Australia’s Hybrid Approach to Optimise Global Talent Flows | Credential Evaluation Track

ATTRACTIONG GLOBAL TALENT

Groningen Declaration Network Annual Meeting | 24–26 APRIL 2019

Creating the New World for Academic and Professional Mobility
Hola

Rob Thomason
Executive Director
VETASSESS

ABOUT VETASSESS
› Government business enterprise providing a range of assessment services
› Established in 1997
› Gazetted Assessing Authority for the Commonwealth
› Largest assessment-only RTO in Australia
› Supported by over 180 staff nationally and overseas
› Offices in Australia (Melbourne & Perth), The Philippines and India (New Delhi and China)
› Processed over 30,800 skills assessment/recognition applications in 2015

Quality
ISO 9001
Key Messages

01 Australian Migration

02 Jobs and Growth

03 Australia's Hybrid Approach

04 Global Talent

05 Challenges
Australia is a nation built on the foundation of migration.

First Fleet, 1787 – 1788


Mitchell Library, State Library of New South Wales
People born overseas account for 1/3 of Australia’s population

Source: ABS
Australian migration over time

Source: DHA, Historical Migration Statistics
Top 5 source countries
(Modern History)

Source: DHA, Historical Migration Statistics

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<td>Post Viet Nam War</td>
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- **1900**
  - UK and Ireland: 49,653
  - Germany: 26,169
  - Italy: 6,362
  - New Zealand: 2,998
  - Poland: 2,963

- **1948 – 1949**
  - UK: 49,653
  - Germany: 26,169
  - Italy: 6,362
  - New Zealand: 2,998
  - Poland: 2,963

- **1964 – 1965**
  - UK and Ireland: 74,754
  - Greece: 16,991
  - Italy: 10,309
  - Malta: 5,864
  - Yugoslavia: 5,278

- **1979 – 1980**
  - UK: 16,738
  - New Zealand: 13,181
  - Viet Nam: 12,915
  - South Africa: 2,765
  - Philippines: 2,013

- **2000 – 2001**
  - UK: 25,165
  - New Zealand: 13,175
  - China: 11,496
  - South Africa: 7,456
  - India: 7,085

Source: DHA, Historical Migration Statistics
Growing focus on global talent

Source: DHA, Historical Migration Statistics
## Top 5 source countries (Current)

Modern Australia

(2016 – 2017)

<table>
<thead>
<tr>
<th>Country</th>
<th>Intakes</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>38,264</td>
</tr>
<tr>
<td>China</td>
<td>29,604</td>
</tr>
<tr>
<td>UK</td>
<td>16,982</td>
</tr>
<tr>
<td>Philippines</td>
<td>12,180</td>
</tr>
<tr>
<td>Iraq</td>
<td>9,199</td>
</tr>
</tbody>
</table>

Source: DHA, Historical Migration Statistics
Global talent matters for jobs and growth.
Immigration makes countries stronger

Make our country stronger

Are a burden on the country

Source: PEW Research Centre, 2018
Perception

Migrants take jobs

Reality

Global talent creates jobs
Perception
Migrants take jobs

Reality
Global talent creates jobs

Source: Scanlon Foundation 2018

Sources: Derived using ABS and DHA data
Global talent and the 3Ps

1. Population
   - contribution to population and employment growth
   - share of population of prime working age
   - average weekly hours worked

2. Participation
   - employment rate
   - labour force participation rate

3. Productivity
   - highest level of qualification
   - average wages

Source: Adapted from Treasury 2015
Population Growth

Source: Derived using ABS data
1 Population

Employment Growth

Contribution over 5 years

Source: DHS calculations based on ABS data
## 1 Population

### Prime working age and work ethic

<table>
<thead>
<tr>
<th>Share of population aged 18-44</th>
<th>Average weekly hours worked</th>
</tr>
</thead>
<tbody>
<tr>
<td>General population</td>
<td>37%</td>
</tr>
<tr>
<td>All permanent migrants</td>
<td>72%</td>
</tr>
<tr>
<td>Skilled migrants</td>
<td>77%</td>
</tr>
</tbody>
</table>

Sources: Derived using ABS Census 2016 and the Australian Census and Migrants Integrated Database 2016

Notes: Migrant data is for primary applicants only.
For the purpose of comparability, the measures are for general and migrant populations aged 18 and over.
# Employment and LF participation

<table>
<thead>
<tr>
<th></th>
<th>Employment to population ratio</th>
<th>Labour force participation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>General population</td>
<td>62%</td>
<td>66%</td>
</tr>
<tr>
<td>All permanent migrants</td>
<td>73%</td>
<td>79%</td>
</tr>
<tr>
<td>Skilled migrants</td>
<td>89%</td>
<td>93%</td>
</tr>
</tbody>
</table>

Sources: Derived using ABS Census 2016 and the Australian Census and Migrants Integrated Database 2016

Notes: Migrant data is for primary applicants only.
For the purpose of comparability, the measures are for general and migrant populations aged 18 and over.
## Productivity

### Education and earnings

<table>
<thead>
<tr>
<th></th>
<th>Share with Bachelor Degree or above</th>
<th>Average weekly hours worked</th>
</tr>
</thead>
<tbody>
<tr>
<td>General population</td>
<td>26%</td>
<td>$650-$799</td>
</tr>
<tr>
<td>All permanent migrants</td>
<td>51%</td>
<td>$800-$999</td>
</tr>
<tr>
<td>Skilled migrants</td>
<td>68%</td>
<td>$1000-$1249</td>
</tr>
</tbody>
</table>

Sources: Derived using ABS Census 2016 and the Australian Census and Migrants Integrated Database 2016

Notes: Migrant data is for primary applicants only.

For the purpose of comparability, the measures are for general and migrant populations aged 18 and over.
Australia has a hybrid approach to skilled migration.
Australia’s evolving approach

Source: DHA, Australia’s Migration Trends, 2016-17
Australia's current hybrid approach

Employer Sponsored

Merit Based Selection
Australia’s current hybrid approach

**Employer Sponsored (A)**

- **Qualification**
  - Pass occupation specific skills assessment

- **Work Experience**
  - More than 3 yrs in relevant occupation

- **Age**
  - Less than 45 yrs

- **Language Proficiency**
  - At least competent

- **Occupation**
  - Occupation on list

- **Job**
  - Nominated by employer

**Merit Based Selection (B)**

- **Qualification**
  - Doctorate 20 Points
  - Bachelor 15 points
  - Diploma 10 points

- **Work Experience (overseas)**
  - 8-10 yrs 15 points
  - 5-7 yrs 10 points
  - 3-4 yrs 5 points
  - < 3 yrs 0 points

- **Age**
  - 18-24 yrs 25 points
  - 25-32 yrs 30 points
  - 33-39 yrs 25 points
  - 40-44 yrs 15 points

- **Language Proficiency**
  - Superior 20 points
  - Proficient 10 points

- **Occupation**
  - Occupation on list

**Threshold requirement**

- Minimum 65 points required
Major destination countries adopt different approaches to attracting global talent.
Destinations of global talent
Permanent migration of workers to OECD countries, 2016

Source: OECD, International Migration Outlook, 2018
Differences in policy emphasis

<table>
<thead>
<tr>
<th>Country</th>
<th>Employer Sponsored</th>
<th>Merit Based Selection</th>
<th>Integrated Employer and Merit Based Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td></td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>New Zealand</td>
<td></td>
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<td>●</td>
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</tbody>
</table>
### Pros and cons

<table>
<thead>
<tr>
<th>Pros</th>
<th>Merit Based Selection</th>
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<tbody>
<tr>
<td>✓</td>
<td>✓ can preference characteristics relevant to future jobs and careers</td>
</tr>
<tr>
<td>✓</td>
<td>✓ can support a nation’s human capital development</td>
</tr>
<tr>
<td>✓</td>
<td>✓ greater policy stability and predictability</td>
</tr>
<tr>
<td>✓</td>
<td>✓ minimises risk of political influence</td>
</tr>
<tr>
<td>✓</td>
<td>✓ global talent can crowd in jobs</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Cons</th>
<th>Employer Sponsored</th>
</tr>
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<tbody>
<tr>
<td>✗</td>
<td>✓ directly linked to jobs</td>
</tr>
<tr>
<td>✗</td>
<td>✓ responsive to current employer demands</td>
</tr>
<tr>
<td>✗</td>
<td>✓ anticipates changes in occupational labour markets</td>
</tr>
<tr>
<td>✗</td>
<td>✓ forecasting future occupational labour market conditions is an increasingly imprecise science</td>
</tr>
<tr>
<td>✗</td>
<td>✓ risk of political influence</td>
</tr>
<tr>
<td>✗</td>
<td>✓ creates uncertainty and instability which can frustrate planning</td>
</tr>
<tr>
<td>✗</td>
<td>✓ may not optimally support a nation’s human capital development</td>
</tr>
<tr>
<td>✗</td>
<td>✓ risks crowding out</td>
</tr>
<tr>
<td>✗</td>
<td>✗ no guarantee of a job on arrival</td>
</tr>
<tr>
<td>✗</td>
<td>✗ link to employer demands indirect</td>
</tr>
<tr>
<td>✗</td>
<td>✗ may not address changing conditions in occupational labour markets</td>
</tr>
</tbody>
</table>
Reforms are needed to attract the best talent from around the globe.
Reform priorities

1. Greater emphasis on talent

2. Qualifications and shorter form credentials

3. Demand for future skills
1. Greater emphasis on talent

Present and future of jobs

Source: WEF, Future of Jobs, 2018
2. Qualifications and shorter form credentials

Future of credentialing

- Bachelor degrees
- Masters
- Associate degrees
- Doctorate

Credential length/depth:
- Long, broad
- Short, targeted

Orientation to market:
- Traditional, accredited institutions

Source: Adapted from Gallagher S, 2016
2. Qualifications and shorter form credentials

Future of credentialing

- **Bachelor degrees**
- **Masters**
- **Doctorates**
- **Associate degrees**
- **Professional certifications**
- **Certificate programs**
- **Micro-Masters Certificates of compliance**
- **MOOC-based certificates**
- **Nano-degrees**
- **Badges**
- **Unbundling curriculum**
- **Zone of growing convergence**
- **Current**
- **Future**
- **University partnerships**
- **Individuals accumulating / 'staking' shorter form credentials**
- **Orientation to market**
- **Credential length/depth**
  - Long, broad
  - Short, targeted
- **Non-Institutional providers**
- **Traditional, accredited institutions**

Source: Adapted from Gallagher S, 2016
3. Demand for future skills

What is needed?

- Qualifications and shorter credentials
- Greater emphasis on talent

Global collaboration
Questions?

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