

Worsening employment outcomes for Pacific technical graduate job-seekers, and one possible solution

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Today's presentation based on

- A Discussion Paper “Worsening employment outcomes for Pacific technical graduate job-seekers” (DP 91, Feb 2021)
- A Policy Brief “Helping APTC trades graduates to migrate to Australia under the TSS”

Go to <https://devpolicy.crawford.anu.edu.au/publications/> for more.

Structure

- Introduction, data and method
- Key results
- Explaining the results
- Gender dimensions
- Conclusion
- The TSS solution

Introduction, data and method

Introduction

- APTC major aid initiative
 - Set up in 2008
 - \$350 million
 - More than 15,000 graduates with Australian qualifications
- APTC set up to address skill shortages and labour mobility
- Labour mobility hasn't happened; what about employment outcomes?
- APTC has conducted GTSs (Graduate Tracer Surveys) each year since 2009. We use results for nine years (2011-2019) to assess employment outcomes

Job-keepers and job-seekers

- Job-keepers: those APTC graduates who have a job to return to
- Job-seekers: those APTC graduates who need to find a job.
- Since we are looking at how many APTC graduates can find a job before the tracer survey, it makes sense to look only at the job-seekers.
- Analogy: testing a cure for cancer. If you want to know how effective a cancer cure is, test it only on those people who have cancer.

APTC GTS numbers

Table 1: Number of GTS respondents: total, job-seekers and job-keepers

GTS year	All	Job-seekers	Job-keepers	Share of job-seekers
2009	35	25	10	29%
2010	248	167	81	33%
2011	609	419	190	31%
2012	407	277	130	32%
2013	346	217	129	37%
2014	480	260	220	46%
2015	443	253	190	43%
2016	1,550	775	775	50%
2017	522	254	268	51%
2018	723	353	370	51%
2019	895	468	427	48%
Total 2011–2019	5,975	3,276	2,699	45%

GTS quality

- Response rate variable, and often over 50%.
- No reason to think there are changes in bias over time
- Best data we have
- Focus on trends more than levels

Table 2: APTC Graduate Tracer Survey (GTS) response rates (%)

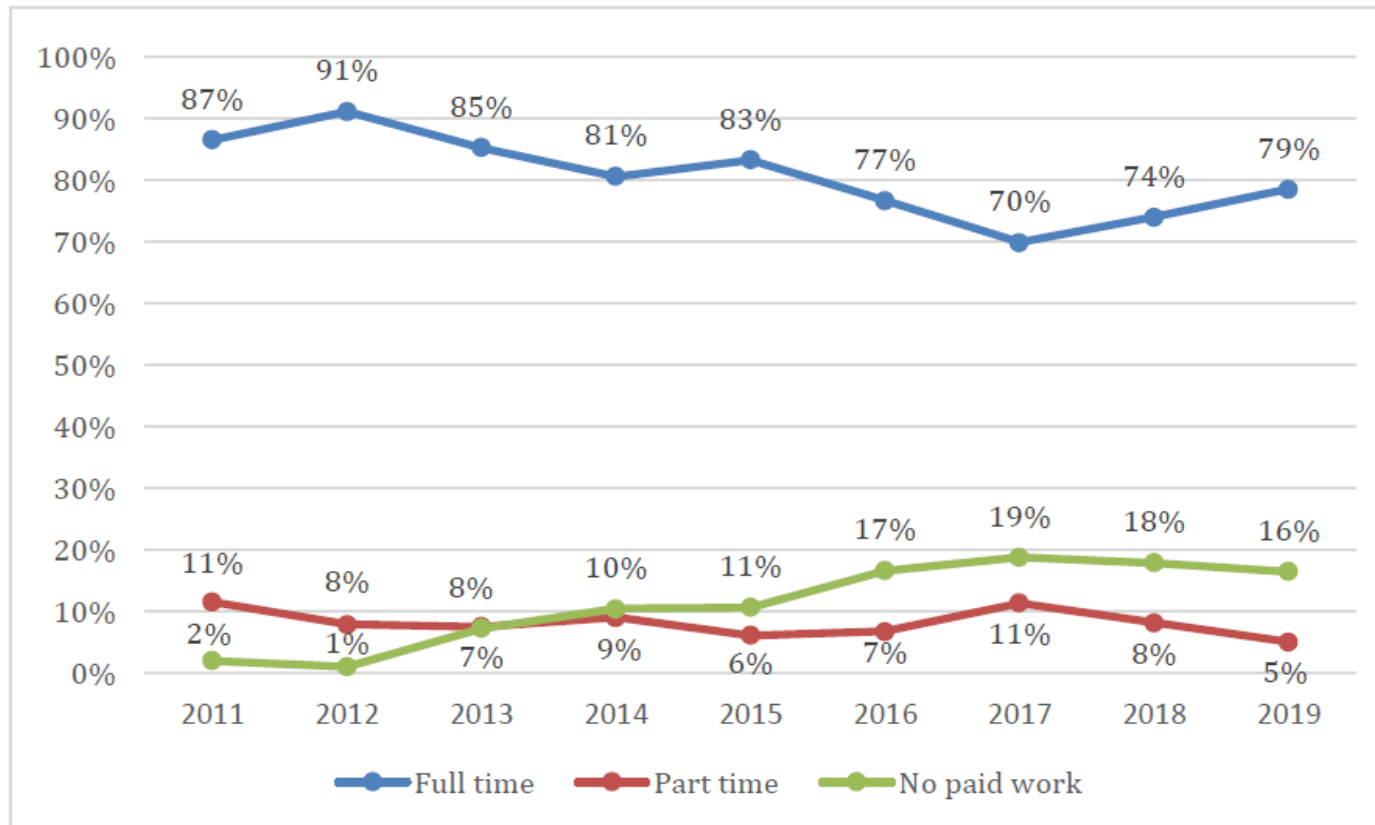
	2012	2013	2014	2015	2016	2017	2018	2019
Reported response rate	39	50	50	41	50	91	56	56

Source: APTC GTS reports

Key results

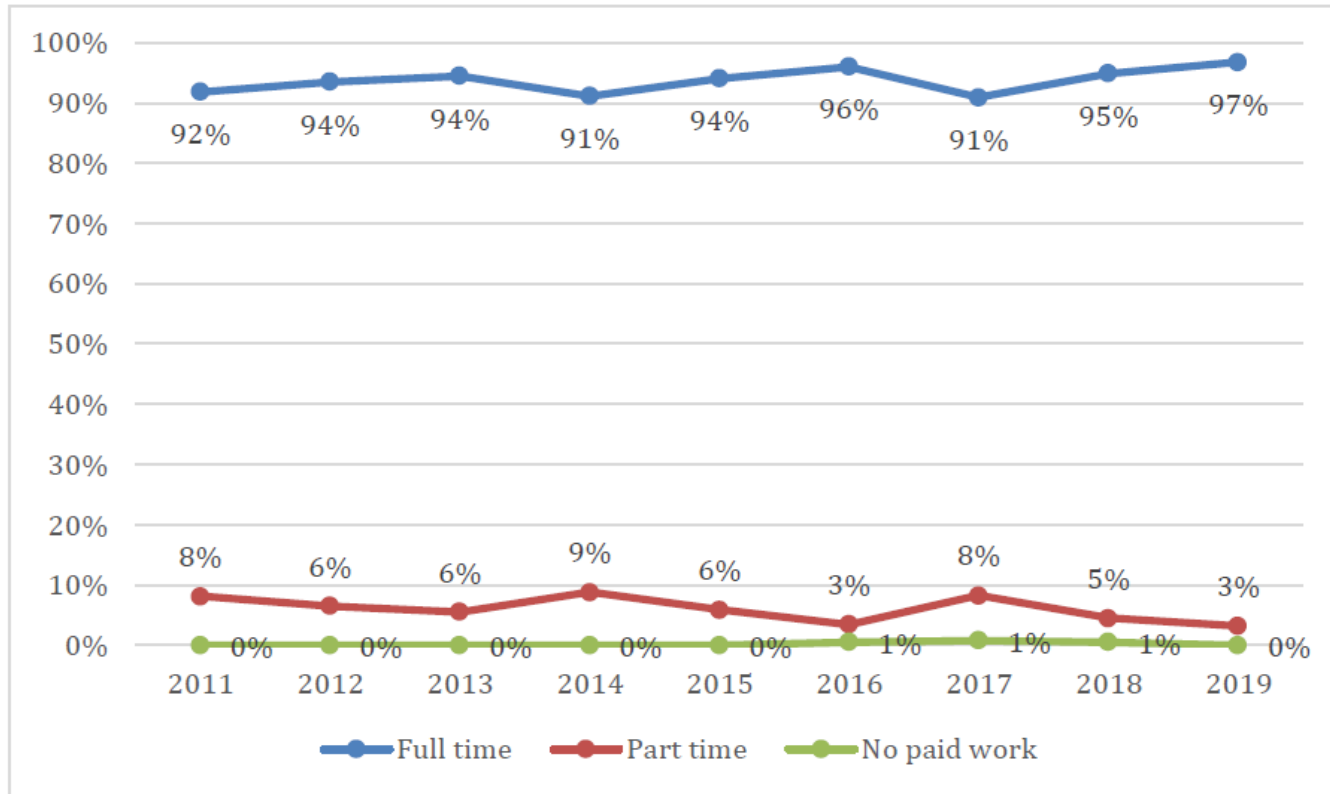
Looking at the results for all graduates

Figure 1: Employment outcomes for all graduates (job-seekers and job-keepers), 2011 to 2019 (%)



Job-keepers only

Figure 3: Employment outcomes for job-keepers, 2011 to 2019 (%)

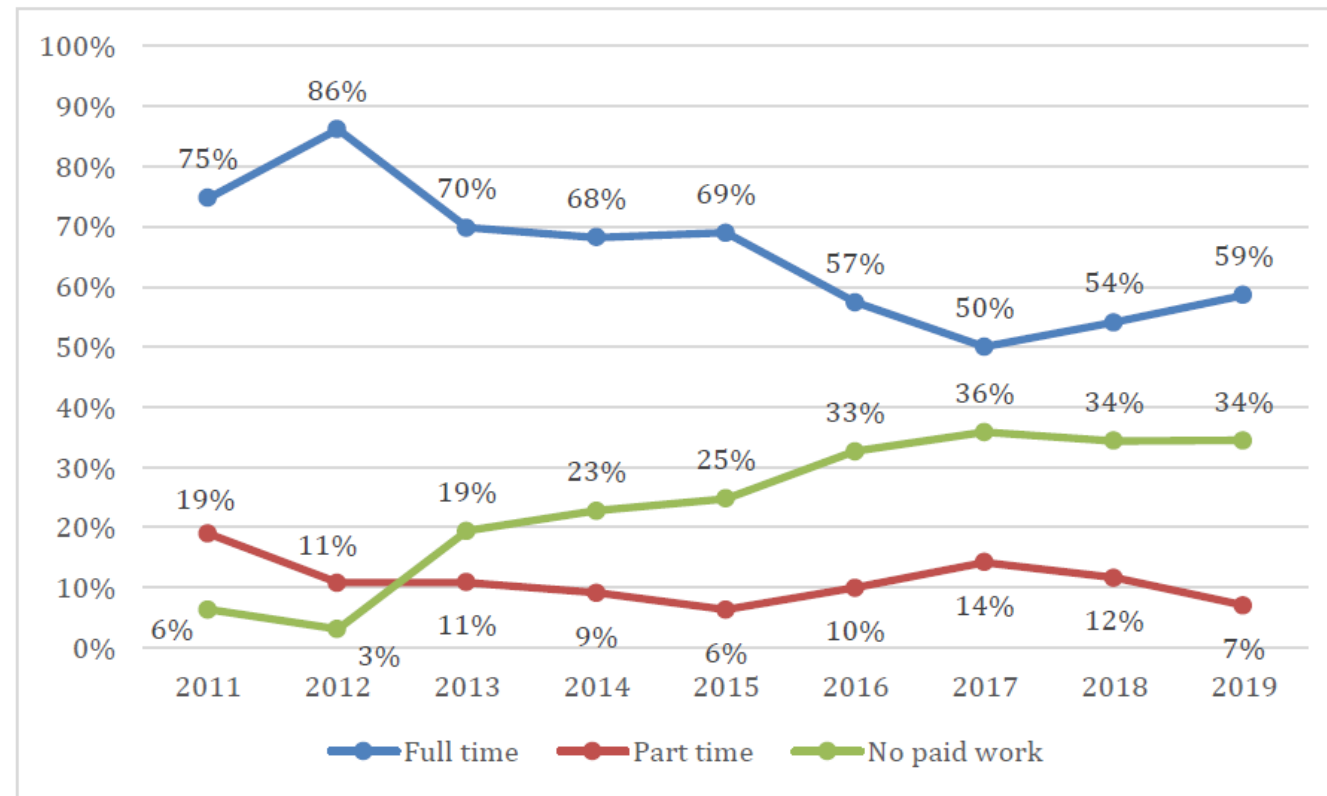


These results not meaningful (like saying a cancer drug is 100% successful on non-cancer sufferers) so we do not pursue further

The small numbers in “no paid work” are volunteering with their employer.

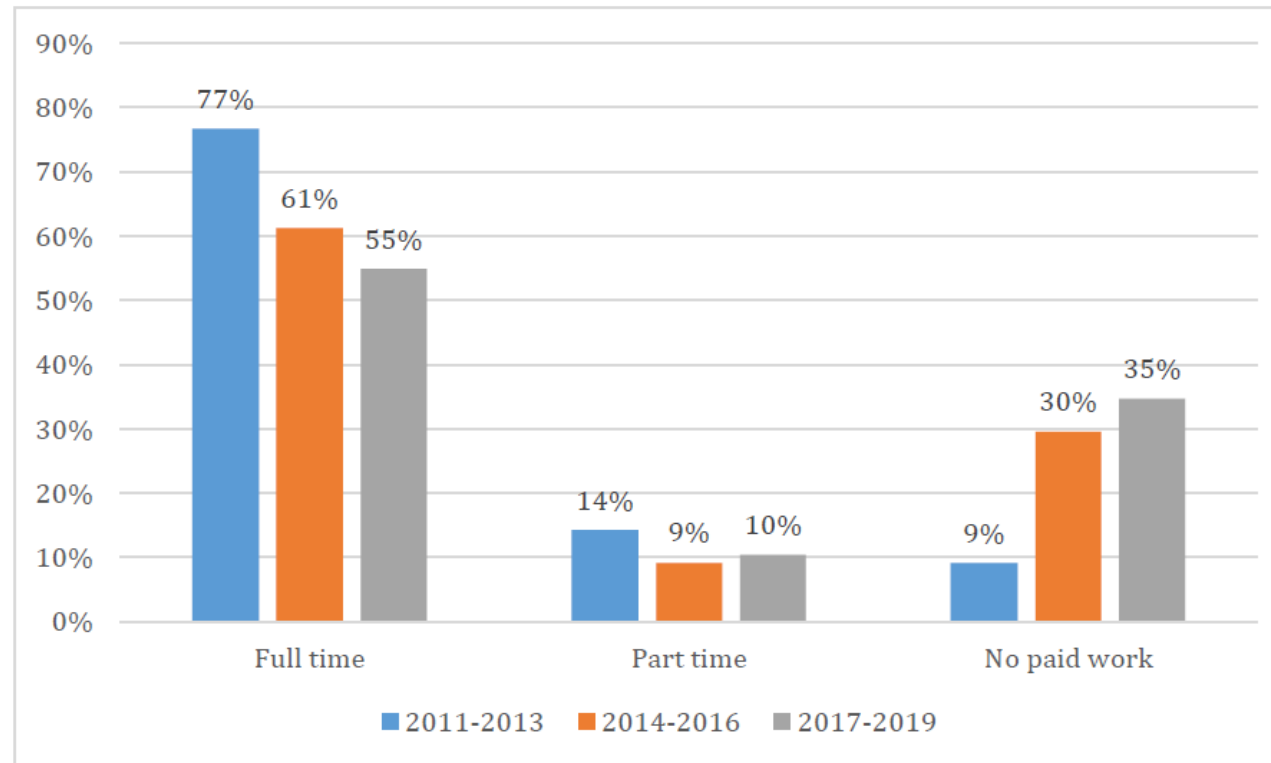
Job-seekers only

Figure 4: Employment outcomes for job-seekers, 2011 to 2019 (%)



Job-seekers: three-year averages

Figure 5: Employment outcomes for job-seekers, 2011 to 2019, in three-year averages (%)



Job-seekers: by country

Table 3: Employment outcomes of job-seekers by country of residence (%)

	2011–2015				2016–2019			
	Full time	Part time	No paid work	N	Full time	Part time	No paid work	N
Fiji	70%	12%	18%	252	62%	6%	32%	655
Kiribati	71%	16%	13%	31	54%	14%	32%	79
PNG	75%	10%	16%	173	49%	9%	43%	373
Samoa	85%	5%	10%	129	67%	3%	30%	238
Solomon Is	56%	18%	26%	91	41%	25%	34%	265
Tonga	71%	12%	18%	34	55%	18%	27%	33
Vanuatu	77%	11%	12%	119	54%	13%	32%	157

Individual qualification examples

Table 6: Employment status of job-seekers in 2011-2019 by select qualifications (%)

Course	Stage	Full time	Part time	Not in paid work	Total
C3 in Individual Support (Ageing, Home and Community)	2	23%	7%	70%	117
C3 in Community Services	2	33%	28%	39%	36
C3 in Early Childhood Education and Care	2	37%	16%	47%	51
C4 in Youth Work	2	40%	18%	42%	103
C4 in Disability	2	49%	9%	43%	35
C3 in Hospitality	1	55%	5%	40%	242
C3 in Engineering - Fabrication Trade	1	63%	13%	24%	150
C3 in Carpentry	1	64%	15%	22%	218
C3 in Commercial Cookery	1	65%	8%	28%	206
C3 in Light Vehicle Mechanical Technology	1	67%	6%	27%	168
C4 in Training and Assessment	1	67%	9%	24%	103

Explaining the results

Possible explanations

- Changing composition of degrees
 - APTC diversified away in its second stage from traditional trades qualifications

Table 4: The share of graduates with Stage 2 qualifications (%)

	All	Job-keepers	Job-seekers
2011	0%	0%	0%
2012	0%	0%	0%
2013	6%	6%	5%
2014	19%	22%	15%
2015	18%	17%	20%
2016	21%	22%	19%
2017	27%	30%	25%
2018	37%	48%	27%
2019	41%	52%	29%
Total	22%	24%	19%

- Falling demand for the same degrees

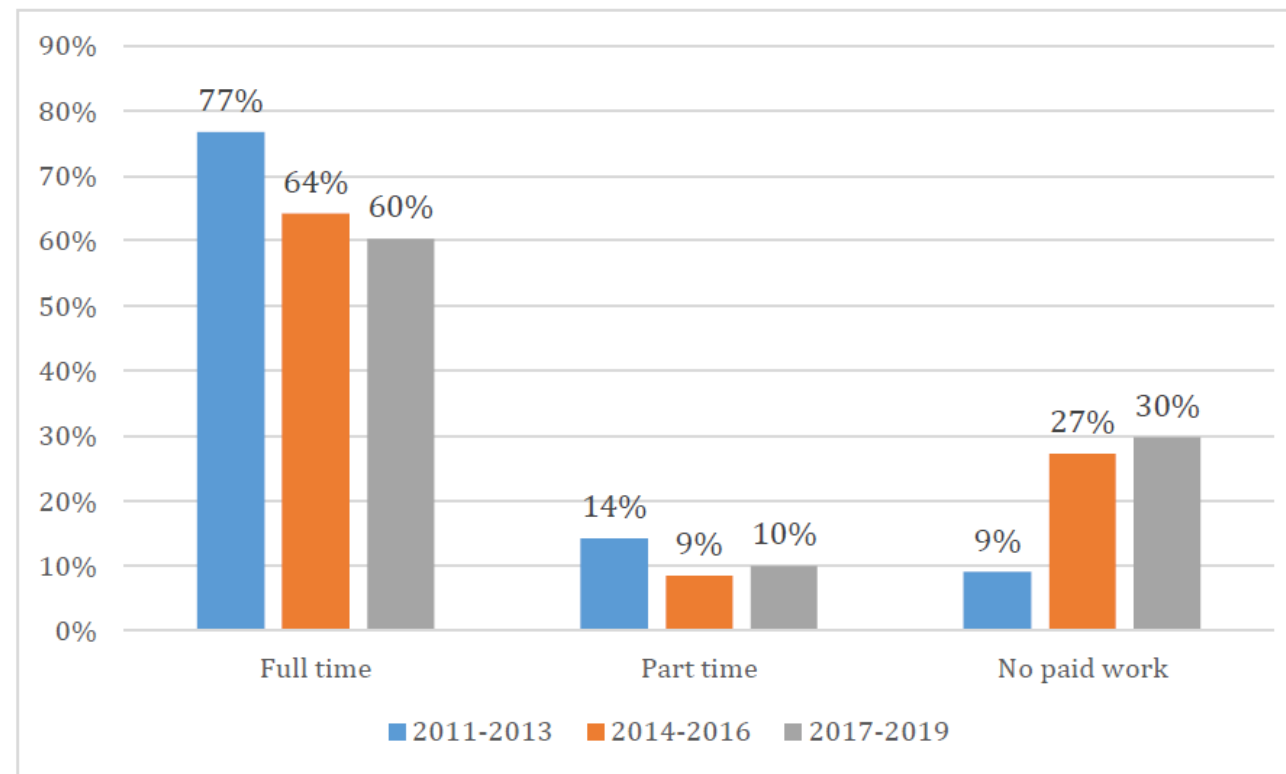
Changing composition worsened employment outcomes

Table 5: Employment outcomes for job-seekers with Stage 1 and Stage 2 qualifications, 2011–2019

Qualification	Full time	Part time	No paid work
Stage 1	65%	10%	25%
Stage 2	44%	12%	44%

But outcomes worsened even for the original occupations

Figure 7: Employment outcomes for job-seekers with Stage 1 qualifications (%)



This is the dominant factor because the majority graduate with Stage 1 qualifications (80%)

Deeper explanations

1. Oversupply of graduates
2. Worsening quality
3. Longer job search time

Gender dimensions

Gender analysis (2015, 2017-19)

Table 9: Gender disaggregation for 2015 and 2017-2019 combined

	Share of female graduates in ...			Composition by qualification type		Employment rates among graduates			Sample size
	Paid emp't	Not in paid work	Graduates	Male	Female	All	Male	Female	
All graduates									
All qualifications	41%	49%	42%	100%	100%	84%	86%	81%	2578
Stage 1	26%	36%	28%	83%	44%	85%	87%	81%	1717
Stage 2	70%	72%	70%	17%	56%	81%	82%	81%	861
Job-seekers									
All qualifications	33%	49%	38%	52%	44%	67%	72%	57%	1252
Stage 1	23%	36%	26%	88%	51%	72%	75%	62%	922
Stage 2	73%	71%	72%	12%	49%	52%	51%	53%	330

Note: Under 'Composition by qualification type' the percentage in the row 'All qualifications' under 'Job-seeker' is the share of job-seekers in all graduates. The employment rate is the share in full-time or part-time paid work.

Summary of gender findings

- Female graduate job-seekers have worse employment outcomes than their male counterparts
 - Worse in traditional (Stage 1) occupations
 - More in non-traditional (Stage 2) occupations, which have worse outcomes than Stage 1.
- Stage 2 qualifications introduced for reasons of gender parity
 - But we should be looking at outcomes (jobs) not outputs (degrees) to judge gender parity, and more generally.
- Also a good example of why not to include job-keepers in the analysis.
 - If you do, you miss all of these points.

Conclusion

Conclusion

- Not a comprehensive assessment of APTC, but an assessment of a key aspect of performance: employability or employer demand
- Casts doubt on brain drain received wisdom
- Solutions
 - Rethink qualifications
 - Publish course-specific and country-specific data
 - Increase size of GTS
 - Track graduates further down the road
 - Promote labour mobility
 - 2019 APTC end-of-course survey, 90% of APTC graduates intend to seek work overseas

The TSS solution

Temporary Skills Shortage (TSS) visa

- Most common pathway employers use to engage foreign skilled workers.
- About half of APTC's graduates have a TSS qualification and work experience (about 6,500)
- Over last five years, only 235 out of 31,127 TSS visas have gone to the Pacific.
- Solution: Get more APTC graduates into the TSS

Why TSS not PLS?

- No regional restrictions.
 - In last 5 years, only 20% of TSS visas in regional areas.
- PLS is proving itself to be a low-skill visa
- TSS a low hassle visa

Why now?

- COVID-19 and the Pacific advantage
- Australian and Pacific recovery together

Why APTC graduates?

- Most want to work overseas – women and men
- But few APTC graduates have actually migrated
- Increasing difficulties of finding a job at home

What about brain drain?

- Given falling levels of employment of job-seekers not an issue
- Lots of TSS occupations have 4-year limits
- Need to build up the Pacific diaspora
- Can restrict APTC assistance to non-sponsored students/away track

Why aren't Pacific/APTC graduates being hired into the TSS?

- 66% of Skill Level 3 TSS migrants hired within Australia.
 - The Pacific lack working-holiday visas and do not send many students to Australia, so they miss out on on-shore hiring opportunities.
- When employers hire off-shore they go to big markets
 - 37% of off shore hires from the Philippines.

How to create Pacific pathways into the TSS?

- Option A: With policy change
 - Working holiday visas for the Pacific
 - Subsidised study opportunities
 - Placement opportunities in Australia
- Option B: Without policy change
 - Subsidise employers to visit APTC
 - Subsidise visa and related costs (e.g. skills assessments)
- Our recommendation
 - Try both, but Option B can start immediately. Shift APTC resources away from processing students towards getting students into (overseas) jobs.

Thank you.

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