



## Australian Labour Market for Migrants

The Australian Labour Market for Migrants publication provides information on the Australian labour market. It is intended to inform recent migrants to Australia, people interested in working in Australia on a temporary or permanent basis, and organisations providing services to migrants and potential visa applicants.

The Australian labour market continues to perform well despite a gradual easing of some economic indicators. The unemployment rate continued to rise over the 12 months to August 2024. See the <u>Jobs and Skills Australia</u> website for recent labour market data and analysis.

Unless otherwise stated, data in this publication are from the Australian Bureau of Statistics (ABS) Labour Force Survey, August 2024.<sup>1</sup>

#### **Employment**

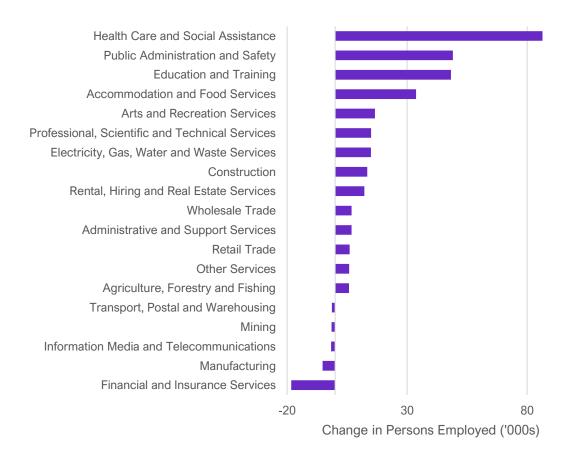
Over the 12 months to August 2024, employment opportunities and growth varied widely across industries.

Figure 1 shows the largest increases in trend employment occurred in Health Care and Social Assistance (up by 86,400), Public Administration and Safety (up by 49,000) and Education and Training (up by 48,300). The largest decreases in employment occurred in Financial and Insurance Services (down by 18,300), Manufacturing (down by 5,300) and Information Media and Telecommunications (down by 1,700).

The strongest rates of employment growth were in Electricity, Gas, Water and Waste Services (up by 8.4%), Arts and Recreation Services (up by 6.4%) and Rental, Hiring and Real Estate Services (up by 5.4%).

<sup>1</sup> Statistics on employment by industry and occupation in this publication are based on data trended by Jobs and Skills Australia using ABS <u>Labour Force</u>, <u>Australia</u>, <u>Detailed</u> data for August 2024, released 26 September 2024. Previous editions of this publication used seasonally adjusted data due to a break in the trend time series.

Figure 1: Employment growth by industry ('000s persons) — August 2023 to August 2024



Source: ABS, <u>Labour Force</u>, <u>Australia</u>, <u>Detailed</u>, August 2024 (Table 04: Employed persons by Industry division of main job (ANZSIC)), released 26 September 2024. Data trended by Jobs and Skills Australia.

#### Occupation by state/territory

Figure 2 shows that in August 2024 (trend data), the Australian Capital Territory (ACT) had the highest share (61.6%) of employment in the selected occupation major groups (i.e. Managers, Professionals, and Technicians and Trade Workers), followed by Victoria (55.3%) and New South Wales (NSW, 53.9%).

In the 12 months to August 2024, the share of workers employed in these selected occupation groups increased in all states and territories except for Queensland (down by 0.1pp).<sup>2</sup> The largest increases were in the ACT (up by 1.1pp), Tasmania (up by 0.5pp) Western Australia (WA) and Victoria (both up by 0.4pp). Increases were also estimated for Northern Territory (NT, up by 0.3pp), South Australia (SA, up by 0.2pp) and NSW (up marginally by 0.02pp).

<sup>2 &</sup>quot;pp" means percentage points.

Figure 2: Share of employment in selected occupation groups\* by state/territory, August 2023 to August 2024



# Selected occupation groups include ANZSCO Major Groups 1 to 3 (i.e. Managers, Professionals, Technicians and Trades Workers).

Source: ABS, <u>Labour Force</u>, <u>Australia</u>, <u>Detailed</u> (Table EQ08: Employed persons by Occupation unit group of main job (ANZSCO, Sex, State and Territory), August 2024, released 26 September 2024. Data trended by Jobs and Skills Australia.

#### Unemployment

The trend unemployment rate in Australia was 4.1% in August 2024, up from 3.7% in August 2023.

Over the 12 months to August 2024, the unemployment rate decreased in NT (4.5% to 4.3%); while remaining at 3.6% in the ACT. The unemployment rate rose in Queensland (4.1% to 4.2%), Tasmania (4.2% to 4.3%), SA (3.8% to 4.0%), WA (3.6% to 3.8%), NSW (3.4% to 4.0%) and Victoria (3.8% to 4.5%).

Figure 3 shows that ACT recorded the lowest unemployment rate at 3.6% and Victoria the highest at 4.5%.

Figure 3: Unemployment rates (%) by state/territory — August 2024



Source: ABS <u>Labour Force, Australia</u>, August 2024 (Table 12: Trend unemployment rate), released 19 September 2024.

#### Migrant employment

Australian-born people represent the highest share of people employed in Tasmania (81.6%) and the lowest share in WA (57.8%). The share of employed people born in other than main English-speaking countries (OTMESC)<sup>3</sup> is highest in Victoria, ACT and NSW (31.2%, 30.7% and 29.5% respectively). See Figure 4.

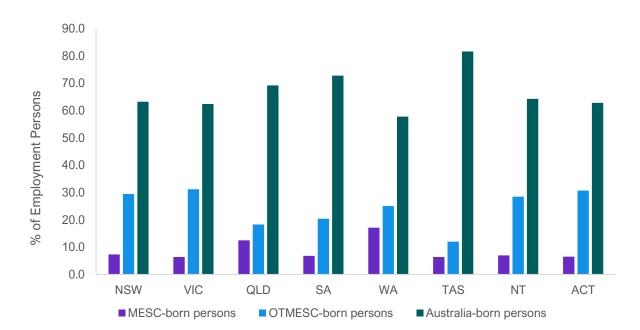


Figure 4: Share of employment by state/territory and place of birth, August 2024

Source: ABS, <u>Labour Force</u>, <u>Australia</u>, <u>Detailed</u>, August 2024, (Table LM7: Labour force status by elapsed years since arrival, main English-speaking countries, sex, state and territory), released 26 September 2024.

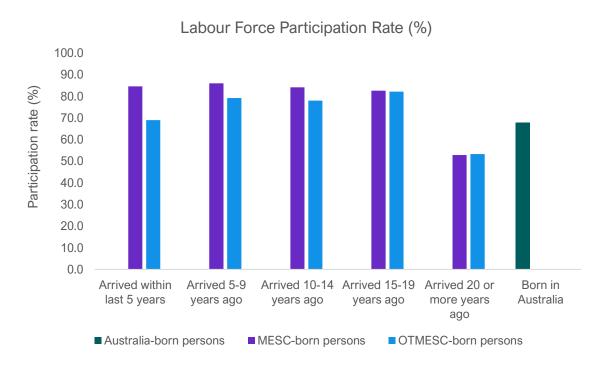
#### Migrant unemployment

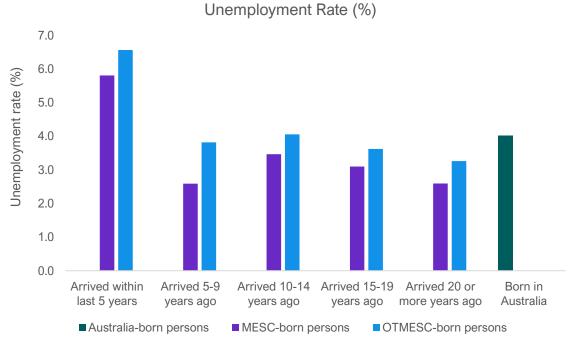
The unemployment rates for people who migrate to Australia vary appreciably. Several factors influence migrant unemployment rates including skill level, age, English language proficiency, recent and relevant work experience and the period since arrival in Australia. Data consistently shows that recently arrived migrants have a higher unemployment rate on average than those who have lived in Australia for some years.

Figure 5 shows the participation and unemployment rates of the Australian-born and migrants by broad country of birth groups and period of residence in Australia (average of the last 12 months to August 2024).

<sup>3</sup> Main English-speaking countries (MESC) are the United Kingdom, the Republic of Ireland, South Africa, Canada, the United States of America and New Zealand.

Figure 5: Labour force participation rate and unemployment rate, by years since arrival in Australia for broad country of birth groups — 12 months to August 2024 average





Source: ABS <u>Labour Force, Australia, Detailed</u>, August 2024 (Table LM7: Labour force status by elapsed years since arrival, main English-speaking countries, sex, state and territory), released 26 September 2024.

Figure 6 shows average unemployment rates for the 12 months to August 2024 for people resident in Australia by their major birth country groups (by subcontinent). People born in North-West Europe had the lowest unemployment rate (2.7%), while the unemployment rate for people born in North Africa and the Middle East (7.1%) was relatively high (possibly reflecting English language proficiency and period of residence in Australia).

8.0 Unemployment Rate (%) 6.0 4.0 2.0 0.0 North Africa and the Middle Sub-Saharan Africa Oceania and Antarctica Australia (includes External Southern and Central Asia North-East Asia South-East Asia Southern and Eastern North-West Europe Americas Europe erritories)

Figure 6: Unemployment rate by broad country of birth groups — 12 months to August 2024 average

Note: Australia (includes External Territories)' is within 'Oceania and Antarctica'.

Source: ABS <u>Labour Force</u>, <u>Australia</u>, <u>Detailed</u>, August 2024 (Table LM5: Labour force status by age, major country group (subcontinent) of birth (SACC) and sex; and Table LM7: Labour force status by elapsed years since arrival, main English-speaking countries, sex, state and territory), released 26 September 2024.

#### **Employment by occupation**

Over the 12 months to August 2024, the largest increases in employment (trend data) occurred for Professionals (up by 120,200), Community and Personal Service Workers (up by 75,200) and Technicians and Trade Workers (up by 57,800). The smallest increase occurred for Machinery Operators and Drivers (up by 3,900). Employment growth for the major occupation groups is shown in Table 1.

Table 1: Trend employment growth by occupation — 12 months to August 2024

Occupational Group	1 Year Change ('000 persons)	1 Year Change (%)
Managers	41.4	2.3
Professionals	120.2	3.3
Technicians and Trades Workers	57.8	3.0
Community and Personal Service Workers	75.2	4.7
Clerical and Administrative Workers	21.2	1.2
Sales Workers	12.3	1.1
Machinery Operators and Drivers	3.9	0.4
Labourers	16.9	1.4

Source: ABS, <u>Labour Force</u>, <u>Australia</u>, <u>Detailed</u> (Table EQ08: Employed persons by Occupation unit group of main job (ANZSCO, Sex, State and Territory), August 2024, released 26 September 2024. Data trended by Jobs and Skills Australia.

Additional information on occupational groups is provided in the following section on internet vacancy data.

#### Internet Vacancy data4

Jobs and Skills Australia produces the monthly Vacancy Report which contains the Internet Vacancy Index (IVI). Internet vacancies increased in August 2024 which is the first increase since April 2023. See Figure 7.

Over the year to August 2024, trend vacancies decreased for all occupation groups: Professionals (down by 22.4%), Community and Personal Service Workers (down by 18.2%), Clerical and Administrative Workers (down by 17.2%), Machinery Operators and Drivers (down by 14.9%), Labourers (down by 14.0%), Technicians and Trades Workers (down by 13.7%), Managers (down by 13.1%) and Sales Workers (down by 12.0%).

At the more detailed occupation level, trend vacancies decreased in all 48 occupation clusters over the year to August 2024. The largest decreases were for Medical Practitioners and Nurses (down by 31.6%), Hospitality Workers (down by 28.5%) and Engineers (down by 25.2%).

Over the year to August 2024, trend vacancies fell in all states and territories, decreasing in Victoria (down by 25.5%), NSW (down by 20.9%), ACT (down by 20.6%), WA (down by 14.3%), Tasmania (down by 8.6%), Queensland (down by 8.2%), SA (down by 7.8%) and NT (down by 6.5%). For a full list of occupations and their recent growth in vacancies, see the Vacancy Report and supporting datafiles.

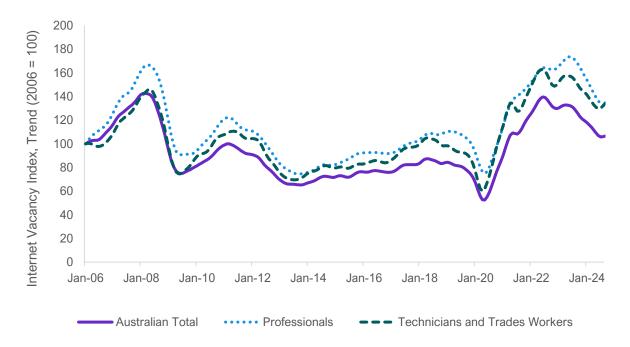


Figure 7: Internet Vacancy Index, January 2006 to August 2024

Source: Jobs and Skills Australia, *Internet Vacancy Index*, (ANZSCO2 Occupations, States and Territories, Trend), September 2024, released 16 October 2024.

<sup>4</sup> See Jobs and Skills Australia, <u>Internet Vacancy Index</u> (September 2024, released 16 October 2024). The IVI is based on a count of online job advertisements newly lodged on SEEK, CareerOne and Workforce Australia during the month. Duplicate advertisements are removed before IVI vacancies are coded by Jobs and Skills Australia to occupations based on ANZSCO. The data are seasonally adjusted and trended, then indexed (January 2006=100).





# Hot Topic: English proficiency and labour market outcomes for skilled migrants

This Hot Topic analyses the relationship between English language proficiency and labour market outcomes for primary provisional and permanent skilled visa holders in Australia.

This analysis of three cohorts (from 2020 to 2022) of primary provisional and permanent skilled visa holder respondents in the Continuous Survey of Australia's Migrants (CSAM), shows that a higher level of English language proficiency may predict stronger labour market outcomes for migrants in Australia – such as higher wages and lower unemployment.<sup>5,6,7,8,9</sup>

#### **Demographics**

The most common English language proficiency score in CSAM for primary provisional and permanent skill visa holders was equivalent to an International English Language Testing System (IELTS) score in band 7 (see Figure A). According to IELTS, this score is defined as a 'good user' of English – see Table E in Appendix for details on IELTS scores and descriptions.

Table A shows that the average IELTS scores<sup>10</sup> for male and female CSAM respondents were similar (7.0 and 7.2 respectively). Table B shows that IELTS scores were highest for those aged under 25 years (7.3), while respondents aged 55-64 years averaged an IELTS score of 6.1 (which is defined as a 'competent user' of English).

Table C<sup>11</sup> shows that CSAM respondents granted primary independent skilled visas onshore had the highest average IELTS score of 7.8, with the lowest average IELTS score reported for holders of primary employer sponsored skill visas (6.7). These scores were above the minimum IELTS score requirement of 6.0 which is an eligibility criterion for these visas.<sup>12,13</sup>

<sup>5</sup> CSAM is a series of longitudinal surveys of provisional and permanent visa holders under non-humanitarian visa programs. 6 The analysis in this Hot Topic does not represent the views of the CSAM custodian (i.e. the Department of Home Affairs). As this analysis is based on a survey, some caution should be used in interpreting the results. The authors are responsible for any errors or omissions

<sup>7</sup> Only primary applicants granted a visa under the skill stream are usually required to meet prescribed English language proficiency standards, where the level of proficiency depends on the visa subclass and occupation (unless an exemption applies).

<sup>8</sup> CSAM records different English proficiency scores from different English proficiency test types. The analysis in this Hot Topic uses all responses with a known English proficiency score (i.e. responses other than the International English Language Testing System (IELTS) score were also used for robust sampling). However for reporting simplicity, all scores were converted and mapped to an overall IELTS band score equivalent.

<sup>9</sup> See Table F in Appendix for links to other English proficiency tests and their IELTS score mapping and conversions. 10 All average IELTS scores are weighted to reflect population size.

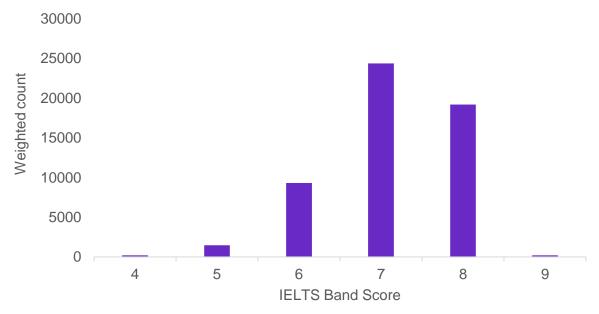
<sup>11</sup> See CSAM methodology paper for a list of the visa subclasses covered by CSAM -

https://www.homeaffairs.gov.au/research-and-stats/files/csam-methodology-paper-2013-to-2025.pdf.

<sup>12</sup> https://immi.homeaffairs.gov.au/help-support/meeting-our-requirements/english-language/competent-english.

<sup>13</sup> While many skill visa programs require primary applicants to meet prescribed minimum IELTS score of 6.0, some skilled visa subclasses only require a minimum IELTS score of 4.5 (e.g. the Skilled Regional Visa (Subclass 887) and the Distinguished Talent/Global Talent Visa (Subclass 858)).

Figure A: IELTS band score distribution for CSAM respondents



Source: Department of Home Affairs, Continuous Survey of Australia's Migrants, 2020 to 2022

Table A: Gender and IELTS Score\*

	Female	Male
Average IELTS Score	7.2	7.0
Weighted count	22,731	32,052

Source: Department of Home Affairs, Continuous Survey of Australia's Migrants, 2020 to 2022

Table B: Age Group and IELTS Score\*\*

	Less than 25	25-34	35-44	45-54	55-64
Average IELTS Score	7.3	7.2	6.9	6.5	6.1
Weighted count	2,176	37,296	13,279	1,774	210

Source: Department of Home Affairs, Continuous Survey of Australia's Migrants, 2020 to 2022

Table C: Skilled Visa Category and IELTS Score

	Onshore Independent	Offshore Independent	State/Territory Sponsored	Other skille d	Employer Sponsored
Average IELTS Score	7.8	7.7	7.2	6.8	6.7
Weighted count	4,809	868	29,774	3,738	15,621

Source: Department of Home Affairs, Continuous Survey of Australia's Migrants, 2020 to 2022

#### Labour force, employment and salary

Table D shows the employment status of primary provisional and permanent skill visa holders by English language proficiency score. This shows that respondents with a higher IELTS score were more likely to be in full-time positions. This was more apparent 18 months post visa grant/post arrival<sup>14</sup> compared to 6 months.

<sup>\*&</sup>quot;Other" gender omitted from analysis due to low sample size = weighted n<30

<sup>\*\*</sup>Those aged 65 or over are omitted from analysis due to low sample size = weighted n<30

<sup>14</sup> Primary applicants who obtained their permanent or provisional visa outside Australia complete the introductory survey around 6 months post arrival, while those who obtained their visa in Australia complete the introductory survey 6 months post visa grant.

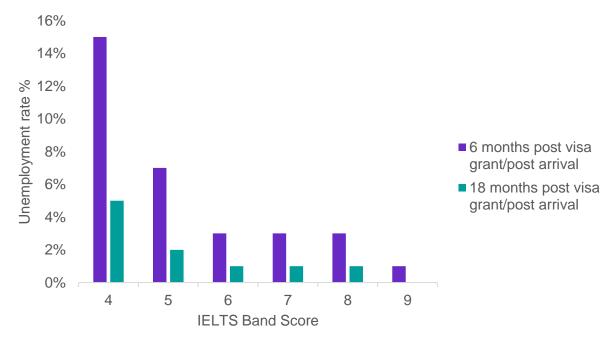
Table D: Employment status<sup>15</sup> of CSAM respondents and IELTS band score

IELTS		6 months	;		18 month	s	Differen	ce (18 mc months)	onths – 6
Band Score	Full- Time	Part- Time	Not- working	Full- Time	Part- Time	Not- working	Full- Time	Part- <sup>'</sup> Time	Not- working
4	49%	7%	44%	55%	6%	39%	6 pp	-1 pp	-5 pp
5	63%	11%	26%	73%	14%	13%	10 pp	3 рр	-13 pp
6	79%	9%	12%	80%	9%	11%	1 pp	0 pp	-1 pp
7	79%	13%	8%	84%	10%	7%	5 pp	-3 pp	-1 pp
8	83%	10%	7%	87%	8%	5%	4 pp	-2 pp	-2 pp
9	89%	10%	1%	79%	18%	3%	-10 pp	8 pp	2 pp

Source: Department of Home Affairs, Continuous Survey of Australia's Migrants, 2020 to 2022

Figure B shows the unemployment rate of CSAM respondents. It highlights that those with a lower IELTS score were more likely to be unemployed. This was apparent at 6 months post visa grant/post arrival and among those with a score in IELTS band 4. Respondents were less likely to be unemployed 18 months post visa grant/post arrival, compared to 6 months.

Figure B: Unemployment rate of 16 CSAM respondents at 6 and 18 months post visa grant/post arrival



Source: Department of Home Affairs, Continuous Survey of Australia's Migrants, 2020 to 2022

Figure C shows the retention<sup>17</sup> rate of respondents in their nominated 6-digit ANZSCO<sup>18</sup> occupation 18 months post visa grant/post arrival. That is, respondents with a higher IELTS score were more likely to be employed in their nominated occupation, with those with an IELTS score in band 9 or 6 having the greatest retention.

<sup>15 &#</sup>x27;Not-working' refers to those who were unemployed and seeking employment, those who are unemployed and not participating in the labour force as well as those who were unemployed and who did not seek employment. This means the percentage of those not-working will always exceed the unemployment rates in Figure B.

<sup>16 &#</sup>x27;Unemployed' refers to those who were in the labour force and who were seeking employment.

<sup>17</sup> Retention refers to respondents maintaining (i.e. remaining if employer-sponsored and gaining/remaining in for other primary applicant respondents) their nominated 6-digit ANZSCO occupation between 6 and 18 months post visa grant/post arrival.

18 ANZSCO - Australian and New Zealand Standard Classification of Occupations | Australian Bureau of Statistics (abs.gov.au).

50%

% 40%
30%
20%
10%
4 5 6 7 8 9

IELTS Band Score

Figure C: Retention rate of CSAM respondents in nominated ANZSCO 6-digit occupation

Source: Department of Home Affairs, Continuous Survey of Australia's Migrants, 2020 to 2022

Figure D shows CSAM respondents with lower IELTS scores were more likely to be employed in a lower skilled occupation than their nominated occupation. Respondents at 6-months and 18-months post visa grant/post arrival had similar results, and slightly higher at 18 months for those with an IELTS score in band 6 or below. This compares with slightly higher results at 6 months among those with an IELTS score in band 7 or 8.

CSAM respondents with an IELTS score in band 4 were the most likely group to be in a lower skill level occupation at both 6 months (32%) and 18 months (33%) post visa grant/post arrival, while those with an IELTS score in band 9 were the least likely to be employed in a lower skilled occupation (4% at 6 months, 5% at 18 months).

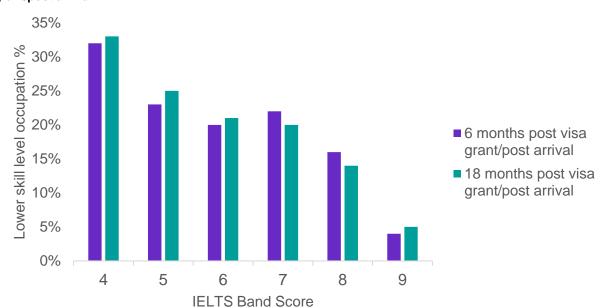


Figure D: Percentage of CSAM respondents in lower skill level occupation at 6 and 18 months post visa grant/post arrival

Source: Department of Home Affairs, Continuous Survey of Australia's Migrants, 2020 to 2022 Note: 'Same skill level' and 'higher skill level' removed from analysis

Figure E shows CSAM respondents with higher IELTS scores tended to have higher incomes, compared to respondents with a lower IELTS score. Increases to salary between 6 months and 18 months post visa grant/post arrival were similar across most IELTS bands, with an average increase of 13%.

\$140,000 Weighted average annual income \$ \$120,000 \$100,000 \$80,000 ■ 6 months post visa grant/post arrival \$60,000 ■ 18 months post visa

7

8

9

Figure E: Average annual income from main occupation for CSAM respondents at 6 and 18 months post visa grant/post arrival

Source: Department of Home Affairs, Continuous Survey of Australia's Migrants, 2020 to 2022

6

5

4

#### **Further information**

\$40,000

\$20,000

\$-

Queries on the Australian Labour Market for Migrants publication, including requests for inclusion on the distribution list and copies of Hot Topics attached to previous editions, should be emailed to migration@jobsandskills.gov.au.

**IELTS Band Score** 

grant/post arrival

### **Appendix**

Table E: Description of IELTS score

IELTS Band Score	Skill Level	Description
9	Expert user	Fully operational command of the language. Use of English is appropriate, accurate and fluent, and shows complete understanding
8	Very good user	Fully operational command of the language with only occasional unsystematic inaccuracies and inappropriate usage. May misunderstand some things in unfamiliar situations. Handles complex and detailed argumentation well.
7	Good user	Operational command of the language, though with occasional inaccuracies, inappropriate usage, and misunderstandings in some situations. Generally, handles complex language well and understand detailed reasoning.
6	Competent user	Effective command of the language despite some inaccuracies, inappropriate usage and misunderstandings. Can use and understand fairly complex language, particularly in familiar situations.
5	Modest user	Partial command of the language and cope with overall meaning in most situations, although is likely to make many mistakes. Should be able to handle basic communication in own field.
4	Limited user	Basic competence is limited to familiar situations. Frequently show problems in understanding and expression and not able to use complex language.
3	Extremely limited user	Convey and understand only general meaning in very familiar situations. There are frequent breakdowns in communication.
2	Intermittent user	Have great difficulty understanding spoken and written English.
1	Non-user	No ability to use the language except a few isolated words.
0	Did not attempt test	Did not answer the questions.

Source: <a href="https://ielts.com.au/australia/results/ielts-band-scores">https://ielts.com.au/australia/results/ielts-band-scores</a> (with edits by Jobs and Skills Australia) Note: Scores are rounded down to fit into a score band

Table F: Links to other English proficiency tests and IELTS score conversions

Table 1. Elliks to other English prohotency tests and IEETO score conversions				
English Proficiency Test	Link			
Pearson Test of English (PTE) Academic	https://assets.ctfassets.net/yqwtwibiobs4/3Bm0RMkKoNVOo OxUe38mg4/f565a92a97e8f3cf60c5506d347dedb8/PTE_Aca demic Score Guide for Test Takers June 2023.pdf			
Occupational English Test (OET)	https://oet.com/test/test-overview/results-and-scoring			
Test of English as a Foreign Language (TOEFL) Internet Based Test (IBT)	https://www.ets.org/toefl/institutions/ibt/compare-scores.html			
Cambridge English Language Assessment	https://www.cambridgeenglish.org/scale-score-converter/			