

MEDIA RELEASE

Australian universities and skilled migrants critical for strong skilled labour market

26 July 2017: Research by the Australian Council for Educational Research highlights the important balance of supply of skilled labour to Australia, showing the strong role of both universities and migration. It highlights that government policy changes to skilled migration are likely to have a supply-side impact on the Australian labour market.

Australian higher education system contributes significantly to Australia's degree-qualified population – accounting for 77 per cent of the 4.5 million people in Australia with a bachelor degree or higher, and contributes 79 per cent of the degree-qualified population in full-time employment. Skilled migration is also playing a strong role: more than one in five degree-qualified people in Australia are migrants.

The latest ACER *Joining the Dots* research briefing shows that despite well publicised growth in Australian higher education, the research shows that degree-qualified migrants are arriving at a faster rate than growth in domestic university completions. Interestingly, graduates from the Australian higher education system continue to have better labour market outcomes than skilled migrants.

According to Dr Daniel Edwards, ACER Tertiary Education Research Director and co-author of the briefing, while the number of degree-qualified people in Australia increased by 25 per cent between 2011 and 2015, the proportion in full-time work fell from around 75 per cent to 72 per cent.

“Between 2011 and 2015 the rate of growth among the Australian population was faster for skilled migrants, at 32 per cent, than it was for people born overseas who completed their degree in Australia, at 27 per cent, or people born and qualified in Australia, at 21 per cent,” Dr Edwards said.

According to Dr Edwards, while the tightening of Australia's skilled labour market in recent years has negatively affected both skilled migrants and domestic graduates, skilled migrants experience poorer employment outcomes. Data from the Australian Bureau of Statistics reveal that, in 2015:

- The labour force participation rates of skilled migrants (80 per cent) were considerably lower than for people with an Australian degree (90 per cent).
- The proportion of the degree-qualified workforce employed in full-time professional occupations was higher for Australian born and educated people (79 per cent), and people born overseas who completed their degree in Australia (71 per cent) than it was for skilled migrants (68 per cent).
- The unemployment rate among the degree-qualified workforce was higher for skilled migrants (5.5 per cent) than it was for people born overseas who completed their degree in Australia (4.2 per cent), and people born and educated in Australia (2.4 per cent).

Dr Edwards notes that further analysis by industry or field of education would provide more nuanced insights into the impact of higher education and migration on specific sectors of the labour market.

Joining the Dots is a resource developed by ACER for those with an interest in Australian higher education. Details available at www.acer.org/jtd or by emailing jtd@acer.org

*****ENDS*****

Media enquiries: Steve Holden, 03 9277 5582 or 0419 340 058 communications@acer.org