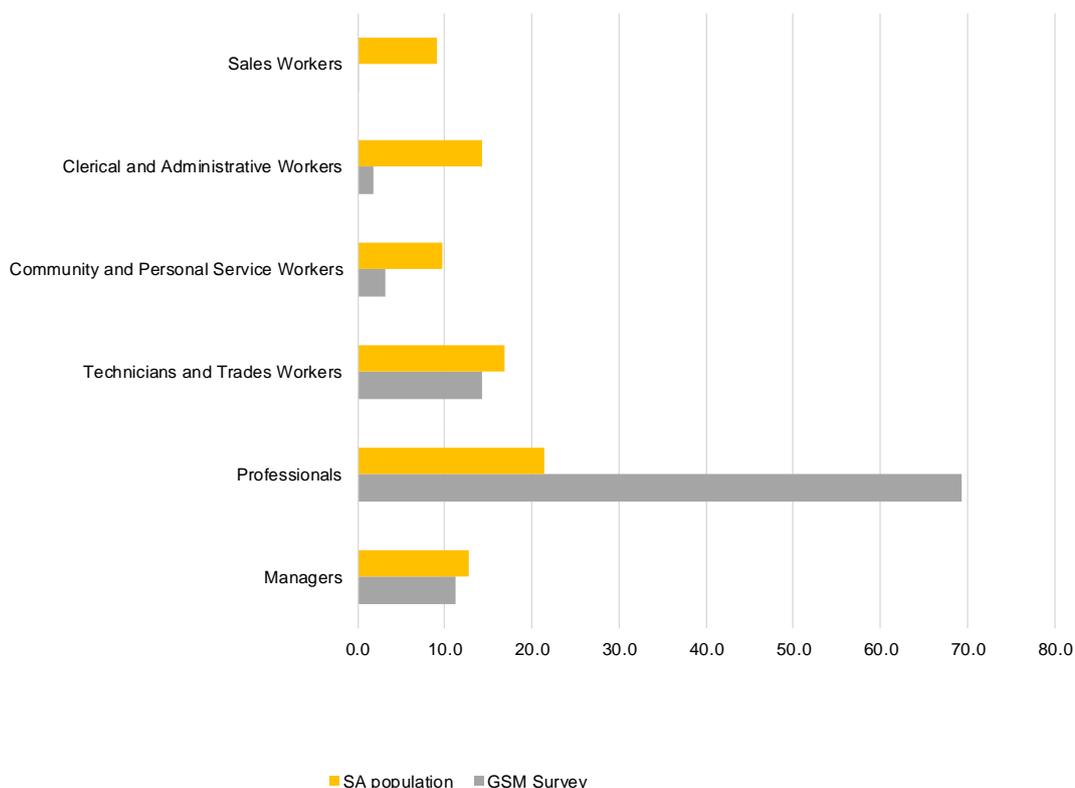
Note: Statistics for SA population limited to ages 20-54 years to approximate the age of the visa population.

Source: GSM Survey; ABS TableBuilder Education and Work, May 2012, 38. Level of highest educational attainment (ASCED).

4. Assessed Occupation and Employment Outcomes

Occupations assessed for GSM visas were primarily professional (69 per cent) or managerial (11 per cent), but also included technician and trades workers (14 per cent) and a comparatively small number of community and personal service (3 per cent), clerical and administrative (2 per cent) and sales (0.2 per cent) workers (Figure 4.1).

Figure 4.1 Occupation (ANZSCO Major Group) assessed for visa application, South Australia, July 2010 – December 2014; and SA population, aged 20-54 years, 2011 (per cent)



Note: Statistics for SA population limited to ages 20-54 years to approximate the age of the visa population.
Source: GSM Survey; ABS TableBuilder Education and Work, May 2012, 14. Occupation of work of current job.

As expected for *skilled* visa holders, GSM migrants on the whole held or had held more highly skilled occupations when compared with South Australia's occupational structure, which accommodates relatively fewer professionals, but more service, administrative or sales workers.

A closer inspection of occupations at the more finely grained ANZSCO *sub group* level reveals that more than half of all sponsored or nominated visas were granted to professionals in Information and Communication Technology (ICT) (23 per cent), design, engineering, science and transport (17 per cent) and business, human resource and marketing (18 per cent) (Table 4.1).

Table 4.1 Occupation assessed for visa application, South Australia, July 2010 – December 2014 (per cent) – GSM Survey

ANZSCO Sub-Group	Per cent
ICT Professionals	22.5
Business, Human Resource and Marketing Professionals	17.7
Design, Engineering, Science and Transport Professionals	16.9
Specialist Managers	8.5
Health Professionals	5.5
Education Professionals	3.8
Engineering, ICT and Science Technicians	3.6
Health and Welfare Support Workers	3.2
Electro-technology and Telecommunication Trade Workers	3.0
Legal, Social and Welfare Professionals	2.9
Automotive and Engineering Trades Workers	2.8
Hospitality, Retail and Service Managers	2.1
Construction Trades Workers	2.0
Office Managers and Program Administrators	1.8
Food Trades Workers	1.6
Other Technicians and Trades Workers	1.1
Chief Executives, General Managers and Legislators	0.7
Skilled Animal and Horticultural Workers	0.4
Sales Representatives and Agents	0.2
Arts and Media Professionals	0.1
N	2,097

Note: N less than 2,114 because of missing responses.
Source: GSM Survey.

4.1 Employment outcomes

Despite their high levels of qualification and occupational status, not all GSM migrants to South Australia were able to obtain work in the state, although those that did, did so relatively quickly, but not necessarily in their assessed occupation.

Whereas the majority (85 per cent) of GSM migrants successfully obtained employment once settled in South Australia and/or upon receipt of their visa, one in six skilled migrants (15 per cent) reported to have been unemployed, either currently or for most of their time in South Australia (Table 4.2).² This was more than twice the rate of unemployment in the state at the time.

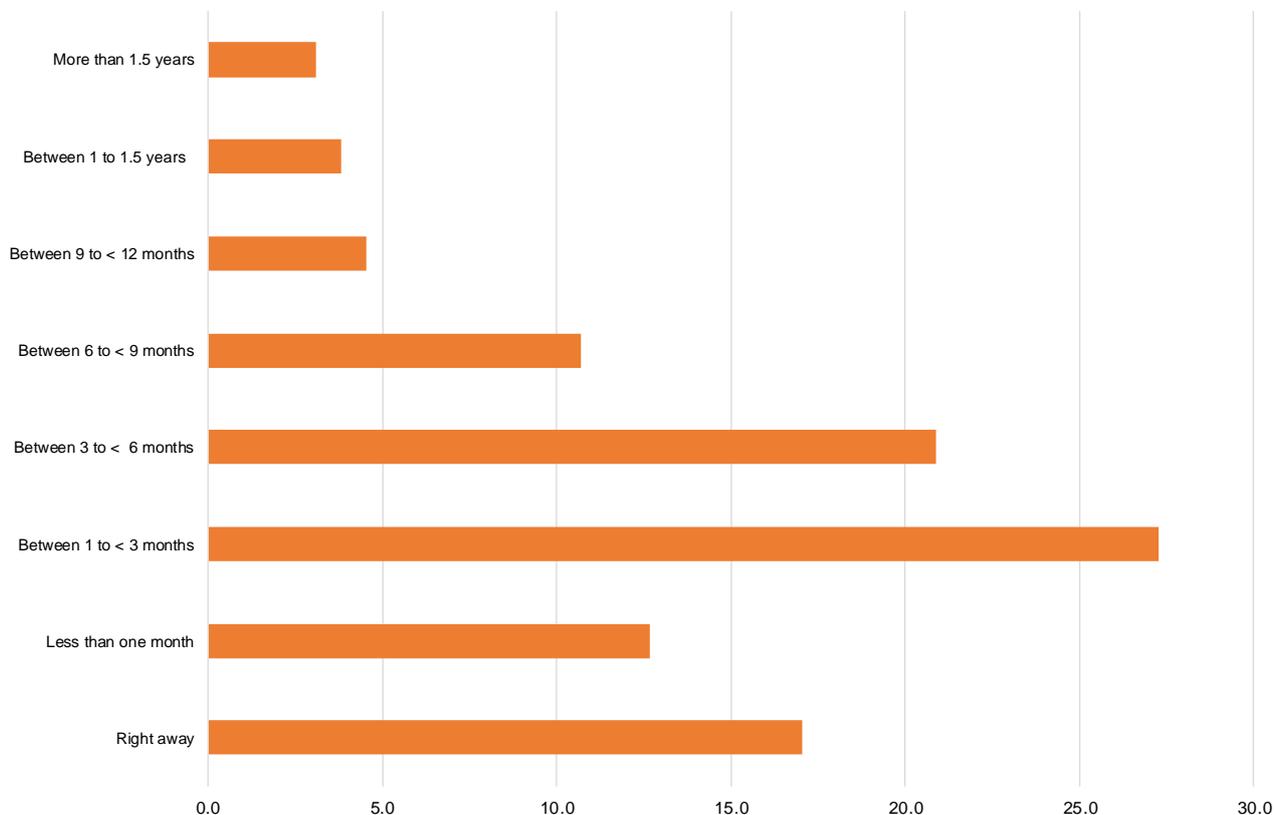
Those who succeeded in obtaining work did so relatively quickly. It typically took GSM migrants less than three months to obtain work (57 per cent), with more than a sixth (17 per cent) finding work instantly (Figure 4.2). However, for some the wait extended well beyond the initial three months, with more than a fifth spending between three and six months (21 per cent) looking for work, and about a sixth searching six months to a year before finding employment (15 per cent).

Many, however, failed to obtain work in their nominated occupation. Close to half (44 per cent) of those in employment or self-employment ended up working in an occupation or field³ other than the one nominated in their visa application. Furthermore, more than half of those in work (53 per cent) were employed at a level that they felt was below their previous overseas experience and/or qualification, frequently working casual (19 per cent) or on time-limited contracts (20 per cent).

Table 4.2 Employment status, South Australia, July 2010 – December 2014 (per cent) – GSM Survey

Employment status, currently or for the majority of time in South Australia	Per cent
Self-employed	5.8
Employed in one occupation	70.2
Employed in more than one occupation	8.9
Unemployed	15.1
N	1,828
Employed in nominated occupation or field	
No	43.8
Yes	56.2
N	1,441
Consistent with previous level	
No, it is lower than previous experience	53.1
Yes, at a higher level than previous experience	8.8
Yes, at consistent level as previous experience	33.3
Not sure	4.8
N	1,441
Employment condition	
Casual	18.8
Contract	19.5
Permanent	60.8
Student, apprenticeship, scholarship	0.2
FT or PT indicated only	0.6
N	1,440

Note: N of employment Status question (top of table) less than 2,114 because of missing responses.
Source: GSM Survey.

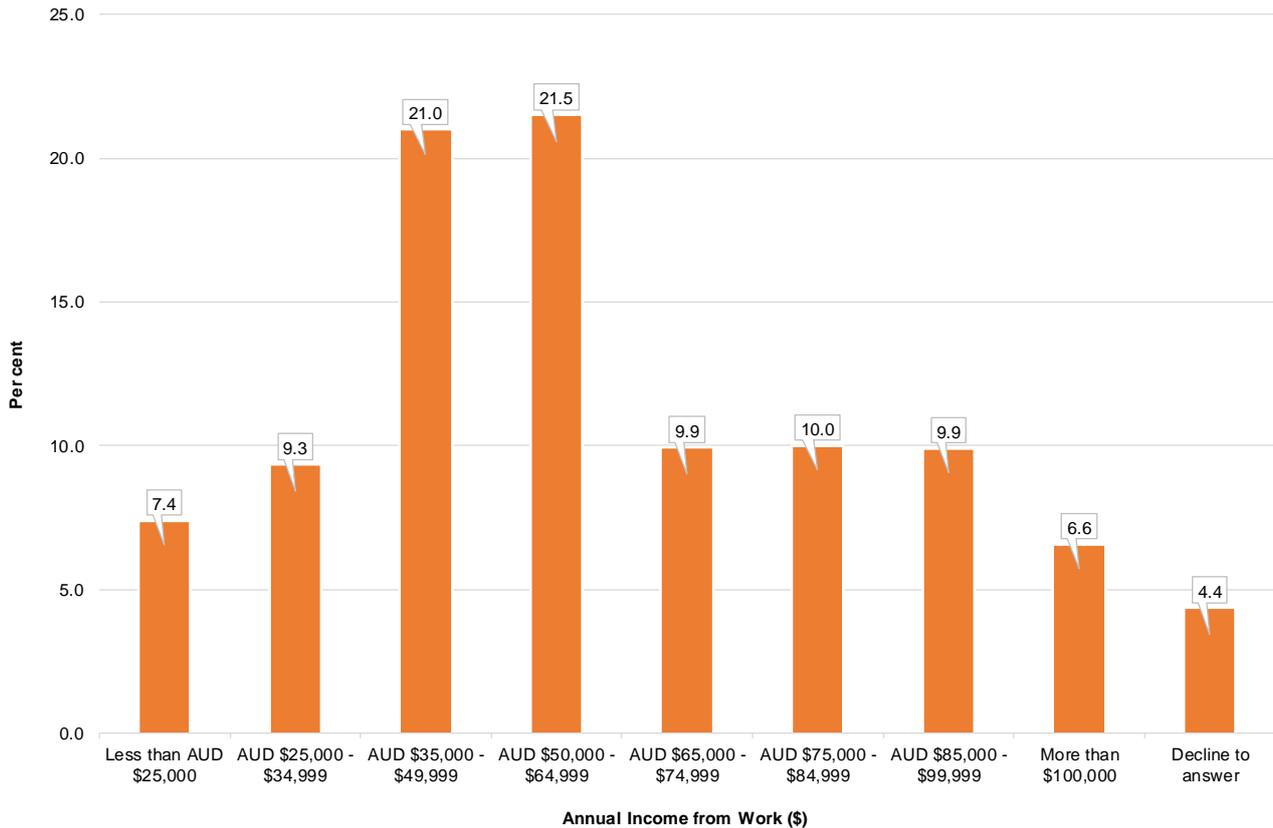
Figure 4.2 Time taken to gain employment in nominated occupation, South Australia, July 2010 – December 2014 (per cent) – GSM Survey

Source: GSM Survey.

Three quarters of those in work (76 per cent) worked full time; the remainder entertaining various hours of part-time work (not shown). Their incomes clustered around the \$35,000 to \$65,000 range, with almost six in ten (59 per cent) of employed GSM migrants earning up to this upper mark.

For Table 4.3, annual income statistics from the 2011 Australian Census of Population and Housing were extracted for individuals working in managerial and professional occupations, technicians and trades workers; community and personal service workers; clerical and administrative workers, and sales workers in South Australia, aged between 20 and 54 years. This allows an approximate comparison of the income profiles of GSM migrants relative to the South Australian population at the time. The comparison is hampered by the GSM survey and the Census using different income ranges, which can only be partially aligned. The results nonetheless show that GSM migrants tended to earn less than was typical for the South Australian working population.

Figure 4.3 Income from work, South Australia, July 2010 – December 2014 (per cent)



Source: GSM Survey.

Table 4.3 Income distribution of employed people, GSM survey and 2011 Census of Population, South Australia (per cent)

GSM Survey income distribution		2011 Census of Population income distribution*		
	Per cent		Per cent	Weighted per cent
Less than \$25,000	7.4	\$1-\$20,799	11.3	6.1
\$25,000 - \$34,999	9.3	\$20,800-\$31,199	12.4	7.0
\$35,000 - \$49,999	21.0	\$31,200-51,199	31.1	23.6
\$50,000 - \$64,999	21.5	\$52,000-64,999	14.5	17.3
\$65,000 - \$74,999	9.9	\$65,000-77,999	10.1	15.2
\$75,000 or more	10.0	\$78,000 or more	18.6	29.2

Note: 2011 Census of Population income distribution limited to Managers, Professionals, Technicians and Trades Workers, Community and Personal Service Workers, Clerical and Administrative Workers, and Sales Workers; and those aged 20 to 54 years. The weighted percentage adjusts the income distribution to match the distribution of GSM migrants across these six occupations.

Source: GSM Survey 2016 (own calculation); Tablebuilder 2011 Census of Population and Housing INCP Total Personal Income (weekly) by OCCP - 1 Digit Level, South Australia.

GSM migrants were under-represented in the higher income categories of \$65,000 and above, especially the highest range of \$75,000 or more. Instead, they were more likely found in the mid-range category, earning between \$50,000 and \$65,000. This was true, both, when comparing GSM migrants' income distribution with all working in the six major occupation groups and when weighting this distribution to mirror the relative shares of GSM migrants in each ANZSCO Major Group (cp. Figure 4.1). The latter is shown the final column of Table 4.3. This 'correction' accentuates the under-representation of GSM migrants in the higher income categories, while now also showing an over-representation in the lowest income categories. Both would have been affected, to an as yet unknown extent, by the younger age profile of skilled migrants compared with the South Australian workforce.

5. Labour Market Mismatches

The discussion so far has highlighted some of the challenges that GSM migrants had faced in securing employment in South Australia – and to do so at a level and in an occupation in which they had sought to be employed.

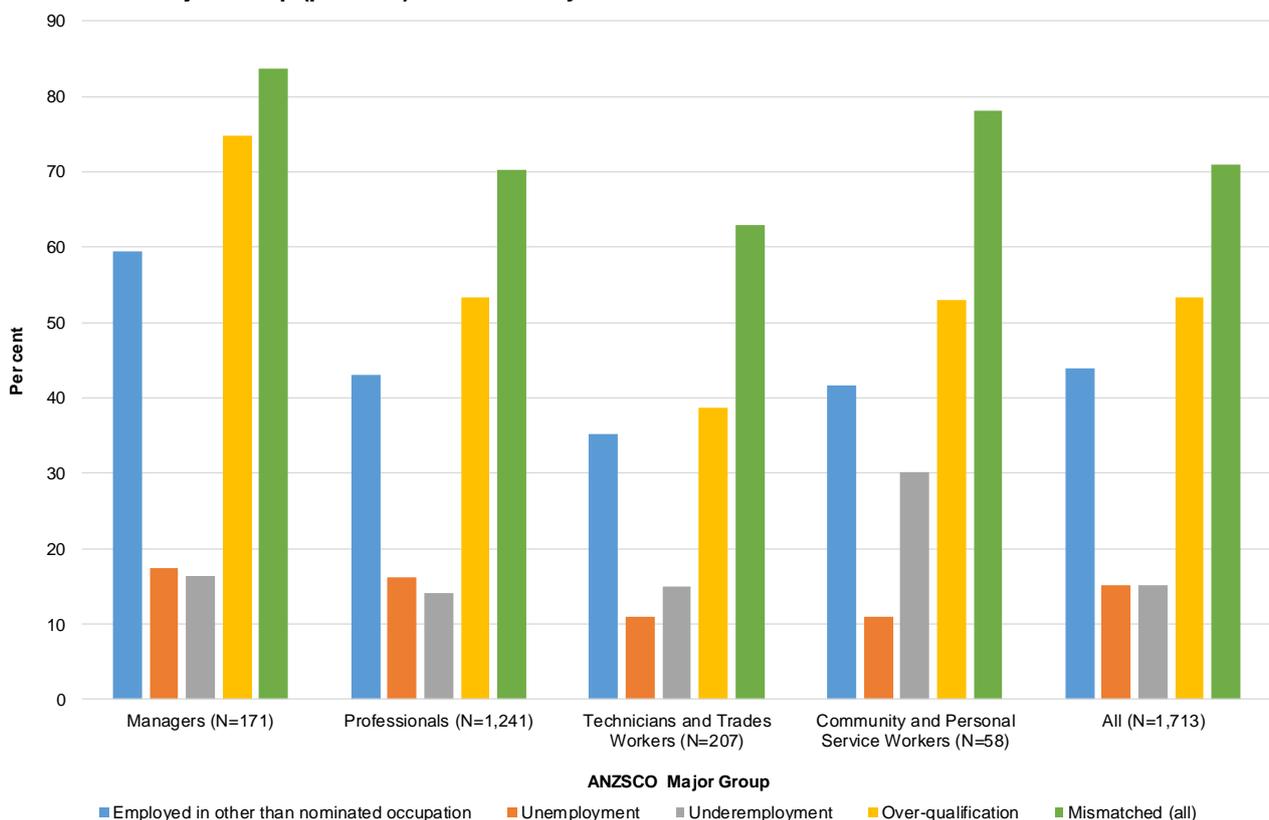
In this section, we bring together the four main forms of labour market mismatches that GSM migrants experienced in order to observe the occupations most affected and also to establish which of these mismatches was most prominent:

- not working in a nominated occupation,
- unemployment,
- underemployment (working fewer than the desired hours) or
- over-qualification.

The section also briefly discusses employment barriers that GSM migrants told us about in the survey.

Overall, 70 per cent of GSM migrants reported at least one form of mismatch in the labour market, with the majority (53 per cent) reporting employment in a position that required less than their qualification or experience offered in terms of skills (over-qualification) and close to half (44 per cent) reporting not working in their nominated occupation (Figure 5.1; see also Table 2.1). Unemployment and underemployment, i.e. working for fewer hours than desired, each affected one in six (15 per cent) GSM migrants.

Figure 5.1 Labour market mismatch, GSM visa holders, South Australia, July 2010 – December 2014, ANZSCO Major Group (per cent) – GSM Survey



Note: Sales Workers not shown because of small case number (N=4).
Source: GSM Survey.

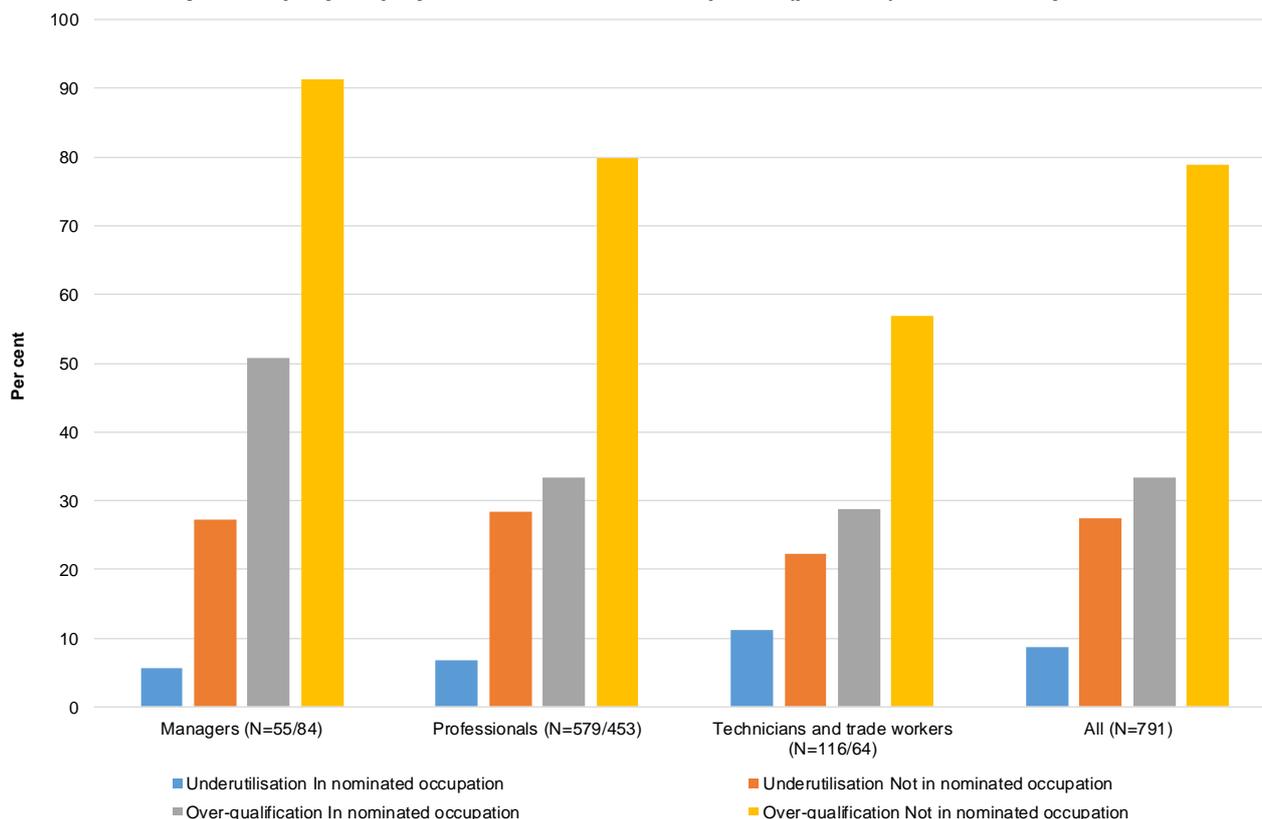
Most strongly affected by a mismatch and, specifically, by employment outside their nominated occupation, were GSM migrants who sought to work in managerial positions. Again, as noted earlier, the lower average age of skilled migrants may have contributed to this mismatch.⁴

GSM migrants sponsored or nominated to work in clerical and administrative, or sales occupations were equally likely to (be forced to) settle in employment that was classified as in an unrelated occupation; however, their numbers responding to the survey was comparatively small – and these statistics therefore need to be treated with some caution.

Amongst the numerically larger occupational groups, unemployment and underemployment were highest amongst managers and professionals, but still high amongst technicians and trade workers when compared with unemployment (August 2012: 5.7 per cent, trend⁵) and underemployment rates (August 2012: 8.2 per cent, trend⁶) prevailing in South Australia at the time.

Visa holders whose nominated occupations were in community and personal services were particularly likely to be working fewer hours than they would have liked (under-employment). Figure 5.2 shows for the three largest occupational groups that underemployment and over-qualification were especially common for migrants working in occupations for which they had not been nominated. That said, over-qualification was still noticeably high amongst those working in their nominated occupations, especially in managerial positions.

Figure 5.2 Labour market mismatch, GSM visa holders, South Australia, July 2010 – December 2014, ANZSCO Major Group, by employment in nominated occupation (per cent) – GSM Survey



Source: GSM Survey.

A closer look at the more prominent occupations reveals a particularly high level of mismatch among migrants with assessed business, human resources or marketing occupations, specialist managers and also design, engineering, science and transport professionals (Table 5.1). In all instances, not finding employment in the nominated occupation was the main factor in the mismatch, whilst business, human resources and marketing professionals were also likely to feel over-qualified in their job.

Least likely to be mismatched were health professionals (39 per cent) and legal, social and welfare professionals (46 per cent) who were also more likely than most others to be working in their nominated occupation.

Table 5.1 Labour market mismatch, GSM visa holders, South Australia, July 2010 – December 2014, ANZSCO Sub Major Group (per cent) – GSM Survey

	Non-nominated occupation	Unemployment	Under-employment	Over-qualification	Mismatch	N
	A	B	C	D	A+B+C+D	
ICT Professionals	33.9	16.7	25.7	51.0	67.6	385
Business, Human Resource and Marketing	61.3	19.9	36.6	71.3	84.5	315
Design, Engineering, Science and Transport Professionals	56.6	16.6	31.3	61.6	77.4	314
Specialist Managers	56.7	14.7	27.6	66.8	77.8	126
Health Professionals	12.0	8.2	24.1	21.7	38.5	100
Education Professionals	21.8	14.2	39.4	30.5	56.4	74
Engineering, ICT and Science Technician	42.3	16.7	32.0	55.5	72.0	58
Health and Welfare Support Workers	41.6	11.0	41.2	53.0	78.1	58
Legal, Social and Welfare Professionals	29.4	6.3	18.3	28.3	46.1	52
N (all above)	644	278	524	789	1,232	
All	43.9	15.1	30.2	53.3	70.9	1,713
N Total	1,435	1,820	1,713	1,435	1,713	

Note: only groups of occupation with at least 50 cases are shown.
 Source: GSM Survey.

5.1 Employment barriers

GSM migrants identified a number of barriers to employment which they had experienced in South Australia. Almost two thirds (63 per cent) of survey respondents said that they had encountered specific obstacles to securing employment, including 49 per cent of those working in their nominated occupation and 76 per cent working in other than their nominated occupation.

Rather than offering a menu of potential barriers to select from, the survey invited participants to name and describe the challenges they had experienced in finding paid work in their own words. This produced a rich list of personal and institutional barriers to employment as many respondents took this opportunity to provide often detailed accounts of their personal experiences. For the current analysis, we have aggregated these responses and present a summary in Table 5.2.

Table 5.2 Reported employment barriers, GSM visa holders, South Australia, July 2010 – December 2014 (per cent) – GSM Survey

	Responses	Respondents
No local experience	34.1	43.0
No jobs, small labour market	24.0	30.2
No skills recognition	9.6	12.1
Discrimination	8.0	10.0
Language	6.2	7.9
No PR/citizenship; visa type	5.5	6.9
No local references	3.6	4.6
Employer says - over-qualified	1.2	1.6
Unfamiliar application process	0.8	1.0
Unsupportive recruitment agents	0.7	0.9
No local licence/ticket	0.6	0.7
No employer trust	0.3	0.4
Other	5.4	6.9
N		1,333

Note: 'Responses' show the percentage of each response out of the total (multiple) responses. 'Respondents' percentages count the proportion of respondents mentioning that barrier.

Base: all GSM Survey respondents.

Source: GSM Survey.

The most frequently mentioned barrier, reported by 43 per cent of all GSM migrants⁷, was the expectation on the part of employers that the job seekers should have local work experience. Related to this, GSM migrants also noted that employers were expecting local references (5 per cent), which they typically were not able to provide. A third group of experience-related barriers include a lack of skills recognition or of local licences or tickets, which were identified by 12 per cent of migrants.

Almost a third (30 per cent) felt that there were too few jobs available in the state for the number of job seekers, whilst one in ten (10 per cent) felt that discrimination had played a role in the difficulties they had experienced in securing employment.

GSM migrants also felt that employers preferred or required job seekers to have Australian citizenship or, as a minimum, permanent residency. Overall, seven per cent of GSM migrants expressed this view, but this increased to 13 per cent of those on provisional skilled visas.

Personal obstacles to securing employment were mentioned less frequently, but included insufficient language skills (8 per cent) and lack of familiarity with the job application process in Australia (1 per cent).

6. Conclusion

Integration into the South Australian labour market proved challenging for migrants granted skilled work visas between mid-2010 and the end of 2014. This paper has reported on the findings from the analysis of the 2016 Survey of General Skilled Migrants (to South Australia), which collected data from more than 2,000 of the approximately 7,000 state-sponsored or nominated skilled migrants to South Australia settling in South Australia during this time.

The majority of visas granted in this category and that period were permanent visas for migrants assessed typically in managerial or professional occupations, with eight in ten having acquired graduate or post-graduate degree qualifications. While most visa holders managed to obtain employment soon after their arrival in South Australia, a percentage above the then prevailing South Australian rate remained unemployed or underemployed, i.e. obtained work but for fewer hours than they had wanted.

Just about half of all GSM visa holders in employment worked in occupations for which they had been assessed, and underemployment and over-qualification were experienced widely. Lack of local experience and references in a small and, hence, competitive local labour market constituted the main obstacles to securing employment. For those who managed to obtain work in South Australia, incomes were typically lower than the South Australian average for their occupation.

Whilst all occupations were affected by atypically high unemployment or underemployment, or employment in positions below the migrants' level of experience or qualification, this was especially the case for migrants seeking employment in business, human resources or marketing positions, or as managers or design, engineering, science and transport professionals.

Health professionals and legal, social and welfare professionals were most likely to be fully employed in their assessed occupation, although a sizeable proportion of GSM migrants in those occupations still felt underemployed or over-qualified for their work. Unemployment also remained above the state average.

A lacklustre labour market and employers' preferences for hiring people with local work experience and skills and qualification were identified as the main barriers to GSM migrants' obtaining employment in the state.

This study has only been able to provide some very cursory insights in the experiences of GSM migrants in South Australia. Much of the survey data remains yet to be analysed, exploring more deeply not only the nature of labour market mismatch and employment barriers, but also the efforts made by migrants to update and 'naturalise' their educational qualification. The qualitative data also suggest an important role that families can play and have played in shaping migrants' settlement behaviour. Further analysis of the data has the potential to shed more light on how labour market behaviour and familial status intersect.

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Appendix A

The General Skilled Migration (GSM) Survey 2016

The GSM Survey 2016 collected the following information:

For primary applicants (the respondents):

- socio-demographics (age, gender, country of birth, relationship/marriage status);
- highest educational qualification, including country in which it was obtained;
- additional qualifications obtained after visa was granted;
- employment status (including hours worked, income);
- experience of employment barriers;
- place of residence and residential preferences;
- reasons for choosing South Australia;
- availability of social networks on arrival in South Australia;
- use and assessment of South Australian support services for migrants (WorkSkills, language support);
- reasons for leaving South Australia (where appropriate); and
- assessment of South Australia's:
 - further and higher education system,
 - education for children,
 - environment,
 - culture,
 - politics, and
 - climate.

For secondary (partner) applicants (collected via the primary applicant and respondent):

- employment status (including hours worked, income)
- experience of employment barriers

The study also contains qualitative data stemming from open ended questions from the online survey and from in-depth interviews conducted with 20 skilled migrants. The interviews were conducted face to face in South Australia and lasted between forty and sixty minutes. Topics revolved around factors influencing decisions to settle in South Australia, challenges the migrants faced living in South Australia, and their job seeking experiences and employment outcomes. Interviewees were also asked about their satisfaction on a range of issues relating to their life in South Australia and plans for the future.

Table A.1 Description of Skilled Permanent and Provisional Visas

Skilled Permanent, nominated or sponsored
<p>Skilled — Sponsored visa (subclass 176): This visa allows you to migrate to Australia if you have competent English language and other skills and attributes which will contribute the most to the Australian economy.</p> <p>You might be able to get this visa if you:</p> <ul style="list-style-type: none"> • are under 50 years of age • have competent English language skills • have the skills and qualifications that meet the Australian standard for an occupation on the Skilled Occupation List (SOL) • you or your partner have an <u>eligible relative living in a designated area</u> of Australia who is willing and able to sponsor you or you have a nomination from a participating State or Territory government agency.
<p>Skilled - Nominated Permanent (subclass 190): With this visa, you can work and study anywhere in Australia, sponsor eligible relatives for permanent residence; and if eligible, become an Australian citizen.</p> <p>You must:</p> <ul style="list-style-type: none"> • have an occupation on the relevant skilled list • have a suitable skills assessment for the occupation • be invited to apply for this visa • satisfy the points test
<p>Skilled – Sponsored (Residence) visa (subclass 886): This visa is for <u>international students</u> who have completed their course studies in Australia or for holders of certain temporary visas to apply for permanent residency. You might be able to get this visa if you are one of the following:</p> <ul style="list-style-type: none"> • a current or former international student or former overseas student • a holder of a Skilled – Graduate (Temporary) visa (subclass 485) or Skilled – Recognised Graduate (Temporary) visa (subclass 476) • a holder of a Trade Skills Training visa (subclass 471).
Skilled Regional Provisional
<p>Skilled – Regional Sponsored visa (subclass 475): This visa lets you live and work or study in a Specified Regional Area in Australia for up to three years. After you have lived in a Specified Regional Area in Australia for at least two years, and worked full time for periods totalling at least one year, you can apply for permanent residence.</p> <p>You might be able to get this visa if you are either:</p> <ul style="list-style-type: none"> • nominated by a participating Australian state or territory government or • sponsored by an eligible relative living in a designated area of Australia.
<p>Skilled — Regional Sponsored visa (subclass 487): This visa lets you live and work or study in a Specified Regional Area in Australia for up to three years. After you have lived in a Specified Regional Area in Australia for at least two years, and worked full time for periods totalling at least one year, you can apply for permanent residence.</p> <p>You might be able to get this visa if you are in Australia and you are one of the following:</p> <ul style="list-style-type: none"> • a current or former international student • a holder of a Skilled – Graduate (Temporary) visa (subclass 485) or Skilled – Recognised Graduate (Temporary) visa (subclass 476) • a holder of a Trade Skills Training visa (subclass 471) • a holder of a Working Holiday visa (subclass 417) • a holder of an Occupational Trainee visa (subclass 442).
<p>Skilled Regional (Provisional) visa (subclass 489): This visa allows skilled workers to live and work in specified regional areas in Australia for up to four years.</p> <p><u>Invited Pathway</u></p> <p>You might be eligible to apply for this visa if invited. When we sent your letter of invitation, you must also have:</p> <ul style="list-style-type: none"> • been nominated by an Australian State or Territory government agency or sponsored by an eligible relative living in a designated area • nominated an occupation that is on the relevant skilled occupations list • a suitable skills assessment for that occupation • not yet turned 50 years of age • achieved the score specified in your letter of invitation based on the factors in the points test • at least competent English <p><u>Extended Stay Pathway</u></p> <ul style="list-style-type: none"> • You can also apply for this visa if you hold a provisional visa in subclass 496, 495, 487 or 475.
<p>Skilled — Independent Regional (Provisional) visa (subclass 495):</p> <p>This visa is for skilled workers who are unable to meet the criteria for a permanent visa the opportunity to eventually apply for residence in Australia</p> <p>You might be able to get this visa if you:</p> <ul style="list-style-type: none"> • are sponsored by an Australian state or territory government • have skills and qualifications that meet the Australian standard for an occupation on the Skilled Occupation List.

Note: Description are copied from relevant Department of Home Affairs, Immigration and Citizenship, active or archived websites.

Endnotes

- 1 <https://profile.id.com.au/australia/qualifications?WebID=130>
- 2 Survey respondents who had left South Australia by the time of the survey were asked: "Which of the following employment status best describes your employment situation for the majority of your time in South Australia?"
- 3 Survey participants who did not exactly recall their nominated occupation were asked if their "main occupation [was] in the same field as your nominated occupation".
- 4 South Australia is experiencing a faster rate of population ageing than other States and Territories, which depresses economic activity (O'Neil and Kaye 2016, Jones 2018) and contributes to an ageing class of business owners in the State (Whetton and Cebulla 2017). Insofar population ageing is associated with economic conservatism, it contributes to slow economic growth and low business innovation (e.g. Vlandas 2016).
- 5 6202.2 Labour Force, Australia. Table 7. Labour force status by Sex, South Australia - Trend, Seasonally adjusted and Original.
- 6 6202.2 Labour Force, Australia. Table 23. Labour underutilisation by State and Sex - Trend, Seasonally adjusted and Original.
- 7 Statistics on employment barriers are based on all GSM Survey respondents, i.e. including those that did not report experiencing such barriers.