ECONOMIC IMPACTS OF MIGRATION AND POPULATION GROWTH
SUBMISSION BY THE NORTHERN TERRITORY GOVERNMENT
(Department of Employment, Education and Training; Department of Business, Economic and Regional Development; Northern Territory Treasury and Department of the Chief Minister)

INTRODUCTION

The Northern Territory Government's submission consists of answers to selected questions from the Issues Paper, with a focus on the Northern Territory. Migration and population growth will have unique economic effects on regional areas such as the Northern Territory, some of which will not be observed at the national level. It is important to take these into account when formulating policy on migration and population growth.

It is our view that migration and population growth generally have a positive effect on economic growth and productivity in the Northern Territory. This can be seen through improving labour market efficiency and filling specific skill shortages; increasing the skill level of the population; and creating economies of scale for industry and infrastructure. Our submission also identifies areas where change is needed to realise the benefits of migration: increased assistance for migrants to engage with the labour market, improvement in the recognition of overseas qualifications and experience, and improvement in the quality of migration statistics.

INTERNATIONAL MIGRATION TRENDS

To what extent has the NT participated in international migration trends and are there any particular trends that apply to NT?

Do you think current trends will continue in to the future and if not, how and why will they change?

In response to national skills shortages, caused in part by declining birth rates and a rapidly aging population, Australia's migration program has become increasingly focused on attracting skilled migrants. In recent years there has also been an increased focus by the Australian government in influencing the dispersal of migrants in recognition of the important contribution they can make to regional development. The introduction of State Specific and Regional Migration (SSRM) initiatives aimed at attracting migrants to regional and low growth metropolitan areas by offering concessional criteria, have provided greater opportunities for smaller jurisdictions to share in Australia's migrant intake. These schemes have improved the flexibility of Australia's migration program and provide important conduits through which skilled migrants enter the Territory.

However the Northern Territory with 1% of the Australia's population attracted only than 0.5% of Australia's permanent settlers in 2003/04 and while 62.3% of Australia's permanent settlers in 2003/04 entered under skilled programs, only 26.7% of permanent settlers in the Territory were skilled. Earlier this year the Northern Territory Government launched its Business and Skilled Migration Strategy which seeks to increase the Territory's share of skilled migrants to a level proportional to its share of the nation's population.

LINKAGES BETWEEN MIGRATION, POPULATION GROWTH, PRODUCTIVITY AND ECONOMIC GROWTH

Does the stylised economic framework in section 2 adequately cover the major linkages between migration, population growth, productivity and overall economic growth. If not, what other linkages are important?

All the relevant linkages are covered. However, the framework gives no indication of the relative importance of the linkages, which may change depending on the level of analysis (national, state, local etc.).

THE IMPACTS OF POPULATION SIZE ON PRODUCTIVITY AND ECONOMIC GROWTH

What is the effect of changes in net migration flows on population size (including intergenerational effects)?

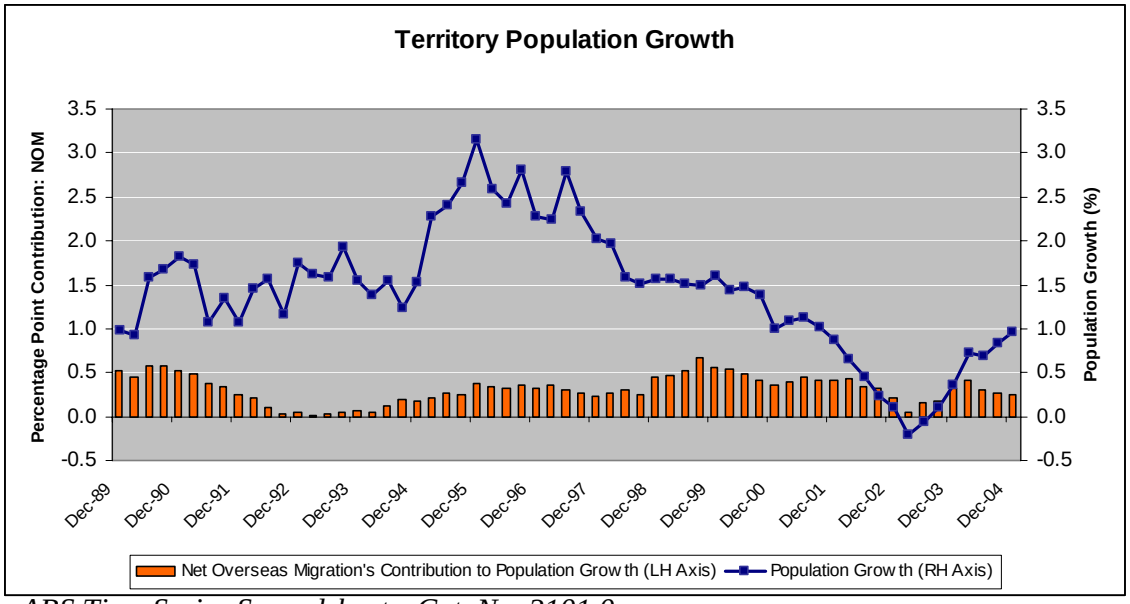
This section looks at net overseas migration (NOM) however it is important to note that not all migration to the Territory from overseas is recorded in the NOM figures. Some overseas migrants enter the country in other states and subsequently move to the Territory. These migrants would be most likely captured in interstate migration statistics. Other migrants enter on a temporary basis and seek permanent residence onshore at a later date. More information about migration data is included at the end of this document.

Net overseas migration (NOM) typically makes a small, but positive contribution to annual population growth in the Northern Territory.

NOM's percentage point contribution to annual growth has ranged from 0.01 percentage points to nearly 0.7 percentage points (Chart 1) over the period December 1989 to December 2004, an average contribution of 0.3 percentage points per year. NOM makes a positive contribution to the growth rates of all jurisdictions but is relatively more important in New South Wales, Victoria and Western Australia (Table 1).

NOM has averaged 450 persons per annum over the past 15 years to December 2004, varying from a low of 19 in March 1993 to 1268 in September 1999. The Territory's share of total Australian NOM averages 0.6% Table 1).

Chart 1



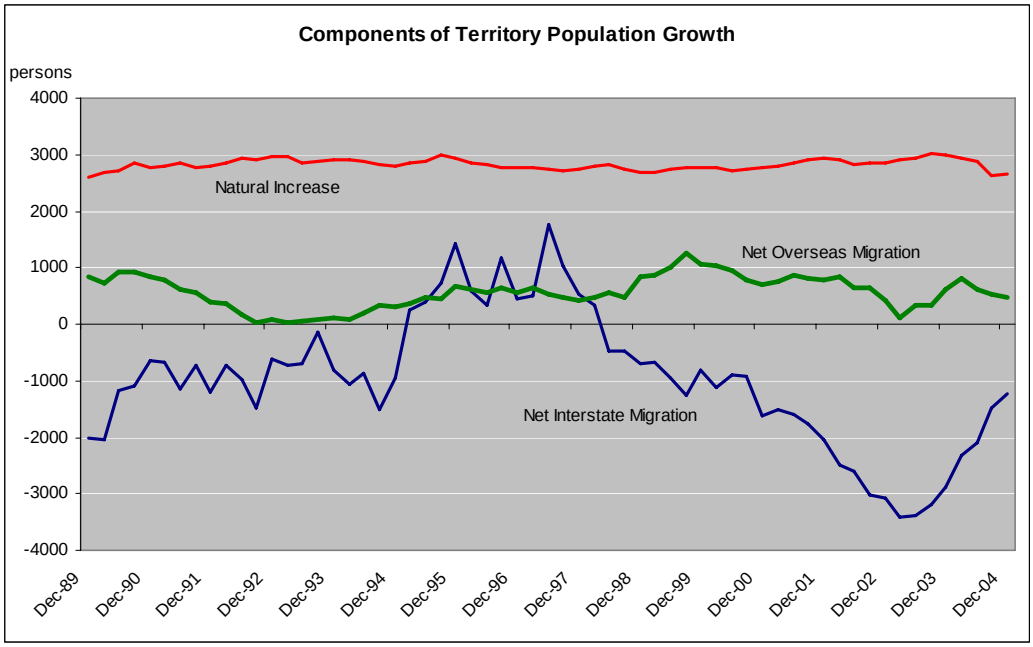
ABS Time Series Spreadsheets, Cat. No. 3101.0

Table 1 Fifteen year averages by state/territory, 1989-2004

	Share of Population (%)	Share of NOM (%)	Annual Growth Rate (%)	Percentage Point Contribution of Net Overseas Migration to Annual Growth
NSW	34	42	1.0	0.6
VIC	25	25	0.9	0.5
QLD	18	15	2.2	0.4
SA	8	3.8	0.5	0.2
WA	10	13.5	1.5	0.7
TAS	3	0.4	0.4	0.07
NT	**1**	**0.6**	**1.4**	**0.3**
ACT	2	0.04	1.1	0.06
Australia	100	100	1.2	0.5

ABS Time Series Spreadsheets, Cat. No. 3101.0

The Territory's population growth is subject to strong cyclical movements. Change in growth is largely determined by movements in net interstate migration that, apart from the period 1995 to 1998, has been characterised by net losses. Birth rates in the NT are higher than the national average and natural increase is currently the greatest contributor to population growth. Natural increase does counteract the downwards pull of interstate migration on population growth most of the time butNOM, albeit small relative to some other jurisdictions, is a an important component in maintaining positive population growth in the Territory.



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Because of the Territory's small population, changes in NOM have an important effect on population growth and the total population figure. As an example, if NOM had been zero from December 2002 to December 2004 (the choice of years is arbitrary), then all other things being equal, the total population at December 2004 would have been 199,700 or 1,100 fewer than the estimated population of 200,800 (Table 2).

Even small changes in total population can be very important for the Territory with respect to the distribution to the states and territories of GST revenues collected by the Australian government.

Table 2 The effect of changes in NOM on total population and population growth

	Actual NOM				Scenario: Zero NOM from March 2003			
	NOM	Total Population	Annual Growth (%)	NOM's Percentage Point Contribution to Annual Growth	NOM	Total Population	Annual Growth (%)	NOM's Percentage Point Contribution to Annual Growth
Dec-02	-161	198 160	0.10	0.21	-161	198 160	0.10	0.21
Mar-03	-13	197 779	-0.21	0.05	0	197 792	-0.20	0.06
Jun-03	307	198 544	-0.06	0.16	0	198 250	-0.21	0.02
Sep-03	214	198 794	0.10	0.17	0	198 286	-0.16	-0.08
Dec-03	119	198 885	0.37	0.32	0	198 258	0.05	0.00
Mar-04	173	199 200	0.72	0.41	0	198 400	0.31	0.00
Jun-04	101	199 913	0.69	0.31	0	199 012	0.38	0.00
Sep-04	140	200 449	0.83	0.27	0	199 408	0.57	0.00
Dec-04	65	200 794	0.96	0.24	0	199 688	0.72	0.00

ABS Time Series Spreadsheets, Cat. No. 3101.0

There may be numerous intergenerational effects of migration, including effects on the age structure of the population, fertility levels, effects on the composition and skill levels of the workforce, transmission of social and cultural values etc. However, there is currently insufficient data to analyse such relationships in the Territory.

The Territory Government in collaboration with Charles Darwin University has commenced a project to explore mobility of Territory residents. This will investigate the consequences of population turnover including the loss of social memory and its implications for Territory planning and development decisions.

Is there evidence that a larger population promotes productivity and economic growth?

While the size of the population may not be related to economic growth at the level of national economies, population size is important to economic growth for regional economies, especially for a small isolated population such as the Northern Territory. The reasons are all related to economies of scale: in industry, the labour market and public infrastructure provision.

The structure of the Northern Territory economy is partly determined by the size of the population. Import substitution is not possible for a number of industries as there is not the local demand to sustain significant manufacturing and service industries. Both manufacturing (3.6% of the NT economy, 11.7% of the Australian economy) and finance and insurance (2.9% of the NT economy and 7.7% of the Australian economy) sectors are relatively small compared with the Australian economy. Manufacturing and finance products are largely imported from interstate. The distance of the NT from the eastern seaboard of Australia, means that much of its product is exported, so the economy has a high exposure to the world economy, and its fluctuations. Due to these limitations the structure of the NT economy is almost akin to that of a nation on of the "periphery" of the world economy, without high value-adding activity, relying primarily on mining, tourism, government administration and defence, and fiscal transfers from the Commonwealth.

A small population and the resultant small labour force will also affect economic growth. Like many other labour markets in regional centres, labour markets in the Northern Territory are small, geographically isolated and transient. One of the major impediments to business and economic growth in regional Australia is a chronic shortage of skilled labour. This may be due to increasing returns to scale in the matching efficiency of the labour market: the larger the labour market, the greater the ability of the labour supply to meet the specific demands of employers. This is demonstrated by vacancy rates in the Northern Territory which are up to twice as high as the national rates, while unemployment is around the national average (if a Beveridge Curve were to be scetched for the Northern Territory it would be further from the origin than the Australian Beveridge Curve). Inter-regional labour market imbalances such as these are only partially corrected by wage adjustment and labour mobility mechanisms.

Recruitment of overseas skilled workers through employer sponsorship is increasingly being seen as an immediate and viable option for many Territory businesses. Increasingly businesses are seeking to sponsor skilled workers through the Temporary Entry Long Stay Business Visa, particularly in industries that are cyclical and unable to predict their labour needs far in advance.

There is pressure from within a number of industry bodies for the introduction of a guest worker scheme to allow the entry of seasonal agricultural workers and this pressure is likely to increase as labour shortages in these industries become more critical. Guest worker schemes have been operating for many years in Canada and the UK. Within the Northern Territory the horticultural and pastoral industries both experience severe seasonal labour shortages and are interested in the development of a guest worker scheme in Australia.

Do they vary for the types of immigrant (skilled and unskilled, humanitarian, etc) and between industries or geographic regions? Are these effects significant? Are these effects dependent upon the regions in which migrants settle?

Case Study –Alice Springs

Labour shortages are consistently highlighted by business as a potential impediment to business and economic growth in the Northern Territory. While this reflects an Australia wide situation, anecdotal evidence suggests that labour shortages in the Territory, particularly outside of Darwin, are broader and deeper than those in metropolitan centres. With a limited local labour market, lack of sufficient population to sustain a broad educational and training infrastructure and a traditionally transient population, the benefits of immigrants to small regional centres in the Territory can be significant.

Alice Springs provides a good example of the impact of skilled migrants can have in a regional area. Alice Springs, as with other urban centres in the Northern Territory, has an extremely transient population. At the 2001 census 20% of Alice Springs residents had lived in Alice for less than 1 year and 45% for less than five years. Both the public and private sectors in Alice Springs face difficulty in recruiting and retaining skilled and unskilled workers. Skilled migrants, particularly employer sponsored migrants (both temporary and permanent), offer employers greater stability as they have a greater incentive (linked to their visa) to remain with an employer for a fixed period of time.

Although the relative numbers of migrants settling in regional areas are low their impact on local communities can be far greater as they may fill vacancies that are vital to the basic infrastructure of the region. This is the case in Alice Springs where the ability of the town to provide health services is heavily reliant on recruitment from overseas. Skilled Migrants account for around 25% of doctors and around 10% of nursing staff at the Alice Springs Hospital (ASH). As with other employers in Alice Springs, the hospital sees the attraction and retention of staff as a major issue. Overseas staff not only fill vacancies at the hospital but also provide a more stable workforce. The hospital advises that the average retention period amongst Australian nursing staff is around 3 months while the average retention period for overseas nursing staff is around 2 years. Amongst the junior medical staff the average employment time is around 1 year for Australian employees and 2 years for overseas staff, while overseas middle and senior medical staff tend to stay for 4-5 years.

A predicted increase in the young Indigenous population of the Territory will create increased demand for social infrastructure accessed by young people, primarily health and education services often in remote areas. With staff shortages at a national level in health and education services, regional and remote areas have difficulty competing for these skills and may increasingly be looking overseas.

How does population growth affect productivity and economic growth?

While the effects of population growth on economic growth are ambiguous and debated, it is clear that the demographic implications of population growth can have a very real effect on economic growth. This has been well documented in East Asia, where a rapid demographic transition resulting in a "demographic dividend": a temporary increase in economic growth due to a temporary reduction in the dependency ratio. The NT has a higher than average labour force participation rate, partly due to its relatively young population. However, population growth in the NT arises mainly from natural increase in the Indigenous population, who are less likely to participate in the labour

force than the non-Indigenous population. This may have an effect on economic growth in the future through an increase in the dependency ratio.

THE IMPACTS OF MIGRATION ON THE COMPOSITION AND SUPPLY OF SKILLS IN AUSTRALIA

Do the skills of migrants differ from those of other NT workers? If so, how?

The skill level of migrants who arrived in the NT during any year up to and including 2001 is reasonably comparable to that of the wider NT community. The proportion of migrants in the higher skill groups Managers and Administrators, Professionals, and Associate Professionals is slightly higher than the non-migrant population, demonstrating the positive impact that migration has on skill levels.

Care should be taken when interpreting the data in the following tables, as the occupational (ASCO) group allocated to a migrant may be affected by factors other than skill level.

Table 3: ASCO classification of occupation for NT residents excluding migrants, and migrants arriving to 2001 (a).

ASCO group 1	**Non-migrants**	**%**	**Migrants (b)**	**%**
Managers and Administrators	4 861	7.4%	1 619	9.1%
Professionals	10 552	16.0%	3 735	20.9%
Associate Professionals	9 056	13.7%	2 589	14.5%
Tradespersons and Related Workers	9 060	13.7%	2 192	12.3%
Advanced Clerical and Service Workers	2 031	3.1%	524	2.9%
Intermediate Clerical, Sales and Service Workers	10 830	16.4%	2 669	14.9%
Intermediate Production and Transport Workers	4 896	7.4%	1 208	6.8%
Elementary Clerical, Sales and Service Workers	5 654	8.6%	1 435	8.0%
Labourers and Related Workers	7 159	10.9%	1 530	8.6%
Other (c)	1 820	2.8%	363	2.0%
Total	65 919	100%	17 864	100%

Sources: ABS Census of Population and Housing 2001, special data request (June 2005)
ABS Census of Population and Housing, 2001, Usual Residents dataset, URP_7 (Table U25).

Notes: (a) ABS datasets based on the Usual Residents counting methodology
(b) All Census respondents who answered that they were born outside of Australia are included in the category of "migrants".
(c) Other includes Not Stated and Inadequately Described.

Do the skills of recently-arrived migrants differ from the wider immigrant population? If so, how?

The skill distribution of recently-arrived migrants and those of previously arrived migrants are roughly similar, with the exception of an increase in the proportion of Professionals, and a slight decrease in several other classifications. Of the migrants settled at 2001, those working as Professionals comprised about 21% of the total migrant group. This compares to 33% of recent arrivals who were working in an occupation classified as Professional in their country of origin. The drive to attract more highly-skilled migrants may have increased the intake of this group.

Table 4 ASCO classification of occupation for migrants arriving to 2001 and migrants arriving 2001-04.

ASCO group	Migrants at 2001 (a)	%	Migrants arriving 2001-04 (c, d)	%
Managers and Administrators	1 619	9.1%	69	6.5%
Professionals	3 735	20.9%	348	32.9%
Associate Professionals	2 589	14.5%	111	10.5%
Tradespersons and Related Workers	2 192	12.3%	99	9.4%
Advanced Clerical and Service Workers	524	2.9%	19	1.8%
Intermediate Clerical, Sales and Service Workers	2 669	14.9%	95	9.0%
Intermediate Production and Transport Workers	1 208	6.8%	26	2.5%
Elementary Clerical, Sales and Service Workers	1 435	8.0%	45	4.3%
Labourers and Related Workers	1 530	8.6%	23	2.2%
Other (b)	363	2.0%	223	21.1%
Total	17 864	100.0%	1 058	100.0%

Source migrants at 2001: ABS, Census of Population and Housing 2001, special data request (June 2005)
ABS Census of Population and Housing, 2001, Usual Residents dataset, URP_7 (Table U25).
Source migrants 2001-04: DIMIA, Overseas Arrivals and Departures data, special data request (May 2005).
Notes: (a) ABS datasets based on the Usual Residents counting methodology
(b) Other includes Not Stated and Inadequately Described.
(c) migrants who arrived during 2000-2001, may have also been included in the Census
(d) DIMIA data based on the occupation a person was employed to in their country of origin

Table 5 provides a yearly breakdown of the occupation in which a migrant was employed in their country of origin. Increasingly inrecent years, more highly skilled migrants have been targeted, as evidenced by the proportion of migrants in the top three ASCO groups, Managers and Administrators, Professionals, and Associate Professionals. In 2003-04, 52% of migrants were employed in these three groups compared with 44% in 2000-01.

The intake of migrants to the NT that were working in the lower skill level groups such as Elementary Clerical, Sales and Service Workers, and Labourers and Related Workers, in their country of origin have remained relatively low 7% in 2000-01 and 5% in 2003-04.able 5 ASCO 1 classification of recent migrants, 2000 - 2004 (a)

NT Settlers	2000-01	2001-02	2002-03	2003-04
Managers and Administrators	13	21	7	28
Professionals	90	74	85	99
Associate Professionals	13	26	28	44
Tradespersons and Related Workers	26	19	17	37
Advanced Clerical and Service Workers	2	9	4	4
Intermediate Clerical, Sales and Service Workers	20	23	23	29
Intermediate Production and Transport Workers	10	0	4	12
Elementary Clerical, Sales and Service Workers	11	14	9	11
Labourers and Related Workers	7	4	5	7
Other (b)	72	35	58	58
Total	264	225	240	329

Source: DIMIA, Overseas Arrivals and Departures data, special data request (May 2005).
Notes: (a) DIMIA data based on the occupation a person was employed to in their country of origin
(b) Other includes Not Stated and Inadequately Described.

Are there observed generational differences in the skills of migrants? If so, can you describe these?

The most prominent 'generational' difference in skill level (based only on occupation) is the increase in the proportion of Professionals and a decline in the proportions of Managers and Administrators and Associate Professionals,when comparing the period before 1986 with the years following.Proportions have also decreased for most other ASCO groups although there has been some increase in the lower skilled groups of Labourers and Related Workers, and Elementary Clerical, Sales and Service Workers.

Table 6 ASCO group classification of occupation for migrants arriving to the NT prior to and during 2001 (a) (b)

	Before 1986		**1986 - 1990**		**1991 - 1995**		**1996 - 2001**	
ASCO group	#	%	#	%	#	%	#	%
Managers and Administrators	1 171	10.2	142	6.7	103	8.1	131	6.2
Professionals	2 235	19.4	449	21.2	263	20.6	633	29.9
Associate Professionals	1 866	16.2	262	12.4	139	10.9	228	10.8
Tradespersons and Related Workers	1 482	12.9	237	11.2	136	10.7	213	10.1
Advanced Clerical and Service Workers	382	3.3	52	2.5	30	2.4	42	2.0
Intermediate Clerical, Sales and Service Workers	1 681	14.6	356	16.8	208	16.3	307	14.5
Intermediate Production and Transport Workers	802	7.0	134	6.3	93	7.3	104	4.9
Elementary Clerical, Sales and Service Workers	823	7.2	238	11.2	111	8.7	194	9.2
Labourers and Related Workers	857	7.5	221	10.4	162	12.7	207	9.8
Other (c)	202	1.8	30	1.4	30	2.4	57	2.7
Total	11 501	100	2 121	100	1 275	100	2 116	100

Sources: ABS, Census of Population and Housing 2001, special data request (June 2005)
ABS Census of Population and Housing, 2001, Usual Residents dataset, URP_7 (Table U25)
Notes: (a) ABS datasets based on the Usual Residents counting methodology
(b) Migrants who did not include their year of arrival have been excluded from this analysis. This accounts for about 6% of total migrant arrivals to the NT.
(c) Other includes Not Stated and Inadequately Described.

Is there widespread evidence that migrants skills are not being fully utilised in the Australian labour market? If so, what are the reasons for any under utilisation of migrants skills?

Does the degree of utilisation of skills differ across industries and occupations or between highly skilled and lesser skilled migrants?

Anecdotal evidence suggests that the skills of family and humanitarian migrants are often underutilised in the Northern Territory. Many of the difficulties appear to stem from a lack of knowledge prior to arrival of the educational and professional standards in Australia and a belief that overseas qualifications will allow immediate entry into their profession on arrival. Humanitarian

and family migrants in the Northern Territory are also more likely to come from countries whose qualifications are not recognised as being of equivalent to Australian standards. In some cases highly skilled migrants, for example medical or legal professionals, face the greatest difficulties in entering their professions and they may need to undergo lengthy and costly upgrading or bridging courses. Certain trade occupations, particularly those which have registration or licensing requirements, are also difficult for migrants to enter immediately.

Is there evidence of skills transferring from migrants to other Australian workers and businesses? If so in what way are these skills transferred?

Do particular industries or occupations benefit more than others from the transfer of skills from migrants to the wider workforce?

In certain industries the benefits from employing migrants is experienced at several levels. Highly skilled migrants, particularly those with specialised skills can provide for direct skills transfer to the local labour force and introduce new technology and work practices. Exposure to an overseas workforce can raise the cultural awareness of both employees and employers and can provide businesses with a global perspective including an increased awareness of ways of conducting business internationally. Migrant workers can also offer the benefits of assisting businesses to develop international networks.

There is anecdotal evidence to suggest that in the Northern Territory, the oil and gas industry has particularly benefited from skills transfer and increased global networks provided by employing overseas skilled workers. The experiences of a Darwin based company involved in industrial testing for the aviation and oil, gas and mining industry demonstrates the potential multi level benefits that can be had through access to skills from overseas. The company initially began sponsoring workers in order to upskill its local workforce. The benefits of this are now being felt with some of the overseas workers returning home and being replaced in senior roles by the locals that they have trained. Through advertising for skills overseas the company received international exposure which has led to several overseas contracts. The company has also gained considerably from the networks of its overseas employees which have provided entry into overseas markets.

THE IMPACT OF MIGRATION ON LABOUR PRODUCTIVITY

Is there evidence that immigrants are sometimes more or less productive than other Australian workers with similar levels of training, education and experience?

Is there evidence that migrants raise or lower the productivity of other Australian workers?

Anecdotal evidence from several Northern Territory industry sources suggests migrant productivity vis-à-vis Australian workers varies between industries and occupations. There is also evidence that the maintenance and expansion of businesses in regional areas, like the Northern Territory, are almost fully reliant on sourcing skilled workers from overseas.

For example one Northern Territory employer in the motor industry reports that employment of overseas skilled workers has increased productivity by improving certainty in his operation. He reports that this certainty exists because he is no longer reliant on a limited and revolving skill pool. Further he indicates that that overseas skilled workers give him flexibility in his business that has

not existed for a number of many years and this in turn has improved his levels of customer service. In addition he indicates that while the skill levels of his overseas workers are comparable to other Australian employees, absenteeism and sick leave rates for overseas skilled workers are far lower and this positively impacts on productivity.

Advice from several employers in the Northern Territory hospitality industry suggests that overseas skilled workers significantly impact on not only their business productivity but also their business survival.

In general the hospitality industry in the Northern Territory relies heavily on skilled overseas workers. Their experience is that overseas workers are more productive and more focused on client service outcomes than their Australian counterparts. Reports suggests that there have been situations where Northern Territory businesses would have faced decisions to close their operations if they had not been able to access skilled overseas workers.

IMPEDIMENTS TO ECONOMIC GAINS FROM MIGRATION

Is there evidence of specific barriers to immigrant integration into Australian society and workforce that could be impeding the productivity and economic growth gains that can be achieved from immigration?

Is there evidence of regulatory barriers arising from, for example, the failure to recognise international qualifications or skills, or lack of appropriate professional or occupational bridging programs?

One of the major barriers facing the effective entry of migrants into the Australian workforce is the recognition of overseas qualifications and experience. Skilled people wanting to migrate to Australia independently require positive skills recognition to be eligible to lodge migration applications. This also applies to specific professions and trades for which overseas skilled workers need their skills to be recognised by an assessment body to be eligible for employer sponsorship for permanent residence e.g. pharmacists, electricians and plumbers. The skills recognition process for many occupations can be confusing, time consuming and overly bureaucratic. It is imperative for any barriers that exist for potential independent migrants with trade/professional qualifications to gain permanent residency to be removed to increase the skills pool upon which employers can draw.

There is currently a chronic shortage of skilled trades people in Australia. Given this it is important to identify ways in which trades skills assessment be made less of a barrier. Most trades skills require recognition through Trade Recognition Australia. This could be achieved through process modifications that facilitate and encourage people through the skills recognition process without lessening the occupational standards.

Recognition of Prior Learning (RPL) is another potential barrier to migrants entering the workforce. As RPL often involves a practical assessment the person must be physically present to undertake the RPL process and this often precludes potential skilled migrants from pursuing this course for skills recognition. Further RPL can also be expensive; be a viable option it must not only be accessible but also affordable.

What policy approaches are, or have been, used in other countries to improve the settlement success of migrants and reduce the potential impediments to productivity and economic growth gains from migrants?

International research suggests that migrants selected on the basis of skills tend to achieve the greatest and most immediate economic success. Migration policy in most OECD countries is increasingly centred on attracting migrants who will make the greatest economic contribution. The approaches to determining which qualities are most desirable in skilled migrants differ from country to country.

Canadian research suggests that proficiency in an official language is the single best predictor of future economic success for migrants. Canada operates a points based system for skilled workers similar to Australia's. However where the Australian points system is primarily focused on occupation, the Canadian system rewards human capital including education, official language proficiency and work experience. In Canada there is a recognition that more needs to be done to encourage industry to value and utilize the education and training that migrants bring with them and research indicates that migrants achieve greater economic success from post-arrival education and training rather than pre arrival qualifications.

Recent New Zealand migration policy, as well as focusing on attracting a larger proportion of skilled migrants, has directed increased resources towards assistance to migrants after arrival, this being aimed at improving their ability to participate effectively in the labour market. Forms of assistance that are to be implemented include individual careers and labour market guidance targeted at migrants who are not in jobs appropriate to their skills and qualifications, increased funding for English language training, establishment of national networks of migrant services and funding for the assessment of refugees qualifications.

OTHER ISSUES

Definition of "migration"

Australia's migration program has traditionally emphasised permanent settlement, however the number of long term temporary residents including temporary business entrants, students and working holiday makers has increased significantly over the last ten years and they now outnumber the number of permanent settlers arriving annually. Many of these temporary residents will at some stage seek permanent residence, and around one third of applications for permanent residence are now made onshore. Because there are significant numbers of temporary residents in Australia, and many of them work full time, they make a considerable contribution to Australia's economy. Therefore when investigating the economic impacts of migration it is important for the definition to include long term temporary residents.

In addition, people arriving from overseas on a short-term basis (less than 12 months) are not included in the Net Overseas Migration and resident population figures. However, they contribute to the service population, to output, and potentially to the Territory's productivity.

Quality and availability of immigration data

Obtaining a complete picture of overseas migration is complex. The data are collected and/or analysed by several agencies including the Australian Bureau of Statistics (ABS), the Commonwealth Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) and the NT Department of Business, Economics and Regional Development (DBERD). No one agency presents a comprehensive picture of the stocks and flows of migrants for any particular jurisdiction. Such information is useful to inform the development of policies to attract and retain migrants and therefore influence population growth.
It is not possible to describe the current stock of migrants in the Territory. The movements of migrants once they enter the Territory and whether and why they remain in the Territory after gaining permanency are unknown. No statistical tracking of migrants is conducted. There could be many reasons for decisions on where migrants choose to settle such as location of other family or community members, job opportunities, lifestyle and climate, but little is known about this.

It is also difficult to obtain complete data on arrivals and departures. Net Overseas Migration (NOM) explains growth in the resident population but does not provide information on inward and outward flows of people. Permanent and long-term arrivals consist of Australian residents returning home as well as immigrants coming to Australia for the first-time, New Zealand citizens, long-stay temporary business and skilled entrants and overseas students. Permanent and long-term departures include overseas-born emigrants returning to their country of birth, and Australian-born people seeking employment opportunities abroad. Understanding these groups is important. For example, the numbers of permanent arrivals who are granted visas off-shore (such as skilled migrants) are linked to national quotas set and driven by federal policy. The Territory's share of the national quota depends partly on its ability to attract and retain these people. The data to understand these groups may be available but it is currently not in a consistent, transparent, informative or easily accessible format.

Measurement of overseas migration presents some difficulties. Arrival and departure information is based on passenger travel cards on entering or leaving Australia. Travellers are asked to state their intentions on length of stay and where they intend to reside or from where they are leaving. Those stating that they intend to stay/leave either permanently or long-term (at least 12 months) are counted in net overseas migration statistics. However, travellers may change their mind as to length of stay and/or location. For example a migrant may disembark at an interstate port and intend to settle in that state but may then move to settle in the Territory. This migrant will not appear in overseas migration statistics for the Territory. Some adjustments are made by the ABS for differences between intentions and actual behaviour but the process of adjustment is complex. This complexity is likely to affect the accuracy of overseas migration statistics but the extent of this ambiguity is unknown.

Statistics on overseas migration are not currently presented in a transparent, informative or easily accessible manner. Analysis of NOM would be greatly assisted by the availability of one statistical resource that used a consistent method and format to present summary information for each state/territory. This will still not solve the problem raised above, relating to the long-term tracking of migrants, but will give a clearer picture of the size and composition of migration flows.

There are also more specific problems in trying to determine the skills of migrants. DIMIA employment data is based on the Overseas Arrivals and Departures immigration information completed at immigration points into Australia. The ASCO group assigned for a migrant is based on the description of the occupation provided, which is the main occupation in which a migrant was employed in their country of origin. DIMIA data collected are specific for the NT in so much as the respondent answers that they are 'intending to reside in the NT'. The information provided

investigates those persons who are employed. People who arrive that have not been in the workforce in their country of origin are not included in this analysis. These persons accounted for between 45-50% of intakes to the NT each year.

Census data on migrant skills can also be misleading. ABS employment data is based on counting methods used to calculate the Usual Residents dataset. The ASCO group assigned for a respondent to Census is based on the description of the occupation given, which was the main occupation a respondent was employed in during the week prior to Census. This occupation may not necessarily reflect the level of skills (or experience) of the migrant, as factors such as proficiency in English and/or various barriers to employment (such as licensing, recognition of their qualifications, Australian working experience etc) may affect a migrant's ability to gain work in the occupation for which they have trained (these issues are well documented and references can be provided, if necessary). Thus, ASCO 1 data collected through Census may not provide a good indication of the skill level (or of skill specialisation or experience) of a migrant and care should be used in drawing conclusions from this information.