

*Two-Step Migration: Australia's Experience*

Lesleyanne Hawthorne, Institute for Research in Public Policy; 2010

This article examines Australia's "two-step" migration system that aims to make former international students skilled migrants. Following a policy change allowing for international students to be immediately eligible to migrate, most students opted for private colleges that offered courses from the Migration Occupations in Demand List. Serious abuses arose, so the government introduced several reforms: more emphasis on English language ability, recent Australian work experience, and professional rather than trade-sector training.

- two-step migration refers to former international students who return to Australia for work and who are highly acceptable by Australian employers, regardless of their ethnic origin and in almost any field
- in 1999, policy change allowed for international students to be immediately eligible to migrate
- in 2002, former international students were permitted to apply on shore and were awarded high levels of points based on education and time and experience in Australia
- by 2006, former international students had a 99% chance of being selected
- from 1996 to 2006, some skilled migrants had difficulty translating their qualifications to professional work resulting in deskilling; however, skilled migrants still fared better in Australia than in other countries, including Canada
- a 2005 study found that offshore skilled applicants fared much better in work outcomes than onshore skilled applicants, including higher annual salaries and weekly wage earnings, higher job satisfaction, and more frequent use of qualifications in current work
- the 2005 study also found that outcomes for international students were significantly worse than Australian-born graduates
- Australia encountered problems with private sector quality control due to policy changes which awarded higher points to skilled applicants with qualifications on the Migration Occupations in Demand List (MODL)
- possession of a MODL occupation became a key determinant of selection causing a significant increase in applicants to private trade colleges
- the two-step migration system for international students caused unintentional abuses and the government introduced reforms to deal with it: a switch to a demand-driven program for permanent migrants in contrast to the traditional supply-driven model; competitively ranking skilled applicants that resulted in the majority of temporary and permanent skilled migrants being sponsored; the critical determinant for unsponsored applicants became possession of a qualification on the new Critical Skills List; a major review of the MODL to address imbalances in occupations on the list; and study was separated from expectations of skilled migration
- the Critical Skills List was amended to include only three occupations (health, engineering, and IT professions) to limit the number of students admitted
- by 2006, former international students had comparable labour market levels with offshore migrants and strong early employment rates
- overall, 30% of former international students were working within their field within 18 months compared to 36% of offshore migrants